

Tape 14 – Gary North:

Gary: Our next guest is Dr. Gary North. He is the editor of a very prestigious newsletter called *Remnant Review*. He's also founder of the Institute of Christian Economics and he has published nearly 30 books at a profit. Someone once said his school chums used to tease him about being a nerd and he got even with all of them by being extremely rich. One of the things about Gary North is that he is a very image-conscious person, a man of great dignity, and if you don't believe that, I have pictures taken of him last night that will prove it, which I intend to have blown up and sent to his entire subscriber list.

In any case, I think he has a very valuable message for all of us, and it'll be the first time I've heard him talk. Bill and Karen Myers told me that his message is extremely informative and inspiring, so would you please welcome Dr. Gary North? Would you come up, Gary?

Gary North: When Gary mentioned that he was going to have this seminar, I decided I would come not primarily to speak but because at a seminar like one of these, for those of us who are really in the business and putting money out in direct mail or other forms of advertising, it is very, very important for us to get two things; that is motivation to do it again and perhaps an idea that would be effective financially, or even more important, to see that you're about to make a mistake and I have a particular package that I expect to have going out in the next six weeks, and in one statement in Ted Nicholas's presentation, I realized I had left something out of the ad, and that would unquestionably pay for the trip down and back. When Gary says we come down at our own expense, he's correct, technically. We do pay. The speakers do pay to come, but the reality is the information here, if you're serious, if you're in this business, whenever you go to one of these seminars, what I would call the high ticket, heavy-hitter seminar, you will find at least one or two things that will pay for the whole trip, and that's really all you're after is one or two things that you say that makes sense. I can apply that in my life. The rest of it is interesting. You meet some interesting people, you may get some deals out of it, you find other people of similar interest, but the important thing is you take one or two things home, and then you do something with them. I think in my case, it's already paid off, so I am, in a sense, a volunteer because I very much believe in the cause. I think it's a very gracious thing that Gary has done, and I would've participated under any circumstances, but I think you've got to understand you're not here to pick up every piece of information and apply it. You're after one or two key things that will make a difference in real-world advertising.

Now having said that, I did not come with a product to sell. I don't have any forms. I am not taking any money and so forth. I really didn't think about that, and I got down here and thought boy, was that dumb, dumb. I have gone into the infomercial business, only I spent \$1,000 and it cost me \$200 to test it, and I find that much better. That's what I do, and I was taught that by Bill Myers. Bill's going to be talking and Bill did such an effective presentation on guerrilla video that I bought it and I now own the guerrilla video programs. I sell those to people or I license them to individuals who want to sell them in the mail as a direct mail product, and I'll just mention I don't know how you're going to get to me. I don't have any – I'll give you my address, I guess. I sell a package for \$750. It's Bill's package on how to do all aspects of what these guys are doing, the guerrilla video. Dan over there's got a great guerrilla video marketing letter. You get a subscription to that. It's \$750 to a big-ticket item. If I were in the mail, I'd spend at least one-third of everything I've got in the mail, but I don't have to do the mail here because you're all here. Gary got you out. I'll donate one-third of that price, \$250, to the fund. It's a good deal. Come, come, come, I'm pocketing the rest. Don't be ridiculous. I would rather pay it to victims of a hurricane instead of the US Postal Service. You don't need to applaud for that.

If you're interesting in testing video for infomercials over satellite TV, which is \$200 an hour and if you

want to learn video communications without bankrupting yourself and learn about how you can extend, in the case of a businessman, the information going out to your people, that's what I use it for. I'm using the techniques primarily internally. If I were producing, for example, software, I don't want the software product sent back in computers or anything where I'm getting a call. How do you do this? How do you hook it up? The widget doesn't work. I don't understand this. You send them a video tape, and if you can reduce half the calls coming in and it costs you \$2 to put a piece of plastic into the mail or \$3, that's a very effective way to handle a business, and for those of you who don't like people calling in saying how do you do this? I see your product, it's nice, but I don't understand how to use it, a video tape's a very effective way to communicate.

Here's another reason I'm talking about this problem. Let me tell you, I got this package out of fear because in my industry, which is a verbal, written newsletter industry, we are losing our literate readers. We have got gray-haired ladies becoming blue-haired ladies and then going to their reward, and the grandchildren are not coming in to buy because we are producing literally a generation of functional illiterates who cannot read, don't like to read, and are visual-oriented, and that's the reality, and it's not going to get any different once fiber optics hits at the end of this decade. It's going to get worse. We're going to be a visual-oriented culture, and I have to move with the times That's why I'm very partial to everything you heard here except I would be a little hesitant to spend \$150,000 on a test. That seems a lot of money to me to spend on a test if you don't have a lot of money, and that's what I want to talk about today. Why this industry, the direct mail industry, as least as long as there are literate people, has so many advantages, so many tremendous advantages for people who don't have a lot of money to lose and who are willing to go through the discipline of testing. That's the advantage.

Now I want to talk very briefly about a couple of things before we get started. Everybody has this philosophy of why I happen to be a Christian, so I'm Biblically oriented. I've learned a lot in that perspective. I have certain premises that I operate from. I won't belabor the point. You at least should know what my background is. I want you to understand there are certain differences within what I would call the motivational industry, differences about a philosophy of life, the differences about what is possible and what is not possible. I'm going to give you three questions to ask yourself, three questions that I have found among the most difficult questions to answer but if answered, will give you a much better likelihood of success than anything else you can do, and the younger you start, the better this system works. The tragedy is I'm looking out, most of the people here are at least a good number or my age or older. We haven't started early. They're not going to tell you this in the public school system, and I'm sad to say you're really not probably going to be taught this in most of the Christian schools that you find.

Let me give you the three rules. It's tough, but if you do it, it works. First question: What do you want to achieve and make it specific and don't have too many footnotes on it. What do you want to achieve? Second, how soon do you wish to achieve it? Third, what are you willing to pay? The tradeoffs on the other two are the tough ones. The more money you've got to achieve it, the quicker you can do it. If you've got a long time to achieve it, that's good if you don't have much money. The older you are, the faster you have to make it, for obvious reasons, and therefore the more risks you have to take and that's the problem. It's easier to make the mistakes when you're young, and I'm going to be talking about some of the mistakes that I've made. Again, what do you want to achieve, how soon do you want to achieve it, and what are you willing to pay?

Now let me make a kind of categorical statement. I'm not going to try to prove it. I'm warning you. It's true. Take my word for it. I've lost great chunks of money and I have got the scars to tell you the following rules. Any plan is better than no plan, and the reason for that is you can revise a flawed plan

rationally. That's the genius of direct mail. If you get a certain percentage response, you can tinker with it with a control package to make it a little better if you know how to run a control package and make the corrections. Any plan for your life, for your success for this product you're going to introduce, any plan for the mailing lists you're going to take, any plan is better than no plan.

Now I'm going to list the most important rule. Most of you won't believe it. Of those who are here who say they believe it, probably fewer than 50% will do it, but I'm going to tell you this is the rule, this is the success formula. Three words. Pay yourself third. There's a variation which is wrong called pay yourself second, and it's wrong. The first 10% net that comes in off the top goes to your church, synagogue, Red Cross, charity, no matter what, no exceptions. It's not your money. It's not your money. We are operating in life on the world's most gigantic commission sales program. It is unbelievable we get to keep 90%, which in any commission business, you would say it's the greatest business in the world. Ninety percent we get to keep. Put 10% back where it belongs. That's the owner's take off the top. He's entitled to it.

Then after you've taken your 10% to give it, 10% goes into a savings program that except for life or absolute life or death emergencies is never touched, and if you're in debt, I would say debt reduction is a form of savings, so I would say put it in a debt reduction plan because you're paying 8, 10, 12% on the money. You're getting 3% back on your t-bills. Debt reduction is a form of thrift, and then don't ever do it again. Don't get in the hole again. That's how I have saved my backside. It's that I gave it away, and there's been times when I've been incredibly successful and I've given it away, and there've been times when I have lost my shirt and I have given it away. Doesn't matter whether it's sunshine or rain, 10% off the top, 10% into the thrift program. That has worked for me. I strongly recommend it.

Now let me talk about this business. It's a funny business, as you've probably figured out. I want to talk about the advantages. I want to talk about three advantages of this business. That is direct sales, not necessarily mail order, but direct sales, the kinds of techniques you're being taught by Gary and the other speakers. Here is what I regard as the fundamental advantage, the number one advantage: If you gain these skills, you become totally flexible in a world which is becoming increasingly specialized and less and less flexible for the individual. You must remain flexible even though in our modern economy, most of us are studying and working in ever narrower specializations. I think that these guys being laid off at GM, 53, 52 years old. The parents are finally coming to the point where they're going to need help. They got two, three kids in college. They've got a mortgage on the house. They have done one narrow thing in that gigantic corporation for 20 years, and they're booted. How do you recover from that kind of total specialization which was the heart of your future, and they boot you? Because the market's not there, because some competitor, either domestically or internationally, has removed your job. It's not because they didn't like you. The job no longer exists.

We, in this room, because of the skills we have or are in the process of learning, never will face that problem. Why? Because of point two of the second advantage. We, as marketers, are always needed, good times, bad times, every time. They've got to move the product. If they can't move the product, they take a loss. With the skills that are passed on in courses like this and in Bill Myers' direct marketing boot camp tapes that he sells are a good set of tapes. In the tape series like that or the tapes out of this, the information that you get from Gary Halbert, you are going to find yourself always in demand. It's like a woman who can type at 120 words a minute, last secretary to be fired. The 50 word a minute people have got a problem. You type 120 words a minute without a mistake, you're going to have food on the table no matter what the economy is. That's what we're in.

Now the third advantage is the one that you don't think about. I've thought about it intermittently and I

woke up about three in the morning and it hit me, and it was perhaps a little bit of an extension of Joachim's story. Assume you're driving down the road and you have an auto accident, and when you wake up, you are in a hospital bed. They say the good news is you're alive and the bad news is you broke your neck and you're a quadriplegic and there is no cure, at least not that we know. There's a movie made about this a few years back. I think it's called *It's My Life* or *My Life to Live*, something like that. It was a Dreyfus movie, very well done movie on a very evil theme. That is the right of a man who is a quadriplegic to commit suicide but he has to gain the cooperation of the physicians to do it because he can't do it for himself.

We have the unique ability that in a catastrophe that would destroy almost any other profession you could imagine, we could go on. The only two things I worry about – now I'm a smart guy. I have bought sheep insurance that if I get into an accident or an injury or something and I lose my ability to perform, for only a few hundred dollars a year, I'll get \$36,000 or thereabouts for the rest of my life every year. It's a good deal but it's a good deal really, really much better deal for the insurance company because there are really only two things that can take us out. Alzheimer's is one and a serious head injury is the other. That's about it. We can function if we've got our minds and we can talk. We can survive almost any crisis, and that's a great relief. Not many industries will give you that, and that's why I want to encourage you. Maybe that's a bizarre statement, but what I am saying is look, at the worst that can happen to me normally, absolutely the worst short of Alzheimer's or a head injury, I can put food on my family's table. That's why it's worth mastering what you're going to be taught for the rest of this seminar and why it's worth sticking with it with the skills that you've got.

Now Gary made an interesting point and he's not the only one to make it, and that is he asked questions. So did Carl. Where are the copywriters? Really, where are the copywriters? We've got seminars, we have got video tapes, we got courses like this. Where are the copywriters? I asked Gary about it. He really doesn't know. He thinks it's got something to do with the public schools and the breakdown in morality and I'm sure it's all true, but there are a lot of skills out there. We've got physicians, we've got plumbers, we've got engineers. We've got lots of highly skilled people who are coming into the system but we don't have many copywriters, at least that do the kinds of things that we do.

Why don't people learn? Well, all right, one is fear, just plain fear. Won't put your money where your mouth is, won't put your money where your copy is. Fear. It stops people. Failure to act. Another factor is that it may be that these kinds of skills, for most people, require what no longer exists in America but which existed 50, 80, 90 years ago. We have destroyed the apprenticeship system. Bureaucratic education has replaced apprenticeship and some skills are best learned as an apprentice, but the universities don't believe it and the accreditation system doesn't believe it. You've got to come down to a place like this, and if a guy were 20 years old here, I'd say come work for Halbert or come work for one of these hotshot writers that we've got and work for McDonald's wages for three or four years. In the old days in American history, the real old days, it was seven years of indentured servitude to be an apprentice. That goes back all the way to medieval times.

I am so hopeful my daughter will pick up these skills, 17 years old, she's going into college. I am so hopeful that she will get the vision for this. We've shown her the guerrilla video – not the guerrilla video tapes. Those are mine. We've shown her Bill's tapes on the direct marketing. Seventeen years old, bright kid. They're all bright. Your children are always bright, but she's bright and aggressive, truly aggressive and bold. You know what she did last week? She came up with a product. She came up with a product, 17 years old, straight A's. Keep the straight A's, sweetheart. You got a product. She came up with a product.

Now it may not work, but it may. I'll mention it because I don't think anybody'll steal it. She's sharp. She says what's the problem for her age group? She said, "I want a small kit to deter rape." Whistle, a little can of this hot pepper mace-like product that stops you cold, and my son came up with a device that he has that's a key ring but it's got two kind of sharp devices that stick out of it. It's a weapon. We're trying to think of the name for the product, and I've come up with some stuff I probably can't use is the problem. It's a great idea, and maybe it wouldn't work. Maybe we can't get copy for it. Maybe we won't price it right, but the idea is -

Audience: (Inaudible)

Gary North: I was going to call it The Deflater. Let me tell you, I can't pass on most of the skills that I've got because I can really only do about two things. I can speak and I can do writing. She's pretty good at both, and I don't know if she can match what I do, but the point is you work with your kids. You work with your grandkids. You get somebody upcoming to give that kid a helping hand, even if it's not your own flesh and blood. To work with somebody coming up behind you and then hope that you can sit down at a conference like this or through newsletter or other materials, to have somebody better than you helping you along. It's a great thing. We need to reestablish the apprenticeship system.

Now let me talk about me because I'm going to be talking about some techniques I have to establish some credentials, but I don't want to over-credential because if I do too much of it, you'll say, "Oh, well, he can do it but I can't do it. He's got credentials. I don't." I have weaknesses and skills like everybody else. So do you. I want to tell you what my strengths and my weaknesses are, and then we're going to get into the specifics of what I believe I've found.

I wrote almost by compulsion from my junior year of high school on, so I've been at this a long time, well over 35 years. I've been writing term papers since the age of 13 every year without break, and I'm 50. I have been writing. I used to write ghastly doggerel poetry. I still do it once in a while, certain things, just to do it because I like to write. That's what I do; I write. Okay, that's an advantage. It gives me a leg up. If you haven't spent 30 years writing, you can't make up that distance probably, but negative, I have an earned doctorate. I went through the university system, and what Carlton says is correct. You have to unlearn a great deal. The skills gained in the university are not the skills needed for communications, for the most part, unless you're in speech or unless you're in journalism and perhaps English, although I have doubts. The skills you pick up in the university have to be unlearned, and that includes anything you've had in the marketing. Marketing departments do not train you in what we want to learn.

I had to write my way through grad school. That was an advantage. I wrote for a magazine called *The Freeman*. Some of you read it, still published, great magazine on fundamental principles of economics. You can get it. You get a free copy. They'll put you on the mailing list. Just write *Freeman*, Irvington, New York, great magazine. I still write for it. Just write Irvington, New York, write for *The Freeman*. They'll send you a sample copy. You can get a three-year subscription. It's a non-profit, very good free enterprise magazine. Fundamentals of how the market works, which helped me a great deal.

Now, negatives. I had nobody to train me in this stuff. Any person in this room is ahead of me when I got into this business. I had no training. I didn't know a book. Video tape didn't exist. I didn't know a single name of one person who did copywriting or taught copywriting when I got into the newsletter business which shows you some people do really stupid high-risk things early in a career. Dumb, really dumb. I got hit by an entrepreneurial spasm and then I realized the reality of what I had to do to make it work. I was forced, because I had a product to sell. I was product-driven and I had no choice. It's not

good to do it this way, but that's what I did and I've slowly, painfully learned a few lessons.

I'm not a great copywriter I'm not in the league of guys who do it full time. I don't live and breathe copywriting I try to write between 100 and 200 pages of finished academic work or newsletters per month, which keeps me busy. It's a lot of work. I try to publish two books a year, and a lot of it is heavily academic stuff that normal people – my mom won't read most of the stuff, to be honest. It's understandable. I've got a book coming out next year that will probably be 1,500 pages long. It's a Biblical commentary on the Book of Leviticus I'm doing an economic commentary on the Bible. It is now about 4-5,000 pages long, and I'm all the way to the third book of the Bible. It's a great discipline. I probably won't make it to the next 63. It's hard work, but that's what I do. That's my love. That's my life.

So I don't live, breathe copywriting I should. If I were really money-driven, that's what I would do, but I'll say this: I'm good enough to stay in the industry 17 years, 18 years, in the newsletter industry. It's had up times and down times, but I survive. I'm good enough to stay in the mails and for a lot of you, that's all you need to be is good enough to keep your product going or your business going or whatever it is you're trying to do. You don't have to be Halbert to be successful and to have a sense of accomplishment because there's some guys in every field who are masters. We got several of them in this room. You don't have to be that good. You just have to be good. You have to keep your business going, and the techniques that you're given here will enable you to do it.

I went into the business of the newsletter writing almost as an afterthought because I like to write and I thought I could do it. I was fortunate I have survived. I'm not intensely proud of all the stuff I've written. I mean, the ads, some are good, some not so good. I've had losers. I'll say this: You get to test in this business You get to test. Two weeks after you've mailed, you know. That's the advantage of this business. You make a mistake, you fix it. You don't make a mistake, you roll it out. That's the rule, the old commodity rule. Cut your losses, let your profits run. It's very hard to do in stock and bond and commodity investing. Oh, I'll just hold out another day, but in direct mail, it's easy to do. You cut your losses and you roll out your successes, and it's a wonderful industry that lets us do this. I may be sounding kind of like a cheerleader but I am a cheerleader because you come here, and when you get back, I want you to be successful. That's why you've come, to learn some things.

Now here's what I want you to do. One last philosophical thing and then we're going to get rolling. You'll get plenty of materiel, but I'm going to tell you something I learned. I was pushed at it because of a mistake. I didn't explain myself well and about ten years ago, a guy asked me what I meant by the word calling. Have you ever heard the word calling? It's related to the word vocation. I want you to write something down, and this is not play pretend. This is real. If you come away with this out of my lecture, I will have been successful. It's going to take two minutes, and I'm not going to say anything. I want you to do something, and I want this part of your notes. Please don't throw this part away. Do review this. I'm going to define something. What is a calling? I want you to write it down. A calling, your calling, is the following: The most important thing that you can do in which you would be most difficult to replace. Again, the most important thing that you can do in which you would be most difficult to replace. I don't know what that is in your life. My calling is the Bible commentary. It'll take the rest of my life. I'm committed until age 70, ten hours a week every week, to work on my commentary, and I have done it solidly since 1977 and monthly since '73.

What's your job? In most cases, your job is the thing that enables you to pursue your calling. There may be somebody in this room whose calling is his job. There was one until a moment ago. That's Halbert. Halbert's calling is his job. The most important thing Gary can do in which he'd be most difficult to

replace is writing and teaching great advertising copy. His job is his calling, but most of us, that's not true and it's especially not true for your next door neighbor and your brother-in-law and 90% of your friends. They are not doing in their jobs the things that they would be the most important thing they could contribute to society in which they would be most difficult to replace. I beg you, I plead with you, whatever you do in that setting of goals, the calling should be first. When you're 75 years old and you look back and you say, "What have I left on the table," most of what you left on the table should either be your family or your calling and not the job and not all the rest of it.

Now the job, the direct mail, the techniques -