1. SUMMARY: IN APPARENT EFFORT TO COUNTER CURRENT AND FUTURE CRITICISM (MAINLY OVERSEAS BUT SOME INTERNAL) OF GOI RE TRIALS AND PUNISHMENT OF SUBVERSIVE/ANTI-GOVERNMENT ELEMENTS WHOSE ARREST ANNOUNCED MID-JANUARY (REFTEL), GOVERNMENT STAGED "SPONTANEOUS DEMONSTRATION" IN TEHRAN FEBRUARY 29 TO DEMONSTRATE PUBLIC SUPPORT FOR GOI DETERMINATION TO DEAL WITH ENEMIES OF IRAN. SMALL BOMBS EXPLODED AS DEMONSTRATION GOT UNDERWAY, KILLING AT LEAST ONE AND INJURING FIVE, BUT OTHERWISE DEMONSTRATION WITHOUT INCIDENT.

END SUMMARY.

2. USING MACHINERY OF IRAN NOVIN AND LABOR UNIONS GOVERNMENT ASSEMBLED CROWD OF ESTIMATED 20,000 TO 30,000 AT SEPAH SQUARE.

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Po4 23-8 IRAN

Po4 23-9 IRAN

Department of State

TELEGRAM
DURING MORNING FEBRUARY 29 (RADIO AND PRESS CLAIMING CROWD OF OVER 200,000 PARTICIPANTS (GROUPS OF WORKERS, FARMERS, STUDENTS, ETC.) CARRIED PLACARDS SUPPORTING GOVERNMENT AND CONDEMNING FOREIGN AND DOMESTIC ELEMENTS -- WITH BAATHISTS ONLY ONES NAMED -- WHICH WISH TO DESTROY ACCOMPLISHMENTS OF WHITE REVOLUTION; CROWD HEARD SPEAKERS STRESSING SAME THEMES, AND RALLY CONCLUDED WITH ADOPTION OF RESOLUTION PLEDGING ALL OUT SUPPORT FOR GOI, BLASTING ALL ENEMIES OF IRAN, PARTICULARLY BAATHISTS AND THEIR AGENTS IN IRAN, AND SIGNIFICANTLY DEMANDING THAT "FOREIGN AGENTS BE SEVERELY PUNISHED." (GOI MINISTERS AND OFFICIALS WERE CONSPICUOUS BY COMPLETE ABSENCE AT DEMONSTRATION), WHICH DESIGNED TO STRESS PUBLIC-POLITICAL NATURE OF RALLY).

3. THROUGH CROWD ASSEMBLED AND DISPERSED, IN PRESENCE SIZEABLE POLICE CONTINGENTS, WITHOUT ANY DISORDERS, THREE AND PERHAPS FOUR SMALL BOMBS WERE EXPLODED IN OR NEAR SEPAH SQUARE AS DEMONSTRATION GOT UNDERWAY, AND SMALL BOMB EXPLODED IN STREET OUTSIDE UK EMBASSY. RADIO TEHRAN ANNOUNCED EXPLOSIONS KILLED ONE PERSON AND WOUNDED FIVE AND THAT BOMBS WERE FURNISHED BY BAATHIST GOVERNMENT TO UNPATRIOTIC ELEMENTS.

4. ORIGINAL PLANS CALLED FOR SIMILAR DEMONSTRATIONS IN PROVINCIAL TOWNS MARCH 1, BUT THERE IS RUMOR THAT HIM (WHO RETURNS TO TEHRAN THIS AFTERNOON) NOT ENTIRELY PLEASED WITH DECISION HOLD ANY DEMONSTRATIONS, AND IT REMAINS TO BE SEEN WHETHER PROVINCIAL ONES WILL TAKE PLACE.

5. COMMENT: WHILE WE HAVE NO FIRM INFO RE MOTIVES BEHIND GOVERNMENT DECISION MOUNT TODAY'S DEMONSTRATION, BOTH (A) TIMING (SOME DEATH SENTENCES GIVEN AT RECENT TRIALS OF SUBVERSIVES SOON TO BE CARRIED OUT), AND (B) THEMES STRESSED DURING DEMONSTRATION STRONGLY SUGGEST DEMONSTRATION INTENDED PRIMARILY TO COUNTER CRITICS OF TRIALS/PUNISHMENT OF SUBVERSIVES -- BOTH FROM ABROAD (E.g. FOREIGN PRESS AND PROTESTS BY CONFEDERATION OF IRANIAN STUDENTS IN EUROPE) AND SOME WITHIN IRAN. ANTI-IRAQ THEME IN DEMONSTRATION NOT DOMINANT BUT WAS STRONG ENOUGH TO AROUSE SPECULATION THAT ADDITIONAL

MOTIVE WAS EITHER: (A) DESIRE COUNTER CRITICS WHO CHARGE GOI SIMPLY "TURNING OTHER CHEEK" IN FACE OF IRAQI PROVOCATIONS SUCH AS MASS EXPLOSIONS IN JANUARY, OR (B) PREPARE PUBLIC FOR STRONGER STANCE ACTIONS AGAINST SUCH PROVOCATIONS.
6. FINALLY, IT CANNOT BE RULED OUT THAT PM HOVEYDA, CONSCIOUS OF GRUMBLING/CRTICISM RE RISING PRICES (ACCENTUATED BY DISRUPTIONS DUE TO UNUSUALLY SEVERE WINTER AND BY MINISTRY OF AGRICULTURE BOO-BOO LAST WEEK IN ANNOUNCING DOUBLED OFFICIAL PRICE OF MEAT -- ANNOUNCEMENT WHICH RESCINDED WITHIN 24 HOURS) AND OF GROWING TALK ABOUT "NEED FOR CHANGE," DECIDED DEMONSTRATION WOULD BE USEFUL WAY TO BOLSTER HIS POSITION AND COUNTER CRITICISM.

7. WHATEVER MOTIVES BEHIND DEMONSTRATION, IT IS BEING WIDELY CRITICIZED BY IRANIAN AND FOREIGN OBSERVERS AS SOMEWHAT CHILDISH AND PATENTLY UNSPONTANEOUS DEMONSTRATION OF SUPPORT FOR GOVERNMENT.

EXEMPT.

HECK

NOTE BY OC/T: NOT PASSED MANAMA.