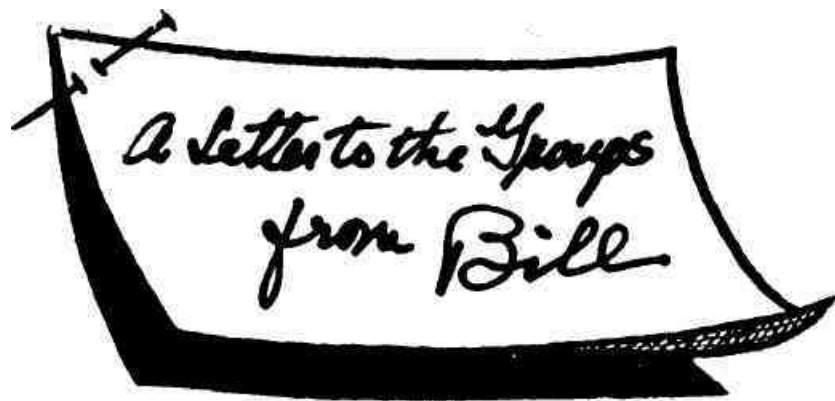


July 1954



The following letter was mailed to Groups in May

AFTER careful discussion, at the recent General Service Conference, it was voted to remove all discounts to U.S. and Canadian Groups on the Big Book and Twelve Steps and Twelve Traditions.

Their action was taken by a large majority—sixty-eight to seven—and represented an accurate cross-section of AA opinion.

It was suggested that I write you, telling why this action was deemed so necessary.

Our experience here at AA Headquarters, in the fifteen years since it was set up, definitely shows, indeed it shouts, that the Foundation must always have on hand a *substantial reserve fund of hard cash* to take care of the frequent deficits that occur and the future possibility of a depression or severe inflation, thereby guaranteeing our world services under all conditions.

This isn't a theory at all. In the first two years of its operation, the entire expense of General Headquarters was paid out of book and pamphlet receipts. Then, in 1941, the Groups, by voluntary contributions, commenced to assume the General Headquarters Office expenses. But, in only five out of the thirteen years since 1941, have Group contributions paid the full bill of the AA General Service Office. And on two occasions reserve book earnings accumulated in the Foundation have saved the General Headquarters Office from closing or its service being severely curtailed.

I remember one period, when the Groups failed to meet office expenses by \$2,000 a month. At the same time the Grapevine was losing \$1,000 a month. For almost two years this rate of loss continued. It was only by reason of our reserve of book money in the Foundation that the Grapevine did not go completely out of business. And there would have been severe contraction of the General Service Office at the very time when our fast growing fellowship needed more services—not less.

Thanks to the General Service Conference, the activities of its Delegates, Committeemen and to your better understanding of our service needs down here, we are of course far better off at present. Last year the Grapevine broke a little better than even. And thanks to increased Group contributions, the General Service Office bill, was just about paid.

Even so, there remained an over-all deficit of about \$10,000 due to the fact that special contributions of the Groups to the expense of the General Service Conference fell that much short.

Again it was book and pamphlet money that made it possible to hold the General Service Conference at all, despite the improvement that has recently taken place.

These are the facts of our history that show the need at all times for a safe reserve fund in the Foundation. This is the money that guarantees the operation of AA's world services, rain or shine.

Due to increased expense and inflation in recent years, our reserve fund *now stands at only nine months' operating expense* for the AA General Service Office.

This—considering the uncertain times in which we are living—was considered by the Conference to be much too low and very unsafe. The Conference realized that a decline of even fifteen or twenty per cent in Group contributions and literature sales could again put us right out on the limb.

Hence the Conference action to suspend all book discounts until the Foundation reserve reaches a figure equal to at least two or three years' operating expense for the General Service Office.

This means that AA Publishing will now charge the Canadian and U.S. Groups \$3.50 for the Big Book and \$2.75 for Twelve Steps and Twelve Traditions. It was expressly stipulated that these additional monies were to be placed by the Foundation in its Savings Bank Reserve Fund. And, should this fund reach \$300,000 during the next few years, then it was agreed the book discounts would be restored to the Groups. When we think of the immense size and reach of AA, this \$300,000 becomes a very small figure—it is a permanent investment of only \$2.00 per member so that AA can never, under any conditions, fall apart at its very center.

This action of the Conference gave me immense satisfaction and relief, for it means that your Headquarters will be made depression-and-calamity-proof.

I trust that all Groups will see the great need for this protective accumulation and, at the same time, will fully maintain their voluntary contributions out of which our current General Service Office expenses are met.

A thousand thanks to you all!

Devotedly,

Bill