

Dodd Dinner Purpose Contradicted by Press

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Sen. Thomas J. Dodd's version of how he raised \$100,000 to repair his personal fortunes is challenged by Connecticut press accounts of his fund-raising dinners.

Hartford newspaper records failed to confirm the account of the Connecticut Democrat's associates that the money—raised in 1961 and 1963—was clearly intended as a tax-free gift to him rather than as a fund to finance his 1964 re-election campaign.

The 1963 testimonial, which attracted then Vice President Lyndon B. Johnson and reportedly netted \$47,000 for Dodd, was described at the time by the Hartford Courant as a means "to help (Dodd) raise a war chest for his renomination and re-election campaign."

The 1961 dinner, also attended by Mr. Johnson, was described by the Courant as a "nonpartisan testimonial." There was no reference in newspaper accounts to the proceeds (reportedly \$55,000) or that they would be used for Dodd's personal expenses.

The paper also had no record of a "testimonial" dinner for the Senator, which reportedly was held in March, 1965. Irving Ferman, a Washington representative of the International Latex Corp., said yesterday that he and various associates had contributed

\$8000 to this dinner on Feb. 4, 1965.

International Latex is a Connecticut firm whose president, A. N. Spanel, sought Dodd's sponsorship for an ambassadorship in 1964, according to columnists Drew Pearson and Jack Anderson.

Disclosures by Pearson and Anderson prompted the current investigation into Dodd's affairs by the Senate Select Committee on Standards and Conduct. The columnists have claimed the Senator diverted campaign funds to his personal use and failed to pay income taxes on them.

Dodd's explanation on the other hand, is that money that came into his possession from the 1961 and 1963 testimonials, was earmarked as a personal gift by the donors, and that that it was therefore tax-exempt.

The distinction between a testimonial gift and a "campaign contribution" is crucial in the context of Dodd's tax liability.

The Internal Revenue Service has held that money

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"which is diverted from political campaign purposes to the personal use of the candidate . . . constitutes taxable income to such candidate."

But IRS officials indicated yesterday that it would be difficult to demand income taxes on "testimonial gifts." A decisive factor, said IRS, is the motive behind the gift. It would be difficult, if not impossible, the agency said, to probe the motives of the 700 people who attended the 1961 dinner and the 1150 who contributed to Dodd at the 1963 affair.

In support of their conten-

tion that the 1963 contributions to Dodd were intended for his 1964 re-election campaign, Pearson and Anderson have quoted from a letter they said was written by Dodd to Vice President Johnson on Aug. 5, 1963, in advance of the fund-raising affair.

"First of all," according to the quoted letter, "allow me to thank you again for your generous offer to come to Connecticut to assist me in my forthcoming campaign.

"I wish I could convey to you how enthusiastic everyone is about your visit and how

much it will assist me in getting my campaign drive under way . . . Your visit means more to me than I can say, Lyndon, and I shall never forget it."

Associates of the Senator contend that the financial burdens of public life make it impossible for a "poor man" to hold office without income beyond his salary. They also

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contend that "testimonial" dinners for this purpose are so commonplace as to be "part of the American way of life."

Connecticut political observers, however, said yesterday they had no recollection of any dinner "where an announcement was made that the proceeds would go to the personal use of the person for whom the dinner was given."