Discrimination in the private club industry

No subject is likely to produce so much of an emotional reaction among club members than a discussion of their club’s membership policies. Specifically, any such discussion that has the appearance of attacking such policies on the grounds that they are “discriminatory” inevitably leads to polarized thinking that defies logic and in which reason seldom gains a hearing. Generally, such discussions are to be avoided, or so most clubs have felt in the past.

Yet, just such a discussion was deliberately made one of the features of the Ninth Annual Conference of the National Club Association held in San Francisco, February 2d and 3d.

It was with some trepidation that NCA planned the program. However, because the problem is of such importance to the social and recreational club industry and because the issues it presents have already received wide-spread—and generally unfavorable—publicity where clubs are concerned, the association felt it had an obligation to the industry to perform just such a service.

Based on an official policy of presenting every side of the question without passing judgement—leaving that to the listeners—the program was launched under the title, “Operation Aware: A Civil Rights Dialogue.”

Judged on the basis of its stated goals—to present the issues, to educate and to provide an opportunity to openly discuss the problem, the program was a success. These are the results which should be shared with those who were not at San Francisco.

Participants in the program were Harry J. Keaton, a Los Angeles attorney and a management specialist in labor relations law; Richard Worthington, manager of the Commerce Club, Atlanta, Ga.; Stephen Early, a student and a resident of Westchester County, N.Y., an activist involved in anti-discrimination in recent years. Moderator of the panel was Jack T. Janetatos, legal counsel for the NCA.

It would be appropriate to begin a review of the dialogue with Jack Janetatos’ opening remarks, in which he explains the basic legal issues involved in the applications to private clubs of the various civil rights laws. An understanding of them is vital to any logical analysis of the issues.

- The Civil Rights Act of 1964, through its now famous public accommodations section, abolished segregation on the railroads, airlines, buses, and in hotels, restaurants and sports arenas; it specifically exempted private clubs from its coverage.
- No sooner did Congress pass this law when a restaurant operator in Mississippi took down the sign that said “Richberg’s Diner” and put up a new one reading “Dixie Diner Club.” The court struck this down as a sham—an obvious device to circumvent the impact of the law. A not so obvious device was used in The Lake Nixon Case which was decided by the Supreme Court a few months ago. Shortly after the enactment of the Civil Rights Act in 1964, the owners of Lake Nixon transformed their recreational area into a private club, called the Lake Nixon Club. One

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became a member by driving up to the gate and paying the 25¢ membership fee which had been previously known as an admission fee. The Supreme Court held that Lake Nixon was not a bona fide private club within the meaning of the Civil Rights Act of 1964.

- In 1968, for the first time, the Civil Rights Act of 1866 was resurrected and applied to clubs. The law can be paraphrased as follows: "All citizens of the United States shall have the same right in every state and territory as white citizens to buy, sell, lease, or inherit real or personal property or to enter into contracts."

First applied to The Open Housing Case, the law was also invoked in Sullivan v. Little Hunting Park.

When a man named Sullivan attempted to assign his share of stock in a community swimming pool to a Negro, the club refused permission and expelled Sullivan when he complained. The club admitted that the only reason for refusing to make the transfer was that the proposed lessee was black.

Suit was filed in the Virginia courts and was carried into the Supreme Court which held that a membership right in that club was closely connected with the lease of a parcel of real property and was subject to the 1866 law.

- Another area of influence involves law suits and new legislation arising under the 14th Amendment. The first suit to be filed in this category was The Washington State Liquor Case in which a group sued the Washington State Liquor Commission in a Federal court in Seattle. The reasoning was as follows: a) The commission licenses private clubs; b) Private clubs discriminate; c) The commission, an arm of the state, is furthering racial and religious discrimination by licensing private clubs. The case is still in litigation and will probably go to the Supreme Court for a final decision.

- A suit has been brought against a municipality in Colorado, which goes a step further by trying to prevent it from selling water to country clubs. The reasoning is similar to that in the Washington case.

- In Los Angeles a suit has been brought against the county tax assessor to prevent him from permitting country clubs to be taxed as open space and recreational land rather than at their potential best-use rate. The California suit contends that the state is granting a tax benefit to clubs and thus is discriminating.

- At least one state, Maine, has ruled that no club that discriminates may receive a liquor license. Similar legislation is pending in several others.

In all these cases, the legal issue seems to pivot on 1) the definition of a "private" club and 2) whether the discrimination of the club can be attributed to the state which permits or aids the club to operate. A deeper and more practical issue may be present, however. This is the question of whether clubs have the right to select members in the manner now common throughout the industry.

The NCA takes no official position with regard to clubs and civil rights; its policy is that each club must make its own decisions in this area. But it is deeply concerned over the definitions being placed on the "rights of private association," discrimination and exclusive membership policies, as well as the social, ethical and moral problems they raise. It is equally concerned with what is said and done publicly and privately in these areas.

It is these actions and opinions in areas such as racial, ethnic and religious prejudice; resistance to fresh air programs; rights of private clubs to deny membership to any applicant and the practical effects of laws on the private club industry which will have a direct bearing on the continued welfare of the industry. The variety of views on these matters offered by the panelists at the NCA Convention will be covered in future columns.