

# **Large Amount of Foreign-Held Debt Could Lead to Economic Turmoil**

**“... A disorderly situation would occur if foreign money dried up suddenly when the United States still needed it. Then, the adjustment in American savings might happen involuntarily. Interest rates would rise sharply, and the dollar could fall abruptly. This could induce a sharp economic contraction, even stagflation.”**

**–*New York Times*, “Private Investors Abroad  
Cut Their Investments in the U.S.”**

**By Eduardo Porter**

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