

Have your tea and drink it too!¹

How the trade of rogue Companies, private traders and smugglers popularised the consumption of tea in Western Europe, 1700-1760

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Somewhere in eighteenth-century Europe, tea transformed from a commodity destined for the rich few to a commodity consumed by all layers of society, including the poor. The reason and timing of this development have been seen as the result of globalisation of trade and the clamour for tea of consumers in Europe. The popularisation of tea drinking most notably first noticed in the Dutch Republic and in England, was not a straightforward line of globalisation of trade through East India Companies. Instead, it was just as much the result of private entrepreneurship in Europe and in Asia which helped create a market for popular tea. At the end of this period, the tea trade had become a battle between Companies, as the Dutch (VOC) and English East India (EIC) companies followed into the market for tea that private entrepreneurship had created. By comparing these two companies, we get an insight of the three major themes in this paper. First of all, the globalisation of tea trade, which far from being a one way ticket to direct trade, proved ever changing and competitive. These changes have, until now, not been seen in the right perspective. Secondly, the popularisation of tea was a much more complex process than a simple increase in import by the different companies. If we want to understand the popularisation of tea consumption, special attention needs to be given to different varieties of tea, and in particular to Bohea, the variety of tea with most appeal for poor consumers. As we shall find, this tea played different roles in the cargos of all companies over time, but the main reason why this variety caused the expansion and diffusion of tea drinking throughout Europe lay in the production in China itself. Last but not least, we will target private entrepreneurship in all trades of tea. We will argue that in view of the policy of the VOC and the EIC, it must have been these rogue companies, private traders and smugglers that pushed the creation of a popular market for tea forward.

1. The globalisation of the tea trade

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In the debate on the popularisation of tea trade in Europe, it has often been claimed that goods from Asia always remained out of reach of most layers of society. The main advance in the spread of goods is said to have been made after the transport revolution of the 19th century.² Yet if we look at the trade in tea, major innovations had already taken place in the early eighteenth century. Moreover, probate inventories studies of the poor in the Dutch Republic of that period show that tea became part of consumption even for the poorer strata of consumers.³ The availability of tea was no coincidence either, since the trade in tea at China, the only producer of tea for export,⁴ took on new and more globalised forms. The subsequent decline in sales prices in Europe, made tea available to all layers of society. How was the trade to China, or more specifically to Canton, organised and how did changes in organisation of trade contribute to the popularisation of tea in Europe?

At the beginning of the Eighteenth century, neither the VOC nor the EIC had direct access in Asia to the supply of tea in China. Before the establishment of direct trade to Canton, the price and import of tea in Europe was determined by irregular supplies and was at the mercy of middlemen in Asia. In this situation, both companies simply profited from the Chinese junk trade in Asia. Chinese traders brought them Chinese goods, like tea, porcelain and silks, in exchange for pepper.⁵ The Portuguese traded in tea from Macao. They mostly wanted cinnamon in exchange, a product for which they found a market in Manila.⁶ This dependence on Chinese Junk trade had started in the early seventeenth century, when the English tapped into this source of tea at Bantam and the Dutch at Batavia. At the same time they had trouble in following the example set by the Portuguese at Macao in establishing direct access to the Chinese goods. After it had proved impossible to set up a base on the South China coast,⁷ the VOC colonised Formosa, but soon lost this island to Zheng Chenggong. The Chinese emperor was able to negotiate with foreign merchants on his own terms and the VOC and EIC had to content themselves with indirect trade as long as he did not allow them direct trade.⁸ As a consequence, the Chinese junk trade brought prosperity and a steady flow of Chinese goods to

² Kevin O'Rourke and Jeffrey Williamson, 'When did globalisation begin?' *European Review of Economic History*, Apr 01, 2002; Vol. 6, No. 1, 23-50.

³ A. McCants, 'Poor consumers as global consumers: the diffusion of tea and coffee drinking in the eighteenth century', *Economic History Review*, 61, S1 (2008), pp.172-200 and John Burnett, *Liquid pleasures: A Social History of Drinks in Modern Britain* (London: Routledge, 1999), 52.

⁴ Els Jacobs, *Merchant in Asia. The Trade of the Dutch East India Company during the Eighteenth Century* (Leiden: CNWS Publications, 2006), 180, Although Japan also cultivated tea in abundance, in this period this was only meant for domestic consumption.

⁵ Leonard Blussé, *Strange Company, Chinese settlers, mestizo women and the Dutch in VOC Batavia* (Leiden: KITLV Press, 1986), 136.

⁶ Christiaan Jörg, *Porcelain and Dutch China trade*, 20.

⁷ Paul van Dyke, *The Canton trade, Life and Enterprise on the China Coast, 1700-1845* (Hong Kong, Hong Kong University Press, 2005), 5, Note 1: Paul van Dyke, 'The Anglo-Dutch Fleet of Defence (1620-1622): Prelude to the Dutch Occupation of Taiwan' *Around and about Formosa: Essays in honor of professor Ts'ao Yung-ho*, ed. by Leonard Blussé (Tapei: Ts'ao Yung-ho Foundation for Culture and Education, Tapei, 2003), 61-81

⁸ Van Dyke, *The Canton trade*, 5, also see note 2.

Batavia, whilst the Chinese community grew fast. This steady flow gave the VOC a prime position in the tea trade. The English had at first enjoyed similar advantages at Bantam. With the loss of Bantam, they lost access to a steady supply of these goods, and set up a similar trade from Madras. This proved much less successful than trade from Bantam. The Chinese Junk traders did not want to venture that far and English private traders from Madras filled the gap less efficiently.⁹

The establishment of direct trade at Canton forced prices of tea down in Europe, bringing tea within the reach of even the poorest consumer. In a process of 15 years all companies switched to buying tea in Canton. This development brought the price of tea down at an unprecedented and unrivalled rate. The choice of the EIC to open direct trade to Canton is not difficult to understand, as it was the only feasible way for them to compete with the VOC in the tea trade. At a certain moment, the EIC became aware of the potential of tea in Europe and noticed that in 1710 tea was imported from the Dutch Republic.¹⁰ Therefore, it got weary of its servants in Madras, who were making a substantial profit on selling tea to their employer. The EIC started curtailing their privileges and was even considering debarring them from trade to China.¹¹ After having obtained permission from the Chinese emperor in 1713 the EIC simply started direct trade, bypassing Madras. Instead of granting private trade concessions, the Company simply conducted the trade to China itself. The direct trade was based on silver exports complimented with some manufactures from Britain. In principle, the direct ships made no trade related stops in Asia on either the outward and homeward journeys. The main advantage was lower invoice prices for tea in Canton. As stakeholders in the China trade, the servants in Madras had inflated the invoice price of tea at Madras. The establishment of direct trade attracted new companies to open trade with China as it was a much less complicated and straightforward trade.¹² Companies like the Ostend, Danish and Swedish added to the competition for tea and to the downward trend of prices. Direct trade now also attracted the attention of the Dutch East India Company, as it found it hard to compete with the high prices in had to pay for tea in Batavia.

Direct trade to Canton also allowed access to more varieties of tea for the finer and more luxurious tastes of the European market. Apart from searching for competitive prices, the VOC followed its competitors to Canton to find more varieties of tea. As it had always depended on what the Chinese Junk trade brought to Batavia, it had until that moment only obtained

⁹ K.N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760* (Cambridge: Cambridge University Press, 1978), 286-7.

¹⁰ Niels Steensgaard, 'Trade of England and the Dutch before 1750', in: James D. Tracy, *The Rise of Merchant Empires, long-distance trade in the early modern world, 1350-1750* (Cambridge: Cambridge university Press, 1990), note 51, Chaudhuri, *Trading World of Asia*, 388 compared with the figures of Schumpeter, *English Overseas Trade Statistics*, table XVI.

¹¹ Chaudhuri, *The Trading World*, 386-7.

¹² Kristof Glamann, *Dutch-Asiatic Trade, 1620-1740* (The Hague: Martinus Nijhoff, 1981), 213.

three varieties of tea: Singlo and Bohea tea, sometimes supplemented with some Bing tea.¹³ The EIC and the French had started bringing other more expensive luxury tea, as hyson, congo and souchon, to Europe. The VOC had no option but to search similar teas at Canton, which marked the start of the VOC's trade in luxury tea. After these teas had been obtained in Canton, the more luxurious varieties also started appearing at Batavia through the Chinese Junk trade. From 1729 to 1734, the VOC continued direct trade to Canton based on the same principles as its competitors: silver and manufactures and outward and homeward journeys without trade related stops in Asia. The High Government in Batavia resisted against the direct trade. They feared it threatened the potential of the Chinese Junk trade, which had always been a major source of wealth for the city. The Gentlemen Seventeen were not deaf to this argument and also saw the advantage of Batavia and its pepper and tin for the purchase of tea in Canton. A compromise was reached, which contented both parties and let to an innovation in the tea trade. After 1734, VOC ships to Canton always made a stopover at Batavia on the outward journey and often on the homeward journey.¹⁴ The major advantage of stopping over at Batavia was that it was a staple market for cheap pepper and tin, which had been obtained cheaply through enforced contracts with local rulers.¹⁵ As pepper and tin were wanted items in China, tea could be bartered at a better price. At the same time, the VOC continued to buy tea at Batavia in order to stimulate the Chinese Junk trade and Portuguese traders from Macao to bring their tea, apparently the direct trade had helped to bring prices in Batavia down to the level of purchase in Canton.¹⁶

The globalisation of the tea trade only took a new turn when the EIC decided to combine its old strategy of direct trade with the strategy of pepper acquisition. In 1747, the tea trade of the EIC fell dramatically as a consequence of increased taxation on tea. The EIC had to reconfigure its trade to get back into the tea business. It decided to resuscitate its tea trade on an unprecedented scale by exporting more silver to Asia. The trade in tea dramatically increased and its success was due to a combination of the old strategy of direct trade to Canton with the new strategy of procuring pepper and tin along the way. Apparently, the English saw the advantage of making a stopover to procure pepper, but Batavia was no longer considered an option, as in the years before ships for China had often tried their luck of obtaining pepper at Batavia before going to Canton, but the VOC was logically not inclined to give into these demands. Apparently, the notion that the Chinese preferred to be paid in silver,¹⁷ seems a bit at odds with this development. The EIC continued to send two or three ships directly to Canton

¹³ J. De Hullu, 'Over den Chinaschen Handel der Oost-Indische Compagnie in de Eerste Dertig Jaar van de 18^{de} Eeuw', *Bijdragen tot de Taal-, Land- en Volkenkunde*, Vol 73, No 1 (1917), 105 and Glamann, *Dutch-Asiatic Trade*, 213.

¹⁴ Liu Yong, *The Dutch East India Company's Tea Trade with China, 1757-1781* (Brill: Leiden, 2007), 4, map 1 and J.L. Blussé, 'The VOC and the Junk Trade to Batavia: A problem in administrative control', in: *Strange Company, Chinese settlers, mestizo women and the Dutch in VOC Batavia* (Leiden: KITLV Press, 1986), 137.

¹⁵ Jacobs, *Merchant in Asia*, 58-90.

¹⁶ Blussé, 'The VOC and the Junk Trade to Batavia', 133-137.

¹⁷ Jacobs, *Merchant in Asia*, 181.

with silver, but send 5 to 6 other ships to its other settlements in Asia, Bombay, Madras, Calcutta, Bencoolen and even Bengal, to procure pepper.¹⁸ The end result was a drop in the price of pepper in Canton, which is traceable in the considerations of the Gentlemen Seventeen in the Republic. With lower prices in China, they thought the pepper could be better send to the Republic to be sold at a higher price.

Decisions to alter the organisation of trade had global implications as it meant the displacement of pre-existing trade structures such as the Chinese Junk trade. In the literature it has been noted that the Chinese Junk trade at Batavia went into decline after 1741, the date of the Chinese massacre, or as Blussé had put it: 'the Junk trade [to Batavia] shrank within a few decades to a shadow of its former self',¹⁹. The reason for the most notable decline around 1750 has, however, never been adequately explained. The Junk trade had been picked up quite quickly after the massacre, as its causes did not lay so much in the tea trade, but in the production of sugar and the influx of Chinese labourers. Later on we shall see that there exists enough proof that the tea trade quickly recovered. The real explanation of the decline of the Chinese Junk trade seems to lie in the new English policy and in the VOC's reaction to it. It simply seems that the need for the Chinese to search for pepper at Batavia was absent when this spice started being brought by the Dutch and English to Canton in abundance. The VOC persisted with its system of sending pepper and tin to China at least until 1780, but augmented trade from Batavia to increase the direct tea export from China in their turn putting another nail in the coffin of the Chinese Junk trade.²⁰

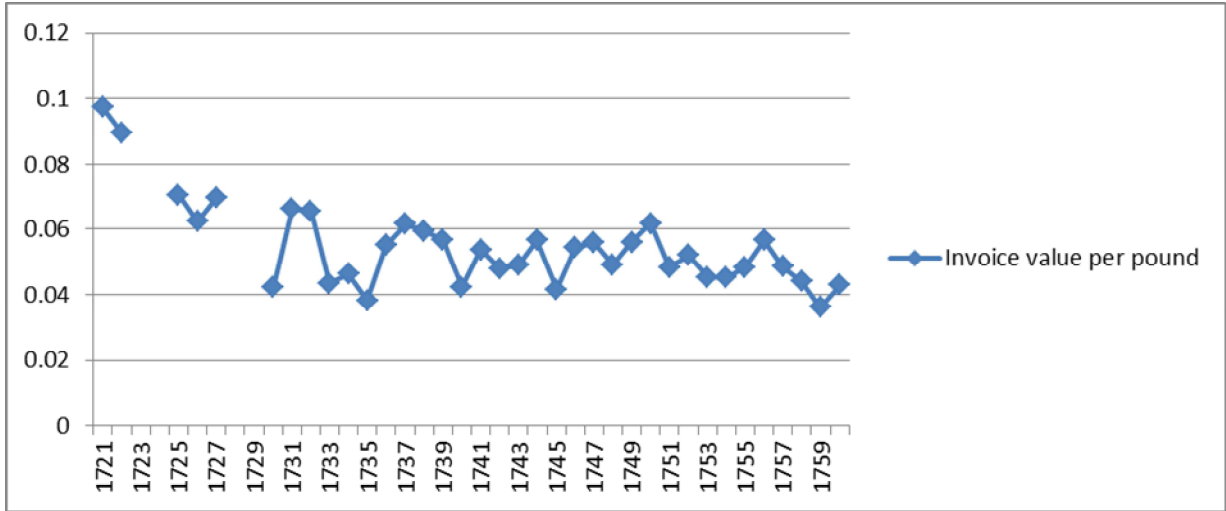
The end result of this globalisation of the tea trade was a steep decline in prices of tea, as the combined figures of the EIC and the VOC show us. EIC purchase prices of all tea in Canton and of VOC sales prices of all tea in the Republic fell over time. Not even taking into account the purchase price at Madras before direct trade, the prices of tea decrease 2 to 3 times (see Graph A). In the case of the VOC, the general tea prices do not take in account all the differences in prices between different routes the tea could travel, but still, between 1721 and 1760 the average sales prices declined 5 fold for the VOC between 1711 and 1760 (see Graph B). In other words, even before 1800 there is a strong price convergence, most noticeable after the start of direct trade to Canton, but even afterwards there is a downwards trend to invoice and sales prices. Behind the decrease in price is of course not just an increase in absolute trade of these two companies (See graph), but simply in the general trade to Canton.

Graph A: Invoice value (in pounds) of EIC tea per English pound lbs (1721-1760)

¹⁸ BL, India Office Records, LG/1/6/12.

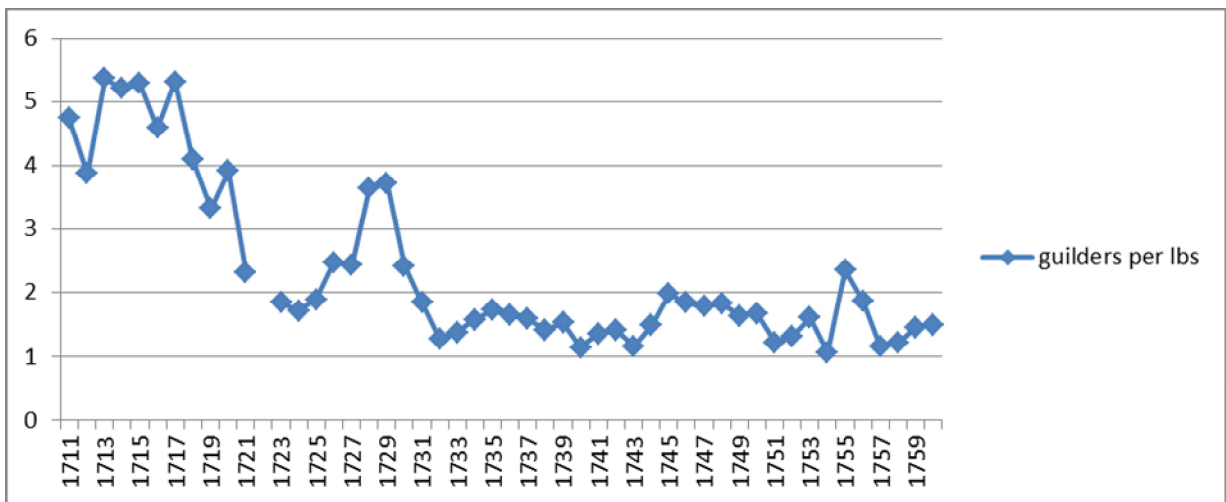
¹⁹ Blussé, 'The VOC and the Junk Trade to Batavia', 140.

²⁰ Liu Yong, *Tea Trade*, appendix 2, assessments of the merchandise imported by the VOC into Canton, 1758-1793.



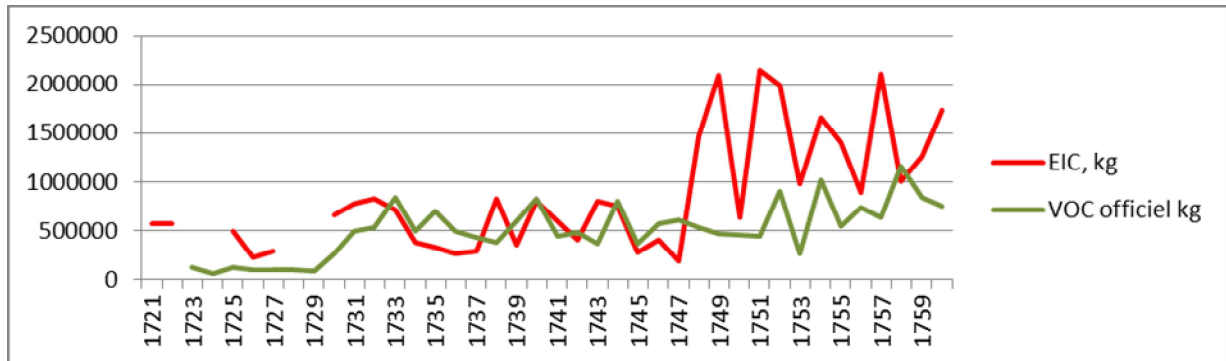
Source: BL, IOC, L/AG/1/6/8-14

Graph B: Sales price (in Guilders) of VOC tea per Dutch pound lbs (1711-1760)



Source: NA, VOC, 4589-4594

Graph C: Total imports of tea by the EIC and the VOC in kg, 1721-1760



Sources: NA, VOC, 4589-4594 and BL, IOC, L/AG/1/6/8-14

The explanation of the strong drop in prices should not be limited by looking only at the tea trade of the EIC and the VOC, but should be related to a general increase in trade and in competitors: the French, Ostend, Swedish and Danish Companies. Their arrival on the scene in China, which increased the total trade to Europe, is not directly visible in these graphs. In the drop of prices of sales of the VOC after 1710, indirectly we can find proof of the influence on the market in Europe caused by the arrival of this new competition. The main breaking points of price drops are the successive arrival of the French and the English at Canton (1711-1713), the arrival and suppression of the Ostend Company (1724-1728), and finally the arrival of the Swedish and Danish companies (after 1731). In general there was a downward trend, but with some small ups, most notably just before the arrival and just after the subsequent suppression of the Ostend Company. The fact that price went down before these companies had started their trade, according to Glamann was due to the anticipation of traders.²¹ The two companies under study here have been said to have imported more tea in the years up to the arrival of the small companies, which has been noticed for the Ostend company in the literature, but only becomes clearly visible in the graph C before the arrival of the Swedish and Danish companies. The main aim of these increasing imports was to discourage the smaller companies from establishing trade. An analysis of the price leads to the conclusion that around 1731, the transition from tea as a luxury product to lower priced tea was made. In turn, this coincided nicely with the date probate inventories of poor people in the Republic give us as the dispersal of tea among the poorer strata of society.²² From these graphs it also becomes clear that these rough companies, braving existing structures and boldly stepped into unmapped territories, had an enormous impact on tea drinking in Europe, be it directly with their tea imports or indirectly as they forced the VOC and the EIC to increase their trade in tea.

Still, there something missing in this analysis of tea as a category. The poor did not just drink tea, they drank the cheapest version, Bohea, and it is known that more and more Bohea was imported over the eighteenth century. So maybe, the different Companies traded in different kinds of tea and sold to different markets? At the same time this drop in purchase and

²¹ Glamann, *Dutch-Asiatic Trade*, 223.

²² McCants, 'Poor consumers', 172-5.

sales prices could also have been due to a shift from luxury tea to cheaper tea? What was the cause of the drop in purchase and sales price of tea and in turn of the spread of tea drinking throughout society?

2. A taste for tea

In his path breaking study of the Canton trade, Dermigny linked the popularisation of tea to Bohea tea, the least expensive black tea on the market. If we want to understand the popularisation of tea and its origins, we have to delve deeper into several different kinds of tea. For their return cargos, the companies made their own mix of tea, ranging from black to green tea, from luxury to cheap tea, which can be studied in their own right. These strategies or the mix of tea tell us a lot about the market a company was aiming for. In turn, this can help us explain how and when tea was popularised in Europe. First we have to explain what the different varieties actually were.

Both the companies made a distinction between green and black tea. These two varieties stem from the difference in the treatment of the leaves of the *Camellia sinensis*, the tea plant, after harvest. Green tea is unfermented, but still needed treatment through fixation, rolling and drying. Black tea was left to completely ferment by leaving the tea under the sun to encourage the process. This process can be helped by withering, rolling and drying. With this process of fermentation all the moisture is removed from the leaves, allowing for longer preservation. Green tea has been exported from China for centuries, but black tea has only been exported since the arrival of the European Companies in Asia. The general idea is that black tea was attractive for European Companies as: 'With this tea, spoilage would be avoided on the months-long homeward voyage to Europe'.²³ Although the number of different kinds of tea seems infinite, in the period under investigation the European Companies mostly settled for Bohea, Conguo, Souchong, Pekoe, Songlo, Bing and Hyson.²⁴ The most traded black tea was the cheap Bohea, which was dismissed by the Chinese of being of inferior sort. Then, there were varieties of black tea of an intermediate quality tea called Congou and Souchong, and a luxury tea called Pekoe. The Green teas were divided between cheap Songlo, intermediate Bing and luxury Hyson. There are several others, less frequently traded varieties of tea, mostly intermediate qualities of tea, such as Hyson skin and Tankway.

Apart from the treatment of the leaves, varieties in flavour emanated from the different regions and the different geological and metrological circumstances in the sites where the tea was grown. It seems black teas were mostly obtained from the Wuyi Mountains along the

²³ Liu Yong, *Tea Trade*, 68.

²⁴ Glamann, *Dutch-Asiatic Trade*, 214.

borders of the Provinces of Fujian and Jiangxi and green tea from more up north, in the south-eastern part of Anhui Province, down to the city of Wuyuan.²⁵ Not only Bohea (Wuyi), also the names of other varieties of tea were derived from there provenance: Ankay (Anxi), Twankay (Tunxi) and Songlo (Songlou).²⁶ Congou was not named after a region, but after the process of fermentation and treatment which gave it its distinctive taste designated as Gongfu or 'elaborately prepared tea'. Hyson and Hyson skin were named after the inventor of this method of processing green tea. Pekoe or Baihou meaning white hair, derived its name from its colour and shape.²⁷ The difference in quality was also related to the different pickings of the tea plant. Tea plants were harvested three to four times a year and first pickings were considered of better quality. Another main indicator of quality is the time between harvest and curing, if the time between the two is too long, the quality of the final tea would diminish.

Companies had different strategies in buying different varieties of tea and this changing mix of tea tells us more about the popularisation of the tea in Europe. The question seems to be when both companies decided to go for Bohea and the popularisation of tea. If we look at the tea mix of the EIC in the period under investigation, two periods can be distinguished. The order lists of the EIC up to 1746, tell that the EIC was mostly after Bohea and Singlo, both their weight making out almost 50% of the cargo, while the remaining space, sometimes going up to 10% of the cargo, was used for luxury varieties of tea. Overall we can say that in the early period the EIC was mostly interested in cheap tea, both of the black Bohea and green Songlo variety.²⁸ The invoices of the ships returning from China, tell us a similar story, although logically the actual trade is more irregular than the order. Apart from a rise in imported quantities, 1747 also signalled a change in strategy for the EIC. The EIC's order lists, that were sent out with the ships every year with clear instructions what to bring back, tell us the EIC increased both its demands for Bohea and Singlo to 'as much as possible'. Soon afterwards the dominance of Bohea in the cargo over Singlo was established. At the same time, the importance of tea was reinforced by a change in the already noted new purchase strategy of bringing pepper to Canton. The prime importance of the tea trade was further reinforced by the change of the name 'Tea & Chinaware ledger' to 'Tea ledger', which meant that Chinaware was no longer accounted for together with the tea, but in the 'Drug ledger'.

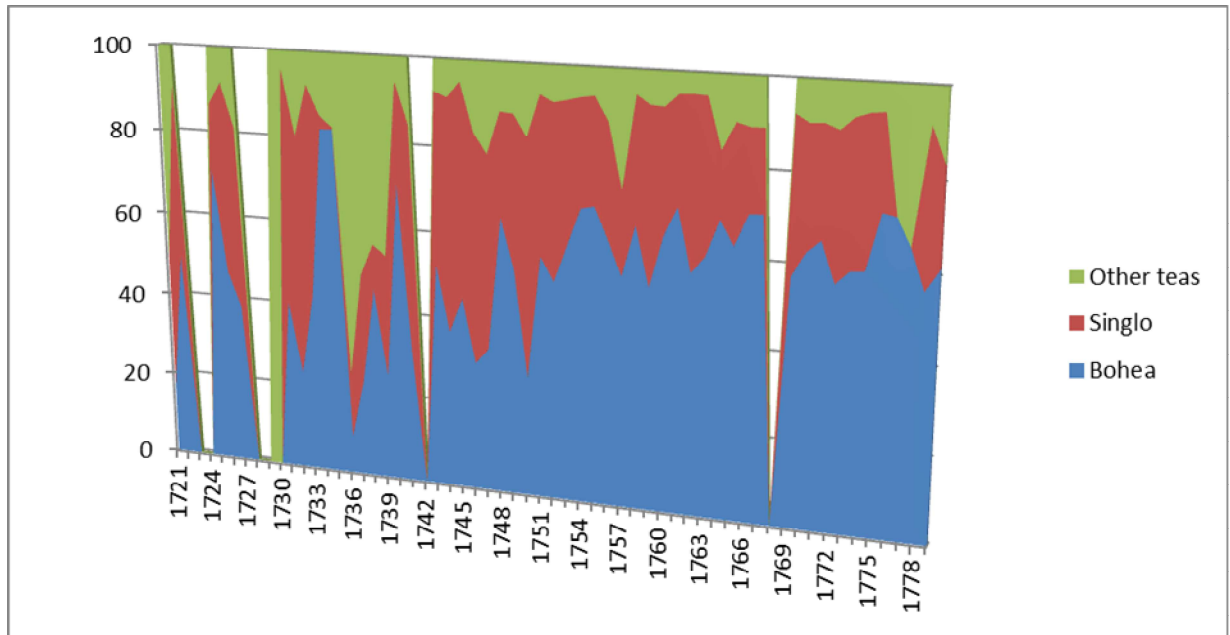
Graph D: Percentage of different tea in the return cargos of the EIC (1721-1778)

²⁵ Liu Yong, *Tea Trade*, 69.

²⁶ *Ibidem*, 68-71.

²⁷ For a more elaborate description of tastes and names see Liu Yong, *Tea Trade*, 69-72.

²⁸ BL, IOC, E/3/109/20, 22-4, 31-3, E/3/110/1a-b,2, 6 and 7a-c.



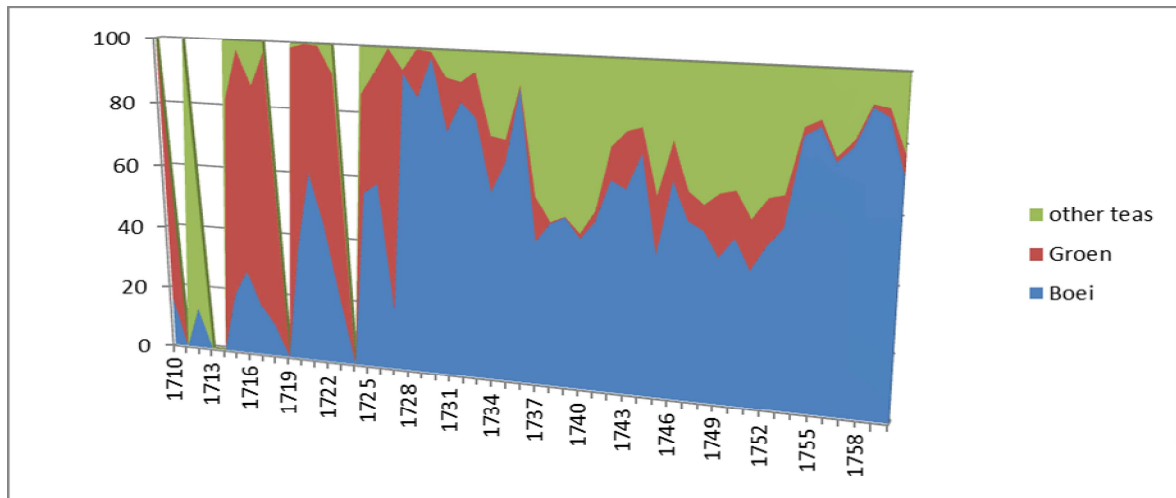
Source: BL, IOC, L/AG/1/6/9-17

The VOC switched to a mix of primarily Bohea at an earlier date than the EIC. Until 1729, the VOC brought back, much as the EIC, 50 per cent Bohea, 50 per cent Singlo or a little bit less of both in order to bring some Bing home (see graph E). After 1729, the VOC profited from the suppression of the Ostend Company by extending its tea trade. Unlike the general opinion, the VOC did not expand its trade in tea to fight of the competition from the Ostend company. The VOC waited until the Ostend Company was suppressed and then profited by extending the importation of tea. This extension also meant a change of strategy, as there is a remarkable influx of Bohea. The Ostend Company, who was mainly after Bohea tea as we shall see later, was pushed out of the trade by politics, leading to the reshuffling of the tea trade. The other companies continued their old course and nobody seems to have stepped in to accept the Ostend tea at Canton. Even stronger the English did not even target Bohea, but tried to corner the market for green tea.²⁹ As a consequence, the tea that was left over at the end of the year and shipped to Batavia in hope for sale. In the order list of the VOC, no order has been written down to accept more Bohea and the change in strategy happened without any elaborate plan. So to a certain extent, the VOC got stuck with this cheap tea by accident. Still, it did make a thought through change by going after the finer luxury tea through direct connection with Canton, which brought the percentage of pounds of Bohea down to about 80 per cent of the total amount of pounds after 1731 (see graph F). It is this combination of cheap Bohea and luxury tea together with the new strategy of purchasing tea with pepper and tin which brought the VOC back into the tea trade. It bypassed its competitor who only a couple of years before had taken the lead in the tea trade, which is quite a contrary conclusion to what is stated in the

²⁹ Chaudhuri, *The Trading World*, 391, 'The result of the intensifying competition was a decision by the Court of Directors to try to organise a corner in the supply of green tea.'

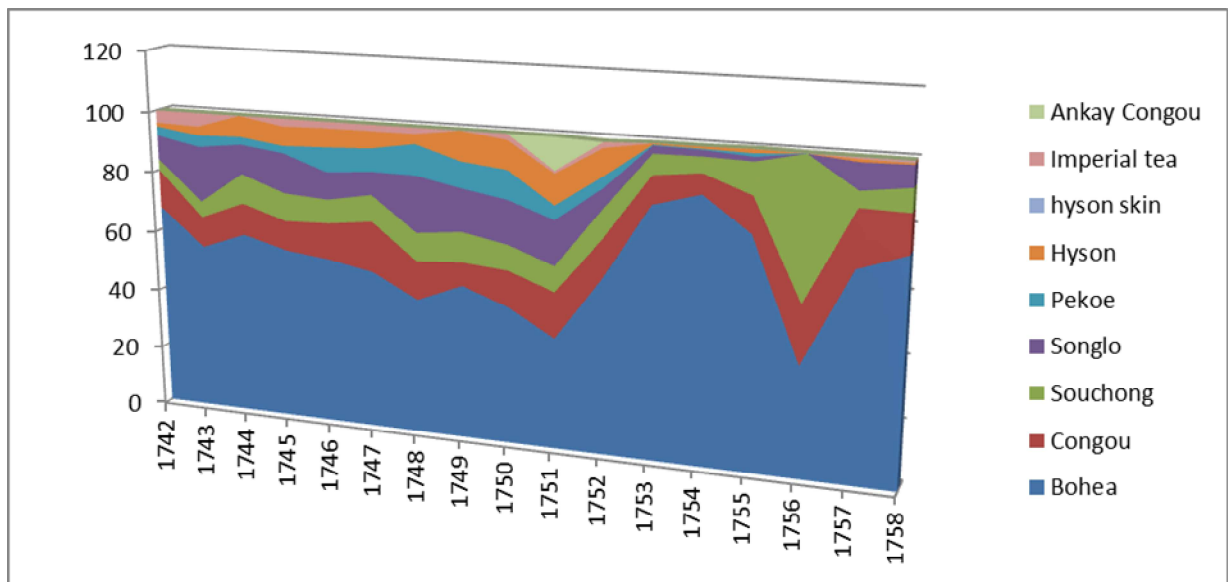
current historiography. In the 40s and 50s the share of Bohea declined in the return cargoes of the VOC as it experimented with its mix of luxury tea, but its share rose again after 1755, a phenomenon we will return to later.

Graph E: Percentage of different tea in the return cargoes of the VOC (1721-1778)



Source: NA, VOC, 6989

Graph F: Percentage of different tea in the return cargoes of the VOC, different source (1721-1778)



Source: Liu Yong, *The Dutch East India Company's Tea trade with China, 1757-1781* (Leiden: Brill 2007), Appendix 4, 212-5.

The opening of direct trade and the increasing number of players on the market, led to the most dramatic drop in sales price of all tea, in Canton and in Europe. The sales prices of Bohea tea dropped most dramatically, probably part of the reason why the EIC decided to focus on green tea. Dermigny in his pioneering study on the trade to Canton, has noticed that the prices of Bohea went down on the Amsterdam market much quicker than the price of Singlo, reversing the order of cheapness in the favour of Bohea. According to Dermigny this was due to the loss in quality of Bohea tea over time because the term Bohea was usurped by less quality tea. Even to such an extent that the Bohea of the beginning of the century. Dermigny thinks it had nothing to do with the Bohea of the end of the century.³⁰ There are several problems with his reasoning, the first one being that Bohea was already looked down upon by the Chinese. It was considered inferior tea, so the 'brand' Bohea was probably not something tea producers wanted to adhere to if they could avoid it or that would be usurped by lesser brands. Secondly, combined with the just established extreme drop in prices the period between 1720 and 1731, the rest of the century witnessed a downward trend in sales price of Bohea, but never again such an abrupt and step drop. So if Dermigny is right, Bohea deteriorated quickly in the early years, but not in the later years. Thirdly, in the first phase of price drop, it seems Bohea was targeted by the new entrants on the market, did they all make a mistake in focussing on this kind of tea? Still, it also simply seems that 1730 is the moment all tea are no longer extreme luxuries at a high price, but simply the start of a popular market for tea. But was it also the moment all companies switched to importing Bohea?

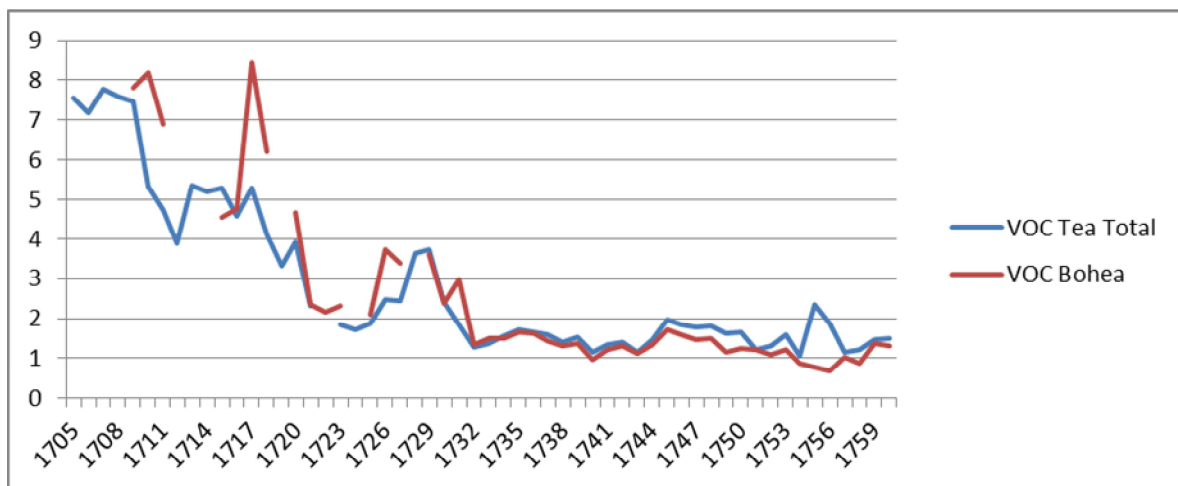
The different drops in prices are a good illustration of the different phases of competition. The drop of sales price of the VOC in Bohea went in three steps, first when the English and French opened direct trade to Canton, then it rose again, dropped and rose again just before the arrival and with the disappearance of the Ostend Company and then the last drop just before the Swedish and Danish Companies arrived on the scene in 1731. In the first fall (1710-1715) prices were reduced from 0.8 to 0.45, in the second fall (1717-1725) from 0.84 to 0.21 and then (1729-1732) from 0.36 to 0.135. Again, the price drop preceded actual trade, as Glamann noted, because merchants in Europe anticipated more tea in the future.³¹ In the 30 years afterwards, the price of Bohea hovered round 0.135. Still, the fact remains that this price drop simply brought the invoice/profit range of Bohea in range with the other tea and that part of the drop, though certainly not the largest part of the drop, is occasioned by the change to predominantly Bohea tea (See Graph G). The graph also makes clear that the price drop in prices in general, can be mostly attributed to the price drop in Bohea, which seems to be the steepest drop and as it became the major article of trade had an increasing influence on the average. The

³⁰ Dermigny, *La Chine et l'Occident*, 555-556, note: Comme le souligne Constant, qui, après avoir décrit cette variété ajoute: «voilà le thé Boui tel qu'il devrait être et tel qu'il étoit sans doute autrefois, mais ce qu'on porte aujourd'hui en Europe sous la même denomination ne peut être regardé comme la même merchandise. Nous appelons maintenant thé Boui un mélange grossier de toutes espèces de feuilles prises sans distinction, il suffit qu'elles soient susceptibles de se tortiller et de prendre ne couleur approchante de celle du vrai thé ...» (Mémoires de Constant, p 218).

³¹ Glamann, *Dutch-Asiatic Trade*, 223.

price drop in tea in general, even predates this period. In 1680, tea was still sold at 16 guilders per pound, just to give an indication of the price drop when we take in account the century before.³² The main aim of the new entrants such as the Ostend Company on the tea market was Bohea.³³ The French and Swedish Companies were no different in their choice for a predominance of Bohea, as 70-85% and 83.77% of their return cargos of tea consisted of Bohea.³⁴ In the early days this was a logical choice as Bohea was most overvalued in Europe (see graph G).

Graph G: Sales price of VOC tea total in comparison to VOC Bohea calculated per lbs (1710-1760)



Source: Total tea and Bohea price for the period before 1710: NA, VOC, 4589-4594 and Bohea, tea: NA, VOC, 6989

We can see how there was a strong downward pull in the sales price of tea around 1730, which affected all tea equally, basically all tea achieved such volumes that import exceeded the growth in demand. The fundamental difference which made Bohea tea the champion over the cheap green version Singlo, cannot be found at the consumption side in Europe, but on the production side in Asia.

There is however a simple explanation why companies bought more Bohea leading to a further price drop in the sales. In the 1730s a lot of tea wholesalers, moved out of the business as they considered the market spoiled.³⁵ Despite the price drop of Bohea the companies

³² NA, VOC, 4585, this figure is solely based on the imports from the Amsterdam Chamber.

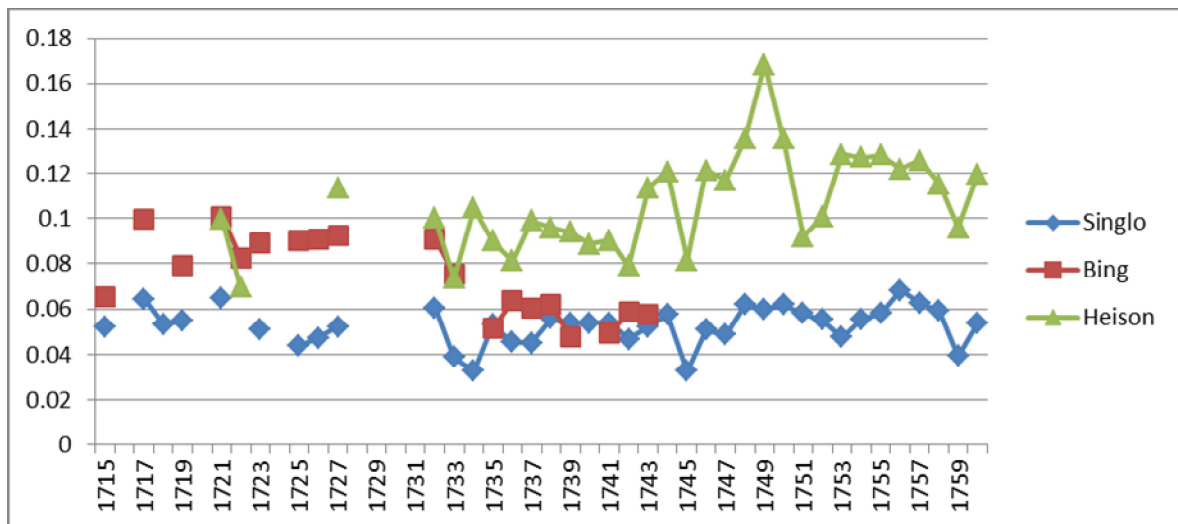
³³ Vol. 51, A 152, Östadsarkivet, Landsarkivet i Göteborg, I would like to thank Hanna Hodacs for sharing this source with me.

³⁴ Philippe Haudrière, *La Compagnie française des Indes au XVIIIe Siècle* (Paris : Les Indes Savantes, 2005), tome I, 288 and Christian Koninckx, *The First and Second Charters of the Swedish East India Company (1731-1766)* (Kortrijk : Van Ghemert Publishing, 1980), 207.

³⁵ Chaudhuri, *Trading World*, 391-392.

continued to bring back tea to Europe with an increasing emphasis on black tea. The cheapest version, Bohea tea, even established itself at the expense of the cheapest green tea: Singlo. As this is not a choice for luxury but for cheap and popular tea, often people come to the conclusion, like Dermigny, that the increase must mean the Companies were buying worse quality tea. This seems a too easy conclusion as all companies seem to move towards Bohea, why keep on expanding the purchase of Bohea when it has the sharpest drop in price? The answer to this question lies with the invoice price of all black tea in comparison to all the invoice prices of Green tea. If we look at Graph H, we see a picture we would expect as the Chinese authorities controlled the tea trade instead of the market, namely the price at which the EIC bought the tea at Canton roughly remain the same (Singlo), or even go up under pressure from competition (Hyson).

Graph H: The invoice price of Green tea, Singlo, Bing and Hyson paid by the EIC in Canton, pound per lbs (1715-1759)



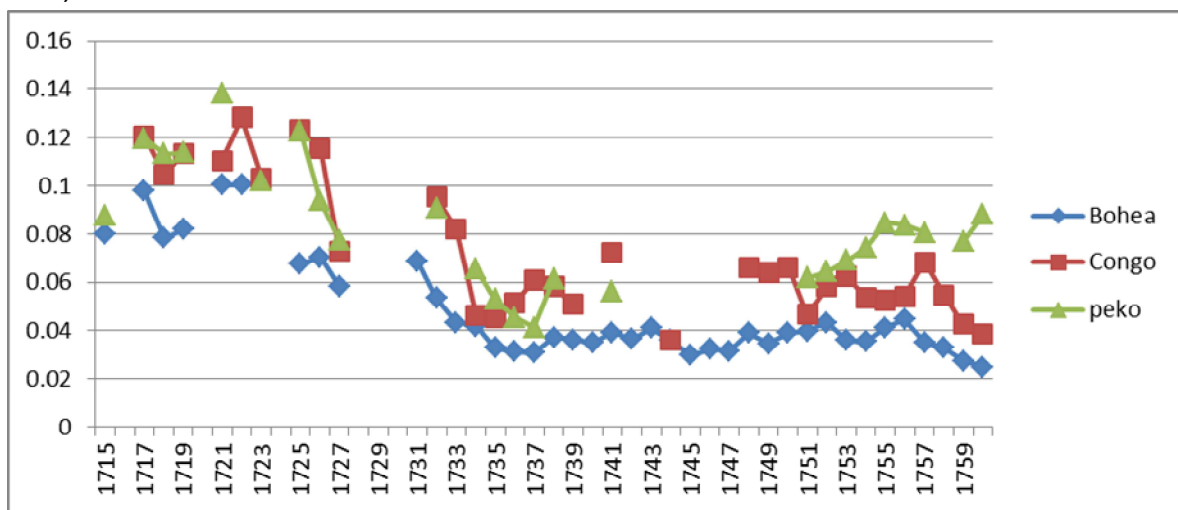
Source: BL, IOC, L/AG/1/6/8-14

The invoice prices of black tea in Canton followed a completely different pattern than the prices of the Green tea. All black tea decrease in invoice price by almost a factor 4. Glamann has for five years studied this price drop for Bohea for both the EIC and the VOC and show that follow a similar tendency, although the Dutch price was already lower and as a consequences drops less.³⁶ Most remarkably, this is not only true for the Bohea tea, but also for the intermediate quality Congou and the high quality Peko. Souchon was not traded in sufficient years to have a nice sequence of numbers, but it also displayed a similar tendency. The expansion of Bohea at the cost of Singlo makes perfect sense. Bringing in more tea profitably becomes impossible once invoice and sales price come too close together. As the invoice price

³⁶ Glamann, *Dutch-Asiatic Trade*, 235, Table 5.

of black tea dropped, more room was created for more exports with sustained profitability. It also explains why only varieties of black tea, Bohea and Congou, became part of popular craze in the eighteenth century. At the same time, it explains why the expansion of green tea by the EIC after 1728 met with failure, while the VOC expansion in black tea, in essence a follow up of the decisions made by the Ostend Company to focus on Bohea, became the new standard. Apparently there is something about black tea and its production that made them more perceptible to decreases in the cost of production, but what?

Graph 1: The invoice price of Black tea, Bohea, Congo and Peko, paid by the EIC in Canton, pound per lbs (1715-1759)



Source: BL, IOC, L/AG/1/6/8-14

What was the reason for the distinct difference in the drop of prices of Black tea? In order to answer this question, we have to turn to the way the tea trade in China was organised. The merchants who brought the tea to Canton specialised in one kind of tea, either green or black who both had their own guild and special warehouse. There seems to be a geographical dimension to this difference, as 'all those handling green tea were Anhwei merchants who made the annual trek to Canton'. In contrast 'the more important black-tea merchants operated out of Canton', whilst 'others remained in the tea districts'.³⁷ Van Dyke points to a strong influence of guilds on inland merchants, forcing them to trade in one committee, although he does not mention a difference between black and green tea.³⁸ The origin of this difference seems to be geographical as black tea, as we have seen earlier on, from different geographical areas, more to the south and east of China, whilst Green tea was obtained further to the North. As a consequence the varieties of tea were also transported via different routes to Canton, the green tea only through one route whilst black tea had different routes.³⁹ If we take in to account that

³⁷ Mui and Mui, *The Management of Monopoly*, 10

³⁸ Van Dyke, *The Canton trade*, 12.

³⁹ Liu Yong, *Tea trade*, 68-70

black tea was only being produced for the export market with the arrival of the Europeans and that it had only evolved in the late Ming Dynasty (1368-1644), it is easy to hypothesise that the more fossilised green tea trade, with its one route and with its production sites far away and also aimed at other markets in China and Japan, had more trouble to adopting to the new demand from the Europeans at Canton. It also mentioned that on the traditional route, duty on tea was levied five or six times before it reached Canton.⁴⁰ In Fujian, the region of black tea, 'tea taxation was a trifling source of revenue [...] prior to 1853'.⁴¹ The black tea, especially set up to cater for European demands, had fewer traditions to follow. As the production sites were closer to Canton, more flexibility and adaptability towards the market for the producers is highly likely. This seems in line with the mention of contemporaries that the Chinese were able to 'expand the culture and cultivation of plants' when demand rose.⁴² Apparently, the increase in cultivation was only possible or aimed at black teas or the new market and not at green teas.

3. The popularisation of tea through rogue companies, smuggling and private trade

Although the expansion of trade in Bohea trade makes sense, accepting this paradigm means that all kinds of historical problems arise. The British islands were the main market for tea, but the EIC made wrong judgements and seems to pursue green tea. As it persisted with this choice until 1747, it must have opened the door for the smuggling of Bohea into the British islands. And in view of the strict monopoly the EIC had on trade to these islands, how did these companies get their tea on this market? At the same time, it seems unlikely that the VOC, with its enormous investments in spices and its stop on the increase in export of silver, had the investment capital to extend its tea trade,⁴³ still it seems to take the lead in the tea trade after 1729. It also seems strange that the EIC would have been completely blind to the problems it was facing or the fact that its competitors were running the tea trade, so how can we explain all these contradictions?

The situation in the home-states of the respective companies, lead to a peculiar dynamic of trade. The monopolies of all the competitors in the tea trade were imperfect in one way or another. In order to purchase or sell the tea or even to supply sufficient tea for transport to Europe outside help and extra steps of trade were needed. The EIC had the grow-market for tea, but because of the high taxation struggled to take charge and even was unable to supply its own market, even though 'the importation of teas and other Asiatic goods into England and her

⁴⁰ Van Dyke, *The Canton trade*, 15.

⁴¹ Robert Gardella, *Harvesting Mountains: Fujian and the China Tea Trade, 1757-1937* (Berkeley: University of California Press, 1994), 10-11.

⁴² De Hullu, 'Over den Chinaschen Handel', 100.

⁴³ J.C. Nierstrasz, *In the Shadow of the Company*, 1-3.

possessions by foreigners was prohibited, while stringent laws against smuggling were passed'.⁴⁴ At the same time, the EIC had access to pepper, which could facilitate trade in tea at Canton as a barter commodity. The rogue companies were trading in tea without a substantial home market and their tea had to find its way to the market, most notably Great Britain, through smuggling.⁴⁵ At the same time, they had less access to resources in Asia and had to conduct their trade in Canton in silver, which gave advantages and disadvantages. In turn, the VOC did have a market for its teas in the Republic and its environments, but at the same time merchants always kept an eye out for possibilities on the English market.⁴⁶ Although the VOC had the monopoly on direct trade between Europe and Asia, indirect trade in goods from Asia seem not to have been forbidden. In other words, foreigners or Dutch merchants could bring goods they had bought at auctions of other companies to the Republic. At the same time the lack of taxation meant that all tea flowed to the Dutch Republic.⁴⁷ In Asia, the possession of Batavia offered possibilities, but the VOC often lacked the financial means to jump into the opportunities offered. As a consequence, it had to sacrifice parts of what it might have considered part of its monopoly to Chinese junk traders, the Portuguese, its servants and all inhabitants of Batavia. As we shall see, at stake was not only its monopoly on intra-Asian trade, but also its monopoly on trade to Europe. Without understanding these imperfect monopolies of all companies and the variety of solutions to these problems, it is impossible to understand the tea trade to Europe and the consequent spread of consumption of tea in Western Europe.

The main explanation to the failure of the EIC to take advantage of changes in the market for tea was the policy of its home state towards imports from Asia. The high taxation on tea had a crippling effect on the position of the EIC in the tea trade, whilst in principle it held a monopoly position on potentially the largest tea market in Europe. The levying of taxes in England directly influenced tea sales and the whole dynamic of the tea trade in Europe and in Asia. The EIC sales of tea bring in much more money than the VOC sales of tea. (see graph J).

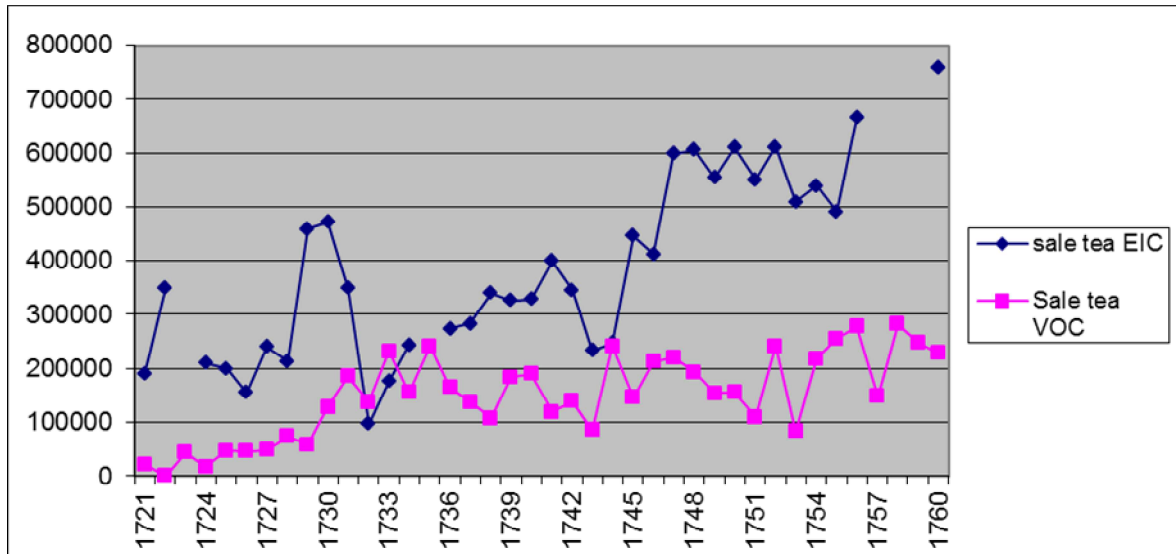
Graph J: The income from sales of tea (in pound), EIC and VOC, 1721-1760

⁴⁴ E.H. Pritchard, 'The Struggle for Control of the China Trade during the Eighteenth Century', 284, note 14.

⁴⁵ Mui and Mui, 'Smuggling', 48.

⁴⁶ Liu Young, *Tea Trade*, 131-142.

⁴⁷ Dermigny, *Chine et l'Occident*, 641.



Sources: NA, VOC, 45-45 and BL, Cash Journals, L/AG/1/5/13-19, until 1747, the EIC sales figure also contains the income from sales of porcelain.

This does not mean that the EIC tea sales were much more profitable nor that their tea was more wanted. Basically, the price difference is not a difference in profits, as the start price only covered the price of the tea, but also all the costs the Company had made, or as Mui and Mui explain:

*'The cost of tea to the London wholesaler was regulated by a number of variables. As the first seller the company set the prices for each kind at which the bidding was to commence. These put-up prices were calculated to cover prime cost, freight, charges of merchandise such as supercargoes' commission and expenses of the company's establishment at Canton, insurance, interest, and the custom duty –ad valorem tax assessed on the sale value of the tea and paid by the company.'*⁴⁸

If the tea was meant for inland distribution an additional excise duty was paid by the dealers upon the removal of the tea from the company's warehouses.⁴⁹ The smuggling of tea into Britain the British Isles started in 1718 and lasted up to the late 1780s.⁵⁰ The competitors of the EIC, who smuggled their tea in, ran away with market share and profits. As they evaded taxation through smuggling, they did not pay the tax on their teas and in consequence their tea was much cheaper than the taxed tea of the EIC.⁵¹ These taxes imposed on the EIC, continually increased up to 1784, enlarging the divide in prices. As England had the highest taxes and the largest market for the consumption of tea a game developed between the official and taxed tea brought in by the EIC and the unofficial and untaxed tea brought in

⁴⁸ Mui and Mui, 'Smuggling', 52.

⁴⁹ Ibidem, 52.

⁵⁰ Mui and Mui, 'Trends in eighteenth century smuggling reconsidered', 29.

⁵¹ For an example of how this worked see: Dermingy, *La Chine et l'Occident*, II, 601.

from the continent. This has led to the conclusion that preceding 1784, between 7,500,000 and 4,000,000 pounds of tea per year must have been smuggled into England.⁵² This might be a bit exaggerated for the period before 1745, but a '[w]itnesses before the committee on smuggling estimated that at least 3 million lb. of tea had been smuggled annually during the previous years.⁵³ Although the amount is disputed, no author doubts that there were substantial amounts of tea smuggled into England. This throws light on the whole market development and the way tea consumption was spread in Europe. Apparently, not only did taxes inhibit expansion of the English tea trade, it also must have postponed the EIC strategic decision to go for the popularisation of tea. With tax on all tea, they remained out of reach of poor consumers longer than in the situation of the Dutch Republic, where tea was not taxed and tea as a consequence popularised earlier. The presence of large amounts of cheap tea, ready for smuggling, must have also facilitated access to tea. We have already established the companies engaged in bringing in tea for smuggling, focussed on Bohea. Bohea seems the best choice for smuggling. It is cheap and as a consequence it can be sold to anybody. The additional advantage of black tea, its long preservation, meant smugglers could wait longer for a moment presents itself to smuggle it into England. If smuggling was this extensive, were these smugglers actually responsible for popularising tea in Britain before 1747? And did the EIC simply follow up on this new demand after 1747?

The smuggling was still a small scale operation, but became increasingly organised. The main object of all tea trade was the English market and the smuggling market before 1747 was organised from the Dutch Republic. Dermigny, in his authoritative study on the Canton trade, already indicated that the main object of all the Companies engaged in the tea trade was England. The Swedish, Danish and French companies, all with very limited own markets, first send their tea to Amsterdam, or as Dermigny put it: 'La Hollande entrepôt de la contrebande, et L'Angleterre objectif de cette contrebande'.⁵⁴ At the same time, the French seem to have another way of smuggling into England, through the islands between England and France. To a large extent the contraband trades, just as much as these companies themselves, were financed by the same group from different nationalities, Dutch, English and Flemish.

The high taxes on tea imposed on the EIC posed a severe treat to its imports and if not managed correctly it always risked losing the competition on price by its European competitors without such a burden. In their article on smuggling, Mui and Mui point to fact that 'after the tax reform of 1745, the legal trade does not seem to have suffered unduly from the competition of tax-free trade.'⁵⁵ In their later article, they however point to the fact that 'shortly after 1745

⁵² Mui and Mui, Smuggling, 44, note 1, Louis Dermigny, *La Chine et l'Occident, le commerce à Canton au XVIII siècle, 1719-1833* (4 vols, Paris, 1964), II, 673-4, 677-78 and W.A. Cole, "Trends in Eighteenth-Century Smuggling," *Economic History Review*, 2d Ser., X (No. 3, 1958), 396, 405-7.

⁵³ Mui and Mui, 'Eighteenth century smuggling', 29.

⁵⁴ Dermigny, *Chine et l'Occident*, II, 616

⁵⁵ Mui and Mui, 'Smuggling', 51

customs duty was increased to 18.93 per cent (1747) and 23.93 per cent (1759).⁵⁶ Based on Cole's calculations, until 1784, tea in Britain was heavily taxed from 65 to 100 percent. This is exactly what happened in 1747 when merchants within Britain turned their backs on the official import of the EIC towards the cheaper smuggled in tea of the EIC's European competitors. When the EIC was unable to supply the tea for its home market, also because they lost 2 of the 3 ships they had sent,⁵⁷ the directors took the unusual decisions to licence (1747 and 1748) tea merchants to bring tea from outside of Britain. This tea 'on licence' as it was called, were granted to three merchants with strong connections to the Dutch Republic, giving further evidence to the fact that the Dutch Republic was the staple market for tea in that period. Gerrit Blaauw, Clifford & son from Amsterdam and Senserf from Rotterdam, should however not be seen as representatives of the VOC, but more of a European network of traders involved in the tea trade. These three men, as already mentioned, had all been deeply involved with different companies from the beginning of the 18th century. For instance, they supplied the EIC with silver from the Republic and were chosen to bring in tea 'on licence' to supplement what the EIC brought in itself. At the same time, Clifford & son were also deeply involved, 'actionairs et banquiers' in the Danish East India Company.⁵⁸ So it does not seem unlikely that the EIC officially entitled smugglers to bring in their tea at very advantageous rates. It did not really have a choice as it sent out three of its ships, the Lapwing, Newcastle and the Pilot Boat on several journeys to bring in the tea from the Dutch Republic.

The financial evidence for the 'tea on licence' is a bit parcelled due to the different ways the shipments have been written down in the books, but still give a good image of the amounts of different tea imported and the financial transactions. The first shipment of tea by Gerrit Blaauw in July 1746 consisted of 5689 crates of Bohea tea and 110 tubs of Hyson. This tea had been brought on the balance for fl. 656789 and sold at fl. 993697, indicating a profit of 51%, whilst the second and third shipments of Gerrit Blaauw brought a profit of 72% and 6%. This last consignment consisted mainly of green tea, while the first two consignments consisted mainly of Black tea and more specifically of Bohea, showing green tea did not necessarily bring in more money despite its higher invoice price. In January and June of 1747, George Clifford and sons from Amsterdam send two shipments of tea. These transaction are much less documented, but the last shipment is interesting as it shows the EIC paid Clifford and sons not only the sales price of the tea of fl. 951975, but also a commission of fl. 31815.25 and the charges of shipping at Rotterdam worth fl. 475. In 1748, the picture is slightly different as we only have the sale figures. The most notable thing about 1748 is that even in the licensed trade the EIC returns to its old division between Singlo and Bohea tea. In this year, green tea made a comeback and the

⁵⁶ Mui and Mui, 'eighteenth century smuggling', 29. Note 1, W.A. Cole, "Trends in Eighteenth-Century Smuggling," *Economic History Review*, 2d Ser., X (No. 3, 1958), 396, 405-7

⁵⁷ Paul van Dyke, *Merchants of Canton and Macao, Politics and Strategies in Eighteenth-Century Chinese Trade* (Hong Kong: Hong Kong University Press, 2011), 50, 1746, Jan 16: No Swedish ships have appear'd here [Canton] this season [1745]; & that there are 2 Eng[lish] and one Danish ship (the *Crown Prince*) likewise missing. (Note 2).

⁵⁸ Dermigny, *Chine et l'Occident*, II, 607.

licensed tea is basically the old formula of almost half and half Bohea and Singlo, plus some luxury tea, hyson and Imperial. As the imports 'on license' in majority contained Bohea tea, it might even be that the different invoice and sales figures convinced the EIC to change its orientation towards Bohea, which took place in the same period. This leaves us with one question, where did all the tea come from that competed with the English tea on the English market?

The monopoly of the EIC on England was not only usurped by rogue companies such as the Swedes, Danish and French Companies, but even by tea brought in by private trade from Asia. The Dutch East India Company had switched to Bohea tea in 1728, but soon we see a drop of Bohea in its shipments in favour of more luxuries black and green teas. The Dutch East India Company must have seen the potential of the trade in Bohea and knew that it was in a prime position to take advantage of it, so this specialisation in the more luxurious teas at first sight seems strange. Part of understanding the solution, lies in the realisation that the VOC was already heavily invested in the spice trade, which was to profitable to abandon, and reached the limits of what it wanted to lend in the 1730s, and as a consequence silver imports from Europe became limited.⁵⁹ It was for Batavia to find a solution to the problem, and the solution in our eyes proved to be a very odd one indeed, but historically basically meant continuing an already present system of private trade in the tea trade to Europe. This private trade in tea was so extensive for more than half a century that we can question if tea was really a monopoly product in the case of the VOC. This in turn, alters the way we should think about companies and the way they competed, as the VOC used private trade as a tool of competition against the EIC and the other companies.

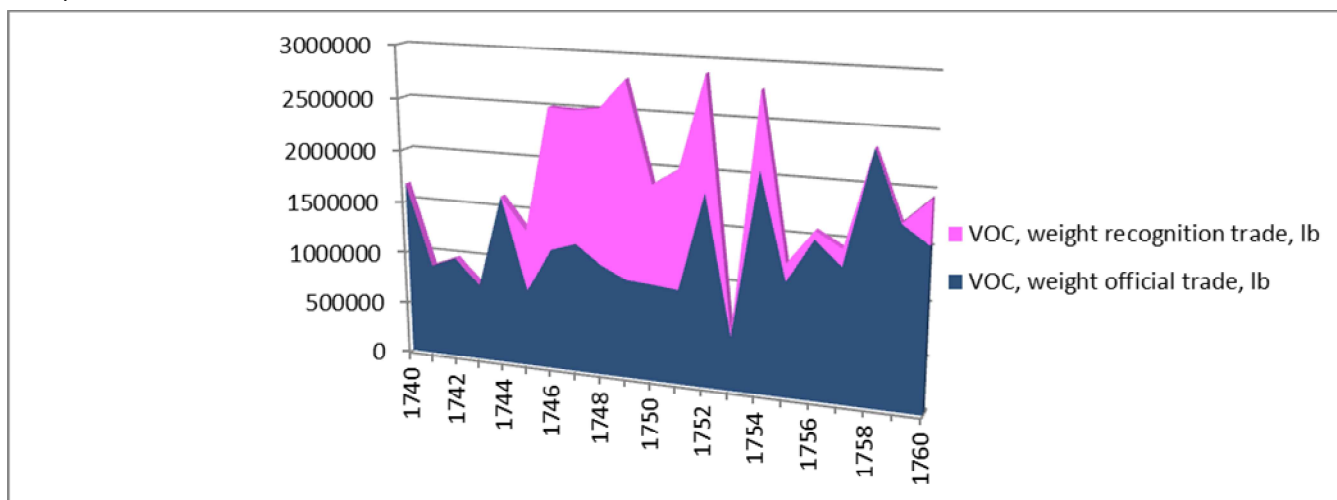
The VOC imported enormous amounts of tea into Europe through private trade on its ship, and this private trade should be seen as part of the struggle for the market of tea in Europe. The VOC has always been seen as the most monopolistic company due to its dominance of the spice trade, but in the much more competitive tea trade it proved to be the least monopolistic company. Tea carried much less importance to the VOC for its overall profitability, and as such the VOC was more creative in searching for expansion of the tea trade, also to harm the competition. Another explanation lies in the VOC settlement of Batavia, its headquarters, took in the Chinese Junk trade as a supplier of pepper and tin to Chinese merchants visited its port, which led to a steady supply of tea.⁶⁰ As we have seen, Batavia played a pivotal role in the tea trade Europe from the earliest tea trade. The VOC had to decide how it wanted to use Batavia as a platform for tea trade. Did it want to stimulate the Chinese junk trade and taxation in Batavia or did it want to use the pepper and tin to buy tea directly in Canton to boost sales in Europe? And how did it envision the role of the inhabitants of the VOC in this game? It decided to give the inhabitants of Batavia, of whatever origin they might be, a stake in the tea trade on

⁵⁹ J. P. de Korte, *De jaarlijkse financiële verantwoording in de VOC, Verenigde Oostindische Compagnie* (Leiden: Nijhoff, 1984) and Femme Gaastra, *The Dutch East India Company: Expansion and Decline* (Zutphen: Walburg Pers, 2003).

⁶⁰ Blussé, 'The VOC and the Junk Trade to Batavia', 135-136.

its ships to Europe. After 1743, the private trade in tea on VOC ships can be traced and easily analysed.⁶¹ The reason is simple, because of the changes Van Imhoff made in the VOC trade in general, this period provides us with an insight in this private trade. The main change that makes this trade visible to us, is the fact that it was decided that the private import of tea, should start paying tax in the Republic as recognition of the Company's monopoly. This charge of 40% on the surplus, probably indicating the profit, or 30% on the cargo, is in most cases accompanied by an indication of the weight of the imported tea. The known amounts (in lbs) of private trade in this early period more than doubles the annual import of tea by the VOC into the Dutch Republic (see graph K).

Graph K: Import of tea, VOC official trade and VOC on recognition, lbs (1740-1760)



Source: NA, VOC, 4592-4594

The private trade in tea from Batavia is extra interesting as the VOC used this trade as a tool in the competition for the tea market. The strategy of accepting private trade tea against payment in Europe, coincides with the decision of the VOC to obtain tea for its own account mainly from China itself. As Batavia, the VOC's headquarters in Asia, largely depended for its wealth on the Chinese Junk trade which brought tea to Batavia, and the VOC did not have the silver to buy tea both in Canton and in Batavia, it decided to keep the most profitable part of trade to itself and to stimulate the tea trade to Batavia by handing it over to private trade. As the tea brought down to Batavia was basically the tea left over after the trading season in Canton, the VOC had

⁶¹Jörg, *Porcelain and the Dutch China*, 28 and Van der Chijs, *Nederlandsch-Indisch Plakkaatboek*, Deel V: 1743-1750, 8-12, 14/18 juni 1743, *Openstelling van den thee-handel op Nederland*. 553 and 29 maart/ 22 april 1748, *Bekendmaking, dat de Regering 'buyten onverhoopte, wettige verhinderinge', gelegenheid aanbood tot verzending naar Nederland van thee dor particulieren; en wel tot eene hoeveelheid van twee a drie scheepsladingen, 'tegens den op 18 Juny 1743 gefixeerden tyd en vragt.'*

is pick in Canton and the private traders picked up the leftovers of the trading season at Batavia. At the same time, this tea was shipped at the end of the trading season at Canton (late November to January), when most European ships had already left Canton. At that time it would have been come clear if imperial revenues were already met, the Chinese officials had an interest to let the tea go as contraband trade and would sell on tea without taxing it.⁶² Keeping the market for tea alive in Batavia also was advantages to the VOC, as in case of none access to Canton or when it wanted to supplement what had been obtained in Canton. For instance in 1744, 1745, 1751 and 1752, the VOC still bought tea at Batavia, despite having also purchased tea in Canton. It is very tempting to see a link between the beginning of private trade and the major shifts in trade and policy of the EIC around that same time (1744-1747). The arrival of this tea forced the EIC to rethink its whole tea trade as it was unable to sell its own teas on its home market. First a strategy was conceived to keep going: lowering the tax on tea and allowing licenced tea to keep the remaining loyal customers on board. As the problem lay not only in Europe, but mostly in Asia, the aforementioned change in strategy was followed: more silver was invested, a change to buy predominantly Bohea was made and tea was bartered for pepper. For our question on popular consumption of tea, and interesting question is: what variety of tea were the private traders bringing to the Republic?

The recognition traders from Batavia were mainly engaged in the trade of Bohea tea. One year that gives us information about what this tea on recognition actually consisted of. In 1755 the VOC refrained from sending ships directly to Canton, as the imminent outbreak of the Seven Years War made the trade situation in Europe unclear. As such, the VOC did not obtain tea from Canton directly and had to resort back to buying tea in Batavia. As a consequence of the VOC's action, it bought up all tea in Batavia, which basically meant buying the tea that the private traders normally bought. The whole cargo of the VOC was bought at Batavia, and consisted of Bohea, showing that this private trade was mostly in this kind of tea. In the period 1744-1754 the private trade from Batavia was at its high point and we can see how these shipments of Bohea actually form part of the overall strategy of the VOC. In exactly this period the VOC relatively was sending less of its cargo in Bohea. When the private trade went into decline, the VOC increased its overall trade and its percentage of Bohea. At this stage private trade was declining as less tea was reaching Batavia. The increased effort of the EIC to buy tea with pepper, lead to a reaction of the VOC who increased its trade to Canton continuing the use of pepper as barter material. All these new investments meant the Chinese Junk trade made less sense and basically cut off Batavia from a steady supply of tea. Although private trade in tea was allowed until the end of the 18th century, the lack of tea made it much more of a peripheral and small scale trade.

The use of private trade to expand the tea trade did not start after 1744, even before this data substantial tea was brought in through private trade. Before 1744, the literature sources make clear substantial amounts of private trade tea were already brought to the

⁶² Paul van Dyke, *Merchants of Canton and Macao*, 10.

Republic. According to Glamann 'The Heeren XVII maintained in 1732 that the private traders annually sent 2.5 mill ponds of tea to Europe, the ships thus being overloaded with a consequent risk to navigation.'⁶³ In the Generale missive we find proof that there is a constant mention of the danger of overloading of tea on VOC ships to Europe.⁶⁴ If we follow his reasoning this tea was brought in: 'of the 2.5 million pounds of tea, half this quantity ought to be considered as privileged tonnage –about 2000 piculs for sailors and about 8000 piculs for the officers- while the second half was due to smuggling'⁶⁵ It is exactly the realisation that it was the impossibility to stop this trade which played a role in the Gentlemen XVII decision to allow tea on recognition. Still, a close lecture makes us understand that not only the servants and officers, but also the inhabitants of Batavia cannot be denied this profitable trade.⁶⁶ It seems the sources is referring back to earlier privileges granted to these groups and this privilege, also in view of all the mentions about overloading of ships, seems to be a regulation of 1683, when the VOC granted servants and the inhabitants of Batavia the right to hand in tea, which would be transported to the Republic against the payment of a duty.⁶⁷ This regulation never seems to be recalled, and needless to say that this also changes the whole notion of what Glamann called smuggling on a VOC ship into allowed private trade. At the same time, we have to keep in mind that the private trade of crates is not added to the recognition trade, which according to De Hullu's calculations would mean another 1,500,000 pounds lbs of tea on top of this total. The timing is also a bit of a problem, as it is unclear how private trade exactly evolved between 1683 and 1743. Just like the rogue companies, and probably even over a longer time-span, the private trade not only directly popularised the popularisation of tea through substantial amounts of Bohea tea into Europe, it also indirectly did so when it forced the EIC to increase its imports of tea and change its strategy to Bohea.

Conclusion

⁶³ Glamann, *Dutch-Asiatic Shipping*, 238-9 and De Hullu, 'Over den Chinaschen Handel', 128-9.

⁶⁴ Jacobus van der Chijs, *Nederlandsch-Indisch Plakaatboek*, IV, 1709-1743, 28, 9 december 1712, 347; *Nederlandsch-Indisch Plakaatboek*, IV, 1709-1743, 28, 13 oktober 1733; *Generale Missiven van Gouverneurs-generaal en raden aan Heren XVII der Verenigde Oostindische Compagnie*, XI: 1743-1750, ed, W. Ph. Coolhaas ('s-Gravenhage: rijks Geschiedskundige Publicatiën 232 1997), 20, 15 oktober 1743; *Generale Missiven* 232, 194, 31 december 1744;

⁶⁵ Glamann, 239

⁶⁶ Van der Chijs, *Nederlandsch-Indisch Plakaatboek*, deel V: 1743-1750, 8-12, 14/18 juni 1743, *Openstelling van den thee-handel op Nederland*.

⁶⁷ *Nederlandsch-Indisch plakaatboek*, 1602-1811, Deel III, 1678-1709, 359, 19/23 januarij. Voorwaarde, waarop Compagnie's dienaren en vrijlijden zekere goederen naar Nederland mogten medenemen of verzenden.

The Dutch and English East India Companies tried their best to keep tea trade to Europe exclusive, as higher returns were made by keeping tea a luxury product. Only when rogue companies forced them to compete, they were forced to increase the trade in tea to Europe. The combination of the increase in trade by the VOC and the EIC and these rogue companies, meant a quick popularization of tea consumption in Western Europe, a process has lasted until today. This process of globalization of tea was, however, not a straight line towards direct trade in tea for silver. In actual fact this paper proves that the EIC and the VOC had advantages in the tea trade. Even though the reliance of the VOC on Batavia for the tea trade has been seen as a sign of its failure to compete in the trade for tea, in actual fact the system of the VOC of making a stop-over in Batavia to take in pepper and tin, was imitated and innovated by the EIC, when it realized that if it would not do so, it would lose out in the tea trade. The VOC could only follow and this change of policy logically led to the decline of the Chinese Junk trade at Batavia. It would be far too easy to explain the popularization of tea simply by looking at the total amount of tea brought in by the different companies. In actual fact, one variety of tea, bohea or the cheapest black tea on the market, was responsible for the spread of tea drinking among all consumers. Aided by the suppression of the Ostend Company, the VOC changed its tea mix to a majority of Bohea almost twenty years earlier than the EIC, leading to the popularization of tea drinking in the Dutch Republic. In the end the VOC made the logical choice as all the sales prices of the different varieties of tea went down in Europe, the logic lay in Canton. All varieties of black tea went down in price at Canton, while all the varieties of green tea remained the same price. They had different suppliers, who came from different regions and this is where the main difference in development needs to be sought. The question then turns to why the EIC was so late in its change towards popular teas and the consequences this had for the supply of tea to Europe. The answer is that the high taxations on British tea inhibited the EIC to transform into popular consumption. Other entities, such as the VOC, rogue companies and private trade in different ways took up the challenge. Their teas were smuggled into the tea the EIC did not supply into the country, mostly through the Dutch Republic. In 1747 and 1748, the EIC was not able to supply its own markets anymore, and had to allow imports from the Republic to supplement its own imports in order to keep hold of its markets. The VOC, being aware of the potential for imports into England, but with a lack of investment capital, in 1741 allowed private trade on its ships in tea against recognition, which proves that the official company imports need to be doubled if we take into account private trade. Before 1741, this private trade already existed, challenging the monopolistic nature of the tea trade in the case of the VOC. The measures taken by the EIC were drastic, with an increase of silver exports and purchase system in Asia and with a transition to Bohea tea, the EIC took on competition head on. This altered the game, as the private traders in Batavia lost most of their trade, as the competition from the EIC, and the VOC who reacted, meant the companies stepped in to furnish the popular market of tea that had been created by rogue companies, smugglers and private traders