

# The BROKEN WINDOW

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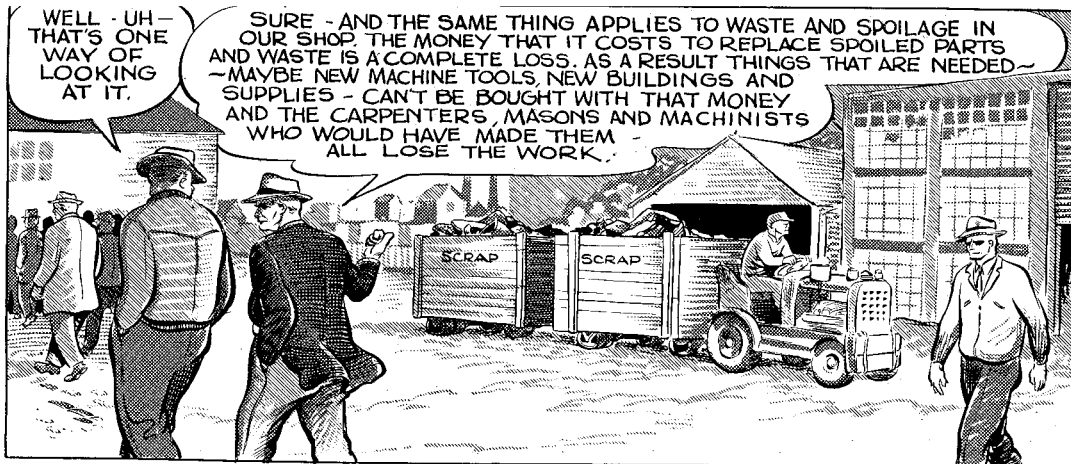
WELL, OLD-TIMER, THERE'S WORK AND EXTRA MONEY FOR A LOT OF PEOPLE I'LL BET THAT BROKEN WINDOW COST \$50. THAT PUTS \$50 MORE IN THE GLAZIER'S POCKET — \$50 MORE TO SPEND WITH OTHER MERCHANTS FOR THINGS HE WANTS AND THEY IN TURN WILL HAVE \$50 MORE TO SPEND WITH OTHER FOLKS — EVERYBODY GETS A BREAK EXCEPT THE GROCER.

WHOA! NOT SO FAST, JOE, A LOT OF OTHER FOLKS ARE LOSING MONEY BESIDES THE GROCER.



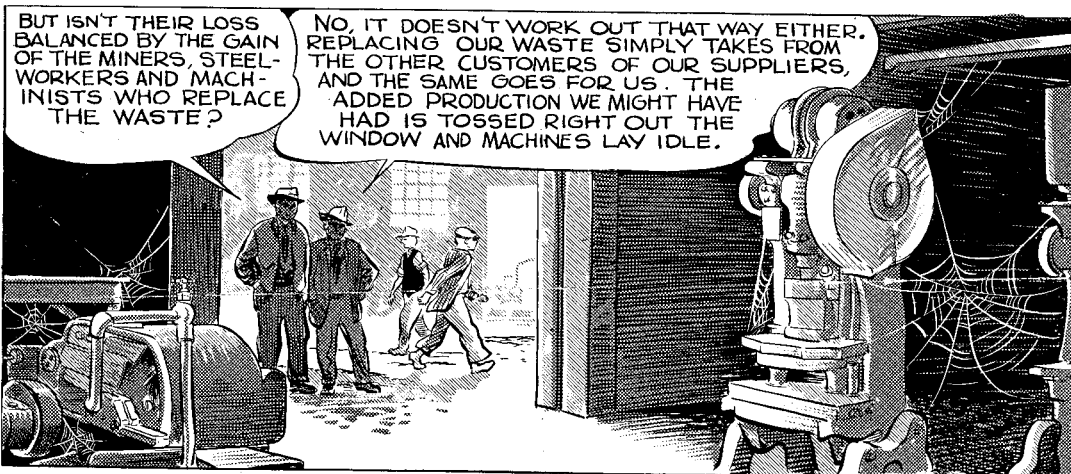
I DON'T FOLLOW YOU.

WELL, NOW THAT THE GROCER IS OUT \$50 HE WON'T BE ABLE TO USE THAT MONEY TO BUY A NEW SUIT OR SOMETHING ELSE HE NEEDED — SO THE GLAZIER'S \$50 GAIN IS THE TAILOR'S \$50 LOSS. WHEN YOU ADD IT UP, THE COMMUNITY HAS NO MORE WINDOWS THAN IT HAD BEFORE AND ONE LESS SUIT. AND NO NEW EMPLOYMENT HAS BEEN ADDED.



WELL - UH - THAT'S ONE WAY OF LOOKING AT IT.

SURE - AND THE SAME THING APPLIES TO WASTE AND SPOILAGE IN OUR SHOP. THE MONEY THAT IT COSTS TO REPLACE SPOILED PARTS AND WASTE IS A COMPLETE LOSS. AS A RESULT THINGS THAT ARE NEEDED - MAYBE NEW MACHINE TOOLS, NEW BUILDINGS AND SUPPLIES - CAN'T BE BOUGHT WITH THAT MONEY AND THE CARPENTERS, MASONS AND MACHINISTS WHO WOULD HAVE MADE THEM - ALL LOSE THE WORK.



BUT ISN'T THEIR LOSS BALANCED BY THE GAIN OF THE MINERS, STEEL-WORKERS AND MACHINISTS WHO REPLACE THE WASTE?

NO, IT DOESN'T WORK OUT THAT WAY EITHER. REPLACING OUR WASTE SIMPLY TAKES FROM THE OTHER CUSTOMERS OF OUR SUPPLIERS, AND THE SAME GOES FOR US. THE ADDED PRODUCTION WE MIGHT HAVE HAD IS TOSSED RIGHT OUT THE WINDOW AND MACHINES LAY IDLE.



YOU MEAN THAT WASTE REALLY DOES MAKE A DIFFERENCE?

YOU BET! WASTE AND SPOILAGE, LIKE THE BROKEN WINDOW, BRING NO NEW EMPLOYMENT. INSTEAD THEY MEAN A LOSS TO EVERYONE - TO OURSELVES, TO OUR COMPANY AND TO OUR CUSTOMERS - IN OTHER WORDS, JOE.

*Waste hurts us all!*