

unable to set out clear standards due to the variety of permissible foundation activities.

Where questions have occurred in the past, special rulings have been requested and obtained by other organizations. Considerable pressure was placed upon the Treasury for favorable rulings in these cases. It is suggested that the standards set by the Treasury, regulations are ambiguous and vague and, therefore, may allow unreasonable arbitrary action by the Treasury.

The Treasury, however, has given some examples and a few rules which may be helpful in determining relation of a business activity to your foundation's exempt purpose.

In one example the Treasury stated that where a school existed for training children in the performing arts, such as acting, singing and dancing, that income derived from admission charges for the performances of its students were tax-exempt and related, since the students' participation in the performance was an essential part of their training. In the same