Tea Smuggling: How Tax Built a Black Market

From the teas.co.uk wiki

> **Tea smuggling, in summary:** For much of the 1700s most of Britain's tea was smuggled, a direct result of punishing duties of up to 119%. Gangs like the Hawkhurst ran it, adulteration came with it, and the 1784 tax cut killed it almost overnight.

For much of the eighteenth century a large share, by some estimates the majority, of the tea drunk in Britain was smuggled, and the single most useful fact is that this was a direct, predictable consequence of punishing taxation, not a colourful aberration. Tea smuggling is a clean historical lesson in what extreme duties actually produce, and telling it clearly explains a surprising amount about the drink's spread.

Last reviewed by the teas.co.uk team in May 2026.

Why tea was smuggled on a massive scale

The mechanism is simple economics. British duties on legal tea climbed steadily, peaking at around 119% of value in the 1750s and 1760s, which created an enormous price gap between taxed and untaxed tea, and where such a gap exists a black market reliably follows. The trade was geographically logical: Chinese tea reached Europe through the Dutch, French, Swedish and Danish East India Companies, which faced far lower domestic taxes, and their surplus flowed back to England by fast cutter boats from Cherbourg, Dunkirk, Rotterdam and the Channel Islands. A smuggler buying at 2 shillings a pound abroad could undercut a 7-shilling legal price and still make a large margin. This was not a few rogues but a large, semi-tolerated industry serving ordinary demand.

The Hawkhurst Gang and the south-coast wars

The biggest English gangs operated like paramilitary outfits along the south coast (Kent, Sussex, Hampshire and Cornwall). The Hawkhurst Gang could field around 500 armed men, ran systematic routes inland, intimidated witnesses and several times fought open battles with customs officers and dragoons. At the Battle of Goudhurst in 1747, villagers led by the ex-soldier William Sturt defended the village against a Hawkhurst attack, and the 1748 raid on Poole Customs House, where smugglers retrieved confiscated tea worth about £500, turned public opinion, especially after the gang murdered an informer and a customs officer. The Hawkhurst leaders were caught and hanged between 1748 and 1750, which shrank the gang but did not end the trade for another thirty years.

How smuggling spread the tea habit

A clear and slightly counter-intuitive point: smuggling helped make Britain a tea-drinking nation. By supplying tea far below the taxed price, smugglers put it within reach of ordinary households long before legal pricing would have, accelerating tea's shift from elite luxury to mass habit. So the national drink was, in significant part, popularised by crime, an uncomfortable but well-supported claim that polite tea histories tend to skip, and one reason tea settled into British life as a cheap, dependable, working-day drink rather than an aristocratic one.

The adulteration scandal

Smuggling's dark companion was adulteration. Both smuggled and stretched legal tea were frequently bulked out with cheaper leaves, hawthorn, sloe and ash, while used tea leaves were dried, re-dyed (sometimes with copper salts that were actively poisonous) and resold, and sheep-dung dye made green tea look greener. By the 1770s the practice was so widespread that even legitimate merchants were affected and Parliament documented the techniques. The lower the price was forced, the worse the contents often were, a real public-health footnote to the romantic story of cheap tea for all, and the 1875 Sale of Food and Drugs Act eventually criminalised adulteration meaningfully.

How it ended: the Commutation Act of 1784

The resolution is the cleanest part of the lesson. The smuggling economy was dismantled not mainly by enforcement but by William Pitt the Younger's Commutation Act of 1784, which slashed the tea duty from around 119% to 12.5% and replaced the lost revenue with a window tax. With the price gap between legal and illegal tea suddenly small, smuggling stopped being worth the risk and collapsed within a year, legal sales in 1785 more than tripling on 1783. The episode is a textbook demonstration that extreme taxation, not human nature alone, created the black market, and that removing the distortion, not just punishing it, ended it.

Why it still matters in the cup

It matters as economic history hiding inside a cup. The British tea habit was already universal by 1784 because smugglers had made it affordable for sixty years, so tax reform formalised a market rather than creating one; the adulteration scandal pushed drinkers toward strong black tea with milk and sugar, which masks both staleness and dilution and defined British tea culture for two centuries; and the trade tied tea, brandy and silk together in the romantic-criminal coastal folklore (Daphne du Maurier's *Jamaica Inn*, the smugglers' caves) that still shapes British coastal tourism. The everyday cup has always been entangled with money, law and power, and understanding that makes the present drink more interesting, not less.

Tea smuggling at a glance

Question	Answer
When was it at its peak?	Roughly 1720 to 1784, when duty reached around 119%
How much was smuggled?	By 1760s estimates, smuggled tea outweighed legal by about two to one

Question	Answer
Who ran it?	Organised south-coast gangs (Kent, Sussex, Hampshire, Cornwall), some hundreds strong
Where from?	The Netherlands, France and Scandinavia, which re-exported cheaper Chinese tea by small boat
How did it end?	The Commutation Act 1784 cut duty from about 119% to 12.5%, removing the profit overnight
Was it violent?	Yes; the Hawkhurst Gang fought pitched battles, such as Goudhurst (1747) and the Poole raid (1748)
Adulteration?	Pervasive: hawthorn, sloe and ash leaves, re-dried used leaves, copper-salt dyes

The eighteenth-century smuggling cargo was overwhelmingly Chinese black and green tea; the closest modern picks for a sense of it are Lapsang Souchong for the smoked souchong style, a refined Chinese black like Keemun, and loose-leaf Chinese green for the bohea and hyson trade that filled the rest of the holds, all in the full tea shop. The companion history of the tea trade page sets the wider context.

Reference noted

- Encyclopaedia Britannica: Tea (history)

FROM THE CURATOR

teas · The cup you finish is the right cup. Skip the variety until that one is sorted.

More from the tea wiki

- The history of the tea trade
- The Boston Tea Party
- Tea and the Opium Wars
- The history of tea

Earn rewards on teas.co.uk

Earn loyalty points on every order. Free to join.

+100 pts

Create your free account

Welcome bonus + earn on every order.



100 pts = 1 tree

Plant a tree in Scotland

Pledge points to our reforestation partner.



teas.co.uk · Tunbridge Wells, Kent · hello@teas.co.uk · 3-click cancel at teas.co.uk/cancel/