

The Director of Central Intelligence

Washington, D. C. 20505

28 August 1985

The Honorable Frederick Ikle
Under Secretary for Policy
Department of Defense
Washington, D. C. 20301

Dear Fred,

I told you we were working on developing US dependence on foreign defense manufactures. I enclose a copy of that study and particularly would like to bring to your attention the concluding paragraph of the Key Judgments, which reads as follows:

"We believe a more comprehensive effort is needed to measure foreign content in US weapon systems. Although major military suppliers/subcontractors are well known, no systematic effort has been made to identify ultimate component and materials suppliers. This lack of information creates unnecessary risks because it hinders identification of potential vulnerabilities and disguises areas in which foreign suppliers may play an essential role in the development and manufacture of US military systems."

It seems to me that you are in the best position to take the lead on this. Let me know how we can help. I heard from George Shultz on this to the effect that it should be undertaken and that he would be glad to support such an effort. I enclose a copy of George's note to me.

Yours,

William J. Casey

Enclosures:

1. Letter to DCI from Secretary of State, dtd 12 August 1985
2. US Dependence on Foreign Defense Manufactures: An Emerging Vulnerability, dtd July 1985

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85- 2838

THE SECRETARY OF STATE
WASHINGTON

August 12, 1985

Dear Bill:

I agree with the statement on page vi
and trust you are doing something about it.
I am glad to endorse or support the effort
if that would be useful.

With warm personal regards,

Sincerely yours,



George P. Shultz

The Honorable
William J. Casey, Director
Central Intelligence Agency.





Directorate of
Intelligence

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US Dependence on Foreign Defense Manufactures: An Emerging Vulnerability



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An Intelligence Assessment

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GI 85-10177
July 1985

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