In Chinese mythology, Shennong was a deified emperor credited with discovering, among other things, modern agriculture, the use of fire, farmers’ markets and the Chinese calendar. As the story goes, one autumn afternoon his subjects were boiling water near a Camellia tree when a gust of wind blew some leaves into the pot. Intrigued by the fragrance, Shennong took a sip. Invigorated, he named the mystical infusion “cha”, thereby adding tea to the illustrious roster of his inventions.

The Chinese character for “cha” depicts a man standing between “grass” and “tree” – a fitting, almost prescient characterisation that centres the story of tea on the story of humanity. For a millennium until the 1500s, tea was a closely guarded secret held by the Chinese elite. However, within the next three centuries, this elixir of life native to China would become a common commodity widely available across the Western hemisphere. Tea’s exclusivity lessened by degrees, eventually becoming a staple in working-class communities. As more people consumed tea, it became a complex and powerful economic driver – but not all by serendipity, despite Shennong’s myth.

The Western thirst for tea led to competing schools of economic thought, financial systems of capital allocation and principles of governance that still characterise the modern world. Simultaneously, however, the Western thirst for economic power led to the development of the tea industry, a commodity that elites marketed in order to support colonial interests in India and China; tea would become inseparable from colonial identity. Chinese tea forced a shift in popular academic sentiment for trade, as part of a transition from a mercantilist zero-sum game to a Ricardian world of comparative advantage. The risks inherent in the tea trade prompted the development of the legal paradigms of limited liability and joint ownership. Furthermore, government-granted monopolies to ship tea prompted the populace to question the role of competition, government intervention and the ethics of running private armies that put state armies to shame.

The story of tea includes the building of empires, the fighting of wars and the collapse of state powers. At the centre of it all was the East India Company and the imperial scramble to trade all the tea in China.

The East India Company
For much of the 1600s, Dutch merchants led the way in Europe’s trade dealings with Asia. Having been granted monopoly rights by their government, traders of the Dutch East India Company raised funds for a series of ventures to the East Indies from 1602 onwards. The success of their voyages served a dual military – commercial purpose, pleasing investors with healthy returns while also helping to strengthen the Dutch Republic’s presence in the Spice Islands. The Dutch East India Company soon dominated the valuable silk, cotton and spice trades, selling its stock of exotic goods on for significant profit across Europe. Over the course of the Dutch “Golden Age” in the 17th century, few European cities rivalled the trading network and cultural richness of Amsterdam.

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Successive British governments observed the Dutch with envy. Chartered by Elizabeth I in 1600, England’s own East India Company pre-dated its competitor from the Netherlands by two years. Yet it had fallen behind in Southeast Asia, operating on a tenth of the capital base and unable to offer its shareholders similar returns on their investment. With European powers locked in competition to seize the riches of the newly discovered Americas and Asia, the inferiority of England’s trading company in the East Indies felt like a matter of state interest.

In an effort to build its commercial presence, the government granted the English East India Company a more comprehensive charter in 1657. The revamped Company introduced permanent joint stocks, allowing it to source greater backing from London’s shareholders for long-term ventures. It was licensed to enforce law on British subjects in Asia, build colonies and fortifications as it saw fit, and could call on the Royal Navy for support in an era of frequent European conflict. Thanks to the marriage of Charles II and Catherine de Braganza in 1662, it also received the port of Bombay from Portugal and secured a valuable launchpad for eastward expansion.

By 1700, the English East India Company had grown into a vast monopoly organisation, employing administrators across a global network and providing some £20,000 in customs duties to the crown. It became a symbol of Britain’s mercantilist success, having overtaken the Dutch as the primary European actor in Asian trade and setting up trading posts throughout the Indian Ocean region. Its East Indiamen ships often carried textiles and spices, but from the 18th century it also became known for supplying Europe with batches of Chinese tea. As its availability increased, the cup of tea changed from an expensive curiosity into a symbol of national identity in Britain. The tea trade that developed over the following two centuries held immense value for the East India Company, determining its interactions with China and underpinning its commercial power at home.

Not everyone in Britain agreed with the Company’s rise to dominance. Free market economists increasingly challenged its monopoly charter and questioned its hold on such a lucrative trade; at the turn of the 19th century, the Company would have to recognise the threat of new private competitors and look for different ways to endure as an administrative body. But despite losing its reputation as a mercantilist force, the East India Company kept hold of its vast empire of resources. As a result, it remained a formidable power in the tea trade – and one that the British state would continue to call upon.

**Early brews**

Tea has been consumed for thousands of years in China. Indigenous to the country’s monsoon regions, it was cultivated by locals long before Europeans developed a taste for it in the early modern period. Leaves from the *camellia sinensis* shrub were used as medicine during the Western Han period (c.206 BC–AD 9) and held broader recognition as a brewed drink by the Tang era (618–907). Lu Yu’s lengthy monograph *The Classic of Tea* (written between 760 and 780) celebrated the plant’s spiritual qualities, drawing links between its soothing qualities and a temperate lifestyle.

When Portuguese missionaries arrived in China during the final years of the Ming dynasty, they were struck by the aura that surrounded the drink. By this time, tea was firmly integrated into the country’s politics and commerce, valued as an object of both elite taste and mass diet. European visitors taking their first sips of tea admired its elaborate consumption rituals, commenting on the delicate porcelain pots and cups used in Chinese drinking ceremonies.

The Dutch East India Company delivered the first batch of leaves to Amsterdam in 1610, sending semi-regular shipments of tea chests to Europe from the 1640s onwards. However, European access to tea remained extremely limited for most of the 17th century. China remained the product’s exclusive supplier and set tight controls on the activities of European trading companies. The Dutch could purchase it via their colony on Java, but Europeans were banned from purchasing tea on the Chinese mainland for much of the century.

Opportunities increased after 1685, when China’s Kangxi Emperor loosened the country’s restrictions on European trade in a bid to bring more silver into the Qing Empire. The English East India Company was eventually permitted access to the port of Canton (Guangzhou), where its movements were closely monitored by Chinese authorities after 1713.
Along with other European companies, it was allowed to rent trading factories along the Pearl River that acted as warehouses, trading posts and administrative offices. Chinese merchants, known as hongs, held imperial authority to make sure that foreign merchants in Canton paid the required taxes on their tea. In the early 1700s, the English East India Company accepted that it needed to work within this system if it wanted to maximise its supply of tea – and gain the upper hand over the Dutch and Portuguese.

**China’s priorities**

Like the competing European states of the period, China held the capacity to pursue a programme of expansion through sea power in the 17th century. Its navy had completed successful voyages before – the explorer Zheng He had reached the coast of East Africa 200 years earlier, strengthening diplomatic relations across the Indian Ocean. But the Qing imperial court did not seek to lay claim to waters beyond what it understood as its domestic inner sea (an area it kept under strict control). Instead, China’s priority was the consolidation of its vast land empire.

Having annexed Taiwan in 1683, the Qing Empire reached the peak of its strength during the 18th century. The Kangxi Emperor (1661-1722) suppressed numerous Mongol rebellions, while his successors further expanded the dynasty’s presence in Inner Asia. Throughout the Qing’s “golden epoch” of empire consolidation, China was largely hesitant to approach the ocean as an extra power base.

Problems accrued for the Qing Empire, however, as the 19th century approached. The country was experiencing alarming levels of overpopulation and drug addiction, while also struggling through an economic downturn. Faced with two destructive rebellions in quick succession – the Miao Rebellion of 1795, followed by the White Lotus Rebellion a year later – the government’s resources were soon depleted. The imperial navy was starved of much-needed investment as a result, leaving China’s inner sea weakly protected; its shortcomings would later be exposed in the mid-19th-century Opium Wars.

**The Company grows in strength**

With supply lines established from Canton after 1713, the East India Company could increase the flow of tea sent to Britain through the 18th century. Compared to only a few hundred pounds in the 1690s, the Company was importing some 12 million pounds of tea a year by 1757, storing another 17 million in warehouses. During the 1780s, European demand for tea reached a remarkable 9.4 million kilograms.

Tea leaves had remained an expensive novelty in the country during the late-17th century; when Samuel Pepys returned home from work to find his wife brewing a pot of the “new China drink” in 1667, the famous diarist deemed it unusual enough to note down. Like other luxury goods imported by the trading companies of the age – coffee and spices brought from the Middle East, or the furs for felt hats acquired
by the Hudson’s Bay Company in North America – tea remained restricted to elite circles for the most part. European discourses on its civilising qualities meant that demand for it continued to simmer into the 1690s, but it was only after the East India Company ramped up its trading activities that the drink reached a wider audience.

As supply levels increased, tea became a common sight in grocers’ shops and polite society’s pleasure gardens from the 1710s onwards. The merchant Thomas Twining opened the first dry tea shop in 1717, situating it next door to his popular coffeehouse on the Strand in London. As supply levels increased and the price of tea gradually fell, Britain’s affinity with the drink grew stronger and its reach extended across social classes. By the end of the 18th century tea was firmly embedded in the country’s social routines, joining tobacco and sugar as another globally sourced item of British mass consumption.

The Company’s trade in Chinese porcelain also expanded as consumers looked to perfect their prized tea sets. In turn, a vibrant pottery industry developed through domestic producers’ attempts to imitate the features of Chinese ceramics (including their famous blue-and-white colour scheme). As shipments increased and the price of tea gradually fell, Britain’s affinity with the drink grew stronger and its reach extended across social classes. By the end of the 18th century tea was firmly embedded in the country’s social routines, joining tobacco and sugar as another globally sourced item of British mass consumption.

British authorities celebrated the tea trade’s growth in the mid-1700s. Successive governments understood the fiscal and geopolitical advantages of furthering the East India Company’s dominance in the Asian trade arena, seeing it as a source of both customs duties and military strength. What is more, many Members of Parliament held shares in the Company – the Whig politician Horace Walpole suggested in 1767 that one-third of the House of Commons was “dipped in this traffic”.

Still, the Company took careful steps to maintain its standing with lawmakers. By 1693, it was already paying out £1,200 a year to British politicians to maintain their favour. Directors were known to send gifts to the court, with the Whig politician and essayist Lord Macaulay writing that “ministers, mistresses, priests, were kept in good humour by presents of shawls and silks...diamonds and bags of guineas”. Likewise, whenever the Treasury found itself overstretched and close to bankruptcy, a generous donation from the Company would turn up.

Empire-building and growing resentment
Apart from the tea trade, the East India Company had turned into a prominent political entity in the Indian subcontinent by the mid-18th century. The Mughal Empire, which once ruled over large parts of South Asia, was rapidly disintegrating at the time and came close to losing command of its territories. The Company seized the empire’s demise as an opportunity for expansion; Robert Clive led its well-trained private army to victory in the Battle of Plassey in 1757, paving the way for the East India Company to begin collecting revenue in Bengal from 1765 onwards.

In the decade that followed, the Company used its growing legislative authority to monopolise the region’s trade, driving Asian, Dutch and French merchants out of...
Bengal. It gradually increased its Indian territories over the late-1700s, both through direct rule and the use of puppet regimes.\textsuperscript{20} By 1803, its 260,000-strong private army had reached twice the size of the British Army, shifting the focus of its operations from commerce to administration. Portraits of the East India Company’s Indian governors can be seen today hanging opposite those of Britain’s Prime Ministers inside the Great Hall of Christ Church, Oxford. Officials also sent a wide array of rare, dubiously-acquired Indian artefacts back to Britain during the 17\textsuperscript{th} and 18\textsuperscript{th} centuries – a number of which remain on show in Oxford’s Ashmolean Museum.

The Company’s asset-stripping of India infuriated its body of critics in Britain. Anti-monopoly pamphleteers and theorists had long resented the rights it held over lucrative trades; they were incensed to see the British government allowing it now to tax and rule citizens as well. Opposition hardened when reports surfaced of the atrocities taking place under its rule. Most famously, the Scottish economist and philosopher Adam Smith condemned the Company in 1770 after its exploitative taxes and irresponsible governance created a famine that wiped out a third of the population of Bengal.\textsuperscript{21} An estimated 10 million people died.

Avoidable catastrophes like the Bengal Famine acted as catalysts for more general reflections on the problems of too-big-to-fail chartered companies. Some of the most powerful critiques in Smith’s key text, \textit{The Wealth of Nations} (1776), were directed at monopoly trading rights: the economist wanted an end to the restrictive policies of 16\textsuperscript{th}- and 17\textsuperscript{th}-century mercantilism, pushing instead for the extension of free markets.

Smith accepted that “a temporary monopoly” might be granted to merchants operating in dangerous or unfamiliar regions. But he stressed that trade should be made open after a period of time, and “forts and garrisons, if it was found necessary to establish any, to be taken into the hand of government, their value paid to the company”.\textsuperscript{22} He argued that commerce was of central importance to a nation’s economy, representing the most effective route towards wealth production; Britain’s gains from East Indian trade would therefore have been even greater had they not been channelled through a sole monopoly power.

Starting in the 1780s, the British government subjected the East India Company to ever-tighter supervision – partly because politicians resented the financial drain of repeatedly bailing it out, but also because they found it hard to disagree with the argument that a Company had no business running a continent. In 1784, an official Board of Control was introduced to monitor the Company’s governance of India.\textsuperscript{23} Its overall conduct grew increasingly determined by its administrative obligations, and in 1813 the Company finally lost its monopoly on trade in India.

The government used the renewal of the Company’s charter, which occurred every 20 years, as a way of gradually revising its privileges during the early-1800s. Calls for free trade grew louder as smaller, more dynamic firms completed inter-continental trips at record speeds, and in 1833 the Company would lose its last-remaining monopoly on Chinese trade.\textsuperscript{24} Its eventual fade from glory did not, however, mean that the East India Company was airbrushed from British trade policy in the early-19\textsuperscript{th} century. Rather, the resources of its Indian empire proved key to redefining Britain’s position in the East Indian trade by the end of the period.

\textbf{Selling opium to China}

As political and free trade arguments against the East India Company strengthened at home, the Qing authorities were growing increasingly alarmed at its traders’ outright dominance in Canton. For hundreds of years, the Company had endured a balance of payments deficit with China; unable to offer any equally desirable commodity, it was forced to watch its silver drain away in exchange for tea.\textsuperscript{25} But in the late-18\textsuperscript{th} century, officials in India identified a solution to the centuries-old problem. The Company’s shift to political rule in Bengal meant that it now held a monopoly on the region’s production of opium – a powerfully addictive drug with a ready market in China.

The East India Company set about establishing an illegal trade in the drug. Grown under the Company’s supervision in Bihar, opium was auctioned off in Calcutta; private traders then smuggled it into China, where its sale brought substantial financial returns.\textsuperscript{26} By putting the drug on the open market in India before distancing itself from transactions in China, the East India Company could feign ignorance of its role in the toxic exchange.
The volume of opium sold in China rose fourfold between 1770 and 1800, averaging around 4,000 chests a year. Sales remained steady in the following decades, before experiencing a rapid spike in the 1830s. With the country importing 30,000 chests per annum by 1836, China’s Daoguang Emperor took steps to address opium’s devastating effect on his population. He appointed an imperial commissioner, Lin Zexu, with the task of ending the British drug trade at Canton. Lin first demanded that all opium stocks held by foreign merchants were to be forfeited, but soon intensified his campaign. Between March and May 1839, he sparked anger in Britain by throwing an estimated 2.6 million pounds of opium into the Pearl River.

Britain’s immediate response was to side with its opium dealers. Several parliamentary inquiries into the drug over the 1830s had found little wrong with its illegal trade; one select committee in 1832 concluded that “it does not seem advisable to abandon so important a source of revenue as the East India Company’s monopoly of opium”. While the general population knew little of the connection, the British government were well aware of opium’s role in financing the country’s supply of tea. It reacted forcefully to the destruction of stock, sending an expeditionary force to China in 1839, signalling the start of the First Opium War.

The fleet arrived in the summer of 1840, moving quickly to blockade Canton and occupy the port of Chusan. Supported by the East India Company’s fleet of warships, the British went on to overwhelm China’s ill-equipped imperial navy during two years of coastal warfare. The Royal Navy sailed up the Yangtze River in 1842 and took control of Shanghai in June; two months later, with the British advancing towards Peking (present-day Beijing), Qing officials in the city of Nanking accepted defeat.

The resulting Treaty of Nanking marked a breakthrough in Britain’s attempts to deregulate its trade in China (China would dub it the first of the “unequal treaties”). Along with ceding the island of Hong Kong to the British Empire, the Qing government was forced to remove its controls on the activities of foreign merchants. There was to be open correspondence between British and Chinese officials of equal rank (spelling the end for Canton’s hong merchant guild, long resented by the East India Company), while the ports of Amoy, Foochow, Ningpo and Shanghai were declared open to British trade. The Chinese government would no longer be allowed to refer to the British as “barbarians”. The treaty paved the way for Britain to extend its reach into China; in the process, it met key goals held by the East India Company ever since it had first arrived in Canton.

Stealing tea
Drug dealing provided Britain with one way of reducing its trade deficit with China. It did not, however, address Britain’s continued need for Chinese tea. Despite drinking it for nearly 200 years, European nations still knew little about the finer details of how tea was made in the early 1800s. The secrets of effective cultivation had eluded the Dutch, who tried and failed to grow their own in Java; the Portuguese were also left frustrated by their attempts to set up a community of Chinese tea planters in Rio de Janeiro. European merchants were broadly resigned about their chances of self-cultivation by the 19th century, believing that China’s northern provinces were uniquely suited to tea production.

This began to change when British soldiers found tea growing wild in the mountainous region of Assam in the 1820s. The “tea forests” located there represented the East India Company’s best shot at growing its own leaves; the British authorities, who had long wanted to end their country’s “embarrassing” dependency on tea for tea, annexed vast tracts of the territory.

However, it was not until 1834, when parliament stripped the East India Company of its last remaining monopoly privileges in China, that the Company aggressively pursued its goal of developing Assam as a site of alternative tea production. Sideline in the East Indian trade by more dynamic private firms, the
Company desperately needed to find new sources of income to fund its governmental duties. Lord William Bentinck, the Governor-General of India, established a 12-person Tea Committee to investigate the viability of Assam-produced tea in 1834. Before long, Company officials had drawn up extensive plans for the region, assigned land to European individuals and forced badly paid Indian labourers to move into its new tea plantations.

The first chest of Assam-produced tea reached auction in London in 1839, as imperial interests professed their delight with a beverage grown in one of their country’s most recent colonial acquisitions. Not wanting to scupper its chances of success, those who drank the first batch of Assam tea were wise to keep quiet about its inferior taste: as one consumer put it, the prospect of an Indian-produced tea that could “supply the home market” would “make this great country independent of China”.

Still, the East India Company knew that its producers had not yet matched Chinese standards – even if Queen Victoria was apparently “much pleased” with the tea’s “quality and flavour”. To perfect Assam tea, the Company needed to find a way of accessing China’s exact materials and much-coveted production techniques. But it could not manage this through diplomatic means, nor convince Chinese manufacturers to move to India: instead, it needed to steal China’s secrets.

The Company commissioned the Scottish botanist Robert Fortune to go undercover in China on an intelligence-gathering mission. His instructions were clear: “Besides the collection of tea plants and seeds from the best localities for transmission to India, it will be your duty to avail yourself of every opportunity of acquiring information as to the cultivation of the tea plant and the manufacture of tea as practiced by the Chinese.”

Knowing that the emperor barred foreigners from visiting any of the districts where tea was cultivated, Fortune disguised himself as a Chinese merchant before travelling to the country’s remote Fujian, Guangdong and Jiangsu provinces. He arrived at the tea factories in 1848 and soon reported back significant observations. The botanist disproved, for instance, Europe’s long-held belief that green and black teas came from different plants: from inside the Chinese tea factories, he detailed the fermentation process that was responsible for turning originally green leaves black. Amounting to much more than trivial pieces of information, Fortune’s acts of corporate espionage helped British tea producers to separate myth from reality in their reading of Chinese tea.

Fortune transported thousands of black tea seeds to India over the course of his three-year trip. Replanted in the Himalayas by an exploited labour force, the seeds provided the basis for a new British imperial tea industry that soon outstripped China’s in terms of quality, volume and price. Its growth over the following decades drove the British Empire’s expansion into the regions of Cachar and Darjeeling, where indigenous forestation was cleared to make way for large-scale plantations. By the 1870s, Britain had sidelined China as a supplier and turned the focus of the global tea trade towards India.

The monopoly rights of the English East India Company may well have brought about one of the most rapid industry globalisations in history. They were also completely untenable. The success of its monopoly is part of what made it so unsustainable: it created such a concentration of wealth that interference became inevitable. Competitors – whether hopeful merchants or opportunistic smugglers – resented the scale at which the Company operated. Meanwhile, the complacency that the absence of competition created led to ever greater mismanagement and corruption within the Company itself.
Its tea monopoly didn’t last. In fact, British efforts to maintain it caused more harm to the empire than good: Britain’s Tea Act of 1773, for example, exempted the EIC from the import duties faced by its competitors on tea shipped to the Americas. This resulted, famously, in the Boston Tea Party – one of the first political stands of the American Revolution. Britain’s desire to maintain the Company’s monopoly, often to the point of cronyism, contributed to the fraying of its empire.

**What’s in a name?**

The English East India Company began to collapse in 1857, when its own private army revolted against the chartered trading company. Many of the grievances of the Indian troops are familiar to present-day companies in maturing industries – although the East India Company was founded on unmatched corporate violence. A relentless stress on profitability resulted in poor wages, aggressive reforms and exploitative land taxes, which eventually culminated in a bloody uprising by the Company’s sepoys in the garrison town of Meerut.

It was a nine-month affair; when the local rebellion was finally quashed, the Company hanged tens of thousands of alleged rebels (with an emphasis on “alleged”) along the banks of the Ganges. Public opinion was finally shifting; in 1859, the Company’s Indian holdings were nationalised. To formalise the shift from corporate to state control, Queen Victoria was pronounced Empress of India, replacing the company directors. The East India Company was finally dissolved by an act of parliament in 1874.

India no longer belonged to the East India Company, and tea no longer belonged to the Eastern elite. Tea remained in high demand across Western Europe, adopted by the burgeoning upper-middle classes. The fashion for tea had spread to the colonies. With the monopolies dissolved, techniques for tea’s cultivation copied, tea remains more popular than ever, with 6.3 billion kilograms consumed annually. Meanwhile, the former East India Company has been washed from history, with no plaques in London to mark its former location. However, there is still a kettle in every home – a case of the commodity outlasting the monopoly.

Meanwhile, tea continues to tell its own story of dispersion through its name, which differs from place to place. We can trace the etymology to three different words. Te has Hokkien origins, used by traders in southern Fujian; cha has Cantonese origins, used by the traders along the South China Coast; and chai comes from Persia, used by overland traders. Each regional intonation is a clue to the journey taken, an artefact of colonial trading routes. These syllables are verbal maps, charting the winds of change that took tea around the world – the first of which was that gentle gust of wind on an autumn day, in Emperor Shennong’s mythical China.
Endnotes

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