



January 31, 1991

Stanley M. Sapiro, Esq.
Attorney at Law
1566 Monte Viento Drive
Malibu, CA 90265

Dear Mr. Sapiro:

Your January 3, 1991 letter to Dr. Benjamin Chinitz, former Director of Research of Lincoln Institute of Land Policy, Inc., has been referred to me for response since Dr. Chinitz retired from that position at the end of last year.

I succeeded Arlo Woolery as Executive Director of Lincoln Institute of Land Policy, Inc. in 1986. Because the content of your letter involves some matters and relationships that preceded my employment, or about which I had little or no direct information, and because it involves legal allegations and proposed legal actions, I felt it advisable to confer both with counsel as well as with representatives of the Lincoln Foundation before responding. Hence the delay for which I apologize.

I am told that the language which you quote in your letter relative to propagation of the ideas of Henry George has not been part of the Articles of Incorporation of the Lincoln Foundation for over twenty-one years. As a result of severe restrictions imposed by the Tax Reform Act of 1969, changes were made which converted the Lincoln Foundation from a private foundation to a public charity by virtue of being a supporting organization of other specifically designated tax exempt schools. A copy of the operative provisions of the Lincoln Foundation purpose clause, which has not been changed during the last fourteen years, is enclosed for your reference.

Lincoln Institute of Land Policy, Inc. ("LILP") is an outgrowth of the specialized program on land taxation which was conducted for a number of years by the University of Hartford as an informal division or department of the University known as the Lincoln Institute. LILP was incorporated as an independent, free-standing legal entity on June 3, 1974 under the nonprofit corporation laws of the state of Connecticut. It was ruled tax-exempt and classified as a school by the Internal Revenue Service in a ruling letter dated September 10, 1974. The principal teaching location of LILP moved from Hartford, Connecticut to Cambridge, Massachusetts in 1975. Contrary to the statement in your letter, LILP is a separate, non-profit corporation and is not a subsidiary of the Lincoln Foundation although it has received significant financial support from the Lincoln Foundation since 1975.

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It is true that LILP's curriculum and related research activities and publications do not (and legally cannot) "propagate" or "advocate" the principles of Henry George's land tax policy. However, it is equally true, I believe, that such ideas of Henry George are fully expounded and fairly reflected as part of the teaching and related activities of LILP and we intend to continue this in the future.

Rapidly changing events in many parts of the world may provide a fertile field for studying current applicability of the ideas of Henry George. We are, of course, mindful of this as we continuously strive to update and upgrade LILP's curriculum. However, as with all matters relating to the teaching and expounding of the ideas of Henry George, we shall do this strictly within the boundaries and intent of the purpose clause of LILP which reads, in pertinent part, as follows:

"This corporation is organized and shall be operated as a non-profit corporation exclusively for educational purposes, including for such purposes operating an educational institution which provides instruction to impart and develop knowledge of land economics and taxation, including emphasis on land value taxation and related subjects, and provides training in the practical application of such knowledge."

When you are next in the Boston area, I would welcome the opportunity to meet you and show you LILP in action as a remarkable, growing and effective educational institution in the specialized areas of land use, land economics and land taxation.

Sincerely,

LINCOLN INSTITUTE OF LAND POLICY, INC.



Dr. Ronald L. Smith
Vice President and Executive Director

cc: Lillian L. Howell
David C. Lincoln