














The Colonial American Tea Trade

Before the Tea Act of 1773

Chinese farmers, processors, and shippers  Cantonese merchants (hongs)
 British East India Company  British merchants  American
 wholesalers  American retailers  American customers

After the Tea Act of 1773

Chinese farmers, processors, and shippers  Cantonese merchants (hongs)
 British East India Company  hand-picked consignees (American
 merchants)  American retailers  American customers

Alternatively

Chinese farmers, processors, and shippers  Cantonese merchants (hongs)
 European East India companies  European merchants
 smugglers  American retailers  American customers

The farmers pick the tea, and then it's processed and sent to Canton, where the hongs sell it to various European East India companies. The East India companies transport it to Europe and then sell it to merchants. For tea bound for America, those merchants sell it to wholesalers, who distribute it to retailers (sometimes these were one in the same), who sell it to customers. The Tea Act eliminates a step (and gives the EIC a tax break), making it almost impossible for other American merchant firms (who were generally linked to British firms) to compete for tea shipments. Customs officials in America were supposed to ensure that duties were paid to the king at the moment goods arrived in port.

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