

STATEMENT FROM THE
PRIME MINISTER'S OFFICE

The choice of first language schools by parents for their children has set the trend towards a growing readership of the English newspapers, and a stagnant and later a declining readership for the Chinese newspapers. This development threatens the long-term viability of the Chinese newspapers and could lead to redundancies of Chinese journalists. To meet this development, there is a need to restructure the ownership of the English and Chinese newspapers.

The problem of redundancies of Chinese school teachers never arose because the Government as the single employer was able to redeploy them from the Chinese stream to the English stream schools and from Nantah to NUS.

There is no such single employer of Chinese language and English language journalists who can redeploy existing manpower to meeting changing demands

now that over 90% of Chinese students will leave schools and universities at CL2 and not CL1 levels.

As a first step, Nanyang and Sin Chew will pool their financial and manpower resources to achieve the economies of scale essential for viability. The pooling of manpower resources will also help to raise journalistic standards. After considerable discussions between Ministers and the Chairmen of the Boards of Nanyang and Sin Chew, Nanyang and Sin Chew Boards of Directors have agreed to merge into a single holding company. To provide strong management backing for this proposed Nanyang/Sin Chew holding company, the Government has decided to allow 30% of its shares to be held by OUB Group, just as the OCBC Group and associated companies have been allowed to have 33% of the shares of the Straits Times Group.

The Nanyang/Sin Chew holding company will hold 52% of the shares of The Singapore Monitor (Pte) Ltd. The remaining 48% will be equally shared between UOB, OUB and DBS. In the initial phase, The Singapore Monitor (Pte) Ltd has agreed with the Straits Times Press (1975) Ltd that it will borrow the title of the New Nation and Sunday Nation at a nominal fee from the Straits Times Group as from 1 May 82 for up to one year in the first instance. The Straits Times Group had told the Government in January 1982 that it wanted to stop publishing New Nation and Business Times because it wanted to concentrate its available journalistic resources on the Straits Times to raise the standard of the newspapers which had not been up to standard because the limited numbers of

trained journalists were spread thin over New Nation, Sunday Nation and Business Times. For helping the Nanyang/Sin Chew Group to take over the English afternoon paper, the Straits Times Group will not have a morning paper to compete against for three years. On the other hand, the Straits Times Group will be given a permit to publish an afternoon Chinese newspaper.

These new arrangements are designed to create two economically viable and, eventually, competitive publishing houses each capable of producing a Chinese and an English newspaper. The proposed Nanyang/Sin Chew holding company will have access to the growing English newspaper readership through The Singapore Monitor (Pte) Ltd taking over the readership of New Nation as an afternoon paper and Sunday Nation as a Sunday paper. There will also be no sudden increase in the demand for English language journalists which will be the case if the Nanyang/Sin Chew newspapers start off now with a new English morning newspaper to compete with the Straits Times. A sudden increase in demand will lower journalistic standards because the available pool of journalistic talent is limited. It is not desirable to have too many expatriate journalists running Singapore English newspapers. It is an awareness of this shortage of available English language journalists that led the Strait Times Group to want to stop publishing the New Nation and the Business Times and

concentrate its efforts on the Straits Times, in part to meet expected competition from the new English morning newspaper.

At a later date when there are enough competent English language journalists to produce two morning papers, there could be free competition between the Nanyang/Shin Chew/Monitor company and the Straits Times Group each capable of producing Chinese and English morning and/or afternoon newspapers.

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