

INDIA ORDERS CEASE-FIRE ON BOTH FRONTS AFTER PAKISTANIS' SURRENDER IN THE EAST

CONGRESS BREAKS FOREIGN AID JAM; SEEMS TO ADJOURN

House Rejection of Vietnam Amendment Sets Stage for Conference Accord

By JOHN W. FINNEY
Special to The New York Times
WASHINGTON, Dec. 16 — Congress apparently broke today the impasse on foreign aid legislation that has been holding up adjournment as the House unexpectedly met Senate demands for a vote on an amendment on Vietnam troop withdrawal.

The House rejected, by a vote of 130 to 101, the withdrawal amendment offered by the Senate majority leader, Mr. Mansfield, and incorporated by the Senate in the foreign aid authorization legislation. But the net effect of the House action was to reject the Senate House negotiators on the foreign aid legislation that had been deadlocked for weeks in a conference committee.

With the foreign aid issue apparently on the way to resolution, Senate and House negotiators were optimistic that the final session of the 92d Congress could adjourn by tomorrow.

Ryan Breaks Impasse
The Senate and House leaders went into a power struggle over foreign aid, the impasse was broken in a surprise move by Representative William P. Ryan, Democrat of Washington.

Independently of the Congressional leaders who were meeting in the Senate Appropriations Committee room seeking a way to continue the foreign aid program, Mr. Ryan suddenly stood up on the House floor to offer a motion instructing the House conferees to accept the Mansfield amendment.

Mr. Ryan had found a provision in the House rules permitting such a motion to be made if a Senate-House conference committee had been deadlocked for 20 days.

Technically, the House did not have the specific vote on the Mansfield amendment that Senate conferees had been demanding in the conference on the foreign aid legislation. It was the refusal of the House conferees to yield to this demand by Senator Mansfield.

City Speeds Repair On Garbage Trucks

By PAUL L. MONTGOMERY
Sanitation Department officials here believe they are on the way to solving one of their most persistent problems—the inadequate number of collection trucks awaiting repairs in the department's shops.

The solution, something of a revolution in city administration, is embodied in a single sheet of statistics distributed to department mechanics this week. It lists the times the mechanics will be expected to spend to complete 18 routine tasks.

The revolution is that the times listed are an average of 46 per cent less than those that had prevailed.

Monthly Record Set For Housing Starts

By JACK ROSENTHAL
Special to The New York Times
WASHINGTON, Dec. 16 — Home building reached a monthly high in November, practically insuring that 1971 will be a record year, George Romney, Secretary of Housing and Urban Development, announced today at an odd, hastily called news conference.

The seasonally adjusted annual rate of housing starts in November was 2,316,000 units, Mr. Romney said, the highest figure ever. The actual 1971 figure is now likely to approach 2.1 million units, probably the highest ever.

The November figure compares with a downward revised October figure of 2,008,000 units and with 1,893,000 units for November, 1970.

The gain in housing starts, Continued on Page 49, Column 3

REVAMPING URGED FOR BANK SYSTEM

Hunt Commission Proposes Change in U.S. Regulation of Money Institutions

By H. ERICH HEINEMANN
Special to The New York Times
WASHINGTON, Dec. 16 — The nation's financial structure and the Federal agencies that regulate it require a complete overhaul, a President's commission has concluded.

If adopted, the commission's recommendations should result in sharper competition, possibly lower prices for consumers and — over time — the gradual disappearance of the present sharp legal distinctions between different types of financial institutions.

The group is formally called the Presidential Commission on Financial Structure and Regulation and informally known as the Hunt Commission, after its chairman, Reed O. Hunt, retired chairman of the Citicorp Bank Corporation. The commission is due to present its report to the White House in a few days. A copy of its recommendations, but not the report itself, was obtained today.

The key problem that led Continued on Page 45, Column 1

Nixon Pledges to Seek Release Of Skipper of Ship Cuba Seized



Mr. Nixon consoles wife of Josefa Villal, ship's captain

By JAMES M. NAUGHTON
Special to The New York Times
Key Biscayne, Fla., Dec. 16 — President Nixon pledged today that he would do what he could to seek the release of Josefa Villal, the captain of a Miami-based freighter attacked by a Cuban gunboat and seized yesterday in the Bahamas.

WEST TO FIGHT ON

Yahya Calls for Help, but Vows to Battle 'Alone if We Must'

By MALCOLM W. BROWNE
Special to The New York Times
RAWALPINDI, Pakistan, Dec. 16 — President Agha Mohammad Yahya Khan acknowledged tonight that his forces in East Pakistan had been overwhelmed, but pledged to continue the war against India until final victory.

In a radio speech to the nation, he also urged that help be found on Page 17.

help from the community of nations in Pakistan's struggle, but added: "We shall fight alone if we must."

Later, Pakistan formally acknowledged that India now controls what had been East Pakistan.

A communiqué issued here in West Pakistan said: "Latest reports indicate that following an arrangement between the local commanders of India and Pakistan in the Eastern theater, fighting has ceased in East Pakistan, and Indian troops have entered Dacca."

No Details Are Given
The communiqué said nothing more about East Pakistan and gave no details of the "arrangement."

But it indicated that fighting in West Pakistan was continuing. For the first time since the war began, military and diplomatic spokesmen failed to hold their daily evening briefing and correspondents here had no access to Pakistani officials.

The air war in the west was apparently still in progress. Indian air raids were reported on Karachi, Sialkot and other cities with significant numbers of civilian casualties.

The President implied that he had by no means accepted the separation of East Pakistan from the West, despite Pakistan's military defeat there.

"No sacrifice will be too great to preserve this Islamic homeland of the 120 million people of Pakistan," he said.

He also said: "To all our friends we say: stand by us and rest assured that the people of Pakistan will not cease their struggle."

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SIGNING THE SURRENDER AGREEMENT: Lieut. Gen. Jagjit Singh Aurora, left, commander of India's eastern forces, and Lieut. Gen. A. A. K. Niazi, Pakistani commander in East Pakistan, during surrender ceremony in Dacca yesterday.

BHUTTO SUGGESTS ACCORD ON BENGAL

Pakistani Urges Cease-Fire and Negotiations With Both Indians and Insurgents

By HENRY TANNER
Special to The New York Times
UNIONT, N.Y., Dec. 16 — Pakistan's Deputy Prime Minister and Foreign Minister, Zulfikar Ali Bhutto, declared today that Pakistan should accept a cease-fire with India and should prepare to negotiate a permanent settlement with the insurgents in East Bengal as well as with the Government of India.

Mr. Bhutto, in an interview, also said that Pakistan, which is now ruled by a military government, should return to civilian democratic government "very soon." His remarks appeared to put him at odds with President Agha Mohammad Yahya Khan of Pakistan, who pledged today in a speech to continue the war against India.

Mr. Bhutto announced that he would return to Pakistan in a few days to start laying the groundwork for sweeping internal and external reform as well as for negotiation with the insurgents.

Mr. Bhutto, who is the leading civilian figure in West Pakistan, stressed that he did not concede the final loss of East Pakistan.

The Security Council, meanwhile, was close to agreeing when it adjourned tonight on a resolution calling for an immediate cease-fire.

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The Surrender Document

NEW DELHI, Dec. 16 — Following is the text of the instrument of surrender signed today by the Pakistani and Indian commanders in East Pakistan:

The Pakistani Eastern Command agree to surrender all Pakistani armed forces in Bangladesh to Lieut. Gen. Jagjit Singh Aurora, general officer commanding in chief of the Indian and Bangladesh forces in the eastern theater.

This surrender includes all Pakistani land, air and naval forces as also all paramilitary forces and civil armed forces.

These forces will lay down their arms and surrender at the place where they are currently located to the nearest regular troops in the command of Lieut. Gen. Jagjit Singh Aurora.

Pakistani Eastern Command shall come under the orders of Lieut. Gen. Jagjit Singh Aurora as soon as this instrument has been signed. Disobedience of orders will be regarded as a breach of the surrender terms and will be dealt with in accordance with accepted laws and usages of war.

The decision of Lieut. Gen. Jagjit Singh Aurora shall be final should any doubt arise as to the meaning or interpretation of surrender terms.

Lieut. Gen. Jagjit Singh Aurora gives his solemn assurance that personnel who surrender shall be treated with dignity and respect that soldiers are entitled to in accordance with the provisions of the Geneva convention and guarantees safety and well-being of all Pakistani military and paramilitary forces who surrender.

Protection will be provided to foreign nationals, ethnic minorities and personnel of the West Pakistan region by the forces in the command of Lieut. Gen. Jagjit Singh Aurora.

The March Into Dacca: Last Clash and Victory

2 Men at a Table
By SYDNEY H. SCHANBERG
Special to The New York Times
DACC, Pakistan, Dec. 16 — On a broad grassy field in central Dacca known as the Race Course, the Pakistani forces formally surrendered today, 13 days after the Indian Army began its drive into East Pakistan.

It was at the Race Course on March 7 that Sheikh Mujibur Rahman, in a speech to thousands of Bengalis, called for the end of martial law and the transfer of power to his autonomy-minded Awami League, which had won a majority in national elections.

Today there were no speeches — just two men sitting at a single table on the grass. Lieut. Gen. Jagjit Singh Aurora, chief of India's Eastern Command, and Lieut. Gen. A. A. K. Niazi, commander of the 70,000 Pakistani troops in East Pakistan — who signed the formal papers of Pakistani surrender in the East.

The final hours of the Indian drive, which ended with the ceremony at the Race Course, were punctuated by artillery and machine-gun fire as the troops pushed across the Lakshya River, just outside Dacca.

Seven Western journalists, including one from the United States, were permitted to observe the ceremony.

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CHINESE CHARGE INDIAN INCURSION

Protest May Foreshadow Use of Military Pressure in Support of Pakistan

By TELMAN DURDEN
Special to The New York Times
HONG KONG, Dec. 16 — China, in a formal Government statement today on the Indian-Pakistani war, predicted a turbulent future for India. At the same time, the Chinese pointed toward a possible trouble zone by filing a strong protest in New Delhi over alleged Indian incursions from Sikkim into Tibet.

The statement and the protest were reported here in quick succession tonight from Peking by Hainhua, the Chinese press agency.

The protest could foreshadow military pressure from China, a strong supporter of Pakistan, along sections of the eastern Himalayan border between India and China.

The 1,600-word statement warned India that "he who plays with fire will be consumed by fire" and asserted that "henceforth there will be no tranquility" for the Indian people.

Calling attention to India's own problems with minority nationalities, which it likened to the Bengali situation in East Pakistan, the statement said: "It may be asked how could have been avoided if the United States had used its

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Mrs. Gandhi Writes President: U.S. Could Have Averted War

By FOX BUTTERFIELD
Special to The New York Times
NEW DELHI, Dec. 16 — Prime Minister Indira Gandhi has written to President Nixon, in a letter released today, that the war between India and Pakistan could have been avoided if the United States had used its

Text of Mrs. Gandhi's letter is printed on Page 17.

"Power, influence and authority to achieve a political solution to the crisis in East Pakistan."

Mrs. Gandhi wrote that despite advice that she gave in August to Henry A. Kissinger, the President's adviser on national security affairs, only "lip service was paid to the need for a political settlement, but not a single worthwhile step was taken to bring it about."

Mrs. Gandhi said she was Continued on Page 17, Column 1

DACCA CAPTURED

Guns Quiet in Bengali Area but War Goes On at Western Front

By CHARLES MOHR
Special to The New York Times
NEW DELHI, Dec. 16 — India today ordered a complete cease-fire in the war with Pakistan after seizing Dacca, the East Pakistani capital, and according to the surrender of Pakistani forces here.

With guns still in the surrender in the East, the cease-fire on the western front, more than a thousand miles away, was set without any agreement from Pakistan — began at 8 P.M. tomorrow, Indian time (3:30 A.M. Friday, New York time).

Statements by Mrs. Gandhi are on Page 15.

fire on the western front, more than a thousand miles away, was set without any agreement from Pakistan — began at 8 P.M. tomorrow, Indian time (3:30 A.M. Friday, New York time).

After 14 days of bitter warfare over the status of the Bengalis in East Pakistan, Prime Minister Indira Gandhi of India said, "It is pointless in our view to continue the present conflict."

Pakistan Shortages Seen
But President Agha Mohammad Yahya Khan of Pakistan asserted in a nationwide radio broadcast that the war was still on "and we will continue to fight."

Pakistan is believed by independent observers, however, to have grave supply-line problems, so that her stockpiles of fuel and ammunition may not permit prolonged war.

A major tank battle — the largest of the war — has erupted on the western front near the little Pakistani town of Shikarpur, in the Punjab. The Pakistani army had lost 15 tanks and claimed the destruction of 45 Pakistani tanks.

Even as India celebrated her quick victory in the East, China accused her of violating the border between the Indian protectorate of Sikkim and Tibet, terming the action "a grave encroachment" on Chinese territory.

Chinese Charge Denied
Indian officials said there had been no fighting on the Chinese border, and a Foreign Ministry spokesman described the accusation by Peking — a supporter of Pakistan — as "totally without foundation." Nonetheless, the protest raised apprehensions here that the conflict might be widened.

India's offensive in East Pakistan, which began in the early hours of Dec. 4, ended at 4:31 P.M. today in the total surrender of the four divisions of West Pakistani troops there.

The surrender agreement was signed in Dacca by Lieut. Gen. Jagjit Singh Aurora, who commands India's eastern forces, and Lieut. Gen. A. A. K. Niazi, Pakistani commander in East Pakistan.

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