

### Chapter 3

#### OWNERSHIP PATTERNS OF CHINESE DAILIES

##### *Introduction*

This chapter focuses on the ownership of Chinese dailies since 1881. The history of the early Chinese dailies shows that owners intentionally manipulated their dailies to disseminate political beliefs and rally support for political movement in Mainland China. Today, contemporary owners are not actively involved in local politics, but they too show political affiliations towards political parties in power because of their business ties with UMNO and personal relationships with the prominent politicians in the Peninsula.

##### *Early Chinese dailies (1881-1957)*

Malaya was a former British colony before the nation achieved Independence in 1957. The British colonial period witnessed a massive influx of foreign labour into Malaya. Owing to deteriorating economic conditions in China, a large number of Chinese came to Southeast Asia for employment opportunities throughout the 19th and the early 20th century. This labour workforce had no plans to stay permanently in their work place as they wanted to return to their homeland after having accumulated wealth in Malaya. They were sent to the Straits Settlements comprising

Singapore, Penang and Malacca, where cheap labour was most needed for development such as infrastructure and construction.

The early Chinese settlers were industrious and resilient as they had to struggle constantly against an unfavourable natural environment and communicable diseases to make a living. Despite various challenges and hardship in life, they made notable achievements by working in tin mines and plantations, and setting up their own businesses.<sup>1</sup> As majority of the Chinese settlers planned only to work temporarily in Malaya, they regarded themselves as outsiders in the social and political systems of the indigenous Malay society. The monolingual Chinese alienated from the Malays and preferred to be seen as a community preserving their culture and tradition.

Due to illiteracy and poverty, the Chinese settlers could only communicate interpersonally with one another. Mass communication among the Chinese labour force via a media channel was not strongly desired until 1840, when there was a significant proportion of the literate or semi-literate immigrant population who came to Malaya. By the end of the 19th century, a few wealthy Chinese businessmen

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<sup>1</sup> The Chinese were first involved in the growing of tapioca, gambier, sugar, rubber and palm oil, mining activities and later in other fields of commerce. For a history of the early Chinese in Malaya, see Yen Ching-hwang (1986). For the venture of Chinese into entrepreneurship, see C. F. Yong (1987) and Chan et al. (1994).

began to embark on newspaper publications in Singapore, and later in Malaya. Businessmen venturing into newspaper publishing must ensure that they had sufficient financial resources to sustain the growth of their newspapers.

However, the intention of possessing a newspaper company had not always been a mere economic reason. In addition to the desire to make a profit from the newspaper business, the owners also wished to mobilize the Chinese community via newspapers (Chen, 1967). At the same time, businessmen who owned newspapers enjoyed a higher social status since members of the Chinese community generally looked up to newspaper owners as having prestige and influence in a society (Yong, 1987:120).

From a societal point of view, newspaper business is looked upon as a cultural entrepreneurship because it also involves cultural production, which is more important than economic production, to the society. Furthermore, a politically motivated businessman who owned a newspaper can manipulate his newspaper by means of advancing his political beliefs and disseminating political messages among readers. Newspaper owners who are involved in politics, or having close business ties with political parties would lead to bias or partisanship in the newspapers concerned. Hence, this chapter

attempts to show that the early and the contemporary Chinese dailies had not been separable from either political development or political parties.

The history of Chinese dailies in Singapore and Malaya began with *Lat Pau*.<sup>2</sup> In 1881, See Ewe Lay, a wealthy merchant from Singapore founded *Lat Pau*, the first Chinese daily in the South Sea or the *Nanyang* region. *Lat* is an abbreviation of the Malay word, *Selat*, which means 'Straits', and *Pau* means 'newspaper' in Chinese. The combination of Malay and Chinese words showed the identity of its owner as a Straits-born Chinese, who possessed a mixture of Chinese, Malay and British cultural traits (Yen, 1986:285).

See Ewe Lay was literate in English and the Malay language, fluent in Hokkien, a Chinese dialect. However, as a Chinese Baba who assimilated with the local Malay culture, See could not read or write in the Chinese language because of his pure English education background. His intention of founding this commercial newspaper was to provide an affordable and accessible reading material to educate and inform the literate Chinese community about events happening worldwide. See Ewe Lay was obliged to serve the community by providing them with local and foreign news or

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<sup>2</sup> Information on *Lat Pau* is found in Yen Ching-hwang (1986), Ho Soo Miang (1978) and Chen Mong Hock (1967).



information. The limited circulation of *Lat Pau* suggested that it was unlikely for the newspaper to make any sizeable profit or to survive in its sales returns from its subscription.<sup>3</sup> In fact, it was the source of revenue from advertisements of foreign companies that kept the paper going (Chen, 1967:39).

Despite being a loyal subject of the British government who had received education in English, See Ewe Lay allowed his newspaper to voice the Chinese community's viewpoints when there were conflicts of interest between the Chinese community and the colonial authority. For instance, when the British government proposed to increase the licence fee on rickshaws in 1889, *Lat Pau* published an article urging the government to reconsider the proposal since such a move would adversely affect the well-being of the Chinese *rickshaw* coolies (Chen, 1967:45). See Ewe Lay was also responsible for adopting news from foreign English newspapers, for instance, *The Times* of London and *Shen Pao*, *Chung Ngoi San Po* and *Tsun Wan Yat Po* of Hong Kong. It can be said that *Lat Pau* had

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<sup>3</sup> The circulation of *Lat Pau* in 1883 was only 350 copies, with a slight increase to 450 copies in 1892, and shot up to 1,000 copies in 1911, when the Chinese Revolution took place. This was attributed to the growing support for an apolitical press where the political affiliation was not as strong as the reformists' *Union Times*, or the pro-revolutionary *Chong Shing Yit Poh*, *Xingzhou Chen Bao* and *Nanqiao Ri Bao*. The above figures were quoted by Ho Soo Miang from the *Straits Settlements Blue Books*. However, the low circulation figures should be read in relation to the relatively small population figures of those times.

successfully taken up the roles of public educator and commercial venture throughout its operation for 52 years. *Lat Pau* as a commercial newspaper became a source of inspiration<sup>4</sup> to other Chinese dailies established later, with aims to make profits and to seek influence for their owners.

In Malaya, the first Chinese daily was established only eight years after the establishment of *Lat Pau* in Singapore. A daily with a distinct political background, *Penang Sin Poe* was founded in 1889 by a Penang merchant, Lin Hua Tsan. Lin was one of the followers of Kang Yu Wei, the leader of reformists who rallied support for the legal government of the Chinese Empire. The political affiliations of this daily was predictably and openly in favour of the Chinese government, publishing only important news of local interest and plenty of republished news from Shanghai and Hong Kong newspapers (Liu, 1980:115). *Penang Sin Poe* was closely related to the reformists who provided financial support to bear the operational costs of the daily for the next 20 years after its establishment. When the influence of the reformists led by Kang Yu Wei declined, *Penang Sin Poe* had to depend on the advertising revenue of commercial

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<sup>4</sup> As the first commercial newspaper in Singapore and Malaya, the presentation of *Lat Pau*, including the style of news reporting and the departmentalized format of its supplement, was later used as a model by other Chinese dailies in Singapore and Malaya.

organizations to run the newspaper. The reformists' short-lived daily finally terminated its operation in 1909.

By the end of the 19th century, two more Chinese dailies were established in Singapore, i.e., *Sing Po* and *Thien Nan Shin Pao*. *Sing Po* (1890-1898) was primarily a commercial venture which was also sensitive towards problems facing Overseas Chinese of Singapore<sup>5</sup> while *Thien Nan Shin Pao* (1898-1905) supported Kang Yu Wei's reformist movement. In fact, the daily was founded and run by Khoo Seok Wan, the first Chinese businessman in Nanyang who openly declared his support for the reformist cause (Chen, 1967:69). Compared to its rival newspapers, *Thien Nan Shin Pao* was the first newspaper providing the latest news on current affairs<sup>6</sup> but was forced to close down in 1905 due to a lack of funds.

The early history showed that owners of these Chinese dailies intended to use the dailies to serve their political interests rather than to make profits. Except for *Lat Pau*, private owners were politically motivated and used the Chinese dailies to disseminate their own beliefs. Owners with knowledge and experience in journalism were

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<sup>5</sup> During the Sino-Japanese War of 1894-5, *Sing Po* published news report exalting the Chinese victories and ridiculing Japanese efforts, in accordance with the versions given out by the Manchu government gazettes.

<sup>6</sup> *Thien Nan Shin Pao* condemned the Boxers while putting the blame on the Empress Dowager for her reluctance to restore Kwang Hsu to his throne to carry out the reforms.

responsible for the content of Chinese dailies since they also edited the news. By the end of the 19th century, the growing enthusiasm for the political movement in China among the Overseas Chinese had created a bigger market for more Chinese dailies to compete in the limited marketplace. None of the early Chinese dailies was the mouthpiece of the colonial government probably because their Chinese readers would not pay for a newspaper that did not represent their political viewpoints.

In spite of the continuous inflow of Chinese immigrants as cheap labour in the early 20th century, Chinese settlers remained disunited due to geographical and economic segregation. Since the Chinese had never disassociated themselves from the political movements in Mainland China, the early newspapers were not keen on local political affairs except those concerning trade and commerce that would directly affect the Chinese settlers. This tendency became more inevitable when events in China overshadowed local news as a result of the Revolutionary Movement.<sup>7</sup>

In the first decade of the 20th century, the leader of the revolutionaries' party (Tongmenghui) in Mainland China, Sun Yat-

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<sup>7</sup> For instance, *Nanyang Chung Wei Pao* ( i.e., the *Union Times* ) was first set up in 1906 by a revolutionary, Teo Eng Huat. Later, when the *Union Times* gradually fell into the hands of the pro-reformist group which supported Kang Yu Wei, it virtually became the organ of the reformist party in Singapore.

sen came to Malaya to raise funds for the Revolutionary Movement. Penang served as an important base to promote the political ideology of the revolutionaries through the establishment of the *Union Times*. The fund-raising movement began as early as 1907 but failed due to a decline in world tin prices that affected the economy of Penang. Sun and his followers then campaigned for Tongmenghui to rally support from the Overseas Chinese.

Two Chinese dailies, *Chong Shing Yit Pao* (1907-1910) and *Kwong Wah Yit Poh* (1910-present), were established in Singapore and Penang respectively as official party newspapers to disseminate the ideology of Tongmenghui, the political party of the revolutionaries. Members of Tongmenghui managed to overcome all obstacles and to achieve some success in the newspapers publishing venture despite criticisms and rumours spread by Tongmenghui rivals. On establishment, *Kwong Wah Yit Poh* was outspoken in attacking the Manchu government. The ideological trend was made known to the public by promoting the Revolutionary Movement in its content, in particular in its editorials. *Kwong Wah Yit Poh* became popular after the 1911 Revolution but the company had to depend on its printing business to provide financial aid to this daily which

suffered losses for years in its newspaper business, especially during inflation and recession periods (Liu, 1980: 116).

As the revolutionary movement spread from Singapore to Malaya, the Chinese newspaper industry began to flourish in Penang and Kuala Lumpur, where Chinese population was most concentrated. Apart from the above mentioned dailies, supporters of Tongmenghui established more regional newspapers to influence the Chinese community against the regime of the Manchu government. *Xingzhou Chen Bao* (1909-1910) and *Nan Qiao Ri Bao* (1910-1913) were among Sun Yat-sen's revolutionary newspapers. With the high reportage of political news and events in China, these dailies had transformed into a powerful means to unite the Overseas Chinese to overthrow the Manchu Dynasty in the 1911 Revolution.

The role of local Chinese dailies in the Chinese revolution was undeniable as they contributed financially towards the formation of the People's Republic of China. However, when the British found that the Chinese nationalism in Malaya and Singapore was becoming increasingly hazardous to the colonial government, they immediately exerted political supervision and used existing ordinances and censorship regulations to control the Chinese dailies. In 1908, the British Malaya government led by Sir John Anderson amended the seditious publication ordinance, who directed his attack against

vernacular Chinese newspapers which were perceived as dangerous to the colonial government (Yong, 1990:58).

After the 1911 Chinese Revolution, the British government continued to enforce stricter legislation to control local media particularly towards the vernacular newspapers. For instance, *Kwong Wah Yit Poh* was suspended for three months by the British Malayan government in 1917 for revolting against the Japanese Army in its publications. After appealing to the government, the suspension period was reduced to 62 days and the daily was allowed to resume operation on 28 July 1917. Nevertheless, the censorship and other forms of political supervision had little effect on the local Chinese dailies which were set up to disseminate political news of China. In 1919, when the May Fourth Movement took place in China, *Kwong Wah Yit Poh* made several moves to improve its image by adding new supplements to the original contents and giving more focus to cultural and educational issues instead of earlier political ones. Even though the dailies made an effort to practise self-censorship, many of them had short lives due to financial problems. Nevertheless, the British government did not close down any of the Chinese dailies despite stringent laws to control the local vernacular dailies either for fear of being accused of violating press freedom in Malaya, or having little concern about the well-being of the Chinese dailies.

In 1920, a Printing Press Ordinance was introduced to further exert control on publications in Malaya and Singapore together with the Sedition Ordinance and Schools Ordinance. Any infringement of the Ordinance brought fines and/or imprisonment to the publishers as well as the printers of the press. Not surprisingly, it was during this period that politically partial Chinese dailies became extremely unpopular with the authorities. At this critical period, two commercial newspapers, *Nanyang Siang Pau* and *Sin Chew Jit Poh*, were established in 1923 and 1927 respectively by Chinese entrepreneurs.

*Nanyang Siang Pau* (*Chinese Journal of Commerce*) was founded by Tan Kah Kee, a rubber plantation owner who wanted to provide update information on fluctuations in rubber and local commodity prices. Tan Kah Kee ventured into the newspaper industry after earning a net profit of \$1.2 million in 1923 from rubber plantation business (Yong, 1987:56). The major reason for the venture was probably because Tan needed a printing plant for his rubber plantation products including labels, cartons for packaging, invoices and receipts. He wanted a commercial newspaper to advertise his products instead of paying substantial sums for advertising in other newspapers. However, due to commercial



considerations, Tan did not try to make his newspaper affordable for most people and set the cost and its monthly subscription high.<sup>8</sup>

In the first issue of *Nanyang Siang Pau*, Tan in an article stressed on imparting knowledge and stimulating educational growth through the founding of the commercial newspaper. He clearly drew a close relationship between commerce and education as he believed that the roots for the development of commercial enterprises lay in the growth of education.

Tan Kah Kee was famous in the region of Guangdong and Fujian in China as a leader of overseas Chinese who was enthusiastic towards political change and educational promotion particularly in Mainland China. In 1928, Tan organized the Shantung Relief Fund Committee and participated actively in Overseas Chinese politics when Japan was invading China. Tan was among the most outspoken critics of the Japanese and appealed to the Overseas Chinese in Singapore for donations. His philanthropic efforts in building hospitals, Chinese schools and university in China, Singapore and

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<sup>8</sup> *Nanyang Siang Pau* was then sold at 10 cent each, and subscriptions ran as follows: monthly at \$2, half-yearly \$11.50 and annually \$22. The prices were high compared to the relatively low income of the Chinese community in 1923. See Zheng Wen Hui (1973), *Sinjiapo Huawen Baoye Shi 1881-1932 (A History of Chinese Newspapers in Singapore 1881-1932)*. Singapore: Sin Ma Publications. p.42.

Malaya were well known. Tan was aware of his role as a Chinese leader and moulded the community mind for change.

Despite his will to keep the newspaper politically neutral when it was first established, Tan later manipulated *Nanyang Siang Pau* to advance his own political beliefs. While his enthusiasm to promote education was evidently shown by the founding of Amoy University in China, he intended to own a commercial newspaper was to make a profit for his other businesses. The editor-in-chief, Fang Huai Nan, clearly stated that *Nanyang Siang Pau* would follow the non-partisan and apolitical policy to avoid getting involved in party or partisan politics.<sup>9</sup>

Newspaper businesses in the 1920s had not been profitable due to small circulation and negligence in tapping the potential of advertising (Yong, 1987:117). So, when Tan Kah Kee faced serious financial problems during the recession in 1926 and *Nanyang Siang Pau* did not guarantee fast returns for him, Tan transferred his right of ownership to George Lee.<sup>10</sup> The daily only made profits after 1937, in

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<sup>9</sup> However, Fang Huai Nan who served *Nanyang Siang Pau* for only 50 days, did not follow the instructions of Tan Kah Kee to be non-partisan in reports on politics in China. The pro-China stance taken by Fang had infringed the British laws and caused *Nanyang Siang Pau* to stop operation on 28 October 1923, and later resumed operation on 1 February 1924. Fang was fired by Tan for what happened to the newspaper and for neglecting the instructions of the newspaper owner.

<sup>10</sup> George Lee Geok Eng was a younger brother to Tan Kah Kee's son-in-law, Lee Kong Chian.

the wake of the Sino-Japan War, when daily circulation shot up to 30,000 for both the morning and evening editions. *Nanyang Siang Pau* remained a popular newspaper under the management of George Lee.

In Penang, Aw Boon Haw, a philanthropist and an enthusiastic revolutionary of his time, also invested into the Chinese newspaper business in 1927 to promote Tiger Balm products. *Sin Chew Jit Poh* was founded as a joint-venture but Aw later bought over remaining stakes and became the sole owner of *Sin Chew Jit Poh*. Aw Boon Haw openly used the daily to disseminate ideology of the revolutionary (Zheng, 1973:45). As a successful businessman, Aw was a devoted supporter of Tongmenghui, and had also set up seven other newspapers in Burma (Rangoon), China (Swatow and Amoy), Hong Kong, Singapore and Penang.<sup>11</sup>

The Japanese Occupation in Malaya from 1942 to 1945 was a silent period for the mass media throughout Malaya. All Chinese dailies, irrespective of their characteristics and political stance, were suspended by the Japanese government and those lacking financial support were closed down. Immediately after the evacuation of

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<sup>11</sup> Aw Boon Haw owned seven regional newspapers before the 1911 Chinese Revolution, namely *Rangoon Daily* and *Rangoon Morning News* published in Rangoon, *Xing Guang Ri Bao* in Amoy, *Xing Dao Ri Bao* in Hong Kong, *Sing Po* in Singapore, and *Sing Pin Jit Poh* in Penang.

Japanese troops, *Nanyang Siang Pau*, *Sin Chew Jit Poh*, *Sing Pin Jit Poh* and *Kwong Wah Yit Poh* resumed operations in 1945. Many dailies managed to retain their former readers during the pre-war era and recorded increases in circulation.

Suffering from the blockade of the transmission of information during the Japanese Occupation, the Chinese community gave overwhelming support to dailies which provided news on both local and international affairs. Among issues which were of interest to them were the rise of nationalism in the Southeast Asia colonies of the Western imperialists, the split of the Communist Party of China, the Korean War and the Indo-China War. After the second World War, the number of literate Chinese settlers in the Federation of Malaya increased tremendously when more educated Chinese left China to make a living in countries in the South Sea. These literate Chinese workforce brought professionals and semi-professionals into the local Chinese journalism world and further enhanced the standard of the dailies. In addition, the increase in Chinese readership and advancements in the printing and communication technology also contributed to the encouraging development of the Chinese dailies.

In Malaya, as the Malays participated actively to strive for self-rule during the post-war era, the Chinese community were uncertain about their future. The Chinese community did not take part

in the uprising of nationalism and the political changes experienced by the Malays. In fact, during this transitional period, the Chinese dailies were over-cautious not to show any signs of commitment to the political development of the Federation of Malaya. Hence, it was not uncommon for journalists to use words like *huaqiao* (Overseas Chinese or sojourners referring to Chinese in Malaya and Singapore) and *zuguo* (motherland, referring to Mainland China) in news reporting. Dailies of that time also portrayed a China-centric attitude, reporting mostly events in China and local business information, that were deemed important to their readers.

In the early 1950s, when the independence struggle of Malaya escalated among the Malays, overseas Chinese in Malaya who regarded themselves as citizens of Mainland China, began to realize that they could be granted Malayan citizenship like other residents. The Chinese settlers became more than just onlookers for political allegiance and participated actively in negotiation with the local Malay leaders. After the split of the Communist Party in China that had been in power since 1949, majority of the Chinese decided to prolong their stay in Malaya. The well-established overseas Chinese were reluctant to give up what they had gained in Malaya and to return to communism in China. On the other hand, it was also difficult for the working class to overlook the employment

opportunities in Malaya for them to make a decent living and to support their families in Malaya or in China. The Malayan-born generation who had little or no social and cultural ties with Mainland China did not opt to become citizens of China. Towards the period of Independence of Malaya, this change of attitude was reflected in the news reporting of local Chinese dailies which allocated more space for social and political issues of Malaya compared to events happening in China.

The history of Chinese dailies in Malaya and Singapore shows that majority of the owners had vested interests in establishing newspapers. The owners were either profit-oriented, politically motivated, or both. Profit-oriented owners basically held the same philosophy found in most business organizations, that is, to maximize profit and to sustain growth for future development. Politically-motivated owners were aware of the media power and hence took a partisan stance to attack the rivals of their political party. The latter were generally less profit-oriented as their primary interest was to disseminate political ideologies or information to the public. In other words, they were more willing to accept minor profits or even losses for the privilege of publishing a partisan newspaper. However, with the closing down of non-profitable dailies, owners began to realize

that it was important to treat newspapers as a commodity which should be marketable and profitable to ensure growth in the long run.

*Contemporary ownership patterns of Chinese dailies: Sin Chew Jit Poh, Nanyang Siang Pau, Shin Min Daily News and Kwong Wah Yit Poh*

The ownership of Chinese dailies experiences a change from family-owned or privately owned printing presses, to media chain controlled by large corporations. Chinese dailies in the Peninsula form an oligopoly market which allows four to six firm to compete within the limitation of the market.<sup>12</sup> In 1995, there were six dailies published every day in the Peninsula<sup>13</sup> -- *Sin Chew Jit Poh*, *Nanyang Siang Pau*, *China Press*, *Kwong Wah Yit Poh*, *Shin Min Daily News* and *Guang Ming Daily News*.<sup>14</sup>

All six Chinese dailies were owned by public listed groups or private limited companies, targeted at readers in the Peninsula, except

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<sup>12</sup> Robert G. Picard. 1989. *Media Economics: Concepts and Issues*. Newsbury Park: Sage Publications.

<sup>13</sup> A Chinese daily, *New Tong Bao* was closed down on 3 August 1994 due to persistent losses. *Thung Bao Sdn Bhd*, the operating company of *New Tong Bao* (previously known as *Tong Bao*), was owned by Chew Swee Pheow's family since November 1981. It was later bought over by Huaren Holdings Bhd. Huaren was reported to have lost more than RM30 million in the daily before the purchase of Malayan *Thung Bao Sdn Bhd* by *Stocktrade Sdn Bhd*, a company associated with *Sin Hiap Lee Group* in July 1992 (*The Star*, 19/12/1992).

<sup>14</sup> It was reported in 1991 that among seven dailies, only *Nanyang Siang Pau* enjoyed substantial pre-tax profit, while *Sin Chew Jit Poh*, *Kwong Wah Yit Poh* and *China Press* only managed to sustain less than RM1 million pre-tax profits (Forbes, March 1992). *Shin Min Daily News* and *New Tong Bao* pertained losses as high as RM1.5 million per annum, while *Guang Ming Daily News* continually recorded a poor performance since 1988. It can therefore be said that the Chinese daily business is a risk-taking business in which only large corporations can afford to invest.



for *Kwong Wah Yit Poh* which is distributed mainly in northern Peninsula, including Penang, Kedah and Perlis. Table 3.1 shows how the limited market of Chinese dailies was divided among the six dailies.

Table 3.1: Estimated Readership Figures of Chinese Dailies in June 1994

Chinese dailies	Readership	Publishers
<i>Sin Chew Jit Poh</i>	787,000	Pemandangan Sinar Sdn Bhd
<i>Nanyang Siang Pau</i>	716,000	Nanyang Press (Malaya) Bhd
<i>China Press</i>	392,000	Nanyang Press (Malaya) Bhd
<i>Kwong Wah Yit Poh</i>	308,000	Kwong Wah Yit Poh Press Bhd
<i>Shin Min Daily News</i>	88,000	New Straits Time Press Group
<i>Guang Ming Daily News</i>	83,000	Pemandangan Sinar Sdn Bhd

Source: *SRM Mid-Year 1994 Media Index*. Kuala Lumpur: Survey Research Malaysia.

There were only four companies, i.e., Nanyang Press Bhd, The New Straits Times Bhd, Rimbunan Hijau Sdn Bhd and Kwong Wah Yit Poh Sdn Bhd sharing the market of Chinese dailies in the Peninsula. The oligopoly structure discourages smaller companies and newcomers from entering the market (Picard, 1990:77). On one hand, the dailies competed with each other in terms of circulation, performance records and product differences. On the other hand, promotion in sales was achieved through pricing, heavy advertising and positioning in the market.<sup>15</sup>

Dailies with joint-operation agreements, as in the case of *Sin Chew Jit Poh* and *Guang Ming Daily News*, tended to target readers from different social backgrounds to avoid unnecessary competition. *Sin Chew Jit Poh* targets young and educated readers from urban and suburban areas, while *Guang Ming Daily News* aims to cater to urban Chinese readers who are on the look-out for entertainment and sensational news.

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<sup>15</sup> For example, except *Guang Ming Daily News*, the Chinese dailies achieved concerted decision to increase the cover price from 80 sen to RM1 starting on 1 March 1995. The decision to increase the price of Chinese dailies was initially supposed to be implemented on 1 January 1995, together with the increase in the price of the English and Malay dailies. It was postponed until March after Chinese dailies compromised on the sales price to help cover the increment of costs in the local newspapers industry (*Newsweek*, 12/3/1995).

*Nanyang Siang Pau* and *China Press* are subsidiaries of Nanyang Press Berhad but independent in management and operation. For instance, *Nanyang Siang Pau* targets white collar workers whilst *China Press* targets blue collar workers to avoid competition between the two in terms of circulation and readership.

*Sin Chew Jit Poh (SCJP)*

*Sin Chew Jit Poh* is presently owned by Pemandangan Sinar Sdn Bhd, one of the subsidiaries of Rimbunan Hijau Sdn Bhd, an established logging company based in Sibu, Sarawak. Before the buyout, the then second-ranking daily was owned by Sin Poh Amalgamated Malaysia Sdn Bhd, which faced serious financial problem during the economic recession of the mid-1980s.<sup>16</sup> The company was cash tight then but the morale of its staff was high until the printing permit of *Sin Chew Jit Poh* was suspended during Operation Lalang<sup>17</sup> in October 1987. The suspension took effect for more than five months from 27 October 1987 to 7 April 1988, which was long enough to cause readers to change over to other

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<sup>16</sup> On 27 April 1989, the owner of Sin Poh Amalgamated Malaysia Sdn Bhd, Lim Kheng Kim, was issued a bankruptcy notice by the Malayan Banking Bhd requiring him to pay the sum of more than RM2.6 million. Lim later appealed to the Supreme Court but to no avail. For more details, see *Datuk Lim Kheng Kim v. Malayan Banking Bhd* in *Supreme Court Reports Jul-Dec 1993*. Kuala Lumpur: Professional Law Books Publishing.

<sup>17</sup> The 1987 Operation Lalang was a crackdown of Malaysian communal politics, and the second ethnic crisis in the history of Malaysia since May 13 racial riot in 1969. In this operation, the Mahathir's regime had arrested and detained 119 people including political leaders, educationists, social reformists, activists, church workers and evangelists. The press system, too, suffered a catastrophe when three newspapers -- an English language daily - *The Star*, a Chinese language daily - *Sin Chew Jit Poh* and a Malay language biweekly - *Watan* were banned in October 1987. Apparently, this repression on printing presses had a negative impact on the press system in Malaysia. For instance, *The Star* resumed operation in March 1988 while *Sin Chew Jit Poh* and *Watan* resumed operations in April 1988, after agreeing to restrict editorial policies (CAPRA, 1988:xiii). See also Saravananmutu (1987) and Democratic Action Party (1988).

newspapers.<sup>18</sup> After Rimbunan Hijau Sdn Bhd's acquisition of *Sin Chew Jit Poh* via Pemandangan Sinar Sdn Bhd in 1988, the daily unexpectedly regained its former readership within a year and became profitable and self-sustaining three years after it resumed publication.

Pemandangan Sinar Sdn Bhd is a subsidiary of Rimbunan Hijau Sdn Bhd<sup>19</sup> owned by a Sarawakian timber tycoon, Tiong Hiew King. Tiong's intentional buyout of a few publishing companies showed his desire for control over media in countries he invested in. Before the buyout of *Sin Chew Jit Poh* that was worth RM10 million in 1988, Tiong had already owned a Chinese daily *See Hua Daily News* in Sibu, and an English daily *The Borneo Post* published in East Malaysia. In February 1992, Tiong acquired another Chinese

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<sup>18</sup> During the suspension period, the then owner of *Sin Chew Jit Poh*, Sin Poh Amalgamated Malaysia Sdn Bhd could not pay the salary of its staff because there were no revenue from advertising and subscription. As a result, some employees of the daily opted for jobs in another printing press and left the company. However, many of them returned to work with *Sin Chew Jit Poh* when it resumed operation on 8 April 1988.

<sup>19</sup> The company commenced operation in July 1975 and later expanded in the Rejang and Balam areas where the company succeeded in capturing a sizable market share of log export from Sarawak. It later became a joint venture partner in the exploitation of timber resources and owner of the largest logging company in Papua New Guinea. By 1995, Rimbunan Hijau has invested heavily in the Asia Pacific region, which includes countries like Papua New Guinea, Australia, New Zealand, China, Hong Kong, Japan, South Korea and Indonesia, with 70 per cent of its turnover focused on logging activities.

daily published in the Peninsula, *Guang Ming Daily News*<sup>20</sup> via Lucky Wind, another subsidiary of Rimbunan Hijau Sdn Bhd.

In November 1993, Tiong invested RM20 million to establish an English daily, *The National* in Papua New Guinea. The establishment of the daily was approved by the Prime Minister of Papua New Guinea, Pias Wingti (*The Star*, 9/7/1993). With assistance and expertise from *Sin Chew Jit Poh* and an international management team, the daily became the top English newspaper in Papua New Guinea. In October 1995, Tiong acquired 46 per cent of an influential printing press company, Hong Kong Ming Bao Enterprise for RM147 million.<sup>21</sup> Following the acquisition, Tiong's desire to be a media tycoon in the region of Asia Pacific was realized through the establishment and purchase of printing presses in Sarawak, the Peninsula, Papua New Guinea and Hong Kong.

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<sup>20</sup> *Guang Ming Daily News* was formerly called *Sin Pin Jit Poh*, the sister newspaper of *Sin Chew Jit Poh* which was established in 1939 by Aw Boon Haw. *Sin Pin Jit Poh* was closed down in early 1987 due to management problems. Gerakan Rakyat Malaysia, a component party of *Barisan Nasional* and former employees of *Sin Pin Jit Poh* participated in the rescue operation of the daily and obtained a new publishing permit by the end of 1987. The name of the daily was changed to *Guang Ming Daily News*. In September 1990, a public listed company, Kamayan Oil Palm Bhd obtained 68 per cent stake of Guang-Ming Ribao Sdn Bhd, the operating company of *Guang Ming Daily News*. The daily was bought over by Tiong who needed another daily to build a newspaper chain to compete with Nanyang Press (Malays) Bhd. After the buyout, *Guang Ming Daily News* and *Sin Chew Jit Poh* signed a joint operating agreement on 23 March 1993.

<sup>21</sup> The buyout of Hong Kong Ming Bao Enterprise by Tiong proved to be a timely move to promote his businesses in Mainland China, particularly after Hong Kong's return to China in 1997.

After Tiong's rescue operation of *Sin Chew Jit Poh* in April 1988, the Chinese daily constantly and continually portrayed a favourable image of Tiong as a successful entrepreneur who was concerned over Chinese culture, community work and other humanitarian issues such as environmental protection.<sup>22</sup> Ironically, he was and still is the largest exporter of plywood in Malaysia who turned billionaire from May 1987 to December 1988 from his timber businesses.<sup>23</sup> The daily was also expected to provide Rimbunan Hijau Group with an effective communication channel to counter allegations made by environmental groups on logging activities of the company.<sup>24</sup>

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<sup>22</sup> The portrayal of Tiong's favourable image was so obvious that an editor of *Sin Chew Jit Poh* admitted that some editors and executives with intention to please the owner had overdone it. Interview with an editor of the daily who has served in the journalism profession for 16 years. Interview at the headquarters of *Sin Chew Jit Poh* in Petaling Jaya on 31 October 1995.

<sup>23</sup> *Business and Industry* (1996: March-April).

<sup>24</sup> Sim Kwang Yang, a former Member of Parliament for Bandar Kuching representing the Democratic Action Party (DAP) is well-known for his persistent attacks on Malaysian timber companies over their alleged rampant logging of forests. For instance, Sim was critical about Rimbunan Hijau's logging business in Sarawak. In 1994, Sim was interviewed by a New Zealand broadcast company, Frontline and an Australian broadcast company, Four Corners Malaysian Loggers and Papua New Guinea to comment on these logging activities. Sim later issued a press release on 10 November 1994 to reassure his stand. Sim was accused of selling and distributing video tapes containing recorded interviews with the foreign broadcast companies, and demonstrating the interviews to local media and hence caused sedition to Rimbunan Hijau (*Nanyang Siang Pau*, 21/1/1995).

Tiong's ambitious diversification into publication businesses since 1987 has resulted in concentration of ownership for some local and regional newspapers and magazines in Asia. For instance, he owns *See Hua Daily News* and *The Borneo Post* of Sarawak; *Sin Chew Jit Poh* and *Guang Ming Daily News* of the Peninsula; *The National* of Papua New Guinea; *Yazhou Zhoukan* and *Ming Bao* of Hong Kong. Tiong's more recent venture into media-related businesses reflects his persistence in owning these printing presses in the long run. The aggressive venture has even enhanced a need for news print manufacturing between Rimbunan Hijau Group and its rivals, New Straits Times Group and Hong Leong Group.<sup>25</sup>

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<sup>25</sup>Subsidiaries of these groups have jointly invested RM675 million to set up the largest paper mill in Malaysia to produce news print for the three publishing companies. The paper mill with the technology assistance from a New Zealand company, Fletcher Challenge is expected to produce 250,000 tones of news print annually once it starts operation in 1998 (*Business and Industry*, March 1996: 20-23).



### *Nanyang Siang Pau*

Nanyang Press (Malaya) Bhd is the largest media company in the Chinese publishing business. The press company which controls two Chinese dailies, *Nanyang Siang Pau* and *China Press* was incorporated in the Federation of Malaya on 23 July 1958. The company started printing with the installation of its own machinery in October 1962, and later converted into a private limited company in 1974 and re-converted into a public company in November 1988 (*KLSE Annual Companies Handbook*, 1994:435-9). In 1990, a Malay entrepreneur having close ties with UMNO prominent leaders, Wan Azmi Hamzah, bought over 30.25 per cent of shares from Nanyang Press Berhad through his Hong Kong based company by *Nanyang Siang Pau*. Even though this buyout was highlighted by *Nanyang Siang Pau*'s rival newspaper, *Sin Chew Jit Poh* claiming that the daily had fallen into the hands of Malay entrepreneurs and was therefore no longer a genuine Chinese daily in nature. Wan Azmi was forced to sell his shares under the pressure of public opinion among the Chinese community. A year later, Hong Leong Group<sup>26</sup> acclaimed owning 45 per cent share through Hume Industries Bhd.

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<sup>26</sup> The business interests of Hong Leong Company (Malaysia) Bhd are held through three public listed companies: Hong Leong Industries, Hume Industries and Hong Leong Credit, which in turn have interest in other listed companies, including Malaysian Pacific Industries, OYL Bhd, Nanyang Press Bhd, Hong Leong Properties and Zalik Securities. The businesses of Hong Leong Group in the

By 1994, with its vast interests in both local and foreign corporate sectors, Hong Leong became the third largest Chinese-controlled company in Malaysia and the second largest international company in Kuala Lumpur (*Forbes*, March 1994). Far from disassociating itself from Malaysian politics, Hong Leong established close ties with the UMNO-connected business elite, including Wan Azmi Wan Hamzah and Mohd Tamrin Abdul Ghafar, the son of the then Deputy Prime Minister, Abdul Ghafar Baba (Gomez, 1994:86), and more recently with Deputy Prime Minister, Anwar Ibrahim.

In October 1992, Nanyang Press Bhd announced its plan to buy China Press Bhd and its subsidiaries to further expand its empire in the Chinese newspaper and magazine publication industry.<sup>27</sup> Its intentions were to increase circulation and advertisement revenues, as well as to compete with its rival newspapers, *Sin Chew Jit Poh* and *Guang Ming Daily News*, owned by timber tycoon Tiong Hiew King. The plan was approved by Securities Commission in January 1993.

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Malaysian corporate sector range widely from mosaic and floor tiles manufacturing, carbon paper and typewriter ribbon, ship building and ship trading, assembly and distribution of motorcycles, steel products manufacturing, asbestos cement sheeting and pipe products, property development, investment holding and banking to finance and securities.

<sup>27</sup> During the economic recession in the mid-1980s, China Press Bhd stopped operation from November 1985 to May 1986 due to financial losses and was later taken over by Life Publisher.

Following the buyout of China Press Bhd, Nanyang Press Bhd could fully depend on Hong Leong Group's support when facing financial difficulties. Its operational capabilities were upgraded under the latter group management,<sup>28</sup> but the marketing plans of *Nanyang Siang Pau* against its rivals were postponed when it had to replace the General Manager appointed by Hong Leong Group.<sup>29</sup> The substantial shareholders for *Nanyang Siang Pau* and *China Press* were Hong Leong Company and Hume Industries, both controlled by a Chinese entrepreneur, Quek Leng Chan.

Unlike Tiong Hiew King who enjoys high-profile coverage in *Sin Chew Jit Poh*, Quek Leng Chan who owns *Nanyang Siang Pau* allowed only minimum publicity for himself.<sup>30</sup> Although Quek wanted to make Nanyang Press Bhd the leading Chinese newspaper conglomerate in Malaysia (*Nanyang Siang Pau*, 16/10/1992), it seemed to be a consideration to maximize profit, rather than to serve

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<sup>28</sup> This was admitted by the Group Managing Director of Nanyang Press Bhd, Toh Ching Kiong (Forbes, October 1992).

<sup>29</sup> At the same time, there was also a change in the directorial board of committee of Nanyang Press Bhd in 1991 where Steve Yoong Kin Pin, Liu Wan Min, Tan Tat Wai and Hishammuddin Hussein Onn were appointed as Directors of the Hong Leong Group.

<sup>30</sup> Interview with an executive editor of *Nanyang Siang Pau* who has served in the journalism profession for 22 years. Interview was conducted at the headquarters of Nanyang Press Bhd, Petaling Jaya on 1 November 1995.

his personal interest. Despite its second ranking in readership survey since 1992, *Nanyang Siang Pau* declared a pre-tax profit of RM24.74 million for the 1992/93 financial year. By 1994, Hong Leong Group had obtained a total of 64.77 per cent shares of Nanyang Press Bhd,<sup>31</sup> which caused *Nanyang Siang Pau* executives to have very little autonomy in the appointment of staff.

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<sup>31</sup> In June 1995, Nanyang Press Bhd's RM90 million redeemable unsecured guaranteed bonds (1993/98) with 17.4 warrants were reviewed and rationalized from a long term rating to a stand-alone rating by Rating Agency Malaysia Bhd (RAM). The new rating of Nanyang Press Bhd shows that the printing press had an adequate safety of timely payment of principal and interest (*Business Times*, 20/6/1995).

*Shin Min Daily News*

*Shin Min Daily News* co-founded by a philanthropist, Liang Run Zhi and a famous Chinese author-cum-entrepreneur from Hong Kong, Loius Cha in 1967. Cha also owned Ming Bao Enterprise, a highly respected and modestly profitable media company in Hong Kong (*Far Eastern Economic Review*, 7/9/1995). Within five years, the daily circulation of *Shin Min Daily News* shot up to 15,000 copies and was ranked third after *Nanyang Siang Pau* and *Sin Chew Jit Poh*. Liang managed the daily during its developmental stage in the late sixties while Cha concentrated on his other businesses in Hong Kong.

After the death of Liang in 1971, his son, Liang Qing Jing took over to be the director of *Shin Min Daily News* and later sold the newspaper to Aw Hong Hooi. In November 1976, Aw Hong Hooi sold the newspaper to Tan Koon Swan, a prominent MCA leader. However, Tan's control over *Shin Min Daily News* for 10 years came to an end after he sold the daily to The New Straits Times Press (M) Bhd (NSTP), which was expanding its newspaper business.<sup>32</sup> Later,

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<sup>32</sup> As early as in October 1972, Fleet Group Sdn Bhd, one of UMNO's major investment holding company acquired a controlling interest of 49.5 per cent stake in *New Straits Times*, the most popular English-language daily. This was an act to Malaysianize local press, following a resolution passed by UMNO Youth Assembly on 23 June 1972. Straits Times Press (Malaya) Bhd ceased to be the holding company in the same year. Since then, NSTP has been the hotbed and springboard of Bumiputera to arrive at a higher position in their career (Sally Cheong, 1993:181-2). Junus Sudin, who is closely related to Tengku Razaleigh Hamzah, became the first Bumiputera Managing Director from 1972 and remained in the post until Razaleigh lost his challenge against Musa Hitam in the contest of

NSTP acquired a 70 per cent stake of the publishing company of a Chinese-language daily, *Shin Min Daily News* (M) Sdn Bhd, in June 1985 and another 19.11 per cent in December 1988. The purchase of *Shin Min Daily News* by NSTP was apparently to help its owner, Tan Koon Swan, the then President of MCA, overcome serious financial problems at that time (Gomez, 1990:62) and a move towards conglomeration (Gomez, 1994:74). NSTP has since further diversified from its media-related business into banking, insurance and television broadcasting sectors.

Contrary to other highly profitable subsidiaries of NSTP such as *Berita Harian* and *New Straits Times*, *Shin Min Daily News* remained a financial encumbrance due to persistent losses since the 1988 buyout from Tan Koon Swan. Conjectures were made by journalists to explain why NSTP refused to sell the daily to other media groups.<sup>33</sup> Among others, the Chinese daily was a necessary channel for the *Barisan Nasional* government, or UMNO to propagate its political ideology among Chinese readers, particularly before the 1990 and 1995 general elections. Second, though unlikely

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UMNO's Deputy President in 1986. During this period, in 1984, a corporate reshuffling exercise was undertaken by NSTP to consolidate its position in publishing, distribution and retailing activities (*Kuala Lumpur Stock Exchange Annual Companies Handbook*, Vol. XX).

<sup>33</sup> Interview with former journalists of *Shin Min Daily News* at Taman Maluri. 12 November 1995.

to be proven, some believed that the daily might have been a tax shelter to defraud revenue for NSTP. The accumulated losses of Shin Min Daily News may have been carried forward for taxation purposes and meant to be deducted from future profits of the daily.

However, in February 1995, one of the substantial shareholders for NSTP, Mohd Noor Mutalib announced that the company would sell the daily if there was appropriate purchaser. He told the press that NSTP was still seeking interested buyers for the company's sole Chinese publication which had a circulation of more than 30,000 and a workforce of around 100 employees (*Nanyang Siang Pau*, 28/2/1995). Despite all efforts, *Shin Min Daily News* was finally closed down on February 6, 1996, approximately nine months after the 1995 General Election. The Managing Director of NSTP, Khalid Ahmad denied that it was an abrupt act to shut down the group's sole Chinese language newspaper as NSTP had earlier announced the intention to sell Shin Min Daily News (M) Bhd, and openly welcome those who were interested to negotiate with NSTP. Nonetheless, all attempts failed and the daily had to be closed down. Stressing that his company would not publish any Chinese-medium publication in future, Khalid confirmed that the printing permit of *Shin Min Daily News* had been returned to the Ministry of Home Affairs (*China Press*, 11/2/1996).

### *Kwong Wah Yit Poh*

*Kwong Wah Yit Poh* was established on 20 December 1910 in Penang by Tongmenghui, a group of Chinese revolutionaries under the leadership of Sun Yat-sen. *Kwong Wah Yit Poh*, the oldest existing Chinese newspaper in Southeast Asia, is still popular among Penangites who are attracted by its substantial coverage of regional news of Penang and northern states of Peninsular Malaysia. In terms of circulation ranking, *Kwong Wah Yit Poh* has been consistently the fourth after *Sin Chew Jit Poh*, *Nanyang Siang Pau* and *China Press* since 1990.

On establishment, *Kwong Wah Yit Poh* was operated and managed by a publicly run cultural organization in Penang. The Board of Directors comprised leaders in the Chinese society who were enthusiastic about promoting Chinese culture and education and who actively participated in social activities such as sponsoring cultural, educational and recreational contests.<sup>34</sup> In 1970, a successful entrepreneur and a multi-billionaire, the late Loh Boon Siew, took over the directorship of *Kwong Wah Yit Poh* after the death of a director and provided financial backing for the daily since then. In 1994, in spite of his ignorance of Chinese literacy, Loh was chosen as

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<sup>34</sup> Loh Liang San. 1981. *Kwong Wah Yit Poh 70th Anniversary Magazine*. Penang: Kwong Wah Yit Poh Press Bhd. p.13.



the advisor to the Chinese daily. With support from wealthy Chinese entrepreneurs, the daily managed to set up its own office block and printing company. Then in September 1991, a debenture with a term loan of RM8 million was made between OCBC Limited and Kwong Wah Yit Poh Press Bhd.<sup>35</sup> In 1993, Kwong Wah Yit Poh Press Bhd and its subsidiary in the course of the financial year conducted principal activities which included publication and distribution of newspapers, investment and property holding enterprises.

In 1975, Oon Choo Eng who had direct interest in *Kwong Wah Yit Poh* became the managing director, one who held the responsibility of coordinating policies and other business affairs between the editor-in-chief and the manager. To date, Oon has been in the position of the managing director for more than 20 years. His influence on the overall goals of *Kwong Wah Yit Poh*, particularly its editorial policies is significant among journalists.<sup>36</sup> In his address to the staff of *Kwong Wah Yit Poh*, Oon stressed on the structure of the company which was run jointly by a few entrepreneurs enthusiastic in matters concerning Chinese culture. He also emphasized the non-

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<sup>35</sup> Information obtained from the Registrar of Companies, Kuala Lumpur.

<sup>36</sup> Interview with two journalists working with *Kwong Wah Yit Poh*, at the Kwong Wah Yit Poh office in Kuala Lumpur on 19 November 1995.

profit-making objective of the daily (*Kwong Wah Yit Poh*, 27/12/1994).

Today, as many private newspaper enterprises turn into large corporations,<sup>37</sup> *Kwong Wah Yit Poh Press Bhd* remains moderately profitable, privately owned by a few individuals. For instance, two legal owners with direct interest in the daily, Oon Choo Eng and Lau Hong Chong still run the daily operation. On one hand, this owner-cum-editor role ensures greater efficiency in management and editorial policies. On the other hand, however, this role may also jeopardize the discretion and cause possible subordination of editorial policy. Editors by employment would have little say in the operating decisions when they are placed under the control of the management group. In short, when there is no separation of ownership from control in the newsroom, editors become subordinate to the owner and/or the managerial staff.

Looking at the veteran managing-director and many other long-serving staff of *Kwong Wah Yit Poh*, it is obvious that the management of the daily was not separable from its ownership. The substantial shareholders of *Kwong Wah Yit Poh* relied on the managing-director to act on their behalf in editorial decision.

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<sup>37</sup> One of the reasons for this structure change is that large corporations are capable of pooling capital and thereby providing the means for supporting ever larger firm sizes. Karst (1972:1).

The discussion on ownership of Chinese dailies suggested different type of ownership control in the respective printing presses. For instance, *Sin Chew Jit Poh* is privately owned by Tiong Hiew King, who is keen on venturing into newspaper publishing industry to promote his logging businesses in the Asia Pacific region. *Kwong Wah Yit Poh* is privately owned and run by a group of Chinese businessmen who proclaimed that their objective company is non profit-making in nature.

The printing presses of *Nanyang Siang Pau* and *Shin Min Daily News* are owned by subsidiaries of public listed companies. Economic owners with the largest shareholding bloc are also owners for many other subsidiaries and hardly interfere directly in the editorial decision of these dailies.

### *Ownership and Partisan Politics*

Theorists have found that the determinants of media partisanship are multiple in nature (Blumber and Gurevitch, 1975:165-193). They outlined five levels of media partisan identification which is as follows:

- Absolute partisanship whereby political parties are directly associated with the running of media enterprises via ownership, provision or financial subsidy or membership on management and editorial boards.
- Voluntary fixed partisanship where a party may count on the unconditional and unswerving loyalty of a particular organization
- Conditional partisanship where a powerful medium usually back a favoured party based on conditions
- Unpredictable form of partisanship where the political stance of a medium is determined afresh based on the merits and demerits of a party
- Non-partisanship in which a communication outlet may not take sides and strives at all costs to maintain an apolitical stance and refrain from openly supporting any political position.

As the operations of all Malaysian dailies are subject to conditions of the printing permit and licence granted by the government, local media are inevitably partisan towards the ruling

parties to certain extent. Generally, the Malaysian media are either absolute partisan or voluntarily fixed partisan, where they are guided or controlled via regulations and ownership. The last three levels require far more independent and powerful media in relation to governmental control, and this level does not exist in Malaysia. Like other subsidiaries in NSTP which are directly controlled by UMNO, *Shin Min Daily News* falls into the category of absolute partisanship in favour of UMNO via ownership, financial subsidy, management and editorial board. With close business linkages between Hong Leong Group and UMNO's flagship companies, *Nanyang Siang Pau* is related to UMNO via indirect ownership. *Sin Chew Jit Poh* and *Kwong Wah Yit Poh* may be categorized as voluntary fixed partisan states that support the *status quo*. However, in order to maintain a 'balanced' stance for their readers, the dailies will make sure there is considerable reportage on the opposition so that the partisanship is less evident.

Under the New Economic Policy (NEP) (1970-1990), the dependence of non-Bumiputera business groups on Malay politicians in local capital accumulation is becoming increasingly notable. Newly-emerging Chinese companies and their corporate development had to rely on share maneuvers, asset shifting and speculative transactions (Gomez, 1994:21). Owners of Chinese dailies are among

the very few successors who have been granted licences and printing permits by the Ministry of Home Affairs under strict regulations. The logic of free market obviously did not lead to plurality of choice as many would certainly hope. On the contrary, ownership and control of mainstream media now appear to be in the hands of a few entrepreneurs who are closely aligned to the ruling coalition, or UMNO in this particular case. The following section will examine the inseparable close ties between owners and the ruling government.

For the owner of *Sin Chew Jit Poh*, besides a successful family business, the Tiong family are influential in the local politics of Sarawak. Tiong is a personal friend of Wong Soon Kai, the Deputy Chief Minister of Sarawak. Tiong is formerly the Senator of Sarawak State Government and once held the post of Vice President of Sarawak United People's Party (SUPP)<sup>38</sup>. Tiong Thai King, a younger brother of Tiong Hiew King represented SUPP and won in the 1995 general election for the parliamentary seat of Lanang, defeating the DAP's candidate, Wong Sing Nang with only a margin of 2,408 majority vote. Song Swee Guan, another member of the Tiong family

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<sup>38</sup> Sarawak United People's Party (SUPP) is a political party formed in June 1959, prior to the Tunku Abdul Rahman's Malaysia proposal. The SUPP joined the ruling coalition in Sarawak after the 1970 state election and has been consistently winning about a quarter of the State Assembly seats. SUPP managed to rally support from multi-ethnic group especially the Chinese, Ibans and Bidayuh.

contested on a BN ticket and defeated Sim Kwang Yang of DAP by a margin of 3,184 majority vote.

Quek Leng Chan, the owner of *Nanyang Siang Pau* who controls Hong Leong Group, also built close ties with prominent political leaders in UMNO to ensure the continued growth of his group. The acquisition of Nanyang Press (M) Bhd by Wan Azmi Wan Hamzah via a share-swap worth RM50 million in June 1990 has raised dissatisfaction among the Chinese community for fear of the Chinese daily being controlled by a non-Chinese group. As a result, Wan Azmi abate these sentiments by giving up his stake and sold the Nanyang Press equity to Peninsula Springs Sdn Bhd for RM52 million in February 1991, which later divested its interests in Nanyang Press to Hume Industries (*New Straits Times*, 1/3/1991).

It was believed that *Sin Chew Jit Poh*, the major rival of *Nanyang Siang Pau* was responsible for openly discussing the above issue and raising sentiments in the name of competition. *Sin Chew Jit Poh*'s action led to instigating readers of *Nanyang Siang Pau* to react to the acquisition by pressurizing the new owner to give up his stake in the newspaper. Hume Industries which later acquired the daily, in a less explicit manner, was closely related to Malay politicians and

entrepreneurs. The protest from Chinese readers showed that the Chinese community was concerned about who owned the Chinese dailies. However, they lacked information on how such commercial acquisitions could be related to political interest of certain groups and how a daily can be controlled via interlocking ownership pattern.

To date, with two Chinese newspapers, *Nanyang Siang Pau* and *China Press*, Hong Leong Group maintains its leading market position in the field of Chinese publication but it has not yet ventured into publications in the Malay language and English. It is not surprising that the motive of the acquisition of Chinese publications by Hong Leong, including *Nanyang Siang Pau* and *China Press* was mere profit-oriented. The owner of Hong Leong Group, Quek Leng Chan, did not receive his education in Mandarin and thus not regarded as a champion of the Chinese culture. He is a Chinese capitalist who benefited from his business ties with Anwar Ibrahim, the Former Deputy Prime Minister cum Former Finance Minister, in obtaining a sizable stake of the Malayan United Industry (MUI) bank. This was proven when Bank Negara finally granted Hong Leong the control over MUI Bank where by right no commercial institution is



allowed to own 20 per cent of a bank, unless being granted special permission.<sup>40</sup>

It was observed that a policy change came about when Hong Leong Group altered their original attitude of separating business affairs from politics, and moved closer to the politics of the ruling parties (*Forbes*, March 1994). The acquisition of MUI Bank, a government-controlled enterprise by Hong Leong Group proved that the company concerned had the right interface in the political arena.

However, Tiong Hiew King who owns *Sin Chew Jit Poh* and *Guang Ming Daily News*, has a different approach in terms of ownership and ways to operate Chinese newspapers. Quoted from Tiong's speech regarding the role of a newspaper, "If the sole concern of running a newspaper business is economic return, then there will be little value of the journalism profession. The value of a newspaper

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<sup>40</sup>The Chief Director of Hong Leong Credit, Seow Lun Hoo was reported to have said, "Hong Leong looks for commercial opportunities and business partners, but we do avoid political risks. After all, we are a commercial institution." (*Forbes*, March 1994:68-69) Commenting on Hong Leong's acquisition of MUI Bank and MUI Finance, and the simultaneous buyout of NSTP, Seow said it was a mere coincidence. Seow was the Managing Director of Malaysian Resources Corporation when four senior employees of NSTP approached him to state their hope of acquiring a listed company. He was quoted in the same article as saying, "I thought that was a good opportunity and therefore sold the company to them without any other condition." (*Forbes*, March 1994:69) The buyout of New Straits Times Bhd and Malaysian Resources Corporation Bhd by the four supporters of the Former Minister of Finance, Anwar Ibrahim, was regarded as a deal to obtain MUI Bank in 1993. In relation to what happened in 1993, Seow said it was mere coincidence that Hong Leong was granted a permit to run a bank. However, he did not deny that Hong Leong and the government had maintained good relations.

lies in the principle of running a newspaper. The person who runs a newspaper should be guided by conscience and social responsibility. We should affirm the positive role of mass media to lead, stabilize, enlighten and educate the society.” (*Guang Ming Daily News*, 25/3/1993)

## *Conclusion*

This chapter outlines the development of the early Chinese dailies of Malaya which was very closely related to the political movement in Mainland China before the Independence of the Federation of Malaya in 1957. The emphasis given to the political development in China is understandable because the Chinese dailies were then the most influential channel to reach the overseas Chinese settled in Singapore and Malaya.

Analysis of the history of Chinese dailies shows that the motive to run a Chinese daily was political rather than commercial for most dailies. Most of the Chinese entrepreneurs established Chinese dailies and used them as a tool to express concern and patriotism toward their home country. Profit-making was hardly the initiative to establish or own a Chinese daily in those days, therefore only dailies owned by wealthy businessmen could sustain while the rest were closed down as soon as the losses became unbearable for its owners.

As the owners of these dailies participated actively in such political movements, they also made use of the dailies to disseminate their own political beliefs. Some owners were responsible for the media output because they were also the editors-in-chief for the paper they owned. They had the discretion to make every editorial decision.

On the other hand, there were also successful businessman who ventured into the newspaper business with their political or social agenda. They often exerted control over editorial policies by employing only the 'cooperative' editors and dismissing those who did not follow their way of running a newspaper.

Readers of that time supported newspapers with perceptible political affiliation. They were well-aware of the owners' political ideology and the supported such ideology by buying or reading the newspaper concerned. Moreover, the political instability of China had spurred on the development of Chinese dailies in Malaya in terms of increasing both the number of Chinese daily and its readers.

Nevertheless, the contemporary Chinese dailies are different in terms of its overall structure and ownership. The corporate structure of today's newspapers are much more complex than the ownership patterns as 50 or 100 years ago. It is even difficult to define who actually "owns" or "control" a daily due to dynamic corporate practices, interlocking ownership and public listed shareholdings that involve not just a few owners, but many parties.

In the 1990s, ownership patterns of the contemporary Chinese dailies, i.e., *Nanyang Siang Pau* and *Shin Min Daily News* have been closely linked to UMNO via corporate interlocking or personal relationship. On the other hand, the owner of *Sin Chew Jit Poh* is

active in local politics in Sarawak, whilst *Kwong Wah Yit Poh* has less interface in the local political arena because it is more concerned with its social responsibility as the oldest Chinese daily in the Asian region. This chapter supports the assumption that owners exercise control and decide for editorial decisions when they have a vested interest in the operation of a newspaper. The significance of ownership upon news content will be discussed in detail in Chapter Five based on content analysis.

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