



## **Zanetti Monday Missive 2023.04.03 Industry Service Design Finance**

**“What’s good for GM is good for America.”  
~ Charles Wilson, President General Motors (1953)**

Hello Everyone,

Yes. That quote reeks of arrogance.

In 1953, however, there was an element of truth to it. America's strength came from her industrial might. We made things. Good things. Things that lasted. And America shipped them to the world.

Back "in the day," business headlines frequently reported industrial output. Analysts tracked how many cars, refrigerators, dishwashers, and microwaves were being exported.



Investors followed crop reports closely. Did the late frost adversely affect beans and corn? How did Chevron's drilling in Alaska go?

Dirty hands made for honest profits.

Then we all know what happened.

Europe and Asia (particularly Japan) rebuilt after World War II. And we helped them do it. Helping other countries economically was historically new. Conquerors don't normally help their former enemies. But we did. We welcomed the competition.

Plus, if the world were going to "buy American", the world needed money. And that meant functioning foreign economies. In short, America had far-sighted business thinking and supportive governmental policies.

But then, over the decades, America de-industrialized. We said, industry was dirty. It polluted the air and water. True. We wanted cleaner industries. We also wanted better and more efficient services. We decided to "reimagine" what a strong economy should look like.

And, in many ways it worked. Los Angeles breathed again. Lake Erie stopped burning. Steel production fell--- but tech jobs exploded. The service-economy provided "celebrity-style" convenience and comfort to the masses.

Industry gave way to the information tech. We exported our technology and expertise to the world. And, just as the world learned to replicate our industrial might, our competitors quickly mastered these technological advances. Soon, our competitors learned to deliver services efficiently and creatively as well.

Semiconductors were made in Taiwan. Call centers moved to India.

So, America adapted yet again.

Our leading business thinkers/entrepreneurs shifted to design.

Yes! We would design better products...and we would own the intellectual property.

Our hands were getting cleaner, but our wealth was becoming more ephemeral.

I remember once lamenting to a very bright and talented Millennial about Asia's dominant industrial position. He responded, "We think. They sweat." I cringed. Arrogance.

But the design-economy had its limits. Ideas are hard to patent. Enforcing intellectual property rights proved futile. Plus, there are many smart designers in the world...who were willing to work cheaper.

So, we adapted again.

America shifted to finance. We were good at this, too. We created all kinds of exotic and unique financial "products." These innovations made global trade easier and more efficient.

Instead of being industrialized, America would be financialized. Strange word. But accurate.

Look at our business headlines today. They are almost entirely focused on the world of finance.

Markets hang on every utterance from the Federal Reserve.

Banking. Interest rates. Money supply. Deficits. Debts.  
Credit card balances. Petro-dollars. Central Bank Digital  
Currencies. All finance.

No more crop reports.

There were benefits to this finance-shift.

Finance was the grease that brought the world together. And this grease took us from globalization to hyper-globalization.

We took for granted that fresh lobster could be had at a steakhouse in Clovis, New Mexico on a Tuesday night. Amazing. And finance ensured everyone got paid to make that happen.

But there was a flaw in the plan.

While there are real-world limits to industry, service, and design...there are no limits in finance. The electronic printing presses ensure that. With "virtual wealth" there can be limitless supplies of dollars, euros, yen, yuan, pesos, derivatives, etc. Just type digits on a keyboard and voila(!) billions to "re-liquefy" troubled banks.

Do you need trillions to ensure no one suffers from a pandemic? No problem. Push money out to anyone and everyone. There is, of course, creating that pesky debt. But we'll deal with that later.

The point is this....

The steps from:

- Industry to
- Service to
- Design to
- Finance

took our economy further and further away from objective reality.

Real wealth was supplanted by pretend wealth. The grease (finance) that was meant to help the economy became the economy.

And now large swaths of the world are waking up to this fact. China, Russia, India, Saudi Arabia, Brazil, Iran, and many others are now adapting...and rebelling. And this adjustment is occurring at lightning-speed.

So, let's pick up this thread up again next week. We'll dive deeper and analyze how this is manifesting...and how it will likely affect you and your investments.

Signed, Your How-Is-It-18-Year-Olds-Cannot-Understand-Student-Loan-Documents-But-7-Year-Olds-Can-Choose-Their-Gender? Financial Advisor,

Greg

By accepting this material, you acknowledge, understand and accept the following:

This material has been prepared at your request by Zanetti Financial, LLC This material is subject to change without notice. This document is for information and illustrative purposes only. It is not, and should not, be regarded as "investment advice" or as a "recommendation" regarding a course of action, including without limitation as those terms are used in any applicable law or regulation. This information is provided with the understanding that with respect to the material provided herein (i) Zanetti Financial, LLC is not acting in a fiduciary or advisory capacity under any contract with you, or any applicable law or regulation, (ii) that you will make your own independent decision with respect to any course of action in connection herewith, as to whether such course of action is appropriate or proper based on your own judgment and your specific circumstances and objectives, (iii) that you are capable of understanding and assessing the merits of a course of action and evaluating investment risks independently, and (iv) to the extent you are acting with respect to an ERISA plan, you are deemed to represent to Zanetti Financial, LLC that you qualify and shall be treated as an independent fiduciary for purposes of applicable regulation. Zanetti Financial, LLC does not purport to and does not, in any fashion, provide tax, accounting, actuarial, recordkeeping, legal, broker/dealer or any related services. You should consult your advisors with respect to these areas and the material presented herein. You may not rely on

the material contained herein. Zanetti Financial, LLC shall not have any liability for any damages of any kind whatsoever relating to this material. No part of this document may be reproduced in any manner, in whole or in part, without the written permission of Zanetti Financial, LLC except for your internal use. This material is being provided to you at no cost and any fees paid by you to Zanetti Financial, LLC are solely for the provision of investment management services pursuant to a written agreement. All of the foregoing statements apply regardless of (i) whether you now currently or may in the future become a client of Zanetti Financial, LLC and (ii) the terms contained in any applicable investment management agreement or similar contract between you and Zanetti Financial, LLC.

---

*Copyright © \*2022\* \*Zanetti Financial, LLC\*, All rights reserved.*

**Our mailing address is:**

5120 San Francisco Rd NE  
Suite A

Albuquerque, NM 87109

505-858-3303