

**WORKS PUBLISHING, INC.**



**REPORT OF  
JUNE 30, 1940**

To: Tim Stephens  
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We wish to thank those who have contributed stories, funds or services to the preparation of the book "Alcoholics Anonymous". Especially appreciated is the patience with which subscribers have awaited this, our first report.

The following pages set forth something more than a conventional statement to stockholders. We propose to review the entire book project from its inception, describing in detail the several stages of its development. In addition, a full accounting of all monies received and paid in connection with the book will be made.

Demand for the book particularly since January 1st of this year, suggests that Works Publishing Inc. will, within a reasonable time, settle its obligations, return subscribers their investment, and later pay a dividend to them and to The Alcoholic Foundation. The Alcoholic Foundation is the national headquarters for Alcoholics Anonymous. It is directed by seven trustees who maintain an office at 30 Vesey Street, New York City, to handle correspondence, inquiries and the book. Four of the trustees are business and professional men, not members of Alcoholics Anonymous. Three trustees are chosen from the A. A. membership. All serve without compensation.

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About two years ago it became evident to many members of Alcoholics Anonymous that their group experience and methods would be still more effective if published in book form. It was felt that such a book might act as a guide for new centers and for the isolated alcoholic who could not be reached by personal contact. Moreover, a carefully prepared volume would always prevent distortion of the principles of Alcoholics Anonymous by indiscriminate publicity.

One of our older members, Mr. Wm. G. Wilson, was delegated to assemble material and write the text. After long discussion, it was decided that The Alcoholic Foundation ought to publish the volume if possible.

It was originally believed that The Foundation might secure sufficient funds to print the book, support an office, a secretary and Mr. Wilson during the many months required for its preparation. Under these conditions it was planned to distribute the book at cost, but after three months of persistent effort to secure contributions to The Alcoholic Foundation for this purpose, the idea had to be abandoned as it was found that no money could be raised for The Foundation at that time.

Work on the book continued however, and in September, 1938, two chapters had been completed. These brought an offer of assistance from a large publisher. Though the publisher's proposal insured printing and distribution, it did not guarantee certain other conditions seemingly vital to the work as a whole. The offer was not accepted as it was apparent that The Foundation might have little or nothing to say as to the character of the publicity given Alcoholics Anonymous by the publisher. Nor could close contact with purchasers of the book have been maintained. It was also discovered that little better than a 10% royalty would be paid by a publisher which was plainly insufficient to carry any substantial part of The Alcoholic Foundation expenses.

It was then suggested that a new publishing company be formed, the income of which might be sufficient to guarantee the maintenance of a National Headquarters.

After many conferences with the trustees of The Foundation and with our membership, Works Publishing, Inc.\* was organized and subsequently financed through small stock subscriptions and loans largely from "A. A." members. We are glad to report that Works Publishing, Inc. has practically supported our central office for two years. Should the necessity arise it appears capable of assuming the entire expense of the new office at 30 Vesey Street, New York City, though The Alcoholic Foundation has recently assumed half that burden.

Quite aside from shipping 2,847 copies of "Alcoholics Anonymous", The Foundation office has answered, during the past year, about two thousand pleas for help responding to each by personal letter. In many instances, correspondence has developed aiding the formation of new centers, there now being twenty-two places in the United States where meetings are held. We are also in touch with individuals who report having recovered with the aid of the book alone. It is confidently expected that many additional Fellowships will form during the coming months to whom the book and correspondence from New York will be helpful. The total membership of Alcoholics Anonymous, scarcely one hundred alcoholics eighteen months ago, is soon expected to reach one thousand, so rapid is present growth.

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\*Works Publishing, Inc. was originally called "The One Hundred Men Corp."



A heavy demand continues for the new "A. A." pamphlet of which 5,000 copies have been mailed in the last ninety days.

It is pleasing to note that the book and The Alcoholic Foundation have already proved more effective than at first seemed possible.

Returning to the financial status of Works Publishing, Inc: Those who subscribed cash for \$25 par value stock of the company, will recall that, subject to office expense and a royalty of 35 cents a volume to be given The Alcoholic Foundation, profits were to be applied to debts and to repayment of cash subscriptions before any dividends could be declared on the total stock outstanding, of which it was planned that cash subscribers were to have one-third, Mr. Wm. G. Wilson, author, one-third, and Mr. Henry G. Parkhurst, business manager, one-third.

As trustees of The Alcoholic Foundation and as present officers of Works Publishing, Inc., we are pleased to announce that Mr. Wilson and Mr. Parkhurst have declined to accept any stock for their services and have directed that four hundred shares which they otherwise might have received be issued by Works Publishing, Inc. to The Alcoholic Foundation. Feeling adequately recompensed by cash already received for their actual labor, they wish to assure The Alcoholic Foundation control of the book as was the intention at the very beginning when it was proposed that The Foundation act as publisher of the volume.

On their retirement from the Works Publishing management, Mr. Wilson and Mr. Parkhurst suggested that a complete audit of the whole project be made showing all monies received and paid out during the period necessary to complete the volume and successfully commence its distribution. We have made an audit covering this period;

## RECEIPTS & DISBURSEMENTS

October 1, 1938 to June 30, 1940

### Receipts:

Stockholders .....	\$4,450.00
Chas. B. Towns .....	2,539.00
Wm. Cochran .....	1,000.00
2,405 books .....	6,578.98
Wm. G. Wilson .....	100.00
	\$14,667.98

### Disbursements:

Henry G. Parkhurst, Business Manager.....	\$2,190.00
R. Hock, Secretary .....	2,563.50
Wm. G. Wilson, Author .....	1,558.00
Office Rent .....	834.17
Multilith (Pre-publication copy) .....	165.00
Book critics .....	375.00
Radio program, adv., direct mail and sales promotion .....	731.17
W. von Arx .....	635.00
Cornwall Press .....	2,414.71
Furniture and fixtures .....	240.00
Misc. Invoices .....	36.00
Wm. Cochran .....	400.00
Typist .....	60.00

General Expenses:—Postage, Stationery, Telephone, Office supplies, Car expense, Proofreading, Book returns, Box rentals, Printing, Commissions, incorporation expense.

Works Publishing Co. share.....\$818.70

Alcoholic Foundation share..... 818.69

\$1,637.39

Total Disbursements .....	\$13,839.94
Cash in Bank .....	828.04

\$14,667.98

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It should be remembered when reading this audit that a great deal more than ordinary publishing expenses were involved. It was, and still is, necessary to maintain an office and a secretary. Then too, Mr. Wilson and Mr. Parkhurst had to be maintained during the period required to write and launch the book. Considerable was spent at first on promotion, an expense no longer necessary as magazines and newspapers are now giving "A. A." increasing amounts of publicity.

The following have served to effectively publicize the book and the work during the past year. Gabriel Heater on "We the People" program, articles appearing in Liberty, Your Faith, Your Life, Time, Newsweek, New York Times Book Review, Mr. Rockefeller's dinner for Alcoholics Anonymous, news articles on the recovery of Rollie Hemsley, catcher for the Cleveland Baseball Club, review of the book by Dr. Harry Emerson Fosdick, the Cleveland Plain Dealer series of articles, comment by Dr. Dilworth Lupton, the Washington Star series, the Houston Press, Texas newspaper series, together with many syndicated pieces.

Though these articles have sold many books, they have also brought a message of hope where there had been none, and have led directly to the recovery of several hundred alcoholics.

There is evidence that Alcoholics Anonymous will be favored with much more publicity during the next twelve months including, we believe, some pieces in magazines of national circulation.

The book appeared in April 1939, the first printing by Cornwall Press numbering 4,730 volumes, of which 2,405 have been sold at a return to Works Publishing of more than \$2.50 each. There are 163 books outstanding against accounts receivable. In addition 279 have been distributed free of charge, mostly for review and publicity purposes, leaving on hand 1,883 copies. This makes a total of 2,847 books in circulation as of June 30, 1940. Sales are effected by direct mail, jobbers, and book stores. Though we maintain 30 day credit arrangements with approximately one hundred and fifty outlets, there has been no loss from such sources.

For some months after publication, the book moved very slowly, as there was no effective national publicity until the Liberty article appeared in September, 1939. In addition to stock subscriptions and \$2,539.00 already advanced by Mr. Charles B. Towns, it was then necessary to borrow \$1,000.00 cash and to sell additional stock, thereby creating certain priorities shown on the balance sheet below.

As will be seen, Works Publishing has paid \$400.00 of \$1,000.00 advanced by Mr. Wm. Cochran of Baltimore. Mr. Cochran has generously given these payments to The Alcoholic Foundation; they are gratefully acknowledged. Other priorities have been reduced by \$635.00 now standing as shown below. During the past twelve months the printer, Cornwall Press, has been paid a total of \$1,653.46 which liquidates that account to date. With the exception of one item of \$125.00, all current bills are paid in full. Current assets include a bank balance of \$828.04 plus \$408.50 due from book stores. Thus the present financial position is very comfortable. There seems no doubt that the next edition of the book can be printed without further borrowing.

Works Publishing has recently been incorporated. Its officers and directors are: Herbert F. Taylor, President, Horace Chrystal, Vice President, and Ruth Hock, Secretary and Treasurer. Mr. Taylor and Mr. Chrystal are trustees of The Alcoholic Foundation as well. Miss Hock has charge of correspondence and books at The Foundation office. The text of the book was dictated to her in the beginning and she has ably looked after its affairs since.

Here follows a balance sheet of Works Publishing, Inc., as of June 30th, 1940.



**BALANCE SHEET**  
**WORKS PUBLISHING, INC.**

June 30, 1940

**ASSETS:**

Copyrights and Goodwill .....	\$20,000.00
Book Plates .....	825.00
Furniture and Fixtures .....	240.00
<b>Current Assets:</b>	
Book Inventory—	
(1,883 books @ 2.50).....	\$4,707.50
Cash in Bank .....	828.04
Receivables .....	408.50
	5,944.04
	\$27,009.04

**LIABILITIES:**

Capital stock (660 shares @ \$25.00 par).....	\$16,500.00
<b>Advances Payable:</b>	
Charles B. Towns .....	\$2,539.00
Wm. Cochran .....	600.00
Wallace von Arx .....	190.00
F. E. Miller .....	200.00
Royalties to Foundation.....	771.75
	4,300.75
Due cash subscribers on \$25.00 par stock subscription agreement .....	4,550.00
Reserve for taxes .....	200.00
Binding cost on 1,730 unbound books.....	302.75
Current Bills Payable .....	125.00
	\$25,978.50
Surplus .....	1,030.54
	\$27,009.04

It will be noted above that 660 shares of \$25.00 par stock are outstanding, the ownership of which is as follows:

The Alcoholic Foundation	405 Shares
Subscribers for cash (44 individuals)	174 Shares
Services rendered (5 individuals)	81 Shares
	660 Shares



Cash subscribers will note that \$4,550.00 repayable to them appears among "Liabilities". All stock is carried at \$25.00 par value in accordance with the original subscription blanks, making it obligatory to set up a corresponding asset of \$20,000.00 for Good Will and Copyrights, a value which appears justified on the basis of the recently improved outlook.

Since January 1940 book sales have seldom dropped below forty volumes a week as against ten or fifteen one year ago. Following effective publicity such as the Rockefeller dinner, sales have risen to 100 books or more weekly. After all overhead, Works Publishing, Inc. has averaged a profit of \$135.00 per month since Jan. 1, 1940. These current profits are being used to liquidate liabilities and to accumulate cash in preparation for the printing of our next edition.

Herewith operating statement for the six months ending June 30, 1940:

### OPERATING STATEMENT

January 1, 1940

to

June 30, 1940

Cash received on 1,437 books sold Jan. 1, 1940 to June 30, 1940 .....	\$3,774.93
Cost of 1,437 books sold Jan. 1, 1940 to June 30, 1940.....	1,049.01
<b>GROSS PROFIT</b> .....	<b>\$2,725.92</b>
Operating expense—six months .....	1,715.95
	\$1,009.97
Less Tax Reserve .....	200.00
<b>NET PROFIT—SIX MONTHS</b> .....	<b>\$ 809.97</b>

There is reason to believe that we shall ship 3,000 books during the next twelve months—perhaps as many as 5,000. We confidently hope that one year from today the book will be entirely free of debt and that cash subscribers will then begin to receive returns.

In conclusion, we wish again to thank Mr. Towns, Mr. Cochran and our many lesser subscribers who months ago at considerable personal sacrifice financed a book not then even written. May their faith in "A. A." continue to be justified!

WORKS PUBLISHING, INC.

by { H. F. Taylor, President  
 { Horace Chrystal, Vice-President  
 { Ruth Hock, Secretary-Treasurer

