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## State Department review completed

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INTELLIGENCE MEMORANDUM

The India-Pakistan Situation (Report #58 - As of 6:00 AM EDT)

1. Rioting erupted in Karachi early this morning (2:00 A.M. EDT - 3:00 A.M. EDT) resulting in the partial burning of the USIS library and the stoning of the US Embassy. There were no known American injuries although there was considerable damage to the Embassy windows. addition to attacks on US property the mob also stormed through UK and Canadian offices. the riot is now under control and a flag that had been town down by the demonstrators has been returned to the Embassy and is Pakistani police were reportedly flying again.

out in sufficient force to control the mob but allowed the stone-throwing to go too far before using tear gas and clubs to disperse the crowd.

- Pakistan's Finance Minister Shoaib told the US Embassy this morning that President Ayub Khan has indicated he will telephone President Johnson before taking final action to comply with the UN cease-fire resolution. Although Ayub is described as disappointed that the working part of the resolution contains no mention of Kashmir he is said by Shoaib to be "almost persuaded" that Pakistan must agree to the cease-fire. Shoaib has urged that the US continued to maintain reassurances and encouragement to Ayub because "we must, we must prevent this thing from going the Chinese way."
- In an apparent effort to keep the pressure on New Delhi, China has labeled an alleged Indian border crossing of 19 September "the gravest armed provocation" since the 1962 confrontation. Peking indicates that the latest supposed affront is the

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same thing that started the conflict in 1962.

4. Ground and aerial fighting between India and Pakistan is at a virtual standstill--probably as a result of the political maneuvering--with the military situation generally unchanged during the past 24 hours. The main Indian effort--directed toward Sialkot--has produced no all-out effort and New Delhi appears content to let time take its toll of Pakistani armor.

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- 6. Foreign minister Bhutto left Karachi for New York this morning and will no doubt deliver an impassioned plea for Pakistan at the opening of the 20th General Assembly.
- 7. The Shah of Iran has told the Embassy that he is 100 percent with the US in regard to Pakistan accepting the UN cease-fire order. A delegation left Tehran this morning with instructions to point out to Ayub that although Iran has given outspoken support to Pakistan in the past, it can expect no further aid from Iran if it rejects the UN cease-fire.
- 8. Ayubs' flirtation with the Chinese has worked him into a corner. Ambassador McConaughy depicts him "at the crossroads of a cease-fire decision with the path of hard reason (accepting the proposal) leading in one direction, and that of emotion (rejecting the cease-fire) leading in the other." The Embassy recommends that a Presidential message—as well as one from Prime Minister Wilson—be sent to Ayub. The UK, however, is apparently not considering another approach by the Prime Minister.

