

James Reston Reports:
Okay, Let's Lift Our Eyes

Washington

WE WERE instructed recently by H. R. Haldeman to lift our eyes from the Watergate to the wider perspectives of the world, and with Prime Minister Tanaka of Japan in Washington, the advice was 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 Nixon in the field of 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 Mr. 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.

This is not entirely, or even mainly, Mr. Nixon's fault, but in the world, as at home, the Nixon administration's emphasis on public relations and on appearances has tended to obscure the deeper realities, which are not quite as good as Haldeman and Ehrlichman would have us believe.

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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 GNP that is three-fourths of the U.S., and they control three and a half times the currency reserves of the U.S.

• Similarly, in the last few years there has been a shift in the military balance of power in Europe from the U.S. to the Soviet Union. Washington still retains a qualitative lead in the more sophisticated weapons, particularly in the field of multiple warheads, but Moscow not only retains a large lead in conventional armies and weapons, but has surpassed the U.S. 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 considerable anxiety in Japan and Europe about the dependability of Washington's military guarantees, and also balanced against the decline of confidence in America's economic position in the world and Mr. 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 nationalistic terms of John Connally and Richard Nixon. Here again, facts illustrate the changing trends of the modern world:

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

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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; but it now holds only about 8 per cent.

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 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 U.S., the European community, and Japan are going to have to reach common agreements on their common economic, monetary, and defense interests or risk a decline into nationalism, protectionism, and military division and weakness.

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THIS IS why Prime Minister Tanaka of Japan was in Washington last week. 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 Mr. Nixon's power and prestige, because of the Watergate, are lower than ever before.

In this sense, Haldeman and Ehrlichman are right: that 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.

New York Times