

presents possible solutions.⁸ In a separate part it describes additional problems of less general significance and recommends approaches to deal with them.⁹ Appendixes present tables of relevant statistics and other information.

⁸ The Report does not deal with the problem of distinguishing between permissible educational activities of foundations and dissemination of propaganda. The distinction is drawn by existing law. The Internal Revenue Service has been investigating situations of questionable operations and taking the action appropriate under presently applicable rules. This program will continue.

⁹ The provisions designed to insure compliance with existing law will have to be reexamined to determine their adequacy to the task of securing compliance with the rules proposed in this Report. The fundamental objective of such provisions should be to make certain that funds which have been committed to charity and for which tax benefits have been granted will in fact be devoted to charitable ends. Also, effective enforcement of the rules recommended here will require the filing of information returns by the organizations to which the rules apply. Since certain private foundations are not now required to file such returns, suitable revisions will have to be made in the relevant provisions of existing law.