

REPORT

of the first annual

GENERAL SERVICE CONFERENCE

of

ALCOHOLICS ANONYMOUS

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Hotel Commodore, New York City

April 20-21-22

1951

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(For use by *members of* the Conference
and State and Provincial Committeemen)

General Service Conference • 1951

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"THE SENSE OF THE MEETING"

"Genuine faith," a thoughtful spiritual leader tell us, "is more than Insight, It is always the beginning of action.' It is propulsive. It fortifies the will. It begins as an experiment and ends as an experience."

The first General Service Conference of Alcoholics Anonymous fulfilled each particular of that definition. It was an unbounded expression of faith in the future of A.A.

The Conference reflected the insight of the earliest members into the crucial problems of continuing A.A. unity, continuing service to individuals and groups already in A.A. -- and the compelling need to reach and help "the million who still don't know."

The Conference was, in truth, the beginning of action, designed to preserve and strengthen A.A. This constructive action was expressed in two ways. -Through the Conference, the founders and their friends, who have sustained A.A. from the beginning, delivered to the membership the legacy of service which began in Akron, Ohio, sixteen years ago. Through the Conference, the total membership is acquiring new knowledge of, and responsibility for, this legacy.

Without question, the Conference was propulsive and fortified the will. Time and again, the thirty-seven delegates from all parts of the United States and Canada revealed the forward thrust of their thinking, their desire to be about the business of helping to insure A.A.'s survival, Their will to action was stirred and strengthened by their participation in this unique gathering.

The Conference which began as an experiment in faith was, at the conclusion of the three-day session, most assuredly an experience in faith.

One other characteristic which dominated the meeting deserves special attention. It was the consciousness, expressed repeatedly, of 'the delegates' overwhelming sense of responsibility to the Assemblies which had selected them.

Coupled with this was an awareness that the 1951 Conference represented only the first "panel" of A.A. areas. Disposition of a number of problems was deferred until next year when representatives of the second panel will join the Conference.

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"NOT TO GOVERN---BUT TO SERVE"

The General Service Conference was evolved not to govern A.A. in any sense but to serve the entire movement. The Conference serves A.A. by assuming responsibility for basic direction of the General Service Office in New York and by advising the Alcoholic Foundation, the custodian of A.A. policy and tradition at the national level.

To perform these services well, delegates to the first General Service Conference required increased knowledge and understanding of the following:

1. The history and development of A.A. services from the beginning, including the relationship between the Alcoholic Foundation, the General Service office and the "A.A. Grapevine," our monthly Journal.
2. The nature and scope of the services now rendered by the General Service Office.
3. The nature and scope of services rendered by the "A.A. Grapevine."
4. How the various A.A. service agencies are financed, and the present financial status of each agency.

Detailed reports on these and related factors were presented by Bill, by Mr. Bernard Smith (a non-alcoholic), Chairmen of the Board of Trustees of the Alcoholic Foundation, by the Editor of the "Grapevine," by the Chairman of the General Service Committee and by the certified public accountant who audits the books of the various A.A. service agencies.

These reports occupied the four Conference sessions on Friday and Saturday.

At the concluding session Sunday afternoon, the delegates were then able to reach agreement on a number of problems submitted for formal consideration.

HISTORY OF A.A. SERVICES

(The following summarizes Bill's talk at the opening session of, the Conference Friday afternoon).

Development of A.A. services at the national level has followed closely the pattern that is familiar in a typical local A.A. group,, Bill said.

In the local group, there is first a "founder." The founder and his friends, in the early days of the group, constitute a self-appointed, service committee that does the various chores that have to be done in a new group. For a time this committee in effect "runs" the group. It programs the meetings. It arranges for refreshments, And it coordinates Twelfth Step work.

As the group increases in size, the newer members usually put to work the principle of rotation in handling group affairs. They select a service committee, which may or may not include the founder and his friends. They change the committee at regular intervals.

Whereas in the beginning responsibility for group services rested with a small number of self-appointed workers, this responsibility had now been shifted to the membership of the local group as a whole.

This is a natural and logical development, Bill pointed out. The same processes have been at work in A.A. at the national level and the time has now come when responsibility for national services can similarly be turned over to a rotating committee representing the membership as a whole. The General Service Conference is the tool for accomplishing this.

The first approach to the problem of providing national services was made in 1937 when A.A. was in its third year, and as yet nameless. In those days, Bill said, the first members were inclined to think in terms of a great plan for many hospitals, rest homes and professional literature.

Mr. John D. Rockefeller became interested in the budding movement and sent a representative to investigate work being done in Akron. The report which followed seemed completely encouraging. It recommended subsidizing the movement, the purchase of a hospital and the allocation of money for the preparation of a book.

Mr. Rockefeller listened to the report with great interest. Then he spoke the words that, according to Bill, saved the destiny of A.A. "I amterribly afraid money will spoil this," he said. This wise decision was crucial to the growth of A.A. "It saved us from professionalism."

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HISTORY OF A.A. SERVICES (Continued)

The founders and their friends next decided to set up the Alcoholic Foundation, "essentially an incorporated self-appointed committee."

The need for a book still dominated the early members' thinking. Work was begun and there was great elation when a commercial publisher became interested to the extent of offering Bill a \$1,500. "advance payment." Then followed another decision of great importance to the future of A.A. services. That decision was to form a publishing company to produce the book as the property of the movement, rather than thorough conventional publishing channels,

Thus Works Publishing, Inc. was formed with 600 shares of stock---" par value" \$25.---200 shares held by Bill, 200 by another early member and 200 distributed among less than 100 alcoholics. Approximately \$4,500 was raised, largely due to encouragement from the editors of a national magazine who indicated they would publicize the movement and the book when the latter appeared. Five thousand copies of the book were printed, following which the aforementioned editors announced they had decided not to handle the story after all.

Thus 1939 was one of the low points in the development of A.A. services. Bill and Lois were forced out of their home. Works Publishing was "stuck" with nearly 5,000 books. Only the appearance of a story in Liberty magazine suggested that the movement might survive and go forward. About 800 inquiries resulted from the Liberty article.

At this point Mr. Rockefeller held a dinner which had two important results. It raised \$3,000 which was divided for the "upkeep" of Bill and Dr. Bob. And it resulted in widespread favorable recognition for the movement.

An office was set up---the first national service office---to handle the growing stream of inquiries. Ruth H., the first secretary, was supported out of income from the book.

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HISTORY OF A.A. SERVICES (Continued)

The turning point in A.A. came with the publication of Jack Alexander's "Saturday Evening Post" article in April, 1941. Thousands of inquiries swamped the office, inquiries which could not be handled adequately with funds available at the time. Because of this, the first solicitation letter was then sent to the groups, suggesting that one dollar per year per member be sent to the Foundation for its service activities.

Now the Foundation became the custodian of two kinds of funds, General Funds (from the sale of the book and from the Rockefeller dinner) and Group Funds (contributed by individual members through the groups). A rigid policy, continuously enforced, provides that Group Funds can be used only for service to groups and for the development of new groups.

It also became clear at this stage in the growth of A.A. services that the book should not be controlled privately. Bill and the other early members each turned over to the Foundation their blocks of 200 shares of Works Publishing, Inc. A loan from Mr. Rockefeller enabled the Foundation to buy up the remaining 200 shares in the hands of 49 other alcoholics.

In the early Forties, Works Publishing, Inc. was also the A.A. service office. Operations were supervised by various Committees of the Foundation, a procedure that soon became unwieldy.

Today a seven-man General Service Committee supervises the General Service Office. The Trustees of the Foundation elect four of their members to serve. Others on the General Service Committee are the President of Works Publishing, Inc., the Editor of the "Grapevine" and the senior general secretary of the General Service Office. (An outline of General Service Office activities appears later in this report).

The various loans made by Mr. Rockefeller have been repaid and the Foundation no longer accepts funds from outside A.A. On several occasions the national services of A.A. have been "saved" by the prudent reserve maintained by the Foundation, which has also subsidized the "Grapevine."

Through the General Service Conference, A. A. as a whole is now brought into the picture. The Conference is a "high rotating committee" in whose hands has been placed responsibility for A.A.'s worldwide services - assistance to the groups, public relations, preparation and distribution of literature, foreign propagation and other activities.

"This is your legacy of service. Guard it carefully. We hope you will like the stewardship we have given you."

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 THE ALCOHOLIC FOUNDATION

(The following summarizes the talk by Mr. Bernard Smith (a non-alcoholic), Chairman of the Board of Trustees of the Alcoholic Foundation, at the evening session Friday)

The work of the Alcoholic Foundation can perhaps be illustrated best by describing some of the specific problems with which the Trustees have had to deal in recent years, Mr. Smith said.

One problem involved possible unauthorized use of the name "Alcoholics Anonymous." To protect the name, it was decided to incorporate in the various states. The question then became: "What would be incorporated?" Since a majority of the Trustees are non-alcoholic, the Foundation is not really A.A. It was suggested the problem might be solved through a special incorporation by Act of Congress. To this, the lawyer studying the problem reported that if A.A. ever had to sue, inevitably the suit would have to be brought in the name of the Foundation.

This posed the related problem of whether or not A.A. should ever go into court. A number of the Trustees feel strongly that it should not. It is felt that a new Tradition on this policy matter is now developing as a guide for future action.

The question of whether or not to accept gifts also had to be considered by the Foundation, as the only custodian of traditions and policies up to now.

The motion picture industry's interest in A.A. has similarly produced specific problems no other agency was prepared to cope with. Delicate but firm negotiations with a major studio during the past year were successful in preventing unfortunate exploitation of A.A., Mr. Smith pointed out.

The decision to establish the General Service Conference itself could have emerged only following careful analysis by the Foundation. Four years ago, when the Conference was first proposed, it was approved in principle by only a single vote. The Trustees properly agreed, in view of the obvious division of opinion, that action should be deferred. Although there has never been complete unanimity on the matter, the Conference was finally established "because we need you, on behalf of the total membership, to tell us where we shall go and how we shall go."

While the Trustees of the Foundation are theoretically self-perpetuating, the time has come to change---to adopt the basic principle of rotation which is important to A.A.'s survival and growth. It is important that there be no basic pride of office. "Even the pleasure of serving can become a proprietary right,"

"When we know predominantly what we want to do, let's do it. When we are not quite sure, let's wait."

"THE GRAPEVINE"

(The following summarizes the text of the slide presentation by the Editor of the "Grapevine" Saturday morning)

The story of the "A.A. Grapevine" is a typical A.A. story. The "Grapevine" was created to meet a need for a publication that would reflect and describe the development of the movement.

In 1944 a few A.A.'s in the New York area recognized this need and produced the first issue, intended for circulation locally. About 1,200 copies of the first number were printed, many of them reaching GI's throughout the world. Today, seven years later, circulation is pushing **25,000**.

In 1945, local groups throughout the country were polled to determine if they favored making the "Grapevine" a national publication. They did. The magazine was then incorporated, to meet certain legal requirements. At this stage, the publication was LIFE-size, with **8-12** pages monthly.

The "Grapevine" went "pocket-size" in **1948**, becoming easier to handle, easier to read, with a completely anonymous cover. It now had **36** pages. A year later further improvements were made. A more modern, more flexible printing process was adopted. Topflight A.A. artists, typographers and layout experts helped make the publication more attractive. The number of pages was increased.

Today editorial and business policies are decided by a five-man Board of Directors, including two Trustees of the Alcoholic Foundation. The Foundation makes up deficits incurred by the "Grapevine" but has no control over its editorial policy.

The value of the "Grapevine" and its importance to A.A. as a whole can be suggested by some of the specific ways it serves the recovery program:

1. It is A.A.'s reporter worldwide
2. It is an A.A. Forum
3. It helps newcomers
4. It inspires "good" meetings
5. It supports the "lone" A.A.

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 "THE GRAPEVINE" (Continued)

Early issues of the "Grapevine" were produced and mailed by a 100-per-cent volunteer crew, working evenings and in spare time. As circulation grew, the mechanical problem of getting out thousands of copies a month made it necessary to hire a small number of non-alcoholics, largely on the business side. On the editorial side, only the managing editor, a non-alcoholic, is paid. The editors, staff writers, artists and proofreaders are A.A.'s who contribute freely of their time.

The "Grapevine" operates at a deficit. Income from circulation has increased---but these monies have been used for quality printing, more engravings for better art work, more attractive layouts---and a bigger magazine.

As a service to all A.A.s---and to prospective A.A.s--the "Grapevine" is not expected to produce a profit. But the money to make up deficits has to come from somewhere. Up to now it has come from the "General Funds" reserve of the Alcoholic Foundation. We must, however, face the fact that it may no longer be prudent or possible to deplete the Foundation's reserves in this manner.

There are *several* possible solutions to this problem:

1. The quality of the magazine can be reduced
2. The format and number of pages can be reduced
3. The price can be raised
4. An increase in circulation can be promoted, to the point where income will equal outgo.

"The ultimate decision properly lies within the province of A.A.'s total membership. The "Grapevine" is their magazine."

During the informal discussion that followed, these points were discussed:

1. The present circulation is in excess of 23,000---14,000 in individual subscriptions and 9,000 in "bulk" orders.
2. An increase of 9,000 to 10,000 would be *necessary to put* the "Grapevine" in the black.
3. The staff would welcome a greater number of editorial contributions from the groups.
4. About 6,000 copies of the Dr. Bob memorial issue are still available, as are several thousand copies of other back numbers.

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"THE GRAPEVINE" (Continued)

5. It was agreed that group secretaries might be in a position to accept help in the matter of publicizing the "Grapevine" and handling subscriptions.

On three separate informal votes, the delegates said they believed an increase in price of the "Grapevine" would result in a circulation decrease. They further indicated they thought it possible, with moderate promotion, to get an increase of 10,000 in "Grapevine" circulation in the next 18 months. It was acknowledged, however, that an increase in price might be inevitable, even with a substantial increase in circulation.

To help increase circulation, the "Grapevine" editor agreed to furnish, upon request, figures on total subscriptions by areas and lists of "expiring" subscribers. The renewal rate on subscriptions is about 55%, he said.

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 THE GENERAL SERVICE OFFICE

(The following summarizes the slide presentation of the Chairman of the General Service Committee at the Saturday afternoon session)

The work of the General Service Office is fundamentally Twelfth Step work---on a national and international scale. As knowledge of the existence of A.A. has grown, and as membership has increased, the need for this service multiplied. In 1935, there were two members, Dr. Bob and Bill. In 1951 membership is estimated at 120,000. There were no groups in 1935. Today there are more than 4,000, with the total mounting daily.

The General Service Office---an outgrowth of earlier service facilities---was established to meet the needs of existing groups, to help individuals and new groups to get started---and to protect and strengthen A.A. principles and A.A. unity.

It is one of three service units sponsored by the Foundation. (The others are Works Publishing Company and the Grapevine). It is financed by voluntary group contributions, without which there could be no effective service office.

The General Service Office is supervised by a General Service Committee, appointed by Trustees of the Foundation. Office operations are handled by five secretaries. The senior general secretary, in over-all charge of the office, handles matters involving A.A.'s relationships with the public at the national level. A second general secretary handles matters involving group relations. The third general secretary handles the General Service Conference and other special projects. Two corresponding secretaries handle domestic and foreign mail. Duties of the three general secretaries are rotated. All other office workers are non-alcoholics.

Specific services performed by the General Service Office can be classified under fifteen main headings:

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|---|---------------------------------|
| 1. Directory service | 9. "Lone member" correspondence |
| 2. Secretary's Handbook | 10. Twelve Traditions |
| 3. Monthly News Letter | 11. Doctors and Clergy |
| 4. Publications, Recordings
and Translations | 12. Industry |
| 5. General Service Conference | 13. Public Relations |
| 6. Service to New Groups | 14. Speaking Dates |
| 7. Service to "Special" Groups | 15. Assistance to Visitors |
| 8. Group Problems | |

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THE GENERAL SERVICE OFFICE (Continued)

The full scope of the many specific services of the General Service Office can only be suggested in a brief report. For example, more than 88,000 pieces of mail passed through the out-going baskets last year. Approximately one million copies of A.A. pamphlets were distributed. Thousands of hours of volunteer assistance were contributed by A.A.'s in the New York Metropolitan area who prepared special editorial material, provided research help and other essential services.

All these specific services add up to the one great service that A.A. experience tells us is vital to our common survival and to the hopes of the million alcoholics "who still don't know." That service fulfills the need to "carry the message," which, in a single phrase, is what the General Service Office is doing.

During the informal discussion that followed, the following items were considered:

1. All of the present services of the General Service Office should be continued; none should be discontinued.
2. Care should be taken in keeping literature up to date. This is now under way, the chairman pointed out.
3. The suggestion for a special Services Edition of the Grapevine, as recommended by the editor, was approved unanimously.
4. Film strips of the Grapevine and General Service Office slide presentations will be available June 1, at an estimated cost of \$8. to \$10.
5. The delegates voted to join with the Board of Trustees of the Foundation in paying tribute, through the presentation of special scrolls, to the heirs of Dr. Bob and to Mrs. Duncan Silkworth, widow of A.A.'s first friend in the medical field.

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FINANCES-----REPORTS AND PROBLEMS

(Detailed financial statements for The Alcoholic Foundation Inc., Works Publishing Inc. and The Alcoholics Anonymous Grapevine Inc. appear in the Appendix. The following is a summary of those reports and of the discussion concerning them)

Because of a substantial increase in services, coupled with a "leveling off" of income, the three A.A. service agencies showed a net operating loss of approximately \$20,000 last year. This forced a disturbing depletion of reserve funds and poses serious problems for the future.

Contributions from groups totalled \$76,400 out of a total estimated (non-institutional) membership of more than 100,000.

Approximately one-third of the groups contribute regularly, as compared to one-fourth in previous years.

During the last nine months of 1950, the Grapevine incurred a net operating loss of \$8,500 which was underwritten by the Alcoholic Foundation.

Income from the sale of the "Big Book" and from the sale of pamphlets has declined over the past three years. It was suggested that this may be due in part to increased circulation of books and pamphlets from sources other than the Foundation.

Over a period of years, a total of approximately \$24,000 has been contributed from General Funds to sustain the General Service Office. While this has not been carried as an account receivable on the books of the Foundation, it was suggested that an effort be made to build up Group Contribution Funds to the point where this "loan" could be repaid, thereby strengthening the reserve fund.

It was reported that the Trustees of the Foundation, following Dr. Bob's death, had voted to increase Bill's royalty on the Big Book from 10 per cent to 15 per cent. This author's royalty would also apply to other Books the Trustees are anxious to have Bill prepare for their consideration in the future. The chairman reported that Bill insisted that this increase be approved by the General Service Conference. A motion approving the action of the Trustees was approved unanimously by the delegates.

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 FINANCES --- REPORTS AND PROBLEMS (Continued)

In addition, the Conference approved unanimously a motion recommending to the Trustees of the Foundation that steps be taken to insure that Bill and Lois receive book royalties so long as either one shall live. This motion was adopted after it was disclosed that under the existing arrangement Bill would have no legal basis for claiming royalties upon the expiration of the Big Book copyright and that no provision exists for Lois in the event of Bill's prior death.

It was pointed out that, in the original stock set-up of Works Publishing, Inc., Bill had assigned royalties to the Foundation. Later, he had turned over to the Foundation his original 200 shares of stock, whose recent earnings have averaged \$7,000-\$8,000 annually. Thus, at one period Bill had neither stock or royalties.

Prior to World War II, Bill had an average weekly income of about \$30. from proceeds of the "Rockefeller dinners." Later he received a drawing account of \$25. a week, enabling him and Lois to move to Bedford Hills (N.Y.).

When war broke out, with the possibility that he might be recalled to active duty, Bill suggested, on the basis of his authorship of the Big Book, that he be granted a royalty on book sales, as a means of providing income for Lois. This has been Bill's only source of income, with one exception, since that time. The Trustees have repeatedly offered to place him on a salaried basis, but these offers have been declined.

The "exception" occurred several years ago when it was discovered that Bill's annual income for the preceding seven years had averaged \$1,700--- slightly more than \$32. a week. The Trustees thereupon made a grant to Bill equivalent to \$1,500 for each of those seven years, out of which he was able to purchase his Bedford Hills house.

Inflation and the decline in book sales have combined to cut Bill's income practically in half in the past year. The five per cent increase in royalty means that his earnings will once more approximate those of three years ago.

The possible implications of "professionalism" in his relation to the movement have troubled him deeply, Bill reported. He concluded that there was "no other way to go on" and that as long as he is devoting his full time to the movement, even though he would not object to a hair-shirt himself, "he had no business putting one on Lois."

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A.A. DEMOCRACY AT WORK

One of the problems facing the Conference from the moment it convened was how to get "the sense of the meeting" on the most important matters presented to the Conference. A corollary problem was how to determine which of the many items on a crowded agenda should be considered at the first Conference, and which should be deferred for action at future Conferences.

The need for a minimum number of committees to review various subjects considered during the meeting and prepare reports for approval (or rejection) by the full Conference soon became apparent.

By common consent, it was agreed committees on the following should be constituted:

1. Advisory Committee on the Budget
2. Committee on Agenda (to select issues for consideration by the Conference at its final meeting)
3. Committee on the Conference Report
4. Committee on New Trustees

Several problems had to be solved to get adequately representative committees without resorting to "hand-picking" in any form. In the case of the Committee on New Trustees, where geographical representation is important, delegates first classified themselves in one of five basic areas: Northeast, South, Midwest, Southwest and Northwest. Delegates in each of the five groupings then selected one of their number to serve on the Committee.

Where populous A.A. areas were represented by more than one delegate, a single delegate was selected for Committee service on the basis of the toss of a coin.

Remaining places on the various Committees were filled by drawing names from a hat.

It was further agreed that the General Service Committee would designate a Conference member from the New York area to assist each of the Conference committees in the preparation of reports and to act as liaison workers between the Committees and the national service agencies.

Thus, at no stage in the selection of Committees, was it possible to consider a Committee appointment as anything except a service opportunity.

The various committees met at their convenience Saturday evening and, in some cases, Sunday morning. Their suggestions were presented to the Conference for action at the final session Sunday afternoon.

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CONFERENCE ADVISORY ACTIONS

Six subjects were put before the Conference at its closing session by the Committee on Agenda. The Committee reported that it had considered a long list of items on which it would be useful to have an expression of Conference opinion and that the six subjects selected were those deemed to be of particular importance at the present time.

- #1. "Should non-alcoholics continue to serve on the Board of Trustees of the Alcoholic Foundation?"

The Conference voted affirmatively, with complete unanimity.

- #2. "This Conference feels that in future years A.A. textbook literature should have Conference approval."

The Conference voted affirmatively, with complete unanimity.

Prior to the vote on this subject, it was pointed out that adoption of the suggestion would not preclude the continued issuance of various printed documents by non-Foundation sources. No desire to review, edit or censor non-Foundation material is implied. The objective is to provide, in the future, a means of distinguishing Foundation literature from that issued locally or by non-A.A. interests.

- #3. "It is the sense of this Conference that the alcoholic members of the Board of Trustees ought to have a fixed term of office."

The Conference voted affirmatively, with complete unanimity.

- #4. "Should attendance at next year's Conference sessions be limited to members only?"

The Conference voted affirmatively, with complete unanimity.

(In addition to delegates, Conference members include Trustees of the Alcoholic Foundation and accredited staff members of the General Service Office and the Grapevine.)

- #5. "It is the sense of this Committee that the subject of A.A. auxiliaries or family groups should be taken back to local groups for further discussion and be considered at the 1952 General Service Conference."

The Conference voted affirmatively to support the opinion of the Committee.

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CONFERENCE ADVISORY ACTIONS (Continued)

- #6. "It is the sense of this Conference that our temporary charter, as outlined in the Third Legacy pamphlet, is suitable for the coming three years and that the general principles guiding Assemblies are also approved."

The Conference voted affirmatively, with complete unanimity.

The Advisory Committee on the Budget submitted the following suggestions relating to the General Service Office:

- #1. "It is suggested that each delegate report to his State or Provincial committee a summary of the financial report."
- #2. "It is suggested that each delegate advise his Committee of the film strip presentation approved for general issue, illustrating the services rendered by the Grapevine and the General Service Office." (One or more sets may be ordered by each State Committee, orders to be accompanied by check or money order.)
- #3. "It is suggested that the primary report to area groups and A.A. members consist of this visual presentation and the information that the services rendered by the Grapevine and the General Service Office should not be curtailed."
- #4. "Following this description of services, it is suggested that all be acquainted with the projected 1951 General Service Office budget, which is \$107,000. In this connection, it is suggested that those groups wishing to participate in contributing to the Alcoholic Foundation give a minimum of two dollars per member for the year 1951." (As more groups participate it is hoped the succeeding annual request per member may be decreased.)

The Conference voted affirmatively and with complete unanimity on the above four suggestions.

The Advisory Committee on the Budget submitted the following suggestions relating to the A.A. Grapevine:

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CONFERENCE ADVISORY ACTIONS (Continued)

- #1. "It is suggested to the Board of Directors of the Grapevine that some mild form of promotion for an increase in circulation be adopted. An illustration might be the distribution of a postage-free envelope in a distinctive color to provide for an initial trial Subscription at a cost of \$1. for four months."
- #2. "It is suggested that on October 1, 1951, the financial results of the operations of the Grapevine to that date be reviewed. If there is no considerable improvement, an increase in price is recommended to avoid further impairment of the Alcoholic Foundation reserve fund."

The Conference voted affirmatively and with complete unanimity on the above two suggestions.

The Committee on New Trustees reported the names of the five members who will represent various geographic areas on the Committee. Suggestions for new Trustees can be submitted to any Committeeman, or sent direct to the Alcoholic Foundation. (Names of delegates on this Committee appear in the Appendix.)

The Committee on the Conference Report confirmed plans to submit the Report to all members on or about June 1, 1951. Film strips of the slide presentations showing Grapevine and General Service Office functions will also be released at that time. A special condensed version of the Conference Report will be distributed to all A.A. Groups. The Committee also reported that Bill had agreed to record his talk on "The Third Legacy," for distribution later in the year.

A.A.'s "UNSEEN FRIENDS"

During the General Service Conference many delegates met for the first time some of the "unseen friends of A.A."---the non-alcoholics Trustees, without whom, as Bill pointed out, the movement could never have become what it is today.

All Trustees are members of the General Service Conference. The following were introduced at the 1951 meeting:

Frank Amos - currently a Trustee of the Foundation, the man who went to Akron in 1937 to investigate the work of A.A. for Mr. Rockefeller.

Austin MacCormick - retiring Trustee, one of America's greatest penologists, who has served and advanced A.A. in many ways.

Jack Alexander - "the courier among all couriers" of the press who helped A.A., writer of two "Saturday Evening Post" articles on the movement and an incoming Trustee.

A. LeRoy Chipman - associated with A.A. since its early days, the third and current Treasurer of the Foundation., of which he is also a Trustee.

Dr. John Norris - incoming Trustee, whose work with A.A. in industry is a pattern many are following or adapting.

Dr. Leonard V. Strong - "the oldest Trustee of all," a vital link in the chain of development that enabled the movement to survive.

Among those who were unable to be present, the following were cited:

Willard S. Richardson - the advisor to Mr. Rockefeller whose understanding of what A.A. could mean was crucial to the survival of the movement in the early days, formerly a Treasurer and Trustee of the Foundation.

Fulton Oursler - who, as editor of Liberty in 1939, ran the first national magazine article on A.A., "the turning point in that agonizing year." Currently a Trustee.

Frank Gulden - currently a Trustee, whose interest has strengthened the Board in many ways.

In addition, special tributes were paid to Dr. William Duncan Silkworth, "A.A.'s oldest friend in medicine, a medical saint if there ever was one," who died early this year, and to Dr. Harry M. Tiebout, "the first psychiatrist to befriend us and the man who set A.A.'s name straight in the eyes of many in his field."

APPENDICES

- I - Financial Statements
- II - Roster of Delegates
- III - Roster of Trustees
- IV - Conference Committees

 FINANCIAL STATEMENTS

One of the purposes of the General Service Conference is to give a wider knowledge of the organization and functions of the General Headquarters. A brief statement thereof is necessary to a proper understanding of the attached financial statements.

THE ALCOHOLIC FOUNDATION, INC. is a membership corporation whose general purpose is the rehabilitation of chronic alcoholics. This corporation owns the outstanding stock of WORKS PUBLISHING, INC. whose functions are the publication and distribution of the A.A. book and pamphlets, and the operation of the Headquarters Office. The Foundation also owns the beneficial interest in the net assets and income of THE A.A. GRAPEVINE, INC. whose function is the publication and distribution of our monthly magazine.

General Headquarters Office expenses are originally paid and carried on the books of Works Publishing, Inc. which assumes as its share of such expenses 10% of its sales of books and pamphlets.

In the following month, the balance of the General Headquarters Office expenses is repaid to Works Publishing, Inc. by The Alcoholic Foundation, Inc. out of funds contributed by A.A. Groups, which are deposited and maintained in a separate bank account called "Group Contributions" account. When contributions have been insufficient to meet the expenses, advances have been made to the Group Contributions account from the reserve funds of The Alcoholic Foundation, Inc.

The attached financial statements of the individual corporations have been taken or summarized from the annual reports of our independent certified public accountant. You will note that the fiscal year of The Grapevine ends on March 31 while that of each of the others ends on December 31.

The books of the Foundation are maintained on a cash basis and those of the other companies on the accrual. These complications make the presentation of accurate consolidated statements impractical but the consolidated operations for the year ended December 31, 1950 might be summarized as follows:

Gross profit on sales of Works Publishing	\$ 37,000.
Interest received - Savings Bank	800.
Contributions from Groups	76,400.
Total Income - Works and Foundation	<u>\$114,200.</u>
Expenses - Works and Foundation	\$122,200.
Contribution by Foundation to capital surplus of Grapevine	3,500.
Net loss of Grapevine - nine months to 12/31/50	8,500.
Total Expenses	<u>\$134,200.</u>
<u>NET LOSS FOR YEAR</u>	<u>\$ 20,000.</u>

Note: The following financial statements should be read only in connection with the footnotes.

THE ALCOHOLIC FOUNDATION, INC.
CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 1950

	12 Months Ended <u>12-31-50</u>	12 Months Ended <u>12-31-49</u>
<u>A.A. GROUP CONTRIBUTION FUND</u>		
Receipts:		
Contributions received	\$76,406.41	\$57,671.50
Loans from General Funds	<u>17,500.00</u>	<u>6,500.00</u>
	\$93,906.41	\$64,171.50
Paid Works Publishing, Inc., on account of office expenses	89,246.73	67,665.11
Bank Balance, beginning of period	<u>5,762.59</u>	<u>9,256.20</u>
Bank Balance, end of period	<u>\$10,422.27</u>	<u>\$ 5,762.59</u>
<u>GENERAL FUNDS</u>		
Receipts:		
Dividends from Works Publishing, Inc.	\$15,000.00	\$25,000.00
Interest on savings accounts	849.15	1,010.46
(a) Refund of legal fees	6,671.25	
(b) Repayment of loan to 1st Int'l. Conference Collected for account of General Service Conference	3,000.00	
(c) Refunds of travel expense	185.00	
Total Receipts	<u>998.53</u>	<u>202.23</u>
	\$26,703.93	\$26,212.69
Disbursements:		
(c) General Headquarters travel	\$ 3,462.85	\$ 1,545.15
(d) Expenses of Trustees' meetings	1,303.09	1,095.50
Executive office rent	1,153.36	1,060.08
(e) Accounting and miscellaneous	427.65	571.98
(f) Secretary's Handbook	1,235.22	5,956.65
(a) Gift to Margaret R. Burger	3,871.70	1,875.00
(b) Legal fees	6,671.25	
Loan to 1st International Conference	3,000.00	
Loan to Group Contribution Fund	17,500.00	6,500.00
(g) European travel	3,742.74	
(h) Fidelity bond for three years	930.77	
Deposit with Airline		425.00
Capital Contributions to A. A. Grapevine, Inc.	3,500.00	
General-Service Conference Expense	<u>898.01</u>	
Total Disbursements	<u>\$47,696.64</u>	<u>\$19,029.36</u>
Balance, beginning of period	<u>\$79,983.21</u>	<u>\$72,799.88</u>
Balance, end of period	<u>\$58,990.50</u>	<u>\$79,983.21</u>
On deposit in commercial account	\$14,846.46	\$25,388.32
On deposit in savings accounts	\$44,144.04	\$54,594.89

EXHIBIT "B"

WORKS PUBLISHING, INC.
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1950 and 1949

	<u>1950</u>	<u>1949</u>
<u>ASSETS</u>		
Cash on hand and in banks	\$ 6,445.88	\$10,023.86
Accounts receivable:		
(1) The Alcoholic Foundation, Inc.	\$10,962.74	\$ 9,900.20
A.A. Groups (after reserve of \$1,302.52 and \$500.00)	<u>5,890.34</u>	<u>5,860.48</u>
Inventories	16,853.08	15,760.68
Deferred Translation Costs	24,387.85	16,138.96
Book plates, equipment, copy- rights and goodwill	<u>1.00</u>	<u>1.00</u>
<u>Total Assets</u>	<u>\$47,687.81</u>	<u>\$43,319.50</u>
<u>LIABILITIES AND CAPITAL</u>		
Accounts payable	\$ 2,190.74	\$ 1,658.39
Accrued royalties	2,396.10	3,200.40
Other accrued expenses	359.04	880.82
Deferred income	<u>186.61</u>	<u> </u>
<u>Total Liabilities</u>	\$ 5,132.49	\$ 5,739.61
Capital stock	500.00	500.00
Accumulated earnings, after dividends of \$15,000 in 1950 and \$25,000 in 1949	<u>42,055.32</u>	<u>37,079.89</u>
<u>Total Liabilities and Capital</u>	<u>\$47,687.81</u>	<u>\$43,319.50</u>

EXHIBIT "C"

WORKS PUBLISHING, INC.
 COMPARATIVE INCOME STATEMENT
 YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950			1949
SALES, net of returns and allowances				
Books	\$60,567.02			\$67,135.47
Pamphlets	22,517.76			24,955.91
Records	259.70			1,512.45
Other	<u>1,815.81</u>	\$85,160.29		<u>132.00</u>
				\$93,735.83
COST OF SALES				
Opening inventory	\$16,138.96			\$20,583.82
Purchases	39,451.85			26,468.22
	<u>\$55,590.81</u>			<u>\$47,052.04</u>
Less: Closing inventory	24,387.85			16,138.96
	<u>\$31,202.96</u>			<u>\$30,913.08</u>
Packing supplies	695.14			679.07
Royalty expenses	<u>16,366.70</u>	48,264.80		<u>19,173.00</u>
				50,765.15
GROSS PROFIT FROM SALES		<u>\$36,895.49</u>		<u>\$42,970.68</u>
OPERATING EXPENSES				
Office Expenses:				
Salaries	\$56,322.84			\$47,896.51
Postage and express	10,270.02			9,625.40
Stationery and office supplies	3,016.23			3,111.47
Rent and electricity	9,620.53			6,702.35
Telephone and telegraph	2,159.72			1,720.15
Payroll taxes and insurance	2,058.35			1,374.84
General Hq. printing	4,265.55			1,596.30
Office equipment	4,871.79			3,462.41
General office expenses	<u>5,113.37</u>			<u>3,489.49</u>
Total Office Expenses	\$97,696.40			\$78,978.92
Less: Portion payable by the Alcoholic Foundation, Inc.	<u>89,389.92</u>	\$ 8,308.48		<u>69,769.78</u>
				\$ 9,209.14
Other Expenses:				
(j) Salary	\$ 2,700.00			\$ 2,850.00
Entertainment	416.88			679.58
(k) Bedford Hills expenses	3,379.61			3,096.83
Accounting fees	1,000.00			1,000.00
Taxes other than payroll	117.71			323.43
Provision for loss on doubtful accounts receivable	843.14			330.87
Books donated to Gt. Britain				
Book Publishing Committee	<u>154.24</u>	8,611.58		<u>8,280.71</u>
Net Operating Expenses		<u>\$16,920.06</u>		<u>\$17,489.85</u>
NET INCOME, Year Ended December 31		<u>\$19,975.43</u>		<u>\$25,480.83</u>

EXHIBIT "D"

THE ALCOHOLICS ANONYMOUS GRAPEVINE, INC.
COMPARATIVE BALANCE SHEET
MARCH 31, 1951 AND 1950

	<u>3-31-51</u>	<u>3-31-50</u>
<u>Assets</u>		
Cash	\$ 2,986.23	\$ 4,356.84
Accounts receivable	1,289.75	88.65
Furniture and equipment, less depreciation	4,635.82	5,255.47
Inventory of mailing and office supplies	751.67	1,717.28
Prepaid rent and interest	400.00	430.00
Printing and mailing - April 1951	2,749.26	
<u>Total Assets</u>	<u>\$12,812.73</u>	<u>\$11,848.24</u>
<u>Liabilities</u>		
Notes payable		\$ 529.97
Accounts and accruals payable	\$ 3,077.09	542.51
Deferred subscription income	24,587.45	22,371.93
<u>Total Liabilities</u>	<u>\$27,664.54</u>	<u>\$23,444.41</u>
<u>Capital and Deficit</u>		
Capital stock	\$ 1.00	\$ 1.00
Donated surplus (the Alcoholic Foundation, Inc.)	13,660.00	10,160.00
Deficit from operations	(28,512.81)	(21,757.17)
<u>Total Capital and Deficit</u>	<u>(\$14,851.81)</u>	<u>(\$11,596.17)</u>
<u>Total Liabilities and Capital</u>	<u>\$12,812.73</u>	<u>\$11,848.24</u>

COMPARATIVE INCOME STATEMENT
YEARS ENDED MARCH 31, 1951 AND 1950

	<u>March 31, 1951</u>	<u>March 31, 1950</u>
<u>Income</u>		
Subscription income accrued	\$35,343.06	\$33,297.23
Other sales	25,757.17	13,514.15
<u>Total Income</u>	<u>\$61,100.23</u>	<u>\$46,811.38</u>
<u>Expenses</u>		
Editorial and printing costs:		
Printing	\$27,359.65	\$18,580.95
Mailing	7,367.21	5,316.61
Salaries	8,466.80	
Rent, telephone and other	3,064.23	\$46,257.89
Circulation and other expenses:		
Salaries	\$11,328.19	14,167.94
Postage and office supplies	5,935.46	4,283.25
Rent, telephone and other	5,572.68	
<u>Total Costs and Expenses</u>	<u>\$69,094.22</u>	<u>\$47,099.26</u>
<u>Loss from operations</u>	<u>(\$ 7,993.99)</u>	<u>(\$ 287.88)</u>
Uncollected bulk sales 3-31-51	1,238.35	
<u>Net Loss for Year</u>	<u>(\$ 6,755.64)</u>	<u>(\$ 287.88)</u>

Note A

Parentheses denote red figures

Note A: No segregation of expenses between the Editorial and Circulation Departments was made prior to April 1, 1950.

 ROSTER OF TRUSTEES

Non-Alcoholic

Mr. Frank Amos, c/o The Jeffersonian, Cambridge, Ohio
 Mr. A. LeRoy Chipman, Allerton House, 143 E. 39th St.
 New York, 16, N.Y.
 Mr. Frank Gulden, West Bayberry Pt., Islip, Long Island, N.Y.
 Mr. Austin McCormick, Osborne Association, 114 E. 30th St.
 New York 16, N.Y.
 Dr. John Norris, c/o Eastman Kodak Co., Rochester, N.Y.
 Mr. Fulton Oursler, Hotel Navarro, 112 Central Park South,
 New York 20, N.Y.
 Mr. Bernard B. Smith, 551 Fifth Avenue, New York 17, N.Y.
 Dr. Leonard V. Strong, 133 E. 58th St., New York 22, N.Y.

Alcoholic

Jonas Andersen, 6 Peter Cooper Road, New York 10, N.Y.
 Thomas K. Birrell, 1911 Cameron St., Raleigh, N.C.
 Henry F. Grieme, 60 E. 42nd Street, New York 17, N.Y.
 Thomas M. Kerr, 355 Winthrop Road, West Englewood, N.J.
 J. Richard Stanley, 2272 Grand View Ave., Cleveland Heights,
 Ohio
 Earl Treat, Pre-pared Foods Co., 4461 W. Jefferson Avenue,
 Detroit, Michigan
 Thomas Yutzy, 182 W. 4th Street, New York 11, N.Y.

GENERAL SERVICE
HEADQUARTERS STAFF

Ruth Breen
 Marian Mallet
 Helen Brown
 Virginia Andersen
 Ann Macfarlane

A. A. GRAPEVINE
STAFF

Al Steckman
 John Dunlop
 Mike Maher
 Virginia Burneson
 Kitty Swentzel

 ROSTER OF DELEGATES

ALABAMA	Charles Abercrombie, 21 LeBron Avenue, Montgomery
ARKANSAS	Kenneth Garrett, P.O. Box 233, Pine Bluff
BRITISH COLUMBIA	Charles Brown, 3239 W. 30th Ave., Vancouver
CALIFORNIA	Clifford A. Walker, 1163 Ocean View, Whittier
	M. W. Nicoson, 3040 Halcyon Court, Berkeley
COLORADO	Merton M. Robbins, 32 S. Tejon Street, Colorado Springs
CONNECTICUT	Page Duke, 183 Seaton Road, Stamford
DIST. OF COLUMBIA	H.S. Cole, 1219 Clement Place, Silver Springs, Md.
FLORIDA	Thomas A. Sharpe, P.O. Box 6121, Jacksonville
	Clifford H. Glick, 325 Albemarle Road, West Palm Beach
ILLINOIS	Lewis Hunt, 617 Grove, Evanston
	Ward Montgomery, 700 So. 12th St., Springfield
INDIANA	Robert White, 3060 E. Kessler Blvd., Indianapolis
IOWA	Ray Harrison, 320 Fleming Building, Des Moines
LOUISIANA	George Collamore, 69 Gull Street, New Orleans
MASSACHUSETTS	Robert Goldsberry, Jr., 51 St. Stephen Street, Boston
MICHIGAN	H.R. Eshleman, 773 Trombly Road, Grosse Pointe
	C. F. McIntosh, 360 W. Muskegon Ave., Muskegon
MINNESOTA:	Pat Cronin, 2415 Harriet Ave., Minneapolis
MISSOURI	David Millar, P.O. Box 411, Sedalia
NEW JERSEY	Walter Behnfield, Columbia Road, Morristown
NEW YORK	Henry Zoeller, 87-10 Clover Hill Road, Hollis, L.I.
	Cecil Bassett, Cazenovia
NORTH CAROLINA	John S. Ruggles, P.O. Box 145, Southern Pines
OHIO	William I. Dotson, First National Tower, Akron
	Bert Paschall, 1122 Atlas Bldg., Columbus
OKLAHOMA	Roy Scovil, 1722 N. Lindsay, Oklahoma City
ONTARIO	Adam T. Capeling, 761 Bayview Ave., Toronto
PENNSYLVANIA	George Roberts, 131 Greenwood Ave., Jenkintown
	W.G. Griffith, 20 Shady Drive West, Pittsburgh 28
TEXAS	Olin Lancaster, 4678 Fairfax, Dallas
	E.D. Sheridan, 5020 Griggs Road, Houston
UTAH	Clyde Gooderham, 871. Westminster, Salt Lake City
VIRGINIA	N. G. White, P.O. Box 5126, Richmond
WASHINGTON	Dale Anderson, 5705 - 45th Ave., N.E. Seattle
WEST VIRGINIA	James Hardin, 2119 Highland Ave., So. Charleston
WISCONSIN	George J. Strachan, 617 North Second St., Milwaukee 3,

FINANCIAL STATEMENTS FOOTNOTES

- (a) Legal Fees - nationwide incorporation of the A.A. name. Subsequently abandoned.
- (b) Loan authorized to defray initial expenses of First International Conference. Subsequently repaid.
- (c) Transportation and hotel expense for Bill and members of Headquarters Staff on authorized Headquarters functions. Repaid in part by Groups visited.
- (d) Travel and hotel expense of out-of-town Trustees and expense of quarterly meetings.
- (e) Initial printing in 1949 of Handbook for free distribution to existing Groups and those registering thereafter. Partial re-order during 1950.
- (f) In view of past services, Board of Trustees authorized, on her retirement, a gift of \$3,750. and medical expenses up to \$2,000.
- (g) Bill and Lois' trip visiting A.A. Groups in Denmark, England, France, Holland, Ireland, Norway, Scotland and Sweden.
- (h) Cost of \$25,000. bond covering all Trustees and General Headquarters Staff.
- (i) Portion of December office expenses and other disbursements for the account of the Foundation.
- (j) Salary of the Treasurer. Discontinued September 30, 1950.
- (k) Office expenses and entertainment of visitors to home of Bill and Lois.