North Korea Advisory Group

Report to
The Speaker
U.S. House of Representatives

November 1999

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Congress of the United States
http://www.house.gov/international_relations/nkag/report.htm
October 29, 1999

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

We are pleased to transmit to you our report, which answers the question: Does North Korea pose a greater threat to U.S. national security than it did five years ago? In sum, we found that the comprehensive threat posed by North Korea to our national security has increased since 1994. Our report contains an executive summary.

We were not asked to make specific recommendations as part of our report, and remained within the confines of our mandate. It is our unanimous view, however, that the findings of our report identify a number of serious weaknesses concerning current U.S. policy toward North Korea that urgently require the attention of the foreign policy and national security committees of Congress. We strongly suggest that you direct the relevant committees to review the following issues and report back to you with their specific legislation for congressional action by a date certain.

Among the issues that need to be addressed are the following:

- Current U.S. policy is not effectively addressing the threat posed by North Korean weapons of mass destruction, missiles and their proliferation.
- U.S. assistance sustains a repressive and authoritarian regime, and is not effectively monitored.
- Current U.S. policy does not effectively address the issues posed by international criminal activity of the North Korean government, such as narcotics trafficking, support for international terrorism and counterfeiting.
- Current U.S. policy does not effectively advance internationally-recognized standards of human rights in North Korea, including liberating political prisoners and abolishing prisons for hungry children.
- Current U.S. policy does not effectively encourage the political and economic liberalization of North Korea.

We believe that our report is an important first step in addressing these issues, and we look forward to working with you and the relevant committees.

Sincerely,

BENJAMIN A. GILMAN
Chairman

DOUG BERERUTER
CHRISTOPHER COX
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Introduction

In August 1998, North Korea alarmed the world by successfully launching a multi-stage missile over Japan and into the Pacific Ocean. Nearly a year later, reports from the Korean peninsula indicated that North Korea was ready to launch an improved version of the missile, one capable of striking the continental United States. It became clear for the first time that North Korea could deliver a weapon of mass destruction not just to Seoul, but also to Seattle.

Responding to this crisis, House Speaker J. Dennis Hastert asked nine senior Members of Congress to form the North Korea Advisory Group and report to him on the North Korean threat to the United States and our allies.

"The Speaker asked the Advisory Group to answer the question: "Does North Korea pose a greater threat to U.S. interests today than it did five years ago?"

A number of changes in the U.S. approach to North Korea have taken place over the past five years. In 1994, the Agreed Framework called for North Korea to halt its nuclear weapons development activity in exchange for two light-water nuclear reactors to be provided by an international consortium led by the United States, Japan and South Korea. Since then, North Korea has suffered from continuing economic decline, a three-year famine, the death of Kim Il Sung, and the accession to power of his son, Kim Jong Il.

"The Advisory Group faced a number of hurdles in developing this report. North Korea is the most closed society in the world today. As the 1998 State Department Human Rights Report notes, "The Government prohibits freedom of speech, press, assembly, and association, and all forms of cultural and media activities are under the tight control of the party."

"The Advisory Group relied on information already developed by the U.S. government and international agencies as well as new information supplied specifically for the Advisory Group by the Congressional Research Service (CRS) and the General Accounting Office (GAO), both of which are agencies of the legislative branch.

"The Advisory Group held a number of briefings with administration officials, intelligence analysts and non-government experts on North Korea. Information from seven CRS reports and two GAO reports were incorporated into this final report. The group has also drawn on the considerable expertise of several congressional staff members.

"Today, even though North Korea appears to be on the edge of economic and political collapse, it threatens American and allied interests. Under current policy, North Korea has become the largest recipient of United States foreign aid in Asia.

http://www.house.gov/international_relations/asia/report.htm
The Congress observed the growing gap between North Korea's threatening actions and the administration's representations that North Korea's behavior was accommodating key American interests. Accordingly, on October 19, 1998, the Congress passed H. R. 4328, the Fiscal Year 1999 Omnibus Appropriations Act (PL 105-277), mandating a "full and complete interagency review of United States policy toward North Korea." Section 582 (c) of that Act stated, "Not later than January 1, 1999, the President shall name a 'North Korea Policy Coordinator,' who shall conduct a full and complete interagency review of United States policy toward North Korea, shall provide policy direction for negotiations with North Korea related to nuclear weapon, ballistic missiles, and other security-related issues, and shall also provide leadership for United States participation in KEDO." The President named former Secretary of Defense Dr. William Perry to that position. The creation of the position of "North Korea Policy Coordinator" was done at the insistence and instigation of the Congress.

This report to the Speaker of the House of Representatives analyzes key elements of North Korea's behavior since 1994 when the administration signed the Agreed Framework with North Korea. How North Korea has performed under the 1994 Agreed Framework is of great importance to the United States pursuant to the terms of the agreement itself. The United States and its allies are mandated to provide light water reactors to North Korea only if they are satisfied with North Korea's performance under the Agreed Framework.

Report Summary

I. Do the North Korean weapons of mass destruction (WMD) programs pose a greater threat to U.S. security than five years ago?

North Korea's WMD programs pose a major threat to the United States and its allies. This threat has advanced considerably over the past five years, particularly with the enhancement of North Korea's missile capabilities. There is significant evidence that undeclared nuclear weapons development activity continues, including efforts to acquire uranium enrichment technologies and recent nuclear-related high explosive tests. This means that the United States cannot discount the possibility that North Korea could produce additional nuclear weapons outside of the constraints imposed by the 1994 Agreed Framework.

In the last five years, North Korea's missile capabilities have improved dramatically. North Korea has produced, deployed and exported missiles to Iran and Pakistan, launched a three-stage missile (Taepo Dong 1), and continues to develop a larger and more powerful missile (Taepo Dong 2). Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons. Currently, the United States is unable to defend against this threat.

The progress that North Korea has made over the past five years in improving its missile capabilities, its record as a major proliferator of ballistic missiles and missile technology, combined with its development activities on chemical, biological and chemical weapons, ranks North Korea with Russia and China as one of the greatest missile proliferation threats in the world.

II. Do North Korean conventional forces pose a greater threat to peace on the Korean peninsula than five years ago?

North Korea is less capable of successfully invading and occupying South Korea today than it was five years ago, due to issues of readiness, sustainability, and modernization. It has, however, built an advantage in long-range artillery, short-range ballistic missiles, and special operations forces. This development, along with its chemical and biological weapons capability and forward-deployed forces, gives North Korea the ability to inflict significant casualties on U.S. and South Korea forces and civilians in the earliest stages of any conflict.

III. Does North Korea pose a greater threat to international stability than five years ago?

The Democratic People's Republic of Korea (DPRK) is a greater threat to international stability primarily in Asia and secondarily in the Middle East. North Korea is arguably the largest proliferator of missiles and enabling technology in the world, with its primary markets being South Asia and the Middle East. Its proliferation activities pose an increasing threat to American and allied interests globally. Pyongyang continues to harbor terrorists, produce and traffic in narcotics, counterfeit U.S. currency, and infiltrate agents into South Korea and Japan.

IV. Does U.S. assistance sustain the North Korean government?

The United States has replaced the Soviet Union as a primary benefactor of North Korea. The United States now feeds more than one-third of all North Koreans, and the U.S.-supported KEDO program supplies almost half of its HFO needs. This aid frees other resources for North Korea to divert to its WMD and conventional military programs.

U.S. aid to North Korea has grown from zero to more than $270 million annually, totaling $455 million over the last five years. Based on current trends, total will likely exceed $1 billion next year. During that same time, North Korea developed missiles capable of striking the United States and became a major drug trafficking and currency counterfeiting nation.

Despite assurances from the administration, U.S. food and fuel assistance is not adequately monitored. At least $11 million in HFO assistance has been diverted. In contravention of stated U.S. policy, food has been distributed in places where monitors are denied access. One U.S. aid worker in North Korea recently called the monitoring system a "scam." More than 90% of food aid distribution sites in North Korea have never been visited by a food aid monitor. The North Koreans have never divulged a complete list of where aid is distributed.

North Korea has the longest sustained U.N. food emergency program in history. There are no significant efforts to support or compel agricultural and economic reforms needed for North Korea to feed itself. North Korea will likely continue to refuse to reform, instead relying on brinkmanship to extract further aid from the United States and other members of the international community.

V. Do the policies of the North Korean government undermine the political and/or economic rights of its people more so than five years ago?

The condition of the North Korean people, both physically and politically, is worse than at any time in the history of their government. U.N. nutritional studies and other research have shown that at least one million North Koreans have starved to death since 1994, while many others face starvation. North Korea's medical system has collapsed with its economy, transforming common diseases into death sentences for many. North Korean hospitals largely function as hospices.

North Korea has the worst human rights record of any government in the world. The DPRK formally categorizes its citizens into 51 classes. Seven million citizens, one-third of the population, are regarded as members of the "hostile" class. North Korea has established prisons for hungry children, and is the only place on earth where a hungry child wandering away from home is imprisoned. North Korea is also unique in being the only country that has attempted to withdraw from a key human rights treaty.

The regime of Kim Jong Il depends on maintaining high levels of fear to oppress its people. The perpetual state of crisis that the regime generates with the international community ensures internal discipline and demands absolute support for the regime. This policy requires the regime to keep the North Korean people isolated and ill-informed on developments in the outside world.

http://www.house.gov/international_relations/hrg/report.htm
U.S. Assistance to North Korea/Missile Range

- **Year**
  - 1995
  - 1996
  - 1997
  - 1998
  - 1999
  - TOTAL

- **EXIM Aid**
  - 5.5
  - 22
  - 21
  - 80.4
  - 21.3
  - 139.4

- **USCGC**
  - 0.2
  - 12.4
  - 33.4
  - 213
  - 457

- **DDG**
  - 0.225
  - 5
  - 3
  - 3.5
  - 5.25

- **2001 Admin**
  - 4
  - 4
  - 38
  - 3.5
  - 15.1

- **TOTAL**
  - 9.725
  - 30.2
  - 52.4
  - 245.6
  - 270
  - 645.725

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http://www.state.gov/j/eur/a/20550.htm
TABLE OF CONTENTS

Chapter I: North Korean Weapons of Mass Destruction (WMD) Programs............. 1
   A. Nuclear Weapons Programs................................................. 2
   B. Chemical and Biological Weapons Programs.......................... 9
   C. Missile Programs.......................................................... 13

Chapter II: North Korean Conventional Forces........................................... 23

Chapter III: North Korean Threat to International Stability.......................... 33
   A. Proliferation of WMD and Related Technology......................... 33
   B. Proliferation of Missiles and Related Technology....................... 33
   C. Infiltration and Subversion.................................................. 36
   D. Illegal Substances and State-Sponsored International Crime........... 38

Chapter IV: Sustaining the North Korean Government..................................... 49

http://www.house.gov/international_relations/akg/report.htm
CHAPTER ONE

North Korean Weapons of Mass Destruction Programs

Do the North Korean weapons of mass destruction (WMD) programs pose a greater threat to U.S. security than five years ago?

North Korea's WMD programs pose a major threat to the United States and its allies. This threat has advanced considerably over the past five years, particularly with the enhancement of North Korea's missile capabilities. There is significant evidence that undeclared nuclear weapons development activity continues, including efforts to acquire uranium enrichment technologies and recent nuclear-related high explosive tests. This means that the United States cannot discount the possibility that North Korea could produce additional nuclear weapons outside of the constraints imposed by the 1994 Agreed Framework.
In the last five years, North Korea's missile capabilities have improved dramatically. North Korea has produced, deployed and exported missiles to Iran and Pakistan, launched a three-stage missile (Taepo Dong 1), and continues to develop a larger and more powerful missile (Taepo Dong 2). Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons. The United States currently is unable to defend against this threat.

The progress that North Korea has made over the past five years in improving its missile capabilities, its record as a major proliferator of ballistic missiles and missile technology, combined with its development activities on nuclear, biological and chemical weapons, ranks North Korea with Russia and China as one of the greatest missile proliferation threats in the world.

A. Does the North Korean nuclear weapons program pose a greater threat to U.S. security than five years ago?

While North Korea's nuclear program at its Yongbyon and Taechon facilities appears to be frozen under the 1994 Agreed Framework, there is significant evidence that other weapons development activity is continuing.

KEY FINDINGS

- North Korea has at least enough plutonium for one to two nuclear weapons. There is little reason to believe that North Korea has not or could not make a nuclear explosive device capable of producing a significant nuclear yield. North Korea's ongoing nuclear program activity raises the possibility that it could produce additional nuclear weapons.

- Since 1994, North Korea has sought external assistance for its nuclear program. It has sold missiles and missile production equipment to Pakistan, as well as engaged in extensive contacts with Russia's nuclear establishment, and attempted to acquire nuclear and dual-use equipment from Europe and Japan.

- It appears that the 1994 Agreed Framework has resulted in a freeze of Pyongyang's nuclear activities at Yongbyon and Taechon.

- Although the 1994 Agreed Framework was essentially aimed at eliminating North Korea's ability to make nuclear weapons, there is significant evidence that nuclear weapons development is continuing, including its efforts to acquire uranium enrichment technologies and its nuclear-related high explosive tests.

- North Korea is not meeting its obligations under the 1994 Agreed Framework to "consistently take steps to implement" the 1992 Joint Declaration on Denuclearization of the Korean Peninsula. There has been no progress in establishing the agreement's bilateral inspection regime to verify the denuclearization of the peninsula. In addition, evidence that North Korea is seeking to obtain uranium enrichment technologies suggests that, far from coming into compliance, North Korea is actually moving toward increased violation of the 1992 Joint Declaration. The FY98, FY99, and FY00 Foreign Operations Acts include conditions on the distribution of funds to the Korean Peninsula Economic Development Organization (KEDO) regarding the 1992 Joint Declaration. Under these conditions, the President must certify to Congress that the parties to the 1994 Agreed Framework have taken demonstrative steps to implement the 1992 Joint Declaration.

- Through the provision of two light water reactors (LWRs) under the 1994 Agreed Framework, the United States, through KEDO, will provide North Korea with the capacity to produce annually enough fissile material for nearly 100 nuclear bombs, should the Democratic People's Republic of Korea (DPRK) decide to violate the Nonproliferation Treaty (NPT).

Potential North Korean Long-Range Missile Capabilities

http://www.house.gov/international_relations/kaigreport.htm
Background and Status

North Korea started its nuclear program in the early 1950s when North Korean scientists began cooperating with the Soviet and Chinese nuclear programs. Pyongyang acquired its initial nuclear facilities in the 1960s, mostly from the Soviet Union, and built a significant nuclear complex in the 1970s and 1980s. Most experts believe that the main purpose of North Korea's nuclear program has been to acquire nuclear weapons.\(^{(1)}\)

**Plutonium and Uranium:** The Soviet-supplied, 25 megawatt (MW) reactor at Yongbyon is well-suited to the production of plutonium for weapons. North Korea probably produced and separated in the range of six to twelve kilograms (kg) of plutonium before the reactor was shut down in 1994 in connection with the 1994 Agreed Framework with the United States.\(^{(2)}\) The status and location of Pyongyang's undeclared plutonium remains a mystery, perhaps hidden in the 8,000 underground structures estimated to exist throughout North Korea. The Department of Energy states that about six kg of plutonium is enough to make a nuclear explosive device.\(^{(3)}\) These estimates are consistent with the U.S. government's statements that North Korea probably has enough plutonium for one or two nuclear weapons. The Rumsfeld Commission concluded that North Korea's ongoing nuclear program activity raises the possibility that it could produce additional nuclear weapons.\(^{(4)}\)

Before Yongbyon's 25 MW reactor was shut down, North Korea removed fuel rods from the core of the reactor containing as much as 25-30 kilograms of plutonium - enough for four or five additional bombs if it were extracted from the spent fuel. Pyongyang agreed, as part of the 1994 Agreed Framework, to allow the United States to package the fuel rods in sealed cans pending final disposal, although the ultimate disposal of the fuel remains unsettled. North Korea has an industrial-scale reprocessing plant (used to extract plutonium from spent reactor fuel) and various laboratories and research centers, and was constructing two much larger reactors capable of producing even more plutonium if completed and operated.\(^{(5)}\) North Korea also has uranium deposits (it maintains mines with four million tons of exploitable high-quality uranium) and uranium mining, milling, and fabrication capabilities. It has the natural resources to build large-scale uranium enrichment capabilities that would be necessary to enrich uranium for fissile weapons.\(^{(6)}\)

**Nuclear Weapons:** Based upon North Korea's efforts to acquire plutonium, most experts conclude that Pyongyang set out to build first-generation, implosion-type plutonium bombs comparable to the "Fat Man" bomb that the United States dropped on Nagasaki in 1945. "Fat Man" used 6.2 kilograms of plutonium and produced an explosive yield of 23 kilotons. It took the United States about four years to produce the first-ever plutonium bomb.\(^{(7)}\) By comparison, North Korea has had decades to work on a bomb and has had ample opportunity to exploit large amounts of declassified information on U.S. and other countries' nuclear weapons programs.

With respect to weapon design, North Korea reportedly has produced and tested explosive triggers for detonating nuclear weapons as recently as November 1998.\(^{(8)}\) There is, however, very little open-source information on North Korea's efforts to weaponize its plutonium into a deliverable weapon.

As a general rule, however, the biggest hurdle for a would-be nuclear power is the acquisition of fissile material - enriched uranium or plutonium. While it is not certain that North Korea has the technology to weaponize these materials, it is reasonable to assume that North Korea has made or could make a nuclear

\[\text{http://www.house.gov/international_relations/ka/group/report.htm}\]
explosive device capable of producing a significant nuclear yield. While such a device might not compete favorably to the most modern weapons possessed by the five de facto nuclear weapons states in terms of size, weight, reliability, efficiency, or deliverability, even a few kilotons of yield could approach the level of destruction experienced at Hiroshima or Nagasaki.

Little, if anything, is known about North Korean nuclear strategy, doctrine, or war plans, except that North Korea's collaborations with Soviet and Chinese military and nuclear programs probably influenced Pyongyang's approach toward nuclear weapons development and policy. It is also likely that North Korea has studied U.S. nuclear doctrine.

Treaties and Agreements: North Korea signed the Nonproliferation Treaty (NPT) in 1985, but did not allow inspections until 1990. The initial inspections by the International Atomic Energy Agency (IAEA) found evidence of undeclared nuclear activity related to plutonium production. The IAEA's request for access to additional sites sparked a stand-off over inspections that continues today.

The 1994 Agreed Framework froze North Korea's declared nuclear program, but the status of undeclared activities remains a mystery. The administration maintains that North Korea has not violated the 1994 Agreed Framework. However, discovery of undeclared nuclear activity, such as underground nuclear facilities, weaponization, or enrichment activities would be inconsistent with the 1994 Agreed Framework. The 1994 Agreed Framework obligates North Korea to remain a party to the NPT and to eventually come into full compliance with its safeguards agreement.

In 1991, North Korea signed a declaration with the Republic of Korea (ROK) to ban nuclear weapons, reprocessing or enrichment in either country. The 1992 Joint Declaration on the Denuclearization of the Korean Peninsula called for a bilateral inspection regime to verify the denuclearization of the peninsula. The 1992 Joint Declaration states that the two sides "shall not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons," and that they "shall not possess nuclear reprocessing and uranium enrichment facilities." The 1992 Joint Declaration was never implemented, although North Korea agreed to "consistently take steps to implement" the 1992 Joint Declaration in the 1994 Agreed Framework.

There has been no progress achieved toward the establishment of an inspection regime, as required in the 1992 Joint Declaration, and there has been no meaningful dialogue between the South and the North on this accord since 1992.

The FY98, FY99, and FY00 Foreign Operations Acts include conditions on the distribution of funds to KEDO regarding the 1992 Joint Declaration. Under these conditions, the President must certify to Congress that the parties to the 1994 Agreed Framework have taken demonstrative steps to implement the 1992 Joint Declaration. The President made the required certifications for FY98 and FY99.

External Assistance

North Korea acquired most of its nuclear infrastructure from the Soviet Union, but also has received equipment and know-how from China. Pyongyang has also attempted to acquire nuclear and dual-use equipment from Europe and Japan, both legally and through its extensive illegal smuggling operations. North Korea continues to operate an extensive global smuggling network.

North Korea's sales of missiles and missile production equipment to Pakistan have raised concerns that North Korea could acquire nuclear expertise, information, equipment, or materials from Islamabad, perhaps in trade for missiles or missile assistance. Pakistan operates uranium enrichment facilities that reportedly produce fissile material for its nuclear weapons program, and which could be of interest to North Korea. Pakistan is reportedly now producing plutonium at a newly completed Chinese-supplied reactor at Khushab.

North Korea's extensive contacts with Russia's nuclear establishment raise the possibility of Russian nuclear assistance to the DPRK. There have been reports that North Korea expressed interest in acquiring nuclear materials from Russia. The administration has often acknowledged the dangers associated with weak security for nuclear weapons, materials, and expertise in Russia and other countries of the Former Soviet Union (FSU). Kazakhstan, for example, possesses extensive nuclear assets and recently sold MiG 21 jets to North Korea.

North Korea may be one of the countries most interested and best able to exploit these weaknesses.

External assistance from any of these sources could significantly advance North Korea's nuclear capabilities.

Indigenous Capabilities

Uranium Enrichment: Among the many mysteries surrounding North Korea's nuclear program are its extensive uranium mining and milling activities. North Korea's interest in uranium dates back several decades, and North Korea is known to have attempted to acquire uranium enrichment equipment. The capability to enrich uranium to weapons-grade would provide North Korea with a second path to nuclear weapons and, if realized, could add a dangerous new dimension to Pyongyang's nuclear weapons development activities.

Undeclared Plutonium or Uranium: The IAEA was unable to verify the operating records of North Korea's research reactors, and the extent of North Korea's nuclear dealings with Moscow and Beijing are not well documented. If North Korea received unreported fuel shipments from the Soviet Union or China, it could have irradiated the fuel to produce additional plutonium, or extracted weapons-grade uranium from the fuel. Pyongyang is capable of extracting plutonium or uranium from fresh or spent nuclear fuel.

Radiological Weapons: Regardless of North Korea's ability to build and deliver a nuclear weapon, North Korea could also attempt to construct a radiological weapon from various nuclear materials, including non-weapons-grade uranium, plutonium, or other materials, such as cobalt. This weapon uses conventional explosives to disperse radioactive materials, exposing troops and civilians to harmful radiation. However, a radiological device would not necessarily cause dangerous exposures, and is unlikely to constitute a militarily significant weapon, although it might incite terror and mass disruption, and could possibly undermine confidence in civil authority.

Future Possibilities

Spent Fuel from the Yongbyon Reactor: The fate of the 8,000 spent fuel rods from the 25 MW reactor at Yongbyon that are being stored in canisters remains unresolved. The 1994 Agreed Framework prohibits reprocessing of the fuel rods, but does not specify where they ultimately will be disposed. The rods contain about 25-30 kilograms of plutonium, enough for four to five bombs if North Korea decides to take action to reprocess them.

Spent Fuel from the Two Light Water Reactors: If the 1994 Agreed Framework is implemented and two LWRs are eventually built and operated in North Korea, the reactors could produce close to 500 kilograms of plutonium in spent reactor fuel each year; enough for nearly 100 bombs annually if North Korea decides to break its obligations and reprocess the material. Such plutonium, while not weapons-grade, can be used to produce nuclear weapons and does not present an overwhelming barrier to those pursuing a dedicated nuclear weapons program.

As the quantity of plutonium in spent fuel North Korea could accumulate from these sources is so enormous, North Korea must provide transparency to ensure that diversion does not occur. Given its poor record of adherence to international agreements and to allowing foreign monitoring of its nuclear programs, there is
little reason to believe that North Korea would not eventually use this plutonium for the production of nuclear programs.

While the United States could theoretically cripple the reactors by suspending the provision of reactor fuel, the DPRK could circumvent this problem by illicitly acquiring reactor fuel from Russia or China. Russia is already supplying the Iranians with reactor fuel, and given the potential for further political and economic disintegration within Russia, the incentives for covertly assisting the DPRK may be increasing at the same time that the ability to control illicit sales is decreasing. China, meanwhile, remains committed to the survival of the North Korean regime, and may be willing to support the DPRK’s reactor fuel needs in the event of a cut-off of reactor fuel by the United States and its allies.

B. Do the North Korean chemical and biological weapons (CBW) programs pose a greater threat to U.S. security than five years ago?

The recent increase in the North Korean CBW threat is derived from its assumed efforts to develop CBW warheads for its long-range ballistic missiles, now capable of striking the continental United States.

KEY FINDINGS

- North Korea possesses biological weapons production and dispersing technology, including the capability to deploy chemical or biological weapons on missiles.

- The DPRK is generally credited with possessing a full range of chemical warfare agents, including nerve, blister, choking and blood agents. The South Korean government believes that the DPRK followed the Russian pattern of developing chemical warfare (CW) weapons for a wide range of weapons systems, including artillery above 82 millimeter (mm), multiple rocket launchers, Soviet-derived FROGs (Free Rocket Over Ground), SCUD missiles, aerial bombs and spray tanks.

- The DPRK biological weapons (BW) effort is believed to focus on traditional agents: plague, typhoid, cholera, anthrax, smallpox, yellow fever, botulinum toxin, and hemorrhagic fevers. It is generally assumed that, to the extent capable, the DPRK would seek to provide BW munitions for the same range of weapons as it does with chemical munitions.

Political-Military Significance

While most of the attention regarding North Korea’s CWB weapons has been focused on technological capabilities or stockpiles, an equally important element in considering the DPRK CBW threat is trying to understand how North Korea views the strategic utility of these weapons, and the consequences of using them.

The concept of international abhorrence regarding CBW carries little weight with the DPRK. This could be attributed to North Korea’s apparent belief that the United States and South Korea would use CBW in a conflict, international agreements notwithstanding. This belief is reflected in North Korean propaganda, but more significantly in the extensive CBW defense preparations undertaken not only for its military forces, but also for its civilian population. It is also frequently argued that the DPRK would consider any military conflict as a fight for its survival as a nation, and hence would adopt an “Armageddon” attitude, unconstrained by international law.

Reflecting Soviet military doctrine, the DPRK has traditionally viewed chemical weapons as an integral part of any military offensive. There are no indications this view has altered since the end of the Cold War. The most obvious tactical use of chemical weapons by the DPRK would be to terrorize South Korean civilians. Seoul lies within easy striking distance of North Korea’s artillery and rocket systems and, today, the South Korean civilian population has no protection against CW attack.

Since the Aum Shin Ryokko nerve agent attack in the Tokyo subway, the possibility of unconventional or terrorist CBW use by North Korea could be a real danger. Such an attack might play a role in an invasion scenario. North Korea might also use CW against Japanese facilities, in addition to ROK and U.S. facilities in South Korea, to discourage or impede Japanese cooperation with the United States and South Korean armed forces.

Biological weapons can present significantly different considerations. For example, highly infectious diseases, e.g., smallpox, have the obvious potential to affect one’s own forces or population if used in close proximity. Hence their more likely use would be strategic, i.e., as a threat against the United States or Japan. The less infectious diseases, e.g., anthrax, could be used as a destabilizing tactic or to interdict passage through certain areas in an invasion scenario. Outside of an invasion scenario, unconventional terrorist use of BW is a possibility, particularly of naturally-occurring diseases, which would make attribution difficult.

Background and Status of the DPRK Chemical and Biological Weapons Programs

The U.S. government has released no specific details on North Korean CWB capabilities, but the Department of Defense has stated that the DPRK has a “sizeable stockpile of chemical weapons,” and “has pursued research and development related to biological warfare capabilities.”

Chemical Weapons

North Korea’s CW program is generally assumed to have started in the mid-1950s with heavy dependence upon Russian and Chinese assistance. Development of an offensive capability appears to have been a lengthy process, with early detectable efforts concentrating on defensive preparations. An oft-quoted estimate of the DPRK CW stockpile in 1989 was about 150-250 metric tons. By 1997, estimates placed the DPRK CW stockpile at about 5,000 metric tons.

The DPRK is generally credited with possessing a full-range of chemical warfare agents, including nerve, blister, choking, and blood agents. The North Koreans have recently emphasized their work on nerve agents. It is also believed that the DPRK is interested in developing binary nerve agents.

Estimates of the number of DPRK production, research, and storage facilities have remained stable over the last decade, with the ROK government estimating current peacetime annual production capability (if not actual production) at 4.5 tons, with the likelihood of a surge capacity. A 1993 report estimates that the DPRK was operating eight CW and BW production plants, and that there were six storage facilities in the country, and three research institutes.

The ROK government believes the DPRK followed the Russian pattern of developing CW warheads for a wide range of weapons systems, including artillery above 82 mm, multiple rocket launchers, Soviet-derived FROGs, SCUD missiles, aerial bombs and spray tanks. Unconventional delivery means, e.g., clandestine aerosols and balloons, are also suspected.

In terms of recent increases in the DPRK CW threat, it is not the types of agents or stockpile levels that have attracted the most attention, but rather the assumed efforts to develop CW warheads for its No Dong and Taepo Dong ballistic missiles. The ROK government assesses the No Dong as CW capable.

Even more unsettling, however, is the prospect of the coupling of a CW weapon with the Taepo Dong 1 or 2 intercontinental ballistic missiles (ICBMs) under development, with the capability to strike Japan and virtually all U.S. military installations in East Asia, including Guam. While testing of the Taepo Dong 2 has been suspended per the Berlin Agreement with the United States, a three-stage Taepo Dong 2 could strike the United States with a chemical or biological...
warhead.(33)

The efficient and accurate dispersal of chemical agents by a ballistic missile presents a number of technical challenges.

Biological Weapons (BW)

The North Korean BW program is thought to have begun in the 1960s, but did not attract attention until the 1980s. It appears to have developed slowly, owing to the poor state of biotechnology in the DPRK. Japanese officials, however, point out that DPRK scientists have recently won international recognition for the development of a new Hepatitis-B vaccine -- an event that could indicate a more sophisticated biotech capability than previously thought.(34) The DPRK BW effort is believed to have focused on the traditional agents: plague, typhoid, cholera, anthrax, smallpox, yellow fever, botulinum toxin, and hemorrhagic fevers.(35) There is no publicly available evidence that the DPRK has undertaken development of genetically-engineered BW agents. However, given that the U.S. Department of Defense (DoD) was openly discussing interest in such agents 30 years ago, it seems reasonable to assume that the DPRK would explore this avenue to the extent possible.(36) There are no reliable public estimates of the DPRK's BW agent or munitions stockpile. It is generally assumed that, to the extent capable, the DPRK would seek to provide BW munitions for the same range of weapons as it does with chemical munitions, i.e., artillery, rockets, bombs, and missiles.

As with CW, any recent increase in the BW threat profile can be attributed to the DPRK's ballistic missile programs, and the assumption that BW warheads will be forthcoming. Long-range missiles are particularly attractive for biological warfare because they remove or reduce the chance of affecting one's own forces or population. However, even more than CW agents, BW agents present significant technological challenges for effective delivery by a missile warhead. Nevertheless, North Korea possesses biological weapons production and dispersant technology, including the capability to deploy chemical or biological weapons on missiles.(37) This is primarily because BW agents are live organisms and must be able to survive the stresses of missile flight and impact. As with CW, however, the psychological effect of BW strikes are likely to be so great that accuracy and efficient dispersal are not necessarily critical to having political or military consequences.

C. Does the North Korean missile program pose a greater threat to U.S. security than five years ago?

Today, North Korea ranks with Russia and China as one of the greatest missile threats in the world due to: the progress made over the past five years in improving its missile capabilities; its record as a leading proliferator of ballistic missiles and missile technology; and its development of high explosive, chemical, biological, and possibly nuclear weapons.

KEY FINDINGS

- Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons. The United States currently is unable to defend against this threat.
- According to the 1999 ballistic missile National Intelligence Estimate (NIE), "the proliferation of medium-range ballistic missiles - driven primarily by North Korean No Dong sales - has created an immediate, serious and growing threat to U.S. forces, interests, and allies, and has significantly altered the strategic balances in the Middle East and Africa."(38) North Korean No Dong transfers have all occurred within the last five years.
- In the last five years, North Korea has made significant progress in improving its missile capabilities. It has produced, deployed and exported missiles to Iran and Pakistan, launched a three-stage missile (Taepo Dong 1), and continues to develop a larger and more powerful longer-range missile (Taepo Dong 2).

Exports

- North Korea is one of the world's leading suppliers of ballistic missiles and missile technology, and has developed, produced, deployed and exported a broad range of missiles (see Fig. 1.1). By selling complete missile systems, components, and missile technologies to Iran, Syria, Egypt, and Pakistan, North Korea undermined regional stability in the Middle East and South Asia.
- It is probable that North Korea will also export the longer-range missiles it is developing to countries such as Pakistan, Iran, Syria, and perhaps Libya, if political or economic developments do not intervene.

Taepo Dong 1

- North Korea attempted to orbit a small satellite using the Taepo Dong 1 in August 1998, but the third stage failed during powered flight; other aspects of the flight, including stage separation, appear to have been successful.
- If it had an operable third-stage and a reentry vehicle capable of surviving ICBM flight, North Korea could now strike the continental United States with a Taepo Dong 1. In such a case, about two-thirds of the payload mass would be required for the reentry vehicle structure. The remaining mass is probably too light for an early generation nuclear weapon, but could strike a target in the United States with a biological or chemical warhead.

Taepo Dong 2

- A two-stage Taepo Dong 2 could deliver a payload of several hundred kilograms (enough for an early generation nuclear weapon) to Alaska or Hawaii, and could deliver a lighter weapon to the western half of the continental United States.
- A three-stage Taepo Dong 2 could deliver a payload of several hundred kilograms, an early generation nuclear weapon, anywhere in the United States.

Weaponization

- North Korea's development of ballistic missiles specifically threatens the United States and its allies because it is developing, or may have developed, nuclear, chemical, and biological weapons which could be delivered by these missiles.
### NORTH KOREA'S BALLISTIC MISSILE CAPABILITY

<table>
<thead>
<tr>
<th>Flight Test</th>
<th>SCUD A</th>
<th>SCUD B</th>
<th>SCUD C</th>
<th>No Dong</th>
<th>Taepo Dong 1</th>
<th>Taepo Dong 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range Km (Miles)</td>
<td>280-300</td>
<td>300</td>
<td>500</td>
<td>1300</td>
<td>1500-2000</td>
<td>4000-10000</td>
</tr>
<tr>
<td>(174-186)</td>
<td>(186)</td>
<td>(310)</td>
<td>(800)</td>
<td><em>(930-1240)</em></td>
<td><em>(2480-6200)</em></td>
<td></td>
</tr>
<tr>
<td>Payload Kg (Pounds)</td>
<td>1,000</td>
<td>1,000</td>
<td>700-800</td>
<td>1200</td>
<td>700-1000</td>
<td>700-1000</td>
</tr>
<tr>
<td>(2,200)</td>
<td>(2,200)</td>
<td><em>(1540-1760)</em></td>
<td><em>(2640)</em></td>
<td><em>(1540-2200)</em></td>
<td><em>(1540-2200)</em></td>
<td></td>
</tr>
<tr>
<td>CEP (meters)</td>
<td>Unknown</td>
<td>450-1000</td>
<td>Unknown</td>
<td>2000-4000</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>(Ft.)</td>
<td><em>(1475-3280)</em></td>
<td></td>
<td></td>
<td><em>(6560-1320)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>90-100 to Iran in 1987; few to UAE in 1989, + tech.</td>
<td>~100 to Iran</td>
<td>Unknown</td>
<td>10-12 to Pakistan</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td></td>
<td>~60 to Syria in 1991</td>
<td>+ tech.</td>
<td></td>
<td>10-12 to Iran</td>
<td>+ tech.</td>
<td></td>
</tr>
</tbody>
</table>


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### North Korean Missile Threat: Today

North Korean missiles, coupled with nuclear, chemical, or biological weapons, now can strike U.S. troops and our allies throughout Northeast Asia, and could hit the United States. North Korea’s SCUD B can reach most of the heavily populated portions of South Korea, and the SCUD C is capable of reaching the majority of South Korea. North Korea has the capability to use SCUD missiles to strike targets throughout South Korea, as well as South Korean airspace, logistic facilities, and the 37,000 U.S. troops stationed in South Korea. The No Dong missile, with a range of 1,300 km (800 miles), can strike targets throughout most of Japan. Referring to the Taepo Dong 1 and Taepo Dong 2, then-Director of the Central Intelligence Agency James Woolsey stated that the missiles could "put at risk all of North-East Asia, South-East Asia and the Pacific area." The August 31, 1998, launch of a Taepo Dong 1 with a third stage indicates North Korea may now be able to bring the United States within range of its missiles to attack targets as far away as 5,600 km (3,500 miles), including Hawaii and parts of Alaska.

The U.S. territory of Guam and its population of 150,000 would be within striking distance of the North Korean Taepo Dong 1 or 2, if it successfully flies near a range of 3,500 km (2,175 miles). More than 14,000 U.S. military personnel are deployed on Guam, with the majority stationed at Agana Naval Station and Andersen Air Force Base.

### North Korean Missile Threat: Future

This report specifically addresses the threat North Korea poses to the United States security over the past five years. Given the extraordinary progress made by North Korea in enhancing its missile capabilities in that time-frame, it is reasonable to conclude that the missile threat facing the United States will only increase, and probably dramatically so, over the next five to ten years, absent effective policy.

This is particularly true if one considers those factors which were heavily discounted in the 1995 NIE regarding the ballistic missile threat facing the United States.

Specifically, the 1995 NIE was criticized, among other reasons, for basing its assessment on the vulnerability of only the United States 48 contiguous states; for underestimating the time it would take a rogue nation to develop a long-range ballistic missile; for downplaying the impact of foreign assistance on the missile programs; for underestimating the effect of space launch vehicle (SLV) development on missile proliferation; for being unrealistic about the potential sale of SLVs, and for dismissing the threat of an accidental or unauthorized ballistic missile launch. Each of these factors has particular relevance for North Korea’s missile programs.

The Rumsfeld Commission, formally known as the Commission to Assess the Ballistic Missile Threat to the United States, more fully analyzed these factors. The Commission also made recommendations for the Intelligence Community to consider as it prepared to issue its next ballistic missile threat assessment (the 1999 NIE, which was released in September 1999).

### BACKGROUND ON NORTH KOREAN MISSILE DEVELOPMENT

#### Early Developments

North Korea's ballistic missile program dates back to the early 1970s when it tried to procure SCUD missiles from the Soviet Union. When this effort failed, North Korea began reverse engineering the USSR's FRDO rockets and, in the mid-1970s, began a program of missile cooperation with the People's Republic of China (PRC). The two countries worked on the development of the DF-61 missile which would have had an estimated range of 600 km (370 miles) and a payload of 1,000 kg (2,200 pounds). Although the DF-61 program was canceled due to the removal of its supporters in the Chinese regime, it provided North Korea with certain ballistic missile technology and served as a basis for its missile development.

#### SCUDs

In 1981, Egypt provided North Korea with a small number of Soviet SCUD B missiles, which Pyongyang reverse-engineered to gain knowledge needed for a...
By 1984, North Korea had developed a variant of the Soviet SCUD B missile, known as the SCUD A. The SCUD A had an estimated range of 280-300 km (174-186 miles) and a payload of 1,000 kg (2,200 pounds). North Korea tested the SCUD A at least three times over the Sea of Japan between April and September 1984. Despite these flight tests, it is believed that North Korea has not deployed the SCUD A.
In 1985, with financial assistance from Iran, North Korea developed its own SCUD B, an upgraded version of the SCUD A. The SCUD B has an estimated range of 300 km (186 miles) and a payload of 1,000 kg (2,200 pounds). In 1989, North Korea developed the SCUD C as an elongated version of the SCUD B with a reduced warhead, thereby allowing it to carry more fuel and travel a greater distance. The SCUD C has an estimated range of 300 km (186 miles) with a payload of 700-800 kg (1,540-1,760 pounds) and entered full-scale production in 1991. The Department of Defense estimates that the North Korean Armed Forces have several hundred SCUD-like missiles and have exported many to other countries.

NO DONG

During the 1980s, North Korea developed the No Dong, which has an estimated range of 1,300 km (800 miles) and a payload of 1,200 kg (2,640 pounds). The No Dong uses an expanded model of the SCUD C missile motor, giving it added thrust and longer range with a heavier warhead. In July 1998, Secretary of Defense William Cohen confirmed that North Korea had completed development of the No Dong. The Rumsfeld Commission reported in July 1998 that North Korea deployed the No Dong after just one successful test and long before the United States government knew. During late 1998 and early 1999, a series of articles reported that North Korea had deployed six, then ten, then 30 No Dong missiles at more than ten bases, with at least five underground launch sites. One author estimates that North Korea will have produced 50-100 No Dong missiles by the end of 1999, and that it exported one or two dozen and used another 15 in testing and training, leaving about 25-75 in the North Korean inventory.

TAEPO DONG 1

North Korea is in the process of developing longer-range ballistic missiles. The two-stage Taepo Dong 1 has a range of 1,500-2,000 km (930-1,240 miles) and at one point was expected to enter production in 1995. On August 31, 1998, North Korea used a Taepo Dong 1 with an additional solid-fuel third stage in an attempt to place a small satellite into orbit. Apparently, the first stage (based on the No Dong missile motor) and the second stage (based on the SCUD C motor) operated as planned, and the third stage separated and carried the payload a distance before becoming disabled. The test demonstrated North Korea's ability to integrate numerous components in a multi-stage missile, building a guidance package, and using both liquid and solid fuel. The test did not demonstrate a capability to construct a reentry vehicle that could survive atmospheric reentry at the speed of an ICBM, nor did it show the capacity to build a fully operational solid-fuel third stage.

DeD estimated that the Taepo Dong 1, with a properly functioning third stage, could have a range of 3,850-5,600 km (2,400-3,500 miles), enough to reach Alaska and Hawaii. One expert predicted that the Taepo Dong 1 with a third stage could reach Alaska and Hawaii with a small nuclear warhead, and could reach much of the continental United States with a lighter warhead, such as a biological or chemical weapon. The 1999 National Intelligence Council estimate indicated that if the Taepo Dong 1 had a properly functioning third stage and a survivable reentry vehicle, it could strike targets in the United States with sufficient size for a chemical or biological weapon, but not for an early-generation nuclear weapon.

It is not known whether North Korea acquired the solid fuel third stage for the August 1998 test, but there are several possibilities. David Wright of the Massachusetts Institute of Technology (MIT) said the solid fuel motor could have been acquired from Pakistan, which may have copied it from a French missile motor, or North Korea may have used, or copied, one stage of the Chinese M-11 short-range ballistic missile. Pakistan reportedly received M-11 missiles, components, and production technology from China. Iran received solid missile technology from Russia, and perhaps China, and may have passed it to North Korea in return for SCUD and No Dong missiles and technology. Another possibility is that North Korea might have modified a motor from an SA-2 surface-to-air missile, which North Korea reportedly produces as the HJ-2, or may have used an engine from an SS-21 SCARAB, which North Korea reportedly acquired for reverse engineering.

TAEPO DONG 2

The Taepo Dong 2's range would enable North Korea to strike portions of Alaska and Hawaii with a payload of several hundred kilograms (enough for an early generation nuclear weapon), and could deliver a lighter weapon to the western half of the United States. Some analysts even suggest that the size of the Taepo Dong 2 allows space for enough liquid fuel to carry a missile almost 10,000 kilometers (6,200 miles) if the construction materials and warhead were sufficiently light. With such range, the missile could reach most of the United States. Multiple-stage technology would enable the missile to travel further or to carry a larger payload. It is estimated that a three-stage Taepo Dong 2 could deliver a payload of several hundred kilograms, equivalent to a first generation nuclear weapon, anywhere in the United States.

UNITED STATES THEATER AND NATIONAL MISSILE DEFENSE

U.S. security planners have placed new emphasis on theater missile defense, largely due to the theater missile and WMD threats emerging in the Middle East and North Korea. They have also placed increased emphasis on national missile defense largely due to the current inability of the United States to defend itself from the emerging North Korean threat. Contributing to the new policy emphasis are: continuing Russian and Chinese missile capabilities; the aspirations of numerous developing countries to develop long-range missiles; and the maturing missile defense technologies of the United States.

North Korea's missile capabilities have deeply concerned Japan. The 1994 Japanese Defense Ministry white paper, Defense of Japan, described the No Dong as a "main destabilizing factor." The risk posed by the No Dong has already prompted Japan to proceed with theater missile defense cooperation with the United States, including the purchase of United States Patriot air defense systems and participation in the development of Navy Theater Wide missile defense. Some have speculated the military threat from North Korea might even prompt Japan to rethink its non-nuclear status.
CHAPTER TWO
North Korean Conventional Forces

Do North Korean conventional forces pose a greater threat to peace on the Korean peninsula than five years ago?

North Korea is less capable of successfully invading and occupying South Korea today than it was five years ago, due to issues of readiness, sustainability, and modernization. It has, however, built an advantage in long-range artillery, short-range ballistic missiles, and special operations forces. This development, along with its chemical and biological weapons capability and forward-deployed forces, gives North Korea the ability to inflict significant casualties on U.S. and South Korean forces and civilians in the earliest stages of any conflict.

KEY FINDINGS

- North Korea has the fifth largest armed force in the world with nearly 1.1 million active-duty personnel and five million in reserve.
- The DPRK has developed an advantage over U.S.-ROK forces in short-range ballistic missiles, artillery, and special operations forces.
- The failing North Korean economy has undermined the readiness, modernization, and sustainability of DPRK conventional forces, thereby degrading Pyongyang's ability to successfully invade South Korea. However, the sheer size and firepower of North Korea's armed forces enables it to inflict great destruction and loss of life during hostilities.
- U.S. aid to North Korea indirectly sustains the military capability of North Korean forces.

Background and Status

While world attention since 1994 has primarily focused on North Korea's nuclear weapons and long-range missile programs, there is a significant and ongoing threat posed by North Korea's conventional forces. The DPRK is generally regarded as the greatest threat to peace in East Asia, and remains the country most likely to provoke the United States in a large-scale conventional war or major theater war (MTW) over the near term. The DPRK maintains a force of nearly 1.1 million active-duty personnel, with an additional five million in the reserves (of a population of 23 million). This makes North Korea the fifth largest armed force in the world and gives the misnamed demilitarized zone (DMZ) the dubious honor of being the most heavily militarized place on earth.

Armed Forces: The DPRK is unquestionably the world's most militarized state, and the Korean People's Army (KPA) serves as the main source of power in that society. The majority of North Korean forces are forward-deployed and located within 40 miles of the DMZ. The KPA would likely use chemical and biological weapons during a conflict. The DPRK has developed a significant advantage in the fields of theater ballistic missiles, special operations forces, and heavy artillery. It is widely estimated Pyongyang commits roughly 25 to 30 percent of its gross domestic product (GDP) to military spending.

The primary objective of DPRK military policy is the fielding of a military force capable of conducting an offensive operation into the ROK in order to unify the peninsula under Pyongyang's control within 30 days of the commencement of hostilities. A second objective is the defense of North Korea. For these purposes, North Korea has a ground force with roughly 900,000 active-duty troops organized into 32 active infantry divisions. The North Korean army fields nearly 5,000 tanks, 2,000 armored personnel carriers (APC), almost 13,000 artillery pieces, and 2,400 multiple rocket launchers. The most capable ground units are forward-deployed and capable of initiating hostilities with little advanced warning. The most significant development in recent years has been the continued deployment of long-range artillery systems, including 240 mm multiple rocket launchers and 170 mm self-propelled artillery guns near the DMZ and within range of Seoul.

The 46,000-member North Korean navy is primarily a coastal defense force consisting of missile, torpedo, patrol craft, and submarines. The navy's numerous amphibious craft, attack and midget submarines assist in the insertion and extraction of special operations forces into South Korea and Japan. A number of these operations have been detected in recent years off of South Korea and Japan.

The 82,000 personnel and over 1,000 aircraft of the North Korean Air Force (NKAF) have four primary missions: air defense; strategic bombing; transport of special operations forces; and air support to ground forces. North Korea has historically put a high emphasis on air defense, placing military industries, aircraft hangars, repair facilities, ammunition, fuel, and even air defense missiles underground or in hardened shelters - the lessons of DESERT STORM not being lost on Pyongyang. Ground-based assets bear the primary responsibility for air defense. The DPRK has created one of the world's most dense air defense networks with nearly 1,000 mid-aircraft artillery guns and over 30 surface-to-air missile (SAM) sites, including the SA-2 GUIDELINE, SA-3 GOA, and the long-range SA-5 GAMMON. North Korea also fields 15,000 man-portable air defense systems.

In addition to its burgeoning medium and long-range missile programs, which are able to threaten Japan, the continental United States, Alaska, Hawaii, and U.S. territories, North Korea deploys a significant short-range surface-to-surface ballistic missile arsenal capable of reaching all of South Korea.

North Korea maintains a large, highly-trained special operations force of 100,000. These forces have the basic missions of conducting operations in the enemy's rear area, reconnaissance, infantry operations, and protecting North Korea's rear areas. All in all, North Korea presents a formidable military force capable of
Inflicting serious damage in times of war in South Korea and to U.S. forces stationed there. However, like any military force today, maintaining a modern, well-equipped, and ready armed force is a challenge.

**Challenges**

The major hurdle faced by the DPRK in maintaining its forces is the failing state of its economy. To this end, a range of public evidence points to a serious deterioration in North Korea's conventional arms war fighting capability, particularly in such critical areas as unit readiness, modernization, sustainability, and defense industrial capacity supporting conventional arms.

A recent example of probable North Korean deficiencies was demonstrated in June 1999 when a North Korean naval squadron was defeated by South Korean naval vessels in the Yellow Sea during a controversy over the North Limit Line of the DMZ. The South Korean navy's modern fire control systems and well-trained crews readily outranged the vintage 1960-70s North Korean ships, and as a result, several North Korean naval vessels were lost.

**Modernization:** Modernization has presented a significant challenge to the North Korean armed forces. In fact, it is reported that North Korea has only imported $156 million worth of weaponry since 1995. A comparative study of the 1985-1986 and 1998-1999 editions of the authoritative publication, *The Military Balance*, reveals that after nearly 15 years, there have been few changes in the models of weaponry in the North Korean army and air force. This absence of modernization is especially noticeable in the offensive weaponry which would ultimately spearhead an invasion of South Korea. The *Military Balance* indicates that North Korea has tank corps comprised of 1940s and 1950s-vintage T-34, T-54, T-55, and T-59 light and medium tanks, and early 1970s-vintage T-62 main battle tanks. They also reveal that North Korea has doubled the number of their armored personnel carriers, but there are no new models.

The majority of North Korea's combat aircraft consists of about 700 Soviet-era Mig-15 Fagot, Mig-17 Fresco, Mig-19 Farmer, Mig-21 Fishbed, Su-7 Fitter, and Mig-23 Flogger/G aircraft from the 1950s to 1970s. North Korea has added 30 modern Russian Mig-29 Fulcrums in the 1990s, along with about 30 Su-25 Frogfoot ground attack aircraft. The Mig-29 is equipped with the advanced AA-10 Alamo air-to-air missile (with beyond-visual-range capability) and provides Pyongyang with an improved air defense posture. Still, overall modernization has been modest at best. In the event of war, North Korea would quickly be dependent upon obsolete aircraft.

**Readiness:** The unit readiness of the North Korean forces is also questionable. To maintain readiness, the mobile forces must train. A severe fuel shortage has limited North Korea's ability to conduct military training exercises. For instance, by 1996, it had become evident that fuel shortages were hampering the daily operations of the NKAF. North Korean combat pilots are believed to fly only 20 percent of the time that South Korean and U.S. pilots spend in the air. Recent reports indicate an even further decline in pilot flight training. A lack of appropriate training greatly affects pilot proficiency and combat effectiveness.

Readiness is also undermined by the reported decline in the scope and duration of North Korean army exercises in the 1990s. U.S. and South Korean military officials noticed as early as 1992 that the North Korean military was cutting back large unit, division, and corps-level military exercises. Most recently, South Korean military officials have focused on fuel shortages as a principal cause for the decline in major North Korean military exercises. North Korea's annual winter exercise period, involving ground and air components, has been inferior in scope and duration than in the past. South Korean Defense Minister Chun Yong-taek reported that the December 1998-March 1999 winter exercise was 50 percent smaller than the previous year's exercise. He attributed this to shortages of both fuel and food. According to the South Korean Defense Ministry, the North Korean military is substituting command post exercises for field training.

**Sustainability:** One estimate, based upon the amount of light oil that could be extracted from North Korea's imports of 1.0 to 1.5 million tons of crude oil annually, indicated that North Korea would have 500,000 tons of light oil to produce gasoline, diesel oil, and aircraft fuel for both civilian and military uses. By contrast, Japan's Self Defense Forces, 20 percent the size of North Korea's armed forces, use about 1.3 million tons of light oil annually. The lack of fuel is a key factor in North Korea's inability to sustain military operations, especially offensive operations.

In the 1990s, the North Korean defense industrial base supporting conventional arms, much like its civilian industrial sector, has fallen victim to the economic crisis. The pervasive lack of fuel, raw materials, transportation infrastructure, and even food for workers, has resulted in a decline in production at defense plants. This has compromised the DPRK's ability to produce material for military operations, as well as new conventional weaponry. Further indicating the deterioration of the defense industry, North Korea's exports of conventional arms declined from an estimated $700 million in 1994 to under $100 million in 1998.

Foodstuffs are also critical to sustaining military operations. It has been reported that North Korea has a military stockpile of food for wartime purposes probably sufficient for 30 days of offensive operations. South Korea estimates the size of the stockpile to be in the range of 1.2-1.5 million tons. It is uncertain whether North Korea has drawn down this stockpile in recent years to meet chronic food shortages. As the North Korean famine intensified after 1995, military personnel were allocated 700-900 grams of food daily versus 100-200 grams for civilians. Intake of 700-900 grams daily is only slightly above the 450 grams daily that the United Nations cites as the minimum amount of daily food intake for survival. This situation has had a deleterious effect on the health, morale, discipline, and combat effectiveness of North Korean armed forces, and on Pyongyang's ability to conduct sustained military operations.

In 1997, Lieutenant General Patrick Hughes, Director of the Defense Intelligence Agency (DIA), testified before the Senate Select Committee on Intelligence that "North Korea's capability to conduct large-scale combat operations continues to deteriorate as worsening internal economic conditions undermine training, readiness and sustainability." In response to a question, he later asserted: "The progressive weakening of Pyongyang's military decreases the likelihood that it could successfully attack and hold territory in the South." However, one should not underestimate North Korea's fundamental military might. The very size of the North Korean war machine is a prime indicator of Pyongyang's "readiness" for conflict. Despite the current degraded state of readiness, modernization, sustainability, and defense industrial capacity due to the ongoing economic crisis and the loss of host states, e.g., the Soviet Union, North Korea maintains a potent armed force capable of undertaking a large-scale invasion of the ROK. North Korea's large conventional force and advantages make it capable of inflicting great destruction and loss of life for South Korea and the American forces that serve there. It is likely that North Korea will use any offsets from international aid to improve the readiness, modernization, force structure, and sustainability of the KPA.
CHAPTER THREE
North Korean Threat To International Security

Does North Korea pose a greater threat to international stability than five years ago?

The DPRK poses an increased threat to international stability primarily in Asia and secondarily in the Middle East. North Korea is arguably the largest proliferator of missiles and enabling technology in the world, with its primary markets being South Asia and the Middle East. Its proliferation activities amount to an increasing threat to American interests globally. Pyongyang continues to harbor terrorists, produce and traffic in narcotics, counterfeit U.S. currency, and infiltrate agents into South Korea and Japan.

A. Does Pyongyang proliferate weapons of mass destruction or related technologies to countries of concern to the extent that it has resulted in an increased threat to the United States and/or our allies as compared with five years ago?

There is no publicly available information that North Korea has transferred weapons of mass destruction or the technology to produce them to other nations, but there is legitimate concern that Pyongyang may do so in the future.

B. Does North Korea proliferate missiles and related technology to countries of concern more than five years ago?

North Korea's missile proliferation activities have evolved from the transfer of the shorter-range SCUD missiles to the sale of the medium-range No Dong ballistic missiles during the past five years.

KEY FINDINGS

- North Korean No Dong sales are central to the Iranian and Pakistani missile programs. Sales to other nations, such as Syria or Libya, threaten to alter the balance of power against the United States in a number of regions.
- If North Korea sells its longer-range Taepo Dong missiles to its current customers, it would bring U.S. forces and our allies within range of Iran and other rogue nations. This would be the first time that Iran or other nations would be capable of delivering a weapon of mass destruction against Israel or North Atlantic Treaty Organization (NATO) countries.
- If North Korea promises not to test missiles from its soil, it still remains capable of conducting its missile development programs from the territory of its primary customers, most likely Iran or Pakistan.

Even before the North Korean economy began to crumble, missile sales were an important means of earning foreign currency. Past transfers to Iran, Iraq, Syria, Egypt, Pakistan, and perhaps others, including Libya, have historically bolstered the DPRK's economy. Now that North Korea has suffered serious economic decline, however, missiles have come to play an integral part in Pyongyang's trade policy. With a robust customer base in the Middle East and South Asia, missiles are now one of North Korea's few exportable goods with international appeal.

In April 1998, Pakistan test-fired a Ghauri missile. This was either one of 10-12 No Dong medium-range missiles transferred from North Korea, or a Pakistani version of that type. In July, Iran test-fired the Shahab-3, which is reportedly based upon the same North Korean No Dong technology. Iran is also working on several longer-range missiles with the help of North Korean missile experts.

Iran has helped finance North Korean missile development since the mid-1980s, and it bought 100 SCUD B missiles from North Korea in 1987 which it used during its War of the Cities with Iraq. North Korea also sold Iran production technology.

Ranges of Potential North Korean and Iranian Derivative Missiles from Iran

and equipment to manufacture SCUD B missiles, Iran probably received 100 of the longer-range North Korean SCUD C missiles and conducted a test launch of one in May 1991. With this missile, Iran could hit targets throughout northern sections of Saudi Arabia and all of Kuwait, Qatar, Bahrain, and the United Arab Emirates. North Korea reportedly delivered a few No Dong missiles to Iran in 1994, possibly for testing, with the data to be shared by both countries. If Iran acquires North Korean No Dong missiles, it will be able to strike Jordan, Syria, and Saudi Arabia.

Syria acquired SCUD B and C missiles and missile-production technology from North Korea. These weapons have sufficient range to reach all of Israel, most
of the Sini Peninsula, and much of the territory of Turkey, a member of NATO. If Syria were to acquire No Dong missiles, it would be able to reach any part of Turkey.

If North Korea sold Taepo Dong 2 missiles with a 4,000 km range to Iran and Syria, those weapons would be able to reach most of Europe. A 6,000 km Taepo Dong 2 in Iran or Syria could reach all of Europe, and portions of Russia, China, and India. Libya has also discussed purchasing missiles from North Korea.\(^{61}\) Egypt has cooperated with North Korea in missile development and reportedly is able to produce a version of the SCUD B missile.

In combination with their WMD programs, Medium-range missiles in Iran, Syria and Libya, could be particularly dangerous. These countries of concern could develop the ability to produce hundreds of additional missiles for their inventories, to modify and improve missiles, and to export missiles to other countries or even subnational groups. If Iran, Syria, or Libya developed the ability to launch even a few missiles in a short time period, they might be able to overwhelm future U.S. and allied theater missile defense systems to achieve a significant political effect. They might even be able to achieve a significant military effect, particularly if they improve the accuracy of the missiles, or if some of the missiles carried weapons of mass destruction. The missile development, test and production facilities of North Korea underpin American counter-proliferation efforts and increase the chance that the United States and its allies could face missile attacks in future conflicts outside of Asia.

C. Does Pyongyang continue to infiltrate intelligence agents and provocateurs in an attempt to destabilize U.S. allies, such as South Korea and Japan?

*North Korea continues to infiltrate agents and reconnaissance teams into South Korea and Japan in an effort to gain intelligence on U.S., ROK, and Japanese military targets and resupply agents located there.*

**KEY FINDINGS**

- North Korea regularly attempts to infiltrate agents into South Korea and Japan, triggering armed conflicts both at sea and on land.
- North Korea also supports terrorist organizations, such as the Japanese Red Army, with diplomatic passports, counterfeit U.S. currency, and safe-haven in the DPRK.

North Korean leader Kim Jong Il seems likely to view South Korea as a painful reminder of an unfinished chapter of his father's reunification agenda. To this day, North Korea refuses to recognize the legitimacy of South Korea - this despite its 1992 pledge to Seoul to recognize and respect its system, not interfere in its internal affairs, not slander or vilify it, and not attempt to sabotage or overthrow its system.\(^{82}\) The refusal to reconcile with South Korea continues to pose a major hurdle to Seoul's efforts, assisted by the United States and Japan, to normalize relations with the DPRK.

Most observers believe that destabilization of, not coexistence with, South Korea has long been Pyongyang's objective. To that end, North Korea has tried to disrupt Seoul's political stability, to develop within South Korea an underground network of pro-DPRK activists and radical followers, to drive a wedge between Seoul and Washington, and to seek the withdrawal of U.S. troops from South Korea.

North Korea's long-term goal to undermine the South Korean government requires that the U.S. military leave the peninsula. This is part of a long-standing policy aimed at changing what Pyongyang views as the uneven correlation of power between the two Koreas. Such a prospect, North Koreans believe, would allow the DPRK to overcome its perennial insecurity while at the same time achieving parity with, or gaining advantage over, South Korea. The North Korean leadership seems confident that South Korea, without its U.S. "protectors," will eventually become vulnerable to Pyongyang's political maneuvers or even military might.

The media has reported a range of provocative North Korean actions, such as sending assassins to Seoul in 1968 and 1974 to kill then-South Korean President Park Chung Hee; deploying agents to Rangoon, Burma, in 1983, to assassinate visiting President Chan Doo Hwan; and dispatching terrorists to the Middle East in 1987 to blow up a South Korean airliner on its return flight to Seoul. Other actions have included border violations, infiltration of armed saboteurs and spies, hijacking, kidnapping, and terrorism (assassination, bombing and threat/intimidation against media personnel and institutions). In spite of these terrorist actions, Pyongyang has tried since 1990 to distance itself from terrorism and demanded that it be removed from the United States' list of countries supporting terrorism.

North Korea uses counterfeit currency to support terrorism. For instance, it provides diplomatic protection and asylum to Yoshinori Tanaka, a Japanese Red Army faction hijacker who, while under North Korean diplomatic protection, was arrested by Cambodian authorities in 1996. Tanaka had 1,238 counterfeit U.S. $100 bills and a North Korean diplomatic passport in his possession at the time of his arrest.\(^{63}\) Despite such incidents, the DPRK has asserted that it condemns all forms of terrorism.

Pyongyang does not limit its operations to South Korea. North Korea has also been known to send agents to attempt to infiltrate Japan.\(^{64}\) These infiltrators probably establish liaison with the pro-Pyongyang General Association of Korean Residents in Japan and spy on Japan's coastal defenses and U.S. and Japanese defense installations. There are many reports of drug trafficking by North Korean agents involved with organized criminal gangs in Japan.\(^{85}\) In March 1999, two North Korean "fishing travelers" entered Japanese territorial waters. The "fishing travelers" probably carried North Korean infiltration agents destined for Japan. The ships eventually led a small armada of Japanese coast guard and naval ships on a chase through the Japanese waters before fleeing into a North Korean port. This incident led to the decision by the Japanese government to authorize the use of force to chase the North Korean vessels from its waters.\(^{85}\)

D. Is Pyongyang involved in state-sponsored international crime?

*North Korea produces and traffics in narcotics, and counterfeits and distributes U.S. currency.*

**KEY FINDINGS**

- North Korea has become a major drug producing and trafficking nation, using diplomatic channels to market heroin, opium, and methamphetamine.
- North Korea is also a counterfeiting nation, undermining confidence in U.S. currency abroad.

**Drugs**

At least 34 documented incidents,\(^{67}\) many involving arrest or detention of North Korean diplomats, directly link the North Korean government to drug production and trafficking. Such events provide credible allegations of state-sponsored drug production and trafficking.\(^{68}\)

Reports that North Korea may be limiting food crop production in favor of drug crop production are particularly disturbing.\(^{69}\) Another issue of growing concern is the degree to which profits from any North Korean drug trafficking, counterfeiting, and other crime-for-profit enterprises may be used to directly or indirectly underwrite the costs of maintaining or expanding North Korean WMD programs and conventional forces.

\footnotesize{http://www.house.gov/international_relations/waekagisreport.htm}
The Foreign Assistance Act of 1961 requires annual drug reporting and certification procedures for countries known to cultivate 1,000 hectares or more of illicit opium poppy. The Act also provides that such aid be withheld and bilateral trade sanctions be imposed unless the President determines that: (1) the country has "cooperated fully" with the United States or taken "adequate steps" on its own to curb drug trafficking and production; or (2) "vital national interests" require provision of assistance. Also prohibited is assistance to "any individual or entity that the President knows or has reason to believe . . . has been a knowing assister, abettor, conspirator, or confederate in the illicit trafficking in any such [controlled] substance." Notably, the Act permits exceptions to restrictions on furnishing assistance when the President determines that providing assistance is "important to the security interests of the United States."

The Foreign Assistance Act further requires that the drug trafficking in question must significantly impact our nation before a country is added to the annual major's list requiring later annual certification. There is no evidence to date that North Korean illicit drugs are reaching our shores in any significant amount, however, the situation needs to be carefully monitored by our law enforcement and intelligence community, particularly since the North Koreans are abusing diplomatic privileges in support of trafficking in illicit narcotics.

The Department of State's March 1, 1998, "International Narcotics Control Strategy Report" (INCSR) includes information on North Korean money laundering which reads in part as follows: "The most profitable lines of state-supported illegal businesses remain drug trafficking, gold smuggling, illegal sale and distribution of endangered species, trafficking of counterfeit U.S. currency, and rare earth metals . . . North Korean officials appear to be increasing their involvement in financial crimes as a means to generate operational funds and support their country's anemic economy." The 1999 INCSR reads in part, "as the reports (on DPRK drug activity) multiply and the incidents cumulate it seems more likely than not that the state itself is involved in criminal activity. For example, alleged large scale opium cultivation could likely not be undertaken without the explicit knowledge of the North Korean government. The same could be said of large scale imports of ephedrine, a known precursor chemical for methamphetamine." The 1997 Report of the International Narcotics Control Board (INCB) noted "disquieting reports on the drug control situation in the Democratic People's Republic of Korea," and expressed dismay that the DPRK had not accepted the Board's request, originally made in 1995, to send a mission to that country to study and clarify drug control issues.

United States Drug Enforcement Administration (DEA) data and a myriad of domestic and foreign press reports portray an ongoing pattern of drug trafficking, counterfeit U.S. currency, and other smuggling for profit activities by North Korean diplomats over the past 24 years. Since 1976, North Korea has been linked to more than 34 reported incidents involving drug seizures in at least 14 countries. A significant number of these cases has involved the arrest or detention of North Korean diplomats or officials. All but four of these incidents transpired in the 1990s, with 10 incidents occurring from January 1998 to September 1999. In 1999, substantial seizures of North Korean methamphetamine occurred in Japan, South Korea, and Taiwan.

Press reports citing North Korean defectors indicate that North Korea created an office specifically to bring in foreign currency. This so-called "Bureau No. 39" functions under the ruling Korean Worker's Party, which is headed by North Korean Leader Kim Jong Il. The office is in charge of drug trafficking and other criminal activity including: smuggling, counterfeiting, opium production and trafficking; and methamphetamine production and trafficking. Drugs are reportedly exported through China and Russia to Asia and Europe via government trading companies, diplomatic pouches, and commercial cargo. The money earned is used to: fund costs of overseas diplomatic missions, buy loyalty to Leader Kim Jong Il from Party elites and military leaders; and finance military activity—particularly technology and electronic purchases for intelligence and military purposes.

Farmers in certain areas reportedly are ordered to grow opium poppy. Cultivation estimates were 4,000 hectares for the early 1990s and 7,000 hectares for 1993. Current production, however, is believed to have fallen below the 1995 figures, due to heavy rains and the broad decline of agricultural output as a consequence of poor policies and insufficient fertilizer and insecticides. Considering all available estimates, a cultivation estimate of 3,000-4,000 hectares for 1998 would appear reasonable.

The United States Government estimates North Korea's raw opium production capacity to be 50 tons annually, with 40 tons reportedly produced in 1995. North Korean government pharmaceutical labs reportedly have the capacity to process 100 tons of raw opium per year.

Methamphetamine production in North Korea is reported to have started in 1996 after heavy rains decreased poppy production. This coincides with a time when markets for methamphetamine were dramatically expanding in Asia, especially in Thailand, Japan, and the Philippines. North Korea's maximum methamphetamine production capacity is estimated to be 10-15 tons of the highest quality product for export. According to the INCB, North Korean legitimate pharmaceutical needs for ephedrine (a traditional precursor for methamphetamine) are 2-5 tons per year, one ton higher than U.S. investigative agency sources estimate. INCB officials confirm the receipt of allegations of North Korean involvement in a diversion of 20 tons of ephedrine. Moreover, the DPRK may be bypassing the highly-regulated market for ephedrine in favor of an alternate technology for a benzene-based product (which can be refined from heavy fuel oil), raising speculation that U.S. and allied petroleum assistance to North Korea may be used to sustain illicit drug production. Central to the policy debate on these criminal activities is the need for additional evidentiary information, such as satellite imagery to confirm the extent of reported opium poppy cultivation in North Korea.

Counterfeiting

North Korea is a state-sponsored counterfeiting nation. While the State Department reports that North Korea's most profitable operation involves counterfeiting of U.S. currency, government-controlled operations also counterfeit a range of other countries' currencies and other trademarked products.

North Korean counterfeit currency has turned up in at least nine countries. Officials have been arrested with counterfeit currency in Russia, Macao and Cambodia. North Korea reportedly bought state-of-the-art European printing and counterfeit detection equipment with training courses included. The quality of the North Korean counterfeit notes may have added to the reasons the United States Treasury decided to redesign U.S. currency.

Conservative estimates suggest that North Korean criminal activity, carefully targeted to meet specific needs, generated about $85 million in 1997-71 million from drugs and $15 million from counterfeiting. However, there are strong indications that the figures are considerably higher: $500 million to $1 billion annually from criminal activities.

Enhancing law enforcement focus and intelligence cooperation on targeting, reporting, and tracking North Korean opium/heroin and methamphetamine trafficking and production is another option which warrants consideration.

Fig. 3.1 MAJOR INCIDENTS OF DRUG TRAFFICKING BY NORTH KOREANS

May 1976: Egyptian police seized 400 kilograms of hashish, concealed in a North Korean diplomatic pouch.

http://www.house.gov/international_relations/lskagulreport.htm
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>May 1977</td>
<td>Indian police detained Kim Il-Soo, secretary to the North Korean ambassador to India, for attempting to import 15 kilograms of marijuana into India.</td>
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<tr>
<td>November 1979</td>
<td>Lao police arrested a North Korean diplomat for attempting to smuggle 15 kilograms of heroin through the Laotian airport.</td>
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<tr>
<td>February 1980</td>
<td>Egyptian law enforcement officials arrested two North Korean diplomats and seized 400 grams of heroin in a diplomatic pouch.</td>
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<tr>
<td>October 1985</td>
<td>East German police arrested and deported a North Korean diplomat for attempting to smuggle 150 bags of heroin and 150 kilograms of morphine into the country.</td>
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<tr>
<td>March 1987</td>
<td>Nepalese police seized vehicles of North Korean diplomats and charged them with being involved in a smuggling case that was tied to an Indian national and the seizure of 75 grams of cocaine.</td>
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<tr>
<td>March 1990</td>
<td>Indonesian authorities seized marijuana from the North Korean-registered vessel, Aeon Chang Ryon.</td>
</tr>
<tr>
<td>September 1990</td>
<td>Japanese police arrested two North Korean resident aliens and a Japanese national for possession of 1.5 kilograms of ephedrine and 11 kilograms of morphine mixtures. The individual had visited North Korea on several occasions and Japanese authorities suspected that the narcotics were smuggled into Japan from North Korea. The case was unusual because the morphine was canned and smuggled into Japan from North Korea, circa 1985 or 1986. This was the first recorded case of drugs being smuggled into Japan from North Korea.</td>
</tr>
<tr>
<td>Late 1990</td>
<td>Two North Korean lumberjacks from Hambung City assigned to the 11th Lumbering Station, North Korea Forestry Mission, allegedly sold one kilogram of opium to a Russian.</td>
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<tr>
<td>March 1991</td>
<td>Swedish law enforcement officials arrested a North Korean diplomat assigned to the Czech Republic on charges of smuggling two kilograms of heroin into Sweden.</td>
</tr>
<tr>
<td>December 1991</td>
<td>Japanese authorities arrested three North Korean Intelligence Officers for possession of 13.3 kilograms of morphine and 10 kilograms of opium. Japanese police suspect the narcotics were smuggled into Japan aboard the DPRK merchant ship, Mankyangong-Ho.</td>
</tr>
<tr>
<td>June 1994</td>
<td>Russian police in Vladivostok, Siberia, arrested two North Koreans as they attempted to sell 8.25 kilograms of heroin for US$250,000 on the Russian-Korean border near Khasan. The North Koreans reportedly had access to metric ton quantities of the drug. One of the arrestees was a member of North Korea's Social Security Ministry. The smugglers worked for a Russian-Korean joint venture, Monolit, and had unlimited travel between Russia and Korea. During the investigation, one of the arrestees introduced himself as the son of a high-ranking North Korean official.</td>
</tr>
<tr>
<td>July 1994</td>
<td>Russian law enforcement officials arrested a North Korean and seized 200 grams of opium. The heroin was concealed in the sole of the defendant's shoes.</td>
</tr>
<tr>
<td>August 1994</td>
<td>Russian law enforcement officials in the Russian Far East arrested a North Korean intelligence agent for attempting to sell heroin to the Russian Mafia. According to Russian investigators, North Korea is suspected of being involved in systemic narcotics dealings.</td>
</tr>
<tr>
<td>During 1994</td>
<td>Chinese law enforcement officials reported that State Security Department agents attempted to sell North Korean opium and other drugs to visiting South Koreans and Koreans residing in China.</td>
</tr>
<tr>
<td>January 1995</td>
<td>Chinese officials in Shanghai, China, arrested two North Koreans and seized 6 kilograms of opium. One of the men carried a diplomatic passport and was identified as an executive of a Macau-based trading house run by the North Korean Ministry of the People's Armed Forces.</td>
</tr>
<tr>
<td>February 1995</td>
<td>Russian law enforcement officials in Vladivostok operating under cover arrested two North Koreans, who were not diplomats, and seized 8 kilograms of heroin. This shipment was the first installment of what was to be a total shipment of 2.2-tons of heroin.</td>
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<tr>
<td>July 1995</td>
<td>Zambian police arrested a North Korean diplomat and seized 2.4 kilograms of cocaine.</td>
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<tr>
<td>July 1995</td>
<td>China's Public Security Ministry officials arrested several North Koreans at the Yonkii Airfield and seized 500 grams of heroin.</td>
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<tr>
<td>August 1995</td>
<td>Ethiopian law enforcement officials arrested a North Korean for smuggling cocaine.</td>
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<tr>
<td>August 1995</td>
<td>Chinese law enforcement officers in Macao arrested an official of the North Korean trading company, Bumhong, for attempting to import North Korean opium.</td>
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<tr>
<td>During 1995</td>
<td>Chinese authorities in Jilin Province, China, neighboring North Korea, uncovered 10 incidents of North Korean opium smuggling.</td>
</tr>
<tr>
<td>August 1995</td>
<td>Intelligence reports indicated that about 20 tons of ephedrine was ordered and possibly imported from Germany through a Chinese company to North Korea. Allegedly, about 1.5 tons of ephedrine is to be used for medical reasons and the remainder will be used for the production of illicit methamphetamine.</td>
</tr>
<tr>
<td>March 1996</td>
<td>South Korean police in Pusan seized 6.3 kilograms of crystal methamphetamine on board the merchant vessel, Choyang Land. South Korean authorities believed that this smuggling operation was directed by the DPRK to obtain hard currency.</td>
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<tr>
<td>November 1996</td>
<td>Vladivostok law enforcement officials arrested a North Korean diplomat and seized 22 kilograms of opium.</td>
</tr>
<tr>
<td>April 1997</td>
<td>The National Police Agency of Japan arrested three subjects and seized about 60 kilograms of methamphetamine at the port of Hosojima in Hyogo City, Japan. The methamphetamine was transported from Nampo port in North Korea to Japan by the North Korean flagged freighter Ji Song No.2. The methamphetamine was concealed in cans of honey congealed with legitimate cargo. The subsequent investigation by the Osaka police revealed that two of the subjects were ethnic Korean residents of Osaka, Japan. They also operated the Osaka-based trading company that consigned for the honey. In addition, the two subjects were also suspected of being Japanese Yakuza members. A fourth subject, the captain of the vessel, was detained and later deported.</td>
</tr>
<tr>
<td>May 1997</td>
<td>Lao police arrested a North Korean diplomat for smuggling drugs.</td>
</tr>
<tr>
<td>May 1997</td>
<td>Chinese police in Koning Province, China, arrested eight North Korean nationals for smuggling 900 grams of heroin.</td>
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</table>
August 1997: Laoist law enforcement officials arrested a North Korean and deported him for smuggling drugs and currency.

September 1997: Russian police arrested a North Korean and seized 45 grams of opium at Portirinsk (100 kilometers east of Vladivostok). He arrived in Russia from North Korea via Khasan. The town of Khasan is between Primorye, Russia and North Korea.

January 1998: Russian law enforcement officials arrested two North Korean diplomats and seized 35 kilograms of cocaine transiting the Sheremetovo International Airport in Moscow via Mexico. The seizure followed growing concerns by Russian law enforcement agencies that the North Korean government is actively involved in smuggling drugs into Russia and elsewhere. They suspected that this drug trafficking activity was prompted by North Korea's desperate need for hard currency.

January 1998: Egyptian police arrested a North Korean diplomat who was serving in Syria as he attempted to smuggle 500,000 tablets of rohypnol, the so-called "date rape drug," into Egypt. This is believed to be the largest rohypnol seizure ever.

August 1998: Japanese officials off Kochi Prefecture arrested two members of a Japanese Yakuza criminal group, and a Korean resident of China, and seized 200 grams of a 300-kilogram shipment of methamphetamine believed to have been produced in North Korea. The drugs were transported on a North Korean vessel from the North Korea port of Hungnam, then transferred at sea to the Japanese fishing vessel, Tamu Maru.

September 1998: South Korean authorities arrested nine South Koreans and seized 218 grams of raw opium produced in North Korea.

October 1998: German police in Berlin arrested a North Korean deputy ambassador and seized heroin believed to be manufactured in North Korea. Besides drugs, the diplomat is suspected of supplying illegal weapons to a smuggling ring.

December 1998: Chinese Public Security Bureau officials in Shenyang arrested a North Korean Consulate employee and seized 9 kilograms of opium produced in North Korea. Also arrested was his accomplice, who had hired him to sell the opium.

February 1999: South Korean officials in Seoul arrested two people for smuggling 600 grams of methamphetamine from North Korea.

April 1999: Japanese law enforcement officials arrested thirteen individuals and seized 100 kilograms of methamphetamine (source believed to be North Korea) on board the Chinese flagged cargo vessel, Lin Yan Leng 2, at Sakaiminato City, Tottori Prefecture. Subsequently, three other defendants were arrested pursuant to this joint investigation conducted between Tottori, Prefectural Police, Sakai Maritime Safety Agency, and the Kobe Customs.

May 1999: Agents from Taiwan's Ministry of Justice Investigation Bureau arrested four individuals and seized approximately 157 kilograms of amphetamine produced in North Korea and exported to Taiwan on board the fishing vessel, Pei Dao 1. The subsequent investigation revealed that one of the defendants made arrangements to have the vessel sail to North Korea, pick up the drug pursuant to an arranged purchase from unidentified persons in North Korea, then have the vessel sail back to Taiwan. The purchase price for the amphetamine was NTD (Taiwan) $150,000.00 (US$4,500.00) per kilogram and an additional NTD $20,000.00 per kilogram to cover the shipping costs from North Korea to Taiwan. The defendant allegedly arranged to sell the amphetamine in Taiwan through another individual for NTD $330,000.00 (US$10,000.00) per kilogram.

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**CHAPTER FOUR**

Sustaining The North Korean Government

Does U.S. assistance sustain the North Korean government?

The United States has replaced the Soviet Union as a primary benefactor of North Korea. The United States now feeds more than one-third of all North Koreans, and the U.S.-supported KEDO program supplies almost half of its HFO needs. This aid free other resources for North Korea to divert to its WMD and conventional military programs.

U.S. aid to North Korea has grown from zero to more than $270 million annually, totaling $645 million over the last five years. Based on current trends, that total will likely exceed $1 billion next year. During that same time, North Korea developed missiles capable of striking the United States and became a major drug trafficking and currency counterfeiting nation.

Despite assurances from the administration, U.S. food and fuel assistance is not adequately monitored. At least $11 million in HFO assistance has been diverted. In contradiction of stated U.S. policy, food has been distributed in places where monitors are denied access. One U.S. aid worker in North Korea recently called the monitoring system a "scam." More than 90% of food aid distribution sites in North Korea have never been visited by a food aid monitor. The North Koreans have never divulged a complete list of where aid is distributed.

North Korea has the longest sustained U.N. food emergency program in history. There are no significant efforts to support or compel agricultural and economic reforms needed for North Korea to feed itself. North Korea will likely continue to refuse to reform, instead relying on brinksmanship to exact further aid from the United States and other members of the international community.

A. Does U.S. assistance directly or indirectly sustain the North Korean government?

U.S. assistance helps to sustain the North Korean government, and current accounting systems are not capable of tracking aid to ensure its proper use.

**KEY FINDINGS**

- North Korea is the largest recipient of U.S. foreign aid in Northeast Asia. American assistance feeds one-third of all North Koreans and KEDO, largely

http://www.hist.ee.uiuc.edu/www/relations/riag/report.htm
funded by the United States, provides 45% of its heavy fuel oil needs.

- Current food aid monitoring programs by the United Nations World Food Program (WFP) and the Private Voluntary Organization Consortium (PVOC) face a difficult environment and cannot ensure that U.S. assistance reaches those in need. There are continuing and credible reports of diversion of food aid to the military, closed regions, and unintended recipients. Food aid has been distributed in areas closed to international monitors in contravention of stated administration policy.

- A number of other donors and international relief organizations, such as the European Union (EU) and Medicins Sans Frontieres (MSF) have cut back or ended their programs in North Korea due to diversions and the DPRK’s refusal to permit them to monitor assistance programs.

- The fuel monitoring system suffers from inherent limits, including dependence upon the North Korean electric power system. Flow meters and other monitoring equipment are routinely inoperable. Furthermore, KEDO has no arrangements with North Korea for monitoring the large quantities of heavy fuel oil in storage or in transit to the plants consuming the heavy fuel oil.

- During a power outage which left the monitoring system inoperable from January - April 1999, the North Koreans consumed record amounts of unmonitored fuel. This case represents an example of diversion.

- The State Department admitted to the General Accounting Office (GAO) that “insignificant” amounts of fuel have been diverted since this program started. When asked what would be a “significant” diversion, a State Department representative told GAO “you could drive a truck through our definition of a ‘significant diversion.’” State Department representatives later admitted that North Korea has probably diverted at least $11 million worth of U.S. supplied fuel.

Food Aid

There are reports that the North Korean government diverts both international food and fuel aid from their intended recipients. Initial reports came from North Koreans who fled to China. They relate personal accounts of food aid being distributed to the communist cadres or to the military.[10] A U.S. House of Representatives staff delegation that visited North Korea in 1998 also saw donated food in the possession of the KPA.[11]

Cases of food from a private aid organization were found on a North Korean submarine that ran aground off South Korea in 1997. In a more recent case, the Seattle-based aid group, World Concern, suspended its relief work in North Korea after discovering that 689 boxes of food, intended for hospitals and orphanages, had vanished.[12]

Since 1995, the United States has donated over $360 million worth of food to North Korea.[13] Most food aid is channeled through the WFP, where the United States accounts for 87% of all donations. In addition, the United States also established a bilateral food aid program run by the PVOC, led by CARE. The combined programs attempt to feed one-third of North Korea’s population, approximately 6.5 million people out of a population of 23 million, whose lives are placed at risk by food shortages.[14] A nutritional study conducted by U.N. agencies, the European Union, and Save the Children Fund/UK in September-October of 1998 showed acute life-threatening malnutrition affecting 18 percent, with 62 percent of children having stunted growth.[15] While there are reports that the food situation in North Korea is improving, there is clearly a need for continued food aid, provided that delivery systems can ensure that the people in need are served.

U.S. policy is that food aid will not be provided to North Korea if it cannot be monitored.[16] WFP has a total of 46 people employed in North Korea, including 19 full-time food monitors.[17] The PVOC also has a staff of five. In contrast to most other recipient nations, international monitors in North Korea must schedule their visits in advance and must be escorted at all times. They are denied access to 48 of the DPRK’s 211 counties. All paperwork and account statements are handled by North Korean authorities.[18] The North Koreans do not permit any spot checks or unrestricted access to warehouses.

Members of the PVOC reported to GAO that “because of North Korean restrictions on access, there is no way anyone can verify that food was distributed as planned.”[19] WFP estimates that 90 percent of the North Korean institutions receiving food aid have not received monitoring visits, and WFP officials have rarely been allowed to observe the actual distribution of food to beneficiaries.[20] In 1997, a PVOC team reported the following:

- Some areas of the country that received food aid had never been visited;
- Donors, such as WFP, had only marginal control over distribution;
- Monitoring for all donors was restricted to prearranged visits to a limited number of sites and could not be conducted independently; and
- DPRK government-assigned translators “covered up” slangs that they felt the PVOC team did not need to see or understand, and worked to restrict the movement of the team.[21]

In 1997, a U.S. Agency for International Development (USAID) team reported that food distributions appeared “staged.” The EU, which was originally a major donor of food to the DPRK, scaled back its efforts and reported last year that conditions did not warrant aid, and monitoring had to be “more vigorously pursued” with food going to areas where access had not been granted.[22] In March, European Commission officials complained about the lack of access, inflated numbers of people served, and lack of verifiable records.[23]

In September of 1998, MSF ended its nutritional programs and withdrew from North Korea because North Korea: (1) did not allow MSF to evaluate their programs; (2) inflated their registers with “fake malnourished children;” and (3) covered up or denied the existence of the most malnourished children. MSF was convinced that a large portion of international food aid is not actually reaching the needy.[24]

WFP has reported that on several occasions, food has been distributed to places where monitors were not permitted. In the most glaring incident, WFP distributed 14,738 metric tons (mt) of food to counties where access was denied. In May 1998, food was distributed to 18 counties where monitors were denied access. Finally in October 1996, the North Koreans distributed aid to 26 counties where monitors were then denied access. WFP’s Executive Director, Catherine Bertini, responded firmly by scaling back WFP operations by 55,000 mt and withholding fuel payment subsidies.[25]

Recently, the PVOC formally notified North Korea that it had violated the Memorandum of Understanding regarding food aid distributions. On September 22, 1999, a "Phase V" monitoring team reported on "apparent food diversions - a full 1,200 mt of wheat - which we believe has serious implications."[26] One experienced food aid monitor reported on October 1, 1999:
While I still have confidence that much of the food is going to needy people, I also have great concerns that large amounts of food could well be going to unknown people and places. I am very convinced that the amount of workers that actually work on FFW (food-for-work) projects is in all cases substantially less than reported. I have learned recently that in almost all cases, food is distributed to recipients prior to their doing any work. Actual work assignments are made later and many times are not on the FFW project. I have learned from painful experience that even the most trusted Korean friends need to lie and deceive when necessary to protect the scam. Unfortunately, I have learned that a negotiated agreement cannot be trusted as they do what they wish regardless.\(^{(127)}\)

Reports indicate that absent international food aid donations, the government's public distribution system (PDS) would have collapsed long ago. According to one highly respected study, only six percent of North Koreans depend on the government system for food.\(^{(128)}\) Over sixty percent of North Koreans now depend on the country's 300-plus illegal farmers' markets for food.\(^{(129)}\) International monitors are prevented from seeing food aid distributions or visiting farmers' markets, leaving them unable to see how most North Koreans get their food.

With the monitoring system operating as poorly as it does, food aid could be diverted in massive amounts to the military and Communist Party. Food shortages have had their impact on even these favored groups, with one prominent defector, Hwang Jong Yop, estimating that of the 500,000 starvation deaths in 1995, 50,000 were party cadre.\(^{(130)}\) One of the best reports on the food shortage indicates that "beginning in 1994, the central authorities appear to have triaged the northeast region of the country by shutting down the public distribution system. In 1995, they appear to have begun selective food distributions to people in the capital city, workers in critical industries, and party cadres, leaving the rest of the population to fend for itself in the private markets."\(^{(131)}\) Given this body of evidence and the poor monitoring systems currently in place, it is reasonable to question if food donations are sustaining the regime as well as saving lives.

Fuel

The United States also provides a substantial amount of heavy fuel oil to North Korea pursuant to the 1994 Agreed Framework. Under the agreement, Japan and South Korea agreed to provide two 1,000 MW reactors in return for North Korea's promise to halt operations and work at its functioning five MW reactor and planned 30 MW and 200 MW reactors. The U.S. also promised to establish an organization to provide 300,000 mt of HPD to replace the loss of energy from the North Korean reactors until the first new reactor came on line. This level of free fuel was based on the estimated needs of the Songbong plant operating at 100 percent capacity. Since that plant rarely operated above 40 percent capacity, KEDO delivers fuel to at least six other North Korean plants.\(^{(132)}\)

As of August 1, 1999, the United States and its partners delivered 1.9 million metric tons of oil to North Korea, valued at $222 million.\(^{(133)}\) U.S. contributions totaled $146 million. Under the agreement, American fuel oil can be used only to replace the heating and electricity that would have been produced by North Korea's plutonium production reactors. KEDO, which was created by the 1994 Agreed Framework, implemented a monitoring system at the seven heating and electrical plants to ensure proper usage. This system consists of flow meters and data recorders installed by KEDO and its contractor, Plume Daniel, Inc.

The system suffers from inherent limits, including the dependence of the monitoring system upon the North Korean electric power system. At some of the plants, monitoring equipment was inoperable half of the time or more. Monitoring equipment installed at each of the seven sites consuming KEDO-supplied heavy fuel oil has been subject to power outages at various times since the system was installed.\(^{(134)}\) KEDO also had to shelve plans to install more accurate monitors at the insistence of the North Koreans.\(^{(135)}\) At least 15 percent of KEDO-supplied fuel has gone unmetered.

The system also suffers by design. According to the GAO, KEDO has no arrangements with North Korea for monitoring the large quantities of heavy fuel oil in storage or in transit to the plants consuming the heavy fuel oil. Subsequently, GA reports that "KEDO is thus unable to track heavy fuel oil from the time it is unloaded ... through the flow meters where it is eventually consumed."\(^{(136)}\)

During an outage that lasted from January-April, 1999, the North Koreans consumed recorded amounts of unmetered fuel.\(^{(137)}\) This case represents an example of diversion. The State Department admitted to GA that "insignificant" amounts of fuel have been diverted ever since this program started. When asked what would be a "significant" diversion, a State Department representative told GAO "you could drive a truck through our definition of a significant diversion."\(^{(138)}\) State Department representatives later admitted North Korea has probably diverted at least $11 million worth of U.S. supplied fuel.\(^{(139)}\)

U.S.-donated fuel is now a major component of the assistance sustaining North Korea. While U.S. donations represent only a small fraction of North Korea's pre-economic collapse needs, they now represent at least 40 percent of North Korea's heavy fuel oil needs.\(^{(140)}\) It seems clear that at North Korea's reduced economic levels, the U.S.-supported KEDO program is helping to sustain North Korea's government.

Not only has KEDO's fuel assistance program increased the opportunity for North Korea to divert resources to its WMD and conventional military programs, it also creates an environment in which there is no incentive for North Korea to undertake necessary economic reforms to meet its own heating and electricity needs.

B. Does assistance promote critical reforms likely to make North Korea a more responsible member of the international community?

It is likely that North Korea will continue to use brinkmanship to exact more assistance from the international community rather than undertake reforms.

KEY FINDINGS

- U.S. assistance programs do not support or compel any major reform programs intended to help the North Korean people feed themselves or to restart economic growth.

- North Korea is likely to remain a ward of the international community, bent on maintaining its policy of brinkmanship in order to exact assistance from the U.S. and other members of the international community.

In the Far Eastern Economic Review of July 20, 1995 (two months before North Korea made its first appeal for international food aid), Steve Linton, a researcher at Columbia University who has visited North Korea frequently (he presently operates a humanitarian aid project in North Korea), described what he believed would be the response of North Korean leader, Kim Jong-Il, to North Korea's mounting economic crisis. He predicted that Kim would: (1) reject a dismantling of Soviet-style central planning and institutions, including collective farms, thus rejecting China's model of economic reforms ("Kim Jong-Il does not plan to make the same mistake"); (2) seek massive transfers of technology, capital, and aid from abroad; (3) accept no responsibility for the economic and food crises, instead blaming them on uncontrollable factors; and (4) ensure that the communist elite class in Pyongyang received priority in the distribution of food and consumer goods.\(^{(141)}\)

Linton's prediction has been largely borne out by subsequent events. An example is the speech by Choe Su-hon, North Korea's Vice Minister of Agriculture, to an international conference on agricultural recovery and environmental protection in Geneva, Switzerland on May 28-29, 1998. Choe blamed the food crisis on floods and droughts, the collapse of the Soviet Union and Eastern European communist regimes, and U.S. economic sanctions. He said that collective farms
would be strengthened, and described them as providing "the effective social safety net that is often missing in other developing country settings." \(^{(142)}\) He then appealed for more international food aid and a technological assistance program for agriculture from other countries and international agencies of $300 million. \(^{(143)}\) The WFP and U.N. Food and Agriculture Organization disagreed with North Korea's diagnosis. In their 1995 crop assessment, they estimated that the droughts and floods highlighted by the North Koreans only accounted for 15-20% of North Korea's food deficit, while 85% of their problems stemmed from the government's own policy of collectivist agriculture. \(^{(144)}\)

The North Korean government has made a few changes in its agriculture or economic policy. These changes include: the promotion of double cropping; the encouraging of the growing of potatoes; allowing the emergence of de facto private markets as the state food distribution system has collapsed in many locales; emphasizing the role of small work teams on collective farms; and allowing South Korea's Hyundal Corporation to open a tourist project in North Korea. These developments show that the North Korean government is interested in some very limited reforms tactically designed to take advantage of a willing donor. While some analysis, including those at the International Fund for Agricultural Development (IFAD) and the U.N. Development Program (UNDP), highlight these reforms, opinion appears to be veering towards a very skeptical and bleak assessment of the food security situation, even among private aid-giving groups. \(^{(145)}\)

Food Aid and Conditionality

So far in 1999, the United States has committed 600,000 tons of food aid to North Korea -- 500,000 tons through the WFP and 100,000 tons of potatoes as part of a special potato growing project. U.S. food aid in 1998 totaled 500,000 tons.

The potato project deserves particular notice. It is clear from reports by high-level defectors that North Korean leader Kim Jong Il considers himself to be an expert on potatoes. He prevailed on the United States to provide 100,000 tons of food to support the planting of new hybrid potatoes in North Korea. This project was designed at the highest levels of the North Korean government and the State Department. When potato experts were brought in to the project, they quickly reported that it would not work and could turn into a disaster. For political reasons, the State Department moved ahead anyway and funded the project. Current reports indicate that the project has indeed turned out to be a failure, just as the U.S. potato experts had warned. They only expect a yield of less than one potato for every ten planted. \(^{(146)}\)

While private aid-giving groups are expressing frustration over the lack of North Korean economic reforms, the administration and the WFP have followed a policy of not conditioning food aid on North Korean agricultural reforms. The Washington Times of September 16, 1999, reported a briefing given on North Korea by two senior administration officials who stated: "Changing, reforming or undermining the North Korean regime would be impossible, take too long, or risk war, said one of the U.S. officials." \(^{(147)}\) U.S. negotiators have only raised with North Korea the issue of the monitoring of food aid. \(^{(148)}\) The WFP takes the same position. It has pressed the North Korean government to increase access of WFP monitors into more counties of North Korea, but it has not raised the reform issue in any significant way. The Executive Director of WFP indicated this by stating in August, 1999 that the food crisis was the result of lack of technical inputs and inadequate infrastructure, and that "food aid is going to be necessary for a long time." \(^{(149)}\)

The same is true for the economy as a whole. In 1997 and 1998, the EU attempted to engage the DPRK in a limited dialogue on the subject of economic reform. The key points in the discussion revolved around legalizing larger private plots of land, liberalizing trade in agricultural inputs, and granting international access and aid to farmer's markets. After long discussions, all of these proposals were rejected and the EU shelved plans for development projects in North Korea. \(^{(150)}\)

With regard to the economy at large, North Korea promulgated a series of laws in the 1990s designed to enhance trade and investment with the outside world. In 1994, Kim Il Sung personally announced that the expansion of foreign trade had been embraced as one of the DPRK's top three priorities. \(^{(151)}\) Despite the North Korean rhetoric, Nicholas Eberstadt observes:

> After all, North Korea's policy is to assign top priority to all resource allocations to its huge and unproductive military machine; to siphon off state investment to expensive showpiece projects of political rather than economic merit; to throttle the ideologically suspect consumer sector; to minimize the role of financial incentives in the workplace; to smother the transmission of price signals within and among domestic sectors; to divorce the local currency as much as possible from the actual process of economic exchange; to ignore the country's sorry international credit standing; and to avoid any unnecessary contact with the world economy. Little wonder that output is heading down. \(^{(152)}\)

It seems clear that North Korea will continue to reject any necessary reforms needed to feed itself and to initiate economic growth. Unlike other emergency food aid recipients, such as Bosnia or Ethiopia, there is little chance that North Korea will ever be able to feed itself. The WFP and related food aid programs are already the largest and longest sustained of any in post-WWII history. It would appear that the North Korean government has chosen to continue its current path of extorting aid from its neighbors and the United States with new acts of rogue behavior and developments in missiles and weapons of mass destruction.

C. Is the decline in the North Korean economy likely to encourage the leadership to undertake risky policies which threaten international peace?

Rather than reform its economy, North Korea chooses to extort assistance from the United States and other members of the international community. This presents a dangerous situation as brinkmanship increases the possibility of miscalculation and the risk to peace.

Key Findings

- In 1994, North Korea triggered a nuclear crisis that it resolved only after it was promised two new nuclear reactors and annual shipments of 500,000 mt of fuel from the United States and its allies.
- In 1998, North Korea leveraged international concern about its large underground facility at Kumch'ang-ni to gain an extra 200,000 mt of food from the United States.
- In 1999, North Korea used its impending launch of a Taepo Dong 2 missile over Japan to win an end to the 49-year-old U.S. economic sanctions regime.
- In the coming year, North Korea may leverage possible missile development and sales to win access to more aid and other credits from the United States, Japan and South Korea.

In 1996, there were frequent predictions and speculation, including statements from administration officials, that the North Korean government was on the brink of collapse. Administration officials used the alleged dangers of a collapse to justify food aid to North Korea; food aid, they said, would help to prevent a
"cataclysmic" collapse. It seems clear that food and fuel aid is sustaining the regime and its policy of continued international extortion.

A few years ago, many people argued that "irrational," "incoherent" North Korean leaders would ignite a war as a last desperate act if North Korea's food and economic situations continued to deteriorate. This argument raised the issue of the nature of the North Korean regime — whether it is led by irrational decision makers or by calculating leaders who are aggressively pursuing specific objectives.

What is clear is that North Korean leaders, faced with the severe economic crisis of the early 1990s and the famine of 1996-97, rejected the path of reform that proved to be successful in other socialist states, such as China and Vietnam. North Korea defaulted on its international debts, arrested the official responsible for its Nujin-Songbong Free Trade Zone (also removed the word "Free" from its title), and banished international joint ventures from the rest of the country. Kim Jong Il's economic policy is clearly elucidated in his speeches and writing. In 1992, his analysis of the Soviet collapse gave a clear indication of his view of reform:

One-step concessions and retreat from the socialist principles has resulted in ten and a hundred-step concessions and retreat, and, finally, invited grave consequences of ruining the working class parties themselves.

These issues cannot be fully resolved, but several contingencies appear to have some credibility. First, if food supplies or other necessities for the military fell to a level that caused severe hardships in the military, Kim Jong Il could lose the support of the military. Second, before that happened, China likely would boost food aid. China appears determined that North Korea should not collapse. Third, if, as reported, North Korean leaders are aware of the deterioration in their conventional forces, they are not likely to launch an invasion. Threats and incidents are much more likely than actual war. In 1994, North Korea successfully used the reactor at Yongbyon to extract two new nuclear reactors and more than two million tons of oil from the United States and its allies. In 1998, the North Koreans used access to the Kunsan air underground facility to extract an extra 200,000 mt of food from the United States. Recently, the North Koreans used the pending test of a Taepo Dong 2 missile to win the end of the 49-year-old U.S. sanctions regime against North Korea. It appears likely that in the coming months, the North Koreans will use the threat of missile development and proliferation to win development assistance funding from the United States.

CHAPTER FIVE

Human Rights And The North Korean People

Do the policies of the North Korean government undermine the political and/or economic rights of its people more so than five years ago?

The condition of the North Korean people, both physically and politically, is worse than at any time in the history of their government. U.N. nutritional studies and other research have shown that at least one million North Koreans have starved to death since 1994, while many others face starvation. North Korea's medical system has collapsed with its economy, transforming common diseases into death sentences for many. North Korean hospitals largely function as hospices.

North Korea has the worst human rights record of any government in the world. The DPRK formally categorizes its citizens into 51 classes. Seven million citizens, one-third of the population, are regarded as members of a "hostile" class. North Korea has established prisons for hungry children, and is the only place on earth where a hungry child wandering away from home is imprisoned. North Korea is also unique in being the only country that has attempted to withdraw from a key human rights treaty.

The regime of Kim Jong Il depends on maintaining high levels of fear to oppress its people. The perpetual state of crisis that the regime generates with the international community ensures internal discipline and demands absolute support for the regime. This policy requires the regime to keep the North Korean people isolated and ill-informed on developments in the outside world.

A. Does the North Korean government treat its people better or worse than five years ago?

The physical and political condition of the North Korean people is worse than at any time in their history.

KEY FINDINGS

- At least one million North Koreans have died of starvation in the last five years. While the government blames the food shortage on a variety of natural disasters, the reality is that the primary cause of the food shortage is the policies of the North Korean government. Without agricultural and economic reform, U.S. assistance will only be able to slow the loss of life.
- North Korea has the worst human rights record of any government currently in power. The government has divided the general population into three classes and 51 subgroups. One third of the population, or at least seven million people, are classified as "hostile" by their own government. It is likely that international assistance intended for this group is diverted to more privileged classes.
- North Korea is the only country that has attempted to withdraw from the International Covenant on Civil and Political Rights (ICCPR), or to imprison children for the crime of being hungry and away from home.
- The survival of the regime is paramount. The North Korean government relies on the military for support and maintains high levels of international tension to ensure loyalty. The survival of the regime depends on keeping the Korean people isolated and ill-informed on developments in the outside world. The celebration of Kim Jong II's 57th birthday alone cost $90 million, while many in the country starved.

http://www.husoa.gov/International_relations/89rapart.htm
North Korea has found that concessions from the United States are easier to win if the North Korean leadership presents a threatening, irrational, and unpredictable image to the outside world.

The Regime of Kim Jong II

Politically insecure and economically moribund, the overriding national priority for Kim Jong II, 57-year-old paramount leader of North Korea, appears to be the survival of his regime. As the Supreme Commander of the KPA, Kim Jong II holds the "highest office of state" as Chairman of the National Defense Commission, presiding over a monolithic dictatorship, which has untrammeled power to control and manipulate social groups, and to use national resources to satisfy the needs of the military-dominated one-party establishment.139 Kim Jong II succeeded his late father Kim Il Sung, who had ruled the so-called "self-reliant" communist regime in Pyongyang from 1945 until his death in 1994, thanks to "external" economic and military support from the former Soviet Union and China.

Kim Jong II's survival strategy seems to have four major components. The first has been his "military-first" commitment to ensuring internal and external security and, equally important, to maximizing Pyongyang's leverage for dealing with the United States and South Korea.160 In recent years, Kim Jong II appears to have paid more attention to the KPA than any other North Korean organization, perhaps to curry favor and loyalty from the KPA.161 The 1.1 million strong KPA, assisted by a large military reserve force and several paramilitary groups, is not only the guarantor of power and a political instrument, but also a security blanket for the Kim Jong II regime. Often likened to a state within the state (more so than possibly the ruling Korean Workers' Party itself), in recent years,162 the KPA has arguably become the single most influential institution, second only to Kim Jong II himself. This is particularly the case in decision-making affecting Pyongyang's South Korea policy and negotiations with the United States over security-related issues.

Some observers believe that if the KPA cracks, so will the foundations of the North Korean regime. This seems to explain why the military continues, as it has since the late 1960s, to receive 25-30 percent of the GNP annually; why top KPA officers are posted in the top tier of the ruling Korean Workers' Party (KWP); and why, in June 1999, Pyongyang underscored that its overall "policy of giving priority to the military" not only guarantees the integrity of the North Korean regime, but also "ensures a decisive victory in political and diplomatic confrontation with imperialism."163 Unlike the North Korea of his father that relied on several pillars of support (the Communist party, Soviet Union and military), Kim Jong II appears to have turned North Korea into a simple military dictatorship.

The second component has been an intensive ideological campaign to uphold the orthodoxy of Kim Il Sung's legacy.164 Pyongyang has invested heavily in political and propaganda activities designed to extol the self-proclaimed superiority of the North Korean brand of socialism, and to glorify the already pervasive personality cult of the two Kims at costs estimated at tens of millions of dollars annually.165 From all indications, Pyongyang seems to be committed to its Stalinist rule. From its perspective, having staked out the position that Kim Il Sung's leadership was "ever-victorious," even a faint notion of openness or restructuring would be tantamount to treason.166 It believes Pyongyang has to try to rationalize its socialist existence under Kim Jong Il's leadership -- with little, if any, change from the Kim II Sung era.

The third component of the North Korean survival strategy has been to continue to isolate North Korea from the outside world, except for officially sanctioned purposes. This is critical to ensuring control of information and subjecting North Korean citizens to rigid party-state controls with no legal outlets for venting public grievances. Isolation is needed to maintain a political system that allows no internal dissent, no independent press, no social spontaneity or individual creativity outside its totalitarian framework -- a system in which all North Koreans are indoctrinated to think and act according to the party's idea and purpose.

Equally important, isolation enables Pyongyang to remain opaque and deliberately ambiguous in dealing with outsiders. Ever distrustful of outsiders, including Russians and Chinese, the North Korean regime has tried to use its own rules to maximize its internal and external security. The rules of the international community, socialist or otherwise, over which it has little or no control, continue to be regarded as inimical to Pyongyang's survival.167 Not surprisingly, North Korea seeks to extract concessions from the United States on its own terms without embracing anything it regards as a threat to the regime. Pyongyang views U.S. concern for human rights in North Korea as an attempt to interfere in the internal affairs of the DPRK.168

The fourth component appears to be a deliberate attempt to cultivate what has been called a "madman image" as a new psychological negotiating tactic to win concessions, presumably from the United States and South Korea.169 The North Koreans seem to have devised a strategy to try to turn their vulnerabilities into advantages in order to gain U.S. concessions, including diplomatic normalization, the lifting of economic sanctions, food and other aid. This has been done according to one analysis: (1) by developing nuclear weapons and delivery systems; and (2) by threatening to turn South Korea's capital, Seoul, and industrial heartland, into "a sea of fire." Thus, by making themselves to appear unpredictable and irrational, they have elicited pleas for North Korean moderation.170

Human Rights

North Korea maintains that human rights abuses in the DPRK are "unthinkable," and continues to blame South Korea and its allies for attempting to defame its "sovereignty" and "dignity" by these allegations.171 It has asserted that, unlike in the United States, "the universally recognized worst barer of human rights," human rights are "fully ensured" in North Korea.172 The only freedoms and rights it recognizes are those sanctioned by socialist collectivism, thereby leaving no room for internationally accepted norms of human rights. According to the U.S. Department of State, the North Korean leadership "perceives most international norms of human rights, especially individual rights, as illegitimate, alien social concepts subversive to the goals of the State and party."173

Even as the North Korean constitution guarantees its citizens the civil and political liberties commonly associated with democracies and the Universal Declaration of Human Rights, a wide range of human rights are systematically suppressed.174 Denied are freedom of speech, the press, assembly, petition, association -- as well as free and fair elections. Disrespect for the integrity of the person is pervasive; citizens are detained summarily by members of the security forces; many are held as political offenders and treated harshly; and North Korean citizens are treated unequally on the basis of perceived political reliability and family background.

Citizens are detained in concentration camps for a variety of ill-defined offenses, including ideological deviation, attempts at defection (family members of defectors may be imprisoned as a reprisal), slander of the party or state, or behavior suggesting disrespect for Kim II Sung and Kim Jong Il.175 Initially, these camps included "class enemies," such as landlords, clergy, pro-Japanese collaborators, families of defectors to South Korea, Koreans critical of North Korea after being repatriated from Japan, and anti-party activists purged in the wake of their failed coup against Kim II Sung in 1938. From the mid-1960s, however, these camps came to house "IDEOLOGICAL suspects," as part of Pyongyang's effort to promote monolithic unity through tight party controls.

[http://www.house.gov/international_relations/legis/epart.htm](http://www.house.gov/international_relations/legis/epart.htm)
Currently, according to South Korean estimates, about 150,000 to 200,000 persons are believed to be held in 10 concentration camps in remote mountainous or mining areas. Some are believed to be underground for secrecy or maximum security. In the 1980s, many prisoners were former party, state, and military functionaries (and their families) whose loyalty toward Kim Jong II, then the heir presumptive, was perceived to be suspect. Since the fall of the Berlin Wall and the collapse of the Soviet Union, the prison population reportedly swelled to 200,000, apparently due to Pyongyang's growingشتishesness about the loyalty of its people.

These concentration camps are run by a public security agency, reporting to the KWP Central Committee. North Korean officials deny the existence of these camps, but admit that there are "reeducation centers" for people committing crimes "by mistake." North Korea also reportedly maintains a number of so-called "9.27 camps" for orphaned and homeless children -- under a September 27, 1995, order from Kim Jong II. If information from former North Korean inmates is any indication, living conditions in these camps are inhumane and harsh. Prisoners are held either after unfair trials, or without trials at all. Trials are held, in most instances, based on arbitrary decisions of public security authorities relying on a network of informers. Once inside, they are reportedly deprived of all civil and political rights, and are subject to mistreatment -- with many dying from untreated disease, starvation, or exposure. According to the South Korean White Paper on Human Rights in North Korea 1998, the inmates are denied medical care, regular food rations, and are barred from marriage or bearing children. The inmates are also totally shut off from the outside, with no visitors or letters allowed -- even from their relatives. Other South Korean sources state that beatings, torture, and executions are routine. Prisoners attempting to escape from the camps are subject to shoot-to-kill rules; if caught, they are likely to become live-training-aides for special warfare training classes. The State Department 1998 Human Rights report stated that following a March coup attempt against Kim Jong II, authorities arrested several thousand members of the military. Reports indicated that many were executed.

Denial of civil liberties was also reported in the case of 6,637 Japanese nationals, including 1,828 wives married to Koreans, voluntarily repatriated to North Korea in the period between 1959-1983. Despite Pyongyang's assurances that the wives, more than a third of whom still had Japanese citizenship, would be allowed to visit Japan every two or three years, none was allowed to do so until 1997. Many have not been heard from, and their relatives and friends in Japan have been unable to gain information about their condition and whereabouts. In November 1997, 15 Japanese wives were permitted a one-week home visit; 12 others visited for a week in January and February 1998. In June 1998, however, Pyongyang canceled the home visit program, citing "artificial hurdles" and "inhuman acts on the Japanese side," as well as "rude" Japanese media reports.

Human rights abuses are also reported among the 6,000 North Koreans in work camps located in the far eastern portion of Russia, and refugees living elsewhere in Russia. Discipline and living conditions in these North Korean-run work camps are said to be harsh. Physical abuse is common, and offenders are sent back to North Korea for punishment. The refugees reportedly face hardships due to lack of identification. North Korean workers arriving in Russia are required to surrender their passports and other identification papers to North Korean border guards. North Korea is known to have tried to bring diplomatic pressure on Russia to prevent North Korean defections and applications for asylum.

A North Korean ban on emigration is another instance of the restriction of basic civil liberties. There has been a steady increase in North Korean defectors arriving in China, Hong Kong, and South Korea. As of August 1999, a South Korean newspaper estimated the number of defectors/refugees in China to be about 200,000. North Korea reportedly retaliates harshly against the relatives of those who manage to escape into China, and defectors who have purportedly been forcibly deported back to North Korea were either executed or imprisoned at hard labor.

North Korea's state-controlled media message is that "the victory of socialism is in sight," and that the people's welfare was always the top priority under the leadership of Kim Il Sung and now under Kim Jong II. Kim Jong II is said to have remarked that "no countries in the world provide their people maximum social benefits as our country is doing." Facts are difficult to establish, however, given secrecy on living conditions, the extent of famine, mortality figures, and health data. Official sources are silent on whether North Korean citizens are better off today as compared to several years ago. Despite speculation that the economy may have bottomed out in 1998, the prevailing impression in 1999 seems to be that the living conditions of average North Koreans are going "from bad to worse." Nutritional standards are reported to be worsening, especially in the industrial northeastern region of the country that has limited agriculture.

The death rate among children age six and under is reportedly very high as a result of the lack of food, medicines, and other daily necessities.

The political/military elite and other related residents in Pyongyang seem to fare much better than those in other cities or in the primarily nonagricultural regions. On the whole, living conditions throughout the country today seem to be worse than seven years ago, due to the steady economic deterioration, except among the member families of the ruling elite -- estimated at two to three million. The elite group seems to be singled out for preferential treatment because of its pivotal support role for the Kim Jong II regime. Apparently, this practice can be dated back to 1966, when the regime began to identify real or imagined troublemakers, for the purpose of establishing more rigid party-state surveillance and political-ideological controls. As a result, the general population was divided into three classes and 51 subgroups. North Korean citizens seem to fall into the following three classes: the core support class; the wavering class; and the hostile class.

Accounting for about 9 to 13% of the 23 million population, the core support class includes the top party, military, and government cadres and their families residing mostly in Pyongyang and other larger cities. They are treated preferentially in matters of education, promotion, rationing, housing, and health care. The wavering class, estimated at 60% of the general population by South Korean sources, is comprised of factory, shop, and collective farm workers, left-behind-families of those who defected to South Korea, families of former Korean residents in Japan who were repatriated to North Korea, and other citizens whose commitment to the Kim Jong II regime is suspect or unproven. The wavering class members are assigned to lower-grade positions in the North Korean system. In terms of the severity of punishment in the case of legal infractions, the most vulnerable is the hostile class -- estimated to be 20 to 30% of the population. Included in this class are suspected anti-party and anti-revolutionary dissidents and their families, and other "reactionary" family members or descendants associated with former landlords, capitalists, and pro-Japanese collaborators. Under constant surveillance and socially ostracized, the hostile class is discriminated against in matters of education, housing, job assignment, party membership, and appointment to military officer corps.

South Korean Abductees and POWs in North Korea

In March 1999, frustrated by the lack of any positive response from Pyongyang, the South Korean Red Cross appealed to civic organizations worldwide for

assistance in an effort to secure the release of South Korean nationals believed to be in unacknowledged detention in North Korea. The detaineis included 231 prisoners of war (POWs) and 454 other South Koreans kidnapped by North Korea since 1953, and not released to date. North Korea has released 3,302 others it had kidnapped. In April 1999, South Korea's Kim Dae Jung administration broached the issue at the 55th Session of the U.N. Commission on Human Rights in Geneva, along with the issue of reuniting separated North and South Korean families -- believed to be as many as 10 million. President Kim proposed to hand over to Pyongyang 17 ex-North Korean agents in exchange for the release of several hundred South Korean detainees in the DPRK. Pyongyang rejected the proposal as "unjustifiable." Kim also proposed to⼿ for reciprocity: "20% from the humanitarian point of view and in light of international law." While not formally acknowledging the existence of any South Korean POWs or abductees, Pyongyang did say that "if there were South Koreans anywhere in the DPRK, they had come over to North Korea or joined the military on their own free will. It stated that such persons had no desire to return to South Korea, having "lived happily as citizens of the DPRK." "

Apart from the South Korean abductees, North Korea also denies Japanese allegations that up to ten Japanese citizens may have been kidnapped by North Korean agents in the 1970s and 1980s. In November 1997, in response to a request from Japan's ruling coalition, Pyongyang promised to look into this matter. On June 5, 1998, the North Korean Red Cross announced that it was unable to find any of the ten Japanese citizens sought by Japan after "an intensive search for five months from early 1998." In this regard, Pyongyang's official news agency asserted that the Japanese allegation was an attempt to "obstruct the normalization of North Korea-Japan relations."

There is also concern that there may be five Americans being held in North Korea against their will. As with the ROK POWs, there is the possibility that American POWs reside in North Korea. The U.S. government, however, does not believe in, nor has any evidence of, the existence of any Americans in the DPRK from the Korean War. There is little doubt that the North Koreans clearly have information that could lead to a further accounting of POWs and MIAs (Missing in Action) from the Korean War. In the 1960-80s, six American servicemen found their way to North Korea. Four are reportedly alive in the DPRK today. Some are considered to have defected to North Korea, while there are allegations that others were abducted by the North Koreans while either in the ROK or Europe. The North Koreans have refused to allow American authorities to have access to these individuals. The DPRK states that the Americans are now citizens of North Korea and do not wish to meet with U.S. authorities.

**Pyongyang and the International Community**

The international community has not been able to monitor the human rights situation in North Korea due to government restrictions on access to the country. This has heightened concern that serious human rights violations remain hidden. Denied access to large areas of the country, independent, non-governmental aid organizations could not assess the real effects of the food shortages. These agencies reported that food was being distributed according to loyalty to the state and economic productivity, and that "food was not reaching the most vulnerable groups within the population."

In September 1998, MSF, the biggest European charity operating in North Korea, announced its withdrawal from North Korea because Pyongyang had denied it access to a large population of malnourished and sick children. MSF officials also disclosed their concern that the North Korean regime was applying a double standard -- favoring certain individuals in the regime while neglecting others. The withdrawal of its 13 doctors and nurses underscored the growing difficulties aid agencies encounter as they seek to determine if medicine and food are getting to those who need it most. In August 1998, the Paris-based Doctors of the World left North Korea for similar reasons.

North Korea acceded to the ICCPR in 1981, thereby agreeing to comply with its reporting obligations to the U.N. Human Rights Committee, to develop dialogue with U.N. human rights mechanisms, and to allow access to independent human rights monitors. Nonetheless, North Korea was unresponsive to the international calls for human rights dialogue. In August 1997, it announced the decision to become the first country ever to "withdraw" from the ICCPR, and to suspend its reporting to the U.N. Human Rights Committee on its implementation of the Covenant. North Korea took this action to protect a resolution by the U.N. Subcommission on Prevention of Discrimination and Protection of Minorities, which was critical of the human rights situation in North Korea, of Pyongyang's failure to allow access to human rights monitors, and of its failure to report to the U.N. Human Rights Committee on Covenant-related human rights issues. Prior to 1997, North Korea had reneged on its reporting obligations for more than 10 years. In October 1997, the U.N. Human Rights Committee stated that countries that had ratified the ICCPR could not denounced and/or "withdraw" from it.

North Korea justified the withdrawal as a defense to protect its "sovereignty" and "dignity," while stating that it would "do its best" to protect human rights in the DPRK. In October 1998, North Korean officials reportedly told Amnesty International that they had prepared their overdue report to the U.N. Human Rights Committee, but that they would not submit it unless the U.N. Subcommission concerned changed its "attitude" toward North Korea. In August 1999, North Korea informed the U.N. Subcommission on Protection and Promotion of Human Rights in Geneva of its readiness to "re-embrace" the ICCPR and to submit the report it had prepared in 1997. As of September 15, 1999, the report had not been filled with the Subcommission.

**B. Has the North Korean government instituted reforms likely to lead to a better life for its citizens in the years to come?**

North Korea is only willing to discuss agricultural reforms if they are attached to donor payments. There is no serious economic, agricultural or political reform currently being implemented in the country.

**KEY FINDINGS**

- North Korea will not discuss political reform.
- North Korea will only discuss cosmetic agricultural reforms if linked to significant donor payments from organizations such as IFAD or UNDP.
- Due to its lack of political, economic or agricultural reform, North Korea will have to continue a policy of international extortion and crime to earn foreign currency.

North Korea continues to be rated as one of the worst offenders of human rights in the world in an annual survey of political rights and civil liberties conducted by Freedom House, a nonpartisan advocacy group for promotion of human rights, democracy, and free market economics around the globe. Prospects for respect for basic human rights in North Korea is bleak and inexorably linked to its compelling need to maintain its monopolistic political system. In time, it might relax its rigid stance against the international concepts of political rights and civil liberties that are anathema to Pyongyang's current values and practices. That remote possibility seems likely to materialize, if at all, only when the North Korean leadership becomes sanguine about survivability. Broadly viewed, this is unlikely, unless Kim Jong Il's siege mentality is overcome.

As a practical issue, however, the immediate challenge facing the North Korean leadership appears to be twofold: (1) to determine whether its penchant for brinksmanship diplomacy toward Washington, Seoul and Tokyo will enhance its chances for survival; and (2) to decide whether the future of its system will be better served through reciprocal accommodation with the United States, South Korea, and Japan.

Despite efforts by international organizations, such as UNDP and IFAD, few economic reforms are even considered. North Korea has allowed a small IFAD credit program, but this activity is marginal at best. North Korea strictly limits private plots, formally outlaws farmers' markets, and maintains state control of all agricultural inputs and industrial enterprises. There is currently no serious economic reform agenda under discussion with any major donor.

[http://www.house.gov/international_relations/dkgreport.htm](http://www.house.gov/international_relations/dkgreport.htm)
**GLOSSARY**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>AFP</td>
<td>Agence France Presse</td>
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<tr>
<td>APC</td>
<td>Armored personnel carriers</td>
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<td>BW</td>
<td>Biological weapons</td>
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<td>BWC</td>
<td>Biological Weapons Convention</td>
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<tr>
<td>CBW</td>
<td>Chemical and biological weapons</td>
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<td>CEP</td>
<td>Circular Error Probable</td>
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<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
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<td>CRS</td>
<td>Congressional Research Service</td>
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<td>CW</td>
<td>Chemical weapons</td>
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<tr>
<td>DEA</td>
<td>Drug Enforcement Administration</td>
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<tr>
<td>DIA</td>
<td>Defense Intelligence Agency</td>
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<tr>
<td>DMZ</td>
<td>Demilitarized Zone</td>
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<tr>
<td>DoD</td>
<td>U.S. Department of Defense</td>
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<tr>
<td>DPRK</td>
<td>Democratic People's Republic of Korea (North Korea)</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FROG</td>
<td>Free Rocket Over Ground</td>
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<tr>
<td>FSU</td>
<td>Former Soviet Union</td>
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<tr>
<td>FY</td>
<td>Fiscal Year</td>
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<td>GAO</td>
<td>General Accounting Office</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>HFO</td>
<td>Heavy fuel oil</td>
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<tr>
<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<tr>
<td>ICBM</td>
<td>Intercontinental Ballistic Missile</td>
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<tr>
<td>ICCPR</td>
<td>International Covenant on Civil and Political Rights</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>INCB</td>
<td>International Narcotics Control Board</td>
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<td>INCNR</td>
<td>International Narcotics Control Strategy Report</td>
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<td>KEDO</td>
<td>Korean Peninsula Economic Development Organization</td>
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<tr>
<td>kg</td>
<td>kilogram</td>
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<tr>
<td>km</td>
<td>kilometer</td>
</tr>
<tr>
<td>KPA</td>
<td>Korean People's Army (North Korea's Armed Forces)</td>
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<tr>
<td>KWP</td>
<td>Korean Worker's Party</td>
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<tr>
<td>LWR</td>
<td>Light Water Reactor</td>
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<tr>
<td>MIA</td>
<td>Missing In Action</td>
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<tr>
<td>MIT</td>
<td>Massachusetts Institute of Technology</td>
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<td>mm</td>
<td>millimeter</td>
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<tr>
<td>mt</td>
<td>megaton</td>
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<tr>
<td>MSF</td>
<td>Medecins Sans Frontiers (Doctors Without Borders)</td>
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<td>MTW</td>
<td>Major Theater War</td>
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<tr>
<td>MW</td>
<td>Megawatt</td>
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[http://www.house.gov/international_relations/legisreport.htm](http://www.house.gov/international_relations/legisreport.htm)
NATO........................ North Atlantic Treaty Organization
NGO........................ Non-governmental Organization
NIE........................ National Intelligence Estimate
NKA F......................... North Korean Air Force
NPT........................ Nonproliferation Treaty of 1985
NTD........................ Taiwan currency
PDS........................ Public Distribution System
POW........................ Prisoner of war
PRC........................ People's Republic of China
PVOC......................... Private and Voluntary Organization Consortium
Pyongyang.................... Capital of North Korea (geographical seat of government)
ROK........................ Republic of Korea (South Korea)
SAM......................... Surface-to-Air Missile
Seoul......................... Capitol of South Korea
ŚLV........................ Space Launch Vehicle
U.N......................... United Nations
UNDP.................... United Nations Development Program
U.S........................ United States
USAID..................... U.S. Agency for International Development
USFK...................... United States Forces Korea
USSR...................... United Soviet Socialist Republic (Soviet Union)
WFP......................... United Nations World Food Program
WMD......................... Weapons of mass destruction
WWII...................... World War II

Footnotes


5. Before construction was halted, pursuant to the 1994 Agreed Framework, both the 50 MW and 200 MW reactors were due to be completed around the year 2000. IAEA officials reported, however, that critical parts of the 50 MW reactor have been missing since 1994 when IAEA operators first visited the site. The missing equipment could be used to construct another nuclear reactor. Stogel, Stewart and Ben Barber. Washington Times, 24 March 1999, p3.

6. On North Korea's nuclear infrastructure see: Jones, et al; Bermudez, Part II.


http://www.house.gov/international_relations/kegs/ispopt.htm


12. The International Atomic Energy Agency has reported annually on North Korea’s noncompliance with its obligations under the NPT and its noncompliance with its Safeguards Agreement. The IAEA has held at least ten negotiating sessions with the DPRK on noncompliance, with no progress. See, for example, *Letter From the Director General of the IAEA to the Secretary General of the United Nations*, 9 October 1998, S/1998/948, 12 October 1998, and 1991-1998 annual statements by the IAEA Director General to the IAEA Board of Governors.


15. Agreed Framework, III (2).


19. The Japanese weekly *Sukan Bunson*, citing a confidential Russian General Staff Report, states that 160 Russian nuclear experts have worked for North Korea during the last seven years, and nine nuclear scientists are currently working in North Korea. Agafonov, Sergiy. *Izvestiya*, 27 January 1994, p 1, 4.


24. North Korea is not a signatory to the Chemical Weapons Convention, but has ratified the Biological Weapons Convention (BWC). The BWC, however, has no verification or enforcement provisions.

25. Department of Defense, *Proliferation: Threat and Response*, November 1997. (http://www.defenselink.mil/pubs/proli97/) This is the most recent edition of this report by DOD. Public information on the North Korean CBW capabilities is relatively scarce, and most of what is available can be traced back to South Korean press articles or government reports.


28. Binary munitions are those in which two munition components containing nerve agent precursors are combined just prior to launching the munition, e.g. artillery shell and aerial bomb, and the CW agent is formed within the munition as it completes its trajectory.

29. Bermudez, Joseph. "Military Estimates DPRK Chemical Arms Stocks" *Seoul Shinmun*, 15 April 1995, p13; FBIS-EAS-95-073. He has estimated that stockpile increases have been dispersed through the country in underground storage facilities.


35. Center for Nonproliferation Studies, Monterey Institute of International Studies. (http://cns.miis.edu/research/cbw/possess.htm)


39. Circular Error Probable (CEP), half of the missiles would fall into a circle of this radius.


61. See Radin, Charles A. "In Japan, Quiet Talk of Nuclear Arms; amid Fears of North Korean Effort, Thoughts of Bomb No Longer Go Unspoken," Boston Globe , 19 September 1993, p10.


73. IISS.


78. Ibid, p70.


82. Articles 1 through 4, in the historic Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation between the South and the North, 19 February 1992.


84. Korea Times in English (Internet version), 29 March 1999; Kyodo News Agency in English, 1 April 1999.


87. One of the most famous incidents involved the arrest by Egyptian authorities of two North Korean diplomats carrying 506,000 tablets of rohypnol, a sedative known as a "date rape" drug. This was the largest seizure of the drug on record. U.S. News and World Report, 15 February 1999, p36.

88. The International Narcotics Strategy Report, March 1999, by the Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State, estimates that North Korea cultivates between 10,000 to 17,000 acres of opium, yielding an estimated 30 to 44 metric tons of product. The report states that "among the crimes most frequently mentioned are counterfeiting, illicit trade in endangered species, fraudulent antiques, counterfeit CDs, tapes, and cigarettes. In 1998 in Vladivostok, a North Korean trade attaché was arrested for passing $36,000 in counterfeit U.S. $100 bills."

89. Additional food aid may be necessary, given the amount of land devoted to narcotics production. U.S. News and World Report, 15 February 1999, p37.


91. Id, p623.

92. North Korea has ordered up to 50 tons of ephedrine, a precursor to methamphetamine. Ephedrine is used as a cold remedy but for North Korea's population, 2.5 tons would suffice. North Korean orders represent 20 times the country's legitimate requirement. North Korea appears to be targeting Japan's 500,000 "meth" users. U.S. News and World Report, 15 February 1999, p36, 38.


94. The 1998 INCSR, p. 623, cites a February 1997 Izvestia article on the arrest of a third secretary of the North Korean Embassy who was apprehended attempting to exchange counterfeited U.S. dollars. Russian officials tied him to a smuggling operation designed to sell more than $100,000 in counterfeit U.S. bills, which they believe was his main function at the embassy.
95. May 1976, 406 kg of hashish was seized from a North Korean (DPRK) diplomat in Egypt; July 1994, Chinese officials arrested a Chinese national on charges of smuggling 6 kg of North Korean-produced heroin through the DPRK Embassy in China; August 1994, a DPRK intelligence agent was arrested by Russian authorities for trying to sell heroin to a Russian mafia group; January 1995, Chinese officials in Shanghai seized 6 kg of heroin and arrested two DPRK nationals, one with a diplomatic passport; July 1998, a DPRK diplomat was arrested in Egypt with 500,000 tablets of rohypnol—the so-called "date rape" drug. Jan. 1998, Russian officials arrested two DPRK diplomats in Moscow with 35 kg of cocaine smuggled through Mexico; Oct. 1998, German officials arrested a DPRK diplomat in Berlin, seizing heroin believed to be made in North Korea; and May 1999, Taiwanese officials seized 157 kg of methamphetamine said to be DPRK-produced.

96. In April 1998, Russian police reportedly arrested Kil Chae Kyong (personal secretary in charge of secret funds for Kim Jong Il) on charges of attempting to sell $30,000 in counterfeit U.S. currency.


99. In August 1998, Japanese authorities arrested members of a Japanese criminal organization and seized 200 kg of a 300 kg shipment of methamphetamine believed to be manufactured in North Korea. Earlier, in April, 58.6 kg of the same drug, thought to have been manufactured in China, was seized by Japanese authorities in the cargo of a North Korean freighter. See: "Police Say Seized Drugs Originated in North Korea," Yomuri Shimbun (Japan), 8 January 1998.

100. For example, in January, 1998, Thai police reportedly seized, but later released, 2.5 tons of ephedrine en route from India to North Korea. This was reportedly part of an eight ton shipment North Korea had attempted to purchase which the INCB reportedly limited (but formally denies limiting) to two 2.5 ton shipments over a two-year period. Pyongyang reportedly argued for the right to buy 30 tons from India -- enough for a 135-year supply of cold tablets (see Bangkok Times, 13 June 1999 p6.)


104. Ibid.

105. Conversation with Raphael Pearl, CRS, 30 September 1999.

106. The $71 million for drugs breaks down as $29 million from opium/heroin and $12 million from amphetamines, although one, admittedly speculative, U.S. law enforcement agency source estimate for "world" market price of heroin produced by the DPRK in 1995 is $500 million. For the $15 million figure on counterfeiting, see: Korea Herald, 16 November 1998.


108. Prepared by: Europe/Asia/Africa Unit Strategic Intelligence Section, Drug Enforcement Administration.


114. Ibid.


116. Ibid. Since 1995, USAID has spent $4.5 million to support the Consortium's monitoring programs. WFP's policy manual requires that monitors activities must include "(1) analyzing reports received from ports, regional and local warehouses, and distributing agencies; (2) conducting visits to distribution centers to inspect reports of actual stocks; and (3) spot-checking actual distributions and observing distribution procedures."

117. These monitors conduct about 300 monitoring visits per month.

118. This includes the consignment note system that WFP implemented to attempt tracking of truck shipments from the port to distribution centers. The consignment system does not track any food sent by rail.


120. Ibid., 11.

121. Ibid., p13.
122. Ibid., quoting "Technical Mission to the Democratic People's Republic of Korea, 9-16 May 1998," and cover letter by representatives of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Sweden, United Kingdom, and the European Commission.

123. Ibid., quoting "International NGO Conference on Humanitarian Assistance to the DPR Korea: Past, Present and Future, 3-5 May 1999," in Beijing, China.


125. Ibid., p18.


129. Ibid.

130. Ibid., p6, citing Hwang Jong Yop, North Korea: Truth or Lies (June 1998).

131. Ibid., p1.

132. GAO/RCED-99-276 "Status of Heavy Fuel Oil Delivered to North Korea Under the Agreed Framework," September 1999, p2. The seven plants allowed to use American fuel are: Pyongyang, East Pyongyang, Suncheon, Pukchang, Nyongbyon (the site of most of North Korea's "frozen" nuclear activities), Chongjin and Songbong.

133. Ibid.

134. Ibid., the monitors were out at Songbong 4%, East Pyongyang 22%, Suncheon 29%, Nyongbyon 71% and there are no monitors at Chongjin. Comparing outputs with plant use, at least 15.02% of KEDO fuel has not been monitored at all.

135. KEDO reported to GAO that plans to replace less accurate ultrasonic meters with Coriolis meters at four plants were cancelled at North Korea's insistence. Ibid.

136. Ibid., p18.

137. Flour Daniel reported to GAO that the amounts used at Songbong during the period not monitored would have required historic use rates at the plant, with all three boilers running at record levels (consuming 5,800 mt biweekly instead of the average 3,500 mt). Once monitors were brought back on line, the boilers recorded use of 3,800 mt biweekly.

138. Ibid., and briefing by GAO, 17 September 1999.

139. Using an average KEDO cost of $116 per ton, State admits that five percent of KEDO fuel has been diverted, or 95,000 mt costing $11 million. Ibid., p22.

140. Ibid., p1. As reported to GAO by KEDO's energy consultant, Management Strategies Inc. who estimated that the U.S. program supplies 45% of North Korea's HFO needs.


143. Ibid.

144. Natsios, p2.


146. Conversations with Dr. Kenneth Dupuy, President of Amigos Internationales, a leading member of the Consortium.


150. Discussions with Paul Webber, Director General 8, Food Security and Food Aid Unit, September 1998.

151. Eberstadt, Nicholas. The End of North Korea, p98. (Hereinafter cited Eberstadt)

152. Ibid., p120.


154. Ibid.


157. Eberstadt, p83


159. The primacy of political-military needs was apparent in the 8 July 1997 editorial of the authoritative ruling party daily Nodong Sinmun, underscoring the point that the task of ensuring a reliable political and military capability was "incomparably more valuable than even millions of tons of grains..." This seems to suggest that the general welfare of the people, especially feeding the masses of the people, was secondary to the political/military priority of the regime. Several analysts have noted that for under $400 million, North Korea could purchase enough grain on its own to ensure the basic health of its people.

160. The "sublime fruit" of Kim Jong Il's "military-first revolutionary leadership" in 1998 is expansively eulogized in the 1 January 1999 editorial issued jointly by the ruling party, KPA, and youth league. Pyongyang Korean Central Broadcasting Network in Korean, 1 January 1999.

161. Of Kim Jong Il's 71 so-called "on-the-spot-guidance" inspection tours in 1998, 32 (45%) of the total was to military-related sites. The People's Korea in English (Tokyo) (Pyongyang's unofficial monthly organ published in Tokyo), December 1998.


163. "Our Party's Policy of Giving Priority to Army Is Invincible," a joint article appearing in the Nodong Sinmun and Kulloja, the authoritative daily and monthly organs, respectively, of the KWP, as disseminated by KCNA in English, 16 June 1999.

164. In saying that Kim Jong Il is destined to carry on Kim II Sung's legacy, Pyongyang's [North] Korean Central News Agency (KCNA) declares: "To our people, ... Kim II Sung means the dear leader Comrade Kim Jong Il, and vice versa," KCNA in English, 7 October 1994.

165. For example, South Korean authorities estimated the expenses for Kim Jong Il's 57th-birthday celebrations in 1999 to be around $90 million. Jounal Ilbo [Seoul] in Korean, 13 February 1999, p5; Chosun Ilbo (Internet version) in English, 17 February 1999.

166. For a party line against any "openness," see "The "Openness" and 'Soivet History Reevaluation' Racket Caused Mutations of Socialism," Nodong Sinmun in Korean, 12 March 1996.


177. U.S. Department of State, op. cit. "According to unconfirmed Japanese and South Korean press reports, several senior party officials were publicly executed in September 1997. The Kyodo News Network reported that Seo Kwon Hui, Secretary of Agriculture for the KWP, and 17 other senior officials, including some from the army and the Kim Il Sung Socialist Youth League, were executed for corruption and working for South Korea. In January, Agence France-Presse (AFP) reported that among those executed were a four-star general, who ran the Political Bureau of the Korean People's Army, and Choe Il-hyon Tok, a member of the Foreign Affairs Committee of the Supreme People's Assembly. According to the AFP, seven persons in this group were executed by firing squad before thousands of spectators. A South Korea news magazine reported that there were at least 20 public executions during 1997 for either economic offenses, including stealing cattle and electric wire, or for attempting to defect. Amnesty International (AI) reported in January 1997 that at least 23 people had been publicly executed between 1990 and 1992 for offenses that reportedly included "banditry" and "stealing rice from a train." Government officials reportedly told AI in 1995 that only one or two executions had taken place since 1985. For the best reports on the "9.27" cases, see the reports of the "Good Friends" group (formerly the Korean Buddhist Sharing Movement) August 1998 and 1999 refugee interview reports. For interviews with former inmates of "9.27" camps, see also, The Report of Stafford Kirk, House International Relations Committee, August 1998.

178. Ibid., "In February 1998, a Polish newspaper reported the experiences of a woman who spent 10 years in a North Korean concentration camp before fleeing first to China and then to South Korea. The approximately 1,800 inmates in this particular camp typically worked 16 to 17 hours a day. The woman reported severe beatings, torture involving water forced into a victim's stomach with a rubber hose and pumped out by guards jumping on a board placed across the victim's abdomen, and chemical and biological warfare experiments allegedly conducted on inmates by the army."

http://www.house.gov/international_relations/askag/aspod.htm
179. U.S. Department of State, op. cit.

180. During this period, 93,000 Korean residents in Japan who were associated with a pro-North Korean residents federation were repatriated to the North.


182. North Korean refugees come in two groups: those who were selected to work in Russia but refused to return home; and those who fled into Russia from the North. U.S. Department of State, op. cit.

183. Ibid.


188. Http://www.reliefweb.int (8 July 1999); (Source: Food and Agriculture Organization)

189. According to limited surveys by world relief agencies in September-October 1998, acute malnutrition affected a third of children between the ages of 12 and 24 months, and 18% of one-year-olds. For children between the ages of six months and seven months, 16% suffer from acute malnutrition while 60% are reportedly to be "severely malnourished." Reuters, 18 November 1998.


192. Yonhap News Agency in English, 15 March 1999; information is based on the accounts of those who escaped to South Korea in recent years, including several South Korean POWs. The Korea Herald (Internet version) in English, 15 March 1999.

193. KCNA in English, 25 March 1999; "No One of South Korean Origin in North Wishes To Go Back to S. Korea," KCNA, 7 July 1999; also "Not a Single ROK Army Prisoner of War or 'Person Abducted by the North' Is in the Republic," Nodong Sinmun in Korean, 2 April 1999, p.5.


196. KCNA, 8 June 1998.


198. Ibid.


200. At the 1998 session, this Sub-Commission adopted a resolution, expressing concern, among other things, about "the persistent repression of independent journalists and human rights defenders, and the extreme difficulty in obtaining accurate information concerning the situation of human rights in the country," and "at frequent reports of extrajudicial execution and disappearances." For the Record 1998: The UN Human Rights System 3: Korea (North) (Democratic People's Republic of Korea).

