

Libertarian Strategy Gazette

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Stand Up for Liberty!

Chapter 7

Campaigns and Campaigning

I repeat the theme of Chapter 4:

The Purpose of a Political Party is

- to Advance Its Agenda,
- to Run Candidates and Win Elections, and
- to Use Electoral Victory to Put Its Program into Effect.
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This chapter asks and answers:

- Why should we run people for office?
- How many people should we run? Why?
- What offices should they run for?
- How do we build a stronger Libertarian Party by running lots of candidates?
- What sort of races might our candidates run?
- Why Should We Run People for Office?

A Libertarian Party group can do many things. BUT: **If you are Party group and not a group of party-goers, your group must do one thing. If you are a Party group you must run candidates for office.** You have no choice. You may not win every time, but if you not fielding candidates, you are not a political party, you are a membership club like the local bowling league.

The details -- who you run, which offices you contest, what effort you spend campaigning -- depend on your particular situation. Running candidates on a Libertarian Party ballot line may be legally impossible. You can always run candidates who open every interview "As a Libertarian,..." Running candidates who are libertarian remains an absolute requirement.

The Virginia Party's Strategic Plan compares a political party to a theater company. If you run a playhouse, you must stage performances every summer. Opening your door for a year, closing for two years, and expecting an audience in year four simply does not work.

The Summer Theater principle applies to the Libertarian Party. If you want people to show up at the polls, they must find our candidates on the ballot all the time. If you want people to join the Libertarian Party voter base, you must reward them for the loyalty they freely gave. You must give your voters a campaign every election. When Libertarian loyalists reach the polls, they absolutely positively must have the chance to Vote Libertarian! If they find no Libertarians on the ballot, if your efforts went into recruiting

members to read your magazine and not into activists who will Stand Up of Liberty!, your voter base will rapidly desert you.

How Many People Should We Run? Why? For which offices?

Sun Tzu said "Opportunities multiply as they are seized". Elections are opportunities. We seize them by fielding candidates. A blank ballot position is an opportunity lost forever.

Within the constraints of ballot access laws, Libertarian groups should run lots of candidates. How many? In general, your group should field as many presentable people as you can persuade to run and can get on the ballot.

There are natural limits to running lots of candidates.

- Nationally, there aren't enough Libertarians to run someone for every single office.
- No single campaign will bring us the Libertarian future. You need a long- range perspective. You don't want to work so hard putting people on the ballot this year that you burn out your activists.
- Running more people does not automatically create additional campaign resources. If you field more and more candidates, eventually some of them must run a minimum-commitment campaign or generate their own resources to run a serious campaign.
- In a few cases (mostly statewide races), running a candidate may be a mistake, because it may make ballot access more challenging in future elections.

Multiple candidates reinforce each other's message. An isolated Libertarian candidate is a voice crying in the wilderness. When we run candidates for election at every level, each voice reinforces the others. The electorate hears a Libertarian chorus, every voice singing its own version of the Libertarian message of small government, low taxes, and personal freedom.

Multiple candidates reinforce each others' votes. The Pennsylvania group did a statistical analysis on their campaigns for higher office. They compared wards where other Libertarians ran for lower office with wards where no Libertarians ran for lower office. Libertarian candidates for lower office generate an up-draft. Candidates for higher office do markedly better when they are accompanied by Libertarian candidates for lower office.

Which offices do we want to cover? Ideally, there should be a Libertarian running for every single elective office. In America, there are around 400,000 elected officials. That's more positions than we have candidates. In the range of available options, so long as we have good candidates available, we should:

[Campaigns] (Continued on page 2)

From George Phillies' book **Stand Up for Liberty! Now available from <http://www.amazon.com>** .

1) Run umbrella campaigns. Every possible ballot should include at least one Libertarian running for some office. Loyalty is a two-way street. In more than two dozen states, voters show their loyalty to us by registering Libertarian. The party must return their loyalty by giving them the chance to Vote Libertarian!

The 50-state Presidential ballot access campaign provides umbrella coverage, but only every four years. In some years, similar coverage is attained by running candidates for state-wide office. A program of launching U.S. Senate and Congressional campaigns complements other umbrella efforts, and is appropriate in states with easy ballot access requirements.

2) Pursue winnable and certain-victory elections. If there are no candidates, a write-in campaign can win. If there is only one weak candidate, especially in nominally non-partisan races, a vigorous campaign can propel a Libertarian to victory.

3) Seek Committees, Commissions, and Appointments. The government behemoth has created hordes of appointive and elective committees, from Playground #13 Advisory Committee to Federal Reserve Board Chairman. Many of the less significant of these bodies are desperate for volunteers. By volunteering to supervise playground monitors, Libertarians can get nominal records of civic service. However, many of these groups have a narrow range of allowed actions, so opportunities to use Libertarian solutions to government problems may be limited.

4) Remember that victories happen. Running lots of candidates does not guarantee that anyone wins, but you can be sure that the people you did not run will not be elected. In 1998, the Vermont Libertarian Party ran dozens of people for local and state office. As a result of this program, for the first time in 4 years a Libertarian was elected to a state legislature.

5) Enter High-Profile Races. In every major national election, a small number of races gather disproportionate media attention. The 1996 Kerry-Weld Senate campaign is an example. Kerry-Weld campaign debates got coast to coast television coverage. In states with a favorable media situation, the entire Libertarian movement benefits from a concerted effort to insure that an effective Libertarian candidate is in the race.

(Statewide races in Massachusetts are a good example of an unfavorable media situation. Most statewide debates in Massachusetts are de facto -- there's nominally a committee -- run by a single highly partisan media source that always has a reason why the Libertarian is not admitted to the debate. When "Libertarian" is a "party designation", the excuse is "not a major party". When "Libertarian" is a "major party", the excuse is 'not high enough in the polls'. No matter what, in most years most Libertarians are left outside.)

The high-profile campaign tactic worked in 1997. The New

Jersey Governor's race was a media showpiece. Libertarians across America raised hundreds of thousands of dollars for the campaign of candidate Murray Sabrin, earning him state campaign finance support and putting him into every candidate debate. Sabrin won under 5% of the vote. However, exit polls say he changed the election's outcome; he saved Governor Whitman's re-election bid by drawing selectively from Democratic voters.

How do we build a stronger Libertarian Party by running lots of candidates?

The obvious benefit to running candidates is electing Libertarians, so they can put sound Libertarian policies into effect. Running people for office gives other benefits to the Libertarian Party. Election campaigns also build a stronger party. To take proper advantage of election campaigns, Libertarians must keep in mind: every activity should have two or more purposes. What can an election campaign do beyond electing people to office?

Some campaigns generate free publicity: Publicity is partly random. The more good people we run for office, the more random chance favors us. (That's a statement about publicity, not about electing people to office. "If you run enough people, some of them will win" has worked, but it's also a straw man argument from people who oppose running local candidates.)

Look at history. Libertarian Harry Browne and Massachusetts Governor nominee Dean Cooke were shut out of their debates. My Massachusetts Congressional race gave me 11 debates and joint appearances with Democratic and Republican opponents. (One of my debates made C-Span II, going out coast to coast 7-8PM EST the Thursday before the election. That was an hour of free publicity for the entire Libertarian Party, straight into the homes of a million Americans. WJAR-TV said I clearly won the debate they covered.) You can sometimes predict which races are good for free publicity, and be sure to have strong people running in them.

Those predictions are not perfect, so the more good people you run for office the better the Libertarian Party will look. Higher-level candidates can generate good publicity for lower-level candidates. Every four years we run a Presidential candidate. As a campaign to elect a President, the Presidential campaign is presently a complete waste of money. From 1980 forward, each Libertarian Presidential nominee got half a million votes, give or take a factor of two. It's not likely that we'll do better soon.

However, we can use a Presidential campaign to generate votes for candidates lower down the ballot. Just as Tipper Gore personally generated votes for Don Gorman's opponent (see below) in New Hampshire, an appearance and local media interviews by the Libertarian Presidential candidate can generate votes for local Libertarians, people who are actually in winnable races. Elected Libertarians, unlike our Presidential candidate, will generate publicity for the Libertarian Party for their whole term in office.

We can also use the Presidential and other campaigns to generate advertising for the party. A good Libertarian ad says VOTE LIB-

LIBERTARIAN! Elect Phillies, not ELECT PHILLIES, Vote Libertarian or Elect Phillies. In the near future our primary objective should be to sell the party, not to elect a candidate. Our advertising should conform to this reality. It should be distinctive (say, black ink on yellow vinyl for bumper stickers), similar for all candidates, and stress on LIBERTARIAN rather than the candidate's name.

Libertarians were going to do party advertising in late 1995 in New Hampshire. They did fundraising to pay for those ads. The ads were never run. Various excuses were offered. Overlooked in the discussion about running those ads was the second opportunity to advertise, namely Fall 1996. The Clinton and Dole campaigns only ran targeted advertising. Clinton and Dole only advertised where they thought that their opponent might win. In states like Utah or Massachusetts, where one man was so far ahead the other could not possibly catch up, there was no Presidential campaign advertising. States like Utah and Massachusetts made ideal targets for a Libertarian Presidential advertising campaign. Libertarian ads would actually be heard, because the candidates who in the end finished first, second, third, and fourth in the Presidential race were not advertising. Also, people in these states knew in advance who was going to carry their state, so there was no reason to fear wasting their vote on a minor-party candidate. In the near future, when we do Presidential campaign advertising we should target states that the other parties are avoiding.

Each campaign mobilizes new activists. Every year that we run people for office, we have people coming out of the woodwork to volunteer. They are surprised that there is a Libertarian candidate on the ballot and eager to help. They may only want to set out lawn signs or carry a bumper sticker on their car, but they are volunteers we could not otherwise have found. We must cherish the list of those volunteers, so they are with us in future elections. We find these hidden volunteers by running ourselves up the flagpole, and seeing who salutes.

Sometimes minimum-commitment candidates activate themselves. They discover that being a minimum-commitment candidate is not as challenging as they expected. As one of my correspondents said, 'I was originally a paper candidate, but I did more, and next time I will do more yet.'

By running more candidates, we make our opponents spread their fire. If they spread their fire, we have an easier time winning. Contrast this principle with the past: When Libertarian New Hampshire State Legislator Don Gorman ran for re-election, Tipper Gore, the Second Lady herself, come to town to campaign against him personally. Don lost. One of our Pennsylvania candidates for a local office went to vote. There was his Congressman, campaigning for our candidate's opponent. When Libertarian in Republican clothing Ron Paul ran for Congress as a Republican, the Republican party unsuccessfully shoveled huge amounts of money into the campaign of his Republican primary opponent.

Each pro-Liberty candidate faced stiff opposition because he

was the only pro-Liberty candidate on the ballot. If each of these candidates had been flanked by a host of other Libertarian candidates, the duopoly parties would have had to disperse their campaigning effort over dozens of targets, making it that much easier for our people to win their races.

Our opponents can only spread their money, activists, and personalities so far. If we announce we are funnelling all our resources into a couple of races, our opponents get to do the same -- and they have a lot more resources to funnel. By spreading our effort, we force our opponents to do the same.

Each campaign costs them a lot more than it costs us.

Even a paper candidate draws down an incumbent's resources, weakening him for the future. Many incumbents run against weak or no opponents, allowing them to accumulate money from campaign to campaign. When they reach a strong opponent, they have at their beck and call a huge treasury, ready to win a challenging race. When we run many candidates, year after year, we make our opponents spend their money, weakening them for the future.

Campaigns teach by providing experience. A campaign as limited as my Congressional race had volunteers, people who stuff envelopes, collect nominating signatures, call voters, and hold signs. Each of these people got a lesson in how campaigns work. Like most Americans trying something new, they got lessons in what to do differently next time. The person who works hard for candidate X this year may work better in two years, or perhaps even be willing to run for office herself at a future date.

Some campaigns provide other perquisites. In some states, candidates are entitled to lists of all registered voters, their party affiliation, and other information. That is extremely valuable information for all future Libertarian campaigners. Collecting that information (when available) is a primary objective for every Libertarian campaigner. In Massachusetts, my 1996 Senate campaign and 1998 Congressional campaign were scrupulous about generating this information, giving me the largest list of Libertarians in Massachusetts.

On the other hand, failing to recover voter lists when available should be immediately identified as a catastrophic error. One can readily name prominent statewide Libertarian campaigns that had catastrophic failures in collecting names.

Which Offices Do We Contest?

As an umbrella race, we need to contest the election for President. 50-state ballot access for the top of the ticket is worth the cost, given the favorable impression that is cultivated.

Candidates for higher office get publicity that more local candidates cannot. A candidate for President or Governor or Senator can make local appearances, shedding light on Libertarian candidates for local office. A well-run state or national campaign can send the message VOTE LIBERTARIAN! (Elect Janice), thus spreading the Libertarian message

to millions of Americans who would otherwise miss it. Running people for Congress gives the party credibility: by running a full slate of Congressional candidates, we prove we're not the one-man show of Ross the Boss's Reform Party. Besides, some people have the credentials to be believable candidates for Federal office, but lack the credentials to be believable candidates for local office.

We should contest winnable and plausibly winnable election campaigns. These campaigns will put us into interesting offices. It is hard to predict which races can be won by a Libertarian, and which can not. Overaggressive pruning of possibly supportable campaigns, until we support very few campaigns, probably leaves us supporting the wrong people. Only by spreading our support can we be reasonable confident that we will help the right people. Spreading our support also promotes public awareness of Libertarian positions over wider areas.

Benefits of pursuing winnable campaigns were demonstrated by the Pennsylvania Libertarian Party, which ran dozens of people for the post Judge Of Elections. The Judge of Elections operates his polling place. Every election, every active voter meets their Judge of Elections. Just by being there when people vote, the Judge of Elections is introduced to every voter in his ward. Such introductions are a potent tool if the Judge later wishes to run for higher office.

It is generally worthwhile to support, at least at a minimum level, every candidate who puts a minimum effort into her campaign. That support puts more good candidates on the ballot at a minimum price. The small investment has a disproportionate return in terms of putting good Libertarians on the ballot.

Sometimes there are strong tactical reasons *not* to run candidates. For example, in many though not all states having Major Party Status is a good thing. In some states, Major Party Status is determined after each statewide election by the vote total of the highest-ranking candidate of the party. If you get enough of the vote, you get Major Party Status. If you run someone for Governor, her vote total determine the outcome. If you run someone for Attorney General, but not Governor, his vote determines the outcome. In these states, you may really want to run someone for Regent of the State University, but no higher position, this being your most effective approach to getting Major Party Status.

What Sorts of Races Do Our People Run?

Libertarian campaigns are described by the work that candidates put into them.

At the lowest level, a **paper candidate** does the work needed to get on the ballot, or has someone do that work for him, and disappears from public view. Paper candidates give the Party a name on the Libertarian ballot line, but only in states that have recognizable lines for parties. Paper candidates make a positive contribution by showing that the Libertarian Party is alive, but do relatively little to advance the party's broader aims.

A **minimum-commitment candidate** answers questionnaires from interest groups, returns calls from the press, and appears at debates when invited, but is otherwise inactive. Minimum-commitment candidates get some of the press coverage earned by serious candidates. However, minimum-commitment candidates are not necessarily effective at retaining newly-mobilized activists, because they may give the activists no work. Minimum-commitment campaigns do little to advertise -- beyond free media -- the Libertarian movement.

A certain fraction of media outlets give the most coverage to the most active campaigns. Some outlets determine the most active campaigns by calling their own sales department to learn who is buying the most advertisements. To these outlets, a minimum-commitment candidate basically does not exist.

A **serious candidate** raises money, phones potential volunteers, places ads and posters, gets out our vote, and participates vigorously in debates. A serious campaign has as much campaign staff as our party can supply. A serious candidate uses the campaign style that leads to victory, even if victory is uncertain. Serious candidates do the most to activate Party members, to develop a strong local party organization, and to build the large voter base we need before we can hope for political victory.

The preferred option for the LP is to run serious candidates, the people who will walk their district, spend days shaking hands, and hours every day phoning donors and supporters. Most Democratic and Republican candidates spend half of their campaigning hours telephoning potential donors. Our serious candidates should take this rule to heart.

Minimum-commitment candidates are a worthwhile way to increase the party's reach. They show voters that we have people willing to Stand Up For Liberty! and run for office. Realistically speaking, we should take the candidates we can get. A presentable minimum-commitment candidate is far better than no candidate at all. A paper candidate may harm the party if he is regularly linked with the statement "did not return our questionnaire".

In summary, the Local Organization strategy calls for running as many candidates as reasonably possible. Every voter should be able to Vote Libertarian! in every election. More and more Libertarians should enter winnable races. I equally encourage you to run people who are not likely to get elected, but who would represent the Libertarian Party well. Election campaigns are an effective party-building tool, if they are used for goal beyond electioneering.

The above Chapter is taken from George Phillies' book Stand Up for Liberty, now available on <http://www.amazon.com>

Letters on Libertarian Strategy

Direct and Indirect Costs

This is the first of several letters discussing how the LNC should spend its money. In this letter, I discuss sources of income and the concepts of direct and indirect costs. Direct and indirect costs are fundamental for understanding what you are doing when you spend money. If you already know about indirect costs, you may find this topic to be a bit familiar, but it is very important for understanding what we should do to spend our money.

One of the most fundamental activities of the Libertarian National Committee is raising and spending money.

Where do we get money?

- 1) Above all, we are a membership organization, taking dues from members.
- 2) We receive restricted and unrestricted donations.
- 3) We may have other activities, some of which generate income.
- 4) We could make arrangements that would yield permanent, stable income.

For each source of income, there are base expenses:

- 1) Corresponding to membership dues, we have membership costs. We maintain membership records, remind people to renew, provide issues of the newsletter, (for members from UMP states) supply state organizations with their fraction of the dues, etc.
- 2) We receive donations because we do fundraising, including membership recruitment efforts that also ask for donations. Corresponding to the fundraising costs are fundraising expenses. There are telephone calls, letters, donation reminders, etc.
- 3) Other activities also have costs. For example, the Defend Your Privacy website and other websites of the same style cost money or donations in kind of programmer time to deploy. Donated programmer time is a specialist activity, in the sense of "Stand Up for Liberty!". The effort that went, e.g., into Eric Garris's excellent antiwar.org site would not necessarily have been available for other causes.

What sort of costs are there?

Costs are of two sorts. Direct costs are expenses that are obviously directly linked to the activity that the support. For example, when we recruit a member from a UMP state, the money that we send off to that state under the UMP plan is a direct cost. Note that we might have projects that have direct costs but produce no income. I listed above projects that do produce income, but all projects will not produce income. In addition to direct costs, we also have indirect costs.

What are indirect costs? We have office space, employees and their salary and fringe benefits, administrative staff, etc. These are all real expenses -- money out the door. Look at all of the money that we spend. Some spending is readily assigned to a particular project. Spending that you assign to a specific project is a direct expense. Other spending is difficult to allocate to a particular project. Spending that is not readily assigned to a specific project is readily described as an indirect expense.

Indirect spending is just as legitimate as direct spending. We draw the distinction between direct and indirect spending because it is too expensive or complicated or time consuming to allocate some expenses to specific projects. The decision as to whether particular costs are treated as direct costs directly assigned to a particular project, or whether those expenses are counted as indirect costs, is largely arbitrary. One can rationally discuss whether a particular expense should be assigned to a specific project or counted as an indirect expense. By changing how you allocate spending between projects, you can change whether you see a project as being effective or ineffective relative to its costs.

There is one totally ironclad rule in financial analysis. Every cost must be identified either as a direct cost or as an indirect cost. There are no costs that are neither direct nor indirect. Once all costs are identified as being direct or indirect, all indirect costs are assigned to projects in a uniform way. For example, one could divide the indirect costs over the direct costs in a proportionate way by means of an "overhead rate". An "overhead rate" looks like a tax. You say "we have \$50,000 in direct expenses for this project, the overhead rate is 50%, and therefore this project is assigned \$25,000 in overhead charges."

I should emphasize that the overhead rate is a calculated quantity. The process for calculating the overhead rate is to say "We have a total of \$2,000,000 in direct costs, and \$1,000,000 in indirect costs; the overhead rate is the ratio of those two numbers, or 50%". The overhead rate is not a number that you set in advance; it is strictly a number that comes out of the process that automatically assigns every dollar of indirect costs to *some* project. However, one can make some estimates as to what overhead rates are. Typical university overhead rates calculated as noted above are in the range 40-90%. Typical overhead rates for a civil engineering contract or industrial firm are around 150%. You choose your management model, universities being typically much lighter in terms of administrative staff and salaries at the upper end, and you can then ask if your numbers look reasonable or not.

There are other ways of dividing indirect costs over projects. Some of them are much less intuitive than the process described above. However, no matter which method you use, an honest budget description identifies every expense as a direct or indirect cost and distributes the indirect costs over the projects and their direct costs.

Please propagate this letter to other appropriate Libertarian lists, such as state lists.

ASIDE: I noted above a fourth process for raising money. Let's consider that briefly. How else could the Libertarian Party have identifiable financial support? One alternative is to take money and invest it as an endowment, noting that the success of our economic system will eventually return a sound investment many-fold.

In my opinion, based on the practical realities of human nature, endowment funds should be separately held and invested by a Libertarian Party Endowment Trust. The Trust would have a set of Trustees appointed with long overlapping terms. The Endowment Trust would be responsible for spreading its money between income-producing securities and properties (mostly bonds), and equity investments (mostly stocks) in an orthodox manner.

Under modern conditions it is generally recognized that the soundest distribution of investments for a permanent organization divides between bonds and stocks in a ratio around 30:70 or 25:75, with a 5 or 10 percentage point bracket in this ratio. The endowment trust would also be responsible for setting a return rule. A return rule sets a period over which the value of the trust is averaged, and the percent of the averaged value of the trust that is returned to the primary organization. A typical averaging period is in the range 1-3 years. Typical return percentages are in the range 4-6%, the return percentage being set so that in the long term the real value of the return is conserved or increases. To protect against several obvious abuses, one needs a rule limiting the frequency with which the return rule may be changed,

and the allowed size of each change.

There are substantial election law issues relating to activities that a Libertarian Party Endowment Trust might fund. Under some conditions, it might become relevant to maintain two trusts, one based on hard-money contributions (which may legally be invested between elections) and a separate trust based on soft-money contributions. The exact targets on which the return funds may be spent will be determined by election laws.

Under some future conditions, it may be the case that the returned funds could no longer be controlled directly by the party, but would have to be entirely under the control of a set of endowment trustees. Under some conditions, it might be that the Trust would fund non-electioneering activities, without going near the Party political operations.

...George Phillipies

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