Macau in the Second World War, 1937–1945

“The Portuguese oscillating neutrality in Macau during the Second World War allowed the peculiar co-existence between the Japanese authorities, the CCP’s clandestine elements and the KMT agents. Common people in Macau only remember the smuggling of commodities by the Japanese, the CCP and the KMT, as well as the rescuing endeavor of the Chinese intellectuals by the CCP. Now Professor Sonny Lo, mobilizing recent research data from the Portuguese, the British and the Chinese completed this comprehensive study on Macau during the WWII. This volume provides a magnifying glass to penetrate into the very detail of issues and prominent personalities in societal and political fields in Macau and the nearby areas during and right after the WW II. Those who are in Macau studies cannot afford to miss this book with high quality of scholarship revealing the clandestine activities of CCP and KMT in this area. Also frequent visitors of Macau would be enchanted by those prominent figures of old Macau, such as Gao Kening, Fu Tak Iam, the patriarchs of gambling industry as well as the activities of Ho Yin and Kiang Wu Hospital and Tung Sin Tong of this period.”

—Professor Sr. Beatrice Leung, Honorary Research Fellow, National Chengchi University, Taiwan

“I consider that Sonny Lo did a great research that deserves to be published. Sonny delineates the complexities of the triangular relations between Portugal, Japan and China, including their strategic calculations, political machinations, political distrust, active lobbying and internal opinion differences. A must read in the study of Macau’s history.”

—Jean Berlie, Researcher, Center for Greater China Studies, Education University of Hong Kong

“A fascinating study of Macau during the Second World War. Sonny Lo reveals the many complexities in the triangular relations between Portugal, Japan and China, as the Portuguese government in Macau tried to maintain its neutrality. Drawing upon a wide range of material, he describes the delicate balancing act carried out between the Japanese and the Chinese, the KMT and the CCP, and the Japanese and the Allies. Recommended reading for those who want to gain a deeper understanding of the political and diplomatic events that preceded the victory of the Chinese communists in 1949.”

—B. Michael Frolic, Professor Emeritus, York University, Canada
Sonny Shiu-Hing Lo

Macau in the Second World War, 1937–1945

Diplomacy, Politics and Society
Sonny Shiu-Hing Lo
HKU SPACE
North Point, Hong Kong
This book could not have been completed without the support of many people. I am deeply grateful to Lucy Kidwell for her support of this project. Her decision to grant me an extension was important for me to complete this book at a time when I was affected by tinnitus. I also express my gratitude to Raghupathy Kalyanaraman for his coordination work and to the reviewer for extensive comments on my manuscript.

I also thank my former students, Amy Hu, who sent me a lot of useful mainland Chinese books on Macau, and Lawrence Wong, who gave me a document of the Office of Strategic Services on Macau in 1945. Lawrence acquired this historical document during his studies in Japan in the late 1990s. I must express my thanks to Dr Rufino Ramos of the International Institute of Macau for sending me a few books on Macau during the Second World War. These books and documents were very useful for me to analyze the situation of Macau in a more comprehensive way.

This book project was funded by an academic research grant, namely “Asia Europe Comparative Studies Research Project,” from the Institute of European Studies of Macau in 2019. I must thank President Jose Luis de Sales Marques and his colleague Bentham Fong for their great support of this project.

I would like to express my appreciation for all those mainland-based and Macau-based Chinese scholars and foreign researchers who have been written extensively, insightfully, and productively on Macau during the Second World War. Many of the materials were not fully utilized and I have tried my best to use them constructively in the process of writing this book. I seek to reinterpret Portuguese Macau’s diplomacy, society, and
politics by combining all the pertinent Chinese and English sources, while using the Chinese translations of some Portuguese documents. I am indebted to all these scholars and researchers and I acknowledge their useful materials in the footnotes and bibliography.

For a few popular names in this book, such as Chiang Kai-shek, I used the Wade-Giles transliteration. But for most other names and places, such as Wang Jingwei, I adopt the Pinyin transliteration for consistency. Some of the places and names in the English book, *Wartime Macau*, written by Geoffrey Gunn adopted the Macau way of spelling and transliteration. I follow these transliterations and have to thank him for his comments on the first draft of this book.

Of course, all the errors and reinterpretations in this book are my own responsibility.

Finally, I dedicate this book to my wife Winnie and my daughters Tracy and Emily.

February 19, 2022

Sonny Shiu-Hing Lo
CONTENTS

1 Introduction 1

2 The Triangular Relations Between Portugal, Japan, and China 19

3 The Society and Governance of Wartime Macau 81

4 Political Actors from Collaborators to Japanese, Communists, and Nationalists 135

5 Conclusion 217

Bibliography 229

Index 237
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAAG</td>
<td>British Army Aid Group</td>
</tr>
<tr>
<td>BNU</td>
<td>Banco Nacional Ultramarino</td>
</tr>
<tr>
<td>CBIS</td>
<td>Central Bureau of Investigation and Statistics</td>
</tr>
<tr>
<td>CCP</td>
<td>Chinese Communist Party</td>
</tr>
<tr>
<td>Comintern</td>
<td>Communist International</td>
</tr>
<tr>
<td>CYL</td>
<td>Communist Youth League</td>
</tr>
<tr>
<td>HSBC</td>
<td>Hong Kong Shanghai Banking Corporation</td>
</tr>
<tr>
<td>KMT</td>
<td>Kuomintang</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>OSS</td>
<td>Office of Strategic Services</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>PRD</td>
<td>Pearl River Delta</td>
</tr>
<tr>
<td>ROC</td>
<td>Republic of China</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
</tbody>
</table>
List of Tables

Table 3.1 Macau population, 1924–1942 86
Table 3.2 Macau’s Japanese population, December 1943 86
Table 3.3 Macau’s foreign population, December 1943 87
Table 3.4 The number of deaths in Macau, 1938–1945 88
Table 3.5 The number of coffins and boxes at Kiang Wu Hospital, 1941–1945 95
Table 3.6 Tung Sin Tong’s charity work, 1937–1945 100
Table 3.7 Macau’s financial revenue and budget 118
Table 3.8 Macau’s trade relations with mainland China, 1939–1942 119
Table 4.1 The growth of pro-KMT interest groups in Macau, 1946–1948 197
CHAPTER 1

Introduction

Portugal’s policies toward the Second World War in general and Macau in particular have traditionally been regarded as “neutral” in the academic literature. However, the concept of neutrality, as this book will argue, has to be reinterpreted as multidimensional and having the element of contingency, namely Portugal’s apparently “neutral” position depended on the changing political circumstances. This contingent neutrality, as discussed here, hinged mainly on China’s changing political circumstances. During the early stage from Japan’s invasion of Shanghai in China in August 1937 to its invasion of Hong Kong in December 1941, Portugal adopted a seemingly pro-Kuomintang (KMT) or pro-Nationalist Party stance. However, after the Japanese occupation of Guangzhou in October 1938, Portugal changed its seemingly pro-KMT position to a far more pro-Japanese policy toward Macau. This policy adopted by the Portuguese officials dealing with Macau persisted until 1944 when the Japanese army suffered a steady defeat in the Asia-Pacific region, including mainland China where the Japanese military failed to occupy the entire country. However, from October 1940 to 1944, the new Macau Governor, Naval Captain Gabriel Maurio Teixeira, became less pro-Japanese than his predecessor Artur Tamagnini de Sousa Barbosa. In the final years of the Second World War from 1944 to 1945, Portugal changed its policy toward Macau to a far more pro-Chinese Communist Party (CCP) stance, especially as the CCP guerillas began to contact the Portuguese side in the neighboring areas near Macau, for logistical assistance, as this book will discuss.
As sanctioned under Ming China, the Portuguese established themselves on the peninsula of Macau on the western side of the Pearl River Delta in southern China in 1575. However, in face of the rise of rival European powers, namely Holland and England, from the early seventeenth century, Macau became a backwater with relatively minimal trade and commerce compared with the island of Hong Kong, which was ceded to Britain under the Treaty of Nanking in August 1982.\(^1\) In the modern period following a republican revolution against the monarchy in 1910, Portugal maintained harmonious relations with China following its own republican revolution of 1911, albeit still beset by such recurring issues as border disputes and the problem of political refugees. Notwithstanding its vast empire in Africa, along with Macau, Goa, and Timor, Portugal remained economically marginal within Europe and politically volatile until the rise in 1932 of the authoritarian Estado Novo or the New State under Prime Minister António de Oliveira Salazar.

Indeed, Portugal was a relatively weak and small state in Europe and in the world from the 1930s to 1945. As a weak and small state, however, Portugal signed the Anglo–Portuguese alliance of 1373, which stipulated that each side would provide aid to the other in times of need, and was renewed later in 1386, 1642, 1651, 1660, 1661, 1703, 1810, 1814, 1899, and 1943.\(^2\) In 1938, Britain was Portugal’s leading trade and commercial partner with 629 million escudos.\(^3\) On the other hand, Portugal established a closer relationship with Hitler’s Germany during the Spanish Civil War of 1936–1939, when the Portuguese Prime Minister Antonio de Oliveira Salazar helped Germany in the supply of arms to General Francisco Franco’s Spanish forces and allowed Portuguese volunteers to fight with Franco’s army.\(^4\) Strategically speaking, Portugal saw Spain as a buffer state that could fend off Germany’s military threat and invasion. If Germany

---

4. Ibid.
occupied Spain, this would constitute a serious threat to Portugal’s sovereignty. As such, maintaining Spain as a friendly ally with Germany was in the national security interest of Portugal. Salazar’s objectives were to maintain good relations with not only Britain but also Spain and Germany, while maintaining Portugal’s stable economy and society. In 1938, Germany became Portugal’s second trade partner with 526 million escudos, trailing behind Britain. Geopolitically and geo-economically, Portugal as a relatively small state in Europe was sandwiched between Britain and Germany, thereby enhancing its relatively neutral position in the Second World War, even though Germany declared war on Portugal in the last stage of the First World War in March 1916. In fact, Portugal incurred heavy losses of manpower and material in the First World War alongside France and Britain and envisaged its collapsed economy. The crushed economy of Portugal might eventually have prompted Salazar to ponder the importance of maintaining Portuguese neutrality as a safer course in the Second World War.

In the case of Macau, Portugal became politically sandwiched between an aggressive Japan and a divided China from 1937 to 1945. Japan under imperialism was militarily aggressive in the Asia-Pacific region, trying to swallow up mainland China while extending its tentacles to other parts of Asia, including Malaysia, Singapore, the Philippines, and Portuguese Timor. On December 17, 1941, a small force of about 350 Australian and Dutch troops were sent to Portuguese Timor as a forward defense strategy to pre-empt any Japanese military attack, but such a move convinced the Imperial Japanese Army that an invasion into Timor would be necessary. It was argued that, without the forward defense strategy adopted by the Australian army, Japan would not have invaded Timor because “Germany was concerned that Portugal not be drawn into the war on the Allied

---

5 Ibid.


Historian Henry Frei also contended that “if Australia had not invaded Portuguese Timor, Japan would not have needed to commit troops and much needed logistical support to contain the Australians.”

At the Imperial Headquarters Liaison Conference on January 28, 1942, the Japanese military high command was divided between Prime Minister Tojo Hideki, who preferred to adopt an option of Japanese military expulsion of the Australian commandoes but then withdrawal as long as Portugal maintained its neutrality, and Navy Chief Osami Nagano, who argued for the option of Japanese military expulsion of the Australian force and the use of Portuguese Timor as a base of war operations. The Japanese navy had a vested interest in invading Portuguese Timor and maintaining it as a base to ward off the Allied forces. A compromise solution was eventually adopted on February 2: Japan would continue to uphold Macau’s status quo so long as Portugal maintained its neutrality, while giving notification to Germany and Italy about the imminent Japanese invasion of Portuguese Timor but making “every effort to keep the Portuguese troops from joining the enemy side.”

On February 19, the Japanese troops landed on both the Portuguese and Dutch Timor. After the Japanese army landed on the city of Kupang on Dutch Timor on February 18 and 19, the Australian force was forced to withdraw into the interior of Timor. Although Portugal did not send any army to fight the Japanese invaders, some Portuguese residents in Timor joined the Allies, including Australia and Britain, to adopt guerilla tactics to resist the Imperial Japanese Army. In February 1943, the Australian and Dutch forces retreated from the island.

---


10 Ibid.

11 Ibid.


of Timor after inflicting heavy losses on the Japanese army. As Portugal remained a relatively weak state with a weak military, it had no choice but to let Japan occupy Portuguese Timor. Exactly because of the weak nature of the Portuguese state, Japan politically calculated that Portugal could do little in Macau where the Japanese military and political influences were increasingly stronger than ever before. In the eyes of the Imperial Japanese Army, Macau was de facto under the Japanese sphere of influence. The so-called Portuguese neutrality hid the fact that the colonial Portuguese state had become a weak state subservient to the Japanese colonial establishment in Macau.

In the context of the complex geopolitics involving China, Japan, and Portugal as well as the Allies, this book adopts a perspective of interpreting and reinterpreting the history of Macau from 1937 to 1945, during which China and Japan were militarily engulfed and antagonistic. There have been considerable literatures in both English and Chinese on this important and fascinating topic. However, there is a gap in the two worlds of the English and Chinese literature. Most authors of the English literature have not made sufficient use of the rich Chinese sources, while those of the Chinese literature have not adequately referred to the English sources. This book aims at filling the crucial gap in the existing literatures by combining the extraordinarily rich English and Chinese sources, and then reinterpreting the political history of Macau from 1937 to 1945.

The objectives of this book are threefold: (1) to understand the complexities of the role of Macau during the Second World War, (2) to explain these complexities, and (3) to reinterpret the political history of Macau from 1937 to 1945. These political complexities include the following historical questions:

1. Why was Macau not invaded by Japan during the Second World War?
2. What was the role of Portugal?
3. What was the role of the Nationalist Party government in Macau?
4. What was the role of the Chinese Communist Party in Macau?
5. What was the role of Japan in Macau?
6. What were the multiple roles of the Macau Chinese, including members of interest groups and businesspeople?
7. Why was Macau not returned to Nationalist China shortly after the defeat of Japan in the Second World War?
8. What were the relationships between the weak colonial state in Macau, the weak state in mainland China, and the militarily strong Japanese state?
From question one, we can work out a hypothesis, namely that the more neutral Macau was, the more it served the interests of Japan. There was a claim saying that if Japan invaded Macau, Portugal could retaliate by lobbying the Brazilian government to “expel” the Japanese residents from Brazil, and that Japan preferred to see Macau as a “neutral” place for the sake of facilitating its collection of military intelligence and its procurement of useful raw materials, including silver, gold, and wolfram, from mainland China to Japan via Macau.\(^\text{14}\) From a critical perspective, the claim of the Brazilian “expulsion” of the Japanese diaspora lacked documentary evidence, even though Portugal and Brazil maintained harmonious economic and political relations during the Second World War.\(^\text{15}\)

From question 2, we can work out another hypothesis, namely that the more neutral Portugal was, the more likely it was that this policy could protect Lisbon’s national interests. As mentioned above, Portugal was both a weak and small state in Europe, and its neutrality was a political necessity in the context of the rivalries between the Allies comprising the US and UK on the one hand and the Axis world composed of Germany, Japan, and Italy on the other. Lisbon’s national interests embraced its need to maintain socio-economic stability in Portugal, but it was unable to expand its military to fight against any power of the Axis, including Germany and Japan. If Macau was also a small city whose giant neighbor, mainland China, was under the military onslaught and aggression of Japan, Portugal as a small state without military capability had little choice but to maintain neutrality over the Sino–Japanese military conflicts, thereby necessitating the Portuguese preference of retaining the political status quo in Macau.

From question 3, we can work out the third hypothesis, namely that the more neutral Macau was, the more underground activities (including

\(^{14}\) For a discussion on why Japan did not want to occupy Macau for the sake of protecting the interest of its Japanese residents in Brazil, see Zhu Jiuzun, “Why did the Japanese military not occupy Macau during the Second World War?” April 19, 2019, in 二战时, 日军为何没有占领澳门?_手机搜狐网 (sohu.com), access date: January 4, 2022. Also see “Why did Japan dare not occupying Macau? The reason was simple,” May 16, 2017, in 二战时期, 日本為何不敢佔領澳門?原因其實很簡單 - 每日頭條 (kknews.cc), access date: January 4, 2022.

espionage, secret discussion between the KMT and Japan, and secret assassinations) of the Nationalist Party or KMT could be found in Macau. This book will later examine the operation of the KMT activities in Macau, where KMT agents became the target of assassination by pro-Japanese agents.

From question 4, we can obtain the hypothesis that the more neutral Macau was, the more active the CCP’s underground activities in Macau (guerilla activities, secret funding support, secret donations, and secret work of guerrillas between the mainland and Macau). Under the circumstances in which the KMT was militarily weak, Macau became a city witnessing the emergence of pro-Japanese Chinese forces and yet its neighboring regions envisaged not only the increasingly organized CCP guerilla forces but also the politically divided local armed groups. Some of the local forces sided with the CCP, some with the KMT, and some with the Imperial Japanese Army—a phenomenon that will be discussed in this book. Yet, these armed groups were highly politically opportunistic, trying to exploit the local people on the one hand and siding with the more militarily powerful overlord in the region on the other. As such, the underground activities of the KMT were deeply fragmented and they often involved the temporary and oscillating support of the local armed groups.

From question 5, we can work out the hypothesis that the more neutral Macau was, the more pro-Japanese activities Japan supported in Macau, including the grooming of pro-Japanese Chinese collaborators in Macau, and the cultivation of pro-Japanese trade and business transactions in the territory. These pro-Japanese people were easily seen as Chinese “traitors” during and after the war. They included the armed groups and some of the businesspeople who, however, also provided donations to the CCP in the last stage of the war. The political orientation of these armed groups and businesspeople was far more complex than conventional wisdom might assume. As this book will discuss, an armed group led by Wang Gongjie (Wong Kung Kit) was originally pro-Japanese in its political outlook and activities, but at the end of the Second World War, Wang shifted to a more politically opportunistic position, informing the KMT side that he and other formerly pro-Japanese armed forces would be able to occupy Macau militarily in the event that the KMT recovered Macau’s sovereignty.\footnote{Zuo Shuangwen, “The Nationalist Government’s Historical Opportunity of Returning Macau was Missed by Crossing the Shoulder,” \textit{Zongheng}, vol. 12 (1999), pp. 33–37, especially p. 33.}
Such opportunistic change of the Wang group was important as it illustrated how he and his subordinates attempted to save their own lives by shifting political allegiance from the Japanese to the KMT.

From question 6, we can obtain the hypothesis that the more neutral Macau was, the more divided the Macau society appeared, including pro-CCP, pro-KMT, and pro-Japanese activities of the residents. In other words, neutrality provided a golden opportunity for all these rival political forces to “co-exist” and yet to compete against each other through their intensive and calculating activities. From question 7, we can work out a hypothesis that the more pervasive the socio-economic and political status quo of Macau shortly after the Second World War, the more likely the protection of the national interests of the two main stakeholders, namely Nationalist China and Portugal. The maintenance of the status quo in Macau, as this book will discuss, was related to the KMT government’s calculation of the reactions from one of the Allied powers, Britain, on the question of Hong Kong’s future. Compounding such calculation was the difference of opinion between the Chinese foreign ministry officials, who tended to adopt a more cautious and diplomatic stance, and Guangdong’s military leaders, who developed a proclivity for advocating for the return of Macau’s sovereignty and administration to Nationalist China.

Question 8 is a political science question, as we can approach the triangular relationships between Portugal’s Macau, China, and Japan from the statist perspective. Specifically, if Macau remained a Portuguese colonial state, including its institutions such as the Governor, the police, and the military, what were the relationships between the relatively weak Portuguese colonial state and the strong Japanese state, and between the colonial state and the politically divided and weak Chinese state on the mainland? The strong Japanese state in Macau was represented by its Consul officials, agents, and pro-Japanese Chinese elements, who exerted tremendous pressure on the Portuguese colonial state from time to time. The interrelationships between the Portuguese colonial state in Macau, the Japanese military establishment, and the mainland Chinese state will be explored in this book from a political science perspective.

These eight hypotheses will be addressed through my study of the rich secondary and primary sources in Chinese and English. In short, this book combines historical with political science approaches in our deeper and alternative understanding of Macau’s history during the Second World War—an interdisciplinary perspective that has been neglected in the past. The significance of this book is that very few scholars have explored all
these eight questions in their work collectively and systematically on Macau’s history during the Second World War, although all have been studied separately and extensively by historians. This book will pool all the important findings and insights from various historians together to answer the eight main questions related to Macau’s political history from 1937 to 1945.

Methodologically, authors of the Chinese literature have seldom used and analyzed the English works on Macau during the Second World War. Conversely, authors of the English literature have rarely utilized the voluminous Chinese sources in their study of Macau. Geoffrey Gunn’s important work, for instance, relied more on the Japanese, Portuguese, and English sources than on the Chinese sources. On the other hand, other significant work by historians Jin Guoping and Wu Zhiliang translated some Portuguese documents into Chinese, and the author relies on the Chinese translation to study Macau during the Second World War. Jin was born in Shanghai and Wu was born in Guangdong, both utilizing numerous Portuguese sources and arguing that the Portuguese Macau government’s neutrality was “oscillating” with the passage of time.

A survey of the English literature on Macau during the Second World War shows that the publications of at least five Chinese works have not been fully utilized. They are as follows. The first one is Wu Zhiliang, Tang Kaijian, and Jin Guoping, eds., *The Chronicle of Macau*, volume 5 (1912–1949) (Guangdong People’s Publisher, 2009), in which all the materials are valuable but not used in any English literature. Gunn and his authors did not make use of this important historical work which includes all the detailed events from 1937 to 1945. In this book, I use historians Wu, Tang, and Jin’s *The Chronicle of Macau* to trace the detailed and monthly historical events from 1937 to 1945. The second book neglected by the existing English literature on Macau from 1937 to 1945 is the two volumes of Wang Xi and Lin Fayin, eds., *Daily Chronicles of Macau During the War*.

---

19 See Jin Guoping and Wu Zhiliang, “The Enigma of Unoccupied Macau During the War of Resistance,” in Ibid., pp. 148–188. It must be added that Jin is based in Portugal and Wu is based in Macau.
Wartime: Macau Society under Chinese News and Magazines, 1931–1942 and 1943–1945 (Macau Polytechnic Institute, December 2018). These two volumes were published two years after Gunn’s publication. The third source with tremendous value to the Chinese readers and researchers is an edited book by historians Jin Guoping and Wu Zhiliang, who translated many Portuguese national archival documents from Portuguese into Chinese. The fourth source useful to researchers is a compilation of selected mainland Chinese news reports on Macau from 1937 to 1947: Feng Cui and Xia Quan’s edited work, namely A Preliminary Compilation of the Chinese Data in Guangzhou About the Counter-Japanese War in Macao (Guangdong: Guangdong People’s Publisher and the Macau Cultural Bureau, December 2017). The mainland Chinese reports came mainly from Guangzhou’s Zhongshan Daily, which covered Macau’s news and events quite extensively. The fifth source compiled by Guangdong Province’s archive is a compilation of mainland news reports on Macau from 1873 to 1949, although the materials on Macau from 1937 to 1945 tended to focus on the relief of refugees and their settlement in Macau.

All these Chinese sources are conducive to our deeper understanding of Macau’s social, economic, and political development from 1937 to 1945.

Another important work from the mainland is an unpublished Master’s thesis written by a Macau Chinese author, Chen Shihao, in 1998, entitled Macau During the Sino-Japanese War and submitted to the South China Normal University in June 1998. This thesis has described in detail the politics of Macau during the Second World War by using Taiwan-based and mainland sources. This thesis remains important due to its usage of Taiwan’s Chinese sources, but from a critical perspective its weakness is that Chen adopted a nationalistic perspective to provide a critique of

---

23 Feng Cui and Xia Quan, eds., A Preliminary Compilation of the Chinese Data in Guangzhou About the Counter-Japanese War in Macao (Guangdong: Guangdong People’s Publisher and the Macau Cultural Bureau, December 2017).
25 Chen Shihao, Macau During the Sino-Japanese War, an unpublished thesis submitted to the South China Normal University, June 1998. I thank my former student Rainbow Ye Liting for her great help in getting a copy of the thesis for my research.
Portuguese rule in Macau during the Second World War. As such, terms like “traitors” were used frequently without sufficient and solid evidence. Yet, the weakness of adopting the nationalistic perspective could be viewed as a strength, because, as this book will discuss, Chen and many other mainland and Macau Chinese historians have provided extensive critique not only on Portugal’s policy on Macau but also the Portuguese appeasement policy toward Japan.

In the past two decades, the study of Macau’s history and society has flourished. Compiled volumes and books on Macau’s history have been published, while mainland academic journals and magazines have published numerous articles on Macau. I make use of all these rich sources to supplement the already voluminous English literature on Macau from 1937 to 1945. Full credit must be given to all these authors whose works have laid a solid foundation of my research and interpretations of Macau during the Second World War.

THE CONCEPT, CONTENT, AND CONTEXT OF NEUTRALITY

Although neutrality can be simply defined as a state or a country adopting its decision of non-participation in a war and maintaining its non-alignment stance, the concept of neutrality can change over time. As Christine Agius and Karen Devine have stated:

Expectedly, variations in how neutrality has come to be defined also merit attention—at certain historical junctures, the form of neutrality takes on a certain shape, commensurate with the dominant ideas about war and security prevalent at the time. The way in which neutrality is defined is important because the variations in meaning convey the scope of neutrality, and, at times, certain descriptors, such as non-alignment, are used interchangeably with terms intended to define a different position.26

Another scholar, Roderick Ogley, has described neutrality in the following way:

Neutrality, far from being an anachronism, is a condition that states are likely to find themselves in, by accident or design, with increasing frequency ... The neutrality that we are likely to see will, then, be a somewhat

---

messy neutrality; its rules may be improvised, and the powerful may be able to disregard them. But there will persist … a reluctance of third parties to involve themselves in other’s conflicts ….

This book begins with the concept of neutrality as Portugal’s non-participation in the Second World War. It will explore whether the Portuguese neutrality over Macau was “messy” with “improvised rules,” to borrow from Ogley’s terms. Moreover, the factors shaping the Portuguese foreign policy of neutrality in Macau will be discussed. The conclusion will refine the concept of neutrality and reexamine its complex political context in the case study of Macau.

Historians have probed the complexities of the concept of neutrality, which was adopted by Portugal during the Second World War. Douglas Wheeler has observed that the question of wolfram, which is a source of tungsten (a metal used in steel-hardening processes) essential for the production of machine tools and armored shells for tanks and airplanes, was not only a diplomatic matter between Portugal and other countries, notably Germany, but also “an unprecedented political, social, psychological and economic crisis whose final government policy resolution was determined as much by ‘national interests,’ as defined by the dictatorship, as by Portugal’s neutrality policy.” Wheeler added that while Portugal pursued its national interest of providing wolfram in a skillful way, it neglected to keep Spain out of the war and to make it maintain “a zone of peace” in the Iberian Peninsula. During the Second World War, the Allies and Axis powers were scrambling for wolfram for their war industry. Yet, after Germany’s invasion of Russia in June 1941, its sources of wolfram became unavailable in the Far East. Originally, Germany relied on China to provide wolfram; however, the Japanese invasion of China in late 1937 forced Germany to sever its relationship with the Chiang Kai-shek administration, thereby cutting German access to wolfram on mainland China. On the other hand, the British blockade of the German sea trade meant that

29 Ibid.
Germany had to rely on the wolfram mines in Portugal and Spain.\textsuperscript{30} The main wolfram deposits and mines in Portugal were located in the northern part, including the province of Beira Alta, whereas the mines in Spain’s Estremadura Province provided rich sources of wolfram for Germany.\textsuperscript{31}

Under the circumstances in which Germany wanted to acquire more wolfram from Portugal, and because the Allied powers were keen to reduce German access to wolfram, Lisbon was forced by the political situation to adopt a relatively “neutral” foreign policy. As Wheeler argued:

From the first days of World War II, Portugal’s foreign policy was a duality: neutrality and allegiance to the Anglo-Portuguese Alliance, Europe’s oldest diplomatic alliance. Portugal’s policy on the wolfram question was conditioned by this duality of policy which contained contradictions. To maintain neutrality, Portugal attempted to satisfy both sets of belligerents and to alienate neither. With the country’s military and economic weaknesses, this was a difficult task in the best of circumstances, but it would be a virtually impossible policy if one or the other belligerent wished Portugal to enter the war. To maintain her neutrality then, Portugal had to ‘sell’ her neutrality to convince the stronger powers that her neutrality was a worthy policy goal.\textsuperscript{32}

In other words, Portuguese neutrality during the Second World War was contextually driven. Politically and strategically sandwiched between the Allied powers and the Axis alliance, Portugal had to adopt a more neutral position without entering the war formally and militarily.

Wheeler contended that Portugal’s Premier and Foreign Minister Salazar perceived its sovereignty as the right to retain a certain degree of autonomy to make choices in foreign policy directions, including the right to use wolfram in a way Lisbon approved of.\textsuperscript{33} The desire of the Salazar regime to maintain its diplomatic and domestic autonomy vis-à-vis both the Allied powers and the Axis alliance contributed to Lisbon’s relatively neutral foreign policy. Neutrality was a “delicate balancing act” that made the Allied powers check against the Axis alliance, or vice versa.\textsuperscript{34} Wheeler questioned the conventional wisdom that Portugal was “pro-Axis” rather than “pro-Allies,” because it allowed the British and Americans to use the

\textsuperscript{30} Ibid.
\textsuperscript{31} Ibid.
\textsuperscript{32} Ibid., pp. 109–110.
\textsuperscript{33} Ibid., p. 110.
\textsuperscript{34} Ibid., p. 111.
Azores as an airbase in October 1943.\textsuperscript{35} Regardless of whether Portugal was “pro-Axis” or “pro-Allies” during the Second World War, the Allied powers and the Axis alliance did not want Portugal to tilt toward any side prominently.

The British companies owned and controlled two wolfram mines in Beira Alta, while the German-controlled mines were small in terms of tonnage.\textsuperscript{36} At the same time, Britain had greater investment and monopolistic control in the cable-telegraph and communication industry in Portugal. It was possible that Britain made use of the cable traffic in Portugal to conduct intelligence-gathering activities on both Lisbon and Berlin. Economically, Portugal remained a debtor nation to Britain, which obviously favored the maintenance of the political and economic status quo. On the other hand, Germany’s inroads into Portugal’s economy might have reduced its economic dependence on Britain; Berlin was willing to purchase as much wolfram as possible from Lisbon. The delicate triangular economic relationships between London, Lisbon, and Berlin rendered Portugal’s neutrality a political necessity and status quo without undermining the national interests of all sides.

The year 1943 could be regarded as a watershed in which Portugal’s relatively “neutral” foreign policy was slightly tilted toward a “pro-Allies” stance, because its negotiations with the Allies led to the lease of the military base on the Azores Islands to Allied powers. Shortly before the lease, the Allied powers exerted pressure on Portugal and complained that it had signed an agreement to provide more than 2000 tons of wolfram to Germany.\textsuperscript{37} However, Portugal responded diplomatically, reaffirming the continuation of its policy of not transferring wolfram mines to foreigners. In fact, in late 1943, Germany suffered from its military defeat in North Africa and Russia, directly or indirectly leading to the pressure exerted by Britain and the US on Portugal to declare a full embargo on wolfram exports to Germany.\textsuperscript{38} The Portuguese response was shrewd, stating that it had already expressed goodwill by agreeing to the deal on the Azores military base, that the wolfram for Germany “was the last remaining element of Portuguese neutrality,” and that Germany could carry out

\textsuperscript{35} Ibid., p. 111.
\textsuperscript{36} Ibid., pp. 111–112.
\textsuperscript{37} Ibid., p. 98.
\textsuperscript{38} Ibid., p. 99.
military attacks on Portugal’s cities if a wolfram embargo were implemented. The balancing act performed by Portugal was clearly an attempt at fending off any excessive demands made by the Allies and placating Germany skillfully.

Judging the way in which Portugal responded to the demands from the Allied powers in May 1944 to request an embargo on wolfram for Germany, Lisbon appeared to increasingly adopt a “secretly pro-Allied position” while continuing to fend off Allied demands by using the justification that doing so would provoke German retaliation. Domestic unrest, including workers’ strikes in 1942 and the summer of 1943, and the rise in the activities of the Portuguese Communist Party, raised the danger of triggering a military coup that might dismiss Salazar and topple his government. In March 1944, a document prepared by the Portuguese Ministry of Foreign Affairs stated the following:

> Politically, it is indisputable that with the solution of the wolfram question [we] should at all costs avoid a political, military or economic reaction from one side or the other. In the case of absolute necessity, we must always sacrifice the German interest to the Allied interest. Since the entry of Portugal into the conflict through a German reaction would be absurd, we must take special care to avoid an attitude which would provoke her [Germany].

On June 3, 1944—three days before the Allied landing on Normandy—Salazar decided to adopt a total embargo of all wolfram exports to all belligerents, not only Germany, while informing Britain of Portugal’s move. Again, Portugal tried hard to maintain its neutral position. However, toward the end of the Second World War, Portugal tended to implement, as Wheeler has observed, a “secretly pro-Allied” foreign policy while maintaining apparent neutrality to avoid any German attack on Portugal, thereby safeguarding Lisbon’s national sovereignty and national security interest.

Wheeler’s study of wolfram was important for us to understand the content and context of Portuguese neutrality in the Second World War.

---

39 Ibid., p. 99.
40 Ibid., p. 104.
41 Ibid., p. 102.
First and foremost, Portugal clearly adopted a policy of balancing one power against another, maintaining a delicate equilibrium between the Allied powers and the Axis alliance. Second, the role of Salazar in Portugal’s foreign policy of neutrality was politically significant. As Wheeler has observed, “Salazar’s negotiating style was careful, cautious, shrewd, rational and tough-minded.” According to the British Ambassador to Lisbon, Sir Ronald Campbell, Salazar told him that Portugal’s neutrality could make Spain relatively free from being occupied by Germany, and that any German occupation would alter the entirety of North Africa to the advantage of the Axis alliance. In the political discourse with the Allied powers, Salazar skillfully implied that both Portugal and Spain could be the buffer states that could avoid a complete German occupation of Southern Europe and North Africa. Above all, Salazar viewed Portugal’s neutrality as a means to achieve its ends; he remarked in June 1942 that “the desire for neutrality cannot be superior to the interest of the nation.” The national interests of Portugal were to maintain its sovereignty, to stop the country from being pressured by the Allied powers, to shun any possibility of being militarily attacked by Germany, and to maintain its socio-political stability and economic development. Last but not least, Wheeler attempted to redefine Portugal’s neutrality in terms of its “creativity.” He writes:

If ‘neutrality’ in a war is ‘not taking part in others’ quarrels,’ Portugal’s neutrality resembled at times a new genre, a uniquely creative neutrality, with mysterious foundations, participation in a war without bullets, but replete with what one neutrality theorist described as ‘passive hostilities,’ by proxy, as it were, in the case of thousands of Portuguese who made their livings assisting belligerent nationals and their agents acquire or deny wolfram during a war effort.

Salazar’s diplomatic finesse of maneuvering between the Allied powers and the Axis alliance stood out as a politician skilfully playing the game of international relations. Historian Malyn Newitt has accurately described

43 Ibid., p. 107.
46 Ibid., p. 106.