

Highlights of the Subcommittee on Financial Management, the Budget, and International Security Committee on Governmental Affairs

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Subcommittee on Financial Management, the Budget, and International Security Committee on Governmental Affairs

Hearing on Drugs, Counterfeiting, and Weapons Proliferation: The North Korean Connection

Tuesday, May 20, 2003 2:00 p.m. SD-342 Dirksen Senate Office Building

WITNESSES

Mr. Andre Hollis; Deputy Assistant Secretary for Counter-Narcotics U. S. Department of Defense

Mr. William Bach Office of Asia, Africa, and Europe Bureau of International Narcotics and Law Enforcement Affairs, U. S. Department of State

Dr. Nicholas Eberstadt, American Enterprise Institute

Dr. Robert L. Gallucci, Georgetown University Walsh School of Foreign Service

Dr. Larry M. Wortzel, Heritage Foundation

Former North Korean High Ranking Government Official, Identity Protected

Mr. Bok Ku Lee (alias), Former North Korean Missile Scientist

Four Senators were present at the hearing: Chairman Peter G. Fitzgerald, II; Senator Daniel Akaka, HI; Sen. Thomas Carper, DE; Sen. Frank R. Lautenberg, NJ. Only Chairman Fitzgerald was present for the entire hearing.

The two North Korean defectors entered the hearing room wearing hoods and testified from behind a screen. As they were willing to present highly sensitive material only to senators and their staff, after the public hearing, the audience departed. Additional testimony was to be presented in a closed session.

Notes:

The Subcommittee is chaired by Sen. Fitzgerald, who said in his opening statement:

"Today, we will hear from testimony that indicates

One, that the North Korean government runs a drug production and trafficking business and essentially functions as a state level crime syndicate.

Two, that North Korea is using the hard currency generated by its state level crime syndicate to fund its military weapons program, including its nuclear weapons program;

And therefore, three, the drug production and trafficking business run by the North Korean government poses a threat to international security."

The "Former North Korean High Ranking Government Official," who defected to South Korea in late 1998, provided testimony regarding North Korea's drug trade stating that "In the late 1997 the central government ordered that all local collective farms must cultivate 10 Chungbo (Korean land unit equal to approx. 25 acres) of poppy farming beginning in 1998." See today's stories in the Washington Post, NYT and LA Times for more details. During the question and answer period, he reiterated that people engaged in trafficking had been told to do so by the highest government authorities. This witness also said that such trafficking would be sure to continue as the DPRK government seeks hard cash. Mr. Andre Hollis; Deputy Assistant Secretary for Counter-Narcotics U. S. Department of Defense and Mr. William Bach Office of Asia, Africa, and Europe Bureau of International Narcotics and Law Enforcement Affairs, U. S. Department of State, also detailed several seizures of drugs that had originated in North Korea.

Whether or how the USG should or could respond to the drug trade was debated during the hearing. During the Q&A, in response to questions from Sen. Fitzgerald, Mr. Bach explained that it is not illegal for North Korea to grow poppy within its borders, and that the products (heroin and opium) do not become illegal until they reach a country where its sale or use is illegal. Mr. Hollis explained that as so far none of the drugs are destined for the US, the DOD is not authorized to act to assist in the interdiction of drug shipments unless such assistance is requested.

Dr. Wortzel suggested that in order to put economic pressure on Pyongyang, it is necessary to crack down on illegal drug sales and counterfeiting. He also argued that the same network of North Korean officials that have trafficked counterfeit money and drugs could distribute nuclear materials. Dr. Gallucci cautioned that although it might be true that it would be beneficial to interdict drug traffic

as a means of reducing hard currency for WMD development, "It would not be a good idea to turn that argument around and claim that an effort aimed at the interdiction of the drug and counterfeit currency trade should be expected to be an effective way of preventing the North from building up a nuclear weapons arsenal. . . . The cost of these weapons programs is relatively small compared to the cost of sustaining the North's large conventional forces and, moreover, there is no reason to believe that Pyongyang would not also make brutal trade-offs against the needs of the civilian sector to fund the nuclear weapons program."

Sen. Akaka and Lautenberg both raised questions about whether or not it was helpful to focus on drug trade at the possible expense of the nuclear weapons issue. Sen. Lautenberg asked whether there is a gain or loss in discussing counter-drug efforts at the same time weapons of mass destruction are being discussed. Sen. Akaka stated that negotiating with North Korea buys time to change North Korea from within, and said that he supports bilateral and multilateral negotiations.

The second witness from North Korea, alias Mr. Bok Ku Lee, defected in 1997. He presented detailed testimony regarding his trip to man a "missile guidance control vehicle" to test a missile in the summer of 1989. Since he and the rest of the crew traveled below deck, he could only estimate that they traveled for 15 days, based on their sleeping and eating patterns. While there he saw an Arab man, and concluded they were in the Middle East; when he returned they were told they had been to Iran. Mr. Lee said that during the closed session, he planned to discuss the use of North Korean weapons in the Gulf War and the removal of nuclear material from Yongbyon and Kumchangri. He also commented that the existence of safe harbors for North Korean scientists must be publicized, saying that when they leave, there will be nobody left "to press the buttons." He said that it has been a long time since loyalty to Kim Il Sung collapsed, saying that good singers are well-rewarded under Kim Jong Il, but scientists just get ballpoint pens and similar gifts. (He did not comment on whether this observation is from 1997, or if it is based on conversations with more recent defectors.) During the Q&A, in response to a question from Sen. Fitzgerald, he said that over 90% of missile parts are smuggled by passenger ship from Japan, with shipments made every three months and funded by Chosen Soren.

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