

*The following excerpted remarks were made in the Senate by Senator Richard M. Nixon on Oct. 8, 1951. The statement concerns a Senate investigation of William M. Boyle, Democratic national chairman and of Guy G. Gabrielson, Republican national chairman.*

There has been an understandable amount of confusion, contradiction, charges and countercharges growing out of the investigation into the activities of Mr. Boyle and Mr. Gabrielson. The committee report will attempt to appraise the entire record. However, on the basis of their own testimony, both Mr. Boyle and Mr. Gabrielson should resign their positions as chairmen of the Democratic and Republican national committees.

The basic issue is whether a high official of the national committee of either major political party should be in a position where he can profit financially from the influence which he may be able to exert with Government agencies. And as President Truman had indicated, in judging the propriety of such conduct it makes no difference whether the official is paid or unpaid by the party for his work.

In the case of Mr. Boyle, there has been a tendency to emphasize unduly the controversy which has developed over whether he received \$8,000 or \$1,250 from the American Lithofold Corporation. The following facts in the record are uncontroverted:

While Mr. Boyle did not become a paid party official until April 1949, he served as acting chairman of the party from approximately Feb. 15 until the time he went on salary in April. During this period, he admits that he received a total of \$1,250 in fees from the American Lithofold Corporation. The only work he did for his client during that period was to make an appointment on Feb. 28, 1949, for company officials to see Chairman Hise of the Reconstruction Finance Corporation. Three days after this appointment was arranged, a loan was granted to the company, a loan which up to that time Mr. Boyle intervened had been turned down by every examiner in the R.F.C. to whom the case had been referred, by the agency review board, and by the board of directors.

Mr. Boyle says that in making the appointment he was only doing what he would do for any person who came to Washington and asked the National Committee for assistance in obtaining a hearing of its case. He says that he sees no difference in the fact that the appointment in this instance was made for a client. The answer is that when the national chairman of the party in power intervenes in behalf of a client, such action—having in mind the fact that he has the power of recommending appointments and promotions in the Government service—is influence in

itself regardless of whether he goes further and advocates the merits of the case.

Since becoming paid chairman of the party, Mr. Boyle makes much of the claim that he has severed his connection with his law firm but the facts are undisputed that he has profited to the extent of approximately \$100,000 from what he says was a sale of his law practice since he became paid chairman, that a great proportion of this amount was directly attributable to \$158,000 of legal business which came into his office while he was acting chairman without pay between Feb. 15 and April 30 and that the law business which he says he sold to Mr. Siskind involved, almost without exception, clients who were engaged in actions with Government agencies. While Mr. Boyle and Mr. Siskind both have denied that Mr. Boyle has attempted to influence the outcome of any of these cases since Mr. Boyle became paid chairman, it is now well known that he has a financial interest in these cases and no one can be so naive as to believe that that fact could potentially have no effect in influencing the action of the Government agencies involved.

The Gabrielson case differs in many respects from the Boyle case but the same conclusion must eventually be reached. Mr. Gabrielson was unpaid at all times in his position as chairman of the Republican National Committee. The only client he represented before the R.F.C. was the Carthage Hydrocol Company of which he was president and general counsel. The loan for the company was granted long before he became chairman of the national committee. The only major action he sought in behalf of the company after he became chairman was rejected by the R.F.C. As far as the record is concerned there is no evidence of improper influence in behalf of his client by Mr. Gabrielson during the time that he has been chairman of the Republican National Committee.

On the other hand, Mr. Gabrielson's statement to the effect that he has no influence cannot be accepted. While it is true that the Republican national chairman has less influence than the Democratic national chairman, it must be remembered that he has the power of criticism and the potential power of recommending appointments and promotions. In other words, the opportunity for influence exists and where the opportunity for influence exists charges of impropriety are bound to follow.

The fault does not lie with Mr. Gabrielson—the predicament he finds himself in is due to the action of the national committee which elected him with knowledge that he would have to deal with the Government in his capacity as president of his company.

The chairman of the minority party has a duty to expose and to criticize improper conduct on the part of the and where they please.