

Is Dodd Dead?

The Senate Ethics Committee is checking charges that Senator Thomas Dodd (D, Conn.) has received since 1961 \$100,000 or so on which he paid no income tax. It is alleged that a 1961 testimonial dinner netted \$54,555.58 and a "Dodd Day" jamboree in 1963 \$47,000. There have been subsequent fund-raising affairs; amounts raised have not yet been made public.

For what purpose was this money solicited and given? Senator Dodd's office states that the '61 and '63 contributions were gifts for the Senator's personal use. They were *not*, they say, campaign contributions. It is very hard, they point out, for a Senator to make do on his ordinary income — which in Dodd's case is a \$30,000 salary, plus some thousands of dollars a year from lecture fees and fees from his former law firm (over \$61,000 from the latter in 1961, according to Drew Pearson and Jack Anderson). All Senators also have, at federal expense, Washington staffs, supplies, telephones and telegraph privileges, an office in their states and six trips a year back home. An associate of the Senator says that, "testimonial dinners like these enable a poor man to stay in office. They're part of the American way of life."

If Senator Dodd's perilous financial position was the result of heavy campaign expenses, and if the money had been raised for that purpose, no question would arise. Appeals to help pay off campaign debts are customary; there would be no tax. But that purpose is not claimed here. Allegedly, the money was a pure gift.

But what is a "gift"? The Internal Revenue Service says that "if a fund-raising activity — such as a testimonial dinner — is held to honor an individual and to provide a gift out of respect, in appreciation of public service, or similar non-political motives, and the donors intend the money as such a gift the funds are not taxable to the recipient." Whether the individuals and business corporations who forked over for these various Dodd "testimonials" were inspired by "non-political motives" is an interesting question.

The Senator's defense is somewhat compromised also by the fact that the principal newspaper in the town where the affair was held, the *Hartford Courant*, described the 1961 dinner as a way of helping Dodd "raise a war chest for his renomination and re-election campaign." If that was its purpose, and Dodd used the funds for his personal use, he is a tax evader. Columnists Pearson and Anderson have also quoted from a letter they say was written by the Senator to the main speaker at the 1963 dinner, telling him "how much it will assist me in getting my campaign drive underway." Is there not some presumption, therefore, that those in attendance believed that they were making a political contri-

bution, and not merely a personal gift to the Senator out of affection or admiration?

The most recent Supreme Court decision on this question of when a gift is or is not subject to income tax was handed down in October, 1959. In the *Dubenstein* case, a businessman who had received a Cadillac as a "gift" from a friend and business associate did not include it as income for tax purposes. The Court ruled that it was. Justice Brennan, delivering the opinion of the Court, referred to various precedents in noting that "a gift in the statutory sense . . . proceeds from a 'detached and disinterested generosity' and 'out of affection, respect, admiration, charity or like impulse'."

Senator Dodd has some explaining to do. The soliciting of large amounts of money for a Senator's private use is not "the American way." Many politicians are hard-pressed financially; not all of them supplement their personal incomes by obtaining thousands of tax-free dollars. And not many would claim that those who give such funds do so with no thought of payment for past services or an expectation of future favors.

Perhaps the Senate Ethics Committee will energetically pursue this inquiry. But some note of cynicism is inevitable. The comparable "Nixon Fund" (\$18,000) did not kill Richard Nixon politically. The larger "Dodd Fund" will probably not kill Dodd politically either. It may be, as Senator Young (D, Ohio) has said, that "the integrity and dignity of the US Senate is at stake." But it is not the first time, not the last. And it cannot be ignored that any action against the Senator for tax evasion would have to come from the Internal Revenue Service, which in turn might well defer to the Attorney General, who in turn might feel obliged to consult the White House. Chief speaker at the Dodd testimonials in '61 and '63 was Lyndon B. Johnson.