







$S+T+M$

I + G

+ X

Y

Equilibrium



Y above equilibrium

Leakages
larger than
Injections

Leakages

injections











Not enough
spending Inventories
accumulate

Too much
spending
inventories fall

Spending = Production
inventories do not
change









$$S \equiv -a + MRS * Y$$

S + T + N

|

+

G

+

X

=



$M+1$

X

+

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



