

INSTITUTE OF CURRENT WORLD AFFAIRS

ARD-18
Macao: Gunboat Diplomacy

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Hong Kong

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Dear Mr. Nolte,

An English diplomat of many years experience in China wrote in 1938 as follows:

"From time to time, following some incident, the Chinese become worked up about Macao and agitate for its rendition. But these recurrent storms blow over, and Macao, and its administrators, and the ancient gunboat representing the might and majesty of Portugal, relapse again into their quiet slumber."

As a short commentary on the history of Macao's relationship with China, related in my last Newsletter, Sir Eric Teichman's words have much to commend them. At first sight, they might also seem to have prophesied the events of late 1966 and early 1967, especially as these were described in the main Western newspapers. Indeed, in the long run, when the ever changing flames of the Great Proletarian Cultural Revolution have ceased to dazzle the observer, this may be judged to be the outcome. At present, however, the situation seems very different; although rendition was not the result of the riots and their aftermath, Macao seems to have returned for the present to a status that would in some ways be more familiar to a resident of the seventeenth or eighteenth centuries than to one of Teichman's generation.

Since I first started to write this Newsletter, to be pleasantly interrupted by a conference on Chinese law in Bermuda, a more serious though in some ways similar series of disturbances has erupted in Hong Kong, unfortunately, from the point of view of an observer at least, during my absence. Hong Kong's troubles will demand my attention on other occasions, but for present purposes it is worth noting that recent developments in the British colony have thrown some further light on much that was obscure in the events of last winter in Macao. At the same time, it seems that some understanding of what happened in Macao is a prerequisite to any interpretation of events in Hong Kong.

Perhaps the most important hypothesis - a trite but previously untested one - which was apparently confirmed by the Macao affair is that China, even at a time of internal confusion, when policies seemed to be in the melting pot, and even at a time when the territory could have been retaken for the price of a telephone call, was evidently determined to maintain Portuguese presence in Macao, and was possibly prepared, indeed, to prevent the Portuguese from leaving. The lesson for Hong Kong was an obvious one, and the hypothesis seems to be confirmed by all that has happened since. A corollary to this, which has caused most confusion among foreign commentators, is the question, who started the disturbances, how, and why? Beneath the generally accepted observation that the troubles in both Hong Kong and Macao are a reflexion of the enormous upheavals of the Cultural Revolution in China itself, lie a number of interpretations which suggest answers to these questions. In treating these matters at some length, I shall advance some of these interpretations, fully aware both of the incompleteness of my information on some points, and of the possibly conflicting nature of some of my conclusions, in the belief that an exploration of the possibilities is likely to be more interesting than an attempt at a final statement.

There was strong evidence at the very outset that the Macao riots were not started simply by the local equivalents of the Red Guards who had already played such an important part in the Cultural Revolution, as an extension of that movement to Macao. Although young pro-leftist enthusiasts unquestionably provided much of the "mass" element in the demonstrations and rioting, it seems, paradoxically, that the early stages of the affair were to a large extent engineered by the very group within the Macao left-wing who would appear to have had most to lose by the extension of the Cultural Revolution to the territory - the important class of businessmen who traded with and on behalf of China, capitalists in the service of communism, which was led and in some ways typified by Mr. Ho Yin (see ARD-17).

How such a paradoxical situation could have come about must be explained by reference to a number of factors, some of which must be deduced from what we know of the political situation in China, and more especially in Kwangtung Province, during the latter part of last year. It is probably still impossible for anyone outside China to plot with real accuracy the course of the Cultural Revolution in Kwangtung. As with other parts of the country, the struggle against bourgeois influences was well under way by the autumn of last year, though proximity

to Hong Kong and the extent of overseas Chinese influence in the province gave the campaign a special edge. Red Guard groups were formed in Canton soon after they appeared in Peking, and tales gradually reached Hong Kong of fights between rival groups of these Guards. The attack on "economism" and bourgeois habits had an important effect on the foreign exchange procurement system which centres on Hong Kong and Macao. The overseas Chinese remittance system had been endangered, and had without doubt suffered grave losses, from the assault by the "revolutionary rebels" on the privileges of overseas Chinese and their dependents in China - privileges relating largely to housing, rationing, and special shopping and banking facilities.

It is difficult to assess the exact stance vis-a-vis the Cultural Revolution of the Kwangtung Provincial Government at this time. By the end of December 1966 (when the worst of the rioting in Macao had already taken place) there had occurred an event of profound significance for many of the officials of Kwangtung - the Maoist attack on Mr. T'ao Chu. Mr. T'ao had long been the central figure in the political life of Kwangtung, and as First Secretary of the Central-South Bureau of the Chinese Communist Party he had continued to reside in Canton even after becoming a Vice-Premier of the State Council in 1965. Many of the Party and State officials of the Province had been associated with him for many years, and it is clear that the leading left-wing businessmen of Macao, Mr. Ho in particular, must have had close ties with this circle in Canton.

The attack on Mr. T'ao came as a surprise to the outside world, for he had earlier been a leading proponent of the Cultural Revolution, and indeed he had been put in charge of the movement's propaganda aspects. Nonetheless, it may well be that the likelihood of an attack on him was already appreciated by the leftists in Macao in October or November, though this is a matter of conjecture. Certainly, severe criticism had been levelled against senior officials in Kwangtung some weeks earlier for their commercial relations with Hong Kong and Macao, for investing in property in the two places, and for hoarding gold. Mr. Ku Ta-tsun, an important Party figure in Kwangtung, had died of an illness in early November, possibly under the stress of criticism, which must further have disrupted the sense of security of the leadership in Canton. Whether the attack on Mr. T'ao was foreseen or not, it must have been abundantly clear to many senior officials in Kwangtung, as they watched the Cultural Revolution unfold in the early autumn, that their positions were in some danger.

What were the implications for the Communists and their sympathisers in Macao? Clearly for the leaders, a political change in Canton would menace the network of relationships which had been built up over the years, to the great profit of the left-wing business community, and possibly also of some of the officials in Canton itself. Indeed, if the tenets of the Cultural Revolution were to be taken seriously, the whole pattern of trade between China, Hong Kong and Macao might be upset, and Macao itself might even be taken back by China.

An alternative, perhaps complementary, threat arose from the influence of the Cultural Revolution on the rank and file leftists in Macao, which could only be inimical to the interests of the decidedly bourgeois left-wing merchants. One can only guess at the way in which the left-wing organizations had adopted the revolutionary line which poured ceaselessly from the Mainland and local press. Strictly, of course, the Cultural Revolution could make little sense in Macao, where the Communist Party was not in control of the state power, indeed where Party members were fairly thin on the ground. For the majority of leftists, though, organized in their trade unions, schools, kaifong (neighbourhood) associations and other groups, it would not be difficult to find a "black gang taking the capitalist road" in the Macao General Chinese Chamber of Commerce.

It is difficult to find out much about the left wing in Macao at the mass level. True, it has always been known that certain organizations are left wing in their sympathies, but the nature as well as the size of their membership has always been very uncertain. Commonly, people aligned themselves with more than one faction in Macao, both because support or protection from different quarters might suit their varying needs, and in order to hedge their political bets. Thus even a newly arrived refugee from China, having registered with a Catholic relief organization to cover his immediate need for shelter, food and clothing, might obtain a job through a Nationalist trade union or a Portuguese Government agency. At the same time he might join one of the left-wing trade unions; besides being more effective as unions, they could afford him better security in case of trouble with the police or other authorities. Moreover, while he was probably seeking a means of entry into Hong Kong - legal or illegal - through channels which would more than likely be Nationalist in sympathy, his political future, should he have to stay in Macao, was a little rosier as a leftist.

It is difficult, then, to measure real enthusiasm for the Cultural Revolution among the adult population. Once the disturbances began in earnest, and the leftists began to look like winning, the majority understandably showed their leftist colours, though it is perhaps significant that it was well after the riots that huge queues began to form outside the main bookshop where the little red book of "Quotations from Chairman Mao Tse-tung" was on sale. Among the students and people of school age, the position was probably very different. As proved to be the case in Hong Kong, students of the left wing schools turned out to be vociferous Maoists, and many youths outside these schools were also heavily committed, presumably by membership of youth groups. I remember being puzzled by the cold, even hostile reception I got from the young assistants in a shop where I was known when I visited Macao last October; in sharp contrast to the friendliness they had shown a few weeks previously, and were to show again in early January, they could barely tear themselves away from their newspapers to tell me when the owner would return. My companion, a Chinese from Hong Kong, was sure that some sort of campaign was afoot, and he proved to be right. Of course, in Macao, where the Portuguese administration has never commanded either the respect or the affection of the Chinese inhabitants, anti-Portuguese and general anti-foreign feeling is probably not difficult to arouse.

Whatever the numbers involved on the leftist side, there is little doubt that by the time the disturbances were started there was, potentially at least, a factional split in the leadership of the left-wing. (I hesitate to say "communist leadership", as it has always been doubtful whether many leftists in Macao are members, let alone cadres, of the Party - the number would almost certainly be very small). In a rough sense the split was probably along lines of economic interest, with Mr. Ho and his colleagues in the Chinese Chamber of Commerce ranged on one side, defending themselves against a Maoist or "revolutionary rebel" element, organized, perhaps under the wing of Cultural Revolutionary groups in China, by leaders of the working class, together with teachers and students. However, it must be remembered that Mr. Ho (and the same goes for some of his colleagues) had connexions, not strictly political in character, which would have preempted the loyalties of many of the rank and file, for much of his influence in the community sprang from his control of the underworld and his understandings with the still not unimportant triad societies.

It would seem, then, that the leftist establishment, more particularly Mr. Ho, had plausible reasons for making some attempt to regain, or at least consolidate, their leadership of the left wing in Macao, together with their undisputed right to act as spokesmen for the Chinese Government. Clearly a gesture was needed which would establish beyond doubt the revolutionary ardour of Mr. Ho and his colleagues in the eyes both of the up and coming Maoists in China and of the would-be "revolutionary rebels" of Macao.

In the long run, judged by these requirements, the disturbances failed miserably. In part at least this was due to another, quite separate motive which Mr. Ho entertained at the time, having to do with his relations with the Portuguese authorities. It appears (from two entirely separate and very reliable sources) that at the same time as he was facing a challenge within the left wing, Mr. Ho felt that his influential position with the Macao Government was seriously endangered.

Among his many commercial interests Mr. Ho has a controlling share in the company which operates Macao's only commercial radio station, Radio Villa Verde. Some three or four years ago a contract was concluded by the Macao Government with a Canadian company for the establishment by the latter of a second station. It is believed that the Canadian company was in fact owned by Hawaiian Chinese interests, certainly its Hong Kong office, set up to collect advertising in advance of opening, was in a Hawaiian-owned building. It was the view of Mr. Ho that the real purpose of the station was to be a cover for a powerful listening post for the C.I.A. on China's doorstep. (One of my informants shared this view, while the other denied it; if there is any substance in it, it would seem likely that the Nationalists, rather than the C.I.A., might well be behind it.) Mr. Ho also represented this to be the view of the Chinese authorities, and perhaps partly for this reason, but also without doubt because of his close personal relationship with the Governor, Colonel Antonio Lopes dos Santos, he was successful in having the project shelved for a considerable length of time. During the first half of 1966, however, the question was taken up in Lisbon by the aggrieved company; according to one of my informants, diplomatic pressure was applied at a very high level; according to the other, the pressure was supplemented by agreeably large sums of money. At all events, in July 1966 Colonel Lopes dos Santos was recalled to Lisbon at very short notice, considerably earlier than most people in Macao had expected, (though it was said that he had asked some time earlier to leave). No successor was

appointed immediately, giving the impression that the recall was somewhat hasty. Responsibility for the Government was entrusted to Colonel Carlos de Mota Cerveira, the commandant of the local garrison. It is said that there was already a marked antipathy between Mr. Ho and the former Governor's subordinates, as might indeed have been expected in the circumstances. In any case, it became clear to the latter that he might suffer a defeat over the issue of the radio station, a defeat, be it noted, that would represent much more than a mere setback to his business interests; his whole standing, his "face" in the eyes both of the local left wing and of his own private organization was at risk.

Trouble first broke out, a couple of weeks before the arrival of the new Governor, on Taipa Island, one of two small islands - its area is 2 square miles - which form part of Macao. The island supports a largely rural community, with a correspondingly loose-knit Portuguese civil administration. It appears that a leftist kaifong association on Taipa planned to rebuild or extend its primary school. Without waiting for permission from the Public Works Bureau, the association's workmen began demolition operations. I understand that it would not be at all unusual for building operations to precede the issue of a permit in urban Macao, but, whether because they were not used to the ways of the city, or for other reasons, the rural administration objected, and on 15th November some policemen were sent to stop work on the site. When the labourers threatened to beat them up, a company of riot police were sent to the island, where they fought about a hundred workers for some time. Exactly what took place is difficult to establish. Official accounts merely stated that five people, trade unionists and kaifong members, had been arrested, and over ten policemen had been injured. Left wing accounts told of the police herding many of the rioters and demonstrators into a room in the building and systematically beating them up with rubber truncheons. People with experience of Macao affairs see no difficulty in accepting the leftist claim. More than twenty people were sent to the left wing Kiang Wu Hospital, and a subsequent Radio Peking broadcast said that forty "unarmed people" had been injured, ten of them seriously, including workers, farmers, teachers, nurses, old people and children. Whether the whole incident was planned or not, the Portuguese authorities had played into the hands of the leftists in a fairly predictable way.

There was no further violence on the island, and the authorities, in the person of Lieutenant-Colonel Octavio Figueiredo, the Police Commandant, expressed confidence that the trouble would die down after inquiries had been made, while attacking the press for "irresponsible reporting". Next day, the Taipa Kaifong Association presented the following five demands for the settlement of the affair: (1) Major Antunes, Assistant Commandant of Police, and Senhor Andrade, District Officer of the island, were to be dismissed and punished for their part in the incident; (2) the Macao Government was to make a public apology for the incident; (3) all police truncheons were to be burnt; (4) compensation was to be paid to persons wounded or disabled in the incident; (5) the Government was to give an undertaking that Chinese residents would not be assaulted again.

The Portuguese authorities seem to have done nothing about the demands, perhaps awaiting the arrival of the new Governor. In the immediate short term, their confidence that peace would return was justified, for reasons that are not difficult to unearth. During the week of 18th - 24th November there took place the most important event of the Macao calendar - the annual Grand Prix. In conformity with all expectations, steamers and hydrofoils from Hong Kong, as well as hotels, restaurants, casinos, shops and taxis, not to mention the Canidrome, or dog-racing track, were all crowded to overflowing with the Hong Kong sporting public. Everyone in Macao, from the hawkers to the casino syndicate, does well out of the Grand Prix, but no single person stands to gain such a large proportion of the takings of all this extra business as Mr. Ho.

During this week, little was heard of the Taipa affair. On Friday 25th November, the new Governor, Brigadier Jose Nobre de Carvalho, arrived in Macao by hydrofoil from Hong Kong. After a formal welcome, with guards of honour and a nineteen-gun salute, he drove to the old Leal Senado building, where he made a speech (which must have been prepared before he conferred with local officials). I have been unable to obtain a text of the speech, which was only briefly reported. The press was particularly struck by his saying that "the actions of those who - moved by interests that are foreign to the higher interests of Macao - try to disturb and prejudice the life of Macao and its population and the friendly, good-neighbourly relations established over the centuries" would not be tolerated. "Periods of decline registered in Macao", he went on, "have always resulted from interference by foreign interests", and

such interference would have to be reduced or eliminated. However, he also made a point which had a special significance for Mr. Ho - that the Macao Government would be meticulous in honouring its contractual obligations - apparently a reference to the commercial radio concession.

The response to these challenges did not come until the following Wednesday, 30th November, when a group consisting largely of teenagers but also including adult men and women went to Government House and staged a demonstration in Red Guard style to protest over the Taipa incident and to advance the five demands of the Taipa Kaifong Association. Red books of Chairman Mao's thought were brandished and whole chapters were read aloud in unison by small groups who penetrated the corridors of the building (which is a public office; the Governor resides elsewhere). Left wing newsmen took photographs of the scene, while their right wing colleagues who attempted to do the same were threatened with violence. Then suddenly, after about three hours, the demonstrators left. That evening, Radio Peking gave its first broadcast account of the Taipa incident, declaring that "the Portuguese authorities have remained insolent and unreasonable, and have delayed their reply to the Chinese community's serious demands". The Peking People's Daily gave a similar account next day.

On 1st December the Portuguese celebrate a national holiday, commemorating the restoration of national independence in 1640. Curiously enough there were no demonstrations, perhaps because it was supposed that none of the Government officials would be at work. On 2nd December, however, the "read-in" was resumed vigorously by successive waves of demonstrators - women, bus company workers, and children. The scene in the halls of the elegant building was described by an onlooker as "chaotic", but there was no violence except against the non-leftist press, and, not surprisingly, in view of the extraordinarily poor relationship of the Macao Government and the press, the reporters seem to have attracted little sympathy from the police.

That night the Governor made an announcement about the "sad incident" on Taipa Island; a commission of inquiry would be established under the presidency of a district court judge, and further proceedings could be started on the basis of the commission's findings. At the same time, steps were being taken to grant immediate permission for the erection of the school building, while the Public Welfare Bureau was investigating any families which needed assistance as a result of the incident.

Despite - or perhaps because of - the conciliatory tone of the statement (the leftists never accepted the proposal for an inquiry) the demonstrations the next day were a little more aggressive, with groups of demonstrators forcing their way into Government House. Policemen inside moved some of them out (with how much force is disputed) whereupon the crowd outside quickly became a violent mob, overturning a police vehicle, beating two foreign correspondents and throwing their cameras into the harbour opposite. While part of the mob stayed there, other groups of rioters detached themselves, and, gathering reinforcements as they went, roamed various parts of the city, stoning public buildings, attacking non-Chinese people and wrecking vehicles. The mob failed to gain entry to the Administration Building, the Police Headquarters or the Post Office, but the old Leal Senado building suffered great damage, rare old books and priceless archives dating back to the seventeenth century being hurled into the street together with furniture from the library. The Holy House of Mercy (founded about 1570) was ransacked, and the statute of the nineteenth century hero Colonel Mesquita (see ARD-17) was knocked off its pedestal in the main square, in what was clearly intended to be an assault on Portuguese pride as well as property.

While the police and army battled with the rioters, until a curfew was imposed at 6 p.m., a meeting was called at Government House. Among its first acts was the suspension of Major Antunes and Senhor Andrade, together with an announcement that as from 1st January (a month ahead) the police would cease to carry truncheons. It was also said that urgent meetings would be held with representatives of the Chinese Chamber of Commerce. Meanwhile, Mr. Ho broadcast an appeal to the population to remain calm, saying that a solution to the Taipa problem would be sought by negotiation. This did not prevent the rioting from flaring up again next morning almost as soon as the curfew was lifted, and continuing until it was reimposed at 3 p.m. Mr. Ho, asked by the Governor to mediate, drove over the border to Shekki, while the Governor publicly "assumed responsibility for attending to the demands of the inhabitants of Taipa". Meanwhile the ominous sound of gunfire was heard from a nearby Chinese firing range, and at the same time, the one or two Chinese gunboats normally to be seen patrolling off Macao were joined a couple of miles offshore by several others, presumably gestures of support by the Chinese Government.

In the streets, Portugal had shown a less conciliatory mood. The authorities seem at first to have instructed the police to avoid the use of firearms in suppressing the riots, and the police confronted the mob armed only with batons and rattan shields. When the Police Headquarters was attacked, tear gas was used, and one reporter said that he heard shots. The Portuguese soldiers, once called out, certainly fired over the heads of the rioters, and may have killed some people. On the other hand, it was asserted by a Hong Kong correspondent who watched the rioting from a high building that two Chinese snipers in another building had been responsible for some of the shooting. The real responsibility for the deaths and injuries which occurred from shooting may never be known. Immediately after the riots the figures for casualties were put by the Government at eight dead and 123 injured; the leftists put them variously as 9 dead and 225 wounded (Macao Federation of Trade Unions) and "at least 244 killed or injured" (Ao-men Jih-pao, the leading left wing newspaper). The figures finally agreed by both sides were 8 killed, 212 injured, and 61 arrested.

All observers were agreed that that the deaths had a profound effect on public opinion in the Chinese community. Despite the fact that one of the dead was a policeman beaten to death by the mob, the immediate sympathy of the majority of the population was with the rioters. In part this may be ascribed to the latent dislike - perhaps hatred is not too strong a word - felt by the Chinese in Macao for their Portuguese overlords, especially for the notoriously corrupt and brutal police force, a hostility which appears to have been relatively much stronger than the latent antipathy felt towards the British in Hong Kong. A further reason for the lack of support for the Government in the days to come, however, was undoubtedly the total failure of the authorities to manipulate the organs of public opinion effectively - in line, apparently, with the policy to which I referred in my previous Newsletter. The Government appeared to regard the foreign press in particular as its enemies (the correspondent of the London Times was eventually barred from entering Macao), thereby doing itself a bad service. So, while the Governor had given in to most of the demands of the Taipa residents as soon as the violence flared up, it is doubtful if the population knew about it, and the field was left open to the left wing press to put the situation to its own uses.

The indications that the riots were carefully prepared did not stop at the allegation that snipers were operating. Leaders were seen rushing from place to place on motorcycles, giving directions to the mob. Even before any violence began, fully equipped ambulances and first aid teams from the Kiang Wu Hospital were seen, apparently prepared to receive casualties, at strategic spots. The police apparently suspected the participation of non-leftist, underworld figures, for they rounded up and detained over a hundred triad society members immediately after the riots, holding them in custody until the violence subsided.

After the 4th December, there was no more rioting, and the eighteen-hour curfews produced an uneasy calm in the city. The curfews were strictly enforced by the police and army, which patrolled the streets in force with armoured cars, allowing people out for only a few hours each day to besiege the food shops. On 5th December the Macao Chinese Students' Federation put forward a set of five demands to supplement those of the inhabitants of Taipa. They were: (1) The demands of the Taipa residents were to be accepted and implemented; (2) Lieutenant-Colonel Figueiredo was to be punished for the riots on 3rd December; (3) there must be an undertaking by the Government that firearms would not be used again on Chinese residents; (4) victims of the riots must be compensated for all losses; (5) the Government must undertake that there would be no more suppression of the Chinese in Macao. These were reiterated next day by the leaders of eighteen other leftist associations, and were almost immediately accepted by the Governor, with the exception of the second demand for the punishment of the Police Commandant. While these acceptances by the Governor were broadcast on the Government radio and also on Radio Villa Verde, the left wing press in both Macao and Hong Kong ignored them altogether. Meanwhile in Lisbon, at the other extreme, all news of the riots had been suppressed, and the Government spokesman, having for thirty-six hours denied all knowledge of them other than what had appeared in the press, said: "There are a few internal disturbances in Macao, which the Governor is busy ironing out. We are watching developments closely."

It seems that behind the screen of protests in their newspapers, the leftist leaders also were already in some disarray. It was to become clear some days later that Mr. Ho had already lost control of the course of events, and it seems likely that his rivals, the leaders of the mass organizations, having cooperated in starting the riots, now took the matter out of his hands.

It was perhaps for this reason that the Chinese Government began to play a more active part in the affairs of Macao towards the end of the week. There was a distinct feeling in Macao at the time (much encouraged by the Government) that China did not want to become involved in the issue directly, though to be at all realistic such a view would have to be qualified in one important sense; in the circumstances of the Cultural Revolution at that time it was (as it is now) by no means clear whether there was a unified source of official policy in either Peking or Canton such that one could speak with confidence of "Chinese policy". It would perhaps be more accurate to say that a policy of minimal intervention was followed at first, and that this underwent some change about 8th December. On that day there was a big Red Guard rally in Canton, attended by several senior officials including the Vice-Governor and one of the Secretaries of the Provincial Party Committee, at which the Portuguese were roundly denounced. Broadcasts were made in a similar vein. There were also reports of reinforcements of the troops along the border, accompanied once more by sounds of gunfire. The gunboat flotilla moved closer inshore, hovering at the very edge of what as a matter of practice are usually regarded as Macao waters. (The legal position is probably different; see ARD-17). On two days, 8th and 9th December, a pair of gunboats sailed right up into the inner harbour, implying Chinese refusal to recognize that Macao's waters were under Portuguese jurisdiction. At the same time, there was no hint of a cessation in the flow of supplies from the mainland, and the frontier remained open, as it had been throughout the riots, while boats freely came down to Macao with goods from Canton.

At the Canton rally, or shortly afterwards, a further set of demands was put forward, by the Director of the Foreign Affairs Bureau of the Kwangtung Provincial Government, thus for the first time turning the affair into an international issue. The Director's demands, made in the name of the Chinese Government, were made public in Macao on 10th December. They were as follows: the Portuguese authorities must (1) immediately and unconditionally accept the demands of the Taipa residents, put forward on 18th November; (2) immediately and unconditionally accept the demands of the Macao Chinese Students' Federation, put forward on 5th December; (3) immediately offer apologies for all its mistakes to all Chinese residents, and punish the Commander of the Armed Forces, the Commandant and Assistant Commandant of the Police, and the District Officer of Taipa; (4) effectively guarantee

that no Kuomintang (Nationalist) agents would ever be allowed to operate in Macao thereafter, and immediately return seven Kuomintang agents taken by Macao after a Portuguese gunboat had intruded into Chinese waters in June 1963.

There seem to be a number of possible reasons for Chinese intervention at this stage. In the first place, of course, as must have been apparent to those who planned the disturbances in Macao, no violent protest movement against the colonial authorities, made in the name of communism and invoking the thought of Chairman Mao, could fail to draw a certain degree of support, however unenthusiastic, from the Chinese Government. It would be unthinkable, for obvious reasons of both international and domestic posture, to disown or ignore such movements. Accordingly the flag had to be shown in the Macao affair, though whether the degree of support given was by China's choice, or was dictated by circumstances, is open to question. Clearly, whoever might be in control of events in China would wish to exercise some degree of control over developments in Macao. The course of events there, the campaign against the Portuguese, and the split in the ranks of the leftists very probably looked to mainland observers as though they would get completely out of hand. If this were the case, China's policy makers would have no choice but to intervene in both the anti-Portuguese struggle and the party dispute.

More positively, the whole affair, provided it did not get out of hand but was skilfully managed in such a way as to give the "broad masses" in Macao ample opportunity to harass the Portuguese, could do much to rebut the charges made by other Communist parties that colonialism was being tolerated by China on its very doorstep, thus reducing the risk of China suffering the kind of embarrassment she felt at the World Peace Congress in Helsinki in 1965. Indeed, it is conceivable that with this motive in mind some sections of the Chinese Government might have supported the Macao disturbances in advance, though this is in my view rather unlikely, and not supported by any evidence. However, once the riots had started, this consideration would clearly demand control over the results.

A further clue to Chinese intervention may be seen in the demand that all Nationalist agents should be suppressed, and those in Portuguese custody surrendered.*

* In 1963 seven men were taken off a junk by the Portuguese marine police and had been in custody ever since, without trial, on charges of illegal possession of arms. At the

In my last Newsletter I noted the considerable embarrassment caused to China by the activities of Nationalists, both overt and covert, in Macao, suggesting that the nuisance was only tolerated because of the benefits accruing from Macao's continued independent existence - benefits which may indeed be measured by the extent of the nuisance suffered. Whether or not Nationalist activity had increased significantly since the beginning of the Cultural Revolution, or whether the Chinese authority feared such an increase, is uncertain. It is hardly surprising, though, that once the trouble in Macao reached a point where Chinese intervention became desirable, the opportunity was taken to strike a blow at Nationalist activity there.

According to my own interpretation of the likely policies involved, the Chinese authorities were not merely slow to intervene; the whole situation had been brought about without their approval, and possibly without their knowledge. It may be that some minor disturbance had been authorized, but, while the encouragement or approval of the Maoist faction cannot be ruled out, the administrative authorities seem to have been very cool towards the Macao left wing. It is significant that Mr. Ch'en Yi, the Foreign Minister and a Vice-Premier, made a statement to a Brazilian visitor at about this time (the exact date is uncertain, but it was released on 11th December, after the visitor had left China) in these terms: "First, we must resolve the most important question, Taiwan. Then, at the opportune moment, we will claim Macao and Hong Kong, today referred to by the Red Guards as the vacation land of the imperialists". The statement seems to have been designed to make it quite clear not only that China did not propose to reclaim Hong Kong or Macao in the near future, but that the question would not even arise until the major foreign policy objective of regaining Taiwan had been fulfilled - logically enough. It was the first time, to my knowledge, that a timetable had been laid down for the two questions in this way.

The first effect of the Chinese intervention seems to have been to make the left wing organize itself for negotiations, possibly under mainland instructions. After the Canton rally on 8th December, Mr. Chan Chik-san, a director of the Chinese Chamber of Commerce, urged publicly that a special mission be formed to go to Canton for negotiations between China and Portugal. He added, for good

time of the arrest, the junk was fleeing towards Macao from China, hotly pursued by a Chinese vessel from which small arms fire was coming. An eighth man jumped into the water and was captured by the Chinese boat; next day he was put on public trial on Lanna Island, which faces Macao,

measure, that the demands of the Taipa residents had been too lenient. Mr. Ho echoed these sentiments at a meeting called shortly afterwards to protest against the curfews used to "suppress the masses", and he called a larger meeting of representatives of left wing organizations to "consolidate demands" and to determine the amount of compensation payable. It appears that agreement was not reached on all these issues, for they were still being discussed weeks later, but as a result of this meeting a committee of thirteen members was formed, representing various left wing groups, to conduct the negotiations. A new set of six demands was also issued by the meeting, which were as follows: the Government must (1) severely punish the Army Commander, the Police Commandant, the Assistant Police Commandant, and the District Officer of Taipa Island, and dismiss and investigate all the trouble-makers who caused the riots; (2) impose no more curfews, stop all persecution of Chinese residents, and give Chinese residents the utmost protection; (3) compensate all those who suffered from the riots, pay the funeral expenses of those killed and pay "condolence money" to their families, and allow the funerals to take place without any interference; (4) immediately release all those arrested during the riots and provide a full list of all casualties; (5) accept the five demands of the residents of Taipa Island, and the five demands of the Macao Chinese Students' Federation; (6) apologise to all Chinese residents in Macao over the radio and in the newspapers for what had happened, sign a statement of regret, and guarantee that no more such incidents will occur. In addition there were at least two other demands which were apparently put forward by some of those present, but were not adopted officially - one being that statues wrecked during the riots must not be repaired or rebuilt, and the other that a memorial must be built for those who were killed. The appearance of these demands after the official ones had been made in Canton suggests very strongly that the left-ist leaders had not previously been acting under the directions of the Chinese authorities.

On the 12th December, Radio Peking repeated the demands made by the Foreign Affairs Bureau in Canton, making it quite clear that they enjoyed the full support of the highest authorities. It was generally thought by the Portuguese in Macao that Lisbon would find such humiliating terms impossible to accept. To their surprise, however, the Governor issued a statement late that night to the effect that the Portuguese authorities were prepared to "accept all demands" made on them. The Governor is reported to have said: "It has long been the main concern of the Government to maintain and develop Sino-Portuguese

friendship and foster the mutual understanding developed over the centuries. Therefore, in accordance with the wishes of the Macao residents, the Government has resolved to accept fully the demands put forward by the Foreign Affairs Bureau of the Kwangtung Provincial Government". The statement was made, in Portuguese only, on the Government radio at about midnight, and was heard by very few people. It was some time before the position became at all clear, Macao and Lisbon seeming to vie with each other in evasiveness. It may be that the acceptance was meant to be a qualified one (the sense in which both the Macao leftists and the Chinese authorities seem at first to have understood it), for in Lisbon the spokesman referred to partial acceptance, and in Macao a Government official refused two days later to say which demands were accepted, which were being negotiated, and which were rejected. In Lisbon it was even said that "the demands were not made by Communist China, with whom we have always maintained the friendliest relations, but by part of the Chinese community of Macao", though this statement was withdrawn shortly afterwards.

The Hong Kong left wing press reported that the Macao Government had accepted all the demands of both the Kwangtung Government and the Macao leftists, but the press in Macao and in China ignored the acceptance for some days, presumably because it was not felt to be unconditional; meanwhile they reiterated the various sets of demands. At length, on 21st December, the Hsinhua News Agency in Peking issued a statement that the Portuguese had been "compelled to accept the demands of the Kwangtung Provincial Government and of the masses of Chinese compatriots in Macao", and the warning was given that "total compliance" with the demands would be required.

If the Portuguese capitulation was not very clear cut, it was nonetheless plain enough for all to understand. The Portuguese authorities, having scarcely reacted at all to the Taipa incident, and having reacted with what appeared, at any rate, to be too great a show of ill-directed force when the demonstrations turned to rioting, apparently decided that once the Chinese Government had made it clear that it supported the leftists in Macao, it was useless to resist further. Their capitulation caused a great deal of adverse comment in Hong Kong at the time, many people feeling that they had a better bargaining position than they seemed to have allowed for. Doubtless the Government felt that with a garrison of less than a thousand troops (who, like the police, had very little expertise in riot control), with the apparent threat of forcible intervention from outside, and with a striking absence of popular support, there was no realistic alternative. However, it seems likely that the Portuguese had no adequate appreciation of the value of Macao in China's eyes.

Sir Alexander Grantham, a former Governor of Hong Kong, commented in his memoirs on the fact that the Macao Government had "better liaison or side-door contacts" with the Chinese authorities than its Hong Kong counterpart, a circumstance which he attributed to Latin subtlety as against Anglo-Saxon rigidity and aloofness. In the situation last winter, however, it seems as though these contacts, of whom Mr. Ho was by far the most important, may well have done the Portuguese Government a disservice by impressing them too easily with an exaggerated and inaccurate view of China's involvement in the whole affair. It is certainly true that in the days immediately following the riots Mr. Ho's personal negotiating position was very strong. So strong, indeed, that at one point, according to one of my informants - and this is now a matter of common knowledge in Macao and Hong Kong - the Governor told him that the Portuguese would be more than willing to surrender permanently, provided (1) that they were requested to go by China, so that no embarrassing precedent was created in respect of other Portuguese possessions, and (2) that they were given a reasonable time, say three months, to withdraw. It appears that Mr. Ho went to China with this news of what might have been his biggest deal, only to be met with a cold rebuke.

I am unable to discover the precise date of this faux pas, but it seems that it happened just before the Portuguese announced acceptance of all demands made on them on the 12th December. When the committee of 130 representatives met on the 10th to "consolidate demands", Mr. Ho was still playing a leading part, it seems. However, Mr. Leung Pui, Chairman of the Macao Federation of Trade Unions, was already much in evidence by the 12th, and rumours began to circulate that he had been appointed by Canton to lead the negotiating committee of 13 leftist leaders. Mr. Ho was already losing control in Macao, and it seems likely that he must already have lost the support of the Foreign Affairs Bureau in Canton.

After the Portuguese had made their public "submission", the affair was not settled for a further 45 days. This delay was attributed by the leftists to Portuguese "trickery" and deviousness, and it is true that there was a good deal of argument about the terms of the final documents that were drawn up. The delay is also, at least in part, attributable to the disarray of the leftists themselves. In the first place, apart from the rivalries of different factions and their leaders, there is some doubt whether they really knew or could easily agree on what they wanted out of the Portuguese authorities, once Mr. Ho's rebuff had demonstrated - to the surprise,

perhaps, of some of the leftists - that rendition of Macao was unacceptable to China. Short of such rendition, their plans do not seem to have been very mature, though it seems that side by side with the demands they jointly put forward on 10th December, some of them at least already cherished the intention of bringing about just the sort of unofficial takeover of those aspects of the settlement's life which they in fact subsequently achieved.

As soon as the implications of Mr. Ho's rebuff at the hands of the Chinese authorities became clear to his rivals in the left wing, they brought the leadership dispute to a head by neatly disowning him. When the Governor invited the committee of 13 to come to Government House for negotiations on the 15th December, he was met with a refusal on the ground that the invitation was not in writing. A second, written, message was also refused on the ground that it was not unconditional and was in the name of the Governor's secretary and not of the Governor himself. Finally, when it was expected that the amended invitation was to be taken up, Mr. Ho and his associate from the Chamber of Commerce, Mr. Rocque Choi, went to the Governor, only to find, to their embarrassment, that they were not joined by the other members of the committee, making their isolation and lack of support public. News of this humiliation spread at once, and by next day it was generally known in the city that Mr. Ho had lost all political influence and significance - with the left wing, with China, and with the Portuguese. Perhaps even more important, from his own point of view, this loss of influence immediately toppled him from his position of paramountcy in the Macao underworld, with incalculable results for the stability of many sectors of Macao life.

As Mr. Ho's star fell, Mr. Leung's star rose, so that he was generally believed to be supreme among the leftists for a while. A trade union leader, his influence was based on the mass organizations, with their new, Red Guard-like consciousness of power. Under his leadership they were already busy consolidating their spectacular moral victory over the Portuguese. In the last two weeks of December no less than 62 indoor rallies were held by leftist groups, as well as a host of smaller meetings, all designed, we may suppose, to strengthen the discipline of the mass organizations and the support for their leadership.

The Chinese authorities were not prepared to see the dispute resolve itself in this way, however. At their instance, a new and powerful figure emerged from the shadows to become the publicly acknowledged spokesman

for China in the negotiations, and as such to exercise control over the left wing. It appears that Mr. Ko Chen-ping, Managing Director of the Nam Kwong Trading Company, had for a long time past been the most senior representative of the Chinese authorities in Macao (this information about his background was not available to me when I wrote my last Newsletter), and it seems that Mr. Ho had always had to take instructions from him. Described as a brilliant executive, his public function was the management of a company owned by the Chinese Government which acts as the agency in Macao of the various Chinese national import and export corporations. In this capacity he was, of course, a paid official rather than a capitalist like Mr. Ho. His political functions had always been exercised in as discreet a way as possible, and it was doubtless irritating both to him and to his superiors in China that he had to be brought into the open to act as arbiter between the two leftist factions.

Mr. Ko's position as representative of China was highly significant. In the first place it suggested that whoever was in charge of the Macao affair in China did not regard Mr. Leung, presumably a Maoist element in the local leadership, as an adequate or desirable representative of China's interests, pointing to a possible divergence of Chinese and local interests to which I shall refer later. It appears to have confirmed that China still viewed Macao as primarily of commercial and practical rather than political significance - a hint, perhaps, that here politics was still to take second place to economics. Again, it was a hint that Macao was not to be given unconditionally as a present to the local Maoists to do with it what they wanted.

As a reflexion of "Chinese" policy, of course, this is subject to my earlier caveat about attributing a single policy to China at this time - too little is known about the subject to be even reasonably sure. However, the interpretation I have just suggested accords well with what we know of the political position in Canton at about this time. In late January there was a "seizure of power" there by "revolutionary rebels", in accordance with the then current Cultural Revolution line; it appears, though, that this was in fact an operation performed under the careful supervision of the Party officials who were supposed to be deposed, and it was subsequently denounced as a sham by disillusioned Red Guards. It is also worth noting, nonetheless, that whatever the position may have been in China, the whole conduct of the Macao

affair from the Chinese side gave every appearance of a monolithic solidarity between Peking and Canton, in which the only possible clue to difficulties was the delay in reaching a settlement; but the delay could equally be attributed to the manoeuvres of the Macao leftists and the Portuguese authorities in Macao and Lisbon.

There seems to have been an important difference in the emphases given by the Chinese and the Macao leftists to various issues in the negotiations. It is noteworthy, for example, that the problem regarded as much the most urgent was that of the Nationalist presence in Macao, not one of the points raised by the indigenous leftists at all. The seven agents were handed over quite soon after the demand was made, on the 20th December. The Government Information Department denied all knowledge of the transfer, which signalled the beginning of a diplomatic campaign by the Taiwan Government which was to become highly embarrassing to the authorities in Lisbon, including as it did complaints to the United Nations that Portugal had violated the provisions of the international Convention on the Status of Refugees (1951), and ending with the recall of the Charge d'Affaires in Lisbon after the Portuguese Government had left four protest notes unanswered.

Perhaps because of the embarrassment caused in Portuguese-Taiwan relations, China pressed the issue of the liquidation of Nationalist activities with great energy, including in her demands a requirement that all organizations run by or under the auspices of the Kuomintang should be "liquidated". On this point the Portuguese seem to have had genuine grounds for fear of the possible consequences of such action on their part, for there appeared to be a real danger that the Nationalists would resist attempts to oust them with the weapons which they were thought to have in large numbers, aided perhaps by other lawless elements of the now leaderless underworld. Probably there were threats of such action. Quite apart from the possible bloodshed, the Portuguese feared creating a pretext for intervention by the People's Liberation Army, with the probability that they would be accused of collusion with the Nationalists. However, they agreed in principle to an ultimatum presented to them by Mr. Ko on 19th December, and put forward concrete plans for implementing the eviction of the Nationalists. Apart from the handing over of the seven men, negotiations went on for two weeks, significantly enough conducted on the Chinese side of the border at Kungpak, apparently without the participation of the committee of 13.

Meanwhile, amidst threats of "destruction" of the Portuguese, sent in a telegram to Dr. Salazar by a rally of 15,000 persons at Shekki, the Macao Government quietly tried to persuade the Nationalists to leave without fuss. On 1st January the police went round to the headquarters of all Nationalist organizations, giving verbal notice that the Nationalist flag was not to be flown on buildings, that all Nationalist emblems were to be removed, and that the organizations were to close down. After a second day of such visits, there was almost complete compliance, only the right wing General Workers' Union refusing to take its flag down. There were rumours that the union building was fortified, and that they would fight it out, but they also gave in at the end of the week, once the order had been incorporated into a formal decree to the effect that no foreign flags were to be flown, except by consular officials, without the Governor's special permission. Subsequently, after the Governor had called a number of leading rightists to a meeting, the various organizations closed down, among them schools, trade unions, a refugee assistance centre, and a number of other associations. Many leading right wing figures left Macao, and indeed the final Instrument of Acceptance which the Government signed at the end of January called for the expulsion of certain of them. The Ministry of Foreign Affairs in Taipei finally announced that it considered that, legally speaking, the Portuguese had surrendered control of Macao.

When the details of the final agreement between the Macao Government and the Chinese became known at the end of January, it was revealed that the Portuguese had also undertaken to hand back to the Kwangtung authorities, without being specially requested, "all persons who clandestinely enter Macao from Chinese territory". The stipulation, which caused more adverse comment abroad than perhaps any other aspect of the settlement, has been implemented by the Portuguese authorities, who have since January maintained special police patrols on the beaches to catch those who survive the hazardous crossing by boat or swimming. Between the end of January and the end of April, some seventy such persons were handed back to the Chinese authorities. However repugnant the new arrangements may seem, it is once again hardly surprising that the Chinese Government took the opportunity to halt the steady flow of refugees - often there were 200 in a month - who both damaged their international image and probably provided a certain amount of valuable information to their enemies.

The negotiations over the punishment of the Portuguese officials, on the other hand, took a very different course. In fact, as soon as the riots began, Major Antunes and Senhor Andrade, who had already been suspended, left Macao for Hong Kong and Lisbon. The Army Commander and the Police Commandant also left the territory when it became clear that their dismissal and punishment was going to be demanded, this time with the prior consent of the Chinese Government. It was reported that the Governor had informed Mr. Ko that it would be outside his competence to comply with the demands for punishment of these officers, and no doubt the Chinese appreciated that such a course of action would be impossible for Portugal to adopt. Seemingly, in fact, the Canton authorities had already provided for this difficulty; it will be remembered that the first two Chinese demands related to the acceptance of the other sets of demands, while the fourth related to Nationalist activities. The third, relating to the four officers, was logically superfluous, except insofar as it related to the Army Commander, for the punishment of the other three had already been demanded in the earlier sets of demands. It would seem that by inclusion of this demand, the Chinese authorities ensured that they would be in a position to negotiate this difficult question, any rights of the Macao leftists in the issue being, as it were, subsumed under the more important interests of Canton. The local leftists could hardly complain about a solution that was satisfactory to China, and while in fact there were some complaints that the culprits had been allowed to escape the wrath of the masses, they were quickly scotched.

In the meantime, while the Macao left wing press kept up a steady stream of comment about the Government's delay and prevarication, the leftist leaders were reported to be holding meetings to discuss the issue of compensation. The matter was only finally settled between them, it would seem, at a big meeting held on 9th January, though part of the reason for the delay may have been disagreement about apportionment of the proceeds between China and Macao. All the members of the committee of 13 were at the meeting, together with the Governor and Mr. Ko. In the Instrument of Acceptance, a sum of 2,058,420 patacas (US\$360,222; £128,651) was specified as the payment to be made by the Macao Government to "such organizations as the representatives of various circles of the Chinese residents in Macao may direct" for distribution. The payment was to cover the Macao Government's admitted liability for "consolation money" and funeral expenses in respect of those killed in the riots; medical expenses

and loss of earnings for the wounded; and all other damage - apparently including commercial losses - arising from the incident. Apparently it did not cover any payments to be made directly to the Chinese Government, though it is certain that one was made; it was rumoured to include a sum of 500,000 patacas to cover the expenses incurred in marshalling units of the People's Liberation Army to "protect" the border, and there were doubtless other items paid for.

It was reported on the 10th January that the Government had raised a loan to enable it to pay these sums, amounting to 3 million patacas. It was said to have been taken up as follows: 1.5 million from the Macao Amusement Company, 1 million from the Canidrome, and 500,000 from various wealthy citizens, in particular Mr. Ho. The loan was said to be repayable over three years from tax revenue.

After the final settlement of the affair there were doubts as to what happened to the money named in the Instrument of Acceptance. It was known that only a small proportion of the compensation payable to the families of the men killed were made available to the dependants; whether the Chinese treasury, or the coffers of the local leftists, were swelled by the rest is uncertain, but it is probable that the local organizations kept it for their own purposes.

The final obstacles to settlement appear to have concerned the language of the Governor's Instrument of Acceptance and his Statement of Regret to the Chinese residents. It seems that the Portuguese, perhaps belatedly aware that they were not without bargaining power, and reinforced now by officials sent out from Lisbon, dug their heels in and refused to accept some of the humiliating language which the local leftists thought appropriate. Already on 23rd December Mr. Leung had raised the issue at a meeting to the committee of 130, accusing Brigadier Nobre of "distorting the facts by referring to 'rioters' and calling the mass-suppressing curfews 'measures to protect life and property'". Later on there were difficulties over such expressions as "guilty" of "murder", "assassination" and "crimes". After the leftists had three times returned the Portuguese draft for rewording, they threatened, on 16th January, to institute a boycott of Portuguese officials; there would be no payment of taxes, no supply of food, gas or water to these officials, and they would not be allowed to use public transport. If necessary, too, they would demand the return of the Governor to Portugal.

The Portuguese did not capitulate to these threats. Tension rose gradually in Macao, and many people once again fled to Hong Kong. It was said the captains of several hydrofoils were standing by, ready to evacuate the cash from the casinos at short notice. The refugees included a number of Portuguese, and it was rumoured for several days that the Macao Government was preparing to evacuate altogether. It was believed in Macao that the Governor threatened to withdraw altogether from the territory rather than accept all the Chinese demands as regards the wording of the document, and it may be for this reason that two of the gunboats again sailed right up into the inner harbour on several occasions, accompanied by cheers from the watching crowds on shore.

One theory is that China meant to show that the Portuguese were physically unable to leave without the consent of the Chinese authorities - a graphic demonstration that Macao was an enclave within China. On the other hand - and this is not necessarily inconsistent with the Governor's having made such a threat - the demonstration of force, which was repeated more than once, together with the boycott which was eventually organised, may have been intended entirely for show, demonstrating the solicitude of the Chinese Government for the Chinese compatriots, as well as giving "face" to the leftists while in fact the Chinese authorities were obliging them to accept more moderate terms for the Portuguese apology.

The words eventually used in the Instrument of Acceptance seem to confirm this: while the Chinese version of the Portuguese authorities' conduct - "... sent soldiers and policemen, who opened fire..." - prevailed over the Portuguese version - "... sent soldiers and policemen, and someone opened fire...", the Portuguese did not in the end have to confess directly to "crimes"; instead, they "acknowledged that this was a grave crime on the part of the principal troublemakers". The Portuguese were also able to include a statement that they had agreed to the Chinese demands on 12th December. All in all, they could not be judged as unsuccessful in the matter of drafting the two documents in fairly reasonable terms.

In view of the moderate language eventually used, it seems that the boycott must either have been unsuccessful in forcing the Portuguese to accept a more humiliating form of words, or must have been strictly unnecessary for its stated purpose of putting pressure on the Portuguese. There are several indications that the second alternative is the correct one, and that the object of the boycott was purely propaganda, the terms of settlement having

been agreed already. Curiously enough, the boycott followed the Macao Government's statement on the 24th January that "documents of acceptance have been drafted, and as the matter is delicate, especially the four points of the Kwangtung declaration, which involved foreign policy aspects, a long time has been taken on it" - a statement which suggested that agreement had been reached at last, and one which the authorities in Canton found it necessary to counter with a "stern refutation" three days later, when the boycott was in full swing. Moreover, on 26th January, two of the experts from the Foreign Ministry in Lisbon returned home, suggesting that they regarded their mission as accomplished.

Accordingly, it seems more likely that the boycott was encouraged by China with the sole object of giving "face" to the Macao leftists, leaving the impression that final victory came only as the result of arduous struggle in which large sections of the broad masses of Macao were more or less directly involved; perhaps also concealing the fact that the leftists had neither succeeded in having the Portuguese officials tried and punished, nor had obtained the kind of language they presumably wanted in the Government's apology.

The impression that the boycott was in large part a propaganda exercise is strengthened by the way in which the whole Macao affair was finally terminated. On 29th January the Governor and his suite drove through large crowds of jubilant but very orderly demonstrators to the Chinese Chamber of Commerce Building, near the main square. There he signed the "Reply of the Macao Government to the Protest Put Forward by Representatives of All Circles of the Chinese Residents in Macao", and handed it over to Mr. Leung. The Governor also signed the "Instrument of the Macao Government for the Acceptance and Implementation of the Four Demands Advanced by the Director of the Bureau of Foreign Affairs of the Kwangtung Provincial People's Government", but this was handed over by the Governor's aide to the Chinese authorities at Kungpak shortly afterwards, in a much less impressive ceremony. On 2nd February a big victory rally was held at Kungpak for people from both sides of the border, at which Mr. Leung was again much in evidence. Finally, the Hsinhua Press Agency, in its news release of 31st January, played up the role of the masses in Macao suitably:

"... The Chinese residents in Macao, armed with the thought of Mao Tse-tung, carried out a very broad mass action of sanctions against

the Portuguese authorities, beginning on January 25 ... The Portuguese authorities in Macao soon found themselves helpless in the vast ocean of the concerted sanctions by the 200,000 and more Chinese residents. Having knocked their heads hard against the bastion of iron of the Chinese compatriots in Macao, the Portuguese authorities were at last forced to bow their heads and openly admit their guilt before the Chinese residents in Macao. The Chinese residents in Macao are determined to continue to hold high the great red banner of the invincible thought of Mao Tse-tung and pull tighter and tighter the noose Portuguese imperialism has put around its neck".

An examination of the effects on the life of Macao of the whole affair gives a twist of irony to the last sentence of the Hsinhua report, for while the amour propre of the Portuguese was badly shaken by the humiliating outcome, it is the life of the whole city, of the predominantly Chinese population, that has come off worst.

During the most violent phase of the disturbances, there was of course considerable alarm in the city, with many people attempting to leave for Hong Kong (where the authorities, in contrast to the attitude of their Macao counterparts in 1941, made it clear that refugees could only stay for a very short time). There was a rush for food supplies, though they were not really short, with a consequent rise in prices, and a fall in the value of the currency by as much as 3% against the Hong Kong dollar, with which it is supposed to be at par. (At one point the Chinese mainland banks refused to accept pataca deposits). While calm returned after the imposition of the curfews, Macao remained highly nervous and susceptible to rumour right up to the final settlement, so that something not far short of panic could break out at any moment, as happened, for example, on 9th January when it was suddenly rumoured that the People's Liberation Army was to enter the territory. At other times during the crisis, as for instance, when I was there on 2nd January, conditions were quiet, but the atmosphere was not unnaturally tense, this being the period when an outbreak of Nationalist-inspired violence seemed imminent. The whole period was undoubtedly a traumatic one for those who lived through it, and not surprisingly a number of residents, both Chinese and Portuguese, have taken the opportunity to emigrate where they have been able to do so, and it is said that the majority of Portuguese are ready to leave at short notice.

One factor contributing to the general sense of disquiet was the difficulty of enforcing ordinary law and order. Immediately after the curfews were lifted and the troops returned to their barracks, the police virtually withdrew from the scene, finding it impossible to enforce even the most simple and a-political laws - traffic regulations, for example - without the risk of causing political incidents. All attempts to control hawkers and their disputes with shopkeepers - an unending source of friction and even violence in Hong Kong and Macao - were abandoned. There is even now complete uncertainty about when and where the law may be enforced. Thus a hawker convicted of an offence a few months ago was pardoned and released from gaol by the Governor at the instance of the "masses", that is, after a leftist demonstration outside Government House. The enforcement of civil claims has also suffered, and is said to turn largely on political considerations.

In effect, it appears that the Portuguese are gradually reasserting their police powers in cases where the interests of the left wing are not obviously involved - as a Portuguese police officer told a visiting reporter a few days ago, the leftists had pointed out, after a fight between two gangs of hooligans, that it was up to the Government to maintain law and order, a point that might have to be made more frequently if the leftist leaders began to lose control over their own youthful followers. Clearly, however, the authorities would not move in a highly political case - no attempt at all was made to guard the British consul against demonstrations which reached the point of physical coercion last May, for example. So great has been the forbearance of the Government, in fact, that it has had difficulty in restraining its soldiers from taking the situation into their own hands and attacking the leftists in force on one or two occasions.

The leftists have to some extent assumed an informal responsibility for the administration of law and order. This was first seen at the funerals of the dead rioters; on that occasion, and at all subsequent rallies and demonstrations (they are very frequent in Macao now) they have provided efficient "police" of their own. Moreover, street committees have now been set up to perform many of the duties of the police and the courts, such as the settlement of traffic cases. Residents have begun to taste other aspects of life in China, too; some of the more prominent citizens have been the targets of "struggle" meetings, when their "bourgeois" thinking and way of life have been attacked, often by their own employees.

There is now a permanent organizational headquarters for the left wing in the Chamber of Commerce Building, which is adorned with the red flag of the People's Republic. From an office there, Mr. Leung, under the once again discreet supervision of the retiring Mr. Ko, leads the various mass organizations, directing the quasi-governmental activities which the leftists have assumed, and maintaining a liaison with the Portuguese authorities to prevent unnecessary conflicts. It is clear, though, that control over the Red Guard activities of many of Macao's youth is none too firm, limited as it is by the need to retain their favour; for in Macao, unlike China, there are no alternative sources of power, such as the bureaucracy and the army, to which a leader like Mr. Leung can turn - hence, we may conjecture, the remark to the police. Significantly, Mr. Leung himself has recently been attacked in posters for drawing too large a salary, buying himself flats in Hong Kong, and providing himself with a Mercedes saloon.

Although they have not been frequent, occasional incidents involving tourists or reporters who take imprudent photographs have served to keep all but a handful of visitors away for the last eight months; (Japanese tourists, who come in large parties for day trips, are a significant exception). The position has not been helped, of course, by the economic setbacks suffered in Hong Kong, largely as a result of the Macao crisis. Accordingly, Macao's casinos and hotels have been steadily losing money for the first time in many years, and among the many building projects on which work has been stopped is a large new hotel and casino complex. With the halt in the vital inflow of cash from Hong Kong, unemployment has been gradually mounting, and all branches of trade have suffered severe setbacks, with the possible exception of the gold trade, the benefits of which are not well spread through the economy. The establishment of a small new factory there, of which I heard recently, may mark a slight upturn, but all the indications are that Macao is due for a very hard time economically. With the closing of the Nationalist relief organizations, and with the threat that the many Catholic institutions may find it virtually impossible to continue in operation (schools are already under pressure to employ teachers of the thought of Chairman Mao, and it is said that many nuns have already left or are contemplating doing so) the effects of such a depression could be more harshly felt than in the past. How long the relatively good discipline of the youths who comprise the Red Guards would survive this kind of economic strain is an open question.

In the face of the more complex economic problems which will beset Hong Kong for some time to come, many Macao residents, confident of a gradual recovery last January, are now seriously concerned for the foreseeable future. Mistaking a goose that laid golden eggs for China as an imperialist eagle, the Macao leftists pulled their noose too tight. The whole affair upset the delicate balance, described in my last letter, which enabled Macao to survive as a profitable concern for China - a legal fiction behind which the People's Republic could transact various kinds of business inappropriate in a Marxist-Leninist state. In the apparently continuing absence of a clearly defined policy and administration in China itself, the chances of that balance being restored seem at present to be remote, and it may even be, as some people in Macao fear, that those in power, or fighting for power, in China will think the chances so remote that it will not seem worthwhile preserving Macao at all. However, up to now there has been no sign at all of such a change in policy, and in my own view it is extremely unlikely that it will come about. Macao will most probably weather yet another storm.

This all too long enquiry into the affairs of one of the world's smallest political entities started with a question as to Macao's legal status, and perhaps it will be appropriate to make some further mention of it. Events of the last eight months have in no way clarified the complex position; rather, a new twist has been given to the ambiguities set out in my last Newsletter. While no official agent of the Chinese state has yet taken up residence in Macao, the present situation bears an obvious resemblance to the position before 1849. Moreover, by withdrawing their consul, the British Government have tacitly reverted for the time being to the view which they held in the early nineteenth century that Macao could not be regarded as under Portuguese sovereignty, since the Portuguese were unable to afford effective protection to foreigners in the territory. The analogy should not be pressed too far, however. In the old days, Chinese officials were actually stationed in Macao, exercising various forms of jurisdiction on occasion, but with the principle object of collecting revenue; Mr. Ho's position before last November may seem more closely analogous to this situation than that of Mr. Leung.

In one important particular, however, the legal situation seems to have been clarified. If the standards of general international law are applied, the Portuguese appear to have recognized without qualification China's right to protect the interests of the Chinese inhabitants

of Macao. At no time during the crisis was this right questioned, and it is admitted implicitly by the terms of the Instrument of Acceptance. It seems that the question had not been raised before, though it is probable that China has never admitted that Chinese residents of Macao could acquire Portuguese nationality (I have not been able to obtain any information on this point). Beyond apparently establishing or conforming this right, the Instrument does not aid us in deciding which inhabitants of Macao are Chinese, a question that is potentially of some importance in a racially mixed community. Chinese practice seems to be uncertain on this point, which is one which affects several Chinese communities other than Macao.

The activities of the Chinese gunboats raises a further legal question. Once again (not surprisingly) there were no apparent protests about the entry of the gunboats into the waters immediately off Macao, and indeed into the inner harbour, where they crossed the demarcation line, itself an informally agreed boundary, between the Macao and Chinese sides of the harbour. The Chinese theory that Macao's waters belong to China was accordingly vindicated.

The nature of the Instrument of Acceptance itself raises interesting legal questions. Apparently by intention it imposes legal obligations on Portugal as a state, represented by the Governor of Macao, although in form it imposes obligations only on the Macao Government, an entity which cannot be regarded as having in international law the capacity to be the subject of rights and duties. It seems, then, that it probably ought to be regarded as a kind of treaty, despite the fact that it was signed by the Governor only, and not by anyone on the Chinese side. Just as in principle it is possible to conclude an oral treaty, so it would seem that it must be possible to constitute a binding agreement in respect of a text submitted in writing by one party and accepted either orally or by implication on the other side.

China presumably avoided affixing her signature, or even delivering a note of acceptance, in order to avoid giving the impression that she recognized in any way the legal status of Macao as a Portuguese dependency in respect of which Portugal had disposing capacity. Having referred to the Governor as "the 'governor'" in many unofficial publications, the Chinese authorities presumably preferred to refuse all recognition of his authority. Of course, to the extent that the Instrument has any international legal effect, China must by implication have recognized Portuguese capacity in the matter, together with the Governor's own authority ~~at least to~~ conclude such an obligation. There has been no comment in China about the nature of the Instrument; in Chinese it is called t'iao-k'uan - literally "articles" or "clauses" - but in Chinese English-language press releases it is called a "protocol", which usually represents a different Chinese expression. It will be interesting to see whether the text appears subsequently in

the official Chinese treaty series. If it does not, it will leave open two further possible Chinese theories; one, that the document is not of a legal character at all (hardly to be inferred from the text); the other, that is an instrument governed not by international law at all, but by Chinese internal law, Macao being in Chinese theory a part of China. If this were so, the Macao Government would not be participating in a public character, but in a semi-private character analogous to that of a foreign corporation operating with Chinese consent on Chinese soil.

On the Portuguese side, there are also difficulties. Portugal has never recognized the People's Republic of China - though non-recognition does not make it impossible for states to enter into legal relations with each other, provided that in a legal sense they are identifiable as states. Whether the Governor of what Portugal regards as one of her provinces has the capacity to enter into international agreements is another matter; normally it would not be so without special authorization, but it may well be here that a long course of dealings between the two states, in which the Governor of Macao has been treated as a plenipotentiary, would preclude Portuguese objections on this ground. On the Chinese side, of course, the same point might be made; it was the provincial, not the central Government that was named in the Instrument as subject of the obligations.

The possible view that the Instrument is a creature of Chinese law rather than international law would presumably be quite unacceptable to Portuguese theory, which still regards Macao as part of the sovereign territory of Portugal. As a Macao official said recently, "Constitutionally, Portugal cannot cede any part of her territory". (It seems that the authorities in Macao have forgotten all thoughts of leaving, and there are even persistent rumours that if the Hong Kong situation is settled in a way that warrants such action, Portugal will send a large contingent of troops to strengthen the position of the Government.)

How far either side would find it convenient to apply the ordinary canons of international law to the recent affair, and to the unusual nature of the settlement, is doubtful. As long as Macao remains in Portuguese hands, the Chinese will need to concede some appearance of Portuguese sovereignty to give the legal fiction some substance, while the Portuguese will have to share their sovereignty in accordance with geographical realities. The political and legal ideologies of China and Portugal have never been able to agree to a legal definition of Macao's status which both sides could accept. Yet, as long as both sides have something to gain from the relationship, the ambiguities will continue, and the rest of the world will be left to make what sense of them it can.

Yours sincerely,

