GOVERNMENT-COMMISSIONED, COMMUNITY-IMPLEMENTED: THE EVOLUTION OF MACAU'S *YECHAO* SYSTEM AND THE TRANSFER OF PUBLIC AUTHORITY IN COLONIAL GOVERNANCE DURING THE WAR OF RESISTANCE AGAINST JAPANESE AGGRESSION

1. *Introduction*

During the War of Resistance (1937–1945), Macau was hit simultaneously by the Japanese blockade and a wave of refugees. Within a few years, its population nearly doubled. Housing became acutely scarce, prices rose sharply, and public finances came under severe strain. Faced with mounting difficulties in collecting the tax and with recurring cases of forced eviction, the colonial government did not rely on the coercive methods commonly associated with colonial rule. Instead, it turned to Chinese organizations represented by the Chamber, adopted their proposals on tax administration, and relied on them to mediate intense conflicts between landlords and tenants. This unusual situation points to a deeper paradox: why was a colonial government that claimed full sovereignty unable to govern the Chinese residents under its rule on its own? And how was a merchants' association with no formal political status able to intervene substantively in core state functions such as taxation and social governance?

This article argues that wartime governance in Macau offers a concentrated example of the functional dependence of a weak colonial state—one marked by shallow grassroots penetration, chronic understaffing in fiscal administration and law enforcement, and limited cross-cultural governance capacity—on a strong local society in times of crisis. From the time Macau was opened as a port, the colonial government possessed only limited administrative capacity and had long relied on Chinese elites to handle civil affairs. This produced a political configuration marked by dual allegiance and a path-dependent pattern of separate Chinese and Portuguese spheres of governance[1]. After the outbreak

[1] Wu, Z. *A Political History of Macau*, Shanghai, Shanghai Academy of Social Sciences Press, 1999, pp. 306–316.

of war, the mass arrival of refugees and the blockade of supply routes further deepened the vacuum in governance. The government was thus compelled to transfer, in practice, the collection of *yechao* and the mediation of disputes, both core state functions, to the Chamber.

Within the existing scholarship, this article speaks to two bodies of literature. The first concerns colonial governance. Joel S. Migdal's strong-society, weak-state framework suggests that when the state cannot penetrate society effectively, local organizations often assume quasi-state functions[2]. Ann Laura Stoler and others have likewise shown that colonial governments, constrained by language, culture, and manpower, frequently relied on local intermediaries to exercise forms of informal governance[3]. Ma Zhida characterizes the practice of this model in Macau as a "soft colonial system", pointing out that because the colonial government, relying solely on its own strength, was unable to exercise strict control over a pluralistic and heterogeneous society, substantial governance gaps opened up between the government and the residents, necessitating reliance on extra-institutional forces such as associations to fill the vacuum[4]. The Macau case supports this logic, but it presents an important difference. The intermediary on which the colonial government relied was not a traditional chief or religious authority, but a modern chamber of commerce. Its authority rested not only on organizational networks, but also on the moral prestige and communal trust it had accumulated through charitable relief, dispute mediation, and patriotic activity. In this respect, the case aligns with Pierre Bourdieu's concept of symbolic capital—accumulated moral prestige and communal trust that can be converted into de facto social authority and governing capacity[5].

The second body of literature is the history of Macau itself. Existing scholarship has made significant contributions to understanding the political evolution of Macau. Wu Zhiliang systematically traces the evolutionary process

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[2] Migdal, J. S. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*, Zhang Changdong, Zhu Hailei, Sui Chunbo and Chen Ling, trans., Nanjing, Jiangsu People's Publishing House, 2009, pp. 11–43.

[3] Stoler, A. L. *Along the Archival Grain: Epistemic Anxieties and Colonial Common Sense*, Princeton, Princeton University Press, 2009, pp. 17–54.

[4] Ma, Z. "On the Corporatist Model of Social Governance in Macau during the Portuguese-Macanese Period." *Journal of South China Normal University (Social Science Edition)*, no. 3, 2011, pp. 154–156.

[5] Bourdieu, P. *Distinction: A Social Critique of the Judgment of Taste*, LIU HUI, trans., Beijing, Commercial Press, 2015, p. 123.

of Macau's political system and proposes a "way of survival" centered on consultation and adaptation. He argues that under the push and pull of colonial pressure and local societal demands, Macau's politics exhibited a high degree of flexibility[1]. While Wu's work provides a crucial macro-institutional background for understanding the informal transfer of administrative power, it tends to focus on the structural characteristics of the system rather than the specific mechanisms of functional transfer during crises.

Similarly, Geoffrey C. Gunn has noted Macau's character as a "minimal state"[6]; meanwhile, Lou Shenghua, in a series of studies on Macau's associational politics, has described the tradition of political participation by local associations and analyzed the internal logic behind the emergence of quasi-state and quasi-party tendencies among Chinese associations[7]. These studies are invaluable for mapping the political landscape. However, they have paid less attention to the granular process by which the Chamber of Commerce came to fill core state functions. Specifically, while acknowledging the Chamber's growing influence, this literature has not fully explored how, from the perspective of the transfer of public authority, the Chamber assumed responsibilities in areas such as legislative proposal, administrative coordination, and preliminary adjudication.

Jason Buhi, in his monograph on Macau's constitutional evolution, explores in detail the governance practices and the evolution of power structures in Macau under different logics of sovereignty[8]. Chen Wenyuan's research traces the process by which the colonial government gradually withdrew its control over the Chinese community. The *Procuratura dos Negócios Sínicos* (Chinese Affairs Bureau), originally responsible for Chinese affairs, gradually lost its judicial functions after 1894 and shifted its focus to economic and livelihood mediation. This left an institutional space for chambers of commerce to intervene in affairs such as *yechao* management and lease arbitration during the wartime period[9]. Hang Cheong, by examining the changes

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[6] Gunn, G. C. *A History of Macau*, Qin Chuan'an, trans., Beijing, Central Compilation and Translation Press, 2009, p. 9.

[7] Lou, S. *Macau's Associations in the Transitional Period: An Analysis of the Corporatist System in a Plural Society*, Guangdong, Guangdong People's Publishing House, 2004, pp. 232–233.

[8] Jason, B. *Global Constitutional Narratives of Autonomous Regions: The Constitutional History of Macau*. London; New York: Routledge, 2021, pp. 114–142.

[9] Chen, W. "The Evolution of the Organizational Structure and Functions of the Chinese Affairs Bureau in Modern Macau." *Journal of South China Normal University (Social Science Edition)*, no. 1, 2011, pp. 34–39.

in Chinese educational policy in colonial Macau between 1914 and 1949, further demonstrates that the policy vacuum caused by the colonial government's "laissez-faire" approach led Chinese organizations in various fields to participate in public affairs to varying degrees[10]. While these works recognize the phenomenon of "participation," they often stop short of analyzing the substantive shift of discretionary power. Gao Bingkun seeks external motivations for the formation of Macau's unique governance system, pointing out that the origins of Macau's "Corporatism" model lie in the transplantation and alienation of the Portuguese Salazar regime's "*Estado Novo*" system in Macau[11]. Yet, the aforementioned studies have focused largely on phenomenological descriptions or external factors.

Taking the development of the *yechao* issue as its case and analytical entry point, this article examines the effective withdrawal of the colonial government from the three core domains of public authority: legislative, administrative, and adjudicative, and the corresponding assumption of those functions by the Chamber. Crucially, this article distinguishes between routine administrative delegation and a substantive transfer of public authority, which is defined here as the cession of discretionary power and quasi-judicial functions. While the colonial state retained formal sovereignty, the implementation of the *yechao* system and tenancy regulations reveals a deeper shift: the Chamber not only executed policies but also controlled critical grassroots information, exercised discretionary judgment in dispute mediation, and institutionalized its role as a key intermediary in legislative revision. This transfer of operational control over fiscal and social governance marks the core of the transformation analyzed in this study.

It draws on two main bodies of primary sources. The first is Chinese-language newspapers, especially Wah Kiu Po, which make it possible to trace the Chinese community's concrete responses to policy change and its collective demands. The second is the official gazette and the legislative decrees issued by the colonial government, whose formal and authoritative character allows a precise reconstruction of the colonial authorities' policy intentions and governing logic. The article finds

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[10] Cheong, H. "Regulating Chinese education in colonial Macao: political struggle and the role of 'the Chinese Educators' Association of Macau' (c. 1914–1949)". *Asian Education and Development Studies*, no. 4, 2022, pp. 666–676.

[11] Gao, B. "On the Evolution and Development Direction of Corporatist Governance in the Macau Special Administrative Region." *Chinese Public Administration*, no. 12, 2009, pp. 113–119.

that although the government retained nominal authority over decree promulgation and tax collection, it delegated or entrusted such crucial tasks as grassroots investigation, information verification, implementation and coordination, and even preliminary adjudication to the Chamber. This transfer was not grounded in formal legal authorization, but arose from a pragmatic response to crisis. The result was a governing arrangement in which symbolic sovereignty remained formally with the colonial government, while operational sovereignty, meaning de facto discretionary control over daily tax administration, rule enforcement, and grassroots dispute mediation, shifted to social actors below. This process not only eased the wartime crisis of governance, but also reshaped Macau's political ecology and laid the historical groundwork for the later institutionalization of associational politics.

2. *The Origins and Development of Yechao*

In Macau, property owners were subject to a local property tax known as *yechao*. This term is the Chinese designation for the colonial *contribuição predial*, a fiscal system transplanted from mid-19th century Portugal[12]. Levied on all privately owned real estate, *yechao* was neither a simple property-holding tax nor a straightforward income tax on actual rental earnings. Rather, it represented a hybrid form of taxation: it was levied not only on the actual rental income derived from leased properties, but also on a presumed or hypothetical rental value assigned to unleased or owner-occupied properties. Macau's first specialized regulation on property taxation was the Regulations on the Assessment and Collection of Property Tax in Macau, promulgated on March 9, 1893 (hereafter the 1893 Regulations). It formally took effect in 1894 and remained in force until it was replaced by a new decree in 1964[13]. Although it was revised several times in the interim, its basic framework did not fundamentally change. *Yechao* therefore continued to be collected during the War of Resistance. Table 1 lists the principal decrees related to *yechao* up to 1945.

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[12] Raínha, J. H. *Apontamentos de Direito Fiscal*, Macao, Universidade de Macau, 1996, pp. 35–38.

[13] "Regulamento para o lançamento e cobrança da contribuição predial em Macau", in *Boletim Oficial da Colónia de Macau*, 29 May 1893, pp. 229–251. No official Chinese translation of the original document exists. "Regulations on the Assessment and Collection of Property Tax in Macau" is the author's translation. Although "property tax" is the current official term, the levy was historically more commonly known as *yechao*.

Table 1 The principal decrees related to *yechao* up to 1945

Date	Gazette No.	Title	Note
09/03/1893	No. 21	Regulamento para o lançamento e cobrança da contribuição predial em Macau (Regulations on the Assessment and Collection of Property Tax in Macau)	The original regulation governing the collection of *yechao*; replaced in 1964 by Legislative Regulation No. 1630
20/06/1925	No. 25	Legislative Regulation No. 21, revising several articles of the *yechao* regulations promulgated on March 9, 1893	Mainly concerned revisions to stamp tax provisions and the appointment of assessors
17/10/1929	No. 42	Legislative Regulation No. 89, revising the *yechao* regulations approved by decree on March 9, 1893, and fixing the amount to be collected	Raised the tax rate, added procedures for reviewing taxable income, and revised methods for assessing taxable income
18/08/1934	No. 42	Legislative Regulation No. 395, revising Article 170 of the *yechao* regulations in Macau	/
09/03/1940	No. 10	Legislative Regulation No. 652, amending the colony's tax regulations to suit present conditions	Required tenants and landlords to sign contracts, facilitating the calculation of *yechao*
18/05/1940	No. 20	Legislative Regulation No. 669, revising several articles of the urban housing lease regulations established by Legislative Regulation No. 652	/
17/10/1942	No. 21	Legislative Regulation No. 783	Set out the specific procedures for recovering unpaid *yechao* for 1939 and 1940

Note. The titles of all decrees are translated from their Chinese versions.

Although Article 1 of the 1893 Regulations defined *yechao* as a tax levied on income from real property, in practice it was imposed on all privately owned real estate. Article 18 of Section 2, "On-Site Inspection", in Chapter 2, "On the Compilation, Replacement, and Updating of the Property Register", provided that the annual income of urban properties should be calculated on the basis of actual rent after deduction of 10 percent for maintenance costs, whereas the income of urban properties that were not leased, were used without payment, or were occupied by their owners should be determined by

valuation[14]. This provision made clear that even when a property generated no actual rental income, it was still to be taxed on the basis of imputed income, that is, the rent it could hypothetically command if leased under normal market conditions. Article 20 of the same section further specified the standard of assessment: when valuing the income of urban properties requiring assessment, each parish was to give priority to the rents of comparable leased properties, selecting the most representative lease in each category as the basis of comparison[15]. In other words, apart from the few exemptions listed in Article 1, almost all privately owned real estate, whether actually leased or not, was subject to annual *yechao*[16]. This comprehensive tax regime made *yechao* a fixed cost that property owners had to take into account in calculating the costs of holding and leasing real estate.

It is worth noting that the 1893 Regulations also contained limited exemptions. Articles 164 and 165 provided that owners of urban properties left wholly or partially vacant for more than one month during the year could apply for a tax refund, but that the following situations were not to be regarded as vacancy: leased properties, owner-occupied properties, properties lent without charge, and furnished properties[17]. Article 179 further provided that if a property remained entirely vacant throughout the year, the tax could be cancelled[18]. In other words, under the institutional design of the colonial government, any

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[14] "Regulamento para o lançamento e cobrança da contribuição predial em Macau", in *Boletim Oficial da Colónia de Macau*, 29 May 1893, pp. 229–251. In the original text, chapter 2 is titled "Da organisação das matrizes prediaes, sua substituição e renovação", and section 2 is titled "Da inspecção directa".

[15] "Regulamento para o lançamento e cobrança da contribuição predial em Macau", in *Boletim Oficial da Colónia de Macau*, 29 May 1893, pp. 229–251.

[16] The excluded cases in the original are public temples, cemeteries, state-owned properties, official residences belonging to the municipal council, buildings occupied by the hospital and the Santa Casa da Misericórdia, except for rented portions, wasteland, and one or more properties held by the same owner or usufructuary where the total property tax due did not exceed $0.117. Except for the last case, none were privately owned properties.

[17] "Regulamento para o lançamento e cobrança da contribuição predial em Macau", in *Boletim Oficial da Colónia de Macau*, 29 May 1893, pp. 229–251. The relevant passage appears in chapter 11, "Processo do serviço depois do encerramento do mappa de lançamento até ao encerramento das matrizes por transição para o anno seguinte", section 1, "Das alterações ocorridas depois do encerramento das matrizes para o lançamento".

[18] "Regulamento para o lançamento e cobrança da contribuição predial em Macau", in *Boletim Oficial da Colónia de Macau*, 29 May 1893, pp. 229–251. The relevant passage appears in chapter 11, section 4, "Do caderno das annullações e correspondentes titulos".

property with the potential to generate income, whether through actual lease, owner occupation, gratuitous lending, or merely through being furnished and thus ready for immediate use, remained subject to taxation. Only when a property had neither a lease nor furniture and had completely lost its capacity to generate income could it be exempted from *yechao*.

The legislative intent behind this arrangement was fairly clear. In the absence of effective supervisory capacity, the colonial government sought to close off avenues of tax evasion by depriving tax-exempt properties of their habitability. Provisions of this kind reflected a deep mistrust of Chinese property owners on the part of the colonial authorities, and that mistrust was repeatedly reinforced and institutionalized in subsequent revisions of the 1893 Regulations.

Legislative Regulation No. 89, adopted in 1929, stated at the outset that under the supplementary clause of Article 87 of the Regulations on the Assessment and Collection of Property Tax in Macau, approved by decree of March 9, 1893, if property owners could prove through lawful lease contracts that the actual rent of their properties was lower than the original basis of assessment, they could obtain a corresponding reduction in taxable income and property tax. Investigation showed, however, that in many cases properties were being subleased with deposits far exceeding the rent, and that the amounts stated in such lease contracts were manifestly fictitious and intended to defraud public revenue[19]. In order to reduce the *yechao* paid to the government, some owners collected part of the rent separately as deposits and thereby evaded taxation. Although this practice might appear defensible within the existing regulatory framework, the colonial government regarded it as a fiscal loss and responded by directly raising the tax rate. Legislative Regulation No. 89 increased the original rate from 10 percent to 12.5 percent and further narrowed owners' room for maneuver by revising and refining the provisions governing the assessment of taxable income.

At the same time, the colonial government's declining trust in property owners was further reflected in its treatment of vacant houses. The *yechao* exemption for unfurnished vacant properties under the 1893 Regulations was abolished and replaced by a rule imposing tax on such properties at one-third of their assessed value[20]. From that point on, all privately owned real estate in

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[19] "Legislative Regulation No. 89", in *Boletim Oficial da Colónia de Macau*, 19 Oct. 1929, pp. 834–837.

[20] "Legislative Regulation No. 89", in *Boletim Oficial da Colónia de Macau*, 19 Oct. 1929, pp. 834–837, art. 14.

Macau was subject to annual *yechao*, with no exemptions remaining. These provisions and mechanisms tightened restrictions on property owners, but they also made enforcement more complex. This mistrust continued into the War of Resistance and was reflected in the series of decrees issued against property owners during that period.

The burden of *yechao* borne by property owners increased markedly during the War of Resistance. As noted above, *yechao* was levied not only on the actual income generated through leasing but on the potential earning capacity of all privately owned properties. Whether or not a property was leased, its owner therefore had to bear an unavoidable fixed *yechao* expense. In addition to *yechao*, the Public Works Bureau required owners to carry out safety repairs and facade improvements. Because the Japanese blockade obstructed import and export channels, the prices of raw materials such as paint and lime rose sharply, further increasing the financial burden on owners. As one property owner put it, under these extraordinary circumstances, with the prices of all goods soaring, jobs such as painting and plastering could easily cost hundreds of patacas and were simply beyond the means of ordinary owners[21].

Population growth and economic decline also severely limited employment opportunities in Macau, and many property owners depended on rent as a principal source of income. Under these circumstances, some owners, faced with mounting economic pressure, shifted the burden onto more vulnerable tenants by raising rents, collecting shoe money (a type of deposit), and resorting to forced eviction. As the war intensified, tensions between tenants and owners escalated rapidly, fueled by increasingly frequent cases of forced eviction. Existing regulations placed excessive emphasis on tax obligations while offering no corresponding protection of rights, and this defect became especially apparent amid social disorder. Faced with increasingly complex demands of social governance, tax affairs such as *yechao* collection required more fine-grained administration. Yet the colonial government lacked both the administrative capacity and the personnel needed to support a shift from rough administration to more detailed forms of grassroots governance[22].

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[21] "The Chamber Chairman Again Petitions the Director of Public Works to Postpone Whitewashing Requirements", in *Wah Kiu Po (Macau)*, 18 Feb. 1944, p. 4.

[22] According to data from the 1940 budget estimates compiled at the end of 1939, Macau's police force consisted of 333 frontline police officers and 298 hired personnel as of late 1939. The Repartição Central dos Serviços de Fazenda (Finance Bureau) had only 43 regular staff and 5 hired personnel, while the Repartição Técnica do Expediente Sínico (Chinese Affairs Office) employed merely 19 interpreters. The colonial military comprised 780 army soldiers

Under the pressure created by repeated grassroots conflicts, especially disputes over forced eviction, the colonial government began to seek the assistance of Chinese associations. Under the combined force of internal and external pressures, political authority was transferred more rapidly from the colonial government to Chinese elites. This transfer of authority was evident not only in the collection of *yechao* and the mediation of forced-eviction disputes, but also in the broader reshaping of Macau's wartime social order and structure of governance.

3. *The Formation of Anti-Eviction Legislation*

The regulation of housing leases through anti-eviction legislation was not an isolated policy initiative, but rather an integral component of the broader transformation of the *yechao* system. The collection of *yechao* depended fundamentally on the existence of formal lease contracts that could establish taxable rental income; without such contracts, the colonial government lacked the informational basis to assess and collect the tax. The housing crisis triggered by the refugee influx thus posed a direct threat not only to social stability but also to fiscal revenue. In this sense, the anti-eviction legislation served a dual purpose: protecting tenants from arbitrary eviction while simultaneously creating the contractual infrastructure necessary for effective tax administration. The following section traces how this legislative response to the housing crisis laid the groundwork for the Chamber's subsequent involvement in tax collection and contract registration.

Before the outbreak of the War of Resistance, the housing rental market in Hong Kong and Macau remained relatively stable. Supply and demand were broadly in balance, rents stayed at a fairly steady level, and forced eviction was comparatively uncommon. Macau in particular had long had a small population and a sluggish economy, so the supply of urban housing greatly exceeded demand. Tenants therefore enjoyed considerable bargaining power, and property owners seldom suffered significant economic loss[23]. Even when disputes

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and 122 navy personnel. Clearly, these staffing levels were woefully inadequate to govern the rapidly expanding Chinese population. See "Orçamento da receita ordinária e extraordinária da Colónia de Macau para o ano económico de 1940," Boletim Oficial da Colónia de Macau, 30 December 1939, 941–1082.

[23] For Macau's economic situation before the outbreak of the War of Resistance, see Zhang, X. "Macau's Economy and Society in the Early Phase of the War of Resistance, 1937.7–1941.12", *Republican Archives*, 2005, 3, pp. 82–89.

did arise, they were usually settled through negotiation rather than legal action. Lacking practical experience in this area, the colonial government did not establish a systematic regime for tenant protection.

With the outbreak of the War of Resistance, however, the influx of large numbers of refugees upset the balance of supply and demand in Macau's housing market, and the relative positions of owners and tenants gradually reversed. After Japanese forces landed at Daya Bay and quickly occupied Guangzhou in 1938, Hong Kong, under British rule, and Macau, under Portuguese administration, became ideal destinations of refuge because both maintained close transport links with Guangzhou. Large numbers of refugees moved south into Hong Kong and Macau[24]. As Japanese forces continued sweeping operations in the lower reaches of the Xijiang River, the number of refugees kept rising, and Macau's resident population expanded in a short time from about 120,000 in 1937 to nearly 260,000 in 1939[25]. The military blockade made it difficult to import building materials, bringing new construction almost to a standstill. Apart from projects rebuilt with old materials, few were willing to undertake new building, since the prices of timber, bricks, tiles, and cement had all risen sharply, with cement costing four times as much as before[26]. The city's housing capacity could not be expanded in the short term.

This prolonged condition of excess demand made the rental market in Hong Kong and Macau exceptionally active and drove rents steadily upward. A room that had previously rented for ten patacas now cost fifteen to twenty, and rents on

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[24] In the initial phase after occupying Guangzhou, Japanese forces adopted a friendly attitude toward Hong Kong and Macau. The "Guidelines for Political Handling in Response to South China Operations", issued on 28 Oct. 1938, laid down principles for communication with the colonial governments of Hong Kong and Macau, including respect for the rights of third countries, particular caution in dealing with Britain, and a benevolent attitude toward Macau. Quoted in *War Operations against China, Series 2: Operations in Central and South China and the Transformation of Strategy in the War against China*, Taiwan, Bureau of History and Translation, Ministry of National Defense, 1987, pp. 396–397.

[25] Population data for 1937 are drawn from "After the Outbreak of the Sino-Japanese War, Macau's Population Increased by More than 200,000", in *Wah Kiu Po (Macau)*, 26 Apr. 1939, p. 6; population data for 1939 are from *Macau Yearbook, 1940–1941*, Macau, Macau Economic Bureau, 1941, p. 309. Because the census preceding that of 1939 had been conducted in 1927, the 1937 figure is taken from the newspaper report.

[26] "Fighting in the East, West, and North River Regions Cuts Off Macau's Timber Supply", in *Wah Kiu Po (Macau)*, 31 Dec. 1938, p. 3.

previously leased rooms were often raised by 10 to 20 percent[27]. Cases of forced eviction became increasingly frequent. From late 1938 to early 1939, Macau newspapers carried a series of reports on disorder in the rental market, provoking strong public dissatisfaction and intensifying social tensions[28]. At the same time, the government's frontline enforcement organs lacked clear legal provisions on which to base enforcement and found themselves ill-equipped to deal with the growing number of disputes over eviction and rent increases. The government urgently needed to act to stabilize the situation and mitigate risks to public order. How to curb the unchecked rise of rents while protecting tenants without unduly harming the interests of owners became an urgent question for both the colonial government and Chinese elite associations.

Legislative Regulation No. 598 was promulgated hastily under these circumstances. As its preamble made clear, urgent measures were needed to curb abuses in civil lease disputes, respond to longstanding public appeals, address the extreme insecurity produced by the ongoing Sino-Japanese conflict and the housing shortage it had intensified, and remedy obvious defects in existing tenancy law, which neither protected tenants adequately from rapacious landlords nor safeguarded owners' legitimate rights against abusive tenants[29].

The government attributed the disorder to three factors: an acute housing shortage, abuses by property owners and sublessors, and the absence of an effective mechanism for protecting tenants' rights[29]. Of these, the housing shortage, shaped by wartime blockade and the stagnation of construction, could not be relieved in the short term. The core purpose of Legislative Regulation No. 598 was therefore to address the latter two problems. In its design, the decree attempted to define the rights and obligations of the parties to a lease, reduce

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[27] "A Sketch of Macau", in *Ta Kung Pao (Hong Kong)*, 29 Oct. 1938, p. 5.

[28] Relevant reports include "Macau's Population Soars and Evictions by Property Owners Begin to Spread; Rents Multiply and a Single Room Remains Hard to Find; Owners Seize the Opportunity to Evict Tenants, and the Authorities Should Take Notice", in *Wah Kiu Po (Macau)*, 16 Nov. 1938, p. 5; "It Has Recently Become Difficult to Rent in Macau; Owners Take the Opportunity to Profit, Demanding Advance Rent, Deposits, and Even 'shoe money,' and Many Force Out Existing Tenants in Order to Relet at Higher Rates to Newcomers", in *Wah Kiu Po (Macau)*, 20 Dec. 1938, p. 5; and "Amid the Outcry over Rent Increases and Evictions, the Real Agitators Are Sublessors, Who Exploit the Situation for Profit and Thereby Aggravate the Problem; Owners Should Take Notice and Help Relieve Residents' Hardship", in *Wah Kiu Po (Macau)*, 18 Jan. 1939, p. 5.

[29] "Legislative Regulation No. 598", in *Boletim Oficial da Colónia de Macau*, 11 Mar. 1939, p. 138.

the difficulty of enforcement, curb market disorder, and strike an institutional balance between tenants' occupancy rights and owners' property rights. In practice, however, it had the opposite effect. It failed to check forced eviction and instead made the problem more frequent. The reason lay in structural flaws in the text itself, which created room for owners to evade legal constraints and carry out eviction in disguised form. Article 1 illustrates the point. Although it listed a number of circumstances under which owners could evict tenants, some of its clauses were framed so vaguely that they gave owners excessive interpretive room. Paragraph (b), for instance, allowed eviction when a tenant damaged the property or reduced its value through such damage. Yet the decree did not define what counted as damage or diminution in value, nor did it specify where the burden of proof lay. In a situation of marked inequality between tenants and owners, the burden of proof was effectively shifted onto the weaker party, who had to spend considerable time and money proving that they were not responsible for the damage. More importantly, because no objective standard of judgment was provided, whether the damage was sufficient to justify eviction was in practice left almost entirely to the unilateral determination of the owner. The clause thus became a legal instrument for bad-faith eviction.

In addition to these vague standards, Legislative Regulation No. 598 contained another significant loophole. Article 3 provided that when a lease expired and the owner wished to recover the property, the tenant was to be given a grace period of three months. Yet if the owner could prove in court that the property was needed for personal occupancy, the tenant could be required to vacate within thirty days. This clause was meant to protect owners' right to use their own property and to allow them to move into it in a timely manner. The colonial government, however, had evidently failed to investigate the realities of Macau's grassroots rental market and had overlooked the long-standing absence of written contracts in the Chinese community. As a contemporary observer noted, 99 percent of those who fled to Macau had concluded no contract at all with their landlords and simply paid rent from month to month[30]. Under these circumstances, Legislative Regulation No. 598, which assumed the existence of written contracts, lacked effective applicability from the outset. Even more seriously, some owners made strategic use of Article 3 by claiming personal occupancy as a pretext and obtaining official approval for eviction[30]. The usual pattern was to petition the court on the ground of personal occupancy, evict the original tenant within thirty days once approval was granted, and then

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[30] "Lawyer Su Hansheng Offers Suggestions for Revision", in *Wah Kiu Po (Macau)*, 20 May 1939, p. 6.

promptly relet the property through an oral lease agreement at a sharply higher rent. A provision intended to protect tenants' interests was thus converted by owners into a lawful means of forced eviction, largely undermining the original legislative intent of the decree.

As such cases multiplied and repeatedly appeared in the press, calls for revision quickly followed. On May 16, 1939, Wah Kiu Po published an article titled How Should Tenants Request Protection from the Authorities? Please Share Your Views, which initially sought suggestions from the standpoint of tenants and promoted the idea of a collective petition asking the government for protection, with the aim of revising Legislative Regulation No. 598 in a direction more favorable to tenants[31]. As public participation increased, however, the focus of discussion gradually shifted from one-sided rights claims to the balancing of multiple interests. Through the forum provided by Wah Kiu Po, different parties entered into public dialogue, and enthusiasm for political discussion rose to an unprecedented level[32].

This exchange in the press did not produce an institutional consensus, but it did force the government to confront the social demands that had formed around the eviction decree. On July 1, 1939, after considering public opinion and the problems exposed in the implementation of Legislative Regulation No. 598, the colonial government quickly promulgated a revised version, Legislative Regulation No. 610, less than four months after the original decree had been issued. Compared with its predecessor, Legislative Regulation No. 610 improved the law in two main respects. First, it clarified the allocation of the burden of proof under individual clauses. Second, it expanded legal protection for tenants' occupancy rights. More specifically, paragraphs (b) and (c) of Article 1 made clear that owners bore the burden of proving either damage to the property or the necessity of repairs, and that they had to submit concrete evidence. Once the burden of proof was placed on owners, the standard for determining damage was no longer obscure, and the courts could judge on the basis of objective materials whether lawful grounds for eviction existed. In terms of

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[31] "How Should Tenants Request Protection from the Authorities? Tenants Are Invited to Share Their Views", in *Wah Kiu Po (Macau)*, 16 May 1939, p. 6.

[32] "Overseas Chinese Appeal for Revision of the Tenant Protection Ordinance", in *Wah Kiu Po (Macau)*, 19 May 1939, p. 6; "Bi Pingjun's Letter Criticizes Sublessors for Stirring Up Trouble", in *Wah Kiu Po (Macau)*, 23 May 1939, p. 6; and "My Views on the Tenant Question", in *Wah Kiu Po (Macau)*, 25 May 1939, p. 7. All three were letters from Macau residents published in Wah Kiu Po; the first two represented tenants' views, and the third a sublessor's view of sublessors.

tenant protection, Legislative Regulation No. 610 also adopted a more flexible approach to lease documentation. Although it still did not recognize oral lease agreements as legally valid, any written proof of tenancy, whether notarized or formally registered or not, was accorded legal effect.

The key loophole in the original decree was likewise closed. Article 2 abolished the owner's right to evict a tenant within thirty days on the ground of personal occupancy, extended the grace period in such cases from three months to six, and required the owner to pay additional compensation equal to three months' rent. Given that Article 5 permitted a maximum rent increase of only 20 percent, the gains to be made from quick reletting were no longer sufficient to offset the time and financial costs involved. This change largely checked bad-faith evictions carried out under the guise of personal occupancy. It is also worth noting that Article 9 explicitly limited the validity of the decree to June 30, 1940. The measure was thus presented as a temporary response to exceptional wartime conditions, intended to ease social tensions while also signaling reassurance to property owners.

Although Legislative Regulation No. 610 marked a significant improvement in institutional design, it was far from flawless. Its most controversial feature was the extent to which it sacrificed the interests of property owners. Apart from a small number of rent-seeking landlords who used violence or malicious rent increases, most ordinary owners saw their interests damaged in the process. This was not an inadvertent defect in the legislation but a deliberate policy choice. The decree largely adopted the dominant view in public debate: in a time of wartime crisis, tenants, as the weaker party, should receive priority protection. Propertied groups were assigned a moral responsibility rooted in patriotism and protection of the people, and making them bear the institutional cost was treated as a natural extension of familial and national ethics. Lawmaking itself was also understood to incline toward the protection of the weak. In practical terms, the Chinese community's attempt to consolidate opinion and participate collectively in politics through the press achieved striking results in the short term and appeared to open a viable path for political participation.

This space for public discussion, however, soon narrowed. After Zhongshan and Hong Kong fell one after the other, Japanese forces imposed a tight blockade on Macau. In order to preserve cordial relations with Japan, the colonial government introduced strict censorship of the Chinese-language press, sharply limiting what Chinese newspapers could publish[33]. Local forums of

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[33] Chen, D. B. *Collected Writings from Tianming Studio*, Macau, Macau Historical Society, 1995, pp. 156–157.

public opinion, above all Wah Kiu Po, rapidly contracted, and the Chinese community's channel for expressing demands through open discussion was effectively severed. Under these circumstances, political claims required a new means of transmission. Relying on its long-established institutional channels of communication with the colonial authorities and the high degree of mutual trust between the two sides, the Chamber emerged as the de facto representative of Chinese interests recognized by the colonial authorities.

It is important to note that the mode of political participation represented by the Chamber differed fundamentally from the earlier model of press-based mobilization. The former expressed above all the interests of Chinese elites, not the broader voice of the populace. According to Article 2 of the Charter of the Macau Chamber of Commerce, adopted in 1913, the Chamber existed to promote the commercial and public interests of Macau's Chinese business community and to eliminate, by lawful means, practices that might damage business in Macau[34]. Its members were chiefly commercial firms, guilds, and wealthy merchants. Once the Chamber replaced the press as the principal intermediary, it effectively assumed the role of interpreting public opinion and arbitrating between the government's legislative intent and the grassroots reality. The representative basis of wartime governance shifted from the aggregation of popular opinion to elite representation. This change not only marked a transformation in the form of collective political participation, but also foreshadowed the accelerated transfer of political authority between the colonial government and Chinese elites. This shift propelled the Chamber into the quasi-legislative process, where it ceased to be a mere transmitter of demands and began actively shaping implementation rules, thereby establishing itself as one of the de facto governing institutions for Macau's Chinese society.

4. *The Evolution of the Yechao Regulations*

The evolution of the *yechao* system and the transfer of administrative functions to the Chamber must be understood against the backdrop of its distinct class character and the social capital it had accumulated. As an association primarily representing the interests of property owners and merchants, the Chamber was fundamentally an elite organization. However, to solidify its position as the indispensable intermediary between the colonial state and the Chinese community—a role it had recently assumed by replacing the

[34] "Charter of the Macau Chamber of Commerce", in *Boletim Oficial da Colónia de Macau*, 1 Mar. 1913, pp. 109–112.

fragmented grassroots mobilization—the Chamber needed to maintain a high degree of legitimacy among the broader populace.

This legitimacy, or what Bourdieu terms 'symbolic capital,' was accumulated through the Chamber's active involvement in charitable relief, refugee assistance, and the mediation of social conflicts. By responding to the demands of different social strata, the Chamber was not merely acting out of altruism; it was strategically investing in its moral authority to ensure social stability and to protect its long-term class interests during the precarious wartime period. This accumulated trust and organizational capacity made the Chamber the most viable intermediary to which the colonial government could delegate the complex task of tax administration.

On September 1, 1939, Germany invaded Poland, marking the formal outbreak of the European war. News of the invasion caused panic in Hong Kong, and large numbers of residents, together with their capital, moved westward to Macau[35]. Macau accordingly entered a phase of rapid wartime economic growth, often described as a "golden age". Existing fiscal regulations, however, were ill suited to this abrupt change, and the colonial government began to consider a systematic adjustment of fiscal policy.

On March 7, 1940, the government promulgated Legislative Regulation No. 652, Amending the Colony's Tax Regulations to Suit Present Conditions, thereby initiating revision of the *yechao* regime[36]. One of its key measures was to require written tenancy contracts. As noted above, housing leases in the Chinese community had long been concluded orally, and the great majority had never been reduced to writing. Although some tenants began to demand written contracts after Legislative Regulation No. 610 came into effect, in a landlord's market shaped by excess demand oral lease agreements still predominated. Under such circumstances, tenants who relied solely on oral agreements found it difficult in practice to secure protection under the law when eviction disputes arose.

More important still, the collection of *yechao* depended heavily on the manual investigation and verification of rental conditions by grassroots officials. The wartime boom in the rental market placed a heavy burden on an

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[35] Silva, A. *Eu estive em Macau durante a Guerra [I Was in Macau During the War]*, Macau, Instituto Cultural de Macau, 1991, pp. 23–24; "War Has Broken Out in Europe: Hong Kong Authorities Rush to Adopt Wartime Measures as Residents Evacuate in Large Numbers", in *Hong Kong Kung Shang Jih Pao (Hong Kong)*, 3 Sept. 1939, pp. 9–10.

[36] "Legislative Regulation No. 652", in *Boletim Oficial da Colónia de Macau*, 9 Mar. 1940, p. 141.

already weak administration and in fact exceeded the governing capacity of the colonial bureaucracy. Faced with this reality, the authorities long tolerated oral tenancy arrangements, with the result that many informal lease relations escaped the tax net. Before the war, the rental market had been relatively quiet and *yechao* formed only a small part of government revenue, so standardizing lease contracts was not an urgent task. Wartime prosperity, however, sharply increased property income, and the revenue lost through loose methods of administration became too large to ignore. Legislative Regulation No. 652 therefore required all leases to be concluded in writing and submitted in triplicate, with one copy filed with the Municipal Treasury Department. Owners were also required to report all subsequent changes, including rent increases, subleases, and tenant departures, so that the authorities could keep track of the rental status of each property in real time and thereby establish a basis for the more accurate assessment and collection of *yechao*.

Legislative Regulation No. 652 created an institutional opening for the Chamber to participate in the government's tax administration. In the implementation of this fiscal reform centered on lease management, the Chamber played two main roles. It communicated with the fiscal authorities and pushed for revisions that better matched the actual operating logic of the Chinese community. It also took full responsibility for handling the execution and filing of lease contracts between Chinese owners and tenants.

With respect to revision of the regulations, the immediate impetus was the government's continuing misreading of conditions in the local Chinese rental market. On the one hand, war in South China remained intense, refugees moved frequently, and tenants changed rapidly, yet the decree required owners to submit forms for all leases, subleases, and rent increases without exception[37]. The reporting process was cumbersome, and each step involved fees. The burden on owners was heavy and would almost inevitably be passed on to tenants. On the other hand, tenants were required not only to bear these costs but also to bring a witness in person to the Municipal Treasury Department for handwriting identification. For the many refugees who had only recently arrived in Macau, however, it was difficult to find anyone locally to serve as such a witness[38]. Given that the government allowed only sixty days for compliance, most tenants were unable to complete the contract formalities on time.

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[37] "After Revision of the Fiscal Regulations, Property Owners May No Longer Raise Rents at Will", in *Wah Kiu Po (Macau)*, 2 Apr. 1940, p. 5.

[38] "The Ordinance on Contracts between Owners and Tenants May Yet Be Improved", in *Wah Kiu Po (Macau)*, 2 May 1940, p. 5.

Confronted with this predicament, the Chamber moved quickly and entered into negotiations with the colonial government, achieving results in short order. On May 18, 1940, Legislative Regulation No. 669 extended the registration deadline for lease contracts to August 9 and simplified the procedure. In addition to streamlining the signing process, the government assigned staff to the Municipal Treasury Department to translate Chinese lease contracts into Portuguese free of charge, and the parties were no longer required to provide witnesses for handwriting verification[39]. These changes responded effectively to the concerns of both owners and tenants.

Having successfully pushed for these revisions, the Chamber appeared to have won the trust of the Finance Bureau, the Municipal Treasury Department, and related offices. Beginning on June 3, 1940, the signing of lease contracts between Chinese owners and tenants was handled largely by the Chamber, while the Finance Bureau and the Municipal Treasury Department merely stationed staff at the Chamber in a nominal supervisory capacity[40]. The government's withdrawal from the day-to-day administration of contracts created a vacuum that the Chamber filled with de facto administrative discretion. By handling the entire process of contract filing and verification, the Chamber exercised de facto gatekeeping control over the tax base. By late September, the Chamber had completed centralized registration of Chinese lease contracts and forwarded all forms to the Municipal Treasury Department for verification, after which they were sent to the Chinese Affairs Bureau for translation into Portuguese[41]. From the promulgation of Legislative Regulation No. 652

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[39] "Legislative Regulation No. 669", in *Boletim Oficial da Colónia de Macau*, 18 May 1940, pp. 290–291; for a contemporary Chinese translation, see "The Authorities Will Enforce the Decree Requiring Lease Contracts between Owners and Tenants on a Fixed Schedule", in *Wah Kiu Po (Macau)*, 26 May 1940, p. 5.

[40] "The Chamber Will Handle Lease Contracts between Owners and Tenants; Office Opens Today", in *Wah Kiu Po (Macau)*, 3 June 1940, p. 5; and "Most Lease Contracts between Owners and Tenants Have Now Been Submitted to the Municipal Treasury Department", in *Wah Kiu Po (Macau)*, 16 June 1940, p. 5. The first article reports that, for the convenience of Chinese residents, the authorities entrusted the Chamber with the whole process of lease registration, while the Finance Bureau and the Municipal Treasury Department sent officials to guide the procedure. The second notes that the Chamber provided space and staff to facilitate implementation. Together these reports provide concrete evidence of the arrangement.

[41] "Lease Forms Have Been Submitted to the Municipal Treasury Department for Examination", in *Wah Kiu Po (Macau)*, 4 Oct. 1940, p. 5. The report explains that, after the Chamber

to its successful implementation, then, the entire process marked a key stage in the establishment of institutional cooperation and mutual trust between the colonial government and the Chamber in the administration of *yechao*. From this point forward, the government rapidly ceded to the Chamber a range of public functions related to *yechao*, including information gathering, contract filing, and preliminary mediation of disputes. At least in matters of *yechao*, a government-commissioned, community-implemented mode of delegated administration had taken shape, and the Chamber had become a de facto institution of grassroots governance.

Discussion of forced eviction continued at the same time. Article 9 of the anti-eviction legislation enacted in 1939 had originally limited its validity to one year, the intention being to decide later, in light of conditions in Macau, whether this temporary wartime measure should lapse. Yet because the resistance war in Guangdong showed no sign of easing, extension became unavoidable. In July 1940, Legislative Regulation No. 674 extended Legislative Regulation No. 610 for one year[42]. In July 1941, Legislative Regulation No. 716 extended it again for six months and established a Housing Lease Review Committee, which was instructed to investigate Macau's rental market within two months, assess whether existing legislation remained appropriate, and submit proposals for revision[43].

Significantly, the committee's first step after its establishment was to write to the Chamber to ask whether it had received complaints concerning disputes between owners and tenants, and the Chamber promptly replied[44]. This detail shows clearly that the day-to-day mediation of disputes between owners and tenants had already been assumed by the Chamber. By contrast, the colonial government, though the nominal ruler, lacked a grasp of conditions at the grassroots level, whereas the Chamber, with its deep organizational reach into

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had completed the handling of lease contracts on the government's behalf, all completed forms were sent to the Municipal Treasury Department for examination and then to the Chinese Affairs Bureau for translation into Portuguese. It was estimated that this would take two or three weeks, though in fact the translation was not completed until two years later, eventually giving rise to the dispute over retroactive *yechao* payments discussed below.

[42] "Legislative Regulation No. 674", in *Boletim Oficial da Colónia de Macau*, 15 July 1940, p. 412.

[43] "Legislative Regulation No. 716", in *Boletim Oficial da Colónia de Macau*, 5 July 1941, p. 458.

[44] "On the Six-Month Extension of the Rental Law and the Review of Housing Lease Conditions", in *Wah Kiu Po* (Macau), 18 July 1941, p. 4.

the community, had become the primary source of information and a central intermediary of governance.

By late December 1941, as Legislative Regulation No. 716 was about to expire, the Japanese occupation of Hong Kong brought a new refugee influx into Macau, and the imbalance between housing supply and demand showed little prospect of easing in the short term. Against this background, Legislative Regulation No. 735, promulgated on December 27, 1941, stated that the circumstances that had led to the enactment of Legislative Regulation No. 610 on July 1, 1939, still persisted, and that the decree should therefore remain in force[45]. Crucially, it set no new expiration date. The validity of Legislative Regulation No. 610 was thus extended indefinitely, and Macau's housing rental relations thereafter remained subject to it for the long term. A temporary wartime measure had hardened into a normal institution.

The fall of Hong Kong also marked an important turning point in Macau's economy. The Japanese blockade of Macau caused a sharp decline in colonial revenue. Under these circumstances, taxation became the government's principal means of narrowing the fiscal deficit. On the one hand, it expanded the range of taxes, adding a charitable surtax and broadening the tax base[46]. On the other hand, it sought to administer existing taxes more precisely, and taxes represented by *yechao* accordingly became more important. In October 1942, two years after the promulgation of Legislative Regulation No. 652, the Municipal Treasury Department finally completed verification of the taxable income declared in housing lease contracts across Macau[47]. In the course of this work, the government found that the actual taxable income from most leased properties was far higher than owners had declared. On the ground that fiscal revenues had suffered serious losses[48], it gave no prior notice or explanation but simply incorporated the difference between declared and actual taxable income for 1939 to 1941 into the tax due for the current year. Many owners

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[45] "Legislative Regulation No. 735", in *Boletim Oficial da Colónia de Macau*, 27 Dec. 1941, pp. 884–85.

[46] "Legislative Regulation No. 859", in *Boletim Oficial da Colónia de Macau*, 28 Oct. 1944, pp. 478–82; and "Tax Collection from Restaurants and Tea Houses to Be Entrusted to a Charitable Association, with the Method to Be Determined by the Association and the Merchants", in *Ta Chung Po* (Macau), 28 Sep. 1944, p. 3.

[47] "Chief Lu Lingsu of the Municipal Treasury Department Gives an Important Interview Explaining the *Yechao* Issue", in *Ta Chung Po* (Macau), 8 Oct. 1942, p. 1.

[48] "Macau's Government Council Discussed the *Yechao* Issue Yesterday", in *Wah Kiu Po* (Macau), 18 Oct. 1942, p. 3.

were dissatisfied when they received their tax notices, and they wrote in large numbers to the Chamber asking it to intercede with the authorities[49]. The Chamber responded quickly, seeking clarification from the government while also collecting owners' reactions and checking their previous *yechao* records.

On October 8, 1942, Lu Lingsu, head of the Municipal Treasury Department, published a detailed explanation of the *yechao* issue in the Chinese press[47]. Even so, the demand for retroactive payment remained a heavy burden for some owners. The Chamber had not originally intended to intervene, but when letters from owners arrived in great numbers it decided, in the name of serving society, to send its directors to meet Governor Gabriel Maurício Teixeira on October 12 and forward the owners' petitions so that their grievances could reach the highest level[50]. On October 17, the colonial government convened a Government Council meeting specifically to discuss whether the retroactive collection of *yechao* might be waived[51]. The government eventually accepted part of the Chamber's position. Owners who were then occupying their properties themselves were exempted from retroactive payments, while those who leased properties for profit were required to pay the *yechao* actually owed. Because the amount due could be substantial, payment of the additional tax was deferred until November. The Government Council also expressly granted owners the right to contest the assessment: if they believed that the *yechao* assessed by the authorities exceeded the amount justified by the actual rent stated in the contract, they could apply for a reduction within the prescribed period.

This episode illustrates the Chamber's considerable influence in *yechao* affairs. On the one hand, property owners placed great trust in it. Whenever issues large or small arose, they relied on the Chamber to understand official regulations, and public opinion effectively had to be channeled through the Chamber to reach the colonial authorities. On the other hand, the government also demonstrated its confidence in the Chamber by allowing it to speak directly with the Governor after such disputes arose, and the Government Council took its views seriously and revised policy accordingly. The Chamber

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[49] "The Finance Bureau Explained the Question of Owners' *Yechao* Payments Yesterday", in *See Nan Jeh Pao* (Macau), 9 Oct. 1942, p. 2.

[50] "Chamber Directors Schedule a Meeting with the Governor over the *Yechao* Issue", in *Ta Chung Po* (Macau), 11 Oct. 1942, p. 1.

[51] "Legislative Regulation No. 783", in *Boletim Oficial da Colónia de Macau*, 17 Oct. 1942, pp. 399–402; and "Legislative Regulation No. 784", in *Boletim Oficial da Colónia de Macau*, 31 Oct. 1942, p. 416.

thus represented the interests of Chinese property owners and merchants in its dealings with the government while at the same time assuming administrative functions ceded by the government and carrying out consultative governance within the Chinese resident population. Its social standing as an intermediary was thereby further consolidated.

After the controversy over retroactive *yechao* payments subsided, property owners quickly turned their attention to the right to contest the assessment mentioned by the Government Council. Under Article 7 of Legislative Regulation No. 652, anyone who leased a property without concluding and filing the required contract with the Municipal Treasury Department was liable to a fine equal to one year's *yechao* for that property[52]. At the early stage of implementation, however, this punitive provision had very limited force. On the one hand, the Municipal Treasury Department operated with limited efficiency, and it was only in October 1942, after repeated urging by the Chamber, that the verification and translation of contracts were finally completed[53]. During this period, both the Municipal Treasury Department, which nominally administered the system, and the Chamber, which in practice carried out much of its day-to-day operation, enforced Legislative Regulation No. 652 rather loosely, and submission of contracts depended largely on owners' voluntary compliance. On the other hand, as the war developed, Macau's role as a transit point meant frequent population movement and rapid changes in tenancy relations. The fees required to alter contracts repeatedly and report them as required were not insignificant. In this permissive enforcement environment, owners and tenants therefore often risked concealing changes in lease relations in order to reduce costs, and oral agreements again became the norm. By November

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[52] "Legislative Regulation No. 652", in *Boletim Oficial da Colónia de Macau*, 9 Mar. 1940, p. 141. Article 7 provided: "Any owner who, in violation of Article 5 of Presidential Decree No. 3017 of 6 December 1939 and the provisions of the present legislative regulation, leases out a property without complying with the prescribed requirements shall be fined an amount equal to one year's *yechao* for that property and shall still be required to pay the *yechao* for that year. Violations of Article 3 of the present legislative regulation shall be punished in the same manner".

[53] "The Authorities Entrust the Chamber with Returning Lease Contracts; Beginning Next Week, Owners May Collect Them upon Presentation of Receipts", in *Ta Chung Po* (Macau), 13 Feb. 1942, p. 2. The report notes that the Chamber had been handling lease contracts on behalf of Macau residents since 1939 and that, despite the passage of years, the contracts had still not been returned to residents, leading them repeatedly to ask the Chamber to press the Municipal Treasury Department for their prompt release.

1942, properties without written contracts accounted for nearly 70 percent of all rented dwellings in Macau[54].

Once the Municipal Treasury Department completed its verification of contracts and pursued retroactive *yechao* payments for 1939 to 1941 at the end of 1942, however, enforcement of Legislative Regulation No. 652 became markedly stricter. To avoid heavy fines, property owners once again turned to the Chamber. By this point, the Chamber was already highly experienced in handling Chinese grievances. On November 9, 1942, the Chamber's president Gao Kening, vice-president Lu Dianming, and executive director Ye Hongxun jointly visited Governor Teixeira to request that owners who had failed to conclude contracts with their tenants be allowed to seek remission of fines through petition and be given an opportunity to supplement their contracts[55]. Although this request was not formally approved, and owners without contracts still had no recognized right to seek remission of *yechao*, the Chamber's comprehensive control over lease-related affairs meant that effective discretion over penalties had in practice passed into its hands. It opened a dedicated office to handle lease contracts and helped owners prepare and translate their petitions[56]. It was also responsible for returning to owners the earlier contracts that the Municipal Treasury Department had already verified and translated[57]. Once the Department had compiled the *yechao* register, it no longer sent individual notices to owners. Instead, two copies of the register were displayed, one at the Department and one at the Chamber, where owners could inspect them themselves[58]. Once the Chamber had gained

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[54] "Unregistered Rental Properties Must Promptly Complete Supplementary Contracts", in *Ta Chung Po* (Macau), 20 Nov. 1942, p. 1.

[55] "Regarding *Yechao* Petitions for Properties without Contracts, the Chamber Yesterday Met the Governor to Request the Abolition of the Rule Imposing a One-Year *Yechao* Penalty", in *Ta Chung Po* (Macau), 10 Nov. 1942, p. 1.

[56] "The Chamber Will Set Up an Office to Handle Lease Contracts between Owners and Tenants", in *See Nan Jeh Pao* (Macau), 22 Nov. 1942, p. 2; and "A Special Office for Lease Contracts Is under Consideration; the Macau Chinese General Chamber of Commerce Will Discuss the Matter This Afternoon", in *See Nan Jeh Pao* (Macau), 27 Nov. 1942, p. 2.

[57] "More than 4,000 Lease Contracts Have Now Been Translated and Will Be Returned through the Chamber", in *Wah Kiu Po* (Macau), 17 Feb. 1943, p. 4; and "The Authorities Entrust the Chamber with Returning Lease Contracts; Beginning Next Week, Owners May Collect Them upon Presentation of Receipts", in *Ta Chung Po* (Macau), 13 Feb. 1942, p. 2.

[58] "*Yechao* Payment Notices to Be Issued in a New Form; Deadlines Will No Longer Be Announced, and Duplicate Lists of Amounts Due Will Be Posted at the Chamber", in *See Nan Jeh Pao* (Macau), 18 July 1943, p. 4.

the capacity to control the entire process of *yechao* collection, it acquired a measure of discretionary authority. In the matter of supplementary contracts, it discussed the issue and devised various methods[54], with the result that owners who completed supplementary contracts through the Chamber could avoid fines. This arrangement illustrates what Migdal terms the "weak state-strong society" dynamic: where formal state institutions lack the capacity to penetrate grassroots society, local organizations with dense social networks and accumulated symbolic capital step in to fill the governance vacuum. The Chamber's role was not merely administrative assistance but a substantive assumption of state functions, transforming its symbolic capital—derived from charitable relief, patriotic activities, and dispute mediation—into effective administrative authority.

After participating in the legislative process and taking over the administrative process in full, it was only natural that the Chamber should also be granted a role in the adjudication of *yechao*-related disputes. At the end of 1942, after owners had filed petitions regarding the amount of *yechao* assessed, the Public Property Council organized a review committee to examine those petitions, and the Chamber's executive directors Liang Hongxun and Bi Lvjian were invited to serve as members[59]. By participating in the adjudication of tax disputes and the review of assessments, the Chamber moved beyond mere administration to exercise binding judgment over property rights and fiscal obligations. This marked the Chamber's formal entry into the dispute resolution mechanism of the colonial state. Viewed from the perspective of the conventional tripartite division of public authority among legislation, administration, and adjudication, the evolution of *yechao* administration is an important sign of the gradual acquisition of political power by Chinese associations represented by the Chamber. The process was slow but steady. Under the pressure of war and politics, the colonial government progressively transferred public authority and governmental functions to Chinese associations in order to sustain colonial rule. At the same time, the governing capacity of the colonial government continued to decline, and a pattern of functional dependence on Chinese associations gradually took shape.

5. *Conclusion*

Within the specific historical setting of the War of Resistance, Macau was not directly engulfed in military conflict, yet the influx of refugees, the sharp

[59] "Review Committee Members Assume Office Today", in *Ta Chung Po* (Macau), 4 Jan. 1943, p. 1.

restructuring of the economy, and the decline of colonial governing capacity produced an unprecedented social and institutional crisis. Faced with housing shortages, soaring rents, and recurring forced eviction, the colonial government lacked both the administrative resources and the understanding of Chinese social organization needed to respond effectively. It was in this context that Chinese elite associations represented by the Chamber gradually moved from voicing public concerns to participating in formal institutions and ultimately emerged as de facto governing actors undertaking core responsibilities in tax collection, contract registration, dispute mediation, and even limited administrative discretion. This process was not sudden but unfolded gradually through the interaction of legislative revision and administrative practice, bringing about a transfer of public authority from the colonial administration to Chinese associational bodies.

By tracing the evolution of the *yechao* system in Macau during the War of Resistance, this article clarifies the underlying logic of that transfer of public authority. First, fiscal pressure forced the colonial government to strengthen tax administration, yet its limited administrative capacity compelled it to rely on the Chamber to fill the vacuum in governance. Second, through newspapers, collective petitions, and representation by the Chamber, Chinese property owners and tenants were able to channel grassroots demands into the decision-making process in increasingly institutionalized form, so that legal revision became more closely aligned with local realities. At the same time, drawing on its organizational network, cultural mediating capacity, and the trust it enjoyed from the government, the Chamber gradually assumed functions ranging from contract registration and tax verification to the handling of petitions over assessments. In this way, a government-commissioned, community-implemented mode of delegated administration took shape. This model describes a delegated governance arrangement in which the colonial state retains formal legal authority, while day-to-day implementation, grassroots verification, and preliminary dispute resolution are entrusted to local Chinese elite associations. It is defined by consultative priority, delegated execution, and associational participation, rather than simple administrative outsourcing. It was also a process of reciprocal empowerment: the government ceded part of its governing authority in exchange for social stability and fiscal revenue, while Chinese associations gained institutional voice and social authority, thereby reshaping the structure of power in Macau.

This transformation also had a clear class character. The Chamber did not represent the whole of the Chinese community, but rather an elite stratum centered on overseas Chinese merchants, property owners, and guild leaders.

Although the Chamber's political interventions helped protect some of the interests of vulnerable tenants during the war, its underlying logic remained tied to the interests of the propertied classes. This was already evident in the Chamber's initially cautious attitude when anti-eviction legislation was introduced[60]. Yet it was precisely this mechanism of elite representation that became a crucial link in maintaining social order under conditions in which the colonial government could not penetrate the grassroots. It helped avert the sharper class conflict that more radical legislation might have produced and eased tensions between the government and society through institutionalized channels of consultation, thereby allowing Macau to retain a relative degree of stability during the war years.

Viewed over the longer term, the transfer of public authority visible in wartime *yechao* administration in Macau was far more than a temporary expedient. It was a revealing expression of the hollowing out of colonial rule under conditions of crisis. It marked the emergence of a governing arrangement in which the government retained sovereignty in name while society exercised governance in practice, law was shaped through consultation, and official decrees were carried out through delegated implementation. This government-commissioned, community-implemented order not only helped Macau weather its wartime crisis, but also reshaped its subsequent political development and laid important historical groundwork for the later pattern of associational participation and consultative governance.

Funding Statement: This research was funded by the Macao Polytechnic University research project (RP/FCHS-06/2022).

Conflicts of Interest: The authors declare no conflicts of interest.

Xianqi Zhang and Guang Ma*
Faculty of Humanities and Social Sciences,
Macao Polytechnic University, Macao, China
Corresponding Author: Guang Ma. Email: maguang@mpu.edu.mo

[60] "More than 200 Tenants in Shun Hang Tsai Were Forcibly Evicted and Appeal for Assistance", in *Wah Kiu Po* (Macau), 21 May 1939, p. 6. The report notes that after more than 200 residents of Shun Hang Tsai were evicted, they appealed to the Chamber for help, but the Chamber refused on the ground that the matter lay outside its competence. The case became widely known through *Wah Kiu Po*'s coverage.

Xianqi Zhang is a doctoral candidate in the Faculty of Humanities and Social Sciences at Macao Polytechnic University. Email: p2413331@mpu.edu.mo

Guang Ma, PhD (Ghent University, Belgium), is Associate Professor in the Faculty of Humanities and Social Sciences at Macao Polytechnic University and Coordinator of the Doctoral Programme in Cultural Heritage and Anthropology. He previously taught at Shandong University, first as Associate Professor and later as Professor, from 2016 to 2022. He is the author of *Rupture, Evolution, and Continuity: The Shandong Peninsula in East Asian Maritime History during the Yuan–Ming Transition* and has published over thirty scholarly articles in Chinese and English

Government-Commissioned, Community-Implemented: The Evolution of Macau's *Yechao* System and the Transfer of Public Authority in Colonial Governance during the War of Resistance against Japanese Aggression

Abstract

Concentrandosi sull'evoluzione del sistema dello yechao (imposta immobiliare) di Macao durante la Guerra di Resistenza contro l'aggressione giapponese (di seguito denominata Guerra di Resistenza, 1937–1945), il presente articolo esamina come il governo coloniale portoghese di Macao (di seguito denominato governo coloniale) abbia gradualmente trasferito l'autorità pubblica in materia di riscossione fiscale, amministrazione dei contratti di locazione e mediazione delle controversie alle associazioni dell'élite cinese rappresentate dalla Camera di Commercio Generale Cinese di Macao (di seguito denominata Camera), nel contesto di una crisi di governance in tempo di guerra. Di fronte all'afflusso di profughi, alla grave carenza di alloggi e alla crescente pressione fiscale, il governo coloniale, ostacolato da una capacità amministrativa limitata, fu costretto a fare affidamento sulla Camera per colmare il vuoto di governance. Nella prassi, ciò diede vita a un assetto amministrativo delegato in cui il governo forniva l'autorità formale e la Camera si assumeva la responsabilità dell'attuazione. Tale processo non solo ridefinì la struttura della governance di base di Macao, ma pose altresì le basi storiche di una tradizione di governance «delegata dal governo e attuata dalla comunità», caratterizzata da consultazione, delega e partecipazione politica associativa. Pur nei suoi limiti di classe, tale modello contribuì a preservare la stabilità sociale in tempo di guerra e gettò importanti basi storiche per il successivo assetto politico di Macao, caratterizzato dalla partecipazione associativa e dalla governance consultiva.

PAROLE CHIAVE

Macao
Guerra di Resistenza contro l'aggressione giapponese
Imposta immobiliare
Autorità pubblica
Profughi

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Focusing on the evolution of Macau's yechao (property tax) system during the War of Resistance against Japanese Aggression (hereafter the War of Resistance, 1937–1945), this article examines how the Portuguese colonial government of Macau (hereafter the colonial government) gradually transferred public authority in tax collection, lease administration, and dispute mediation to Chinese elite associations represented by the Macau Chinese General Chamber of Commerce (hereafter the Chamber) amid a wartime crisis of governance. Faced with an influx of refugees, acute housing shortages, and mounting fiscal pressure, the colonial government, hampered by limited administrative capacity, was compelled to rely on the Chamber to fill the vacuum in governance. In practice, this produced a delegated administrative arrangement in which the government supplied formal authority and the Chamber assumed responsibility for implementation. This process not only reshaped Macau's grassroots governance structure, but also laid the historical foundation for a tradition of government-commissioned, community-implemented governance characterized by consultation, delegation, and associational political participation. For all its class limitations, this model helped sustain social stability in wartime and laid important historical groundwork for Macau's later political ecology of associational participation and consultative governance.

KEYWORDS

Macau
War of Resistance against Japanese Aggression
Property tax
Public authority
Refugees