



OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 85-1180

TITLE EDWIN MEESE, III, ATTORNEY GENERAL OF THE UNITED STATI

PLACE Washington, D. C.

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PAGES 1 thru 53



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1	IN THE SUPREME COURT OF THE UNITED STATES		
2	x		
3	EDWIN MEESE, III, ATTORNEY :		
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	GENERAL OF THE UNITED STATES, :		
5	AND JOSEPH E. CLARKSON, :		
6	Appellants :		
7	v. : No. 85-1180		
8	EARRY KEENE		
9	x		
10			
11	Washington, D.C.		
12	Tuesday, December 2, 1986		
13			
14	The above-entitled matter came on for oral		
15	argument before the Supreme Court of the United States		
16	at 10:00 o'clock a.m.		
17			
18	APPEARANCES:		
19	DONALD B. AYER, ESQ., Washington, D.C.;		
20	on behalf of Appellants.		
21	JOHN G. DONHOFF, ESQ., Larkspur, Calif.;		
22	on behalf of Appellee.		
23			
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PROCEEDINGS

CHIEF JUSTICE REHNQUIST: We will hear arguments first this morning in No. 85-118C, Edwin Meese, Attorney General of the United States, versus Barry Keene. Mr. Ayer, you may begin whenever you're ready.

ORAL ARGUMENT OF

DONALD B. AYER, ESQ.

ON BEHALF OF APPELLANTS

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

The issue in this case is the power of federal courts to edit an act of Congress at the behest of one who is not directly restricted or obligated under the statute, but who rather quarrels with the indirect impact of the particular words that Congress has chosen.

The Appellee is a California state senator who brought suit in 1983 to enjoin the application of the Foreign Agents Registration Act to three films distributed by the National Film Board of Canada. He said that he was deterred from showing publicly those films by the Act's use of the term "political propaganda" to apply to the material as to which the Act imposes labeling and reporting requirements.

The Foreign Agents Registration Act as enacted in 1938 and amended several times since then sets up a scheme of registration and reporting by agents of foreign principals. The agents under the Act are required to first register and provide information concerning themselves and concerning their foreign principals, also to provide information in separate reports about the dissemination of political advocacy material, which is referred to under the statute by the term "political propaganda."

Finally, the agents are required to label any such political propaganda or foreign political advocacy material as defined in the statute with a label setting forth certain information, including their identities and the identities of their procedure principals and a number of other matters as well.

The label itself which is required to be attached to the material does not use the words "political propaganda."

The district court in this case noted in its rather lengthy opinion that the definition of "political propaganda" as set forth in the statute is in fact neutral and in no way carries negative connotations.

Notwithstanding that and notwithstanding the fact that this statute by its direct requirements and restrictions

in no way touches upon this defendant, who is not a foreign agent, who is not an agent of a foreign principal, who is not a foreign principal, and who is not required to file any report under the statute, and indeed is not even barred from removing or omitting to show a label attached to any material which he does have which comes within the statute, the district court nonetheless found:

First, that the Appellee had standing, on the ground that he was a person whose reputation would be impaired by association with material that had been classified as political propaganda;

And secondly, on the merits of the case, found that the negative impact on the reputation of anyone associated with the material was such as to amount to a First Amendment violation; and indeed, went on to say that Congress in enacting the statute deliberately set forth to suppress speech, that is the category of speech covered by the terms "political propaganda."

And on that basis the district court enjoined the enforcement of four sections of the statute which apply with reference to political propaganda.

QUESTION: Which sections are those, Mr. Ayer?

MR. AYER: They're Section 611(j), which is

the definition of "political propaganda"; and Section 614(a), (b), and (c), which pertain to the dissemination report requirements and the labeling requirements.

QUESTION: Well, also the public inspection requirements, I gather.

MR. AYER: That's correct. That's section (c).

QUESTION: That although the statute says that "copies of political propaganda required by this subchapter to be filed with the Attorney General shall be available for public inspection," the district court enjoined the enforcement of that part of the statute?

MR. AYER: I believe that's Section (c), Your Honor, and that is correct, yes.

Which was brought here -- that is, a challenge to terminology rather than a challenge to the substantive requirements of the statute -- is very important to both the standing and merits issues that are presented.

Because it is that sort of narrow challenge to the precise use of words by Congress, any analysis both for standing purposes and for merits purposes must go forward with the idea in mind that the substantive scheme, leaving aside the words "political propaganda," is itself valid.

 It has not been challenged. It has not been challenged here and it's not been questioned seriously before. So that in determining what effect the words have, the words "political propaganda," we must keer in mind that we have in effect a registration requirement for foreign agents, an updating requirement as to that registration requirement.

A great deal of material is required by those requirements: The singling out of political advocacy material by whatever definition or set of words one wants to describe it, nonetheless the same mechanism is in place by different words, if not by the words "political propaganda," the labeling of that advocacy material with the label that is set forth at page 4 of our brief and the filing of dissemination reports with regard to the material that is defined as political propaganda, or by whatever term you would use.

So that what is at issue here is not the power of the Congress or the Government to in the abstract single out certain material and simply refer to it by the words "political propaganda." It is rather whether Congress can use the words "political propaganda" as an internal legislative classification device, defined in the statute in a non-pejorative way consistent with at least one meaning, one common usage meaning of the word

"propaganda," and in a statute whose clear purpose is to disclose and to require disclosure of information, rather than to suppress or in any way restrict the flow of material.

We think the narrow character of that challenge is relevant, first of all, on the question of standing. Just as the Appellee here had no standing, I think, clearly to challenge the substantive provisions of the statute, because he is not affected by them in any way, we think that he had no standing to nitpick about the particular terminology that Congress chose to use.

QUESTION: Mr. Ayer, in that regard I guess

Senator Keene submitted uncontroverted affidavits that

exhibiting the films would harm his re-election

efforts. Could that give him sufficient injury to give

him standing, do you think?

MR. AYER: Well, when one looks at the declarations that were filed in this case, declarations in particular by Mr. Bistrin and Mr. Freed and Mr. Peterson, at least two of those, Bistrin and Peterson, deal with the re-election campaign problem.

I think what one sees is a primary concern with resentments in the district toward foreign influences, particularly foreign competition. There's

discussion about a high unemployment rate, pecple are anxious and concerned about anybody who would be involved; with --

QUESTION: Well, he submitted affidavits showing third party resentment or consequences to him if he exhibited the films, isn't that right?

MR. AYER: Well, I think in a sense yes, Your Honor. But what is important is that those consequences must be measured. What you must be measuring, since the challenge is only to the words "political propaganda," we must be looking at how the words "political propaganda" make more severe or distinct or aggravate a harm which I think is clearly implicit to some degree in the statute itself.

We're talking about a statute that registers and discloses information about foreign -- dissemination of foreign information. And what we're having to analyze here for standing purposes is the incremental harm, if any, that results within that statute from the particular selection of the words "political propaganda."

And my point in looking at these affidavits is that the resentments to foreign competition, the anxiety or concern that would be expressed by the people on what they describe as large naval and military bases within

the district toward foreign sources, those kinds of concerns are not alleviated significantly by changing the words "political propaganda" to something else.

Taking the conventional approach of analyzing standing in terms of the --

QUESTION: May I ask one other question on standing, Mr. Ayer. Does he allege at any time that the statute adversely affects the number of people who will see the films that he wants to exhibit?

MR. AYER: No, he does not. In fact, I think in, I think it's footnote 14 of their brief, they specifically indicate that they do not make that allegation.

QUESTION: So that all they re really complaining about is the reputational harm?

MR. AYER: That's correct, yes.

QUESTION: I gather that there wouldn't have been this case if all that was required was that this label be put on and with respect to some material that was otherwise described?

MR. AYER: I think that's correct, Your Honor. Certainly as the case ended up before the district court at the cross-motions for summary judgment, it is completely clear from both the words of the Appellee's attorney and from the words of the

district court that the only issue is the use of the words "political propaganda."

Now, we don't think, therefore, that -- for the reasons that I gave in answer to Justice O'Connor, we don't think that a distinct and palpable injury can be said to be fairly traceable to the words, as distinct from the requirements of the statute.

QUESTION: What about -- you don't think the label itself is what was annoying the plaintiff?

MR. AYER: Well, a couple of points on that.

QUESTION: If that identified him with some foreign source, wasn't that what he was complaining about?

MR. AYER: Well, I think at one point in the case an effort was made to complain about that. The district court found at the initial preliminary injunction hearing that there was no standing to complain about the label. I think that's at pages 54 and 55 of the joint appendix -- I'm sorry, of the appendix to the jurisdictional statement.

But more importantly -- well, I suppose not more importantly, but in addition to that, it is clear also from the district court and from the law that there is no requirement of showing the label; that when he shows the film he may physically remove the label, if

indeed it's on the film, or he may advance the film to the point where the label isn't visible.

We think that, for the same reasons that there is no distinct and palpable injury fairly traceable to the words "political propaganda," the removal of those words or the substitution of other words for those words would not remedy the injury that's alleged.

The films would still possess the same label. The Appellee would still be associated with foreign source political advocacy material. And most of the problems that are cited in the affidavits would still exist.

Now, there is the remaining factor of the affidavits of Mr. Newman and Mr. Doob, which relate to the actual connotations of the words "political propaganda." And a couple of, I think, points need to be made from the statute itself.

One is that the words themselves are defined in the statute in a neutral way, and so we have to assume that people are going to learn about the words, which do not appear on the label, but not learn about how they're defined in the statute and not try to find out, and jump to the conclusion based on common connotations which people do sometimes draw from those words that the material is somehow to be viewed in a

negative way and, furthermore, that people associated with it, who show it, giving whatever introduction they may want to give, that they too suffer from whatever the negative connotations are of the material.

QUESTION: How would you distinguish the Lamont versus the Postmaster General case? That certainly discusses the coercive effect of labeling for standing purposes.

MR. AYER: Well, I think in Lamont that the main distinction that was drawn by the Court was the requirement of some affirmative action, which I take to mean something more than private affirmative action like snipping the label off of a film.

The affirmative action required was the actual request to the post office to deliver what had been described under the statute as "communist political propaganda." So that one has to go essentially on some sort of public record saying that one wants that material delivered to one's house.

QUESTION: Would this be a different case if we were dealing with something that the Congress had labeled communist political propaganda on these films?

MR. AYER: It would be a different case, but I think the outcome would be the same. The different case because attaching the word "communist" would accentuate

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the negative connotations and perhaps increase the argument for a genuine cognizable, recognizable injury.

But I think that the outcome would be the same, primarily because the Congress ought to be free, within some fairly wide parameters, to define its terminology and use it in a way that it desires to. I think the important point here is that Congress has not made up a definition that's completely unrelated to the word.

It has taken one of the main line conventional meanings of the word "propaganda" and applied it to the word, to the word. And it has done it in a way that the district court itself found to be completely neutral and without negative connotations.

To suggest that Congress can't take a word and select one of its definitions and say, now, we don't want any mistake, this is what we mean, I think is to say that courts are ready to invade very far into the scope of Congress' authority --

QUESTION: Mr. Ayer, I think that goes to the merits rather than the standing question. Confining it for the moment to the standing issue, supposing they use the word obscenity or obscene or pornographic or something like that to classify a certain category of motion picture, and it was an overly broad description,

it covered wearing your shirt sleeves or scmething like that.

Could an exhibitor object to that on the ground that it adversely affected his reputation to be described as a person showing obscene films when he didn't think they really were obscene?

MR. AYER: I think it would require an analysis of the extent of the harm that might result.

QUESTION: He comes in and alleges, a lot of people say you're a bad man because you show obscene films. He makes sort of a general affidavit that it harms his ability to get elected to be a state senator, the same sort of affidavit you have here, in other words.

MR. AYER: And your question is whether that

QUESTION: Whether he's have standing to object to that kind of a definition in a federal statute.

MR. AYER: I think if the word was defined in a way that was consistent with a conventional meaning such that Congress was not making it up --

QUESTION: In other words, it seems to me that whether the definition is a good one or not goes to -you say that determines the standing as well as the

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MR. AYER: Well, I think in standing what we're trying to look at is the nature of the injury, and we're trying to determine whether there is a cognizable injury, whether it rises to a sufficient level that it's recognizable.

And I think that --

QUESTION: You think in my obscenity example it would depend on how good, how accurate the definition was?

MR. AYER: I think that would be a factor. I think you would have to at least consider whether Congress had taken a word which has --

QUESTION: Well, he alleges in his complaint that the definition is an inaccurate one, as I guess this -- here he concedes that the definition of "propaganda" is a neutral definition, does he? The judge found that, I know, but did the plaintiff also concede that?

He doesn't object to the definition of "propaganda"?

MR. AYER: I don't know whether the -- I think the plaintiff may not concede that it's a neutral definition. I believe that's true.

QUESTION: So in my hypothetical he's

challenging the accuracy of the definition of obscenity and he also says that it harms his reputation because he wants to show some films that would fit within the definition. You'd say that he'd have no standing to object?

MR. AYER: I think I can't answer that without going to another question, which I think ultimately the Court doesn't have to resolve here, and that is the question of whether Government speech in pursuit of any goal that Government, Congress, whatever, has the power constitutionally to pursue, whether that speech may ever be attacked on First Amendment grounds.

And I think -- I don't know the answer to that, but --

QUESTION: Well, but even if it can't, that again would be a merits answer, wouldn't it? You wouldn't suggest that no one would ever have standing to challenge it? It may be that the Government has an absolute right to say what it wants to, but are you suggesting that no matter how harmful the speech might be, calling a person vile names and all, that there would be no standing to challenge that? That's pretty extreme.

MR. AYER: Well, I'm not saying that there would never be standing.

MR. AYER: I guess my answer -- maybe it's not at all a complete one, but my answer is that you would have to look at the particular case, at the nature of the harm that is being alleged. And where you have a statute such as the one you're describing, Justice Stevens, which is solely Government speaking, it is not, as I understand it, Government regulating in any way other than its announcement --

QUESTION: Well, I could change the hypothetical to say it is a general regulation of obscene materials, and they have one chapter in the statute that does just like -- that's a counterpart to this one on progapanda.

I don't see that that really changes the analysis.

MR. AYER: Well, I think you would have to analyze the nature of the harm, and in that case I think, assuming a power in Congress or in the legislature you're talking about to regulate obscenity, I think the Government would have the power to do that. And if the harms that were -- I guess I'm not answering the standing question.

The standing question is based on the nature

Again, I think the analogy to this case is a good one, in that if the statute which otherwise regulates the material does in itself cast some sort of a light over someone, but nonetheless it's within the power of regulation, then the incremental effect of the terminology may well be such that you would not have standing to challenge just the terminology when you lack standing to challenge the statute as a whole.

And that's the situation that we have here.

We have a person who lacks standing to challenge the statutory scheme and claims to have standing to challenge a particular term.

QUESTION: Well, suppose a pollster took a poll in the community and said: When you see a label, when you see the following label do you know what it means, and suppose half the people in the community said: Yes, we know that when we see that label that there's a foreign source, we know the Attorney General has classified it as political propaganda.

MR. AYER: I would think that a person might be able to put together affidavits that would give him standing to come in and make that kind of an argument. I'm not saying in this case, but in some kind of a case that might be possible to do.

That has not been done here in terms of showing harm to reputation.

QUESTION: Well, wasn't there a Gallup poll in this case and affidavits of even Republicans as well as Democratic campaign managers going to the effect on this particular respondent's campaign?

MR. AYER: Well, I think the answer to that is basically yes, Your Honor. But I think the problem with the material that's been submitted is the one I alluded to earlier, that it is not in any sense comparative or relative.

It is simply/looking at the effects of public awareness of the words "political propaganda" associated with the film that this Appellee shows.

QUESTION: Do you disagree with the standing analysis that Justice Scalia, when he was serving as Judge Scalia on the Court of Appeals, wrote in Block against Meese?

MR. AYER: No, Your Honor, we don't, and we

The first was a challenge to the words

"political propaganda," supported by affidavits from Mr.

Block's customers who said, we will not buy film from

Mr. Block, we will not buy these films from Mr. Block

and maybe indeed other films from Mr. Block, if they are

classified as political propaganda. On that basis, Mr.

Block was found to have standing to come in and say: My

business is hurt. I think that's a different case than

this one.

The part of that case that is similar to this one is that Judge Scalia in that opinion said that there is no standing by Mr. Block, on the part of Mr. Block, to come in and challenge the part of the statute that requires his name to be reported on a dissemination report as a person who receives more than 100 copies.

QUESTION: Mr. Ayer, do you plan to discuss the merits as well as standing?

MR. AYER: I would like to, Your Honor. On the merits of the case, we think first of all that the merits can be resolved without deciding the extent of the First Amendment protection of Government speech as speech, that is Government simply speaking and stating its view.

We think the issue here is simply whether

Congress in carrying out on unchallenged legislative

scheme, which is what we have, may for internal

classification purposes only utilize terminology which

it defines in a clear and non-derogatory way consistent

with one of several accepted common meanings of those

words.

Congress can be barred from doing that because some terms that it uses and defines neutrally may be misunderstood as having negative connotations, which in everyday usage at times at least it may have. We think this falls plainly on the permissible side of the First Amendment line, first of all because it is, in terms of sorting different kinds of speech, it is viewpoint neutral.

Now, I wouldn't say and I wouldn't allege that it is applied completely without regard to any reference to content. It applies with regard to a certain category of speech, like the contribution reporting requirements in Buckley versus Valeo.

It applies to the category of foreign source political advocacy. And we think, given the interest

We think it's particularly important on the merits to look to the minimal nature of the harm that we're talking about. And again, it's the incremental harm. It's the harm from the words "political propaganda" over and above whatever effect on reputation results from the statute, which is unchallenged, because the only challenge here is to the words "political propaganda." We're not litigating the underlying statute.

The closest cases I think that the Appellees have come up with are the compelled disclosure of affiliation cases, NAACP versus Alabama and that line of cases. And there are several distinctions to be made. I think one is that there is no affirmative disclosure required here at all, as there is in that case.

Another is that I think the governmental interest here is more substantial. And finally, even if you accept that those cases apply and you apply the test which was invoked in those cases for creating an exception to the disclosure requirement, the test is whether they have made a reasonable showing of likely threats, harassment, or reprisals, and I think it's

clear that no such showing has been made here.

QUESTION: Does it make any difference if there was no definition of "political propaganda" in the statute? It just said label this "political propaganda"?

MR. AYER: I think if there were no definition there would be a stronger argument that Congress intended to state a negative view by relying on the negative connotations. Here Congress has explicitly adjured any such negative connotations.

QUESTION: So the incremental effect would just be, would just result from people who knew it was labeled "political propaganda" but didn't know what the definition was?

MR. AYER: Well, it would result from the entire -- the incremental effect would, that's correct, yes.

If there are no further questions, I'd like to save my remaining time.

CHIEF JUSTICE REHNQUIST: Very well, Mr. Ayer.

We'll hear now from you, Mr. Donhoff.

ORAL ARGUMENT OF

JOHN G. DONHOFF, ESQ.,

ON BEHALF OF APPELLEE

Unlike the characterization of Mr. Ayer, my opponent, about the issue in this case, I'd like to begin with what we think is the issue and the district court felt was the issue, too. This case is about a regulatory scheme that so denigrates the material within its scope that it imperils the good name and standing within the community of those who associate themselves with it by its use.

It classifies speech as the political propaganda of a foreign power on the basis of no more substantial determination of what that speech contains than that it does contain political material that either is intended to influence the foreign policies of the United States or may reasonably be adapted to be so used, without referring to whether or not that reasonably adaptation should be seen to be on the part of the foreign agent or the foreign government, but in fact if any material spoken, produced, and disseminated by any registered foreign agent, without regard to their interests or furthering their foreign policy interests or domestic policy interests or trying to influence anybody here in this country, but simply is the result of a nonprofit educational association producing

material of high quality journalistic standards for dissemination.

If that kind of material is produced without any intent to influence the American public, if somebody in this country who wishes to receive that material may so reasonably adapt that material to influence this country's public policies, persons connected with those public policies, then that material too may be classified as political propaganda under the Act.

QUESTION: Would it make any difference in your argument, Mr. Donhoff, if instead of political propaganda Congress had used the term "foreign advocacy," so that you had to say it was a foreign advocacy film?

MR. DONHOFF: Mr. Chief Justice, I think it would make enough of a difference so that this case wouldn't have been brought, except for two matters. There is no evidence in the record that denominating objective journalism or any other kind of speech, but singling it out from the stream of commerce and classifying it as foreign political advocacy would be any less harmful to Senator Keene's reputation or any more harmful to Senator Keene's reputation, or is at all on a par with the harm that arises from the "political propaganda" classification, about which evidence is

QUESTION: So you would regard it as something for another evidentiary inquiry, really?

MR. DCNHOFF: I think some other plaintiff, some other time, perhaps might have some question regarding that particular characterization. We have not argued that political advocacy is something in and of itself a term that we have a problem with.

After all, Senator Keene is a professional politician who advocates all the time political points of view. However, one must look at the classification scheme itself.

(a), (b), and (c) of Section 614 were enjoined by the district court, Mr. Chief Justice, because they each use the term "political propaganda" and refer to the material classified as "political propaganda," and thus could not be enforced with regard to these particular films because the Department was enjoined from classifying these films in a pejorative manner.

QUESTION: Well, what I'm trying to get at is how far the district court's rejorative manner ruling goes. Supposing that the statute had just said, this is classified as a foreign film.

MR. DONHOFF: Yes, sir.

QUESTION: Now, do you think the district

MR. DONHOFF: No, sir, I do not, nor do I think this suit would have been brought in the first place. Certainly the gravamen of the injury here is the pejorative classification which springs from the statute when a classification uses the terminology "political propaganda."

When everything else that is required with regard to that speech flows from that initial determination that, by a neutral arm of the government exercising the power and authority of the internal security section of the Criminal Division of the Department of Justice, this material is foreign political propaganda, that's the gravamen of the injury, with one small caveat or footnote.

And that would be that with regard to the label, particularly in respect to Mr. Justice White's question, that is not a neutral label and we've never conceded that it was. Nor is the definition neutral. But sticking with the label for a moment, I would think that some of the same issues would arise if Congress substituted "political advocacy" for "political

QUESTION: Yes, but the label --

MR. DONHOFF: -- in the same terms.

QUESTION: -- the label isn't at issue here, I take it?

MR. DONHOFF: Yes, it is, sir.

QUESTION: How is that?

MR. DONHOFF: Well, we complained of it. The district court, because of a stance taken by the Department of Justice in response to our lawsuits, found that we had no standing to complain of it, and that was based upon the court's finding, which we did not strenuously argue against, that was based upon the court's finding that in fact if we had the freedom, as the Justice Department said we did, to remove the label, well then why are we harmed by the label?

We have, however, come to this Ccurt under Elum-Yaretsky with all the arguments we can bring to bear with respect to the unconstitutionality of this particular statutory scheme.

One of those arguments is that appending this

What we do complain of is that that label is a red flag. It doesn't simply say this is made by the government of Canada, let alone this is made by a non-political arm of the government of Canada. It goes on with regard to statutory language that is to the ordinary viewer intimidating and ends with the statement, after saying that this material is being distributed by a registered foreign agent and all of these records are on file with the Department of Justice, public records, anybody can go lock at them, as if ordinarily we examine speakers that way or the government requires speakers to be on record that way, but it ends by saying that the government, by allowing the film to be shown or the material to be distributed, does not approve the contents therein.

We do not have a system whereby the government crdinarily stands astride the stream of commerce in the marketplace of ideas, in the stream of ideas in speech

and debate, and assumes the power to approve or disapprove speech, foreign or domestic. If this particular label were required to be affixed to material produced here by domestic speakers and classified on the same basis, that it spoke to the foreign policies of this nation, I don't think this Court would find it to be constitutional.

QUESTION: Well, is it true that the terms "political propaganda" are not part of the label --

QUESTION: -- to the film?

MR. DCNHOFF: Oh, yes.

MR. DCNHOFF: Oh, yes.

QUESTION: And is it also true that Senator Keene can show the film without showing the label?

MR. DONHOFF: Well, yes, it is, assuming that we either take it off, black it out, or, as the government suggest --

QUESTION: Or just not run that part of the film?

MR. DCNHOFF: -- advance the film. But there's a further problem. Now what we've done is hide something from the American public, which the government has contended all along is the whole reason for Section 614's disclosure requirement in the first place. That is, to let sunshine shine where darkness otherwise was,

QUESTION: But the statute at least does not require your client to show that label, isn't that so?

MR. FONHOFF: The district court found -- I think that's correct. The district court found that it is a surprised reader who would read that statute and find that he could remove the label. But indeed, the Justice Department says they interpret the statute as not requiring recipients to affix the label or use the label or show the label, and I think the district court was right in accepting the government's characterization.

QUESTION: Mr. Donhoff, do you think that the government as such and government officials have any leeway for free speech --

MR. DONHOFF: Yes, ma'am, I do.

QUESTION: -- of their own?

MR. DONHOFF: I do.

QUESTION: And almost any official government pronouncement on any subject, for instance denouncing the Ku Klux Klan, might in some sense suppress free expression by somebody.

MR. DCNHOFF: I have no doubt that that's entirely incorrect. And the reason is because

There are certain responsibilities in the exercise of governmental authority, however, which they are now uniquely qualified to do because they are no longer private citizens, but do have a public responsibility, which must be constrained by constitutional restraints, one of which is the First Amendment.

If the government chooses to dencunce the Ku Klux Klan or those in the Ku Klux Klan --

QUESTION: It's your position that the legislative body --

MR. DONHOFF: -- and follows due process in doing so --

QUESTION: -- cannot use its collective voice to characterize certain actions in a certain way?

MR. DCNHOFF: That is not our position at all. That is the government's characterization of our position and a misreading of the district court below and a disregard of all of the argument and evidence with respect to this issue that was presented in the district court.

I think that's --

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QUESTION: I don't understand that argument.

Why does it remove it? Why can't he show the film with
the label on it? He gets the message across he wants to
get across. He just has to disclose a fact he'd prefer
to omit.

MR. CONHOFF: All right.

QUESTION: The label is truthful, isn't it?

MR. DONHOFF: The disclosure --

QUESTION: Take the case for the mcment that it's impractical to take the label off. What is wrong with requiring the label on the film even if they did? It's a truthful statement, isn't it?

MR. DONHOFF: Of course it's a truthful

statement, Justice Stevens.

QUESTION: Well, is it any different from saying you've got to put a copyright statement on the film?

MR. DONHOFF: It's also a truthful statement to make a witness say, no, I stopped beating my wife last -- I don't know when I stopped beating my wife last. It's a statement, truthful though it may be, that raises and begs the question.

It raises the hackles of suspicion in the audience. It's intended to do so.

QUESTION: It's intended to advise the audience of the source of the film, and what's so wrong about that?

MR. DONHOFF: If source disclosure here was narrowly crafted to appraise the audience of the source of film, we would not be here today.

QUESTION: Why isn't it crafted just to do precisely that?

MR. CONHOFF: I recommend to you the actual language of that label, which I'm sure you've examined. That label to an audience doesn't say this is the source of the film. It says also the source of the film is a registered foreign agent --

QUESTION: Which is true.

QUESTION: Which is true.

MR. DCNHOFF: Oh, no question. I'm assuming all of this is true, and in fact we've taken the position and posture here that these films are correctly classified. So there's no question of the construction of the statute, as to whether they should be applied to these particular films.

The label is true, but it raises the hackles of suspicion on the part of the audience and is intended to do so.

QUESTION: By pointing out that the speaker might be biased by the interest that is reflected in the label.

MR. CONHOFF: Well, why --

QUESTION: I mean, your case is an attractive one because it's a Canadian film, but supposing at the time the statute was first drafted it was a German film or something like that. The audience would be particularly interested in the source and so forth.

Why doesn't the same consideration apply?

Maybe I just missed something obvious.

MR. DCNHOFF: All right. Perhaps the source of the problem is in the discrimination inherent in

using that particular way of, in effect, setting up an ad hominem argument to whatever the speech might actually have to say on the merits and raising the ad hominem argument on the basis of the foreign source.

All it requires to be classified under 614 is that it's distributed by a foreign agent. There's no showing that the foreign agent is lying, misleading, intending to further his own interests at the expense of the audience, or in any way even furthering his own interests.

For example, Justice Stevens, should the National Film Board of Canada decide to do a documentary on the problems of clearing the Brazilian rain forest and in that documentary mention that American foreign aid money goes to help finance some of the clearing, the Canadian government probably doesn't even know about the film, let alone feel that it's in its own interests to produce it and disseminate it.

But the Film Board through its policies and practices may wish to do so, and distribute the material into this country. And at that point that material, because it mentions a foreign policy of the United States and could, not intended to but could reasonably be adapted to by someone in this country affect those foreign policies, now is going to be designated as

I think that it is a mistake to take this case piece by piece, without reference to the other portions of the statute. Primarily what we're looking at is the political propaganda designation, and that then impregnates the rest of the statute.

As the government concedes --

QUESTION: You spoke of the pejorative impact of those words. Suppose somebody saw the label and he accepted the invitation to look at what was all behind this and said, this is political propaganda under the statute and I read the definition.

Now, would the impact on that person be pejorative in your mind?

MR. CONHOFF: Oh, I think so.

QUESTION: He's read the definition.

MR. DONHOFF: I don't think that's a neutral definition, Your Honor. That's the other thing we have not conceded.

In fact, the district court assumed really that the definition was neutral, because the argument was with regards to the ordinary principles of statutory construction. You read that statute and you find a

clause here and a clause here and a clause there that seem to come up with an objective standard, you ignore all the rest of it.

Now, this Court has in a number of cases indicated that you don't read statutes that way. I think in McGrath at least one of the opinions --

QUESTION: Counsel --

MR. DONHOFF: Yes.

QUESTION: I think in one of your responses to Justice White you said that the use of the term "political propaganda" impregnates the whole statute. Is it your position the entire statute is unconstitutional?

MR. CONHOFF: No, sir. I'm sorry, I misspoke. All the sections of 614 that were enjoined by the court, (a), (b), and (c).

QUESTION: You are challenging only the sections that the district court in its revision of its final order enjoined?

MR. DCNHOFF: Yes, sir.

QUESTION: While I have you interrupted, is your client's name on any published list anywhere?

MR. DCNHOFF: With respect to these films?

QUESTION: Sir?

MR. DONHOFF: With respect to these films?

MR. DCNHOFF: What the district court did in May of 1983 is enjoin the classification of these films or the regulation of them as political propaganda. So no dissemination reports have been filed, no --

QUESTION: But prior to the bringing of this suit, was your client's name on any published list with respect to --

MR. DCNHOFF: As a purveyor of or exhibitor of these films?

QUESTION: Yes.

MR. DONHOFF: No, sir, because we didn't show them or arrange to receive them so that we could show them prior to getting the injunction.

QUESTION: Was his name on any published list as a recipient of them?

MR. DCNHOFF: Prior to bringing the suit and getting the injunction, no.

QUESTION: Mr. Donhoff, supposing that

Congress in its labor statute decides that it wants to

regulate certain activities which it calls

strike-breaking activities, and among the forms of

regulation it adopts it says that people engaging in the

following activities have to register as a

strike-breaker.

MR. DCNHOFF: Well, I think I have to agree with Mr. Ayer to a certain extent, and that is that one must look, rather than for absolute principles, for particular injuries under particular circumstances.

The labor organizer's or disorganizer's, as the case may be, status as defined by a statute to the extent that it harms his reputation, if he guarrels with that status, may indeed give him standing.

QUESTION: That's a fairly broad principle, isn't it, if you can look at Congressional classifications which involve any sort of registration or that sort of thing and say, it's not a fair description of what I'm doing?

MR. DONHOFF: I'll go this far, I think, in meeting the government's objection with regard to the camel's nose under the tent argument. That is, at least when we're dealing with the expression of pure political core value protected speech and nothing else, that the government is constrained from so classifying the material, irrespective of the regulations that they may

To the extent that labor organizing or disorganizing also is a matter of activity which may be illegal or made illegal or otherwise regulated that is not pure expression, then maybe the standard would be lesser.

However, when you're dealing with pure speech one must ask, what's the reason for this designation. I think we can start, certainly, with talking about standing and the harm, and I intend to get to --

QUESTION: Let me just interrupt with one question. You said impair the usefulness of the speech. Have you in connection with your standing argument alleged or contended that the number of people who will see the film is lessened by this?

MR. DCNHOFF: No, sir.

QUESTION: Well then, how does it impair the usefulness of the speech?

MR. DONHOFF: We're not a commercial exhibitor. We don't measure our harm by box offices.

QUESTION: But if you have the same audience, as big an audience as you otherwise would have, why is

MR. DONHOFF: Because we can't use it. That's the simple answer.

QUESTION: Why can't you?

MR. DONHOFF: And then we get back to the original question you asked --

QUESTION: You mean you can't use it because somebody might say you're a purveyor of foreign propaganda?

MR. DONHOFF: We use it and it harms our reputation, it's that simple.

QUESTION: But the affidavits say people will -- your political opponents and the like will say you drive foreign cars and you have foreign sympathies, and so forth.

MR. DONHOFF: That's happened in the past.

QUESTION: But you can't really totally prevent that kind of rather irresponsible criticism.

MR. DONHOFF: No, sir. But the government didn't classify the foreign cars as the agent of foreign subversion either.

QUESTION: No, but even if they changed the name from "political propaganda" to "political advocacy" or just foreign source material, these critics can still make precisely the same criticism of your candidate.

QUESTION: They can do that no matter what the government label says.

MR. DONHOFF: They can do that no matter what.

QUESTION: Yes.

MR. CONHOFF: But if the government classifies these materials to be such, it makes reasonable the inference my client is a purveyor of such material. We have no standing then under New York Times-Sullivan to complain in a plain state law action, a tort action for defamation, should we wish to do that rather than, as is the normal case, take the slings and arrows of political debate.

In other words, irrespective of what the government's intent was with regard to these particular films. Thes scheme itself serves to segregate out some speech from all the rest of the speech and impose a penalty or a risk created or connected with it, depending upon who you are.

QUESTION: The penalty is just telling the truth about the source of the speech.

MR. CCNHOFF: No, sir. The penalty is

But if you want to look at the evidence, we had a poll designed by a very competent poll designer and then taken by the Gallup crganization throughout the country, which showed that if you told people that a legislator showed films that the Justice Department had classified as foreign political propaganda they would be as disinclined to vote for that individual, thus harming his reputation, one measure of harming his reputation, as they would be if he had lied about his academic credentials or a juvenile conviction for robbery.

I mean, this is not a quibble over terminology. We have clearly a derogatory, rejorative term that makes people shy off as if it were a land mine and avoid that speech. Depending upon who you are, how much public opinion means to you, that I think is the gravamen of our injury.

If it does not appear to be sufficient to this Court that is the gravamen of our injury, then we would lose. But I think it's very, very important that the reputations of persons who wish to speak dc not get

QUESTION: Where in the record is the question that the poll takers asked to get this?

MR. DONHOFF: It's in the appendix under the declaration of Leonard Wood, 78 et seg., and I think very close to 78. The question asked is -- well, it appears on 80 and 81 of the joint appendix.

I think perhaps this would be an appropriate time to mention a couple of points on standing. This is not a Laird-Tatum case. We're not speculating about what happens to us. We have introduced competent and substantial evidence to show what the public's reaction to public officials who disseminate the political propaganda of foreign powers is in this country, and we're concerned about our reputation if we use the films and-or if we don't get the injunction or the injunction is listed we can't use the films.

There is a myriad of things that occur in the political process that is a basis for calling in analogies, even with Lamont's very narrow constrictions that you have to have some affirmative act to show impairment. And that would be that, should be show the

films without the injunction, they're classified, we have to both take steps to hide the label because it's a warning flag --

QUESTION: Your challenge is a facial one to the section, isn't it? Are you just challenging it as applied to your client?

MR. DONHOFF: It's a facial challenge to the section, yes, it is, sir.

QUESTION: And would you say that you can think of no circumstance in which it would be valid as applied?

MR. DONHOFF: Yes, I can say that with some confidence.

QUESTION: Don't you have to?

MR. DCNHOFF: Pardon?

QUESTION: Don't you have to make that allegation, or don't you have to make that claim? Or is your claim partially overbreadth, or what?

MR. DCNHOFF: No, sir, it's not partially everbreadth. It's that classifying any protected speech as political propaganda is unconstitutional.

QUESTION: Well, so you're saying that there is no application of the statute that would be valid?

MR. DONHOFF: There's no application of this statute that would be valid, that's true.

QUESTION: Well, in spite of then all the material about the particular aspects of your client being a state legislator and what people think about state legislators really doesn't make any difference?

MR. DONHOFF: It does for standing, sir, as I understand it. We have to show a palpable and distinct injury fairly traceable to the statute that is redressable by the court before we can even come into court to complain that this is an unconstitutional statute.

QUESTION: But then it makes no difference on the merits, because the statute is invalid even as applied to someone who has none of his specific problems?

MR. DCNHOFF: I will accept that as a proposition.

QUESTION: Well, I'm not peddling it. I just want to know your yiew.

(Laughter.)

MR. DONHOFF: All right. I think we still have to complain of -- the overbreadth doctrine is like an accordian at times, as I read the cases. We are not talking about overbreadth in the standard sense of, say, an obscenity case, where we may be obscene but some other person wouldn't because of the definitions in the

statute or the way it's enforced.

What we are talking about, though, is a statute that on its face is unconstitutional as applied to any speech, not just these three films, although the injunction was narrowed to the three films.

QUESTION: Well, I know, but you mean, is the judgment only -- I thought there was an injunction against applying the statute at all?

MR. DONHOFF: To the three films.

QUESTION: But how about the declaratory relief?

MR. FONHOFF: No, the declaratory -- the declaration was that the statute was unconstitutional on its face because of the use of the term "political propaganda." I would go further and say because of the way the source disclosure is required.

I don't assume that simply because we have standing because we have some palpable injury that we need not show any further First Amendment injury. At least I haven't assumed it throughout litigating this case.

What we do show is harm sufficient to impair us or keep us from availing ourselves of using this speech or, if we don't get an injunction, we are going to be penalized or must take some affirmative acts to

QUESTION: Are the films still available? Do you still want to show them?

MR. IONHOFF: We have alleged, yes, sir, in the record that we -- I would think probably some time next year. There are no specified times, but yes.

QUESTION: Has the judgment been stayed? Was it stayed?

MR. DONHOFF: No, it was not stayed.

QUESTION: Well, have you shown the films?

MR. DONHOFF: We have shown the films. After we received the preliminary injunction, we showed them almost immediately after receiving the injunction, before the opinion came out, and then again some months later.

A couple of years have passed now since the last time they were shown.

QUESTION: Could you explain one thing to me.

If you have shown the films and the statute's still on
the books, why isn't your client getting the same
terrible criticism that he would have gotten without the
injunction?

MR. DCNHOFF: Well --

QUESTION: Couldn't a critic of your client

QUESTION: I see.

CHIEF JUSTICE REHNQUIST: Thank you, Mr. Donhoff.

Mr. Ayer, you have three minutes remaining.

REBUTTAL ARGUMENT OF

DONALD B. AYER, ESQ.,

ON BEHALF OF APPELLANTS

MR. AYER: Mr. Donhoff indicated that it would be a mistake to determine these issues piece by piece in this instance by singling out the words "political propaganda" and taking them in isolation. I would like to agree with that and go a step further with the standing argument which I made earlier, focusing on the injury, the palpable injury, and the redressability of the injury.

And I'd like to suggest that perhaps this case is much like other cases that this Court has decided, where it has found no justiciable claim to exist, where the claim is of incidental effects, but there is no direct regulation, proscription, compulsion, or any other kind of direct adverse treatment involved. Allen versus Wright and Laird v. Tatum I think are to such cases.

And the reason I suggest that is I think that's the only way that one is going to avoid the kind

Ayer.

be avoided. If we're going to let people come in and pick at words because they are arguably affected in some remote and incidental way, we're going to end up with litigation focusing on pieces of statutes, rather than going to the main crux of what someone is arguing about.

I think that's particularly important here,
where the issue is whether Congress can shoose words and
indeed also, because this is a case involving foreign
policy, where I think if any case is proper to Congress'
choice of words and Congress' judgment this is one.

Thank you very much.

CHIEF JUSTICE REHNQUIST: Thank you, Mr.

The case is submitted.

(Whereupon, at 10:59 a.m., argument in the above-entitled case was submitted.)

CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

85-1180 - EDWIN MEESE, III, ATTORNEY GENERAL OF THE UNITED STATES AND

JOSEPH E. CLARKSON, Appellants V. BARRY KEENE

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

(REPORTER)

BY Roul A. Richardon