

THE CENTER FOR THE ADVANCEMENT OF CAPITALISM

December 19, 2002

CAC'S REPORT ON THE NATIONAL COUNCIL OF WOMEN'S ORGANIZATIONS AND DR. MARTHA BURK

The Center for the Advancement of Capitalism seeks to present an integrated moral case for reason, individualism, and capitalism in American society. Through theoretical commentaries and empirical analyses, CAC applies Objectivist philosophy to contemporary public policy issues with the intent of elevating the general level of discourse. Especially on matters that tend to be dominated by conflicting agendas and a sound bite-driven media culture, CAC tries to cut through the spin and advance concise, rational arguments on questions of public importance.

The current controversy surrounding the dispute between the National Council of Women's Organizations and the Augusta National Golf Club an issue that requires a certain level of scrutiny not currently seen. NCWO and its chairman, Dr. Martha Burk, have attempted to alter the membership policies of a private organization using tactics that are at best questionable, and at worse outright coercion. Given the major media's disinterest in seriously examining NCWO's tactics and motives, CAC issues this report in an effort to steer the debate away the anti-Augusta rhetoric, and onto the instigators of this controversy.

INTRODUCTION

In recent months, there has been extensive media reporting on the efforts of NCWO and Dr. Burk to forcibly alter the membership of the Augusta National Golf Club, a private corporation operating in Augusta, Georgia. Since 1934, ANGC has hosted an annual invitational tournament—The Masters—featuring the world's top professional and amateur male golfers. ANGC, and its tournament, is run largely according to traditions and rules set down by club founders Robert Trye Jones and Clifford Roberts.¹ Among ANGC's practices is the maintenance of an all-male club membership. While there is apparently no express policy forbidding the admission of women, the club has never admitted a female member, and has expressed no intention of doing so in the immediate future. However, ANGC does permit women to play the golf course as guests, and women are admitted as patrons of the Masters Tournament on an equal basis with men.

ANGC's membership policies remained private for 70 years, until June 12 of this year, when Dr. Burk sent a letter to ANGC chairman William Johnson, asking the club to "open [their] membership to women now, so that this is not an issue when the [Masters] tournament is staged next year." The letter states: "We know that Augusta National and the sponsors of the

¹ Interestingly, upon Mr. Roberts's death, he left a substantial portion of his estate to Planned Parenthood, a member organization of NCWO.

Masters do not want to be viewed as entities that tolerate discrimination against any group, including women.”

On July 8, Chairman Johnson sent a reply to Dr. Burk, stating that ANGC’s membership policies were private and not a subject for public discussion. Johnson further declared “your letter’s several references to discrimination, allusions to the sponsors and your setting of deadlines to be both offensive and coercive.” Shortly thereafter, Dr. Burk’s demands became public knowledge, and the ensuing media coverage of the dispute between NCWO and ANGC continues to the present day.

From the very outset, Dr. Burk’s campaign was correctly described by William Johnson as “coercive.” At every opportunity, Dr. Burk and her allies have provided false and misleading information to the public on the subject of ANGC and the Masters. In numerous communications ANGC’s business partners, Dr. Burk has made threats if her will is not yielded to. In some cases, she threatened actions that have no actual basis in law. She has wantonly disregarded ANGC’s desire to maintain a private club, and she has threatened the financial integrity of the Masters tournament through a campaign of intimidation against ANGC’s sponsors, broadcasters, and audience.

It is anticipated that if ANGC does not agree to Dr. Burk’s demands, NCWO and a number of allied groups will stage protests and boycotts at next year’s Masters, an act that will adversely affect ANGC and the Augusta community in general. CAC believes that the totality of Dr. Burk and NCWO’s actions are misleading, deceptive, and ultimately harmful to the interests of voluntary trade and capitalism.

THE THREATS AGAINST CBS TELEVISION

The most serious acts took place with respect to CBS, the television network that has held broadcasting rights to the Masters since 1948. On September 18, Dr. Burk sent a letter to CBS Sports president Sean McManus, in which she demanded the network “suspend broadcasting of the Masters...if [ANGC] continues to discriminate against women by excluding them from membership.” In the course of this letter, Dr. Burk made four intentionally misleading statements:

1. *“The tournament is an event that is produced by and held at a facility owned by a for profit corporation that is flaunting its practice of sex discrimination.”*

There is no evidence that suggests ANGC is “flaunting” its membership policies. From the very outset of this controversy, ANGC has strived to remove discussion of its membership policies from the public sphere. Chairman Johnson’s July 8 confirms as much, where he explicitly states: “Augusta National Golf Club is a distinctly private club and, as such, cannot talk about its membership and practices with those outside the organization.” That is not an act of flaunting. Furthermore, the history of ANGC’s conduct with respect to the Masters shows

that club officials emphasize the competition among the players during CBS's broadcast, *not* the membership of the club itself.

- 2. Press reports indicate that not only will CBS fail to realize a profit on a broadcast without sponsors, but the network will actually lose money. This makes CBS an active underwriter of an organization that discriminates against half of its viewers.*

Broadcasters often lose money on sporting events. Even popular sports programming like the National Football League produce heavy operating losses for their television broadcasters. Often, networks intentionally absorb this loss because of other benefits. The Masters is not only one of professional golf's most popular events; it also serves as a general advertisement for CBS Sports's general golf coverage, and it provides a venue for expanding the network's credibility and brand identity. The actual losses incurred on the tournament are not relevant to the question of whether CBS should continue to maintain its relationship with ANGC.

In addition, the loss of sponsors Dr. Burk alludes to is a direct result of her organization's coercive actions. Traditionally ANGC has maintained a limited number of corporate sponsors that advertise on CBS's Masters coverage. After Dr. Burk put pressure on those sponsors, ANGC announced they were dropping all sponsorships in an effort to spare those companies further attacks at the hands of NCWO. Thus, to the extent CBS will lose money, Dr. Burk and NCWO are a proximate cause. It is irrational for Dr. Burk to turn around and then suggest CBS drop coverage because they're losing money on the endeavor.

Finally, it is erroneous to suggest, as Dr. Burk does, that CBS is an "underwriter" of the Masters. Unlike professional sports leagues, which rely on large television contracts to finance general operations, the Masters is economically self-sufficient notwithstanding television rights. ANGC, in fact, has always maintained a year-to-year contract with CBS for broadcast rights, a practice that is not common in sports television. The club has always emphasized quality control over financing. If CBS were to withdraw, as Dr. Burk demands, there would be no practical effect on the Masters. The tournament could, if it wanted, offer televised coverage on a pay-per-view basis to individual consumers. If anything, they could make more money with that approach than by maintaining the current CBS relationship.

It should also be noted that ANGC's membership policies do not discriminate against half of CBS's viewers, as Dr. Burk claims. In reality, ANGC discriminates against more than 99.9% of the United States population, as only 300 individuals are ANGC members.

- 3. Putting aside the issue of whether CBS profits financially from airing this tournament, in today's environment the public is demanding corporate accountability that goes beyond mere financial performance. Use of the airways is not an entitlement; the FCC licenses broadcasters to operate in the public interest and broadcasters are mandated to act responsibly. If CBS Sports were to continue broadcasting the Masters Golf Tournament it would be acting irresponsibly as an FCC licensee and as a corporate citizen.*

The inference here is clear and unmistakable—CBS is violating FCC rules by broadcasting the Masters. This statement is as irrational as it is legally baseless. There is absolutely nothing in the FCC’s broadcast licensing regulations that even remotely prohibit the telecast of a golf tournament, regardless of the host golf club’s membership policies. Under Dr. Burk’s theory, a broadcaster might incur FCC wrath if they telecast a special on the Girl Scouts, since that organization engages in sex discrimination (a practice they flaunt far more publicly than ANGC.) To suggest that CBS is violating the law here is tantamount to libel. If the FCC had any objections to the airing of the Masters, it’s had more than fifty years to take action. Their silence on this matter would seem to speak volumes.

As to the issue of corporate citizenship, while it is a highly subjective standard, it is misleading for Dr. Burk to suggest CBS’s behavior is on par with the recent corporate scandals involving Enron, WorldCom, and other scandal-plagues businesses. Those companies were accused of defrauding stockholders, mismanaging assets, and hiding their malfeasance from federal regulators. CBS has done none of that. Nothing in CBS’s relationship with ANGC could be reasonably deemed irresponsible.

Finally, as to the question of whether the Masters broadcast is in the “public interest,” simply consider the numbers. The Sunday CBS telecast of the Masters has averaged over 40 million viewers in recent years, almost one-sixth of the total U.S. population. This figure far outstrips the seven million women NCWO claims to represent. Clearly the public doesn’t care about ANGC’s membership, only the players on the course.

4. *We know that the viewing public, the stockholders of Viacom, and consumers of other products and services owned or controlled by Viacom, would applaud a decision by CBS not to showcase an organization that has become emblematic of discrimination against women.*

Dr. Burk has no foundation to make such a sweeping statement. She is in no position to discern or speak for “the viewing public, the stockholders of Viacom,” and consumers generally. And, as noted above, ANGC only became “emblematic” of discrimination when Dr. Burk took it upon herself to publicize that fact.

ACTIONS AGAINST OTHER BUSINESSES

Beyond CBS, Dr. Burk and NCWO have contacted a number of companies and organizations that do business with ANGC and the Masters. The common theme in these contacts, as expressed in a letter to IBM, is simple: “Sponsoring the Masters legitimizes the discrimination engaged in by Augusta National.” This statement is irrational on its face. ANGC is a small private club, not the apartheid government of South Africa. As is the case in most voluntary corporate relationships, sponsorship of a particular event does not constitute endorsement of the sponsored organization’s other policies and practices. Under that theory, a person or company that buys a product is liable for every potentially unpopular policy endorsed by the producing firm. I happen to enjoy Ben & Jerry’s ice cream, but I don’t support many of the social policies articulated by the company’s leaders. Yet the two are mutually exclusive.

Another avenue of attack pursued by Dr. Burk is against the PGA Tour, the organization representing touring professionals.² Although the Masters is not an official PGA Tour event, many of the Tour's players compete in the Masters. Many of the benefits associated with a PGA Tour event are conferred upon the Masters in recognition of the event's popularity and historical importance.³ On this basis, Dr. Burk again asserts the PGA Tour "legitimizes the discrimination" of ANGC. This despite the fact the Tour's own events are held at clubs that admit women members, and more importantly, the Tour itself is comprised entirely of male golfers.⁴ There is no explicit or implicit endorsement of ANGC's membership policies by the PGA Tour.

Furthermore, as with CBS, the PGA Tour's recognition is not essential, or even that important, to the success of the Masters. It is unlikely the Masters would suffer any substantial effects if the PGA Tour refused to confer benefits on players who compete at ANGC. If anything, the PGA Tour is only beneficiary of this policy, since it is the Tour's players who comprise the bulk of the Masters' field. And it is highly unlikely any individual player would refuse a Masters invitation based on the Tour's position. Asking the Tour to rescind its recognition of the Masters, in effect, is asking them to act against their players' interests without cause. For Dr. Burk to infer a connection between the PGA Tour's policy and ANGC's membership policies is misleading, if not outright false.

OTHER MEDIA ATTACKS

In addition to the actions of Dr. Burk and NCWO, the ensuing controversy over ANGC has caused other parties to make false and misleading statements designed to impugn ANGC's character and reputation. A particularly noteworthy example is the Rev. Jesse L. Jackson, head of the Rainbow/PUSH coalition, who stated on November 15: "We strongly support the movement to end gender apartheid at Augusta National Golf Club." Rev. Jackson indicated he would stage protests and boycotts next April at the Masters if ANGC did not immediately agree to Dr. Burk's demands.

The use of the phrase "gender apartheid" is most curious. The only news reports that CAC could find containing that term prior to Rev. Jackson's utterance are in relation to the Taliban, the Islamic militia that ruled Afghanistan until late last year, when they were deposed by the United States. For example, on July 31, the Christian Science Monitor reported: "During the Taliban era, [Nasrine] Gross joined thousands of other feminists to lobby for the end of gender apartheid in Afghanistan." The Taliban's regime involved the systematic violation of individual rights, forcing women to adhere to a strict dress code, and denying them the right to

² The PGA Tour is separate from the PGA of America; the latter represents professionals who work in golf clubs and pro shops, while the Tour is constituted of independent contractors who compete in organized competitions throughout the United States.

³ For instance, prize money won at the Masters is counted towards the PGA Tour's money list, which determines overall Tour eligibility and standing.

⁴ Women are eligible to compete on the PGA Tour, but there are no women who regularly compete or hold exemptions under the Tour's rules.

seek education, employment, or voluntary relationships outside the confines of Taliban edict. The effect was to reduce women to the status of second-class citizens within Afghanistan.

There is absolutely nothing in ANGC's policies or conduct which would lead any reasonable person to conclude that the club supports the Taliban or actual "gender apartheid." The inference alone is highly inflammatory. And it appears that Rev. Jackson's use of the phrase was not an excited utterance or an isolated act. The Associated Press reports that among the planned protests for ANGC next April—pursuant to Dr. Burk and NCWO's call to action—are a number of women who plan to dress in burqas, a head-to-toe garment worn by Afghan women under the Taliban regime. Additionally, there have been additional comments linking ANGC to extremist organizations. A member of the United States Olympic Committee recently criticized Lloyd Ward, the USOC's executive director, for being an ANGC member. When Ward replied he intended to pursue change of ANGC's membership policies from within the club, the offended member claimed that was the equivalent of trying to alter the white supremacist policies of the Ku Klux Klan.

Mr. Ward, it should be noted, has also been targeted for special treatment by Dr. Burk, as he was the only ANGC member to be privately cc'd a copy of NCWO's initial letter to ANGC. This was, we suspect, due to the fact Mr. Ward is an African-American. From the onset of this controversy, Dr. Burk and her allies have sought to connect the absence of female members at ANGC to the former absence of African-American members. This tactic has been adopted by many media outlets that sympathize with Dr. Burk's position. In one now-infamous example, the New York Times editorial board demanded Tiger Woods, the defending Masters champion, boycott the tournament next year if a female member was not admitted.⁵ Mr. Woods was specifically targeted by the Times because of his race.⁶ While Dr. Burk, to her credit, disavowed the singling-out of Mr. Woods, the fact remains she injected racial animus into this debate from the very beginning.

NCWO'S REAL AGENDA

All of which leads us to the question of NCWO's intent in manufacturing this controversy. Clearly, this dispute has nothing to do with the relative position of women in golf, despite Dr. Burk's assertions to the contrary. Despite their role as Masters host, ANGC is not now, nor has ever been, the public face of golf. In the United States, organized golf is regulated by the United States Golf Association, and on the professional level by the PGA of America, the

⁵ The New York Times conduct with respect to the ANGC controversy has come under fire in recent weeks. Critics cite managing editor Howell Raines's lack of conventional news judgment in dictating coverage of this story far beyond its proportional news value. More than 70 stories have run, often prominently featured, in the Times since Dr. Burk's initial complaint. Prior to NCWO's advocacy, there is no record of the Times offering any substantial coverage of ANGC's membership policies with respect to women, despite the fact the Times has covered the Masters since its inauguration in 1934.

⁶ Mr. Woods is often considered an African-American, although he describes himself as "Cabalinasian", a term that conveys his mixed racial heritage; his parents combine Caucasian, black, American Indian, Thai, Chinese, and other Asian ancestries.

PGA Tour, and the Ladies' Professional Golf Association.⁷ Internationally, the sport is principally regulated by the Royal & Ancient Golf Club of St. Andrew's, which codified the official Rules of Golf in the 19th century.⁸ These associations manage the sport and are its "public face" to varying degrees. ANGC runs a prominent tournament, but in terms of the golf community, its position and power are not substantially greater than any of the more than 10,000 private golf clubs that operate in the United States. And many of those other clubs also maintain exclusionary membership policies of some kind.

It is also curious to note that Dr. Burk's concerns would seem to be mollified if ANGC admits just a single female member. She does not appear to demand, at this time anyway, full gender parity at the club. She is seeking what amounts to a symbolic act. But attaining this act will likely have no substantial impact on the sport of golf or the role of women within it. ANGC's members are not known for their public advocacy within the sport. During the Masters, the club traditionally speaks through one voice, that of the chairman. If Dr. Burk were genuinely concerned with the role of women in golf, there are numerous substantive, non-symbolic acts she could take to that end, such as working to promote expansion of the LPGA Tour (perhaps asking ANGC to host an annual LPGA event.)

All of this leads CAC to conclude that Dr. Burk and NCWO have other motives for their actions against ANGC. Put simply, NCWO is attempting to impair and destroy ANGC's ability to profitably run the Masters. In doing so, they hope to raise their own profile, and build public support for their own agenda.

Dr. Burk has repeatedly accused ANGC of maintaining "gender discrimination." While there is no dispute over ANGC's lack of female members, there is a dispute over what constitutes gender discrimination in the eyes of NCWO. One of NCWO's major policy initiatives is lobbying the U.S. Senate to ratify the Convention to Eliminate All Forms of Discrimination Against Women (CEDAW), a United Nations treaty that NCWO claims "is the only international legal instrument that comprehensively addresses women's rights within political, cultural, economic, and social spheres at the local, national, and international levels." CEDAW purports to set a single, international standard of women's rights that all signatory governments are obliged to enforce.

The problem is that CEDAW establishes a "gender discrimination" standard that is radically outside the American mainstream. Under CEDAW, Dr. Burk would not have to rely on voluntary persuasion to alter ANGC's membership policies—she could seek direct government action. CEDAW explicitly commands member governments to abolish all private forms of "discrimination." This extends to even incidental, non-intentional situations where gender parity is lacking. The ultimate goal of CEDAW, according to its own U.N. implementing

⁷ The LPGA runs its own tour that, unlike the PGA Tour, does engage in gender discrimination by banning men from their competitions.

⁸ The R&A runs the Open Championship, also known as the British Open, which like the Masters is considered a major championship event. The R&A often hosts the Open at private clubs that do not have any female members.

committee⁹, is to eliminate all “all aspects of gender” that reinforce biological differences between men and women. In the eyes of CEDAW—and its NCWO supporters—simply acknowledging the role of women as mothers would constitute an illegal act of gender discrimination. This treaty is not an attempt to protect individual rights, but an explicit call for social engineering. It is not a great leap to infer that NCWO’s campaign against ANGC is their first step in promoting the radical overhaul of American society and government that would be necessary to implement CEDAW’s objectives.

CONCLUSION

It is regrettable that the membership policies of a 300-member private golf club ever became the subject of a public debate. What is even more regrettable is the dishonest and misleading nature of the campaign waged by Martha Burk and the National Council of Women’s Organizations to discredit the Augusta National Golf Club and, by extension, the financial profitability of the annual Masters tournament. Regardless of the merits of Augusta National’s membership policies, Dr. Burk and NCWO were out of line to issue threats against the club, its business partners, and the public generally. CAC hopes that by issuing this report, reason will ultimately prevail and the rights of ANGC, NCWO, and ultimately the American people are strengthened.

Submitted December 19, 2002:



S.M. Oliva
Senior Fellow in Antitrust and Competition Studies
The Center for the Advancement of Capitalism

CC: Sean McManus, CBS Sports
Glenn Greenspan, Augusta National Golf Club
Timothy Finchem, PGA Tour
Rick Singer, IBM

⁹ The implementing committee—like NCWO’s steering committee—is comprised entirely of women, with no men apparently allowed.