

## Chapter 5:

### PARTNERSHIPS IN A HOSTILE ENVIRONMENT

Australia at the turn of the century was a racist place. The 1901 Immigration Restriction Act installed this racism as a cornerstone of the newly federated nation. It sought to ensure that those non-Europeans already in the country returned permanently to their home villages overseas, that new immigrants were deterred as much as possible and that, for those who did arrive or remain, the restrictions were so severe and opportunities so limited that they would be dissuaded from settling. Despite this, some Chinese who had arrived in the nineteenth century remained, and new arrivals continued to come. In that part of rural New South Wales marked out by the towns of Glen Innes, Inverell and Tenterfield, the decision to arrive and to remain was anchored strongly in the Chinese stores which had emerged during the nineteenth century mining booms and which, as that century drew to a close, took on a new life catering to non-Chinese customers and providing the main source of employment for Chinese in the district.

This chapter examines why and how the stores were established. After providing an account of the nature of the partnerships, the chapter explores the function of these partnerships not just as a means to set up business but as symbols of the variety of forces shaping the decisions and lives of Chinese in the district. The chapter then considers the ways in which discriminatory immigration legislation and attitudes reached out to influence the opportunities available to the Chinese and provided a backdrop against which they were required to act out their lives.

- **Partnerships**

Family memories and other records affirm that, like Chinese small businesses elsewhere at the time,<sup>1</sup> the stores established around the turn of the century tended to be set up as partnerships with three or more partners. In 1903, for example, Dulcie Hon's father, Harry Gee Hon, was a partner in the store, W. Warley and Company, which opened in Glen Innes. Dulcie Hon recalled that the store had a number of partners, and she thought that they included her mother's brothers, Charles and William Wong See, and Thomas Tong. Beyond that, she was unsure how many partners there were.<sup>2</sup> Archival records provided that detail.

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<sup>1</sup> Anne Atkinson, 'Some socio economic aspects of the Chinese community in Perth, 1900-1920', *Early Days*, 1984, p.98 points out that 70% of West Australian Chinese firms between 1900 and 1920 were owned by partnerships of between 2 and 8 members. See also V.A. Burrage, *The Chinese community in Sydney, 1870-1901*, MA thesis, Macquarie University, 1975, p.72; and Peter S. Li, 'Chinese immigrants on the Canadian prairie, 1910-1947', *Canadian Review of Sociology and Anthropology*, 19/4, 1982, pp.534-535.

<sup>2</sup> Interview with Dulcie Hon, Sydney, 5 May 1992, and 14 and 30 September 1992.

In his 1904 application for a Certificate of Exemption from the Dictation Test one shareholder in the business, Peter Chang, included a copy of the store's Certificate of Registration. The 1903 Certificate showed that there were nineteen registered owners. All were Chinese. Five were described variously as storekeeper, manager (2) and assistant (2) at Warley, Glen Innes. Twelve had addresses in the then 'Chinatown' area of Sydney, and had their occupations listed as storeman (2), foreman, manager (2), school student (3), marketseller and buyer, workman, marketseller, and fruitseller. Of the remaining two partners, both were described as managers, one from Canton and one from Hong Kong.<sup>3</sup> Some of the initial partners were clearly members of the same family; others were already working in Glen Innes and were willing to invest a little in a new enterprise; and others, particularly the managers in Sydney, Hong Kong and Canton were presumably providing capital backing either for a new venture or for family members.

Family oral traditions emphasised that the mixing of partners from different families, with different interests and not necessarily working in the store were characteristic of the ways in which the stores were established. Descendants and relatives of early participants in the Hong Yuen store in Inverell, for example, confirmed the message. Ernest Sue Fong explained: 'It was started by a group of about eight Chinese, first in a house, then in a shop'.<sup>4</sup> Eileen Cum observed 'When Dad [Harry Fay] first went into the business, there were about five or six shareholders'.<sup>5</sup> Eileen Cum and her sister, Marina Mar, speculated about who some of the first partners might have been. Among the names they offered were Davey Young, Harry Kee, and Wong Chee.<sup>6</sup>

Extant records expand the family oral traditions. In 1904 when Chue Kee, a miner from Tingha, applied for a Certificate of Exemption from the Dictation Test, he described himself as a 'part owner in a general store carrying on business in Inverell as Hong Yuen and Company'.<sup>7</sup> In making his comments on the application, the Senior Constable at Inverell noted that this did not mean that Chue Kee worked in the store. Rather, as the Constable explained '... he [Chue Kee] may have been a shareholder in the store as many of the mining Chinese have interests of this kind'.<sup>8</sup> In 1905 another applicant for a Certificate of Exemption from the Dictation Test, Kok Say Tong, described his current occupation as 'storekeeper' and declared that he had £600 worth of shares in the business, Hong Yuen and Company in Inverell, and that he was 'engaged in the business of General Storekeeper'.<sup>9</sup> Both Kok Say Tong and Chue Kee eventually sold their shares and presumably moved away from the district, perhaps returning to China permanently. Their names consequently

<sup>3</sup> Certificate of Registration No.3265. Australian Archives (NSW): SP42/1/3; 04/354. See also illustration on p. 92 following.

<sup>4</sup> Interview with Ernest Sue Fong, Inverell, 14 February 1984.

<sup>5</sup> Interview with Eileen Cum, Warialda, 14 February 1984.

<sup>6</sup> Interviews with Marina Mar, Sydney, 13 April 1990, and Harry Fay, Inverell, 6 October 1983.

<sup>7</sup> Senior Constable at Inverell, 1 August 1904. Australian Archives (NSW): SP42/1/3; 04/6592.

<sup>8</sup> *ibid.*

<sup>9</sup> Kok Say to The Prime Minister of the Commonwealth, 7 June 1905. Australian Archives (NSW): SP42/1/5z; 05/5996.

New South Wales.

*Registration of Firms Act, 1902 (Section 17).* No. 3265.

**CERTIFICATE OF REGISTRATION.**

I Certify that pursuant to the provisions of the Registration of Firms Act, 1902, the persons — mentioned below were on the Twenty-seventh day of June one thousand nine hundred and three registered in the Office of the Registrar General as the persons carrying on the business of General Merchants — at Grey & Wentworth Streets, Glen Innes, under the firm-name of W. Warley & Co.

Name in full	Usual residence	Other occupation, description, or address (if any)
SING KEE, FANG HAN, Henry Gee HOH, Hoo Fook Tong, Yun Joong, William Kong See, Chen Hee, Tong JUNG, Goon Sang, Row Nin,	Grey Street, Glen Innes, 425 Pitt Street, Sydney, W. Warley & Co., Glen Innes, 178 & 180 Elizabeth Street, Sydney, 178 & 180 Elizabeth Street, Sydney, 86 Gougham Street, Sydney, Hong Kong, China, 3 Roberts Lane, Sydney, Canton, China, 425 Pitt Street, Sydney,	Storekeeper, Storeman, Manager, Foreman, Manager, Schoelling, Merchant, Marketeller and Buyer, Manager, Storeman.

GIVEN under my hand, at Sydney, this \_\_\_\_\_ day of \_\_\_\_\_ one thousand nine hundred and \_\_\_\_\_

Deputy Registrar-General

New South Wales.

*Registration of Firms Act, 1902 (Section 17).*

**CERTIFICATE OF REGISTRATION.**

I Certify that pursuant to the provisions of the Registration of Firms Act, 1902, the person mentioned below on the \_\_\_\_\_ day of \_\_\_\_\_ one thousand nine hundred and \_\_\_\_\_ registered in the Office of the Registrar General as the person carrying on the business of \_\_\_\_\_ at \_\_\_\_\_ under the firm-name of \_\_\_\_\_

Name in full	Usual residence	Other occupation, description, or address (if any)
Yee Thuk KING, James Yong FOO, Peter Hong GIP, Tong Joy YOW, Peter Cheng, Chung Yee, Lue King, Tong Yee, Lee KING YUAN,	30 Campbell Street, Sydney, 60 Foster Street, Sydney, 60 Foster Street, Sydney, 30 Campbell Street, Sydney, 30 Campbell Street, Sydney, 24 Steammill Street, Sydney, W. Warley & Co., Glen Innes, W. Warley & Co., Glen Innes, W. Warley & Co., Glen Innes.	Manager, Schoelling, Schoelling, Workman, Marketeller, Fruit-seller, Assistant, Manager, Assistant.

GIVEN under my hand, at Sydney, this seventh day of January, one thousand nine hundred and four.

Deputy Registrar-General

W. Warley and Company, Glen Innes, Certificate of Registration, 1903.<sup>10</sup>

disappeared from those familiar to descendants in the region. Yet their presence further indicates the quite mixed nature of the partnerships which saw the establishment of the early stores. The Hong Yuen store, for Chue Kee, was presumably an investment, a means of putting his small acquired capital to work in an enterprise run by compatriots. For Kok Say Tong the store offered both investment and employment. For both, the investment and commitment was one which could eventually be sold or passed on to other Chinese wanting to buy into a small business. This happened, for example, for D.B. Chong of Inverell. In 1912 D.B. Chong sold 1/2 of his 4/38th share in Hong Yuen, Inverell, to 'Mou Fay' for £420. The witness to the agreement was Harry Kee, one of the men identified as an early partner in the business by Eileen Cum and Marina Mar.<sup>11</sup> The Mou Fay referred to is Harry Fay (Louie Mew Fay), the man who, with his family, was to become the owner of Hong Yuen. The document represents his acquisition of an early, small share in the business obtained by buying out a compatriot.

Percy Young, who became the key figure in the Kwong Sing store in Glen Innes during the early decades of the twentieth century, also acquired his partnership in the business after the store was well established. According to his own account, Percy Young earned a 'free partnership of one hundred pounds' in about 1907 'in recognition of my good work for the firm'. By then he had worked for a total of about twelve years in the store.<sup>12</sup>

The pattern was repeated. Documentary and oral evidence constantly reconfirms that Chinese stores established between about 1890 and 1910 in this northern part of New South Wales invariably began as partnerships with many partners, not all of whom were directly in the employ of the newly established business and not all of whom were necessarily members of the same family or village. It is also apparent that the composition of the partnerships changed, with shares being bought and sold or transferred within the extended Chinese network.

There are a number of possible explanations for the nature of these partnerships. Some of the explanations link to the practices of traditional and emerging Chinese firms; others relate to the specific circumstances of Chinese immigrants in Australia and, particularly, in a specific part of rural New South Wales. Combined they demonstrate the interplay of factors which shaped the establishment of the stores.

### *Partnerships - A Chinese Business Practice?*

In analyses of the traditional Chinese firm, attention has been paid to the role of partnerships. Historian, Wellington Chan, has established that partnerships were one form of ownership and management, with partners having different sized shares and at least

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11 Agreement between D.B. Chong of Inverell and Mou Fay of Glen Innes, Storekeeper, 1912. Fay Papers.

12 Autobiography of Mr Kwan Hong Kee, Hong Kong, January 1938. Unpublished manuscript, Kwong Sing Papers.

some, if not all, partners also being directly involved in the business and receiving salaries.<sup>13</sup> Scholar, Wong Siu-Lun, has argued that partnerships with non-family members were a common means to initiate businesses.<sup>14</sup> Certainly, an adaptation of these practices saw the establishment (by Chinese returned from Australia) of what were to become big department stores like Sincere and Company, Wing On and Company, and Wing Sang and Company in Hong Kong and China during this period.<sup>15</sup> Similar characteristics apply to W. Warley and, as much as the evidence allows, to Kwong Sing and Hong Yuen: all three were established through partnerships, with partners having varying size shares, varying investment of human labour in the business, and only some being members of the one family. It is possible that these early storeowners brought knowledge of this practice with them to Australia or, at least, that they learned from compatriots in Australia and in China. Most of the key partners in stores in the district came from villages around Shekki in Chungshan. It was villages in the same district which produced the men who, having returned to China from Australia, initiated the big department stores like Sincere, Wing On and Wing Sang.<sup>16</sup> Certainly, there is evidence that, by 1910, there were direct links between these stores in Hong Kong and China and the men who became the main partners in the stores established in and around Inverell, Tenterfield and Glen Innes. For example, Wong Chee returned permanently to China in 1911 to take on the role of manager of the Shanghai branch of Sincere and Company; from 1928 to 1934 Percy Young was registered as a Director of Sincere and Company, Hong Kong; and members of Harry Fay's family had shares in Hong Kong and Shanghai based companies like Wing On, Wing Sang and Sincere and Company.<sup>17</sup>

### *Partnerships - A Survival Strategy for Immigrants?*

The choice of partnerships to establish the stores and, indeed, the choice of small business enterprises like stores, was also shaped by the particular status of the Chinese as immigrants. From their years of working on the mining fields either as miners or service providers for fellow countrymen, Chinese immigrants were already used to working either

<sup>13</sup> Wellington K.K. Chan, 'The organizational structure of the traditional Chinese firm and its modern reform', *Business History Review*, 56/2, 1982, p.219.

<sup>14</sup> Wong Siu-Lun, 'The Chinese family firm: a model', *British Journal of Sociology*, 26/1, 1986, p.62. For a more detailed analysis of the characteristics of Chinese stores in rural Australia in relation to their counterparts in China and Hong Kong see Janis Wilton, 'Chinese stores in rural Australia' in Kerrie Macpherson (ed.), *The Asian Department Store*, Curzon Press, Hong Kong (in press).

<sup>15</sup> On the histories of these stores see Wong, 'The Chinese family firm', pp. 62-67 on Wing On; Chan, 'The organizational structure of the traditional Chinese firm', pp.228-232; Yen Ching-Hwang, 'The Wing On Company in Hong Kong and Shanghai: a case study of modern overseas Chinese enterprise, 1907-1949', *Proceedings of Conference on Eighty Years of the Republic of China*, Volume IV, Taipei, pp.77-117; and C.F. Yong, *The New Gold Mountain*, Raphael Arts Press, Adelaide, 1977, pp.56-58.

<sup>16</sup> Chan, 'The organizational structure of the traditional Chinese firm', pp.229; Yen, 'The Wing On Company', pp.79-82; and Yong, *The New Gold Mountain*, pp.56-58.

<sup>17</sup> Interview with Eileen Cum; Marina Mar interview with William Liu, Sydney, 1981; Autobiography of Mr Kwan Hong Kee; *Sincere and Company, 75th Anniversary Booklet*, Kwong Sing Papers; and Wing Sang Company Limited, Hong Kong, to Louie Mew Fay and Wong Sit Hin (Ruby Fay), 31 December 1951; Ma Yin Ping to Mew Fay, 2 July 1951 and 20 July 1951. Mar Letters, 406a, 472 and 476.

independently or with and for compatriots. They were also poor in capital and assets but rich in labour. Once the opportunities of the mining booms were no longer available, small businesses provided an alternative source of employment and income. These could be established by many partners providing small amounts of capital each, and could be maintained, at least initially, by employing Chinese workers and managers. The small investment required of each partner was also attractive because it accommodated the traditional desire of Chinese emigrants to return home. When the time came for individuals to return to China, it was relatively easy to sell their share to another Chinese seeking a small investment or to an existing shareholder seeking to acquire more shares. With this background, it is little wonder that Chinese banded together throughout the region to establish general stores.<sup>18</sup>

It was also the particular circumstances of the Chinese as immigrants in the district which helped ensure that, in the early years, partnerships only occasionally included members from the same family. W. Warley and Company, for example, had brothers-in-law, Harry Gee Hon and William Wong See, among its original partners. The rest of the partners were not family members.<sup>19</sup> This was because only limited numbers of immediate family members were resident, temporarily or permanently, in Australia. Indeed, the idea of family settlement was not a part of the initial Chinese immigrant experience. The imbalance in the ratio of men to women, and the imbalance in the age structure of the community, with the majority at the turn of the century being aged 21 or over, were clear indicators that Chinese immigration primarily involved single men from largely the same generation.<sup>20</sup> At times, there were brothers, cousins and nephews. Although, as with many of the main storekeepers in the region like Percy Young, John Hong, and Harry Gee Hon the arrival of immediate and extended family members tended to occur after the first arrivals were well established in their respective businesses. Hence, for the initial setting up of stores, the pool of possible family partners was small. Attention consequently turned to other Chinese who were from the same village or region in China, who were living in the same locality in Australia, or who had business interests and assets which could be directed towards small investments in new ventures.

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18 For similar evaluations of the impact of the status of Chinese as immigrants in a hostile environment on the choice of partnerships in small businesses as a means to find work see, for example, Peter S. Li, 'Ethnic businesses among Chinese in the United States', *Journal of Ethnic Studies*, 4/3, 1976, pp.35-41; Atkinson, 'Some socio-economic aspects of the Chinese community in Perth', p.98; and Ronald Takaki, *Strangers from a Different Shore: A history of Asian Americans*, Little, Brown and Company, Boston, 1987, pp.13-14.

19 Certificate of Registration No.3265. Australian Archives (NSW): SP42/1/3:04/354. This is contrary to the possible partners identified by Dulcie Hon, see p.90 previously.

20 For example, in the 1901 census, of the 29,627 Chinese recorded as resident in Australia, only 474 were women, and in the 1911 census the median age of males was 44.21. C.Y. Choi, *Chinese Migration and Settlement in Australia*, Sydney University Press, Sydney, 1975, pp.42 and 47. See also Tables 3 to 6 in Appendix A at the end of this thesis.

- **Discriminatory Legislation and Attitudes**

Another factor which was significant in influencing the establishment and nature of this particular group of Chinese country stores and which reinforced the use of partnerships was the impact of the discriminatory legislation and attitudes which were directed particularly at the Chinese. It is a topic which, in the 1980s and 1990s, most of the Chinese-Australians who participated in this study, approached with some hesitation and reservations.<sup>21</sup> Detail needs to be sought from other sources, especially from analyses of the legislation and its implementation, and from local newspaper reports.

For the Chinese in northern New South Wales, the twentieth century began with two significant indicators of attitudes towards their presence which also illustrate the ways in which anti-Chinese sentiments and practices contributed to the choice of storekeeping as an occupation and to the business practices adopted in establishing and sustaining those stores. The first indicator was the 1901 Immigration Restriction Act and its subsequent amendments. The second was the concerted campaign in 1903 and 1904 in New South Wales against Chinese storekeepers in country areas.

### *1901 Immigration Restriction Act*

The 1901 Immigration Restriction Act emerged from the clear statements and policies against the Chinese which had gathered momentum since the gold rushes. White Australia simply did not want significant numbers of Asians, especially Chinese, within its borders and it certainly did not want Chinese who would provide competition in the local employment and business markets. To this end, before 1901, the various colonies had initiated and implemented different restriction policies and regulations on immigration and on the employment of Chinese in particular industries.<sup>22</sup> The end result for those Chinese who stayed, was that the occupations available to them were increasingly restricted.<sup>23</sup> One of the most likely avenues of employment became small businesses established by compatriots. Market gardening and the selling of produce, laundries, furniture making, and working in stores all became areas in which Chinese labouring skills and enterprise were put

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<sup>21</sup> See Chapter 3, pp.51-58 previously for discussions of these reservations.

<sup>22</sup> For an overview of this nineteenth century legislation see Choi, *Chinese Migration and Settlement in Australia*, pp.18-29. The 'Chronology' in James Jupp (ed.), *The Australian People*, Angus and Robertson, Sydney, 1988, pp.973-976 provides a useful checklist of the main legislation and events.

<sup>23</sup> For further analysis and discussion of the occupational patterns and restricted opportunities available to Chinese during the first half of the twentieth century see, for example, Anne Atkinson, 'Perth's Chinese laundry workers, 1900-1920: and the effect of the Factories Act of 1904', *Time Remembered - Special Issue*, 5, 1982, pp.64-83; Choi, *Chinese Migration and Settlement in Australia*, pp.52-54; and Cheng-Yeen Chooi, *Blooding a Lion in Little Bourke Street: The creation, negotiation and maintenance of Chinese identity in Melbourne*, MA thesis, University of Adelaide, 1986, pp.29-32. The situation in the United States was comparable. See, for example, Roger Daniels, 'Westerners from the east: oriental immigrants reappraised', *Pacific Historical Review*, 35, 1966, especially pp.178-179; and Ronald Takaki, *Strangers from a Different Shore: A history of Asian Americans*, Little, Brown and Company, Boston, 1987, pp.239-241..

to good use. Unfortunately for the Chinese, their success in some of these areas was seen to be a threat and further restrictions were imposed on their activities. In New South Wales, for example, the 1896 Factory Act aimed to reduce the marketability of furniture made in Chinese factories by regulating that it had to bear a stamp to that effect. This legislation was followed in 1909 by a clause in the Factories and Shops Act which prohibited Chinese employers from providing accommodation for their employees in the factories. It was argued that the practice was a cost saving activity which made it possible for Chinese manufacturers to sell their goods more cheaply than their competitors.<sup>24</sup> The desire was to squeeze the Chinese out of any areas in which they could be perceived as competition and, ultimately, to deter Chinese settlement.

The intention of the 1901 Immigration Restriction Act was, similarly, to deter, if not prevent, Chinese settlement. The strategy adopted was to demand that intending immigrants should, if the migration officer deemed it appropriate, be subjected to a dictation test in a European language.<sup>25</sup> This was a daunting and impossible barrier for Chinese, many of whom were not literate in their own language let alone in other languages. The difficulty for the federation legislators was that, even though the number of Chinese in Australia had dropped significantly by 1901, there were still around 30,000 in the country.<sup>26</sup> Some were naturalised residents and some were clearly contributing to the economic life of the nation. The exemptions included in the 1901 legislation reflected this reality. Certain categories of Chinese were to be granted Certificates of Exemption from the Dictation Test and be allowed to enter the country, at least for limited periods of time and under carefully regulated conditions. Subsequent amendments to the Act altered some of the categories, in particular eliminating the eligibility of wives and children, and added and altered specific regulations. The system of exemptions which emerged and had to be administered was complex, and different conditions applied to different categories of exemption.<sup>27</sup> Throughout the period merchants, their assistants, temporary substitutes for merchants or their assistants, chefs, cafe workers, and students were the main categories of Chinese who could apply for exemption from the dictation test and, consequently, could apply for entry into Australia for varying lengths of time.<sup>28</sup> The understanding, however, was that the term

24 Yong, *The New Gold Mountain*, pp.64-67. Compare Chapter 6, pp.130-131 and 134 following for explanations which link the provision of accommodation to traditional Chinese business practices.

25 Choi, *Chinese Migration and Settlement*, p.39.

26 *ibid.*, p.38.

27 *ibid.*, Appendix I, pp. 113-115 provides a useful summary of the various categories of exemption, the conditions applying to them, and the changes in those conditions. For accounts of the complexities of the legislation and the somewhat uneven handed way in which it was administered see A.C. Palfreeman, *The Administration of the White Australia Policy*, Melbourne University Press, Melbourne, 1967, pp.81-101, and A.T. Yarwood, *Asian Migration to Australia*, Melbourne University Press, Melbourne, 1967, pp.104-115. E.M. Andrews, *Australia and China: The ambiguous relationship*, Melbourne University Press, Melbourne, 1985, pp.34-42 provides a useful overview. For accounts of the responses of the Chinese community to the legislation and its implementation see Yong, *The New Gold Mountain*, especially pp.13-20. For responses by the Chinese community in Western Australia see Anne Atkinson, *Chinese labour and capital in Western Australia, 1847-1947*, PhD thesis, Murdoch University, Perth, 1991, pp. 237-239.

28 Choi, *Chinese Migration and Settlement*, Appendix I, pp.113-115.



'merchants' referred specifically to people involved 'in promoting the wholesale overseas trade between China and Australia.'<sup>29</sup> It followed that the regulations required merchants and storekeepers to demonstrate that their business entailed at least some overseas trade with China. These restrictions meant that storekeeping offered one avenue for keeping open the possibility of bringing in more Chinese immigrants. In this way the legislation provided an incentive for Chinese storekeepers in northern New South Wales (and elsewhere) to ensure that their businesses remained viable and that they could expand. It also provided an incentive for Chinese in Australia to become partners in such enterprises so that they too could claim exemption in order to pay return visits to China and in order to assist relatives and fellow villagers to have the opportunity of working in Australia, at least for a limited period.<sup>30</sup>

### *Campaign Against Chinese Country Storekeepers*

The exemption afforded Chinese merchants and their staff under the legislation, however, did not guarantee exemption from attempts to restrict their business enterprises. This was certainly not surprising given the emphasis in the legislation itself on acceptable Chinese merchants being those who focused their business activities on trade with China, and given the history of attempts to restrict Chinese activities in other occupations. The situation was particularly difficult for Chinese who set up stores in country towns. Unlike their metropolitan counterparts who tended, during the early part of the century, to congregate in 'Chinatowns' and focus on Chinese customers,<sup>31</sup> those in country areas were looking primarily to the non-Chinese local populations for custom and, consequently, were in direct competition with other country stores. Fear of this competition fuelled the already existing opposition to the Chinese and gained clear expression in a concentrated campaign in 1903 and 1904 to curtail the expansion and development of Chinese stores in country areas in New South Wales. As historian A.T. Yarwood pointed out, the concern about the growing influence of Chinese stores in country towns was clearly stated in a June 1903 article in the *Daily Telegraph*. The journalist reported that, in a number of country towns, 'the bulk of the retail storekeeping business, formerly carried on by our own people, is now practically controlled by Chinamen'. The towns of Glen Innes, Tingha and Inverell were among those named as particularly suffering this plight.<sup>32</sup> C.F. Yong has documented how Chinese merchants in Sydney sensed the growing anti-Chinese sentiment and, in response, appealed through the Chinese newspaper for Chinese in the state to get together and take action. In

<sup>29</sup> Cited in Yarwood, *Asian Migration to Australia*, p.109.

<sup>30</sup> The impact of these factors on the expansion of the stores is taken up in Chapter 6 of this thesis.

<sup>31</sup> For the concentration of Chinese in urban centres and Chinatowns see, for example, Choi, *Chinese Migration and Settlement*, p.52. Yong, *The New Gold Mountain*, p.75 makes a similar point about country stores depending largely on non-Chinese customers. Compare Atkinson, Chinese labour and capital in Western Australia, pp. 161-171 who argues that it was the remoteness of Chinese stores in rural Western Australia which protected them from criticism and attacks from non-Chinese competitors.

<sup>32</sup> Yarwood, *Asian Migration to Australia*, p.118.

particular, in November 1903 they formed the New South Wales Chinese Merchants' Society with the express purpose of speaking out and lobbying against anti-Chinese sentiments.<sup>33</sup> Then, in early May 1904 the already outspoken Retail Grocers' Association of New South Wales and the New South Wales Country Traders' Association banded together with a number of other interest groups including the Sydney Labour Council, the Shop Assistants' Union, the New South Wales Chamber of Manufacturers and the United Furniture Trades' Society to form the Anti-Chinese and Anti-Asiatic League.<sup>34</sup> A motion passed at the conference inaugurating the Association defined and declared that its purpose was :

*... to take aggressive and prompt measures for ... the strict enforcement and enactments of state and municipal laws, which will prevent any further increase of the Chinese and Asiatic population, and regulate the methods of industry, trade, and living of the Chinese and Asiatics already domiciled here up to the standards recognised and maintained by white Australians.*<sup>35</sup>

The 'aggressive and prompt measures' were to include giving public addresses and forming branches throughout the state to 'educate the masses' not to buy from Chinese retailers and to encourage 'white traders' to boycott manufacturers and wholesalers who supplied Chinese businesses.<sup>36</sup>

The campaign had local manifestations. Local newspapers in Inverell and Glen Innes, for example, reported meetings elsewhere in the State and published letters and editorials. Imbedded in them were now familiar racist arguments.<sup>37</sup> It was argued that, through illegal and devious means, Chinese storekeepers were gaining 'unfair advantages' and were stealing the trade of 'white' storekeepers. The Chinese stayed open after hours, paid below average wages, defrauded the government by keeping their books in Chinese, and, to cut costs, were prepared to live 'on a scale abhorrent to a white man'.<sup>38</sup> Bolstering these allegations of unfair competition and intruding into the arguments, were the clearly stated beliefs that the Chinese, indeed any 'Asiatics', were an inferior and immoral race whose presence really should not be tolerated:

*From Creation there have been strong lines of racial demarcation. ... [Concerning] those of the so-called undesirable races who have settled in our own land ... when it comes to receiving them as equals, we at once raise the impregnable wall of social and*

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33 Yong, *The New Gold Mountain*, p.70; *Sydney Morning Herald*, 5 May 1904. Atkinson, Chinese labour and capital in Western Australia, pp.213-246 similarly showed that in Western Australia it was attempts to restrict Chinese business enterprises which triggered the formation of both informal and formal lobby groups among the Chinese community in Perth.

34 Yong, *The New Gold Mountain*, p.71. See also report in the *Sydney Morning Herald*, 5 May 1904.

35 *Sydney Morning Herald*, 5 May 1904.

36 *ibid.*

37 These racist views, their history and origins are the subject of continuing research, analysis and argument. For an overview of the background see, for example, Janis Wilton and Richard Bosworth, *Old Worlds and New Australia*, Penguin, Ringwood, 1984, Chapter 1. For a specific analysis of racism as it affected the Chinese see, for example, the references listed in Chapter 1, footnote 6, p.13 previously.

38 *Inverell Times*, 16, 19 and 30 December 1903; *Inverell Argus*, 11 December 1903; and *Glen Innes Guardian*, 23 September 1904.

*racial distinction ... and they ... never cease to be socially 'a strange people in a strange land' ... The 'bar sinister' is ever writ large upon all our intercourse with these people - and so it should be. [If we removed our immigration restrictions and allowed] 'hordes' of them in, in a few generations we would be vainly seeking among the debris of our lost nation for some relics of a White Australia.*<sup>39</sup>

The 'Paragraphist' in the local *Glen Innes Examiner* offered a particularly virulent and colourful warning that 'The cry for White Australia ... is about as impossible as it is for a bob-tail kangaroo to navigate a comet' if, in the district, 'we prefer to trade with the Mongol rather than with our own brand.'<sup>40</sup>

Among the storekeepers arguing for the imposition of the most stringent restrictions on the Chinese, was the President of the Inverell Chamber of Commerce, E.H. Stiefvater. At a statewide convention of country storekeepers in August 1904, he successfully moved

*...that no licenses, trading or hawking, be issued to any Asiatics [and] that the present arbitration law be amended, providing for employment of white assistants only, and limiting the number of Asiatics to two managers or principals.*<sup>41</sup>

The intention was clearly to ensure that Chinese country stores did not continue to provide competition.

At the state and local level, however, the campaign did not attract wholehearted support. In June 1904, for example, the *Glen Innes Guardian*, which declared itself a 'reform' newspaper, refused to give the New South Wales Country Storekeepers Association free advertising for their convention because the paper objected to the Association's 'platform of prohibiting freedom of trade'.<sup>42</sup> In August of the same year, the paper ran an editorial which criticised the Association for its alliance with the Anti-Chinese and Asiatic League and its campaign to get the '...masses to deal exclusively with white traders, and not to deal with manufacturers or wholesale merchants who finance or encourage Chinese or Asiatic traders.'<sup>43</sup> In the view of the paper there were '...many thoroughly reputable Chinese and Asiatic merchants who have had to pay poll tax or submit to other conditions of entry amongst us. These men must be permitted to live honourably.' The most the Association should do, the editorial argued, was to seek '...to regulate the conditions under which they [the Chinese storekeepers] trade'.<sup>44</sup>

The sentiments of the *Guardian's* editorial echoed some of those evident in Sydney newspapers, and were joined by the increasingly vocal Chinese merchants who set about defending their position and declaring their rights.<sup>45</sup> In Glen Innes, local Chinese storekeeper, Wong Chee, had added his voice in defence of his own business practices and

39 *Glen Innes Guardian*, 23 September 1904.

40 *Glen Innes Examiner*, 17 April 1903.

41 *Inverell Times*, 19 August 1904.

42 *Glen Innes Guardian*, 17 June 1904.

43 *Glen Innes Guardian*, 26 August 1904.

44 *ibid.*

45 Yong, *The New Gold Mountain*, pp.70 and 73-75.

those of his compatriots. In a 1903 letter to the editor in response to what he described as the New South Wales Retail Grocers' Association 'vigorous campaign against what it [the Association] is pleased to term the Chinese invasion of the retail grocery trade', Wong Chee declared that he objected to their 'misleading statements'. In particular he identified two 'libels' they were promoting. The first was that Chinese stores did not deal with European suppliers when a Chinese one was available, and the second was that the Chinese did not contribute to charitable organisations within their community. To refute these libels, he pointed out that European warehouses in Sydney received as many orders from his store, Kwong Sing, as from other country businesses, and that the lists for local charities included many Chinese contributions. He concluded by asserting.:

*My countrymen in business here strive to become equal. They recognise the debt they owe the Commonwealth.*<sup>46</sup>

It was in this environment of mixed reactions to their presence that the Chinese stores were established and started to expand. Indeed, in the midst of the 1903 and 1904 campaigns, it was announced in Inverell that Hong Yuen and Company had moved into a new brick store with its old building being used as a bulk store.<sup>47</sup> In Glen Innes, Kwong Sing advertised that it was now established in its new premises and the opening of those premises was reported with approval and praise.<sup>48</sup> 1903 also saw the opening of a new Chinese general store, W. Warley and Company, in Glen Innes.<sup>49</sup> Despite the clear expressions of racism and resentment expressed in the 1903/1904 campaign against them, the Chinese storekeepers obviously regarded the enterprises as viable. The challenge was to ensure that hostile reactions did not adversely affect business, and that their business and marketing practices worked effectively towards this end.

The particularly virulent 1903/4 campaign petered out<sup>50</sup>, and it seems that there was no further similarly concerted effort to hamper and deter Chinese storekeepers. However, the campaign, and the undercurrent of racist sentiment it tapped, provided a backdrop for the activities and achievements of the Chinese stores. It highlights one of the factors which constantly, though often covertly, shaped the development and business practices of the stores throughout the first part of the twentieth century. In the first place, racist and discriminatory sentiment and practices reinforced the inclination to depend on compatriots for the establishment and staffing of the businesses. Those same sentiments and practices ensured that Chinese storekeepers had to develop marketing and business strategies which circumvented the specific difficulties of being regarded as the outside traders in relatively small, local communities.

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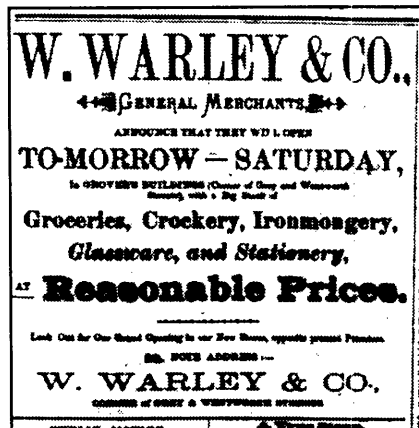
<sup>46</sup> *Glen Innes Examiner*, 7 February 1903.

<sup>47</sup> *Inverell Times*, 12 October 1904.

<sup>48</sup> *Glen Innes Guardian*, 16 and 20 October 1903.

<sup>49</sup> *Glen Innes Examiner*, 10 July 1903.

<sup>50</sup> For a more detailed look at the campaign and its failure to provoke desired legislation, see Yong, *The New Gold Mountain*, pp.70-77.



Advertisements for the opening of W. Warley and Company, Glen Innes and extensions to Kwong Sing War, Glen Innes, 1903.<sup>51</sup>

- **Conclusion**

Chinese in the district were attracted to storekeeping initially as a means to service their compatriots on the mining fields. Then, as opportunities for employment became increasingly limited due to the decline of the mining booms and to the increasing restrictions imposed by government legislation, stores offered a viable alternative. They were labour intensive and reasonably self-contained enterprises which could be established by pooling the resources, financial and otherwise, of a number of compatriots. The type of partnerships reflected traditional Chinese business practices while also accommodating the specific needs created by being outsiders in a hostile environment. Immigration restrictions heightened the appeal of storekeeping as one of the few avenues for making a living available to Chinese in the district: merchants and their assistants were high on the list of Chinese who could obtain Certificates of Exemption from the Dictation Test and could, consequently, enter Australia and remain, if only for a limited time. The racist attitudes which underpinned the legislation, however, ensured that even as merchants and shop assistants, the Chinese would meet with some resistance. This particularly applied in rural areas where the viability of the stores depended on being able to attract local non-Chinese customers. The Chinese stores were seen to be in direct competition to their non-Chinese counterparts. The 1903 to 1904

<sup>51</sup> Glen Innes Examiner, 17 July 1903 and 13 October 1903.

campaign against Chinese stores in country areas highlighted this antipathy and, although the campaign was unsuccessful and no similarly concerted effort occurred again, the undercurrent of racism was established as a factor to which Chinese storekeepers had to accommodate as they developed strategies to ensure that their stores developed into viable and profitable enterprises.

In setting up business, the Chinese storekeepers had already confronted and negotiated some of the obstacles designed to make them abandon attempts at settling in Australia. The restrictions imposed by Australian legislation and attitudes forced them to seek out opportunities which could be seized by adapting familiar practices and relying on compatriots. They called on networks, skills, financial resources, labour and the enterprise of individuals to provide the foundation for the stores. The challenge was then to ensure that the stores could survive and, ultimately, could provide a livelihood for a growing number of Chinese. This meant developing marketing strategies which recognised the need to provide particular goods and services for a primarily non-Chinese clientele while continuing to accommodate, adapt and develop the specifically Chinese practices and networks which had made the establishment of the stores possible. It is the nature and impact of these strategies which occupies the next chapter.