

Let Freedom Ring!

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April 2005

LNC Treasurer: Dues Increase 'Fiscally Irresponsible'

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LNC Meets in Portland From a Full Report from Our Correspondent

Sean Haugh writes on the latest LNC Meeting (His extended report is available at Liberty for All! <http://www.libertyforall.net>)

1) Portland

The main reason why the meeting was held in Portland was so we could see for ourselves the 2006 convention site. I personally give it high marks. It appears that the convention floor would be able to accommodate about 600 people with tables. If more delegates attend, some part of the room will be chairs only. There's no way it could fit everyone if all of the 1400 or so delegate slots are filled

Is the site a good fit for our event? I think the answer is an enthusiastically positive one. I was totally charmed by downtown Portland. It's a lively place with much to entertain Libertarian visitors. Staff has retained professional services for parts of the convention which can be outsourced. No one within the party has made an offer to manage any part of the convention. Chair Michael Dixon named Jim Lark and Chris Farris to an ad hoc working group for the business of the convention which needs to stay in house. Executive Director Joe Seehusen said he wants to have as little to do with the convention as possible so staff can concentrate on their core responsibilities.

Treasurer Mark Nelson expressed his concerns about the financial risks of an off year convention. His motion that that staff develop a detailed convention budget by the August meeting passed. He continued to encourage staff to more accurately estimate their costs in convention operations, which he says are far in excess of 10% of

[LNC Meets] (Continued on page 2)

Dues Raised in Secret Ballot Vote; Money will Pay for New Washington, DC Office Location; Membership May Fall; Carling Claims Executive Staff Campaign for Increase, Other LNC Members Dispute This; Getz Resigns

Meeting in Portland at the end of February, the Libertarian National Committee voted to raise LPUS dues to \$50. The vote was by secret ballot. Libertarians around the country were swift to condemn the manner by which the vote was taken as contrary to our party's principles.

In a widely-circulated letter, National Treasure Mark Nelson wrote: "I voted no on both the dues increase and the UMP increase. My reasoning for my votes follows. As detailed below, without consideration for the political implications, increasing

[Dues Debate] (Continued on page 7)

Krick Resigns from LPMA State Committee

New Constitution Precipitated Decision

Referring to the call for State Committee members to endorse the new draft Party Constitution, Krick finally answered

Folks, I not only flat-out refuse to endorse this policy, but also am of the belief that the policies will do nothing except harm the party and is reckless to consider adopting the new policies without legal advice. As I now believe that I am unable to sway the committee from this course of action, I resign from the State Committee of the Libertarian Party of Massachusetts effective immediately.

Krick indicated that he plans to remain active in a major Massachusetts charity.

Liberty For Massachusetts News

Social: April 30, 2003 3PM Home of Steve Drobnis, Canton RSVP steve@mrd.net for directions.

Organizing Committee: 2PM Home of Steve Drobnis, Canton steve@mrd.net for directions.

Web Pages now up libertyformassachusetts.com
Newsletter: Issue 1 has been mailed

[New Mexico Libertarians](Continued on page 2)

Liberty for Massachusetts now live at <http://www.libertyformassachusetts.com>

(Continued from page 1) [New Mexico Libertarians]

New Mexico Libertarian Party Condemns Dues Increase

The LPNM Central Committee voted unanimously (10 Yes, 1 Abstain) against the dues increase. Their resolution reads: Libertarian Party of New Mexico March 30, 2005

- (1) We emphatically oppose the decision taken by the Libertarian National Committee (LNC), at its February, 2005, meeting, to increase Libertarian Party National (LPN) annual membership dues from \$25 to \$50;
- (2) We condemn the "secret ballot" process by which the decision was taken;
- (3) We demand that the LNC reverse its decision at or prior to its May 14-15, 2005, meeting;
- (4) We advocate the elimination of dues as a condition of participatory membership in the Libertarian Party;
- (5) In accordance with Bylaw #1 of the Constitution and Bylaws of the Libertarian Party of New Mexico (LPNM), which states that "In the event the Libertarian National Committee raises dues, the Chairman shall call a special convention to review LPNM's participation in the Unified Membership Program," said special convention shall, if still necessary, coincide with the annual convention of the LPNM, scheduled for June 10-11, 2005, in Los Lunas, New Mexico, so that the LNC may have sufficient time to reconsider and reverse, at or prior to its May 14-15, 2005, meeting, its decision to raise LPN annual membership dues;
- (6) The Chairman is directed to relay this resolution to the LNC, the various county chairs of the LPNM, and the LPNM forum.

LP of San Juan County, NM, Central Committee Special Meeting of March 26, 2005

- (1) It is resolved by the Central Committee of the Libertarian Party of San Juan County that we are emphatically and unanimously opposed to any increase of dues; and that we advocate the elimination of dues as a condition of participatory membership in the Libertarian Party.
- (2) It is resolved by the Central Committee of the Libertarian Party of San Juan County that the Chairman of the Libertarian Party of New Mexico is requested to prepare a report for the 2005 LPNM State Convention on the ramifications of withdrawing from the Unified Membership Program, the Libertarian National Committee, or both.
- (3) It is enacted by the Central Committee of the Libertarian Party of San Juan County that the 2005 County Convention is delayed until May 21 so that members can consider actions of the LNC at their May 14 & 15 meeting in making certain personal and organizational decisions.
- (4) It is resolved by the Central Committee of the Libertarian Party of San Juan County that the 2005 County Convention entertain an amendment to the LPSJC Constitution and Bylaws to provide for the disposition of LPSJC property, such as the bank account and the firearms held for raffle, if the Libertarian Party of San Juan County is dissolved for any reason.
- (5) The Chairman is directed to relay these resolutions and enactments to the Central Committee of the Libertarian Party of New Mexico, the various county chairs of the Libertarian Party of New Mexico, the LPNM forum, and the Libertarian National Committee.

(Continued from page 1) [LNC Meets]

revenues credited towards this line.

2) Dues Increase

Aaron Starr was successful in his long quest to raise membership dues. Unfortunately, by using a secret ballot to accomplish this feat, the move has sparked a firestorm of controversy well beyond what a simple dues increase would have brought. First year memberships will remain \$25, but renewals will now cost \$50. The increase takes effect on January 1, 2006. An increase in UMP payments to states was defeated, also by secret ballot.

The original motion had an April 1st effective date. National Director Seehusen said more time was needed for staff training and solicitation revisions. Nelson moved postpone the question until August. Chris Farris moved for a report on implementation, specifically including the Raiser's Edge conversion, the number of members, and the impact on revenue. Both motions were rejected. A motion from M Carling passed on voice vote moved all dates in the motion to 1/1/2006. Rutherford moved (passed without objection) to divide the motion on the dues increase and the increase in UMP payments.

Starr moved (Carling Seconded) that the votes be by secret ballot. He stated that several board members had indicated to him they would be more able to vote their conscience if they could vote in secret. The vote passed 10-6-1, namely

Yes: Dena Breudigam, M Carling, Michael Colley, Ed Hoch, Dan Karlan, Bill Redpath, BetteRose Ryan, George Squyres, Aaron Starr, and Bob Sullentrup.

No: Chris Farris, Rick McGinnis, Mark Nelson, Mark Rutherford, Tony Ryan, Lee Wrights .

Abstaining: Jim Lark. The Chair did not vote.

The secret vote in favor of increasing dues to \$50 for renewing members passed 11-6. The vote on increasing state UMP payments failed 5-12.

{Editor's note: The LNC shares income with states, \$1/member/month plus additional amounts based on donations. If member payments do not change, some donations will be converted to dues, and correspondingly LNC payments to states under UMP are going to fall, even before Party membership crashes.}

In my last meeting report I held that any dues increase would be a lightning rod for all feelings members had about the party. Dues increases could only be feasible at a time when confidence in the LNC and its ability to spend our money wisely is high. Now is not such a time. This prediction is being borne out on the state chairs' email lists, most state discussion lists and in other forums frequented by party members. The secret balloting further muddies the waters and has caused far more outrage

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than the dues increase itself. Rutherford and regional alternate Chuck Moulton (Pennsylvania) both denounced the secret ballot in interviews during the meeting. Wright spoke against the action with support from Moulton. Nelson added similar remarks when addressing the state chairs.

Judging by the vote at the last meeting, at least four members of the LNC felt they could not vote their conscience in public, which is possibly the most disturbing aspect of this shameful act. The Libertarian Party places a premium on openness. Member reaction reflects just how highly this is valued. If we cannot even govern ourselves transparently, we certainly cannot be trusted to run government openly, which removes one of the most vital reasons voters have to support our candidates. If we run ourselves like our competition, what incentive is there for the voters to replace them with us?

Moulton reported on the state chairs' list that several LNC members blithely replied to his criticism that if members don't like how they vote, they can vote them out of office next convention. Moulton noted the obvious, that without a recorded vote this is impossible. He did not go on to the logical next step, that without the ability to know their voting records the membership might just get the notion to throw them all out indiscriminately. With actions such as this, that prospect is looking better all the time.

Nelson made the strongest case against a dues increase, noting that the members survey conducted in 2002 showed that a dues increase would cause the party to lose money: Many members will not renew their memberships. Carling noted that the increase would be shared with UMP I states but not UMP II states. Regardless of the ultimate outcome, these events have renewed the debate over the viability of UMP: Is the ideal to use membership fees to support state parties or to support the national party?

Dixon was keen on giving me an exclusive interview after the meeting, to put the best possible face on increasing dues without sharing any new revenue with the states. He said that it will provide a new opportunity for the LNC to fund activities currently considered outside the core budget, such as ballot access, branding, the convention or advertising. Dixon stated that he intends to renew the debate on what are core activities of the national party in a positive way. Now that we are in a much stronger financial position, we can have a practical discussion about these matters instead of a purely theoretical one. He observed that Seehusen's significant reductions in core costs noted greatly assists this cause.

3) Finances

Dixon reported a dip in our income expected for this part of the election cycle. A new person is writing and consulting on direct mail. A new caging operation in Maryland will process our mail and donations. A new bookkeeper has been hired to fill some of the functions performed by J. Villarreal. Nelson recommended considering outsourcing our FEC filing. The December filing was missing key data. Speaking for myself as a student of federal campaign finance law, filing FEC reports is not rocket surgery, especially considering that the

LNC does not engage in many arcane transactions that are used by our competition. Anyone who has the skills necessary to be hired as our operations manager or bookkeeper can learn how to file these reports accurately.

For 2004 income and expenditures were about \$340,000 ahead of the budget. Core revenue was well below budget, in Nelson's opinion because that ballot access and Presidential campaign fundraising cut into it, but project revenue was much above budget. Nelson was effusive in his praise of staff for controlling core costs such as outreach, fundraising, salaries, contract labor, and LP News. Purchase and installation of the new database software and computer hardware were over budget. Nelson reported that, as usual, the LNC remains in violation of its reserve requirement of 2.5% budgeted revenue.

There was discussion of deactivating Life memberships of people who donated to the Harry Browne for President campaign in 1996, but who never donated directly to the party. [Ed: *This is the notorious P Transaction, described in my book **Funding Liberty**.*] Nelson suggested discontinuing UMP I. Carling asked if the LNC would be in breach of contract if it rescinded the Life memberships or unilaterally amended UMP I agreements.

Development Coordinator Jessica Neno Wilson reported on Raiser's Edge as a great boon to staff for fundraising and other customer service functions. Wilson is testing various prospecting letters, using lists from other libertarian organizations. Three separate mailings of about 25,000 pieces each began dropping in January and will continue through March.

There are 21,714 members and subscribers as of 9/30/04.

4) Personnel

Joe Seehusen's contract as ED expires on June 30th. Seehusen has repeatedly made it clear that he desires very concrete and specific direction from the LNC, yet the board has often not been completely forthcoming with their requirements of him. Dixon said in his report that he has developed a comprehensive "Letter of Instruction" detailing his own expectations of Seehusen. In his own self-assessment, Seehusen admitted that he is much better at the outward looking parts of his job than he is with the inward looking matters of managing internal operations. He expressed the view that we are a sales organization, which informs his outlook on his duties. In discussing the departure of Villarreal, Seehusen said that the rude behavior of several state chairs and database secretaries over the contentious topic of conversion to Raiser's Edge (see below) was not the only reason why she quit, but it was the only one he cited. Seehusen openly hoped that the party can set some standards of behavior to improve our internal culture, which would go far to avoid the high cost of turnover. This point was revisited frequently throughout the meeting by Dixon, and Admiral Colley used his closing remarks to drive the point home. The LNC had two executive sessions and gave Seehusen a fourth quarter bonus of \$2000 and a year-end bonus of \$1500.

5) Database

Farris submitted an extensive report to the LNC detailing out-

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standing issues with the ongoing conversion of our database to Raiser's Edge (RE) affecting the states. No action was taken. Until very recently, there was a tremendous disconnect between staff and the states about the success and utility of this new software. For staff, RE is a gift from heaven, making it far easier to develop donor data, fulfill customer service requests, generate reports and otherwise track and manipulate all their data. For states, the monthly data dumps have been woefully insufficient, rife with errors, missing vital data we received with the old FoxPro system, slow in the promise of direct access to their state's data, and otherwise a huge pain in the neck.

From the state perspective, RE appears to be a total financial loss that should be simply junked. From the staff perspective, the vastly increased fundraising possibilities offered by RE will create enough revenue to pay for itself in a relatively short amount of time, not counting the tremendous increase in staff productivity and decrease of staff frustration. Neither side was effectively speaking with each other, so neither message was heard for far too long.

In the minutes of the monthly Executive Committee conference call on January 18th, Dixon was cited as saying, "he has not received a lot of negative feedback on the project. The product works very well in the office. Interface problems with the affiliates remain." Dixon is certainly one of the most informed members of the LNC on this topic. Discontent still exists to a high degree among the state volunteers who have to process data dumps. To date state access has only seen a brief and limited beta test which uncovered more problems than solutions.

6) Audit Committee

Carling, as Audit Committee Chair, announced that Deryl Martin had resigned from the committee. He proposed that Richard Morley of Oregon be named to replace Martin, which received the assent of the LNC. Carling distributed a brief resume from Morley, giving detail on his extensive qualifications for this role. The fight over whether Frye and Wolcott should continue as our external auditors, despite Mark Frye's brief tenure as our internal bookkeeper, was not fully resolved.

After the previous meeting, the LNC held a mail ballot instructing the Audit Committee to submit three names of qualified firms other than Frye and Wolcott for their consideration. Carling submitted the names of Deloitte and Touche Tohmatsu, PriceWaterhouseCoopers, and Ernst & Young. Dixon said that Frye originally agreed to not have any decision making authority, but he subsequently made decisions about the coding of various items. Many of these were later determined to be erroneous and were corrected. The original plan was for Wolcott to do bookkeeping, while Frye would do the audit. Wolcott only made one introductory appearance in the office, and Frye ended up doing the bookkeeping. Starr and Carling appear entrenched in their support of Frye and Wolcott, which is proving to be untenable. In order to make the will of the LNC clear to the Audit Committee, Nelson moved to rescind the decision to use Frye and Wolcott for the upcoming audit, with an April 1st deadline for the submission of bids from new firms. The motion passed on a voice vote. Starr and Carling requested a roll call vote, which failed for lack of a

third.

7) Outreach

The most spectacular way that Seehusen is taking the initiative is in high level networking, including the LP's cosponsorship of the annual conference of the Conservative Political Action Committee, and an invitation to become a full partner in a working group pursuing abolition of death taxes. These activities have also increased our positive media response. Reports on the CPAC conference say that the overwhelming tone of the gathering was the religious right going out of their way to insult libertarians and small government conservatives. The social conservatives are removing any pretense that they ever cared about limited government as they pursue their oppressive social agenda. Libertarian leaning conservatives need a new political home.

8) Website upgrade

George Getz gave a detailed presentation on its new features. [Getz has since resigned.] He has been given a new title of Editor and Publisher of the website. Our webmaster Shane Cory is moving more into the background. Cory said that we are moving to a new service provider in Texas, which offers many new features, including web based email, message boards and discussion forums, a built in Wikipedia feature, and website updates. Getz cited PETA and Democratic Underground as two websites which incite activism and generate donations well. Websites are very rapidly rising as a source of revenue for political organizations. The Badnarik campaign raised about as much online as they did through direct mail. When asked when the new site will be online, Getz made a point of saying "very soon", before July.

9) Libertarian National Congressional Committee

Federal Elections Commission regulations allow national political parties to have three separate national committees. Democrats and Republicans have a national committee, a Congressional committee, and a Senatorial committee. Carling reported that pledges for donations totaling over \$23,000 have already been raised. The incorporators of the LNCC are Carling, Rutherford, Lark, Colley, Judge Jim Grey, elected Libertarian Ben Brandon of Georgia, and former LP Presidential candidate Ed Clark. Farris then moved approval of the LNCC incorporation, with this list of incorporators and the founding documents specified in his motion. This passed on a voice vote.

I personally think this is about the best thing since ice water. We have long needed to develop our own robust fundraising tools to match those employed by our competition. Elsewhere we can see how this is happening internally through actions by our staff and externally in the rise of supportive PACs and 527 groups. The LNCC is a natural and vital piece many of us have desired for a long time. Several board members expressed the concern that they were being asked to approve the creation of a new initiative before it was fully formed, or the details of implementation fully fleshed out, particularly with regard to the lack of LNCC bylaws ready to be approved by the LNC.

10) New Office Space

Admiral Colley delivered a detailed report on the search for new office space. Our lease at the Watergate expires at the end of the year. There was a thorough review of options in the DC area. The initial limitations in his search were that the new lease must be in a location befitting a national political party at an affordable price. After surveying staff, he added the considerations that it be convenient to the DC Metro subway lines, have easy access to George Washington University and its ready supply of interns, and be safe and secure for staff to travel to and from daily. The search was confined to DC and its suburbs.

The management at the Watergate has offered us a space on the second floor, and Colley recommended we take that offer. Nelson moved to give Seehusen authority to complete negotiations for this new lease, which passed unanimously.

11) Ballot Access/Oklahoma: The ongoing debate over the role the LNC should play in ballot access and how to raise funds to retire the negative balance in the ballot access project line continued with no new resolution. According to Nelson's report, the current balance is now \$29,062.82 in the red.

As usual, Redpath took exception to Nelson's characterization that the expenditures on ballot access and the Presidential campaign last year did not significantly advance the national party enough to justify the costs. He again said that he need greater authority and support from national to do this fundraising, and raised the new point that he needs a current hook beyond simply retiring debt to effectively raise money. The situation in Oklahoma described later in the meeting may well have given him some material in this regard.

Following up on the status of our primary ballot access fundraising contractor, Scott Kohlhaas, Redpath said that Kohlhaas stopped calling for us because the dispute over his payment was never resolved. To properly calculate what we owe Kohlhaas would require looking into whether everyone who told him they would send in a donation actually followed through. According to Redpath, staff has not given him or Kohlhaas any follow up on this request.

In a conversation outside the meeting, Seehusen pointed out that database implementation and other matters of more global and pressing concern come first, and in this particular case he told Villarreal that if she had to choose between those duties and taking the time to research over 80 transactions that would be needed to answer Kohlhaas, she should do the former. Even though staff has pretty much come out of the bunker mentality enforced upon them by the recent financial crisis, it is still the case that there is far more work to do than staff and time currently available to get it done, necessitating such choices. (This also is the answer for state chairs and other local activists who have complained that their phone messages and emails often do not get any response.) In this particular case, Kohlhaas has active incentive to never raise money for the national party again.

Squyres later gave a report on the ballot access lobbying efforts in Oklahoma. In my role with Freedom Ballot Access, I have kept very close tabs on this effort, and am proud to report that we contributed. Squyres moved suspension of budget authority to send Oklahoma some unspecified amount of money from the general fund for their lobbying. Time expired with no vote.

12) Nevada

Squyres reported that the Nevada LP is considering changing their name to the Liberty Party. They asked Squyres as their representative to inquire of the LNC if this would affect their status as an official LP affiliate. Being from Arizona, Squyres cautioned the LNC to tread very lightly in this matter, citing the disastrous results in his home state the last time they weighed in on an internal state party dispute. Starr suggested that the LNC could simply attempt to resolve the matter for Nevada, to which Squyres replied that this was precisely the mistake the LNC made in the past.

13) SPT Review

The review for the next four-year cycle of the Strategic Plan (SPT) will be held on the second day of the August LNC meeting. Dixon said he would create a new committee including five members of the team which created SPT, five chosen from elected Libertarians and those working in the broader libertarian movement, and five new members chosen by the LNC. Starr questioned the necessity and validity of SPT. Carling brought up the interpretation that the vote at the Atlanta convention against affirming SPT made it null. The majority of LNC members expressed the view that SPT is a working document with flaws that still need to be ironed out, and that the current rate of progress for it is to be expected. Lark noted the difficulty of achieving buy-in from all the state parties. The LNC voted to constitute this new SPT committee as Dixon proposed. Anyone who is interested in serving on this new Strategic Planning Team should submit their nominations to Dixon by April 15th.

14) North Carolina Resolution

The North Carolina LP passed a resolution in response to the LNC's refusal the previous meeting to hear a member's complaint about a press release which allegedly was in conflict with our Platform. It reads:

"Be it resolved, that the Libertarian Party of North Carolina deplores the action by the Libertarian Party National Committee at its November 13-14, 2004 meeting when it refused to hear a complaint from a member. The National Committee is elected by and answerable to the membership of the Libertarian Party. It has the responsibility and obligation to listen to and respond to concerns raised by any party member, at any time and under any circumstance. It is unconscionable for the national committee of the "Party of Principle" to refuse to listen to its members. We call upon the National Committee to live up to this commitment. We demand the Committee allow the individual who was denied this membership right be heard at the next committee meeting. Further, we call on all Libertarian state parties to join us in demanding that the National Committee honor its obligation to be answerable to the membership."

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This resolution was published on the state chairs' email list. To date, no other state has passed a similar resolution, at least not to my knowledge.

Sullentrup wrote a reply to the LPNC, where he spoke simply for himself and not on behalf of the LNC. He objected to this description of the obligations of the LNC as impossibly broad, and in any case said he could not find any positive justification for such a view in the party bylaws or other written policies. He did however opine that an LNC member that utterly failed to consider members' concerns stood a poor chance at reelection.

He went on to dig himself a hole by making the actual complainant, Carol Moore, part of the issue. "I do not feel obligated," he said, "to help erect a stage for a member to hurl stink bombs and to sit in for the performance." He went on to suggest several alternative courses of action, some of which Moore had already done before filing her complaint, some that in no way obligated the LNC to pay any attention, and a few that were actually quite useful.

Given the insular nature of the current LNC, those voices will have to be especially loud and sustained to be effective. This is by no means a criticism of Sullentrup himself. Indeed, he proved quite the opposite by being the only person who took the LPNC resolution seriously enough to write a thoughtful reply. Even where I disagree with him in the particulars, I commend him for at least trying to communicate directly with the membership.

Dixon did place the item on the agenda. Since he also serves on the LPNC Executive Committee, he was able to adequately describe how this issue developed. Wrights, who also serves with the LPNC, followed with the current state of thinking there, which mainly is that they are awaiting a formal reply from the LNC. Both of them stayed out of the substantive debate within the LPNC, considering their positions with the national party. I also serve as LPNC Executive Director, and suggested to the committee that they could easily delegate responsibility for members' complaints. I noted that the number and severity of these complaints greatly increased after they had abolished the Advertising and Publications Review Committee (APRC) six months ago, and that they should consider reforming similar institutions which can meet expectations such as those held in North Carolina without having to hear everything directly.

No action was taken by the LNC.

15) Procedural matters

Problems with the proper distribution of information to LNC members, and by extension to the party as a whole, are rapidly accelerating. Quite a number of reports requiring or suggesting action by the LNC were handed out only after the board sat down to meet. Affiliate Services Specialist Sam New reported he faced problems filling the binders because many reports were being distributed only to subsets of the LNC and not on the actual LNC-discuss email list to which is his primary source for them. The financial statements from December were still yet to be printed when the meeting began and were distributed later. Moulton noted that not enough books were printed so that alternates attending could also have a copy. Dixon apologized for the lack of proper distribution of these reports, and said he will send to

the LNC guidelines on how to submit reports in a timely manner by the end of March. Of course, if the LNC members actually read and followed their own policies, that would not be necessary.

Lark is the only Regional Representative who consistently files reports to the LNC about the activities of each state in his region. For the most part, the LNC conducted its business more smoothly and professionally than in recent meetings. One remaining source of tension, which is growing, is the conflict between Wrights on the one hand and Starr and Carling on the other regarding the use of Roberts' Rules. It has gotten to the point where every time Roberts' is cited by Starr or Carling, Wrights demands that they "show me" in the proper Missouri tradition. Twice Wrights caught them in inaccuracies, and a third time this tactic apparently flustered the California delegates so much they could not find their citation in time and withdrew. Although the tension surrounding the proper role of Roberts' Rules at the table is not terribly pleasant, I do hope that this emphasis will eventually result in a shared understanding at the table regarding their use.

Wright cast the sole vote against approving the minutes, and took the opportunity to caution the board against amending their motions on the fly at the table. Later in the meeting, he again criticized this tendency to pass motions first and fix them later. Dixon took every available opportunity at the meeting to remind everyone of the strategy to make the party an enjoyable and rewarding experience for all involved. He continually stressed the need to focus on the good of the party and not on any personal or internal conflicts. In his opening remarks, he noted that a main ingredient for the success of this or any board is to learn how to agree to disagree.

Wright used his closing remarks to implore his colleagues to be mindful of the membership and of their responsibilities to them as LNC members. He expressed pity for the regional reps that now have to go home and try to sell or at least explain the dues increase and the secret ballot. He referred to the natural tendency of boards, particularly this one, to think only of what goes on at their table and instead constantly ask themselves how their actions and decisions will look to our membership.

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16) Miscellaneous

Bylaws Committee: We consider changes to the party Bylaws during off year conventions. This Committee will be formed to begin work by the end of the year. If you are interested in serving on the Bylaws Committee, submit your nomination to Secretary Bob Sullentrup by April 15th.

Outsourcing caging for state affiliates: Starr prepared a motion to make the new outsourced caging services available to UMP states. He argued that this would be an economy of scale and be of assistance to states that don't have professional staff to process the mail and credit card donations.

Nelson asked if Starr had spoken to Seehusen about the impact this would have on staff. He had not. Seehusen said he was skeptical of the idea until he had further opportunity to study it, but added he would be happy to vet vendors and make introductions for any states who want this. The motion failed on a voice vote.

Campus organizing: Lark reported that this effort has a website, and is looking to have a better one up soon. He is working with staff to bring this about, and will reimburse staff for their time and resources through targeted donations. This project has also contributed to the success of the outreach efforts by staff. Revision of the campus organizing manual and conducting workshops around the country proceed apace.

Nelson asked Lark for his opinion on the question of a lower student membership rate. Lark said he was "agnostic" on the issue, since the notion that students have limited disposable income is disputable.

Branding: Seehusen reported on behalf of Jeremy Keil, who is the Champion of the branding strategy and not present for the meeting. Keil was to come to DC two weeks after this meeting to meet with 5-7 firms and hear their proposals. These proposals range in scope from simply updating our slogan and logo to a complete makeover of the organization.

Policy manual redesign: Carling, with the assistance of Karlan and Lark, is reviewing the Policy Manual with a mind to divide it into three distinct parts. This would clarify which are special rules of order, which are rules for the LNC and which are rules for staff. The final proposed revisions should be ready by the May meeting.

It will be vitally important for the LNC to review this carefully to ensure that no surprises creep in to any new manual.

National-State relations: Karlan, as Champion of the strategy to codify the relationships between national, state, local and campus affiliates, gave a report on his presentation at State Chairs' conference held in January in St. Louis. Examples of areas affected by this initiative include responsibility for ballot access, UMP contracts with the states, responsibility for affiliating campus organizations, the security of data transfers between affiliates, and whether national should put procedures in its bylaws to affirm states' decisions to expel certain members. This strategy is also

designed to promote certain best practices or desires of the national party among the states, such as adequate anti-takeover provisions in state bylaws and guaranteed placement of the Presidential ticket on state ballots. The state chairs expressed an active interest in pursuing these matters, and appointed Doug Klippel of Florida to develop this strategy from their perspective.

Program: The Program Committee, headed by MG, gave a report to Dixon before the meeting. The final product should be ready for review in time for the May meeting.

Nelson suggested that the Bylaws Committee look to remove Article 6, which gives the authority to develop the Program. Karlan reminded us of the history of the Program. He noted that the convention used to have this responsibility, but they pushed it to the LNC. Since then, the Presidential candidate's platform developed to the point where it served a very similar function. However, Michael Badnarik chose to simply use the party Platform as his campaign platform, making the need for a Program to detail the "how we get there from here" questions relevant again.

Personal resolutions: McGinnis offered a resolution to thank Geoff and Nancy Neale for their long history of service to the party. Carling suggested that the motion also grant the Neales honorary Life memberships to make our thanks more tangible, which was added by assent. This motion passed unanimously. Dixon noted the recent death of Illinois activist Lyn Tinsley, who was his local county chair when he first joined the party and very helpful to him as a new party activist. Lark moved a formal acknowledgment of the LNC's regrets at Tinsley's passing, which also passed unanimously.

(Continued from page 1) [Nelson Condemns Dues Increase] dues is a fiscally irresponsible decision. Increasing UMP payments would seriously compound this irresponsibility.

I encourage the other LNC members to publicly declare their votes and their reasons. Voting on an issue such as this in a secret ballot is deplorable behavior for a decision that directly affects our state parties.

It should be noted that the LNC ignored my repeated requests to direct staff to update the following data prior to making this decision, or to delay the decision until the data was updated. The National Chair has asked that I do so prior to the next meeting, which, unless directed otherwise by the LNC, I will make available on this list.

First, there is no structural need for a dues increase. As part of the 2005 Budget, the cost of members was estimated using the direct membership expenses (only UMP and renewal, the LP News breaks even) and a percentage of all common costs estimated based upon the percentage of dues relative to total revenue (32.26%). This formula estimated the "loss" on membership was \$4.03/member, at the projected membership level of 24,000. It was noted that this "loss" disappears somewhere just over 30,000 members, when our common costs are spread over a larger membership base.

I believe this methodology overstates the common expenses of

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membership. There is no way our executive director, or most of our employees, spend 32% of their time on basis membership. Most of their time is focused on larger donors, fund raising or outreach. A membership operation could be run out of a base-ment in Boise, not a DC office. We are in DC for other non membership related reasons. A modest lowering of the common expense allocation to 20% of the common expenses would eliminate the net loss on membership.

The only argument with this analysis I heard was that prospecting or recruitment expenses are not included. This is unrealistic. No repeated use product or service includes the total expense of capturing a new customer in the first purchase. It is recaptured over the life of a customer, which in our case is over 7 years.

I believe it is a reasonable marketing strategy to have a modest loss leader as an inducement to "qualify" members for increased donations. That is how membership works in the LP's model.

My final comment on whether the dues cover the associated expenses: The R's and D's National Committee both use a \$25 or lower sustaining membership amount. It is compelling that they see \$25 as the level needed to attract donors (while trying and bump them up) and retain member loyalty.

Beyond the lack of need for a dues increase, based on the best information available (a 2002 extract of donations showing how many members gave \$25, \$25 to \$50, and over \$50, and a survey of the \$25 only members), increasing dues results in a net reduction in revenue. Based on the data, the loss was estimated at \$14,130. Using the margin of error in the survey, the range of projections was +\$28,440 increase in revenue, to a -\$56,700 revenue loss. Using the motions that were passed in Portland, UMP payments would be reduced significantly. This would result in the LNC experiencing an \$86,940 increase in net income (the range of projections is \$56,502 to \$117,377). This does not account for increased renewal costs, which would reduce the increase, quite possibly substantially. Still, it is notable that all of the increased income (revenue - expenses) to national is at the expense of UMP states.

With Aaron's proposed "fair" increase of UMP II payments to \$30 per member, the LNC would experience a significant net loss, projected at \$89,352 (the range of projected losses is \$72,324 to \$106,308). I don't see how taking \$100,000 from National and simply transferring it to the states is "fair."

The only arguments against the above analysis were against the survey methodology, stating that pricing survey's result in biased answers. The survey firm (a highly qualified firm ran by a small l, that does work for the Heartland Institute), disputes there are any problems with the survey methodology. Instead, they state that the methodology was specifically designed to overcome any bias. To my knowledge, customer surveys are a routine part of pricing decisions. No one credibly provided information suggesting otherwise. For the modest cost associated with the survey (roughly \$3,000), I believe it should be part of our decision process. If anyone wants them, I can provide the spreadsheets showing the above analysis.

Mark Nelson LNC Treasurer

Getz Resigns from LNC Staff

Let Freedom Ring! has confirmed that George Getz resigned from the LNC Staff. The resignation happened in mid-March. We understand that the Badnarik communications team offered to come in, short-term with a substantial group of people to handle the communications issues that need to be handled.

Sean Haugh's latest column at Liberty for All! has extensive background on the Getz and Villarreal resignations and other peculiar events at our national HQ. <http://www.libertyforall.net> for the details.

Karlan Resigns from LNC; He Then Retracts Resignation

LNC Regional Representative Dan Karlan resigned from the LNC. Your humble editor began a campaign to be elected as his successor. Karlan retracted his resignation. The state chairs of his demiregion agreed to accept the retraction and give him back his job.

LNC Members Dispute Role of Seehusen in Dues Increase

The following passed through the LP State Chairs list and its Echo maintained by Jason Auvenshine. I had expected that I would need to aggregate these, but find that Christy Ann Welty had done this first, so the following has substantial contributions from someone other than your humble editor:

On March 3, M Carling wrote the State Chairs, saying in part ...*What I found surprising and alarming was that Mr. Seehusen succeeded in arguing that the national office needed all of the additional \$25 and that the state parties didn't need any of it. Mr. Starr's proposal to send \$12 of the \$25 increase to the state parties was defeated (also by ballot vote) 5-12.*

However, nothing about the increase itself was a surprise. It was considered at the August and November LNC meetings. As a regional rep, I have kept the state chairs and vice-chairs in my region informed and polled them on their opinions. I know that at least some other regional reps have also had good communication with the state chairs in their region about the question of raising dues to cover membership costs.

I think the national office needs to do a much better job of spending the money it's getting now. Therefore I will continue to support passing to the state parties as much of this increase as the LNC may be willing to support."

Chuck Moulton wrote in response: " In my opinion there should be no secret ballots in an open organization like the LNC. LNC regional reps are supposed to represent the states in their regions. LNC at-large reps are supposed to represent the members. I have heard several LNC members say that members should feel free to vote them out of office next term if they don't like how they are voting. Of course that is impossible if affiliates and members don't know how their representatives voted. I am similarly troubled by the lack of roll call votes on very important issues (such as the dues increase)... That was not my recollection of what Mr. Seehusen said. Mr. Nelson asked him if he had a chance to review Mr. Starr's proposal to report on its probable impact on membership, fundraising, etc. Mr. Seehusen said that he had not studied the proposal. His position seemed to be against a dues

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hike until the ramifications could be studied. I do not recall him arguing national needed all of the additional \$25. In fact, his opposition to the dues hike suggested the opposite.

"Certainly I think Mr. Seehusen was derelict in not studying a proposal that had been brought up two previous meetings and was well known far in advance of this meeting. But to my knowledge he did not ask that UMP not be raised.

"I was busy and distracted during parts of the meeting. For example, I counted the votes for the dues hike secret ballot (as an alternate not participating in the vote). If Mr. Seehusen vocalized objections to an increase in UMP payments when I was so occupied, I would have missed that discussion. . ."

To this LPTN Chair Ray Ledford added: "It's been a long time since I've seen anything about this, and since there has been talk of withdrawing from UMP participation, just what, if any, dues are required from members who live in a non-UMP state? It's very likely that TN will withdraw if the current dues increase isn't reversed or reduced. I've already heard from some who are not going to pay the increase. Some people on the LNC are killing this party."

And in response to Carling's statement George Squyres wrote: "I have heard nothing from the ED about this at any time, nor have I heard from anyone, prior to Mr. Carling's accusation, of the ED lobbying for this.

I was in the room, I was paying attention, and I did not ever hear the ED argue that UMP should not receive any increase. He specifically said he had not reviewed anything on the effects of any change in dues.

I am not sure why Mr. Carling is attacking our ED, but it is inappropriate.

George Squyres"

And Lee Wrights, discussing the assertion by Carling about Seehusen, wrote

"This absolutely did not happen at the meeting. Mr. Seehusen made no such argument to the LNC in Portland."

Discussing the dues increase, Utah State Chair Fran Tully said to the State Chairs List: "I oppose the increase in dues. However, I do not intend to take the time to email every representative. Therefore, anyone who wants to pass my message on may do so.

I suspect, and would even encourage, state parties to consider opting out. For some time now, I have felt that the LNC does not represent LPU. I see no reason why the folks in Utah need to pay higher dues to the LNC. Simply put a message in your state newsletter letting folks know of the change and remind them that they have the option of being a state member without being a member of the LNC. If enough folks opt out, the LNC will get a very clear message.

Fran Tully
State Chair
LP Utah

We may thank Steve Trinward for quoting a contrary opinion from someone else, with which he differed, on retaining \$25 a year members, namely

"If the povertarians only contribute \$25 per year (as a loss leader) and never, ever, contribute anything more than that, why keep them on the rolls? Keeping them means someone else has to subsidize the expenses associated with that membership, to the detriment of other projects & goals. Drop them." The quote was attributed to Mark Hinkle.

In defense of his circumstances, M Carling offered:

"I have been accused of saying that Mr. Seehusen lobbied regarding the dues increase at the Portland meeting. I never said that. Mr. Seehusen lobbied me on this in his office in December. If I'm guilty of anything, it's of a prior lack of clarity about the time and place."

To which National Vice Chair Lee Wrights answered as publicly distributed: "You responded to a discussion on the state chairs' list about the Portland meeting with this statement:

What I found surprising and alarming was that Mr. Seehusen succeeded in arguing that the national office needed all of the additional \$25 and that the state parties didn't need any of it.

This is a lie in the context of the discussion. Plain and simple. If you meant something completely different then you intentionally misled the state chairs with a false statement in an attempt to undermine our executive director. You did not respond at all to the four LNC members that came forward at the time on the state chairs' list to refute your false statement.

NOW that you have been caught in the act, you have produced a completely different story and claim that you were only lacking in clarity. You see, this is the age-old problem with lying. You tell the first one and more lies must follow to cover yourself for the first one. It is a shame to see such behavior from a fellow LNC member.

Mr. Squyres is quite correct when he observes that your credibility is shot, and it is your own fault.

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Only interested in Liberty,
R. Lee Wrights
Vice Chair, Libertarian National Committee"

Kansas on Dues Increase

In a letter to LP State Chairs, dated as word was just getting out about the event, the LP State Chair of Kansas is reported to have written:

Hello All,

I have seen a report on an LNC meeting purportedly held Monday evening, February 28, 2005. The report states that dues were increased on renewing members from \$25.00 to a \$50.00 minimum. It also states that the vote on this was made in secret.

Is this report substantially true?

If so this will have serious repercussions if not rescinded immediately.

My State, Kansas, will likely pull out of UMP altogether and handle our own membership and dues.

This subject was not mentioned at the recent LSLA Conference in St. Louis. It should have been as it has been discussed at past LSLA meetings. Will someone please confirm and explain this action.

For Liberty,
Steven A. Rosile
Chair, LP of Kansas

Wisconsin Elects Officers

The Libertarian Party of Wisconsin elected new officers at its convention held March 19 at the Pallas Restaurant in West Allis. Arif Khan, 2004 candidate for US Senate, was elected by a large majority.

Outgoing chair Ed Thompson, 2002 candidate for Governor, did not seek re-election. Thompson will focus on deciding whether he will run for future political office, as well as running his Mr. Ed's Tee-Pee restaurant in Tomah.

Khan promised to focus on outreach to disenfranchised communities, such as Muslim-Americans. Khan also said that he will focus on running Libertarians at the local level.

Elected to party offices were:

Chair - Arif Khan, Fon du Lac, 2004 candidate for US Senate.
Vice Chair, Jeremy Keil, Hales Corners, Libertarian National Committee member.
Secretary, Keith Deschler, Racine, 2002 & 2004 Assembly District 62 candidate.
Treasurer, Markus Rostig, Fon du Lac, 2004 Khan for Senate treasurer.
Past Chair Ed Thompson, 2002 Candidate for Governor.

New Hampshire Activism Opportunity

Dear Liberty Volunteers,

I am working on putting together a plan called Project Full-Slate for the Free State. This is an aggressive project to run a full slate of Libertarian candidates for each level of public office including State Representative, State Senator, Governor's Council, Governor, and U.S. Representative.

In order to have a full slate of Libertarians, we need at least one candidate for each of the 88 State Representative Districts, one candidate for each of the 24 State Senate districts, one candidate for each of the 5 Governor's Council seats, one candidate for Governor, and one candidate for each of the two U.S. Representative seats.

If you are interested in running for one of these offices, please call or write me. My telephone number is 689-3165 and my email address is jperry@lphn.org.

Even if you cannot commit to run a full campaign, it would be a great help to at least give people the Libertarian Option on their ballot for each level of Public Office. And just think -- if you run, you'll finally be able to vote for someone you agree with on 100% of the issues!

In Liberty,
Jim C. Perry
LPNH Volunteer Coordinator

EDITORIAL ENOUGH IS ENOUGH

A substantial fraction of the National Committee has shown in no uncertain terms what it thinks of the opinion of National Party Members. They face the wrath of members who might disagree with them on the dues increase by hiding under the figurative table, by voting to conduct their vote on a dues increase in secret.

Imagine the consequences if Congress could vote on tax increases in secret. Actually: Look and see the outcome.

The members who voted for the secret ballot are unfit to serve on the LNC and should not be re-elected. These LNC Members, who are doubtless fine Libertarians who can serve the party in some other role, but should not sit on our National Committee, are

Dena Breudigam
M Carling
Michael Colley
Ed Hoch
Dan Karlan
Bill Redpath
BetteRose Ryan
George Squyres
Aaron Starr
Bob Sullentrup.