

**NOMINATIONS OF MARY ANN COHEN AND LAPSLEY  
WALKER HAMBLÉN, JR.**

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**HEARING**

BEFORE THE

**COMMITTEE ON FINANCE  
UNITED STATES SENATE**

**NINETY-SEVENTH CONGRESS**

**SECOND SESSION**

**ON**

**NOMINATIONS OF**

**MARY ANN COHEN AND LAPSLEY WALKER HAMBLÉN, JR., TO BE U.S.  
TAX COURT JUDGES**

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**AUGUST 12, 1982**  
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Printed for the use of the Committee on Finance



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LAPSLEY WALKER HAMBLIN, JR., TO BE U.S.  
TAX COURT JUDGES**

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**THURSDAY, AUGUST 12, 1982**

**U.S. SENATE,  
FINANCE COMMITTEE,  
*Washington, D.C.***

The committee met, pursuant to notice, at 9:38 a.m., in room 2227, Dirksen Senate Office Building, Senator Robert Dole (chairman of the committee) presiding.

Present: Senators Dole, Long, Byrd, and Moynihan.  
[The press release announcing this hearing follows:]

(1)

## P R E S S R E L E A S E

FOR IMMEDIATE RELEASE  
July 30, 1982

UNITED STATES SENATE  
COMMITTEE ON FINANCE  
2227 Dirksen Senate Office Bldg.

SENATE FINANCE COMMITTEE SCHEDULES HEARINGS  
ON NOMINATIONS OF MARY ANN COHEN, LAPSLEY WALKER HAMBLEN, JR.,  
AND J. HARLAN STAMPER TO BE U.S. TAX COURT JUDGES

The Honorable Robert J. Dole, Chairman of the Committee on Finance, announced today that the Committee has scheduled hearings on the nominations of Mary Ann Cohen, Lapsley Walker Hamblen, Jr., and J. Harlan Stamper to be judges of the United States Tax Court.

The hearings are scheduled for Thursday, August 12, 1982, beginning at 9:30 a.m. They will be held in Room 2221, Dirksen Senate Office Building.

The Committee will meet in executive session immediately following the hearing to consider the nominations.

Written Testimony.--The Committee will be pleased to receive written testimony from those persons or organizations who wish to submit statements on the nominations for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies to be received by August 20, 1982, to Robert E. Lighthizer, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.

P.R. #82- 155

The CHAIRMAN. It is a pleasure to have before the Senate Committee on Finance Mary Ann Cohen and Lapsley Walker Hamblen, Jr., who have been nominated to be judges in the U.S. Tax Court.

I know that all members of the committee have been provided with biographical materials of the nominees. The financial disclosure forms of the nominees have been filed with the Judicial Ethics Committee and with this committee and have been reviewed. I am satisfied that there are no problems in this area.

I would like to ask Senator Byrd to introduce Mr. Hamblen.

Senator BYRD. Thank you, Mr. Chairman. I am pleased to present to this committee a long-time and close personal friend, Mr. Lapsley Walker Hamblen of Lynchburg, Va.

I have known Mr. Hamblen for a long period of time. He is an outstanding attorney in the field of tax law. I am so pleased that he has been nominated for a position on the Tax Court. I can assure my colleagues that he will make an outstanding member of the Tax Court. He is a man of the highest integrity, combined with unusual ability.

I think this is an outstanding appointment, and I hope the committee will act expeditiously to confirm Mr. Hamblen.

I had a hundred or so questions, but, in the interest of time, I shall not present those questions to Mr. Hamblen at the present time.

Welcome, Mr. Hamblen.

Mr. HAMBLÉN. Thank you, Senator.

The CHAIRMAN. Let me also indicate that we would like to make part of the record the résumés of both Mary Ann Cohen and Lapsley Walker Hamblen, which I have had an opportunity to review. In both cases they are outstanding.

Ms. Cohen is with the firm of Abbott & Cohen, a professional corporation, whose practice consists primarily of business and tax litigation and counseling. She has practiced in California since 1967. She has an outstanding record.

That material will be made part of the record.

[The résumés of Mary Ann Cohen and Lapsley Walker Hamblen, Jr., follow:]

RESUME OF MARY ANN COHENProfessional Affiliation and Experience-

Abbott & Cohen, A Professional Corporation, 2049 Century Park East, Los Angeles, California, 90067 (213) 557-1288 (Member since 1969; employed by Louis Lee Abbott, 1967-69)

The firm's practice consists primarily of business and tax litigation and counseling. A substantial portion of the practice includes defense of criminal tax investigations and prosecutions which ranges from representation of corporations and/or their officers in respect to investigations of "sensitive foreign payments" to defense of more prosaic tax offenses of individuals. Civil tax matters handled cover a broad variety of situations such as those arising from settlement of complex business litigation; partnership and corporate liquidations; marital dissolutions; and processing of civil aspects of tax cases subsequent to disposition of criminal investigation or prosecution.

My familiarity with tax issues involving professional corporations and qualified retirement plans arises out of administration of the law firm, as well as general counseling of clients with respect to such matters. However, no special expertise is claimed in these areas.

The common threads of the various matters handled by the firm are complexity of interplay between legal and factual issues; and the processes of factual investigation, counseling, research, pleading, discovery, negotiation, strategic planning, and trial.

Professional Activities-

Admitted to practice, California, 1967; United States District Court, Northern District of California, 1967, Central District of California, 1968; United States Tax Court, 1969; United States Supreme Court, 1976.

Member, Attorney General's Advisory Committee On Tax Litigation, Department of Justice Tax Division, 1979-1980.

American Bar Association Section of Taxation:  
 Member, Committees on Civil and Criminal Tax Penalties  
 (Chairman, 1977-79), Standards of Tax Practice, Intra-  
 Governmental Relationships of the Internal Revenue  
 Service, and Newsletter.

American Bar Association Sections of Litigation and Criminal  
 Justice (Member, Committee on Trial of Criminal Tax Cases).

State Bar of California, Section of Taxation.

Association of Business Trial Lawyers.

American Judicature Society.

Publications and Lectures-

"Failure to File Tax Returns and Professional Discipline,"  
 49 The Los Angeles Bar Bulletin 328 (1974).

(Co-author) "Planning for the Changing Attitude Toward  
 'Privileged Documents'," 35 New York University  
 Institute on Federal Taxation 301 (1977).

"Interpleader," 1 California Civil Procedure Before Trial  
 683 (1977).

"Breach of Fiduciary Duty: An Expansive Tort,"  
 (paper and lecture) presented as part of a program  
 of the American Bar Association Section of Litigation  
 Committee on Trial of Business Torts, Annual  
 Meeting, Chicago, Illinois, August, 1977.

Co-chairman of program on Trial of a Tax Fraud Case,  
 presented by Sections of Taxation and Litigation  
 at American Bar Association Annual Meeting, New York,  
 New York, August, 1978.

Panelist on program on Handling Business Torts, presented  
 by California Continuing Education of the Bar, August-  
 September, 1978.

Scheduled as panelist on program on Tax Fraud to be presented  
 by New York Law Journal Seminars, February, 1982.

Educational Background-

J.D., University of Southern California Law Center, 1967  
Topics Editor, Southern California Law Review

B.S., University of California at Los Angeles, 1964  
School of Business Administration,  
major in accounting

Personal-

Born July 16, 1943, Albuquerque, New Mexico.

Single; no children.

Republican.

Residence: 925 14th Street, Santa Monica, California 90403  
350 Paseo de Playa, Ventura, California 93001

References-

Lipman Redman, Esq.,  
Melrod, Redman & Gartlan  
1801 K Street, NW  
Room 1100  
Washington, D.C. 20006

James B. Lewis, Esq.  
Paul, Weiss, Rifkind, Wharton & Garrison  
345 Park Avenue, 27th Floor  
New York, New York 10154

Boris Kostelanetz, Esq.  
and/or  
Jules Ritholz, Esq.  
Kostelanetz & Ritholz  
80 Pine Street  
New York, New York 10005

Bernice Anglea, Esq.,  
Anglea & Burford  
Suite 719  
80 South Lake Avenue  
Pasadena, California 91101

## BIOGRAPHICAL SKETCH

OF

LAPSLEY WALKER HAMBLEN, JR.

PRESENT POSITION:

Lawyer and Partner  
Caskie, Frost, Hobbs & Hamblen  
Lynchburg, Virginia  
1957 to Present Time

EXPERIENCE:

Practice consists mainly of corporate, probate and tax planning, and representation in corporate, probate and tax matters in controversy or litigation. Emphasis is on tax aspects of corporate and estate or probate practice, especially corporate acquisitions and related matters.

Attorney-Advisor to the Tax Court of the United States (Washington, D. C.); and Trial Attorney in Regional Counsel's Office of Internal Revenue Service (Atlanta, Ga.) prior to present position.

BUSINESS AFFILIATIONS:

Special Consultant to Worrell Newspapers, Inc., Charlottesville, Virginia

Former Director, Vice President and General Counsel, Carter Glass & Sons Publishers, Inc., Lynchburg, Virginia, prior to acquisition by Worrell Newspapers, Inc., Charlottesville, Virginia.

Director and Member of Executive Committee, Virginia National Bank, Lynchburg, Virginia. Formerly organizer, Director, Secretary and General Counsel to Jefferson National Bank Lynchburg, Virginia, prior to merger with Virginia National Bank/Lynchburg.

BUSINESS AFFILIATIONS: (continued)

Director and Secretary, Lynchburg  
Steel & Specialty Company

Director, Junior Achievement (of  
Lynchburg

Former President, Director and member  
of Executive Committee, Greater  
Lynchburg Chamber of Commerce

ADMITTED TO PRACTICE:

West Virginia, 1954

Ohio, 1955

Virginia, 1957

PROFESSIONAL MEMBERSHIPS:

Lynchburg Bar Association  
Virginia Bar Association  
Federal Bar Association  
American Bar Association  
Virginia State Bar  
American College of Tax Counsel  
American College of Probate Counsel  
American Counsel Association  
American Judicature Society  
Newcomen Society of North America  
Southern Pension Conference

PROFESSIONAL ACTIVITIES:

Trustee, Southern Federal Tax Institute  
Atlanta, Georgia

Co-Director, Annual Virginia Conference  
on Federal Taxation, University of  
Virginia, Charlottesville, Virginia

Former Chairman, Tax Section Board of  
Governors, Virginia State Bar

Former Chairman, Committee on Cooperation  
with Certified Public Accountants,  
Virginia State Bar

Member, Tax Section,  
American Bar Association

Member, Tax Section Committee on  
Closely Held Corporations, Subcommittee  
on Debt-Equity Relationship,  
American Bar Association

PROFESSIONAL ACTIVITIES: (continued)

Former President,  
Lynchburg Estate Planning Council,  
Lynchburg, Virginia

(See attached list of lectures and publications.)

OTHER MEMBERSHIPS  
AND ACTIVITIES:

Member and Former Director,  
Oakwood Country Club, Lynchburg, Virginia

Counsel and Former Director,  
Piedmont Heart Association, Inc.

Former President, Lynchburg Chapter,  
University of Virginia Alumni Association

Member, First Presbyterian Church  
of Lynchburg

Former Deacon and Former President,  
Men's Club, First Presbyterian Church  
of Lynchburg

Organizer, former Director and former  
Secretary, Lynchburg Tennis Patrons  
Association

Member, Piedmont Club

Member, Farmington Country Club

ACKNOWLEDGEMENTS:

Fellow, American College of Tax  
Counsel, 1981 -

Fellow, American College of Probate  
Counsel, 1979 -

Who's Who in American Law, 1st ed.,  
1977, Marquis Publications, Inc.

Who's Who in the South and Southwest,  
1969, Marquis Publications, Inc.

EDUCATION:

Preparatory School: McCallie School,  
Chattanooga, Tennessee, Graduated 1943

College: Georgia Institute of Technology  
University of Virginia  
Graduated, B.A., 1949

Law School: University of Virginia  
Graduated, L.L.B., 1953

College and Law School Record

Dean's List; Marcuse Scholarship;  
President of the Law School;  
Business Manager, Virginia Law Weekly;  
Chairman, First Year Class;  
Student Advisory Council; Honor Committee;  
Raven Society; Student Legal Forum;  
Phi Alpha Delta; Omicron Delta Kappa;  
Order of the Coif; "13" Society;  
President, Phi Delta Theta;  
Varsity football, boxing; V-Club;  
Intrafraternity Council Governing Board;  
Eli Banana Society; IMP Society;  
German Club; Lambda Pi.

PERSONAL DATA:

Born: Chattanooga, Tennessee  
December 25, 1926

Married: Claudia R. Terrell  
March 20, 1971  
(second marriage)

Children: Three sons by first marriage,  
all emancipated

Home Address and  
Telephone No.: 3708 Manton Drive  
Lynchburg, Va. 24503  
804-384-5687

Military Service: United States Navy  
Honorable Discharge  
1946

Business Address  
and Telephone No.: P. O. Box 1160  
Lynchburg, Va. 24505  
804-846-2731

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*INDEXED*  
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*DEPT. OF JUSTICE*  
*202-633-2767*  
*Mr 414*  
*Dir. Sec.*

Lapsley W. Hamblen, Jr.

LIST OF LECTURES AND PUBLICATIONS

Lecturer, Annual Virginia Conference on Federal Taxation (on three occasions). Topics: "Deferred Compensation"; "Post-Mortem Estate Planning"; "Multiple Corporations."

Lecturer, Southern Federal Tax Institute, Atlanta, Georgia, 1966. Topic: "Section 482."

Lecturer, Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association at Charleston, West Virginia, 1967. Topic: "Problems of Federal Taxation of Estates, Gifts and Trusts."

Lecturer, Old Dominion University Tax Conference, Norfolk, Virginia, 1974. Topic: "Corporate Fringe Benefits."

Lecturer and Discussion Leader, American Institute of Certified Public Accountants' Continuing Education Program at Roanoke, Virginia, 1975. Topic: "Estate Planning for Closely Held Business Enterprises."

Lecturer, University of Tennessee College of Law, Continuing Legal Education Program on ERISA, Nashville, Tennessee, 1977. Topic: "Employee Rights Under ERISA."

Lecturer, Joint Committee on Continuing Legal Education of the Virginia Bar Association and the Virginia State Bar, Program on Administration of Estates Under the Tax Reform Act of 1976, at Staunton, Richmond, and Norfolk, Virginia. Topic: "Farms and Closely Held Businesses - New Problems and Responsibilities."

Lecturer, Second Annual Estate Planning Seminar and Workshop, Wake Forest University, Winston-Salem, North Carolina, 1978. Topic: "Current Problems and Responsibilities Concerning Closely Held Businesses."

Lecturer, Old Dominion University Tax Conference, Norfolk, Virginia, 1979, and Virginia Bankers Association, Trust Division, Norfolk, Virginia, 1979. Topic: "Jointly Held Property - Getting In and Getting Out."

Author, "Tax Enforcement and the Taxpayer's Rights"  
10 THE VIRGINIA ACCOUNTANT 4 (No. 1, Summer, 1956)

Author, "A Precis of Deferred Compensation Arrangements"  
4 THE PRACTICAL LAWYER 58 (No. 7, November, 1958).

Contributing Author, Sellin's **TAXATION OF DEFERRED EMPLOYEE AND EXECUTIVE COMPENSATION** (Prentice-Hall, 1960).

Author, "Tax Enforcement and the Taxpayer's Rights Revisited"  
20 THE VIRGINIA ACCOUNTANT 19 (No. 4, September, 1968).

Author, "Split Dollar Life Insurance and the Controlling Stockholder - Still Useful with Prudent Planning" **SUCCESSFUL ESTATE PLANNING IDEAS AND METHODS** (Prentice-Hall, 1975).

Contributing Author/Lecturer, 31st Annual Mississippi Law Institute, Jackson, Mississippi, December, 1978. Topic: "Current Considerations in Estate Planning for Farms and Closely Held Businesses."

Lecturer, University of Alabama 34th Annual Federal Tax Clinic, 1980  
Topic: "Collapsible Corporations, An Overview."

Lecturer and Discussion Leader, American Institute of Certified Public Accountants, Continuing Education Program, Lynchburg, Virginia, 1981. Topic: "Tax Planning for the Closely Held Corporation."

### STATEMENTS OF MARY ANN COHEN AND LAPSLEY WALKER HAMBLEN, JR., NOMINEES TO THE U.S. TAX COURT

The CHAIRMAN. I would like to ask three brief questions, and certainly other members of the committee may have questions.

To start with Ms. Cohen, do you know of any reason you are not qualified to hold the position for which you have been nominated?

Ms. COHEN. No, I do not.

The CHAIRMAN. Have you reviewed the conflict-of-interest laws and regulations with the committee's chief counsel?

Ms. COHEN. Yes, I have.

The CHAIRMAN. As I understand it, there are no questions raised. Have you had a chance to review those, Mr. Hardee?

Mr. HARDEE. Yes, I have.

The CHAIRMAN. I know of no reservations or problems.

Do you have any statement you would like to make at this time?

Ms. COHEN. I would just like briefly to state that I am very honored and pleased to be here and that I look forward to serving, as you gentlemen have.

The CHAIRMAN. Is there anybody with you this morning you would like to have us know, any of your relatives?

Ms. COHEN. I have my cousin, Jim Campbell, with me this morning. He is from Arlington, Va. He is one of the reasons that I feel I can move from California to this area with great pleasure.

The CHAIRMAN. Are there any questions of Ms. Cohen?

Senator MOYNIHAN. Mr. Chairman, if I might, I would just welcome Ms. Cohen and congratulate her.

Just for the record, she volunteers in her statement that a substantial portion of her firm includes defense of criminal tax investigations and prosecutions which range from representation of corporations and/or their officers with respect to investigations of "sensitive foreign payments."

What do you mean by that?

Ms. COHEN. Well, that is the word of art in the profession, Senator, referring to payments which are made to individuals overseas

to assist in the business conducted by American corporations overseas.

Senator MOYNIHAN. Is it what the Committee on Finance somewhat inelegantly refers to as grease payments?

Ms. COHEN. I would expect that is so. I have not heard that term before.

Senator MOYNIHAN. You have been spared that, then.

Senator BYRD. Your term is better.

Senator MOYNIHAN. I ought to ask,—I know how you will respond—whatever your previous practice as an attorney, you represent your clients but as a judge you will enforce the law in this matter?

Ms. COHEN. Absolutely.

Senator MOYNIHAN. I had no doubt that would be the case. Forgive me for having to ask.

Ms. COHEN. Thank you.

The CHAIRMAN. Senator Long?

Senator LONG. Inasmuch as the matter came up, I would like for you to give us just a little indication as to what the problem is as you see it and what is involved in those sensitive payments.

Ms. COHEN. Well, part of the problem, of course, is determining whether it is a matter of public policy that is substantially offended by making payments under conditions which some persons regard as immoral whereas other persons regard them as necessary to compete internationally. That is a very difficult policy decision. In some respects it has been made by the law which has stated that the payments are not deductible for income tax purposes.

Senator LONG. If we assume that somebody wants a contract in Egypt, let's say, I assume somebody is paying somebody who says, "Look, I can help you get the contract." So he pays somebody to get the contract. If what is being done is legal by the laws of Egypt but illegal by the laws of the United States, what position do you think we should come up with in a situation such as that?

Ms. COHEN. I really don't know the answer to that, Senator. I have not been able to make a moral judgment. In the cases that I have handled it has mostly been an investigation of the fact as to whether the payment was made and whether it was deducted for income tax purposes.

The debate is a very difficult one over what should be the rule.

Senator LONG. What do you recommend? I would just like to have your thought about it. What conclusion did you make in your article?

Ms. COHEN. I didn't write any article on this subject.

Senator LONG. I thought Mr. Moynihan referred to it.

Senator MOYNIHAN. Ms. Cohen referred to this in her resume, as being a substantial portion of her firm's litigation.

Ms. COHEN. That is true. That issue has been an issue in some of our cases.

I might say that none of our clients had been actually indicted as a result of those investigations.

One of the interesting legal issues was what crime was allegedly committed or what crime was being investigated since there had been no deduction. The question was whether there was any possibility that there was a fraud on the citizens of the foreign country.

In that regard, if the citizens of the foreign country had not deemed it necessary to prohibit the payments, some of us did take the position that it should not be regarded as unlawful by citizens of the United States on that theory. Since there had been no specific crime of the United States violated, at least so far as we knew, there should be no indictment.

Senator LONG. Thank you.

Senator MOYNIHAN. So you had yourself a nice case of law.

Senator LONG. I assume you got a good fee out of that, though. The difference between a lawyer who lives in a big house and a lawyer who lives in a little house is that one has the guts to ask for a big fee and the other does not.

Ms. COHEN. I might say that I am looking forward to being a judge. [Laughter.]

The CHAIRMAN. Senator Byrd?

Senator BYRD. If there are no further questions, I would like to move that the nomination hearings be closed and that both nominees be approved.

The CHAIRMAN. I just want to ask Mr. Hamblen a question.

Do you know of any reason you are not qualified to hold the position for which you have been nominated?

Mr. HAMBLÉN. No, sir; I do not.

The CHAIRMAN. Have you reviewed the conflict-of-interest laws and regulations with the committee's chief counsel?

Mr. HAMBLÉN. Yes, sir.

The CHAIRMAN. I know you have and I know there is no problem there.

I understand you have someone with you that you would like to introduce.

Mr. HAMBLÉN. If I may, yes, sir.

I have my wife, Claudia, and I did see right behind her one of my colleagues in the Tax Division at the Department of Justice who probably will be taking my place when I leave there—Bob Davis, from Dallas, Tex.

The CHAIRMAN. Do you have any statement you wish to make, Mr. Hamblen?

Mr. HAMBLÉN. Just to say that I am grateful and honored to be nominated by the President, and I will use every endeavor I can use to justify the confidence and support that the President, Senator Byrd, and Senator Warner have given me.

I want to thank you, gentlemen, for this opportunity.

Senator LONG. I want to ask a question, if I may, Mr. Chairman.

The CHAIRMAN. Certainly.

Senator LONG. Let me preface this by saying that some of the laws we have passed are complicated. We ought to try to simplify, and some of us will.

Meanwhile, we do expect those on the Tax Court, if they can determine what it was that Congress had in mind, to so construe the law. That being the case, we have been sort of pleased to see those who have served on the Joint Tax Committee, or the Finance Committee staff, or the Ways and Means Committee staff, move on to the Tax Court. That has happened many times.

Might I just ask each of you what your thought about that subject is?

Mr. HAMBLÉN. Well, Judge Chabot is from the joint committee. He is a fine judge. He has tremendous background there, having worked with Mr. Woodworth and then with Bobby Shapiro.

I think that our tax law is much too complicated. You look at provisions like section 341(e), one of the relief provisions for collapsible corporations. It is almost incomprehensible. Yet, it necessarily has to be that way, I suppose, if you are going to have some of the provisions which you need to enable business to expand and yet within prescribed limits as Congress sees it.

I do not know what the answer is policywise. As a judge, I can only sit there and decide the issues which are put before me as I see them and based upon the intent that is reflected in your reports up here.

Hopefully, we will be able to do something to simplify this thing.

Senator LONG. Meanwhile, what I want to know is this: When you have a case before you and the intent does become important, you look at the language and the language is susceptible to more than one construction, to what extent do you expect to look to the statements of the sponsors of the amendment, or the committee reports, or the data explaining what the sponsors had in mind when they initiated that particular provision?

Mr. HAMBLÉN. If there is any room for doubt, I think that any judge should go to those committee reports to determine what Congress did intend. That is our job, to enforce the laws which are written by Congress as they intended them to be applied to the facts which come before us.

Senator LONG. Might I ask your judgment on that, Ms. Cohen?

Ms. COHEN. Yes. I certainly would endorse everything that Mr. Hamblén has said. I would add that one of the reasons I look forward to the opportunity of having a more public impact, in a sense, is not only that I would certainly look to those reports but I would welcome the opportunity to explain them in any opinion that I wrote, because I think one of our problems with compliance is that a lot of taxpayers do not understand the reasons that certain things exist, and it would be helpful to have a greater education of the taxpayers in that regard. Therefore, I would certainly not only look to those, but I would expect—

Senator MOYNIHAN. When you find out those reasons, would you have the kindness to send copies to me?

Ms. COHEN. Certainly, Senator.

Senator LONG. Incidentally, I think it would help, if you could find the time to do it over there, to make some suggestions to this committee from time to time, both to this committee and the Ways and Means Committee, and the Joint Tax Committee; and their staffs, as to ways where you think we might simplify this matter.

Some time ago a friend who is a very good Court of Appeals judge and had a lot of tax practice before he went on the bench, and he was a good friend of mine, wrote me a note stating that we ought to put somebody to work writing these rules and regulations in language simple enough for a layman to understand.

His point was—and this fellow was valedictorian of my law school class—his point was that it is difficult enough for him to read some of those things and try to find out what it was that we had in mind. As difficult as it is for him as a very bright lawyer to

do it, as well as a good judge, it would have to be even worse for someone who is not an experienced tax practitioner to fathom what it was somebody had in mind when they wrote this. We ought to try to do more of that.

We have had a lot of criticism about raising taxes. We have had all kinds of criticisms about loopholes. I don't know of anybody who gets angry when we simplify something so that we can better understand what this is. That is one job which I think we should do.

Senator MOYNIHAN. Would the Senator yield?

I have no intention to prolong this presentation, but I think we should put these two distinguished attorneys on notice right now that we just adopted in the Senate an amendment to the Constitution. Mr. Hamblen, you said section 315(e)?

Mr. HAMBLEN. Section 341(e).

Senator MOYNIHAN. Section 341(e) and the new amendment are written in about approximately the same level of English prose style [laughter] and with about the same degree of complexity. Inasmuch as it is going to be in front of you a great deal, at least for a generation, I do urge you now, while there are still people alive who remember what was intended by section 7, and so forth, to familiarize yourselves with this amendment. Will you?

Mr. HAMBLEN. Yes, sir.

Senator MOYNIHAN. It is a burden to ask, but then you take on a life of public service and there are burdens which will be imposed upon you.

Mr. HAMBLEN. Thank you for the admonition.

The CHAIRMAN. Let me say that we have a tax bill now in conference. If that passes, I can assure you fulltime work because there are a lot of compliance provisions in there, pages and pages which have not yet been tested. We believe there should be more compliance with the tax laws. It is a voluntary system. We are not trying to punish anyone, but we do believe that before we even suggest any more increases in taxes we should make certain that people comply with the law now and voluntarily pay their taxes.

I would guess there are some areas which will come before both of you in the years to come.

Senator Byrd, do you have a motion to make?

Senator BYRD. Mr. Chairman, I move that both nominees be approved by this committee and the names be sent to the Senate.

Senator MOYNIHAN. Mr. Chairman, I second that proposal.

The CHAIRMAN. Without objection, we shall report the nominations. We hope the Senate acts very quickly.

Thank you very much for coming. Good luck.

Mr. HAMBLEN. Thank you, sir.

Ms. COHEN. Thank you, Mr. Chairman.

Senator MOYNIHAN. Mr. Chairman, before we conclude this meeting, might I ask a question?

We left yesterday when we concluded the portion of the tuition tax credits with somewhat uncertain matters.

Our groups did meet yesterday afternoon and made a lot of progress.

Can you give me any indication when you think we might get a next markup session?

The CHAIRMAN. I just asked the staff to give me a little memo on what happened yesterday. If you are satisfied and others are satisfied on that, we will not have any more markup. I hope we can do it again sometime next week after we finish the conference.

Senator MOYNIHAN. Thank you, Mr. Chairman.

The CHAIRMAN. That concludes our hearing.

[Whereupon, at 9:58 a.m., the committee recessed, to reconvene at the call of the Chair.]

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