

LAW IN DODD CASE IS CALLED 'CLEAR'

**Senator Williams Says Issue
of Gifts Is Being Obscured**

Special to The New York Times

WASHINGTON, April 27 — Senator John J. Williams accused the Johnson Administration today or trying to obscure

a "perfectly clear" law governing tax liability on campaign contributions in order to help Senator Thomas J. Dodd. In reply to charges made by Drew Pearson and Jack Anderson, syndicated columnists, that Senator Dodd had used more campaign contributions than \$100,000 from testimonial dinners for personal expenses, Williams went on, that "all past transactions" would be regarded as legal and therefore taxes on proceeds of these dinners were diverted campaign funds would be excused.

Mr. Williams, Republican of Delaware, said in a Senate ruling of the Internal Revenue

speech today that "officials of Service to support his point that the April 20 press release have in the past couple of weeks been quietly approaching some members of the Senate suggesting that perhaps the present law may be fuzzy on this point and that some clarifying legislation may be necessary."

Press Release Cited

Furthermore, Mr. Williams said, a press release prepared by the Treasury Department on April 20 "only added to this confusion."

Senator Williams said it was his opinion that the Administration was engaged in a de-

liberate plan "to create confu-

tion as to the effectiveness of existing law in the hope that they can get Congress to accept the premise that a loophole does

exist and then proceed to re-

write legislation dealing with

not making campaign contribu-

tions but personal gifts to him

to be used at his own discretion.

The upshot would be, Mr.

Williams went on, that "all past

personal gifts up to \$3,000 in

transactions" would be regarded

any one year are tax free.

Senator Williams' charge

that the April 20 press release had further clouded the issue was based on its discussion of record a copy of a letter sent to the Dodd case was "the will to enforce it."

This ruling stated that politi-

cal contributions were not tax-exempt if they were used "for political campaign or for some similar purpose."

However, the ruling con-

tinued, "any amount diverted

from the channel of campaign activities and used by a candi-

date for personal used consti-

tutes taxable income."

Crux of the Matter

The whole issue turns on

Senator Dodd's contention that

they can get Congress to accept

the premise that a loophole does

exist and to provide a gift out of re-

spect, in appreciation of public

service, or similar nonpolitical aid we can to assist him in pre-

venting a vigorous campaign."

"The Internal Revenue Serv-

ice has received inquiries on the

present or future expenses of

tax status of funds received by

fund-raising committee for a

"Dodd Day" dinner and cock-

tail party in Fairfield County

on Oct. 26, 1963. The letter

read:

"In 1964, our friend, Senator

Thomas J. Dodd from

States Senate. It does not seem

necessary for me to stress the

heavy financial burden that this

campaign will involve. For this

particular individual,

"If a fund-raising activity—

such as a testimonial dinner—

is held to honor an individual

reason, it is necessary for those

of us who respect and admire

Senator Dodd to lend what ever

financial aid we can to assist him in pre-

venting a vigorous campaign."

Meanwhile, Senator Clifford

P. Case, Republican of New Jer-

sey, once again urged the Sen-

ate to pass a bill that he has

repeatedly introduced, which

requires full disclosure of all

assets, including gifts, assets

in liabilities, transactions in

the donors intended a personal

property.