

Our War Time Economy

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Folks everywhere are scratching their heads asking how so many people can be worse off when economic numbers are so good? Like most questions it can be answered just by observing without insisting the answer is something else more palatable.

Despite the fact that there is no major war going on, our economy today functions like a way time economy. During the 40s, the U. S. economy was taken over by the government for the duration of the

war. The official economic numbers improved dramatically over those experienced during the 30s. With a war time economy, it is understood that what is being produced in abundance is only temporary. Peoples needs are not being satisfied. Consumer needs are put on hold while the national emergency is dealt with.

The production in today's economy is different than what would occur during a war but the effect is the same. Creating economic activity by government edict accomplishes the same thing as does a war time economy because demand does not come by way of organic consumer spending. During a war those who prosper in business are the ones congress chooses to prosper.

The choice after the Great Recession (2008) was to enhance the value of financial assets and to allow select industries to use legislation to capture customers. The enormous sums Americans pay for healthcare is due to government edict.

What is important is that a war time economy producing economic growth, even without a war, will in the end produce the same outcome as a war time economy with a war. Failure is the end result of any command economy if it is left in tact.

There are a number of reasons why the economy took off following WWII. The big reason of course is that after Roosevelt died business investment began increasing in a normal way.

Today is different. Business is doing the opposite of investing in plant and equipment. With corporate buybacks, executives have learned that the short cut to windfall profits is to enhance the value of the companies stock. What we will get from all of the government economic initiatives is an economic collapse. In a war time economy, government control is called off and things normalize and move

forward. In today's economy, the command portion is growing by leaps and bounds. There is not a good future to look forward to because there is no planned end to the corruption in the system.