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EXHIBIT
4

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Amway: The Hidden Corporation

Editors Note: This is the first of a three part series on the Ada based Amway Corporation.

In January of this year, local and state building tradesmen along with the Michigan State AFL-CIO launched a boycott of Amway products.

This series will attempt to look behind the Amway legend and "get the whole story."

By MIKE JOHNSTON

Strip away the legend, take away the glitter and almost nothing is known about the estimated 800 million-a-year Amway Corporation.

Behind the fence that surrounds the 300 acre industrial complex, ten miles east of Grand Rapids in Ada, is a secretive, privately-owned multi-national which affects the lives of millions.

Despite hundreds of "rags to riches" articles which have built a legend around Amway's founders and given their opinions almost a sacred aura, very little has been written that has not come from Amway first.

Amway, short for the American Way, has operations in 16 foreign

countries. According to Company statements, it was founded in 1959 and is solely owned by Chairman Jay Van Andel, President Richard De Vos and their wives. Their operations are entirely non-union.

Like privately owned U.S. corporation it does not have to file any public reports with the Securities and Exchange Commission, a governmental - consumer watchdog agency.

Without this one safeguard, Ada, Grand Rapids, the State of Michigan and the 4000 plus employees who work there have no way of checking the accuracy or truthfulness of Amway's public statements. The public has no way of knowing what is factual and what is public relations.

Messrs. Van Andel and De Vos do not have to disclose any information about the company's operations, its finances, new purchases or sales which is routinely required of corporations with public stocks and bonds.

Information of real concern to employees and the surrounding communities like hiring practices, salaries, working conditions, disposal sites and potential shutdowns remain unavailable.

Amway Reaches Millions

With very few exceptions, the only thing the public knows about Amway is what Mr. De Vos and Mr. Van Andel want it to know.

Unlike any other powerful U.S. corporation, Amway has the ability to control what the public thinks.

With its own radio network and publishing house, Amway is able to reach millions daily with an expertly tailored, flawless image.

Many say this is the reason for Amway's success, the ability to make company philosophy seem like news.

Recently, Amway Communications, a subsidiary, bought the Mutual Broadcasting system. It is the world's largest radio network with over 950 stations. Ironically, a recent purchase also included WCFL, the voice of the Chicago Federation of Labor.

Yearly the Company produces tons of literature for the public and their network of 300,000 distributors including: 7 1/4 million "Amagrams," 225,000 "Newsgrams," and 622,000 "RDC Bulletins," in their ultra-modern web offset plant.

Interchange, a public research organization, reports that "Van Andel and De Vos have their own in-house public information machine in their Center for Free Enterprise and the Free Enterprise Institute.

"Besides De Vos' own book, 'Believe!,' the Institute distributes free, or at low cost to other corporations and individuals, other books and booklets which promote Amway thinking.

"In addition, Amway's Institute offers classroom visual teaching aids for grades 4-12 and ages 14 and up. This includes an animated film series, 27 minute color films, video cassettes, 12 minute slide

films, and 20 minute audio cassettes."

"Backing up these visual aids are printed teachers' and discussion leader's guides."

"Like Mobil Oil, Amway spends more of its advertising and P.R. budget trying to get its ideological views across than selling its products. And like Mobil, its 3 column x 10-inch cartoon and copy "op-ed" ads" . . . are seen everywhere continually . . . "and often in the same place as Mobil's in major newspapers throughout the country." Recently the Grand Rapids Press has carried a regular series of these ads.

"Amway (also) subsidizes a little newsletter that unfolds into a poster called the "Ada Report."

"It is sent free to anybody who wants it, and specifically to the President, 100 Senators, 435 Representatives and the 50 State Governors" . . . "so they can read for themselves the message that hard working people want to send them."

"The Amway chiefs are expanding their efforts year-by-year to get their views in the classrooms. This year Amway organized a series of two-week summer workshops for teachers in 60 cities."

When not relying on the Corporations assets, De Vos and Van Andel are quite adept at spreading corporate philosophy personally.

President De Vos uses his \$40,000 green Rolls Royce, or if need be Amway's four corporate jets and 119 foot yacht "Enterprise," to crisscross the country on national speaking tours.

Chairman Van Andel, as head of the U.S. Chamber of Commerce has access to its syndicated national T.V. program and a weekly newspaper of 425,000 subscribers.

As head of "Citizens Choice," a Chamber lobby group, he was able to reach 10 million people through an extensive direct mail campaign.

Finally, noted radio columnist Paul Harvey, who weekly advertises Amway products over 600 ABC affiliates, gave a indirect compliment to Amway ideology by suggesting Mr. De Vos run for President.

The Corporation has publicly stated it is seeking more media acquisitions . . . "to communicate with the American people."

PART TWO, NEXT MONTH WILL BE ENTITLED, "AMWAY: THE RIGHT-WING IDOL"

Amway: The Right Wing Idol

Editors Note: This is the second part of a three part series on the Amway Corporation.

In January of this year, local and state building tradesmen, along with the Michigan State AFL-CIO, launched a boycott of Amway products.

In an unbiased way, this series intends to look behind the Amway legend and "get the whole story."

By MIKE JOHNSON

Amway owners, Richard DeVos and Jay Van Andel have been called the preachers of the "new right."

Combining "big business" economic theories with a large dose of selective Bible teachings, patriotism, and elitism, the two have become outspoken national leaders of a large conservative movement in this country.

They have been compared to missionaries seeking converts because of their tireless work crisscrossing the country promoting their views.

Interchange, a public research organization states: "Amway sales meetings and conventions . . .

have been likened to revival meetings and President De Vos, a charismatic speaker, to Billy Graham."

Unlike the public image of leisure-seeking corporate executives, these two millionaires are very politically active, and spend in the hundreds of thousands of dollars from their private fortunes promoting the right-wing gospel.

Shrewdly building upon their reputations as successful businessmen and regular church-going family-men, De Vos and Van Andel have managed to become the idols of the Religious Right-Wing.

The list of organizations they support reads like a "who's who" of conservative, anti-labor organizations: The Committee for the Survival of a Free Congress, The National Conservative Political Action Committee, The American Conservative Union Victory Fund, and The Public Service Political Action Committee.

Chairman Van Andel

Van Andel, (55), besides being the top fund raiser for the Michigan Republican Party, is presently actively helping the U.S. Chamber of Commerce defeat several pro-worker Congressional legislators in the up-coming elections.

As ex-Chairman of the Chamber, Van Andel used his position to voice his views, and the Chamber's, in 25 American cities, Canada, and the Western Pacific area, before an estimated 25 million people.

During his speaking tours he urged businessmen to "speak out" and use the media to argue business' viewpoints.

He urged an end to the Comprehensive and Employment Training Program, (CETA), a federal program which provides jobs for the unemployed, dismantling of the Dept. of Energy, and more money for the military.

He openly supported the big oil companies in their opposition to President Carter's windfall profits tax.

Other messages included his out-



Over 500 Building Tradesmen from all over Western Michigan showed up at the Calder Plaza May 13 to protest Amway Corporation's anti-labor policies. Also present and sponsoring the rally were members of the Association for Community Organizations for Reform Now (ACORN) and the Congress of Labor Union Women (CLUW).

position to the Consumer Protection Agency, Universal Voter Registration, and the regulation of natural gas prices.

Commenting on the kind of politicians he would like to see more of, Van Andel was quoted as saying "we'd be in good shape if we had more members like Guy VanderJagt (R.-Luther) (136 wrong votes to 30 pro-labor votes, 1979 session) and Hal Sawyer (R.-Rockford) (12 pro-labor votes to 47 wrong votes, 1979 session)."

President De Vos

Not as well known, the younger of the two Amway founders, President De Vos, (53), is an active member of the National Association of Manufacturers (NAM), a industry group which formed the Council on Union Free Environment in 1977, an in-house union busting service for its members. He is also a member of NAM's Communications Advisory Committee.

Interchange states: "De Vos . . . has for years been the quiet God-father and financial angel of the Religious Right movement. . . ."

The Religious Right (RR) is a loose grouping of strict religious organizations which uses the Bible to explain and justify their actions.

Among their goals they would like to see a massive cut in federal programs to help the poor, handicapped, unemployed and minorities, institution of right-to-work (for less) laws, an end to the political power of unions and a severe weakening of the federal government's ability to regulate business.

The RR would also like to see the nation return to the gold standard, a balanced federal budget, an end to American support of the United Nations, and a return to Cold War politics with Communist countries.

They are outspoken in their opposition to the Equal Rights Amendment and the women's rights movement.

According to their studies, there are at least five million potential members in 50,000 churches that can be tapped and harnessed to the RR campaign to capture the American political system.

Relying on Amway's fleet of jets, De Vos has travelled extensively, raising money, building key business, political, and religious support for the "movement."

He has been largely responsible for bringing the RR movement into the mainstream of American politics. Through him it has become respectable and wealthy.

Interchange says "In the speeches by its leaders, pastors are being urged directly to personally endorse candidates, to invite Christian candidates deserving conservative support to preach or to offer prayers before their congregations, and set up voting registration booths in their churches."

"In 1975, De Vos and several other conservative businessmen . . . made a significant move to implant their Religious Right views into elective politics. They took control of the tax-exempt Christian Freedom Foundation for the main purpose of using its tax exempt status for their Religious Right organizing efforts. . . ."

De Vos contributes heavily to several R.R. front groups including the Christian Embassy, the Christian Freedom Foundation (\$25,000 personal contribution in 74-75) and Third Century Publishers.

Recently he publicly announced he would use Amway style sales techniques to recruit regular contributors for the Republican Party, people who would be willing to part with \$2,500 a year.

As chairman of the Republican Congressional Leadership Council, he hopes to raise at least one million a year to elect Republican Congressional Candidates.

De Vos emphasizes his work is not an attempt to have Amway take over the country. However, he adds, "I think we can have a significant impact on the 1980 elections."

Many conservatives hope that what John Kennedy did for the liberals, De Vos and Van Andel can do for the conservatives.

PART THREE, NEXT MONTH
WILL BE ENTITLED: AMWAY:
PRO-WORKER?

Apr. - June 1980

Amway: Pro-worker?

By MIKE JOHNSTON

(Editors Note: This is the third and final part of our three part series on the Amway Corporation.

In January of this year, local and state building tradesmen, along with the Michigan State AFL-CIO, launched a boycott of Amway products.

Throughout the series, we have

attempted to look behind the Amway legend to "get the whole story.")

"Amway is not anti-union . . . Amway is pro-worker," states Richard De Vos, co-owner and president.

Both the Michigan Education Association (MEA) and the State AFL-CIO Building Trades have recently charged Amway with being anti-labor.

According to De Vos they are either "misinformed or biased. If they want to term it an anti-attitude, that's only because we don't happen to agree with their philosophies."

"We deal with people as persons, not numbers or members of some group . . . we will not accept a gang theory."

Although the two Amway owners readily admit they have never worked for someone else since high school, De Vos is fond of telling people how America was built by the men and the women that got out of bed and went to work every morning.

Workers Want Unions

Despite the publicly stated pro-worker sympathies of Van Andel and De Vos, Amway workers have been asking area unions for help since the firm began.

In the middle sixties, the Retail,
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Amway: Pro-worker?

(Continued from page 1)

Wholesale and Department Store Union AFL-CIO (RWDSU) tried to organize Amway.

A comparison of wages and benefits with a RWDSU organized Stanley Home Products warehouse in Battle Creek, an Amway competitor, showed several Amway factory workers that they would be better off with a union contract.

But before the organizing drive had a chance to spread beyond a dozen union sympathizers, De Vos began to hold weekly in-plant meetings which everyone was required to attend.

These "captive audience" meetings were like church services where De Vos would stand up before the multitude and preach to them on the Company's virtues and the evils of unionism. Anti-union workers were encouraged to stand up and give testimonies on what Amway had done for them.

After a series of these meetings, the drive petered out.

Another union tried to organize an Amway department in October of 1963.

National Labor Relations Board (NLRB) records show that the International Printing, Pressmen and Assistants Union of North America AFL-CIO, with the help of the Grand Rapids Press Printing Pressmen Local 13, lost an election in Amway's printing department, 12 to 5, in December of 1963.

In October of 1967, the International Brotherhood of Pulp, Sulphite and Paper Mill Workers AFL-CIO (now the United Paper Workers) petitioned the NLRB for an election but later withdrew it.

At about the same time the most ambitious and most nearly successful of all organizing attempts took place.

The International Chemical Workers AFL-CIO (ICW), with headquarters in Akron, Ohio, received word that several Amway workers wanted to join a union.

They assigned their Michigan representative full-time to the Amway campaign. With the help of Grand Rapids Local 132 ICW, which represents Michigan Consolidated Gas workers, leafletting began at the plant gates in Ada.

The ICW file of the campaign shows that at first there was only a trickle of signed authorization cards. Then, they started coming in bunches.

Everything was moving along steadily until November 21 when the headquarters received a call

DO WE WANT TO PAY THE PRICE?

WHAT HAS THE UNION PROMISED? NOTHING!

IT CAN'T!

AMWAY

CORPORATION

7375 EAST FULTON ROAD, ADA, MICHIGAN 49301 • PHONE 674-9151 • AREA CO
Dear Amway Employee:
April 9, 1968

... that some of the things we have discussed
International

COMMITTEE AGAINST THE UNION

The time has come to hear our side. In this brochure we are going to make known the main reasons we are against the union. These are the reasons of some of the employees who have submitted them to us. Anyone who has an opinion as to why we are against the union, please write them on the coupon already enclosed.

These never before published documents show Amway literature which was used to defeat two union organizing drives.

that one worker was transferred to nights "in retaliation for his participation in the formation of a union."

Next, Amway filed charges with the NLRB accusing the ICW of forcing three people to join the union against their will. The charges were later dropped when the Board found there were no such people.

As the campaign progressed half-truths and rumors began to circulate throughout the plant. One rumor stated that "if we join a union we will no longer receive our uniforms free."

Union activists were told they would lose their jobs, were ordered to attend the weekly "captive audience" meetings, and were interrogated about their union activities.

Foremen and shop floor workers alike were expected to wear "vote no" buttons which were freely distributed throughout the plant.

Several departments suddenly received unexpected pay raises.

As the election approached the Union also stepped up its activities which included more leafletting and regular meetings at the Ada Township Hall.

Then on April 9, 1968, two days before the election, De Vos and Van Andel called all the employees together during working hours and read them a six-page typed letter.

Carefully avoiding breaking the law but using the loopholes that exist in the Federal labor law, the letter went into detail explaining why Amway did not need a union and threatened what would

happen if the union won.

The ICW report of this incident reads, "Mr. De Vos' remarks at the meeting and the letter to the employees leave no doubt that if the union won the election the Company would not work with the employees."

Finally the election was held April 11, 1968, and the Union lost 105 to 190.

Evidence in the files shows that De Vos and Van Andel expertly skirted the law and purposely created a climate of fear, confusion and hostility in order to defeat the union.

In the summer of 1971, the RWDSU returned and tried to unionize Amway a second time.

The campaign fizzled after several pro-company lead people formed "A Committee Against The Union" and were allowed free run of the plant during working hours.

The "Committee Against The Union" was allowed to hand out flyers attacking the Union while asking people to sign petitions showing their support for the Company.

One pro-union supporter refused to sign a petition and was told the Company now knew where she stood.

Jack Kirkwood, a RWDSU Vice-President and one of the two organizers in this campaign, stated the Union was never able to sign up more than 23 people.

"The Committee against The Union could talk against the union; they could do most anything they wanted on Company time."

Amway: Pro-worker?

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He says he wrote a letter to De Vos asking that the Union implant committee be given the same rights as the Company Committee.

De Vos coyly replied that he was abiding by the law and that Amway believed in fair play but could not allow special privileges for the Union group.

Although the Union never proved that De Vos and Van Andel were behind the "Committee Against The Union," the Committee's free run of the plant during working hours showed that someone higher up approved of their work.

From September of 1972 until June of 1973 the Chemical Workers renewed their efforts to organize Amway.

But by this time Amway's anti-union forces were veterans at beating unions. Fresh from their victory over the RWDSU they were ready to take on the Chemical Workers again.

A "Amway Employees Affairs Committee (Movement Against the Chemical Workers Union)" formed and started pressuring as soon as the Union's new campaign began.

Using many of the same people and the same tactics as the earlier "Committee Against The Union," this "new" committee isolated any support the Union had.

The Committee finally succeeded in forcing the Union to call off the campaign for lack of support.

About the same time Grand Rapids Local 406 of the Teamsters tried to organize Amway's truck drivers and switchers but were soundly defeated April 14, 1972, 26 to 10.

The last and most recent attempt was in 1977,

NLRB records show an individual filed for an election then withdrew it a month later.

Life At Amway

(Keeping The Unions Out)

Although De Vos and Van Andel have presumably never met Dr. Charles Hughes, a behavioral psychologist who conducts nationwide seminars for firms on "union avoidance" techniques, their philosophies and methods are uncannily alike.

Dr. Hughes advocates a brand of paternalism, which the dictionary defines as "in the manner of a father's relationship with his children," designed to keep workers happy without a pay raise.

He preaches a doctrine of behavioral psychology, commonly known as brainwashing, as a means of getting workers to identify so closely with their employer that they will shun union organizers.

He also suggests that management should ask workers for their opinions — it will make them feel they "own" the organization.

Like Dr. Hughes' philosophy, De Vos and Van Andel have been very successful using their own brand of behavioral psychology, to keep the Amway workforce content and the unions out.

In the past, enough Amway workers have looked up to Jay Van Andel and Rich De Vos, that union elections have always ended in their favor.

Also like the Hughes doctrine, Amway requires that workers attend monthly "speak out" meetings where they can air their views, gripes and ideas, with De Vos present.

Hughes cautions though that workers views should not be expressed through elected committees because that would be teaching "union mentality."

A 26 year old office keypuncher, who had worked at Amway for 2½ years, and who did not want to reveal her name because her relatives still work there, described a typical "speak out."

Everyone would assemble and De Vos would begin the meeting by telling of Amway's continued growth. He would then answer employee questions which were written on slips of paper. Then, almost always, the meeting would turn into a sermon where De Vos would preach about the evils of big government or unions, or how the oil crisis should be handled, or whatever his pet subject happened to be at the time.

She says he always acted as if he were talking down to little children.

She recalls one "speak out" where a very pregnant office worker complained to him that she had to walk at least a mile from her car to work, because of all the building going on. De Vos replied that there wasn't a parking problem but a walking problem.

She remembers fuming because everyone knew he drove his Rolls Royce right up to the door every day.

Another Hughes recommendation is that management hire people "who like working" at factory jobs, are not involved or leader types, and who have no great ambitions.

Much of Amway's workforce comes from the farming communities which surround Grand Rapids; Ionia, Lowell, Alto, Coopersville and Saranac, where jobs are scarce and wages are low and having any job is something to be grateful for.

Dr. Hughes lumps Blacks along with rabble rousers, misfits and union leaders and hints that they should be avoided.

The Association of Community Organizations for Reform Now (ACORN), a Grand Rapids inner city neighborhood group with a large Black membership, picketed Amway April 15 for not hiring more minorities.

Unlike many large area employers who hire through the Michigan Employment Security Commission in an effort to attract more minorities, Amway takes employment applications only at their tiny personnel office in the plant in Ada.

Amway also relies heavily on temporary help from Action Services, Man Power, and Kelly Girls.

These temporary workers are used often for regular 40 hour weeks over periods of months but do not receive any benefits.

Wages vary widely from job to job. Some skilled workers like the pressmen in the Graphics Department are well-paid, and many other workers at Amway make around \$7.00 per hour.

However, this wage rate does not apply to about 300 workers who are employed in the factory and office "pools."

With the exception of people hired with certain skills, every new person at Amway must start in the labor "pools."

Office "pool" people start around \$3.85 per hour while factory "pool" people make around \$4.85 an hour. Up until recently, when "pool" people were granted three paid holidays a year, there were no benefits.

A person can bid on a job to get out of the "pool" but the decision when a person leaves to fill that position is up to the Company.

A seniority system exists and workers are allowed to bid on posted jobs but recently, with Amway's cut back in production, people have been forced on jobs and shifts they did not want.

Instances have occurred where workers were forced to give up their seniority and fringe benefits after they were reassigned into the factory "pool."

Fringe benefits for those in the regular work force at Amway match, and in some ways top Union shops in this area. They include: paid dental after six months service, optical after a years service, life and health insurance, holiday pay and paid vacations.

Yet there is a turnover rate at Amway which has been described as "incredible."

As one 20 year old from the Catalog Department, who had worked there a year-and-a-half put it, "Those people who stay there more than five years are considered old-timers."

Workers who stay at least five years are honored with a pin and a dinner.

A class system exists in plant. Those who have been there more than five years tend to be foreman and lead people, highly paid and extremely loyal to Amway. They are older, more stable and work primarily on days.

While those who work on nights in the "pools" and temporary services are younger, more open minded and transient.

Not surprisingly, organizing reports show that these people have been the most pro-union.

Workers who have left Amway tell of feeling like the Company was trying to tell them what to think and how to act.

Dr. Hughes says "Being a union is a state of mind," and is attained "by slowly eroding thought processes until changes."

A secure future is promised those workers who accept and conform to the Amway philosophy.

For those who resist conformity and expect more, there is the hope that Amway workers will someday organize.

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