

Senator hearing lobbyist's defense has old ties to Forbes, attorney

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Lobbyist Gordon Forbes defended himself against a complaint of "undue influence" Tuesday before four Minnesota Senate investigators, one of whom has former ties to Forbes and to Forbes's attorney.

Sen. Joseph O'Neill, R-St. Paul, acknowledged during a two-hour, closed-door session of the Lobby Registration Committee that he was a law partner of James Miley during the 1960s.

Miley, now with another firm, is representing Forbes against a complaint that Forbes violated a Senate rule by ordering a credit company investigation of Betty L. Henry, a legislative aide.

O'Neill did not reveal to the other three senators, however, that during the late 1960s he served as a policy maker and fundraiser for House Republicans who received campaign money from a group of corporate lobbyists dominated by Forbes.

In the House, then controlled by the Republicans, O'Neill was one of 19 members of a "policy group" that also included then-majority leader Aubrey Dirlam and other caucus leaders. The group determined legislative policy for House Republicans and contributed and raised campaign funds as part of an overall plan for building the power of the House leadership.

In recruiting and financing nonparty-oriented candidates for the House, the policy group also relied on Forbes, chief lobbyist for the Minnesota Railroads Association, and other elements of a so-called Good Government Committee.

The committee, which included iron-mining interests and several of the state's biggest corporations, raised campaign funds by sponsoring dinners for the Republicans. It channeled its contributions through Warren Gahlon, an unofficial aide to the caucus hired by Speaker Lloyd Duxbury in 1962.

When asked about these matters yesterday, O'Neill said he couldn't recall the policy group, at least by that name, but said that he was appointed by Duxbury to serve as a fundraiser from the 4th Congressional District in 1969.

He also said that he never worked directly with Forbes.

"The campaign committee used to meet on occasion but Gordon was never a part of it," O'Neill said.

When asked if he had a conflict of interest because of past associations, he said, "No, I was appointed by the Senate to be on the Lobby Registration Committee. Neither side has objected to my sitting there. I think I can be impartial, and nobody has claimed that I can't."

Since he practiced law with Miley, O'Neill said, the two frequently have met as legal adversaries.

Their previous partnership became known before O'Neill told other committee members about it yesterday. The circumstances, according to informants, were as follows:

The committee held its first meeting, to hear from Sen. Charles Berg, Mrs. Henry's employer, last Thursday.

Although the committee is equally divided and has a DFL chairman — Sen. George Conzemius — informants said that O'Neill, of the minority faction, quickly took control of the proceedings.

"He really took over that meeting," said one informant.

Under legalistic rules of procedure drafted by O'Neill, the informants said, all testimony was to be sworn under oath, the burden of proof would be on Berg to prove his complaint, and Berg would be cross-examined before the taking of other testimony.

Surprised by what he took to be a pro-Forbes posture by O'Neill, Conzemius called a halt to the proceedings and then consulted Bill Riemerman, a Sen-

ate staff investigator. It was Riemerman who established that O'Neill and Miley had practiced law together.

The only reference to that fact yesterday was by O'Neill.

When asked whether anyone had suggested that O'Neill leave the committee, Conzemius said, "that's a decision he's got to make."

After yesterday's meeting,

informants disclosed that Miley, at one point, had made a motion that Berg's complaint be dismissed. Conzemius then reminded Miley, the informants said, that he was not a member of the committee.

Later, Conzemius said it still is his judgment that "we're not a courtroom. We're just looking at information."

Mrs. Henry, who became an adversary of Forbes by opposing his Good Government Committee, will be invited to appear before the committee on Thursday, as will L. D. Gans, branch manager of Retail Credit Co., which carried out a character investigation on Mrs. Henry for Forbes. Mrs. Henry has filed a \$2-million lawsuit against Forbes, several of his clients, and Retail Credit.

"If they do not respond," said Conzemius, "we'll subpoena them."

If necessary, Conzemius said, the committee will hold night meetings to clear up the investigation before the legislative session ends in about 2½ weeks.

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