

Tanaka, Nixon

By James Reston

WASHINGTON, July 31—We are being instructed these days by H. R. Haldeman to lift our eyes from the Watergate to the wider perspectives of the world, and with Premier Tanaka of Japan in Washington, the advice is better than its source.

Trust me, says Bully Boy Bob, there is nothing in those Watergate tapes that incriminates the President; and besides, he says, they are diverting attention from the larger achievements of Mr. Nixon in foreign affairs.

Well there is something to this, but not much. The trouble is that if you take the man's advice, you don't feel much better. For despite President Nixon's bold initiatives in Peking and Moscow, the fact is that America's economic and military position in the world is relatively weaker now than it has been in a generation. A few facts will illustrate the point:

- The enlarged European Community has replaced the United States as the leading world trading power. Together, these European nations now have a combined G.N.P. three-fourths that of the United States, and they control three and a half times the currency reserves of the United States.

- Similarly, in the last few years there has been a shift in the military balance of power in Europe from the United States to the Soviet Union. Washington still retains a qualitative lead in the more sophisticated weapons, particularly in the field of multiple warheads; however, Moscow not only retains a large lead in conventional armies and weapons but has surpassed the United States in land-based strategic weapons and will soon take the lead in missile-firing submarines.

- The President's achievements in easing tensions with the Soviet Union and China, therefore, have to be balanced against the relative decline in the nation's strategic position, which has created considerably anxiety in Japan and Europe about the dependability of Washington's military guarantees, and also against the decline of confidence in America's economic position in the world and President Nixon's capacity, after Watergate, to correct it.

It is easier for the statisticians and the auditors to spot the trends and the problems than for the President to deal with them, but the economic trends are disturbing and even alarming if you look at them in the na-

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and Haldeman

tionalistic terms of John Connally and Richard Nixon. For example:

In 1950, the United States accounted for half of the world's gross national product; by 1970 our share was down to 30 per cent. In 1950, the United States produced 76 per cent of the world's automobiles; in 1971, 30 per cent. In 1950, the United States produced 46 per cent of the world's steel; now it is producing about 20 per cent.

Look to the big picture, say Haldeman and Ehrlichman, and not to the squalid details of Watergate, but the "big picture" is not all that bright. In 1950, the United States held 50 per cent of the world's monetary reserves; now it holds only about 8 per cent; the Europe of the Nine held 6 per cent in 1950 and now holds about 40 per cent; and Japan, which had almost no reserves in 1950, now holds about 15 per cent of the world's total.

Meanwhile, the U.S. balance of payments has developed an alarming deficit. For the first time since the end of the 19th century, the American trade balance was in deficit by \$2 billion in 1971 and \$6.4 billion in 1972, and the Smithsonian monetary adjustment, hailed by President Nixon as the greatest international agreement in

memory, has been not only a disappointment but almost a tragic joke.

The disorder of the world's trading, monetary and military balance will not wait for a resolution of the Watergate disaster. During the next three years of the second Nixon Administration, the United States, the European Community and Japan are going to have to reach agreements on their common economic, monetary and defense interests or risk a decline into nationalism, protectionism, and military division and weakness.

This is why Premier Tanaka of Japan is in Washington these days. The greatest threat to international security today is the possibility of a collapse of the international economic system and, ironically, this crisis has come at a time when President Nixon's power and prestige, because of Watergate, are lower than ever before.

In this sense, Messrs. Haldeman and Ehrlichman are right: the President needs public support for the larger objectives of public policy, but the President's power rests on faith and trust, and this is precisely what has been destroyed largely by the zeal and self-righteous trickery of the President himself and his narrow little band of willful men.