

$S + Tx + M$

I + G + X

Y

Equilibrium





Y

above equilibrium

Leakages larger  
than Injections

Leakages

# Injection











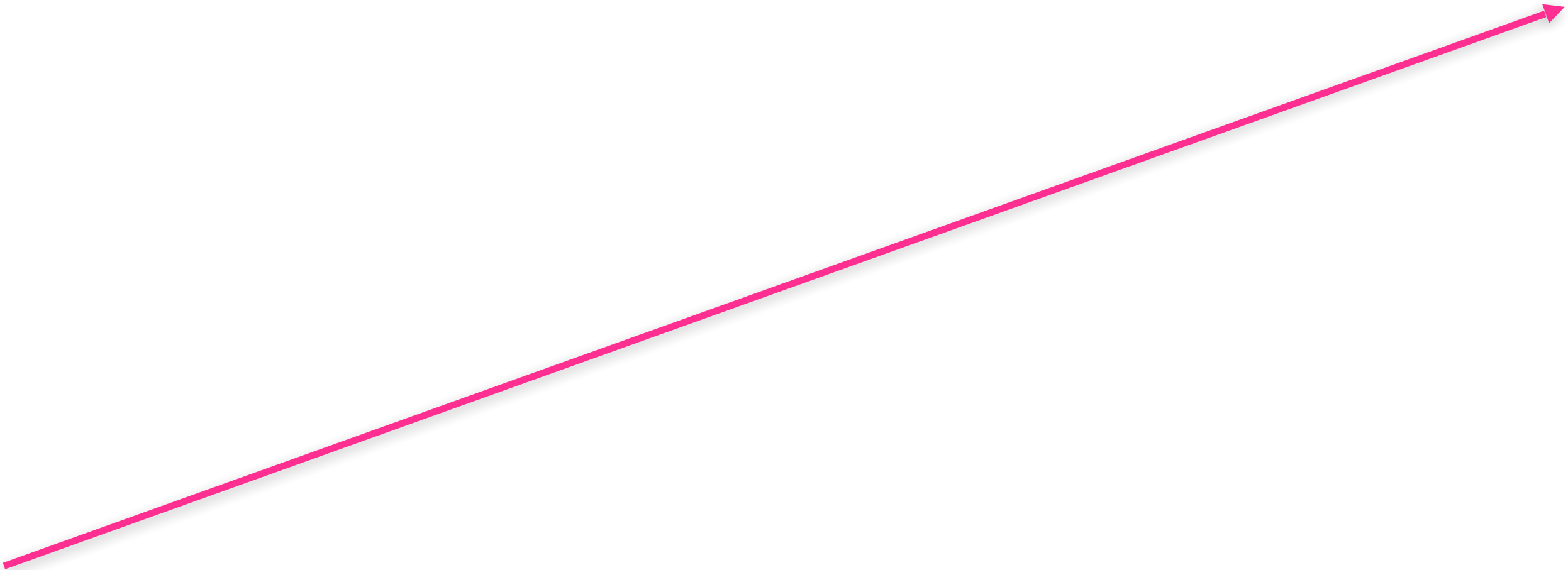
Not enough  
spending  
Inventories  
accumulate

Too much  
spending  
inventories  
fall

Spending =  
Production  
inventories do  
not change







$S = -a + MP_S Y$

S + T + N

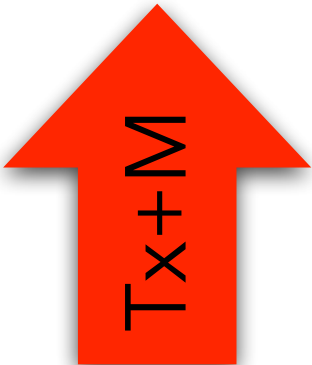


I + G

+

X

=



$\times$   
 $+$   
 $G$   
 $+$   
 $I$



Income  
that  
leaks

Injectons  
Larger than  
Leakages

Income  
injected  
back

Y

below equilibrium









More  
Income  
leaks than is  
injected  
back

More  
Income  
injected  
back than  
leaks





