

Consumer savings are way up. Doesn't more savings mean more money in banks to lend ? Isn't that a good thing ?

Here is an idea for you. Create rewards for putting those savings in lending institutions, and reward the institutions for lending it out.

Make the interest earned on savings accounts and CDs tax free for individuals and corporations if the funds are deposited with lending institutions that lend out 100pct of those funds. Its a simple concept. If we are going to increase our savings, lets make sure that money is recycled into the economy and frees up credit.

Here is how I see it. As of [June of '08, there were 7 TRILLION](#) dollars in deposits held by lending institutions. If that number can grow by any percent, and be recycled into the economy through incentives, it completely changes the dynamics of an economic incentive plan. Plus, Im certain that banks would rather take in funds through deposits than by being required to pay 10pct for government bailout money.

More importantly, it works in a manner that we all understand. The only certainty about the proposed stimulus programs is their uncertainty and the queasy feelings we all will have as we watch the rules of unintended consequences create headlines on a weekly basis.