40 Reported Dead in Southern Iran Town
As Shiite Moslems Attack Bahai Members

TEHRAN, Dec. 15 (AP) — Shiite Moslems in an outbreak of sectarian violence in Shiraz, southern Iran, were reported today to have attacked homes and businesses belonging to members of the Bahai sect. Forty of the attackers were shot and killed, informed sources reported.

The violence against the Bahais erupted in the Shiraz suburb of Nasir. Among the homes set ablaze were ones belonging to a former army intelligence chief and several noncommissioned members of the army. Informed sources in Shiraz said the army men used their weapons to save themselves and their families against the rioters, shooting and killing at least 40 and wounding scores of others. An army corporal whose home was burned was killed by the rioters and his family fled along with hundreds of others to a nearby mountain town.

The Moslems also attacked businesses belonging to Bahais, including the Pepsi-Cola plant.

Pressure on Shah

Shiraz has been the frequent scene of anti-Shah demonstrations since civil unrest started 11 months ago throughout Iran.

As the unrest grew, Shiraz officials increased the pressure on the shah to dismiss members of the Bahai sect on influential occasions.

There are about 70,000 Bahais in Iran and the sect has always played a prominent role in the country's economic, educational and military life.

In an attempt to pacify religious opponents, the shah replaced Bahai president, several generals and the president of Iran Air, retired Air Vice Adin Ahmed Mouhamed Khademi. The shah later commuted outside because of accusations that his office committed the funds of the national air carrier, the government had said.

The military government, meanwhile, maintained official silence about reports that well-trained troops and oil tanks at least 12 imperial guard officers and wounded more than 20 this week in a camp close to the shah's Nasir Palace residence.

Official sources yesterday claimed that three insurgents dressed in military uniforms sprayed a barrack with bullets from their automatic weapons, wounding at least 20 soldiers at Letran camp Tuesday night before they were ganned down.

The government has declined to comment on the version reported by informed sources, that the attack on the officers mess was made by three troopers on Monday whose fate is unknown.

The government tried to get the economy rolling again with an economic aid of 930,000 dollars by 37,500 oil field workers now in its 12th day.

Iran Oil Production Report Very Low

PARIS, Dec. 15 (AP) — Iranian oil production came to a complete halt this week, while crude oil for export dwindled to a trickle of 600,000 barrels a day, according to a confidential report obtained here today.

The little oil being exported is exclusively for Consumer members, according to the report by oil industry experts that is being circulated among oil companies. These member countries consist of a handful of large, mostly non-American, companies.

The report was shown to the Associated Press-Dow Jones news service on condition that the source remain unidentified.

It said the virtual halt in production came two days ago. Daily production now stands at 1.1 million barrels — one third of its usual rate — with the exported crude going for domestic consumption, Iran had 35 producing oilfields in 1976, 22 of them on land.

Iran's oil industry has been crippled by strikes. Before the civil strife in the country, Iran was the world's second largest exporter of crude, and it produced about 6 million barrels a day.

The report said production was so low that the National Iranian Oil Co. was trying to purchase products, primarily jet fuel, on the international market.

But consumer make terminals in Iran were not functioning, and it was difficult to tell how much oil would reach its destination, the report added.

Russians Seen Hurt

By Iran Oil Strike

BRUSSELS, Dec. 15 — The oil strike in Iran has cut the flow of Iranian natural gas to the Soviet Union and threatened to interfere with an important Soviet trade agreement in Western Europe, diplomatic sources said yesterday.

The Soviet Union imports substantial quantities of Iranian gas, which pays for its oil in Europe, which pays for its oil in country currencies that are more in

OPEC Offi

Plan to Rai

Carter May Call
China Summit

WASHINGTON, Dec. 15 (AP) — President Carter hastily arranged a television address to the nation late this evening amid reports that he would announce plans for a U.S.-Chinese summit and resumption of full diplomatic relations.

Mr. Carter said that administration sources said his address would be

Shelkh Ahmed Zaki Youn

"We won't accept some part
small adjustments that would
look ridiculous before ou