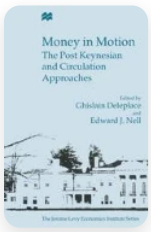
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# Beyond Scarcity: A Reappraisal of the Theory of the Monetary Circuit

Chapter

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**Money in Motion**

Alain Parguez

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## Abstract

Hayek's last words on Keynes's economics prove that for him Keynes could not be redeemed of his sin against the first commandment of the economist — to believe in the scarcity principle.[1] Believing in the principle is to know that economics as a science exists because productive resources, society's capital fund, are (and always will be) scarce relative to society's desire or lust for consumption. Rational behaviour, market, competition, price mechanism are just the set of institutions allocating this scarce capital in the most efficient way. The *sine qua non* of an increase in the accumulation of such a scarce capital is *saving*. Saving is that share of its real income that society does not want to spend for its current consumption: as soon as current saving is greater than depreciation, the available capital fund is increased. Hayekian saving is pure thriftiness assessing society's ability to postpone over time the satisfaction of its desires.

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## Editor information

## Editors and Affiliations

**University of Paris 8, Saint-Denis, France**

Ghislain Deleplace (Professor of Economics) (Professor of Economics)

**Graduate Faculty, New School for Social Research, New York, USA**

Edward J. Nell (Malcolm B. Smith Professor of Economics) (Malcolm B. Smith Professor of Economics)

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