

Stanley M. Sapiro  
Attorney at Law  
1566 Monte Viento Dr.  
Malibu, CA 90265  
(213) 456-2408  
FAX (213) 456-2409

May 30, 1991

Dr. Steven Cord  
Henry George Foundation  
2000 Century Plaza  
Columbia, Maryland 21044

Dear Steve:

Re: *Lincoln Foundation*

This is to confirm my oral assurance to you, which you asked to be put in writing, that I am **not** now contemplating any legal action against the Lincoln Foundation. I am only negotiating a **request** that the Lincoln Foundation comply with its legal obligation, set forth in its Articles, that all its money be spent to teach and propagate the principles of Henry George.

You also asked written assurance that the School Board could not be sued for malicious prosecution if it joined in this request or authorized me to use its name in connection with this request. Obviously, it could not be sued for joining in such a request. Malicious prosecution only lies when legal action is actually commenced and terminated in favor of the defendant.

In fact, any fear of a malicious prosecution action is not only absurd, but would be absurd even if legal action was in fact now contemplated. Such an action requires knowledge that an action is commenced without legal foundation or reckless disregard of the truth. Legal advice is usually a valid defense. And this is one of the strongest actions I have seen in 45 years of legal practice, almost all of which was in litigation.

Ted Gwartney indicated to me that it is vital that we **at this time** send over experts to train the hundreds of Russian land valuers at the Institutes where he recently lectured on proper land value procedures and on the necessity of imposing a sufficiently high tax on land. He also indicated willingness to give up his own job to go to Russia to do this vital teaching if the funds were available. From what I have been told, neither the School nor Schalkenbach has the money to send over a team of experts to do this work. Besides Ted, our movement has other persons trained in such work. Even in the list of Arizona Georgists who have authorized me to use their names in making this request to the Lincoln Foundation, two are trained appraisers. One is a Deputy Assessor in Tucson, and the other is a College Instructor of appraisal.

Admittedly, the Lincoln Foundation, with over \$100,000 in assets could easily fund this critical work, which would take Soviet Russia a long way from Karl Marx to Henry George, and which would have enormous ramifications throughout the world.

If the School joins in the request made by the 14 Arizona Georgists that the Lincoln Foundation comply with its legal obligations, and teach the principles of Henry George, it would be of tremendous assistance in persuading the Lincoln Foundation to fund this Russian project, to say nothing of other assistance to our movement. A negative stand by the School will give the word to David Lincoln that the Georgist organizations are not interested in having the Lincoln Foundation funds used to teach the ideas of Henry George. And this might lose our opportunity to win over this huge nation to our cause.

If Board members are worried about lawsuits, they should consider the fact that they might be exposing themselves to a charge of negligence and failure to exercise reasonable care if they throw away this golden opportunity to obtain over \$100,000,000.00 to work for us, instead of against us by disparaging our ideas.

Further, if we are successful, some of that Lincoln fortune might be donated, as it was in the past, to the Henry George School. Even a few million dollars could go a long way. But, even if not one penny went to the School and that fortune was spent to further the ideas of Henry George in other ways, this opportunity should not be squandered. We cannot allow the Lincoln fortune to continue to go to the LILP. LILP not only asserts that it cannot legally teach Henry George ideas, but publishes books avowing that inflation of land values is good for the community. It also puts on seminars in which its representatives criticize land value taxation.

I am not asking for any authorization to file any legal action. I only ask that the School join in the request of the Arizona Georgists that the Lincoln Foundation abide by its legal requirements. I only wish to **negotiate** at this time. Obviously, I wish to negotiate from a position of strength, not weakness. This is not the same situation as occurred when I had to actually file suit to recover funds for the Los Angeles Henry George School, which were diverted to other purposes--which suit was successful. However, if the School refuses to join in this request, my negotiating position will be weakened--in which case actual litigation may be necessary.

According to Ted Gwartney, the future of the land problem in Russia will be decided in the next few months. Either we train their key people in doing things the right way **now** or we lose Russia for the Georgist movement. I wonder if any members of the Board would like to have on their conscience the knowledge that they contributed to such a loss.

I have accumulated a lot of material on the Lincoln Foundation and the LILP. I have spoken to a good number of favorable witnesses. I have studied the law on this question in detail. I have enough information available to put this matter to trial tomorrow. But I do not wish to litigate this matter. If I did, by the time final judgment was entered, we would have lost the great opportunity to put in place a Georgist economy in Soviet Russia, through inadequate funding. And this would be a tragedy.

Again, I only wish that the Board join with the 14 Arizona Georgists, whose names are on the enclosed list, in a request to the Lincoln Foundation that it follow its Charter and use its funds only for the teaching of the ideas of Henry George. Training of the Russian officials would be the top item on the list.

I will be available by phone next Thursday, if any member of the Board wishes to ask any questions or supply any information. I expect that the Board will perform **its** legal obligation to do everything possible to insure that the principles of Henry George are taught and propagated throughout the world. This is the greatest opportunity we have ever had. And it is possibly the greatest opportunity that Mankind has ever had.

Sincerely,

Stanley M. Sapiro

CC: George Collins  
CC: Ed Dodson