Thank you, Mr. Chairman, and welcome.

Dr. Perry and Ambassador Sherman, I am going to put some material

in the record and I am going to make a statement and then

I would like you to prove me wrong.

I hope you can.

I have information that basically the embassies of North Korea

around the world are self-financed, and a lot of their self-financing

is with running drug operations. I have a list of 34 members of the

embassies of North Korea who have been arrested in various countries,

including some communist countries, for dealing in drugs.

It is also my understanding that the North Koreans are restricted

to a 25-mile radius of New York City because of the United

Nations, and they cannot be in this meeting. But every time I come

to one of these meetings I assume that whatever country we are

talking about, last week it was Russia, China, or some South

American country, that they have at least one representative in

these hearings.

It is also my understanding that we have made an offer, or not

we but the State Department or the Administration has made an

offer to open some type of diplomatic office in Washington and they

have turned it down because they said that they could not afford

it or finance it or they were concerned about being able to finance

it with drugs.

It is also my understanding that in 1995 we were giving them

$9 million a year in American taxpayer dollars, and this year they

are getting $645 million. I am going to submit this, the people who

have been arrested, to the Chairman for the record. Would you

agree or disagree that their embassies are self-financed and that

their embassies have been involved in drug trafficking and that is

the way that they finance their embassies?

So you agree with some of my——

You were shaking your head, though.

In cash?

I appreciate the clarification.

Dr. Perry, first I want to tell you I am particularly impressed

that you have your undergraduate, Master’s, and Ph.D. in mathematics.

I think the biggest problem in this city is that too many

people have never taken a math course, much less an accounting

course, and that is the reason that there is a lot of distortion in

the budget process and the appropriations process. Of course we

are doing a lot better job than they used to in the past, and hopefully

that is because there are a lot more people with math backgrounds.

Would you like to comment on my questions?

Sure.

Sure. I think that is obviously probably the best

approach that we can make because quite frankly, I am bothered

by all of the opening statements at all of these hearings when my

colleagues waste a lot of your time and even my time bantering

back and forth. But I did, to a certain extent, agree with Congressman

Rohrabacher that this is a very strange group of people and

a strange administration which is holding onto a political philosophy

which is going to end up in the junk heap of history and an

economic philosophy which is equally flawed, but we do need to engage

them—they don’t even know what globalization is much less

the Information Age because they are about 75 years or more behind the times.

I look at what is going on in Germany right now, and I think everything

that was done in an effort to bring East Germany into the

fold of West Germany probably had good intentions. But one of the

reasons that it is not working as quickly as anticipated is that the

world has changed since the Berlin Wall came down, and the world

is now a world of globalization and information technology. All this

is changing at the speed of light, and politicians don’t think at the

speed of light, unfortunately.

Did you have another comment?

Sure. I understand that. I will ask unanimous consent,

and since I am it, that this be submitted for the record.

I want to thank you for being here today and providing this information

to this Committee.

The Committee is adjourned.