

THE ALCOHOLIC FOUNDATION

NATIONAL HEADQUARTERS—ALCOHOLICS ANONYMOUS

P. O. BOX 459

★

GRAND CENTRAL ANNEX

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NEW YORK 17, N. Y.

July 7th, 1944

Mr. Clarence Snyder
3110 Bradwell Avenue
Cleveland 9, Ohio

Dear Mr. Snyder:

Your letter of June 26th has been forwarded to me at my own office.

You have again raised old questions which have long since been settled in the minds of about every AA Group in the country with the exception of what I imagine to be a minority of the Groups in the Cleveland area. The main points which you raise are:

- 1- The propriety of Dr. Robert Smith and William G. Wilson receiving royalties or other income from the book, ALCOHOLICS ANONYMOUS, which is now wholly owned by The Alcoholic Foundation.
- 2- You question the present \$3.50 price of the book, feeling that it should be reduced to \$1.00.
- 3- You say it was agreed at the time of publication of the book that no one was to receive any money from it, that when the subscribers were paid off the price was to be reduced to \$1.00.
- 4- You state that the Trustees have kept the Groups "in the dark" about the financial affairs of The Foundation; that this error of judgment is what has caused the persistent criticism of The Foundation in Cleveland.
- 5- You now ask, on behalf of the Cleveland Central Committee, to be furnished with a detailed accounting which would show what income The Foundation is receiving currently from outside donations and from the book and to what extent this income is being devoted to Mr. Wilson and Dr. Smith and other purposes.
- 6- You feel that with this information in hand plus the election of a Cleveland member to the Board of Trustees you would have a better chance of clearing up these long suspicions and to quote in your letter "this information can be of benefit in guiding us in a few undertakings we may be interested in".

Now, I would like to review briefly each of the points you have raised.

- 1- Propriety of allotting book or other income to Wilson and Smith.

<p>This fellowship is an avocation. The only persons I know in this fellowship who do not work are retired or chiselers.</p>	<p><i>This fellowship is an avocation. The only persons I know in this fellowship who do not work are retired or chiselers - why should we be out of a job for 9 yrs, then a 27000 home & Cadillac car? When AA is a avocation? Why weren't we told about contribs before then?</i></p>	<p style="text-align: center;">*2*</p> <p>Since the formation of The Foundation in 1938, it has been the policy of the Trustees to assist Mr. Wilson and Dr. Smith financially. For this purpose outside donations were secured. Never very large, these contributions did enable us to help them to the extent of \$120.00 a month each since 1940. Last year outside donations fell off so much that the payments to Dr. Smith had to be discontinued. Mr. Wilson still receives \$120.00 a month from this source.</p>												
<p>Why should Wilson be out of a job for 9 years, & have a 27000¹ home & Cadillac car? When AA is a avocation? Why weren't we told about contribs before then</p>		<p>As you know, the book, ALCOHOLICS ANONYMOUS, was at first produced as a private undertaking under the name WORKS PUBLISHING. Except in an advisory way we Trustees had no connection with it in the beginning. It was the work of some 50 New York AAs and their friends who contributed about \$8000.00; Akron and New York AAs who contributed their stories (with the exception of one story from Cleveland, your own); Bill Wilson as author of the text and Hank Parkhurst, who I understand you know well, as business manager. It was agreed that the cash subscribers were to receive 220 shares of stock for their money and that when their money was returned Messrs. Wilson and Parkhurst were each to receive 220 shares. Though the book came out in 1939, its financial condition did not permit its incorporation until 1940 when it became Works Publishing Inc. The original agreement stipulated that the 35¢ royalty which would have been paid by a commercial publisher to Wilson be granted The Alcoholic Foundation. This however was changed by Wilson and Parkhurst who in 1940 donated their contingent two thirds interest in Works Publishing to The Alcoholic Foundation. As Mr. Parkhurst had entirely withdrawn as manager of the book enterprise both he and Mr. Wilson thought The Foundation should control the book. Feeling grateful for the part Dr. Smith had taken they stipulated that the royalty payable to The Foundation be turned over to Dr. Smith and his wife, Anne, for their lifetime. Hence the Trustees accepted control of the Works Publishing Inc. and in exchange granted the Smiths the royalty.</p>												
<p>Others have accomplished much without any thot² of financial reward</p>	<p><i>Others have accomplished much without any thot of financial reward. Professionalizing a organization or mercenary³ motives will kill the fellowship or impair its effectiveness EG⁴.</i></p>													
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<p>But he was receiving money</p>	<p><i>But he was receiving money</i></p>	<p>However, this was all academic because from 1939 to 1943 the book could not pay Dr. Smith any royalty. Excepting for \$100.00 a month paid Mr. Wilson out of the book, 1940 to 1943, the entire book earnings were used to support the Central Office and pay off creditors and subscribers.</p> <p>Since 1941 the Groups have gradually assumed the office expenses thus taking the burden off the book. This has enabled The Foundation to pay off all the book subscribers and creditors. The arrearage of royalties payable to Dr. Smith has been cleared up, a large part of which he generously turned over to Mr. Wilson.</p> <p>The Trustees are glad to say that financial conditions are so much better that they have granted to William G. and Lois Wilson a 35¢ royalty from the book in place of \$100.00 a month they formerly received from this source.</p> <p>The income picture of the Smiths and Wilsons for the past 12 months is about as follows:</p> <table><tr><td></td><td>Smiths</td><td>Wilsons</td></tr><tr><td>Royalties</td><td>\$200.00 per mo.</td><td>\$200.00 per mo.</td></tr><tr><td>Outside donations</td><td>--</td><td>120.00 " "</td></tr><tr><td>Total</td><td>\$200.00</td><td>\$320.00</td></tr></table>		Smiths	Wilsons	Royalties	\$200.00 per mo.	\$200.00 per mo.	Outside donations	--	120.00 " "	Total	\$200.00	\$320.00
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¹ \$27,000.00 land and home in Stepping Stones, Bedford Hills NY

² thot thought

³ mercenary A person who works merely for money or other material reward.

⁴ EG: this is an example

Many new People: They are in ignorance of fine principles of unselfishness, displayed in earlier times by founders.

Why ?

Really ?

Then what are We talking about ?

By whom?

We have failed in this as a Labor of Love, due to selling our birthright for mass of pottage⁵. A usual ending of many fine enterprises.

This was a promise.

This is fast figuring but no basis for fact. Any amount could be raised for the office even tho⁶ we didn't have a book.

Very legal Perhaps, but definitely a breach of trust.

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As always, it seems monetary matters are bound to conflict with principles. How often I heard the recipients state that no one could ever cast in on this Labor of Love without disastrous results. I believed them, and they were right, time will prove them so, unfortunately for the fellowship as a whole.

3

Wishing to make sure that the Groups approved, we sent out, some while ago, a questionnaire which showed the division of the book income at the time, and our provision for Wilson and Smith. We asked the Groups their opinion. Both by Groups and numerical membership there was an overwhelming response favoring our policy of looking after Wilson and Smith. Only eight replies took any exception and these were from Cleveland. And, as I recall, if all the Cleveland Groups had voted "NO" (which they did not) the result would have been no different. The Trustees would have still been sustained by a large margin.

We trustees think it is doubtful if AA could have been brought to its present state of success without our having extended financial help to Wilson and Smith. Both men are very sensitive on the subject of professionalizing AA, as are all of us on the Board. For that reason both men are pledged not to be supported out of Group funds. Group funds can be used for Central Office expenses only. But why these men cannot be supported, in whole or in part, out of the book, a financial asset they did so much to create, is quite beyond comprehension.

If, therefore, it is in the minds of some of our Cleveland friends to agitate the status of Wilson and Smith all over again I can only say that while we shall respect their contrary opinion, we are not likely to agree with it. Nor in our belief, will AAs anywhere else. Most AAs think Wilson and Smith are not receiving nearly enough financial assistance.)

That the price of the book should be reduced from \$3.50 to \$1.00. That question too was submitted to all the Groups in our questionnaire. They voted emphatically to leave the price of the book where it is. Most Groups seem to feel that any alcoholic can put up the price of a bottle of liquor for a book. And if he can pay for his hospitalization he can also pay for his book. He can also borrow a book.

But there are, to my mind, better reasons than these. The first is that the Groups now fully support the Central Office at New York City. It is costing them about \$12,000.00 a year. But the Groups are recouping over \$6000.00 a year on the sale of the book, as most of them buy from Works Publishing Inc. at \$2.50 and resell at \$3.50. So, if we cut the book price to \$1.00 the net cost of the Central Office would immediately be doubled to the Groups. The second reason is that we Trustees would have to solicit outside funds indefinitely for Wilson and Smith. We prefer not to do this a minute longer than necessary. You will surely agree that Alcoholics Anonymous should be self supporting.

3- The claim that when the book was published it was agreed that no one was to receive any money from it.

Here are the facts as I understand them. In 1938 when the book venture got under way, a printed prospectus was issued, clearly showing that the book was a private venture. The interest of Mr. Wilson, Mr. Parkhurst and the cash subscribers was clearly shown. There was never any doubt what the arrangement was. To make sure that

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⁵ **Genesis 25: 33f** And Jacob said, swear to me this day; and he swore to him: and he sold his birthright to Jacob. Then Jacob gave Esau bread and pottage of lentiles; and he did eat and drink, and rose up, and went his way: thus Esau despised his birthright.

⁶ **tho** though

I saw this in 1941 At the time of our Statler Dinner ⁸	<p><i>I saw this in 1941 at the time of our Statler Dinner</i></p> <p style="text-align: center;">*4*</p> <p>there could be no doubt in Akron, Mr. Wilson made a trip there in the spring of 1939, before publication, and carefully explained the situation to that Group as they had contributed stories. One Akron member did withdraw his story but the rest seemed satisfied. At the time of the incorporation of the book in 1940 a report was made by the officers of Works Publishing Co. which reviewed in detail the book project showing all expenses from 1939 to date of incorporation. As this report gave a complete history of the book, and as misunderstandings had already arisen in Cleveland, Mr. Wilson had the report printed for distribution. Mr. Wilson says that he gave you copies of this report and discussed it at length with you at the time. He also discussed the report with other Cleveland members who advised against its distribution in Cleveland. Acting upon their advice, the Works Publishing sent their report to all Groups except Cleveland.</p>
1941	<p><i>1941</i></p> <p>Hence it was no fault of Mr. Wilson or ourselves that the facts about the book were not known in Cleveland as early as 1940. Older members, including yourself, certainly had them.</p>
No	<p><i>No</i></p> <p>Mr. Wilson tells me that later on, about 1941, he did talk to you about the desirability of a \$1.00 book. He said he thought such a book might be printed from the old plates when the debts were paid and a new edition came out. But that was an opinion of 1941, which, as I have explained above, is not in the least justified by the circumstances of 1944.</p>
1941	<p><i>1941</i></p> <p><i>What will be circumstances in 1946?</i></p> <p><i>If promises mean nothing</i></p> <p><i>4-</i> <u>Your statement that the Groups have been kept "in the dark" about the affairs of The Foundation.</u></p> <p>We can scarcely agree with you there:</p>
What will be circumstances in 1946 ? If promis ⁹ mean nothing	<p><i>What will be circumstances in 1946?</i></p> <p><i>If promises mean nothing</i></p> <p><i>Group contribs OK, but no accounting of Foundation money</i></p> <p>a. Ever since the Groups were asked to contribute to the Central Office in 1941, a regular accounting has been made to them of receipts and expenses. This is done twice yearly by bulletin through the secretaries.</p> <p>b. Mr. Wilson tells me that he has never seen you personally without explaining in detail our situation down here.</p> <p>c. Mr. Wilson tells me that at your suggestion, two years or more ago, you called several large Cleveland meetings at which he gave detailed explanations of The Foundation, its activities, and finances. He told exactly what he himself was receiving but did not mention Dr. Smith's \$120.00 a month coming from private donations. This was in deference to Dr. Smith's feeling that what help he received from non-alcoholic sources was no one's business, a point of view, by the way, that may still have some merit!</p>
Group contribs ¹⁰ OK, but no accounting of Foundation money I have not seen Wilson in 3 yrs ¹¹ .	<p><i>Group contribs OK, but no accounting of Foundation money</i></p> <p><i>I have not seen Wilson in 3 yrs</i></p> <p>d. That in 1942 Mr. Wilson came to Cleveland with a certified audit of our affairs since 1940; that this audit was presented to a meeting of nearly all the Secretaries of the Cleveland Groups, that Dr. Smith was present, that there was a long discussion not only of the audit but a full revelation of Mr. Wilson's and Dr. Smith's personal incomes; that the meeting unanimously gave the Trustees, Wilson and Smith, a vote of confidence.</p>
I was in the Army then in y all of 42	<p><i>I was in the Army then in 1942</i></p> <p>3. That in 1943 the Trustees issued a questionnaire to the Groups containing the essential facts outlined in this letter; that most</p>

⁷ wer were

⁸ the "Dr. Bob" appreciation dinner was held October 5, 1941 in Hotel Statler, Cleveland, about 850 AA members attended

⁹ promis promises

¹⁰ contribs contributions

¹¹ yrs years

<p>Very few persons are now available who have knowledge of the fundamentals & original structure & aims & promises of O.G.¹² People are uninformed in the hinterlands, & the natural tendency of hero worship is most dangerous in such a fellowship as ours.</p> <p>I know nothing about this. I was not asked for suggestions.</p> <p>A far cry from the commitment previously made.</p> <p>Refer to Wilsons 1941 letter.</p> <p>Such a hub bub following a simple request for info that any member is entitled to. It tells a story of what is now established and further in the making monies of course the details</p>	<p style="text-align: right;">#5*</p> <p><i>Very few persons are now available who have knowledge of the fundamentals & original structure & aims & promises of O.G. People are uninformed in the hinterlands, & the natural tendency of hero worship is most dangerous in such a fellowship as ours.</i></p> <p>Groups responded by what amounted to a wholesale vote of confidence.</p> <p>f. That when visiting Groups all over the United States, Wilson has invariably discussed Foundation affairs at length, often times in one hour talks to the full membership.</p> <p>g. Rarely has an out of town member visited the Central Office without being specially invited to ask questions and hear about our affairs down here.</p> <p>It has been difficult to insure a quorum at meetings of The Alcoholic Foundation and for that reason we have hesitated to ask out-of-town people to serve. If we should pick Trustees on a geographical basis the demand for representation would soon make the situation unworkable. As a matter of fact, one Cleveland member was asked to serve some time ago but he declined, agreeing he could not get to meetings.</p> <p>If the Cleveland Central Committee would like more detailed information about our finances we shall be very glad to go into the situation as minutely as they wish.</p> <p>Our experiences in trying to make matters clear by mail, or by an audit presented personally through Wilson and Smith, have been so disappointing that perhaps some of your committee men ought to come to New York where we can get at the situation face to face and where our books and records are available.</p> <p>In the event that your committee decides upon such a course we would like them to prepare a resolution outlining:</p> <ol style="list-style-type: none"> 1. A detailed statement of the information desired. 2. The purpose for which the information is to be used. <p>Along with the resolution, if it is passed, the Trustees would like the names of those committee men voting for the resolution and the names of those voting against, and opposite each name the name of the Group represented by each committee man.</p> <p>If you will forward a copy of the Central Committee's resolution to me I will gladly present your request at the next Trustees' meeting.</p> <p>I am taking the liberty of sending a mimeographed copy of our full correspondence to each Cleveland Central Committee member.</p> <p><i>Send a hub bub following a simple request for info that any member is entitled to. It tells a story of what is now established and further in the making monies of course the details.</i></p> <p style="text-align: right;">Sincerely yours, <i>Leonard V. Harrison</i> Leonard V. Harrison, Chairman, The Alcoholic Foundation.</p> <p><i>My efforts have always been conscientious & honest and on numerous occasions, they have put the chill on me, I presume for reasons that other types of persons are more easily dealt with. Cleveland has done its share of promoting a fine fellowship on true principles. We are thankful for many members who have a keen sense of obligation to our fellow sufferers & on God, and an attitude of willingness to be helpful with no thought of financial reward. They recognize the transformation that takes place when individuals lose sight of the true meaning & intent of our group.</i></p>
	<p>My efforts have always been conscientious & honest and on numerous occasions, they have put the chill on me, I presume for reasons that other types of persons are more easily dealt with. Cleveland has done its share of promoting a fine fellowship on true principles. We are thankful for many members who have a keen sense of obligation to our fellow sufferers & on God, and an attitude of willingness to be helpful with no thought of financial reward. They recognize the transformation that takes place when individuals lose sight of the true meaning & intent of our group.</p>

¹² O.G. Oxford Group