

WHY COMMON GROUND—USA WILL BE SUING THE LINCOLN FOUNDATION TO COMPEL IT TO TEACH THE IDEAS OF HENRY GEORGE

As many of you know, there is a corporation called the Lincoln Foundation, located in Phoenix, Arizona. It has assets, mostly in blue chip stocks, which exceed \$150,000,000. Its Articles of Incorporation state that: **all of its earnings should be spent to teach and expound the ideas of Henry George as set out in *Progress and Poverty***. It has refused to do this. Instead, it has spent millions on millions of dollars on matters that either have nothing whatever to do with George's ideas and on speakers and writers who disparage or attack Henry George.

The Founder of the Lincoln Foundation, John C. Lincoln, who also founded the Lincoln Electric Company, was a fervent Single Taxer. In his booklet called *Stop Legalized Stealing*, he set out his belief as follows:

"The community, by its presence and activities, creates a value called ground rent. Therefore, this ground rent belongs to the community, rather than to the landowner. When the land-owner collects ground rent, instead of the community, the community is denied its natural source of revenue and is compelled to levy taxes on the earned wealth of its citizens. This, I contend in inequitable and a violation of moral law."

John C. Lincoln's children and grandchildren, who have controlled the Lincoln Foundation since the founder's death, do not believe in the Single Tax. They, and particularly David C. Lincoln, the current President of the Lincoln Foundation, publicly stated that the Single Tax is: "not credible", "not practical", "Utopian", and would destroy the government. A book recently put out with Lincoln money, contains attacks on the Single Tax on the purported grounds that it would be unfair to poor people, that it would injure people who have no children and don't use our roads, yet would be paying for them, would unfairly injure developers, would not raise enough money, would injure persons who bought land at high prices without being told the law might change, etc., etc. In short, it resurfaces all of the ludicrous distortions put out by enemies of George's ideas for over 100 years.

The Lincoln Foundation has not just been neutral in its activities. Working often with the World Bank and the Agency for Industrial Development, it has actively opposed the adoption of Henry George's ideas in Russia, in Estonia, and in South Africa. It has financed a 900 page report on Jamaica, urging that it not raise its land tax, but, instead, impose a national sales tax ranging from 25% to 35%. It has financed the holding of seminars all over the world in which the Single Tax was attacked. It has financed sending an agent to the State of New Hampshire to urge a legislative committee to enact a state-wide sales tax. It has financed a book by resident Professor Mera, putting all of the blame for Japan's economic problems on its minuscule land tax and on land assessment reforms—calling Japan's grossly inflated land prices a "national asset".

Most of this idiotic work has been done through a Foundation subsidiary called the Lincoln Institute of Land Policy which receives over \$5 million dollars a year. This institute claims that since its Articles don't mention Henry George or the Single Tax, they can attack George with impunity. My half-century of law practice has convinced me that this gimmick is not legally supportable.

While George-supporting organizations are forced to count pennies, the Lincoln Institute of Land Policy enjoys an office building, supplied by the Lincoln Foundation, and a large bureaucracy which is either ignorant of or hostile to Henry George.

We have repeatedly tried to convince the Lincoln family to abide by the provisions of the Articles of Incorporation. This has gone on for six years. Promise after promise has been made and broken by the Foundation. Therefore, Common Ground-USA is joining with six Arizona Henry George advocates—suing as taxpayers, the Center for the Study of Economics, the Henry George Foundation, the Henry George Schools of Los Angeles and Northern California, and Henry George organizations in Australia, New Zealand, South Africa, Hungary and Denmark to do what its Articles of Incorporation command it to do—"to teach and expound the ideas of Henry George".

In this action, we will ask the court to remove the present board of directors of the foundation and to replace them with persons who actually believe in the ideas of Henry George as set out in *Progress and Poverty*. We will also ask the court to bar any further payments to the Lincoln Institute of Land policy, and to the Claremont Graduate School, which is the other recipient of the Lincoln Foundation. The grounds will be that neither institution teaches the ideas of Henry George, and that they have admitted this. Further, we may ask the court to demand that the money illegally spent by the Lincoln Foundation be ordered to be repaid by the parties illegally receiving the same.

In our opinion, this is the most important matter before the Henry George advocates since the election of 1886.

David Lincoln contends that they would be looked upon as "kooks" if they supported the Single Tax, and further maintains that, in the interest of free speech, opinions opposite to Henry George should be expounded by the Foundation in the interests of academic freedom.

This is like a priest saying that he does not believe in the divinity of Jesus Christ because the idea is no longer "credible" and that he has the right to assert this from the pulpit. It is obvious that this is not a decision for him to make, just as the Lincoln Foundation cannot determine that it disagrees with the Single Tax.

If anyone has any question as to the factual and legal background of this suit, please call Stanley Sapiro at 714/495-3805.

We hope that no Insights reader will formulate conclusions as to what goes on in the courtroom from watching Perry Mason or Matlock reruns.

I have been asked, as to whether we would be forced to pay the other side's attorneys fees if we lost the case, The answer is NO. Arizona follows the American rule which bars such liability. We have also been asked if there could be cross action for malicious prosecution. The answer to that is also NO. In my opinion, based on 50 years of law practice, as well as that of the other Georgist attorneys (who have elected to associate on a pro-bono basis) this is a solid and winnable law action. 