

Ringside seat

Post's man joins the US campaign trail

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Sweetened US\$700b bill approved four days after 'No' vote House passes bailout to restart US bank lending



A newspaper headline on the New York Stock Exchange floor says it all. Commentators said there was still a long way to go to end the financial crisis despite yesterday's vote. Photo: AP

Agencies in Washington

The US House of Representatives approved a historic US\$700 billion financial industry bailout bill, reversing a rejection that sent global stock markets plunging and threatened to worsen an economic slowdown. The House approved the financial rescue plan early this morning (Hong Kong time) by a vote of 263 to 171. US President George W. Bush said he would quickly sign it into law. The vote concluded two weeks of legislative haggling in Congress that had roiled global stock markets, especially after the House rejected a previous draft of the bill on Monday. With elections on November 4, both Republican and Democrat lawmakers were wary of a backlash from voters for asking taxpayers to pay for Wall Street's mistakes. But speaker after speaker from both parties said before the vote that rejecting the bailout could have devastating consequences for an already slowing economy, arguing the bill was as

important for small businesses, homeowners, students and pensioners as it was for the banking sector. "While the focus has been on the Dow Jones and Wall Street, we are addressing the real pain felt by Mr and Mrs Jones on Main Street," said Speaker Nancy Pelosi, a Democrat. House Republican leader John Boehner said: "We have to act, and if we do not this crisis is likely to worsen and put us into an economic slump like many of us have never seen." The legislation lets the US government buy troubled assets from financial institutions rocked by record home foreclosures. It contains provisions favoured by House Republicans, including US\$149 billion in tax breaks, a higher limit on federal bank-deposit insurance and changes in securities law. Federal Reserve chairman Ben Bernanke said the passing of the bill was a critical step towards stabilising financial markets and ensuring a freer flow of credit. He said it demonstrated the US government's

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commitment to "do what it takes" to support the economy. Mr Bush said the measures in the bailout package represented "decisive action" and would allow the country to overcome the challenges it faces. The Senate approved the bill by 74 votes to 25 on Wednesday. "I don't like this at all," said Tennessee Republican Zach Wamp, who now supports the measure. "As a matter of fact I hate it. But we're out of options. Congress has to act." The add-ons may have helped sway lawmakers, along with a stream

of gloomy news about the US economy and the record 777-point drop in the Dow Jones Industrial Average after the House's 228-205 defeat of the previous bill. Congresswoman Hilda Solis, a California Democrat who voted against that bill, said she had changed her mind because of growing concern about the economy. "I know it's hard for constituents, but we have to do the right thing." Concern at the fate of the US economy has been mounting overseas. French Prime Minister Francois Fillon said the world stood on the "edge of the abyss". European Central Bank chief Jean-Claude Trichet said the bailout "must be passed". US stocks advanced but were trading off their highs after the vote. The Dow Jones index was up 0.8 per cent at 10,568.55 while the Nasdaq Composite Index was up 1.1 per cent at 1,998.11 minutes after the vote. Bloomberg, Reuters, Agence France-Presse

Probe of HK centre tied to bogus degrees

POST INVESTIGATION

Will Clem, Elaine Yau and Mimi Lau

The Education Bureau has launched an investigation into an online learning portal run from Hong Kong after an investigation by the *South China Morning Post* linked it to an international web of so-called degree mills and bogus universities.

ICL Distance Learning Centre, whose enrolment address is in Central, also seems to have been offering online courses without their consent.

The centre's director is Steve Ho Kwok-cheong, of Lai Chi Kok. The ICL's website claimed he had lectured at four overseas universities, but they had no record of having employed him.

Mr Ho's name has also been connected to the scandal in the US over bogus institution St Regis University. He is listed in court documents related to the prosecution in that case as a "dean of studies" for the St Regis School of Business and the St Regis School of Martial Arts.

This week, ICL's website - www.icledu.org - listed courses from 11 universities in the US, Central America and the Philippines that the centre claimed to be linked to either through affiliation or collaboration. The names of several have since been removed.

The partner institutions included prestigious names such as Carnegie Mellon University in Pittsburgh, Mercy College in New York and the University of Washington in Seattle.

Contacted by a *Post* reporter, Mr Ho said his business was legitimate.

However, *Post* reporters have discovered that one of the universities, York University in Mobile, Alabama, is unlicensed, and another, West Coast University in Panama City, Panama, does not exist. The former's

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website lists Mr Ho as a member of its academic board.

Spokesmen for Carnegie Mellon and Mercy College said they were not aware of any connection. A spokeswoman for the University of Washington said: "A unit of University of Washington Education Outreach entered into an agreement with [the centre's parent company] In-Com Link [Management Associates] in April 2003, but their last agreement expired April 6, 2006."

She said the university had sent a letter demanding ICL "remove all links or references to the University of Washington from its website".

Mr Ho said he was only acting as a recruiting agent for the universities.

"I did not say these degrees were accepted in Hong Kong," he said.

He said the University of Washington's name was left on the site as a result of an oversight. All references to the institution and to York and West Coast universities disappeared from the site yesterday. References to Nueva Ecija University of Science and Technology in the Philippines were removed earlier within hours of a *Post* reporter confirming the university had no connection to ICL.

A spokeswoman for the Education Bureau said there was no need for schools providing "purely online" courses to register, but the bureau would look into the website. "If there is any evidence that the course information therein is misleading, we shall take action as appropriate."



Listen to the Podcast
Hear Steve Ho Kwok-cheong defend his learning centre and academic qualifications
at www.scmp.com/audio

News Digest

HK & Delta

Government proposes obscenity revamp
In the wake of the celebrity sex-photos scandal, the government suggest options including an independent board to classify obscene and indecent articles, a new classification system and mandatory internet filtering. Board decisions would be subject to appeal to the Indecent Articles Tribunal. Full report A3 Editorial A12

National

Skype admits messages were archived
The popular communication software provider Skype admits its Chinese arm archived messages containing politically sensitive keywords, allowing other Web users to see details of senders and recipients. The sensitive keywords included Falun Gong, Taiwanese independence and democracy. Full report A5

Sport

Extra half-marathon set for HK
Next year's Hong Kong Marathon and associated races will feature an extra half-marathon, increased prize money and room for 5,000 more runners. There will be 33,000 places for runners in the 10km race, 14,000 in two half-marathons and 8,000 in the marathon. Full report C18

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