Abstract

Triggered off by Germany debt is increasingly assessed as dangerous. Government debt is considered as counter-productive and corporate indebtedness is seen as excessive. At an aggregate basis the volume of debt is necessarily identical to the volume of savings (given a balanced current account). As savings will continue to increase with increasing wealth, debt will have to increase in lockstep. Given the 2 percent growth expected for the future corporate's investment-driven indebtedness will continue be lower than the supply of savings. The resulting lack of demand depresses growth and may cause a recession. To counteract government should use the redundant savings. This is unproblematic in a growing economy if government invests in infrastructure – material and even more in immaterial: education, health etc.

Key words: Saving, Interest Rates, Monetary Policy.
JEL codes: E21, E43, E52.