OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 86-421

TITLE BOARD OF DIRECTORS OF ROTARY INTERNATIONAL, ET AL., Appellants V. ROTARY CLUB OF DUARTE, ET AL.

PLACE Washington, D. C.

DATE March 30, 1987

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2	BOARD OF DIRECTORS OF ROTARY :
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3	DOWN OF DIRECTORS OF ROTARY
4	INTERNATIONAL, ET AL., :
5	Appellants :
6	v. No. 86-421
7	ROTARY CLUB OF DUARTE, ET AL. :
8	х
9	Washington, D.C.
10	Monday, March 30, 1987
11	The above-entitled matter came on for oral
12	argument before the Supreme Court of the United State
13	at 1:35 p.m.
14	APPEARANCES:
15	WILLIAM P. SUTTER, ESQ., Chicago, Illinois; on behalf
16	of the Appellants.
17	MS. JUDITH RESNIK, ESQ., Los Angeles, California; on
18	behalf of the Appellees.
19	MS. MARIAN M. JOHNSTON, Deputy Attorney General of
20	California, Sacramento, California; Intervenor
21	on behalf of the Appellees.
22	

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intervenor on behalf of the Appellees	43

PROCEEDINGS

CHIEF JUSTICE REHNQUIST: We will hear arguments next in No.86-421, Board of Directors of Rotary International against Rotary Club of Duarte.

Mr. Sutter, you may proceed whenever you're ready.

ORAL ARGUMENT OF WILLIAM P. SUTTER, ESQ.,
ON BEHALF OF THE APPELLANTS

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

The Court has postponed consideration of jurisdiction in this case to this hearing, so I will briefly talk about that before I get into the merits.

The contention is made by the appellees that the constitutional issue was not properly raised in the courts below. And that's been briefed heavily by both sides.

What the appellants said in their trial brief, and what was dealt with by the court, both the trial court and the Court of Appeals in California, was the question of whether application of the Unruh Act to Rotary would violate Rotarians constitutional right to freedom of expression, freedom of association.

The Court of Appeals held that the Unruh Act did apply, and that it did not violate the First

Amendment.

That, I submit, makes this an appealable case. I refer the Court to the Pruneyard case, decided only a few years ago, when the Court said, and I'm quoting: "The California Supreme Court rejected appellant's claim that recognition of such a right violated appellant's right to exclude others, which is a fundamental component of their Federally protected property rights. Appeal is thus the proper method of relief."

That could be precisely applied to this case
if you changed instead of, "which is a fundamental
component of their Federally protected property rights"
to "their Federally protected First Amendment rights"

In either case, the California Supreme Court held that the application of the law did not violate their constitutional rights.

Appeal, it seems to me, is the proper procedure.

However, if it isn't the proper procedure, it is of course within the power of this Court to treat the jurisdictional statement as a petition for certiorari, and to grant certiorari.

And in that event, I would hope that this case, which has attracted nationwide attention, which is

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Rotary.

Turning to the merits, the case involves the right of individual Rotarians, joined together in local Rotary Clubs, which are social clubs, in which all the courts have found that fellowship, camaraderie, the desire to do good for society, both in the community and in the world at large, are predominant motives and purposes.

QUESTION: But it really doesn't involve the local clubs, does it? It -- it involves the international affiliation.

women?

This particular local club wanted to admit

MR. SUTTER: That is -- this particular club did, Your Honor. But I think it inherently must involve the local club.

The Court of Appeals felt that it must involve the local club, because it said that in deciding the case against International, it must look at and decide whether the local club was itself subject to the Unruh Act.

And I submit that's necessary for the following reasons.

If a local Rotary Club is regarded as a truly private club, and if it is the decision of this Court that a truly private club is not subject to Unruh Act type -- because of its First Amendment intimate or expressive associational rights, then a local Rotary club couldn't be found to violate the Unruh Act.

What has happened here is that all local Rotary Clubs, which have voluntarily adopted the rule that women may not be members, have joined together in an international confederation known as Rotary International.

QUESTION: No, no, no, it doesn't follow. You can find that a local club has constitutional protection

with regard to its local association of the 46 members, one with another, without necessarily being drawn to the conclusion that it has constitutional protection with regard to all of its associations, including its decision to affiliate with an international of, what, a million — a million people.

Those are two quite different questions, aren't they? And we don't have to answer them both the same way.

MR. SUTTER: I think we have to decide what the Unruh Act applies to. And the California Court of Appeal, reading the Unruh Act, which says that every person has the right to obtain goods and advantages, held that membership in the local club was a good or an advantage; and therefore, it was subject to the Unruh Act.

Now it can only reach that decision if the local club, which is the only organization which makes available membership, which is the good or advantage that the Court is talking about, is itself subject to the Unruh Act.

Now if the club is not subject to the Unruh

Act, then I submit that the International, which does

not do business in California, is not registered there,

cannot be held to violate the Unruh Act, because it says

to a club which can legally discriminate against women, we want you to legally discriminate against women.

If the local club is subject to the Unruh Act, then so is International for compelling it to violate that Act.

But I think it is necessary, it is essential, to the decision in this case that the Court find that a local club is subject to the Unruh Act and that the members don't have First Amendment rights.

Now if they don't --

QUESTION: Why -- now you say, jurisdiction over the International is only achieved through the local club?

MR. SUTTER: No, I'm not saying that precisely.

I'm saying that if the local clubs -- every local club in California is entitled to exclude women, and it's only the local club that women or anyone else can belong to, because there are no individual members of International, if it is only the local club to which they can belong, and if each of those clubs independently can exclude women, then the fact that the International says, great, we want you to exclude women; you must exclude women if you are to call yourself Rotary -- now you can admit women; you can be a local service club; you can do any of those things on your own

-- but it is only local clubs which have voluntarily agreed not to admit women that can call themselves Rotary because they have made that agreement among themselves.

Now, I don't think that their making that agreement can cause the International to be violative of the Unruh Act if they are not violative of the Unruh Act.

Now if they are, then it is.

QUESTION: Yes, but you may be mixing up the statutory and the constitutional questions. Maybe they violate the Unruh Act by what they do. But your answer would be, well, they have a constitutional right to associate, so the Unruh Act cannot prevent them from making them that decision.

And it may well be the International violates the Unruh Act by cancelling their franchises. But does it necessarily follow they have a constitutional right to cancel their franchise?

It seems to me those are two separate questions.

MR. SUTTEP: I don't think that the

International has a constitutional right of association,
because the --

QUESTION: Well, that's your point. They have

a constitutional right to cancel this franchise if it has women in it.

MR. SUTTER: They're asserting this right on behalf of the individual members of Rotary, Your Honor, really.

QUESTION: But not on behalf of the individual members of the Duarte Club.

MR. SUTTER: No, not on behalf of the individual members of the Duarte Club.

The individual members of the Duarte Club are entirely free --

QUESTION: Whose freedom of -- whose constitutional right to associate together is it that you say protects the International's right to cancel this franchise?

MR. SUTTER: Individual Rotarians in individual local Rotary Clubs.

QUESTION: All, other than Duarte?

MR. SUTTER: Not all other than Duarte. The San Francisco Club has admitted women. And if we win this case, presumably the San Francisco Club will either have to expel the women or, we believe, be removed from Rotary.

No local club, no local service club, is compelled to admit women, or exclude women, if they

don't want to be a member of Rotary International.

They can be a service club, Rotary Duarte, with the X sign that they have painted, continues to exist. It continues to do good work. It is a service club, and it admits women.

That is a laudable result. But they are not entitled to belong to an association of clubs which have concluded not to admit women.

QUESTION: California's saying sort of the same thing, that Rotary International is entitled to affiliate only with organizations that don't admit women, but not in California.

MR. SUTTER: Well, that's --

QUESTION: So that, you know, that's fair too.

MR. SUTTER: That isn't quite fair. Well, it way be fair, but the question is, is it constitutional.

Everything that is constitutional is not fair, and everything that is fair is not constitutional, I submit.

If -- if the International cannot compel a club -- let's take a club other than Duarte. Some other club doesn't admit women. Doesn't want to admit women. Wants to adhere to the compact that they have all entered into, and which they could all change by appropriate vote, which but which have refused to do on

six separate and distinct occasions.

I submit that this case, as the statute of California was construed by the Court of Appeal -- now the statute could have been written differently, perhaps, or could have been construed differently. But the Court of Appeal felt that in order to find International violative of the statute, it had also to find, and it did find, Duarte violative of the statute.

In doing that, I submit that it found that all California clubs would violate the statute if they didnot -- if they adhered voluntarily to the International provision that they must exclude women.

If International can't enforce it against

Duarte, how can they voluntarily sustain it vis-a-vis

the Rotary Club of Orange County?

QUESTION: But Mr. Sutter, maybe that's correct as a matter of logic, but I'm not sure that's this case.

Because this case, as I understand it, the California courts held that the International violated the California statute.

What they did was a statutory violation.

MR. SUTTER: Yes.

QUESTION: And you're arguing -MR. SUTTER: They also held that Duarte did,

or they also held that Duarte was subject to the Unruh
Act and could not exclude women.

QUESTION: Well, that may be, but that's dicta, because they're not excluding women. That's not this case, because they voluntarily admitted women.

What they held was a violation of the statute, as I understand, insofar as the judgment has any effect, is what the International did.

It seems to me you have to be able to argue that the International had a constitutional right to violate the California statute in the way that it did.

MR. SUTTER: I say that it does -- that the right of the International turns on the nature of the California clubs. That's all I'm saying.

If the California clubs themselves have the right to violate the statute because they aren't subject to it, then International has a right to violate the statute because it is a compact of those clubs.

It has no separate membership. There's no statutory right of anybody to belong to International.

The statute doesn't address the subject of clubs belonging to an international federation.

QUESTION: Well, yes it does, because

California has held it does. I mean, maybe it doesn't

on its face as you read it, but it has held that the

International does not have the right to expel this particular club.

MR. SUTTER: It has held that. Yes, it has held that. But I say that it has held that -- and the Court of Appeals said that it held that -- based on the character of the local club.

All I'm saying is that the character of the local club is integral to a decision as to the International.

QUESTION: (Inaudible) if International doesn't have any members of its own, it's hard to frame a constitutional argument on the right of association for the International, isn't it?

MR. SUTTER: I'm attempting to frame an argument on behalf of the members of the local clubs, because what I say is that this decision inherently carries with it -- it's not an express holding in this case -- inherently carries with it the decision that no other California Rotary Club may properly exclude women.

If it doesn't hold that, or if that isn't inherent in it, it is clearly then inherent in, by overbreadth argument, which I didn't want to come to here, and I really didn't want to come to at all because it's a latter argument, this statute then is so broad that the language of the court that said Duarte is a

business, that Duarte may not exclude women, that applies under the Unruh Act, which applies to all arbitrary acts, to all arbitrary discriminations.

And every other club in California is going to think that it applies to them. The right of free expression is going in fact to be chilled.

But I submit that that's not necessary to get to that kind of a point, because really, the California Court of Appeals said that in looking at the issue of International, we must look at the character of Rotary — I mean Duarte and local clubs; it didn't say just Duarte. "And local clubs."

QUESTION: What's wrong with that?

MR. SUTTER: What's wrong with that?

QUESTION: Yes.

MR. SUTTER: Nothing. I think you have to look at the local clubs.

QUESTION: That would be all right with you, if all the clubs --

MR. SUTTER: I think you have to look at the local clubs, and then find out --

QUESTION: -- if all the clubs of California have to admit women, that's all right with you.

MR. SUTTER: No. No, that is not all right with me.

QUESTION: Well, I was just wondering.

MR. SUTTER: No, my point is not whether all California clubs should admit women or should not, clearly. It might be a very good thing if they all did.

My point is whether the Duarte case, this case, and the California Court of Appeals decision, compels them to admit women.

Under the Unruh Act, applying the Unruh Act, it is my contention that they must admit women. But it is also my contention that applying the Unruh Act to the local California clubs would be violative of their First Amendment rights.

QUESTION: (Inaudible) this case, it was voluntary, wasn't it?

MR. SUTTER: This case was voluntary.

QUESTION: Where do you get the "must"?

MR. SUTTER: The Roberts case, which is the case that everybody talks about as either being controlling on the law or controlling on the facts -- we say it's controlling on our side because of the law; appellees say it's controlling because they think the facts are the same. That was the Jaycees' case decided only a few years ago.

What's involved in exactly the same posture as this case, in that case a Minnesota Jaycees organization

admitted women. The international said it had to throw them out or be thrown out of Jaycees itself.

That case went back and forth. Ultimately the Eighth Circuit held that, no, they did not have to throw them out, because of the First Amendment associational rights, not of Jaycees International, but because of the First Amendment associational rights of the members of the Jaycees.

That was reversed by this Court. It was not reversed because this Court said or the Minnesota Supreme Court said, we're only looking at Jaycees International; we don't have to worry about that. They said, we're reversing this decision because the Jaycees don't meet the tests, the local Jaycees don't meet the test, for First Amendment rights.

They are large clubs. They are unselective clubs. They admit women as associate members. They do all of these things, none of which --

QUESTION: Had they met those tests, we would then had to have proceeded to see whether the international organization or the interstate organization meets that test.

I mean, you re right that that one was decided on the basis of the local -- of the local units. But it could be decided on the basis of the local units.

Had we decided there with respect to the local units what you want us to decide here, that is, that the local units themselves are insulated against this kind of a state command, we would then, in Roberts, have had to proceeded and say, well, given that, what about the whole affiliated organization?

Why isn't that the case?

MR. SUTTER: Well, Your Honor, every case that there is, that I'm aware of, pending or past, has involved this type of situation where an organization, a dissident group, a dissident member of the organization has concluded to admit women, and then the organization has attempted to enforce the compact.

And why is that? Because if a local club, which has discretion as to whom to admit, and which has selective grounds for admission, votes a woman down, how can she sue and demonstrate that she was excluded because she was a woman?

That's the only case that could bring directly the right of the local club into issue. There are none of those cases around the country.

The cases around the country are all cases where the local club, Kiwannis or somebody, did admit a woman, and the enforcement of the aggregation's rules, the association's rules, has then caused that club to be

And I submit that in every one of those cases, the issue is, is the enforcement of the rule adopted by an aggregation of local clubs, is that enforcement legal?

And the question of whether it is legal turns on whether the local clubs actually have the right by themselves to make such a rule, and then to band together and say, all of us are going to abide by the same rule.

At that point, it turns into a trademark, service mark, type of case. The recent Kiwannis case in the Third Circuit which has gone back — well, it's on motion for rehearing in the Third Circuit, but which was sent back to the District Court — didn't get to the constitutional issue because the Third Circuit concluded, contrary to the Federal district court, that the New Jersey statute simply didn't apply to things like Kiwannis.

But in deciding that, it did not look at the International. It looked, as it properly had to, at the local club.

Again, what are the attributes of the local club? Does it qualify as a private club? If it does, then this suit, which was against International, is

gone.

They didn't look at the attributes of the International to decide that the suit was gone; they looked at the attributes of the local club to decide that the suit was gone.

QUESTION: But that was in construing the statute.

MR. SUTTER: Yes, but I think the same -- the same result applies whether you're construing the statute or the Constitution.

It is the rights of the application to the local group that has to determine whether there is or is not a public accommodations law which has been violated in the first place; and secondly, if the law has been violated, whether that violates in turn the rights of the members of the association, because those are the only people who are affected.

There aren't any members, again --

QUESTION: That is a question of California
law. If California has misinterpreted its statute to
come to the conclusion that Rotary International is
providing goods or services, I mean, that may be a very
foolish interpretation of the statute, but it seems to
me that's up to the California courts.

MR. SUTTER: They didn't, actually. They

determined that the local club was furnishing the goods and services.

They held that membership was the goods and services.

QUESTION: Likewise, if California wants to say that the furnishing of goods and services by a local club under its statute is sufficient to attribute the sale of goods and services to the international, once again, that's a question of California law.

It seems to me our only problem is whether California has the power to exclude association in the international group, regardless of how they get there.

That's the only Federal constitutional result that we're looking at, it seems to me. You may be right that they got there by a very -- very devious process.

But that's --

MR. SUTTER: I don't think they got there that way. I think they got there the way I'm saying they had to get there. I think they got there because they held that the local club was itself subject to the Unruh Act.

If they hadn't held that, I do not think they would have gotten there. And if they hadn't gotten there, we wouldn't have this case.

But we did get -- they did get there. I submit that they got there because they said the local

club was subject to the Unruh Act, and that it didn't have First Amendment rights.

Or they didn't maybe come to that, but they said it was subject to it.

QUESTION: And it is. And it is, as a matter of statutory law.

MR. SUTTER: And it is, as a matter of statutory law. We can't quarrel with the California construction of the facts, that's --

QUESTION: But the only constitutional issue we have before us is that not that, but rather, the application to the International.

So that may be quite correct as a matter of statutory law, and that's not the constitutional issue.

QUESTION: Yes, but what if -- isn°t it your submission that the local club could not constitutionally be required to comply with the law?

MR. SUTTER: That is correct.

QUESTION: And suppose you were right.

Suppose you were right. Then I suppose you would say that -- then the case is over, isn't it?

MR. SUTTER: My view is that if the local club cannot constitutionally be compelled to comply with the Unruh Act, then International cannot be compelled not to enforce its provision, which permits the local club to

do just that very thing, or which requires the local club to do that very thing.

QUESTION: Why do we get to that question in the case of the Duarte Club, which wanted to admit women?

I mean, its conduct doesn't violate the Unruh

Act in the eyes of the California court, does it?

MR. SUTTER: It was found to be subject to the Unruh Act. And I submit that it had to be found subject to the Unruh Act. They found it didn't violate it, of course, because it let women in.

But they found that it was subject to the act. That was a necessary predicate to their finding that the International was subject to the Unruh Act and violated it, because the International was telling a club which couldn't discriminate against women, because it violated — because it was subject to the Unruh Act, it couldn't tell that club, you must discriminate. Because that would be compelling the local club to violate the law.

And that was the violation of which International was guilty.

Now if telling that club to comply with the law would not be a violation on the part of International.

QUESTION: Is there anything in this record to show that the reason the woman was admitted was because of the California law?

MR. SUTTER: No, Your Honor, there is nothing in the record to show that.

QUESTION: That's what you're saying. That's what you're saying.

MR. SUTTER: No, I don't believe that's what I'm saying. I'm saying that -- I'm saying that there's no -- compelling a person to do something lawful is not itself unlawful.

And --

QUESTION: (Inaudible) saying that this club could not be compelled to admit women.

MR. SUTTER: Because of the great difference between Rotary Clubs and Jaycees organizations, yes.

QUESTION: So they could expel women or keep them out without violating the law?

MR. SUTTER: That is correct.

QUESTION: And you say International could insist that they do just that?

MR. SUTTER: As long as that's lawful for them to do, International could insist that they do it without International's violating the law.

And if International can't enforce that, that

to me is saying that they can't do it, and that is the constitutional right of the members that I'm complaining about.

QUESTION: So what's your argument, that the local club doesn't have to live up to California law?

MR. SUTTER: Well, I submit that's based on a great number of facts which distinguish this case from the Jaycees case.

A., we have selectivity in membership. B., it is a fellowship organization. It does not -- and there was no finding by either the trial court or the Court of Appeals that there was any sale of memberships or any sale of goods and services to the general public.

As a matter of fact, the Court of Appeal held that even its decision didn't require Rotary Clubs to open their membership to the general public.

So It's a quite different factual situation in that regard from the Jaycees case where memberships were sold, and the membership was a product or a service, because the membership was for the sole purpose of becoming a member of an organization which was the advancement of its members.

That was sold widely without selectivity.

Advertisements were made for membership. And the only
people who couldn't just step up and buy one for a buck,

or whatever the price was, were women.

In our case, you must be proposed for membership. There's an elaborate membership admissions policy, followed by virtually all clubs the testimony will indicate.

And we are like the Indian Hill Club or the Jonesboro Athletic Club or whatever it might be.

Now it may be --

QUESTION: "We" being the individual clubs.

MR. SUTTER: "We" meaning the individual Rotary Club. It may be that California has a legitimate interest in avoiding or eliminating sex discrimination. I don't question that there's a legitimate interest there.

I simply say that it is not a compelling interest if we don't have this public service -- sale of service to the public aspect.

QUESTION: What do you interpret you have to do to comply with the court's order here? Could -- could you comply with the order by simply saying, we will not affiliate with any Chicago clubs?

See, I have some problem about whether
California can dictate its policy nationwide, so that
even if other states have no problems with mens-only
clubs, those clubs in other states cannot join Rotary

MR. SUTTER: I interpret the court's order here as saying we can't throw the Duarte club cut; we have to give them their charter back.

It seems to me that it is an absolutely necessary flowage from that that we can't compel them to call themselves the sort-of Rotary Club of Duarte, or the women-admitting Rotary Club of Duarte; that they have to be a full Rotary Club.

QUESTION: So you have to make them affiliate with your club in Iowa, assuming Iowa has no law like this, even though Iowa would have no problem about --

MR. SUTTER: About having men-only clubs?

Yes, I think we have to do that.

More than that, I think if the Orange County club in California, if we say, you, Orange County club, you don't have any women now. Don't let them in. I submit that that is violative of the law.

But I don't think it should be violative of the law, if the Grange County club doesn't want to have women and isn't violating the law by not having.

And that, I think, is the crux of this case.

I think this case is not restricted to Duarte. I think it compels Rotary International to permit each and every club in California to admit women; and if any club in

California chooses not to admit women, I think that club is in violation of the Unruh Act, because the local club has been held to be subject to the Unruh Act, and this court says — this case says that if you're subject to it, keeping women out violates it.

Now, I don't know whether keeping women out necessarily violates it. California says that -- my time is up.

CHIEF JUSTICE REHNQUIST: Thank you, Mr. Sutter.

We'll hear now from you, Ms. Resnik.

ORAL ARGUMENT OF JUDITH RESNIK, ESQ.,

ON BEHALF OF THE APPELLEES

MS. RESNIK: Thank you, Mr. Chief Justice, may it please the Court.

Duarte, which is a local Rotary Club, and the State of California, agree that it's absolutely essential for women to be able to participate in the Rotary International organization, and in the Rotary Clubs of California.

Rotary is a service and business organization. To be selected to be a member of Rotary, one has to be a leader in the professional, crafts or business communities.

And the point of Rotary is to render service

The harm to women by its being excluded is enormous, because the communication to us is that we're second class citizens, that we aren't business leaders; that one could have a club that is a true cross-section of the business community and exclude us.

And California has a strong, important interest in the ending of discrimination against women and other minorities.

This Court has reserved the question of jurisdiction until this time. The jurisdictional question, either by appeal or certiorari, depends upon the existence of a substantial Federal question.

It is our view, both the State of California and myself on behalf of Duarte, that there -- that there is no substantial Federal question, because this case is governed by, and the outcome is the same as, the Jaycees case.

However, there are a couple of distinctions that arguably could be drawn. First, the State of California -- or actually, second, the State of California will be discussing the differences in the California statute; its version of a public accommodations law, and how it differs from that at

issue.

QUESTION: (Inaudible) challenge then the right -- their right to -- your opponents right to bring their case here by way of appeal. You just say that the appeal should have been dismissed for want a substantial Federal question.

MS. RESNIK: Well, we have challenged -- as we believe they started out, this case was not appropriate for appeal, although by the time they worked it to this Court, there may be grounds for appeal.

Many commentators, members of this Court as well as others, have suggested that the distinctions between appeal and certiorari have made life difficult for all of us, and have urged that this Court no longer have a mandatory jurisdiction.

If it's here either under appeal or certiorari, it's because there is a substantial Federal question. We do continue to suggest that appeal is inappropriate, but on the certiorari side, the question would be whether or not there is this issue of national significance.

And that gets me immediately to the procedural posture of this case.

The procedural posture is that a local club admitted women, and the international expelled it. The

California Court of Appeals held and enjoined the International from expelling a local that wanted to admit women.

It is true that in passing the Callfornia

Court of Appeals did discuss that the local Duarte might
be subject -- or was subject to the Unruh Act, but that
wasn't essential to its holding.

There are two reasons why the Court ought not to reach beyond the holding in this case. The first is the practical point that not only is it that that's not the case here, that's not even the case coming down the pike.

To my knowledge, there are no cases pending -and I think here I agree with my adversary -- not only
in terms of Rotary but in terms of similar clubs like
Kiwannis and Lions.

None of these cases --

QUESTION: Are you suggesting that even if
Duarte would not violate the California law if it
excluded women, that when it does -- when it does have
women in it voluntarily, Rotary, as a vast international
organization, may not exclude it?

MS. RESNIK: I am agreeing with the thrust of some of the comments that the --

QUESTION: Well, just answer my question.

MS. RESNIK: I'm sorry. I -- I am saying that the International is subject to the Unruh Act, and may not exclude the local.

QUESTION: Even if the local could legally under California law exclude women?

MS. RESNIK: Even if the local could legally exclude women. However, the Court of Appeals here found that this local could not legally exclude women as well.

But I'm suggesting --

QUESTION: Because of the Unruh Act?

MS. RESNIK: Yes, the Court of Appeals -
QUESTION: And they thought that would be

constitutional, also, the Unruh Act as applied to this

MS. RESNIK: The Court of Appeals found that both the International and the local, in dicta, was a businesslike organization; and therefore, under California's interpretation of its statute, that both of these organizations had sufficient businesslike attributes so as to be regulated by the State of California's antidiscrimination laws.

But the reason not to move beyond is that although -- I guess I disagree with the notion that either women or members of other minorities have been shy in bringing lawsuits claiming their rights of

admission.

Around the country locals of Rotary, Kiwannis, and Lions have been admitting women; and it's the international or national organizations that are saying, no, you can't.

So that the rights at stake here are the rights of the International to be subject to California law. And here, the International, with its 350-person staff, with a publishing wing with a multimillion dollar budget, is clearly a kind of businesslike organization that is legally subject both under the statutory interpretation under California law, and constitutionally subject to California law as well.

QUESTION: So you're saying --

MS. RESNIK: Sorry, talking too fast.

QUESTION: Let's assume for that for some reason or another, this particular local Duarte club was not subject to the Unruh.

MS. RESNIK: I'm saying that I don't want to -QUESTION: Let's assume it wasn't.

MS. RESNIK: Certainly.

QUESTION: Just assume it wasn't. I take it you think that's immaterial, that it's got women in it, and if the international club expels that club because it's got women in it, the international club is

violating your act?

MS. RESNIK: It certainly is violating the California law; and it's constitutional for California to enforce its law against them.

I don't want to seem to be ducking the question of the local clubs in any way, however. And I do want to --

QUESTION: Ms. Resnik --

MS. RESNIK: Yes.

QUESTION: -- let me ask you this. You know, there are obviously various important interests in conflict here. One is the interest in association. California has come to the judgment that its interest against discrimination against women overcomes that. That's fine for California.

But what about Iowa that comes to a different conclusion, and they say, yes, there is the interest against discrimination, but there's also -- people ought to be able to associate with whom they wish, and not with whom they don't wish?

How can this California order compel a nationwide organization, indeed, an international organization like Rotary -- Rotary, to alter its character, so that even if all of the clubs in Iowa who are impeded by no Iowa law, and all of the clubs in

let's say 49 other states want to join in an organization that is male-only, they can't do so, just because of California law?

MS. RESNIK: Well, not to echo too much your comments in the earlier portion of this argument,

California can only enforce its law in California; and the choice is of course open to Rotary, should it choose to withdraw from the State of California, and thereby continue its all-male status, if that would be permitted in other states.

California can°t tell an Iowa club what to do. It can only tell clubs operating in California that they are bound by California law.

QUESTION: Well, then, this order doesn't mean what it says. Because this order says that Rotary International must admit this club.

MS. RESNIK: The order says that Rotary is forbidden from expelling this club, that's correct. Presumably, and I'm a little reluctant to speak for the Court of Appeals were they faced with that question, presumably what would happen if Rotary said we hereby — Rotary International said, we hereby withdraw from California, I would be amazed if the California Court of Appeals would say, we enjoin you from withdrawing from California.

QUESTION: Well, that's what they did. They can't withdraw as long as they have to admit this club.

MS. RESNIK: No, I would disagree. They can withdraw totally from the state. They can't be in the state of California, operating under California law. And presumably we have a strong tradition among the 50 states, not only in their public accommodations law, which vary, but in many other state laws that vary from state to state.

Multistate corporations and multistate organizations are often subject to different laws in different states, and we all live with that as one of the joys or sorrows of the Federal system.

The -- I think it's very important to understand --

QUESTION: Unless they choose to withdraw.

MS. RESNIK: Unless they choose to withdraw.

QUESTION: And if they withdraw, they don't
have to worry about it.

MS. RESNIK: And it is -- it is -QUESTION: I'm saying, are you sure that this
doesn't prevent them from withdrawing?

MS. RESNIK: It is certainly my interpretation of the California Court of Appeals, that the California Court of Appeals did not say, we enjoin you from

The California Court of Appeals said, we enjoin you from expelling Duarte while you're -- implicitly -- while you're here. And if you choose to leave, of course, I do not believe the State of California could do anything about that.

But to return again to this question.

Practically, there's no case coming down the pike that involves an individual knocking on a door and a local saying no.

And jurisprudentially, there's a real reason to pause, which goes to the question of, what are the nature of the rights here at the stake?

International says that essentially, under the Jaycees' rubric, it has two kinds of rights: expressive freedoms and associational freedoms of intimacy.

The Court in the Jaycees opinion explained the two kinds of rights that are available. On the expressive side this Court discussed the ability of a group to come together to advocate political, social, religious interests, and to come together.

And the question in the test was, would the inclusion of any of these out-group members in any way impair or impede the original members coming together and advocating their rights?

If anything, the Rotary International presents an easier example than did the Jaycees. Rotary is avowedly apolitical and areligious. Unlike the Jaycees, where there was both the creed and the organization did from time to time take political positions, Rotary is forbidden, the International and the local clubs, from taking any kinds of positions on any political or controversial matters whatsoever.

Further, Rotary says, we have three expressed purposes: humanitarian service, worldwide peace, and improving the ethical standards in the business communities.

And in order to do that, we're going to take a cross-section of business leaders from a community to do service in the business world.

There is absolutely nothing about the admission of women that will distort, capture the agenda, or in anyway co-opt Rotary from doing what it wanted to do.

In fact, Duarte admitted women because it said, in our community a third of the business leaders are women, and the only way we can be a cross section and influence our community for the good is to include women.

Moreover, Rotary International permits the

programs for 14 to 18-year-olds, and for 18 to 28-year-olds; women and men, girls and boys, are full participants in those organizations as well.

Rotary invites women as speakers. Women are invited as guests, as -- awards have been given to women. So it's -- so that there's not a hint or a whisper that including women will in any way do any kind of harm to the expressive interests.

On the intimacy side, the International is an association of clubs; not an association of members. In the Jaycees case, the members were members of the national organization. In the International Rotary, clubs are members of the international organization.

There is unquestionably some difference in the way one became a Jaycee and the way one becomes a Rotarian. Jaycees between the ages of 18 and 35, submitting an application and paying some dues, if you were male, you became a Jaycee.

To become a Rotarian, there is some selectivity, and that's not disputed, although there is a dispute about how selective it is.

But the Court of Appeals and Rotary of Duarte, as well as Seattle and San Francisco and the other clubs that have admitted women, have presented arguments that

it is, in fact, quite easy to become a Rotarian.

But it's undisputed that there's some degree of selectivity. There's selectivity in businesses as well.

The fact of selectivity alone is not a trump card that prevents a state from imposing its statute, constitutionally, in an organization.

Just as a business is subject to Title VII, so may organizations that have some degree of selectivity be subject to states antidiscrimination laws.

One has to not just say selectivity. One has to say selectivity for what. This Court has defined the right of intimate association, in the constitutional sense, as a term of art; a constitutional term.

It is a very limited right. Parental decisions vis-a-vis children. Decisions about marriage. Family relations and family-type associations.

This Court has never extended that right beyond to the kind of large collections that a Rotary Club by definition is.

A local Rotary Club cannot start unless there are at least 20 members fitting 20 different business classifications. And then there have to be another 20 potential classifications.

We know from the record that the clubs range in size from 20 to over 900 people.

Furthermore, every local Rotary Club must, as a matter of international practice, admit any of the other roughly one million Rotary -- Rotarians from around the world to their meetings.

And further, local Rotary Club members are encouraged to invite students, members of the media, salespersons, employees, various guests to come and come to the meetings.

So the meetings are not collections of intimates who spend unending numbers of hours one with another. The meetings are collections of loosely-knit group of people who've come together for the betterment of all of us, for the community and for the business and professional life.

That's not the kind of intimacy that this Court has announced is protected.

Really, what Rotary International is saying here is, develop a new constitutional right on behalf of us. And precisely because it's this expansion of a right that would function to stop a legitimate state statute, it would be tremendously important to have an example of a real, live club that might prompt such a right: a seven-person poker club; a children's club.

There may be examples of collections of people that this Court might want to think about developing some form of a new right, but surely not on this record, with Rotary telling us that the heart of Rotary is not even its clubs, but rather, its service to the community.

Mr. Pigman, the general secretary of Rotary, testified that, after he explained what a Rotary meeting was like in terms of that time, he went on to testify; But you know the heart of Rotary isn't really the clubs. To really understand Rotary, you've got to go out into the community, because Rotary is engaged in service activities in the community.

And in those service activities, Rotary joins together with many other groups in the community; with groups that admit women as well as with groups that don't, in doing better for the professional and business world.

I do want to just also, I guess, reinforce the notion that the fact that there be some chemistry or some -- Mr. Pigman testified that it might feel different in terms of the Rotary International rubric, is something that is -- it may be true, but it is not that from which new constitutional rights emerge.

Presumably innkeepers 20 years ago, when faced with public accommodation laws, said, it's going to feel

parks. But this Court did not say, that's a trump; that's the barrier that prevents constitutionally a law from being applied to groups of people.

In sum, it is -- it is completely constitutional for a State such as California to exercise its sovereign right to limit the -- a businesslike organization, such as Rotary International, and indeed, if any Rotary Club followed the rules of -- a local Rotary Club as well, and require it, as a businesslike organization, to follow the California statute.

The Deputy Attorney General from the State of California will discuss more of the California's interest.

Thank you.

CHIEF JUSTICE REHNQUIST: Thank you, Ms. Resnik.

We'll hear now from you, Ms. Johnston.

ORAL ARGUMENT OF MARIAN M. JOHNSTON, ESQ.,

AS INTERVENOR SUPPORTING APPELLEES

QUESTION: Ms. Johnston, before you start, would you identify the Federal question that's presented by this case?

MS. JOHNSTON: The only Federal question in

this case is whether there is any provision in the United States Constitution that forbids California, acting in its sovereign power to protect the welfare of its people, from forbidding the type of sex discrimination --

QUESTION: Was that question raised in the complaint?

MS. JOHNSTON: The complaint was filed by Rotary Club of Duarte against Rotary International, alleging that Rotary International violated the Unruh Civil Rights Act.

QUESTION: But was there any allegation of a Federal right involved in the complaint?

MS. JOHNSTON: No, Your Honor.

QUESTION: Did the Court of Appeals of the State of California decide any Federal question?

MS. JOHNSTON: Only to the extent that it found that the application of Unruh to Rotary

International was not unconstitutional.

QUESTION: The only Federal case it cited, if I remember correctly, was Roberts. But it did not expressly conclude that there was any violation of the Federal Constitution that I recall.

MS. JOHNSTON: No, it concluded quite the contrary that applying Unruh to Rotary International did

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not violate any constitutional rights.

QUESTION: But did it make any decision under the Federal Constitution?

MS. JOHNSTON: Only that the application was not unconstitutional.

QUESTION: Well, I don't want to interrupt your short argument. But I'll look more carefully at the opinion. I don't recall seeing any discussion, any specific discussion, of a Federal right.

MS. JOHNSTON: I believe it did refer to the fact that there were no violations either of the rights of intimate association or expressive association.

And as this Court has reminded us on numerous occasions, there may be a desire to discriminate by many groups, but invidious private discrimination has never been accorded affirmative constitutional protection.

And without having some specific Federal prohibition on what California has done, then the decision below should be affirmed.

California is committed to the eradication of sex discrimination. And this commitment is equal to its commitment to eliminating race discrimination, not just in the Unruh Civil Rights Act, but as a constitutional matter, in the other civil rights statutes, and in California's common law history, race and sex

discrimination are equally invidious.

And I think it's undisputed that being able to call oneself a Rotarian is valuable. It's valuable in the business community. Rotary is respected as being a cross-section of the business community.

And it's true --

QUESTION: General Johnston, can you tell us how Rotary International can comply with this court order, if it wishes, in those states that do not feel the way California does, to continue as an all-male organization?

MS. JOHNSTON: I would certainly agree with counsel for Duarte that the State of California has no intent to try and enforce its law outside the State of California.

All that we are requiring is that Rotary

International not expel local clubs such as Duarte who

choose to admit women.

If they are expelled, then they no longer enjoy the advantage of being able to identify themselves

QUESTION: But you are affecting states other than California, then. Because if you apply this injunction, literally, it means that even though Rotary Clubs in all the 49 other states that don't have a law

like the Unruh law, assuming, even though all those clubs want to have an affiliation in an all-male national organization, California alone can prevent that.

MS. JOHNSTON: We are not preventing those clubs operating in other states, if that is not unlawful in those other states.

Now it may affect those other states —

QUESTION: It's not just the clubs operating
in the other states. It's that those clubs want to have
a national organization, and they want to affiliate with
one another. They want to have the kind of visitation
privileges that Rotary International provides.

If you're a member of Rotary, you can go into any club in that town. And they want to be able to go to an all-male club.

MS. JOHNSTON: Well, in that sense, Your Honor, it's no different than saying that Rotary International doesn't discriminate on the basis of race, even though it's operating in communities where race discrimination may be permitted.

Rotary --

QUESTION: You acknowledge, then, that as this
-- that -- that this injunction prevents Rotary from
doing that; that Rotary cannot get out of California and

just say, we'll cperate in the other 49 states?

MS. JOHNSTON: Oh, no, it could certainly leave California, if it is no longer a business establishment operating in California, then it wouldn't be subject to California's law.

QUESTION: How can it do that? I thought that
the only way it now does business in California is
through its affiliates, that is, the local Rotary
Clubs. And this injunction prevents it from expelling
this local Rotary Club.

MS. JOHNSTON: And I assume that Rotary would not want to leave California because of the number of members that it has. But it certainly could decide it is no longer going to charter or recognizes clubs in California.

QUESTION: How can it do that and comply with this injunction?

MS. JOHNSTON: I don't think this injunction provides anything further than, if it is in the business, doing business in California, that it has to do so in a nondiscriminatory manner.

QUESTION: And doing business in California consists of no more than having a local Rotary Club in California. And this injunction prevents it from terminating a local Rotary Club in California.

MS. JOHNSTON: That's true.

QUESTION: And wouldn't you say that -- that under this injunction, or one that would undoubtedly be forthcoming, that Rotary International could not exclude women delegates who are members of local California Rotary Clubs?

MS. JOHNSTON: That's correct.

QUESTION: So they would have to, at the international meeting, unless Rotary wanted to withdraw entirely from California, Rotary would have to admit the California lady delegates into their convention?

MS. JOHNSTON: They would certainly have to treat women Rotarians from California the same as they treat men Rotarians from California. That's the purpose of the Unruh Civil Rights Act.

QUESTION: Suppose -- how can they withdraw from -- can they withdraw from California if they just say, we will no longer have any California local Rotary Clubs? Can they do that?

MS. JOHNSTON: They can do that, Your Honor.

QUESTION: And that would comply with this
injunction?

MS. JOHNSTON: That would comply with the California law, because they would no longer be operating in California, so they wouldn't be violating

California law.

But California's message which it gives to business establishments in California is that you do have to treat women as equals, and you cannot treat them as second class citizens.

Turning to the overbreadth issue which counsel for Rotary International alluded to: It is true that the Unruh Civil Rights Act is broad. It was deliberately broad.

California formerly had a statute similar to that in many other states, which referred to places of public accommodation. It decided that that language was too narrow, and that there were too many groups being excluded from coverage that California wished to prevent from discriminating.

So it decided to enact a statute which used very broad language. It used language of "all", of every kind what scever, to signify its intent to prohibit a broad range of discrimination.

But the fact that it's broad does not mean that it's unconstitutionally overbroad, because there is no substantial danger that the Unruh Civil Rights Act will be misapplied to intrude upon constitutionally protected activities.

Now two possible areas have been raised,

either dealing with intimate association rights or expressive rights.

Any time there has been any hint that Unruh might be misapplied to those types of situations,

California courts have made it very clear that they will not permit that to happen.

In the case dealing with the Christian yellow pages, where a sales director was selling solicitation ads, it said, although we will regulate your discriminatory business practices, we will not regulate your First Amendment rights, your expressive rights.

QUESTION: Suppose one of these clubs, some other club in California, refused to admit women, and a suit was brought, and it was held that the club had to admit women, under Unruh.

MS. JOHNSTON: Yes, Your Honor.

QUESTION: Is it possible that it could be held under Unruh that it didn't need to admit women?

MS. JOHNSTON: Not under Unruh. It's possible that there would be constitutional problems which would prevent Unruh from being applied.

California courts have made it very clear, using language very similar to this Court's language in the Jaycees case, that Unruh does not govern truly private groups; groups that are purely social,

continuous, and personal; groups that operate outside of public view.

QUESTICN: But there isn't any Rotary -- local Rotary Club that could be of that nature, I gather?

MS. JOHNSTON: I don't believe so, if it were operating as Rotary International tells us that Rotary local clubs are supposed to operate.

It's conceivable that there is a group somewhere calling itself Rotary that would fall within the constitutionally protected zone of privacy. And if that's true, they would certainly be both protected as a constitutional matter, but also, I believe that the California courts would find that they are not covered by the Unruh Civil Rights Act.

Because again, the California courts have construed Unruh not to cover truly private clubs.

QUESTION: But therefore, are you saying at least it's theoretically possible -- I suppose you would argue the contrary -- that the International Rotary is a business organization covered by the statute even though the local might be constitutionally protected?

MS. JOHNSTON: It's certainly theoretically possible that there are Rotary -- groups calling themselves Rotary that are constitutionally protected.

QUESTION: That are associations that could

MS. JOHNSTON: And there clearly are many associations which are constitutionally protected. I just doubt whether --

QUESTION: Is it theoretically possible that all of them are like that? Just sort of theoretically possible --

MS. JOHNSTON: Theoretically possible -QUESTION: -- that all of them are like that,
and the law would still apply to the International, in
your view.

MS. JOHNSTON: That's correct, because Unruh requires --

QUESTION: Even if one of them -- even if one of them -- even if one of them, even though it didn't have to, admitted women voluntarily, and Rotary threw them out for it, Rotary as an organization nevertheless could not do that?

MS. JOHNSTON: Because it is depriving women of the opportunity to call themselves Rotarians, and denying them all the benefits that that engenders.

In sum, California prohibits only arbitrary and invidious discrimination. It does not prevent selectivity which is legitimate in terms of a group's purposes; it does not prohibit all invidious

discrimination if a substantial justification can be shown; and it doesn't cover groups protected by any intimate association rights.

But since the Unruh Civil Rights Act, as interpreted and as applied by the California courts, does not intrude upon any Federally constitutionally protected rights, then I think the sovereign power of the state to enact legislation and to apply that legislation for the public welfare of the citizens of that state should be upheld, and the decision below should be affirmed.

CHIEF JUSTICE REHNQUIST: Thank you, Ms. Johnston.

The case is submitted.

(Whereupon, at 2:52 p.m., the case in the above-entitled matter 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: #86-421 - BOARD OF DIRECTOS OF ROTARY INTERNATIONAL, ET AL., Appellants V. ROTARY CLUB OF DUARTE, ET AL.

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

(REPORTER)