AN ALLIANCE OF CONVENIENCE

How China helped Portugal to remain in Macau during the Cultural Revolution darkest days.

By Moises Silva Fernandes

The Chinese Cultural Revolution struck Macau 40 years ago, and the aftershock was felt locally for decades. Yet the impact of these events on Sino-Portuguese relations has been a much-neglected topic. In this article we look at the emergence of the incidents and try to understand how China did its utmost to re-establish some sort of normality in Macau.

The incident that triggered the turmoil in Macau in the late 60s occurred on Taipa Island, located just south of the Macau peninsula. After waiting nearly three months for a building permit from the Islands Town Hall, on the morning of 15 November 1966 a hundred youths started to dismantle three dilapidated houses in Taipa Village, claiming they wouldn't wait a single day more for a new school to be built. This led to a 7-hour standstill between the Chinese youngsters and the Public Security Police, resulting in confrontations and several wounded demonstrators – two or many more, according to conflicting versions of the occurrence given by authorities and protest organizers.

The local political environment was starting to change in those days, with the Cultural Revolution in Mainland China gaining steam and radicals' ability to take control of the propaganda machine on the rise. The events in Taipa were immediately exploited to mobilize protests. Between 30 November and 2 December 1966, several demonstrations were held inside the Macau Government House. They set the stage for the riots that would take place on 3 and 4 December, when demonstrators ransacked several local institutions, such as the Macau City Hall and the Public Notary's Office. The failure of the Public Security Police to handle the riot led then Governor of Macau Brigadier Nobre de Carvalho to proclaim martial law. Before calm was restored, demonstrators targeted local Chinese associations loyal to the Chinese Nationalist Party (Kuomintang). The conflict during these two tumultuous days left eight people dead, 212 injured and 62 detained.

China's reaction to the events was quite terse. Guangdong Deputy Governor Zeng Sheng told Ho Yin, Macau's pro-Beijing leading businessman, "the Chinese authorities did not approve of the violence which has been used by the demonstrators, nor the looting of Macau City Hall and the loss caused to public and private property."

In addition to this admonition, China persuaded the local Chinese elite to set up the Committee of Thirteen with two main tasks: first, to re-establish some sort of "normality" in the enclave; second, to start negotiations with the Portuguese administration in order to establish new ground rules for their behavior towards local community leaders aligned with Beijing.

To foster the idea that its members had "revolutionary" credentials and to avoid their being labeled "revisionists", the local businessmen appointed the leader of the pro-Beijing Macau General Association of Labor, Leong Pui, chairman of the Committee of Thirteen. The trade union leader was a secure bet for many reasons: he was a carpenter, a former police officer and an ex-refugee from Mainland China; his organization had been aligned with the official All-China Federation of Trade Unions since 1 October 1950; he was a member of the Board of Directors of the influential Macau Chinese Chamber of Commerce; and he received instructions from Guangzhou through Ma Man-kei, a key Chinese Communist Party (CCP) leader and businessman in Macau.

In the meantime, the People’s Liberation Army (PLA) intervened militarily to prevent rebel Red Guards from invading the Portuguese-administered enclave and to stabilise the political situation in Macau. General Huang Yongsheng, Commandant of the Guangzhou Military Region, among the insecure leaders of the Communist Party and provincial government in Guangdong, Zhao Zhiyang, First Secretary of the Guangdong CCP, and Lin Lining, Guangdong’s Acting Governor, imposed a military security ring around Macau after rebel Red Guards on Zhongshan Island moved rapidly towards the Chinese side of the Barrier Gate, the border between Mainland China and Macau. In order to stop the invasion of the enclave, the PLA ordered the stationing of 5,000 troops loyal to the Guangzhou Regional Commandant. Moreover, the PLA Navy deployed an expeditionary force comprised of eight rapid motorized gunboats, deployed from nearby Chinese naval bases. The placement of four navy frigates near the Outer Harbour and four patrol in the Inner Harbour of the Macau Peninsula was meant to avoid any infiltration by rebel Red Guards using rubber
boats or motorized junks.

This tight security grip was tested on 4 December. A flotilla of armed junks carrying rebel Red Guards toward Macau was instructed by the PLA Navy to stop in order to be inspected. They did not obey, and after some verbal warnings, the PLA Navy opened fire. Some of the junks carrying weapons and ammunition exploded. The blasts were so violent they were heard onshore in Macau.

In addition to the naval intervention, the PLA Army got involved. According to then Portuguese Overseas Minister Silva Cunha:

"An enormous crowd of 'Red Guards' concentrated near our territory, right in front of the Barrier Gate. The Governor warned me by telephone. If an attack occurs, it would be impossible to resist militarily. I warned the Defense Minister, and we spent the whole evening in the Overseas Office waiting for the worst. [...] When the 'Red Guards' demonstration was held, the PLA's troops immediately occupied positions to avoid the invasion of our territory."

The Governor's message was confirmed by the deployment of 10,000 additional PLA personnel around Macau on 5 December, increasing the number to nearly 15,000 men. This fresh supply of troops was followed up by the placement of a 'minefield camp located 200 metres from the Portuguese border' and "three artillery pieces in a rice-field in the vicinity of Macau and quite contrary to traditional tactical doctrine." Nevertheless, the PLA soldiers "never showed any hostility towards their Portuguese counterparts.

In spite of this considerable show of force, rebel Red Guards continued to challenge the military apparatus. On 6 December, eight Red Guards were killed and nine were wounded by the PLA. Ten days later, 17 more Red Guards were killed or injured by the Chinese soldiers in the vicinity of Macau. A Xinhua news bulletin reported shortly after that 9,000 Red Guards took part in demonstrations and rallies in neighboring Zhuhai.

Frightened and bewildered by the prevailing political environment, nearly 2,000 Portuguese residents, mainly women and children, fled to Hong Kong. Many Chinese inhabitants were also highly fearful of the situation according to the South China Morning Post, nearly 13,600 persons had abandoned Macau between 3 and 7 of December.

Apart from foreclosing the possibility of an invasion, the PLA authorized shipment of food to Macau on 8 December, providing a clear signal that it wished to maintain the status quo ante. Had the embargo remained in force, it would have been just enough to bring down the Colonial Government. Another key signal that the PLA did not wish to see the Portuguese depart from the enclave was the fact that in spite of the huge political turmoil
in Guangdong Province, it made sure that the water supply to Macau was not disrupted.

Why? First, as a conservative institution, the PLA knew quite well it needed to maintain the status of Macau as long as China's weak party and state apparatuses did not come to a decision about the territory's future. Second, the PLA was firmly aware of the importance to China of Macau and Hong Kong in political, commercial and financial terms, both at home and abroad.

While the PLA placed a tight security ring around Macau, the director of the Guangdong Government Foreign Affairs Bureau issued a public notice on 9 December. Basically, it supported the demands made by the pro-Beijing Chinese community in Macau, who called for the presentation of a public apology to the Chinese inhabitants of the enclave, the punishment of several Portuguese officials, and the payment of a compensation for the injuries and loss of life. Moreover, it demanded a ban on Chinese Nationalist Party organizations and personnel in Macau and the handover of several Taiwanese intelligence agents who had fled Mainland China three years earlier under fire from PLA troops and were being held by the Portuguese administration. To ensure full support for their demands, the notice was published on the first page of the People's Daily and broadcast by Beijing Radio the following day. This pressure forced Brigadier Nobre de Carvalho to accept the demands on 12 December.

Talks between the Portuguese administration and the Committee of Thirteen, on one hand, and the Guangdong Government Foreign Affairs Bureau, on the other, could begin at last. On 29 January 1967, after a month-and-a-half of negotiations, Governor Nobre de Carvalho signed two agreements and brought an end to the crisis. In the settlement reached with the Committee of Thirteen, the Portuguese administration first agreed to publicly apologize for the incidents in front of the members of the committee. Second, it promised that it would never again use force to control the Chinese community. Third, it paid slightly more than MOP 2 million as compensation for the eight dead and 212 injured.

On the contrary, the two main conditions of the agreement signed with the Guangdong authorities were quite favorable to the Portuguese side. The first was a ban on nationalist organizations and the expulsion from Macau of eight local leaders of the Chinese Nationalist Party. This eliminated one of the greatest difficulties troubling the informal relationship between Macau and Beijing. The second condition put an end to the problematic influx of Chinese refugees from Mainland China, a situation that had plagued Macau since 1949. China agreed to repatriate all refugees coming to Macau from the Mainland.
from 30 January 1967 onwards, thus helping to ease this serious burden on the Portuguese administration.

With the celebration of these two agreements, Guandong’s decision-makers expected the situation in Macau to return to normal. The Chief of Staff of the Governor’s Office, Colonel Mesquita Borges, was told by the Foreign Affairs Bureau in Guangdong that “the lives and the belongings of all Chinese inhabitants of Macau were now entrusted to the Government,” i.e., that the Portuguese administration continued to have legitimate authority to run the enclave. The same was told to the members of the Committee of Thirteen, who were exhorted to persuade people “to return to their normal work and activities in Macau and to instruct them that the incidents were over.” Shortly afterwards, the PLA security ring around Macau was withdrawn, and the Chinese Mainland media stopped making any references to the enclave.

This new political environment led Portuguese decision-makers to the conclusion that the Chinese leadership was committed to maintaining Portuguese presence in the enclave. In a lecture delivered at the Pius XII University College in Lisbon, Portuguese Foreign Affairs Minister Franco Nogueira argued that “what has happened in Macau will be beneficial to us, because it demonstrated that a huge country like China, which does not approve of ‘colonialism,’ accepts on her doorstep its existence and did not refuse to negotiate with Portugal.”

In spite of the optimism shown by Chinese and Portuguese leaders who believed the situation in Macau would improve in 1967, in fact it got worse. Among other incidents, demonstrators appeared near the British Consulate and the Hong Kong Immigration Department branch in Macau on 10 May 1967 to show their political support for anti-government riots in the neighboring British colony. To mobilize the maximum number of protesters, the Folk Lei Bus Company, owned by Ho Yin and other community leaders, offered two new bus routes free of charge: one to the British Consulate and the other to the Hong Kong Immigration Department’s branch. Due to lack of action on the part of the Portuguese administration and security forces, the British consul and vice-consul, Norman Ions and Joseph Kemble, began being harassed by demonstrators near their official residences. For security reasons, they took refuge at the Estoril Hotel.

The misdemeanours committed against the British consular officers—similar to those inflicted in Mainland China against “revisionists” and other “people’s enemies”—became so intense that they contributed to their withdrawal from the enclave on 25 May 1967 and to the closure of both posts. This was a significant victory for Macau’s pro-Beijing forces. Indeed, it put an end to intelligence gathering by the British Consulate and to its attempts to monitor the migration of Macau’s Chinese refugees to Hong Kong. Their movement had been under a certain limited control since the establishment of the Macau Branch of the Hong Kong Immigration Department on 24 August 1961. On the other hand, it revealed the startling inability of the Portuguese administration to render any protection to foreign consular posts in the enclave.

Also significant were the demonstrations against the Church hierarchy in Macau, which involved hundreds of political slogans written on the façade of its institutions. Even under strong pressure, Bishop Dom Paulo José Tavares stubbornly refused to allow the teaching of “Mao Zedong thought”, the employment of Maoist teachers or the exercise of pro-Beijing political activities in Catholic-run schools. After weeks of inconclusive negotiations, the prelate claimed that he was the sole authority over Catholic affairs in the territory, a statement that was printed in full by the Macau Catholic press. The Church’s semi-weekly newspaper, O Clarim (The Bugle), published it on 10 September, while the fortnightly Religião e Pátria (Religion and Motherland) did so five days later. Resentful of Dom Paulo José Tavares’ uncompromising attitude, Governor Nobre de Carvalho suspended publication of the semi-weekly newspaper for a period of ten days and of the fortnightly for 20. He also asked the Overseas Minister, Silva Cunha, for the withdrawal of the prelate from the enclave on 14 September 1967. He continued to reiterate this demand until January 1968, but the Portuguese central government and the Vatican rejected it.

At this point political anarchy in Macau was anything but finished. In August 1968, the deputy director of the Xinhua News Agency’s Hong Kong office, Chi Feng, paid a visit to Macau, primarily to instruct local pro-Beijing leaders and organizations to obey the Portuguese administration and its laws and pay taxes, and to let them know that China did not want to take back Macau for the time being. He reminded local communists that in “Macau prevailed the capitalist system, while in China the socialist system.” Moreover, he criticized local leaders and organizations for having challenged the Portuguese administration throughout 1967, especially after the agreements of 29 January. According to Chi Feng, the “patriotic” associations needed to settle their disputes amongst themselves. If that failed, the next step was to “appeal to the Macau Government.” In order to ensure compliance with the new set of instructions, some of the sessions “lasted five, six, and seven hours.”

Finally, from 1968 onwards China gave precise instructions to the Chinese business elite to demobilize local “mass organizations” and imposed strict regulations for the use of the Chinese national flag in the enclave. In their view the territory was governed by Portugal, and it was politically undesirable to have further political challenges to the local administration.

This behaviour demonstrates that Mainland China was neither an anti-systemic actor, i.e., committed to the violent overthrow of the international system, nor a revolutionary or an anti-colonial state, dedicated to the active toppling of colonial administrations. It was, on the contrary, a conservative player in world politics, which restored successfully the status quo ante in Macau, not only once, as attested by the two agreements of 29 January 1967, but several times in the following months.

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EDITOR'S NOTE

End of the line

For two years now, the Macau Government has been trying to resolve the embarrassing Banco Delta Ásia (BDA) episode in a reasonable way for everyone involved, without too much collateral damage to the reputations of local institutions. Job well done throughout the process, as the US authorities are first to concede. After the Government intervened and placed the bank under Administrative supervision in September 2005, BDA’s new management team restored credibility, by commissioning an independent auditor to conduct a full investigation into the money-laundering suspicions, and by cutting ties with all North Korean customers and freezing their accounts. In the meantime, the Government drafted a new and more demanding anti-money laundering law, and Macau’s Legislative Assembly approved it in record time. Washington applauded.

But now that the investigation is over, authorities in Macau and the United States find themselves at odds over its outcome. With the results of the audit supporting its position, the local Government claims there is no clear evidence of money-laundering implicating the bank, while the Americans continue to insist the proof is there for all to see – and are now prepared to impose formal sanctions against BDA, banning it from any contact with US financial institutions. The only way out for BDA, they suggest informally, is to prohibit local banker Stanley Au Chong Kit from resuming his former ownership.

Apparently, Americans want to make him pay for 20 years of controversial dealings with the North Korean regime and discourage others from following in his footsteps with other rogue countries. Of course, everyone’s rather curious to see what response Washington’s decisions on BDA will elicit from Pyongyang, recently promised the lifting of financial sanctions.

All this brings Macau’s Government close to the end of the line. At this stage, postponing a final decision on BDA’s future is no longer an option. If it decides to return the bank to Stanley Au, in accordance with one of many interpretations of the audit results, it will be defying Washington and most likely signing BDA’s death warrant. If not, it will have to put pressure on Stanley Au – probably with the help of Central Government – to sell it, something which has proved tantamount to mission impossible. Even if banking sources consider it unlikely, liquidation might truly be the outcome of the 18 month deadlock.

Ricardo Pinto
GUNS? WHAT GUNS?