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# Sad Tidings: Adventist Publishing in North America

by George Colvin

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**I**t is not too much to say that North American publishing is facing a crisis. Fundamental changes in both production and distribution of Adventist books and magazines will probably have to be made. The 50 Adventist Book Centers and 931 credentialed literature evangelists in North America sold \$75 million in 1982, essentially the same as in 1981. However, only eight literature evangelists in North America earned \$20,000 or more in 1982, the Review and Herald Publishing Association is paying almost \$1 million a year just to service its debt, and for months the Pacific Press Publishing Association has been on the verge of bankruptcy.

The possible bankruptcy of the Pacific Press—the most immediate of the money problems—sparked an old debate in the North American Division over Ellen White's counsel to maintain more than one publishing house. Exchanges in this debate focused on the production process within Adventist publishing and diverted attention from the church's current legal entanglements with Adventist book wholesaler Derrick Proctor, and distribution problems which also threaten the system.

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## *Pacific Press and Production*

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**S**ince church presses in the North American Division can print far more literature than the distribution system now handles, the General Conference Committee voted April 7, 1983, to retain Pacific Press as a publishing association at a new location but to delay setting up a new printing plant. Most publishers in the United States edit and promote books and magazines, but do not own their printing facilities. According to the General Conference's recommendation the Pacific Press printing plant would have been sold to pay off current liabilities. Conceivably, printing for Pacific Press reorganized as a publisher would have been done at the new Review facilities in Hagerstown, Md.

Supporters of Pacific Press responded to this decision with a campaign to save Pacific Press as both publisher and printer, even if it were moved to a new location as a cost-saving measure.

Lawrence Maxwell, editor of the *Signs of the Times*, compiled an eight-page mailing for all church pastors in North America, complete with a conversion story and appeal to pastors to write Washington, D.C., in support of Pacific Press.

A professionally printed booklet entitled "Confederation and Consolidation: Seventh-day Adventist History and the Councils of the Spirit of Prophecy" was widely distributed by the "Friends of the Pacific Press Publishing Association." This booklet carried statements about consolidation of Adventist organizations (especially publishing houses) by Ellen G. White and the General Conference as compiled by the White Estate in 1968. The introduction appealed to readers to help Pacific Press avoid giving up "some of its independence and control" by contacting several General Conference officers and expressing support for the press' continued existence.

Pacific Press employees and their families circulated appeals to continue the press' publishing and printing functions. These appeals often noted that the debt burden of Pacific Press (about \$8 million) was substantially less than that of the Review (\$13.5 million), reviving the longstanding, if often denied, rivalry between Pacific Press and the Review.

Official sources do confirm that even

after the Review obtains the remaining proceeds of about \$2.5 million from its merger with Southern Publishing Association and the hoped-for \$5-6 million from the sale of the old Review plant in Washington, D.C., it will still be left with a considerable debt because of the costs of erecting a completely new plant. The Review has yet to receive an offer on its old building.

The campaign may have affected the newly formed North American Division Publishing Work Task Force, which was created at the April 7 General Conference Committee meeting. During the task force's first session in May, disagreement emerged over the advisability of adopting a single printing press to solve financial problems. Supporters of Pacific Press pointed to Arthur L. White's 10-page letter in which he discussed Mrs. White's strong encouragement in 1900 to retain a publishing house in Oslo, Norway, that was threatened with bank foreclosure on its physical plant. Arthur White concluded his letter by saying that "Ellen White would give no place to the consideration of abandoning a publishing

## A Short History of Adventist Colporteurism

by George Colvin

**L**ike the publishing work as a whole, the delivery system in North America has evolved over time. Colporteurs, or literature evangelists as they are now called, first came into existence in the 1880s near Battle Creek, Mich. They sold John Harvey Kellogg's 1,600-page *Home Hand Book of Domestic Hygiene and Rational Medicine*. Like many books of the time, Kellogg's tome was sold on subscription, with the colporteurs taking orders for later delivery. Gradually the colporteurs' wares expanded to include other health-related and then more directly doctrinal material.

Originally the colporteurs ordered their own books from the publisher, delivered the books themselves, and did their own collections. As the colporteurs went further from Battle Creek, they began to find it convenient to order books through

the state Tract and Missionary Society. These societies gradually assumed control of all subscription sales in their territory, and the state agent became a recruiter and trainer of colporteurs.

This system persisted into the first decades of the 20th century, when cash on delivery (c.o.d.) of books was developed. However, because c.o.d. orders had a high non-acceptance rate, installment payment for colporteur books was instituted in the 1940s. This system evolved in the 1950s to become the present literature evangelist program. In this program, the literature evangelist is a licensed or credentialed employee of the local conference, whose program is supervised by the publishing director (the successor to the state agent). Literature evangelists receive their literature from the union Home Health Education Service (HHES), which in turn purchases this literature from the publishing house. The HHES handles credit-related matters (evaluation, billing, payment reception, and collections), and shipping of ordered books to the customer. The literature

house in trouble and just retain the management in issuing literature, but get the printing done some place else than on our presses in our own plants.”

After considerable discussion, the task force voted 11 to 2 to recommend that the church “operate two publishing houses with two printing plants in the North American Division.”

Despite this conclusion, some General Conference officials maintained that in making a decision the General Conference should consider the principles behind Ellen White’s counsel (such as the need for pluralism in editorial voices) rather than the specific applications she made of those principles.

William Johnsson, in his June 9 editorial in the *Adventist Review*, affirmed the need to consider Ellen White’s instructions, “But each of us should acknowledge the difficulty involved in trying to understand how counsels out of the past given to specific circumstances should be applied by the church today.”

The editorial also spelled out problems in Adventist publishing: decreased number of books sold, despite rising dollar sales; the small number of literature evangelists earning even \$17,500 a year (based on average yearly sales of \$30,000); struggles for survival by many Adventist Book Centers; the burden imposed on conferences and unions by the distribution system; underutilization of the printing capacity of the expensive high-speed web presses at Pacific Press and the Review and Herald; books priced above many people’s ability to pay for them.

This editorial drew an immediate and sharp disagreement on the extent and nature of the problems from J. C. Kinder, director of publishing for North America. He wrote a three-page letter to the *Adventist Review* reinterpreting Johnson’s facts point by point. “I was greatly disappointed in the type of journalism displayed in the June 9 editorial, ‘Publish or cherish,’” he wrote. “While it is the type of journalism that we have come to expect from *Spectrum* and some other groups, I did expect better from the

evangelist is only involved in making sales and filling out orders, which are turned in to the HHES. In this way, the HHES is one of the descendants of the state societies, whose other heirs are the Adventist Book Centers.

A sharp distinction is made between books processed through the HHES (still called “subscription literature”) and other books (called “trade books”) that might be sold by the literature evangelist. One difference is in the books themselves; subscription versions of Adventist books tend to be more impressively printed (and to have correspondingly higher prices) than do other versions. An even more important distinction is in the way the sales are treated. Literature evangelists’ sales of non-HHES books or trade books, do not count for minimum sales requirements, are not considered in determining continuing qualifications for credentials, and do not apply to benefits.

Because of various costs associated with credit processing, and perhaps because of the desirability

of making sure that the books will stay in the home and not be refused or returned, the literature evangelist also receives a substantially larger commission on books sold for cash (40 percent of the price) than for credit (15 to 33 percent). Nevertheless, the trend in recent decades has been toward sales on credit of large sets of books, such as the 10-volume *Bible Story* set by Arthur S. Maxwell, or a diverse combination of titles called the “Christian Home Library.”

A concern among some publishing leaders is the rather sumptuous buildings that have recently been built to house HHES operations. Elder Lowell Bock, a general vice president of the General Conference and chairman of the board of Pacific Press, recently commented to the Pacific Press constituency that the “beautiful facility” built to house the HHES in the Lake Union Conference (where Bock served as president) was felt by “some” to have “increased our overall costs,” thereby contributing to what Bock called “a terrible squeeze on the publishing dollar.”

*Review.* While the facts used are correct, they are used in such a way as to give a distorted or false picture of what is happening in the publishing work in North America."

Johnsson and Kinder were not the only General Conference leaders differing about the future of North American publishing during the week of June 9. (The debate concluded at meetings of the General Conference officers and the General Conference Committee, June 7-9).

Comments on the business viewpoint were made June 7. On June 8, the General Conference Committee heard presentations from several conferences and unions advocating relocation of Pacific Press in their area. The sites considered included Central and Northern California, Washington state, and Idaho, but no decision was made. A site recommendation subcommittee was appointed.

That evening the General Conference officers reconvened to discuss the implications of Ellen G. White's publishing statements. After several hours of discussion the leadership drafted a statement describing their dilemma:

- Due to the restrictions imposed on the taskforce due to the immediate situation at the Pacific Press, it has not been able to complete the study requested by the General Conference Officers and union presidents on April 7, 1983.
- From a purely business standpoint there would be a serious question whether more than one printing plant would be required to meet the foreseeable volume of demand for literature in the North American Division.
- The counsels of the Spirit of Prophecy through Ellen G. White, however, would seem to encourage the Church to operate more than one publishing house with a printing plant in the North American Division as has been recognized in previous statements and positions expressed by the GC officers and the GC Committee in recent years.

In light of this conflict the officers reversed the position they had taken just two months before and recommended to the General Conference Committee that the task force's two publishing houses/two

printing plants solution be accepted. In presenting this recommendation June 9, General Conference President Neal C. Wilson said that he "yielded" to the implications of the Ellen White counsel, because the Adventist Church is a church rather than a business. Several key General Conference officers who now supported keeping Pacific Press as both publisher and printer said that they would not do so if Pacific Press were their own business, but it was a church institution, not simply a commercial enterprise. Some committee members, including one vice president responded that Ellen White's counsels might not be as clear or applicable as suggested, and that postponing the solving of a problem would only make it worse. But the General Conference Committee approved the recommendation.

On June 12, a much-relieved Pacific Press constituency heard of this action and added their approval. Since then the Pacific Press board has approved selling the Mountain View property to the South Bay Construction and Development Corporation for \$10 million.

### *Derrick Proctor and Distribution*

In his June 9 editorial, Johnsson suggested that the traditional methods of distribution (primarily Adventist Book Centers and literature evangelists) were not likely to be entirely sufficient for the future and that "bold, innovative marketing approaches are called for."

What approaches will actually be used will be influenced by the result of a legal case involving an associate professor of psychology at Andrews University, Derrick Proctor. His case has received local newspaper attention, but no coverage by the *Adventist Review*, despite its series of articles on publishing.

Before Proctor went to Andrews in 1969, he had, on occasion, been a colporteur from the university. He obtained an agreement

that he be given one day per week and his vacation periods to sell books. Every year since, this permission has been renewed. In 1976, he established Library and Educational Services, a wholesale book distributorship intended to sell Adventist and non-Adventist books and other materials to Adventist schools at a substantial discount.

The most famous item in his stock was the *Bible Story*. Through arrangements with the Home Health Education Service, Proctor purchased the *Bible Story* for about \$50. Proctor offered his sets to wholesale customers, however, at \$79.95—a greatly lower price than the ABC and colporteur price (\$269.95) and a substantially lower figure than the usual price charged Adventist institutions by the Home Health Education Service (about \$135). Since the *Bible Story* is a major profit-maker for Adventist publishing which often subsidizes other, less profitable books, Proctor's discount sales were not taken lightly.

In late 1979, Proctor says he began to hear from his non-Adventist book suppliers that the Adventist Book Centers were threatening to cut off business with them if they continued to sell Proctor while he sold Adventist books at sizeable discounts. Next, he was contacted by various church officials, who told him his sales were hurting church-owned stores. He was asked to raise his prices to the same level charged by denominational stores, even if it meant that he went out of business.

Proctor declined to go out of business; and because he considered the price proposal to be illegal price-fixing, he refused to raise his prices. Lowell Bock, then president of the Lake Union Conference, negotiated an agreement requiring the church to pay Proctor \$4,700 and to cease interference with his business. That should have resolved the situation.

However, Proctor says that efforts by the church to cut off his access to Adventist books continued. He considered this interference to be a violation of state and federal anti-trust laws. Proctor wrote to various

church officials who responded first with silence, then with what he considered to be attempts to blackmail him into changing his business practices, and finally with a proposal for binding arbitration before a board, the composition of which is still in dispute.

Proctor says that to protect himself he supplied information on the developments to attorneys general of several Midwestern states. May 12, 1981, the Michigan attorney general filed a cease-and-desist order against several church organizations for violations of the 1899 Michigan anti-trust law.

In August 1981, Proctor himself went to court. He filed suit in federal district court naming both Adventist and non-Adventist defendants as having been involved in agreements that illegally restricted trade in Adventist books. He asked for \$1.7 million in damages. Proctor alleged that his increasing difficulty in obtaining Adventist books to sell and the decreasing percentage of his sales going to Adventist schools (down from 47 percent in 1977 to 19 percent in 1981) were evidence of such agreements.

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Later that year, Neal Wilson told the Andrews University's *Student Movement* that the church was not the plaintiff and had been “dragged into a legal setting by someone else,” and promised that “we are going to go in there with everything we have” to protect the church from malicious attacks on its publishing activities.

Proctor fits a rather bizarre development into the sequence of events. On May 6, 1982, several people broke into the warehouse that stored Proctor's materials. They stole cash, several cases of Bibles, and other items. One of those who later pled guilty to conspiracy to entering the warehouse with-

out permission happened to be John D. Bernet, a part-time student worker at the Lake Union Conference Home Health Education Service and the son of the publishing department director for the Lake Union.

The Michigan state anti-trust complaint was resolved by a consent judgment August 24, 1982, which forbade Adventist organizations from engaging in any efforts to fix the prices that independent resellers charged for Adventist books. It also specifically indicated, however, that church suppliers could "reduce, suspend, or terminate sales or shipments to any independent reseller," provided that they did not do so in order to fix prices.

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Church officials point out that they have never conceded that they were in violation of law and that the consent judgment does not say that the church was violating the law in refusing to sell to Proctor in the first place. They argue that the consent judgment does not now require them to sell to Proctor. Proctor argues that his continuing difficulty in obtaining Adventist books for resale indicates that the church is still attempting to fix the prices at which resellers can sell Adventist literature. Though church officials disclaim any knowledge of this development, Proctor claims that the attorneys general of several states are dissatisfied with the church's compliance with the law and the consent judgment and may file suit within a few months.

Proctor's personal suit has not been resolved. Church officials, on advice of anti-

trust counsel, are reluctant to make comments outside of court proceedings on the case. However, the principal argument of the church is that the church as a single entity cannot conspire with itself to restrain trade, and did not, in fact, do so. Therefore, it has not violated the Sherman Anti-Trust Act. The church also claims that the First Amendment exempts the church from the application of the Sherman Act to Adventist publishing. The First Amendment argument was presented unsuccessfully in previous cases involving the Equal Pay Act and the Civil Rights Act of 1964. Some church entities other than the General Conference are also presenting jurisdictional arguments.

In the first stages of the case, Proctor's request for a preliminary injunction has been denied. On June 24, 1983, Zondervan Books (one of the non-Adventist defendants) won a motion for summary judgment that removes it as a defendant. The church anti-trust counsel believes these actions and the judicial conclusions involved in them bode well for the church's position.

Proctor feels that the principal issue in his case is the price that the church charges for its books, particularly the "subscription books" sold by colporteurs. Proctor cites Ellen White's direction that the books should be distributed "like the leaves of autumn" and denies that can be done when the *Bible Story* costs \$269.96 per set. He also wonders how his for-profit business can manage to sell Adventist books so much more cheaply than the non-profit Adventist Book Centers. Kinder points out that church distributors have many expenses (advertising, retirement funds, commission for sales people, and supervisors' salaries) that Proctor does not have. Kinder claims, too, that Adventist books are priced similarly to, or lower than, comparable non-Adventist books.

But other problems besides the Proctor case also face the distribution system. Because of the cost of capitalizing the sales system (which relies extensively on credit sales), many conferences and unions have

placed a limit on the extent to which book sales may increase from year to year. Cancellation and delinquency rates on books sold are substantially higher than in secular business, partly because the church's interest in having the books in non-Adventist homes leads to lenient collection practices. Colporteur sales figures recently have been disappointing, with a 1.3 percent decrease in sales for 1982 as compared with 1981.

Also, some think that the publishing houses (which are General Conference institutions), the Home Health Education Services (which are union institutions), and the literature evangelists and Adventist Book Centers (employed and owned respectively by local conferences) should be more integrated in their policies.

Though the best solutions to these and other problems may not be known, recent experiences have shown some methods that are unlikely to work. In the February 10 *Review*, Kinder said that efforts to place Adventist books on news racks and in non-Adventist Christian bookstores failed resoundingly, with losses to the church running into hundreds of thousands of dollars. Attempts to put Adventist Book Centers into shopping malls mainly serving the non-Adventist public have also been "financial disasters," Kinder stated.

Current publishing problems, according to Kinder, should be blamed on "spiritual lethargy" and lack of missionary activity in the church, and unpopularity of literature promotion within local congregations, and the growing tendency to use non-Adventist sources for sermon, study, and guidance material. He also maintains that the printing plants at Pacific Press and the Review are more economical than the publishing offices, which he says are overstaffed and whose workers often get called away for other church activities. So when the suggestions for two publishing offices and one printing plant circulated at the General Conference, Kinder countered with the solution of one publishing office and two printing plants.

The most workable solution for the publishing industry in the church, he says, would be increased emphasis on outreach by pastors, thereby motivating members to use Adventist literature. The Adventist Book Centers would then function as "arsenals" for the members to use.

Among the questions left open by this proposal are whether the laity can be so easily motivated to do in the future what they could already be doing and whether this would be sufficient to meet industry needs.

Other proposals rely more on structural changes. The Pacific Union Conference Church Structure Committee suggested that literature distribution be integrated and serve Adventist and non-Adventist customers through stores, van services, and field representatives. In this system, the literature evangelists and Adventist Book Centers would become publishing house representatives. The committee's report also suggested that literature evangelists should sell both trade and subscription books and should always leave some Adventist literature at each call, whether or not a sale is made.

J. C. Kinder called these suggestions "the most ridiculous thing I have ever heard." He said the publishing work exists solely for an evangelistic purpose and not to make money for the church. From this viewpoint, he faulted the proposal for separating the literature evangelists from the local conferences and local churches, the primary evangelistic agencies of the church in general. Kinder also saw no role in the distribution system for the publishing houses, which he characterized as producers only without the expertise or resources to manage distribution. Kinder also claimed that non-Adventists do not feel an immediate need for Adventist religious literature. Literature evangelists' through private conversations with prospective non-Adventist customers are necessary to create this need.

## *Sales to Non-Adventists and Writing*

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In the recent discussions about North American Division publishing, one element has received scant attention: the product itself. Relatively little study seems to have been done on the possibility that Adventist literature is not selling adequately because it is not speaking effectively to Adventists and non-Adventists alike. Such marketing research would seem to be essential in today's competitive publishing industry.

Many standard Adventist books were written in a time when religious belief was more widespread, and literary style more flowery than today. Recent efforts to alter the appearance of some Adventist books written in the 19th century, whether by changing book titles and bringing them out in cheap paperback editions or by putting them on parchment paper in expensive leather-bound sets, do not alter their content. Whatever the level and nature of the truth in Adventist books, if they are to sell widely they must speak clearly to the people's present needs. Recent comments, such as Kinder's concern that Adventists are increasingly using non-Adventist religious

works suggest this is a significant problem.

The Adventist publishing system also has no "escalator clauses" to provide additional royalties to authors of best-sellers, leaving writers with proven talents who might write appealingly for non-Adventists without incentives. Reports from publishing workers that a rather high proportion of church-published books come from unsolicited manuscripts (the "slush pile") also suggest an overreliance on unproved writers.

What sort of message might be more appealing? It may be that the emphasis on doctrines in Adventist publications needs reconsideration. When ephemeral romance novels make up such a high proportion of book sales, writing for the general American reader might seem a depressing task. But the need to speak to people in ways they understand seems to have been endorsed by Paul's comment that he had "become all things to all men, that I might by all means save some." (1 Corinthians 9:22)

If not only structural changes in production and distribution (however desirable) were accomplished, but Adventist writers were stimulated to address questions people are actually asking, Adventist publishing in North America could more effectively "publish glad tidings" of itself and its Lord.