Supreme Court of the United States

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APR 1 1969

JOHN F. DAVIS, CLERK

Docket No. 488

In the Matter of:

MRS. DORIS DANIEL AND MRS. ROSALYN KYLES

Petitioners

VS.

EUELL PAUL, JR. Individually and as Owner, : Operator or Manager of Lake Nixon Club, :

Respondent

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Place

Washington, D. C.

Date

March 24, 1969

(Part 1)

ALDERSON REPORTING COMPANY, INC.

300 Seventh Street, S. W.

Washington, D. C.

NA 8-2345

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IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1968

Mrs. Doris Daniel and Mrs. Rosalyn Kyles, "

Petitioners,

v. : No. 488

Euell Paul, Jr., Individually and as Owner,: Operator or Manager of Lake Nixon Club, :

Respondent: :

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Washington, D. C. Monday, March 24, 1969

The above-entitled matter came on for argument at

1:55 p.m.

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BEFORE:

EARL WARREN, Chief Justice
HUGO L. BLACK, Associate Justice
WILLIAM O. DOUGLAS, Associate Justice
JOHN M. HARLAN, Associate Justice
WILLIAM J. BRENNAN, JR., Associate Justice
POTTER STEWART, Associate Justice
BYRON R. WHITE, Associate Justice
ABE FORTAS, Associate Justice
THURGOOD MARSHALL, Associate Justice

APPEARANCES:

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(As amicus curiae)

APPEARANCES (Continued):

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Department of Justice
Washington, D. C. 20530
(For the United States as amicus curiae)

PROCEEDINGS

MR. CHIEF JUSTICE WARREN: No. 488, Doris Daniel and Rosalyn Kyles, Petitioners, versus Euell Paul, Jr., et cetera.

THE CLERK: Counsel are present.

MR. CHIEF JUSTICE WARREN: Mr. Harper.

ORAL ARGUMENT OF CONRAD K. HARPER, ESQ.

ON BEHALF OF PETITIONER

MR. HARPER: Mr. Chief Justice and may it please the Court.

This case concerns two black ladies who were refused service at the recreational facility called Lake Nixon Club located just outside of Little Rock, Arkansas.

The respondents are the owners of Lake Nixon Club, Mr. and Mrs. Paul.

Following the refusal of that facility to serve the petitioners, black ladies, they brought a class action in the District Court sitting in Little Rock for a junctive relief. The District Court following the trial held that Lake Nixon was not a facility subject to Title 2 of the 1964 Civil Rights Act, specifically holding that the food facilities at Lake Nixon were not embraced within the statute and also that Lake Nixon was not a place of entertainment or exhibition within the ambit of the statute.

The District Court also summarily rejected the claim

made by respondents below that Lake Nixon Club was a bona fide private club.

On appeal the Eighth Circuit affirmed on all grounds with one judge dissenting. This Court granted certiorari not only to determine questions relating to coverage under Title 2 of the 1964 Act but additionally on the question whether the 1866 Civil Rights Act now partially codified as 42 U.S.C. Sections 1981 and 1982 acted to bar discrimination in this facility.

The Petitioners make two, I should say three principal arguments. First, that Lake Nixon food facilities were such as to bring the whole of Lake Nixon within the ambit of Title 2. Second, that Lake Nixon in its entirety was a place of entertainment or exhibition within the terms of Title 2. And thirdly, that 1981 and 1982 insofar as they granted an equal right to contract and have an interest in property granted petitioners the right to have access to Lake Nixon.

The facts in this case are relatively simple and not in dispute. Lake Nixon is a 232 acre site located not far from Little Rock, Arkansas, which has facilities for boating, and swimming and picknicking and miniature golf. It also has a snack bar which serves sandwiches, soft drinks and milk, and it also has in that snack bar a juke box.

Lake Nixon also advertises its facilities, specifically the record shows that during its normal season which runs from May until September every year, Lake Nixon ran in 1966, three advertisements every week on a radio station in Little Rock as well as utilized the facilities of another Little Rock station for a similar kind of announcement.

Those announcements, incidentally, the record reflects were addressed to all members of Lake Nixon and would could purchase a membership, so called, in this facility simply by paying a quarter for each season.

Lake Nixon also advertised ---

Q A quarter for each time they come there, each time they visit or was it just a quarter for ---

A A quarter for the entire season, your Honor.

In other words, from May until September and after obtaining this admission card one then had to pay an additional money if he wanted to buy something at the snack bar but he might not pay anything if he went there simply to go there picnicking or swimming.

Q I see.

A Lake Nixon also advertised its facilities in a magazine distributed locally showing facilities open called "Little Rock Today." That was done once the record shows in 1966, and also once in 1966 Lake Nixon distributed an advertisement in a publication which was distributed at the air force base located in Jacksonville, Arkansas.

Q Are those advertisements written in the text of those advertisements?

A No, your Honor, what is on file with the court but not printed is a copy of the radio copy used in the radio announcements.

The announcements with reference to the magazines are not printed in the appendix, are not a part of the record in this case. It is simply testimony that such will run.

Q Does the record indicate whether or not those ads the one in the military magazine or the publication are the one in the publication distributed by the Chamber of Commerce or whatever it was in the hotels were also purportedly addressed to "members"?

A There is no specific testimony on that. What there is is a general statement by Mr. Paul as I recall which says that all advertisements are addressed to all members of Lake Nixon.

Q Yes.

A Now Title 2 has a comprehensive scheme for coverage for public accommodations as defined specifically with regard to food facilities it says that a food facility may be covered if it serves or offers to serve interstate travelers or substantial portion of the food which it serves moves in commerce.

The evidence shows here as we have just been talking, that Lake Nixon during 1966 advertised its facilities and the evidence further shows that Lake Nixon was open to the general

white public. Having advertised its facilities to the public in general it seems clear to us that Lake Nixon was in fact offering its services to members of the interstate public and therefore for purposes of Title 2, Lake Nixon's food facilities were open to persons in the general public.

That being so the statute then provides that all other facilities which are open to the people patronizing the food facility are open pursuant to Title 2.

particular question. The District Court found that there had been no offer to serve interstate travelers as such. We believe that is a misconstruction of the statute. Congress had in mind simply an offer to serve people in general and if there were not any evidence of a prohibition on interstate travelers or in this case, no inquiry even as to where people came from indeed Mr. Paul didn't even know how many members there were although he estimated about 100,000, we think that is sufficient to bring this lunch counter and therefore the whole of Lake Nixon within the ambit of the statute.

Also, with regard to the food facilities there is
the test that a substantial portion of the food moved in
commerce. The evidence on this issue was simply that Lake
Nixon at its snack bar served hamburgers, hot dogs, soft
drinks and milk. The District Court made a specific finding
that the ingredients used in the soft drinks and the

ingredients used in the bread were such as had moved in Interstate Commerce.

However, he deemed that insufficient for coverage under Title 2. The Eighth Circuit not disturbing that finding made an additional finding that in its view milk at least was locally produced.

We submit that since Lake Nixon sold only four principal items, three of which, that is, the hamburgers, soft drinks and hot dogs contained out-of-state ingredients this was sufficient to meet any kind of reasonable substantiality test and therefore Lake Nixon as a whole was covered by Title 2.

The District Court took the view that that was not the case and the Eighth Circuit similarly took a view. In part, said the District Court, Lake Nixon was a whole facility not principally engaged in selling food for consumption on the premises.

We, of course, disagree with that on the grounds that Lake Nixon's snack bar at least principally was engaged for serving food for consumption on that premises and therefore the whole of Lake Nixon was covered.

An additional ground of Title 2 is the claim that Lake Nixon was an entertainment facility or place engaged in giving exhibitions. We specifically note here that the Juke boxes were found by the District Court to have been acquired

outside the State of Arkansas. That being the case it seems to us the juke box was naturally a source of entertainment for persons who may listen or perhaps dance to it and therefore this was sufficient for purposes of coverage to say that Lake Nixon was place that had entertainment or exhibitions, which moved in commerce.

Additionally, however, the evidence shows that Lake Nixon had so-called surf boards or yaks which were purchased from an Oklahoma company and furthermore that from the same Oklahoma company Lake Nixon had leased certain paddle boats. We think this is sufficient again to show that Lake Nixon's sources of entertainment had affected commerce and therefore Lake Nixon as a whole was subject to the ambit of Title 2.

And we would mention here as another and further ground for showing that Lake Nixon was a place of entertainment or exhibition that local peoplemight well come there to be entertained either by their family, by their friends or exhibiting their prowess in any given area of Lake Nixon's facilities.

For the Fifth Circuit sitting en banc in the Miller case this kind of activity was sufficient to define a place of entertainment and we submit the same is true here.

Q Didn't one of the advertisements indicate there was an orchestra there, music at least on the week-ends?

A That is right. Dances were given every Friday

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or Saturday at Lake Nixon. The evidence, however, does show further that the musicians that played live at those dances apparently were only from Pulaski County, or were not in commerce within the meaning of the statute.

Q No, I was just thinking about whether or not it was a place of entertainment.

A Oh, yes. We say that was an additional source showing it was a place of entertainment.

That being so with regard to Title 2 we turn then to possible coverage under the 1866 Civil Rights Act. 1981 was specifically pleaded in this case in the complaint. None of the courts below passed upon it because this court's decision in Jones versus Mayer Company was not handed down until after the Eighth Circuit denied rehearing in this case.

We think it manifest that this was an ordinary kind of contractual arrangment, one paid money and in return had the option of availing himself of services located at Lake Nixon and the evidence is uncontroverted that the petitioners in this case were denied that right, that contractual right if you will on the grounds of race. We think nothing could be clearer as violative of 1981.

With regard to 1982 which provides for equal property rights and no denial thereof on the grounds of race, we think it clear also that what really was involved here was one had the opportunity to use the property of Lake Nixon, either its

juke boxes or its miniature golf or its swimming facilities and therefore the rationale of the Jones case would indicate that this kind of property should not be denied to persons on grounds of race.

Q 1982 was not relied on in the pleading was it?

A That is right. It was not pleaded below and none of the courts below ruled upon the issue. However, this court granted certiorari and we think that there is ample authority for this court to dispose of the case on that ground of it wishes.

Q Yes.

Q Well, it would be enough I suppose to get your result if just a claim that Negroes had the right to buy food at this refreshment stand?

A Under Title 2 you mean or 1981?

Q 1981.

A Oh, yes, or any of those facilities. That is true.

Q At least you had the right to buy personal property like other people?

A That is right. That is our position.

Q You also think you have under that statute you have the right to buy whatever it is they are selling?

A Which is open to the general public except Negroes. That is right.

If there are no further questions I shall reserve the balance of my time.

MR. CHIEF JUSTICE WARREN: You may.

Mr. Leonard.

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ORAL ARGUMENT OF JERRIS LEONARD, ESQ.

ON BEHALF OF THE UNITED STATES AS AMICUS CURIAE

MR. LEONARD: Mr. Chief Justice and may it please the Court.

I suppose that the first question that would come to anyone's mind at our appearance here is why the central Government should be interested in a case which might appear to be of relatively minor importance.

It may well be on the facts as such it is, but there are three very important reasons why the FederalGovernment is occerned about not only the issues in this case but the case itself.

First of all, Little Rock, Arkansas, has an air force base located there which there are some 15,000 military civilian personnel and the dependents of those people. In a county the size of Pulaski County which is roughly 285,000, according to the census figures, this is a rather substantial population and it gives to the Federal Government a rather substantial interest in seeing to it that the people that work for the Federal Government are in fact accorded all their due according to Federal law as Federal law applies so we have that

kind of an interest in our employees.

Secondly, Title 2 specifically section 204 of the Act of '64 gives some unusual obligations to the Attorney General with respect to the question of public accommodations. And we are, therefore, interested in the case because of that admonition in Title 2.

Thirdly, we are concerned and interested because we believe that the principle in this case is one on which we would like to have some settlement, some opinion, a decision by this court, so that we will get some guide to future action in this kind of case.

We feel very strongly that our nation has made and is making great progress in the area of bringing equal voting, equal employment, equal housing and other equal opportunities to our Negro citizens.

Negroes in greater numbers than ever before albeit there are still too few in number, are beginning to share the fruits of our free economy. But first class citizenship doesn't mean just a good job or the right to vote, or sending your youngster to a desegregated school.

We think that first class citizenship means much more than that. It means the sharing of in all the fruits of our free society. It means taking mama out to dinner on Sunday and be able to sit anyplace in the restaurant or go to any restaurant or taking the kids for a swim on a hot Sunday

or taking your daughter out to begin to teach her the basic golf at the Lake Nixon miniature golf course.

So from the philosophical point of view we have a very deep interest in what the Court decides in this particular case.

Let me just briefly analyze what our feeling is with respect to the opinions below.

The District Court we feel got hung up so to speak on the issue of the single enterprise, the fact that these were not the enterprises at Lake Nixon were not separate units, that the snack bar is not owned by someone else, the swimming facilities and so on.

We would submit to the Court that that is immaterial to a customer. He doesn't care whether one person owns all the facility or whether a group of people each own each one of the separate and individual facilities and that further that that concept finds no rational basis in Section 201 of the Act.

There is nothing in there that indicates that

Congress had that intent and if it did it could have put some

verbage in it which would have very easily delineated that

intention such as principally engaged in this or under separate

ownership or some verbage that would have given a clue that

one could come to the kind of conclusion that the District

Court came to.

And thus we feel the District Court was in error in the way it applied the law to these particular facts.

The Circuit Court of Appeals, it used the hook that there was no effect on Interstate Commerce. Well, I would submit to the Court that this runs contrary to common knowledge and common understanding.

Little Rock, Arkansas, is not a sleepy little hamlet back out in the woods somewhere. It has a major military installation in it. It is the hub of a great State, it is on traffic routes both north and south and east and west, so it isn't very back in the woods.

And the issue whether or not there was an offer to serve any of these facilities assuming that they are covered under the provisions of Section 201(b) but the Circuit Court of Appeals took the view that it wasn't going to consider that question because it did not feel there was any affect on Commerce and then it labored over the issue of what percentage of the ingredients in the food or soda water or whatever else might come to Lake Nixon pursuant to Interstate Commerce.

We would ask the Court to reject that idea. There is ample evidence this Court can use its knowledge, its common sense, things that are of common knowledge to come to a very ready conclusion that advertising three nights a week on the radio station in Little Rock, Arkansas, with 15,000 people just at the military installation alone plus the

travelers that there were bound to be people who were attracted by the ad.

common knowledge also would tell you that a family staying at a motel might well ask the motel proprietor whether or not his motel has any arrangement with Lake Nixon to use its facilities and certainly it became knowledge, common knowledge around the air force base that transient or not, if you were white you could use the facilities at Lake Nixon but if you were black you couldn't, and I submit to this Court that now common knowledge tell us that there were, that most of the people who were at Little Rock Air Force Base were transients, not in the sense that they were there for a few days but in the sense that they were residents of another State and they are just as much in Interstate Commerce as are the people who are driving through, the truck driver the family on vacation, the salesman, what have you.

And they are entitled just as much to the protection of the law and the Constitution.

Now then let us get to the more difficult issue.

The issue of whether or not we can in fact find coverage in

Section (b). In either 3 under the entertainment and exhibition provision or under 4 as what I term a combined enterprise.

I believe this Court can find justification in this case under both these theories and I would urge the Court to consider the possibility of finding its decision on both of these theories

because both will then become useful.

Look at the decisions in the Evans case which the Circuit Court of Appeals below used to rule against the plaintiffs. I would point out to you that the Evans case that Fazzio, that the Miller case are amusement cases and what they in effect say is that Congress when it enacted this section used that particular and specific verbage in 201(b)(3) or other place of exhibition or entertainment meant that a roller skating rink was a place of entertainment.

A bowling alley was a place of entertainment, that a golf course was a place of entertainment. And when one looks at the Evans decision particularly the District Court said I find that because that this is a place of entertainment and that because a team comes once a year from Washington, D. C., to Virginia to play golf, that brought it within the purview of the Act.

I say that the District Court was really saying and really doing was saying that a golf course was a place of entertainment because it seems to me not logical to assume that there is going to be very many people who come to watch an amateur golf team play its counterpart from the Laurel Golf Club. That is not going to attract any droves onto any of the fairways except maybe some of their friends who may be waiting at the 18th hole.

So I say that that is not an exhibition in the term

that we ordinarily think of a football game or basketball game and the like and that Section 201(b)(3) specifically assumed and those cases clearly indicate this kind of entertainment, the entertainment one gets out of participating as opposed to exhibit.

I urge the Court to consider also finding that the provisions of 201(b)(4), the combined establishment theory clearly apply here.

The Congress could have used different verbage if it didn't mean that if you have one of the facilities that are covered under 2 in 4 the whole thing is covered and that makes sense. I think that is reasonable to believe that Congress wanted to do that, at least say a whole line of cases whether it be department stores or bowling alleys or what it is. So on that theory also we believe that there is coverage.

Mr. Harper went into the issue of the coverage under the 1866 Act. We would simply urge the Court to consider that.

Q I suppose you would make the same argument if there was just a vending machine there vending candy bars?

A I don't see, your Honor, how you make a contract with a vending machine the way you do with somebody selling hot dogs.

- Q I know but it is ---
- Q You don't get your dime back.

- A Well, I suppose you would have a right to sue.
- Q But you think the volume of merchandise at the lunch counter sold is wholly irrelevant don't you?

- A I think it is an either-or situation.
- Q Under your combined enterprise theory it could have sold 1/100th of 1 percent of the total gross and you still would make this argument?
- A Yes, I would because you either have to sell merchandise which moves in Interstate Commerce or you have to serve people.
- Q This is the theory in the lower court wasn't it that the establishment didn't really amount to much in terms of the overall gross?
- A The overall gross was 23 percent but the District Court did not attempt to find nor was there evidence offered at the District Court level with respect to what percentage of that actually moved in Interstate Commerce.
- Q Didn't it make the point that the eating establishment really wasn't very important in terms of the overall operations of the club?
- A Oh, your Honor, please I would like to point out two important statements that the trial court judge said that this was a necessary adjunct to this business. Mr. Paul himself testified at page 85 of the appendix.

No, I am sorry. It is in the District Court record.

He said that this, that the lunch counter was a necessity.

Q Did the Court of Appeals say this was a covered establishment under Section 4?

qua.

A The Court of Appeals didn't answer that question because they simply said it had no effect on commerce, it did not offer to serve interstate travelers and therefore it wasn't necessary to decide.

O How about the District Court?

covered establishment under either category 3 or 4 or category

2, the lunch counter itself was not covered so it never got

to the issue of whether or not there was an affect on Interstate

Commerce but the District Court said let us recall that it is

of page 57, of course, it is probably true that some out of

state people spending time in and around Little Rock have

utilized one or both facilities.

combined with the nature of Little Rock, the nature of the advertising, and by the way I would like to just close on that point — the Court if anything should use the ad it seems to me against the defendant because o the fact that they had the audacity to advertise this member situation knowing full well it was a sham. It was a ruse and a sham and they admitted under oath that it was a ruse and a sham. They didn't put it into effect until after the time the '64 Act came into

into being.

Thank you.

MR. CHIEF JUSTICE WARREN: Mr. Gallman.

ORAL ARGUMENT OF JAMES W. GALLMAN, ESQ.

AS AMICUS CURIAE

MR. GALLMAN: Mr. Chief Justice, may it please the Court.

Lake Nixon used to be called the Nixon farm. It is 232 acres mostly of hillside. You get to it by following a street called 12th Street out of Little Rock which becomes a country road, paved, and at a point if you know exactly where it is, you can turn right without the help of a sign, you can dimb a steep hill and you can come down and you can find Lake Nixon.

- Q Is it a natural lake, Mr. Gallman?
- A It is made by a dam put in a small creek which doesn't run the year round, and the roadway traverses the top of the dam and this is how you arrive at the Nixon farm.
 - Q You say there is no sign?
 - A Not on the highway.
 - Q The highway.
- A There is a way to come in from the back and perhaps that road is paved now. The last time I was there you could not get in from the rear, that is from the west and north because the road was too rocky, and you just couldn't be

sure you would make it.

Now this narrow little valley between two hills comes down to a small lake which is a swimming area, is perhaps two acres. I wouldn't stick with that but it is a relatively small area.

There is some shallow backwater to the south and west from where the creek comes that is usually kind of green and mossy and not attractive.

After you come in on the dam you can turn right and out to what is about 40 or 50 acres pasture I would guess where Mr. Nixon used to keep his cows and where I used to shoot birds.

Now, Mr. Nixon disposed of this I learned from the record about 1962. Since then it has been operated by Mr. and Mrs. Paul.

It, as I say, is a shallow little lake. It has a place where you dress, a rather small little building. This lunch counter or dining room we are talking about is I would guess 8 by 12 feet perhaps. It has, now I have never seen the miniature golf course that they have there, but I assume it does, but mostly there is a little spit of land that runs out into this two acres of water on which people sun and from which they can hop off and get wet.

Now except near the dam the water is not to my knowledge over your head. As I say it is a shallow lake. It is

particularly unattractive in the late summer because of health reasons and because of a lack of fresh water coming into it.

Q Is there any estimate of how many people go there during the year?

A The record says 100,000 which surprises me.

I haven't seen it since the Pauls have had it.

Q How do they get in there, by helicopter?

A They sure would have to come in there bumper to bumper to get that many in I would think in the five month's time. It only operates from some time in May until school starts about Labor Day.

I think what we are dealing with here is an -- and incidentally I have no apprehension that anyone from Little Rock Air Force Base would find this place. I don't think they could.

In the first place it is 15 miles from the city limits of Little Rock. You go through Little Rock and then you go northwest of Little Rock some 15miles further to get to the Little Rock Air Force base which should make somewhere near 45 to 50 miles before you get from the Air Force Base to this little farm.

Q But it was advertised in a publication?

A I understand that from the record it appeared at least once a year in the Air Force magazine or newspaper at the Air Base. I understand it appeared once in Little Rock Today.

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Q The Negroes on 9th Street they know where 12th s, don't they?

A Yes, sir, they do.

Q They could find their way.

A I believe they could. I didn't say they couldn't.
MR. CHIEF JUSTICE WARREN: We will adjourn.