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28 JUL 1981 3d

#24

THE UNDER SECRETARY OF DEFENSE

OFFICE OF THE  
SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

Sec Def Has Seen

8 AUG 1981

I-22360/81

AUG 1981

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POLICY

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Embargo on Silicon to the USSR/Warsaw Pact --  
ACTION MEMORANDUM

(S) The Soviet Union has made major strides in its micro-electronic industry and new, sophisticated, micro-electronic products are finding their way into Soviet military hardware such as "smart bombs" and laser range finders. This impacts on our military readiness and reduces the quality edge essential to our defense.

(S) Because of the nature of the worldwide micro-electronic industry and the immense efforts by the Soviets to obtain high quality, advanced designs from the West both through legal and illegal means, a variety of actions will be required for us to gain some control over Soviet access to this technology.

(S) There are immediate steps we can take, however, to slow Soviet development in the micro-electronic field and make it difficult for them to put this new technology into their military hardware.

(S) Pursuant to the authority you have under the 1979 Export Administration Act, I have drafted (next under) a letter for your signature to Secretary of Commerce Baldrige recommending that electronic grade silicon be placed under national security control and that we embargo the export of electronic grade silicon to the USSR and Warsaw Pact.

(S) For a time after the invasion of Afghanistan we attempted to control the export only of high grade silicon to the USSR and Warsaw Pact. This effort was not successful because there is no simple way for customs officials here and abroad to tell the difference between the highest grade silicon and other types of electronic silicon. The result has been the Soviets are buying some \$5 million worth of silicon "legally". There are only three important sources of the product -- West Germany, Japan and the United States. We do not believe the Soviets can presently produce the high grade silicon with adequate quality control to meet military specifications.

(S) By enacting an embargo and soliciting Allied cooperation, which appears feasible in light of the President's initiative at Ottawa, I believe we have a major opportunity to slow the growth of the Soviet micro-electronic industry and the new generation of Soviet war-fighting equipment that will use the products of this industry.

(S) The Central Intelligence Agency supports this position.

(U) I recommend you sign the attached letter.

*Paul C. Ikle*  
Paul C. Ikle

WITHOUT ARRANGEMENTS  
THIS MEMORANDUM IS

Classified on 24 July 1987

USSR 091.01

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350-83-0104, bx 26, (Am-Ang) #1

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 10 AUG 2018 Authority: EO 13526 + 5 USC 552

Declassify: X Deny in Full: \_\_\_\_\_

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Reason: \_\_\_\_\_

MDR: 18 -M- 0463

DECLASSIFIED IN FULL

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: AUG 10 2018