

Missile talks to begin Nov. 30; results a long way off

Reagan announces 'zero option', Brezhnev may not approve

United Press International
WASHINGTON — The United States and the Soviet Union will start medium-range missile talks on Nov. 30 at opposite ends of the negotiating spectrum. It will likely be months before real give-and-take begins.

In the meantime, the United States intends to proceed toward developing a new generation of super-accurate missiles in western Europe and the Soviets show no signs of slowing the production of their triple warhead SS-20 missiles.

According to U.S. intelligence,

the Soviets have been adding missiles at the rate of more than one a week.

Analysis

Wednesday, President Reagan adopted the concept known as the "zero option" for eliminating all nuclear missiles in Europe. But Leonid Brezhnev appears unlikely to appreciate Reagan's version.

Essentially, Reagan's proposal would require the Soviet Union to dismantle its approximately 270 SS-20 and other missiles while the western alliance does nothing but promise not to deploy its own planned 572 new systems there.

The U.S. and Soviet positions can be seen as mirror images of each other:

—The Soviets want an immediate freeze at present levels, which would leave them with about 1,100 medium-range warheads in

place and with the western alliance having none of this type of warhead in Europe in the American arsenal.

—The United States wants the Soviets to scrap all of their medium-range missiles in exchange for a western commitment not to start stationing its own medium-range missiles in Europe.

Complicating that difficult dialogue is an even more basic disagreement about what is to be dis-

cussed. The Soviets make the point that the western counting is deficient, since it doesn't include such weapons as the American fighterbombers in Europe that can reach Soviet territory with nuclear weapons, nor the formidable British and French nuclear arsenals, which are also aimed at the Soviet Union.

The Americans, who will represent the West in the missile talks, do not believe the Soviet claims that some of the older Soviet mis-

siles are being scrapped.

Lurking in the background is the frequently repeated warning from the United States that any Soviet military intervention in Poland would have profound and lasting consequences, including, presumably, the scrapping of all arms talks, including those on strategic and medium-range missiles.

However, there is a bright spot. Both sides apparently are sincere in wanting to cut back nuclear

arsenals which are not only expensive, but inherently dangerous. Both sides also apparently realize that the medium-range talks cannot take place in a vacuum; they have to take into consideration the whole range of nuclear and conventional weaponry.

Both understand there is a point in reducing one family of weapons if the resources of both sides are then to be diverted toward building other kinds of nuclear or conventional.

Thus the medium-range missile talks could be an opening toward a wider discussion about the reduction of all kinds of arms.



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Gross national product up during third quarter

United Press International
The government's broad gauge of economic activity — the Gross national product — actually rose 0.6 percent during the third quarter, the Commerce Department said Thursday. But economists said the outlook is still bleak.

Last month, the department had reported that the GNP for the July-September quarter showed a 0.6 percent contraction. But Thursday, it issued the revised, inflation-adjusted figure showing the surprising turnaround.

The market value of America's goods and services, projected in annual rates, was more than \$2 trillion, the department said.

GNP was up a strong 8.6 percent from January through March, then dropped 1.6 percent from April through June.

The 0.6 percent increase in the third quarter means there were not two consecutive quarterly declines, as previously reported. Two quarters of decline is one fac-

tor that economists use to determine if a recession is on.

But economist Otto Eckstein, head of Data Resources Inc., a private forecasting firm in Lexington, Mass., said Thursday's revision does not change anything about the outlook.

The economy will still drop this quarter by 4 or 5 percent, he predicted.

Economist Michael Evans, of Evans Economics, said that since a weak economy buys less, imports went down, raising the GNP. "The recession still holds," he said, "but it looks like it's going to be another one-quarter wonder."

The GNP figures are routinely revised three times to take account of additional inventory and import data before becoming final, with the biggest variation likely to come in the first revision delivered today.

The government's inflation measure contained in the GNP fi-

gures, called the "implicit price deflator," jumped 9.5 percent in the third quarter, a marked deterioration from the previous quarter when the same figure rose 6.4 percent.

In another bit of unexpected good news, corporate after-tax profits rose 0.5 percent in the third quarter after dropping 1.1 percent in the second quarter.

The department reported Wednesday that despite a 0.6 percent rise in personal income and a new income tax break, Americans cut spending 0.2 percent in October, saving the money. Savings rose 1.5 percent in October from the July-September rate.

The first drop in personal spending since April and the savings rise came as the Christmas sales season opened.

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