

# Beef shortage continues throughout Mexico City

Associated Press

MEXICO CITY — Most butcher shops in the metropolitan area were closed and little beef could be found anywhere Tuesday, the result of an ongoing dispute over meat prices.

About 13,500 butcher shops in the area — 90 percent of the total — were on an eight-day strike that began Monday, refusing to buy from wholesalers for more than the official price, equal to about 96 cents a pound, the government newspaper El Nacional said.

Commerce Department agents closed some others for selling to consumers at more than the official retail price of \$1.92 a pound. Major supermarkets offered chicken and pork, but no beef.

When beef could be found, it was selling for up to \$4.27 a pound.

Ernesto Rodriguez Cabrera, a butcher's union leader, said the union would confiscate meat from strikebreakers "who are selling horsemeat mixed with beef," the newspaper Excelsior said.

"Yesterday we warned that we would act to the point if they don't back the strike, which is in favor of the consumers, in support of the official regulations and in benefit of the butchers," Rodriguez Cabrera was quoted as saying.

Shortages often precede price hikes in Mexico, and cattlemen and butchers accused intermediaries who sell cattle to slaughterhouses of withholding meat to force the government to raise prices.

Juan Vazquez Marquez, assistant secretary for livestock of the Agriculture Department, blamed the shortage on speculation by butchers, cattlemen and intermediaries.

The agriculture officials said the country's 30 million head of cattle were sufficient to meet demand, but the Commerce Department was importing 15,000 head of cattle to stabilize the market.

Cattlemen in the west and northwest criticized a government decision to halt exports of cattle sent to U.S. feedlots to help resolve the shortage. Carlos Cardenas Villarreal, leader of the Livestock Union of Cooperative Farms in Saltillo, in the northeast, said farmers there have 35,000 head ready to ship but they are too low in weight for the domestic market.

Rodolfo Villasenor Vazuquez, president of the Regional Cattlemen's Union in Guadalajara, the second largest city, said more than 1,000 head of cattle are sent to the local slaughterhouses daily, but intermediaries only allowed 300 to be killed and refused meat to butchers.

Even at the official retail price, many cannot afford meat. The financial newspaper El Financiero said about half the economically active population of the Mexico City area receives no more than the minimum wage of \$4.98 a day, which allows meat consumption only occasionally, if at all.

It quoted Vazquez Marquez as saying meat consumption had fallen 50 percent in the past three years because of its high price and because the majority of Mexicans can no longer afford to buy it regularly.

Inflation that hit 100 percent in 1982, 80 percent in 1983 and 59 percent last year has eaten away at the buying power of Mexicans, especially lower-income families.

Meanwhile, the beef shortage was affecting other meats.

Chicken, which sold for 85 cents a pound last year, is up to \$1.45 a pound, El Nacional said.

The hog slaughter in the Mexico City area was down 50 percent in anticipation of a drop in demand because so many butcher shops are closed, Carlos Lopez Reyes, president of slaughterhouses in the area said.

In a related development, milk producers are proposing a more than 30 percent increase.

# Withdrawal could lead to violence

Associated Press

JERUSALEM — The withdrawal of Israeli troops from Lebanon could provoke a wave of violence, said Israeli officials, who appealed to the United Nations and the Beirut government to move into vacated areas before fighting starts.

"There is indeed a danger of massacres in Lebanon," Israeli Prime Minister Shimon Peres said.

The Israeli Cabinet approved a three-phase withdrawal plan Monday that will begin in five weeks.

Israeli troops have occupied southern Lebanon since the invasion of 1982 and Peres said Monday the last Israeli troops should leave Lebanon "by the summer."

Some Israeli officials said withdrawal could also lead to a confrontation with Damascus if Syrian forces in eastern Lebanon move into areas evacuated by Israel in the second stage of withdrawal.

Israeli troops will leave the Mediterranean port city, Sidon, in the first stage of the pullback, and Israelis said Shiite and Sunni Moslem militias and Palestinians may fight for control there.

Defense Minister Yitzhak Rabin met U.N. Undersecretary General Brian Urquhart to outline the withdrawal plan. He also urged that U.N. peacekeeping forces and the Lebanese army take control of areas Israel evacuates. Urquhart later flew to Beirut to explore the prospects for transferring authority in the south.

The U.N. Security Council would have to approve any deployment of U.N. forces north of the Litani River.

The Security Council can act only on request from Lebanon, and any decision would require approval from the Soviet Union, Syria's main political and military backer.

Beirut has rejected previous Israeli proposals to expand the U.N. force's role, saying that its own army should have sole authority and that the Israeli plan would split the country.

The first planned withdrawal from Lebanon's western sector was to be followed by a pullback on the eastern front facing Syria.

# Federal Reserve chairman favors spending reductions

Associated Press

WASHINGTON — Federal Reserve Chairman Paul Volcker, giving a boost to efforts by Senate Republicans to trim deficits, said a \$50 billion reduction in red ink next year with "follow-through" in the future would probably lead to lower interest rates.

Volcker refused to speculate how big a drop in interest rates would follow enactment of a large-scale deficit-reduction plan, but said that savings of "\$50 billion-plus in a convincing way is what you need to have an impact."

Talking with reporters after a breakfast meeting with Republican senators, Volcker said his preference would be to accomplish the deficit reduction through spending cuts alone, a view shared by President Reagan and many Senate GOP leaders.

The nation's central banker made his comments as Senate Republicans continued their efforts to draft a plan to cut deficits from roughly \$200 billion to \$100 billion or less over the next three years.

Senate Majority Leader Robert Dole, R-Kan., said he hopes to have

the plan complete by the time Reagan submits his own budget early next month. The GOP whip, Sen. Alan Simpson of Wyoming, repeated that it would include cuts in the president's defense buildup. Volcker traveled to the Senate as House GOP Leader Robert Michel of Illinois floated a possible compromise that would safeguard the president's plans to deploy the MX missile in exchange for lower defense spending than Reagan would like.

For his part, Volcker avoided mentioning any individual program cuts.

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