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Mr. David C. Lincoln  
President, Lincoln Foundation  
3443 N. Central Avenue, #801  
Phoenix, Arizona 85012-2208

Dear Mr. Lincoln

Re: *Legality of Lincoln Foundation grants*

Replying to my last letter to Ronald Smith, Director of the Lincoln Institute of Land Policy, he suggested that any further correspondence be addressed to you.

In my letters to Mr. Smith and to his predecessor, Mr. Chinitz, I noted that Mr. Chinitz had stated in writing that the Lincoln Institute had abandoned the advocacy of Henry George's land policy. I further noted that Mr. Smith had stated that the Lincoln Foundation's activities "do not and legally cannot propagate or advocate the principles of Henry George's land policy."

As you know, Section 3B of the Articles of Incorporation of the Lincoln Foundation specifically mandates that all gifts, grants, bequests, devices and payment of funds of the Lincoln Foundation must be made "to teach and expound the ideas of Henry George as set forth in his book *Progress and Poverty*." The Lincoln Institute admittedly does not do that.

Further, not only have I, but numerous other persons have told me of attending Lincoln Institute conferences where the ideas of Henry George were disparaged. The list of such witnesses included Steven Cord, Ted Gwartney, Harry Pollard, Dick Noyes and others. The most extreme incident took place when the Lincoln Foundation representative attacked the proposal of a Georgist that New Hampshire adopt land value taxation, and proposed a state sales tax instead. A comparable irrational act took place at the Taiwan conference as well.

In the past month, I have been collecting written literature put out by the Lincoln Institute on land policy. Henry George's ideas are never supported. Typical are such publications as its *Land Policy in Developing Countries*, and *International Dimensions of Land Reform* which nowhere even mention the infamous under-taxation of land values in the countries to which they refer. In fact these publications **never even mention** taxation of any kind.

The final blow, which forced me to proceed with this action, was the recent publication of Solomon J. Benjamin's *Jobs, Land and Urban Development*, in which he describes land speculation and high land prices as good things. In the Lincoln Institute's *Land Lines* review, it publicizes that book as stating: "Escalating Land Values Create Jobs and Wealth in Developing Countries." It referred to the book stating that land values rose in an Indian community, whereupon "such increases stimulated even greater productivity and the cycle of successful growth continued." This is, of course, absolute nonsense, because, in India as in America, commerce and industry are greatly damaged by inflated land prices. This has been shown to be particularly true in Arizona and California, where industrial corporations have refused to expand due to excessive land prices.

It is evident that the Lincoln Institute considers that such persons as Henry George and your father, who did so much for the Henry George movement, were crackpots. I hope that the Lincoln Foundation does not share this viewpoint, because its Articles require it to teach and expound the ideas of Henry George.


It is also evident that the Lincoln Institute and LILP do not maintain "a regular faculty and curriculum with a regularly enrolled body of students in attendance at the place where its educational activities are carried out," as required by Article 3B.

I am writing this letter on behalf of various Arizona residents interested in teaching and expounding the ideas of Henry George as set forth in his book *Progress and Poverty*, and various organizations interested in teaching and expounding those ideas.

We hope that this matter can be negotiated without the necessity of further action. If it cannot be negotiated, it will be necessary to bring these matters to the attention of the Attorney General of the State, the office with the initial right and obligation to oversee charitable foundations and to assure that they are acting in accord with their Charters. Under settled law, State residents can only commence litigation if the Attorney General refuses to do so. Such litigation would, of course, not only seek a ban on future illegal expenditures, but would also seek to recover monies illegally spent in the past.

I hope that it will not be necessary to take steps which would cause embarrassment to your Foundation and to the Henry George movement, but that this matter can be successfully negotiated so that the legal purposes of the Foundation will be carried out..

Very truly yours,

  
Stanley M. Sapiro