

Dirksen Sees Intent Vital In Dodd Gifts

By Jack Bell
Associated Press

Sen. Everett M. Dirksen (R-Ill.) said yesterday the tax status of money raised for Sen. Thomas J. Dodd at testimonial dinners rests largely on "the intent of the donors."

Dirksen, the Senate Republican Leader, thus disagreed in part with Sen. John J. Williams (R-Del.), who said that all money received from such dinners and not used for campaign purposes is taxable.

Dodd, a Connecticut Democrat, collected somewhere between \$100,000 and \$200,000 from three Connecticut dinners in 1961, 1963 and 1965. Associates said it was used for personal purposes and was not taxable because it represented gifts to him. There is dispute over whether the dinners were to raise campaign funds or to aid Dodd's personal finances.

Although he said he is not passing judgment on the Dodd case, Dirksen said he sticks by his contention made during the 1965 trial of GOP former Gov. William G. Stratton in Illinois that the taxing of contributions depends on

"donative intent."

Dirksen recalled that in 1944 he had obtained a ruling from the Internal Revenue Service that "if no interdiction has been placed (by donors) on their expenditure," campaign contributions could be spent "in any way I saw fit, and, if they were contributions, they would not be taxable as such."

He added there is wide latitude in the use of such funds, "but all of these activities must have a relation to the political purpose for which they are contributed."

Dirksen was the star defense witness at a trial in which Stratton was acquitted of Federal income tax evasion on March 11, 1965, in U.S. District Court in Chicago.

Witnesses said Stratton, whose salary as Governor was \$25,000 a year, bought oil portraits of himself and wife, sent one of his two daughters on a European trip, purchased household furniture, bought his daughter a horse, built a \$50,000 summer lodge, kept up a houseboat and renovated his mother's home.

Dirksen said the case wasn't necessarily in line with Dodd's. He noted that Stratton had held State Cabinet meetings on the houseboat, political meetings at the lodge and had extraordinary expenditures as chairman of the National Governors' Conference.