

Oak Lawn Elementary will inspire others in search for knowledge.●

TRIBUTE TO GERALD H. LIPKIN

● Mr. LAUTENBERG. Mr. President, today I want to pay tribute to a good friend and exceptional leader in the business community, Gerald H. Lipkin, as he is honored with B'nai B'rith International's Corporate Achievement Award.

B'nai B'rith, one of the oldest Jewish organizations in our nation, has long recognized model citizens for their contributions in the areas of business, politics, philanthropy and the arts. By conferring this prestigious award for Corporate Achievement on Gerry Lipkin, B'nai B'rith is recognizing his contributions to his community, his business savvy and generosity.

Gerry, like me, came from humble beginnings, he from Passaic and I from Paterson. But we both made our way in the world of business. From a young age, Gerry knew what his passion was as he worked his way through school, earning an undergraduate degree in economics at Rutgers University as well as a master's in business administration at New York University.

His business acumen is exemplified by his success at Valley National Bank, a leading financial institution with 97 branches in Northern New Jersey. Gerry began his career there in 1975 as Senior Vice President, and steadily rose to hold the joint positions of Chairman, President and CEO. Valley National has been nominated by U.S. Banker's magazine as the second most efficient bank and eighth overall best performing banking company out of America's 100 largest.

Beyond his business accomplishments, Gerry's philanthropic contributions to New Jersey and to causes across the globe are widely acknowledged, as is his keen sense of humor!

Gerry has been a staunch supporter of an organization close to my heart. For 15 years he has been involved with the Lautenberg Center in Jerusalem, Israel, serving as a board member and supporting its work on cancer and immunology research. I founded the Lautenberg Center at Hebrew University-Hadassah Medical Center in 1968. And twenty years later, Gerry was honored with the "Torch of Learning Award" in 1988 for all that he has contributed.

Gerry's volunteerism does not end there. He is also a trustee of the Beth Israel Hospital in Passaic, where he has served for 21 years, and sits on the board of trustees of Daughters of Israel Geriatric Center. Gerry is on the nominating committee of the Federal Reserve Bank of New York and the Foundation Board of William Paterson College, which honored him with its Legacy Award in 1994.

Mr. President, Gerry and I also both share a love of trains. Gerry's are miniatures, while I have an affinity for larger ones. At this point, I think Gerry has more trains than Amtrak, so

maybe I should take transportation pointers from him in the future.

I couldn't be happier to extend my congratulations to Gerry, and his wife Linda, for receiving this great honor. And I want to thank B'nai B'rith for recognizing Gerry's professional success and his exemplary service to New Jersey.●

THE CASE OF BONG KOO CHO

● Mr. SARBANES. Mr. President, I would like to bring to the attention of my colleagues the case of Mr. Bong Koo Cho, whose property was confiscated by the Government of Korea in 1984. His daughter, my constituent, Sally Cho, is a U.S. citizen and resident of Maryland who has been actively involved in the effort to recover property. Recently, the Los Angeles Times published an article about the case which details the plight of Mr. Cho and his family, and I would ask that the full text of the article be printed in the RECORD.

The article follows:

[From The Los Angeles Times, Sunday, Mar. 1, 1998]

FROM AFAR, A ONETIME MAGNATE SEEKS REDRESS

(By Henry Chu)

Lawsuit: In a case filed in L.A. County, a S. Korean industrialist claims the Seoul government and a rival firm conspired to take his business.

From the window of his small Westside apartment, Bong Koo Cho can gaze out at the ocean, but only in his mind's eye can he look across to the life and land he left more than a decade ago.

Then, Cho was one of South Korea's wealthiest businessmen, the owner of Samho, one of the nation's biggest conglomerates, and the head of a sprawling estate in the heart of Seoul. Chauffeurs drove him around. Maids waited on his wife.

But in 1984, his world was overturned. The government abruptly declared Samho insolvent and confiscated the entire construction empire, seized the family burial plot for good measure, and handed his business to a rival firm. Already in the U.S. for medical reasons, Cho had no choice but to stay, reduced in health and lifestyle.

Now, the former entrepreneur and his family have sued to recover their money and property, alleging that a conspiracy between the South Korean government and their rival company drove them out of business. In exchange for huge kickbacks, the Chos say, South Korea's leaders concocted the bankruptcy charge against Samho, then divided the spoils—nearly \$2 billion worth in current value—among their friends.

The case is unusual in that the Chos are seeking redress in Los Angeles County Superior Court even though the actions in question took place 6,000 miles away.

But more than that, the lawsuit provides a unique rearview-mirror look at the kinds of economic practices that first turned South Korea into an economic power, and have now led to its humiliating downfall.

Cho's was one of the numerous companies confiscated during the South Korean government's "rationalization" of industry in the early 1980s. As told by the Cho family, the episode exemplified the history of collusion between South Korea's government and business leaders, whose cozy relationship means that political influence, nepotism and plain

old graft enrich the well-connected at the expense of a totally free and open market. The International Monetary Fund, which is now bailing out the nation's economy, has demanded an end to such practices.

Critics call the system "crony capitalism." Cho calls it something else.

"This was highway robbery," said Cho, now 78. "And it was a very simple thing: The government just wanted a kickbacks"—which Cho said he refused to pay.

What will not be so simple, legal experts say, is proving his case, given that 14 years have elapsed since Samho was swallowed up by a company called Daelim Industrial. Added to that is the difficulty the Cho family may have in arguing that a California court, rather than a South Korean or even U.S. federal court, is the proper forum for them to air their grievances.

"It's certainly an odd and difficult case for a California state court to hear," says Greyson Bryan, an international business lawyer in Los Angeles. "It's a very sensitive matter for an American court to become involved in an area that's essentially diplomatic and political in nature."

But Phil Trimble, a UCLA professor of international law, said there is precedent for plaintiffs to seek justice in the U.S. for illegal actions taken in foreign countries, particularly if the actions violate international law. For example, South American nationals have successfully sued their government in U.S. courts for human rights abuses, such as torture.

But those lawsuits filed in federal court and directed against the foreign governments themselves rather than private parties, as is the case in the Chos' lawsuit, which names as defendants the two companies involved in Samho's transfer.

The Chos' attorney, John Taylor of Santa Monica, counters that the Chos are now U.S. citizens who are entitled to relief within the state judicial system. According to Taylor, the defendant companies used their ill-gotten gains to expand overseas, including in California, which gives the state a stake in ensuring that the companies doing business here were established legally and that residents like the Chos are compensated for any past wrongs.

"We feel jurisdictionally the money's here, [and] the Chos are in the United States," Taylor said. The lawsuit has yet to be assigned to a judge or served on defendants, pending its translation into Korean.

At the time of its 1984 takeover, Samho ranked No. 9 on the list of South Korea's biggest chaebols, or conglomerates. Specializing in construction and infrastructure, the company built thousands of housing units in Seoul; helped install the city's subway; owned golf courses and a resort hotel; and had major contracts in the Middle East.

Its success represented the rags-to-riches rise of its founder, Cho, the son of minor landlords who fell on hard times when he was a child. After running his first business at age 19, Cho scraped through World War II—he hid in a Buddhist monastery to escape the Japanese imperial army draft—then expanded his textile business, set up South Korea's first sheet-glass factory and bet on a land boom by slowly acquiring more than 1,000 undeveloped acres in downtown Seoul by 1960.

"I could've bought more, but something like that would have raised eyebrows," he said. "I was raising eyebrows as it was. That's a pretty massive holding."

In 1970, Cho launched into construction on his many properties in South Korea, amassing a fortune in real estate. In 1975, he founded Samho, which concentrated on lucrative government-ordered housing projects in Kuwait and Saudi Arabia worth more than \$1.5 billion.

But squabbles with the Kuwaiti and Saudi governments and the headaches of working in an alien environment turned the first two projects into losing ventures, said Yong See (Peter) Cho, who took over Samho in the early '80s while his father sought treatment abroad after a series of strokes. Debts mounted to about \$350 million on the Middle Eastern contracts, although Samho was confident that its latest project in Saudi Arabia would soon be turning in a tidy profit.

That set the stage, however, for the South Korean government's bankruptcy charge against Samho.

On the morning of Aug. 24, 1984, according to the Chos' lawsuit, the South Korean finance minister summoned Peter Cho to his office. The minister, Kim Mahn Je, curtly informed Cho that Samho was on the list of insolvent companies being targeted for "rationalization" by the government, part of an effort to shed financially troubled concerns and shore up the economy. Samho was to be taken over by Daelim Industrial, a smaller conglomerate.

When Cho protested, Kim advised him to stay silent. An officer with Cho Hung Bank, which worked out the details of the takeover, also warned Cho not to contest the decision or his physical safety would be threatened, the lawsuit alleges.

By day's end, Peter Cho has signed over his family's controlling share of Samho.

"I'd been brought up in this country's system, so I knew not to argue," the younger Cho recalled in an interview, smiling bitterly at the memory. The next day, "the 15 executives of Daelim came into my headquarters office to take over, like little Napoleons, in their suits and black neckties."

Samho's assets included "country clubs, farms, orchards, driving ranges, shopping, centers, apartment [and] residences," valued by the bank at a total of \$250 million but worth at least three times that, the lawsuit claims.

Even the family burial plot was seized, forcing them to exhume the body of a son who had died years earlier and bury him elsewhere. "We were left with just about nothing," said Kyung Ja Cho, 73, Bong Koo Cho's wife.

Her husband insists that his personal holdings could have more than paid off the debts from the Middle Eastern projects.

Instead, he said, the bankruptcy charge was merely a ploy to oust him for his refusal to make large donations to then-President Chun Do Hwan, and reward another company, Daelim, whose chairman had a brother high up in the South Korean government. The Chos' lawsuit alleges that Daelim agreed to pay bribes to Chun's government and his family in exchange for being given Samho.

A spokesman for Daelim in Seoul would not comment directly on the allegations.

"It was such a long time ago," the spokesman said. "Few people in the company know about the alleged takeover, and we do have any official position on the issue."

Skeptics point out that Samho itself has flourished, in part through government contracts, at a time when the South Korean government regularly colluded the business to push the tiny nation to its remarkable economic recovery since World War II.

Ultimately, such government-business complicity and cavalier lending practices helped pitch South Korea into its current economic quagmire, requiring a bailout from the International Monetary Fund. As a condition of assistance, the IMF has demanded an end to crony capitalism and easy credit.

Cho bristles at suggestions that he ever participated in palm-greasing and cronyism.

"We never benefited from any relationship with the government. We've been completely victimized by it," he said, adding that other

companies like Daelim have been the ones proven corrupt.

Indeed, Lee June Yong, who has been the head of Daelim throughout this period and whose brother was speaker of the South Korean parliament under President Chun, was found guilty in 1996 of paying a bribe to Chun's successor, Roh Tae Woo. Lee was sentenced to 2½ years in prison but received a pardon.

Daelim, meanwhile, has expanded significantly since swallowing up Samho in 1984. Once a minor player, it is now South Korea's 17th-largest chaebol, with a subsidiary in Houston that just closed its doors in January because of the escalating Asian financial crisis.

Also named as defendant in the Cho family's lawsuit is Cho Hung Bank, which facilitated the takeover of Samho. The bank has also gained a foothold in the U.S., setting up California Cho Hung Bank, based in Los Angeles and worth about \$31 million, according to Dun & Bradstreet. The U.S. unit is also a defendant.

"It's groundless," California Cho Hung's attorney, Simon Hung, said of the lawsuit. "The allegations . . . seem to be based on events that occurred many years ago, long before California Cho Hung Bank was established here in the United States. I don't know why they're bringing a lawsuit at this time here in the United States."

In fact, South Korea's own judicial system has already heard a case similar to Samho's—and ruled in favor of the confiscated company. In 1993, the nation's Constitutional Court ruled that the Chun government had illegally dissolved the Kukje conglomerate on trumped-up charges of insolvency in 1985. Kukje's previous owners are now demanding compensation.

But the Cho family feels that the best chance for recovering what was once theirs now lies in the U.S. Bong Koo Cho and his wife have nursed such hope for years as they shuttled from home to home on the Westside, finally settling in their current Brentwood apartment after giving up a condominium in Santa Monica that they could no longer afford.

The Chos maintain their simply furnished one-bedroom apartment with some financial help from their six adult children, who all reside in the U.S. With their savings dwindling, they have applied for low-income assisted housing—a far cry from the days when the two presided over their 15,000-square-foot antique-filled home back in Seoul.

Most of the last two decades have been spent trying to restore Cho's health. His strokes left him partially paralyzed, forcing him to walk with a cane.

"I cannot describe the pain of watching the man who built Seoul's subway living out his last years in a small apartment in Los Angeles," Sally Cho Seabright wrote about her father in an essay to be published in a South Korean magazine. "When I think of what my poor parents, indeed my whole family, have suffered, it makes me cry."

For Peter Cho, 47, watching Daelim and Cho Hung Bank prosper in the U.S. has been especially galling. "They brought their money to this country and expanded their business here. Obviously they must have brought my money in here."

He now lives in Pacific Palisades and stays afloat by managing his father's sole source of income: a couple hundred acres of farmland in Kern County, purchased a few years before Samho's takeover in hopes that the area was ripe for development.

"That's the only business mistake my father's made," said Seabright, who lives in Maryland. Seabright has spearheaded the family's efforts to tell its story, enlisting the aid of a public relations firm in Washington

and rounding supportive letters from politicians such as U.S. Sen. Dianne Feinstein (D-Calif.).

Her father, who hasn't returned to his homeland since Samho was seized, mostly reads and watches CNN, monitoring events in South Korea such as the inauguration Wednesday of the country's latest president, former opposition leader Kim Dae Jung. Jung has pledged to democratize the country further, an announcement Cho greets with caution.

"I don't believe it's entirely desirable for Korea to copy Western democracy and Western capitalism," Cho said. "We have different cultures. Democracy as it's practiced in Korea will be different."

But some form of democracy—including a free and open business culture—must come, Cho said, if only to prevent another situation similar to his.

"Something like this can never take place in a truly democratic country," Cho said. ●

TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT

Mr. GORTON Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House to accompany H.R. 629.

The PRESIDING OFFICER (Mr. FRIST) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 629) entitled "An Act to grant the consent of the Congress to the Texas Low-Level Radioactive Waste Disposal Compact", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ms. SNOWE Mr. President, I rise today in strong support of H.R. 629, the Texas Compact Consent Act of 1997, as originally ratified by the three states of Maine, Vermont, and Texas to address the disposal of their low-level radioactive nuclear waste.

The States of Maine, Vermont and Texas are now approaching the end of a long journey that started in 1980, when Congress told the states to form compacts to solve their low-level waste disposal problems.

When this Compact is adopted as ratified by the three states, Mr. President, Texas, Maine and Vermont will become the forty second, forty third and forty fourth states to be given Congressional approval for forming a compact and will meet their responsibilities for the disposal of their low-level waste from universities, from hospital and medical centers, and from power plants and shipyards.

It is very important for my colleagues to know that the language ratified by each state is exactly the same language, and if any amendments are included by the conferees, the Compact would have to be once again returned to each state for reratification.

For the nine compacts that have been consented to by the United States Congress, not one of them has been amended by Congress. Not one of them.

Let me be clear: the law never intended for Congress to determine who pays what, how the storage is allocated, and where the site is located. To