

Liberty for America

August 2015

Volume 8 Number 3

I wrote the last issue “Your Editor expects that issues will in the future be less frequent.”

It seems that I didn’t quite get that one right. There has been much interesting news in the last month. Perhaps I should start predicting “the stock market did not rise 50% this month”.

In particular:

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The Paul campaign has according to multiple witnesses tried to raid our donors. Given the very limited budget of Libertarian Party activities, and the stupendous cost of Republican Party consultants, either someone has a really bad concept of arithmetic or someone is really desperate.

The Oregon issue has risen from the dead, because the Reeves faction has filed an appeal with the LNC Judicial Committee. The Judicial Committee Chair has definite opinions about the matter. There is some question about whether the appeal is valid. As many people noted a year ago, the people on the Reeves side of the issue seemed to have a majority on the Judicial Committee.

We also have several financial reports. A prominent Nevada libertarian has forwarded for your consideration a financial report from the Nevada Libertarian Party. We have the latest update on the massive debts of the Johnson 2012 campaign. The Libertarian National Committee is not doing very well financially, but there seems to be very little sign of concern on the part of Libertarian National Committee. At first the July meeting agenda was very light weight, and did not discuss the topic. Indeed, when LNC Regional Alternate Josh Katz suggested that the LNC should at least tell its donors that the LNC had not endorsed the Paul campaign, and had not urged members to donate to Randal Paul’s campaign, he did not get much of a response.

I’m also going to begin republishing Libertarian Renaissance, which you can get on Kindle for \$0.99.

Paul Campaign Tries To Raid Our Donors

The Paul Presidential campaign has tried to raid the libertarian donor pool. The opening of this as reported in several places was the comment of a State Chair that “I just had a phone call from a University student. He was asking me to help the Rand Paul campaign, by providing contact information for Libertarian Party members who are college students.” The State Chair declined. Another state chair reported that he had “...got a call from their deputy campaign manager...” asking for help in that state. The prompt counter was that Paul is “anti-gay, anti-choice, supports a massive increase in defense spending, opposes the legalization of marijuana, and wants to use the tax code to pick winners and losers in the market”.

I circulated to many of my Facebook groups the following modest warning

Republican Fraud Alert! (and please share this message)

But first, be a real libertarian! Support your Real Libertarian County, State, and National parties.

Across the country, Libertarian State Chairs are receiving calls from people claiming to be Rand Paul staffers, asking for their state party membership and mailing lists. To give credit where it is due, their requests were denied.

Across the country, Libertarians say they are receiving phone calls from people claiming to be Rand Paul volunteers, claiming that the LNC has endorsed Rand Paul (flat out lie), that it has urged Libertarian Party people to vote for Rand Paul (flat out lie), and that it has urged Libertarians to donate to Rand Paul (flat out lie). The donation addresses I am advised appear to be legitimate.

Please share this message.

Quoting <http://www.independentpoliticalreport.com/2015/08/rand-paul-campaign-seeking-lp-donors-claiming-to-be-endorsed-by-libertarian-party/>

From Joe Enroughty, a Libertarian activist and LPVA 3rd District Vice-Chair in Richmond, VA:

The Rand Paul campaign appears to be so desperate that they have people calling and stating that he has been endorsed by The Libertarian Party. I received a call tonight from a Rand Paul campaign worker named “Cynthia.” I told Cynthia that I was a member of the LP and that I was most likely planning to vote for the LP Presidential Candidate. But at no time was I planning to vote for a Republican, especially one named Rand Paul. She then told me that the LP had issued a statement asking all of its members to vote for Rand in state primaries where they were able to do so. She also told me that the Paul campaign had been given LP donor lists by the LP to use for his campaign. She wanted me to make a donation either over the phone or online at Rand’s web site.

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<http://libertyforamerica.com/liberty-for-america-magazine/>

Oregon Again to the Judicial Committee

Once again the Oregon issue has surfaced. This time, the Reeves faction, which the moment is not the recognized affiliate of the national party, has filed a document with the LNC Judicial Committee saying that they are the legitimate affiliate and should be recognized as such. They claim that they are appealing a decision of the LNC, namely the decision of the LNC to obey the currently applicable ruling of the Judicial Committee. They note that the LNC decision transfers LNC resources to the Wagner group, who they claim is not the legitimate Libertarian Party of Oregon.

Part of their claim is based on the assertion that under the prior ruling the state gets to choose who the affiliate is. This claim appears to be based on a misreading of the last judicial Committee decision. They then go on to claim that, in a list of other states, if the rule were followed then that we would have no affiliate state because the state does not recognize any party in the state. One of the states they make this claim about is Massachusetts, for which the claim is totally and completely false. We are recognized by the state here. In fact if you go to the Secretary of the Commonwealth's election web pages you can find Libertarian, my name as contact, and my telephone number, because we really are recognized by the Commonwealth as what the rest of the world calls a "minor party". The error arises because the Reeves faction is using Ballotpedia as a source. I corresponded with Ballotpedia. Ballotpedia claims we are not recognized by the state, using a particular term of art, which Ballotpedia refuses to define. I confess I conclude that Ballotpedia is not a reliable source.

The Reeves group report goes on at great length about their claim that they are the legitimate Libertarian Party Of Oregon. Fortunately, Independent Political Report has posted the entire appeal so that I do not have to transmit it to you. Instead, I can simply give you a link <http://www.independentpoliticalreport.com/wp-content/uploads/2015/07/Judicial-Committee-Petition-Submission.pdf>

The solutions requested by the Reeves group are:

REMEDIES

We ask the national Judicial Committee for the following remedies:

1. To recognize that the national Judicial Committee decisions of 2011 were contrary to libertarian principles and exceeded their authority and are therefore null and void.
2. To recognize that the bylaws adopted by the members of the Libertarian Party of Oregon on March 9, 2013 are the governing documents of the Libertarian Party of Oregon.
3. To recognize that the governing documents purportedly adopted by Mr. Wagner and his supporters at the March 31, 2011 meeting of the Libertarian Party of Oregon State Committee were not lawfully adopted and that their subsequent actions purportedly undertaken under the authority of those governing documents are null and void.
4. To recognize that Messrs. Epstein, Reeves, Burke, and Burnett are the legitimate officers

of the Libertarian Party of Oregon.

5. To order the officers of the national Libertarian Party to:

- a. Write to the Secretary of State of Oregon with a respectful demand that she recognize Ian Epstein as the sole legitimate chair of the Libertarian Party of Oregon.
- b. Update any mailing lists, websites, and any online or other information distributed internally or publicly by the LNC to include Epstein and Reeves and their successors as state officers and not Hedbor and Wagner and their successors.
- c. Share membership data with Epstein and Reeves and their successors and not Hedbor and Wagner and their Successors.
- d. Write to FaceBook, MeetUp, the domain registrar of "lporegon.org", and any other relevant Internet companies that Epstein, Reeves, Burke, and Burnett are the legitimate officers of the Libertarian Party of Oregon.

A number of people were advised that they were "potential defendants". None of them have yet been informed that they are actual defendants. **However, Judicial Committee Chair M Carling has claimed that their period for making responses has lapsed.** I transmitted to the Judicial Committee an analysis showing that the wrong appeal approach was being used and that for the Judicial Committee to accept the appeal they needed a petition signed by party members.

The Judicial Committee is preparing to meet in person to deal with this, meaning that the LNC is going to be sent a bill for a hotel meeting, apparently in Indianapolis.

The Judicial Committee did not vote to accept the appeal. The Judicial Committee Chair simply decided to accept it. The level of bias shown by the Judicial Committee Chair is shown by the following exchange between **Chair M Carling (red)** and **Judicial Committee member Rob Power**, as forwarded to us by a totally reliable source:

From: M Carling <aimecarling@gmail.com>

Date: Mon, Aug 3, 2015 at 11:43 AM

Subject: Re: Indianapolis? Late Responses?

To: Rob Power <robpower@robpower.com>

Cc: Rebecca Sink-Burris <rebecca.sinkburris@gmail.com>, Dianna Visek

<dianna.visek@gmail.com>, "Rob Latham (freeutahns@gmail.com)"

<freeutahns@gmail.com>, "arwolf@arwolf.com" <arwolf@arwolf.com>, "

"linnabary51@gmail.com" <linnabary51@gmail.com>

On Aug 2, 2015, at 8:23 , Rob Power <robpower@robpower.com> wrote:

I don't believe these folks even have standing to be bringing this to us, so I'll once again say that I am strongly opposed to wasting time and money on this meeting. Even if it were free and did not cost me a weekend, taking this appeal under consideration at all is a very dangerous precedent to set.

If we hear this appeal, I expect Sam Sloan to hold his own little convention in New York, send a letter to Nick Sarwark saying, "Am I the new LP of New York chair?" with Sarwark replying, "No, you're still not," and Sloan coming to us with a "Constructive Disaffiliation /Revocation" appeal. This is an extremely dangerous precedent to set. We should refuse to hear this. Period.

You have well highlighted one of the reasons why the previous ruling is such a bad precedent. Wes Wagner, not Tim Reeves, is analogous to Sam Sloan holding his own little convention. The Reeves faction has operated and continues to operate with continuity of membership and continuity of bylaws. The Wager faction of five people “adopted” wholly new bylaws to disenfranchise the pledge-signing members. They didn’t even try to claim it was a convention (per your analogy to Sam Sloan). Wagner’s coup took place in a rump meeting of the State Committee after one of Wagner’s friends started a violent scuffle to eject Wagner’s opponents from the meeting. Sam Sloan calling a convention without any authority to do so would have every bit as much legitimacy (zero) as Wagner’s attempt to adopt new bylaws.

The disenfranchisement of the pledge-signing members is worth mentioning not only because it is anathema, but because it was the central objective. For nearly a decade, Wagner tried at convention after convention to amend the Oregon bylaws to eliminate the non-initiation of force pledge as a membership requirement. At convention after convention, Wagner failed to win the required 2/3 vote. Finally, in 2011, using the difficulty of obtaining quorum (due to a bylaw amendment that Wagner pushed through) as an excuse, he “adopted” bylaws eliminating the pledge-signing members without even the pretense of a convention.

We are fortunate that Sam Sloan and others have not yet used the previous JC ruling as a precedent to do exactly what you fear. It’s nice that so far the NY Secretary of State has refused to recognize Sam Sloan as LPNY Chair. There is no guarantee that will continue to be the case in the future. In some states, there have been Secretaries of State so hostile to the LP that they have done things every bit as illegal as recognizing a rogue claimant to be Chair, such as Sam Sloan or Wes Wagner.

Nick Sarwark is not the LNC, so I don't think this falls under our purview as a "suspension of affiliate parties (Article 6, Section 6)" or even a "voiding of National Committee decisions", but in case you do consider it to be so, I want to remind everyone of this option:

Failure of the Judicial Committee to rule within 30 days shall constitute an affirmation of the National Committee's revocation of affiliate party status except when the last day of the 30 day period falls within 90 days prior to a Regular Convention, in which case the Judicial Committee's non-action shall result in reinstatement of affiliate party status.

If you had quoted the whole section, it would have been clear that we have 30 days _after our meeting_ to issue our decision.

Do nothing, and this goes away. Status quo. And we don't set the dangerous precedent for all the Sam Sloans, Tom Stevenses, etc. to exploit in their own attempts at affiliate takeovers.

Do nothing and we keep “the dangerous precedent for all the Sam Sloans, Tom Stevenses, etc. to exploit in their own attempts at affiliate takeovers” that we have now.

I'm letting you know that I will cast my ballot by mail if you decide to make me fly to attend the meeting. I'm willing and able to fly for reasonable appeals to JC, but this is not a valid appeal (and moreover considering it sets a dangerous precedent), so I refuse to burn a weekend on it. You may have your four, but I still have my mailed ballot option.

Whether you attend the JC meeting or not, I hope that you will take the time to become familiar with the facts of the case before casting a vote.

On Sat, Aug 1, 2015 at 3:16 PM, M Carling <mcarling@gmail.com> wrote:

It seems that there might perhaps be four of us who think that we should meet in person. In the still hypothetical possibility that turns out to be the case, is Indianapolis the least inconvenient place to meet? Alternative suggestions?

I agree with Rob Latham that scheduling this as far into the future as possible is desirable for the three of us who would fly rather than drive. Is the last weekend of August impossible for anyone?

I note that the time specified by our Rules of Appellate Procedure to file responses has closed. I also note that our Bylaws allow "evidence" to be presented at our meeting. If I receive any late responses, I will leave it to the committee what to do with them. I won't read late responses, if any, unless and until the committee decides that we'll all read them.

M

The point has been made several members of the Judicial Committee are involved in the case in other ways and should have recused themselves. For example, the Judicial Committee Chair was at one point very heavily involved in the Reeves faction efforts to be recognized as the affiliate. Independent observers not connected with this newspaper opine that the Reeves faction supporters have a majority on the Judicial Committee and therefore this time they will prevail.

At the point that our Oregon affiliate is sent on its way, they are likely to respond with a vigorous defense directed at the LNC.

Nevada Finances

There've been a barrage of criticisms of the LNC and its staff from the Nevada state party officers in particular Brett Pojunis and Jason Weinman. There is also local criticism the other way. We have received from a highly-placed member of the Nevada party a copy of their finances for the year 2014, in the form of the Report of the Treasurer of the Libertarian Party of Nevada for the period January 1, 2014 to December 31, 2014.

The balance on January 1, 2014 was \$3819.82.

The receipts for 2014 included \$3275 from individuals and \$35 of refunds and rebates, so that their total receipts were \$3310.

Disbursements included:

merchant processing fees: \$1025.28.

Bank fees: \$64.96.

Bank overdraft fees: \$560.

Telephone: \$392.37.

Meet up.com: \$126.

Data from Aristotle: \$1140.65.

Business card and poster printing: \$720.48.

Convention speaker honorarium: \$503.50.

Convention audio/video and podium: \$510.88.

HootSuite social media tool: \$107.88.

Big L solutions: \$770.

Food, beverage, entertainment, and gas: \$1221.49.

Other: \$57.13.

Total disbursements: \$7200.62.

Cash on hand on December 31, 2014: -\$70.80

debts owed by the Libertarian party of Nevada on December 31, 2014: \$51.30.

And of year balance: -\$122.10

There was also a report of the Treasurer for the period January 1, 2015 to April 30, 2015.

The balance on January 1, 2015 was \$70.80 in the hole.

Receipts for the period included \$395.57 in refunds and rebates and \$1580 of contributions from individuals for a total of \$1975.57.

There were also disbursements.

Merchant processing fees were \$381.18.

Bank fees came to \$59.

Bank overdraft fees came to \$210.

The charge for telephone was zero.

The meet up.com charges were \$89.94.

The HootSuite social media tool came to \$107.88.

The Joom donation software came to \$24.99.

Total disbursements were therefore \$936.46.

Cash on hand on April 30, 2015 was \$968.31. However, all debts owed by the Libertarian party of Nevada had been paid off, and therefore the current debts came to zero.

Their end of period Balance was therefore \$968.31.

Readers will note that in Nevada merchant processing fees are remarkably high relative to some other states, and therefore the poor Libertarian Party of Nevada must labor under the burden of 20 or 30% merchant processing fees rather than the 3 or 6% seen in many other parts of the United States. On the bright side, to judge from their bank fees the Libertarian Party of Nevada has generously made a significant contribution to avoiding bankruptcy among the banks of Nevada. Nevada readers may reasonably send questions on these reports to their illustrious Treasurer, Tim Hagan, who is also the national party treasurer.

John\$on Campaign Debts

In early July, the Johnson 2012 campaign changed campaign treasurers. The new treasurer is Joseph Lilly. According to their most recent filings, their current debt is **\$1,395,093.**

That debt includes \$151,000 to Bellatrix, PC, for primary retainer and wind down; more than \$30,000 to Daines Goodwin campaign accounting services of various sorts, \$9404.41 to EH2 consulting for fundraising, more than \$26,700 to the Law Offices of Douglas C Herbert for legal fees, and very close to \$30,000 to ThoughtLab of Salt Lake City for web hosting and related Web services. The remainder of the debt, more than \$1.1 million, is owed to Political Advisors

for all manners of campaign efforts, including most recently \$28,000 for staff wind down hours and \$46,296 in fundraising commissions.

Based on these reports, claims that the campaign has no remaining debts, or that the debt is only owed to the campaign manager and not anyone else, are transparently entirely spurious.

We are hearing claims that some of this money was actually spent on political activity of some sort rather than being spent on staff salaries. We are also hearing claims that the expenses were inflated or at least vigorously argued in order to extract more campaign cost-sharing money from the Federal government. These filings are made under penalty of perjury and must reasonably be deemed to be reasonably honest and accurate up to the legitimate limitations of honest human error. We've heard no rational explanation of why someone running a political campaign would assert they spent money on staff salaries rather than spending it, for example, on advertising billboards. I mean, why would anyone do that?

Thoughts from Joshua Katz

It occurs to me that we in the LP are, perpetually, engaged in a very strange enterprise. We are seeking to figure out what works in campaigns, elections, and political messaging in general. I say this is a strange enterprise because we are not the founders of the idea of a political party. There have been many parties, and many, many campaigns, some successful, some not. Why are we trying to invent the idea of a successful campaign as if what we were doing was original?

I think the history of successful campaigns largely supports the idea of basing a campaign on desired results, the "what's in it for me," but not fully. The issue is "personality." I put that in quotes because I mean something broader. Telling people what they want to hear is not enough. This is true in sales in general - if you sell a hammer, and I sell a hammer, and the products and prices are similar, the deciding factor for consumers is whether or not they like the salesman. It's more true, I think, in politics. People know that anyone can get up and say that they'll get what they want for them. It only works if they believe you're capable of delivering. That's where they consider experience, credibility, and yes - character and values. If a voter believes there's only one way to get affordable healthcare, and they know you don't want to do things that way, they're just not going to believe you when you talk about affordable healthcare. On the other hand, if they believe there's only one way to get affordable healthcare, and don't believe in doing that, they'll reject you as soon as you say it. It is easier to dissuade someone from supporting you than to persuade.

Successful campaigns have talked about what results they want to produce, but also inspired people with the personality of the candidate. Sometimes, successful campaigners have actually told people what they don't want to hear, such as JFK's "ask not" - but they do this in a very limited way. On the other hand, there is a graveyard full of candidates who messaged precisely with desired end results, and failed because their opponents could out-leverage them (Goldwater) or because people just didn't believe or like them.

So, a focus on end-results is necessary to a successful campaign in the way that being able to stand being around each other is necessary to a successful marriage.

What about a party? It is necessary that a party talk about what it will give people.. It is also necessary that the party have and present an attractive image. I'd suggest that an appropriate image for the LP is "the party of grown-ups." We should push our ideas, but with a sense of modesty and, above all, display the rationality that is absent in the remainder of the top 3. We have a party that has chosen for its image that of a cowboy, and another that has chosen a mix of an executive and a professor. If we try to imitate either of those, we'll look pale. The cowboy party also has acquired for itself the image of being incapable of governing, and is being forced to go further down that path by a bomb-throwing candidate in its primary. People are coming to believe that the Republicans are simply incapable of running a functional government and more interested in burning things down. Therefore, what's grown up is the idea that serious people are Democrats. We need to avoid bomb-thrower rhetoric and display a calm approach to governance - one that contrasts with the Democrats by not claiming to be smarter than everyone else in the room, and being married to the inspiring worldview we have - that of a free world - rather than to specific policy-wonky solutions.

We must also remember that our target audience isn't libertarians and don't all share the personality quirks we have. People look at our hand-outs and decide in 3 seconds if its attractive or not. They don't pick apart every word and think about where it fits in the left-right spectrum, what impact it has on polarization - they don't over-analyze the ways we do. This is part of why how something appeals to libertarians is not helpful for predicting how it appeals to the larger public. We simply cannot focus our energy on creating an image, and the accompanying literature and materials, that appeal to libertarians. We must appeal to the voter at large. We are, after all, here to make our party more popular and elect candidates to public office, not to serve libertarians by giving them things they find attractive. The image I am suggesting may not be the most appealing to all libertarians, but it is

one, I think, that can appeal to those whose votes we want.

We have the solutions, and we have the ideas people want. The extent to which we do not succeed electorally is the extent to which we fail to sell them. Let us create a common image, one which inspires the approach of as many of our candidates as we can convince, one which each state affiliate can modify to suit their needs, yet unified in a single theme. The Party of Grown-Ups can sell. Let's go sell it, and make ourselves free in the process.

LNC Finances Are Challenging

The next LNC meeting will be in Orlando in November. The LNC is perhaps doing at party petition drive in Oklahoma. To advance, the LNC needs to raise \$60,000. Of this \$30,000 in matching funds came from a single donor, and various efforts are being made to raise the rest, but at this point they are about \$6000 short. Either they do raise all of the money or nothing will happen.

The LNC continues to be under financial strain. According to the Treasurer, income for the first half years was \$128,000 below expectations. Other financial activities also have not met expectations, but the net result for the half-year is that instead of running a surplus of \$46,000 we've had a deficit of \$49,000. As Alicia Mattson has stressed – see last issue – in 2012 we entered the presidential election year with a \$300,000 cash on hand situation. This time, we apparently expect to enter the presidential election year with a zero dollar cash on hand situation. I memorialized the State Chairs about LNC finances. I wrote: “We have received yet another monthly financial report from the LNC. I realize that a few of you do not understand why it might be interesting or important for state chairs to be aware financial situation of our national party. If you are one of those people, I understand your issues, and you have my sympathies. For the rest of us, the situation is not very positive, but is perhaps improving for a change.

“Note that these numbers are from the actual LNC report, which uses GAAP standards, and not from the FEC report, which uses a cash flow basis standard. We shall skip over the minor detail that there is apparently an obscure entry in the GAAP standards saying that if you report to someone other than the IRS, you are required by GAAP to use that someone's standards and not the IRS's standards, so that your financial statements can immediately be compared with reconciled against your filings with the other group, without your needing to do any fancy calculations. The implication of that minor detail is that our filings may not be GAAP-compliant.

“Throughout this discussion, I am simply truncating dollar amounts. Having said that, for the month of June the total income was \$85,009. The total expense was \$100,315. The deficit, then, was \$15,306. As a result of that and other transactions, the total in the checking and savings accounts fell from \$41,566 to \$20,798, a decrease of more than \$20,700. The LNC has a rule that the cash on hand, the reserve rule, should never fall below \$50,000, but the cash on hand has clearly done so, even though we have some other assets whose value increased from \$8,903 to

\$10,342. In addition, there are \$41,965 of current liabilities, a slight decrease from last month where there were \$44,469, and an amount owed, mostly on the mortgage, is \$506,604.

“The LNC is spending money significantly faster than it is taking it in, a situation that has been true for all of the last quarter, in that the deficits for April and May were \$20,587 and \$11,524, respectively. Note that for July the LNC has hired more staff members.

“We can also compare these transactions with the budget. The budget called for \$645,650 of revenue the first half of the year, of which 517,263 actually appeared. That number includes successful fundraising by the board of \$33,400, a maximum donation, an event which cannot be assumed to repeat with great frequency. On the bright side, the cost of raising the money was only \$111,779, not the budgeted \$143,032, for saving of \$31,253. One might have proposed that in order to raise money you need to spend money, so that if you cut how much money you are spending on fundraising by close to a quarter, you should not be surprised if less money comes in than you were hoping. The counterpoint to that claim is the years immediately after the 2000 presidential election, when many fundraising letters lost money and did not cover their own expenses.

“The budget also called for spending money, namely \$456,358, of which we actually spent only \$407,949, so that we spent \$48,409 less than we planned. That difference is related to the cash flow. The budget called for surplus of \$46,258, but we actually ended up almost the same distance the other way, in that the deficit for the first half of the year was \$48,724. I believe it is in this context that national Secretary Alicia Mattson appeared to have noted that we were putting aside absolutely no money for next year for presidential ballot access. That is a substantial change from many recent presidential elections, in which in the odd year preceding the presidential election the LNC would put away some large amount for the ballot access expenses expected the next year.

“Readers may recall an earlier estimate that next year we would need to spend a half a million dollars for ballot access for our presidential candidate in all 50 states and DC. On current fundraising rates, it is inobvious where this money is supposed to come from. I will also note that my state party did try a first very gentle electronic fundraising effort for presidential ballot access, and found that response was negligible. We will try again.

“Where were income totals particularly weak? For the last two months, direct mail donor renewals have brought in \$12,660, while online efforts brought in \$10,277 and telephone fundraising has brought in \$8497. These are the numbers identified as donor renewal, not the numbers identified as general fundraising. Prospecting for new member donors has brought in another \$3100. Comparing with the total for the first half of the year, direct mail fundraising for the last two months, a third of the half year, has brought in less than 1/6 of the total raised so far for the year. Telephone fundraising for the last two months brought in barely more than a quarter of the fundraising planned for the full year. You can readily make a case that fundraising for the building is cannibalizing regular donations, namely in the month that \$11,240 was brought in for the building (that’s the largest total for the half year) general fundraising fell from \$70,000 or \$80,000 down to \$57,600.

“Over the course of the first half of the year there has been a gradual decline in income. Total income from direct mail fundraising fell from \$71,000 in the first two months of the year down to \$27,000 total for the most recent two months. Online contributions fell from \$29,000 down to \$21,000. Telephone-based income over the same period increased from \$6700 to \$15,900 for two-month periods. It is difficult to extract from all these numbers a substantial description of how the money is being spent, so I will not attempt to do so.”

To give credit where credit is due, we may be grateful that Robert Kraus took time out of his very busy schedule to send me a short note observing the June had a series of one-time expenses without which the LNC would've had a modest budget surplus for the month, namely

“Financial Finances remain VERY tight. The EOM report for Jun-15 (in your binders) shows that at end of the month we had an actual reserve of only \$1,515 vs. target of \$50,460. HOWEVER in June we had a number of one time expenses including the HVAC repair above, \$12,700 (to date) for the audit, \$2,246 to the Watergate for 2014 share of real estate taxes, \$4,421 to City of Alexandria for ½ yearly real estate taxes and \$5,000 for the FEC Lawsuit.

So for June that's \$24,367 in one time expenses. If it wasn't for that we would have had a surplus of \$5,008 (real estate taxes for the building are pro-rated on a monthly basis). The point being yes finances are very tight but as you pointed out - expenses remain under budget and under control.”

We are led to understand that fundraising in July has improved significantly, thanks in particular to efforts by our National Chair.

The LNC Ballot Access Report for its July meeting had the peculiar feature that Massachusetts was singled out for the observation that if Massachusetts had “political party status we would not have to petition at all”. On one hand, the claim is incorrect. I won't belabor the point by going over Massachusetts' interesting ballot access laws one more time. On the other hand, the same statement true could equally have been made about several other states in New England such as Connecticut and New Hampshire, but the statement was only made about Massachusetts. Requests from Massachusetts to the Regional Representative and Alternate asking why Massachusetts was singled out in this way did not elicit a response from the people who wrote the Ballot Access Report. The regional report for Massachusetts reported that response to our presidential ballot access fundraising email was “low”. The report is written here in Massachusetts actually said “negligible”, to be precise under \$100.

The LNC did once again choose a new logo for the national party. The “Torch Eagle” looks somewhat like a candle flame, and somewhat like an eagle. You will doubtless be seeing it in the use soon enough.

The LNC has had circulated to it a proposed draft contract between the LNC and the next Presidential candidate. Several aspects of the contract are ones that no candidate in his right mind should sign. For example, the contract requires that the candidate hire a campaign manager whose name is fixed in the contract, as it was with the Badnarik campaign, to determine

campaign strategy. No, the campaign organization is under the control of the candidate, including the candidate's privilege of fixing the campaign strategy and firing the campaign manager.

The contract requires that the campaign share "their "media" lists, i.e., their most current lists of media contacts and the mailing and e-mail addresses and telephone numbers of those persons." Now, I have no idea what anyone else did, but my 2008 campaign bought the right to use a press contact list...with 15,000 names on it...but there were licensing restrictions on its use, restrictions that were totally not consistent with the LNC contract.

Then there was "The Candidates and Campaign Committee shall direct all inquiries from interested voters, media representatives and others, to telephone numbers, mailing and e-mail addresses and persons designated by the LNC." No, the LNC should not get to have all inquiries to the campaign forwarded to them before the campaign gets them. Nor should the LNC choose the campaign's email addresses for the campaign.

Interesting issue outreach point: Free Range Kids. These are children who were allowed to walk the length of their block by themselves without having two parents escorting them. The attack of mentally ill government employees has reached the point that these children need to be given legal protection so that their parents can let them walk to the vacant field at the end of the block to play soccer without being nabbed by the government authorities. Indeed there is now a website freeRangekids.com.

State Fundraising: My state party had a fund drive, raising money for the presidential campaign. It was a pure email drive so we tried to keep the letter very short. The following letter is included so you can see one style of email fundraising letters; I am not asking that you send my state Association money.

Greetings from Massachusetts Libertarians!

We're the Libertarian Association of Massachusetts, state affiliate of our national Libertarian Party. You may not be familiar with us, so our question and answer page is attached.

We're writing you about 2016 Presidential Ballot access. The question is simple: Will our Presidential candidate be on the ballot?

For ballot access, we need 15,000 signatures. Some of them can be collected by volunteers. To be sure that we get our Presidential candidate on the ballot, we need to hire professional petitioners. Hiring costs money. We're asking for your donation so we have that money.

If you act now, we have a free gift. If you donate at least \$15, and aren't currently a Libertarian Association of Massachusetts member, we'll give you a year's electronic membership for free! You'll get all

our exciting publications via email for the next year.

To donate, go to <http://lpmass.org/donate/> and click on "Federal". Or mail a check, payable "Libertarian", to POB 1154, Worcester MA 01613. The new Federal donation limit is \$10,000. Please give generously.

I promise you: This is an electronic fund drive. There are no costs. The money you give will all be spent on Presidential ballot access. If any money is left when petitioning is complete, we'll spend it on getting out the 2016 vote.

Yours for Liberty,
George Phillis
State Chair, Libertarian Association of Massachusetts

P.S. We are using the national party email list for this effort. If you would like to have your email address removed from their mailing list, just send me a message and I will ask them to make the deletion.

P.P.S. The following boiler plate is dictated by Federal Law:

Donations are not tax deductible. Donors must be American citizens or permanent residents. Paid for by the Libertarian Association of Massachusetts Federal PAC (lpmass.org) and not authorized by any candidate or candidate's committee. Your money may be spent in connection with a Federal Election. Federal law requires us to make our best efforts to determine the name, address, occupation, and employer of each donor of \$200 or more. “

That was our fundraising letter.

News note: The Libertarian State Leadership Alliance voted 9-0 to restrict participation on its email list to:

1. The current Chair of each LP State Affiliate including the District of Columbia;
2. All members of the Executive Committee of LSLA;
3. The current Chair of the LNC Affiliate Support Committee (ASC); and
4. The LNC Operations Manager for administrative purposes.

More on the LNC--Libertarian Renaissance

We now come back to the Libertarian National Committee. With its finances and membership plummeting, the Agenda for the most recent meeting at first included nothing about membership or financial challenges. Indeed, at first there was some suggestion that the meeting could be held to a single day. When the Paul Campaign tried to raid its finances, the LNC did not respond. This lack of response is not good.

I return to my book *Libertarian Renaissance*, starting at the end of Chapter 1, noting the challenges our party faces. You can read *Libertarian Renaissance* for 99 cents at <https://www.smashwords.com/books/view/339159> in formats including epub mobi pdf rtf lrf pdb txt html.

Taking up late in Chapter 1, the earlier parts having described what was happening going into the 2012 convention:

Returning to our metaphor, our good ship Liberty is foundering by the bow, the engine room is on fire, and the ship's officers are fighting about who should sit at the Captain's Table for dinner.

Stockholder revolt? That's the cure our party needs: A membership revolt against a decade of mismanagement that has almost destroyed our national party.

That, fellow Libertarians, is why we need a new slate of candidates to run for National Committee and replace the people who are currently there.

Strengths, Weaknesses, Opportunities, Threats

Business plans sensibly start with a serious look at the situation. Where are we? What do we do well? What's stopping us from succeeding? Where do we have opportunities? What is threatening us? The answers appear as bullet-pointed lists.

SWOT Analysis

LNC Inc. suffers from an extensive series of long-term weaknesses. These have now combined into a threat to its continued existence. If these weaknesses are not corrected soon, the National Party will cease to function in a meaningful way. On the other hand, there are enormous opportunities awaiting an active, effective party.

Strengths

First consider the places where we are doing well.

- Great loyalty of our party faithful in face of adversity and defeat.
- Name recognition. People know now our name 'libertarian' and what it means.
- State affiliates. We are the only third party truly active in most states.
- Ballot access. We actually know how to get on the ballot across the country.
- Money. Close to a million a year in income, with a large contact list; could be effective if used well.
- Core beliefs. A solid core of libertarian beliefs, most supported by almost every libertarian.

Weaknesses

- Negative momentum—the National Party is going backwards.
- Weak leadership. A National Committee not focused on substance. Purges and witch hunts.
- Activists leaving party.
- Poor financial management. Too much money going to things that do not do politics, communicate our message, or add value proportionate to cost.
- Weak staff development and supervision. No Executive Director for a year during 2008-2010. An LNC press release absurdly attacking Libertarian author and candidate for our Presidential nomination Mary Ruwart.
- Lack of vision: Where should we go? What could we be?

- Dilution/diminution of core libertarian message. Core positions tossed aside in name of expediency.
- Faux libertarians leaving the impression that we are social reactionaries.
- Lack of affiliate support.
- Management by inertia. No priority setting.
- No focus on younger potential members. Potential libertarians being lost to campaign for liberty, tea parties, and similar groups.
- Parliamentary Paralysis—Obsession with Robert’s Rules of Order to the point of fetishism.

Opportunities

- Opposition Republican Party handing itself over to people who most Americans realize are idiots.
- Opposition Democratic Party copying key Republican positions.
- Opposition - Both Parties trying to turn our Constitutional Republic into an authoritarian national security state.
- Americans are absolutely furious. Far right has lapsed into low level insurgency with assassinations (Tiller, Jade Helm), violence (Texas IRS office attack, Congressional district office attacks), and incivility (Tea parties). Occupy and Restore the Fourth movements. Trump. Sanders.
- Majority of Americans now tending independent in their political allegiance.
- Heavy polling support for a new third party.
- Young people who support our social freedom stands. Overwhelming support among young people for marijuana legalization, gay marriage, abortion rights, and an end to foreign wars.
- Public support for libertarian stands—no bailouts, ending Asian wars, obeying the Bill of Rights—with the other two parties in opposition.

Threats

- Plummeting party income.
- Falling membership.
- Member disinterest and cynicism.
- Decreasing credibility—some fundraising appeals lost money.
- Continually diminishing activity.
- Emerging competition.
- Party being confused with Republican crackpots.
- Political infighting at the *destroy the opposition* level. LNC attacks on our Oregon affiliate until stopped by litigation and the LNC Judicial Committee. [GP: The undead have risen.]
- Treading water—the National Committee response to the above is to keep repeating the same activities on a smaller and smaller scale.

Libertarian sympathetic magic. The National Committee believes that because the opposing national parties have party office buildings in Washington, D.C., that buying a building (OK, 2% of a building) will turn us into a national party.

Summary

Despite enormous mismanagement, our strengths are many. We may not yet be the majority party, but we are far stronger than any of the other third parties.

Our opportunities are enormous. They have never been better.

The threats we face are existential. If they are not overcome, our party will effectively cease to exist.

We have a long list of weaknesses. Until we overcome them, our strengths will be neutralized, our opportunities will lie fallow, and the threats we face will continue to mount.

Our Response

Those are the problems our Party faces. They're very serious.

But we're not dead. Not quite yet.

Let's turn to a solution—The Libertarian Renaissance for Libertarian Revival

In other news, former Democratic presidential candidate Wesley Clark called for the creation of internment camps on the World War II style for what he termed “disloyal Americans”.

Unfortunately, he did not volunteer himself to be among the immediate internees. That seems a bit hypocritical of him.