The Untold Story of Chinese Restaurants in America

Heather R. Lee, New York University

Virtually every American community has Chinese restaurants – and the story of how this came to be is fascinating and highly revealing about the often unintended impact of U.S. immigration rules. This ethnic food industry started to grow rapidly in the early twentieth century, at a time when anti-Chinese sentiment was pervasive. How did these restaurants open in large numbers when the American public despised Chinese and suspected them of eating the flesh of cats, dogs, and rats? To unravel this conundrum, I did archival research and analyzed historical statistics to explain Chinese business decisions in the United States. My findings highlight the formative – and at times ironic – effects of U.S. immigration law and underline the dynamic interaction between exclusionary legal policies and the adaptive strategies of would-be immigrants.

How Anti-Chinese Laws Encouraged Restaurants

The vast majority of Chinese originally came to the United States from a small cluster of counties in Southern China, whose economic fortunes became tied to opportunities in North America after the 1849 Gold Rush in California. Young men went to the United States to work, sent money back to relatives in China, and periodically made temporary trips home. But this cycle of work and visits became much harder to execute after the United States passed the Chinese Exclusion Act in 1882. This draconian law barred the entry of Chinese laborers, yet also ended up stimulating the formation of Chinese businesses through a system of visa preferences. Owners of particular businesses could obtain "merchant status," which enabled them to enter the United States and sponsor relatives. After a 1915 court case granted these special immigration privileges to Chinese restaurant owners, entrepreneurial people in the United States and China opened restaurants as a way to bypass restrictions in U.S. immigration law. Flows of newcomers from China were diverted into the restaurant industry.

The number of Chinese restaurants in the United States exploded during the early twentieth-century. Between 1910 and 1920 the number of Chinese restaurants in New York City nearly quadrupled, and then more than doubled again over the next ten years. By 1920, New York restaurants generated $77.9 million in annual sales, rising to $154.2 million in 1930. Chinese laundries had once been the largest employers of Chinese workers, but by 1930 restaurants became more likely employers of Chinese workers – and retained that distinction thereafter.

Such explosive growth in restaurants and restaurant employment happened even though it was far from easy for Chinese to gain merchant status. U.S. requirements for restaurant merchant status were rigid and arbitrary. The Immigration Bureau would assign this status only to the major investor in a "high grade" restaurant, and these individuals must also have managed their restaurants full time for at least one calendar year, refraining during that time from any menial work as cashiers, waiters, or the like. Immigration agents assumed that Chinese applicants were prone to lie, so it was bureau policy to interview two white character witnesses to establish credibility for their claims. With few exceptions, the Immigration Bureau was willing to recognize only one merchant per restaurant.

Chinese adapted by molding their restaurants to fit the strict U.S. immigration guidelines. In the 1910s and 1920s, Chinese opened luxury restaurants called "*chop suey* palaces" with start-up capital averaging $90,000 to $150,000 in 2015 currency. Because few Chinese people actually had that much money, Chinese pooled their resources and opened up restaurants as partnerships. Major investors rotated the managerial duties among themselves every year or year and half, creating an unbroken succession of people who could qualify for legal merchant status. In addition, the Chinese did business with white vendors who were willing to testify in support of immigration applications. With such techniques, the Chinese maximized the number of people who qualified for merchant status through involvement with each single restaurant.

The Hard Life of Chinese Restaurant Workers

For the workers, Chinese restaurants were complex sites of chain migration and familial obligation. The average Chinese restaurant in New York City employed five waiters and four cooks, who were related by kinship or friendship to the primary investors. Family bonds complicated relationships between employers and employees, rendering conflicts between them qualitatively different from the sorts of conflicts found in non-family-run restaurants. For the sake of family, Chinese restaurant employees were expected to work for low wages and perform physically demanding labor without complaint. Consequently, the average employee in such restaurants earned 1/3 less wages than the national average for food service employees. This was true even though Chinese restaurant workers had to support kinfolk in China who depended on them to afford basic necessities such as clothing, food, and educational costs.

Letters sent back and forth across the Pacific Ocean helped Chinese persevere through such challenges. People in large, coastal cities like New York or San Francisco received bundles of mail from China, and relayed many letters to immigrants living further inland. Letters recounted news from home, and the messages Chinese workers sent back along with money explained their frustrations at having "no free time," earning too little, and suffering poor health. Letters allowed Chinese to enforce social expectations, which mattered especially when people on one or both sides of the Pacific violated mutual agreements. The correspondence also maintained cultural traditions, like sending greetings and money to celebrate the Lunar New Year.

Southern China Also Benefitted

Beyond gaining U.S. legal status in an exclusionary era, immigrants used profits from America's burgeoning Chinese restaurant industry to improve the quality of life for families in their former homeland. U.S.-based Chinese restaurants paid their investors a handsome annual dividend of 8 to 10% on average, along with annual salaries that equaled their investments. With this income, major investors could significantly improve the quality of life for relatives. In southern China, families with relatives abroad came to enjoy average monthly incomes three times larger than families without such relatives. What is more, Chinese entrepreneurs and workers in the United States could do even more than help individual families pay for necessities. Their remittances and patronage also supported larger undertakings – the most grandiose of which included modern, western-styled homes and community projects such as schools, railways, and hospitals. In many ways, therefore, the U.S. Chinese restaurant industry built fortunes in two vast nations.

Research for this brief is drawn from the author's book manuscript in progress.