THIS WORLD IN A TEACUP:

CHINESE-AMERICAN TEA TRADE IN THE NINETEENTH CENTURY

by

DAN DU

(Under the Direction of Allan Kulikoff)

ABSTRACT

Employing a “commodity chain analysis,” this dissertation traces the production, transaction, transportation, and consumption of tea in China and the U.S. from 1784 to the early twentieth century. More specifically, it challenges two myths in Chinese and American history: the silverized Chinese economy and the declining tea consumption in the United States after the destruction of tea at Boston Harbor. Unlike the cumbersome hard-money system portrayed by previous historians, this research shows that credit economy—buttressed by account sales and financial instruments—had been essential to Chinese foreign commerce. Chinese merchants used promissory notes to extend commercial credits to American businessmen and facilitate their de facto transactions in the tea trade. In the 1830s, the thriving tea, opium, and cotton trade with China expanded Anglo-Indian merchants’ demand for cheap means of remittance and produced a market of bills of exchange in China. American merchants brought cheap English bills—generated in Anglo-American cotton trade—and decreased their shipments of specie to Canton. American China traders mobilized this new line of credit from China for their textile, railroad, and shipbuilding industries in the U.S., thus facilitating the transition from commercial to industrial capitalism in the latter nineteenth century. This research also reconsiders American tea
consumption after the American Revolution. Americans drank more cups of tea than coffee up until the late nineteenth century, when the Industrial Revolution changed American foodways and marginalized tea consumption at home. Against the backdrop of the Boston Tea Party Centennial, Americans traced the decline of tea back to the Revolutionary period and reinforced the American identity during the industrial age by re-politicizing tea. Moreover, this research also elaborates how Asian artistic traditions, especially those of China and Japan, influenced the design of tea wares and tea gowns in the U.S. and how teas from India, Ceylon, and Japan changed Americans’ taste in this beverage in the late nineteenth century.

INDEX WORDS: Tea; Silver; Cohong; Promissory Notes; Bills of Exchange; Opium; Cotton; Tea Service; Home Tea; Afternoon Tea
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To My Parents and My Little Brother
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INTRODUCTION
THE CULTURAL AND MARKET VALUE OF TEA

Known as “green gold,” tea boasted both economic and cultural value—determined by the market and social institutions—to the eighteenth- and nineteenth-century Americans and Chinese. The Chinese-American tea trade was a costly long-distance commerce. To pay for tea, American merchants gathered funds by selling ginseng, opium, cotton, silver, and bills of exchange. The progress of the tea trade, entangled with political conflicts in both the U.S. and China, witnessed not only financial and technological changes in transnational commerce, but also changing American and Chinese perceptions of their roles in the increasingly globalized world.

Cultural value of tea

Tea reached the British American colonies at the dawn of the eighteenth century, earlier than Chinese porcelains and lacquerware. During the prerevolutionary period, colonial merchants acquired Chinese tea from England or smuggled it from the Dutch East India Company to large port cities. During the zenith of tea smuggling in the mid-eighteenth century,

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legal tea imports accounted for less than 10-20% of the total colonial tea trade. The Tea Act passed in 1773 sought to lower the tea tax, monopolize the tea trade, and push Dutch competitors out of the colonial tea market, but it only led to the destruction of tea at Boston Harbor. Protests spilled over to other colonies. The cartoon print “Liberty Triumphant; or the Downfall of Oppression” published in either Philadelphia or New York right after the protest in Boston celebrated the New England colonies’ reactions to Tea Tax. East India tea, packed in the four wooden chests with exotic markings in the foreground, symbolized the British oppression, while on the other side of the ocean, sons and goddesses of liberty from the Massachusetts Coast to the Delaware Bay lauded the triumph of liberty by rejecting the detested tea (see image 1).

Image 1 “Liberty Triumphant; or the Downfall of Oppression”
Source: Print and Photograph Department, Library Company of Philadelphia (hereafter cited as LCP).

The opening of the direct East India trade, with tea as the major commodity in bulk and value, not only symbolized the downfall of British oppression but also made liberty a reality.\textsuperscript{4} The earliest China traders were highly aware of their new identity and the necessity to make the new nation known to the Chinese in and through the tea trade. In 1784, furnished with a copy of the Declaration of Independence, copies of treaties of commerce with European powers, and a Sea Letter signed by the Governor of New York, the ship of Empress of China set sail for Canton (Guangzhou), being the first ship under a United States flag to arrive in China.\textsuperscript{5} “You will probably be the first who shall display the American Flag in those distant regions,” with a clear consciousness of the symbolic and economic importance of the first trip, Daniel Parker, one of the owners of the ship, instructed Captain John Green, “and a regard to your own personal honor will induce You to render it respectable by integrity and benevolence in all your Conduct and dealings.”\textsuperscript{6} Nevertheless, a Chinese official initially registered the Empress, as a British vessel and only corrected later by French merchants.\textsuperscript{7} Samuel Shaw, supercargo on the Empress, took every chance to impress principal Chinese merchants or the hoppo on their new identity. “They styled us the New People,” Shaw gladly recorded, “and when, by the map, we conveyed to them an idea of the extent of our country, with its present and increasing population, they were not a little pleased at the prospect of so considerable a market for the productions of their own

\textsuperscript{4} See chapter I. “Green Gold and Paper Gold”.
empire.” In his letter to the Minister of the United States for Foreign Affairs, Samuel Shaw rephrased Chinese reaction as “highly pleased.” However, he omitted a Chinese merchant’s concluding remarks in the conversation on the rude Englishmen and polite Americans, “All men come first time China very good gentlemen, all same you. I think two three time more you come Canton, you make all same Englishman too.” The hoppo, while assured Shaw that he “perfectly understood” who they were, inquired more about the fees that they needed to pay and the goods that the Empress would carry. Incurred by Chinese courtesy, Shaw’s fantasy about being recognized only reflected and affirmed Americans’ belief in their distinctive identity after Independence.

In the following decades, the U.S. emerged as the second largest tea importer from China and the second largest tea consumer outside Asia. However, in the late nineteenth century, the increasingly industrialized United States started to abandon tea drinking, a trend which mitigated the cultural significance of tea but reinforced Americans’ national identity. The direct tea trade with China reduced the prices and enhanced the varieties of teas for American consumers. Teatime rituals, originally a status marker, gradually encompassed the entire society, Nineteenth-century Americans in New England, mid-Atlantic States, and the South even named their evening meal “tea” or “home tea.” During the mid-nineteenth century, afternoon tea swiftly spread to the U.S. and played a critical part in upper-class women’s social life, a custom which persisted longer than home tea. Tea had been essential to Americans’ family life up until the late nineteenth century, when the hurried pace of industrial capitalism changed meals in American foodways from breakfast, dinner, and tea to breakfast, lunch, and dinner. Hence, home tea

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9 Ibid, 338.
10 Ibid, 199.
gradually faded in Americans’ collective memory. Against the backdrop of the Boston Tea Party
Centennial, newspapers, magazines, literary works, and advertising materials projected a
contemporary event, the decline of tea consumption in American society, onto late colonial
history, thus formulating the myth of an early decline of American tea consumption. Faced with
rural-urban migration and the influx of foreign immigrants, native-born late nineteenth-century
Americans reinforced their American national identity by re-politicizing tea consumption and re-
invoking the patriotism that they thought the Boston Tea Party had inspired.

To the Chinese, tea tells a different story. While tea symbolized America’s rising from
oppression, it saw China’ falling into desperation. Tea had been a privilege that Chinese had over
other countries. Other regions could not live without tea, but Chinese needed no necessities from
them; Emperor Qianlong made this argument when rejecting George MacArtney’s request for
new trading ports for the British in 1793.11 Qing scholars and officials repeated this argument
through the first half of the nineteenth century. “Tea is produced everywhere in China, so it is
nothing unusual; Qing scholar and historian, Zhao Yi 趙翼, wrote in the early nineteenth century,
“however, the nomads in northwestern regions could not live without tea…. [Countries] in the
Atlantic Ocean, which were 10,000 miles away from China, sent vessels to China eagerly only
for tea 中國隨地產茶，無足異也，而西北遊牧諸部，則特以為命… 太西洋距中國十萬里，其
番舶來，所需中國之物，亦惟茶是急，滿船載歸，則其用且極于西海以外矣.”12 Peng
Bangding 彭邦鼎 possessed similar confidence in the significance of tea in the mid-nineteenth
century, “[p]eople in northwestern tribes and Western countries fall sick without drinking tea for

11 Weimin Zhong 仲伟民, Chaye yu yapian: shijiushiji jingjiquanqiu hua zhong de zhongguo 茶叶与鸦片: 十九世纪
经济全球化中的中国 (Tea and Opium: China in the Economic Globalization in the Nineteenth Century) (Beijing:
Shenghuo, dushu, xinzhi sanlian shudian, 2010), 290.
12 Zugui Chen 陈祖榘; Zizhen Zhu 朱自振, Zhongguo chaye lishi ziliao xuanji 中国茶叶历史资料选辑 (Beijing:
even one day; I have no idea how they had lived before they knew tea. 若西北各部落，以及外洋，一日无茶则病，但不知茶未行时，何以生活。”

13 On the verge of the first Opium War, Lin Zexu 林則徐, Imperial Commissioner of the Qing government who burnt opium at Humen and started the first Opium War, reiterated this argument in his open letter to Queen Victoria; he warned her that China would punish British drug dealers through tightening the supply of tea. After the second Opium War, Xia Xie 夏燮 still insisted that China could maneuver Western nations and “their people’s lives through tea 故中國以此全其民命，即以此制其死生.”

14 However, in the last four decades of the nineteenth century as the British established tea plantations in India and Ceylon and Americans procured tea from Japan, it became more difficult for Chinese elites to repeat this assertion. The increasingly fierce competition in the international tea market damaged not only China’s tea trade but also Chinese confidence. In 1917, Huang Yanpei, 黃炎培 a prominent Chinese educator and industrialist co-edited a book entitled The History of China’s Failures in the Commercial War 中國商戰失敗史, a title that articulates Chinese negative assessment of their economic performance in the international arena in the last decades of the nineteenth century. 15 Huang compiled the statistics of China’s foreign trade, including imports and exports, to show China’s disadvantage in foreign commerce. Tea was a major commodity taken into account. “Tea has been the specialty of our country;” Huang wrote, however, Japan started to grow tea in the wake of Meiji Reformation. Meanwhile, Indian, Ceylon, and Java tea economies have made great progress in the past ten years [since the 1860s], so much so that the annual value of teas imported into China [from these regions] reached 4000,000 liang, let alone in other tea-consuming countries. Without adequate efforts to revive Chinese tea economy, it

13 Ibid, 409.
14 Zhong, Chaye yu yapian, 290.
15 Yanpei Huang 黃炎培, Zhongguo Shangzhan shibaishi: zhongguo sishinian haiguan shangwu tongji tubiao 中國商戰失敗史: 中國四十年海關商務統計圖表 (The History of China’s Failures in the Commercial War) (Shanghai: Shangwu yinshu guan, 1917).
would decline 茶為我國特產, 日本於明治初年始種茶, 印度錫蘭爪哇之茶, 十餘年來又大進步, 近年輸入達四百余萬, 國外銷路之被奪可知, 不謀自振, 茶市將傾。16

Consequently, this country which once refused to open more trading ports to the outside world now sought to “modernize” its political and economic systems. Such scholar-industrialists and officials as Huang worked to mechanize Chinese tea production modelled upon the tea industry of the British India, a project which later was incorporated into the One Hundred Days’ Reform in 1898, or the Wuxu Reform.17 This reform in late Qing China sought to transform Chinese national cultural, political and educational system. Its progress pitted conservatives, represented by Dawager Cixi, against reform-minded liberals, spearheaded by Emperor Guangxu and its failure arguably represented Chinese failed efforts in westernization. Local elites and officials also imported tea machines, hired Indian engineers, extended loans to tea producers, and started training institutions to professionalize Chinese students as a new generation of tea specialists.18 Reforming tea production and the tea trade was one of Chinese elites’ efforts to revive the nation and rethink China’s position in this increasingly globalized world.

Market value of tea

The cultural value of the green gold determined its high market value, and to some extent, vice versa. From production to stowage and transportation, tea accrued its value from different forms of labor. Tea shrubs and trees concentrated in Southern China, especially foggy mountain areas, a geographical feature that determined its higher economic value than other widely-

16 Ibid.
17 For the modernization of tea economy and the One Hundred Days’ Reform, see Qingrong Liu 刘清荣, Zhongguo chaguan de liubian yu weilai zouxiang 中国茶馆的流变与未来走向 (The History and Future of Chinese Tea Houses) (Beijing: Zhongguo nongye chubanshe, 2007), 75.
18 Qingshi gao 清史稿 (History of the Qing), Zhao Erxun 趙爾巽 ed. (Beijing: Zhonghua shu ju, 1998), vol. 2, 979; Wu Juenong 吴觉农, Zhongguo difangzhi chaye lishiziliao xuanji 中国地方志茶叶历史资料选辑 (A Selection of Historical Documents on Tea in Chinese Local Gazetteers) (Beijing: Zhongguo nongye chubanshe, 1990), 668.
produced commodities. The production process from growing, picking tea leaves, to processing demanded special skills, particularly before the invention of tea machines by the British in the latter nineteenth century. Chinese tea specialists from Anxi and Quanzhou areas, therefore, earned high wages than other tea workers. Moreover, China’s foreign tea trade involved more specialized processes and standardized procedures preparing teas for European and American consumers, such as reprocessing crude teas from interior tea-producing regions and packing for foreign markets. Labor in these processes added more value to the teas before Hong merchants eventually sealed the deal with foreign businessmen.

Purchasing tea from China proved to be a costly business. Thus, in addition to the Declaration of Independence and political documents, the ship Empress of China and succeeding vessels in the China trade also carried ginseng, furs, and, most importantly, silver to exchange for Chinese tea. These were the most reliable and sought-after commodities that American businessmen could exchange for tea. Before the voyage of the Empress of China, in December 1783, a month before the ratification of the Treaty of Paris, the sloop Harriet from Hingham, Massachusetts had set sail for China from Boston, loaded with a cargo of ginseng. Though this sloop never arrived in Canton, it traded the ginseng for a cargo of Chinese tea en route at the Cape of Good Hope. After decades of communications with Americans, when Ruan Yuan, the most prominent Chinese scholar during the first half of the nineteenth century, described the United States in his work on Western countries, he focused on the commercial dimension and the available commodities in its neighboring regions. He noticed gold and silver were produced in South America and furs west of the United States. He also acknowledged the advance of American shipping industry, as American ships were smaller than those of other countries and

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could arrive in China anytime, while other nations could only send their ships in July and August. These commercial and technological factors impressed the Chinese and fostered Americans’ tea trade with China. Americans explored the whole world with their small vessels, searching for commodities to trade for Chinese tea.

Among the commodities exchanged in the China trade, commentators and researchers have highlighted silver. As early as 1843, in a speech to the Senate on the “Chinese Mission”, Senator Thomas H. Benton had claimed that the China trade was conducted on “all ready-money, and hard money, or good products—no credit system, no paper money, for a long time this trade took nothing but silver dollars.” Similarly, current researchers’ preoccupation with the large volume of silver flooding into China has led them to portray a cumbersome hard-money system. As the stage theory of money—the barter stage, metal stage, and commercial paper or negotiable instruments stage—indicates, China trade always stays on the second stage in scholarly works, if without the British introducing bills of exchange into China.

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20 Ruan Yuan 阮元, Guangzhou tongzhi 广州通志 (The Gazetteer of Canton), 1822, in “史部, 地理类 (History and Geography)”, Xuxiu sikuquanshu 续修四库全书 (Shanghai: Shanghai guji chubanshe, 2002), 734.
22 Current works on the American-Chinese trade reinforced the image of a hard-money trade, such as Stephen Chapman Lockwood, Augustine Heard and Company, 1858-1862; American Merchants in China (Cambridge: Harvard University Press, 1997), 21; Jacques M. Downs, The Golden Ghetto: The American Commercial Community at Canton and the Shaping of American China Policy, 1784-1844 (Bethlehem, Penn.: Lehigh University Press, 1997), 105-8; Tyler Dennett, Americans in Eastern Asia: A Critical Study of United States’ Policy in the Far East in the Nineteenth Century (New York: Barnes & Noble, 1963), 20-21; James R. Fichter, So Great a Proffit: How the East Indies Trade Transformed Anglo-American Capitalism (Cambridge: Harvard University Press, 2010), 205-6. For works on the history of China’s silver trade, see Andre Gunder Frank, ReOrient: Global Economy in the Asian Age (Berkeley, Cali.: University of California Press, 1998) and Richard von Glahn, Fountain of Fortune: Money and Monetary Policy in China 1000-1700 (Berkeley, Cali.: University of California Press, 1996), both of which investigate the influx of silver with the presumption that China was the final destination of the silver flow. However, Kent Deng has challenged this perception by showing the prevalence of account settlements and paper devices in large businesses among Chinese merchants. Kent Deng argues that large commercial dealings in China had been silver free by the mid-nineteenth century. Financial instruments, such as demand silver deposit certificates, money orders, and bills of exchange had been decisive in the market. See Kent G. Deng, “Miracle or Mirage? Foreign Silver, China's Economy and Globalization from the Sixteenth to the Nineteenth Centuries,” Pacific Economic Review 13, no. 3 (2008): 345.
These depictions miss crucial importance of the credit economy in the China trade—the most “advanced” stage of the evolution of money. However, buttressed by account sales and credit instruments, credit economy had long been essential to Chinese foreign commerce. Chinese merchants employed promissory notes, a type of negotiable financial instruments, to facilitate their tea trade and extended commercial credits to American China traders. Records of their use abound in merchants’ correspondence. Silver bullion served as both a means of payment and Chinese merchants’ tool to maintain their trust relations with Americans in the long-distance trade. The dissolution of Co-Hong in 1843 and the absence of trustworthy Chinese commercial partners even reduced the international trade in Shanghai, the newly opened treaty port, to a barter economy.²⁴ British Consulate’s Circular in 1843 also reminded the British merchants in Ningpo (Ningbo) that a “barter trade will be found the best and safest,” as “[t]here being no longer security-merchants to pay the debts and fulfill the engagements of those who are unfortunate, or of those who commit acts of fraud,” thus highlighting the critical role of credit transactions in the China trade.²⁵ In the second half of the nineteenth century, the breach left by Hong merchants stimulated Anglo-American merchants to expand their loans to China traders and establish their own banks in China to produce financial resources.²⁶

This focus on the credit economy also elaborates the agency of American merchants in transforming the financial infrastructure of the China trade and mobilizing new lines of financial resources for the development of capitalist economy. After the War of 1812, the thriving tea,

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²⁴ Takeshi Hamashita, China, East Asia, and the Global Economy: Regional and Historical Perspectives (New York: Routledge, 2008), 132-43.
²⁶ As to the financial changes after the cessation of Co-Hong, see Ralph W. Hidy, The House of Baring in American Trade and Finance; English Merchant Bankers at Work, 1763-1861 (Cambridge: Harvard University Press, 1949), 352-54.
opium, and cotton trade with China expanded Anglo-Indian merchants’ demand for cheap means of remittance and thus produced a market of bills of exchange in China. American merchants brought cheap English bills—generated in the Anglo-American cotton trade—and decreased their shipments of specie to Canton, thus constructing a new financial infrastructure for the China trade. American traders who amassed considerable fortune in tea and bill trades, such as Edward Carrington, John Perkins Cushing, and Robert Bonnet Forbes, invested their wealth in textile, railroad, and shipbuilding industries, thus facilitating the transition from commercial capitalism to industrial capitalism in the North.

SIGNIFICANCE AND METHODOLOGY

Little scholarship exists on this topic. Even though the U.S. remained the second largest tea importer from China and the second largest tea consumer outside Asia during the nineteenth century, historians have completed only article- or chapter-length analyses of the tea trade.27 Even the few who touch on the history of the trade rarely focus on tea consumption, simply assuming that “Americans never became the tea drinkers that their cousins in England did.”28 The major works on American tea consumption, Rodris Roth’s “Tea Drinking in 18th-Century America: Its Etiquette and Equipage” (1961) and Jane T. Merritt’s The Trouble with Tea: The Politics of Consumption in the Eighteenth-Century Global Economy (2017), focus on the

28 Frank, *Objectifying China, Imagining America*, 206.
eighteenth century. Only researchers who examine coffee glimpse at the history of tea taking in the nineteenth century.

Employing a “Commodity Chain Analysis” to investigate the nineteenth-century Sino-American tea trade, my dissertation explores the power struggles between various participants—Chinese, American, and British tea dealers, laborers, and officials—in the entire length of tea production, transaction, transportation, and consumption. As Jennifer Bair comments, “historical analysis is capable of underscoring agency and contingency in commodity chains, and can show how power among actors in chains shifts over time—all of which helps one to avoid the temptation of seeing the organization of contemporary commodity chain as necessary or inevitable.”

John M. Talbot points out the comparative advantage of tropical commodity chain analysis in promoting better understanding of the commodity chain “as organizational forms and as units of analysis,” because scholars are able to examine the entire commodity chain and identify the interacting influences of the nature of the commodity and the structure of the chain, the different function of governance structures and agents, and the flow of money through longitudinal analyses of the distribution of benefits. In general, it portrays the complexity of the power structure in the commodity chain and its transition over time and space.

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30 For example, Steven Topik briefly discusses the popularity of tea after the American Revolution, even though coffee consumption was on the rise in the nineteenth century. Steven Topik, “How Mrs. Olson Got Her Full-Bodied Coffee: The Industrialization of the Coffee Service Sector in the United States, 1760-1950,” American Studies Group, University of California at Irvine, April, 2004, 4-5.

31 Actually various debates and controversies arose within Commodity Chain Analysis research in terms of its vocabulary and approach. For the history of the theory or theories, see Jennifer Bair’s “Global Commodity Chains: Genealogy and Review” in Jennifer Bair, ed., *Frontiers of Commodity Chain Research* (Stanford: Stanford University Press, 2009), 1-35. This dissertation, however, has no intention in the theoretical contentions but instead underscores the concrete relations between historical actors entangled in the entire chain or web.

32 Ibid., 18.

This dissertation also integrates financial theories, particularly the negotiability of financial instruments, with historical analysis. Financial instruments were paper devices without much intrinsic value, so their negotiability, or their possibility to be accepted, cashed, endorsed, and circulated, relied on commercial partners’ trust relationships, expectations of repayment in a future date, as well as legal and economic institutions to protect such transactions. The negotiability of promissory notes and bills of exchange appeared to be particularly significant in the China trade, a long-distance trade without the social networks and institutional environment found in the trans-Atlantic trade. It is possible that the commercial partnership developed between the Chinese and Americans after 1784, wrapped in the robe of friendship, sustained the trust relationship and negotiability of the financial instruments. It is also likely that silver, or the expectation of future payments in silver, played a considerable part to guarantee the negotiability of the paper devices. In this sense, silver was more than a means of payment, as most scholars have portrayed, and a silverized economy was less than a full depiction of China’s economic structure.

PLAN OF THE DISSERTATION

Focusing on the commodity chain of tea, this dissertation on the nineteenth-century Chinese-American tea trade explores the value of tea from production to consumption. The first and last chapters of this dissertation examine the supply and the demand side of the tea trade and the two forms of value—the market value and socio-cultural value—of tea. The first chapter situates value in the labor of producers and market exchange, while the last chapter interprets the value of tea through its material culture and social function in the nineteenth-century American society. The second and third chapters examine the media of exchange, primarily silver and credit instruments, that represented the market value of tea.
The first chapter “Hands that Supplied the World” provides a cost breakdown of the tea trade before American vessels set sail for tea markets. While the last chapter of this dissertation portrays tea as a cultural product, this chapter treats it as a commercial product. Labor produces the value of the commodity. This chapter, therefore, traces different layers of the market value of tea by examining the production, transportation, manufacturing, packing, negotiation, and loading of tea, activities which Chinese peasants, hired tea workers, coolies, merchants, and foreign businessmen fulfilled together. Though Chinese historians tend to portray the tea economy as an agricultural economy based on small-peasant mode of production, this research finds that Chinese and foreign mercantile capital had entered this economy and, probably more important than tea peasants, buttressed China’s foreign tea trade. This research also finds that tea taxation system was not as silverized as historians have conceived. Qing taxation agencies issued and accepted a form of paper device, *baopiao* 報票, as a means for Chinese tea dealers to pay tea tax. *Baopiao* was also negotiable among Chinese tea dealers, with the privilege to conduct tea trade transferred accordingly. *Baopiao*, thus, produced official and private credits to fund Chinese dealers involved in the tea trade.

The last chapter “Behind the Teacup” treats tea as a cultural product, explores the material culture, home and social life, and varieties of tea in American society, as well as reconsiders the myth of declining tea consumption after Boston Tea Party. Historians usually use absolute weight of tea and coffee to gauge the consumption of the two beverages, without considering the fact that tea was much lighter and more economical than coffee. Quantitatively, Americans still took more cups of tea than those of coffee up until the late nineteenth century. Qualitatively, tea consumption nourished American material culture, foodways, and social customs in the nineteenth century. Teatime rituals included a set of tea wares—the tea board, tea
pot, tea cups and saucers, cream pot and tongs, tea chest with fine Hyson and Congo, as well as the gaudy attire for tea—which remained an American tradition during the nineteenth century. Thanks to the import of various cheap teas directly from China, tea-taking customs blurred class boundaries and encompassed the whole social structure. Tea also served as the evening meal for the nineteenth-century Americans, up until the late nineteenth century when tea exited the home life of professionals and workers. During the mid-nineteenth century, afternoon tea swiftly spread to the U.S. and played a critical part in upper-class women’s social life, which left more trace in American popular culture than the home tea. Consequently, home tea gradually faded away from Americans’ collective memory. With immigrants increasingly pouring in, Americans re-politicized the decline of tea consumption and consolidated Americans’ sense of identity in this industrial age. Tea in American history has been therein highlighted, and meanwhile overshadowed, by the glorious Boston Tea Party.

The second and third chapters investigate the sources of funds available to American merchants to purchase tea from China, thus illuminating the changing financial infrastructure of the tea trade. The second chapter “Green Gold and Paper Gold” focuses on ginseng, specie, and Chinese promissory notes. The direct Chinese-American tea trade started in 1784, when the ship Empress of China arrived in Canton and loaded a mixed cargo, with tea as the major commodity. Faced with a money scarce economy, American businessmen acquired commercial credits from Chinese merchants, particularly Consequa, the wealthy Hong merchant who were responsible for China’s foreign trade with Americans. Chinese merchants extended commercial credits to Americans in three ways. First, they sold tea to Americans on credit. The tea trade was such a costly trade that paying in cash for each transaction was too expensive and inconvenient, especially given the difficulty to collect specie in the American money market. Without enough
money, American businessmen could write promissory notes, a formal form of IOUs, to Chinese tea merchants as proof of debts, which were usually 12-month or longer sight. This credit transaction gave Americans enough time to buy specie in the U.S. and remit the specie to Canton to pay off their debts. Second, Chinese consigned tea to Americans for sale in the United States. If American consignees remitted the net proceeds to their Chinese consignors immediately after the sale, this should not be counted as a form of credit, but American merchants usually invested the proceeds in other ventures, wrote promissory notes to their consignors, and remitted the amount in the future. Consignment sale thus became another form of commercial credit. Third, Chinese promissory notes assumed a derivative function as a means of settlement and remittance. American merchants remitted Chinese promissory notes or English bills of exchange to their agents or creditors in Canton to settle their debts. Therefore, via the credit relationship in the Chinese-American tea trade, Chinese promissory notes and English bills of exchange linked the three continents.

The third chapter “Black Gold and White Gold” continues the investigation into the financial structure of the Chinese-American Tea Trade after the War of 1812. While Chinese promissory notes served as the major credit instrument to facilitate Americans’ tea trade with China before the War of 1812, English bills of exchange came into wide circulation after the war. This trend started in the late 1820s, when the thriving tea, opium, and cotton trade between Chinese and Anglo-Indian merchants created a market for English bills of exchange in China. Americans thus could sell cheap bills—generated in Anglo-American cotton trade—for silver in Canton and reduced their shipments of specie to China. The severe economic crisis in India from 1829 to 1835 bankrupted large numbers of British houses and eliminated merchants’ confidence in their bills. Consequently, British merchants increasingly purchased bills held by American
merchants to remit their proceeds back from Canton to India or England, as they had to deposit the hard money they earned in the treasury of the East India Company. Therefore, English bills of exchange—including bills on India (Bombay and Bengal) and England (drawn by American merchants on their London agents)—became a profitable investment and gradually replaced specie as the major American exports to Canton.
CHAPTER I. HANDS THAT SUPPLIED THE WORLD:

TEA PRODUCTION AND TRADE IN CHINA DURING THE CANTON TRADE

The word for tea exists in different forms in many languages, but their pronunciations resemble either “cha” or “ti.” In general, countries which procured tea via the overland trade with China pronounced tea as “cha,” similar to a Northern Chinese accent, while the maritime trade disseminated Southern Chinese pronunciation of tea, “te” or “ti,” to Europe and South Asia.¹ The etymology of tea indicates the global scope that this leaf traveled. Europeans constituted a significant group of participants and commenced their tea trade with China in the seventeenth century. Though the Portuguese, who had established direct trade with China by 1517, might have introduced tea to the Continent, written evidence establishes the agents of the Dutch East India Company as the first people importing tea into Europe (from Japan in 1611). Henceforth, they monopolized the supply of this commodity to Europe up until the close of seventeenth century. The English East India Company made small purchases of Chinese *thea* from Amoy (today’s Xiamen, China), Vietnam, India, and Indonesia in the 1660s, but did not establish a tea trade with Canton until 1713.² By the mid-eighteenth century, tea consumption had expanded in Britain and its colonies. After the conclusion of American Revolutionary War in 1784, the U.S. rose to become the second largest tea importer from China and supplied teas to Continental Europe.

¹ For example, “чай” in Russian, “chay” in Turkish and Arabic, “chai” in Mongolian and Persian, as well as “tsai” in Greek are all similar to a Northern Chinese accent “cha,” while “thee” in Dutch, “ti” in Italian, “tee” in German, “the” in French, “tea” in English, “tey” in Southern India, and “they” in Sri Lanka are similar to Southern Chinese pronunciation of tea. See Zongmao Chen 陈宗懋, *Zhongguo chajing* 中国茶经 (Chinese Classics of Tea) (Shanghai: Shanghai wenhua chubanshe, 1992), vol.1, 95-96.
When Anglo-Americans started to drink tea, tea making and taking in China had just finished dramatic transitions from brick tea and powdered tea to loose tea, and from green to the other kinds of tea, thus influencing the fashion of tea consumption in the Western World. Since the second century BCE, records of wild tea trees and the use of tea had abounded in Chinese historical texts, but the Chinese were not born tea drinkers. Tea production originally concentrated in Southwest China (today’s Sichuan and Yunnan provinces), spread east- and south-ward during the Qian-Han Dynasties (221 BCE-220 CE), and eventually swept the whole China during the Song period (960-1279). Tea, which had begun as a type of medicine and food, became a drink and an art embedded in Chinese popular culture. The popularity of tea arose nationally and internationally. Chinese developed a complicated tea trade system, which included specialized tea-producing regions, well-developed tea shipment routes, and tea duty and taxation system, and standardized manufacturing, packing, weighing, and marking steps for foreign tea markets. In this system, the hands of Chinese peasants, hired workers, coolies, and merchants not only supplied the world with fragrant tea leaves, but added different layers of value to these leaves with their labor, thus determining the market value of tea exported to the whole world. This chapter provides a detailed cost breakdown of the tea trade, including production, transportation, taxes and duties, as well as miscellaneous fees, before American vessels set sail for the world tea markets.

PRODUCTION

The Chinese proverb, “Pingdi sang, gaoshan cha平地桑、高山茶 (Mulberry [grows] on plains, tea in mountains),” clarifies the geographical feature of the Chinese silk and tea economy. Camellia sinensis, or tea shrubs and tea trees prefer barren land, flourish on sheltered hillside, and prosper in high temperature, frequent precipitation, and humid climate, which prevents frost
damage to tea plants, nurtures tea buds, and nourishes the aroma of tea leaves. Therefore, tea producing regions concentrated in Southern China, especially foggy mountain areas, between the 27th and 31st degrees north latitude.³

Map 1.1 Major Tea Producing Regions in China

This map shows the major tea-producing regions in China, particularly the major providers of green, black, and oolong teas to European and American markets.

Source: This map is based on the one in Ciyu Chen 陳慈玉, Jindai zhongguo chaye de fazhan yu shijieshichang 近代中國茶業的發展與世界市場 (Modern Chinese Tea Economy and the World Market) (Nan’gang, Taiwan: Zhongyang yanjiuyuan jingji yanjiusuo, 1982). Wu Junong 吳覺农 designated the above tea producing regions as tea suppliers for foreign markets, see Zongmao Chen 陳宗懋, Zhongguo chajing 中国茶经 (Chinese Classics of Tea), vol.1 (Shanghai: Shanghai wenhua chubanshe, 1992), 39-41, 95.

³ See “Xinchang nongye diaocha 新昌農業調查 (An Investigation of Xinchang Agriculture)”, in Xinchang xianzhi 新昌縣志 (Gazetteer of Xinchang County), Jin Cheng 金城, Chen She 陳畬, and Yu Hansan 俞涵三, ed., 1919; “物產 茶 吳志 (Produces-Tea, Gazetteer of Wu)”, in Qianxian sizhi 黔縣四志 (Four Gazetteers of Qian County), Wu Kejun 吳克俊 and Cheng Shoubao 程壽保, ed., vol. 3, in Jangle xianzhi 將樂縣志 (Gazetteer of Jiangle County), 1765; all of these documents are in Wu, Zhongguo difangzhi chaye lishiziliao xuanji 中国地方志 茶葉歷史資料選辑, 143. Also see Gideon Nye, Tea: And the Tea Trade. Parts First and Second (New York: Printed by G. W. Wood, 1850), 50.
Tea production, including growing tea shrubs, picking tea buds, and processing fresh leaves, demanded constant care of the tea plants but yielded small quantities of leaves. Tea growers planted tea shrubs in rows from 6 to 10 feet apart and 4 to 6 feet between the plants in the rows, thus making it easier to fertilize the soil and pick fresh leaves. Only after carefully pruning and trimming tea plants and fertilizing the soil for at least five years could tea growers start to gather tea buds or leaves to produce tea. The time for gathering fresh tea leaves depended on the particular type of tea to be processed. In general, March to May was the period to pick tea buds and tender tea leaves to produce fine green tea. Larger and harder tea leaves that matured in June to August made such black teas as Congou and Souchong. Tea picking could last up until late fall or early winter, but the best teas were definitely spring tea. Chinese literature portrays tea picking as a spectacle, in which whole households, old and little, male and female, all came out, cooperating with their neighbors to gather tea leaves into their bamboo baskets. As the protagonist of Chinese tea poems and literature, young women were always the focus of tea picking. Their graceful motions, bright dresses, and beautiful songs lightened tea harvests and poetized the tedious work.

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4 Chinese used the old unit of length to measure the distance between tea brushes and rows, which should be seven to ten chi 每叢間斷或七、八尺，丈余不等, viz. 5.6-9 feet. 1 chi = 25-30 centimeter = 0.8-09 feet. American consul Thomas J. Van Buren’s observation that tea plants were grown in 6-10 feet apart in Japan proves that tea plants were grown similarly in the two countries. See “Shihuo xia 食货下” (“Food and Goods, Part Two”), Xinchang xianzhi, in Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 141; Thomas J. Van Buren, “Agriculture in Japan,” Commercial Relations of the United States with Foreign Countries (U.S. Government Printing Office, 1882), Issues 22-26, 99.


8 See the descriptions of tea pickings in Chinese local gazetteers and literature in Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 98, 194, 216, 531 and Chen and Zhu, Zhongguo Chaye lishiziliao xuanji, 367, 392.
While tea gathering was the first step, processing tea was the most critical step of tea production. When Europeans came to the Chinese tea market, Chinese tea processing had just finished a dramatic transformation. During the Tang and Song periods, tea producers steamed fresh tea leaves and molded them into cake tea of round shape. Tea consumers ground tea cakes into powder and brewed it in tea bowls. During this period, Japanese monks introduced tea drinking to Japan; Matcha, the powdered green tea for Japanese tea ceremony, preserves this fashion of tea taking. Zhu Yuanzhang 朱元璋 (1328-1398), the first emperor of the Ming Dynasty, advocated more convenient and economical ways of processing and taking tea. Hence, Chinese started to brew loose tea leaves with tea pots and cups, a new fashion that influenced European and American tea culture.

Europeans also came after Chinese had invented the six varieties of teas—green, black, oolong, white, yellow, and dark teas. However, modern designations of teas in terms of different processing skills were not yet in use. Chinese tea names only described the species of tea shrubs or the conspicuous features of the finished products, as the authors of Xin chang xian zhi 新昌縣志 (Gazetteer of Xinchang County) wrote in 1919, “We Chinese only named, rather than classified, teas differently 吾國素來視茶只有龍涎雀舌等品名，並無所謂品種.” Chinese produced several hundreds of varieties of teas, so much so that a saying “drink tea for our whole

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9 Before the Ming Dynasty, Chinese had started to produce loose tea, which, however, was not as common as tea cakes. Chen, Zhongguo chajing, vol.1, 294-95.
10 When classifying teas produced in Xinchang County, he used the shape and color of the tea leaves, instead of tea processing skills, to distinguish them. “兹将本邑茶之种别列之于下: 一白毫尖 为茶种之特等者。叶面毫毛皆呈白色，质厚且软，味汁俱佳。二红芽茶 叶芽柔嫩致厚，且具红色，亦上品也。惟其种不繁，所睹无多耳。三起芽起 频繁，又皆柔嫩，虽采期多延数日，亦不老硬，故尚不失为佳品之目也。烟山、遁山二地所植者，多属此种。四对爿茶 是种叶芽发生，仅有二爿，同时相长，叶量较少，质亦不甚良，顾为品种之次。” See “Cha, pinlei 茶,品类 (Tea—Varieites),” Xin chang xian zhi, in Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 143.
life but fail to remember all their names” circulated among Chinese tea experts. Nevertheless, these teas fell into one of the six larger varieties. Chinese produced only green tea during the Tang period (618-907), but invented white tea during the Song dynasty (960-1279), yellow and dark teas during the Ming (1368-1644), as well as black and oolong during the Ming-Qing transition years (1620-1680), all following the processing techniques of green tea. The major difference between green, black, and oolong tea is the degree of oxidation in the fermentation process. Green tea is non-fermented, oolong is partially fermented, and black is fully fermented.

Green tea, the earliest type, is the basis of all other teas. The most critical skill to produce green tea is the first step, kill-green 殺青, which was also named “de-enzyming” or “fixing,” for its aim is to halt the oxidative browning of tea leaves. Whether being steamed, pan fired, sun dried, or baked, fresh tea leaves need to be heated to over 158 degrees Fahrenheit (70 degrees Celsius) to denature the enzymes responsible for oxidation. Chinese largely produced steamed green tea during the Tang-Song period and thus influenced tea production in Japan. Pan-fired green tea triumphed over steamed green tea during the Ming Dynasty and later became the major type of green tea available in the Euro-American tea market.

The two types of black tea invented by Chinese, Souchong and Congou, required at least four basic steps in processing—withering, rolling, fermenting, and drying, fermenting being the most critical step that makes tea black. After picking and sorting tea leaves of the similar age and tenderness, tea workers placed fresh leaves in open air to dehydrate and soften them and then put them in piles for fermentation, a step that involves a chemical change to oxidize the catechins in tea polyphenols into theaflavins or thearubigins, thus changing the taste and color of dried tea.

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11 Chen, Zhongguo chajing, vol.1, 95, 290.
and directly contributing to the astringency and red tone of the tea soup.\textsuperscript{16} After the British introduced Chinese tea processing techniques into India and Ceylon and mechanized their tea industry, a new type of black tea, CTC tea, emerged. This crushed, torn, and curled black tea, usually contained in tea bags, had become the most consumed tea in the world since the late nineteenth century.\textsuperscript{17}

Tea producers in Fujian, Guangdong, and Taiwan areas complicated the processing skills of green and black teas to invent oolong tea.\textsuperscript{18} Oolongs are a type of tea between greens and blacks; the most critical step, the “tossing in basket 搖青” to partially oxidize withered tea leaves, determined its feature. After withering, cycles of shaking and resting bruise and oxidize the margin of tea leaves but leave the major part of the leaf unoxidized, so traditional Chinese oolongs are ideally green leaves with red margins. Moreover, similar to green tea, oolong tea has to go through the pan-firing process but only after tossing, thus halting oxidization and heightening the aroma of dried tea leaves.\textsuperscript{19} Oolongs also have many sub-categories, determined by the times of tossing and the degree of oxidation. Generally speaking, oolongs produced in Fujian was 30\% oxidized, more resembling green tea, while those in Formosa, the major exporter to the United States in the late nineteenth century, were 70\% oxidized, more akin to black tea while steeped.\textsuperscript{20}

European and American merchants purchased only a few out of hundreds of varieties of teas. In 1801, Sullivan Dorr, an American merchant, came to Canton and recorded the varieties of teas exported to the Euro-American market, including black teas, such as Pakhoo (Pecco), Pouchong (Powechong), different ranks of Souchong, Campoi, Congo, and Anki (e); greens such

\textsuperscript{17} Ibid, vol.1, 312.
\textsuperscript{18} The production of oolongs was confined to the three regions. See ibid, vol.1, 314.
\textsuperscript{19} Ibid, vol.2, 372.
as different ranks of Hyson, Hyson Skin, Gunpowder, and Singlo, as well as such flower tea as Chulon Hyson (Imperial). Blended teas, a mixture of Souchong with various blacks, were also common to foreign tea merchants.\(^{21}\) In the 1850s, the varieties of teas in American tea market remained basically the same, with oolong added to the list of blacks and Twankay to that of greens.\(^{22}\) Realizing the confusion of the classification of teas to foreign dealers and consumers, Dorr compared Chinese teas to American tobaccos.

An American can form some idea of qualities of Teas, or why they should differ in that point by considering how various the qualities of Tobacco is, produced in the several states in America, in fact if I mistake not the harshness or strength of one kind of Tobacco is qualified by mixing that of another kind for the end intended, so it is with Teas in China, for instance one fourth Pakhoo mix’d with three fourths Souchong gives it an excellent taste or flavour.\(^{23}\) Chinese preferences to teas directly contributed to the varieties of teas popular in the Euro-American tea market. During the seventeenth century, Wuyi tea, black and oolong teas produced in Wuyi mountain area of Fujian province, came into fashion among Chinese elites.\(^{24}\) As the authors of *Qingjiang xianzhi* 清江縣志 (*Gazetteer of Qingjiang County*) noticed, by the mid-seventeenth century, “most of the prominent families [in Qingjiang County, Jiangxi Province] had used Wuyi tea from Fujian 邑大家多用闽武夷茶.”\(^{25}\) In *Guitian suoji* 歸田瑣記 (*Trivial Records of Return to Fields*), Liang Zhangju 梁章鉅 (1775–1849) wrote, “Ancient Chinese neither preferred Wuyi tea nor commanded its firing processing skills. Only until very


\(^{24}\) *Wuyi* only indicates the origin, rather than the variety, of the teas. Wang Caotang 王草堂’s *Chashuo* 茶說 (*A Treatise on Tea*) is considered as the earliest record of oolong, but he just used the term *wuyi* to refer to this new type of tea. Local Chinese might use this term to distinguish the darker teas from the more common green tea. Over time, distinctions between black and oolongs are separately traded. Wang Caotang 王草堂, *Chashuo* 茶說, in Chen, *Zhongguo chajing*, vol. 1, 290-300.

\(^{25}\) “Tuchan 土产 (Local Produce)”, Qin Yong 秦镛, *Qingjiang xianzhi* 清江縣志 (*Gazetteer of Qingjiang County*), vol. 3, in Wu, *Zhongguo difangzhi chaye lishiziliao xuanji*, 293.
recent did Wuyi tea as fashion swept the whole China. Foreign vessels also annually imported this tea from Eastern Canton其实古人品茶，初不重武夷，亦不精焙法也。……沿至近日，则武夷之茶，不胫而走四方，且粤东岁运蕃舶，通志外夷。” Wu26 thus became the most famous tea and tea-producing regions among the Englishmen, who first imported green tea and later replaced it with Bohea.27 Bohea, the Fujianese pronunciation of wuyi, thus became a blanket name in English for all black teas.28 The Tea Act of 1773 included “to increase the deposit on bohea tea to be sold at the India Company’s sales” in its long, full title, indicating the popularity of Bohea in Britain and its colonies. However, the Bohea was not any kind of the fine Wuyi teas for the wealthy Chinese, but the cheap one for poor households, known as Da cha 大茶 (large tea), or a blended one mixed with inferior teas.29 Despite being in vogue for a while, Bohea had become the synonym of black teas of the lowest quality and had been driven out of Euro-Americans’ parlors by the mid-nineteenth century.30

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27 Thomas Short, A Dissertation Upon Tea (London: Printed by W. Bowyer, for Fletcher Gyles over-against Gray's-Inn in Holborn, 1730), 13. However, writing in the mid-nineteenth century, R. B. Forbes claimed that black tea was first introduced into England from Holland in 1616, while green tea was introduced there in about 1715. See R.B. Forbes, Remarks on China and the China Trade (Boston: Samuel N. Dickinson, 1844), 21-22.
29 Nye, Tea: And the Tea Trade, 51; Sullivan Dorr observed that Bohea was a type of blended tea with Congo, Confu, Woping and Canton tea. “Moee or Bohea. Formerly was composed of Congo & Confu. Bohea is the European name: it is now very much adulterated and is made up of inferior Congo or Confu, Whoping, a very inferior tea used by the poor people, as well as Canton tea a shrub used by the Coolys.” See “Canton, China, May 2 1801,” Dorr’s 1801 Canton, China Memo. Book 1809-1812 in Sullivan Dorr Papers, 1799-1852, RIHS. However, Bohea was not Congo, but some merchants sold it as a cheap Congou. “Bohea Tea, as has been already observed, is composed of three distinct sorts, viz. large and small leaves, and a quantity of dust. –This Tea is generally sifted, the largest leaves of which are denominated the Congou leaf; these are often sold as a cheap Congou, and as often mixed with Congou to compose an assortment of price.” Philanthropus, The Lady & Gentleman’s Tea-Table and Useful Companion, In the Knowledge and Choice of Teas (London: J..C. Kelly, Houndsditch, 1818), 27, Library Company of Philadelphia (hereafter cited as LCP). Moreover, Bohea blended with Woping made “Canton Bohea”: Wo-ping teas are so called from a district of that name in Canton province, and when mixed with Bohea form "Canton Bohea.” See Nye, Tea: And the Tea Trade, 51-52.
30 Nye, Tea: And the Tea Trade, 51.
The finest teas never reached European and American markets. Wealthy Chinese had paid high prices for the finest teas before they were available to foreign merchants. Moreover, the flavor of the top-quality teas was too delicate to bear four or five months’ shipment.  

For example, Unki or Anki was “a very good tea to use immediately, but will not do to transport from China because it looses [sic] its flavour [sic] or quality.”  

Young Hyson, the once most popular tea in the U.S., was no the best either, because the “very delicacy and tenderness of the leaves render their successful exportation impracticable.” The Atlanta Constitution wrote, “They more readily lose their delicate flavor by a long sea voyage than the older and coarser ones; so that, outside of China, we rarely get a taste of real aromatic Young Hyson.”  

Souchong, one of the most popular black teas in European and American markets, was also a lower rank of Wuyi black tea than such descriptions as Qizhong 奇種 and Mingzhong 名種.  

The annual export to European and American markets was between 13,118,293 and 44,406,000 pounds before 1810, a considerable amount that had to be produced by Chinese manual labor (see chart 1.1). The annual tea exports to European and American markets required 121,000-411,000 tea workers to finish the task (see appendix I). The prerequisite for tea production, therefore, was an abundance of cheap but skilled labor, which featured Chinese economy but hindered domestic tea production in the United States in the nineteenth century.

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34 Liang Zhangju, Guitian suoji 归田瑣記 (Trivial Records of Return to Fields), in Chen and Zhu, Zhongguo chaye lishiziliao xuanji, 402-3.
Historians, such as Ciyu Chen and Robert Gardella, have simplified Chinese tea economy as a mode of small-peasant production and supplementary to agriculture.\(^{35}\) This argument repeats Chinese scholar elite’s emphasis on agricultural economy as the basis of Chinese society in the eighteenth and nineteenth century. “Farming is the principal, while tea producing is subsidiary,” Lao Shiyuan 劳世沅 wrote in *Xingjing xianzhi* 荥經縣志 (*Gazetteer of Xingjing County*) in 1745.\(^{36}\) It also echoes the late nineteenth-century portrayal of a primitive mode of tea production in China, as a stark contrast with the centralized tea economy in India and Ceylon, and makes it easier to explain the decline of China tea trade. English magazines published in the late nineteenth century largely contributed to this image, together with abundant depictions of other flaws of Chinese tea production, which well served their purpose to promote Indian and Ceylon teas in world market.\(^{37}\) It is true that tea cultivation prospered in areas with limited arable land. Many well-known tea producing regions were less developed in agricultural economy, such as Qimen 祁門 (Keemun), Anhui province, the major region famous for wealthy tea merchants and top-quality teas, which were blended with Indian and Ceylon black teas to make the English breakfast tea. The *Qimen xianzhi* 祁門縣志 (*Gazetteer of Qimen County*) emphasized that “this region in Anhui Province has more mountain areas and less farms, so inhabitants have been living upon tea cultivation for generations 徽屬山

\(^{35}\) Though Gardella mentions the role of processing firms (*chazhuang* 茶莊) in China’s tea production, he still emphasizes that Chinese tea producers were petty tea peasants. See Robert Gardella, *Harvesting Mountains: Fujian and the China Tea Trade, 1757-1937* (Berkeley: University of California Press, 1994), 45. Ciyu Chen argues that tea economy was complementary to agriculture 茶業雖為農家副業, though she also admits that the decline of Chinese tea trade in the late nineteenth century also led to the shrinking population in Wuyi mountain, which indicates that tea production was the dominant economy in Wuyi mountain area. See Ciyu Chen 陳慈玉, *Jindai zhongguo chaye de fazhan yu shijieshichang* 近代中國茶業的發展與世界市場 (Nan’gang, Taiwan: Zhongyang yanjiuyuan jingji yanjiusuo, 1982), 41.

\(^{36}\) *Xingjing xianzhi* 荥经县志 (*Gazetteer of Xingjing County*), 1745, in Wu, *Zhongguo difangzhi chaye liishiziliao xuanji*, 683.

多田少，居民恒借養茶為生。”

Tea cultivation also facilitated the utilization of farmland and agricultural economy. In Rui’an, Zhejiang Province, peasants intercropped rice with tea, mulberry, vegetable, and other cash crops on sterile soil to maximize the utility of the land.

However, this depiction oversimplifies the nature of Chinese tea economy, particularly the foreign tea trade, which involved not only peasants but also tea merchants, firms, and hired workers.

![Chart 1.1 China's Tea Exports to Europe and America, 1767-1810](chart)


The Chinese tea trade with Euro-American merchants, sustained by tea Hongs and hired workers, was by no means a small-peasant economy. Tea merchants with abundant capital had entered tea mountains to undertake large-scale tea production. In Daxi, Fujian province, most of

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39 “Yudizhi fengsu minshi 輿地志 風俗 民事 (Gazetteer of Geography-Custom-Civil Affairs),” *Rui’an xianzhi 瑞安縣志 (Gazetteer of Rui’an County)*, Chen Yongqing 陳永清 and Wu Qingyun 吳慶雲 ed., 1749, vol. 1, in Wu, *Zhongguo chaye difangzhi lishiziliao xuanji*, 159.
the merchants came from Tingzhou, Canton, Quanzhou and Yongan.\textsuperscript{40} Jianyang and Chongan, tea-producing centers in the Wuyi mountain, welcomed many itinerant merchants (僑居山佃 \textit{Qiaoju shandian} or 客商 \textit{keshang}). As “tea-hong owners [in Wuyi mountain] were all itinerant merchants 蓋工作列肆，皆他方人,” the prosperous tea economy failed to benefit local farmers, who only got rent for their land.\textsuperscript{41} In fear of the large sum of compensations owed to their tenants, it was even impossible for the farmers to withdraw from the rental business.\textsuperscript{42} Tea Hongs also hired tea workers and specialists, instead of local peasants, to shoulder the tasks of picking, processing, and sorting tea. As early as the 1830s, Liang Yu 梁舆, the author of the \textit{Jianyang xianzhi} 建陽縣志 (\textit{Gazetteer of Jianyang County}), had noticed that at Jian’an, the major tea-producing region south of Wuyi mountain, Fujian Province, “tea factories spread widely and hired large number of migrant laborers to pick tea in Spring 又茶山袤延百十里，寮廠林立，當春採摘時，召集外間遊民甚眾.”\textsuperscript{43} Many of these laborers came from Tingzhou, Fujian province, or Northwest Jiangxi, where fertile soil for farming was scarce; they had to pick tea in Fujian to earn a living. In 1851, the British Consul at Fuzhou noticed two to three hundred migrant workers coming to Fuzhou in spring and returning to Jiangxi in summer. They made about 30 dollars for a half years’ ordinary work in Northern Fujian, whereas skilled tea specialists from Anxi and Quanzhou earned up to 70 dollars a season.\textsuperscript{44} The high economic returns of tea trade also stimulated the growth of female tea laborers in Hunan Province. In Liling County, Hunan Province, female workers were able to “make a considerable amount of

\begin{thebibliography}{99}

\bibitem{Baodi} Bian Baodi 卞寶第, \textit{Minqiaoxiaoxuanlu} 閩嶠輶軒錄, 1869, in Chen and Zhu, \textit{Zhongguo chaye lishiziliao xuanji}, 413-14.

\bibitem{juanzhi} “Juan zhi yi fengsu 卷之一 風俗 (Vol.1 Custom),” \textit{Chong’an xianzhi 崇安縣志} (\textit{Gazetteer of Chong’an County}), Wu Daming 魏大名 ed., in Wu, \textit{Zhongguo chaye difangzhi lishiziliao xuanji}, 322.


\bibitem{gardella} Gardella, \textit{Harvesting Mountains: Fujian and the China Tea Trade, 1757-1937}, 43-44.
\end{thebibliography}
extra money [by sorting teas] 多資余潤.” In Pingjiang County of Hunan Province, over 20,000 women from humble households worked together for several dozen local tea shops. Therefore, Chinese tea economy was more complicated than a small-peasant mode of production.

TRANSPORTATION

Tea Hongs not only funded tea production in interior China, but also tea shipments to major port cities. The several means of transportation, overland, river, and sea routes, intertwined, as *Chongyang xianzhi* 崇陽縣志 (*Gazetteer of Chongyang County*) noted, in Hubei in 1866, with tea merchants flooding in, “boats and coolies weaved a network across river and land routes 舟車肩挑，水陸相織.” By the mid-eighteenth century, quite a few merchants had taken the sea route—transporting tea to Shanghai and then distributed it to other port cities—to expedient tea shipment and reduce the cost the of trade. During Qianlong’s and Jiaqing’s reign (the latter eighteenth century), Qing government once prohibited sea transportation, but lifted the ban very quickly, due to the large demand for tea in the North and the low cost of this means of transportation.

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47 Joseph Archer mentioned the unopened green tea market in November due to the lack of water in the Canals, revealing the importance of Canal to tea shipment from tea-producing to -trading areas in the 1830s. “Joseph Archer to John Crea,” November 8th 1833, *Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833*, Historical Society of Pennsylvania; *Qingshi gao*, 978.
49 *Qingshi gao*, 978; Zhong, *Chaye yu yapian*, 49.
Poyang Lake and Gan River were the hubs of the tea routes. Green teas—various Hysons, Singlo, and Twankay—from Songluo hills in Anhui Province moved northeast to Suzhou, Hangzhou, and upriver to Changshan, where coolies carried teas across the mountains into Jiangsu Province and down the river on boats to Poyang Lake and moved up the Gan River in flatboats. Dragged through the shallow water to the foot of the Meiling, coolies then hoisted the chests onto their backs and carried them down to the Bei River. From there, boats carried these five to eight hundred chests of teas downstream to Canton. Black teas concentrated in Wuyi mountain, Fujian. Tea Hongs loaded small boats with well-packed tea from Xingcun to Chongan County, where coolies carried one or two tea chests, climbing over the Wuyi mountain on the boundary between Fujian and Jiangxi and arriving at Qianshan, Jiangxi, with average eight days. From there, small boats carrying about 22 chests of tea sailed to Hekou and then larger boats

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would be loaded with approximately two hundred chests of these teas, sailing to Poyang Lake, where the two branches of green and black teas met. From there the boats loaded with chests of tea sailed upriver along Gan River, to Nan’an, Meiling, Nanxiong, Shaozhou, and, along Bei River and Pearl River, to Canton.\textsuperscript{51} This voyage from the producing region in Wuyi mountain to the market, Canton, took about fifty to sixty days.

With unique tools and established tea routes, coolies shouldered the transportation of tea overland. Based on the different qualities of teas, coolies carried them in different manner. For tea of a common kind, coolies carried two chests slung over his shoulders on a bamboo pole. When they rested, they put the chests on the ground, which was often dirty and wet, so such teas were easy to get soiled (see image 1.1). By contrast, if they carried finest teas, which never should touch the ground, they would carry them upon their shoulders, with two bamboos lashed firmly to the chest and their heads in between. They also lash a small piece of wood under the chest to give it a good seat. When they need rest, they could place “the ends of the bamboos upon the ground, and [raise] them to a perpendicular. The whole weight now rests upon the ground and can be kept in this position without much exertion”\textsuperscript{52} (see image 1.2). Tea transportation hired a considerable population of tea coolies. When sea routes replaced this overland route after other treaty ports than Canton were open in the mid-nineteenth century, tens of thousands of coolies petitioned for the continuing use of this tea route.\textsuperscript{53} To protect these coolies on the established tea routes, a local official in Yushan County, Jiangxi Province attempted to stop tea dealers from shifting from Canton to Shanghai, the newly opened treaty port, and produced panic among foreign tea merchants. This local official was prosecuted by Qing government and the

unemployed tea coolies later constituted the mainstay of the Taiping Rebellion (1850-1864), thus implying the large number of people living upon this work and this trade.\(^5\)

Image 1.1 Mode of Carrying Common Tea


Image 1.2 Mode of Carrying the Finest Tea

Source: Ibid.

**TAXATION**

The *chayin* system monitored and taxed domestic tea shipments, thus adding another layer of cost to the teas loaded onto foreign vessels. *Chayin* 茶引, or tea license, was a

\(^5\) Qingcheng Wang 王庆成, *Xijian qingshi shiliao yu kaoshi 稀见清世史料与考释 (A Collection and Interpretation of Rare Historical Documents of the Qing Dynasty)* (Wuhan: Wuhan chubanshe, 1998), 25.
certification of legal tea trade. Starting as a measure to monopolize the tea economy after tea had become a national beverage during the Song period, the central government issued licenses to businessmen in the official tea trade. This monopoly loosened after the downfall of the Song and the subsequent governments allowed licensed merchants to trade freely and directly with tea growers, rather than the government. Henceforth, the chayin evolved into a taxation system. *Yin* was a unit of weight that represented one hundred *jin* (133.3 pounds) of tea and the base of tax.\(^{55}\)

The Qing central government distributed a fixed amount of chayin to each tea-producing region, a quota system also enabled to central government to oversee tea growing and trading regions, control the amount of teas on open market, and stabilize the annual revenue from the tea tax.\(^{56}\)

Tea dealers had to present chayin to native custom officials. In 1685, Emperor Kangxi ordered four Customs to open in Jiangsu, Zhejiang, Fujian, and Guangdong. Henceforth, native customs, named Changguan 常關, had dispersed in interior China at key points on river and sea routes, charging duties on passing vessels and commodities.\(^{57}\) For example, Ganzhou and Shaozhou were the two joint points for all the tea routes, so two customs were located there.

Teas moved down the small rivers into Poyang Lake, where first duties were collected. About

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\(^{55}\) This amount might vary by regions and periods, since different sources recorded different rates. From the 1730s, Qing government levied tea taxes based upon the chayin system. The tax rate was 0.000049 tael (四絲九忽零) per yin at the beginning and later increased to 0.00125 liang (一釐二毫五絲). In the 1860s the rate was 0.2 tael (二錢 ). See Wu Zhaoshen 吳兆莘, *Zhongguo shuizhi shi* 中國稅制史 (History of Taxation in China) (Beijing: Shangwu yinshuguan, 1937), vol. 2, 107. In Zhejiang Province in the 1730s, the tax rate was 0.02938 tael (二分九厘三毫八絲), see Wu, *Zhongguo defangzhi chaye lishiziliao xuanji*, 50. The tax rate was over 0.3 tael (三錢) in Anhui Province. See “Miscellaneous Taxes” (‘杂课’), in *Chongxiu Anhui tongzhi* 重修安徽通志 (The New Gazetteer of Anhui), Shen Baozhen 沈葆楨, He Shaoji 何绍基, Yang Yisun 杨沂孙 ed., 1878, in Wu, *Zhongguo defangzhi chaye lishiziliao xuanji*, 198. According to Chen, the tax per yin was little less than 1.5 tael, while in the late nineteenth century, Zeng Guofan charged over 2.48 tael (二兩四錢八分) on one yin of tea. See Chen, *Jindai zhongguo chaye de fazhan yu shijieshichang*, 33. As to the Chinese unit of weight, see Quincy, *The Journals of Major Samuel Shaw*, 175; John Kersey, *A New English Dictionary* (London: printed for Robert Knaplock, at the Bishop’s Head, and R. and J. Bonwicke, at the Red Lion, in St. Paul’s Church-Yard, 1713), 276.


\(^{57}\) After the Opium Wars, new treaty ports saw the establishment of new customs managed by foreign officials, which Chinese named hai guan 海關 (maritime custom), yang guan 洋關 (foreign custom), or xing guan 新關 (new custom), to distinguish between the native ones. See Wu, *Zhongguo shuizhi shi*, vol.2, 64.
seven native customs awaited them along the route; all charged tariffs. The collections were sent to hubu 户部 (Ministry of Revenue) or gongbu 工部 (Ministry of Public Works).

Teas purchased with chayin were official tea 官茶 or legal tea that were able to pass these customs, while teas without could only be traded locally without passing local customs. Fujian and Guangdong, the major tea-producing regions for foreign markets, were not restricted by the chayin system until 1853. Even after the Qing government mandated tea merchants to apply for chayin and taxed teas grown in Fujian Province, tea dealers managed to circumvent local customs in Fujian, Guangdong, Zhejiang, and Jiangxi, particularly during the Taiping Rebellion, thus partially leading to military officials’ reform on tea taxation in the latter nineteenth century. The tea taxation system started to change in the mid-nineteenth century when the Taiping Rebellion exploded, with growing military expenditures brought by internal rebellions and international conflicts. To generate more revenue to support the military, the Qing government levied tea taxes on Fujian and Taiwan—two important tea trade regions outside the battlefields with Taiping rebels—and imposed lijin 穀金 (linkin) and junxiang juan 軍餉捐 (Military provisions tax) on the tea trade along the Yangzi River, within the reach of the Taiping rebels. Lijin was a form of tax resembled duties, imposed on teas that passed a particular linkin station, but regional variations complicated this system. Some bureaus charged it based upon the weight of the teas while others based on the prices. The rates of linkin also differed in different regions. These duties and taxes augmented the cost of the tea trade and raised the prices of the teas, particularly the greens teas from areas outside Fujian, for foreign merchants.

58 Downs, The Golden Ghetto, 70.
59 “Shihuo xia fushui xia 食貨 賦稅下 (Food and Goods, Taxation),” Daqing huidian 大清會典, in Ling, Zhongguo chashui jianzhi, 105.
60 Ling, Zhongguo chashui jianzhi, 105.
61 By treaties signed after the Opium War, foreign merchants imported tea for export from any interior market free of charges en route, paying only the transit dues. However, for the upcountry system, teas were not regarded as
Despite the stereotype of a hard-money system or a silverized economy in China, large tea merchants seldom paid the duties and taxes with cash. Instead, the bills and receipts from the Department of Treasury served as both a proof of official tea trade and a form of governmental credit for tax payment. At the beginning of each tea season, the Treasury Department issued baopiao 報票 to tea dealers who had large and wealthy Hongs as their guarantors. At the first custom on their way to the tea market, custom staffs clarified the weight of the teas, based upon the number of chayin they had applied for, and the amount of taxes that they were supposed to pay on the baopiao. Tea dealers presented them to subsequent local customs as a proof of legal tea trade. In Anhui province, local customs each had a roster of tea merchants and the number of the chayin held by each of them, thus expediting the inspecting and certificating process. In April or May, Department of Treasury sent agents to collect the unpaid duties from chayin holders or, if unsuccessful, from their guarantors. Therefore, all the large tea Hongs used baopiao to pay their duties and local customs annually collected only several hundred tael silver (about several hundred dollars) from petty peasants. Therefore, though the Qing Laws clarified the exchange rates of various standards and forms of money, this was not a real problem haunting the Department and the customs. This tea taxation system, therefore, produced two lines of credit for Chinese tea dealers. Baopiao functioned as government’s interest-free loans, as financially troubled Hongs diverted their funds for other uses during the twelve months. Through export until it reached Fuzhou, so tea hangs purchased teas from the interior for foreign merchants still had to pay all the interior taxes. Moreover, transit fees were higher from Wuyi area to Fuzhou than that from Jiangxi to Jiujiang. See Qingshi gao, 978; Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 76; Ling, Zhongguo chashui jianshi, 116, 124; Thomas P. Lyons, China Maritime Customs and China’s Trade Statistics, 1859-1948 (N.Y., Trumansburg: Willow Creek Press, 2003), 21; Chen, Jindai zhongguo chaye de fazhan yu shijieshichang, 35.}

62 Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 177.


64 Wang Que 王確, “Chouyi minsheng chanchagexian qing jiudi jichao zhengshou zhengshou zhangcheng (Suggestions on Local Issuing of Tea Licenses to Tea Producing Counties in Fujian Province),” 1852, in Chen, Jindai zhongguo chaye de fazhan yu shijieshichang, 34.
報票, the *chayin* and *baopiao* also produced a private credit market in China. Merchants in economic difficulties could sell the paper devices and the privilege of the official tea trade to a third party at a discount, in exchange for a considerable amount of money to pay off their unpaid duties and taxes.65

**MANUFACTURING**

Tea workers, coolies, and domestic tea dealers only furnished tea with the first layers of value. Manufacturing—reprocessing and packing crude teas by tea Hongs in interior regions or port cities for European and American markets—directly contributed to the market value of the teas. In the late nineteenth century, Liu Shiying 劉世英 noticed that tea peasants in districts and counties of Fujian usually packed “fine teas in tin containers or wooden chests. Every chest weighed 50 *jin* (about 66.5 pounds). Purchased at the price of 10 tael (about 13.9 dollars) per chest, tea Hongs at Fujian Province would re-process the teas 好茶入錫甁, 或木匣錫里, 名曰箱. 每箱五十斤, 價銀十兩, 到省從新作過.”66 Local tea producers or Hongs picked and packed crude teas for Canton in chops of 100-1,000 chests, marked with the name of the makers, the district of tea growth, the variety and age of the tree, the date of processing, and the quality of the leaf.67 Tea manufacturers had the tea leaves “passed through sieves of different sizes before their quality is determined” and their judgement “in selecting and sorting, and the skill of his workmen in firing or tatching the leaf, is of the first consequence.”68

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68 Ibid, 51-52.
Euro-Americans’ special demand for teas rendered this manufacturing process necessary. Chinese tea Hongs needed to over-fire black teas to cater to foreign tea consumers, as the finest teas for Chinese would lose their flavor after five or six-month stowage in the hot and humid vessel cabin. Nevertheless, high-dried superior black teas, packed in air-tight tin cases, could be preserved for one or two years. However, this processing step injured the quality and the aroma of teas; merchants regarded the teas exported to Russia by land or river carriage better than those into England owing to the leaf of being less fired.\(^69\) However, this had been a customary practice to guarantee the quality of black teas sailing across the oceans.

Manufacturing green teas specifically for foreign markets involved dyeing. Colored teas made Chinese green tea notorious in the late nineteenth century, but this had been commonly accepted by the mid-nineteenth century, out of Western consumers’ misunderstandings of green tea. Amazed by the color of green tea but ignorant of tea processing skills and the scientific knowledge behind it, Western tea consumers had the “notion that green tea is not green unless it is very green.”\(^70\) They first speculated that Chinese roasted fresh leaves on copper plates, thus giving it the green color and sharp taste, though Chinese, in fact, fired tea in iron pans.\(^71\) This speculation started as early as the mid-eighteenth century. “Some entertain a notion, that the Chinese use art to heighten the color of green tea; and that a degree of verdegrease [sic] is employed for this purpose,” Jonas Hanway wrote, “I cannot say I believe it, yet we must not be surprized if this should be ever proved, … I have often thought I tasted copper in green tea; and,

\(^69\) Ibid, 52. American Consul, Thomas J. Van Buren, also observed that preparing green tea for the foreign market in Japan also required more firing to make teas dry enough to ship overseas; one-thirtieth of the weight would further shrink after its was first processed. See Van Buren, “Agriculture in Japan,” Commercial Relations of the United States with Foreign Countries, 99.
\(^70\) “GREEN TEA AND BLACK TEA,” Water-Cure Journal (1845-1861); November 1, 1848, 128, APS Online.
\(^71\) Ibid. Sullivan Dorr, an American merchant in Canton, also mentioned that Chinese cured green teas on iron plates. See “Canton, China, May 2 1801,” Dorr’s 1801 Canton, China Memo. Book in Sullivan Dorr Papers, 1799-1852, RIHS.
I am sure I have received a noxious aliment.”72 This misunderstanding of green tea led Chinese to dye green tea for foreign tea market. “People in England and America don't like the green tea such as the Chinese use, and won't buy it,”73 Water-Cure Journal noticed this demand-supply mechanism in determining Chinese tea manufacturing, “I have been told that little green tea goes to the United States, that has not more or less of prussian blue, or some other drug, added to give it a higher color.”74

Dying tea with Prussian Blue, a pigment invented in Prussia at the beginning of the eighteenth century to dye the uniform coats of the Prussian Army, was the common practice, which crystalized the influence of transcultural communication on tea production and consumption, though in a displeasing way. After Western painters introduced Prussian Blue to Canton, Chinese started to apply it to tea manufacturing as late as the latter eighteenth century. During the mid-eighteenth century, Hanway criticized Chinese using verdigris to dye green tea and Japan earth to dye Bohea, but never mentioned the usage of Prussian Blue. In 1801, when Sullivan Dorr, a merchant of Providence, came to Canton, he had noticed that “sometimes Prussian blue is blown or dusted into green teas to give them a colour [sic], it is of late they do it with the view of cheating, particularly, in old green Teas.”75 Apparently, Dorr and other merchants in the late eighteenth century did not regard dying as cheating unless it was used to reprocess old green teas.

Cheating, however, was unavoidable, particularly when new teas were scarce or expensive. Both Chinese and American merchants reprocessed old teas or mixed manufactured

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73 “GREEN TEA AND BLACK TEA,” Water-Cure Journal, 128.
74 Ibid.
teas in Canton with those from interior regions for export. In 1811, John P. Cushing reported to Edward Carrington that an American named Bull was “extremely busy in the purchase & painting of Young Hysons & cursing old Milun for not coming out to relieve him.” 76 He was not alone in doing this, as “all the young hyson that was not over five years old has been purchased up & refined & new painted, so that you can calculate pretty well what the quality will be.” 77 During 1843 and 1844, the short supply of green teas drove tea prices to rise 10-30%. Merchants had to mix Canton-made teas with genuine country teas to meet the demand for exported teas. 78

Packing teas for export was the next step of tea manufacturing, an already standardized process in China’s foreign tea trade, to augment the market value of teas. Tea Hongs packed their teas “in wooden chests lined with sheet lead, and all the clifts [sic.] stopped with paper and broad brushes, to prevent the least quantity of air from entering. In this state the Tea will be preserved for several years.” 79 These wooden tea chests for foreign markets was standard in size and weight. During the adventure to Canton in 1791, Jonathan Donnison, Captain of American ship General Washington, detailed the measuring of the tea chests for Hyson, Hyson, Bohea, and Souchong teas in his account book. Despite slight differences, these tea chests adopt standard sizes (see table 1.1). Their weight was also standardized. The account books of Dunli Hong 敦立行, a Hong established by a Cantonese to trade with English and American merchants in Shanghai, detailed their tea exports in 1844, all of which were in tea chests of approximately 40 jin. 80 Jian’ou xianzhi 建甌縣志 (Gazetteer of Jian’ou County) recorded that by the 1850s, Fuzhou local officials had set the standard for tea chests, which contained 60 jin teas,

76 “John P. Cushing to Edward Carrington,” November 15 1811, Carrington Papers, 1798-1911, Box 10, Folder 2, RIHS.
77 Ibid.
78 Nye, Tea: And the Tea Trade, 28-9.
79 Philanthropus, The Lady & Gentleman’s Tea-Table and Useful Companion, 7-9.
80 Wang, Xijian qingshi shiliao yu kaoshi, 27.
(approximately 80 pounds). The records of English sources help trace the practice of standardized tea chests to the early nineteenth century (see table 1.2 and 1.3). In 1821, Robert Waln, a Philadelphia merchant, observed that “Chest Bohea usually weighs from 380 to 390 lbs.: the tare is from 56 to 60 lbs., nt. Weight from 324 to 330.”

Table 1.1 Measuring of Tea Chests, 1790

<table>
<thead>
<tr>
<th>Variety of Tea</th>
<th>Length (feet)</th>
<th>Breadth (feet)</th>
<th>Depth (feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chest of Hyson or Hyson Skin</td>
<td>1'9</td>
<td>1'6</td>
<td>1'2</td>
</tr>
<tr>
<td>Half Chest of Hyson Tea</td>
<td>1'3 ½</td>
<td>1'2 ½</td>
<td>1'2</td>
</tr>
<tr>
<td>Half Chest of Hyson Tea</td>
<td>1'4 ½</td>
<td>1'4 ½</td>
<td>1'4 ½</td>
</tr>
<tr>
<td>Chest of Hyson Tea</td>
<td>2'9 ½</td>
<td>1'6</td>
<td>1'6</td>
</tr>
<tr>
<td>Half Chests of Bohea Tea</td>
<td>2'10</td>
<td>2'00</td>
<td>1'3 ½</td>
</tr>
<tr>
<td>Chest of Souchong Tea</td>
<td>1'5</td>
<td>1'4</td>
<td>1'1</td>
</tr>
<tr>
<td>Chest of Souchong Tea</td>
<td>1'5</td>
<td>1'4</td>
<td>1'3</td>
</tr>
<tr>
<td>Chest of Soushong Tea</td>
<td>1'5</td>
<td>1'4</td>
<td>1'0 ½</td>
</tr>
<tr>
<td>Half Chest of Tea</td>
<td>1'1/2</td>
<td>1'1/2</td>
<td>1'0</td>
</tr>
</tbody>
</table>


Table 1.2 The Average Weight of Tea Chests, 1818

<table>
<thead>
<tr>
<th>Variety of Tea</th>
<th>Weight per Chest (jin)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bohea</td>
<td>277</td>
</tr>
<tr>
<td>Congou</td>
<td>67</td>
</tr>
<tr>
<td>Souchong, Campoi</td>
<td>58</td>
</tr>
<tr>
<td>Twankay</td>
<td>62</td>
</tr>
<tr>
<td>Hyson, Hyson Skin</td>
<td>51</td>
</tr>
</tbody>
</table>

This table converts the weights in pounds into jin.


Table 1.3 The Weight of Tea Chests, 1824

<table>
<thead>
<tr>
<th>Variety of Tea</th>
<th>Net Weight per Chest (jin)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bohea</td>
<td>138</td>
</tr>
<tr>
<td>Half Chest</td>
<td>84</td>
</tr>
<tr>
<td>Quarter Chest</td>
<td>44</td>
</tr>
<tr>
<td>Congou</td>
<td>63-62</td>
</tr>
</tbody>
</table>

81 Chen, Jindai zhongguo chaye de fazhan yu shijieshichang, 78.
Standardization facilitated stowage on ocean-going vessels to manage limited space in the cabin efficiently and thus minimized the cost of the tea trade. “Voyages like the present are attended with great expence,” Daniel Parker, owner of the ship Empress of China, instructed Captain John Green, “it is therefore highly important to the Owners to make use of all the room in the Ship which can with any convenience be stowed.”  

Exploiting the limited space demanded rich experience and great dexterity. “The Chinese stevedores are not surpassed for good stowage in any part of the world,” Robert White Stevens wrote in On the Stowage of Ships and Their Cargoes. They laid eight tiers of tea chests fore and aft, five from side to side, and, after set them up square and tight, added three or five tiers more. They were able to arrange these tea chests “perfectly square from one wing to the other” and “perfect level” from one side to the other. The standardized tea chests, undoubtedly, perfected Chinese stevedore’s stowage skills.

Tea workers’ labor in the packing tea into these chests added another layer of value to teas exported to foreign markets. American tea traders coming to Canton in the 1790s, such as Samuel Shaw, the first American consul at Canton, and Ebenezer Townsend, supercargo of the Neptune, noted that Chinese packers stood in tea chests and trod upon freshly cured tea leaves.

<table>
<thead>
<tr>
<th>Tea Type</th>
<th>Price Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Souchong</td>
<td>60-62</td>
</tr>
<tr>
<td>Pekoe</td>
<td>49-50</td>
</tr>
<tr>
<td>Hyson</td>
<td>58-50</td>
</tr>
<tr>
<td>Hyson Skin</td>
<td>48-50</td>
</tr>
<tr>
<td>Twankay</td>
<td>62-65</td>
</tr>
<tr>
<td>Gunpowder</td>
<td>80-84</td>
</tr>
<tr>
<td>Imperial</td>
<td>70-74</td>
</tr>
<tr>
<td>Young Hyson</td>
<td>70-72</td>
</tr>
</tbody>
</table>


85 Stevens, On the Stowage of Ships and Their Cargoes, 658.
barefoot. “Here they toil and sweat; the dust from the floor (which is the natural ground) and finer part of the tea, from a thick fog, which, lighting continually on the packs, is again conveyed into the chest by the sweat which runs in copious streams from every part of their bodies.”

They packed about 200 chests every day, one man to each chest, thus making tea packing “a very unpleasant, dusty, and dirty business.” Details of this process not only diminished the delectable properties of this fragrant beverage, but also involved adulteration. After the passage of the Commutation Act, the East India Company’s demand for tea proliferated, but Chinese merchants were unable to correspondingly expand the supply, so they packed top-quality teas on top and bottom with inferior teas in the middle of tea chests. Consequently, supercargoes of the EIC had to buy the best rank of the inferior teas, or, once adulteration discovered, paid the price of the inferior teas.

NEGOTIATION

While the labor in the production, transportation, and manufacturing processes generated the different layers of value, Cohong merchants eventually sealed the market value of tea through their negotiations with foreign merchants. While the Qing government controlled the interior tea trade with the chayin system and native customs, it controlled the foreign tea trade through the Cohong system. Under the supervision of the Neiwufu 内務府 (Imperial Household Department) and the office of Superintendent of the Guangdong Customs, Cohong played the role of the “Foreign trade Commission” of the Qing. Consisting of approximately fourteen merchants, Cohong had the privilege of trading with Europeans as a unit and mediating the flow

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87 Aldridge, *The Dragon and the Eagle*, 114.
89 The office of Superintendent of the Guangdong Maritime customs took the responsibility of supervising Cohong in the 1750s, see John E. Wills, Jr., “European Consumption and Asian Production in the Seventeenth and Eighteenth Centuries,” in John Brewer and Roy Porter ed., *Consumption and the World of Goods*, 145.
of commodities between foreign merchants and interior China.\textsuperscript{90} From the 1770s, Hongs started to make contracts separately with foreign merchants and Hong merchants served as their security merchants to pay customs, furnish goods, and provide advice regarding the market situation. Henceforth, Hong merchants had served as a link in the overall structure of the state’s involvement in foreign trade.\textsuperscript{91} Through them, the Qing government applied the domestic political economy of tea to its foreign commerce.

The guaranty system in ensuring the repayment of \textit{baopiao} also functioned in the foreign tea trade. Collective commercial and financial responsibility featured the function of the Cohong system in the tea trade. Hong merchants assembled as often as necessary, communicating the information of the market and fixing the prices of the exported and imported commodities. When individuals’ cargo was not profitable enough to pay the duties, individual Hongs nominated a “fiador” to handle the business on their joint account. Moreover, the leading Hong merchant in the 1790s, Paukequa, established a \textit{gongsuo fei} 公所費 (Consoo Fund) in 1794 to pay the debts of insolvent Hongs. Henceforth, Hong merchants were collectively responsible for each others’ debts, thus establishing their credibility among foreign merchants. However, the “Consoo Fund” increased the burden on the shoulders of Hongs and foreign merchants, as \textit{hangyong} 行傭, a levy imposed on the foreign trade, sustained this Fund. The rate of the \textit{hangyong} was originally set at 3\%, but often collected in a higher amount. Originally as a tax applying only to tea, \textit{hangyong} expanded to cover sixty nine different products in the late eighteenth century.\textsuperscript{92} The Qing state also exploited this Fund for its mounting needs. Consequently, the growing burden either caused

\textsuperscript{90} Forbes, \textit{Remarks on China and the China Trade}, 38.
Hong merchants’ bankruptcy or drove legitimate tea trade outside the Cohong and into the hands of unlicensed outside merchants, who offered lower prices for teas and managed to smuggle them onto foreign merchants’ ships. This in turn reduced effective tax collections and increased the burden on the residual legal trade, so that membership in the Cohong, once a path to riches, lost attractions to Chinese merchants and Cohong had dwindled to seven firms in 1829.93

As bankruptcy occurred very often, the members of the Cohong constantly renewed, thus producing instabilities to an originally stable system. “Under the old system of doing business in Canton when all the sales and investments or nearly so were made through the Hong merchants, very little or no risk was incurred;” Joseph Archer wrote in 1833, “but of late years the system of doing business has undergone a very decisive change for the worse in this respect.”94 As the original members quitted Cohong, the few wealthy Hongs tended to trade exclusively with the EIC, while poorer Hongs and outside merchants were responsible for the trade with Americans. Some of the outside merchants were respectable and moderately wealthy, but the system was in fact entirely illegal and “in case of death or fraud of the party, you have no redress whatever under the laws of China.”95

Despite the instability, foreign tea merchants still benefited from this Cohong system. Not only was the tea trade with Cohong was legitimate, but its profitability was guaranteed. Hong merchants had liberally compensated for defective or substandard teas, even applicable to those shipped years earlier. Following the auction sales in Europe and America, if foreign merchants claimed that the teas failing to command fair market prices were inferior in quality, Hong merchants compensated for the price discrepancy. A liberal return credit from Cohong to foreign merchants had

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95 Ibid.
merchants had become customary in cases of tea prices lower than the normal market prices.\textsuperscript{96} By the mid-eighteenth century, foreign merchants had generally assumed that any teas that failed to command the normal market prices must have been in some way contaminated when it was packed and Hong merchants should guarantee the profitable sale of every chest they sold.\textsuperscript{97} In the nineteenth century, American merchants used this guaranty system to claim rebate or debt deduction, especially during economic crises in the U.S..

After long journeys from interior tea-producing regions to Canton, tea season opened in September or October, when the first cargoes of tea arrived at Hong merchants’ warehouse and their servants announced the arrival of the first musters (samples) ready for foreign merchants’ inspection, and lasted until March, when the monsoon changed toward the end of the winter.\textsuperscript{98} Chinese tea merchants usually arrived early well before their teas and started their negotiations with good stories such as shortage of crops, bandits, floods, droughts, rebellions and all other misfortunes that would shrink the supply of tea and heighten the price.\textsuperscript{99} Foreign merchants also had their own measures to make bargains. The East India Company contracted with Hong merchants in March every year for the following year’s supply and prices of teas and had always taken “all the Wo-Ping and Fokeen Bohea, three fifths of the Congo, all the Twankays, and two thirds of the Hysons” before they reached Canton.\textsuperscript{100} In September when the tea season started, samples of these teas, called “musters,” came from the interior tea-producing regions to the hands of the EIC tea tasters, who compared the teas arriving later and “oftentimes found [them]

\textsuperscript{96} Grant, \textit{The Chinese Cornerstone of Modern Banking}, 121.
\textsuperscript{97} Van Dyke, \textit{Merchants of Canton and Macao}, 41, cited in Grant, \textit{The Chinese Cornerstone of Modern Banking}, 121.
\textsuperscript{99} Downs, \textit{The Golden Ghetto}, 70; Lockwood, \textit{Augustine Heard and Company, 1858-1862}, 68.
\textsuperscript{100} Forbes, \textit{Remarks on China and the China Trade}, 15.
inferior to muster” to force down the purchasing prices.\textsuperscript{101} Only after they made their selections could other merchants procuring the teas remaining in the market, based on the contract price set by the EIC.\textsuperscript{102} Vessels reaching Canton during the winter were possibly loaded with fresh teas of that season, while those arriving there in summer, after the tea season, could only be furnish with “winter teas,” in reference to the old teas of last season.\textsuperscript{103} Whether fresh or old, teas were loaded to foreign vessels and sailed to world markets for all the tea lovers. The international tea trade thus began.

\textsuperscript{101} Ibid.
\textsuperscript{102} Ibid.
\textsuperscript{103} Chen, \textit{Jindai zhongguo chaye de fazhan yu shijieshichang}, 41.
CHAPTER II. GREEN GOLD AND PAPER GOLD:

SEEKING INDEPENDENCE VIA THE CHINESE-AMERICAN TEA TRADE, 1784-1815

As word of colonial protests against the Townshend Acts reached Britain, Benjamin Franklin sent one of his many missives to the London press. Franklin, posing as “The Colonist’s Advocate,” envisioned defying Britain’s political and economic grip on the colonies through commercial ventures into the East and West Indies. Direct trade with China to exchange cargoes of various kinds for Chinese tea was essential to his strategy.

What will they [Grenvillians] say when they find, that Ships are actually fitted out from the Colonies (they cannot, I suppose hinder their fitting out ships) for all Parts of the World; for China, by Cape Horn; for instance, to sail under Prussian, or other Colours, with Cargoes of various Kinds, and so return loaded with Tea, and other East India Goods? 1

Suggesting that “[a] Master of a Vessel can go from America to France, can legally charter her from thence for Eustatia,” he asserted that “[t]he whole Navy of England, if stationed ever so judiciously, cannot prevent smuggling on a Coast of 1500 Miles in Length.” 2 “Such Steps as these will soon be taken by the Americans,” he predicted. 3 Franklin’s vision, however, would only become a reality after the American Revolution, and via a legitimate trade that started when, in 1784, the U.S. ship Empress of China set sail for Canton and opened the Chinese-American tea trade. The United States soon thereafter became the second largest importer of tea from China.

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2 Ibid.
3 Ibid.
By the time the War of 1812 broke out, the tea trade had shaped American cultural and economic independence. By carrying tea, known as the “green gold,” directly from China, the new nation abandoned a colonial relationship with the East India Company and became the primary provider of teas to Europe, particularly during the Napoleonic Wars. Direct, legitimate trade with China enabled Americans to procure new lines of credit from continental Europe and China, usually in the form of promissory notes, pieces of paper that represented gold and silver before English bills of exchange came into wide use in the China trade. Furnished with “green gold” and the “paper gold”, China traders in New England and the mid-Atlantic States helped reshape U.S. economy in the nineteenth century and linked the Pacific and Atlantic worlds.

Commercial credit facilitated the development of the new nation’s economy and connected the trans-Atlantic and Pacific trade. While Jacob M. Price’s research on capital and credit in the trans-Atlantic tobacco trade, and Cathy Matson’s examination of the British and Dutch credit to New York city wholesalers, have shown the critical role of commercial credits in shaping the colonial economy, it remained vital to the foreign trade of the new republic.\(^4\) Commercial credit undergirded the early U.S. trans-Atlantic trade after the American Revolution.\(^5\) As Americans ventured further after Independence, the debt relations went beyond the Atlantic world. James Fichter documents how the Anglo-Indian commercial credits sustained


the U.S.-India trade. Frederic D. Grant, Jr.’s research on Hong merchants’ collective liability for foreign debts has illustrated the complicated debt relations of British, U.S., and Chinese merchants in the China trade. However, anchored as it was to the flow of silver, the commercial credit in the China trade differed from that of the Atlantic world. Absent the personal social networks and legal institutions that undergirded Anglo-American connection, Chinese merchants used silver to maintain their debt and trust relations with remote and unfamiliar U.S. trading partners. Putting tea at the nexus of the trans-Atlantic and Pacific trade, different lines of commercial credits used by Americans within a different institutional environment mobilized financial resources for the young nation’s economy.

Although silver and credit were both crucial to China’s foreign trade in the nineteenth century, a preoccupation with the large volume of silver that flooded into Canton resulted in the portrayal of China’s economy as a cumbersome hard-money system. Unfortunately, current research has reinforced this image. Andre Gunder Frank and Richard von Glahn have portrayed China as the final destination of the world silver flow and conceptualized a silverized Chinese economy. Most research on the Chinese-American trade also emphasizes silver exports from the U.S. to China, while overlooking the commercial credits generated by the China trade. Meanwhile, any discussion of the credit economy in China usually highlights the debts of Chinese merchants to foreign merchants or firms, particularly the British East India Company, but slights the agency of Chinese merchants as creditors. Chinese commercial credit, however,
was an essential part of the Chinese domestic economy and foreign trade even before English
bills of exchange came into wide use in the 1830s.

Recent research has begun to modify the conventional understanding of silver and credit
in Chinese economy. Kent Deng challenges the overemphasis on a silverized Chinese economy,
showing the prevalence of account settlements and paper devices in large businesses among
Chinese merchants.\(^\text{12}\) Frederic Grant identified the large size of Chinese loans to American
merchants, although he failed to detail the mechanism of foreign debt issuance in the China
trade.\(^\text{13}\) An examination of the major means of remittance and settlement in the early Chinese-
American tea trade reveals how the credit-making process operated, and establishes the
importance of Chinese credit in international commerce.

SILVER AND CREDIT IN THE TEA TRADE

On February 22, 1784, the *Empress of China*, loaded with commodities that included
ginseng, camlets, and furs, as well as a small amount of specie, left New York harbor for
Canton—the first American vessel to land there. It returned to New York in May, 1785, with teas,
silk, chinaware, cassia, and nankeens. Black and green teas, valued at 66,100 taels (a unit of
weight and, by extension, currency), the equivalent of $91,879, accounted for 92% of the
estimated value of its mixed cargo.\(^\text{14}\) John Jay, the U.S. Secretary of Foreign Affairs, wrote to

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\(^{12}\) Kent Deng argues that large commercial dealings in China had been silver free by the mid-nineteenth century. Financial instruments, such as demand silver deposit certificates, money orders, and bills of exchange had been decisive in the market. See Deng, “Miracle or Mirage?,” 345.

\(^{13}\) Grant examines the large size of Consequa’s notes in the hands of American merchants. He recognizes sale on credit as the major source of Consequa’s promissory notes to Americans, but failed to discuss the other forms of Chinese commercial credits. See Grant, Jr., “The Failure of the Li-ch’uan Hong,” 243-260 and The Chinese Cornerstone of Modern Banking, 136-37, 147, 173-184.

\(^{14}\) *Empress of China*’s inward cargo consists of Cotton, 316 piculs, realized 3,160 tls.
Lead, 476 .........................1,904

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Samuel Shaw, supercargo of the *Empress of China* and the first American Consul at Canton, that “Congress feel a peculiar satisfaction in the successful issue of this first effort of the citizens of America to establish a direct trade with China, which does so much honor to its undertakers and conductors.”

Although the voyage of Empress was undeniably a commercial enterprise, some Americans took greater pride in the fact that it also established the U.S. in a position of equality with European powers. After the ship returned to New York, laden with “such articles as we generally import from Europe,” a correspondent of the *New York News* foresaw a bright future. Now that British oppression no longer prevented American trade, he averred that “it presages a future happy period of our being able to dispense with that burdensome and unnecessary traffick, which heretofore we have carried on with Europe, to the great prejudice of our rising empire, and future happy prospects of solid greatness.”

Moreover, “whether or not the ship’s cargo be productive of those advantages to the owners,” the correspondent claimed that the trip would

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pepper</td>
<td>26</td>
<td>260</td>
</tr>
<tr>
<td>Camlets, 1270 pieces</td>
<td></td>
<td>45,720</td>
</tr>
<tr>
<td>Skins (furs), 2,600 pieces</td>
<td>5,000 (estimated)</td>
<td></td>
</tr>
<tr>
<td>Ginseng, 473 piculs</td>
<td></td>
<td>80,410</td>
</tr>
</tbody>
</table>

Outward cargo consists of
- Tea, black, 2,460 piculs, realized 49,240 tls.
- Tea, green, 562 piculs. ..........16,860
- Nankeens, 24 (864 pieces).........362
- Chinaware, 962 casks..............2,500
- Woven silk, 490 pieces............2,500
- Cassia, 21 piculs................305

see Hosea Ballou Morse, *The Chronicles of the East India Company*, 95. Samuel Shaw, the supercargo on the *Empress of China*, said that “not one fifth part of whose funds consisted of ready money,” so the amount was relatively small. See Quincy, *The Journals of Major Samuel Shaw*, 231, accessed May 30, 2015, available through Adam Matthew, Marlborough: China, America and the Pacific. According to Philip Chadwick Foster Smith, the actual complete cost of the ship and the cargo was $119,000, with $20,000 silver coins. When Samuel Shaw opened the seven boxes at Canton, they found only 17,700 Spanish dollars, due to Daniel Parker’s perfidious behavior. See Smith, *The Empress of China*, 61, 190.1 tael = 1.39 dollars, see “Joseph Archer to G. & S. Higginson,” October 21 1833, *Joseph Archer Letter Book, Canton, China, Oct. 21-Nov. 14, 1833*, Historical Society of Pennsylvania and Grant, Jr., “The Failure of the Li-ch’uan Hong,” 246.

16 “Monday; Governor; Directors; Bank of Newyork; Jeremiah; Wadsworth, Esq; Nicholas Low,” *New-Jersey Gazette*, May 16, 1785. 3. This article might be originally published on *New York News Dispatch* the day after her return, according to Smith, *The Empress of China*, 224.
boost national confidence because, he noted, it would “promote the welfare of the United States in general, by inspiring their citizens with emulation to equal, if not excel, their mercantile rivals.”

This honor of economic independence and equality inspired Shaw to translate the weakness of American merchants—having not enough ready money or adequate specie—in the international trade into a strength. In his account of the second trip to Canton in 1786, he portrayed an advantageous, “if not in many respects superior,” American tea trade—one sustained by the export of ginseng to China, which Europeans, burdened with their specie, could not emulate:

While [,therefore,] the nations of Europe are for the most part obliged to purchase this commodity [tea] with ready money, it must be pleasing to an American to know that his country can have it upon easier terms; and that the otherwise useless produce [ginseng] of her mountains and forests will in a considerable degree supply her with this elegant luxury. The advantages peculiar to America in this instance are striking; and the manner in which her commerce has commenced, and is now going on, with this country, has not a little alarmed the Europeans. They have seen, the first year, a single ship, not one fifth part of whose funds consisted of ready money, procure a cargo of the same articles, and on equally good terms, as those of their own ships, — purchased, as has been observed, principally with specie.

Assuming that “there will always be a sufficient demand for the article to make it equally valuable,” Shaw overtly weaved the pride of independence into the ethos of an agrarian economy. Nevertheless, he did not mention—perhaps deliberately—that French loans funded the first voyage of the Empress of China to Canton and, just before his second trip, his partners,

17 Ibid.
18 Ibid, 233.
19 Quincy, The Journals of Major Samuel Shaw, 231.
20 Ibid, 232.
Thomas Randall and Robert Morris, had procured a cargo of tea by the ship *Pallas* from China with credit from Europe.\(^{21}\)

By highlighting the value of native grown wild ginseng and downplaying foreign credit, Shaw admitted to the problem of money scarcity in the republican economy. Ginseng is a precious herb in Chinese medicine. In the early eighteenth century, English and French merchants had shipped ginseng roots—growing wild in North America and gathered by Native Americans—to China.\(^{22}\) After the Revolution, searching for a new trading route in East Indies owing to the closing of British and Spanish West Indies, Americans also chose ginseng, one of the a few commodities that Chinese were interested in, as a major export.\(^{23}\) However, these commodities failed to become a dependable source sufficient to pay for the China goods.\(^{24}\) The establishment of the Bank of North America and the banks of New York and Massachusetts was Americans’ first attempt to pay their foreign imports and sustain the nascent China trade on their own.\(^{25}\) Banks proliferated in early nineteenth century in New England and broadened access to credit through their insider lending, usually by discounting merchants’ promissory notes.\(^{26}\) But the banknotes from the little-known American banks had not been negotiable at Canton, so they still failed to furnish American merchants with adequate capital in the international trade.\(^{27}\) Chinese merchants’ demand for silver further tightened their financial strain. Timothy Pitkins calculated that Americans transferred over $62 million in specie from the U.S. to Canton

\(^{21}\) Ibid, 218.
\(^{22}\) Smith, *The Empress of China*, 34-36.
between 1805 and 1825.\textsuperscript{28} Caroline Frank asserts that Americans had been involved in the trade of South American silver during the colonial period, surpassed Great Britain in silver imports into China as early as 1793, and controlled the silver trade from Cuba and Mexico to China nearly exclusively by 1807.\textsuperscript{29} However, the value of silver carried by Americans to China was a flawed indicator. On the one hand, the aggregate value overstates individual merchants’ operating capital due to the difficulty of gathering specie in the U.S.; on the other, it underestimates the value and volume of Americans’ China trade owing to credit economy of the international trade.

American merchants’ business correspondence in the first decade of the nineteenth century is replete with anxieties over acquiring specie in America, owing to the high demand of dollars and, consequently, their high premium. Providence merchant Benjamin Hoppin wrote to Edward Carrington, an American merchant and consul at Canton, in 1802, “It was our intention to have made you a shipment of 2 or 3,000 Dollars by the Isis but the amasing \textsuperscript{sic} demand of Dollars and high premium given for them renders it rather impracticable. We shall notwithstanding do it by some other vessel if they can be procured or terms any ways reasonable,’’\textsuperscript{30} and in 1803, again, “the Dollars cd. not be obtain’d without great trouble, and a high premium.”\textsuperscript{31} On July 31, 1804, King & Talbot, in New York, shipped 15 Kegs of specie dollars to Carrington, the premium of which was 2 1/3\%, so the cost of the $22,000 was $513.33,\textsuperscript{32} while to Hoppin, the scarcity of dollars drove the premium to 3-5\% and “[B]usiness of almost every kind has been very much cramp’d for the year past from the extreme want of

\begin{footnotesize}
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\item[28] Dudden, \textit{The American Pacific}, 5.
\item[29] Frank, \textit{Objectifying China, Imagining America}, 105-6.
\item[31] “Benjamin Hoppin & Son to Edward Carrington,” July 15, 1803, \textit{Carrington Papers}, RIHS.
\item[32] “Invoice of Fifteen Kegs Specie Dollars Shipped by King & Talbot on board the Ship Aeolus,” July 31, 1804, \textit{Carrington Papers}, Box 9, Folder 2, RIHS.
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cash.” In 1806, right before the economic depression of 1807, fewer ships entered Canton because of the overstock of Chinese goods and the difficulty Philadelphia and Providence merchants had in obtaining species even “from the remotest parts of the Country” at 3-4% premium. Congress prohibited export of specie and other articles during the Embargo of 1807-1809. The circumstance might turn more favorable to merchants in 1809, as the premium of dollars dropped to 1.05-2.1%. However, this rendered their “collections so much in a hurry. It will cost a little more than it otherwise w’d & besides at a time when every body else are collecting; another difficulty is that very few dollars can be had without paying gold for them which cannot be had without trouble & some expense.” In addition to the trouble of acquiring gold to buy silver, these merchants had to buy insurance and pay transportation fees for the specie transmitted to China, thus producing an extremely inefficient financial system if without other means of payment to buttress the trade.

Fortunately, the silver vicissitudes never stopped the growth of the tea trade, because the de facto transactions in the tea trade were less cumbersome than that scholars had conjured up. Silver remained the “real” money to liquidate account balance in the China trade, but not necessarily the means of payment for each transaction. The financial structure of the China trade consisted of a hybrid of means of payment. Foreign merchants could barter their own commodities for China goods, purchase them with silver, or get on credit. For example, in 1809, Nixon & Walker instructing George W. Biddle, his agent at Canton, to settle their $2545.60

33 “Benjamin Hoppin to Edward Carrington,” July, 1804, Carrington Papers, Box 9, Folder 3, RIHS.
34 “William Shaler to Edward Carrington,” May 15, 1806, Carrington Papers, Box 9, Folder 4, RIHS. For the difficulty of collecting specie, also see “Willings & Francis to William Read, April 14, 1806,” Willings and Francis Records, 1698-1855, Series 1, Box 1, Folder 5, Historical Society of Philadelphia. “Benjamin Hoppin & Son to Edward Carrington,” April 5, 1806; “William Shaler to Edward Carrington,” May 15, 1806, “King & Talbot to Edward Carrington,” May 16, 1806, Carrington Papers, Box 9, Folder 4, RIHS.
35 “Peter W. Snow to Edward Carrington,” April 30, 1807, Carrington Papers, Box 9, Folder 4; “King & Talbot to Edward Carrington,” June 21 1809, Carrington Papers, Box 9, Folder 6; “King & Talbot to Edward Carrington,” May 16, 1809, Carrington Papers, Box 9, Folder 6, RIHS.
36 “Benjamin Hoppin & Son to Edward Carrington,” April 23, 1809, Carrington Papers, Box 9, Folder 5, RIHS.
balance with Chinese merchant, Tonqua, with goods (Captain Robert Williamson’s Bill of Lading for $3,000) and invest the balance in Young Hyson or Imperial tea.\textsuperscript{37} Such practices as double-entry bookkeeping and bilateral current accounts also enabled merchants to settle transactions with money of account.\textsuperscript{38} For example, Henry Hollingsworth, supercargo on the ship Lancaster, owned by Philadelphian China trader Thomas P. Cope, detailed his transactions with Chinese from January 14 to March 16, 1812. This double-entry account book recorded cash received on odd-number pages and payments on the contra pages. The total value of the recorded transactions in China goods, including tea, silk, nankin, and chinaware, was $167,832.67, $114,137 of which was settled with payments on account, constituting 68% of his transactions with such Chinese merchants as Consequa, Kinglun, Achune, Eshing, Chunqua, Mouqua, and Howqua (see appendix 1). Account sale, rather than paying in cash, constituted most of their transactions.

Moreover, Hollingsworth’s entries on the payments of interest on Chinese notes indicate the existence of a credit economy in Chinese-American trade.\textsuperscript{39} If without adequate cash in hand or on account to settle the transactions or account balance, supercargoes or agents could write promissory notes—usually drawn on the principals in the U.S. or their firms and banks—as proofs of debts (see image 2.1). The principals were supposed to remit specie to Canton to liquidate their obligations before the expiration dates of the notes. After paying off their debts

\textsuperscript{37} “Nixon & Walker to George W. Biddle,” May 12 1809, Carrington Papers, Box 10, Folder 4, RIHS.
\textsuperscript{39} Taking the time element in transactions into account, credit is a transfer of commodities without an actual transfer of an equivalent on the spot. This paper adopts J. Lawrence Laughlin’s definition of credit in Laughlin, “The Monetary Function of Commercial Credit,” in H.G. Moulton, Principles of Money and Banking: A Series of Selected Materials (Chicago: University of Chicago Press, 1916), 14.
outstanding to Chinese merchants, if any specie remained in hand, they could invest in their imports.⁴⁰ Acquiring a full cargo at Canton, they shipped the Chinese goods to the U.S. or Europe and, most often, sold them on credit. With the proceeds in cash or on account, these Americans loaded their ships with goods suitable to the China market, such as ginseng, furs, and quicksilver, and started a new voyage bound for Canton.⁴¹ In this way, bookkeeping and commercial credits bridged the time gap between commercial (the transfer of goods) and financial (the transfer of money) transactions and produced an endless commercial and financial cycle.

⁴⁰ For example, King & Talbot promised to make remittance in specie to Consequa in May 1804. “By a vessel of Mess Brown & Ives to sail in a month or better from Providence we shall remit on your account as much as we can possibly arrange for it. You will oblige us by saying to Mr. Consequa that his remittance will be made by the same vessel.” See “King & Talbot to Edward Carrington,” May 29, 1804, Carrington Papers, Box 9, Folder 3, RIHS. In February 1810, Lawrence and Whitney remitted goods and specie to pay their notes to Chinese merchants, Consequa and Washing, including the original amount and the interest in the notes. “We also now enclose Bill of Lading of Three Kegs and Seven Boxes containing thirteen thousand two hundred and eleven Spanish Dollars, which by the direction of Captain Bentnall we take the liberty also to address you the nett [sic] amount whereof after deducting the Freight $198.16 is intended to take up Captain Bentnall’s several notes to Consequa & Washing to the form in former $8688.96 and the latter $4323.26, making together $13012.22/100; as per the enclosed statement which we beg the favour of your distributing accordingly taking up Captain Bentnall’s notes forwarding them agreeable to this instructions contained in his letter to you herewith enclosed. The interest in the several notes is calculated to the 24th June next which is estimating the passage of the ship at 4 months from the 24th instant, or before which day she will undoubtedly sail, but if contrary to our expectations, the passage should exceed that a small deficiency on account of the Interest will of course arise, which we must beg you to make up out of our small shipment and furnish us with a statement to enable us to make the settlement here.” See “Lawrence & Whitney to Edward Carrington,” February 14, 1810, Carrington Papers, Box 10, Folder 1, RIHS. In the same year, Another American merchant remitted dollars to Carrington for the payment of his notes to Howqua. “If, without error, I shall then have from you Dr. [Dollars] 5822 1/2. 5550 Drs. are to paid to Mr. Howqua for my obligation of the 20 August being the [prime amount] at 5000 Drs. with interest for 11 months at 1 pct. [Percent] per month. I request you to be so good as to send for Howqua, pay him, retake my note and deliver it to Mr. Blight. The Balance of Dr. 272 ½ that gentleman likewise receives with him. I have sent your Two notes of the 9th Dec. last.” See “A. Lungstedt to Edward Carrington,” July 19, 1810, Carrington Papers, Box 10, Folder 1, RIHS.

⁴¹ Ginseng and furs were the most popular commodities in the China market from the U.S., R.B. Forbes also made it clear that quicksilver was a “considerable article of trade, generally carried by American ships from Europe.” Forbes, Remarks on China and the China Trade, 27.
This note reads “Canton 29th Dec. 1803 For value received we promise to pay in twelve months from the date hereof to Mr. Consequa or order the sum of Seven thousand nine hundred dollars, & if not paid in that time, then commenced an interest of one per cent p. month to continue till paid. Richard J. Cleveland & Wm. Shaler.” The inscriptions on the back indicate that Edward Carrington had paid $7494.50 and the interest $783.54 to Consequa’s Liquan Hong in 1805. The Chinese characters on the back translated the content of the notes into Chinese, acknowledging this credit relationship and confirming Carrington’s repayment of the debt.

It was hard to pinpoint its starting and ending points of the cycle and even harder to calculate the accurate aggregate amount of credit generated in the trade. With traces left in historical records, case studies may better reveal the operation of the Chinese-American tea trade in attracting and generating financial resources—proceeds and credits that the tea trade produced—for the U.S. from Continental Europe and China before the War of 1812, a period replete with chances and crises for American merchants. The profit from the sale of tea and the commercial credit extended from the Netherlands and China became vital sources of capital for Americans’ international commerce and internal development. The money-scarce republican economy and the credit system of this international trade rendered these financial resources invaluable.

**EDWARD CARRINGTON AND “GREEN GOLD”**

As the American consul and an active agent in the first decade of the nineteenth century, Edward Carrington’s case stands out, particularly considering his business of consigning tea for sale in the Netherlands, a major commercial and financial supporter of the U.S. after the Revolution.42 His correspondence details the commercial and financial transactions with John Parker & Son, a merchant firm in Boston, and Daniel Crommelin & Son, the Holland trading company. The latter was originally founded by Charles Crommelin in New York in 1729, was expanded to Amsterdam by Daniel Crommelin in 1737, and retained close relations with American business through the early national period.43 Carrington consigned his tea from Canton to an agent, such as Ebenezer Thompson, at Daniel Crommelin & Son; this company then delivered the article to the Dutch East India Company stores for sale.44 The proceeds, with

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43 Ibid.
44 Though the Dutch East India Company had ceased to exist by 1800, Amsterdam merchants might still use its name to refer to the Asiatic Council, which succeeded it, and consigned their teas to its stores. For example,
commissions and other fees deducted, went to Carrington’s debit account with Crommelin & Son, thus saving unnecessary expenditures on the transportation of specie. More importantly, the substantial profit from the sale of Chinese teas in Amsterdam made Crommelin & Son confident enough to advance money to Carrington and extended credit to his American commercial partners, particularly John Parker of Boston.

Thompson, the agent, wrote to Carrington in 1806, informing him “of the great sales in Holland including your own Teas,” and of Crommelin & Sons’ “permission for Mr. John Parker to draw on them on your acct. for eighteen thousand Guilders.” Moreover, he was “very urgent for Messrs. Crommelin to make you larger advances & hope they will give Mr. Parker liberty to draw shortly for most your sales.” This was not the first time Thompson requested credit from Crommelin & Son for Carrington and Parker. In July 1805, upon Thompson’s request in anticipation of a cargo of tea to be shipped directly from Canton to Amsterdam, Crommelin & Son sent Carrington an advance by shipping specie valued at £26705.12 to Canton, authorized Parker to draw £20,000 at 30 days sight from them, and paid Carrington’s supercargo Ebenezer Thompson Jr. wrote to Carrington in July 1805, “Capt. Gallaway sailing more soon than expected have only time to observe that the Rachel cargo was unloaded at Flushing & is safely delivered into the East India Company stores at Middlebury & the sales will be made here in the usual way thro’ the East India Company, by Messer Daniel Crommelin & Sons under whose control have placed your advance by me.” See “Ebenezer Thompson Jun. to Edward Carrington,” July 10, 1805, Carrington Papers, Box 9, Folder 3, RIHS. Van Winter mentions the history of the VOC and the Asiatic Council by stating that “The tea monopoly of the [Dutch] East India Company, which began in 1791, continued to be carefully maintained. Tea brought to the Dutch Netherlands from the United States was regularly refused entry and had to leave Dutch ports at the earliest opportunity. But it was not possible for the company itself to check the foreign import of tea from Canton. In 1795 three more cargoes from China, the last cargoes, arrived in the company's ships. In 1799 the Asiatic Council, the successor to the old company, tried to enter into suitable communication with Canton in another way, namely by concluding contracts with Amsterdam firms for the import of tea under which merchants received permission to employ American ships, and were even allowed to have the cargo shipped via the United States. Tea imported in this way, provided it was accompanied by a certificate of origin showing purchase in Canton on Amsterdam account, was admitted into the Dutch Netherlands free of West Indian duties, although it was subject to a charge of 6 per cent levied on behalf of the Asiatic Council which would sell the chests at auction and pay over the proceeds to the importers.” See Van Winter, American Finance and Dutch Investment, 1780-1805, 422-23.

45 “Ebenezer Thompson to Edward Carrington,” April 5, 1806, Carrington Papers, Box 9, Folder 4, RIHS.
46 Ibid.
Mr. Winn f10569.16 for the freight on his tea—all of which were placed at Carrington’s debit. An accompanying letter shows their commercial acumen by clarifying that “we are always willing to facilitate the operations of a friend, as much as circumstances permit, on their allowing us to charge Interest on our advances at the rate of 5% per annum.” On September 25, 1805, when the credit that Parker & Son of Boston drew on Carrington’s account had accumulated to f43,000 and f34,000 met due soon, Crommelin & Son authorized them to draw f5,000 in the interim.

The promising tea trade inspired the generosity of Crommelin & Son. During this period, American ships, the neutral traders during the Napoleonic Wars (1800-1815), shipped tea directly from Canton to the Dutch Netherlands, one of the most prosperous tea markets in Europe. However, before the direct tea trade with China, Americans had to import tea from Continental Europe and the West Indies. The Dutch Republic shipped considerable quantities of tea to the U.S. during the late 1780s, when European continental countries reaped huge profits from the tea trade with China, primarily by smuggling tea to Great Britain and its dependencies. The annual consumption of tea was fourteen million pounds in Britain and its dependencies; the East India Company imported only six million and Dutch, Swedish, Danish, and French smugglers shipped the other eight million pounds there illegally. In 1784, when the

47 Ibid.
48 “Daniel Crommelin & Son to Edward Carrington,” July 20, 1805, Carrington Papers, Box 9, Folder 3, RIHS.
49 “Daniel Crommelin & Son to Edward Carrington,” September 25 1806, Carrington Papers, Box 9, Folder 4, RIHS.
50 The correspondence of American merchants reveals the importance of the Dutch tea market. For example, in May 1806, Willings & Francis wrote that all European markets were overstocked with Chinese teas and “even the Holland Market is overstocked and a matter of great doubt exists as to the admission of our cargoes lately forwarded.” See “Willings & Francis to William Read,” May 17, 1806, Willings and Francis Records, Series 1, Box 1, Folder 6, HSP. In a letter to Edward Carrington in February 1812, Hoskin mentioned that the Holland tea market was favorable and many European ports would ship teas there. “William Hoskin to Edward Carrington,” February 19, 1812, Carrington Papers, Box 10, Folder 4, RIHS.
51 “Pennsylvania Impost,” Essex Journal, November 9, 1785, 4.
52 Van Winter, American Finance and Dutch Investment, 1780-1805, 418.
53 Quincy, The Journals of Major Samuel Shaw, 251
Empress of China sailed to Canton, Parliament passed the Commutation Act, which reduced custom and excise duties on tea from 119 to 12 ½ per cent ad valorem and thus materially curbed tea smuggling. The Napoleon Wars “thoroughly destroyed the tea trade of continental nations,” but served American tea merchants very well. By trading neutrally with European countries, American merchants split the European market share with the British. While the quantities of teas shipped by the Dutch, Danes, Swedes, and French in total from Canton to Europe dropped from 134,698,900 pounds in the 10 years before the Commutation Act to 38,506,646 pounds in the last decade of the eighteenth century, American vessels transported 27,350,900 pounds from Canton to Europe in 1790-1800—the quantities re-exported from the U.S. were not included—second only to the East India Company in the tea export business.

Due to the handsome profits from the American carrying trade of Chinese tea, Crommelin & Son willingly extended credit to Parker & Son of Boston. In December 1805, after analyzing the Amsterdam tea market, Crommelin & Son assured Carrington that Parker could draw an additional sum of f10,000 from them even though the last balance had not cleared. After inspecting Carrington’s samples of Souchong and Congo teas in September 1807, Crommelin & Son “opened Parker & Sons a credit in anticipation in these teas for f40,000,” nearly the proceeds of this shipment. In July 1808, because “[t]he prices obtained for [Carrington’s] Teas having now exceeded so considerably the first evaluation,” Crommelin & Son paid Parker’s draft of f1,886 in Carrington’s account and opened a further credit of f35,000 to him, even though Parker had not repaid the 1807 credit, the amount of which is unmentioned.

55 The English East India Company increased its imports from 54,506,144 pounds of tea before 1784 to 228,826,616 pounds during 1790-1800. Ibid.
56 “Daniel Crommelin Jun. to Edward Carrington,” December 30, 1805, Carrington Papers, Box 9, Folder 3, RIHS.
57 “Daniel Crommelin & Son to Edward Carrington,” September 10, 1807, Carrington Papers, Box 9, Folder 4, RIHS.
58 “Daniel Crommelin & Son to Edward Carrington,” July 9, 1808, Carrington Papers, Box 9, Folder 5, RIHS.
The list continued to grow. Carrington assigned Crommelin & Son the teas via the ship *Cordelia* and, meanwhile, authorized them to open “Mr. Parker a credit for as great a sum as [Crommelin & Son] ought to be willing to advance.” They completed this in March 1809, though they had just complained to Carrington that “John Parker & Sons have realized 30,000 Dollars from your funds in Cromelin [sic] & Sons hands which we have requested them to ship by the *Levant*; they have express’d a wish to pay it over to us. We have written them on the subject but have no answer.” Again, in December 1809, after informing Carrington of the settlement of his account and “the favorable prices which the teas generally fetch at the sales of the West India Company,” Crommelin & Son approved another two loans to Parker & Sons:

[by] our last we mentioned that Messrs. Parker & Sons had valued on us £50,000 against the credit opened them on your acct. in anticipation on your Teas, said of has been discharged in due course. About a month ago, we received a letter from said gentlemen, advising that they had further valued on us £25,000, at 60d sight, which are also duly honored.

Thus, from 1805 to 1809, Crommelin & Son extended to Parker & Son roughly 304,591.12 guilders, equaling at least £27,413. If converted to U.S. dollars, the value approximated at least $125,000 in 1809 and $2-3 million in 2014. Moreover, Carrington’s tea trade in the Netherlands also secured other American merchants’ business than Parker & Son in Boston. For example, Hoppin of Providence, wrote to Carrington on January 20, 1809: “Cap. Shaler in a letter dated London informs us that he has drawn on Holland for 200,000 Dollars

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59 “Daniel Crommelin & Son to Edward Carrington,” March 23, 1809, *Carrington Papers*, Box 9, Folder 5, RIHS.
60 “Benjamin Hoppin & Son to Edward Carrington,” March 22, 1809, *Carrington Papers*, Box 9, Folder 5, RIHS.
61 “Daniel Crommelin & Son to Edward Carrington,” December 13, 1809, *Carrington Papers*, Box 9, Folder 6, RIHS.
62 This paper uses the tool “Marteau Early 18th century Currency Converter” on The Marteau Economic History Platform (http://www.pierre-marteau.com/currency/converter/hol-eng.html) to convert the value of guilders into English pounds and Measuringworth (https://www.measuringworth.com/) to calculate its relative value in U.S. dollars in 1815 and 2014. However, this Marteau converter tool employs early-eighteenth-century exchange rate, so the credit Crommelin & Son extended to Carrington and Parker should exceed the estimated value.
which he sh’d send out to you [at Canton] by some of the English ships."\(^{63}\) Other merchants in
the U.S., such as Willings and Francis of Philadelphia, also had connections with companies in
the Netherlands, such as Hope & Co. in Amsterdam. In addition, Parker & Son also advanced
money to Carrington at Canton and Hoppin of Providence, thus complicating the commercial and
financial network across Amsterdam, Canton, and Boston and extending it within the U.S..\(^{64}\)
These pieces of evidence are too scattered to paint a complete picture of the transactions among
American, Dutch, English and probably other European merchants, but they are adequate to
show that the Americans’ involvement in the Chinese tea trade did facilitate the flow of financial
resources and boost the economic ties of the Atlantic and Pacific world.

CONSEQUA AND THE PAPER GOLD

While American merchants’ proceeds from the sale of tea secured the Dutch credit that
flowed to the U.S., Chinese merchants, mostly Hong merchants, extended more varieties of
credit to Americans, primarily in the form of promissory notes. During the Old China Trade,
Americans needed merchants from the Cohong as Security Merchants to pay customs, furnish
goods, and provide advice to American merchants.\(^{65}\) A more important, but less noticed, function
was their role in providing credit to foreign merchants. The credibility of Hong merchants
buttressed the credit system of the international trade in China until the end of the Old China
Trade in the mid-nineteenth century.

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\(^{63}\) "Benjamin Hoppin & Son to Edward Carrington," January 20, 1809, *Carrington Papers*, Box 9, Folder 5, RIHS.
\(^{64}\) "William Shaler to Edward Carrington," May 15, 1806, *Carrington Papers*, Box 9, Folder 4, RIHS.
\(^{65}\) Robert Bonnet Forbes described the major role of security merchants as middlemen, buying American imports
and selling them Chinese teas: “By calling on the Hong merchant to “secure” the ship, the supercargo or consignee
implied the intention of purchasing of his Hong; and if the ship had a large import cargo, it was supposed that the
Hong doing her business would purchase largely of it. Until within the last eight or ten years, the Hong merchants
purchased largely themselves of import cargo, and sold on their own account largely of teas.” See Forbes, *Remarks
on China and the China Trade*, 15. Downs also mentioned this function of Hong merchants in Downs, *The Golden
In this system, Chinese merchants extended commercial credit to American merchants in three ways. First, American merchants purchased teas from Chinese on credit and paid them interest in specie or more promissory notes. The promissory notes on the original amount or the interest, written promises of payment, usually represented long-term credit. The second is more complicated: Chinese merchants consigned their teas to American merchants for sale in American market. If American merchants remitted the proceeds—with insurance, commission, freights, and other necessary fees deducted—in specie immediately back to their Chinese consignors, they paid no interest and this would not be a form of credit. However, American merchants usually chose to invest this money in other business ventures and wrote promissory notes acknowledging interest rates and due dates to their Chinese consigners, who charged simple interest on the notes within the specified period and compound interest after the expiration dates. Furthermore, American merchants used the promissory notes generated in the sale and consignment of tea as a means of settlement and remittance, sometimes even in preference to Spanish dollars. The three types of financial resources produced by the Chinese-American tea trade thus lubricated the money-scarce republican economy and the credit system of the international trade.

It was hard to estimate the aggregate amount of the credit extended from Chinese to American merchants. Again, a case study may uncover its scale: Hong merchant Consequa’s litigation in American courts provide rich data on the size of Chinese financial resources flowing to the American economy. His name is Pan Kun 潘崑 or Pan Changyao 潘長耀, known as ‘Consequa’ or ‘Conseequa’ to American merchants, a romanization mixing his real name and his mercantile-official title, Shuiguan 水官. John Gibson, a China trader at Canton during the season

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of 1805-06, observed that Consequa, “dealt more with Americans than any other members of the Co-Hong; is most plausible in his manners; wealthy, easy to make contracts with and unbounded in his promises of credit.” Consequa remained one of the wealthiest Hong merchants until his bankruptcy in the 1820s. As Gibson commented, serving as a security merchant, he furnished American vessels with tea and large sums of credit, and he continued to do so even when he was deeply in debt to the English East India Company, when American merchants were unable to pay their debt to him during Jefferson’s Embargo of 1807-1809, and when a sheriff seized his property in Philadelphia during 1808-1809. His reckless generosity, against the backdrop of a troubled time in American history, dragged him into fruitless litigations in the U.S., but also left priceless historical documents about the financial transactions between Chinese and American merchants.

Sale on Credit

The China trade proceeded on Chinese credits. Prior to the arrival of Americans, Chinese merchants’ commercial credit had already sustained the European-Chinese trade. Shaw observed that the Portuguese brought little specie from Europe, so “were it not for this credit [from Hong merchants], and the aid they receive from such European company-servants in India as are desirous of sending home their property, not subject to the scrutiny of their masters, the commerce of this nation with China would undoubtedly fail.” Disruptions to this routine highlighted American merchants’ dependence on Chinese merchants’ credit. Chinese Hongs experienced three waves of bankruptcy in 1779, 1809-1815, and 1823-1830, when Hong

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67 These comments might not be Gibson’s original words, but summarized by Charles Hummel, who did research on the China trader, John Richardson Latimer of Delaware. However, Consequa’s generosity in extending loans was undoubtedly well-known to American merchants. However, despite the seemingly positive impression of Consequa, Gibson disliked this Chinese merchant. Hummel noticed that Gibson had “always had a repugnance to engage with him, it may be prejudice.” See Charles Hummel, “‘John Richardson Latimer and the China Trade’: Lecture and Article by Charles Hummel,” 1958, Latimer Family Papers, 1801-1876, Box 3, Folder 1, Joseph Downs Collection of Manuscripts and Printed Ephemera, The Winterthur Library.

68 Quincy, The Journals of Major Samuel Shaw, 230.
merchants were too poor to extend credit to American merchants, and this directly disrupted the Chinese-American trade. New York merchant Geo W. Talbot wrote in 1812 that Chinese merchants’ financial embarrassment left American vessels stuck. “[Horack] says most of the ships are quick of freight, but that the poverty of the Chinese merchants will not permit them to ship or to give credits, he calculates that freight will decline to 35 to 40 Dollars. The Voltaire brought but two thirds of a cargo.” Considering the difficulty and cost of collecting specie in the U.S., Chinese merchants’ credit in procuring tea was crucial to some American merchants.

Purchasing teas, particularly the top-quality ones, on a cash basis was too expensive for dealers without adequate capital, even if the cash prices of tea were lower than credit prices. Taking advantage of the credit economy in the tea market, some Chinese merchant-speculators purchased inferior teas at lowest prices and sold them to American merchants on long-term credit. In this case, merchants reaped profits from potential increases of tea prices in the following 2 or 3 years, but their teas were of lesser quality than those provided by merchants of good repute.

An 1850 article written by Gideon Nye, an American diplomat and China trader, in the *Merchants’ Magazine and Commercial Review* lamented that American merchants’ preference for cheap teas curbed the expansion of tea consumption in newly settled regions in the West, where coffee grew popular as population grew. This preference for cheap tea was likely to be a legacy of the early money-scarce American economy and the purchase-at-credit mechanism during the early years of the Chinese-American tea trade.

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69 “Geo W. Talbot & Co. to Edward Carrington,” March 25, 1812, *Carrington Papers*, Box 10, Folder 4, RIHS.
71 Gideon Nye, “Art. III--Tea; and the Tea Trade,” *The Merchants’ Magazine and Commercial Review* 22, no. 2 (1850). For details on American tea consumption in the nineteenth century, see Chapter IV.
The business correspondence of the Philadelphia merchant firm, Willings and Francis, details the credit Consequa granted to their tea trade in 1805. In May 1805, to get a cargo of teas valued at $30,000 Willings and Francis asked William Read, their resident agent at Canton, to obtain a credit of $20,000 or “as much more credit from Conseequa as will land the ship [Bingham].”

Read wrote back in November 1805, confirming that “Consequa has engaged to supply me with whatever I may want on a credit to fill her [the ship Bingham].” Meanwhile, Read had also acquired teas, with the value of about $15,000, from Consequa on credit for another ship New Jersey. Consequa seldom disappointed Read in extending new loans, even if the amount is astonishingly large and the term notably long. On December 12, 1805, Conseequa extended at least $31,039.60—$960 million in 2014 in terms of the share of GDP—in a single day in notes to William Read and his principal merchants in America. All of the notes were fifteen- or eighteen-month loans, no less than the term of Anglo-Indian merchants’ credits.

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72 “Willings and Francis to William Read,” May 3, 1805, Willings and Francis Records, Series 1, Box 1, Folder 1, HSP.
75 One note at 15 months. …………………$5483.69
One at 15 mos. ………………… 8442.30
One at 18 mos. ………………… 1593.80
Total $31,039.60

According to the Records of the Circuit Court for the District of Pennsylvania, the value of Consequa’s notes was $43,680.89; the face value of two notes also differed. “Consequa v. William Read, October term 1816, No. 15 (six promissory notes dated December 12, 1805 in the respective amounts of $5,612.86, $8,442.30, $1,553.69, $1,593.81, $1,593.80, and $8,442.31.” See Grant, “The Failure of the Li-ch’uan Hong,” 260. This paper uses MeasuringWorth to calculate the relative value of the notes in 2014. This website provides three ways of converting the $31,039.6 debt in 1815 to that in 2014: its relative price worth (in terms of CPI or GDP deflator), wage or income worth, and output worth (in terms of the relative share of GDP). The output worth should be more appropriate than the other two, because Francis and Willings might have reinvested the money from Consequa in more China goods or other ventures; this indicator shows the current market value of the investments made with the capital from Consequa. Samuel H. Williamson, “Seven Ways to Compute the Relative Value of a U.S. Dollar Amount, 1774 to present,” MeasuringWorth, 2016.
When Willings and Francis' supercargo and captain Mr. Miller came to Canton the first time in 1805 and furnished the ship *Ganges* with a cargo of teas, Conseequa secured him “a very large credit to acquire the teas,” even though there had been “a disagreement between Miller and Conseequa as to the extent of the credit, which Conseequa said he did not expect would be so large.” Hence, when Read tried to convince his American principal merchants that his residence at Canton was mutually beneficial to all of them, his reason was Conseequa. He guaranteed that they would not be “disappointed in any arrangement where a credit is required as [he] can obtain whatever may be necessary, say from 100 m. to 150 m. dollars [$100-150,000],” which he has “confirmed from [their] friend Conseequa and mentioned at his request.” Apparently, his confidence in Conseequa was not groundless.

**Tea Consignment**

Consignment sale was prevalent in the Asian trade. Anglo-Indian merchants consigned goods to Americans, who could reap handsome profits from the business not in their own names. Consigning goods without an immediate transfer of the proceeds in specie, which was convenient to consignees without ready cash and beneficial to consignors seeking financial returns from high rates of compound interest, produced debt relationships. Chinese officials’

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76 Price’s research shows that the British credit in the export trades with American colonies was commonly twelve month long. See Price, *Tobacco in the Atlantic*, 158. In the 1780s-90s, the Liverpool and Bristol slave and export merchants could get 15- to 18-month term loans from northern textile manufacturers, like those extended by Conseequa. See Hidy, *The House of Baring in American Trade and Finance*, 353. The term of the Anglo-Indian commercial credit to Americans, in the form of bills of exchange, was ten-month sight before the 1840s and shortened to six month in 1847, due to the more regular and speedy overland and sea communication. See R. C. Nash, “The Organization of Trade and Finance in the British Atlantic Economy, 1600-1830,” in Peter A. Coelanis, ed., *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel* (Columbia: University of South Carolina Press, 2005), 128. This form of long-term loan to Americans might be common among Chinese merchants, as Samuel Russell & Co. reported to Carrington in March 1821 that “We could undoubtedly purchase of Mr. Houqua, and obtain as long credits as Mr. C[onseequa] used to do for you, but we know that we cannot, generally speaking, buy of him on so favourable terms, as we can of others.” Downs, *The Golden Ghetto*, 154.

77 Ibid., 250-52.

78 “William Read to Willings & Francis & Willing & Curwen,” November 27, 1805, *Willings and Francis Records*, Series 1, Box 1, Folder 1, HSP.

79 Fichter, *So Great a Proffit*, 185.
memorial to Emperor Qianlong (1711-1799) in 1784 even ascribed the first wave of Chinese merchants’ bankruptcy in 1779-80 to the consignment sale, claiming that some of the European consignors deliberately delayed their trips to collect the proceeds and charged high interest on the unremitting amount in the hands of Hong merchants.\(^8^0\) When Willings and Francis consigned their opium to Consequa for sale, they charged “the customary interest” at 15-20% on the proceeds remaining in Consequa’s hand.\(^8^1\) Thus, Consequa charged a quite reasonable price, 12% per annum, on the undelivered proceeds that American merchants retained, though New York merchants, Edmund Fanning, Henry Fanning, and Willet Coles protested the interest rate as “the tyranny and oppression of Consequa, and the other Hong merchants, at Canton.”\(^8^2\) They claimed that the interest rate was supposed to be 10% and their failure to remit the proceeds to Consequa was due to the Embargo of 1809, but the New York Chancellor refuted their claims because the compound interest was “nothing more than the practice of all those merchants who make annual rests in their accounts” and he trusted Consequa’s “frank and manly character.”\(^8^3\)

However, the accumulation of this compound interest could devastate American merchants. From 1805 to 1818, Consequa consigned Chinese goods, primarily teas, valued at $160,000, to the three New York merchants mentioned above for sale in the U.S. market (Table 1). Consequa never received the proceeds in specie. These merchants delivered to Consequa part of the proceeds in promissory notes, payable within fifteen months with simple interest, probably

\(^{80}\) Liang Tingnan 梁廷枏, Yue haiguan zhi 粵海關志 (The Chronicle of Canton Custom), vol. 25, 6-7, accessed January 20, available at http://ctext.org/library.pl?if=gb&res=2390&remap=gb. However, Qing officials’ understanding of the debt crisis as a consequence of foreign merchants’ deceitful operations was biased. According to Grant, the cause was the first dissolution of the Cohong in 1771, which destabilized market conditions and led to the debt crisis of 1779-1880. See Grant’s *The Chinese Cornerstone of Modern Banking*, 88-90.

\(^{81}\) “William Read to Willings & Francis,” November 9, 1805, Willings and Francis Records, Series 1, Box 1, Folder 3, HSP.

\(^{82}\) Johnson, *Reports of Cases Adjudged in the Court of Chancery of New York*, 606-7.

\(^{83}\) Ibid.
at the rate of 1% per month. After the expiration dates, they had to pay compound interest on the unpaid balance at 12% per annum. In 1810, when they were unable to pay the $2,910.64 interest on one note, they wrote another note upon the amount and promised to pay compound interest on this one when it came due one year later. However, all of these original and derivative notes remained unpaid when Consequa sued in New York chancery court in 1818. The face value of the notes totaled $82,399.58 and their future value in 1818 amounted to $198,358.49 (see table 2.1). The interest generated by these notes approximated $103,686.3, which exceeded their prime amount. Despite the established “principle at Canton that but one half interest should be paid on debts detained in America by the Embargo” of 1807-1809, the debt burden might have remained financially damaging to Fannings and Coles.

### Table 2.1 The Value of Consequa’s Property in the Hands of the Fannings and Coles

<table>
<thead>
<tr>
<th>Date</th>
<th>Unreceived Proceeds from Consigned Goods</th>
<th>Unpaid Notes</th>
<th>Prime value + Simple Interest</th>
<th>Terminal value of the Notes on 01/01/ 1818 (Compound Interest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/06/1806</td>
<td>$4,080.81, 15-month sight with interest; 12% compound interest per annum</td>
<td>$4,692.9315 (Due Date 05/06/1807)</td>
<td>$15,425.29 (N=10.5; I=$10,732.36)</td>
<td></td>
</tr>
<tr>
<td>12/22/1807</td>
<td>$19,837.77, Tea</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/24/1807</td>
<td>$29,135.50, Tea and Nankeens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/1809</td>
<td>$39,690.63, 15-mo.; 12%</td>
<td>45,644.2245 (03/1811)</td>
<td>$98,086.1 (N=6.75; I=$52,441.88)</td>
<td></td>
</tr>
</tbody>
</table>

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84 This court report never clarifies the interest rate of the notes, but Consequa charged 1% on his notes to Rhode Island and New York merchants. See “King & Talbot to Edward Carrington,” June 23, 1806, Carrington Papers, Box 9, Folder 4 and “Minturn & Champlin to Edward Carrington,” July 9, 1806, Carrington Papers, Box 9, Folder 4, RISH.


86 The equation to calculate the terminal value of Consequa’s notes on January 1, 1818 is Future Value = Present Value (1+ Interest Rate)^n. N represents the number of years. For example, it is unclear the expiration date and interest of the note given to Consequa on January 19, 1811, I estimate, as the other notes, that it was a fifteen-month credit, with a simple interest 1% per month and a compound interest 12% per annum. N=5 years and 8 months=5.67. FV = $41,075.125 (1+0.12)^{5.67} = $78,098.93.
Consequa extended more credit to Americans in other regions. Frederic Grant investigated Consequa’s litigations with Philadelphia merchants and compiled the data in Table 2.2. The face value of these notes against Philadelphia and Boston merchants, produced by the sale and consignment of tea, amounted to $632,952.58, without the interest within and after the expiration dates taken into account. Grant drew these numbers from disputed debts in the Records of the Circuit Court for the District of Pennsylvania and individual merchants’ business records, so this is only an incomplete table. The aggregate amount of the commercial credit extended from Consequa to these Americans far exceeded the amount shown here.

Table 2.2 An Incomplete Tabulation of Consequa’s Loans to Americans

<table>
<thead>
<tr>
<th>Year</th>
<th>Notes Made and Consignment Shipments</th>
<th>Payments Received on Notes Otherwise Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>1793</td>
<td>$43,821.00</td>
<td></td>
</tr>
<tr>
<td>1798</td>
<td>3,410.50</td>
<td></td>
</tr>
<tr>
<td>1800</td>
<td>33,142.33</td>
<td></td>
</tr>
<tr>
<td>1801</td>
<td>30,827.50</td>
<td></td>
</tr>
<tr>
<td>1803</td>
<td>20,000.00</td>
<td></td>
</tr>
<tr>
<td>1804</td>
<td>12,189.00</td>
<td></td>
</tr>
<tr>
<td>1805</td>
<td>43,680.89</td>
<td>$5,420.18</td>
</tr>
<tr>
<td>1806</td>
<td>138,976.56</td>
<td>39,206.00</td>
</tr>
<tr>
<td>1807</td>
<td>50,724.63</td>
<td></td>
</tr>
</tbody>
</table>
The Derivative Function of the Promissory Notes

Consequa’s notes had a derivative function, serving as a means of remittance for China traders. In 1806, Rhode Island and New York merchants used Consequa’s notes in favor of John Innes Clark, a Rhode Island merchant, to liquidate their obligations in the China trade. It was likely that Consequa wrote these promissory notes to cover the value of Clark’s consignment to him. Employing these notes, a type of negotiable financial instrument, provided American and Chinese merchants an easy means to resolve their debts and facilitated their transactions, thus manifesting the significance of the credit-economy component of the international trade at Canton. The scarcity of money, the war in Europe, the difficulty of getting insurance for specie, the economic stagnation in the U.S., and Consequa’s large tea business all contributed to the popularity of this new means of remittance. For example, Minturn & Champlin, a New York firm, purchased two of Consequa’s notes in favor of Clark, valued at $25,000, “dated at Canton the 7 & 8th Feb. last [1805], at ten days sight,” with interest at 1%. They then endorsed them to Mr. Dexter, supercargo of the ship Projector, to liquidate part of Dexter’s obligation to Consequa.87 King & Talbot also endorsed such a note to Carrington at Canton as a loan, in total amounting to $5,800 at an interest rate of 16% per month.88 King & Talbot remitted Consequa’s notes to Carrington “in preference to Dollars” because they obtained it at a credit of 60 days and

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1808</td>
<td>1,365.00</td>
<td></td>
</tr>
<tr>
<td>1809</td>
<td>89,690.63</td>
<td></td>
</tr>
<tr>
<td>1810</td>
<td>71,198.86</td>
<td>8,688.00</td>
</tr>
<tr>
<td>1811</td>
<td>35,711.50</td>
<td></td>
</tr>
<tr>
<td>1817</td>
<td>4,900.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$579,638.40</td>
<td>$53,314.18</td>
</tr>
</tbody>
</table>


87 “Minturn & Champlin to Edward Carrington,” July 9, 1806, *Carrington Papers*, Box 9, Folder 4, RISH.
88 “King & Talbot to Edward Carrington,” June 23, 1806, ibid.
thus had more time to arrange a remittance. In June 1806, with tea very dull and dollars so hard to procure, William Shaler, a supercargo from Rhode Island, advised Mr. Arden to take Consequa’s notes endorsed by Clark, which Shaler deemed “as good as cash and they greatly facilitate the promptitude of [Carrington’s] remittances: dollars could not have been procured to go by one.”

The adoption of Chinese merchants’ notes as a means of remittance and liquidation of debts in the China trade was not confined to those merchants. Chinese and American merchants had employed negotiable instruments, including Chinese notes and English bills, to settle their transactions. For example, in 1809, to repay their agent Read’s notes to Consequa but, meanwhile, to conceal their identity as the boss behind the scenes, Willings and Francis asked George W. Biddle to “appear as purchasers of these notes.” This suggests that it was not uncommon for foreign merchants to purchase this negotiable instrument from Consequa for commercial purpose. During the War of 1812, Robert Waln—a China trader, state legislator, and U.S. Congressman from Philadelphia—received a set of Chinese notes against several American merchants from George Blight, his agent at Canton, whom Chinese merchants endorsed these notes to (see table 2.3). It is likely that Chinese merchants settled their transactions with Blight or, without any hope to get remittance during the war, sold the notes at discount to him. Waln insisted that it would be advantageous for these merchants to liquidate them in the U.S. than at Canton after the war, given the amount of interest and the expense of remittance. For example, Waln charged $19375.72, at 60 days, on Carrington’s $14,977 notes to Kingqua (dated March 20, 1806).}

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89 Ibid.
90 “William Shaler to Edward Carrington,” June 22, 1806, Carrington Papers, Box 9, Folder 4, RISH.
91 Willings and Francis believed that these notes were drawn upon them erroneously, because they were Read’s debt to Consequa, so they expected Biddle to settle them without revealing their identity. “Willings and Francis to Geo. W. Biddle and Thomas Willing Jun.,” May 13, 1809, Willings and Francis Records, Series 1, Box 1, Folder 7, HSP.
1810 at 15 months sight) and Exchin (dated July 24, 1810 at 14 months sight), lower than the terminal value when these notes met due at Canton. This transformed the debt between Chinese and American merchants into a type of domestic debt relation and enriched the monetary assets in the U.S.. Moreover, the debt relation could also be transnational. On March 19, 1812, Waln used four English bills drawn on Jon S. Lewis & Co., Baring, Brothers & Co., and Bainbudges & Brown to repay his £3200 note to Consequa. This reveals an established financial network linking Philadelphia, England, and Canton. Thus, Chinese notes, English bills, and Americans’ China trade had connected the Atlantic and Pacific financial markets in the early nineteenth century.

Table 2.3 Chinese Notes Passed from George Blight to Robert Waln in 1813

<table>
<thead>
<tr>
<th>Date</th>
<th>Payer</th>
<th>Region</th>
<th>Creditor</th>
<th>Amount</th>
<th>Term of the Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 12, 1810</td>
<td>John Field, Jr.</td>
<td>Philadelphia</td>
<td>Cheonqua</td>
<td>$5389.60 with interest ($6400 paid)</td>
<td>12 months</td>
</tr>
<tr>
<td>Jan. 12, 1810</td>
<td>John Field, Jr.</td>
<td>Philadelphia</td>
<td>Cheonqua</td>
<td>$2,400 with i.</td>
<td>18 mos.</td>
</tr>
<tr>
<td>Jan. 29, 1810</td>
<td>Stephen Dexter</td>
<td>Providence</td>
<td>Consequa</td>
<td>$19,166 5/100 with i. for the balance ($5,559 paid)</td>
<td>2 mos.</td>
</tr>
<tr>
<td>Mar. 20, 1810</td>
<td>Edward Carrington</td>
<td>Providence</td>
<td>Kingqua</td>
<td>$6,977</td>
<td>15 mos.</td>
</tr>
<tr>
<td>Jul. 24, 1810</td>
<td>Edward Carrington</td>
<td>Providence</td>
<td>Exchin</td>
<td>$8,000</td>
<td>14 mos.</td>
</tr>
<tr>
<td>Jan. 1, 1811</td>
<td>William Smith</td>
<td>Philadelphia</td>
<td>Kingqua</td>
<td>$6,000 33/100 with i.</td>
<td>Unmentioned</td>
</tr>
</tbody>
</table>

93 The terminal value of these notes would be over $20,000. When they were due, the future value of the two notes with simple interest was 6977 (1+0.01*15)=8023.55 (06/20/1811) and 8000 (1+0.01*14)=9120 (09/24/1811). The terminal value was 8023.55 (1+0.12)^1.5 + 9120 (1+0.12)^1.25 = 9510.29+10507.93 = $20018.22.

94 These four Bills of Exchange @ 60 d/sight are:
William Wilson on James R. Bonson dated 26 ulto. to order and endorsed by Jon S. Lewis & Co. for ……£300 stg. 
William Wilson on do. to order & endorsed by do for ……………………………………………………………………………………………………………………………………………………800
Savage & Dugan on Baring, Brothers & Co. of this date to my order for …………………………………………………900
William Waln on Bainbudges & Brown of this date to my order for …………………………………………………………1200
Total ……………………………………………………………………………………………………………………………………………………£3200

77
<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>City</th>
<th>Banker</th>
<th>Amount</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 2, 1811</td>
<td>Samuel Moore</td>
<td>Philadelphia</td>
<td>Kingqua</td>
<td>$580 with i</td>
<td>Unmentioned</td>
</tr>
<tr>
<td>Feb. 12, 1812</td>
<td>Thomas Bryant</td>
<td>Philadelphia</td>
<td>Kingqua</td>
<td>$1,185</td>
<td>Unmentioned</td>
</tr>
<tr>
<td>Oct. 8, 1812</td>
<td>Minturn &amp; Champlin</td>
<td>New York</td>
<td>Consequa</td>
<td>£38,075</td>
<td>6 mos.</td>
</tr>
</tbody>
</table>


**Consequa’s Lawsuits and The Size of Chinese Commercial Credits in the U.S.**

Since American debtors delayed liquidating their balance with Consequa, in April 1804, John Hallowell, the Hong merchants’ lawyer, started suing to collect Consequa’s notes in the U.S. court, usually without success, particularly during the depression of 1807 and the years of Embargo. These merchants either went bankrupt or counter-sued Consequa for poor-quality teas.95 In one remarkable case, Philadelphia merchants Edward Dunant and Joshua and Thomas Gilpin received a cargo of tea in August 1806 and stored the unsold part until March 1807, when they shipped these boxes of tea to Amsterdam and sold them at public auctions in August 1807. Yet this tea failed to command prices as high as others of the same kind in Amsterdam did. In response to the economic pressure brought by Consequa’s debt collection, Dunant and the Gilpins counter-sued in 1808, attributing their economic losses in the Netherlands to Consequa’s poor-quality tea, though their supercargo had been satisfied with the teas at Canton three years earlier. Since the quality of the teas sold in Philadelphia was uncontested, the court focused on whether auction sale furnished a just criterion of value and whether storage in Philadelphia and sea transit had deteriorated the tea before it reached Amsterdam. The jury, however, eventually

95 Grant, “The Failure of the Li-ch’uan Hong,” 247.
favored Dunant and the Gilpins and found a verdict for $5,566. Willings and Francis started a second suit regarding the poor quality teas Consequa furnished, even though the responsibility had lay in their agent at Canton, Read, who rejected Mr. Rabinel the Dutch tea examiner's 2.5% fee and obtained poor-quality tea upon his own judgment in 1805. Read admitted that he thought himself as "a tolerable judge of teas" when furnishing the disputed cargo of Bingham, but, after dealing more in teas, grew reluctant to select black teas upon his own judgment. The jury verdict, nevertheless, allowed $60,134 compensation for Willings and Francis, but they still owed Consequa $71,183 in 1816.

Consequa regarded such claims against him as a way for American counterparts to escape debts in the midst of a sluggish economy, because when the trade was flourishing, American merchants well observed the game rules.

Of late years, however, [I have] been able to obtain returns in a very trifling proportion to the extent of the Capital, which [I have] thus confided to American Traders.

... Some resist payment of their Debt(s) contending inferior quality of the Goods, which [I have] had supplied. [I] always admitted and desired inspection of his Goods before purchase, and [my] Debtors being professed Merchants in the articles, ought to have possessed, and exercised due skill, and knowledge respecting them.

Such claims against Chinese tea merchants might be contagious during this period. In May 1809, Nixon & Walker, a Philadelphia firm, instructed Biddle to liquidate the note to Youqua but refused to pay the interest, claiming that “[w]e do not take interest into consideration as we were

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96 Richard Peters, Reports of Cases Argued and Determined in the Circuit Court of the United States for the Third Circuit, Etc., 1803-1818 (United States: Courts of Justice, Circuit Courts, 1819), vol. I, 87, 89.
97 Grant, “The Failure of the Li-ch’uan Hong,” 252.
98 “Consequa v. Willings and Francis, Circuit Court of the United States, Pennsylvania District,” June, 1810, Willings and Francis Records, Series 1, Box 1, Folder 7, HSP.
99 Ibid.
prevented by the Embargo from sending him his balance had any been due to him; for in truth
had the Embargo not enabled us to dispose of the Tea, the abatement [owing to the inferior
quality of the tea] which in that case we should have claimed would itself have cancelled the
Bond. “101 However, to support the claims regarding Consequa’s inferior teas, on April 2, 1808,
the Philadelphia Sheriff attached all of Consequa’s property and credits in the hands of twenty
Philadelphia merchants, thus preventing the merchants from paying and Consequa’s agents from
collecting any overdue notes until May 22, 1809.102 The value of that attachment was a half
million dollars, ten times the amount of damages that Philadelphia merchants claimed in the
Common Pleas actions. The figure represents the great size of Hong merchants’ outstanding
loans in one city.103 Thus, Consequa’s claim in 1814 that American merchants owed him a
million dollars might not be an exaggeration.104 The value of Consequa’s $632,952.58 notes
ranges from $10.9 million to $16 billion in 2014, depending on the indicators for the comparison,
and the $1 million debt in 1814 was worth at least $13.9 million in 2014.105

The size of the financial resources pumped by Chinese merchants into the U.S., at least in
the North, probably exceeded these numbers. Consequa’s credit to American merchants spread to
other parts of the U.S.. Whereas the greatest number of Consequa’s debtors were in Philadelphia,
he depended on an attorney named Sullivan to collect debts in Boston and John Jacob Astor
elsewhere.106 The scope of the “elsewhere” is unclear, but Consequa also extended credit to
Rhode Islanders, such as Dr. Whitney and Samuel Snow.107 In addition to Consequa, during the
first two decades of the nineteenth century, federal or state courts of Pennsylvania saw numerous

101 “Nixon & Walker to George W. Biddle,” May 12, 1809, Carrington Papers, Box 10, Folder 4, RISH.
102 Grant, “The Failure of the Li-ch’uan Hong,” 249.
103 Ibid.
104 Mazumdar, Sugar and Society in China, 118; Dennett, Americans in Eastern Asia, 86.
105 Samuel H. Williamson, “Seven Ways to Compute the Relative Value of a U.S. Dollar Amount, 1774 to present,”
106 Grant, “The Failure of the Li-ch’uan Hong,” 246.
107 “Benjamin Hoppin & Son to Edward Carrington,” June 4, 1807, Carrington Papers, Box 9, Folder 4, RISH.
similar suits concerning the promissory notes made by Americans in favor of Chinese merchants to purchase tea at Canton. Chinese litigants included the Hong merchants Chunqua, Exchin, Howqua, Pacqua, and Yougua, and the private merchants not in the Co-Hong, Cowqua, Eshing, Keetshing, Kingling, Namshing, and Thonching.\textsuperscript{108} It is unclear how much more notes were unrecorded or undisputed. Therefore, Cushing repeatedly reminded Carrington to pay off his debt to Howqua after he left China in 1811; it would be for Carrington’s “int. [interest] to pay the note to Houqua [Howqua] in preference to those in the hands of Englishmen, as it will make a favourable impression on him, & be of advantage to [Carrington] in case [he] should want any future accommodation.”\textsuperscript{109}

As early as 1795, in his report on Thomas Handasyd Perkins and other Boston merchants’ default on their notes to Consequa, Howel, the lawyer, had insisted that it was “absolutely necessary some steps should be taken to retrieve the character [i.e., reputation] of the Americans here. Such villanies have been practised as have sickened the Chinese from having any dealing with them on that liberal scale they would otherwise adopt.”\textsuperscript{110} It is unclear how much of the unpaid debt American merchants eventually settled; at least Consequa’s story ended in tragedy. Tired of the tedious litigations and sometimes prejudiced court decisions, Consequa petitioned to President James Madison, lamenting at American businessmen’s unreliability and doubtful credibility under the trial of economic difficulties. “If my losses were no greater than what I could well bear, I would [definitely bear all the losses and] not complain 若虧些小本錢自能承

\textsuperscript{109} “John P. Cushing to Edward Carrington,” March, 12 and April 16, 1812, \textit{Carrington Papers}, Box 10, Folder 4, RISH.
\textsuperscript{110} Grant, “The Failure of the Li-ch’uan Hong,” 246.
Consequa might have been mimicking foreign merchants in China, who, as the last resort, requested the Qing emperor to resolve their financial disputes with Hong merchants, but Madison probably never read his petition. The nonpayment, nevertheless, was destructive to Consequa as he was subject to corporal punishment by the Chinese laws, which offered limited protection to Hong merchants but severely punished them for indebtedness. Moreover, while Consequa consigned $50,000 in goods and extended a loan of almost $40,000 in 1809, he was deeply in debt to the British East India Company. Legal threats during the attachment period added to his trouble. Therefore, Edward Gray, a Philadelphia merchant who paid his debt to Consequa in 1809, wrote to Hong merchant Chunqua in March, “Conseequa will have no more business with this place. You and Houqua [Howqua] will do all.” Consequa, facing the imperfect enforcement of international contracts, could only “as usual [growl] at the Americans to whom he attributes all his embarrassments.”

Consequa suggested in his petition that some American merchants used his credit as capital in “other Branches of Commercial Speculation, in which they have been unsuccessfull [sic], and are utterly unable to pay” him. He never clarified what commercial activities that these American merchants engaged themselves in, but historians’ research shows that Philadelphia China traders and those from other regions disbursed the profit and credit accumulated in the China trade principally in three ways. First, they rechanneled it into their international trade or industries related to the China trade, such as supportive financial

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111 Consequa, “To James Madison from Consequa.” 自能承當, more precisely, means that I would bear all of the losses without hesitancy, so the original English translation “I would not complain” slights Consequa’s decisive tone.
112 Examples of foreign merchants petitioning to the Qing court can be found in Yue hai guan zhi, 9-10.
113 Johnson, Reports of Cases Adjudged in the Court of Chancery of New York, 607; Yue hai guan zhi, 9-10.
114 Grant, “The Failure of the Li-ch’uan Hong,” 249.
115 Ibid.
116 “John P. Cushing to Edward Carrington,” November 15, 1811, Carrington Papers, Box 10, Folder 2, RISH.
117 Consequa, “To James Madison from Consequa.”
institutions and shipbuilding. For example, Perkins laid the foundation of his fortunes in the voyage to China in 1789, established a commission house in China, and remained a leading merchant in Boston for years.\textsuperscript{119} Carrington returned to Providence from Canton in 1811 and invested in mercantile trading to China, South America, and Europe.\textsuperscript{120} With the profits from either the China trade or slave trade, or both, John Brown founded the Providence Bank with other merchants in Providence in the early 1790s and became the first president of the bank in 1791. Stephen Girard, the wealthy China trader in Philadelphia, subscribed a substantial amount of money for the Second Bank of the United States in 1816.\textsuperscript{121} In 1787, Shaw sent “home a small property, taken up on credit from the Chinese, as part of the funds for building a large ship, [in or near Boston]” in which he expected to embark and return to America in 1790.\textsuperscript{122} Philadelphia’s shipbuilding industry expanded in response to the need in the China trade, particularly for tea clippers.\textsuperscript{123} They also ventured the resource in unrelated enterprise, such as land speculation, manufacturing, and canals. In 1795, Brown owned 210,000 acres of land in the Adirondacks in New York State.\textsuperscript{124} Carrington invested in the Blackstone Canal in the 1820s and several textile mills.\textsuperscript{125} Some bequeathed the money to public institutions, thus transforming their commercial capital into social and political capital. Therefore, when reviewing the inchoate China trade a century later, Tyler Dennett remarked that “The importance of the early China trade is to be gauged not so much be the net trade returns for each year as by the fact that it offered a means

\textsuperscript{120} See the introduction of Edward Carrington on Rhode Island Historical Society, accessed June 20, 2015, available at http://www.rihs.org/mssinv/ Mss333.htm
\textsuperscript{121} Goldstein, \textit{Stephen Girard’s Trade with China}, 6.
\textsuperscript{122} Quincy, \textit{The Journals of Major Samuel Shaw}, 252.
\textsuperscript{123} Goldstein, \textit{Philadelphia and the China Trade}, 41.
\textsuperscript{125} See the introduction of Edward Carrington on http://www.rihs.org/mssinv/Mss333.htm.
for the accumulation in a few years of a large amount of capital of which the rapidly growing states were in urgent need.”

As the War of 1812 ended in the U.S., a new era dawned in China. Individual resident agents—Samuel Shaw, Edward Carrington, and William Read—gradually gave way to established commission houses, such as Russell & Co. and Augustine & Co., in the China trade. Many of Cosnequa’s American commercial partners overcame the trials during the economic depression of 1807, Jefferson’s Embargo of 1807-1809, the Napoleon Wars of 1800-1815, and the War of 1812, but Consequa paid the price for his reckless decisions in the international trade and was victimized by a troubled time in American history. Consequa’s Liquan Hong 麗泉行 failed in 1821 and he passed away two years later, still owing $0.2 million to foreign merchants. In 1824, a party of foreign claimants gathered at the city gate to petition the Qing government; consequently, Howqua promised to settle Consequa’s debt in three years. Howqua dominated the business with American merchants in the following decades and grew legendary among them for his generosity. Even after his death in the mid-nineteenth century, members of the Boston families, such as the Forbes Family, continued to invest his wealth in America for many years. All the problems in the early years of the Chinese-American tea trade—money scarcity, the difficulty to procure and remit specie, the standard to assess Chinese teas, and Hong merchants’ obligations to foreign merchants without due

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128 Forbes, *Remarks on China and the China Trade*, 38. The amount should be in Spanish dollars, which was the widely used unit of currency during this period. 1 U.S. dollar = 1 Spanish dollar, see White, “The Archaic Monetary Terms of the United States,” 95-6. The primary creditor of Consequa might be the British East India Company. After his death, other Hong merchants paid his debt to the EIC in regular installments until 1826. See Grant, “The Failure of the Li-ch’u’an Hong,” 257.
protection from the Qing government—contributed to the introduction of a new dynamic in the trade in the following decades of the nineteenth century.
CHAPTER III. BLACK GOLD AND WHITE GOLD:
WEAVING A TRANSNATIONAL NETWORK VIA THE CHINESE-AMERICAN TEA TRADE, 1815-1843

The second decade of the nineteenth century started with bad omens, probably boding the unsettled decades ahead in China. In 1821, Consequa’s Liquan Hong went bankrupt; in 1822, a fire swallowed the thirteen Hongs, melting the stored bullion into a silver river. These losses and the post-fire reconstruction put more economic pressure on Hong merchants, but they by no means diminished the power of Cohong in controlling the Canton trade. However, a piece of paper passed that year would dramatically change this system. That was a bond foreign captains had to sign before unloading their commodities at Canton, declaring that “the ship commanded by me has come to China with a cargo of cotton; with it no opium is brought in the vessel. Should any at a future day be discovered, I will willingly await legal trial and punishment.”

Everyone accepted this new requirement, because few took it seriously. “[I]t was complied with for many years without a murmur, and never was there a word against giving a bond to submit to trial and punishment,” Robert Bonnet Forbes recalled, “until the year 1839,” when someone eventually took the issue seriously and triggered the first Opium War and ended the Canton trade system.

Opium and cotton, the two goods mentioned in the bond, were the key words for the tea trade of this period. Not only did opium and cotton trades generated funds for Americans’ tea purchases, but their expansion in size and value modified the financial structure of the China

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1 Forbes, *Remarks on China and the China Trade*, 16.
2 Ibid.
trade by producing a market for bills of exchange in China. Despite the employment of Chinese
promissory notes in individual transactions, American merchants still had to export specie to
China to settle their account balance, up until the late 1820s when English bills—including bills
on India (Bombay and Bengal) and England (drawn by American merchants on their London
agents)—became a profitable investment and gradually replaced specie as the major American
exports to Canton. The commercial crisis in India and the ensuing financial crisis in Canton in
the 1830s facilitated the circulation of American bills on London in the China trade. Americans
thus acquired more economic independence by producing their own financial resource. The
opium war of 1839-1842 ended the Old China Trade and terminated the monopoly of the Co-
Hong. Americans were able to procure tea directly from tea-growing regions, with the assistance
of Chinese compradors. Historians on the China trade have recounted this change in their works,
this chapter provides more quantitative analysis of this process, distinguishes the different types
of bills, and elaborates how American tea traders weaved an expansive commercial and financial
network via their participation in the opium, cotton, tea, and bill trade during the years between
the War of 1812 and the first Opium War.3

SOURCE OF TEA

On the other side of the Pacific Ocean, the War of 1812 had ended and the tea trade with
China revived and thrived. While the uncertain political situation preceding 1812 had interrupted
the tea trade, the trans-oceanic hostility during the wartime stopped it altogether.4 It was likely
that except a small quantity of tea privateered by brave souls, fresh teas found no way into the

3 Downs has described the increased use of American bills, produced in the American cotton with Great Britain, to
purchase Chinese tea, see Downs, *The Golden Ghetto*, 108-112. Japanese historians, such as Takeshi Hamashita,
have noticed the existence of a triangle network buttressed by Chinese tea, English bills of exchange, and American
cotton, see Chen, *Jindai zhongguo chaye de fazhan yu shijieshichang*, 4.
4 “Robert Waln to Geo Blight,” February 13, 1813, Robert Waln Letterbooks 1808-1814, *Waln Family Papers 1785-
1820*, Vol. 19, 298-299, HSP.
This situation, however, served tea dealers well. Charles Kuhn, Edward Carrington’s commercial partner, wrote to him half-jokingly, “I hope you have written to the President & both houses of Congress to express your gratitude for the additional price they in their wisdom have thought meet, fit, good politic & proper to add to your several cargoes of Teas.”

The end of war and the expiration of the Double Duty Act in 1816 restored a normal tea trade; the quantities of tea imported to the U.S. quickly revived to its former level (see chart 3.1).

Chart 3.1 Tea Imported from China on American Vessels, 1804-1849

The import of tea on American vessels peaked during the season of 1818-19. In spring 1820, Carrington sent his ships *Integrity* and *George* to Canton, still destining for Amsterdam. Other big names also appeared in merchants’ memo: Stephen Girard of Philadelphia sent his ship *North America* to Canton, loading tea for Amsterdam and New Yorker John Astor’s *Acosta*.

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6 “Charles Kuhn to Edward Carrington,” July 4, 1812, *Carrington Papers*, Box 10, Folder 6, RIHS.
7 In July, 1812, “Double Duty Bill of 1812,” also known as “War Duty 1813,” imposed double duties on all imports into the U.S. from 1812 to 1816. See W. A. Davis, *General Index to the Laws of the United States of America from March 4th, 1789 to March 3d, 1827* (Washington City: W. A. Davis, Pennsylvania Avenue, 1828), 104.
sailed to Havre, France; still more were yet to came, loading tea for European and American markets, even including England.₈ Besides, Dutch, French, Portuguese, and Danish companies also participated in the contest, but each sent only one vessel. American merchants’ adventures in tea still dwarfed those of the Continental Europeans after the Napoleonic Wars.₉ The presence of the European vessels posed no threat to Americans’ expedition in tea. The Dutch vessel destined for Middleburg of Netherlands, the Portuguese went to Lisbon, and the Danish sailed to Copenhagen, all shying away from the stronghold for American tea dealers: Amsterdam.

Moreover, the Portuguese were so notorious for their teas of inferior quality in Northern Europe that they almost exited this trade in 1820.₁₀ J. P. Cushing calculated that “as the Portuguese were out of the competition & the Dutch nearly so, that we shou’d have a pretty favourable chance of adventuring to the North [of Europe] with a tolerable prospect of advantage.”₁¹

The quality of teas was key to the success in the European tea market. However, it was not easy for American merchants to acquire prime teas before 1834, as the Cohong monopolized


₉ American vessels shipped most of the teas to Europe. In 1820, their only competitors in Canton were a Dutch and a Portuguese vessel and in 1821, one Danish vessel. Most of the teas were shipped to Amsterdam. Americans vessels also shipped 5,800 chests of teas to England in the spring of 1820. The vessels carrying teas to Europe from Canton in May 1820 were as follows:

<table>
<thead>
<tr>
<th>Vessel</th>
<th>Departure</th>
<th>Destination</th>
<th>Chests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Bocca Tigris</td>
<td>1 Oct.</td>
<td>Havre</td>
<td>275</td>
</tr>
<tr>
<td>Houqua</td>
<td>20 Dec.</td>
<td>England</td>
<td>4100</td>
</tr>
<tr>
<td>Integrity</td>
<td>2 March</td>
<td>Amsterdam</td>
<td>5000</td>
</tr>
<tr>
<td>North America</td>
<td>20 March</td>
<td>Amsterdam</td>
<td>5000</td>
</tr>
<tr>
<td>Washington</td>
<td>6 April</td>
<td>Amsterdam</td>
<td>4200</td>
</tr>
<tr>
<td>George</td>
<td>9 April</td>
<td>Amsterdam</td>
<td>3700</td>
</tr>
<tr>
<td>Montesquieu</td>
<td>25 April</td>
<td>Amsterdam</td>
<td>4500</td>
</tr>
<tr>
<td>Acosta</td>
<td>27 April</td>
<td>Havre</td>
<td>1920</td>
</tr>
<tr>
<td>Dutch ship Tephyr</td>
<td>10 Dec.</td>
<td>Middleburg</td>
<td>5000</td>
</tr>
<tr>
<td>True American</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cordelia</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Added to these there will be about 12,000 Chests on the ships True American and the Cordelia, which had not arrived yet when Cushing wrote this letter. Besides, there were some teas re-exported from the U.S. to Europe, but almost all the teas taken to that quarter were inferior and totally unfit for the European market. See “Perkins & Co. to Parish & Co.,” May 1, 1820, ibid.

₁₀ “Perkins & Co. to James & T. H. Perkins,” February 25, 1820, ibid

₁¹ Ibid.
its supply and the East India Company dominated the tea market. The EIC contracted with Hong merchants in March every year for the following year’s supply and prices of teas and had always taken the finest teas before they reached the open market in Canton.\(^{12}\) Thus, the “best” teas for American merchants were still those rejected by the EIC. In March 1820, Washington—probably the brig of Benjamin Shreve of Salem, Massachusetts—and Carrington’s ship George were loaded with black teas no more than the middling quality “as the Compy had the choice of all the teas in the market before any of said cargoes were purchased.”\(^{13}\) The Company’s expanding demand for teas even put others’ expedition to a halt. This happened in this season of 1819-20, when the Company bought up more winter teas than the quantities for the past several years. Cushing reported,

> We think it very doubtful if there will be any further expeditions either for Europe or the U. States … before the ensuing autumn, in fact it is impracticable for a vessel to procure a cargo at this time that wou’d be fit to send to Europe as the English Company have cleared the market of all the teas that they considered possible, the agent of the Montesquieu, the last ship for Holland, had great difficulty to obtain a decent cargo.\(^{14}\)

Worse still, tea was scarce in 1821. The EIC took all the teas, including those they rejected last season, at an advance of 30-40%. Consequently, in January 1821—several months before the closing of the tea season—the Dutch and American merchants had already been unable to “procure teas eno’[enough] to load the ships which are expected.”\(^{15}\) The supply for the U. S. market that year was much more limited than usual (see chart 3.1).\(^{16}\)

Not everyone was happily confined to this system. Thomas Tunno Forbes—the first China trader in the Forbes family who was sent by his uncles James and Thomas Handasyd

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12 See Chapter I of this dissertation, 47.
14 “Perkins & Co. to John Berenberge Gossler & Co.,” May 1, 1820, ibid.
15 “Perkins & Co. to F. W. Paine,” January 22, 1821, ibid.
Perkins to Canton and groomed by Cushing as his successor—recorded several Americans’ experience in challenging this system. In May 1823, Thomson, the contemporary American consul at Canton, Rush, and several others contracted with a Chinese dealer who promised to acquire teas for them at low prices directly from the interior. After getting their advances and furnishing them with a small quantity of teas, the Chinese dealer absconded with all the rest of the money. Forbes speculated that his original intentions might not be dishonest, “but when fully realizing the difficulty to acquire teas 20 taels cheaper than the market price, he concluded it was best to pocket the whole & be off.”17 Losing at least $200,000, these Americans paid a high price for the attempt at circumventing the Cohong and the EIC. This also taught other American merchants that “all idea of speculations in them must be given up,” so “it is generally admitted that is entirely unavailing to contract for them [teas] in the interior before the market open here [Canton].”18

Nevertheless, some people knew how to use this system, not fighting against it but thriving within it. John P. Cushing and the members of the Cushing-Perkins-Sturgis-Forbes alliance, were this type of people. Related by blood and marriage, this network expanded to London and Europe, with Frederick W. Paine as the head of the London operation and Baring Brothers & Co. as a main consignee and financial source.19 They expanded their connections to Canton as well. Cushing established Perkins & Co. as a branch of the James and J. & T. H. Perkins at Canton in 1803. When the commercial activities fell to stagnation during the War of 1812, Cushing spent his spare time handling Howqua’s overseas business, managing Howqua’s

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18 Ibid.
19 Downs, The Golden Ghetto, 158.
funds through London and Calcutta, and shipping on joint account with him after the War, thus maintaining rapport with this leading Hong merchant up until he passed away in 1843. Their close relationship was a precious resource for Cushing and his commercial partners across the three continents in the tea trade. Cushing admitted, “the old gentleman [Howqua] gives us the privilege of choosing from the teas which he has prepared [sic] for the Company.” In 1820, Howqua refused to furnish Girard’s North America “because he cou’d not give them teas which he considers prime” after the East India Company made their selections, even though Girard deemed him as a particular friend. However, neither the monopoly of the Company nor the shortage of fresh teas stopped him from procuring the choicest teas. Cushing had secured nearly enough “teas of prime quality” for his ships True American and Cordelia. Other American merchants could only get tea from Howqua after Cushing. Samuel Russell & Co. explained to Carrington that “we are not the first to be served, if he [Howqua] has a very prime chop of Teas, we might possibly be able to purchase it of him provided another person [i.e., Cushing] did not want it.”

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20 Ibid, 154.
21 Howqua regarded Cushing not only as a commercial partner, but also a close friend. In the letters to Cushing, he shared with Cushing the information about his family, the death of his son, and his own sorrow. See “Houqua to John P. Cushing,” December 27 1840, December 23 1842, Letterbook of Houqua, 1840-1843, accessed May 30, 2015, Adam Matthew, Malborough: China, America and the Pacific.
22 J. P. Cushing to Edward Carrington, November 24, 1815, Carrington Papers, cited in Downs, The Golden Ghetto, 155, n42.
24 Girard wrote to his Amsterdam agent, Daniel Crommelin, that “I depend entirely on his [Howqua] friendship for the quality of the teas which will be shipped...[I] hope he will treat me as one of his most particular friends.” Cited in Goldstein, Stephen Girard’s Trade with China, 1787-1824, 68-69.
Samuel Russell & Co. was originally founded by Cyrus Butler, Edward Carrington, Benjamin & Thomas Hoppin of Providence and Samuel Russell of Boston in 1818.\textsuperscript{27} As Carrington’s interest temporarily shifted elsewhere, with Cushing’s support, Samuel Russell collaborated with Philip Ammidon to run this one and only American commission house at Canton.\textsuperscript{28} They did not share the close relation with Howqua as Cushing did. However, after the unfortunate death of Thomas Tunno Forbes in a typhoon in 1829, Cushing merged the Perkins & Co. with Samuel Russell & Co., thus forming the largest American commission house at Canton, Russell & Co.. Cushing’s other cousins, Robert Bonnet Forbes and John Murray Forbes, serviced in Russell & Co. and maintained intimate relationship with Howqua, especially J. M. Forbes, whom Howqua took “under [his] fatherly care.”\textsuperscript{29} Howqua also became the biggest sponsor of Russell & Co. and benefited from it.\textsuperscript{30} Through Cushing’s powerful kinship group in Massachusetts and London, Howqua maintained exchange accounts with J. & T. H. Perkins, Bryant & Sturgis at Boston and Baring Brothers & Co. in London, further expanding his overseas business.\textsuperscript{31}

\begin{flushright}
\textsuperscript{27}“Copy of Agreement between S. Russell & Others,” December 26, 1818, Forbes Family Papers, Box 8, accessed May 30, 2015, available through Adam Matthew, Marlborough: China, America and the Pacific.
\textsuperscript{28} Thomas Tunno Forbes wrote in 1824, “Mr. Ammidon has returned from his trip to India when I believe he did tolerably well in the way of coms. His house & also doing well being the only agency (Amr.) house here.” Perkins & Co. was a branch of J. & T. H. Perkins at Canton. “Thomas Tunno Forbes to T. H. Perkins,” November 1 1824, V. D-3 “China Letters, 1834-1828,” Thomas Tunno Forbes Papers 1822-1838, Forbes Family Business Records, Baker.
\textsuperscript{30} When Howqua’s family withdrew about $500,000 from the Russell & Co. in 1859-60, this became the “greatest single blow to Russell & Co.’s financial resources.” See Kwang-Ching Liu, Anglo-American Steamship Rivalry in China 1862-1874 (Boston: Harvard University Press, 1962), 12, 16.
\textsuperscript{31} For example, Houqua drew two sets of bills on J & T. H. Perkins to pay the supercargo of the Montesquieu; Perkins of Boston would deduct the amount from the debit account of Perkins & Co. with them. See “Perkins & Co. to James & Thomas H. Perkins,” April 22, 1820, V. 19 Letter Book, 1820-1821, Russell and Co./Perkins and Co. Collection, Baker. In 1830s, Howqua consigned tea to Bryant & Sturgis and asked them to put the proceeds on his credit with them. See “Heard & Co., Letter Received-ND History of Business Done for Houqua by J. M. Forbes,” December 29, 1832, Heard Family Business Records, 1734-1901, Baker. Howqua also had financial transactions with Danish & Co. via Perkins & Co. in 1820. See “Perkins & Co. to Samuel Williams,” September 30, 1820, V. 19 Letter Book. 1820-1821, Russell and Co./Perkins and Co. Collection, Baker. Howqua’s clerk, J. M. Forbes and Augustine Heard, sent his orders to Baring Brothers and/or Cushing in London; they would send goods or remittance back to Canton or put the balance on Howqua’s account. See “Heard & Co., Letter Received-ND History
Russell & Co. was notorious for their opium smuggling; the constant demand for funds could be used as their justification. The China trade was a costly expedition, after all. A mixed cargo, in which tea usually counted for the greatest value, cost around $120,000-180,000 (about $2,500,000-3,750,000 in 2014). Adequate capital guaranteed the quality of the tea. The disadvantage of Portuguese in the tea trade lay in their insufficient funds from the beginning: they usually purchased “the refuse of goods that remained in the market & at much higher prices than others paid at the same time for those of good quality,” because their business relied “almost wholly on credit or by barter for articles which are difficult to be realized by the purchasers.” Even the resourceful Cushing had to furnish the ship Cordelia “principally on credit from various people,” and regretted that the tea cargo “will not we shou’d think prove so good as if a little more money had been employed in the operation.”

<table>
<thead>
<tr>
<th>Year</th>
<th>Ship</th>
<th>Value of the cargo</th>
<th>Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1820</td>
<td>True American</td>
<td>$184,058.28</td>
<td>Teas, Nankins, Cassia</td>
</tr>
<tr>
<td>1820</td>
<td>Cordelia</td>
<td>123,948.53</td>
<td>Teas</td>
</tr>
<tr>
<td>1820</td>
<td>Nautilus</td>
<td>170,372.50</td>
<td>Teas, Nankins</td>
</tr>
<tr>
<td>1820</td>
<td>Ophelia</td>
<td>129,530.30</td>
<td>Teas, Cassia</td>
</tr>
<tr>
<td>1820</td>
<td>R. Edwards</td>
<td>175-200,000</td>
<td></td>
</tr>
<tr>
<td>1821</td>
<td>Canton Packet</td>
<td>112,716.38</td>
<td>Teas, Silk, Cassia</td>
</tr>
<tr>
<td>1821</td>
<td>Houqua</td>
<td>113,766.48</td>
<td>Teas, Cassia</td>
</tr>
<tr>
<td>1834</td>
<td>Naples</td>
<td>$39,418.24</td>
<td>Tea</td>
</tr>
</tbody>
</table>

32 The value of goods procured by Perkins & Co. in 1820 and 1821 shows the average cost of a tea cargo during this period.
Chinese Commercial Credit

The mode of tea purchase changed little after the War of 1812. American traders still remitted more specie dollars than other merchandise to liquidate their account balance with Chinese merchants. It was unclear whether Consequa’s litigations before the War of 1812 affected American merchants’ acquisition of Chinese credit, but apparently, after the war, they could still obtain credit and tea consignments from other Chinese. Chinese merchants’ tea consignment and commercial credit reached such a large scale in 1819 that Robert Waln, Jr. of Philadelphia warned his fellow Americans

[s]o long as the Capital of the Hong is put in competition with the limited means of private American merchants, there can be but one result. While shipments to an immense amount are annually made by members of the Hong, cover’d by the names of their friends, our adventurers might almost resign the idea of coping with such adversaries; …
It is this system that is overflowing the markets East of Philadelphia, & a Chinese Capital that is undermining our whole commerce with China.  

Waln’s remarks might result from his worry about Chinese merchants’ manipulation of the U.S. tea trade, instead of the reality, but the size of Chinese consignment and capital were by no means insignificant.

Howqua, the leading Hong merchant, extended considerable amount of credit to his commercial partners across Europe, India, and the U.S., as Paul S. Forbes noted that Howqua’s “unbounded Confidence in Americans has never been equalled—entrusting to those with whom he had no ties of country, language, or Religion between 2 and 3 millions of Dollars at one time.”  

(see table 3.1) He grew legendary among Americans for his generosity. In addition to the well-known anecdote that Howqua destroyed a $100,000 note that Benjamin C. Wilcocks

36 Downs, The Golden Ghetto, 82.
owed to him, he also exempted the interest on Forbes’ notes, relinquished Bryant & Sturgis’s $30,000 debt, and charged no interest on his 3-year loan to Peter Snow after already putting $80,000 in Snow’s account. When he sent two notes, totaling $2780.67, to J. & T. H. Perkins for collection, he urged them “by no means to insist on the payment if it should appear that he is destitute or that his means are slender.”

Table 3.1 An Incomplete Tabulation of Howqua’s Loans to American Merchants, 1809-1842

<table>
<thead>
<tr>
<th>Date</th>
<th>Debtor</th>
<th>Value</th>
<th>Value in 2014 (in terms of the share of GDP)</th>
<th>Location</th>
<th>Interest</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/09/1809</td>
<td>A. Lynnstedt</td>
<td>$2,500</td>
<td>$63,300,000</td>
<td>Macao</td>
<td>1%</td>
<td>11 months</td>
</tr>
<tr>
<td>03/09/1810</td>
<td>A. Lynnstedt</td>
<td>$3,000</td>
<td>$73,900,000</td>
<td>Macao</td>
<td>1%</td>
<td>11 mos.</td>
</tr>
<tr>
<td>1810</td>
<td>Brown &amp; Ives</td>
<td>$20,000</td>
<td>$493,000,000</td>
<td>Providence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/28/1811</td>
<td>Benjamin G. Minturn</td>
<td>$20,000</td>
<td>$453,000,000</td>
<td>New York</td>
<td>1%</td>
<td>10 mo.</td>
</tr>
<tr>
<td>02/06/1819</td>
<td>AlbCathbut</td>
<td>$20,400</td>
<td>$488,000,000</td>
<td>Philadelphia</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>07/01/1819</td>
<td>Plbittberge</td>
<td>$7,700</td>
<td>$184,000,000</td>
<td>Philadelphia</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>07/01/1819</td>
<td>Dr. Po</td>
<td>$10,200</td>
<td>$244,000,000</td>
<td>Philadelphia</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>1820</td>
<td>Owners of ship George &amp; Albert</td>
<td></td>
<td></td>
<td>Philadelphia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1820</td>
<td>Smith &amp; Buchaman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/21/1820</td>
<td>William Gray</td>
<td>$1935.53</td>
<td>$47,400,000</td>
<td>Massachusetts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/23/1821</td>
<td>G. Molthe</td>
<td>$3,000</td>
<td>$71,000,000</td>
<td>Copenhagen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/07/1821</td>
<td>Bowers</td>
<td>$2780.67</td>
<td>$65,800,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/29/1833</td>
<td>J. M. Forbes</td>
<td>$3,000</td>
<td>$45,000,000</td>
<td>Boston</td>
<td>6%</td>
<td>(exempted)</td>
</tr>
<tr>
<td>March 1833</td>
<td>Hommejee Dorajee</td>
<td></td>
<td></td>
<td>India</td>
<td>With interest</td>
<td>Long-term</td>
</tr>
<tr>
<td>07/11/1834</td>
<td>Burjorjee Flurdanjee</td>
<td>$25,000</td>
<td>$357,000,000</td>
<td>India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/07/1834</td>
<td>Humusgu Dnugar</td>
<td></td>
<td></td>
<td>India</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Loan Amount</th>
<th>Value 2014</th>
<th>Location</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/13/1840</td>
<td>James P. Sturgis</td>
<td>$50,000 (in teas)</td>
<td>$553,000,000</td>
<td>Boston</td>
<td>0.6% (8% per annum)</td>
</tr>
<tr>
<td>06/01/1840</td>
<td></td>
<td>$30,000 (Relinquished)</td>
<td>$332,000,000</td>
<td>Boston</td>
<td></td>
</tr>
<tr>
<td>06/01/1840</td>
<td>Peter W. Snow</td>
<td>$80,000 (half in tea)</td>
<td>$884,000,000</td>
<td>Rhode Island</td>
<td></td>
</tr>
<tr>
<td>05/14/1841</td>
<td>Abiel Abbot Low</td>
<td>$25,000</td>
<td>$263,000,000</td>
<td>Salem, MA</td>
<td></td>
</tr>
<tr>
<td>12/23/1842</td>
<td>Peter W. Snow</td>
<td>$5,000</td>
<td>$53,800,000</td>
<td>Rhode Island</td>
<td>0% 3 years</td>
</tr>
</tbody>
</table>


Howqua’s nickname was “the timid young lady,” one of the most derogatory terms to describe a man, which indicates the major feature of his character. Unlike the manly and reckless Consequa, Howqua made judicious loans. As Samuel Russell & Co. reported to Carrington in March 1821 that “We could undoubtedly purchase of Mr. Houqua, and obtain as long credits as Mr. C[onsequa] used to do for you, but we know that we cannot, generally speaking, buy of him on so favourable terms, as we can of others.” James P. Sturgis, a crucial member of the Cushing network, failed to obtain an additional loan in the 1840s from Howqua.

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41 Ibid.
owing to his credit history, as R. B. Forbes reminded him, “[w]e always considered the old debt of yours to Houqua as standing very much in the way of any new loan from him, & we had good reason so to consider it, for the old man often alluded to it.”

Howqua was also very cautious about his consignment; he authorized only one person—first Cushing, then J. M. Forbes, and later Augustine Heard—to manage it, and concealed his name from all the transactions. Moreover, he repeatedly emphasized the importance to keep the sales and accounts of each shipment entirely separate and disconnected, as if they belonged to different people. He reminded Cushing, more than once, to submit all the papers and accounts of his shipments to the U.S. or Europe, even though some adventures were made four years ago. When losses occurred to him, Howqua could be harsh and sharp, as he scolded R. B. Forbes for selling his Souchong tea at an unexpected low price in 1834,

a mercantile and praiseworthy precision which I hope will continue to characterize your dealings with me. In selling my good Souchong Teas at such a villainously low price as 19 tales, …I can only hope that you [sic] laudable foresight on this point may not have induced you to sacrifice all my Black teas.

Commodities

To save the cost of shipping specie or to pursue an economic independence, Cushing, Forbes, and their fellow Americans explored the home market and the other parts of the world

44 Howqua brought this up in almost each of his letter to his consignees, including Cushing, Forbes brothers, Perkins, and Bryant & Sturgis. For example, Russell & Co. wrote in 1834, “Houqua says a great deal about having the sales & accounts relating to each adventure kept separate & entirely disconnected with each other, as they could be if they belonged to different persons.” “Russell & Co. to John P. Cushing,” January 25, 1834, ibid. Also see “Houqua to Bryant Sturgis & Co.,” April 14, 1834; “Houqua to J. P. Cushing,” April 14, July 12, and October 10, 1834; “Houqua to R. B. Forbes,” October 29, 1834, Ibid.
45 See “Houqua to John P. Cushing,” December 6, 1833, April 14, 1834, and July 12, 1834, ibid.
46 “Houqua to R. B. Forbes,” January 1, 1835, ibid. It was also likely that the death of Howqua’s fourth son, and perhaps his favorite one, in 1833 made him bitter and scathing. See “Houqua to John P. Cushing,” December 6, 1833, ibid.
for goods suitable to the China market. Ginseng and furs were important sources (see chart 3.2). Ginseng—the commodity Samuel Shaw cheerfully depended on to start the tea trade with China—imports fluctuated after the War. Americans carried 1,300 to 2,500 piculs to China from 1815 to 1822, and 5,100 piculs in 1822-3, but the quantity fell off to only 400 piculs in 1824. In 1824-5, it rose again to 6,000 piculs and averaged 3,000 for several years after.”47 J & T. H. Perkins usually collected ginseng at Baltimore and sold them at Canton with “a tolerable profit.”48 They also invested in the fur trade with the North West Company.49 The most saleable furs in China included the sea otter, seal skins, land otter and beaver; only the latter two kinds could be procured in Europe or the U.S..50 Hence, Americans had to not only explore the American Northwes for furs but search the numerous islands, many before unknown, in the southern ocean for seal skins. The inhabitants of Stonington in Connecticut led this sealing enterprise in their little barks from fifty to eighty tons.51 From 1818 to 1827, the value imported to Canton averaged $313,317, equal to 9.6% of the average value of teas imported on American account and only 4.4% of the total value of the imports from Canton.52 This trade furnished Americans with considerable amount of funds in the early nineteenth century, but reduced to relatively small importance in the 1830s-40s as the quantity of furs diminished.

47 Forbes, Remarks on China and the China Trade, 27.
49 “Perkins & Co. to James & T. H. Perkins,” February 6, March 17, and April 21, 1820, ibid.
52 Calculated upon Table No. XIX “Imports on American account into Canton during the years 1818 to 1827” and Table No. XX “Exports on American Account from Canton, during the years 1818 to 1827” in Pitkin, A Statistical View of the Commerce of the United States of America, 304-5.
After the War, merchants also followed various trade routes to enhance the value of their cargo. Taking advantage his personal and commercial network, Cushing’s ships usually took the Canton- Europe-Southeast Asia route. They furnished their vessels with black and green tea, silk, and nankin, assigned them to merchant firms at Amsterdam, Rotterdam, and Hamburg, and in the meantime ordered their agents, Paine and Samuel William in London, to procure European goods for the return cargo; the most popular goods included Dutch Camlets, British cotton goods, and quicksilver. On their way back to Canton, the vessels, stopped at Batavia, Malacca, Pinang, Borneo, Manilla, and Singapore, where Cushing had lodged letters to their captains, instructing them to procure such goods as tin, bird nests, beetle nut, Sandal Wood, sugar, pepper, or iron for the China market. The profits of such trades were handsome, especially when the

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vessels could reach these places before the EIC’s ships.\textsuperscript{55} The normal rate of economic returns was 30\%, as Cushing calculated to Paine that “we . . . furnish him [Captain Bancroft] with 100 to 120,000 in specie & merchandise to effect the objects which we have in contemplation on the outward voyage, we think there is but little doubt as he will have plenty of time to shoot about wherever there is a depot for Malay produce that he will be able to make 20 @ 30 pr. cent on the capital be taken out.\textsuperscript{56}

\textbf{Opium}

The buzzwords in these merchants’ correspondence, however, were opium and cotton. The Perkins & Co.-Russell & Co. was notorious for opium smuggling, which was critically important to other American China traders, except the Olyphant & Co.. The opium traffic started as early as 1773. Chinese imported Indian opium from the EIC under the head of medicinal drugs without alert until 1796, when the Qing government doubted the expediency of admitting opium into China and issued an edict to prohibit this “vile dirt,” but in vain. This trade, or more precisely, drug traffic, continued at Whampoa, Lintin, and its vicinity, with local Chinese authorities’ connivance, Hong merchants’ participation, and East India Company’s protection.\textsuperscript{57} The Portuguese, who were constantly short of funds in the China trade, started the smuggling of Turkey opium around the Cape of Good Hope and Damaun Malwa to Canton. Taking the Portuguese settlement at Macao as the entrepot, they could sell the drug from shipboard to Chinese dealers at Whampoa. This later became an optimal option for American merchants.\textsuperscript{58} In 1804, J. & T. H. Perkins attempted to procure the drug at Penang, Malaysia, or purchase it at the

\textsuperscript{55} “Perkins & Co. to John C. Bancroft,” May 5, 1820, ibid.
\textsuperscript{56} The correspondence of the Perkins & Co. at Canton with their principals and agents in Europe and the U.S. details this chain trade route. For details, see ]“Perkins & Co. to F. W. Paine,” May 7, 1820; “Perkins & Co. to James & Thomas H. Perkins,” April 22, 1820; “Perkins & Co. to James & T. H. Perkins,” February 28, 1821, ibid.
\textsuperscript{57} Forbes, \textit{Remarks on China and the China Trade}, 44-46.
\textsuperscript{58} Ibid.
Company’s sales, but this small beginning discontinued owing to the EIC’s disinclination to allocate Americans a share in the pie. They then proceeded to the Mediterranean and the Persian Gulf for Turkish and Persian opium, thus perpetuating a direct opium trade between Smyrna and Canton from 1805. The first American adventurers in Turkish opium trade included Christopher L. Gannt, the Wilcocks brothers, Thomas Handasyd Perkins of J. & T. H. Perkins, Cushing of Perkins & Co., and Augustine Heard, who was a clerk for Russell & Co. and later founded another major Commission House at Canton, Augustine Heard & Co. 59 Perkins had been leading this trade after the War of 1812, with John Jacob Astor as a primary rival. 60

Though American traders and historians agree that the quantity of Turkish opium smuggled to China, especially in the early years of the nineteenth century, was relatively insignificant, the economic return was astonishingly high for the few smugglers who had this drug in hand. 61 The value of Americans’ traffic was $50,000-100,000 each season during 1804-1809, constituting 2-4% of annual American imports at Canton during this period and 5-10% in value of the commodities, leaving out of the specie, that Americans brought to Canton. 62 Moreover, though the imports of Turkish opium seldom amounted to over 500 piculs between 1804 and 1826, but the number climbed fast. Americans brought 1200 to 1400 piculs to China annually by in the three following years. 63 The season 1820-21 showed the lucrative and speculative nature of this trade. During this season, the world trade was undergoing a

60 Ibid, 426-32.
61 R. B. Forbes held this opinion in his Remarks on China and the China Trade, 27. Charles C. Stelle also contends that opium counted for only a small portion of the American imports into China in the early years. See Stelle, “American Trade in Opium to China, Prior to 1820,” 432-33.
62 The value of American imports at Canton for the seasons 1805-6, 1806-7, and 1807-8 was reported as $5,326,358, $3,877,362, and $3,940,090, of which $4,176,000, $2,895,000, and $3,032,000 were respectively in the form of Spanish dollars, so the total value of American traffic was 2-4% of annual American imports at Canton in these years and 5-10% of the American commodities in value, with specie deducted from the account. See Charles C. Stelle, “American Trade in Opium to China, Prior to 1820,” 432-33.
63 Forbes, Remarks on China and the China Trade, 27.
retrenchment, and the Canton market was “excessively depressed for all articles of Import except Opium; this article is higher than we have ever known it since our residence in this country.”

The price of opium was $1,000-1,200 per picul in 1820 and fetched to $1,350-1,400 per picul in 1821, owing to the limited supply—only the 60 piculs brought by Astor’s Acosta and 54.5 piculs on Perkins & Co.’s Augusta. Once the opium were “in many hands,” the price would soon reduce to the old price of 450 to 500 per pecul. Astor sold his 70 chests opium (=70 piculs) at $1,000 per picul and then procured 1,920 chests of green tea, sugar, and nankeen for France. Cushing also made $53,410 out of the 54.5 picul opium via Augusta, which was loaded with a mixed cargo—about 4,000 chests of green and black teas, 1,000 parcels of sugar and 150-200 piculs of cassia for stowage—back to Boston in spring 1820. The proceeds from opium sale approximated 1/2-1/3 of the aggregate value of their cargoes. Despite the fluctuating prices, the Perkins & Co. made $2 million out of the opium trade from 1812-1828. The focus on the aggregate value of the American traffic usually underestimates the quick profits for the individual smugglers.

Cotton

In addition to opium, as the bond passed in 1822 shows, the other key word during this period was cotton, and later, cotton goods. The EIC exported Indian cotton primarily from British-controlled port cities of Bombay, Calcutta, and Bengal to Canton in exchange for tea.

66 “Perkins & Co. to James & Thomas H. Perkins,” March 11, 1820, ibid. As to the quantities of tea shipped by Acosta, see “Perkins & Co. to James & Thomas H. Perkins,” March 11, 1820; “Perkins & Co. to Parish & Co.,” May 1, 1820, ibid.
Americans also participated in the trades of Indian cotton and British cotton goods with Chinese tea merchants. Cushing wrote in 1828 that cotton was “[o]ne of the most staple articles for the China market.” However, China was also a cotton-producing country. When Chinese cotton was abundant, the cotton trade might operate at a great loss. Moreover, Cushing imported primarily Indian cotton to Canton; American cotton never won competitive edge in China. In the same memo, Cushing admitted, “American cotton is not much liked by the Chinese on account of the staple being too much broken in the process of cleaning & will not generally command so much an advantage India Cotton.” The average price for the best American upland cotton was 8-16 tael, the medium being 9 taels per picul, while the average price of Indian cotton was 11 taels per picul in the 1820-30s.

However, American merchants shipped more British cotton goods to China, which not only indirectly promoted the demand for American raw cotton in the global market, but also undergirded a significant change in the financial structure of the tea trade. In the first two decades of the nineteenth century, American merchants used to export nankin, a type of Chinese cloth which was named after the place it was manufactured, extensively to the U.S.. However, the annual import dropped from more than 2-3 million pieces to 252,200 pieces in 1823-4. In the 1830s, “scarcely a piece comes to the United States.” In the meantime, the consumption of cotton goods manufactured in Britain, such as cloths and cotton thread, in China was annually increasing in the 1820s-30s, particularly long cloths, “as they can be afforded at much less than

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73 Forbes, Remarks on China and the China Trade, 26, 27.
the Chinese can manufacture them.” Contracting with Bryant Sturgis & Co. and Baring Brothers & Co, the commercially astute Howqua and his agent at Russell & Co. actively participated in this cloths trade. The import of U.S. manufactured cotton goods was still limited; during the 1820s, only “the coarser grades steadily increased,” though it would catch up in the 1830s from Lowell factories. However, British cotton goods were inseparable from American raw cotton, though it was relatively insignificance in Canton. Owing to its paramount importance in the trans-Atlantic world, would sustain the change in the financial structure in the tea trade (see chart 3.3).

**Chart 3.3 Sources of Raw Cotton Imported to Great Britain, 1786-1883**


**Bills**

This change—the substitution of bills of exchange for specie as the primary U.S. export to China—began before the War of 1812, grew by 1826-27, and stabilized during the 1830s (see

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Bills of exchange, incurring no transportation fees, insurance, or duty, were a much cheaper means of remittance than specie and commodities. The EIC initiated the use of bills as early as the eighteenth century, originally as a means of remittance for their licensed British traders in Asia. The English exchanges circulating in the Canton market consisted of a congeries of bills, including the EIC and private English bills on India (Bombay and Bengal)—generated by the Indian opium and cotton trade with China—and American bills on England, produced by the Anglo-American trade largely in American cotton. The growing opium and cotton trade with China heightened their demand for bills to remit their proceeds from Canton back to India and England and expanded their options beyond the Company’s or private British bills. Taking advantage of such opportunities, especially the commercial earthquake in India from 1829 to 1834, American merchants actively participated in the bill trade to raise funds for their tea purchase. Buttressed by Indian opium and cotton, Chinese tea, and American cotton, this process involved British, American, and Chinese traders in London, the U.S., India, and Canton, thus further tightening the commercial and financial ties across the Atlantic, Pacific, and Indian Ocean.

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78 Cheong, “The Beginnings of Credit Finance on the China Coast,” 103.
Americans and the Bill Trade

As the American China trade unfolded, Shaw had noticed the EIC’s measure in remitting funds back from Canton. Their licensed private traders shipped commodities including Indian opium and cotton to Canton and deposited the proceeds in cash or transfers from Chinese in the Company’s treasury, “for which they receive[d] bills on the company in England, at the exchange of five shillings and sixpence sterling the dollar, payable three hundred and sixty-five days after sight. This fund has for a number of years rendered it unnecessary for the company to export from Europe any specie for carrying on their commerce with the Chinese.” In 1806, William Read reported to Willings & Francis the convenience of this financial system in remitting proceeds from India to England. Observing how the British traders landed their dollars from England in India and their supercargoes drew bills on Calcutta for their remittance back to

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England, Read wrote to his principals at Philadelphia, “[i]t occurred to me that this mode of remittance might possibly answer your purpose to be drawn for from hence. I have every reason to believe from the increased difficulty in exporting specie from hence that Bills on India will be higher in future.”

His prediction came true very soon; Americans not only participated in the bill trade, but also brought a new type of English bills to Canton. In 1808, during the Jefferson’s Embargo, which prohibited the export of specie, Americans used English private bills from their London agents to fund their China trade. On March 19, 1812, Waln—the China trader, state legislator, and U.S. Congressman from Philadelphia—used four English bills drawn on Jon S. Lewis & Co., Baring, Brothers & Co., and Bainbudes & Brown to repay his £3200 note to Consequa.

Carrington also employed this paper device to continue his China trade during the war. To pay the $40,000 funds to Perkins & Co., Carrington drew a set of bills from Baring Brothers & Co. on Canton in March 1811; although having to pay £206 fees to Baring Brothers, he had nine months to collect specie and settle the bills with Perkins & Co.

Such negotiations modified the financial structure that the EIC constructed. During the first decade of the nineteenth century, merchants in the China trade never heard of private bills of exchange; the only type available were the East India Company’s bills or Government of India bonds. The quantity of the bills brought by Americans to Canton even attracted the attention of the EIC Selected Committee at Canton in the season of 1810-11. They remarked that

If the Americans were annually provided with an extensive credit on Houses of respectability in England, we are not aware of any circumstances to deter the

80 “William Read to Messrs. Willings & Francis,” March 10, 1806, Willings and Francis Records, Series 1, Box 1, Folder 5, HSP.
82 “L. Roy Bayard & M’d Ever Letter on Exchange from London to Chinese,” March 2, 1811, Carrington Papers, Box 10, Folder 2, RIHS.
Indian Capitalist from remitting the proceeds of his speculations in the China market by means of the bills which might be purchased in Canton in preference to returning his property to Calcutta, and from thence returning it through the Company's treasury to England.\textsuperscript{84}

This competition forced the EIC to adjust the exchange rates to attract buyers.\textsuperscript{85} Therefore, despite their inability to challenge the Company’s domination in the tea market, Americans started to, unexpectedly, penetrate their influence through other links in the commodity chain.

Probably a relief to the EIC Committee, American traders returned to specie exports to fund their China trade after the War of 1812, as the restriction on specie export loosened and the supply from South America recovered. Jacques Downs found the resumption of the specie importing perplexing. “It is not at all apparent why traders of all nations resumed the old-fashioned, expensive practice of specie importing, when a cheap, convenient, and profitable alternative lay within reach.”\textsuperscript{86} The reason lay in the nature of the bills and the financial structure of the China trade. As a component of the credit economy at Canton, the bills of exchange, like Chinese merchants’ promissory notes, were only an instrument to fill the time gap between the completed transactions and the transference of specie; gold and silver were the “real” money for the Chinese to liquidate the account balance. The negotiability, and the value, of these bills was determined by other traders’ confidence in them. Despite being cheap and convenient, the bills might not be profitable or negotiable if the bills failed to circulate among a large population of traders. Cushing reasoned, “this method would oblige us to be always prepared with a large sum of money to meet Bills which might be drawn upon us at any moment we do not think it would

\textsuperscript{85} Cheong, “The Beginnings of Credit Finance on the China Coast,” 92-96.
\textsuperscript{86} Downs, \textit{The Golden Ghetto}, 110.
answer." The imminence of future payment determined the amount of cash in hand. To guarantee the fluidity of his funds, he chose to carry specie to fund their trades. Back to the early nineteenth century, Hong merchants, Indian traders, and even resident English firms were reluctant to accept and endorse the English bills brought by Americans to Canton, so a bill market was yet to form and the resumption of specie shipments was inevitable.

Another reason for the diminishing bill export was that English traders’ demand for all the bills as remittance hinged on the situation of the Indian cotton and opium trade with Canton. In 1820 when the Indian cotton trade with Canton slumped, even the Company’s bills found no purchasers for a whole year. Cushing also invested in the trade of bills on India during this period, but only found that “[t]here has been but little demand for remittances for Bengal this season in consequence of the limited importation of Cotton, not more than a third of the usual quantity having been brought. If the crop shou’d be abundant the ensuing season, it is probable there will be heavy shipments in which case exchange will be wanted,” so he calculated that Spanish dollars were still “the safest specie remittance when the premium does not exceed three per cent.” Luckily to Cushing and other Americans who were involved in the bill trade, the imports of Indian cotton to Canton resumed its vigor in the season of 1826-1827 (see chart 3.5).

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87 Cushing was discussing with T. & J. H. Perkins concerning the necessity to use bills on Perkins & Co. to purchase tin in Batavia, though these bills were not bills on London used in Canton, the reasoning could still be applied to the other bills. “Perkins & Co. to James & T. H. Perkins,” February 28, 1821, V. 19 Letter book, 1820-1821, Russell and Co./Perkins and Co. Collection, Baker.
The season of 1826-27 was also a landmark for the opium trade. The open of the Indian trade to private British merchants in 1813 increased the supply of opium from Patna, Benares, and Malwa to China. While opium had become a necessary luxury for the leisure class during this period, its consumption went beyond the boundaries of social rank and geography.\textsuperscript{91} Thus, the India opium trade gradually grew during the late 1820s, 1826-27 being the most crucial period (see chart 3.6). Even the import of Turkish opium also grew this season. Though Chinese had no constant demand for it, the consumption of Turkish opium increased by 33-50% above every former year in the season 1827-28, and meanwhile the price was $120-140 more than the previous years.\textsuperscript{92} The swelled drug traffic heightened the demand for the English bills on India and their exchange rates. By 1828, opium dealers had usually gotten bills on Bengal at 204 Sicca


Rupees (Indian currency) per 100 dollars at Canton and remitted them to India, but Cushing calculated that their rate might rise to 200 @ 202 Sicca Rupees per 100 dollars during this period.\(^9\) Probably driven by the profits out of the bill trade, in January 1828, the English companies issued bills on Bengal at a favorable rate, “which supplies the India houses with remittances & does away the necessity of shipping silver or copper.”\(^4\)

Chart 3.6 The Quantities and Value of Indian Opium Consumed in China, 1816-1835


Seizing this chance, Americans exploited the differing exchange rates of the bills in Bengal and Canton to reap a handsome profit no less than other investments. When calculating how to remit funds profitably to Canton in 1828, Cushing suggested procuring Bills on Bengal at London and selling them in Canton, because the opium trade drove the rates higher there. If the rate of bills on Bengal was 1/8 Sicca Rupees per dollar in England and 2 at Canton, the economic gain on the £100,000 capital would be $111,111.12 and the rate of net profit would be 22.2%:

If the exchange rates were higher, say 1/9 for Bills on Bengal in England and Bengal bills on Canton at 2.05 S.R. per dollar, the economic gain the capital would shrink to $68,602.12 and the profit rate 14%, but it was still a lucrative investment. If the exchange rates were higher, say 1/9 for Bills on Bengal in England and Bengal bills on Canton at 2.05 S.R. per dollar, the economic gain the capital would shrink to $68,602.12 and the profit rate 14%, but it was still a lucrative investment.95 The trade provided more options for this operation. In case of detention at the Southeast Asian ports, Cushing advised his partners to sell the bills on Bengal there, say Batavia (today’s Djakarta of Indonesia), and then invested the proceeds in tin, rattans, and cloves. If operated successfully, the profit realized at Canton could reach approximately 50% on the prime capital.96 With this paper device, China traders could be flexible and profitable in their investment and settlement. “An advantage in remittance in this way over other modes would be that of sending Bills to Bengal direct from England; those for whose account they were sent might either draw in Canton or have the same interested in India Opium as might appear most advantageous & which it might be very important for a house in Canton to have the option of.”97

With the increasing demand for remittance, American bills on England resumed visibility in the market and attracted more attention particularly during economic crises. In 1825, owing to either the glutted London market of Indian goods, such as cotton and indigo, or the tightened credit of Bank of England during the worldwide financial crisis,98 several English houses in India failed and their bills came under protest in India. Consequently, few English bills except those of

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96 Ibid.
97 Ibid.
the EIC were acceptable. British and Indian merchants such as Charles Magniacs & Co., a British house at canton, and their Indian commercial partners, such as Jamsetjee Jejeebhoy, preferred American or Dutch bills or specie as remittance for their cotton and opium trade with Canton. The bill trade even extended the role of the Bank of the United States in the China trade. In 1825, the Bank of the U.S. began to authorize the issuance of “180 days sight” drafts on London houses for use in East Asia. These bills had higher reputation, needed no endorser, and thus had lower costs to American merchants, who were fully motivated to purchase these drafts.

Magniac & Co. endorsed a considerable amount of their Bills in June 1826. “We have taken up a considerable amount of the Bank of U.S. Bills on Baring Bros. & Co. in London” since there was no other recourse, they wrote. American merchants also procured BUS bills to finance their trade at a lower cost and risk. “We have incurred some expense to procure these Bills,” Bryant & Sturgis wrote to Forrestier & Company at Batavia, “presuming that they are so undoubted as to preclude the necessity of any endorser at Batavia & thereby save us the usual charge for that transaction.” This negotiation of American bills on London enabled American merchants to raise funds via the bill trade and reduced their specie shipments to Canton.

Therefore, while the stock of specie in the U.S. continued to amass in 1826, the export to China by American vessels plummeted (see table 3.2).

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101 Greenberg, British Trade and the Opening of China, 162.
103 The value of specie imported into the U.S. did not decrease but increased during the period when that to China declined. For the value of specie imported to Canton, see Pitkin, A Statistical View of the Commerce of the United States of America, 303. For the value of specie imported into the U.S. from 1827 to 1844, see Macgregor, Commercial Statistics, vol. III, 593. Moreover, the historical statistics of the money stock in the U.S. show that not only the total stock of specie in the U.S., but also the value held by the public, doubled after the War of 1812. See Series Cj8-12, in Hugh Rockoff, “Stock of Money and Its Components: 1790-1859 [Freidman and Schwartz],” Table Cj 7-21, Historical Statistics of the United States, Earliest Times to the Present: Millennial Edition (New York: Cambridge University Press, 2006), access August 31, 2016, available http://dx.doi.org/10.1017/ISBN-978051132971.Cj1-107
Table 3.2 The value of Specie Stock in the U.S., 1820-1838

<table>
<thead>
<tr>
<th>Year</th>
<th>Import to Canton ($)</th>
<th>Total Import to the U.S. ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1820-21</td>
<td>2,659,500</td>
<td>8,064,800</td>
</tr>
<tr>
<td>1821-22</td>
<td>5,125,000</td>
<td>3,369,846</td>
</tr>
<tr>
<td>1822-23</td>
<td>6,202,840</td>
<td>3,097,896</td>
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<tr>
<td>1823-24</td>
<td>4,096,000</td>
<td>6,473,095</td>
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<tr>
<td>1824-25</td>
<td>6,524,500</td>
<td>6,150,765</td>
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<tr>
<td>1825-26</td>
<td>5,725,000</td>
<td>6,880,966</td>
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<tr>
<td>1826-27</td>
<td>1,841,168</td>
<td>8,151,130</td>
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<tr>
<td>1827-28</td>
<td>2,640,300</td>
<td>7,489,741</td>
</tr>
<tr>
<td>1828-29</td>
<td>1,388,500</td>
<td>7,403,612</td>
</tr>
<tr>
<td>1829-30</td>
<td>1,123,644</td>
<td>8,155,964</td>
</tr>
<tr>
<td>1830-31</td>
<td>183,655</td>
<td>7,305,945</td>
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<tr>
<td>1831-32</td>
<td>757,252</td>
<td>5,907,504</td>
</tr>
<tr>
<td>1832-33</td>
<td>672,519</td>
<td>7,070,368</td>
</tr>
<tr>
<td>1833-34</td>
<td>1,029,178</td>
<td>17,911,622</td>
</tr>
<tr>
<td>1837-38</td>
<td>678,350</td>
<td>17,747,116</td>
</tr>
</tbody>
</table>


The American bill trade was both a consequence and a driving force of the flourishing trans-Atlantic and Pacific commerce in tea, cotton, and opium. Americans’ tea trade with China and cotton trade with Great Britain rendered American bills on London houses increasingly functional in the Canton trade. Magniac & Co., one of the most crucial endorsers of American bills, had close connections with Boston and Philadelphia merchants, such as Perkins & Co. at Canton, Perit & Cabot and Edward Thompson & Co. of Philadelphia, and Latimer & Co. of Delaware. As Chinese issued promissory notes to their American consignees, Magniac advanced credit to their American agents at Canton, for consignments of teas and silks to Philadelphia or Boston, who would remit the proceeds to London, sometimes by the shipment of American cotton. The bills drawn on London by his American agents at Canton against the proceeds of the consignments sent to America were inherent in this arrangement. Despite the risk of suspension and nonpayment from their American consignees, Magniac could profitably employ

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his surplus capital at Canton and had a share in American tea and silk trade.\footnote{Cheong, “China Houses and the Bank of England Crisis of 1825,” 56.} This American bill trade also fanned Indian opium smuggling to China. “It is generally in our power to remit funds to England on more advantageous terms than can be effected in Bombay,” Jardine Matheson & Co. at Canton declared to Bombay firms in 1831. Consequently, the Bombay merchants annually sent vast amounts of commodities, usually in Malwa opium, to Canton in exchange for a favourable remittance to England.\footnote{Greenberg, \textit{British Trade and the Opening of China}, 164.}

Exploiting the trans-Atlantic and Pacific world, American merchants thus constructed a financial infrastructure involving traders on three continents. Even those who refused to participate in the opium trade benefited from it. This evolved form thus embraced merchant bankers in London and Liverpool, their agents who issued bills in the U.S. to finance the American China trade, and the opium and cotton traders in Canton, who bought the American bills, returned to England, and were cashed against the drawers’ account. These accounts existed due to the American exports to England, primarily in cotton.\footnote{\textit{Downs}, \textit{The Golden Ghetto}, 110-11.} (see chart 3.3) Joseph Archer, a Philadelphia trader and a co-founder of the Wetmore & Co. at Canton, wrote in 1833 that a considerable number of American traders at Canton are relying solely upon the negotiation of Exchange on England for the means of purchasing their return cargoes. At this time last season [1831-32] the Americans had Negotiated exchange to the amt. of at least £500,000. … by far the greater proportion of all the Bills on England negotiated in this market have heretofore been required for remittances to Calcutta and Bombay in payment for Opium and Cotton.\footnote{“Joseph Archer to John N. Gossler,” November 8, 1833, \textit{Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833}, HSP.}
The Bill Trade and the Tea Trade

The bill trade was not unfamiliar to Hong merchants, who also exploited and facilitated the expansion of this financial system. As late as the 1830s, Chinese had traded exchanges with Europeans tea merchants. They bought the bills low and sold them high; the premium was driven by Europeans’ demand for funds to purchase tea. As Augustine Heard reported to Cushing in 1833, “[e]xchange has in some instances been sold to the Chinese at 4/10, they again have given it to Europeans at 5/, the difference of course goes on to the prices of Teas.”109 Howqua was also benefited from it in his foreign business and, in turn, his vast overseas tea trade might have well buttressed its expansion. At least in the 1830s, Howqua consigned thousands of chests of teas each year to merchant firms at Amsterdam (Cremer Blokhuijzen & Co., R. Dunn & Co., and Daniel Crommelin & Son), Antwerp (Mertorm Merselmurs & Co.), Hamburg (L. Besenburg Gonlu & Co. and Parish & Co.), and London (Baring Brothers & Co. and George Wildes & Co.). After selling the teas immediately on arrival, the consignees remitted the proceeds to Baring Brothers & Co. in London, who invested the proceeds in such goods as English cotton goods and Dutch camlets and remit the balance in Bills on Bengal, probably at the price 1/10 or 1/11—one shilling ten or eleven pence per Sicca Rupee.”110 In 1834, Howqua and Russell & Co. bought four sets of bills on Bengal, $10,000 each, from the Select Committee of the East India Company

to settle their business with Antonio Pereira, a Macao-based merchant engaged in the opium trade. 111

A new circular commercial and financial network thus emerged in the tea trade. Each distinct transaction involved selling bills, purchasing and shipping tea from China, selling tea, and cashing the exchanges in London. Merchants’ account books never recorded the profit and loss of each transaction but showed all purchases each year. The dollars and taels remained “a fiction in bookkeeping;” merchants’ profits and losses ultimately hinged on the dollar-sterling exchange rate. 112 The transnational exchange accounts orchestrated all these transactions and reduced the dealings into number games, the continuation of which was sustained by confidence in this system, a positive expectation to liquidate the balance with real money in the future.

The commercial and financial crisis in India tested Chinese confidence in this new financial system, and, after it, left the door more widely open for American bills. In the free British-Indian trade after 1813, prevalent speculations and overtrading accumulated and eventually exploded as a commercial earthquake in 1829. It lasted five years. Many British houses, including Baring Brothers & Co. at Calcutta, failed in this unparalleled commercial crisis. 113 This commercial failure triggered a financial crisis in Canton. Archer reported that “[t]he recent unparalleled [sic] extent of the failures in Calcutta has spread alarm throughout India, and there is no longer any confidence, even in those houses who have been able to stand the shock of the great commercial earthquake.” 114 All private bills on Bengal were unsaleable at Canton. 115 This

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112 Lockwood, Augustine Heard and Company, 14.
113 “Indian Failures,” The Spectator, October 5, 1833, 8.
114 “Joseph Archer to John N. Gossler,” November 8, 1833, Joseph Archer Letter Book, Canton, China, October 21- November 14, 1833, HSP.
also affected the American bills, even if they were “drawn on the most undoubtable authorities from England and the U.S.” Archer “was called in [to] endorse Bank U.S. Bills sold by [him] to a Parsee a few days previous to the circulation of the report [on the failure of Baring Brothers & Co.].”

Losing confidence in all forms of private bills, merchants at Canton reverted to silver remittance, as Archer reported,

The agency house here [Canton] who have been in the habit for the last few years of remitting very heavy amt. in bills, have positive orders from the great proportion of their friends to avoid Private Bills entirely, and to make their remittances entirely, and to make their remittances either in Sycee silver or in government Bills.

Bryant Sturgis & Co. remitted Howqua two sets of bills, amounting to £2500, in 1833, but the rate of exchanges was so unfavorable that Howqua returned them in April 1834 and requested Spanish dollars as the remittance for this and other funds in Sturgis’ hand. In the same year, he assigned an assortment of teas, amounting to $71,660.48, to Cushing and emphasized that he should advance 70% of the value in old head dollars. Some Chinese did resume an interest in bills in 1834, but preferred those drawn by residents rather than transient merchants, even upon the same authority.

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116 “Joseph Archer to John Creyder,” October 21, 1833, Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833, HSP.
Their vigilance also put the tea trade into stagnation, disclosing the paramount importance of bills in funding the Chinese-American tea trade. In November of 1833, the tea season should have already started; however, the difficulty to raise funds by selling bills produced money scarcity in Canton’s tea market. Alarmed by this situation, Chinese tea dealers were uneasy to commerce tea sales or set the selling prices.122 “Nothing has as yet been done in the green tea market,” Archer wrote, “the Chinese are evincing great anxiety to commence sales,…[v]ery little is doing in Black Teas by the Americans, they have declined a trifle in price within the last ten days with a great anxiety on the part of holders to realize.”123 American vessels even had difficulty in procuring a cargo of goods, as Archer predicted, “I should not really be surprised if some of the American vessels left here without cargoes.”124 Even those, like the Brig *Nabob* of Boston, which had been loaded with a cargo of old teas, had inadequate funds to set sail; “the impossibility of disposing of her exchange is all that it detaining here.”125 The departure of many others was also very uncertain.126 Therefore, though the U.S. government exempted duty on tea in 1832 and tea imports soared that season, the financial crisis put an abrupt halt to burgeoning adventures to Canton and reduced the quantities of teas imported to the U.S. in the following season.127 (see chart 3.1) Therefore, Howqua suggested Cushing to discontinue his trade in 1833, given “the large quantity gone forward, & the unfavorable rate that Exchange has been sold at to raise fund.”128

123 “Joseph Archer to Foster & Co.,” November 8, 1833, ibid.
124 “Joseph Archer to Jabez Jenkins, November 9, 1833, ibid.
126 Ibid.
The financially embarrassed traders turned to Hong merchants for possible funds or channels to sell their bills. The supercargo of the ship Saxon planned to load it principally by selling bills on England, but, thanks to the unfavorable rate of exchange and the difficulty in negotiating the bills, he had to relinquish this plan and fill it on freight, “mostly on Chinese account at 30$ ~ 35$ pr. Ton.” Seizing this opportunity, Howqua shipped about 150 tons of Black teas, consisting of Congo, Campoy, and Souchong, via Saxon for Hamburg. Archer planned to seek a $100,000-150,000 loan from Howqua to load his ship Col. Howard in case his bills could not be sold, but Howqua showed no much interest. Instead, he offered to sell some teas to him “and wait for payment until remittances can be made from the United States.”

However, Howqua bestowed his assistance to the Cushing-Sturgis-Perkins members again. Owing to the difficulty of selling bills at Canton, American traders sent their bills to India for sale, relying on Howqua’s reputation there. In November 1833, Russell & Co. sent to Forbes & Co. at Bombay twenty-five sets of bills, amounting to £23,333.6.8, which were drawn by Baring Brothers & Co. on Perkins & Co., Bryant & Sturgis, and John P. Cushing of Boston. Though they were “all of the first standing for respectability & wealth, they are probably, however, known to very few in Bombay.” Bombay merchants often rejected unknown American bills, so they obtained the endorsement of Houqua, who was “well known throughout India.”

129 “Russell & Co. to John P. Cushing,” January 25 and February 5, 1834, ibid.
130 “Russell & Co. to John P. Cushing,” February 5, 1834, ibid.
131 “Joseph Archer to Jabez Jenkins,” November 9, 1833, Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833, HSP.
132 Howqua wrote to his Indian friends, asking them to dispose of the bills drawn by N. Hooper in favor of N. Dunn & Co. with his endorsement: “I trust you will be able to obtain as favorable a rate as any other Bills whatever will command; the parties to American bills usually met to Bombay cannot be generally known in Bombay, to obviate this objection, I have been induced to endorse these bills myself, the proceeds please to remit to me in your own bills with every regard to my interest that the transaction will admit of.” See “Houqua to Jamsetjee Jeperbhoj & Mohamed Ally Rogny,” November 23, 1833, Letter Book 1833-1835, Series F: John Murray Forbes, 1813-1898, Forbes Family Business Records,1803-1942, Baker.
133 “Russell & Co. to Forbes & Co.,” November 27, 1833, ibid.
They believed “that his endorsement will make them, not only as good in reality, but as valuable in your market as Government.”

This crisis could have produced a new financial system and extended the function of English bills in purchasing tea. English merchant C. Gordon introduced the new mode of business—“to truck Bills of Exchange with the Chinamen for Teas.”“Truck” was a barter trade, a practice of the British EIC to tie the sale of woolen goods with its purchase of Chinese tea. The phrase “truck and barter” means to trick, bamboozle or rip off, so Archer might not be content with the practice of using bills to directly purchase tea by using the word “truck” here.

William Jardine, the active opium dealer who co-founded Jardine, Matheson and Company at Canton and Hong Kong, did his best to support such transactions. Once bills could be used as cash, he could soon clear his cotton account with Hong merchants. He also had “purchased from the Americans at least one half & perhaps 2/3 of all the exchange” sold at Canton in 1832. This operation would definitely mitigate his loss. An American named Oliver had commenced this operation with Shonshing’s Hong, and “the Bills were forthwith transferred to Jardine on account,” though at not a very favourable rate. “This is a most hateful system,” Archer commented, “but once commenced, I should not be surprised if we were driven it generally.” Such operations were in such a large scale that Howqua was alerted by this. He wrote to J. M. Forbes in May 1834, “there is a heavy amount of Bills on England & letters of credit already in the market which is accumulating by every arrival, & it is impossible to say

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134 “Russell & Co. to Forbes & Co.,” November 27, 1833, ibid.
135 “Joseph Archer to Jabez Jenkins, November 9, 1833, Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833, HSP.
136 For the meaning of “truck,” see Grant, *Chinese Cornerstone of Modern Banking*, 134.
137 “Joseph Archer to Jabez Jenkins, November 9, 1833, Joseph Archer Letter Book, Canton, China, October 21-November 14, 1833, HSP.
139 “Joseph Archer to Jabez Jenkins, November 9, 1833, ibid.
140 Ibid.
what the rate may come to, at present there is no sale, except in *barter* which you know would not suit my purposes.\(^{141}\) Conceptualizing this trade between bills and tea as a barter economy, Howqua, and his contemporaries, still viewed the bills no more than a commodity. It remained so. Without the support of Howqua and probably other Chinese merchants, the new system, which Jardine took pains to promote and Archer laid his worries and hopes in, never got established during this period.

This commercial earthquake and financial crisis, nevertheless, extended the importance of American bills in the financial market of London and Canton. Though British merchants, such as Magniac, had used American bills to remit proceeds back to England before the Indian crisis, many were cautious in handling this innovation before this period. They only accepted the bills of Americans of “greater solidity,” such as Astor, Girard, or those drawn under letter of credit from Baring Brothers and half-a-dozen other London houses. During the failures of British houses in India, however, they adopted American bills as a means of remittance more regularly.\(^{142}\) The impact of the crisis started to diminish in late 1834. Though the commission house of Baring Brothers in India fell, the head company won the support of Gisborne & Company in Calcutta and Howqua at Canton. Their transnational exchange accounts with Baring Brothers in London assured more economic and financial safety in India and China. The EIC’s charter also expired in the same year. The opening of the China trade to private British merchants and the exploding demand for bills as remittance revived the English and American bill trade. In 1842, “while there were four millions of Company's bills negotiated, and about three millions of dollars’ worth of American bills drawn on London, mostly sold to English


merchants for remittances against opium and goods sold.”¹⁴³ A decade later, Gideon Nye observed that “the chief mediums of the purchase of teas for this country [are] exchange upon England and cotton goods. The rate of exchange in China depends upon the condition of the opium trade chiefly…[and] the cost of cotton goods is ruled chiefly by the cost of the raw material here.”¹⁴⁴ A triangular network weaved by tea, opium, and cotton thus consolidated via the thriving American bill trade.

**THE OPIUM WAR AND ITS CONSEQUENCE**

Despite a brief downturn in the tea trade in 1834-35, the new financial system sustained the prosperity of the American tea trade, until a sharp suspension on the eve of the first Anglo-Chinese Opium War. In 1839, Angered by the decades of complaisance in the opium traffic and the outpouring of Chinese silver, Lin Zexu, Imperial Commissioner of the Qing government who was well-known for his forceful opposition to this drug, started his campaign against opium at Canton. Failing to convince foreign merchants to forfeit their opium in exchange for tea, he confiscated millions of pounds and set all on fire at Humen Town. Five hundred workers took twenty-third days to finish this task and then discarded the ashes and residues into the sea. Lin composed an elegy to the ocean, apologizing for polluting its realm.¹⁴⁵ He might have pacified the sea, but he failed to mollify the British drug dealers. The first Opium War started and lasted until 1842, concluded by the Treaty of Nanking. The Qing government ceded the Island of Hong Kong to U.K. and opened five treaty ports at Canton, Shanghai, Ningpo (Ningbo), Fuchow (Fuzhou), and Amoy (Xiamen). Americans and the French also signed treaties with the Qing

¹⁴³ Forbes, *Remarks on China and the China Trade*, 43.
¹⁴⁴ Nye, *Tea: and the Tea Trade*, 31. As to the argument about the relation between the rate of exchange and opium, the cotton goods, and the raw cotton, see the second footnote on this page.
government in 1844 and reaped more commercial freedom and profits from the lost campaign on opium.

The treaties also ended the Co-Hong system. When the British troops blockaded Canton, all Hong merchants but Howqua and Monqua escaped. Howqua decided to stay, to facilitate the negotiation for the resumption of foreign trade. This decision cost him millions of dollars: having paid $3,200,000 for the ransom of Canton, Howqua lost over two million dollars by the English molestation in the city. After the war, Hong merchants were “forced to pay large sums of money before [they] are let fall and it is doubtful if much of [their] own will be left to [them].” Howqua’s feelings about all these changes were complicated. He blamed Lin for his mistaken policy “has got his country into a dilemma from which I cannot see how we are to be extricated,” and accused the English, who were “too much disproved to be masters and to disregard our customs.” In the meantime, he was “heartily” rejoiced at the abolition of Co-Hong and the relief of all the burden on him. “I look forward with pleasure to the time when I shall be a freeman,” he wrote to Cushing in December 1842. Nine months later, on September 4th, 1843 this senior Hong merchant passed away, eventually freed from all the worldly burdens. He had written in 1840 when his wife passed away, “this event has troubled me and I am reminded by it that I must expect to go off the stage myself.” What went off the stage, however, was not only himself, but also the Co-Hong system and the Old China Trade.

His death left a breach in the Canton financial and tea market, further enhancing Anglo-American merchants’ power in controlling the commodity chain of tea in the following decades.

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148 “Houqua to A. A. Low,” April 4, 1843, ibid.
149 “Houqua to John P. Cushing,” October 4, 1841, ibid.
151 “Houqua to John P. Cushing,” December 23, 1842, ibid.
152 “Houqua to John P. Cushing,” December 27, 1840, ibid.
From 1843, London commercial banks, such as Baring Brothers, expanded their credits to American houses—Russell & Co. and Augustine Heard & Co.—at Canton, enabling them to open more branches in the newly opened ports to handle their increased volume of business.\textsuperscript{153}

Without Hong merchants’ mediation and obstruction, the two houses participated in the “upcountry tea system” to procure tea directly from the tea-growing regions, with their Chinese compradors’ assistance.\textsuperscript{154} The former Hongs still existed as tea firms and, with diminished importance, competed with the foreign companies, up until their destruction in another fire on the onset of the Second Opium War. Exploiting the commercial and financial network weaved by Indian opium, cotton (Indian and American), and tea, American traders acquired more independence in the commodity chain. Moreover, the treaty unified the rates of tariff on all types of tea and reduced all the rates on cotton and cotton goods by at least 50\%, except that on cotton yarn and thread (see table 3.3). Nevertheless, the unified tax on tea actually increased the cost of American tea traders, who tended to imported cheap teas, and shrunk their profits, thus sowing the seed of declining Chinese-American tea trade in the late nineteenth century.

<table>
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<tr>
<th>Articles</th>
<th>Old Duty (in Tael &amp; Mace)</th>
<th>New Duty (in Tael &amp; Mace)</th>
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<td>Cotton yarn and cotton thread</td>
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\textsuperscript{154} Lockwood, *Augustine Heard and Company*, 43.
CHAPTER IV. BEHIND THE TEACUP:

AMERICAN TEA CONSUMPTION IN THE NINETEENTH CENTURY

After the Boston Tea Party poured the teas from East India Company into the harbor,

*Virginia Gazette* published a poem entitled “A Lady’s Adieu to Her Tea-Table.”

FAREWELL the Tea-board with your gaudy attire,
Ye cups and ye saucers that I did admire;
To my cream pot and tongs I now bid adieu;
That pleasure’s all fled that I once found in you.
Farewell pretty chest that so lately did shine,
With hyson and congo and best double fine;
Many a sweet moment by you I have sat,
Hearing girls and old maids to tattle and chat:
And the spruce coxcomb laugh at nothing at all,
Only some silly work that might happen to fall.
No more shall my teapot so generous be
In filling the cups with this pernicious tea,
For I’ll fill it with water and drink out the same,
Before I’ll lose LIBERTY that dearest name,
Because I am taught (and believe it is fact)
That our ruin is aimed at in the late act,
Of imposing a duty on all foreign Teas,
Which detestable stuff we can quit when we please.
LIBERTY’S The Goddess that I do adore,
And I’ll maintain her right until my last hour,
Before she shall part I will die in the cause,
For I’ll never be govern’d by tyranny’s laws.¹

Believing the duty on foreign teas as a ruin to American liberty, the lady decidedly renounced
the pleasure of the tea table to protest tyranny’s laws. Tea thus constructed a public sphere for
free women to demonstrate their political value through their determination to refrain from this
“nectarious [sic] drink” to “advance the country’s cause.”² The politicization of tea consumption

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¹ “A Lady’s Adieu to Her Tea Table,” *Virginia Gazette*, January 20, 1774, cited in Roth, “Tea Drinking in 18th-Century America: Its Etiquette and Equipage,” 68.
² “To the Printer,” *Political Intelligencer, published as The Political Intelligencer and New-Jersey Advertiser* (Elizabethtown, New Jersey), September 28, 1785, 4.
also enabled tea to go beyond gender line and nonimportation of tea became acts of patriotism for all colonists. The third article of the Continental Association, passed by Congress at Philadelphia, outlawed the sale and use of tea from October 4, 1774. In the price currents published in New York Journal from November 2, 1775 to June 20, 1776, the “price” of tea was “liberty & property” (see image 4.1). Patriots replaced tea with coffee or home-grown infusions of local herbs, such as "Labrady" and chicory.³ Henceforth, tea consumption declined in the newly-founded U.S. and coffee became the national drink. This is the famous myth of American tea consumption. The decline of tea consumption as a theme of patriotic education, museum exhibitions, and current publications has been shaping the American identity for decades. In this coffee-drinking nation, this story seems not only plausible but also persuasive.

![Price Current, in New York](image)

Image 4.1 The “Price” of Tea in New York, 1775-1776

However, was this historically accurate? Historians, such as Jane Merritt, Robert Hellyer, James Fichter, and Steven Topik, have questioned the effectiveness of the tea boycott and the decline of tea consumption after the Boston Tea Party.⁴ Investigating American tea consumption

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in the nineteenth century with quantitative and qualitative data, this research shows that not only did Americans drink no less cups of tea than those of coffee after Independence, but tea consumption nourished American material culture, foodways, and social customs in the nineteenth century. Teatime rituals and the material culture of tea that the patriot lady bid farewell to—the tea board, tea pot, tea cups and saucers, cream pot and tongs, tea chest with fine Hyson and Congo, as well as the gaudy attire for tea—remained an American tradition in the nineteenth century. Thanks to cheap teas imported directly from China, tea-taking customs blurred class boundaries and encompassed the whole society. Thus, tea served as the evening meal for the nineteenth-century Americans, who named it “home tea.” During the mid-nineteenth century, afternoon tea swiftly spread to the U.S. and played a critical part in upper-class women’s social life, which left more trace in American popular culture than the home tea. However, the hurried pace of industrialization transformed the structure of Americans’ three-quarter meals from breakfast, dinner, and tea to breakfast, lunch, and dinner. Consequently, home tea gradually faded away from Americans’ collective memory. Against the backdrop of the Boston Tea Party Centennial, the myth that traces the decline of tea consumption back to the Revolutionary period thus arose. With immigrants increasingly pouring in, this re-politicization of tea helped consolidate Americans’ sense of identity in this industrial age. Tea in American history has been therein highlighted, and meanwhile overshadowed, by the glorious Boston Tea Party.

AMERICAN TEA CONSUMPTION – QUANTITATIVE ANALYSIS

The Continental Congress interpreted tea as “an article of little real value of itself, and which owes its worth to a habit in many respects pernicious to the inhabitants of these
Colonies.”\textsuperscript{5} Politicization per se by no means eradicated this long-standing habit, no matter how dangerous it was to the Revolution. After the destruction of tea at Boston Harbor, despite the general support for nonimportation of tea and the declaration of patriotic non-tea drinkers, tea consumers’ demand for tea, very often, outpaced their political activism. In Philadelphia, tea dealers continued to sell tea to shallopmen, tailors, innkeepers, barbers, day laborers, carpenters, shoemakers, bricklayers, blockmakers, plasterers, and the overseers of the poor, all types of people not belonging to the upper class. Mechanics and laborers might have condemned merchants for the inflated prices more often than their tea sale.\textsuperscript{6}

The well-known tea boycott, which illegalized the purchase or use of any tea imported illicitly—with duty paid or on account of the East India Company—after March 1, 1775, lasted less than two years, officially. It never quenched the desire for tea. In January 1775, the Continental Congress had found a quantity of tea had been introduced to Philadelphia from New York and ordered it to be sent back.\textsuperscript{7} Similar reports from New York and Connecticut in the following months suggest that domestic tea “smuggling” never ceased after the boycott of tea came in effect.\textsuperscript{8} On April 13, 1776, the Congress lifted its ban on the sale of tea, they claimed, out of their sympathy with the tea dealers, who invested “the greater part of the estates” in this article and thus were “incapable not only of paying their debts and maintaining their families, but also of vigorously exerting themselves in the service of their country.”\textsuperscript{9} These tea dealers were actually “zealous friends to the American cause.”\textsuperscript{10} They imported tea “with design not merely to advance their fortunes, but to counteract the plan then pursued by the Ministry and India

\textsuperscript{5} Pennsylvania Evening Post, April 16, 1776.
\textsuperscript{7} Pennsylvania Evening Post, January 11, 1776.
\textsuperscript{8} New-York Journal, August 24, 1775; New-York Journal, December 07, 1775.
\textsuperscript{9} Pennsylvania Evening Post, April 16, 1776.
\textsuperscript{10} Ibid.
Weighing public good over private interest, the Continental Congress allowed the sale of the already imported teas—excepting those on account of the East India Company—henceforth, as long as the price of the Bohea tea was $\frac{3}{4}$ of a dollar and that of the green tea did not exceed 32s. 6d. (32 Shilling 6 Pence) per pound.¹²

During the Revolutionary War, despite high prices, tea consumers, usually people with some wealth, continued to drink tea. When the Abbe Robin visited America in 1781, while the Revolutionary war was still ongoing, he noted that the Americans “use much tea. The greatest mark of civility and welcome they can show you, is to invite you to drink it with them.”¹³ Prince de Broglie, who, upon arrival in America in 1782, “only knew a few words of English, but knew better how to drink excellent tea with even better cream, how to tell a lady she was pretty, and a gentleman he was sensible, by reason whereof I possessed all the elements of social success.”

According to French visitors, this use of tea was not limited to the upper class. “This use of tea and coffee is universal in America,” a French soldier who were sent to America during the Revolution observed that

The people who live in the country, tilling the ground and driving their oxen, take it as well as the inhabitants of the cities. Breakfast is an important affair with them… nevertheless they sup and in the afternoon they again take tea. Thus the Americans are almost always at the table.

... They are very choice in cups and vases for holding tea and coffee, in glasses, decanters and other matters of this kind and in habitual use.¹⁴

His observation might not be applied to all humble household in the countryside, but attested tea of equal or greater importance to coffee in Americans’ lives.

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¹¹ Pennsylvania Evening Post, April 16, 1776.  
¹² Ibid.  
Tea consumption increased after the American Revolutionary War. Nineteenth-century scholars calculated that Americans annually consumed about two million pounds of tea during 1790-1800, over three million pounds during 1800-1810, and 8 million pounds in the 1830s. The report of the U.S. Treasury Department in 1883 confirmed their estimation. Though fluctuating, the annual net import kept growing in the nineteenth century, indicating the growth of tea consumption. (see chart 4.1) Though the total quantities of tea consumed in U.K., including Britain and its colonies, exceeded the U.S., American average annual consumption surpassed that of Great Britain and Ireland at least in the 1840s. The U.S. remained the second largest tea-consuming country in the non-Asian world, even when its annual and per capita tea consumption started to decline in the 1890s.

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17 A drawback of using the net import to gauge the annual consumption fails to consider the stock of tea held by city and country tea dealers, who might purchase beyond their immediate or proximate wants, so the annual net import does not necessarily mean annual consumption. After the 1840s, the improved communication and transportation facilities rendered this unnecessary for both urban and country dealers, so the net imports reflect the size of consumption more precisely after the 1840s. For this trend, see Nye, *Tea; and the Tea Trade*, 26.
18 The average annual consumption of tea in different countries for the five years ending 1848 may be estimated as follows: --

<table>
<thead>
<tr>
<th>Country</th>
<th>Annual Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain and Ireland</td>
<td>8,000,000 lbs.</td>
</tr>
<tr>
<td>British America and West Indies</td>
<td>2,600,000</td>
</tr>
<tr>
<td>Australia, Cape of Good Hope, &amp;c.</td>
<td>2,700,000</td>
</tr>
<tr>
<td>British India, &amp;c.</td>
<td>2,200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55,500,000</strong></td>
</tr>
<tr>
<td>United States of North America</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Russia</td>
<td>9,000,000</td>
</tr>
<tr>
<td>France</td>
<td>550,000</td>
</tr>
<tr>
<td>Hanse towns, &amp;c.</td>
<td>150,000</td>
</tr>
<tr>
<td>Holland and its colonies</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Belgium</td>
<td>200,000</td>
</tr>
<tr>
<td>Denmark, Sweden, and Norway</td>
<td>250,000</td>
</tr>
<tr>
<td>Germany</td>
<td>500,000</td>
</tr>
<tr>
<td>Spain and Portugal</td>
<td>100,000</td>
</tr>
<tr>
<td>Italy</td>
<td>50,000</td>
</tr>
<tr>
<td>South America</td>
<td>500,000</td>
</tr>
<tr>
<td>Other places, &amp;c.</td>
<td>550,000</td>
</tr>
<tr>
<td><strong>Total all countries</strong></td>
<td><strong>26,000,000</strong></td>
</tr>
</tbody>
</table>

19 This table shows that the U.S. was still the second largest tea consumer in the Western world by the mid-nineteenth century:

Great Britain and Ireland will consume this year .......... lbs. 52,000,000
Tea consumption per capita is complicated, due to the changing components of the population, in terms of age, race, and ethnicity. Eighteenth century observers believed that Americans each drank more than two pounds of tea a year, at least one cup a day. However,
this conclusion heavily depends on the region of the observers and the population they had access to. Current research shows the quantity might be a little lower. Carole Shammas estimated that the colonial annual consumption of tea—including legal and illegal tea in 1750-69—was 0.5 to 0.8 pounds per adult.\footnote{Shammas, “Changes in English and Anglo-American Consumption,” 184. Shammas did not clarify the age of an adult.} In the late eighteenth century, The annual per capita consumption of tea, based on the receipts of the Custom House, was 1 pound, while coffee was 2.5 pounds in the late eighteenth century U.S.\footnote{Chevalier Felix de Beaujour suggested that Americans estimated the annual per capita consumption of luxuries after the Revolution based upon the receipts of Custom House, but he did not clarify the source of the information. See Charles Hitchcock Sherill, French Memories of Eighteenth-Century America (New York: Charles Scribner’s Sons, 1915), 80.} This calculation fails to take the age of tea consumers into account as Shammas does, so it is safe to say tea consumption by no mean declined after the American Revolution. Annual per capita tea consumption kept growing in the nineteenth century up until the last two decades of the nineteenth century (see chart 4.2).\footnote{The Treasury Department’s data shows that tea consumption per capita was lower than 1 pound until the 1870s. However, the per capita coffee consumption in the same report is lower than 2.5 pounds up until 1828, as shown by Chevalier Felix de Beaujour, so the decreased tea consumption per person in this chart is likely owing to different statistical analyses. Thus, annual and per capita tea consumption in the nineteenth century was still on the rise.} The early twentieth century saw its further decline. “In twenty-five years,” as New York Times reported in 1938, “consumption has fallen from nine-tenths of a pound per capita per annum to around seven-tenths.”\footnote{“World Tea Trade Carries On,” New York Times (1923-Current file), March 6, 1938, 128-20, accessed December 1, 2014, available at ProQuest Historical Newspapers.}

![Chart 4.2 Average Tea Consumption Per Capita in the U.S., 1821-1996](chart4.2.png)
The growth of tea consumption appears insignificant with that of coffee, so the presumption of declining tea consumption after the Boston Tea Party seems tenable (see chart 4.3 & 4.4). However, using the absolute weight to gauge the consumption underestimates tea drinking, for tea is lighter and more economical than coffee. The cups of tea and coffee, instead of their weight, took by Americans should be a better indicator of the consumption of the two hot beverages. Based upon Francis Thurber’s ratio that a pound of tea leaves equals four pounds of coffee in terms of how many cups they yield, Steven Topik, historian of coffee, argues that Americans still drank 80 percent as many cups of tea as cups of coffee in 1880.25 This ratio is reasonable. With a six-ounce cup, a pound of tea leaves yields about 180 cups of tea, while a pound of coffee makes around 50 cups.26 Using this ratio to calculate the relative consumption of tea and coffee, annual and per capita, shows that coffee did not have absolute advantage over tea until the 1830s (see chart 4.5-4.7).

25 Built on Francis B. Thurber’s estimation that 1 pound of tea supplied a family as 4 pounds of coffee, Steven Topik argues that Americans still drank much tea in the late nineteenth century. He contends that though “per capita coffee consumption in 1880 was 7.09 pounds and tea only 1.39 pounds,” this calculation forgets that “a pound of tea leaves makes generally four times as many cups of tea as a pound of coffee makes cups of coffee. Using that ratio, Americans were drinking 80 percent as many cups of tea and cups of coffee in 1880.” See “How Mrs. Olson Got Her Full-Bodied Coffee,” 4-5; Francis B. Thurber, Coffee: From Plantation to Cup: A Brief History of Coffee Production and Consumption (American Grocer Publishing Association, 1884), 5th Edition, 204-5.

26 A pound of tea equals 3.77 pound of coffee. This ratio is yielded by converting pounds to grams and dividing the amount by the 2.5 grams serving size as follows:
   “1 pound = 453 grams
   2.5 grams of tea per cup
   Divide 453 by 2.5 (grams per serving) and you have 181.2 cups of tea per pound.”

   According to the Specialty Coffee Association of America, a single pound of coffee is enough for 48 6-oz cups of coffee. On Starbucks website, a 1-pound of coffee yields approximately 64 5-oz cups; with this ratio, 1 pound coffee yields 53 6-oz cups. If using the ratio of the Specialty Coffee Association of America, 180/48=3.77. Therefore, with a 6-ounce cup, one pound of tea equals 3.77 pound of coffee in yielding the hot beverages.
Chart 4.5 Relative Annual Consumption (Net Import) of Tea and Coffee, 1790-1882
Source: The data from 1821 to 1882 are from *Statements of Imports of Tea and Coffee into the United States*, No.24-25.

Chart 4.6 Per Capita Consumption Tea and Coffee (Cups), 1821-1973
Source: The data from 1821 to 1882 are from *Statements of Imports of Tea and Coffee into the United States*, No.25; the data from 1900 to 1996 are from David Grigg, “The Worlds of Tea and Coffee: Patterns of Consumption,” 290.
Moreover, tea leaves can be used more than once. The strength of tea is usually a standard to assess its quality. In the late nineteenth century, Indian teas won the favor of black tea consumers partially because of its strength.\textsuperscript{27} Bohea, the cheap black tea, loses its strength with three waters and Congou in twice drawing. Hyson and Gunpowder, the most popular green teas in the U.S., bears four to five waters, common green teas three to four waters, and ordinary green “will not bear much water.”\textsuperscript{28} All levels of tea consumers might reuse the tea leaves more than once, as the rich might purchase better teas while the poor might not intend to throw away the tea leaves after drawing them merely once. Once making a second cup of tea with the same tea leaves, Americans drank more cups of tea than coffee in a great part of the nineteenth century (See chart 4.8-4.9). During the postbellum years, per capita consumption of tea each year surpassed that of coffee, up until the turn of the twentieth century (See chart 4.10-4.11).

\begin{itemize}
  \item \textsuperscript{28} Philanthropus, \textit{The Lady & Gentleman’s Tea-Table and Useful Companion}, 26-7, LCP.
\end{itemize}
Chart 4.8 Relative Annual Net Import of Tea and Coffee, 1821-1973
Source: The data from 1821 to 1882 are from the U.S. Treasury Department, Statements of Imports of Tea and Coffee into the United States, No.24-25; the data from 1900 to 1996 are from David Grigg, “The Worlds of Tea and Coffee: Patterns of Consumption,” 290.

Chart 4.9 Relative Annual Consumption of Tea and Coffee (Cups), 1790-1882
Source: The data from 1821 to 1882 are from the U.S. Treasury Department, Statements of Imports of Tea and Coffee into the United States, No. 24-25; the data from 1900 to 1996 are from David Grigg, “The Worlds of Tea and Coffee: Patterns of Consumption,” 290.
Chart 4.10 Average Per Capita Annual Tea and Coffee Consumption (Cups), 1821-1882
Source: The data from 1821 to 1882 are from the U.S. Treasury Department, *Statements of Imports of Tea and Coffee into the United States*, No.25; the data from 1900 to 1996 are from David Grigg, “The Worlds of Tea and Coffee: Patterns of Consumption,” 290.

Chart 4.11 Average Per Capita Annual Tea and Coffee Consumption (Cups), 1821-1996
AMERICAN TEA CONSUMPTION – QUALITATIVE ANALYSIS

“The inhabitants of America must have tea,” Samuel Shaw wrote in 1785 on his second trip to China, “the consumption of which will necessarily increase with the increasing population of our country.”²⁹ The increasing, instead of declining, tea consumption after Independence, particularly among American ladies, corresponded with French visitors’ impression of the excessive tea consumption in New England, the Mid-Atlantic States, and the Upper South—the major regions of this newly established United States—in the late eighteenth century.³⁰ No wonder during his sojourn in America in the late 18th century, Comte de Ségur wrote in a letter to his wife in France, “My health continues excellent, despite the quantity of tea one must drink with the ladies out of gallantry, and of madeira all day long with the men out of politeness.”³¹ Americans’ own observation reveal that the expansion of tea consumption progressed not only in the upper tier of the society, but also among ordinary folks. Robert Waln, Jr. observed in 1819 that the Chinese goods have now become more incorporated with the necessaries, than the luxurious of life, and the consumption of Tea alone has obtained, in actual use, an importance almost equivalent to that of bread: there are few families in our country, however humble their situation, which would not be greatly inconvenienced by a deprivation this exhilarating beverage; the various species of the Tea Plant fortunately afford a compounding variety of qualities, so that, not withstanding the enormous import duties, certain kinds are procurable at a low rate by the poorer classes of society.³²

³⁰ French visitors’ descriptions show that Americans drank tea in the mornings, afternoons, evenings and even during picnics. See Sherrill, French Memories of Eighteenth-Century America, 91-96.
³¹ Sherrill, French Memories of Eighteenth-Century America, 78.
³² “Commerce: Introductory Remarks,” Robert Waln, Jr.’s Notes on China, Waln Family Papers 1785-1820, HSP. Robert Waln, Jr. would publish a monograph, China: A History and Description of China and U.S. Commercial and Diplomatic Activities, in 1823, based on the notes taken during his trip to China in 1819, so his remark shows American tea consumption during the 1820s.
Waln’s remarks might not be hyperbole. Sarah McMahon’s research on probate records and inventories in rural New England shows that tea had been a necessary provision and a comfortable subsistence for widows in the 1830s.33

Merchants, whose economic profit tightly connected with the tea market, also witnessed the growth of tea consumption. Owing to the large quantities of teas loaded onto American vessels, Thomas T. Forbes apprehended that his investment in teas in 1824 would be hazardous but later found out that the considerable increase of tea consumption rendered the adventure profitable. “[As] the consumption of our Country had increased beyond parallel, there may not too much be sent & tolerable voyages be made,” he wrote.34 In 1833, the U.S. government exempted duties on tea. Large number of vessels ventured to Canton for tea, which deterred Howqua from shipping any tea to the U.S. this year.35 However, the rapid growth of tea consumption and speculation—the expectation of consumption in the future—was beyond Howqua’s imagination. He confessed to Cushing, “I was not a little surprised to learn that you fall Tub of Teas last year should have been so good with so large a quantity as went forwarded, consumption with you must be increasing rapidly.”36 In 1859, Gilman & Company, the later Great Atlantic & Pacific Tea Company, opened as a tea store to “sell good tea, then the favorite national beverage;” a century later, its focus shifted to coffee “America’s Favorite Drink” in 1959.37

36 “Houqua to John P. Cushing,” April 14, 1834, ibid.
The Material Culture of Tea

The patriot lady’s depiction of the tea table reveals well-established teatime ritual, defined by tea wares, gaudy attires, and fine teas, which were observed throughout the long nineteenth century after the Revolution, at least in rich American houses. Marie Bayard, a French visitor travelled with his family from Baltimore to West Virginia in 1791, depicted the tea hour in Bath, Virginia (today’s West Virginia) and drew a clear picture of the material culture of tea and the solemn atmosphere created by tea rituals. This tea hour, also the evening meal, saw the strictest formality at the tea table. Ladies, all dressed up in their finest, sat in a semicircle on the right of the mistress of the house.

A mahogany table is brought forward and placed in front of the lady who pours the tea. Vessels of silver contain the coffee and the hot water. The hot water is used to weaken the tea, or to wash the cups. A servant brings in, on a silver tray or a tea service, the cup, the sugar bowl, the cream pitcher, round slices of buttered-bread and slices of smoke-cured meats which are presented to each person, and which must be held on the lap. … The only thing you hear, while they are taking tea, is the whistling sound made by the lips on edges of the cups.38

Thus, a well-equipped tea table has a set of items including a tea pot, cups and saucers, cream pitcher, sugar bowl, slop bowl, tea chest, tea urn, teaspoons and tongs. Slop bowl or waste bowl was for emptying the cold tea or discarding the tea dregs; it was added to the tea service in the 1750s. The tea urn became part of the tea service in the latter half of the eighteenth century. In addition, tea chests, caddies, and canisters to preserve tea leaves were also essential, though rarely appeared on the tea table. These pieces of wares remained basic to tea taking throughout the whole nineteenth century. In the 1880s, when afternoon teas were considered informal events, tea service still comprised a complete set of these objects.

The butler or maid lights the alcohol lamp under the kettle (in which the water should be already very hot) and the lady of the house makes the tea. Or it may be brought in, freshly made in the tea-pot. The tray should contain cups, saucers, spoons, doilies, plates, sugar-bowl, slop-bowl, cream-pitcher, thin slices of lemon, tea-pot, caddy and kettle. 39

Trade catalogues of hardware stores and tea dealers in the late nineteenth and early twentieth centuries show that the basic tea service consists of a tea pot, tea cups, a sugar bowl and a cream pitcher, resembling the late-eighteenth-century tradition (see image 4.2-4.3). 40

This catalogue presents not only the tea service, but also coffee and/or chocolate pots. However, the basic component of a tea service remained a tea pot, a tea cup, a sugar bowl, and a cream pitcher in the 1860s.


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39 Florence Howe Hall, Social Customs (Boston: Estes and Lauriat, 1887), 158.
40 The Smithsonian National Museum of American History Library and the Winterthur Library hold considerable amount of trade catalogs, advertising both expensive silver and porcelain tea service and inexpensive pewter wares. Winterthur’s digital collection of trade catalogues can be find at https://archive.org/details/winterthurlibrary
This 1909 catalogue presents two four-piece tea services, including a tea pot, a sugar bowl, a cream pitcher, and a spoon holder. Tea cups were not shown here, but the basic element of a tea service did not change in the latter nineteenth century.


In addition to silverwares, after the direct trade with China unfolded, wealthy and humble households pursued China porcelains for their tea service. During the 1700s, titled families in Great Britain initiated the fashion to order porcelain dinner and tea services from China with their coats of arms to demonstrate their social standing, particularly after the rise of English domestic ceramics; by the end of the century minor gentry, wealthy professionals, and merchants, and tradesmen, had also owned personalized porcelain. When Americans started their China trade, they adopted this fashion. In 1790, Shaw ordered tea sets decorated with patriotic motifs, including two tea pots and stands, sugar bowl and stand, milk ewer, bowl and dish, six breakfast cups and saucers, and twelve afternoon cups and saucers, for Dr. David Townshend, a fellow member of the Society of the Cincinnati. Serving breakfast and afternoon tea with different sets of porcelains directly from China was definitely only affordable to the upper class. However,

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42 Roth, “Tea Drinking in 18th-Century America,” 81.
Waln, Jr., who noticed the democratization of tea consumption among ordinary people, also found the pursuit of Chinese porcelain in households of humble background:

the Porcelain of China, displaced the English ware hitherto in use, & became exclusively employed by the higher & middle ranks; even the poorest families could bourt [sic] at least a limited proportion of Chinaware, and although it should require the use exertions of the family to effect the object, few young girls, at the present day, enter into the marriage state, without contributing their respective China Ware Tea Setts, …to the general concern.43

In addition to tea sets imported from China and England, tea wares were also central to domestically manufactured American porcelain. The first documented porcelain of American origin was a small teacup drawn in Savannah, Georgia, by Andrew Duché in 1738, at least six years before the first English-manufactured porcelain was registered.44 The American China Manufactory, the only successful producer of porcelain in colonial America, started to draw chinaware in late 1770. “A number of beautiful articles particularly of tea ware well shaped and painted were in use among the best families in America,” such as John Cadwalader, Thomas Wharton, and Deborah Franklin, Benjamin’s wife.45 William Ellis Tucker’s manufactory in Philadelphia, opened from 1826 to 1838, was the first domestic porcelain factory that lasted for more than a few years and embellished their neoclassical porcelain with American themes for the first time (See Image 4.4).46 In the latter nineteenth century, industrialization and technological innovations lowered manufacturing cost and retail prices, domestically produced porcelain became increasingly available to American middle class.47 In the Centennial Exposition in Philadelphia in 1876, Union Porcelain Works in Greenpoint, New York designed a Rococo

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43 “Commerce: Introductory Remarks,” Robert Waln, Jr.’s Notes on China, Waln Family Papers 1785-1820, HSP.
46 Frelinghuysen, American Porcelain, 1770-1920, 4, 14-20.
47 Frelinghuysen, American Porcelain, 21.
Revival tea set, with an African sugar cane picker on the lid of the sugar bowl and a dark-skinned Chinese as the figural finial of the tea pot (see image 4.5). The racist depiction of both the African and Chinese alluded contemporaries’ pride of independence in controlling the supply of sugar and tea, which they waged a war to achieve a century ago.

This set of tea and coffee service comprises a teapot, a coffee pot, a teacup, a coffee cup, a sugar bowl, a cream pitcher, and a waster bowl.

This tea set includes a tea pot, a sugar bowl, a cream pitcher with a goat head on the handle, two cups and saucers, and a slop bowl.


In addition to expensive silver and porcelain tea service, ordinary Americans had more choices to satisfy their need at a reasonable cost. American domestically produced yellow ware,
a type of earthenware fired at lower temperatures than porcelain, adopted white porcelain design but were available at a lower price (see image 4.6).\textsuperscript{48} Pewter ware craftsmen also cater to tea consumers by producing tea pots, canisters, and cream pitchers for their tea table. The material, an alloy of tin and copper, cost significantly less than silver and enjoyed wide usage in the houses with very little means and those of the wealthy (see image 4.7-4.9).\textsuperscript{49} In addition, tinsmiths also produced tin teapots, which were vulnerable but inexpensive, more affordable than ceramic items and silver wares to ordinary households (see image 4.10).\textsuperscript{50} At the end of the nineteenth century, steel, brass, and copper tea sets were also available to tea consumers (see image 4.11-4.12).\textsuperscript{51} From silver tea service to porcelain to pewter, tin, and steel wares; from rococo style in the late eighteenth century, to neoclassical after American Revolution, to rococo revival from the mid-nineteenth century, newspaper advertisements and trade catalogues informed different levels of American tea consumers about objects needed for up-to-date tea service.

\textsuperscript{49} Winterthur Museum’s digital collection shows pewter tea canisters produced by Daniel Curtiss or unknown makers as well as creamers produced by Timothy Sage of T. Sage and Company, which primarily manufactured teapots and water pitchers in the nineteenth century. See Winterthur Museum Collection Database http://museumcollection.winterthur.org
\textsuperscript{50} Winterthur Museum Online Exhibition, http://tinware.winterthur.org/pierced/
\textsuperscript{51} Middleton (F.) & Company, \textit{Given to Customers Who Buy Quarter Pound Middleton's Silver Tea} (Philadelphia, ca. 1895), Hagley Library.
These two teapots, designed by Daniel Greatbatch, were delicately modeled yellow ware. The introduction to this collection at the Metropolitan Museum of Art provides the following information: covered with an allover mottled brown glaze, this type of yellow ware “is generally known Rockingham ware in homage to similar ware first produced in England on the property of the marquis of Rockingham. Variations occur in the glazes by the means of application—dipping, sponging, or splashing—and with the addition of colored oxides. Such glazes embellished a variety of forms, but primarily pitchers with relief-modeled patterns. Design inspiration came initially from England, the origin of many of the immigrant modelers and potters who fashioned the wares. The modelers and mold makers were a transient group, adapting their designs for and selling their molds to several different potteries, from Vermont to Ohio.”

Image 4.7 Teapot-Pewter Ware by Cornelius Bradford (1729-86), New York or Pennsylvania, 1752-85

This is one of the earliest known teapots marked by an American pewterer, named Cornelius Bradford, who was trained in a New York Pewter-making family but worked in Philadelphia.


Image 4.8 Tea Canister-Pewter Ware by Daniel Curtiss (1799-1872), New York, 1820-72
This pewter tea caddy was manufactured in China. It is decorated with bamboo leaves, phoenixes, dragons, and a Chinese character “shou 寿,” which means “long life.”

Winterthur Museum offers the following information about tinware and this tin tea pot. “Tinware was not intended to reach “antique” status. Objects that were used steadily became scratched, dented, faded, and rusted. The material was vulnerable and disposable and cost less than ceramic items with same function. This oval teapot shows evidence of honest, aged surfaces.”


Studies of the consumption side also provide evidence for Americans’ pursuit of tea wares, and the beverage itself, in the North and South. The studies of country stores in Kentucky and Ohio in the late eighteenth century and early nineteenth century show that frontier consumers were more eager to purchase luxuries, including tea and tea wares, than basic food foodstuffs.\(^{52}\) Excavation of free blacks' rental properties in Alexandria, Virginia, reveals that the tenants placed a high priority on acquiring inexpensive ceramic tea- and coffee wares and, presumably, the consumption of tea and coffee during the antebellum period.\(^{53}\) The tea and

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\(^{53}\) Ibid, 245.
coffee wares consisted over half of all ceramic vessels imported from England to the U.S during 1783-1855. The material culture of tea reveals the popularity of the beverage itself.

**The Home Life of Tea**

Tea was integral to American foodways from the mid-eighteenth to the end of the nineteenth century. From the colonial era, people in North America had a regular tea-drinking schedule. They took tea in the morning, had mid-day dinner, took tea in the afternoon without food, and had tea again in the evening. This tea-drinking schedule was followed throughout the colonies. Therefore, tea was a vital component of the three square meals in the U.S.

**Tea in breakfast**

Probably following English or Dutch tradition, Americans took tea, and coffee, as breakfast beverage. By the 1740s, tea had been a breakfast beverage had been the tradition. Peter Kalm, a Swedish-Finnish natural scientist, noted this tradition during his visit to Pennsylvania and New York. He observed that tea was breakfast for Americans in the predominantly Dutch town of Albany. “With the tea was eaten bread and butter or buttered bread toasted over the coals so that the butter penetrated the whole slice of bread,” he wrote. In Boston, people “take a great

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55 For example, a magazine article describes taking tea in the morning and at night at home. “When we get to breakfast, if I choose toast, it is ten to one but she finds it gave me the heartburn the day before, and then I must eat bread and butter. Sometimes she turns down my cup herself after the first dish, because she fancies my handshakes, and tea is nervous. At other times I am swilled with half-pint after half-pint, as she conceives I ate too much supper over night, and tea is good for digestion.” Truelove, “A LOVING WIFE Described,” The Boston Magazine, Containing a Collection of Instructive and Entertaining Essays, in the various Branches of Useful and Polite Literature, together with Foreign and Domestick Occurrences, Anecdotes, Observations on the Weather, & c., & c. (1783-1786), October 1783, 21, Proquest. Another describes the life of a fictional figure, Edward Drinker, who dies at the age of 103. He “generally ate a hearty breakfast of a pint of tea or coffee as soon as he got out of his bed, with bread and butter in proportion. … He drank tea in the evening, but never ate any supper.” “Reflections upon the Life and Death of Edward Drinker, of the City of Philadelphia, Who Died Nov. 17, 1782, in the 103d Year of His Age,” The Boston Magazine, Containing a Collection of Instructive and Entertaining Essays, in the various Branches of Useful and Polite Literature, together with Foreign and Domestick Occurrences, Anecdotes, Observations on the Weather, & c., & c. (1783-1786), January 1784, 86, Proquest.
57 Ibid, 66.
deal of tea in the morning,” the Baron Cromot du Bourg noted during his visit in 1781, have
dinner at two o’clock, and “about five o’clock they take more tea, some wine, madeira [and] punch.”  

This function of tea as breakfast beverage continued after the Revolution. Bayard and his
family enjoyed traveler’s breakfast and drank lots of tea on the way from Baltimore to West
Virginia. He stopped at Hellicot’s Lower-Mill of a Quaker miller, who was well-respected in his
community but less wealthy than his relative of Hellicot’s Upper-Mill in Maryland. This upper-
middle family served them usual traveler’s breakfast, including ham, broiled chickens with a
cream sauce, slices of bread spread with butter, tea, and coffee—with admirable manners. “One
of the Misses Hellicots sat at the table to pour the tea,” Bayard observed “and performed it with
that maidenly reserve which is well worth the fussy attention of the hostesses of Europe.”  
He and his family also enjoyed tea for breakfast in a shabby private home, which was falling into
ruins with old hats and old clothes as window panes. However, the next morning, elegantly
dressed young ladies served them tea with beautiful china cups, sugar bowl, and cream pitcher
on an extremely clean mahogany table, although the floor of the parlor was full of holes and
daylight came in through cracks in the walls.  

American literature in the nineteenth century also describes the importance of tea, and
coffee, to breakfast. A cookbook 1860 introduces the English tradition of serving breakfast, with
tea and coffee as the imprimis, followed by dry toast, butter, eggs, ham, something potted, bread,
salt, mustard, and utensils.  

58 Ibid.
59 Bayard, Travels of a Frenchman in Maryland and Virginia, 3-4.
60 Ibid, 35.
century fiction *The Romance of the Table*, so when the Florence Mayhew, the heroine, said they drank neither tea nor coffee at breakfast, her newly hired maid was greatly surprised.62

**Tea as the evening meal**

Tea with bread and butter was not only American breakfast, but also the third meal. Today, tea is the name of the evening meal in the Northern part of U. K., Australia, and New Zealand, and was the third meal in the nineteenth-century America, which is likely to be the English tradition of high tea beginning in the eighteenth century.63 Some scholars have noted the role of tea as a meal, though they fail to trace the different usages of tea and the trajectory of its changes. “Tea was more than a mere afternoon refreshment; it had taken on certain characteristics of a meal,” Abigail Carroll writes in her book *Three Squares: The Invention of the American Meal*, “Although not necessarily a daily affair, teatime was a regular one associated with a particular time of day and often even a particular hour….Like a formal mealtime, teatime conformed to an abiding protocol, a methodic sequence of events.”64 Carroll’ description dances around this idea that tea was a meal and, by asserting that tea was not a daily affair, fails to distinguish the distinct home life and social life of tea. Alice McLean shows that many families in the nineteenth century took evening tea as a full meal, which was referred to as high tea or 6 o’clock supper, or less often as a light meal between the midday dinner and a late supper at around 8 or 9 o’clock.65 However, she only mentions this in passing in her work *Cooking in America, 1840-1945* and never explains why it disappeared in American home life. The vanishing family evening tea mirrors broad socio-economic changes in the U.S..

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63 The Oxford Dictionary defines “tea” as a light meal in the late afternoon locally in the U.K. (esp. northern), and a cooked evening meal in Australia and New Zealand. In Jamaica, it was the first meal of the day. High tea in Britain, Australia and New Zealand is a meal eaten in the late afternoon or early evening, typically consisting of a cooked fish, bread and butter, and tea. The earliest entry under “high tea” is from 1787, indicating that this term dates back to as late as late eighteenth century.
64 Carroll, *Three Squares*, 45.
Foreign travelers had noticed the role of tea in American foodways in the eighteenth and nineteenth centuries. Médéric Louis Élie Moreau de Saint-Méry, a French refugee on a journey in America from 1793-1798, recalled that American officers on his ship had four meals every day. The first is about seven or eight in the morning, dinner is between noon and two o’clock, the third is the six o’clock tea, and supper is around eight. “Tea is always served at the first meal,” he recalled, it also “constitutes the entire third meal. Salt beef, butter, onions, cheese and potatoes make up the rest of the menu.”

When Charles Dickens visited the U.S. in 1842, the schedule of daily diet in American ships remained the same.

At eight o’clock, the shelves being taken down and put away and the tables joined together, everybody sat down to the tea, coffee, bread, butter, salmon, shad, liver, steak, potatoes, pickles, ham, chops, black- puddings, and sausages, all over again. … Dinner was breakfast again, without the tea and coffee; and supper and breakfast were identical.

The repeated pattern of the three meals showcases tea as an essential component of Americans’ diet.

American cookbooks, which are the most closely connected with ordinary Americans’ foodways, elucidate that tea was the last meal for Americans at home. In the cookbook Domestic Cookery published in 1845, Elizabeth Lea maintained that some food, such as Fricassee Tomatoes, dried beef, and cold rock fish, were good for breakfast or tea.

Viewing serving meals as etiquette training, she recommended well regulated families “to permit the younger members (as they arrive at a suitable age,) to take turns in presiding, not only at breakfast and tea, but at the dinner table.”

68 Elizabeth Ellicott Lea, Domestic Cookery, Useful Receipts, and Hints to Young Housekeepers (Baltimore: Cushing and Bailey, 1869), 48, 172-73, 175.
69 Lea, Domestic Cookery, Useful Receipts, and Hints to Young Housekeepers, 273.
from Tidewater South, Quakers of Pennsylvania, and Pennsylvania Germans, was in print for twenty-five years with at least nineteenth editions. Lea’s portrayal of tea as a meal, therefore, documented it as a commonplace practice in American society. The title of Julia C. Andrews’s cookbook, *Breakfast, Dinner, and Tea: Viewed Classically, Poetically, and Practically, Containing Numerous Curious Dishes and Feasts of All Times and All Countries*, made it clear that tea was the third meal in the Northern States by 1860. Andrews considered tea, consisting of tea, cakes, bread, butter, and various relishes and fruits, as the “most cheerful and social repast for the domestic circle.” Both urbanites and rural people enjoyed the evening tea. “In our Northern States, it is a very general custom both in town and country, to invite company to tea;” Andrews wrote, “this meal being preferred to dinner as involving less effort, fatigue, and formality….In the rural districts, this meal partakes of the nature of a supper.”

Even during the Civil War, hospitals in the Union strictly followed the routine of the three meals; tea was indispensable. Surgeon General Hammond ordered all the Union hospitals to adopt this Diet Table, which clearly shows that they had three diets a day: breakfast, dinner, and tea. They took coffee at breakfast and tea for the last meal. The time was called “TEA”, consisting of tea, bread and butter. On Sunday, the last meal might be at a late hour, so it was called supper, but tea and bread were still served.

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72 Ibid.
73 “ARMY AND NAVY NEWS.: THE SURGEON-GENERAL’S NEW BILL OF FARE FOR THE HOSPITALS,” *Medical and Surgical Reporter* (1858-1898), November 22, 1862.
Table 4.1 Diet Table for Union Hospitals, 1862

<table>
<thead>
<tr>
<th>DAILY MEALS—FULL DIET</th>
<th>SUNDAY</th>
<th>BREAKFAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee, pt.</td>
<td>1</td>
<td>Breakfast</td>
</tr>
<tr>
<td>Bread, oz.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Butter, oz.</td>
<td>½</td>
<td></td>
</tr>
<tr>
<td>DINNER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roast Beef, oz.</td>
<td>1½</td>
<td></td>
</tr>
<tr>
<td>Potatoes, oz.</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Other Vegetables, oz.</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>SUPPER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tea, pt.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Bread or crackers, oz.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>MONDAY—BREAKFAST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coffee, pt.</td>
<td>1</td>
<td>Breakfast</td>
</tr>
<tr>
<td>Bread, oz.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Butter, oz.</td>
<td>½</td>
<td></td>
</tr>
<tr>
<td>DINNER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef Soup, pt.</td>
<td>1½</td>
<td></td>
</tr>
<tr>
<td>Potatoes, oz.</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Other Vegetables, oz.</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>TUESDAY—BREAKFAST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coffee, pt.</td>
<td>1</td>
<td>Breakfast</td>
</tr>
<tr>
<td>Bread, oz.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Butter, oz.</td>
<td>½</td>
<td></td>
</tr>
</tbody>
</table>

Source: “ARMY AND NAVY NEWS.: THE SURGEON-GENERAL’S NEW BILL OF FARE FOR THE HOSPITALS,” Medical and Surgical Reporter (1858-1898); November 22, 1862.

The evening tea continued as a tradition after the Civil War. In the fiction *The Romance of the Table* published in 1872, Jehiel Keeler Hoyt portrays a young lady named Florence Rimmel, whose charm shines at all times and seasons. “The charm of the breakfast table, she shone with the same mild effulgence at dinner and tea.”\(^74\) This description indicates the same position of tea as the other two meals. When Mary Virginia Terhune published her cookbook, *Breakfast, Luncheon and Tea*, with the pen name “Marion Harland” in 1875, tea still paralleled the other two meals in the title. Terhune wrote, “TEA. The evening meal, call it by whatever name we may, is apt to be the most social one of the three which are the rule in this land.”\(^75\) However, compared with Andrews’ *Breakfast, Dinner, and Tea*, the title Terhune used hints a

\(^74\) Hoyt, *The Romance of the Table*, 19.
\(^75\) Marion Harland (Mary Virginia Terhune), *Breakfast, Luncheon and Tea* (New York: Scribner, Armstrong & Co., 1875), 356.
change in the structure of American three-square meals: luncheon replaced dinner as the midday meal, a trend which eventually marginalized tea from Americans’ home life.

The hurried pace of industrial capitalism in the late nineteenth century transformed the structure of ordinary Americans’ daily meals. Luncheon originally means a light repast in between. The seventeenth- and eighteenth-century New England worshipers typically attended two services on Sunday morning and had lunch—whatever they brought from home—between services to bridge the gap between breakfast and a later-than-usual dinner, the midday meal. Thus, Sabbath lunches and snacks were once interchangeable terms. By the 1860s, upper class in London, Paris, Madrid, Vienna, Washington, and New York had routinized luncheon as a meal in their fashionable life. Unlike the business and laboring classes, who always took dinner at mid-day, the leisure class partook this chief meal at any hours between five and nine o'clock and thus created luncheon, an “unceremonious dinner,” in the middle of the day. In the 1870s, thanks to the Industrial Revolution, which shifted work from home and workshops to factories and offices, it was increasingly impractical for the working class and professionals to return home for a hearty midday dinner. They therein incorporated lunch into their diets, out of necessity instead of fashion.

The consequence of the structural change was the redefinition of fashionable eating habits and the obsolescence of family tea. The 1875 cookbook Breakfast, Luncheon and Tea indicates that people also named tea, the evening meal, six o’clock p.m. dinner or supper. The confusion of the terms for dinner and tea suggests a new trend was forming, and people were attempting to get adjusted to it by giving it different names. The consequence was the substitution of tea with dinner. Noticing the marginalization of family tea from people’s lives in

77 Andrews, *Breakfast, Dinner, and Tea*, 64.
78 Carroll, *Three Squares*, 104.
the 1870s, a preacher lamented in his sermons, “I should be the sorriest of the sorry to see the tea-table swept out of American households.” 79 He embraced a comfortable family tea not only on Sabbath evening, but also during the rest of the week, so that the housewife had an opportunity to indulge the father who was seldom at home at lunchtime with her cooking skills and to impress the children with a taste of old-fashioned home life.80 Writing in 1887, Florence Hall recalled

[in] the days of our parents and grandparents [1840s-1860s], it was customary to eat three meals a day, and to call them respectively, breakfast, dinner and tea or supper. Probably the majority of American families still keep the old arrangement and the old names. The modern custom of dining late and of taking luncheon in the middle of the day, is English and fashionable, but it is also sensible and convenient for many people.81

As Hall clarified, the old arrangement and names remained in Americans’ daily life; midday lunch and evening dinner had not swept the whole country in the 1880s.82 Rural households still preserved tea as a meal. “It is a pity that this cheerful meal has almost disappeared from city life, driven out both by fashion and necessity,” Hall lamented, “since business men in our large cities can no longer come home to two o'clock dinner as they did formerly.”83 Nevertheless, with industrial capitalism and urbanization, the home tea inevitably disappeared. This changing pattern also paved way for the rise of the Tea Room Movement in the early twentieth, when women opened clean and cozy eateries, sometimes considered substitute homes for the

79 Harland, Breakfast, Luncheon and Tea, 357.
80 Ibid, 357-59.
81 Hall, Social Customs, 411-12.
82 Some hotels still served dinner as the mid-day meal for guests, probably wealthy guests, who did not have to go to work. See the menus in Mary Campbell Harris, Scrapbook of Greeting Cards, Menus, Invitations, Etc., Print and Photograph Department, LCP.
83 Hall, Social Customs, 350.
increasing number of urban workers.84 Tea as a term for the evening meal may well explain why these women-managed restaurants were called tea rooms.

Driven out from the three-square meals, tea had less room on Americans’ meal table. Although it is unclear how ordinary Americans dined for the chief meal after a whole day’s work, upper- or middle-rank New Englanders took soup, wine, whiskey, or sparkling water for dinner. After dessert, they served after-dinner coffee.85 There was no room for tea. Tea also gradually left the breakfast table. The traditional heavy American breakfast became old-fashioned, as people had dinner at seven or eight at night were not hungry in the morning. The Continental European custom of breaking the fast with rolls and coffee became popular among Americans, so that busy housewives adopted this Continental breakfast and added fruit, cereal, eggs, and toast to the menu, thus making “a breakfast heavy enough for any one except perhaps a laboring man.”86 Despite the presence of tea at home, its popularity attenuated as industrial capitalism progressed.

Some Americans took tea at their midday lunch, but this trend did not progress smoothly. Despite being a staunch defender of English custom as fashionable, Hall still admitted that unlike the English who only took wine for lunch, American ladies liked tea and coffee, as they had “no leisure class of men to stay at home and take lunch” and wine with them.87 However, having tea at lunch failed to became a tradition. Young people preferred coffee at lunch. The hostess only served tea at informal occasions, because they must serve coffee at formal ones as it would be after dinner.88 Moreover, the increasing popularity of afternoon tea diminished the custom of

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86 Ibid., 153.
87 Ibid., 147.
88 Ibid.
having tea at lunch. Some critics even claimed that the popularity of afternoon tea, the feminine carousals, had “its root in remorseful hankering after the almost obsolete ‘family tea.’” Initiated in the 1840s, afternoon tea by no mean arose out of the obsolesce of family tea. Nevertheless, the marginalization of tea in ordinary Americans’ home life rendered this social tea, a fashion among urban, upper-class life, conspicuous, and even more so in Americans’ collective memory decades later when tea consumption eventually diminished.

The Social Life of Tea

Tea had been central to upper-class social life since the eighteenth century. Tea parties and invitations to tea were pervasive in upper-class women’s diaries, which, thus, left more trace in American popular culture than the home life of tea, which was common among ordinary Americans. The tea hour in their daily schedule started in the afternoon, and was very likely to expand to the evening or late night with music, dance, and cards in a large company, thus creating time and space for the leisure class to socialize with members of their own circle. For example, Nancy Shippen, daughter of a representative in the Continental Congress, wrote about tea ceremonies in Philadelphia between 1783 and 1786. In December 1783, she wrote “This afternoon we were honor’d with the Company of Gen’ Washington to Tea.” The entry on March 11, 1785 reads “About 4 in the afternoon Dr. Cutting came in, & we spent the afternoon in the most agreeable [sic] chit-chat manner, drank a very good dish of Tea together & then separated.” If Nancy’s friends were present or the company large, the tea hour would extend into the evening with singing, chatting, dancing, and playing chess or cards. Many entries indicate that she spent many hours of the years in a similar way. In January 1810, Eliza Bowne,

89 Hall, Social Customs, 147.
90 Harland, Breakfast, Luncheon and Tea, 360-61.
92 Ibid.
daughter of a Massachusetts physician, reported to her sister about the life in New York and said that “New York is not so gay as last Winter, few balls but a great many tea-parties.”93 F. Marie Bayard also observed that tea parties were very frequent at Bath, VA in the 1790s. “To sum up all the kinds of recreation which were enjoyed at Bath, I shall say, therefore, that tragedy, comedy, comic opera and the farce were played there; that they danced every week, and that tea-parties were very frequent. Gamblers would gather together at the billiard-table and in taverns where they would often spend the entire night.”94 The 19th-century American satirical periodical, Salmagundi; or The Whim-whams and Opinions of Launcelot Langstaff, Esq. & Others, used the term “tea visits” to name ladies’ parties at three o’clock in New York.95

Upper-class tea parties probably declined in the Anglo-American world and reemerged as afternoon tea—social occasions decorated with tea and cakes—in the mid-nineteenth century.96 Initiated by Anna Maria Russell, Duchess of Bedford (1783-1857), in the 1840s in Great Britain, the afternoon tea soon spread to the United States. In the parlors of the fashionable circle, they serve tea and coffee only with cakes, so “in fashionable life, TEA does not deserve the name of a meal.”97 In the 1860s, when ordinary Americans still had evening tea at around 6 o’clock, this five-o’clock tea or low tea, for socialization and fun instead of subsistence, became a status marker for American leisure class.98

93 Ibid.
94 Bayard, Travels of a Frenchman in Maryland and Virginia, 50-1.
95 See the entry “tea visits” in Oxford Dictionary: “1807 Salmagundi 24 Jan. 10 When ladies paid tea-visits, at three in the afternoon.”
96 “Afternoon teas revived in England about forty years ago, and imported to this country soon afterward, are certainly a most admirable institution,” Florence Hall writes in her book Social Customs, suggesting that tea parties in the afternoon declined for a while and resurged as a fashion in the mid-nineteenth century. See Hall, Social Customs, 157.
97 Andrews, Breakfast, Dinner, and Tea, 295.
98 Like that in Great Britain, the American upper class also had “low tea,” because the tables were so low that the hostess could not sit down. “The little low five-o’clock tea-tables, with their dainty embroidered cloths, are so pretty and picturesque that it seems a thousand pities not to use them. But they will be found inconvenient, except on very small occasions, not only on account of their diminutive size, but because they are so low. A rather small table of the
Afternoon tea

Despite its origin as an elite British fashion, the popularity of afternoon tea in the U.S. was inseparable from domestic socio-economic changes and the international tea trade. As the occupational location changed during the industrial era, professional men were unable to attend dinner with their family. Dinner parties were so time-consuming that the late-nineteenth-century Americans, even the upper class, possessed a constant fear of unpreparedness for them. “A dinner-party has become in these days such an elaborate and formal affair that the timid and modest entertainer, or one who shrinks from ceremony, no longer invites people to dine with him.” Even the rich people, “too, get very tired of the formality and show which accompany their daily meals,” and preferred a plain, good dinner at a friend’s house. “Luckily there is one form of general entertainment which is still very popular, and in which even suburban lame ducks can find their account,” Hall wrote, this informal tea party, as “a most admirable institution,” became an ideal alternative.

Afternoon tea was informal by the standards of the British aristocrats and colonial ruling elites. Unlike the eighteenth-century tea parties which dragged on for hours, people could come, stay for half an hour, and leave. Some people often attended several teas in the same afternoon. Invitations were informal as well. Unlike the dinner card which should be an engraved black card with a particular format, an invitation to tea might either be verbal or written on a lady’s visiting card, clarifying the dates and time, such as “Tea at four o’clock,” or “Christmas Day, 4-6” (see ordinary height may be substituted for the regulation five-o’clock tea-table; at this the hostess is not obliged to sit down every time that she pours out tea.” See Hall, Social Customs, 162.

99 Hall, Social Customs, 142.
100 Ibid, 87.
101 Ibid, 155.
102 Ibid, 51.
103 “ANSWERS TO CORRESPONDENTS,” Harper's Bazaar (1867-1912), March 5, 1887, 167.
The guests did not have to answer the invitations immediately. Therefore, as William Howells wrote in *Five O’clock Tea*, “You can never tell about [how many guests at] five o’clock tea. There mayn’t be more than half a dozen; there may be thirty or forty.”

Image 4.13 Invitation Card for Afternoon Tea


The low prices of tea made this afternoon tea popular among upper-class ladies. “An afternoon tea is so cheap that anybody can afford to give one,” Florence Hall claimed. The hostess need only provide tea, coffee, or chocolate with bread, sandwiches, cake, or fruit punch in summer. Many people who had evening dinners in large cities had five-o’clock tea every day, “almost always at home to friends at that hour.” As tea became such an inexpensive beverage, afternoon tea made itself “so much in vogue” in the late nineteenth century among newly wedded couples. “The refreshments for these may be very simple and inexpensive,—tea or chocolate, cake and sandwiches, being amply sufficient.”

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104 Hall, *Social Customs*, 77, 81.
107 Ibid, 158.
The inexpensive and informal afternoon teas became an effective and easier means for busy professionals, especially those who were newly squeezed into the upper or middle-upper circle, to maintain their social connections. Paying formal visits or attending dinner parties in person, instead of sending cards, remained nineteenth-century Americans’ social duties to maintain their personal networks. Even young mothers and professional women were only partially exempted from these social customs; men who went into society were also expected to pay calls or make visits. For those women who were busy having fun or men who could only leave their business occasionally, holding or attending afternoon tea hours became an easier means to retain their place in their society without interfering their fast pace of life.\textsuperscript{109} Occurring all at the same time every afternoon, afternoon teas thus became an “economic device” and a “time-saving institution” for busy upper- and upper-middle Americans in the industrial age.\textsuperscript{110}

**Tea Gowns**

In addition to the ritual informality, ladies’ dresses also became informal. This was the time when tea gowns became popular within the fashionable, wealthy circle. Being a hybrid between a wrapper and a ball dress, a tea gown is a looser-fitting dress without a corset, originally worn at home. First categorized as “undress,” tea gowns were dresses worn in the interior, such as bedrooms or parlors, which constituted the public stage for ladies of the house. With more women than men at five o’clock teas and the necessity to maintain elaborate code of etiquette, high-fashion tea gowns became popular costume for public use. Going by many names such as house gowns, morning gowns, and tea gowns, they became acceptable and fashionable for afternoon teas in England, France, and America from the 1870s to 1930s. Unlike the close-fitting, heavy, fashionable evening dress, which was considered bad taste if worn for a tea

\textsuperscript{109} Hall, *Social Customs*, 53-54.
\textsuperscript{110} Ibid, 51.
reception, tea gowns were loose, flowing, waistless, or high-waisted, and often made in the princess style. The quainter the sleeves, the looser and more artistic the neck, the better. 111 Closely following the artistic styles and fashion of the period, tea gowns integrated the Aesthetic Movement with mainstream fashion.112

As dress codes for women in the workforce began to loosen in the late nineteenth and early twentieth centuries,113 tea gowns also became less formal, much looser, and more comfortable (see image 4.14-4.15). In the early twentieth century, tea gowns pushed its boundary further from home and afternoon teas to dinner parties. The abolition of waists enabled its prevalence in female social events. In the early twentieth century, it had become women’s preferred dress to any sort of evening dress. “The tea gown has come to be a sort of tea-time, dinner-time, evening-time dress all in one,” New York Times observed in 1922, “While some of them are narrow and heavy and roped, others are quite wide and flat, accentuating the loose, long appearance which is so much a part of any successful informal evening dress, whether it be for private or public use.”114

Image 4.14 Fashionable Tea Gowns, 1883-1917

Image 4.15 An off-the-shoulder Tea Gown, 1922
The informal afternoon teas and the looser-fitting tea gowns indicated the lessened concerns with the traditional codes of conduct and helped upper- and upper-middle class women renegotiate the boundary between public and private space. Ladies could claim the afternoon tea party as their own space, establishing a sense of female independence and dignity. As Correa Moylan Walsh exclaimed in Feminism published in 1917, while women complained that some restaurants and places of recreation admitted no women unescorted, the table has been turned, for in New York a year or two ago entrance to “afternoon tea” places, where there was “trotting,” was not permitted to a man unless accompanied by a woman. Even clubs are expected in the future to be common to both sexes.”¹¹⁵ No wonder many twentieth-century feminists held tea parties to socialize with their comrades or raise funds for their activities, and anti-suffragist cartoons also associated afternoon tea with women’s rights movement (see image 4.16).

This political cartoon in *Puck* satirized the martyr suffragists, who were still, and probably did no more than, holding afternoon teas with people of their social rank in prison.


Tea gowns also elaborated the influence of transcultural communications on the definition of fashion. Japanese and Chinese embroidery and design, translated and transformed by the British or French taste, refashioned American ladies’ high fashioned tea gowns. “Japanese and Chinese patterns are, as a rule, too bizarre for us quiet Occidentals,” etiquette writer Fanny Douglas informed her readers in 1894, “[o]nly in tea-gowns and morning-gowns can they be freely indulged in.”  

116 The Japanese craze in the late-nineteenth-century U.S. manifested itself in the tea gowns American ladies pursued. In 1886, *New York Times* celebrated a collection of Parisian costumes displayed at the store of B. Altman & Co. at Nineteenth-street and Sixth-avenue. The writer lauded a tea gown, Mikado, as “another concession to Japanese craze,” which was “made of figured foulard, with trimmings of electric blue velvet, the long sleeves being lined with red satin.” 117 In 1907, it again noticed the conspicuous influence of Oriental ideas, from China and Japan, on every branch of art from household decoration to personal adornment to, of course, ladies’ tea gowns. “Toned down slightly in coloring, modified somewhat in outline, and combined with the long, clinging skirts recently instituted in Paris, the Chinese mandarin bodices that are seen on nearly every afternoon and evening gown of the present season are delightfully effective.” 118 New Yorkers, or at least the editor of the *New York Times*, especially valued tea gowns that evolved from genuine Chinese mandarin coats. While Japanese kimonos were...

118 “Various Styles of Dress This Season Show the Influence of China and Japan in Embroidery, Coloring and Workmanship,” *New York Times*, December 29, 1907, X8, ProQuest.
considered delightful but informal, “none equals in beauty the mandarin coats which come to this
country direct from China in all their pristine beauty of texture and of workmanship.”

The Varieties of Tea

The transnational flow of commodities and ideas modified Americans’ definition of
fashion not only in tea costumes, but also in teas they took. The 1774 poem mentions Hyson and
Congo as the favorite green and black teas for American ladies. After the direct tea trade with
China unfolded, more varieties of tea came in, thus driving Bohea, the lowest quality black tea
that was the first variety of tea introduced to the Western world, out of Anglo-American tea

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119 “Various Styles of Dress This Season Show the Influence of China and Japan in Embroidery, Coloring and Workmanship,” *New York Times*, Dec. 29, 1907, X8, ProQuest.
tables and parlors by the 1830s. Unlike their English counterparts who took much black tea, such as Souchong, Congou, Pouchong, and Pokeo, Americans preferred green teas, Hyson, Young Hyson, Hyson Skin, Twankay, Gunpowder, and Imperial being the most popular ones (see chart 4.12). Among all the varieties of teas, American consumers preferred Young Hyson, the top-quality one among the greens imported to the U.S. (see chart 4.13). After the first Opium War, Oolong tea entered American tea market; by the mid-century, the demand for Kohn Oolongs and Ning Yong Oolongs from Canton and Fuzhou greatly increased and the rate of profit on them was 100%. For Florence Hall and her contemporaries in the 1880s, “the favorite and fashionable varieties of tea” on the afternoon tea table became “Ceylon and English breakfast tea,” while “Oolong and Japan teas still have their faithful adherents.” In 1905, the president of the National Tea Association of the United States noticed the dramatic change in Americans’ taste in tea: “very few consumers or even dealers in tea today realize that an entire revolution in taste has occurred within the last twenty-five years, not only in the U. S. but also in England. Prior to 1860, Ceylons, Indian, Japans and Formosa teas were unknown to the world, whereas today they are the favorite teas.”

120 Writing in 1869, novelist James Fenimore Cooper noticed this trend, commenting that in this earlier period “the trade with China expelled [lower quality] bohea from most of the better parlors of the country.” James Fenimore Cooper, *The Crater; or Vulcan’s Peak. A Tale of the Pacific* (New York: Townsend, 1869), 16; also cited in Goldstein, *Stephen Girard’s Trade with China*, 77.

121 “William Appleton & Co. to Captain William Cole,” April 19, 1857, *Franklin Gordon Dexter Papers, 1840-1870*, Box 2, MHS.


Black teas here only include Souchong and Congo.

Different regions favored different varieties of teas. By the early twentieth century, the old-school Chinese green teas—Hyson, Young Hyson, Gunpowder, and Imperial—were chiefly consumed in the Middle States, such as Ohio, Indiana, Missouri, and Kentucky, and blended with other varieties of teas in all other sections. Japanese green teas accounted for one half of all the teas consumed in the United States and primarily took the market in Northern States along the Canadian border as well as the Far West to the Pacific. New York, Pennsylvania and the Eastern states particularly preferred Oolongs. Foreign immigrants consumed principally black teas, such as Congou, and Indian and Ceylon black tea scattered throughout the whole nation (see table 4.2).124

<table>
<thead>
<tr>
<th>Variety</th>
<th>Regions</th>
<th>Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese Greens</td>
<td>Northwest and Pacific Slope</td>
<td>40,000,000</td>
</tr>
<tr>
<td>Oolongs</td>
<td>Eastern States</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Chinese Greens</td>
<td>Western, Middle, and Southern States</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Congous</td>
<td>Foreign Population</td>
<td>9,000,000</td>
</tr>
<tr>
<td>Ceylons and Indias</td>
<td>Scattered throughout the Union</td>
<td>9,000,000</td>
</tr>
</tbody>
</table>


In addition to new varieties of teas, the way of serving and taking tea also changed in the late nineteenth century, demonstrating the significance of transcultural and transnational flow of ideas in shaping Americans’ everyday life. By the 1870s, Russian tea culture became a fashion. Not only did upper class homes serve dinner a la Russe, or Russian style, in which servants served dinner in a succession of courses instead of laying most of the dishes on the table in advance,125 but the Russian way of serving tea with sliced lemon also became popular,

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124 Phelan, *Some Secrets of Tea*, 11, NMAH.
125 McLean, *Cooking in America*, 5-6.
fashionable, and “so much in vogue.”

During the early twentieth century, ice tea became popular. In 1904, Richard Blechynden, a vendor at the Louisiana Purchase Exhibition in St. Louis, Missouri, accidentally invented iced tea, a fashionable American drink that changed the nature of tea as an exclusively hot beverage. This vogue of taking iced tea spread not only to other parts of the U.S. but also to China. “Having imitated the foreigner in many other respects,” *The Washington Post* reported in 1924, “the Chinese now are taking to the summer custom of ice cream and iced drinks and especially iced tea” in Techow (Dezhou), Shantung (Shandong Province).

The fast-changing fashions in tea consumption perplexed Americans who returned home after decades abroad. A China trader who lived in China for twenty years returned to Washington D. C. in 1890 and found it hard to find a good cup of tea. In this fashionable city, “women go around from house to house every afternoon and drink three and four cups of the worst tea in the market.” They used small coffee cups for tea. They poured that one pot of tea all afternoon, stuffing it with stale and fresh tea leaves. They were unable to distinguish oolong from green tea or simply drank green and oolong mixed, which were not the first crop and quality. They conveniently named all teas with lemon Russian tea and teas with sugar and cream English tea. He was even more confused when served English breakfast tea, and asked “Is it a green or black tea? And do the English drink anything different at breakfast from what they have

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in the afternoon?”

“Colley Cibber said no woman knew how to make tea until he taught how,” he lamented, “and Colley Cibber had never been to America.”

AMERICAN TEA CONSUMPTION – THE MYTH

Though the annual consumption of tea per capita and in total continued to grow, up until the last two decades of the late nineteenth century, coffee imports, by weight, had overtaken tea decades earlier. The widening disparity between tea and coffee imports and the relatively slowly growth of tea consumption were especially conspicuous in the West. In 1850, Nye, published a series of articles on U.S. tea consumption and trade in the Merchants' Magazine and Commercial Review and ultimately compiled them into a book, Tea and Tea Trade. He observed that tea consumption primarily increased in the Eastern and Middle States, including Ohio, while in the West and Southwest, where the chief increase of population had accrued by migration, more people turned to coffee.

An article published in Christian Union in 1875 agreed that “In the northeastern States it [tea] is indeed the favorite beverage, but in the West it is much less drank than coffee, and as we proceed South its use continually diminishes; in some parts of the Southern States it has only a medicinal character, as a drink to be used in fevers or sickness.”

Coffee-drinking immigrants in the West, particularly Germans and Scandinavians, helped popularize the coffee break, a more casual mid-morning and mid-afternoon gathering, over the British-inherited tea. In 1926, Hills Brothers Coffee claimed, “Coffee is symbol of Western hospitality.”

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130 “One Good Cup of Tea,” The Washington Post, February 23, 1890.
131 Ibid.
132 Nye, Tea: And the Tea Trade, 45.
133 MRS AMELIA E BARR, “The Household. TEA AND TEA DRINKERS,” Christian Union, December 22, 1875, American Periodicals, 527
134 McLean, Cooking in America, 111.
135 Hills Bro. Coffee Inc. Records, 1875-1965, Series 3, Subseries 1, Box 8, Archives Center, NMAH.
The observations on popularized coffee consumption in the West are similar, but the explanations were divergent. In 1850, Nye still attributed the substantial increase in coffee imports and consumption to American tea merchants, who tended to import inferior teas into the U.S. and disadvantaged this beverage in its competition with coffee, especially in frontier areas where new settlers had little knowledge in selecting tea. Compared with the relatively high rates of duty on tea in Great Britain, the U.S. duty-free policy on tea encouraged the importation of cheap teas, further curbing the growth of American tea consumption in newly settled areas. However, in the late nineteenth century, particularly after the centennial celebrations of the Boston Tea Party, people conveniently associated the rise of coffee taking with the Boston Tea Party. The author of the 1875 article claimed that in the 150-year history of consumption, tea never won Americans’ favor as coffee did because it was fettered by the bonds of taxation, which the Boston Tea Party protested against. Anniversaries provided good chances to forge or reinforce a new identity, hence the Centennial Exhibition of 1876 inspired Colonial Revival Style in architecture, garden, and interior design and culturally recreated the American past. However, this recollection of the past was selective; some had to be remembered and some had to be omitted. Unfortunately, tea fell into the latter category. Perhaps no one did this deliberately, but this time period—when annual import of coffee had overshadowed that of tea, when industrialization had diminished the family tea, and when the U.S. was expanding internally and internationally—pushed tea consumption to oblivion, or merely remembered as an obstruction of American liberty, freedom, and democracy.

137 MRS AMELIA E BARR, “The Household. TEA AND TEA DRINKERS.”
After the rise of modern advertising, merchants’ advertisements, a major sources of information in this consumer society, reinforced this mis-memory of the consumption of tea. Beverage dealers invoked the Boston tea Party to advertise their own products. In 1893, the Enterprise M’f’g [manufacturing] Co. of Pennsylvania, for example, claimed that patriots spilled tea in Boston Bay and took coffee ground in Enterprise Mill, although this company did not exist until 1866 (see image 4.18). In the same year, the Ph. Suchard Chocolate Company of Switzerland repeated this idea: the Boston Tea Party of 1773 proved that forsaking “their greatest luxury was better far than losing their liberty,” but they refuted coffee as a wise choice, because from the colonial days American had chocolate “as quite as much of a luxury and far more healthful than either tea or coffee.” More ironically, Lipton, the British tea company, told American consumers, “[t]ea is an American drink. If the contrary seems true, perhaps we should reminisce back to the days of 1773, when those of us on this side of the ocean drank as much tea as the English.” By reminding Americans of the days before 1773, Lipton exploited this idea that tea consumption faded after the Boston Tea Party to promote this English brand. They admitted to the fact that America is the second largest importer of tea in the world, but “[g]ranted, tea is not a tradition in the United States as it is in some countries.” Tea, in fact, could boast itself as an American tradition in 1873, more so than that in 1773, when tea taking was still a

139 Enterprise Coffee, Spice and Drug Mills Trade Card, circa 1893, Michael Zimman World’s Fairs Collection-Trade Cards, Print and Photograph Department, LCP.  
140 Ph. Suchard Chocolate Company, A Cup of Chocolate (Thos. Leeming & Co., 1893), Warshaw Collection of Business Americana-Cocoa and Chocolate, Box 1, Folder 2, Archives Center, NMAH.  
141 Lipton Tea Company, “Tea is an American Drink,” undated (Early or Mid-Twentieth Century), Warshaw Collection of Business Americana-Tea, Box 4, Archives Center, NMAH.  
142 Lipton Tea Company, “Tea is an American Drink,” undated (circa early twentieth century), NMAH. Interestingly, in 1956, Lipton published a booklet, The Lure and Lore of Tea, which starts with the same introduction paragraph but adds one more emphasizing tea as the popular beverage among Americans. This change reflects the revival of tea consumption in the U.S. in the mid-twentieth century. See Lipton Tea Company, The Lure and Lore of Tea (Hoboken, N.J.: Thomas J. Lipton, Inc., 1956), 2.
privilege for the governing and wealthy class, but all of these advertisements might have helped erase this memory from consumers’ minds.

Image 4.18 Enterprise Mills Trade Card, circa 1893

This trade card depicts Boston Tea Party demonstrators are using an Enterprise coffee mill and drinking cups and saucers of coffee. A banner above their heads reads “NO TAXATION WITHOUT REPRESENTATION.” In the middle of the card, it inscribes “In 1773 in Boston town was spilled the tea, These are not Indians that you see, But patriots fighting tyranny, They spilled the tea, then drank their fill, Of coffee ground in Enterprise mill.”

Source: Enterprise Mills Trade Cards, Michael Zimman World’s Fairs Collection-Trade Cards, Print and Photograph Department, LCP.

This influence of this misinterpretation is far-reaching. Despite the presence of the material culture of tea in American museums and the terms about tea in popular culture, the memory of American tea consumption after the Boston Tea Party appears empty today, and coffee pervasive in academic research and popular culture. The Diner’s Dictionary published by
Oxford University Press in 2012 contends that “In the U.S., …the tax on tea which led to the Boston Tea Party always encouraged the drinking of coffee, a tendency reinforced by waves of coffee-loving immigrants from Europe.”\textsuperscript{143} Claiming Americans always drank more coffee than tea after the Boston Tea Party, it overlooked the critical role of tea in Americans’ life for most of the nineteenth century. In Winterthur Museum exhibition, an introduction to a colonial tea table reads “Deemed effeminizing to men (who drank coffee instead) and counterrevolutionary during the heated protests of the Revolutionary period, tea fell in and out of fashion in the colonies during the 18th century and became tied up in the political events of the period—most famously in Boston.”\textsuperscript{144} Even though this never mentions the nineteenth century, the wording may still lead to the interpretation of an out-of-fashion tea consumption in the nineteenth-century U.S..

Placed under scrutiny, all of these claims that credit declining tea consumption and the rise of coffee with the Boston Tea Party fail to explain why tea consumption still concentrated in the East—the stronghold of the protests against the Tea Act of 1773—but shrank in the West, places that had not existed when the Tea Act was imposed upon American colonists. Moreover, tea and coffee consumption was determined not only by Americans’ will to consume, but also by their suppliers’ capacity to produce. Before the 1860s, China was almost the only source of tea; after it, Japan, India, and Ceylon participated in this trade. By contrast, many more places produced coffee than tea, especially with the expansion of European colonialism and the establishment of coffee plantations. In the early nineteenth century, Mexico, Haiti, Cuba, Porto Rico, other West Indies, Brazil, Columbia, Venezuela, Indonesia, and countries in Africa already

exported coffee to the United States. Moreover, they fail to consider how the industrialization and modern marketing in coffee sectors liberated housewives from roasting, grounding, and brewing coffee after the Civil War. Coffee thus became increasingly convenient and palatable.

Thus, behind the teacup is a forgotten history of tea. But it should not be forgotten, because tea consumption nourished American material culture, food culture, and social customs. The story of tea in the U.S., an intersection of the English tea culture, the socio-economic changes in the U.S., and the international tea trade, is a fascinating story about the United States in the world and the world in the United States. A cup of tea here elucidates how transnational flow of commodities, population, and ideas shaped ordinary and extraordinary people’s lives.

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CONCLUSION

In the nineteenth century, tea was an American drink. Americans’ teacups connected the world, financially and culturally. However, this tradition has faded away from Americans’ collective memory. The omission reveals the changing cultural value of tea in the twentieth century, even though its market value remained high. How did this transition take place? The four chapters of this dissertation have left this key question unresolved. My future research will add two more chapters, a prologue, and an epilogue to elaborate the memory of the Boston Tea Party and the financial and cultural changes in the tea trade in the latter nineteenth century.

The two proposed chapters investigate the changing market and cultural value of Chinese tea during the latter nineteenth century, when treaty ports were open in China and the Industrial Revolution progressed in the United States. Transportation and communication innovations during the Industrial Revolution expedited the shipment of Chinese tea and shortened the terms of credit for American merchants. The new treaty system enabled American merchants, particularly such big commission houses as Russell & Co. and Heard & Co., to directly procure tea from interior China through the “upcountry system.” However, the access to the supply of tea was not necessarily translated into independence and power for Americans to control the commodity chain; instead, American merchants had to rely on Chinese middlemen, including Chinese employees, hangzhans 行栈 and compradors, to adventure into interior tea-producing regions.1 As a result, the commission houses had to pay substantial sums of silver dollars, instead

1 Hangzhans 行栈 and compradors 买办 were middlemen in the China’s foreign trade. Hangzhans represented Chinese to negotiate with foreign businessmen, while compradors represented foreign merchants to handle their business in China. For the difference, see Zhaung Weimin 庄维民, Zhizhijianshang yu zhongguo jindai jiaoyizhidu de bianqian: jindai hangzhan yu hangzhanzhidu yanjiu 中间商与中国近代交易制度的变迁: 近代行栈与行栈制度
of credit instruments, for teas directly from the interior areas.\textsuperscript{2} Moreover, Americans resumed shipments of silver to China, particularly during the 1860s. The available statistics show that at least during the five years from 1863 to 1867, Americans’ shipments of bullion to China dramatically increased (see table 5.1). This was a stark contrast with the sharp decline in the value of specie exported to Canton by American vessels in the 1830s (see chart 3.4 in Chapter III). The discovery of gold and silver in the American West contributed to the growing export of hard money, but the changing financial structure of the China trade was also likely to play a role, as interior Chinese tea producers and merchants relied more on silver, instead of credit, transactions. Whether the credit system and trust relations developed between Chinese and American merchants collapsed with the cessation of the Cohong system in the latter nineteenth century still await further research.

Table 5.1 Bullion Transported from San Francisco to China, versus Great Britain, 1863-1867

<table>
<thead>
<tr>
<th>Year</th>
<th>Nations To China, U.S.</th>
<th>To China and Japan, Great Britain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1863</td>
<td>$1,906,370</td>
<td>$9,979,545</td>
</tr>
<tr>
<td>1864</td>
<td>7,588,973</td>
<td>4,434,645</td>
</tr>
<tr>
<td>1865</td>
<td>6,963,522</td>
<td>2,800,130</td>
</tr>
<tr>
<td>1866</td>
<td>6,533,081</td>
<td>1,515,980</td>
</tr>
<tr>
<td>1867</td>
<td>9,039,530</td>
<td>1,328,830</td>
</tr>
</tbody>
</table>


The Industrial Revolution also shifted Americans attention from the tea market to tea marketing, thus transforming the ways to convert the market value of tea into its social-cultural value. Chinese green and black teas, produced by manual labor, were the only options for Americans and world tea consumers in the first half of the nineteenth century, so they boasted high reputation and shaped Americans’ definition of good taste. Merchants, undoubtedly, played

\textsuperscript{2} Gardella, \textit{Harvesting Mountains}, 56.
a crucial role in establishing the reputation of Chinese tea and defining “taste” in American tea culture, thus transforming the market value of tea into its cultural value. However, Englishmen established tea plantations and invented tea machines to transform the mode of tea production in India and Ceylon, thus breaking China’s monopoly of tea supply. The opening of Japan to foreign trade supplied Americans with new sources of green tea. The rise of modern advertising constructed a public sphere in the U.S. for Anglo-American merchants to promote cheap teas from India, Ceylon, and Japan and underrate Chinese teas. Moreover, from conventional auctions and newspaper announcements to retailing and consumer-oriented advertisements, British and American tea businessmen employed diverse and effective marketing strategies to attract tea consumers, thus refashioning American tea culture and converting the market value of teas from China, India, or Japan into different forms of socio-cultural value.

Future research will also examine how the changing market and cultural value of tea helped redefine American and Chinese identity. The proposed prologue on colonial tea consumption and American identity explores how English tea-taking tradition and the imagination of China shaped colonists’ tea consumption and cultural identity. The epilogue discusses Chinese interpretations of the decline of China’s tea trade in the late nineteenth century and the meaning of Chinese identity in the context of global capitalism.
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APPENDIX

I. STATISTICS OF TEA PRODUCTION IN CHINA

Statistical information about imperial Chinese agricultural production, including tea production, is notoriously difficult to acquire. Given the techniques of growing and producing tea changed little, it is safe to estimate the output of tea in the eighteenth and nineteenth century with data from the early twentieth century. In 1919, in Zhejiang province, a tea plant yielded one jin (600 gram) fresh tea leaves. In general, 4-500 tea plants grew in one mu (1/6 acre) area, so one mu tea garden yielded 24,000 gram fresh leaves. If the ratio of fresh to dry leaves was 3 to 1, the output of dry leaves per mu was 8,000 gram, or about 17.6 pounds. In 1933, A Chinese local gazetteer estimated that in Lu Mountain area, Jiangxi province, a tea shrub yielded one to two liang fresh tea leaves during the Guyu 穀雨 period (around April 20 to May 5). Five jin (3000 gram) fresh tea leaves made one jin (600 gram) raw tea leaves and, after sifted and sorted, 12 liang (450 gram) tea. Thus, the ratio of dried and fresh tea leaves was 15%. Each tea picker gathered three jin (1800 gram) fresh tea leaves each day, so the output per person was 270 grams, or about 0.6 pound per day and 108 pounds per season (180 days from March to August).

3 See “Xinchang nongye diaocha 新昌农业调查” (“An Investigation of Xinchang Agriculture”), in Xinchang xianzhi 新昌县志 (Gazetteer of Xinchang County), Jin Cheng 金城, Chen She 陈畬, and Yu Hansan 俞涵三, ed., 1919, in Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 142-43.
4 “Zashi Neipian Shanzonglei 杂识 内篇 山总类,” Lushan zhi 庐山志 (Lu Mountain Gazetteer), vol. 12, 1933, in Wu, Zhongguo difangzhi chaye lishiziliao xuanji, 237.
## II. HENRY HOLLINGSWORTH’S ACCOUNT BOOK

The Entries In Henry Hollingsworth’s Account Book Regarding His Payments To Chinese,

Including Hong Merchants, Private Merchants, and Linguists

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.14</td>
<td>By Joseph Tagert &amp; W. Thyle (paid Consequa Security Merchant Account Interest in a Note given him by Charles Ross (as stated at the bottom of the Note) dated Canton 12th Dec. 1809 @ 14 months for 51,289.96 their interest)</td>
<td>8302.04</td>
</tr>
<tr>
<td>Jan.14</td>
<td>By Joseph Tagert &amp; W. Thyle (paid Consequa Security Merchant on account interest due thereon)</td>
<td>168.96</td>
</tr>
<tr>
<td>Jan.16</td>
<td>By Punqua Wingchon (paid him on Account)</td>
<td>1000</td>
</tr>
<tr>
<td>Jan.17</td>
<td>By Achune (paid him on Account)</td>
<td>456</td>
</tr>
<tr>
<td>Jan.17</td>
<td>By Eshing paid him on Account being in Advance</td>
<td>15,000</td>
</tr>
<tr>
<td>Jan.27</td>
<td>By Manime Samqua (paid him for 8 Qu. Chest Young Hyson Tea)</td>
<td>290</td>
</tr>
<tr>
<td>Jan.28</td>
<td>By The Linguist (paid him in full for Boat him inward cargo)</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>By Syngchon (paid him on A/C Chinaware)</td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td>By The Linguist (paid for chop to bring up specie)</td>
<td>3</td>
</tr>
<tr>
<td>Feb.7</td>
<td>By Eshing (paid him in full F. G. Smith Note Dec. 25 1810)</td>
<td>3405.48</td>
</tr>
<tr>
<td></td>
<td>By Eshing paid him on a/c goods to be furnished</td>
<td>1594.52</td>
</tr>
<tr>
<td>Feb.9</td>
<td>By Tingqua paid him on a/c short Flower &amp; Blue Nankin Bot of him</td>
<td>6500</td>
</tr>
<tr>
<td></td>
<td>By Achune paid him on Account</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>By Achune paid him on Account Imperial &amp; Gunpowder Tea</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>By Kinglun paid him in full for 10 Qu. Chest Young Hyson &amp; 52 Boxes Imperial</td>
<td>847.02</td>
</tr>
<tr>
<td></td>
<td>By Washing paid him in full for 37 Boxes containing 3000 Black silk Hfs 300 x40 &amp; 185 Black Senshaws</td>
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</tr>
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<td>Feb.12</td>
<td>By Francis G. Smith paid his Note to Washing</td>
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<td>By Chionqua (Paid him on A/C Hyson &amp; Imperial Tea)</td>
<td>1321.46</td>
</tr>
<tr>
<td>Feb.24</td>
<td>By Mowqua (Paid him on A/C of Pepper bought of him)</td>
<td>10,000</td>
</tr>
<tr>
<td>Feb.28</td>
<td>By Chaqua (Paid him in full)</td>
<td>186.59</td>
</tr>
<tr>
<td></td>
<td>By Achune (Paid him in full)</td>
<td>147.16</td>
</tr>
<tr>
<td>Mar.2</td>
<td>By Kingqua Security Merchant (Paid him for One Hundred Qu[arter] Chest Bohea 1235; Paid him duty on 65 Chest Hyson &amp; Imp[l [Imperial] bot of Chionqua, shipped off by Kingqua 37885 catty at $5.50/100 In sum 208.17)</td>
<td>1443.17</td>
</tr>
<tr>
<td>Mar.3</td>
<td>By Poonqua Wingdroes (paid him in full)</td>
<td>200.27</td>
</tr>
<tr>
<td>Mar.4</td>
<td>By Houqua (Security Merchant paid Balance on Settlement of Account)</td>
<td>75045.79</td>
</tr>
<tr>
<td>Mar.5</td>
<td>By Syngchong (paid him in full)</td>
<td>4000</td>
</tr>
</tbody>
</table>
Mar. 9  By Francis G. Smith paid his Note to Hamsh's for 712.17, Less Allowedly Neccsseries for Rotten Hankfs returned by F. G. S as per certified 82

By Nanshing (paid him in full for Young Hyson Tea) 284.62

Mar. 10  By Eshing (paid him in full) 4384.28

Mar. 13  By Poonqua (paid him in full) 5009.65

By Tingqua (paid him in full) 4470.34

By Kinglun paid him in interest on 2144"24 from 25th July to the 19th May 1809, on which day I should have remitted the money to pay him but for an attachment John Wharton sued Kinglun, in which case chancery’s was awarded Mr. Wharton & I obliged to him the money except interest as stated in my a/c with Kinglun 212.94 and it having been established as a principle at Canton that but one half interest should be paid on debts detained in America by the Embargo but one half is due Kinglun & now paid him by me 107

Mar. 14  By Cooshing (paid him in full) 4475

Mar. 14  By William Bull (paid him in full) 427

Mar. 15  By Syngchong (paid in full) 100

By Syngchong (paid in full) 218.7

By Yengqua, Lackerd ware in full 23

By Washing paid in full 133.8

By Syngchong (paid in full) 51.5

By Hysplung paid in full 308.8

By Namshi in full 32.5

By Hollingsworth & Worthington paid Cheonqua in full on A/C Jeremiah 350

By Mouqua paid him in full for pepper 10

Mar. 16  By Houqua (Security Merchant paid him in full) 5762

Mar. 18  By Cooshing (paid him in full last purchased) 249.1

The lawsuit that Consequa brought against the three New York merchants, Edmund Fanning, Henry Fanning, and Willet Coles, detailing Consequa’s consignments and property in the hands of the three merchants:

the plaintiff, a native merchant of Canton, in China, on the 22d of December, 1807, shipped on board the John and James, at Canton, a cargo of teas, valued at 19,837 dollars and 77 cents, and consigned the same to the defendants, Edmund Fanning, Henry Fanning, and Willet Coles, being partners in trade, owners of vessels, and factors and commission merchants, to sell for the plaintiff, and which were received by the defendants, as his factors. That, on the 24th of December, 1807, the plaintiff shipped on board the Hope and Atahualpa, teas and nankeens, to the value of 29,135 dollars and 63 cents, and consigned the same to the defendants, for sale, and who received the same as his factors. That the defendants, by their authorized agent, Obed Chase, on the 19th of January, 1811, gave the plaintiff a promissory note, dated at Canton, for 35,717 dollars and 50 cents, which note is still unpaid, and was given for the goods sold and delivered to the defendants. That, in December, 1809, John Smith Crary and William E. Nexsen, as lawful attorneys and agents of the defendants, gave, at Canton, a promissory note to the plaintiff, for 39,690 dollars and 63 cents, payable fifteen months after date, with interest, after the same should become due, at twelve per cent.; which note was unpaid, and seven months interest due thereon, when the said Crary, as agent of the defendants, gave the plaintiff a note for the interest then due, being 2,910 dollars and 64 cents, payable in twelve months, with interest at twelve per cent., which note is wholly due and unpaid. That, on the 25th of November, 1810, the plaintiff shipped on board the Chinese, teas and cassia, to the value of 64,828 dollars and 65 cents, consigned to the defendants, to be sold, and the proceeds remitted to the plaintiff, and which goods were received by the defendants, as the factors of the plaintiff, and sold. That, on the 29th of November, 1810, the plaintiff shipped on board the Hope, teas and nankeens, to the value of 6,370 dollars and 21 cents, consigned to the defendants, to sell, and remit the proceeds, and which were received and sold by the defendants. That by an agreement between the plaintiff and the defendants, in relation to their receiving and selling the goods, so consigned to them as factors, they were to sell the same with all reasonable expedition, and for the best prices, and for a reasonable reward to be retained, and to remit the proceeds, in specie, to Canton; and for any unreasonable delay the defendants were to pay twelve per cent, interest, from the time such sales and remittances could reasonably have been made, that being the rate of interest where the plaintiff resided, and where the contract was to be fulfilled by the remittances. The plaintiff charged, that the defendants received all the goods so shipped, and sold them, and received the
proceeds, and have retained, or wasted them, or lost part by their negligence, and
have refused to render an account thereof, and remit the proceeds: That it was the
agreement, or course of dealing, between the plaintiff and the defendants, that for
all moneys due to him from them, they should pay to him twelve percent, interest
from the time of their default. That, on the 6th of February, 1806, Meats
Sheffield, at Canton, gave the plaintiff a note for 4,080 dollars and 81 cents,
payable in fifteen months, with interest, afterwards, at twelve percent.; and which
note not being paid, the plaintiff, afterwards, on the 12th of November, 1807,
delivered it to the defendant E. F. for collection, and to account to the plaintiff for
the same ; that E. F. received the note, in behalf of the defendants, to collect, and
has never accounted to the plaintiff for it, and they have either collected the
money, or lost it by their gross negligence, and have refused to account for it, with
the interest. That the defendants, between 1805 and this time [1818], became
indebted to the plaintiff, in various other large sums of money, amounting to
160,000 dollars, for teas and other goods, sold and delivered to them by the
plaintiff; and for teas and other goods, consigned, &c. &c.