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THE WHITE HOUSE WASHINGTON

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June 17, 1985

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MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTS The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER The Secretary of Defense

SUBJECT:

U.S. Policy Toward Iran \SL

The Director of Central Intelligence has just distributed an SNI: on "Iran: Prospects for Mear-Term Instability", which I hope you have received. This SMIE makes clear that instability in Iran is accelerating, with potentially momentous consequences for U.S. strategic inter sts. It seems sensible to ask whether our current policy toward Iran is adequate to achieve our interests. Ny staff has prepared a draft MSDO (Tab A) which can serve to stimulate our thinking on U.S. policy toward Iran. I would appreciate your reviewing the draft on an eyes only besis and providing me with your comments and suggestions. I am concerned about the possibility of leakage should we decide not to pursue this change in policy with the President. If you feel that we should consider this change, then I would refer the paper to the SIG(FP) in preparation for an MSPG meeting with the President.

Robert C. McFarlane