

WASHINGTON — Almost everybody is being very cool in Washington about the devaluation of the dollar. Secretary of the Treasury Shultz, slipping out of Alice Longworth's 89th birthday party to spring the news, suggested that we must look on the dollar crisis as an "opportunity," and since

## James Reston

then it has been discussed almost as a blessing.

This is the new thing in Washington: no-fault government. Noble principles of balanced budgets are proclaimed and then repudiated. Disastrous policies are introduced and then reversed, but nobody's to blame. It is called the "New Pragmatism" or "facing up to realities," and in the present monetary crisis, as in the withdrawal from Vietnam there is much to be said for it.

But at best, the New Pragmatism is a recovered fumble, with a lot of lost yardage, and maybe we have to face up to the larger reality: that a lot of other things were devalued in America before the dollar, and contributed to the present monetary crisis.

### U.S. lead devalued

In relation to Japan and Germany, the U.S. lead in science, mass production, distribution, and services was devalued in the export markets of the world long before the revaluation of the dollar. Let's face it: Over the last two decades, U.S. management-labor relations, and U.S. competitive relations with the rising industries of Japan and Western Europe have declined.

The result is that in 1971, the U.S. had a trade deficit of more than \$2 billion for the first time in this century, and last year, the U.S. deficit was almost \$7 billion. No doubt this deficit will be helped by devaluing the dollar by 10 per cent, which will make the things we sell abroad cheaper and the things we buy from abroad dearer, but the chances are that it won't really deal with the devaluation of American work, or the devaluation of American labor-management relations, or the devaluation of American products, which are often built to wear out for the affluent American market, but not to endure for the less-affluent markets abroad.

### Many things being devalued

All kinds of things are being devalued in America today, beginning with the English language. Only a few months ago, President Nixon proclaimed the Smithsonian agreement on the devaluation of the dollar and the revaluation of the world's currencies as "the most significant monetary agreement in the history of the world," but now the dollar is devalued again, with official promises that maybe this time all will be well.

More important, the Democratic process in Washington is now being seriously devalued. The President and the Congress are not really talking to one another about their common problems of keeping the federal budget within non-inflationary limits. They are fussing with one another about the Constitution, and who is in charge of expenditures and priorities, and playing politics with what both agree is one of the most

serious questions of international economic policy since the end of the last world war.

### The larger questions

Meanwhile, the larger questions of politics and philosophy and national purpose are being lost in this squabble over the budget, the price of gold, and the relative value of the American dollar, the Japanese yen, and the German mark.

These are obviously important questions, but they are not the main or the ultimate questions. Walter Lippmann has been in Washington this week, full of years and wisdom, and he stated the central problem many years ago.

"We are not used to a complicated civilization," he said, "we don't know how to behave when personal contact and eternal authority have disappeared. There are no precedents to guide us, no wisdom that wasn't made for a simpler age. We have changed our environment more quickly than we know how to change ourselves.

### 'Literally an eccentric people'

"And so we are literally an eccentric people, our emotional life is disorganized, our passions are out of kilter. Those who call themselves radical float helplessly upon a stream amidst the wreckage of old creeds and abortive new ones. . . Those who make no pretensions to much theory are twisted about by fashions, crazes, at the mercy of milliners, and dressmakers, theatrical producers, advertising campaigns, and the premeditated gossip of the newspapers."

What he was saying then—and he was saying it again in private this week—was that we could not solve our problems by techniques, by monkeying with monetary rates, or arguing about the right of the President to "impound" money voted by the Congress, or by reorganizations of the White House or the Congress.

### Secondary questions

He was saying, in effect, what John Maynard Keynes said just before he died: that economic and financial questions were important but secondary to philosophic questions about the purpose of life, and that we had to get our purposes and objectives straight first. This is still the problem in Washington and the other major capitals of the non-Communist world.

Officials here are still talking about the value of money and power instead of the objectives of money and power, about interest rates, and material values. They are still not addressing themselves to the question Thomas Huxley asked a hundred years ago when he visited America.

"There is something sublime in the future of America," he said. "But do not suppose that I am pandering to what is commonly understood by national pride. I cannot say that I am in the slightest degree impressed by your bigness, or your material resources, as such. Size is not grandeur, and territory does not make a nation. The great issue, about which hangs a true sublimity, and the terror of overhanging fate, is what are you going to do with all these things."

This is still the unanswered question in Washington, and it is obviously not going to be solved by the devaluation of the dollar.