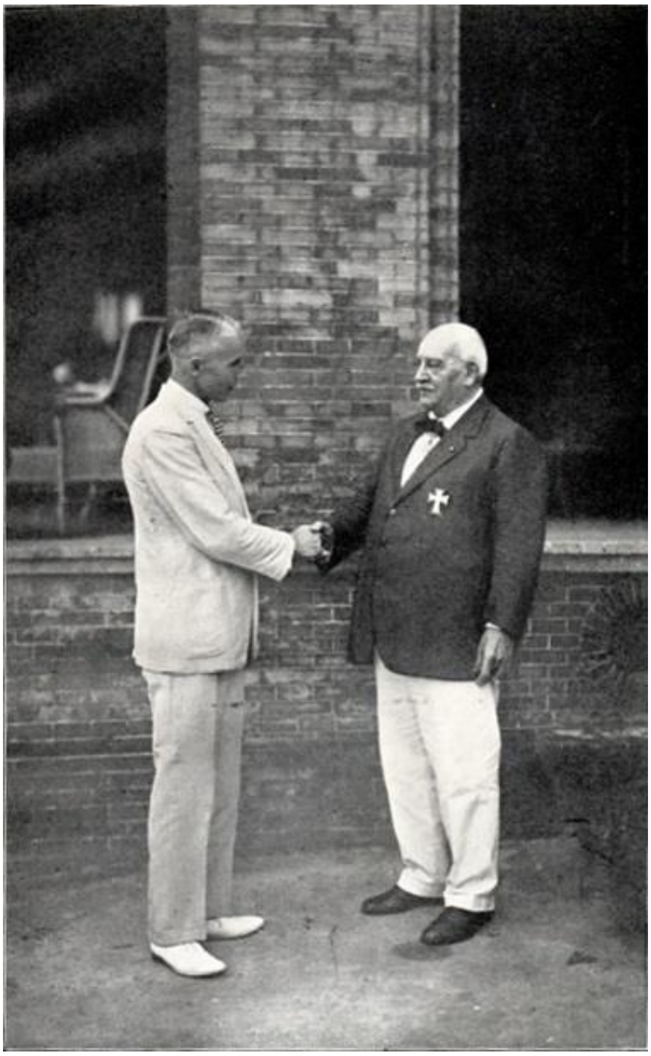
Resourceful and socially connected

The business biography of Danish tobacco entrepreneur

Laurits Andersen in treaty-port China, 1890-1922



by

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Revised thesis presented for examination for the PhD degree

at the Department of Cross-Cultural and Regional Studies,

University of Copenhagen, 2021.

Cover photo: Laurits Andersen, right, receives Order of the Dannebrog from Svend Langkjær, Danish Consul General in Shanghai, in September 1926. Note cigar in Andersen's left hand. (Source: Ritzau Scanpix)

Declaration

I certify that the thesis I have presented for examination for the PhD degree at the Department of Cross-Cultural and Regional Studies, University of Copenhagen, is solely my own work.

I warrant that this authorization does not, to the best of my belief, infringe the rights of any third party.

I declare that my thesis, excluding appendix and bibliography, consists of 96,723 words.

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Preface

This thesis combines my two intellectual passions: history and social science. It does so by approaching a historical subject with the aid of social science tools. More specifically, it aims to understand past entrepreneurship by adopting social network methodology that is otherwise mainly used to investigate contemporary cases.

In times of change, we often look to the past for guidance. It is my hope that of in this period of rapid economic and technological transformation, modern-day entrepreneurs and others navigating a complex world can find inspiration in the life of Danish entrepreneur Laurits Andersen.

None of this thesis would have been possible without the help of others, too numerous to name here. However, I wish to extend special thanks to my supervisor, Professor Jørgen Delman, for inspiration and tireless support over the years as this project has moved from vague idea to finished thesis.

I also wish to thank Tue Tyge Møller and the rest of the board of the Laurits Andersen Foundation for backing this project financially, enabling me not only to complete a biography of the man who gave rise to the foundation nearly a century after his death, but also to complete this PhD project.

This thesis is a revised version of the thesis first submitted in July 2020. The changes undertaken in this version have been specified in the section titled Revisions the following pages.

Revisions

The thesis has been revised based on the specifications provided by the assessment committee in October 2020, which are reproduced below. For each point, I have described the resulting changes (in italics).

1. In order to challenge the genre named in the title in a meaningful way, it should be clearly defined. The same applies to 'traditional biography', a problematic (and, possibly, unnecessary) term used repeatedly, but not defined adequately. Given the wide variety of approaches to biography, the author should make much clearer, what exactly he is challenging. Conceivably, he might change the emphasis by stressing what the application of social network theory can add when examining and writing the biography of an entrepreneur like Laurits Andersen. Even then, however, a more nuanced discussion of the biographical genre is needed.

Agreeing that the term "traditional biography" is problematic and unnecessary, I have abandoned it, instead changing the focus to social network analysis as a potential methodological contribution to the biographical genre. This altered focus is also reflected in the revised title of the thesis. At the same time, I have amended Chapter 4 to provide a more nuanced discussion of the biographical genre. Especially the section on collective biography has been expanded.

2. The committee agreed that social network analysis is a highly relevant and useful approach in this context. The application of Social Network Analysis to corpora of historical material, whether printed text or archival documents, is gathering pace as a trend, including in the China field: cf. the work of the ERC 'Elites, Networks, and Power in Modern China' project at Aix-Marseille Université. Including a brief discussion of existing work or work in progress would situate the thesis within current research. This in no way detracts from the thesis itself as an original work in its own right.

A new separate section has been introduced in the literature review to account for existing research on social networks, especially in the field of modern China studies. The work of the ERC 'Elites, Networks, and Power in Modern China' project is emphasized in the review as well as passim elsewhere in order to highlight connections with research that I have undertaken for this thesis.

3. The survey of the existing literature on foreign businesses in treaty-era China, including historical biography, needs to be revised to include important works that have been omitted.

The literature review has been expanded significantly to include publications of importance to foreign businesses in China, especially as they relate to the treaty-port system, and examples of historical biography have been included.

4. The presentation of the specific socio-legal context of the treaty port environment, including characteristics of this legal framework for foreign-owned business, should be adequately identified and discussed. For example, what were the implications of extraterritoriality for foreign entrepreneurs?

The literature review has been expanded, and a separate section on literature on treaty ports and extraterritoriality has been added. In addition, the treaty-port system as a determinant of Andersen's career has been made an explicit emphasis in chapter 6 and chapter 9.

5. Another important aspect is the role of Chinese actors. Who were the local people Andersen and other foreign businessmen relied on for translating and interpreting, and as intermediaries between them and the Chinese market?

A special section on literature regarding compradors and other Chinese intermediaries that Andersen encountered has been added to the literature review. The description of compradors working for and with Mustard and BAT has also been expanded in chapter 6, and Andersen's Chinese connections are described in more detail in Chapter 8.

6. The biographical chapter needs to be re-written: not because there is anything wrong per se with using material from a previous book, but because its structure and contents at present only partly reflects the stated topic and the stated aims of the author.

Chapter 6 has been rewritten, leading to the deletion of sections deemed of relatively minor importance to the overall thesis. This means that especially the last section on Andersen's life after 1922 has been reduced considerably. At the same time, the structure of the chapter has been adjusted with a view to explicitly addressing questions raised in Chapter 1 and again summarized in Chapter 9.

B. Candidate's response (this has been seen by the committee members, and they have agreed that these, together with the committee's specifications (the two lists overlap to some extent), will considered as meeting the requirements for revision.

1. The thesis will clarify and narrow down its claim to novelty, explaining in greater detail how it aims to suggest methodological developments of relevance to the genre of business biography, especially as it pertains to Treaty-Port China.

The emphasis has been moved from challenging "the traditional biography" (see above) towards suggesting ways in which social network analysis can contribute to biographical research.

2. It will develop and refine its conceptual apparatus, providing more explicit and precise definitions of what is meant by "traditional biography" and how this concept relates to the type of biographical research carried out in this thesis.

I have abandoned the term "traditional biography", finding the concept unwieldy and unhelpful.

3. It will expand its literature review, providing a more complete account of the state of the art in the field of historical business biography and business studies and adjacent fields pertaining to Treaty-Port China during Andersen's times.

As mentioned above, sections on treaty ports and extraterritoriality; compradors; and social networks as they relate to modern China studies have been added to the literature review.

4. It will provide a fuller and richer description of the historical context within which Andersen's life played out, primarily through a much-expanded summary of Chapter 6.

Summaries have been added to the subsections of Chapter 6 to explicitly contrast the chronological narrative with questions raised at the beginning of the thesis, including the issue of the treaty port systems as crucial context for Andersen's career.

5. As for the final point made in the conclusion regarding the limited range of sources used, as described above there is limited scope for adjustment insofar as I believe I have found all or nearly all primary sources directly pertinent to Andersen's life. I will, however, do an additional effort to seek out more sources.

While no new sources have emerged, I have utilized the existing sources to expand on individual issues, for example the role of compradors within the BAT and Mustard businesses.

A note on writing systems and transliterations

To ensure consistency, all Chinese text, including book titles and quotations, is rendered using simplified characters, even in cases where the original was in traditional characters, e.g. works published in Hong Kong or Taiwan.

The transliteration of Chinese texts is rendered using pinyin. Again, this is in order to ensure consistency and at the same time adopt a system that is now used almost universally.

Abstract (English)

The Danish entrepreneur Laurits Andersen (1849-1928) lived most of his life in China, where he became one of the leading figures in the establishment of the country's modern tobacco industry. This thesis presents a chronological account of his life while also proposing ways to contribute to the methodologies adopted by the historical business biography.

Social network analysis is one such methodology. This methodology has been in use for decades and has developed a set of sophisticated tools made accessible through modern software programs, and while the methods have mostly been applied to contemporary cases, whether in entrepreneur studies or outside, they are also increasingly being used for historical cases, including modern China history studies.

The thesis proposes ways to make data of a sufficient detail and granularity available by mining existing historical sources for useful information. It advocates using traditional sources such as letters and newspapers in combination to tease out new data in sufficient amounts to enable quantitative methods to reach deeper insights.

At the same time, the thesis argues that a mixed methodology will provide the fullest account of historical matters. The methodology is mixed not only in combining qualitative and quantitative research but also by mixing historical and social science theories and approaches in analyses of past periods and people.

Based on these methodologies, this thesis concludes that Andersen was successful in China through his skillful, strategic operation of the various social networks he was part of, as he leveraged an ever-evolving set of skills to deploy a variety of resources, especially of a technological nature, at the same time as he positioned himself centrally to control information flows within his networks.

The thesis proposes that, partly due to the quantitative nature of much of the methodology adopted, the insights gained about Andersen's life and career can be generalized to the level of the class of western entrepreneurs in China at the turn of the 20th century, thus contributing to the genre of historical biography.

Abstract (Danish)

Den danske entreprenør Laurits Andersen (1849-1928) boede i Kina det meste af sit liv, og han blev en af de ledende skikkelser i etableringen af landets moderne tobaksindustri. Denne afhandling udgør en kronologisk beretning om hans liv og foreslår samtidig metoder, som kan berige den værktøjskasse, som historiske erhvervsbiografi benytter sig af.

Social netværksanalyse er en sådan metode. Denne metode har været anvendt i årtier, og dens udøvere har udviklet sofistikerede redskaber, som er blevet gjort tilgængelige gennem moderne softwareprogrammer, og mens social netværksanalyse hovedsagelig anvendes på moderne cases, hvad enten det gælder entreprenørstudier eller andre forskningsfelter, benyttes den også i stigende omfang på historiske case, inklusive moderne kinesisk historie.

Afhandlingen udvikler metoder til at akkumulere data af den nødvendige detaljegrad gennem afsøgning af eksisterede historiske kilder med henblik på at uddrage nyttig information. Den slår til lyd for at benytte traditionelle kilder som breve og aviser i kombination for at indsamle data i tilstrækkelig store mængder til, at kvantitative metoder kan bringes i anvendelse og ny viden produceres.

Samtidig argumenteres der i afhandlingen for, at en metode, der kombinerer forskellige tilgange, vil føre til den mest dækkende beskrivelse af historiske emner. Det er en metode, der ikke bare kombinerer kvalitative og kvantitative elementer, men også teorier og metoder fra historievidenskaben og samfundsvidenskaberne for at opnå en dybere indsigt i fortiden og dens mennesker.

Med udgangspunkt i disse metoder konkluderer denne afhandling, at Andersen havde succes i Kina gennem behændig, strategisk navigering af de forskellige sociale netværk, som han var en del af, idet han konstant udviklede og anvendte sine evner og ressourcer, specielt på det teknologiske område, og samtidig positionerede sig selv centralt i sine netværk, så han kunne kontrollere de informationsstrømme, der passerede mellem netværkenes medlemmer.

Det er desuden afhandlingens konklusion, at det som følge af nogle af de anvendte metoders udpræget kvantitative karakter er muligt at generalisere den indsigt i Andersens liv og karriere, som er opnået, og dermed nå til en bredere erkendelse af den virkelighed, som vestlige entreprenører i Kina befandt sig i omkring forrige århundredskifte. Resultatet bidrager i videre forstand metodologisk til den historiske biografi som genre.

1. Introduction: Why Laurits Andersen?

The thesis examines foreign business and political entrepreneurship in a cross-cultural setting in the late Qing and early Republican periods to test the applicability and usability of current-day entrepreneur and social network theory in a historical context with the aim of getting more profound insights into the nature, scope and individual motivations of business operators in China at the outset of the country's transition towards technological, industrial, political and cultural modernization. The thesis has identified the Danish entrepreneur Laurits Andersen (1849-1928) as a representative of the generation of western businessmen active in China from 1890 to 1922 and addresses the following questions:

What resources were important for Andersen in his role as an entrepreneur in a difficult and alien environment?

How did he contemplate and adjust these resources in response to political, economic and technological changes in this environment?

What role did social networks play in enabling him to mobilize and leverage these resources?

How did the specific historical context – treaty-port China at the turn of the 20th century – affect his interaction with his social networks, as well as his interaction with China at large?

In a wider perspective, I am also asking how the genre of historical entrepreneurship biography can be elaborated to contribute to deeper understandings of the nature of entrepreneurship in foreign settings and render itself to more generalization and theory building. In other words, this thesis is both a historical inquiry into the specifics of one person's life, and at the same time, it aims to contribute to the rich field of historical business biography by pointing to possible new theory-driven methodological directions.

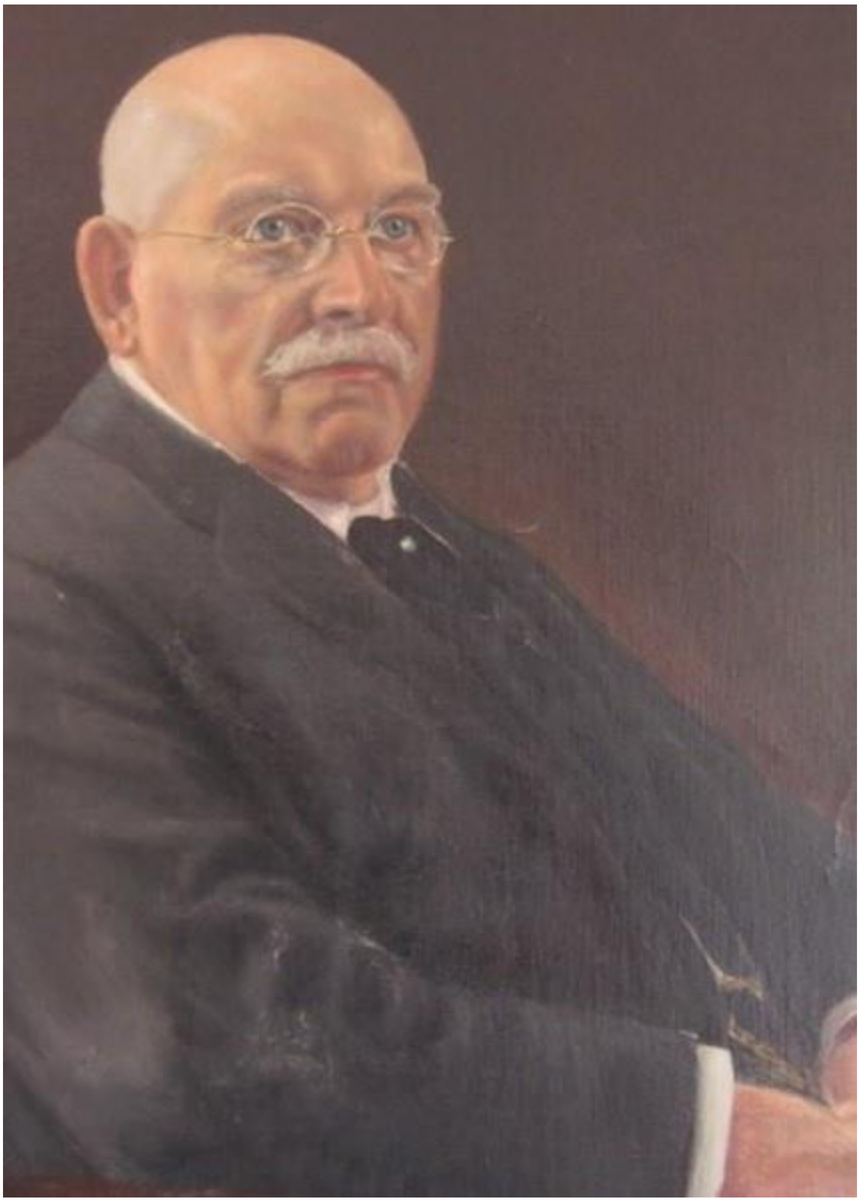
The idea for this thesis originated when in early 2016 I was approached by the Laurits Andersen Foundation[1] with an invitation to write the biography of the Shanghai-based Danish entrepreneur who had given name to the foundation and enabled its establishment through his will written shortly before his death in Shanghai in 1928. It was an exciting opportunity for me, since Andersen's life was fundamentally a riveting rag-to-riches story about a young fatherless boy who ended up as a millionaire in Shanghai, playing out against the backdrop of some of the most dramatic and fateful events in China's history during the Qing Dynasty and Republican Era.

After having surveyed the available sources and, among other things, discovered a large number of previously unpublished letters by Andersen deposited at the Danish National Archives in Copenhagen (see Chapter 4), I accepted the invitation, and the Foundation and I reached the conclusion that the most practical way of completing the project was in the form of a Ph.D. project as it would give me access to professional academic assistance, while we

[1] A private foundation whose main objective is to support Danish industry and commerce, e.g. through one-year scholarships for young Danes wishing to pursue Mandarin studies in China. www.lauritsandersensfond.dk

also expected that a university affiliation would open doors to peers and archives around the world.

As I continued collecting materials on Andersen, a common theme that emerged in the historical sources to his life was the surprising scarcity of references to the importance of being in Treaty-Port China and of interacting with China at large. In short, questions arose about the extent to which the institutional arrangements of the treaty ports acted as a bridge into the wider Chinese world for Andersen or if, on the contrary, they shielded him from the bewildering reality of contemporary China, rather in the way that a computer screen hides the complex electronics from the user's view.



Portrait of Laurits Andersen, circa 1920. Source: Frederiksborg Museum.

Searching the literature for inspiration on how to approach Andersen, I sought guidance in existing biographies written about entrepreneurs in China and elsewhere, and at the same time I delved into the theory and practice of biographical writing. What struck me was the richness of existing research into Treaty-Port China, including the exciting new directions that it has taken in recent years, and it inspired me to consider ways in which my own endeavors could add to theorizing about the historical biography applied to the case of businesspeople in Treaty-Port China, as well as theoretically guided and new methodological approaches to the writing of biography in my field of inquiry.

Given my own background in social science, with a major in political science from the University of Aarhus, I developed an interest in how social science theories and methodologies could enrich the study of biography, essentially a historical subject matter.

As I will elaborate on in Chapter 3 about the theoretical underpinnings of entrepreneur studies, network analysis has emerged as a frequently used tool in the analysis of modern-day entrepreneurs, which is my immediate motivation for applying it to the historical case of Andersen's life. This leads me to another concept often associated with networks – that of resources, which are shaped by networks, and in turn also shape them back. Both networks and resources figure prominently in Andersen's life, as it was his strategic use of the networks and his acquisition and leveraging of resources which to a significant extent accounted for his success.

This reference to the empirical facts of Andersen's life highlights a central aspect of this thesis: before any analysis could be undertaken, it was necessary to have empirical data to apply it to. No biography of Laurits Andersen existed, and the details of his life and career were not the object of common knowledge; after all, this was the very reason why the Foundation had asked me to write one in the first place. Therefore, I chose to make an empirically founded, chronological biography part of this thesis (Chapter 6), to get the empirical basics of his life straight, so to speak, before embarking on an analysis equipped with the tools that I develop and expound in Chapter 5.

Briefly, Andersen (1849-1928) traveled from his native Denmark to East Asia in 1870 and stayed there for the rest of his life, returning home only sporadically. He made his mark in the tobacco industry and can be said, with only some hyperbole, to be among the pioneers who "taught the Chinese to smoke", not least in his senior position in the global conglomerate British American Tobacco (BAT).

As the analysis will show, I have divided Andersen's life into five distinct periods, which are the following:

1849-1889: Birth of an Entrepreneur.

> Andersen spends the first half of his life as a sailor and an engineer, mostly in Shanghai and Tianjin, but gradually moves into entrepreneurial activities.

1890-1902: The Bonsack Years.

> Entering the Shanghai-based trading firm Mustard & Co., Andersen is key in introducing the Bonsack cigarette-making machine to China.

1903-1911: Making BAT Great.

> As Mustard & Co. is acquired by the newly-formed BAT, Andersen is a central actor in expanding the conglomerate's business to China.

1912-1922: The Long Farewell.

> Amid China's difficult transition from empire to republic, BAT is faced with new challenges, and Andersen's retirement plans are repeatedly put off.

1923-1928: Retirement.

> Andersen rediscovers his Danish roots while seeking ways to carve a place in history, eventually settling on a large donation to the National Museum in Copenhagen.

As the title of my thesis indicates, the period of particular concern is the years 1890 to 1922, i.e. the tree middle periods in the periodization included above, which were Andersen's heyday as an entrepreneur and the period when his influence peaked. The first period is necessary background but is only included minimally in the analytical chapters 7-9. Similarly, the last period is only included partially in the analysis, to the extent that it adds nuance to our knowledge about Andersen and his networks.

To summarize, networks and resources are the key aspects of Andersen's life, and they form the core of the questions asked in the problem formulation at the beginning of this chapter. As I will argue in the theoretical survey in Chapter 3, and the methodological overview in Chapter 4, it is my view that these questions are answered most adequately by the application of chronological biography as its point of departure, but I then expand upon it by introducing social science tools in the form of a mixed methodology that incorporates both quantitative and qualitative methods to analyze the networks Andersen entered, and the resources he brought to bear to navigate them in a strategic fashion. This will show new directions for this genre of biography at a time when the genre seems constrained by its own self-imposed methodological constraints.

More specifically, I will proceed as follows: in the next chapter I will provide an overview of the existing literature in the relevant fields, with an emphasis on how the historical business biography has been fairly popular genre among authors describing Chinese history in the 19th and early 20th century. In Chapter 3, I will provide a survey of theories informing entrepreneur studies, focusing on how social network theory has brought forth new insights about entrepreneurial behavior while arguing for application of these theories to historical cases in what, with a fitting phrase, has been called "retrospective rediscovery". In Chapter 4, I will introduce methodological approaches, arguing how a mixed methodology encompassing both historical and social science tools, and adopting both a quantitative and qualitative perspective, is most likely to capture the reality of the past in all its complexity. Chapter 5 introduces the main primary sources consulted for this thesis, while Chapter 6, by far the longest of this thesis, is a chronological account of Andersen's life, using the periodization outlined above. The same periodization will form the basic framework in Chapter 7, where quantitative methods adopted from social network studies will be applied to Andersen's life, and in Chapter 8, where the quantitative methods will be supplemented by qualitative methodology in deepening the insights gained about Andersen. Finally in Chapter

9, the analyses will be wrapped up as the four questions posed at the beginning of this chapter will be addressed in turn, and a future research agenda will be briefly suggested.

2. The Foreign Entrepreneur in Late Qing and Early Republican China: A Literature Review.

The aim of the review is to explore existing biographical literature on western entrepreneurs in China, as well as the environment they operated in. In addition, I endeavor to describe the theories and methodologies adopted by the individual authors, to the extent that they have made these explicit, or theoretical and methodological concerns are otherwise discernible from their work. The review falls in parts: first, it introduces the literature, of a biographical and more general nature, on western entrepreneurs in China in the late Qing and early Republic, (2.1); second, since Andersen was first and foremost active in the tobacco industry, it outlines the literature dealing more specifically with western tobacco merchants in China (2.2); third, it will turn to existing literature on compradors, the crucial but seldom acknowledged intermediaries that assisted Andersen and his peers in accessing the Chinese market (2.3); fourth, it widens the scope to review some of the large and growing literature on the treaty ports as geographical areas and institutional arrangements providing the primary setting for western entrepreneurship in Andersen's time (2.4); and fifth, in line with the interest of this thesis in social network analyses, it surveys the literature on social networks, especially within the context of modern Chinese history studies (2.5).

Before proceeding, two qualifications are in order. Firstly, just as the borders between entrepreneurs and businessmen are blurred in real life, there is no clear distinction between entrepreneur and business biography. In the literature reviewed below, it can be argued that some of the biographies are more correctly to be classified as business rather than entrepreneur biographies. However, for the period and place under consideration, this matters less, since westerners involved in commerce and trade in China at Andersen's time might have described themselves as businesspeople or merchants, but given the nature of foreign involvement in China, often consisting of carving out niches where there were previously none, the majority were engaged in establishing businesses, rather than running or managing existing ones. The typical foreign businessman in China around 1900 was therefore, for all intents and purposes, an entrepreneur.

Another potentially much more serious qualification needs to be made right at the outset. It is an old adage, bordering on cliché, that history is written *by* the winners, or even more frequently *for* the winners, and *about* them. This is also the case with entrepreneur and business biographies, which overwhelmingly deal with the successes.[2] This results in a severely biased understanding of the past, as it stands to reason that history has had many more failed entrepreneurs than successful ones. Even more seriously, it deprives historians of a "baseline" against which to compare successful entrepreneurs. Without the ability to place the successful entrepreneurs in relief against the unsuccessful ones, thus highlighting areas where they differ, it is far from simple to pinpoint exactly the *resources* that caused them to succeed. The lack of biographies of unsuccessful entrepreneurs is a conspicuous hole in the historiography, and one that could probably be filled, although such an endeavor might

[2] Youssef Cassis and Ionanna Pepelasis Minoglou, "Entrepneurship in Theory and History: State of the Art and New Perspectives," in *Entrepreneurship in Theory and History*, eds. Youssef Cassis and Ionanna Pepelasis Minoglou (Basingstoke: Palgrave Macmillan, 2005), 13.

encounter difficulties of data collection, as those failing in business are unlikely to have left similar amounts of sources to their lives as their successful counterparts.

2.1. The study of western entrepreneurs in China

The merchant has played an essential if not always fully recognized role in Chinese society for millennia,[3] and as China's interaction with the West has increased dramatically in recent centuries, the western entrepreneur has emerged as an important factor in the economic, technological, political and cultural development. While for most of the 19th century, the encounter between China and the West was marked by imperialist aggression by the latter against the former, some researchers have argued that a symbiotic relationship at the micro-level was a major part of the story of Sino-Western commercial interaction,[4] even if towards the end of the century it became clear that the Western influence also carried within it the potential to disrupt the existing commercial order, especially in the Chinese treaty ports and surrounding areas.[5] Whether as partners or as disrupting influences, it is clear that western merchants were important actors in China in the late Qing and onwards into the Republic, and they have duly been the subject of a not-insignificant literature, both biographical and autobiographical in nature, although as will be shown below, much has been published in order to satisfy a public demand for insights into the "China story," and only a limited amount of biographical research has been undertaken to examine the nature, role and impact of Western entrepreneurship in China.

In the biographical literature covering entrepreneurs in China and East Asia during the so-called Age of Imperialism, there seems to be a slight predilection for the lives and careers of western pioneers who established new trading networks in the first half of the 19th century. William Jardine (1784-1843) and James Matheson (1796-1878) are described sympathetically, if not apologetically by Richard J. Grace, in a straightforward narrative, which only in the final chapter delves into theory when the author places his twin subjects against the concept of "gentlemanly capitalism", which represents the view that British overseas expansion as the product of the joint efforts of landed and financial interests.[6] The core of this twin biography is the period leading up to the First Opium War, which is a period that has previously been studied in detail from non-biographical perspectives.[7] However, by adopting a biographical approach, in the words of one reviewer, it "offers the advantages of

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[3] On the compatibility of Chinese culture and the "merchant mentality", see Helen F. Siu, "Business Culture and Chinese Traditions: Toward a Study of the Evolution of Merchant Culture in Chinese History," in Yeh Wen-hsin (ed.), *Becoming Chinese: Passages to Modernity and Beyond* (Berkeley CA: University of California Press, 2000), 191-227.

[4] Hao Yen-p'ing, *The Commercial Revolution in Nineteenth-Century China* (Berkeley CA: University of California Press, 1986), esp. 212ff.

[5] Motono Eiichi, *Conflict and Cooperation in Sino-British Business 1860-1911: The Impact of the Pro-Business Commercial Network in Shanghai* (London: Macmillan, 2000).

[6] Richard J. Grace, *Opium and Empire: The Lives and Careers of William Jardine and James Matheson* (Montreal: McGill-Queen's University Press, 2014); the concept of "gentlemanly capitalism" was first introduced in P.J. Cain and A.G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas I. The Old Colonial System, 1688-1850," *The Economic History Review* vol. 39, no. 4 (1986): 501-525.

[7] See, for example, W. E. Cheong, *Mandarins and Merchants: Jardine Matheson & Co., A China Agency of the Early Nineteenth Century* (Atlantic Highlands NJ: Humanities Press, 1980); C. A. Trocki, *Opium, Empire and the Global Political Economy* (London: Routledge, 1999).

microhistory such as the humanization of historical processes."[8] Although Grace does not make it an explicit point, apart from mentioning in passing his two subjects' "networks of business contacts and clients in India and Britain,"[9] it is clear from his account that personal networks are among the central factors explaining their success. One example is in his description of how Jardine and Matheson take advantage of a boom in the rice trade, drawing on not just their Chinese connections, but also connections in the Philippines, where the crop is grown.[10] Of particular interest is the imperative to maintain broad networks, even when establishing new contacts comes at the cost of strained ties with existing contacts.[11] The urge to nurture broad networks is all the more significant since Grace points out that a more narrowly based clan consciousness was important for Jardine and Matheson, who never abandoned their basic Scottish identity.[12] Interaction with Chinese clients was left in the hands of others with the requisite skills, such as the German national Karl Gützlaff (see p. 22).[13]

Picking a subject matter from the same historical period but taking on the life of a Scottish merchant whose business interests were concentrated in the East Indies rather than China, R. Roger Knight provides a comprehensive and in-depth account of the life and career of Gilian Maclaine (1798-1840).[14] Although only touching on China occasionally, the volume is included in this literature review as it cements the pattern outlined in the book by Grace in confirming that for avid network builders such as Maclaine, despite being as clan-conscious a Scot as Jardine and Matheson, family connections were never a constraining factor in establishing new contacts. Ethnic ties did matter, and if at all possible Maclaine would include in his business networks fellow Scots, although this was not exclusive, and the network also counted, for example, Englishmen.[15]

While British merchants naturally occupy a major focus of interests for historians, American researchers have also turned their attention to their own compatriots. As early as in 1934, Henrietta Larson completed a short biography of the maritime merchant and opium smuggler John Perkins Cushing (1787-1862),[16] while much later, Stephen C. Lockwood set narrow parameters for his study of American enterprise in China in the mid-1800, using copious corporate archives of the family-owned trading firm Augustine Heard & Co. to zero in on its activities of in China in the years from 1858 to 1862. Due to strict limitations imposed by the author himself, the monograph almost becomes a biography of the Heard family members most actively engaged in China trade at the time, including especially John Heard (1824-1894) and Albert Heard (1837-1870).[17] Even under these limitations, the author makes abundantly clear the importance of wider social networks reaching beyond the family,

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[8] Review by Martha Chaiklin in *Itinerario*, vol.42, no. 1 (2018): 144.
[9] Grace, *Opium and Empire*, 104.
[10] Ibid., 202-203.
[11] Ibid., 165.
[12] Ibid., 111.
[13] Ibid., 136.
[14] G. Roger Knight, *Trade and Empire in Early Nineteenth-Century Southeast Asia: Gillian Maclaine and his Business Network* (Woodbridge: The Boydell Press, 2015).
[15] Ibid., 129-132.
[16] Henrietta Larson, "A China Trader Turns Investor: A Biographical Chapter in American Business History," *Harvard Business Review*, vol. 12, no. 3 (April 1934): 345-358.
[17] Stephen C. Lockwood, *Augustine Heard and Company, 1858-1862: American Merchants in China* (Cambridge MA: Harvard University Press, 1971).

arguing that trading firms such as Augustine Heard & Co. pooled not just capital and entrepreneurial talent, but also business connections.[18] As he puts it, a foreign trading firm operating in China, "had always to be alert to the improvement of its relations with the foreign community, with the Chinese businessmen who were its clients and customers, and with officials whose good will was always essential to smooth operations."[19]

For a German angle, Thoralf Klein provides an outline of the life of merchant and missionary Karl Gützlaff (1803-1851), describing his service for several imperial powers to suggest more fluid colonial boundaries than have previously been assumed.[20] Ulrike Hillemann, who employs Gützlaff as a case study in a broader analysis of the encounter of the British and Chinese empires in the mid-19th century, describes him as "very much the product of the networks of empire."[21] Although the networks she refers to are not identical with the social networks that are of interest in this study, they do have similarities as instruments of social mobility and interaction. Also interesting as a parallel to Andersen's life, Gützlaff, according to Hillemann, identified with the British Empire to the extent that he spoke of the British with terms such as "we", "our nation", and "our sovereign".[22] Hillemann does not speculate about Gützlaff's motivations for this close association with a different nation, but it raises the possibility that merchants from nations poorly represented among business networks in China were facing incentives to latch onto networks dominated by other nations to the extent that they self-identified with these nationalities.

For the late Qing, of special interest is Ernest Major (1841-1908), an Englishman who engaged in the intensely cross-cultural business of publishing *Shenbao*, a Chinese-language newspaper for a Chinese audience. In contrast to the majority of foreigners who carried out business activities in China at the time, he was fluent in Chinese and in general harbored a strong interest in Chinese culture. His career, which understandably involved a great deal of frequently tense interaction with Qing authorities, has been investigated in some detail by both Barbara Mittler, who embeds him inside the larger story of newspaper publishing during the last four decades of the Qing Dynasty,[23] and Rudolf G. Wagner, who focuses on a single episode in the late 1870s when the fate of the *Shenbao* was hanging in the balance, as Qing officials strove to close it down over alleged libel .[24] Whereas Mittler highlights Major's language skills as essential in enabling him to maintain a position of influence in the vernacular Chinese press,[25] Wagner demonstrates that in a time of crisis, Major was helped neither by his language skills, nor by his personal networks, but by a keen understanding of the cultural context within which he operated.[26]

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[18] Ibid., 6.
[19] Ibid., 8.
[20] Thoralf Klein, "Biography and the Making of Transnational Imperialism: Karl Gützlaff on the China Coast, 1831–1851," *Journal of Imperial and Commonwealth History*, vol. 47, no. 3 (2019): 415-445.
[21] Ulrike Hillemann, *Asian Empire and British Knowledge: China and the Networks of British Imperial Expansion* (Basingstoke: Palgrave Macmillan, 2009), 97.
[22] Ibid., 97.
[23] Barbara Mittler, *A Newspaper for China? Power, Identity, and Change in Shanghai's News Media, 1872–1912* (Cambridge MA: Harvard University Asia Center, 2004), passim.
[24] Rudolf G. Wagner, "The 'Shenbao' in crisis: The international environment and the conflict between Guo Songtao and the 'Shenbao'," *Late Imperial China*, vol. 20, no. 1 (June 1999): 107-138.
[25] Mittler, *Newspaper*, 45-47.
[26] Wagner, "Shenbao," esp. 130.

In her biography of the influential British banker Charles Addis (1861-1945), Roberta Dayer seeks to understand broader historical issues through an analysis of the life and work of a central actor.[27] She does so by mainly seeking answers to the following question: “Why after the First World War did the United States not succeed in supplanting the British influence in China, when such was the intention of the State Department, which possessed the financial muscles to enforce its will.”[28] By utilizing especially Addis’ copious diaries, Dayer provides a detailed analysis of not just British financial interests in China in the first decades of the 20th century, but a range of other issues from the interlocking areas of finance and diplomacy, but ironically ends up showing that by Addis’ death in 1945, Britain’s informal empire in East Asia had yielded to the emerging US empire, also in finance. “This much acknowledged, one should not overlook outside influence in his career,” Dayer writes, adding that a number of powerful individuals were “most important in determining his success.”[29] Among several examples she point out Lord Revelstoke, the head of Barings, who served as “a kind of mentor to Addis in later years” and was instrumental in securing his elevation to several central positions in the financial world.[30]

For the generation following after Laurits Andersen, a number of business biographies have emerged, varying in scope and approach. Christopher Bo Bramsen offers a detailed description of the life and career of Danish businessman Vilhelm Meyer (1878-1935), in so doing providing evidence of the key importance of personal networks in enabling him to succeed. One of the most striking examples is the period in 1905 when Meyer set up his own company, the trading firm Andersen, Meyer & Co., finding his business partners among members of his social network, and also activating his personal networks to find new clients.[31] Of additional interest is the fact that Meyer found it important to work with other Danes, suggesting that, whenever possible, networks consisting of one’s own nationals were preferred.[32]

Paul French’s biography of Carl Crow (1884-1945), an American publisher and businessman, is more journalistic and anecdotal in nature.[33] A category with particularly strong appeal to an American audience seems to be businesspeople who later turned to charity. They include the bankers Henry Pomeroy Davison (1867-1922)[34] and Willard Straight (1880-1918),[35] as well as the sewing machine merchant Harry Virden Bernard (1879-1968).[36] In all of these accounts, the importance of personal networks in starting up and maintaining businesses is amply demonstrated, if rarely made the subject of explicit analysis. For example, the Bernard biography describes in detail how the sewing machine venture, after a slow start, got off the

[27] Roberta Dayer, *Finance and Empire: Sir Charles Addis 1861-1945* (London: Macmillan, 1988).
[28] Ibid., xviii.
[29] Ibid., 313.
[30] Ibid., 71, 97, 161 and 172-173.
[31] Christopher Bo Bramsen, *Open Doors: Vilhelm Meyer and the Establishment of General Electric in China* (Richmond: Curzon Press, 2001), 58-59
[32] Ibid., 58.
[33] Paul French, *Carl Crow – A Tough Old China Hand: The Life, Times, and Adventures of an American in Shanghai* (Hong Kong: Hong Kong University Press, 2006).
[34] Thomas W. Lamont, *Henry P. Davison: The Record of a Useful Life* (New York NY: Harper & Brothers Publishers, 1933).
[35] Herbert Croly, *Willard Straight* (New York NY: The MacMillan Company, 1924).
[36] Barbara Bernard McGee and Ruth Dorval Jones, *Barney: Journals of Harry Virden Bernard* (N.p.: B.B. McGee, 1982).

ground when, via his personal network, he was introduced to influential members of Chinese society.[37]

In Chinese biographical research, most efforts have been allocated towards the roles of Chinese entrepreneurs in the academic literature, as opposed to foreign ones. In an overview of themes in Chinese business history, Hao Yen-p'ing pays special attention to the study of entrepreneurship, but exclusively in a Chinese context.[38] This can be said to reflect an empirical reality in which Chinese were a dominant presence, and in the words of a historian of Chinese treaty ports, these ports were "sites for the development of Chinese capitalism, attracting a host of entrepreneurs who far outnumbered their foreign counterparts."[39] To some extent, the focus on Chinese entrepreneurship can be traced back to a conscious effort to critique earlier views of business in Chinese treaty ports in the late Qing period to have been dominated by foreigners by virtue of not just more advanced technology, but also superior managerial practices.[40]

Andersen was primarily a tobacco entrepreneur, and it is therefore instructive to survey the work that has been done so far on western involvement in China's tobacco industry. Turning in the next section more specifically to the existing literature on tobacco merchants in China in the late Qing and Republican periods, it will be demonstrated that networks constitute an important subtheme in most of the previous work done on the subject, even if it rarely emphasized by the authors, who often themselves were active participants in the events they describe. This part of the review will also introduce literature which is not biographical in nature, but represent the state of the art in research on western tobacco business in China around the turn of the 20th century and, more specifically, the key role played by British American Tobacco (BAT), Andersen's main employer.

2.2 The study of western tobacco entrepreneurs in China

A variety of autobiographical accounts exist for the western tobacco industry in China in the early 20th century. Relevant for the present thesis are the memoirs of James A. Thomas (1862-1940), who was Andersen's direct superior and closest collaborator during the early years of the establishment of BAT in China. Despite its value as a primary source, Thomas' account does however, appear to be of a somewhat self-aggrandizing nature; for instance, Andersen is not mentioned with one word.[41] For the purposes of this thesis, it is however interesting that Thomas emphasizes the utility of cross-cultural understanding in the interest of promoting business,[42] while also stressing the need to build up an extensive network of contacts.[43]

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[37] Ibid., 45-47.
[38] Hao Yen-p'ing, "Themes and Issues in Chinese Business History," *Chinese Studies in History*, vol. 31, no. 3-4 (1998): 106-126.
[39] Catherine Ladds, "China and treaty-port imperialism," in *The Encyclopedia of Empire*, ed. John MacKenzie (Hoboken, NJ: Wiley-Blackwell, 2016).
[40] Thomas G. Rawski, "Chinese dominance of treaty port commerce and its implications, 1860–1875," *Explorations in Economic History*, vol. 7, no. 1–2 (Autumn–Winter 1969): 451-473.
[41] James A. Thomas, *A Pioneer Tobacco Merchant in the Orient* (Durham NC: Duke University Press, 1928).
[42] Ibid., 66-67.
[43] Ibid., 73.

Several mid- and ground-level BAT salesmen published their recollections upon return to their home countries, providing informative and often colorful detail about their exploits in the service of BAT.[44] Intriguingly, the memoirs are surprisingly similar in describing the priority attached to maintaining local Chinese networks, a task often given as the first order of the day to the western BAT representatives immediately upon arrival in the area they had been assigned. On the first day at work in Beijing in 1911, James Hutchison, a BAT salesman, was told to get to know the city, and was given an interpreter "to show me around the market and introduce me to the dealers."[45] Similarly, on his second day in Mukden in 1916, Lee Parker, another sales representative, made an almost identical tour of local dealers in the city.[46] It is important not to overinterpret this testimony, as a certain extent of exposure to local business contacts was presumably unavoidable for any foreign businessman in China. Still, BAT could have chosen to leave much of the daily business in the hands of Chinese collaborators, but the almost mechanical regularity with which newly arrived BAT sales representatives were introduced to the local contacts reflects a deliberate hands-on strategy based on frequent interaction with local networks.

Of some importance for an appreciation of the origin of BAT, in his group biography of the North Carolina-based Duke tobacco dynasty, Robert F. Durden covers not only the dynasty's founder Washington Duke, but also his two son Benjamin N. and James Duke.[47] The potential lack of focus inherent in collective biographies is further exacerbated by the author's aim of describing not just the family's tobacco business, but also the various philanthropic purposes that this business later came to finance. Still, there is much in this work which is of relevance to the present thesis, not least a detailed investigation of the introduction of the revolutionary Bonsack machine,[48] as well as the precocious interest in the Asian market exhibited by James Duke, the dynasty's most famous member.[49] However, the book has little to say about the emphasis on nurturing local networks for marketing and distribution, and throws no light on the rationales behind making it such a priority.

As much western scholarship has been devoted to the rise of foreign tobacco in the Chinese market, it is sometimes ignored that tobacco, and even cigarettes, had a history in China before the arrival of mature imperialism in the shape of late-19th-century European and American entrepreneurs. Making up for some of the shortcomings in the western literature, Carol Benedict employs a wide selection of mostly secondary literature to the describe nearly half a millennium of tobacco consumption in China, showing how the commodity contributed

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[44] Accounts covering the early Republic in China include William A. Anderson, *The Atrocious Crime (of Being a Young Man)* (Philadelphia PA: Dorrance & Co., 1973); Robert Easton, *Guns, Gold and Caravans* (Santa Barbara CA: Capra Press, 1978); James L. Hutchison, *China Hand* (Boston: Lothrop, Lee and Shepard Co., 1936); and Lee Parker and Ruth D. Jones, *China and the Golden Weed* (Ahoskie NC: The Herald Publishing Co., 1976). Similar autobiographical accounts from the latter period of the Chinese Republic include Neville Burnett, *On the Edge of Asia* (Ringwood: Navigator Books, 1995); Richard P. Dobson, *China Cycle* (London: Macmillan and Co., 1946); John Logan, *China: Old and New* (Hong Kong: South China Morning Press, 1982); and John Stericker, *A Tear for the Dragon* (London: Arthur Barker, 1958).
[45] Hutchison, *China Hand*, 26.
[46] Parker and Jones, *China and the Golden Weed*, 20-22.
[47] Robert F. Durden, *The Dukes of Durham 1865-1929* (Durham NC: Duke University Press, 1987.
[48] Ibid., 26-55.
[49] Ibid., 74-79.

to economic and cultural change in Chinese society over the centuries.[50] It also refers, however sporadically, to the key role played by networks both for consumption and distribution, for example describing circles of literati as prime vehicles for the popularization of tobacco use in the 18th century.[51]

Two monographs in English provide an in-depth account of western involvement in China's cigarette industry in the late Qing and early Republic, with a special emphasis on BAT. The first of these to appear, by Sherman Cochran, is an account of the decades-long rivalry between western and Chinese tobacco companies for dominance over China's rapidly growing and hugely lucrative cigarette industry, with an emphasis on the challenges that faced the western entities in terms of powerful social networks that benefited the Chinese on their home turf.[52] Cochran later followed this up with a separate study, broadening the perspective by using the BAT case as one of several to illustrate the enduring rivalry between Chinese and foreign business interests in the early decades of the 20th century, again showing that BAT prospered increasingly due to its reliance of Chinese networks for marketing and distribution.[53]

Howard Cox goes into even greater detail with regards to British American Tobacco, while at the same time underlining the company's character as a global conglomerate by paying attention to not just its activities in China, but also in other large overseas markets such as India, as well as the company's complicated genesis in rivalry between American and British tobacco giants.[54] In the Chinese language, British American Tobacco is the subject of a four-volume collection of historical sources published by the Shanghai Academy of Social Sciences. Almost all of these are from the company archives left behind in China after 1949 and are mostly translations into Chinese of documents that were originally written in English.[55]

2.3 Compradors: China's cosmopolitan business elite

Compradors, the Chinese intermediaries linking the foreign tobacco companies and other enterprises to the Chinese economy, were an important fixture of Andersen's world due to the crucial roles they played in treaty-port China. More than 50 years after its publication, Hao Yen-p'ing's monograph on the comprador in 19th-century China[56] remains the most complete account of the subject, and a contemporary reviewer called it "close to definitive".[57] Taking Hao as a point of departure, it is useful to cite his inventory of responsibilities shouldered by the comprador. According to Hao, he was the "housekeeping steward and business assistant… treasurer, salesman, interpreter freight broker and intelligence provider," while he

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[50] Carol Benedict, *Golden-Silk Smoke: A History of Tobacco in China, 1550-2010* (Berkeley CA: University of California Press, 2010).
[51] Ibid., 73.
[52] Sherman Cochran, *Big Business in China: Sino-Foreign Rivalry in the Cigarette Industry, 1890-1930* (Cambridge MA: Harvard University Press, 1980).
[53] Sherman Cochran, *Encountering Chinese Networks: Western, Japanese, and Chinese Corporations in China, 1880-1937* (Berkeley CA: University of California Press, 2000).
[54] Howard Cox, *The Global Cigarette: Origins and Evolution of British-American Tobacco, 1880-1945* (Oxford: Oxford University Press, 2000).
[55] 上海社会科学院经济研究所，*英美烟公司在华企业资料汇编*（北京：中华书局，1983）.
[56] Hao Yen-p'ing, *The Comprador in Nineteenth Century China: Bridge Between East and West* (Cambridge MA: Harvard University Press, 1970).
[57] Review by Samuel C. Chu in *The Journal of Asian Studies*, vol. 30, no. 3 (May 1971): 663-664.

also "handled the purchase of native produce from the interior."[58] From the perspective of western entrepreneurs, they were close to being factotums, and according to the American businessman Augustine Heard Jr., "it would be easier to tell what the comprador did not do than what he did."[59]

More generally, the comprador was the foreign businessman's irreplaceable guide to an environment as alien and fraught with risk as the densest South American jungle. He was also a guarantor, who with his deep personal knowledge could act as guarantor and vouch for the creditworthiness and reliability of Chinese business connections. To this must be added the comprador as a source of capital. Chen Qianping points out that compradors were important investors in their own right, providing financing for many of the western enterprises active in China, including BAT, where "Chinese attended shareholders' meetings and even sat on the board."[60] Some compradors also became large holders of real estate, as Chuan Han-sheng (Quan Hansheng) describes in the case Xu Run (徐润), comprador with Dent & Co., who amassed large tracts of land in the Shanghai area in the early stages of the city's modern development.[61]

Recent historical research has documented the importance of compradors for individual western companies, to some extent reclaiming a place for the Chinese actors in a historiography that previously unfairly relegated them to the sidelines. In his history of the Swire business group from 1816 to 1980, Bickers documents in great detail how compradors were integral to the growth of the enterprise for a large part of the period under review, and how the responsibilities of the compradors were passed from one generation to the next within Chinese families.[62] Howard Cox, Huang Biao and Stuart Metcalfe similarly explore the interaction between Swire and its compradors, focusing on a shorter period in the early 20th century, when the comprador system had in many ways run its course and to some extent was a barrier to further development, forcing Swire to seek new arrangements in the form of contracts with independent Chinese merchants acting as sole agents.[63]

The compradors working with BAT have been described by Sherman Cochran in as much detail as possible given the scarce materials available. In his monograph on the Sino-foreign rivalry over the Chinese tobacco market from 1890 to 1930, and again in his broader account on the importance of Chinese networks during the half century prior to the Second Sino-Japanese War, he lays out how the compradors were active at every level in the long process from tobacco leaf to finished cigarette pack, from picking the best sites for tobacco growing and recruiting agricultural labor to managing large and complex distribution networks that

[58] Hao, *Comprador*, 65.
[59] Lockwood, *Augustine Heard*, 40.
[60] Chen Qianping, "Foreign investment in modern China: An analysis with a focus on British interests," in *Britain and China 1840-1970: Empire, Finance and War,* ed. Robert Bickers and Jonathan J. Howlett (New York NY: Routledge, 2016), 148-165.
[61] 全汉昇，从徐润的房地产经营看光绪九年的经济恐慌 中央研究院历史语言研究所集刊, vol. 35 (1964): 285-286.
[62] Robert Bickers, *China Bound: John Swire & Sons and Its World 1816-1980* (London: Bloomsbury, 2020).
[63] Howard Cox, Huang Biao and Stuart Metcalfe, "Compradors, Firm Architecture and the 'Reinvention' of British Trading Companies: John Swire & Sons' Operations in Early Twentieth-Century China," *Business History*, vol. 45, no. 2 (2003): 15-34.

gradually brought BAT's products to the furthest corners of China. As Cochran points out, BAT's western staff were not in any meaningful sense the "pioneers" of company legend.[64]

Turning to the geographic periphery of Treaty-Port China, Kaori Abe provides an analysis of the comprador in the specific setting of Hong Kong in the period from 1830 to 1890. Focusing on the company comprador – as opposed to the government comprador, who acted as an intermediary for the colonial authorities – she delineates a trajectory very similar to the one observed further up north, describing an economic success story built on forming a bridge between otherwise hardly bridgeable cultural and linguistic chasms, but with the perhaps crucial difference that compradors in Hong Kong were not subject to quite the same public opprobrium as in China proper, where they were often seen as traitors.[65]

Even though the compradors had to shoulder considerable risks, according to Jerry L. S. Wang, they managed to secure such as lucrative position for themselves that eventually British traders often limited their business to importing on a wholesale basis to Shanghai and Hong Kong while leaving the servicing of the vast Chinese market to their local partners. The compradors, Wang argues, not only benefited from the salaries and generous commissions on the transactions they facilitated, but also imposed extra fees on clients wishing to purchase on credit.[66] The comprador class not only experienced a rise in economic and social terms, but also to some extent succeeded in bringing about change in discourse, i.e. the ways in which its members were viewed by their foreign counterparts. As Miriam Kaminishi and Andrew David Smith show, the successful activities of the compradors and other Chinese entrepreneurs left even some contemporary western observers with positive impressions of Chinese business practices.[67]

Even so, the comprador system was troubled by internal tensions, which eventually forced some foreign companies, including BAT, to modify their cooperation with Chinese partners. Howard Cox and Kai Yiu Chan analyze the relationship between the foreign business and the comprador using the principal-agent model and showing how the information asymmetry between the two parties made it tempting for compradors to strike out on their own, impressing on their foreign partners the need to find a new arrangement to satisfy their needs in the Chinese market.[68] On occasion they might take up businesses conducted by their foreign employers that appeared to be profitable, even if this placed them in breach of their contractual obligations, and if those activities unexpectedly ended up losing money for them, they might pass the loss on to their foreign employer. In the eyes of their foreign partners, the compradors were often "rotten to the core", Wang explains.[69]

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[64] Sherman Cochran, *Big Business in China: Sino-Foreign Rivalry in the Cigarette Industry, 1890-1930* (Cambridge MA: Harvard University Press, 1980) and *Encountering Chinese Networks: Western, Japanese, and Chinese Corporations in China, 1880-1937* (Berkeley CA: University of California Press, 2000).
[65] Kaori Abe, *Chinese Middlemen in Hong Kong's Colonial Economy, 1830-1890* (London and New York NY: Routedge, 2018).
[66] Jerry L. S. Wang, "The Profitability of Anglo-Chinese Trade, 1861-1913," *Business History*, vol. 35 no. 3 (July 1993): 39-65.
[67] Miriam Kaminishi and Andrew David Smith, "Western Debates About Chinese Entrepreneurship in the Treaty Port Period, 1842–1911," *Enterprise & Society*, vol. 21, no. 1 (March 2020): 134-169.
[68] Howard Cox and Kai Yiu Chan, "The Changing Nature of Sino-Foreign Business Relationships, 1842-1941," *Asia Pacific Business Review*, vol. 7 no. 2 (2000): 93-110.
[69] Jerry L. S. Wang, "The Profitability of Anglo-Chinese Trade, 1861-1913," *Business History*, vol. 35 no. 3 (July 1993): 39-65.

In Chinese historiography, the comprador occupies a key position in the evolving narrative about the late Qing empire's encounter with the West, as following the abolition of the Cohong system with the Treaty of Nanjing in 1842, he provided a unique link across the other unbridgeable cultural and linguistic chasms separating western merchants from their Chinese counterparts and Chinese officials. Even though his cooperation with the foreigners was never entirely smooth,[70] as a facilitator of western interests in the proverbial "century of shame", the comprador has cut an awkward position in Chinese histories, whether scholarly or popular, but a significant transformation in general perceptions has taken place.

In the historiography of their own time and later, the class of compradors have often been vilified as "foreign slaves" and the "running dogs of western imperialism,"[71] and according to Mao Zedong, writing in 1925, along with the landowners, they "represent China's most backward and reactionary relations of production, forming an obstacle to the development of China's productive forces" ("这些阶级代表中国最落后的和最反动的生产关系，阻碍中国生产力的发展").[72] In recent years, however, the scholarly verdict has changed, in the PRC as well as in Taiwan and Hong Kong, on the historical role of the compradors, reflected in, for example, a collection of essays on "China's ten major compradors".[73] This brings Chinese scholarship more in line with the assessment offered in much western historiography, where the class of compradors are seen as essential middlemen between western merchants on the one hand, and Chinese merchants and officialdom on the other, performing a function without which very little economic exchange could have taken place.[74]

An example of the revisionist Chinese view on compradors as a force for progress is the work of Nie Haochun (聂好春), who in an account of the compradors' role in setting up chambers of commerce in Shanghai in the early 20th century describe them as crucial to the economic modernization of China, in direct opposition to the characterization given by Mao in the mid-1920s.[75] Even so, some lingering doubts remain about the role played by compradors in facilitating the encroachment on China by the imperialist west, and a common theme or narrative among Chinese writers is the gradual transformation of the comprador into a more

70 Robert Bickers, *China Bound: John Swire & Sons and Its World 1816-1980* (London: Bloomsbury, 2020), esp. 49-50, 137; Klaus Mühlhahn, *Making China Modern: From the Great Qing to Xi Jinping* (Cambridge MA: The Belknap Press of Harvard University Press, 2019), 168.

71 马学强，“上海买办的生活” in 香港中文大学中国文化研究所文物馆，香港中文大学历史系，*买办与近代中国*（Hong Kong：三联书店有限公司, 2009) [Ma Xueqiang, "The Lives of Shanghai's Compradors," in Chinese Culture Museum at Chinese University of Hong Kong and Chinese University of Hong Kong, *The Compradors and Modern China*. Hong Kong: Sanlian Bookshop, 2009], 16.

72 毛泽东，〈中国社会各阶级的分析〉,《毛泽东选集》卷 1（北京：人民出版社，1952）, [Mao Zedong, "Analysis of the Classes in Chinese Society", Selected Works by Mao Zedong, vol. 1 (Beijing: People's Publishing House, 1952), 4.

73 徐矛主编, *中国十买办*（上海：人民出版社 1996）. [Xu Mao, *Ten Chinese Compradors* (Shanghai: People's Publishing House, 1996)]

74 Hao Yen-p'ing, *The Comprador in Nineteenth Century China: Bridge Between East and West* (Cambridge MA: Harvard University Press, 1970), esp. 227-223.

75 聂好春, "买办与 20 世纪初期商会事业机构建设——以上海总商会为中心的探讨，" *北京联合大学学报*, 第 16 卷第 4 期总 62 期 [Nie Haochun, Compradors and the Construction of Chamber of Commerce Institutions in the Early 20th Century – A Case Study on Shanghai Chamber of Commerce," *Journal of Beijing Union University*, vol 16, no. 4:62] October 2018: 82-89.

patriotic role, under the headlines such as “from comprador to homegrown capitalist” or “from comprador to Chinese businessman.”[76]

2.4 Treaty ports and extraterritoriality

While it is undeniable that treaty ports have been important in terms of shaping the development of Sino-western relations, the evaluation of them as a factor in affecting the overall course of Chinese history as such has changed over time in a pendulum-like fashion. Rhoads Murphy marked a swing of the pendulum in one direction when, a generation ago, stating that the treaty ports were “a fly on an elephant… not enough to change the elephant’s basic nature.”[77] Since then, the pendulum has swung in the opposite direction, and historians have argued that the treaty ports, despite being of a size that were indeed fly-sized in a strict geographic sense, did indeed transform the Chinese elephant, if only because they formed the point of departure for the compradors and other indigenous entrepreneurs who went on to profoundly change how business was done and how the economy operated in the vast Chinese hinterland.

As a starting point, Robert Nield provides a useful inventory of treaty ports, including Hong Kong on the list even though it was not a treaty port per se.[78] However, for a treaty-port merchant such as Laurits Andersen, Hong Kong was a frequent stopover and often included one way or the other in his commercial activities, since, as Nield argues, it was intended from the outset to be “a service center for the fledgling treaty ports”.[79] Among historians of the treaty ports, Robert Bickers has described them from both a macro- and a micro-perspective. In his history of the Qing empire’s encounter with western imperialism during the first three quarters of China’s “century of humiliation,” he places Shanghai and the other treaty ports within the broader context of western commercial and missionary drives clashing with Chinese efforts at self-preservation.[80] In his biography of Richard Maurice Tinkler, a man of modest background serving in the British-dominated police force, he illustrates the ultimate product of this often violent encounter, the bustling metropolis of Shanghai, through the career of a single individual, using the life of one man to tell a larger story of the “heyday” of Treaty-Port China, prior to the Japanese deluge.[81]

Jacques M. Downs, in what can be termed a “pre-history” of Treaty-Port China, chronicling the rise of the American merchant presence in Guangzhou prior to the First Opium War, writes that “the ‘unequal treaties’ opened the northern ports, but they did not create the communities and their special style of life, attitudes, and institutions. Treaty-port culture was

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[76] 蒋宝麟,“从买办到华商—— 刘鸿生煤炭经销策略探析(1910-1930 年代)”, in *买办与近代中国 [*Jiang Baolin, “From Comprador to Chinese Merchant – An Exploration of Liu Hongsheng’s Coal Distribution Strategies (1910s-1930s),” *in The Compradors and Modern China]*and 聂好春,“从买办到民族资本家的朱志尧” in 《殷都学刊》1996 年第 3 期 [Nie Haochun, ”Zhu Zhiyao, From Comprador to National Capitalist,” *Yindu Journal*, 1996, no. 3]: 57-60.
[77] Rhoads Murphey, “The Treaty Ports and China’s Modernization,” in *The Chinese City between Two Worlds*, ed. M. Elvin and W. Skinner (Stanford CA: Stanford University Press, 1974), 17-71.
[78] Robert Nield, *China's Foreign Places : The Foreign Presence in China in the Treaty Port Era, 1840-1943* (Hong Kong: Hong Kong University Press, 2015).
[79] Ibid., 122.
[80] Robert Bickers, *The Scramble for China: Foreign Devils in the Qing Empire, 1832-1914* (London: Allen Lane, 2011).
[81] Robert Bickers, *Empire Made Me: An Englishman Adrift in Shanghai* (New York NY: Columbia University Press, 2003).

an extension of old Canton."[82] However, the defining feature of the treaty ports as they quickly evolved over the latter half of the 19th century, and set them apart from what had gone before in Guangzhou, was extraterritoriality. Also known as "consular jurisdiction", introduced in 1843 for British subjects in a supplementary treaty following on the Nanjing Treaty of the year before and subsequently granted to the subjects of other nations, and eventually subjects of the Japanese empire, in a series of unequal treaties.

In a Chinese context, extraterritoriality was traditionally seen as a reflection of western imperialism and its ability to impose its will on a weakened Qing empire, but recent scholarship has led to a more nuanced understanding of the concept. Focusing on US government efforts to implement a workable system of extraterritoriality in Chinese treaty ports, Eileen P. Scully shows that extraterritoriality was less of a one-way street than was previously assumed, and that it took place in a process of bargaining with local elites in an attempt to ensure their cooperation, which was deemed essential in order to carry out trade in China.[83] Pär Cassel describes how the introduction of extraterritoriality, as seen from the Qing perspective, marked less of a revolutionary break with the past than would seem since it was added to a pre-existing system of "legal pluralism" with separate jurisdictions for different groups within the emperor's realm, such as Muslims and Manchus. [84]

For example, the Qing legal experience with setting up joint tribunals for cases involving individuals from different ethnic groups offered a precedent on which novelties such as the Shanghai Mixed Court, mainly for cases involving Chinese and foreigners, could be molded. As Tahirih Victoria Lee explains, it became the primary civil and criminal court in Shanghai, hearing more than a million cases during its more than six decades of existence.[85] The court's founding charter stated that it was to issue its rulings according to Chinese law, but in actuality Cassel points out that it "did not restrict itself to formal Chinese legislation and enforced a diverse mixture of laws that was never systematically codified." [86] Cassel argues that extraterritorial institutions such as the Mixed Court were instrumental in introducing western ideas and principles, turning them into "a bridgehead of sorts of some kind of legal modernity."[87]

Aside from shielding off foreigners from the harsh punishments of the Chinese legal code, the treaty ports also formed the physical basis for the foreign businesses. As Bickers points out, the settlements and concessions offered "safe and secure bridgeheads for British and

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[82] Jacques M. Downs, *The Golden Ghetto: The American Commercial Community at Canton and the Shaping of American China Policy, 1784-1844* (Hong Kong: Hong Kong University Press, 2014), 322.
[83] Eileen P. Scully, *Bargaining with the State from Afar: American Citizenship in Treaty Port China, 1844 – 1942* (New York, NY: Columbia University Press, 2001).
[84] Pär Cassel, *Grounds of Judgment: Extraterritoriality and Imperial Power in Nineteenth-Century China and Japan* (New York NY: Oxford University Press, 2012).
[85] Tahirih Victoria Lee, "'Law and Local Autonomy at the International Mixed Court of Shanghai" (PhD diss, Yale University, 1990).
[86] Pär Cassel, "The Mixed Court Of The Shanghai International Settlement," in *Max Planck Encyclopedia of International Procedural Law*. Oxford Public International Law (http://opil.ouplaw.com). (Oxford: Oxford University Press, 2021).
[87] Pär Cassel, "Extraterritoriality in China: what we know and what we don't know", in *Treaty Ports in Modern China: Land, law and power*, eds. Robert Bickers and Isabella Jackson (London and New York NY: Routledge, 2016), 23-42.

Imperial trade in China,"[88] with, in the case of the settlements leases that essentially were meant to be for perpetuity, or at least 999 years, [89] and the consular administration as guarantors of the land use.[90] Administration of these enclaves, cosmopolitan as they were, was put in the hands of individuals who were remarkably unrepresentative. As Isabella Jackson explains, the Shanghai Municipal Council was elected from a tiny land-owning elite, and the administration was overwhelmingly British during the time when Andersen was active in the city, strengthening his rationale for identifying with the English-speaking community.[91]

The whole is very often greater than the sum of the parts, and Anne Reinhardt emphasizes the importance of the treaty ports as nodes in a vast infrastructure network spanning the east coast of China and beyond, linking the area to global transportation network through the technology of the steamship. Significantly, she argues that Chinese merchants sometimes profited more than their western counterparts from this network, pointing out that 90 percent of merchandise passing through the port of Zhenjiang was Chinese-owned, thus strengthening the argument that the treaty ports were much more than vehicles of western domination of China.[92] In a somewhat similar vein, Gonzalo Villalta Puig argues that the consular court institution pulled the treaty ports into a regionwide system of colonial justice, stretching from the China coast to Malaya and India.[93]

2.5 Network studies

Network analysis as a specialist field within history studies has picked up in recent years, benefiting from the growing availability of relevant data and an interest in applying sophisticated analytical tools, including advanced software programs. This also goes for modern China history studies, where the most ambitious endeavor to date is the ongoing "Elites, Networks, and Power in Modern China" (ENP-China) project at Aix-Marseille Université. Aiming to bring about a "step-change in the study of modern China," the project proposes an agenda to mine untapped as well as existing data sources to investigate Chinese elites in the period from 1830 to 1949.[94] The project identify two major sources of data collection, annual directories, such as the *Asia Directory and Chronicle* and the *Hong List*,

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[88] Robert Bickers, *Britain in China: Community, Culture and Colonialism* (Manchester: Manchester University Press, 1999), 9.
[89] Robert Bickers, "British Concessions and Chinese Cities, 1910s-1930s", in *New Narratives of Urban Space in Republican Chinese Cities*, ed. Billy K.L. So and Madeline Zelin (eds.) (Leiden: Brill, 2013), 159.
[90] Alexander Thompson, "The British state at the margins of empire extraterritoriality and governance in treaty port China, 1842-1927" (PhD diss., University of Bristol, 2018), 75-77.
[91] Isabella Jackson, "Who ran the treaty ports: A study of the Shanghai Municipal Council." in *Treaty Ports in Modern China: Land, law and power*, eds. Robert Bickers and Isabella Jackson (London and New York NY: Routledge, 2016), 43-60.
[92] Anne Reinhardt, "Treaty ports as shipping infrastructure," in *Treaty Ports in Modern China: Land, law and power*, eds. Robert Bickers and Isabella Jackson (London and New York NY: Routledge, 2016), 101-120.
[93] Gonzalo Villalta Puig, "Extraterritoriality and the Rule of Law in the Treaty Ports: The Malay Murder Trials," in *Life in Treaty Port China and Japan*, eds. Donna Brunero and Stephanie Villalta Puig (London: Palgrave Macmillan, 2018), 75-84.
[94] "ERC Project Description: Elites, networks and power in modern urban China (1830-1949). Historical 'big data' in modern Chinese history," 1. https://enepchina.hypotheses.org/files/2018/06/ERC_Project-description.pdf.

and contemporary newspapers.[95] Both, but especially the latter, have also been important sources for this thesis (see especially chapter 7).

Network research forms an important part of this agenda, as elites are seen as "individuals acting in multiple and evolving networks, of which formal organizations represented one important but not unique facet." The project's initiators note that Chinese elites, including business elites, have been the subject of significant academic interest, but at the same time point out that much work remains to be done in the field of network studies as "the explicit use of networks can be found only in a number of works by historians and sociologists on Chinese merchants, mostly Cantonese, in South China and in Southeast Asia… that examine whole communities (e.g. Chaozhou merchants) and do not necessarily study elite groups. None of these studies is based on the systematic collection of data and the use of network analysis." So far there has, they argue, "hardly [been] any attempt to examine whether, how and to what extent contacts and connections emerged and developed between the various components of the elites and how this shaped power in these cities and in China."[96]

Recent research undertaken as a result of the ENP-China project has focused on areas such as the transnational links of Republican China's Americanized elite[97], or the complex social network evolving around the Republican-era Shanghai-based Consolidated National Advertising Company, in the latter case using newspapers and archival materials, to reconstruct the network based on "its actors' shared affiliation (companies, clubs and associations), the places where they met and the events they (co)attended."[98]

Networks are also the focus of other recent research, even if it does not explicitly adopt a network methodology. Chen Zhongping shows that the growth of chambers of commerce and other elitist organizations in the first decade of the 20th century not only provided a vehicle for interaction between merchants and officialdom, but also gave Chinese businesspeople an opportunity to form new links and thus expand their social networks.[99] Using the case of Tong Mow-chee (Tang Maozhi 唐茂枝) (1828-1897), a comprador for Jardine Matheson, Kaori Abe demonstrates that it was possible for individual Chinese merchants to form cross-cultural networks straddling the western-Chinese divide in the treaty port of Shanghai, and that these networks could be instrumentalized for the purpose of social and economic advancement and also be beneficial in legal matters.[100] In her extensive research on Tongshuntai (同順泰), a Korean merchant company active in Korea from the 1880s to the 1930s, Kang Jin-A uncovers the dense personal networks underlying much of its activities in region, and also describes the interlocking nature of many of the networks. Intriguingly, this includes a link through marriage to British American Tobacco, suggesting the rich

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[95] Ibid., 3.
[96] Ibid., 2.
[97] Cécile Armand, "Americanizing Chinese Elites in Republican Shanghai," https://advertisinghistory.hypotheses.org/5060.
[98] Cécile Armand, "Introducing the Consolidated National Advertising Co." https://advertisinghistory.hypotheses.org/5119.
[99] Chen Zhongping, "The Origins of Chinese Chambers of Commerce in the Lower Yangzi Region," *Modern China*, vol. 27, no. 2 (April 2001): 155-201.
[100] Kaori Abe, "Intermediary Elites in the Treaty Port World: Tong Mow-chee and His Collaborators in Shanghai, 1873–1897," *Journal of the Royal Asiatic Society*, Third Series, vol. 25, no. 3 (July 2015): 461-480.

opportunities for analyzing otherwise hidden connections by means of reconstructing past social networks.[101]

In other relevant research of a somewhat older date, Lai Chi-kong shows, with the treaty port of Shanghai as a case, how existing personal networks were activated by growing commercial opportunities to form merchant associations capable of handling distribution of products on a large scale.[102] Addressing the case of Cantonese merchants fanning out to other parts of China and beyond in the 19th century, Lee Pui Chak demonstrates the importance of social networks based on kinship and common origin in terms of securing the guarantees that were needed, for example in order to be considered for the potentially profitable position as a comprador.[103] Addressing what may be considered the periphery of Treaty-Port China, Dirk A. Buiskool shows how Chinese networks in Malaya furthered business, not just by virtue of formal ties such as common membership of the Chinese Chamber of Commerce, but also though informal bonds.[104]

In the Chinese literature on compradors, social networks also emerge, unsurprisingly so given the compradors' role as brokers between indigenous and foreign merchants, is the importance of social networks. They are at the forefront for Victor W. T. Zheng (郑宏泰) and Wong Siu-Lun (黄绍伦), in their profile of the Hong Kong comprador He Dong (何東, 1862-1956), better known to an English-language readership as Sir Robert Ho Tung, as they describe how personal relations, including family relations, enable their subject to advance rapidly in his career as a comprador. For instance, they describe how following a two-year stint at the Imperial Maritime Customs Service in Guangzhou ending in 1880, he is able to immediately gain employment at Jardine, Matheson and Co. thanks to his brother-in-law 蔡星南, whereas his subsequent rapid rise within the firms is linked to the support of his father-in-law Hector Coll Maclean.[105] Similarly, as a large number of his relatives assumed positions as compradors at important companies such as E.D. Sassoon & Co., Mercantile Bank, Hong Kong & Kowloon Wharf & Godown Co. and Nippon Yusen Kaisha, He Dong was able to wield considerable clout throughout the Hong Kong and south Chinese economy, just as relatives centrally located in the Hong Kong and Chinese governments gave him an important access to key administrative and political bureaucracies.[106]

Social networks are salient for a number of other Chinese historians, who demonstrate how these networks often constituted a determining influence at key junctures in their subjects'

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[101] Kang Jin-A, "Transnational Merchant Diaspora in Modern East Asia: The British and Cantonese cooperation in the treaty ports seen through the and the case of the Tongshuntai Firm," unpublished paper, especially pp. 22-29. I am indebted to Kang Jin-A for sharing her research with me.

[102] Lai Chi-Kong. "Cantonese Business Networks in Late Nineteenth Century Shanghai: The Case of the Kwang-Chao Kung-So," *Essays in Economic & Business History*, vol. 12 (1994): 145-154.

[103] Lee Pui Tak, "Business Networks and Patterns of Cantonese Compradors and Merchants in Nineteenth-Century Hong Kong," *Journal of the Hong Kong Branch of the Royal Asiatic Society*, vol. 31 (1991): 1-39.

[104] Dirk A. Buiskool, "The Chinese Commercial Elite of Medan, 1890-1942: The Penang Connection," *Journal of the Malaysian Branch of the Royal Asiatic Society*, vol. 82, no. 2 (December 2009): 113-129.

[105]郑宏泰、黄绍伦, "何东买办家族的政商网络"in *买办与近代中国*, [Victor W. T. Zheng and Wong Siu-Lun, "The Political and Commercial Networks of Comprador Robert Ho Tung's Family" in *The Compradors and Modern China*], 133; see also 郑宏泰, 高皓, *白手兴家, 香港家族与社会 1841-1941* (香港: 香港中华书局, 2016) [Victor W.T. Zheng and Gao Hao, *From Rags to Riches, Hong Kong Families and Society 1841-1941* (Hong Kong: Chung Hwa Bookstore, 2016)], 85.

[106] 郑宏泰、黄绍伦，"何东买办家族的政商网络"，especially 表一 and 表二.

careers. In a profile of Xu Run (徐潤), one of Shanghai's most influential compradors in the late 19th century, Puk Wing Kin (卜永堅) asserts that during the devastating financial crisis of 1883, Xu decided to honor financial obligations at the cost of personal bankruptcy in order to maintain his standing in his personal networks intact as, in a sense, he exchanged financial capital for social capital.[107] In an account of the business and political activities of Chan Lim Pak 陈廉伯, a south Chinese comprador for the Hong Kong & Shanghai Banking Corporation, Zhang Xiaohui (张晓辉) details the extensive personal ties that Chan maintained with political figures in south China in the early Republic, describing how this political involvement placed him in opposition to Sun Yat-sen, forcing him to leave Guangdong for Hong Kong.[108]

2.6 Summary

In a majority of the works surveyed in this review, social networks emerge as powerful influences and enablers in the careers of the individuals described. This also goes for the Chinese literature, where the phenomenon of *guanxi* occupies a position commensurate with its importance in real life. However, as pointed out by scholars associate with the ENP-China project, much work remains to be done in the field of social networks, and in chapters 3 and 4, it will be explored how a more explicit application of the concept of the social network can enrich our understanding of Andersen and his time and also enrich the toolbox available to entrepreneurial biography.

107 卜永坚,"徐润与晚清经济" in *买办与近代中国* [Puk Wing Kin, "Xu Run the Late-Qing Economy" i *The Compradors and Modern China*], 221-234.
108 张晓辉,"买办陈廉伯与民初广东",安徽史学 2016 年第 2 期 [Zhang Xiaohui, "The Comprador Chan Lim Pak and Guangdong in the Early Republic," *Anhui History Studies*, 2016, no. 2]: 71-78.

3. Theory: The Entrepreneur and the 'Ballroom of Life'

There is no doubt that Laurits Andersen spent part of his time in Shanghai in physical ballrooms as he worked his networks and sought to establish himself in the competitive society of treaty-port China. But this is not the kind of ballroom referred to in the headline of this chapter. It is a reference to "the great ballroom of life" which imposes certain limitations on how far a participant can "dance" before hitting a wall but also leaves room for different "styles" of dance depending on individual talents and preferences. In short, as I will argue in this chapter, the ballroom and the dancer are metaphors for the old distinction between structure and agency with special attention paid to the way it shapes entrepreneurial behavior.

This thesis moves at various levels of generalization and abstraction. At is base, it is about Laurits Andersen, a Danish entrepreneur who lived most of his life in China from the 1870s until his death in 1928 and became successful in large part due to his networks of business associates and acquaintances. At a more general level, it is about entrepreneurship in China around the 20th century and its dependence on social networks. At a yet more general level, it deals with the causal link between social networks and entrepreneurship in shifting historical settings. Ultimately, moving to the top level of generalization, it is about the agency/structure dichotomy as manifested in social networks and entrepreneurship as an expression of entrepreneurial agency taking place under the constraints and incentives provided by structure and particular localities, all subject to changes in the overall historical context.

From the point of view of this most general level of generalization, I develop two key arguments in this chapter. The first key argument is that network analysis represents a useful approach to grasping the dynamic relationship between agent and structure, in which structure does to a large extent constrain the choices available to the agent, but the agent maintains a certain level of freedom of action and may even impact the structure. The argument is given more specificity by being applied to the special case of entrepreneurship in a historical setting, in the service of the second key argument, which is the proposition that social science concepts gain in richness by being applied to historical cases. While this is at a generalized and abstract level, it takes as its concrete case study Andersen's life and career in China before and after the turn of the 20th century.

The structure of the chapter is as follows: I will initially argue why a historical approach to entrepreneur studies is a potentially fruitful avenue towards greater empirical and theoretical understanding of the entrepreneur and his crucial place in the modern world (3.1). I will then move on to the macro-level and outline how large-scale historical processes form the backdrop of entrepreneurial activity, with a more specific description of the macro-historical forces at work in Laurits Andersen's case (3.2). Turning my attention to the micro-level, and going back to basics in an endeavor to attain a firmer understanding of what is meant by the expressions "entrepreneur" and "entrepreneurship", I will address one of the most fundamental dichotomies in entrepreneurship research, juxtaposing the "traits" and "behavior" approaches to capturing the essence of entrepreneurship. I will seek to demonstrate that this is to a certain extent tied to an underlying discussion of the agency-structure dichotomy, and that just as a combination of elements from the "traits" and "behavior" schools serves a more holistic view of the entrepreneur interacting with his context, it is not useful to opt for a deterministic view of either agency or structure (3.3). The question is how to describe a world in which there is room for both agency and structure, explaining why agents placed in similar structures may nevertheless act differently. I propose two solutions to this conundrum. One is reflexivity, in which the actor is moved to action, independent of the constraints and motivations offered by structure, in a conversation with himself. The other is social networks, which help explain why some individuals become entrepreneurs and others do not, locating the key explanatory factor in their different locations in the networks, and how this network location determines and in turn is determined by their access to resources (3.4). The dynamic relationship between agency and structure facilitated by network analysis is highlighted in the key concepts of brokerage and structural holes. It can be argued that certain members of networks are more likely to act as brokers and reach across the structural holes that separate networks. It is my argument that in environments where different cultures meet, such structural holes are particularly numerous (3.5). This paves the way for the last section of this chapter, which introduces culture as a variable that contributes to a deeper understanding of the special characteristics of cross-cultural entrepreneurship, and also seeks to identify the competences that entrepreneurs must possess in order to be successful in a cross-cultural setting. (3.6). In the conclusion I present a model for entrepreneurship in a cross-cultural environment, setting the stage for the methodological chapter (3.7)

3.1. The historical dimension: retrospective rediscovery and reconceptualization of the past

Most research into entrepreneurship, in China and abroad, has been directed at contemporary cases. This may be the result of a practical concern with picking subjects for which empirical data can be obtained with relative ease. In addition, it may reflect the character of entrepreneurial research as an "applied science" with implications for practitioners in the field, for whom research can more directly be translated into concrete action if based on inquiry into present-day conditions.[109] However, current theories and methodologies can also be employed "in reverse mode" on cases taken from history, as already demonstrated in previous research (see below). A historical approach may enrich the field of entrepreneur studies by enabling researchers to chart trajectories and changes over time. By expanding the time frame to span entire decades, it may also be possible to describe not just how entrepreneurs and their context change, but also how in turn their arguments for transformation of the status quo, too, undergo change.[110] In short, a historical perspective can infuse the field with a dynamic historical perspective often lacking in descriptions based on a "snapshot" of contemporary entrepreneurial behavior.

Further in support of a historical approach, it can be argued that the theories employed within entrepreneur studies as well as other subfields of the social sciences are not axiomatically more convincing because they are applied to present-day empirical evidence as opposed to historical data. Indeed, the field could benefit from growing attention being paid to historical

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[109] The mission to understand society in order to change it, and hence the need to focus foremost on society in its contemporary stage, lies at their very root of the social sciences, see Auguste Comte, "Plan of the Scientific Operations Necessary for Reorganizing Society," in *Auguste Comte and Positivism: The Essential Writings* ed. Gertrud Lenzer (New York: Harper Torchbooks, 1975), 9–69.

[110] Michael Mintrom and Phillipa Norman, "Policy Entrepreneurship and Policy Change" *Policy Studies Journal*, Vol. 37, No. 4 (2009): 662.

cases, as a historical approach may help strengthen the validity of theoretical findings and generalizations if they conform to empirical evidence not only from the present day but also from history. This adds a diachronic dimension which may give rise to historical analyses of the changing relationship of data, analysis and theorizing over time. It is of course possible that theories, for example about political and economic entrepreneurship, must be modified to be applicable to historical cases to reflect changes in e.g. political, economic, cultural or technological conditions. To quote R. Daniel Wadhwani, "the point of this approach to historical reasoning is not simply to test existing theory, but rather to expand understanding of the origins or development of a phenomenon or its relationship to other phenomena that are not perceptible through current experience alone and hence often lie outside contemporary theory."[111] For example, it is possible that social networks in the decades around 1900, the period covered in this thesis, functioned in other ways than today because of different technological conditions. If this turns out to be true, it could potentially be a theoretical contribution resulting from a historical approach, while it can also be seen as a response to a growing call from analysts for greater attention to the context.[112]

Indeed, in recent years there have been several attempts at using social science methodology on historical data in entrepreneur studies. For instance, Mark Mizruchi uses social network analysis on leaders of major US corporations in the second half of the 20th century, showing that the business elite tended to show a greater degree of internal cohesion in the face of an external threat,[113] while John Padgett and Christopher Ansell analyze the social networks of the Medici in the early 15th century, arguing that the Medici were successful at controlling power in northern Italy partly because they alone spanned all personal networks of importance.[114] Both examples suggest that the introduction of social science methodology in the service of analyzing historical data in business studies can lead to insights which might not emerge in the course of a more straightforward historical analysis, adding to the rationale for elaborating the approach to my research in this thesis.

Interestingly, the possibility of adopting a historical approach to a subject usually studied mostly because of its present-day importance has also engaged several students of transnational migration, incidentally a topic of relevance to Andersen's experience more than a century ago. For example, Glick Schiller asks, "How new is transnational migration? Are we witnessing a new form of human settlement, or is it only our analytical paradigm that has

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[111] R. Daniel Wadhwani, "Historical reasoning and the development of entrepreneurship theory," in, *Historical Foundations of Entrepreneurship Research* eds. Hans Landström and Franz Lohrke (Cheltenham: Edward Elgar, 2010), 353.

[112] See for example, Stephen P. Borgatti, Daniel J. Brass and Daniel S. Halgin, "Social Network Research: Confusions, Criticisms, and Controversies" in *Contemporary Perspectives on Organizational Social Networks*, eds. Giuseppe Labianca, Ajay Mehra, Stephen P. Borgatti, Daniel Brass, and Daniel Halgin (Bingley: Emerald Publishing, 2014).

[113] Mark S. Mizruchi, "Cohesion, power, and fragmentation: Some theoretical observations based on a historical case" in *Contemporary Perspectives on Organizational Social Networks*, eds. Giuseppe Labianca, Ajay Mehra, Stephen P. Borgatti, Daniel Brass, and Daniel Halgin (Bingley: Emerald Publishing, 2014).

[114] John F. Padgett and Christopher K. Ansell, "Robust action and the rise of the Medici, 1400-1434," *American Journal of Sociology*, vol. 98, no. 6 (May 1993): 1259-1319.

changed?"[115] To some scholars, if the latter were the case, it would mean that transnational migration would somehow be less valid as an object of inquiry; however, this argument has been dismissed by for example Alejandro Portes et al., pointing out that "the existence of precedents to contemporary immigrant transnationalism does not invalidate its potential theoretical importance. Indeed, the retrospective rediscovery of similar activities among immigrants at the turn of the twentieth century highlights the value of the concept in pointing to previously overlooked connections."[116] According to this latter view, it is very likely that greater knowledge of historical precedents will enrich understanding of a phenomenon in its present form. As Nancy Foner writes in favor of looking at transnationalism from a historical perspective: "Transnationalism has been with us for a long time, and a comparison with the past allows us to assess just what is new about the patterns and processes involved in transnational ties today."[117]

Turning to entrepreneur studies, there are, of course, examples of research adopting a historical angle. Employing a biographical approach, Alistair Mutch, takes as his subject Sir Andrew Barclay Walker, a late-19th-century British brewer, suggesting that individual agency may be possible despite strong institutional constraints through the mechanism of autonomous reflexivity, a personality trait seen as being especially frequent among entrepreneurs willing to "strike out on their own".[118] Other scholars adopt a macro-perspective, such as Paul H. Wilken, who views entrepreneurship as a component in the creation of growth and seeks to disentangle the extent to which entrepreneurs contributed to overall economic growth in Great Britain, France, Germany, Japan, the United States and Imperial Russia.[119] It is, however, important to make a distinction here: Often when they choose a historical perspective on entrepreneurship, researchers in fact trace the development over time of entrepreneurial *theory*, not of entrepreneurship per se. For example, in their monograph titled somewhat ambiguously *A history of entrepreneurship*, Robert F. Hébert and Albert N. Link outline the various schools of thought within entrepreneur studies and their evolution over the past three centuries, beginning with French economist Richard Cantillon.[120]

In a sense, of course, all entrepreneur study is historical, insofar as everything that is not taking place in the moment and has already receded into the past is, strictly speaking, history. In this very literal sense of the word, the point in time when the reader began reading this

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115 Nina Glick Schiller: "Transmigrants and Nation-States: Something Old and Something New in the U.S. Immigrant Experience," in *The Handbook of International Migration: The American Experience*, ed. Charles Hirschman et al. (New York NY: Russell Sage Foundation, 1999), 95.

116 Alejandro Portes, William J. Haller and Luis Eduardo Guarnizo, "Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation," *American Sociological Review*, vol. 67, no. 2 (April, 2002): 281. As the authors point out, there is an approximate parallel in the history of ideas, where a fallacy occurs when an idea is being rejected if it is found to have had incomplete or overlooked precursors in the past, see Robert K. Merton, "On the History and Systematics of Sociological Theory," in Robert K. Merton, *Social Theory and Social Structure* (New York NY: Free Press, 1968).

117 Nancy Foner, "What's New About Transnationalism?: New York Immigrants Today and at the Turn of the Century," *Diaspora: A Journal of Transnational Studies*, vol. 6, no. 3 (winter 1997): 371.

118Alistair Mutch, "Reflexivity and the Institutional Entrepreneur: A Historical Exploration," *Organization Studies*, vol. 28, no. 7 (July 2007): 1123-1140.

119 Paul H. Wilken, *Entrepreneurship: A Comparative and Historical Study* (Norwood NJ: Ablex, 1979).

120 Robert F. Hébert and Albert N. Link, *A History of Entrepreneurship* (London and New York NY: Routledge, 2009).

sentence is already “history”. That being said, it must also be pointed out that entrepreneur studies that take as their subject the very recent past deal with history in a different way than studies that look back decades or centuries. For example, a study of Elon Musk or even, although he has been dead since 2011, Steve Jobs, will involve a subject located in a familiar environment, i.e. a world of Internet, of a rising China and of concern about the climate. It is a world that is immediately familiar to us and needs no further introduction. Entrepreneur studies are historical in a different sense when the world they describe is of such an age that the differences compared with our own age become factors in need of explanation. It is not the purpose of this thesis to pinpoint a specific point in time before which entrepreneur studies become historical in nature, if such a point can even be identified. Suffice to say that Andersen is distant enough in time to merit being characterized as a historical case.

3.2. Structures and macro-historical processes

Andersen’s world was that of treaty-port China, set apart from the rest of China in an institutional, legal and cultural sense, and any attempt to explain his career trajectory must necessarily take into account the various social contexts that he was embedded in at any given time, at the same time as asking why seemingly identical entrepreneurs, equally endowed and positioned in the same market, but located in different social contexts, might have ended up with completely different career outcomes.[121] No entrepreneur operates in a vacuum, detached from the setting he has been placed in, whether by accident of birth or by personal choice, or a combination of both, and as George Smith points out, the historical circumstances are crucial in understanding management and entrepreneurship.[122] Not only are the actions of an entrepreneur determined to a great extent by where he finds himself in the space and time continuum, but, by extension, these actions can only be fully understood with reference to the context.[123]

This context may assume many alternative forms, but in the case of entrepreneurs, markets are what primarily comes to mind. As many scholars including Robert Kloosterman and Jan Rath have argued, markets are a necessary precondition for the rise of entrepreneurship in its conventional sense, offering the two key components of accessibility and growth potential.[124] However, as Kloosterman et al. state in other research, “markets” may be too narrow a term to fully describe the concrete reality encountered by entrepreneurs. Not only does the term fail to express the fact that entrepreneurs rarely make their decisions based solely on supply and demand, since they must also take factors such as the level of available technology and their own resources into account. It also does not amply reflect the idea that markets

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[121] This is not *per se* a rejection of the “rational actor” paradigm espoused by classical and neoclassical economics, but simply a claim that social context matters and will affect the choices made even by the proverbial rational actor.

[122] George E. Smith, “Management History and Historical Context: Potential Benefits of Its Inclusion in the Management Curriculum,” *Academy of Management Learning & Education*, vol. 6, no. 4 (December 2007): 522-533.

[123] For example, the relationship between entrepreneurs and the state is to a large degree context-dependent, see Zhou Yongming, “Social capital and power: Entrepreneurial elite and the state in contemporary China,” *Policy Sciences*, vol. 33, no. 3-4 (December 2000): 323–340 esp. 337-339.

[124] Robert Kloosterman and Jan Rath, “Immigrant entrepreneurs in advanced economies: Mixed embeddedness further explored,” *Journal of Ethnic and Migration Studies*, vol. 27, no. 2 (April 2001): 189-201.

themselves are not isolated entities as they are embedded in institutions including the political system, the legal and regulatory framework, and informal networks. A better term which more adequately covers the totality of empirical reality faced by the entrepreneur is *opportunity structure*.[125] This terminology also fits well with the behavioral approach to entrepreneurship, directing attention towards the way in which the entrepreneur acts and reacts in response to changes in his environment.

The opportunity structure at any given time in history is conditioned by larger macro-historical forces or processes. These macro-historical processes are in a constant state of flux and given the larger historical canvas that formed the background of Andersen's biography, that of western imperialism in its most evolved and, many would argue, exploitative stage, it is likely that the three processes of industrialization, internationalization and colonization were particularly important. At the time when Andersen embarked on his career, the industrial might of the major European powers, which in all senses except geography also included the United States, had propelled them to a position of unrivaled predominance worldwide, as communications and transportation technologies enabled them to extend their clout to the farthest corners of the world. It may be argued that even though China was never reduced to the status of a colony, in the big coastal cities where Andersen spent most of his career, the administrative arrangements had yielded power to foreigners to an extent that one could talk of semi-colonial conditions.[126]

A fourth process, technological development, should be added to this list. In respect to this particular process, one could argue that the entrepreneur not only harnesses already existing technologies to his goals, but also plays a crucial part *ab origine* in actively developing and forming it to attain specific business goals, i.e. helping to determine which technologies are introduced and in what way. To return to vocabulary introduced earlier in this chapter, here we move towards the actor part of the actor-structure dichotomy. Of particular interest in this regard, given Andersen's background as an engineer and his role in introducing the Bonsack cigarette-making machine to the Chinese market, is the concept of *technological entrepreneurship*. As pointed out by Solomon Rossum Habtay, such entrepreneurship can be driven either by new technological breakthroughs or by market demand prompting firms to undertake research and development, which in turn produces technological breakthroughs,[127] or, according to Ian Chaston, it can be a combination of the two.[128] This is the case with the Bonsack machine, whose origin was in a conscious effort by the American tobacco industry

[125] Robert Kloosterman, Joanne van der Leun and Jan Rath, "Mixed Embeddedness: (In)formal Economic Activities and Immigrant Businesses in the Netherlands," *International Journal of Urban and Regional Research*, vol. 23, no. 2 (June 1999): 252-266.
[126] The term "semi-colonialism" has been widely used in describing conditions in China during the century following the end of the First Opium War. See for example Anne Reinhardt, *Navigating Semi-Colonialism: Shipping, Sovereignty, and Nation-Building in China, 1860–1937* (Cambridge, MA: Harvard University Press, 2018). As a description specifically of the British presence in China, Howlett uses it synonymously with "informal empire," see Jonathan J. Howlett, "'Decolonisation' in China, 1949–1959," in *Britain and China, 1840–1970: Empire, Finance and War*, ed. Robert Bickers and Jonathan J. Howlett (New York NY: Routledge, 2016), 223.
[127] Solomon Rossum Habtay, "A firm-level analysis on the relative difference between technology-driven and market-driven disruptive business model innovations," *Creativity and Innovation Management*, vol. 21, no. 3 (2012): 291-302.
[128] Ian Chaston, *Technological Entrepreneurship: Technology-Driven vs Market-Driven Innovation* (London: Palgrave Macmillan, 2017), 9.

to devise new ways of mass-producing cigarettes, but had become an existing technology by the time Andersen adopted it for the China market.

Another key concept is that of pioneering efforts, or put slightly differently, that of being a front runner who can drive *disruptive innovation*, described by Clayton M. Christensen in much recent work,[129] of which the Bonsack machine is a prime example, erasing an entire industry of hand-rolled cigarettes. We can link the two concepts together through Joseph A. Schumpeter's description of the role of the entrepreneur in bringing about a "perennial gale of creative destruction."[130] In the words of one of Schumpeter's commentators, "change in economic life always starts with the actions of a forceful individual and then spreads to the rest of the economy."[131] Andersen's career, and in particular his role in bringing the Bonsack machine to China, can be seen as a case study of this phenomenon. Edwin F. Gay, the founding father of economic history as an academic discipline in the United States, argued that "the self-centered, active individual is a disruptive force, and there are periods when the cake of custom must be broken, when that disruptive innovating energy is socially advantageous and must be given freer opportunity."[132]

In light of the inescapable fact that much research on entrepreneurship emphasizes the individual entrepreneur, I will now move from the macro-level to the micro-level, and briefly outline the various ways that the person of the entrepreneur has been approached in the research so far and demonstrate that at its heart, much entrepreneurship research is grappling with the dichotomy of agent versus structure, i.e. the link between the micro- and the macro-level.

3.3. The entrepreneur: from traits and behavior to agency and structure

The French economist Jean-Baptiste Say, who coined the word "entrepreneur", also pointed to two basic ways of approaching the concept of entrepreneurship. An entrepreneur, according to Say, "is an undertaker who unites all […] means of production, and who finds in the value of the products which results from them, the re-establishment of the entire capital he employs, and the value of the wages, the interest and the rent which he pays, as well as the profits belonging to himself."[133] In order to accomplish this, the entrepreneur must possess a combination of "moral qualities" rarely found in one individual, Say argues: "Judgment, perseverance, and a knowledge of the world, as well as of business. He is called upon to estimate, with tolerable accuracy, the importance of the specific product, the probable amount of the demand, and the means of its production: at one time he must employ a great number of hands; at another, buy or order the raw material, collect laborers, find consumers, and give

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[129] Clayton M. Christensen, *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* (Boston MA: Harvard Business School Press, 1997); Clayton M. Christensen, *The Innovator's Solution: Creating and Sustaining Successful Growth* (Boston MA: Harvard Business Press, 2003).
[130] Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (London: George Allen & Unwin, 1994), 87.
[131] Ibid., xi.
[132] Quoted in Arthur H. Cole, "An Approach to the Study of Entrepreneurship: A Tribute to Edwin F. Gay," *The Journal of Economic History*, vol. 6, Supplement: The Tasks of Economic History (May 1946): 1.
[133] Jean-Baptiste Say, *Catechism of Political Economy* (London: Sherwood, Neely, and Jones, 1816), 28-29.

at all times a rigid attention to order and economy; in a word, he must possess the art of superintendence and administration."[134]

What these two quotes show is the remarkable fact that at the very moment when he developed the idea of entrepreneurship, Say distinguished between two basic ways of approaching the concept that are still considered valid nearly two centuries on. One approach concerns itself with who the entrepreneur *is*, the other with what he *does*. The two approaches, which are usually labelled respectively as the "traits" and "behavioral" approaches in contemporary literature, are complementary rather than contradictory.[135] As the Say quotes suggest, it could even be argued that one follows from the other in almost logical fashion: successful entrepreneurship presupposes a certain number of actions and behaviors, and for an actor to be able to act or behave in this way, he must possess a specific mixture of personality traits.

A vast body of research has been carried out in a quest to identify personality traits that are conducive to entrepreneurship. Examples of individual entrepreneurial features described in the course of half century of scientific inquiry cover objective variables such as age[136] and employment status,[137] as well as psychological variables including values,[138] need for achievement,[139] optimism,[140] and risk-taking propensity.[141] As far as the psychological variables are concerned, some researchers have gone one step further, seeking to disentangle genetic and environmental factors in the development of the entrepreneur.[142] Recent research of twins suggests that genetic factors have an impact on the tendency to become an entrepreneur, with monozygotic twins statistically more likely to engage in self-employment than their same-sex dizygotic counterparts.[143] Further research along similar lines has, however, shown only firm empirical support of the thesis as far as female entrepreneurs is concerned,[144] while there is also only partial evidence for the claim that genetics also affect

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[134] Jean-Baptiste Say, *A Treatise on Political Economy* (Philadelphia PA: J. B. Lippincott, 1859), 330-331.

[135] For the traits approach, see for example R. M. Steers, C. J. Sanchez-Runde and L. Nardon, "Culture, cognition, and managerial leadership," *Asia Pacific Business Review*, vol. 18 no. 3 (2012): 425-439; and T. Keller and J. Weibler, "Behind managers' ambidexterity: Studying personal traits, leadership and environmental conditions," *Schmalenbach Business Review*, vol. 66 no. 3 (2014): 309-333.

[136] Timothy Bates, "Self-employment entry across industry groups," *Journal of Business Venturing*, vol. 10, no. 2 (March 1995): 143-156.

[137] Jari Ritsilä and Hannu Tervo, "Effects of Unemployment on New Firm Formation: Micro-Level Panel Data Evidence from Finland," *Small Business Economics*, vol.19, no. 1 (2002): 31-40.

[138] James F. Decarlo and Paul R. Lyons, "A Comparison of Selected Personal Characteristics of Minority and Non-Minority Female Entrepreneurs," *Academy of Management Proceedings*, vol. 1 (1979): 369-373.

[139] David McClelland, *The Achieving Society* (Princeton NJ: D. Van Norstrand, 1961).

[140] Arnold C. Cooper et al., "Entrepreneurs' perceived chances for success," *Journal of Business Venturing*, vol. 3, No. 2 (Spring 1988): 97-108.

[141] Wayne H. Steward and Philip L. Roth, "Risk Propensity Differences Between Entrepreneurs and Managers: A Meta-Analytic Review," *Journal of Applied Psychology*, vol. 86, no. 1 (2001): 145-153; Lowell W. Busenitz, "Entrepreneurial Risk and Strategic Decision Making: It's a Matter of Perspective," *The Journal of Applied Behavioral Science*, vol. 25, no. 3 (September 1999): 325-340. In the latter study, it is demonstrated that entrepreneurs typically do not describe themselves as prone to taking risk, at the same time as they view objective risk more positively than other categories of professionals, suggesting an element of over-confidence.

[142] Addressing the same distinction, Bridge and O'Neill refer to "nature versus nurture", see Simon Bridge and Ken O'Neill, *Understanding Enterprise: Entrepreneur & Small Business* (London: Macmillan, 2018), 67-70.

[143] Nicos Nicolaou et al., "Is the Tendency to Engage in Entrepreneurship Genetic?" *Management Science*, vol. 54, no. 1 (January 2008): 172-174.

[144] Zhang Zhen et al., "The genetic basis of entrepreneurship: Effects of gender and personality," *Organizational Behavior and Human Decision Processes*, vol.110, no. 2 (2009): 102-104.

performance as an entrepreneur, leading the authors of one study to suggest a need "to uncover how interactions between genes, institutions and the environment ultimately shape entrepreneurial behavior."[145]

Although on the face of it, the existence of an archetypal entrepreneurial personality would seem to be a plausible proposition, empirically it has proven extremely difficult to pin down the traits that all or even most entrepreneurs share across spatial and temporal boundaries in various historical settings. In their final paragraphs of a review of the literature on entrepreneur psychology, Robert H. Brockhaus and Pamela S. Horwitz state that "most of the attempts to distinguish between entrepreneurs and small business owners or managers have discovered no significant differentiating features."[146] William B. Gartner, producing a comprehensive inventory of entrepreneur traits identified in past research, observes a lack of homogeneity in the samples of entrepreneurial traits described in the literature, arguing that if they were all put together into the psychological profile of one person, he would amount to a generic "Everyman" or, less kindly, a Frankenstein's monster consisting of bits and pieces of personalia uncovered in past research.[147]

The obvious alternative is to focus on entrepreneurial behavior, since, as a recent monograph puts it, "an entrepreneur is what an entrepreneur does."[148] According to this logic, the behavioral approach brings us closer to the subject, since research into the entrepreneur, according to Gartner, is one step removed from the essence of entrepreneurship, which is, in the realm of business, the creation of new enterprises, the introduction of new products, and so on. To illustrate his point, Gartner quotes the poet W. B. Yeats, who asked "How can we know the dancer from the dance?"[149] By adopting a behavioral approach, Gartner argues that "we do not artificially separate dancer from dance, we do not attempt to fashion a reassuring simplicity."[150] In addition, from a methodological point of view one can argue that behavior, being observable and verifiable, at least in principle, lends itself more easily to empirical research than personality traits, which must be derived from more immediate evidence, i.e. the very actions and behaviors that are at the core of the behavioral approach.

By denying that entrepreneurs have in common certain personality traits, proponents of the behavioral approach arguably claim, albeit implicitly, that anyone can become an entrepreneur given the right conditions. "The non-dancers would have danced had, say, the music or the hall allowed for dancing to take place," in the words of Stratos Ramoglou, expanding on Yeats.[151] This flies in the face of the obvious fact that it is not empirically the case that every person placed in similar conditions behave entrepreneurially. As Ramoglou

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[145] Scott Shane and Nicos Nicolaou, "The genetics of entrepreneurial performance," *International Small Business Journal*, vol. 31, no. 5 (August 2013): 486-488.
[146] Robert H. Brockhaus and Pamela S. Horwitz, "The Psychology of the Entrepreneur," in *The Art and Science of Entrepreneurship* ed. D. Sexton and R. Smilor (Cambridge, MA: Ballinger, 1985), 42-43.
[147] William B. Gartner, "'Who Is an Entrepreneur?' Is the Wrong Question," *American Journal of Small Business*, vol. 12, no. 4 (spring 1988): 11-32. The reference to Frankenstein's monster is mine.
[148] Mark Casson and Catherine Casson, *The Entrepreneur in History: From Medieval Merchant to Modern Business Leader* (Basingstoke: Palgrave Macmillan, 2013), 22.
[149] In the poem "Among School Children," printed in W. B. Yeats, *The Collected Poems of W. B. Yeats* (Ware: Wordsworth, 1989), 185.
[150] William B. Gartner, "'Who Is an Entrepreneur?'", 28.
[151] Stratos Ramoglou, "Who is a 'non-entrepreneur'?: Taking the 'others' of entrepreneurship seriously," *International Small Business Journal*, vol. 31, no. 4 (2011): 433.

puts it, “the music is being played, yet only a handful dance.” As the paraphrases of the Yeats metaphor make clear, a decision on whether to adopt a traits or a behavioral approach is very much linked to a decision on the importance of structure versus agency. For the behavioralists, structure – the music and the hall – set the stage and force everyone to dance. According to the traits approach, structure does not determine agency: some dance, others don’t.

Put slightly differently, it might be argued that an emphasis on behavior rather than traits pushes the analysis towards a preoccupation with structure rather than actor. In the actor-structure dichotomy, the focus of analysis is, in my view, tilted towards the structural dimension by the fact that the behavior approach is concerned with a person’s measurable reactions to stimuli from his surroundings, i.e. structure. By contrast, a traits approach would tend to seek explanations of entrepreneurship “from within” the actor, thus attaching relatively more importance to the actor end. In most cases, the existing literature does not explicitly link the traits/behavior dichotomy to the agency/structure dichotomy, although, as demonstrated above, there are important parallels between the two dichotomies, and they offer a way to go from one of the most fundamental questions of entrepreneur studies (is an entrepreneur defined by inherent traits or by behavior?) to one of the most fundamental questions of social science overall (is an agent free to act or is he constrained by structure?).

The view taken here is that attention to both agency and structure at the same time is possible. In other words, and to stay within the dance analogy, even though structure sets the stage for the entrepreneur – few would dance if there was no music – it would be wrong to claim that structure directly predetermines entrepreneurship. The same music will not prompt everyone to dance exactly the same way; some may choose not to dance at all, and some – the “ballroom entrepreneurs” may invent entirely new dances. The metaphor suggests wriggle room for personal choice, rather than the iron law of structural determinism, and may help provide a tentative answer to one of the basic questions of this thesis: why do some individuals become entrepreneurs, and others not, even though they are faced with similar circumstances or, to stay within the agency/structure terminology, find themselves in similar structural positions? Having opted for an approach that rejects determinism for either agency or structure, and rather posits a complex interplay between agency and structure, I will now turn to a more detailed exploration of what insights attention to the agency-structure dichotomy may offer to entrepreneur studies.

3.4. Agency despite structures: reflexivity and networks

A useful concept to account for agency despite the existence of objective structures is reflexivity as a mediating mechanism as described by Margaret Archer. Archer takes as her point of departure conversations that people have with themselves from an early age and throughout life in ways that end up determining their place in society, as “the subjective powers of reflexivity mediate the role that objective structural or cultural powers play in influencing social action and are thus indispensable to explaining social outcome.”[152] In the paraphrase by Martin Dyke, Brenda Johnston and Alison Fuller, “people’s ability to reflect

[152] Margaret S. Archer, *Making Our Way through the World: Human Reflexivity and Social Mobility* (New York NY: Cambridge University Press, 2007), 5.

upon their circumstances shapes their concerns, and in turn influences the way they choose to act in the world."[153] Archer identifies different modes of reflexivity, with the "autonomous reflexive" mode being the one most directly linked to the entrepreneurial personality, as it is characterized by "self-contained internal conversations, leading directly to action."[154] In my view, this conforms with the traits approach to entrepreneurialism discussed above and provides a theoretical rationale for allowing some space for individual agency even in conditions of tight structural constraints.

Pointing towards another solution that can bridge the divide between the two perspectives, there has been a growing call in recent years for attention to be paid to human agency in social networks. As Stephen R. Borgatti, Daniel J. Brass and Daniel S. Halgin argue, "with its emphasis on the pattern of relationships among actors, some have questioned whether structure has overwhelmed agency in social network analysis. Given that actors may intentionally affect the structure of the network, how can a causal focus on structure be justified?"[155] A possible answer is suggested by Stefano Tasselli, Martin Kilduff and Jochen I. Menges, who describe a "coevolutionary perspective" between agency and structure where "individual actions and network structure coevolve in a dynamic process of reciprocal influence."[156]

In an early discussion of the agency/structure dichotomy within social network theory, Mustafa Emirbayer and Jeff Goodwin argue that social network analysis "fails to show exactly how it is that intentional, creative human action serves in part to constitute those very social networks that so powerfully constrain actors in turn."[157] Ranjay Gulati and Sameer B. Srivastava point the way towards an ingenious solution to this conundrum, proposing the concept of "constrained agency" in social network studies to describe the constraints imposed on the actor by structure or network, as well as his ability to affect structure or network in turn: "Positions in a social structure importantly shape actors' resources and motivations; in turn, resources equip actors to exert agency while motivations propel them to do so."[158] I find this perspective useful, as it brings to the fore *resources*, a key concept within social science, but I believe it can be amplified by further emphasizing the historical context within which the interaction between actor and social network takes place. To elaborate, it is my claim that Gulati's and Srivastava's model can be enriched by emphasizing that resources are not created *ex nihilo* within the social networks, but in an interplay between actor, network, and broader historical context, as described in section 3.2.

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[153] Martin Dyke, Brenda Johnston and Alison Fuller, "Approaches to reflexivity: navigating educational and career pathways," *British Journal of Sociology of Education*, vol. 33, no. 6 (November 2012): 832.
[154] Archer, *Making Our Way*, 93.
[155] Stephen P. Borgatti et al., "Social Network Research: Confusions, Criticisms, and Controversies", 2.
[156] Stefano Tasselli, Martin Kilduff and Jochen I. Menges, "The Microfoundations of Organizational Social Networks: A Review and an Agenda for Future Research," in *Journal of Management*, vol. 41, no. 5 (July 2015): 1380.
[157] Mustafa Emirbayer and Jeff Goodwin, "Network Analysis, Culture, and the Problem of Agency," *American Journal of Sociology*, vol. 99, no. 6 (May 1994): 1413.
[158] Ranjay Gulati and Sameer B. Srivastava, "Bringing Agency Back into Network Research: Constrained agenc and network action" in *Contemporary Perspectives on Organizational Social Networks*, eds. Giuseppe Labianca, Ajay Mehra, Stephen P. Borgatti, Daniel Brass, and Daniel Halgin (Bingley: Emerald Publishing, 2014), 86.

According to Portes, social networks are the predominant influence, as "it is in networks that much (although not all) economic action is socially embedded."[159] Appreciation of the importance of social networks as a precondition for entrepreneurship is, however, a relatively recent phenomenon. Writing in 1979 about entrepreneurship seen in a historical perspective, Paul H. Wilken lists factors conducive to the emergence of entrepreneurship, including: capital, labor, raw materials, technology, markets, opportunity conditions, legitimacy of entrepreneurship, social mobility, ideology and psychological factors, but leaves out social networks.[160] Since then, however, a large and growing body of research exists into the importance of social networks for the emergence of entrepreneurship, highlighting the interactive relationship between the network and its members, with often highly important consequences for when and under what circumstances entrepreneurship may result.

3.5. Entrepreneurship and social networks: closure and brokerage

The literature on entrepreneurial networks is an extension of basic work on social networks in a more general sense. In his research on social networks, Mark Granovetter proposes, somewhat counterintuitively, the importance of so-called weak ties, as opposed to strong ones. The difference between *strong and weak ties* is roughly equivalent to the difference between friends on the one hand and acquaintances on the other, the former typically being of longer duration and of greater intimacy, in addition to being characterized by a higher degree of reciprocity. The problem with strong ties is that they tend to imply a significant amount of redundancy, as, for example, information which is already well-known among the members of a social network bound together by strong ties gets circulated and re-circulated. New information is rarely introduced. [161]

Weak ties, by contrast, connect individuals who are members of separate close networks, acting as a bridge across which new information and new ideas can be transmitted. "The weak tie… becomes not merely a trivial acquaintance tie but rather a crucial bridge between… two densely knit clumps of close friends," according to Granovetter.[162] Weak ties are "indispensable to individuals' opportunities and to their integration into communities; strong ties, breeding local cohesion, lead to overall fragmentation."[163] This has implications at the macro-level, he argues: "Social systems lacking in weak ties will be fragmented and incoherent. New ideas will spread slowly, scientific endeavors will be handicapped, and subgroups separated by race, ethnicity, geography or other characteristics will have difficulty reaching a *modus vivendi*."[164]

Granovetter is somewhat contradicted by James S. Coleman, who argues that strong ties yield solidarity benefits and that, therefore, *closure* in social networks is a necessary condition for

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[159] Alejandro Portes, *Economic Sociology: A Systematic Inquiry* (Princeton NJ: Princeton University Press, 2010), 27. See also, however, Shelley Feldman's criticism of Portes' emphasis on social network to the exclusion of other forms of context, "Whither Historical Capitalism: Social Networks, Micro-level Analyses, and the New Economic Sociology," *Contemporary Sociology*, vol. 40, no. 5 (September 2011): 545-548.
[160] Wilken, *Entrepreneurship*, 257-264.
[161] Mark Granovetter, "The Strength of Weak Ties," *The American Journal of Sociology*, vol. 78, no. 6 (May 1973): 1361.
[162] Mark Granovetter, "The Strength of Weak Ties: A Network Theory Revisited," *Sociological Theory*, vol. 1 (1983): 202.
[163] Granovetter, "The Strength of Weak Ties," 1378.
[164] Mark Granovetter, "The Strength of Weak Ties: A Network Theory Revisited," 202.

the development of social capital.[165] Closure is a measure of how tightly knit a network is, and it gives rise to social capital, which has been defined as trust, norms and other features of social organization that facilitate coordinated action.[166] An individual's social capital is a product of how connected that individual is, since, in the words of another researcher, "networks with closure – that is to say, networks in which everyone is connected – such that no one can escape the notice of others, which is operational terms means a dense network – are the source of social capital."[167] Coleman himself compares social capital with financial capital, in the sense that it implies "credit slips" which are exchanged among members of the social network.[168] As credit slips are paid back, they allow for the transmission of complex information, supporting empirical findings that frequent communication is conducive to innovation.[169]

Also attaching importance to the sharing of information, Ronald S. Burt emphasizes the space between the various social networks, or clusters. He describes "an information Polynesia in which the clusters are islands of opinion and behavior."[170] The gaps between the islands are *structural holes*, a key concept for Burt, and the conceptual equivalent of ancient Polynesian explorers are individuals who are connected by weak links to neighboring clusters and set out in metaphorical small boats to connect the islands and perform *brokerage* by introducing new ideas to other networks. Entrepreneurs, who may for example introduce new products and technologies into virgin markets, are such brokers par excellence. "The social capital for structural holes," according to Burt, "comes from the opportunities that holes provide to broker the flow of information between people and shape the projects that bring together people from opposite sides of the hole."[171] In recent work, Burt has further elaborated on the contrast between his work and Coleman's, arguing that a trade-off exists among different types of networks in that "achievement is more likely from people with large, open networks and that trust and reputation are more likely in closed networks."[172] It can thus be linked to the concept of opportunity structure, described in section 3.2, which goes beyond the mere opportunities provided by the markets.

The concept of structural holes is basically straightforward and illustrated in Fig. 1. Graphic (a) shows a network consisting of members A, B and C. The network has no structural holes, and A has no special advantage over B and C since they can communicate directly with each other. In graphic (b) there is a structural hole between B and C, meaning there is no direct line of communication between them, as they may in fact not even know of each other's existence. This creates a strategic advantage for A as the channel through which all communication between B and C must necessarily pass.

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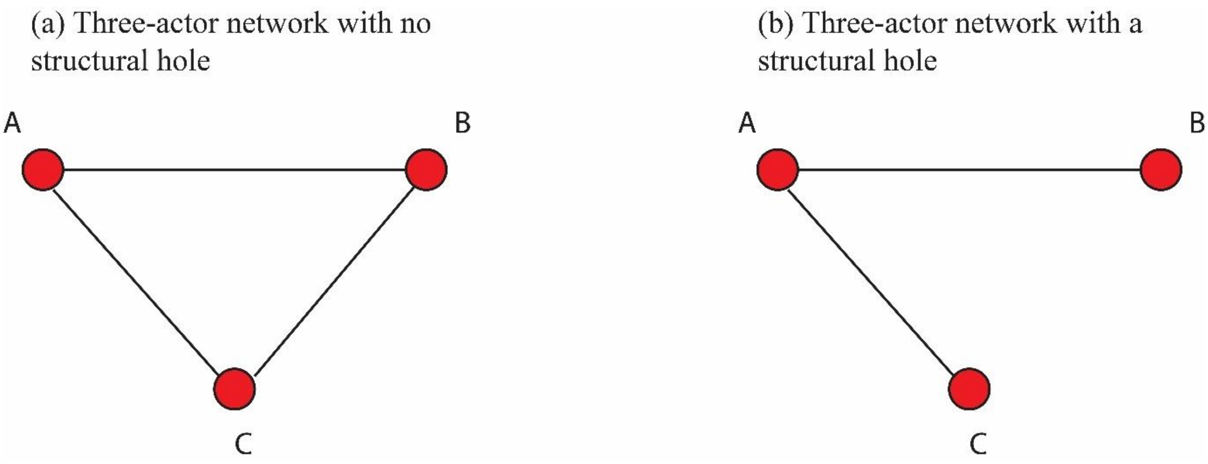
[165] James S. Coleman, "Social Capital in the Creation of Human Capital," *American Journal of Sociology*, vol. 94, Supplement (1988): S95-S120.
[166] Robert D. Putnam, *Making Democracy Work* (Princeton NJ: Princeton University Press, 1993), 167.
[167] Ronald S. Burt, "Structural Holes versus Network Closure as Social Capital," in *Social Capital: Theory and Research*, ed. Nan Lin et al. (Hawthorne NY: Aldine de Gruyter, 2001), 37.
[168] James S. Coleman, "Social Capital in the Creation of Human Capital," S95-S120.
[169] Katja Rost, "The strength of strong ties in the creation of innovation," *Research Policy*, vol. 40 (2011): 589.
[170] Ronald S. Burt, *Brokerage & Closure: An Introduction to Social Capital* (Oxford: Oxford University Press, 2005), 15.
[171] Ibid., 18.
[172] Ronald S. Burt and Katarzyna Burzynska, "Chinese Entrepreneurs, Social Networks, and Guanxi," *Management and Organization Review*, vol. 13, no. 2 (June 2017): 222.

Fig. 1. Structural holes. Adapted from Robert A. Hanneman and Mark Riddle, "Introduction to social network methods," Chapter 9. Online text. http://faculty.ucr.edu/~hanneman/nettext/



Structural holes are key to understanding why Andersen succeeded as a businessman in treaty-port China, but do not in and of themselves address the issue of culture, and also do not help predict when and under what circumstances an individual may take advantage of his position in relation to the structural holes. In a seminal article, Mark A. Pachucki and Ronald L. Breiger introduce the "heuristic" of *cultural holes* to bring culture back into social network theory, proposing among other things that the concept helps explain the cultural contingency of whether or not structural holes can be used strategically.[173] According to Orly Levy et al., structural holes and cultural holes are conceptually distinct, "with the former denoting a gap in the social fabric and the latter a gap in the cultural fabric;" with consequences for brokerage in the sense that "bridging structural holes is defined as creating a tie between otherwise disconnected actors… that operate across global networks… [while] bridging cultural holes is defined as connecting between cultural forms that are separated, dissimilar, or incompatible."[174]

The concept has been employed empirically by Paul Ingram and Brian S. Silverman to elucidate the Liverpool slave trade, showing that cultural holes are harder to traverse, since they span different values: "The abolition movement transformed relationships between slavers and nonslavers from structural holes, from which the parties have access to different but potentially reconcilable bases of knowledge, to a form of 'cultural holes'."[175] The corollary of the depth of cultural holes is that there is a special premium on individuals who are able to "develop and maintain private and professional transnational social networks of weak ties," or, to put it differently, perform brokerage.[176] The importance of an ability to span cultural boundaries is especially pronounced in an inherently cross-cultural environment such

[173] Mark A. Pachucki and Ronald L. Breiger, "Cultural Holes: Beyond Relationality in Social Networks and Culture," *Annual Review of Sociology*, vol. 36 (2010): 205-224.
[174] Orly Levy, Hyun-Jung Lee, Karsten Jonsen and Maury A. Peiperl, "Transcultural Brokerage: The Role of Cosmopolitans in Bridging Structural and Cultural Holes," *Journal of Management*, vol. 45, no. 2 (February 2019): 426-427.
[175] Paul Ingram and Brian S. Silverman, "The Cultural Contingency of Structure: Evidence from Entry to the Slave Trade in and Around the Abolition Movement," *American Journal of Sociology*, vol.122, no. 3 (November 2016): 765.
[176] Levy et al., "Transcultural Brokerage," 428.

as treaty-port China. The question is, what is the nature of this ability? What does it take to become a cross-cultural entrepreneur? What skills and qualities are required? These are questions that I will now turn to.

3.6. Cross-cultural entrepreneurship

Whereas cross-cultural management and cross-cultural marketing have been the subject of intensive research since at least the early 20th century,[177] cross-cultural entrepreneurship is still somewhat underdeveloped.[178] This is a state of affairs that is not help by the slipperiness of the concept of culture. An early attempt by Clyde Kluckhohn and Alfred Kroeber to bring order to the ways in which the word "culture" had been used by academics famously came up with a total of 161 different definitions.[179] At about the same time, Kluckhohn coined a definition, which has subsequently been widely accepted: "Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values."[180]

Everything in this long definition points towards the final word, which is also the key word: "values," and half a century on, values remain a key concept in more recent definitions of culture, such as the one provided by Joel Morkyr in his history of the origins of the modern economy.[181] This is not a coincidence but suggests the centrality of values in determining behavior and interaction with others. According to a separate definition provided by Shalom S. Schwartz, values are "conceptions that guide the way social actors (e.g. organizational leaders, policy-makers, individual persons) select actions, evaluate people and events, and explain their actions and evaluations."[182]

To operationalize the concept of culture and particularly the values it embodies, Geert Hofstede has pinpointed a number of so-called culture factors, including: individualism, uncertainty avoidance, power distance, masculinity, and long-term orientation.[183] Hofstede's operationalizations have been the subject of considerable criticism, including areas such as levels of analysis, validity of measurements and the problem that culturally determined

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177 For a popular example, see Carl Crowe, *Four Hundred Million Customers* (New York NY: Harper & Brothers, 1937).

178 Andreas Engelen, Florian Heinemann and Malte Brettel, "Cross-cultural entrepreneurship research: Current status and framework for future studies," *Journal of International Entrepreneurship*, vol. 7, no. 3 (September 2009): 164.

179 Alfred L. Kroeber and Clyde Kluckhohn, *Culture: A Critical Review of Concepts and Definitions* (Cambridge, MA: Harvard University Peabody Museum of American Archeology and Ethnology, 1952), 41-79.

180 Clyde Kluckhohn, "The Study of Culture," in *The Policy Sciences: Recent Developments in Scope and Method* ed. Daniel Lerner and Harold D. Lasswell (Stanford CA: Stanford University Press, 1951), 181.

181 "Culture is a set of beliefs, values, and preferences, capable of affecting behavior, that are socially (not genetically) transmitted and that are shared by some subset of society." Joel Morkyr, *A Culture of Growth: The Origins of the Modern Economy (*Princeton NJ: Princeton University Press, 2016), 8.

182 Shalom H. Schwartz, "A Theory of Cultural Values and Some Implications for Work," *Applied Psychology: An International Review*, vol. 48, no. 1 (1999), pp. 24-25.

183 Geert Hofstede, *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations* (London: Sage Publications, 2001).

values, supposedly only changing at a very slow pace, have empirically been shown to morph at a relatively fast pace when using the operationalizations proposed by Hofstede.[184]

Turning their attention to entrepreneurs, Rita Gunther McGrath and Ian C. MacMillan have demonstrated that they share certain personality traits across cultures.[185] Others have sought to identify specific characteristics that enable entrepreneurs to function in cross-cultural environments, or what has been termed "cross-cultural competence," including attributes such as knowledge about similarities between one's own culture, and that of one's counterpart; knowledge of what is required to achieve effective communication; and dealing with different social customs.[186] Charles M. Hampden-Turner, Fons Trompenaars, and David Lewis argue that such competence involves, among other things, global vision, i.e. an ability to view opposing cultural values as complementary and to reconcile them in the interest of wealth creation.[187] Global vision entails an ability to discern new opportunities in an alien environment. In the words of Gus M. Geursen and Leo Paul Dana, who have studied foreign entrepreneurs in modern China, "some individuals travel to new countries and see entrepreneurial opportunities. Their contribution is essentially 'intellectual' and therefore entrepreneurial… The global environment has changed from a place to be conquered by large corporations to an opportunity-rich environment for sensitive, entrepreneurial participants."[188]

Interestingly, some dimensions of "cross-cultural competence" that have been identified in the previous literature are linked to social networks, such as the ability to understand different networking behavior in different countries[189] and the ability to build networks across borders.[190] Although the works cited do not link this conceptually with the notion of cultural holes, it would seem that such cross-cultural competence would involve reaching across cultural holes. This provides a direct linkage to the discussion above of the agency/structure dichotomy and its association with social network theory, as it highlights the importance of social networks in providing the necessary if not sufficient preconditions for entrepreneurship. "Cross-cultural competence" can be considered a subcategory within the larger category of resources described in 3.4. The nature of the relationship between category and subcategory is what I will turn to next.

Resources have been classified in various ways. Anthony Giddens, for one, classifies resources according to their objective, i.e. whether they aim at command over things or people: "Allocative resources refer to capabilities – or, more accurately, to forms of

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184 See for example Peter B. Smith, "Culture's Consequences: Something old and something new," *Human Relations*, vol. 55, no. 1 (January 2002): 119-135.
185 Rita Gunther McGrath and Ian C. MacMillan, "More like each other than anyone else? A cross-cultural study of entrepreneurial perceptions," *Journal of Business Venturing*, vol. 7, no. 5 (1992): 419-429.
186 For a helpful inventory of recent research into "cultural competences" and their applicability in cross-cultural entrepreneurship, see Olga Muzychenko, "Cross-cultural entrepreneurial competence in identifying international business opportunities," *European Management Journal*, vol. 26 (2008): 372.
187 Charles M. Hampden-Turner, Fons Trompenaars, and David Lewis, *Building Cross-Cultural Competence: How to Create Wealth from Conflicting Values* (New Haven CT: Yale University Press, 2000).
188 Gus M. Geursen and Leo Paul Dana, "International Entrepreneurship: The Concept of Intellectual Internationalisation," *Journal of Enterprising Culture*, vol. 9, no. 3 (September 2001), p. 350.
189 S. Drakopolou Dodd and E. Patra, "National differences in entrepreneurial networking," *Entrepreneurship and Regional Development*, vol. 14 (2002): 117–134.
190 Olga Muzychenko, "Competence-based approach to teaching international opportunity identification: cross-cultural aspects," *European Journal of International Management*, vol. 2, no. 4 (January 2008).

transformative capacity – generating command over objects, goods or material phenomena. Authoritative resources refer to types of transformative capacity generating command over persons or actors."[191] Another classification of types of resources proposed by Gulati and Srivastava distinguishes between on the one hand *capability-based resources*, which they define as the "the skills, dispositions, and cognitive orientations that actors possess," and may in my view be seen to include the reflexivity proposed by Archer; and on the other *symbolic resources*, described as cultural phenomena such as frames, worldviews and narratives, which "enable actors to shape and alter the meaning and purpose of social relations."[192] This latter classification, which is concerned with the nature of the resources rather than their objective, is somewhat more useful for this thesis, as it is concerned with the origin of entrepreneurship.

Even so, Gulati and Srivastava's classification seems to me to be somewhat lacking, as the symbolic resources do not, explicitly at least, include material or institutional resources such as technology, language or the legal system, although such resources may of course be said to be reflective of or conducive to, for instance, worldviews or narratives. However, the draw a useful line between the actor's own internal capabilities on the one hand, and on the other hand symbolic resources which are external to him. Building on this classification, therefore, I propose a distinction between resources *internal* and *external* to the actor, which I consider more intuitive. Internal and external resources can be subdivided into dimensions corresponding to concrete fields of human endeavor, depending on the empirical reality of the time and place under investigation. In Andersen's case, as laid out in more detail in Chapter 4 about methodology, these dimensions include technical, linguistic, legal and inter-personal resources.

3.7. Summary

Bringing the various strands together, the theoretical approach adopted in this thesis is summarized in figure 1, which outlines the possible avenues hypothesized as leading to cross-cultural entrepreneurship. In its most basic form, which disregards culture as a factor and leaves out history as a dimension, the model posits that capabilities-based/"internal" resources, including reflexivity (a) and symbolic/"external" resources (b) in combination produce specific social network configurations (c).[193] These social networks, in turn, constitute the structural preconditions for entrepreneurship, primarily in the shape of structural holes, enabling certain actors to perform brokerage due to their advantageous location within the network structure (d). Cross-cultural entrepreneurship is a subcategory within the general entrepreneurship category and is hypothesized to result in one of three different ways. First, and most straightforwardly, cross-cultural entrepreneurship happens incidentally as part of general entrepreneurship; for example, a global venture to sell a new brand of cigarettes has a cross-cultural component because the brand is launched not just in its country of origin, but in overseas markets as well (e). Second, cross-cultural competences may in themselves lead to cross-cultural entrepreneurship, as individuals with cross-cultural knowledge and communication skills launch directly into new ventures in alien political,

[191] Anthony Giddens, *The Constitution of Society: Outline of the Theory of Structuration* (Cambridge: Polity Press, 1984), 33.
[192] Gulati and Srivastava, "Bringing Agency Back," 78-79.
[193] As mentioned, the model proposed by Gulati and Srivastava highlights the interplay between social networks and resources, as they argue that social networks shape the actors' resources in a mechanism akin to a feedback loop. For the sake of simplicity, this has not been included in the model adopted here.

social, economic, institutional and cultural environments (f). Third, the same cross-cultural competences may facilitate the establishment of social networks that span different cultures (g), in turn leading to cross-cultural entrepreneurial ventures (h). All of this takes place against a specific historical backdrop which is, however, subject to transformation over time (i).

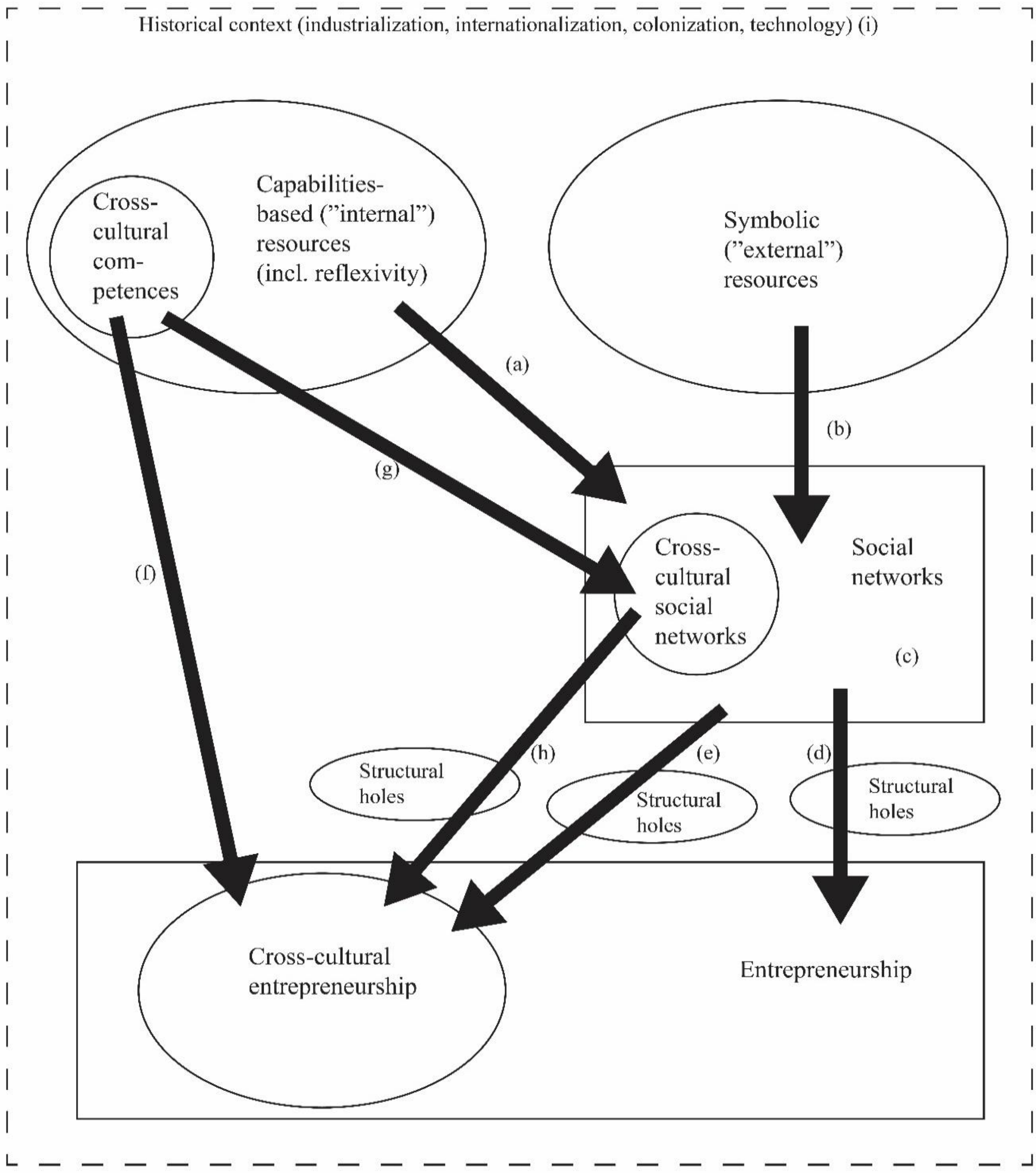

Fig. 2. Entrepreneurship in a cross-cultural setting.

3.8. What's Next: Operationalization and Methodology

In the next chapter, I will explore the methodologies available to analyze Andersen's career as an entrepreneur in a cross-cultural setting. I will propose methodologies to operationalize and analyze a) the *resources,* including cross-cultural competencies, which the entrepreneur is endowed with partly as a result of his position in his social networks and which in turn equip him with the means to navigate and even alter the networks; b) the *networks* which the entrepreneur finds himself in, characterized by strong and weak ties, structural and cultural holes, and the means to perform brokerage; and c) the ever-changing *historical context*, characterized by the dimensions of industrialization, internationalization, colonialism and technological transformation, which condition the concrete manifestation at a specific time in history of the link between resources, networks and entrepreneurial behavior.

4. Methodology: Biography, Networks and Resources

Laurits Andersen's life is a straightforward narrative of a Copenhagen boy who made good in faraway China, even with a tragic twist at the end as he died surrounded by his riches, but in abject solitude. Like all other lives, Andersen's has a beginning, a middle and an end, lending itself, perhaps too easily, to a straightforward chronological account with a beginning, a middle and an end. Among all subjects that can be described through the medium of history, the life of a person is the one that most insistently imposes itself on the historian with a certain, pre-determined narrative framework because the boundaries are so treacherously neat. People are born, they live, and they die. End of story. However, as argued in Chapters 1 and 3, I aim to add to the understanding of the biography of an entrepreneur such as Laurits Andersen by applying to the study of his life social science methodology, and more specifically the social network analysis. This is meant to complement and build on existing research within the fields of historical business biography and social network analysis, as outlined in Chapter 2.5.

For a subject such as Laurits Andersen, who is largely unknown to the public, it is necessary to establish the basic biographical facts to form the empirical basis on which the social network methodologies can be applied. This would not be required if these methodologies were to be tested on a well-known subject such as, say, Napoleon Bonaparte, for whom any number of existing biographies could serve as a reference, and the writer could head straight for the network analysis. For Andersen, about whom no biography exists, is it essential to provide the reader with this information in order for the rest to be meaningful. This is the reason why Chapter 6, the longest of this thesis, amounts to an empirically based chronological biography, divided into the five major periods described in Chapter 1.

What the present chapter sets out to do is to explore the biographical genre with a specific emphasis on how the application of social network methodology can add to the genre. This is in extension of Chapter 3, where it was argued that two key concepts when analyzing entrepreneurs of the past are social networks and resources, both placed within a historical context.

Consequently, the chapter will proceed as follows: Initially, I will address the category of historical biography which, quite intuitively, presents itself as the methodology most likely to provide insights into Andersen's life (4.1). In line with the general theme of viewing Andersen as part of a broader collective of western entrepreneurs active in treaty-port China in circa 1900, the discussion of biography as a genre is widened to encompass a discussion of the subgenre of collective biography (4.2). Collective biography is a necessary step towards understanding Andersen against the backdrop of others like him, but I will argue that the understanding of his place in time and space can be achieved by expanding on the insights of collective biography by including insights gained through social networks analysis, already introduced in Chapter 3 (4.3). Picking up on a second theme from Chapter 3, resources constitute an important factor in explaining why some members of social networks choose to act, and others not, while reflexivity provides a rival explanation for agency despite structural constraints; both are grasped more straightforwardly through a qualitative methodology, leading me to propose the use of thick description as a research method (4.4). The adoption of both quantitative and qualitative tools gives rise to an argument in favor of a mixed methodology (4.5). I conclude with a plan for the rest of the thesis with an emphasis on the analytical chapters (4.6).

4.1. Biography: Why?

Biography is arguably as old as history, but in its third millennium of existence, some scholars have reduced it to the historical profession's "unloved stepchild"[194] or even less kindly, "the bastard child of academe."[195] An alleged lack of theory and an emphasis on the singular and, perhaps, unrepresentative has led to charges that the biographical approach is "insufficiently substantial or scientific to merit study or teaching, a fate that [is] self-perpetuating."[196] While the massive popular appeal enjoyed by the biographical genre has not necessarily served to elevate its status in the world of academe, many scholars have acknowledged that there is a place in the realm of academic inquiry for a discipline that takes as its main subject the life of the individual human, which is arguably to the humanities and the social sciences what the atom is to physics. Since at least the 1980s, academics have described a "biographical turn" in history and the social sciences roughly every decade,[197] and especially in the English-speaking world, biography has achieved a certain level of respectability,[198] while elsewhere it remains the case that biography is often considered a somewhat inferior subgenre, usually placed within the broader and more venerated category of historical writing and research.[199]

Complicating the picture, the very subject of a biography – the individual human being – has become an elusive entity, partly as a consequence of philosophical inquiry into the essence of selfhood, and partly as a result of acknowledging the simple if not trivial fact that people possess different identities in different social situations, the most basic example of which may be the distinction between the private person and the public persona. In the words of historian Jo Burr Margadant, "a narrative strategy designed to project a unified persona has become for the new biographer nearly as suspect as claims to a 'definitive' biography. The subject of biography is no longer the coherent self but rather a self that is performed to create an impression of coherence or an individual with multiple selves whose different manifestations reflect the passage of time, the demands and options of different settings, or the varieties of ways that others seek to represent that person."[200]

It would seem, therefore, that the biographer is facing an unthankful task, seeking to adopt an approach deemed in some parts of the global scholarly community to be at the margins of academic acceptability to address a topic whose empirical existence has been placed in severe

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[194] David Nasaw, "Historians and biography: Introduction," *American Historical Review*, vol. 114, no. 3 (2009): 573.
[195] Steve Weinberg, "Biography, the Bastard Child of Academe," *The Chronicle of Higher Education*, vol. 54, no. 35 (May 9, 2008): B15-B17.
[196] Nigel Hamilton, *Biography: A Brief History* (Cambridge MA: Harvard University Press, 2007), 3.
[197] Daniel R. Meister, "The biographical turn and the case for historical biography," *History Compass*, vol. 16, no. 1 (January 2018): 2.
[198] Barbara Caine, *Biography and History* (Basingstoke: Palgrave Macmillan, 2010), 23-26.
[199] For a Danish perspective, see Birgitte Possing, *Understanding Biographies: On Biography in History and Stories in Biography* (Odense: University Press of Southern Denmark, 2017), 11-22.
[200] *The New Biography: Performing Femininity in Nineteenth-Century France*, ed. Jo Burr Margadant, (Berkeley, CA: University of California Press, 2000), 7.

doubt. Even so, a biographical approach will form a major element of this thesis, for the simple reason that, in this author's view, the biography as an academic genre, representing ideally an ever-expanding methodological toolbox combined with an evolving theoretical framework, by its very nature adds nuance and perspective to the academic pursuit of a better understanding of man and his place history, as well as throwing light on his network or networks and the community of which he is a part in a specific place or places that he links together through the ages. To elaborate, there is little disagreement that biography represents a method, or rather a range of alternative methods, mostly complementary but sometimes also mutually exclusive. As a first step towards a better understanding of Andersen as an entrepreneur embedded in a specific historical context, I will discuss the merits of collective biography and its applicability in describing Andersen as a member of a larger group of individuals, i.e. the western entrepreneurs living and working in Shanghai and other large Chinese cities at the time.

4.2. Collective biography

Laurits Andersen cut a lonely figure when he arrived in China in 1870, and he died isolated, with almost no friends around him, in his Shanghai mansion 58 years later. In between, however, he was part of various collectives, which attained extra significance in a pioneering society lacking more formal structures. As I will aim to demonstrate in the biography in Chapter 6, these collectives were integral to his success, facilitating his career through a mediating function that allowed his resources to come into play. This means that, of course, it is possible to carry out an analysis of Andersen's personal history of entrepreneurship by the application of straightforward biographical writing, focusing just on his life and the direct influences that shaped it. However, this can also be viewed as just a first step, insofar as the individual in history is typically understood within the context of broader social categories such as family[201], peers[202], generation[203] , business relations[204], class[205] or nation[206].

It may, therefore, be fruitful to consider multiple or collective biography as approaches to a deeper understanding of his life. This follows from the fact that the biographical genre has often taken the individual as its subject matter, treating the context as secondary and of interest mainly insofar as it impacts the subject of the biography. A principal problem with this approach is an exaggerated emphasis on the individual and a corresponding lack of

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[201] Glen H. Elder Jr., "Family History and the Life Course," *Journal of Family History*, vol. 2, no. 4 (December 1977): 279-304; for the special case of the family firm, see Matthew C. Sonfield and Robert N. Lussie, "First-, Second-, and Third-Generation Family Firms: A Comparison" *Family Business Review*, vol. 17, issue 3 (September 2004): 189-202.

[202] Robert Jay Lifton, "Youth and History: Individual Change in Postwar Japan," *Daedalus*, vol. 91, no. 1 (Winter 1962): 172-197.

[203] Karl Mannheim, "The Problem of Generations," in *Essays on the Sociology of Knowledge* (London: Routledge and Kegan Paul, 1952), 276–320; see also Jane Pilcher, "Mannheim's sociology of generations: an undervalued legacy" *The British Journal of Sociology*, vol. 45, issue 3 (September 1994): 481-496.

[204] Ulrike Schaede, "The 'Old Boy' Network and Government-Business Relationships in Japan," *The Journal of Japanese Studies*, vol. 21, no. 2 (Summer 1995): 293-317.

[205] Lenore O'Boyle, "The Class Concept in History," *The Journal of Modern History*, vol. 24, no. 4 (December 1952): 391-397; Peter Calvert, *The Concept of Class: An Historical Introduction* (London: Hutchinson Publishing Group, 1982).

[206] James E. Block, *A Nation of Agents: The American Path to a Modern Self and Society* (Cambridge MA: Harvard University Press, 2002).

understanding of how the context shapes him[207] and conditions his thinking or actions. In fact, one can go a step further and argue that the focus on the individual entails the risk of failing to comprehend the ways in which the individual is, on an ontological level, a social product. In the words of American sociologist Norman Denzin, "no self or personal-experience story is ever an individual production. It derives from larger group, cultural, ideological, and historical contexts."[208] This also has significance for entrepreneur studies as recent research has highlighted the embeddedness of entrepreneurs in social networks.[209]

On the other hand, the biographical approach offers unique perspectives on history that can complement other approaches. This is often felt as a shortcoming in a social science field such as sociology, which has been accused of not possessing the tools required to take account of the growing interest in individualization and reflexivity, or to describe social phenomena as experienced by individuals. As British sociologist Michael Rustin says: "It seems almost definitional of sociology that the social comes first."[210] It would appear, then, that biography on the one hand and sociology on the other throw into stark relief the basic schism between history's concern with the unique and non-repetitive versus the concern of social science with the typical and recurring.

Yet, both approaches are helpful to arrive at a more complete picture of the past, and the ability to form a linkage between the two can be seen as one of the chief *raisons d'être*s of collective biography. That subgenre would seem to carry within it the potential for bridging the gap between history and social science, or more specifically: biography and sociology. Since it does not limit itself to describing the individual, but rather expands its focus to how individuals embed into groups, it holds out the promise of approaching man as a social animal, thus claiming common ground with the social sciences.

The question is if this is always the case, since the term collective biography appears to have a rather general meaning, allowing a wide range of biographical works to be classified in this way. Put briefly, the genre of collective biographies can in principle encompass any biography describing more than one person.[211] Thus, collective biography can be anything from twin biographies to the life stories of hundreds, and it is fraught with difficulty to

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[207] The male personal pronoun will be used as the default personal pronoun throughout this thesis. This is exclusively born out of stylistic concerns and a desire to avoid verbiage, as the most judicious but also wordiest alternative would be to use both the male and female pronouns alongside each other. The other obvious alternative, shifting between the male and the female pronouns, would be unduly perplexing. Given the availability of options, the male pronoun has been chosen over the female pronoun throughout. This is mainly to reflect convention: in virtually all grammars the male pronoun is listed before the female pronoun, and the same convention is reflected in set phrases such as "he or she." Against this background, a conscious choice of the female pronoun might come across as distracting and raise questions on the reader's part that a hidden gender-political agenda was being pursued. An additional point can be made based on the historical realities prevailing at Andersen's time, including the fact that virtually all entrepreneurs to a man (!) were male, reflecting, among other things, deeply ingrained discriminatory institutions and practices. Given this fact, it would come across as confusing to be discussing male entrepreneurs in the empirical sections, only to suddenly shift to the female pronoun in more theoretical or general sections.

[208] Quoted in Diana K. Jones, "Researching groups of lives: a collective biographical perspective on the Protestant ethic debate," *Quantitative Research*, 1, no. 3 (2001): 333.

[209] Kloosterman and Rath, "Immigrant entrepreneurs in advanced economies," 189-201.

[210] Michael Rustin, "Reflections on the biographical turn in social sciences" in *The Turn to Biographical Methods in the Social Sciences*, ed. Prue Chamberlayne, Joanna Bornat Bornat, and Tom Wengraf (London and New York NY: Routledge, 2000): 44-45.

[211] Caine, *Biography and History*, 47.

provide a hard-and-fast definition of the genre,[212] but an overarching theme is that it adds an element of social history or even sociology to biography, for example by highlighting the power of groups of individuals to shape history.[213]

Collective biography has emerged most visibly, prominently and expensively in the form of biographical dictionaries, with the classical expression being the massive national efforts in the vein of the *Oxford Dictionary of National Biography*.[214] Following in the wake of this tradition are more specialized biographical dictionaries organized thematically, detailing the lives of groups as disparate as poets, businesspeople and political radicals.[215] Whether appearing in one form or the other, these dictionaries have been described as being not qualitatively different from the standard individual biography. The mere grouping together of a series of individuals with a certain feature in common – education, occupation etc. – does not in and of itself constitute a break with the conventional biographical genre.[216]

Collective biographies do more than merely accumulate biographical facts when they proceed more ambitiously to compare different lives or analyze what a number of lives mean to the outside world, but also to each other, when considered together, linked by a common theme.[217] When taken beyond the mere grouping together of individuals with superficial similarities such as place or date of birth, collective biography can contribute significantly to the pool of knowledge about the past by showing what consequences these similarities may have in terms of, for example, political action or social mobility. It is, roughly speaking, the equivalent of what social scientists refer to when they explore the link between independent and dependent variables, such as the influence of social class on voting behavior.

An example of this use of collective biography to detect broader socio-historical patterns is Diana K. Jones' comparison of Neo-Calvinist and Jewish entrepreneurs in 19th-century England.[218] While Jones carries out a fairly simple analysis, involving one independent variable – religion – the analysis completed by J. K. Johnson in *Becoming Prominent* is somewhat more complex, involving a broader set of independent variables, including

[212] Ibid., 47-65.
[213] Possing, *Understanding Biographies*, 83-84.
[214] *The Dictionary of National Biography* vol. I-XX, XXII, ed. Sir Leslie Stephen (London: Oxford University Press, 1921-1922).
[215] This type of biography is particularly well represented in the fields of Sinology and China studies, e.g., *Berkshire Dictionary of Chinese Biography*, ed. Kerry Brown et al. (Great Barrington, MA: Berkshire, 2012); *Dictionary of Ming Biography, 1368–1644*, ed. Goodrich L. Carrington and Fang Zhaoying (New York NY: Columbia University Press, 1976); Arthur W. Hummel, Sr., *Eminent Chinese of the Ch'ing Period* (Washington DC: United States Government Printing Office, 1943); *Biographical Dictionary of Republican China*, ed. Howard L. Boorman, Richard C. Howard and Joseph K. H. Cheng (New York NY: Columbia University Press, 1967-); and *Biographic Dictionary of Chinese Communism 1921–1965*, ed. Donald W. Klein and Anne B. Clark (Cambridge MA: 1971).
[216] In a much-used textbook on the biographic genre, biographical dictionaries are described as consisting of alphabetized lists of "individual biographies which are designed to be read alongside others," Caine, *Biography and History*, 48.
[217] Lois Banner, 'Biography as History,' *American Historical Review* 114, no. 3 (2009): 583.
[218] Jones, "Researching."

"ethnicity, religion, land ownership and prominence in initial occupations," in an attempt to determine their impact on the dependent variable, attainment of political position.[219]

The quest for more sophisticated uses of the data encompassed in collective biographies has unfolded in parallel with a gradual realization of the possibilities of emerging technologies. For close to four decades, historians and biographers have had high expectations for the results that would emerge as the power of the computer was unleashed. A typical example of this is Paul Sturges' article "Collective Biography in the 1980s," published in 1983.[220] Greeting "new and interesting techniques," he lists the "handling and manipulation of large quantities of biographical data" as one of the main uses that computers can be put to, providing as an example an "analysis of the influence of religious affiliation on political action."[221]

This does not, however, take analysis much beyond the simple correlation between independent and dependent variables described above. When used in this way to establish relatively simple correlations, collective biography does not seem to fully capture what it means to be human in a society of other humans. One key aspect that seems to be missing is the interconnectedness that is part of the everyday human experience. To use a well-known phrase, in the case of collectives of individuals, the whole is more than the sum of its constituent parts. A simple illustration could be a team of soccer players, who are skilled individuals but are only able to win the game through a common effort, in which their individual endeavors not only combine but are actually enhanced by taking place in coordination with each other. The task, then, is to gain insights into *why* the team is more than the sum of the players' skills and experience. It is in this sense that social network analysis presents itself as a methodology which highlights the links among the members of a group, providing a more profound understanding of where the individual is located in the collective, and how this location determines his scope of action.

4.3. Social network analysis

In addressing the questions of whether, to what extent and in what fashion the social networks Laurits Andersen belonged to were instrumental in his activities as an entrepreneur, social network defined as a relatively stable system composed by some social relations among individuals[222] will be a key component in the methodology adopted for this thesis. An argument for why social network analysis is needed has been attempted in the previous section on biography and collective biography, but at the same time, the inclusion of network analysis is part of the overall endeavor at the core of this thesis to adopt social science tools to history. The potential benefits of such a mixed approach have also been noted by scholars

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[219] Quoted in Robert Lanning, "The Role of Biography in Social and Historical Studies" in Lanning (ed.). *The National Album: Collective Biography and the Formation of the Canadian Middle Class* (Ottawa: Carleton University Press, 1996): 20.
[220] Paul Sturges, "Collective Biography in the 1980s," *Biography* 6:4 (Fall 1983): 316-332.
[221] Ibid., 319, 328.
[222] Barry Wellman and S. D. Berkowitz, *Social Structures: A Network Approach* (Cambridge: Cambridge University Press, 1988). This is a fairly standard definition representing most other attempts at defining the concept of social network. However, there have also been efforts to broaden the definition, e.g. "a social network is a network of meanings," Harrison C. White, *Identity and Control* (Princeton NJ: Princeton University Press, 1992), 67. The difficulty of operationalizing social networks of this type, given the data at hand for this thesis, has preempted the use of this definition here.

such as Emirbayer and Goodwin, who point out that "there has been a notable absence [in the theoretical literature – P.H.] of any sustained consideration of the usefulness of network analysis for historical investigation."[223]

One source of usefulness is the fact that social network analysis, providing the analyst with the tools to lay out inter-personal connections in easily accessible graphical form, provides an intuitive approach to his subject. This advantage was expressed in detail in the seminal paper by J. A. Barnes in which he is widely credited with having coined the term "social network": "Each person is, as it were, in touch with a number of people, some of whom are directly in touch with each other and some of whom are not… I find it convenient to talk of a social field of this kind as a network. The image I have is of a set of points, some of which are joined by lines. The points of the image are people, or sometimes groups, and the lines indicate which people interact with each other. We can, of course, think of the whole of social life generating a network of this kind.[224]

At the same time, and similarly highlighting its intuitive nature, Barbara Henning in her recent ambitious endeavor to use social network analysis to trace the relationships of a Kurdish family in the late Ottoman period and early Turkish republic, argues that one of its major potential benefits of the methodology is to direct the analyst's attention towards connections that would otherwise remain hidden from view. To quote her, "one central advantage of a network perspective is that patterns and relevant links emerge from the data instead of being preconceived… A focus on networks adds an element of surprise to the analysis, as networks often cut across preconceived corporate identities like ethnicity, religion or class and point to interesting or unexpected connections."[225]

Social network analysis is important because it allows the researcher to adopt quantitative tools to demonstrate the strength of relationships among individuals. This is of particular importance for this thesis, which seeks to demonstrate the existence of social networks in treaty-port China and identify members of these networks wielding influence over other members. More fundamentally, social network analysis directs its attention towards the relationships among the individuals[226] that make up a social network, concerning itself with the structure of the networks, the positions of individuals within the networks, and how this affects their performance, behavior and beliefs.[227] The most important defining aspect of social network analysis is its unit of analysis: the connection among individuals, rather than the individuals themselves. Social network analysis seeks causes not in individuals, but in the

[223] Emirbayer and Goodwin, "Network Analysis, Culture, and the Problem of Agency," 1412.

[224] J. A. Barnes, "Class and Committees in a Norwegian Island Parish," *Human Relations*, vol. 7, no. 1 (February 1954): 43.

[225] Barbara Henning, *Narratives of the History of the Ottoman-Kurdish Bedirhani Family in Imperial and Post-Imperial Contexts: Continuities and Change* (Bamberg: University of Bamberg Press, 2017), 63-64

[226] "Individuals" is used here for convenience although it is a somewhat restrictive term, since social network analysis may also in principle deal with connections among larger collectives, or even non-human units such as enterprises or ships. The technical term in social network analysis is "node," but it is avoided here as it is not a generally familiar term.

[227] Stephen P. Borgatti, Martin G. Everett and Jeffrey C. Johnson, *Analyzing Social Networks* (London: SAGE, 2013): 1ff.

social structure, and focuses its research not on the attributes of individuals, but on the relationships among them.[228]

This reinterpretation of where causality is located raises the question if social network analysis is mainly a methodology, or if it is something else and something more. It could be argued that theoretically it is based on assumptions about how the world works. In other words: the question is if it is mainly a novel way of approaching reality, or if on a deeper level it involves a new understanding of what reality is and how it is constructed and interpreted. As Rustin states in a different context, "changes in method often involve changes in ontology as well as in epistemology – that is, not only in how we come to know reality, but also in what reality consists of, and what has causal powers within it."[229]

To cite an example that could easily become the subject of a collective biography, Jewish revolutionaries in Russia at the turn of the 20th century followed different paths depending on their networks. Those growing up within Jewish social networks on the western fringes of the Russian empire tended to become Zionists, i.e. combining their revolutionary activities with a Judaist outlook, whereas those growing up in the Russian heartland where purely Jewish networks were more infrequent, were likely to become secular revolutionaries.[230] When viewing this in a social network analysis framework, the different outcomes are the result not of the inherent attributes of being Jewish, but of the different interpersonal networks – some Judaist, others more secular – that the individual revolutionaries formed part of.

To be sure, this is only one possible interpretation, as the differences could also be accounted for by different circumstances, including different policies on the margins and in the center of the Tsarist empire. They could also be accounted for by factors internal to the individuals that formed part of the networks, for example the resources available to them. This is all the more the case for Andersen, who was able to navigate his networks strategically by virtue of his resources, as I will show in Chapters 6, 7 and 8. In other words, networks in and of themselves only offer part of his story, with resources at the disposal of the members of the networks being the other essential factor. It is these resources that I will now turn my attention to.

4.4. Resources: Quantitative and Qualitative Analysis

As stated in Chapter 3, a key theme of this thesis is to identify the resources that were important for Laurits Andersen in his role as an entrepreneur in a difficult environment that was alien to him, defined to a large extent by the need to cross cultural barriers in order to succeed. In addition, the thesis aims to describe how he himself understood and interpreted these resources and adjusted them in response to political, economic and technological changes in this environment, and how the social networks that he formed part of helped him mobilize these resources. It is my claim that the resources required and used by an entrepreneur at Andersen's time can be usefully classified and thus operationalized as

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[228] Matthew H. Williamson, "The Networks of John Jay, 1745-1801: A Historical Network Analysis Experiment" (PhD diss., Northeastern University, 2017), 19.
[229] Rustin, "Reflections," 45.
[230] R. Jack Richardson and Barry Wellman, "Structural Analysis," *Canadian Review of Sociology and Anthropology*, 22, no. 5 (1985): 777-778.

belonging to one of four broad categories: technical, linguistic, legal and inter-personal resources.

By *technical* resources I refer to the totality of technical knowledge generally available at Andersen's time as well as Andersen's ability to tap into that knowledge. In other words, it includes the educational system as he was exposed to it during his childhood and youth in Denmark, as well as the institutions of technical knowledge sustained in a semi-formal manner throughout the British Empire. It also includes the accumulated knowledge that Andersen was exposed to in the places where he spent time during his career, such as the Royal Dockyards in Copenhagen, or the technical skills manifested in the technological know-how inherent in intellectual property such as the so-called Bonsack technology that he introduced to China, meaning not just the technology embodied in the machine, but also the additional knowledge about its operation which was accessible mostly through verbal or written communication with more experienced operators.

Linguistic resources denote to the languages necessary in order for perform the function of a businessman and an entrepreneur in East Asia at Andersen's time, i.e. English and to a lesser extent Chinese[231] as the lingua francas of the age, as well as Andersen's ability to acquire these languages. For Andersen's generation this was not institutionalized or formalized, and it is likely that he knew very little English when he ventured abroad in 1870, meaning the acquisition of the English language was through osmosis. As we shall see, somewhat surprisingly the Chinese language was not part of Andersen's linguistic resources, and he does not appear to have ever considered this a drawback.[232]

Legal resources encompass the institutions established both in the judicial and the administrative systems, delineating the basic rules of the game as they presented themselves to Andersen and his cohorts. In the narrowest sense, they took the form of the consular and mixed courts in treaty-port China, set up to fill the void left by the inability of the Qing legal system to exercise jurisprudence over foreigners. In a broader sense, they also refer to the regulatory framework within the Qing realm, determining what Andersen and his associates could and could not do, as well as adjustments to this framework over time, for instance as imposed by various foreign treaties. Crucially, the mixed courts of the treaty ports formed a cross-cultural institution presenting itself to Andersen as an interface with the Chinese society that surrounded him.

Inter-personal resources refer to social networks and are thus a priori of special relevance for this thesis. At the end of the thesis, I will argue that membership of social networks was Andersen primary resource, and his ability to latch onto networks was his most important skill, more important to him than either the ability to learn technical skills, acquire a language or navigate the legal system. This also calls for attention to how one could gain access to a network and how one might slip out of a network again. Just as technical and linguistic

[231] "Chinese" is a simplifying term covering the complex linguistic landscape in the Chinese Empire at the end of the Qing Dynasty, encompassing not just the standard written language adapted from 文言文 but also the variety of dialects existing throughout the empire, some of them mutually unintelligible to the extent that it would be more correct to term them languages.

[232] This was common among men of his class. As Bickers points out, "learning Chinese largely remained the province of the consul, the Customs officer and the missionary. Very few others bothered." Bickers, *Scramble*, 290.

resources, narrowly understood as skills, can be attained and forgotten, i.e. lost, inter-personal resources, meaning membership of interpersonal networks, can also be won and lost.

I will illustrate this by comparing Andersen with counterparts who did not succeed, such as Charley Bennett, a failed American entrepreneur, and the son of Andersen's old associate Charles Carroll Bennett. For example, the case of Charley Bennett suggests the continued importance of family ties, as he was accepted in Andersen's network while Chares Carroll Bennett was still alive but fell out of favor soon after Bennett's death. It raises the question of what it took to become part of network and to remain part of it, and also under what circumstances one might lose membership of a network. Exit from networks mainly took two forms, death or marriage. Often a person lost to marriage is described in much the same way as a member who has died out of a network. The network was exclusively male, with poker and horse racing as favored pastimes, in addition to womanizing[233], although this latter activity is only hinted at in the sources.

This is an example of aspects not captured by most network analysis, which mostly treats networks as snapshots in time, without a dynamic dimension, leading to what Harrington and Fine refer to as a "static bias".[234] The problem is that the quantitative methods offered by social network analysis may be able to chart changes in networks over time, but they do a relatively poor job of explaining *why* they change. In order to fully account for the dynamic dimension, a *mixed methodology* must be adopted with inclusion of qualitative analysis in addition to the quantitative analysis at the core of social network analysis. This is the subject to which I will now turn.

4.5. Mixed methodology

A mixture of quantitative and qualitative methodologies has been attempted previously in social networks analysis, and it is my aim in this thesis to build on these earlier endeavors by applying it with a view to grasping the temporal dimension and allow change over time to be reflected in the analysis of social networks. As an added argument in favor of a mixed methodology, a qualitative element will anchor insights obtained quantitatively more solidly in empirical reality, thus providing essential context.

Rather than claiming an unbridgeable divide between the qualitative and quantitative realms, it can be argued that they are mutually reinforcing. To cite a text on the usefulness of mixed methodology, "quantitative research in social science generally tends to study mechanisms by developing either formal models that are too generic to take into account context dependencies or statistical approaches that try to fit data obtained from several contexts into a single model at a time… Against these tendencies, qualitative research has had the invaluable merit of bringing local properties into focus."[235]

[233] The term "womanizing" is used here and subsequently as a generic term for any kind of sexual activity that may have taken place in Andersen's network and does not imply any value judgment about sexual orientation.
[234] Brooke Harrington and Gary Alan Fine, "Where the Action Is: Small Groups and Recent Developments in Sociological Theory," *Small Group Research*, vol. 37, no. 1 (February 2006): 10.
[235] Elisa Bellotti, *Qualitative Networks: Mixed methods in sociological research* (New York NY: Routledge, 2015), 2.

Qualitative research also provides the opportunity to come to terms with the cultural fabric discussed in the previous chapter about cultural holes as opposed to structural holes (3.5). The problem here is one of operationalization: the tools have not yet been developed to quantify and measure the cultural fabric within which the individuals under study find themselves to the same extent that quantitative measures have been developed for the individuals' social networks. Rather, qualitative methods must be introduced to account for the beliefs and values that underpin culture, and thus determine cultural holes between collectives of people.

In concrete terms, this means that, methodologically, in the biographical sections and again in the qualitative part of the network analysis, I will adopt elements of "thick description" as proposed by Clifford Geertz, that is, hoping to gain insights into the meaning that Andersen and other actors attach to the actions and events they witness.[236] Emphasizing the key importance of the concept of meaning and the need to grasp this meaning through a process of interpretation, Geertz argues that "man is an animal suspended in webs of significance he himself has spun," and that the analysis of culture is "not an experimental science in search of law but an interpretive one in search of meaning."[237] The central place of meaning, and the ways in which shades of meaning are conditioned by the cultural context, is emphasized by Holloway, who states that "thick description can be contrasted with thin description, which is a superficial account and does not explore the underlying meanings of cultural members."[238] The emphasis on meaning also makes thick description useful to approach reflexivity, the conversations that individuals have with themselves about their place in the world, as discussed above (3.4 and 3.6).

In addition to the relationship between culture and meaning, scholars adopting thick description as a method also point out the importance of interpersonal networks as determinants of context-dependent meaning. As Geertz argues, "culture is the fabric of meaning in terms of which human beings interpret their experience and guide their action; social structure is the form that action takes, the actually existing *network of social relations*"[239]; or in Denzin's phrase, thick description "goes beyond mere fact and surface appearances. It presents detail, context, emotion, and the *webs of social relationships* that join persons to one another" (my emphases).[240] This provides a direct link between the quantitative methodology of social network analysis and the qualitative methodology of thick description and strengthens the argument for a mixed methodology.

One danger attached to this method is, in my view, the risk of over-interpretation, by attributing to Andersen thoughts, opinions and sentiments that there is no empirical basis for. Geertz himself hints at this when stating that "most of what we need to comprehend a particular event, ritual, custom, idea, or whatever is insinuated as background information before the thing itself is directly examined."[241] I will argue that this risk may be somewhat

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[236] Clifford Geertz, "Thick Description: Toward an Interpretive Theory of Culture," in *The Interpretation of Cultures,* ed. Clifford Geertz (New York NY: Basic Books, 1973), 3-32.
[237] Ibid., 5.
[238] Immy Holloway, *Basic Concepts for Qualitative Research* (London: Blackwell Science, 1997), 154.
[239] Clifford Geertz, "Ritual and Social Change: A Javanese Example," in *The Interpretation of Cultures* ed. Clifford Geertz (New York NY: Basic Books, 1973), 145.
[240] Norman K. Denzin, *Interpretive Interactionism* (Newbury Park, CA: Sage, 1989), 83.
[241] Geertz, "Thick Description," 9.

reduced by the introduction of the rigor of quantitative social network analysis methods, which I expect, in conjunction with textual sources, will prevent the interpretative endeavor from straying into speculative territory.

In summary, social network analysis, in its orthodox quantitative form, cannot stand alone in accounting for the factors conditioning Andersen's life and career in China. A strong qualitative element must be included in this inquiry, not as an added and somewhat separate layer on top of the quantitative analysis or "icing on the cake" which can or cannot be added dependent on the researcher's personal preferences, but as an integral and necessary part of a quest to understand if, when and how social networks played a role in shaping life and work for Andersen and his cohorts.

For starters, the central place of culture, defined with Morkyr in Chapter 3 as "a set of beliefs, values, and preferences, capable of affecting behavior, that are socially (not genetically) transmitted and that are shared by some subset of society"[242] in understanding Andersen's place in history calls for an effort to account for the context that his social networks were embedded in. At the simplest level, it will be necessary to determine if any of Andersen's networks included any individuals with a Chinese or at least Asian cultural background, and if so, the networks can be said to span a Chinese-western cultural divide. Failing this, we will have to ask if Andersen's networks were in any way linked to parallel Chinese networks, or if they were entirely separate entities, existing as self-contained bubbles inside the larger Chinese cultural universe.

More broadly, the discussion here of culture within the context of social networks latches on to an ongoing academic endeavor to understand how an explicit exploration of culture imbues social networks with meaning and moves them from being mere numbers on a sheet of paper to become representative of the lived lives of the individuals who make up the networks. In this respect, the inclusion of culture is expressive of a certain frustration with the shortcomings of quantitative social network analysis. This frustration is reflected by Emirbayer and Goodwin, who state that "despite its powerful conceptualization of social structure, network analysis as it has been developed to date has inadequately theorized the causal role of ideals, beliefs, and values, and of the actors that strive to realize them; as a result, it has neglected the cultural and symbolic moment in the very determination of social action. Network analysis gains its purchase on social structure only at the considerable cost of losing its conceptual grasp upon culture, agency and process."[243]

It is considerations such as these that have led to calls for a mixed methodology. As argued in the previous section, a mixed methodology implies the introduction of a qualitative element, and in this thesis a substantial qualitative element, which addresses the logic and composition of the interactions that are at the root of social networks in a much more explicit fashion than has been the standard in quantitative social network analysis so far. This also helps account for cases in which members of social networks behave differently from the way they "should" according to the tenets of social network analysis. "Certain settings," according to Ann Mische, "require different genres of conversation; it makes a difference if one is talking at a protest rally, a church meeting, a backroom planning session, a private rendezvous or a

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[242] Morkyr, *A Culture of Growth*, 8.

[243] Emirbayer and Goodwin, "Network Analysis, Culture, and the Problem of Agency," 1446-1447.

public bar. In addition, we need to pay attention to the identities and affiliations of interaction partners: do they belong to one's own group, to opposing groups, or to target groups such as the media or potential allies? How homogeneous or heterogeneous is the audience? Here we have to keep in mind that it is not just networks or memberships that matter, but also how these relations are represented, activated, or suppressed in social settings."[244]

At the primary analytical level, mixed methodology also increases the chances of making full use of the available empirical evidence, since qualitative approaches may capture elements that will not even register with the exclusive use of quantitative methods. As Edwards and Crossley state, "there are properties of networks, additional to quantifiable measures, which are better and more easily accessed via qualitative methods, such that re-opening the qualitative dimension could make a strong contribution to our overall understanding. Specifically, qualitative analysis can open up and explore complexities which are boxed off in quantitative work… To the quantitative researcher this might be so much „noise" that a stochastic model can bracket as such but the qualitative tradition affords us tools for rendering this „noise" intelligible and reducing the margin of apparent randomness. There is no good reason not to do so."[245]

4.6. Analytical design

The mixed methodology will be implemented on the empirical case of Andersen's life in the fashion outlined in Fig. 3, which gives an outline of the workings of entrepreneurship in a cross-cultural setting. It is identical to Fig. 2, with the main addition being a rough division into elements that will be subject to a quantitative and a qualitative analysis, respectively. The purpose is to identify the extent to which Laurits Andersen's activities in treaty-port China in the period from 1890 to 1922 constituted cross-cultural entrepreneurship and, if so, whether this resulted as a byproduct of his general entrepreneurial activities mediated through his social networks and facilitated by the presence of structural and cultural holes (a+b+c+e); as a product of his participation in cross-cultural social networks (g+h), or directly, unmediated by social networks, as a result of cross-cultural competences (f).

Following a chronological account of Andersen's life in Chapter 6, Chapter 7 will constitute a quantitative analysis of the networks that Andersen formed part of during the three crucial periods of 1890-1902, 1903-1911 and 1912-1922, with a special attention to formal measures to identify the two important dimensions of structural holes and brokerage. This corresponds roughly to the area inside the dotted line in fig. 3. As this analysis will be rather technical and is more intuitive when demonstrated with the inclusion of empirical data, I leave a detailed explanation of the methodology to Chapter 7, especially section 7.1.1 to 7.1.5. The qualitative parts of the analysis, corresponding to the area outside the dotted line are explicated in Chapter 8 and address the ways in which Andersen mobilized his resources to use his

[244] Ann Mische, "Cross-talk in Movements: Reconceiving the Culture-Network Link," in *Social Movements and Networks: Relational Approaches to Collective Action*, ed. Mario Diani and Doug McAdam (Oxford: Oxford University Press, 2003), 275.
[245] Gemma Edwards and Nick Crossley, "Measures and Meanings: Exploring the Ego-Net of Helen Kirkpatrick Watts, Militant Suffragette," *Methodological Innovations Online* 4 (2009): 40-41.

networks strategically, while also describing how he himself viewed these resources and perceived his position in the network in an ongoing, reflexive "conversation with himself."

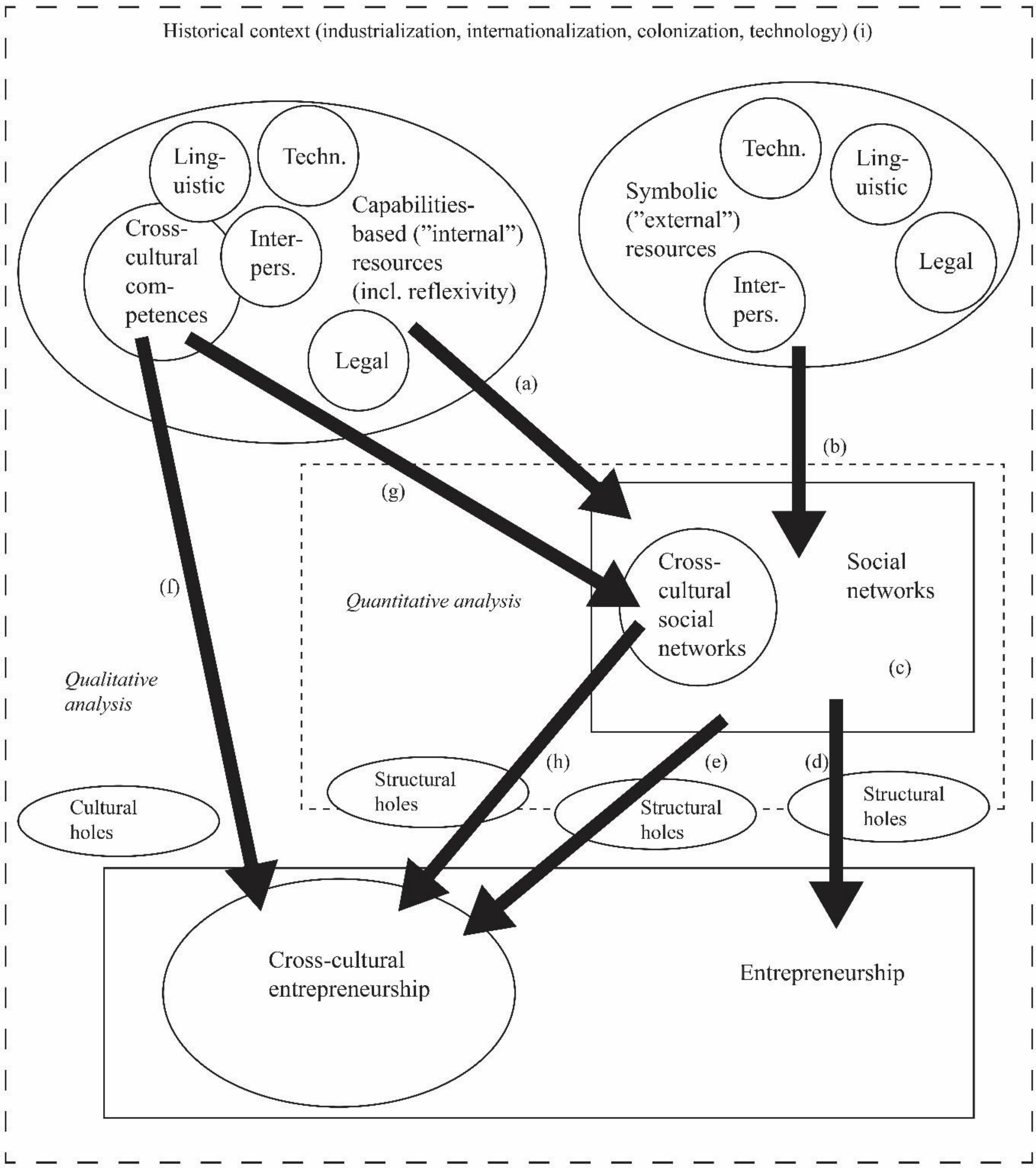

Fig. 3. Entrepreneurship in a cross-cultural setting. Quantitative and qualitative methodologies.

5. Sources.

Whereas the secondary literature of relevance to Laurits Andersen's biography has been described in Chapter 2, this chapter introduces the primary sources for his life. They are scattered across three continents, located in archives in Denmark, the United States and China, as well as online. In what follows, I will use this geographical criterion to classify the sources used for this thesis.

5.1. Denmark

The most important source overall to the details of Andersen's life are copies of his own letters from the years 1904 to 1928, contained in the form of two copybooks kept at the National Archives in Copenhagen.[246] Although they are listed in a voluminous bibliography published by the Danish National Archives in 1980,[247] these copybooks have never been used by historians prior to the preparation of this thesis. Also of interest is a small number of letters penned by Andersen which are now privately owned.

Additional sources for Andersen's early life are contained in smaller archives in Denmark, including the Business Archives in Viborg, for information about Andersen's apprenticeship at the Eickhoff Machine Works in Copenhagen in the 1860s,[248] as well as the Regional Archive for Zealand, now part of the Danish National Archives, for data on his attendance at the Technical Institute in the Danish capital during the same period.[249] In addition, parish registers, censuses and conscription registers have been consulted for the details about Andersen's family background. Since these are of limited relevance for the subject of this thesis, I refer to the footnotes in the biography in Chapter 6 as well as the bibliography at the end of the thesis.

5.2. United States

In the United States, which could with some justification be called Laurits Andersen's second home, the archive curated by the Delaware Historical Society in Wilmington, Delaware, has proved to be the most useful. The archive is the repository of the Mustard family papers, which contains several documents related to the two members of the family with whom Andersen was in the closest contact, Robert West Mustard and Lewis Mustard. Apart from 19 letters which Lewis Mustard wrote to his mother Martha Mustard while he visited Shanghai in 1901 and 1902, providing rich insights into life among foreigners in China's largest city at the time, it also contains eight letters written by Laurits Andersen to Lewis Mustard in 1900 and 1901, adding substantially to the correspondence preserved in Danish archives.[250]

[246] 2-2035 Shanghai, consular archives, 1925-1961, 26 R15, box 87-89, Danish National Archives, Copenhagen.
[247] Carl Rise Hansen, *Sources of the History of North Africa, Asia and Oceania in Denmark* (Paris: Saur 1980), 221.
[248] 01024 J.G.A. Eickhoff A/S, Business Archives, Viborg.
[249] Københavns Tekniske Skole, 1844-1970, Reginal Archive for Zealand.
[250] Mustard Collection (1814-1960), series II and series VII, Delaware Historical Society, Wilmington DE.

The David M. Rubenstein Rare Book & Manuscript Library at Duke University, containing one of the world's largest holdings of documents related to the origin and development of the modern tobacco industry, was of use for two collections of papers, belonging to individuals with whom Andersen was in close cooperation and contribute to an understanding of his networks at crucial junctures in his career. These are, for the 1890s, letters by Richard Harvey Wright, the American traveling representative of the Bonsack Machine Co.,[251] and for the 1910s, letters by the American tobacco merchant James Augustus Thomas, BAT's top representative in China.[252]

5.3. China

Chinese archives were of limited use in preparing this thesis. I benefited from the hospitality of the Shanghai Academy of Social Sciences in January 2017, spending long days sifting through BAT's China archive, which is kept by the academy, and while the documents were useful in gaining an understanding of the background against which Andersen lived and worked, I found almost no information specifically pertaining to Andersen himself.

5.4. Online

The most important online source used for this thesis is the online archives of North China Herald, available at Brill.[253]

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[251] Richard Harvey Wright Papers (1870-1980), Correspondence Series, Box 3-9, David M. Rubenstein Rare Book & Manuscript Library at Duke University.
[252] James Augustus Thomas Papers (1895-1988), Correspondence, Box 1-4, David M. Rubenstein Rare Book & Manuscript Library at Duke University.
[253] https://brill.com/view/db/ncho.

6. Laurits Andersen's Biography.

Who was Laurits Andersen? What did he do, when did he do it and where? These are the basic facts that this chapter, the longest of the thesis, will answer. As described in Chapter 1 and 4, this will be an empirically based, chronological biography of Andersen, combined with an explanation of the context that surrounded him to the extent that it shaped major events in his life. The biographical chapter presents the foundational historical research that I have undertaken in relation to Laurits Andersen's life and biography. It constitutes relevant sections of my already published biography on Laurits Andersen, commissioned by the Laurits Andersen Foundation and published in Danish and English in June 2020. [254] This will form the empirical basis for the quantitative and qualitative analyses in chapters 7 to 9 will be carried out.

As outlined in Chapter 1, I have divided Andersen's life into five major periods:

1849-1889: Birth of an Entrepreneur.

1890-1902: The Bonsack Years.

1903-1911: Making BAT Great.

1912-1922: The Long Farewell.

1923-1928: Retirement.

Given the specific period of interest in this biography, 1890 to 1922, the first and especially the final periods will be dealt with in relatively brief fashion. For a fuller, chronological account of Andersen's life, I refer the reader to the published biography.

Each of the chapters will be followed by a summary, which specifically addresses ways in which the empirical data as highlighted in the chronological account contribute to answering the four questions raised in Chapter 1:

What resources were important for Andersen in his role as an entrepreneur in a difficult and alien environment?

How did he contemplate and adjust these resources in response to political, economic and technological changes in this environment?

What role did social networks play in enabling him to mobilize and leverage these resources?

How did the specific historical context – Treaty-Port China at the turn of the 20th century – affect his interaction with his social networks, as well as his interaction with China at large?

6.1. Birth of an Entrepreneur (1849-1889)

6.1.1. Childhood and Adolescence (1849-1870)

[254] Peter Harmsen, *Laurits Andersen: China Hand, Entrepreneur, Patron* (Copenhagen: Lindhardt og Ringhof, 2020) and *Laurits Andersen: Kinafarer, entreprenør og mæcen* (Copenhagen: Lindhardt og Ringhof, 2020). The Foundation gave me complete editorial freedom regarding the contents of the biography.

Claus Laurits Andersen was born on August 6, 1849 in the village of Ømosen near the port city of Elsinore on the big Danish island of Zealand,[255] the second son of a carpenter.[256] He was born into a community steeped in the Protestant values of thrift and diligence, which were to become key parts of his personality in later life.[257] In 1850 the family moved to Copenhagen.[258] Both Laurits Andersen and his elder brother received free education at the Garrison School attached to the capital's Sølvgade Barracks.[259] Even late in life, Andersen considered this a major benefit that equipped to meet future challenges. "All the skills that I brought with me when I left Denmark had been given to me for free at that school," he told a visitor when he was in his late 70s.[260]

Andersen's happiest childhood memories were from vacations spent with his uncle, Jens Andersen, who lived in a village in western Zealand and had seen a dramatic rise both socially and economically to become one of the most powerful men of his community. Partly by inheritance, he had become the owner of sizable plots of land.[261] For the uncle, great personal fortune also entailed official responsibility, and he had been named the executive officer of the parish.[262] This was probably the earliest instance of major economic success and social rise that Andersen was exposed to, apart from the more modest success his own mother had experienced, and it may have been one of the factors contributing to the drive and ambition that he was to exhibit later in life.

In October 1863, after completing primary school, Andersen's new life as an apprentice began at J.G.A. Eickhoff's Machine Works, a maker of mainly printing presses set up by a German immigrant in Copenhagen.[263] By the time Andersen joined, the company was undergoing rapid expansion.[264] For example, in 1861 it delivered a printing machine to *Folkets Avis*, then the biggest-circulation paper in Denmark, and it had clients in Sweden, Norway and as far away as Russia.[265] Andersen worked 66 hours a week, sometimes more, often being assigned to hard manual labor, due to his robust physique.[266] Despite the strenuous work in the daytime, he also attended evening classes at the Technical Institute in

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[255] Tikøb Kirkebog (Hovedministerialbog) [Parish Register] 1844-1851, 72. Jørgen Andersen's og Ane Cathrine Jørgendatter's age and background are from Kirke Stillinge Kirkebog (Kontraministerialbog) 1814-1830, 9; and Tikøb Kirkebog (Hovedministerialbog) 1812-1825, 150.

[256] Jørgen Andersen's og Ane Cathrine Jørgendatter's age and background are from Kirke Stillinge Kirkebog (Kontraministerialbog) 1814-1830, 9; samt Tikøb Kirkebog (Hovedministerialbog) 1812-1825, 150.

[257] H.E. Glahn, *Mindeord om Laurits Andersen [Laurits Andersen in Memoriam]*. (Copenhagen: Laurits Andersens Fond, 1949), 7.

[258] Garnisons Kirkes kirkebog (Parish register for Copenhagen garrison church), 1863.

[259] Glahn, *Mindeord*, 9.

[260] Eiler Morthensen, *Træk fra mit liv og tjeneste [Outlines of My Life and Service]* (Skjern, 1947), 69.

[261] Linck, *En Dansker*, 24.

[262] Ibid.

[263] Andersen, *Selvbiografi*, 1; Linck, *En Dansker*, 24. J.G.A. Eickhoff A/S, Lønningsbog, 1857-1863. Erhvervsarkivet [Business Archive] 01024 J. G. A. Eickhoff A/S.

[264] *J.G.A. Eickhoff Maskinfabrik København V [J.G.A. Eickhoff Machine Works, Copenhagen V]* (København: Nordlundes Bogtrykkeri, 1948), 1; Gottfried Eickhoff, *Af Mit Livs Erindringer [Memoirs]*. (København: H. Erbs Bogtrykkeri, 1923), 4. The two sources disagree on the address in Nyhavn. I go with the latter source, which is closer to the events.

[265] *J.G.A. Eickhoff,* 2; Eickhoff, *Erindringer*, 9.

[266] J.G.A. Eickhoff A/S, Lønningsbog, 1857-1863. Erhvervsarkivet 01024 J. G. A. Eickhoff A/S.

Copenhagen, acquiring skills in technical drawing.[267] Towards the end of his apprenticeship, when he was still only 17, Andersen was sent on unaccompanied missions to help clients install newly-built machines. In the middle of May, 1867 he went to the Elsinore on such an assignment, and in July of the same year, it brought him to Malmo in Sweden on his first ever trip abroad.[268] The fact that Andersen was entrusted with work at this level even when he was still an apprentice suggests a precocious level of maturity and responsibility apparent to his surroundings at an early age.

After he had completed his apprenticeship, Andersen was employed in 1868 at the workshop of the Royal Dockyards in Copenhagen.[269] He eventually worked under the supervision of the naval officer Balthasar Münter, who returned to Denmark in 1869 after a lengthy sojourn abroad and was made vice manager with responsibility for the shipyard's engineering and construction unit.[270] Andersen arrived at a time of great technological change, when shipbuilders in Europe and North America were embracing ironclads, i.e. naval vessels with hulls protected by iron or steel plates, abandoning the traditional wooden technology. Often there was no precedent to refer to, and the engineers and shipwrights employed at the Copenhagen naval yard were forced to experiment in a trial-and-error fashion.[271] Andersen himself got a unique chance to acquaint himself with cutting-edge technology, as he became part of the team that installed the engine in the armored vessel *Lindormen*.[272]

6.1.2. Destination Asia (1870-1871)

Laurits Andersen, whose brother Robert was already a sailor, had known for some time that he wanted to see the world.[273] In early 1870 he left Denmark on board the naval schooner *Diana*,[274] disembarking in Scotland, where he had found employment with the shipbuilding company Henderson, Colbourn & Co. located at Renfrew on the Clyde just west of Glasgow. It is possible that Andersen's contact with the company was facilitated by the fact that it had partly Danish ownership, since the engineer Henry Christian Løbnitz, born in the Danish city of Fredericia in 1831, had been made a partner four years earlier.[275] "The Danish co-owner Mr. Løbnitz looked after me," Andersen wrote in his autobiography.[276] "I stayed for almost

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[267] Andersen, *Selvbiografi*, 1; Glahn, *Mindeord*, 9.; Laurits Andersen is repeatedly listed as enrolled, see Teknisk Instituts Elevprotokol 1863-1868, Landsarkivet for Sjælland. FD-121, Københavns Tekniske Skole, 1844-1970 Elevprotokol.

[268] Payroll for 17. til 23. maj samt 26. juli til 1. august 1867 i J.G.A. Eickhoff A/S, Lønningsbog, 1864-1867. Erhvervsarkivet 01024 J.G.A. Eickhoff A/S. According to Linck, Andersen ended his apprenticeship with Eickhoff before time and was employed at D. Løwener & Co., Maskinfabrik og Jernstøberi in Christianshavn, see Linck, *En Dansker*, 31. However, this does not correspond with the fact that Andersen is listed on Eickhoff's payroll for the entire period from October 1863 to October 1867, see Lønningsbog, 1857-1863 and 1864-1867. Erhvervsarkivet 01024 J. G. A. Eickhoff A/S.

[269] Andersen, *Selvbiografi*, 1.

[270] Balthasar Münter, *Nogle Erindringer [Memoirs]* (København: Gyldendalske Boghandel, 1915), 72; Linck, *Dansker*, 33.

[271] R. Steen Steensen, *Vore Panserskibe 1863-1943 [Our Armored Vessels 1863-1943]* (København: Marinehistorisk Selskab, 1968), 231-233.

[272] Andersen, *Selvbiografi*, 1.

[273] Ibid., 33.

[274] Ibid., 33; *Dags-Telegraphen*, 12. januar 1870, 2; *Dagbladet*, March 4, 1870, 3; *Dags-Telegraphen*, March 5, 1870, 1; *Fædrelandet*, March 14 1870, 2; *Dagens Nyheder*, March 16 1870, 2; *Folkets Avis*, March 19 1870, 2; *Folkets Avis*, April 2m 1870, 2.

[275] "Obituary", *The Engineer*, December 25, 1896, 661; Fred M. Walker, *Ships and Shipbuilders: Pioneers of Design and Construction* (Barnsley: Seaforth Publishing, 2010), 183-184. Andersen, *Selvbiografi*, 1.

[276] Andersen, *Selvbiografi*, 1

half a year and benefited greatly from experience I accumulated there," Andersen wrote later.[277] He did, however, consider the weekly salary of 21 shilling rather modest,[278] and he was determined to venture further into the world as soon as possible. Before long, the opportunity arose. Among the projects that he participated in was the construction of the 125-foot *Sri Sarawak*, which had been ordered by the trading firm Borneo Co. for the purpose of transporting goods along the north coast of Borneo from a base in the port city of Kuching.[279]

Based on the available sources, it is not possible to establish with certainty if and to what extent Laurits Andersen's desire to go abroad, and to the see the East, was prompted by his older brother Robert. However, it stands to reason that he was of some influence, at least as a role model. Robert Andersen had become a sailor at an early age, and he had established himself in Asia a few years before Laurits Andersen's arrival. As early as in the year 1874, Robert Andersen was included on an authoritative list of foreigners in China, being described as a pilot for the firm Independence Pilot Co. i Shanghai.[280] The two brothers were typical of their generation, insofar as they emigrated, as did 285,000 other Danes in the period from 1869 to 1914. However, their decision to go to Asia set them apart, as only 745 other Danes, or 0.2 percent, did the same thing during the 45-year-long period.[281]

Sri Sarawak left the port of Glasgow in the middle of July, with Captain W. Hewat at the helm and Andersen as a junior member of the crew. By way of the Suez Canal and Ceylon, the ship arrived in Singapore in the morning of September 8,[282] and while Hewat stayed on as its captain, Andersen disembarked with two other crew members as arranged beforehand.[283] His first job after disembarking was at Tanjong Pagar shipyard on the outskirts of Singapore city, where, until early October, he assisted in repairing the engine of the steamship *Fair Singapore*, a coastguard vessel belonging to the maharajah of Johore, also known as Abu

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277 Ibid.
278 Linck, 33.
279 Andersen does not provide the name of the vessel in any of the sources. It is however clear from the context that it must be *Sri Sarawak*, which was the only ship built by the shipyard for British Borneo Co. in that period. The dates for *Sri Sarawak'*s journey from Scotland to Singapore also fit with the time for Andersen's journey to the Far East. Details about the ship are on the homepage www.clydeships.co.uk. See also "Fifty Years Ago", *Sarawak Gazette*, October 1, 1920: 218.
280 *The China Directory for 1874* (Hong Kong: China Mail, 1874), 3 og 6. See also Christopher Bo Bramsen, *Generaldirektøren. Vilhelm Meyer - en dansk forretningsmands liv i Kina* (København: Gad, 1993) (English version: *Open Doors: Vilhelm Meyer and the Establishment of General Electric in China*. Richmond: Curzon Press, 2001.)
281 Kristian Hvidt, *Flugten til Amerika eller Drivkræfter i masseudvandringen fra Danmark 1868-1914 [The Escape to America or Driving Forces in the Mass Emigration from Denmark 1868-1914]*.(Aarhus: Universitetsforlaget i Aarhus, 1971), 306.
282 Andersen, *Selvbiografi*, 2; *Straits Times* gives different dates for the arrival of the ship, September 8 in its issue for September 10 to 17, see "Shipping in the Harbour", *Straits Times*, September 10, 1870, p. 3, and "Shipping in the Harbour", *Straits Times*, September, 17, 1870, p. 3; and September 6 in its issue for the week after, see "Shipping in the Harbour", *Straits Times*, September 24, 1870, p. 3. Here I have chosen to follow *Straits Times Overland Journal*, which reported on *Sri Sarawak*'s arrival the day after, see *Straits Times Overland Journal*, September 9, 1870, 8. Andersen writes in his memoirs that the arrival was "around September 11", *Selvbiografi*, p. 2.
283 Hewat, sometimes appearing with the spelling Hewitt, is described as captain on the *Sri Sarawak* repeatedly in the local media during the following years. See for example *Straits Times Overland Journal*, July 14, 1871, 9; *Straits Times*, June 15, 1872, 4; and *Straits Times Overland Journal*, April 10, 1873, 10.

Bakr.[284] Andersen later explained to the Danish journalist Olaf Linck how he managed to be employed: ”Every day I would walk the port area, looking for a job, and one day when I heard someone ask a group of job seekers if any of them was a ship engineer, I stepped forward and said, in halting English, that I was an engineer all right!”[285]

Andersen wished to continue on to Hong Kong, and after two weeks of waiting, an unexpected opportunity turned up, when on October 14 the British cable ship *Cella* arrived in Singapore harbor on its way to Chinese waters, where it was to take part in cable-laying operation carried out by the Great Northern Telegraph Company, a Danish enterprise.[286] The flagship of the mission, the Danish frigate *Tordenskjold,* had already passed through Singapore one and a half months earlier,[287] and another cable layer, *Great Northern*, had stopped over at Singapore for a couple of days at the end of September.[288] *Cella* was in a rush to catch up with the other two vessels and was due to leave Singapore for Hong Kong on the same day that it arrived.[289] Just in time, Andersen heard about *Cella* and was informed that part of its crew was Danish. He knew he had to act fast. ”I sailed out in a boat, got the attention of someone on the vessel, was hoisted onboard with a rope – and was hired immediately as a cable man,” he said.[290] There was a reason why this happened so smoothly. A crew member had recently died on board, and his spot had to be filled.[291]

Andersen arrived in Hong Kong harbor on October 28.[292] This was the beginning of what may very well have been the most desperate period of his long life in Asia. He only had 11 dollars left, and for a few days he got by on bread priced at 5 cent a piece, as well as tea. He spent the nights sleeping out in the open along Queen’s Road, which at the time was in the middle of notorious district filled with drunk sailors and roaming vagrants.[293] In his autobiography, he explains his growing sense of desperation: ”After my arrival I got busy trying to find a job. I looked searched every place where I thought there might be some employment. I also rented a Sampan (boat) *[Andersen’s own addition]* and passed by every steamer in the harbor offering my services as an engineer, but all vacancies had been filled. A

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[284] Andersen does not himself give the name of the vessel, but *Fair Singapore* was the onle Malay steamship repaired at the shipyard during that period, see ”Shipping in the Harbour”, *Straits Times*, September 17, 1870, p. 3; “Shipping in the Harbour”, *Straits Times*, September 24, 1870, p. 3; “Shipping in the Harbour”, *Straits Times*, September 24, 1870, p. 3; Departures”, *Straits Times*, October 8, 1870, 3.
[285] Linck, *Dansker*, 34.
[286] Linck, *Dansker*, 35; Christopher Bro Bramsen, *Peace and Friendship: Denmark’s Official Relations with China 1674-2000* (København, Nordic Institute of Asian Studies, 2000), 52; “Arrivals” and “Vessels Cleared Out”, *Straits Times*, October 22, 1870, 3; “Shipping Intelligence”, *Straits Times Overland Journal*, October 25, 1870, 11.
[287] In Linck, *Dansker*, 35 Andersen remembers seeing the *Tordenskjold* in Singapore. Either he remembers incorrectly or he is misquoted by Linck. The vessel arrived in Singapore on August 30 and left on September 3, i.e. several days before Andersen’s arrival in Singapore. “Arrivals”, *Straits Times*, September 3, 1870, 3; “Shipping Intelligence”, *Straits Times Overland Journal*, September 9, 1870, 9; og “Fortnight’s Summary”, *Straits Times*, September 10, 1870, 1.
[288] *Straits Times Overland Journal*, October 7, 1870, 6.
[289] “Shipping Intelligence”, *Straits Times Overland Journal*, October 25, 1870, 11.
[290] Linck, *Dansker*, 35.
[291] Ibid.
[292] “Arrivals”, *The Hong Kong Daily Press*, October 28, 1870, 1.
[293] Linck, *Dansker*, 35-36. On the area near Queen’s Road in the 1870s, see H.J. Lethbridge, ”Conditions of the European Working Class in Nineteenth Century Hong Kong”, *Journal of the Hong Kong Branch of the Royal Asiatic Society*, vol. 15 (1975): 99-100.

week passed like this, and the money I had brought from Singapore was almost exhausted."[294]

An almost incredible coincidence saved Andersen from this predicament. One morning he was sitting on a bench in Hong Kong harbor finishing up a breakfast consisting of bread when a sailor sat down next to him. After a short conversation the two men realized they were related. "It turned out, to the great surprise of both of us, that the man was my uncle Bob Smith, the brother of my stepfather." His real name was Rasmus Johansen, but he had assumed an English name to connect more easily with captain and pilots along the China coast. Bob Smith was a popular man in Hong Kong, and when he introduced Andersen to his acquaintances, he was accepted with open arms – even among people who had previously turned him down. "Oh well, they said, if Bob Smith is your uncle, that changes everything. Of course, we will find a job for you."[295]

Now Andersen was finally in luck. In his autobiography he describes how "a Mr. Inglis sent me onboard a Spanish steamer with his recommendations," gaining him employment as an engineer on board the vessel.[296] Probably the person referred to by Andersen is John Inglis, an influential Chinese-speaking entrepreneur involved in a range of ventures, including a shipyard that had a successful business building small steam vessels for local corporations.[297] The Spanish steamer mentioned by Andersen is likely to be a vessel named *Manila*.[298] If this is correct, he took part in a total of four return trips from Hong Kong to Manila in the winter of 1870 and 1871.[299] According to Andersen's later testimony, the vessel was loaded with "ammunition and provisions",[300] but it is evident that the transport of passengers also formed

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[294] Andersen, *Selvbiografi*, 2.

[295] Linck, *Dansker*, 36-37. Contemporary sources confirm Rasmus Johansen was in Asia in that period under the name of Bob Smith or Robert Smith. Rasmus Johansen was born in 1828 or 1829 in Skårup on the island of Funen and grew up with his six-year-older brother, Laurits Andersen's stepfather Johannes Valentin Johansen, see Census, Skårup parish, 1834, page 50. As a 16-year-old, during the 1845 census, he is listed as a sailor, see Census, Skårup parish, 1845, page 41. Five years later he is described as being in the merchant marine, see Census, Skårup parish, 1850, page 41. He is absent from a number of censuses, but reappears in the census for 1880, now titled captain and living in Gentofte, see Census, Gentofte parish, 1880. In China a person by the name of Robert Smith is listed as a certified pilot, see "Public meeting", *North-China Herald and Supreme Court & Consular Gazette*, March 21, 1872, 227. In 1895 the same paper reports that Robert Smith has passed away in Copenhagen on July 15 at the age of 66. In other words, his year of birth, like Rasmus Johansen, was 1828 or 1829, see "Death", *North-China Herald and Supreme Court & Consular Gazette*, August 30, 1895, 341. Any doubts that Robert Smith and Rasmus Johansen are one and the same person are dispelled by the fact that "former captain Rasmus Johansen" was reported dead in Copenhagen in the middle of July 1895 by the Danish press, see "Døde", *Lolland-Falsters Stifts-Tidende*, July 17, 1895, 3.

[296] Andersen, *Selvbiografi*, 2.

[297] Patricia Lim, *Forgotten Souls: A Social History of the Hong Kong Cemetery* (Hong Kong: Hong Kong University Press, 2011), 370-371; Colin N. Crisswell, *The Taipans: Hong Kong's Merchant Princes* (Oxford: Oxford University Press, 1981); 52; personal correspondence with Stephen Davies, University of Hong Kong, May 23, 2017.

[298] Andersen merely mentions a "Spanish steamship", see Andersen, *Selvbiografi*, 2 og Linck, *Dansker*, 37. However, *Manila* was he only Spanish steamship plying a regular route between Hong Kong and Manila in the winter of 1870 and 1871. It tallies with the fact that Andersen left Hong Kong for Shanghai on board the ship *Leith* a few days after *Manila*'s arrival in Hong Kong in March 1870, see note 304.

[299] The four trips were November 12 to 30, December 13 to January 1, January 13 to February 5, and February 9 to March 7.

[300] Linck, *Dansker*, 37.

an important part of the business. For example, on Andersen's third trip with the vessel, it transported 14 Europeans and 216 Chinese to Hong Kong.[301]

Andersen was happy about the salary, which was 75 dollars a month, in addition to board and lodgings.[302] Still, it was hard work, and the tropical climate was an added hardship for Andersen. At the same time, he was informed by an acquaintance in Shanghai that he would stand a much better chance of swift success in that city than in Hong Kong.[303] In mid-spring 1871, he quit his job on the Spanish steamer and traveled to Shanghai on the steamer *Leith*, which left Hong Kong on March 21.[304] Later there would be rumors that Andersen, who would one day become one of Shanghai's wealthiest citizens, spent his first night in the city under the open sky, sleeping in a park on the Bund, Shanghai's world-famous waterfront.[305] By 1870, Shanghai had grown by leaps and bounds, but it still had less than 80,000 inhabitants, including 1,666 registered foreigners.[306] When Andersen later looked back at his first encounter with the city, he called it a "swamp by the river."[307] This characterization was probably influenced by the fact that due to his modest means he was forced to keep to the less inviting parts of the city. The American naval officer Matthew C. Perry, who had visited in 1853, gave a similar description of the Chinese part of the city, calling it "disgustingly filthy", but giving high marks for the foreign districts, which he described as having "wide and well-graded streets with beautiful gardens, and all the comforts and conveniences that are to be found in any part of the world."[308]

Immediately upon his arrival in Shanghai, Laurits Andersen got a job with Shanghai Steam Navigation Company, a subsidiary of Russell & Co., which was the biggest American trading firm in China in the second half of the 19th century.[309] In its heyday in the 1860s it operated 43 steam ships along the China coast and up the Yangtze River.[310] Initially, however, Andersen was not employed aboard its fleet, but was set to work in one of its godowns, or warehouses, in Shanghai.[311] "My first responsibility was to collect parts of engines salvaged

[301] "Passengers", *The Hong Kong Daily Press*, February 6, 1871, 1.
[302] Andersen, *Selvbiografi*, 2.
[303] Ibid. It is possible that this acquaintance was Andersen's uncle Ramus Johansen. As Andersen tells Linck: "Shanghai was my next destination. My uncle that told me there was much work to be had in the engineering business there," Linck, *Dansker*, 37.
[304] Linck, *Dansker*, 37; "Departures", *The Hong Kong Daily Press*, March 22, 1871, 1. In Linck, *Dansker*, 37, Andersen refers to the ship as *Leeds*. However, no ship of that name sailed between Hong Kong and Shanghai in the spring of 1871. It is likely that he is referring *Leith*, which sounds almost the same.
[305] "The Great Romance of Shanghai: Death of Resident who once Slept on the Bund and Who Gave £50,000 to a Museum", *The North-China Herald and Supreme Court & Consular Gazette*, 21. april 1928, 104.
[306] Sibing He, "Russell and Company in Shanghai, 1843-1891: U. S. Trade and Diplomacy in Treaty Port China", paper presented at conference "A Tale of Ten Cities: Sino-American Exchange in the Treaty Port Era, 1840-1950 – An Interdisciplinary Colloquium", Hong Kong University, May 23-24, 2011, 9.
[307] Linck, *Dansker*, 50.
[308] Matthew C. Perry, *The Japan Expedition, 1852-1854: The Personal Journal of Commodore Matthew C. Perry*, edited by Roger Pineau (Washington, DC: Smithsonian Institution Press, 1968), 59.
[309] Andersen, *Selvbiografi*, 2-3.
[310] On Russell & Co. and Shanghai Steam Navigation Company, see He, "Russell and Company"; Edward Kenneth Haviland, "Early Steam Navigation in China: Hong Kong and the Canton River", *American Neptune* 22 (No. 1, 1962): 5-43; Kwang-ching Liu, *Anglo-American Steamship Rivalry in China, 1862-1874* (Cambridge, MA: Harvard University Press, 1962).
[311] Linck, *Dansker*, 38.

from steamers that had been hit by fire on the river, with a view to assembling them anew," Andersen wrote in his autobiography.[312]

6.1.3. At War (1871-1875)

In the early summer of 1871, Andersen left Shanghai on board the 120-foot civilian steamer *Millet*, owned by the Shanghai Steam Navigation Company, but chartered by the US Navy to perform logistical functions during a limited military campaign mainly aimed at projecting American power on the Korean peninsula.[313] Andersen was not originally part of the crew meant to leave on the *Millet*s for Korea, but the opportunity suddenly arose, and since work, by his own admission, was "not exceedingly fun," he seized the chance: "As the engineers did not want to go to war, I was given the offer of serving as first engineering assistant. It suited me well, and the following evening I embarked," he wrote in his autobiography.[314]

Millet, which also carried four officers from the *Ashuelot*, completed routine customs procedures on June 8 and left Shanghai on June 11.[315] However, by the time it arrived off Korea, the military campaign had already come to an end. *Millet* weighed anchor on June 24, exactly one week after it had arrived off the coast of Korea. On board it carried nine Korean Christians, who feared they might be targeted in the anti-western atmosphere that settled over the country after the American expedition.[316] Even though Andersen arrived too late to take part in any of the combat operations, he established friendship which were to last many years into the future. "Among the young officers on board the *Millet* I met several later on. Two of them rose to the rank of admiral and visited me in Shanghai as an old comrade-in-arms," he wrote in his autobiography.[317]

[312] Andersen, *Selvbiografi*, 2-3.
[313] On the 1871 campaign in Korea, see, for example, Kees van Dijk, *Pacific Strife: The Great Powers and their Political and Economic Rivalries in Asia and the Western Pacific, 1870-1914* (Amsterdam: Amsterdam University Press, 2015), 187; James A. Field, *History of United States Naval Operations: Korea* (Washington DC: US Government Printing Office, 1962), 2-3; Douglas Edward George, "The Low-Rodgers Expedition: A Study in the Foundations of U.S. Policy in Korea", unpublished dissertation, Monterey CA: Naval Postgraduate School, 1988); Michael Green, *By More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783* (New York NY: Columbia University Press, 2017) 68; and Sebastien Roblin, "In 1871, America 'Invaded' Korea. Here's What Happened", *The National Interest*, January 18, 2018.
[314] Andersen, *Selvbiografi*, 3.
[315] On customs procedures, see "Summary of News", *The North-China Herald and Supreme Court & Consular Gazette*, 9. juni 1871, 416. The information that *Millet* carried four officers from *Ashuelot* is from Davids (ed.), *American diplomatic and public papers,* 124. The same document is the source of the departure date. This tallies somewhat with Andersen stating that the arrival in Korea on June 16 happened three or four days after the departure, Andersen, *Selvbiografi*, 4.
[316] Ibid., June 23, 1871. The number of Korean evacuees is confirmed in the contemporary press, "The Corean Expedition", *The North-China Herald and Supreme Court & Consular Gazette*, 30 juni 1871, 481. Andersen's claim that there were 30 Koreans on board must be due to a flawed memory about events decades in the past, Andersen, *Selvbiografi*, 4.
[317] Andersen, *Selvbiografi*, 4. Andersen does not name the officers and the later encounters are not described in any other sources. He probably is referring to one or more of the four officers from the *Ashuelot*, which the *Millet* transported to Korea. It is however not possible to pinpoint any officers serving on the *Ashuelot* in 1871 who later became an admiral or achieved other high ranks within the US Navy, see various editions of Lewis Randolph Hamersley, *The Records of Living Officers of the U.S. Navy and Marine Corps* (Philadelphia: L.R. Hamersley & Co.).

Andersen spent the following years at sea, and the sources about his life during that period are exceedingly scarce.[318] In his autobiography, Andersen merely writes that he ”sailed along the coast of China and up the rivers until 1874.”[319] His work for the Shanghai Steam Navigation Company gave him ample opportunity to see all parts of China which up till then had been opened up to foreigners. After the end of the Second Opium War from 1856 to 1860, when the victorious powers of Great Britain and France had forced China to open up yet more ports to foreign trade, the shipping company’s owner, Russell & Co., had seized the opportunity, and in the course of the 1860s it had opened up branches and offices in a range of cities along the east coast and the Yangtze River, including Hankou, Jiujiang, Ningbo, Tianjin, Xiamen and Zhenjiang. At the same time, Russell & Co. was able to expand inland with the help of family connections, and in the same way it also succeeded in establishing a presence in for example Japan.[320]

Possibly as a result of being sent to Japan for his company, Andersen was informed in 1874 of a new employment opportunity. The Japanese government was organizing a punitive expedition to Taiwan in retaliation for an episode in 1871, when 54 sailors from the Japanese-controlled Ryuku islands had survived a shipwreck off Taiwan but had been killed by members of the island’s original population.[321] The modern Japanese navy was only being established, and it had to rely not just on foreign-built vessels, but also foreign sailors recruited for positions onboard which required a specific technical expertise.[322] This prompted Andersen to accept hire on board a transport ship, apparently during a sojourn in the port city of Nagasaki.[323] Andersen only took part in one journey from Nagasaki to Taiwan and back, apparently in the fall of 1874, before deciding to quit.[324] While the Japanese army operations on Taiwan were characterized by atrocities,[325] it appears that the death toll

[318] This goes for all sailors in that part of the world during that period. To quote the maritime historian Bert Becker, “it is almost impossible to track the traces of a single sailor plying the seas should you not have his logbook, letters, etc.” Bert Becker, University of Hong Kong, email to author, May 22, 2017.
[319] Andersen, *Selvbiografi*, 4.
[320] He, “Russell and Company”, 4.
[321] Edwin Pak-Wah Leung, “The Quasi-War in East Asia: Japan's Expedition to Taiwan and the Ryūkyū Controversy” i *Modern Asian Studies*, vol. 17, nr. 2 (1983): 262.
[322] Robert Eskildsen, “Suitable Ships and the Hard Work of Imperialism: Evaluating the Japanese Navy in the 1874 Invasion of Taiwan” in *Asia Bunkakenkyu*, vol. 38 (2012): 55.
[323] Andersen, *Selvbiografi*, 4. It is not possible to say with certainty which ship Andersen served on. Some evidence does however suggest that it was on board the 15-year-old steamship *Delta*, which the Japanese government had bought from the British company Peninsular & Oriental Steam Navigation Company for 100,000 dollars, specifically with a view to deploying it in the Taiwan expedition. The new Japanese owners renamed the vessel *Takasago* and dispatched it on its first tour in May, kicking off a routine in which it plied a regular route between Nagasaki and the disembarked Japanese troops in southern Taiwan. *Delta* was named by the local media as a ship with a relatively high proportion of western crew members, see “Nagasaki”, *The North-China Herald and Supreme Court & Consular Gazette*, 23. maj 1874, 451. In addition, *Delta* experiened high mortality due to illness during a journey from Taiwan to Nagasaki, similar to Andersen’s description. Andersen, *Selvbiografi*, 4. See “Summary of News”, *The North-China Herald and Supreme Court & Consular Gazette*, May 16, 1874, 422 and “Summary of News”, *The North-China Herald and Supreme Court & Consular Gazette*, June 20, 1874, 554.
[324] Andersen, *Selvbiografi*, 4.
[325] *Foreign Adventurers and the Aborigines of Southern Taiwan, 1867-1874: Western Sources Related to Japan’s 1874 Expedition to Taiwan*, redigeret af Robert Eskildsen (Taipei: Academia Sinica, 2005), 209.Edwin Pak-Wah Leung, “The Quasi-War in East Asia: Japan's Expedition to Taiwan and the Ryūkyū Controversy” i *Modern Asian Studies*, vol. 17, nr. 2 (1983): 262.

associated with tropical disease[326] left a deeper imprint on Andersen. “The way these troops ended up is among the worst things I’ve seen in my life,” Andersen wrote in his autobiography. “Every ship which went there returned loaded with large numbers sick with fever, and great numbers succumbed en route. The dead bodies were bent and placed in barrels for burial in Nagasaki. One trip was enough for me. I disembarked and returned to China.”[327]

6.1.4. Settling Down in China (1875-1880)

Laurits Andersen entered a period of prolonged deliberation about his future, asking himself if he wanted to continue work as a sailor. Eventually, he decided to put his life at sea behind him for good, and by the end of the 1880s he had begun a new life on land, embarking on a career as a businessman and an entrepreneur. Possibly in the same period, Andersen for the first time ever worked with a company that in the long run was to have a profound impact on his career in China, the Shanghai-based trading firm Mustard & Co. The firm had been established in 1868 by Robert West Mustard, a merchant from Delaware. By the mid-1870s, Mustard had introduced a partner into the firm, Charles Carroll Bennett, an entrepreneur from Massachusetts. Business was booming, as the firm specialized in the import of canned food, considered a delicacy among Shanghai’s western population. New technologies such as a steamships and telegraphy shortened the period needed for logistics, and new possibilities opened up for small, nimble firms such as Mustard & Co.[328]

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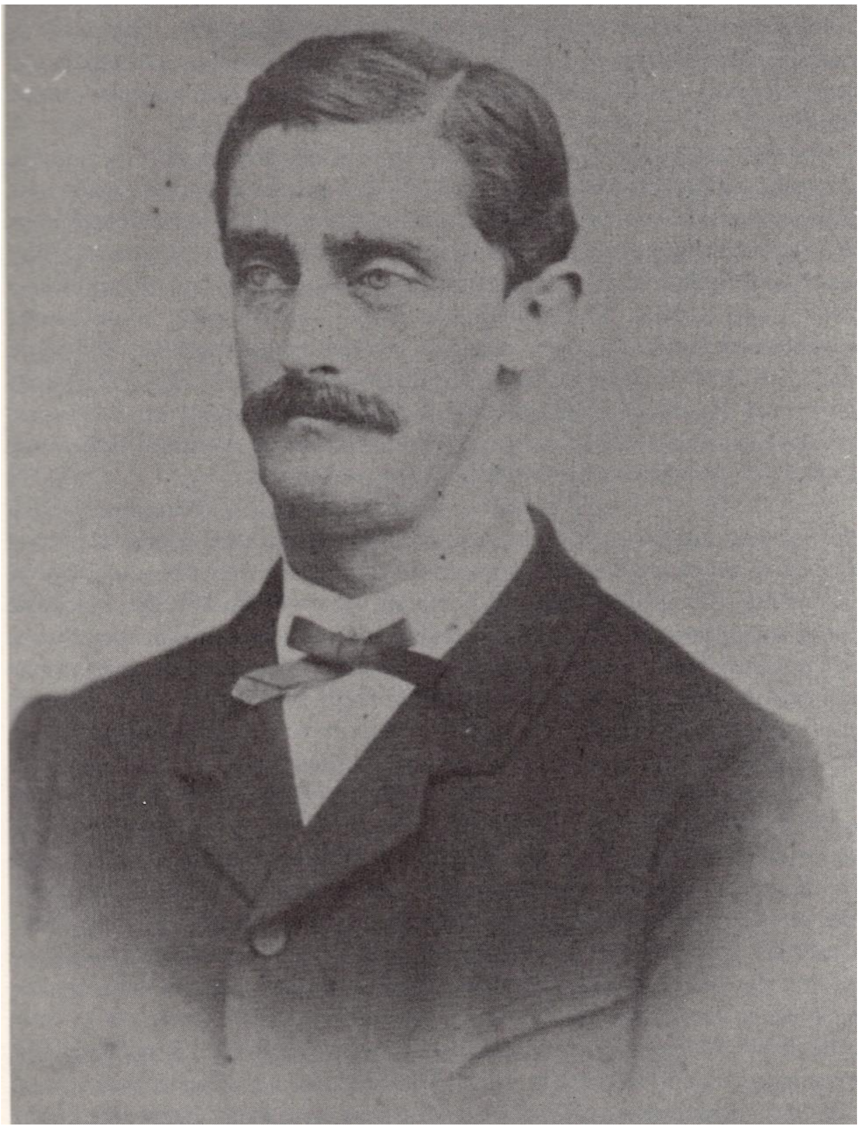
[326] Louis G. Perez. *Japan at War: An Encyclopedia* (Santa Barbara CA: ABC-CLIO, 2013), 352.
[327] Andersen, *Selvbiografi*, 4. This is possibly the voyage which brought *Delta* to the port of Nagasaki one of the last days of September 1874, as the media pointed out the vessel was bringing sick soldiers. “The Formosa Difficulty”, *The North-China Herald and Supreme Court & Consular Gazette*, October 3, 1874, 346. The Japanese journalist Ginko Kishida also reported a few days later that many people had died on board the ship. *Tokyo Nichi Nichi Shimbun*, October 7, 1874. Citeret fra Matthew Fraleigh, “Japan’s First War Reporter: Kishida Ginkō and the Taiwan Expedition” i *Japanese Studies*, vol. 30, nr. 1 (May 2010): 62.
[328] Paula Schwartz Holloway, “Robert West Mustard: An American Merchant in Shanghai, 1865-1900” in *Delaware History*, vol. XXII, nr. 2 (1986): 69–72; *The North-China Herald and Supreme Court & Consular Gazette*, April 24. 1901: 782.



Robert West Mustard. Source: Historical Society of Delaware.

Andersen later told Olaf Linck that he started work for Mustard & Co. after three years at sea, or, in other words, at about the same time as he ended his service in the Japanese Navy.[329] This did not come about by mere chance, and his connection with the founders of the firm did not emerge from scratch. Rather, he had already become acquainted with Mustard and Bennett during earlier stays in Shanghai as a sailor. For the two Americans, it was probably tempting to hire an experienced sailor with thorough knowledge of East Asia. "I immediately was given the task of going to Japan in order to purchase curios, but as it didn't seem to me to be a very viable business, I decided to return to my life at sea," Andersen explained in conversations with Linck.[330] However, instead of seeking work on a ship straightaway, Andersen made a detour around Hong Kong, where he passed a test described in his autobiography as a "First Engineering Exam".[331] In all likelihood, this happened under the

[329] Linck, *Dansker*, 38. There is no contemporary confirmation that he worked for Mustard & Co. as early as the 1870s. He is not listed as a staff member in various versions of *The North China Desk Hong List*, an autoritative list of businesspeople in East Asia during the period. This could, however, reflect his junior position.
[330] Linck, *Dansker*, 38.
[331] Andersen, *Selvbiografi*, 4.

auspices of the Institute of Mechanical Engineers, which was headquartered in London and maintained a standardized examination system throughout the British Empire. The institute did not itself organize any teaching in cities such as Hong Kong, and instead a circle of local engineers carried out the examination on its behalf.[332]

For the remainder of the year 1875, Andersen worked on a tugboat, which plied coastal waters south of Shanghai. The vessel was a steamship, which he had bought for his own money, according to his later testimony.[333] He described the nature of the job in his autobiography, stating that it consisted of "saving junks that had been plundered by pirates. Vessels from north Chinese ports often were caught in northerly gales and drifted south of Shanghai, where they fell victim to the pirates, who stole everything on board, and even stripped the crew of their clothes, before also making away with sails and the rigging. Afterwards, the vessel was anchored behind an islet or a cliff, making it hard to locate them and bring them back to safety in Shanghai or Ningbo."[334]

The following year, 1876, saw Andersen focus his energies in the area around the large northern Chinese city of Tianjin. He was now listed as engineer on board the *Pathfinder*, one of three tugs operated by the local company Taku Tug and Lighter Co.[335] Taku, or Dagu with the modern pinyin spelling, was a fortress and a harbor in Bohai Bay, connected to Tianjin via the River Bai. The local topography caused serious trouble for the maritime trade, as a sandbank off Dagu made traffic cumbersome, and in addition to its tugboats, the Taku Tug and Lighter Co. also operated a number of barges that carried passengers and cargo to the port from ships anchored in Bohai Bay. The *Pathfinder* served in both functions, being used intermittently as a tug and a barge.[336] In other words, Taku Tug and Lighter Co. played an essential role, but nonetheless it was often criticized since the fees it charged for use of the vessels drove up costs for the local trading firms.[337] Andersen only stayed with Taku Tug and Lighter Co. until late 1876, when he set up his own engineering firm in Tianijn, naming the company Chien-hsing (Jianxing).[338] For the next few years, he was described in an annual list of foreigners in East Asia as an "engineer, etc." residing in Tianjin.[339] In his autobiography, Andersen was disarmingly honest about the slow pace at which he built a viable business: "The business only made modest progress. There was not yet any major trade or industry, but I was doing reasonably well."[340]

Even so, it probably seemed a sensible step for Andersen to settle down in Tianjin rather than in Shanghai, otherwise the favored destination for most Westerners hoping to succeed in China. Even before Tianjin was linked to the world market, the city was a key center for

[332] Engineering candidates were only formally educated in Hong Kong from 1916. E-mails from Peter Cunich, University of Hong Kong, May 20 and 21, 2017.
[333] Linck, *Dansker*, 39.
[334] Andersen, *Selvbiografi*, 4.
[335] *The Chronicle and Directory for China, Japan and the Philippines for the Year 1877* (Hong Kong: Daily Press, 1877), 324.
[336] "Tientsin", *The North-China Herald and Supreme Court & Consular Gazette*, November 15, 1871, 876.
[337] "Tientsin", *The North-China Herald and Supreme Court & Consular Gazette*, November 11, 1875, 471.
[338] *The North China Desk Hong List 1879*, 59.
[339] Ibid.
[340] Andersen, *Selvbiografi*, 5.

domestic commerce, since it was located alongside important trade routes between the north and south of China.[341] After the end of the Second Opium War in 1860, Tianjin had been opened up to British and French commerce, and gradually trade with other western powers had also been permitted, making the city almost as attractive to Western merchants as Shanghai. It was an added advantage that Tianjin was located in great proximity to the center of political power in Beijing, probably inspiring some foreign businesspeople to speculate that lucrative ties with the imperial court might be possible. For example, the influential German merchant Gustav Detring, had been employed in the Chinese customs service since the mid-1860s and had gradually become the closest foreign associate of Li Hongzhang, who held the official title of viceroy of Zhili province and was the most prominent representative of the emperor in northern China. This created an opening, which German businesspeople were able to translate into commercial opportunities in the form of weapons sales to the Qing government.[342]

It added to Li Hongzhang's pivotal role that he was the emperor's minister in charge of foreign trade and in this capacity frequently came into touch with foreigners. Li was driven by stern Confucian work ethics, as the Danish naval officer Balthasar Münter noticed during a visit: "Li started work at his office at 6 am and kept at it throughout the day until 6 pm, when I frequently witnessed his second wife dispatching two of his grandchildren, nicely groomed, to remind him that it was time to end work."[343] It is very likely that Andersen was in touch with Li by the late 1870s, since he gradually established a relationship built on trust with the imperial bureaucracy, benefiting his engineering firm, which only a few years later was in a privileged position where it was able to enter into wide-ranging and lucrative contracts with the empire.

Any contact with Li Hongzhang and his staff must also have introduced Andersen to the complicated cultural codes dominant within the Chinese bureaucracy. Münter provides a vivid description of the conditions prevalent around Li: "It is hard to think of a more byzantine nest of intrigue than Tientsin [Tianjin] at the time. Especially war material was on the agenda… All the subordinates in the viceroy's anteroom had to be bribed, and once you were in his presence, there would usually be a couple of so-called 'pipe bearers', who saw to it that his pipe was packed with tobacco and made sure to pass the wine around. You could be certain that they were paid for by competitors to inform them about the contents of the conversation."[344] It is probable that through his ties with Li Hongzhang, Andersen gained access to important visitors passing through Tianjin. For instance, it is highly likely that this enabled him to repeatedly meet the former American President and Civil War General

[341] Kwan Man Bun, *The Salt Merchants of Tianjin: State-Making and Civil Society in Late Imperial China* (Honolulu HI: University of Hawai'i Press, 2011), 21.
[342] Shirley Ye, "River conservancy and state building in treaty port China," in *Treaty Ports in Modern China: Law, land and power*, eds. Robert Bickers and Isabella Jackson. (London and New York NY: Routledge, 2016), 122. Vera Schmidt, *Aufgabe und Einfluss der europäischen Berater in China: Gustav Detring (1842-1913) im Dienste Li Hung-changs* (Wiesbaden: Otto Harrassowitz, 1984). For another example of a Tianjin-based official instrumentalizing ties with officialdom for commercial purposes, see Ricardo K. S. Mak, "Western Advisers and Late Qing Chinese Military Modernization: A Case Study of Constantin von Hanneken (1854-1925)," *The Journal of Northeast Asian History*, vol. 10, no. 2 (Winter 2013): 47-70.
[343] Münter, II, 7–8.
[344] Münter, II, 5.

Ulysses S. Grant, who visited China during a world tour in 1879.[345] In a draft of his autobiography, Andersen described, with a clear note of pride, having a one-on-one conversation with Grant."[346]

Former US President Ulysses S. Grant pays visit to Li Hongzhang during tour of China in 1879. Source: Library of Congress.

6.1.5. In the Service of the Emperor (1880-1889)

Laurits Andersen's work for the Chinese Empire peaked during the first half of the 1880s when he became a key figure in the Qing Dynasty's attempt to realize its ambition of building up a modern navy. During this time, he also established important contacts with leading members of the Chinese bureaucracy and started friendships that were to last many years into the future. In this sense, Andersen was typical of a generation of Westerners who at the end

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[345] Another reason may be Andersen's continued close ties with Russell & Co. and its subsidiary Shanghai Steam Navigation Company. Russell & Co. not only sponsored a banquet for Grant but also organized a garden party in his honor, see He, "Russell and Company", 12.

[346] In a draft of his autobiography, Andersen describes the conversation at some length: "One day he noted a big American artillery piece, which had sunk into some mud near the docks. He was interested to know where it was from. I informed him and told him that I was in the process of lifting it out. Then I was examined: 'How do you lift it?' 'With a jack.' 'How many do you have?' 'Just one.' 'How can you lift this heavy gun with just one jack?' After I explained it to him, he patted me on the back and said, 'That's right, I have lifted my guns the same way'. Draft of Andersen's autobiography, i 2-2035 Shanghai, konsulær repræsentation, 1925-1961 Gruppeordnede sager (aflev. 1963), 26 R15 (pakke 2), Rigsarkivet (Danish National Archives, hereafter: RA). This was not included in the final version of the autobiography. The lengthy report, despite the relatively trivial nature of the conversation, probably reflects Andersen's pride at having met a man of considerable power and prestige.

of the 19th century were deeply involved in Chinese modernization efforts and left a deeper imprint on the Chinese state and society than any previous generation of foreigners. Li Hongzhang remained the central figure in Andersen's career during those years. That was no coincidence. Li was by far the most important official of the late Qing Empire to make extensive use of foreign experts.[347] He saw it as his main mission to strengthen the Chinese Empire at a time when Western imperialism had presented it with perhaps its worst crisis of its more than 2,000 years of existence.[348] At the same time, he was also a cool pragmatic mind with few illusions that China was anywhere but far behind in the technological race with the West and would be unable to change this state of affairs without significant aid from abroad.

One of the central elements of Li Hongzhang's policies was an effort to enable China to develop into a modern naval power. Key officials in the Qing administration had known since the First Opium War in 1839–1842 that this was a necessity in order to save China from becoming completely defenseless vis-à-vis the European powers. However, despite the emerging consensus about the need for a modern Chinese navy, the actual implementation had faltered, and during the time up until 1800, there had been two major, partly failed attempts at naval modernization.[349]Among the tangible results of these earlier modernization efforts were two naval yards and arsenals, one built in southeast China's Fujian province, the other in Shanghai. When Li Hongzhang was appointed the top imperial official in northern China, he was also put in charge of the naval forces of the area, known as the Beiyang Fleet, and he set the objective of constructing a third naval yard that was to service the vessels of the fleet. "When the vessels need maintenance, they have to be sent to either Fujian or Shanghai. It is a long journey, and precious time is wasted," Li Hongzhang wrote, arguing in favor of yet another naval yard.[350]

Li chose to place the naval yard on the banks of the Hai River, which linked the port of Dagu to the city of Tianjin, in close proximity to fortifications that had for centuries protected the imperial court in Beijing against attack from the sea.[351] True to his own pragmatic inclinations, he picked a team of Western experts who were given complete discretion in building the naval yard, thus accelerating the development and giving China the chance to reach the state of the art in the shortest possible time. Overall, the practical management was in the hands of Detring, the German customs official and close associate of Li Hongzhang.[352]

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[347] Richard J. Smith, "Li Hung-chang's Use of Foreign Military Talent: The Formative Period 1862-1874", in Samuel C. Chu and Kwang-ching Liu (eds.), *Li Hung-chang and China's Early Modernization* (Armonk NY: M.E. Sharpe, 1994), 119.

[348] Kwang-ching Liu, "Li Hung-chang in Chihli: The Emergence of a Policy, 1870-1875", in *Li Hung-chang and China's Early Modernization*, ed. Samuel C. Chu and Kwang-ching Liu (Armonk NY: M.E. Sharpe, 1994), 49.

[349] Chia-chien Wang, "Li Hung-chang and the Peiyang Navy" in), *Li Hung-chang and China's Early Modernization*, ed. Samuel C. Chu and Kwang-ching Liu (Armonk NY: M.E. Sharpe, 1994), 248–249.

[350] *Zhongguo jindai jianting gongye shiliaoji [Historical Documentary Collection on Chinese Shipyards of the Modern Age]*, 528.

[351] J. He et al., "A GIS-Based Cultural Heritage Study Framework on Continuous Scales: A Case Study on 19th Century Military Industrial Heritage", The International Archives of the Photogrammetry, Remote Sensing and Spatial Information Sciences, Volume XL-5/W7, 2015. 25th International CIPA Symposium, 2015, August 31–September 4, 2015, Taipei, Taiwan, 217.

[352] *Zhongguo jindai jianting gongye shiliaoji*, 528. Schmidt, *Aufgabe und Einfluss*, 6.

For the specific task of building the dry dock, Li Hongzhang picked Andersen and William Grant, an Englishman of almost the same age who until then had been captain on board the tugboat *Peiho*.[353] There is little doubt that Andersen's experience from the Royal Dockyards in Copenhagen a decade earlier now stood him in good stead. The chance of joining the dry dock project was apparently also an opportunity for him to extricate himself from the doldrums that his engineering firm had ended up in. "When I was asked by the Chinese government if I could take on this work, I immediately agreed. Back in those days, you had to be a factotum. That way, there was money to be made," he later commented.[354] Andersen sold his engineering business to the Chinese government,[355] and from now on he devoted his entire time to work for Li Hongzhang. In the annual publication *The North China Desk Hong List*, he was described as an employee at "Dagu Dock".[356]

Construction of the dry dock began in January 1880, and the work was completed by August of the same year. According to a press report in July 1881, some reconstruction was necessary after the subsoil had turned out to be less stable than originally assumed.[357] This did not, however, prevent Li Hongzhang from bestowing the Order of the Double Dragon, one of the empire's highest awards, to "the Westerner Andesheng", as he described Andersen in one of his letters.[358] Since Andersen knew no Chinese, and Li Hongzhang spoke no English, they were forced to communicate through an interpreter, but their relationship nevertheless appears to have been excellent. "It was impossible to make him smile, but I understood that he was satisfied, and when he inspected my work at the dock upon completion, he acknowledged it by putting his thumb up and saying *How!* At least I knew enough Chinese to understand that this meant Good, or He is good!"[359]

The opening of the dry dock was a milestone that was duly noted by foreign observers. The newspaper *The North-China Herald* pointed out in an article in August 1881 that the new naval yard had already proved useful: "Facilities are being provided whereby all manners of repairs may be made to vessels needing them. A corps of employés will be thoroughly instructed under foreign supervision in all that relates to the construction and repair of sea-going craft. It is quite possible that ere long vessels may be built there."[360] However, the construction of ships remained a remote dream, not because the dry dock lacked the capacity, but because China still did not have the necessary expertise in modern shipbuilding. All vessels of the Beiyang Fleet were still purchased abroad, except for one built at the naval yard in Fujian.

After completing his work on the Dagu dry dock, Andersen was sent to Port Arthur in northeastern China in 1882. At that time, it was a small fishing community, but Li

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353 *The North China Desk Hong List 1881*, 58.
354 Linck, *Dansker*, 39.
355 Andersen, *Selvbiografi*, 5.
356 *The North China Desk Hong List 1881*, 61.
357 "Outport: Tientsin", *The North-China Herald and Supreme Court & Consular Gazette*, July 8, 1881: 30.
358 *Zhongguo jindai jianting gongye shiliaoji [Historisk dokumentsamling for Kinas orlogsværfter i nyere tid]*, 528.
359 Linck, *Dansker*, 39-40.
360 "Outports: Tientsin", *The North-China Herald and Supreme Court & Consular Gazette*, September 16, 1881: 281.

Hongzhang had decided it was to become the site of a new naval base. It made sense given the geographical location, close to the Korean peninsula, which was within reach of both the Russian and the Japanese empires and a source of growing strategic tension. At the same time, it was important to decide if the topography even permitted the establishment of a naval base. "[I was to] drill into the soil in the harbor in order to determine if it was possible to dredge the bottom and achieve enough depth for a naval harbor and a dry dock," Andersen explained later. He added that a report he filed to the Chinese naval command after his inspection tour was critical for the decision to go ahead and build the harbor.[361]

Andersen noted with a certain degree of professional pride that Port Arthur subsequently became world famous not once, but twice. The first time was during the First Sino-Japanese War of 1894–1895, when the harbor was defended by the Chinese against Japanese attack, and the second time was 10 years later during the Russo-Japanese War, when once again the Japanese were the attackers and the port was now defended by the soldiers of the Tsar. "It was a great pleasure for me to visit Port Arthur once again in 1918 and see the dock and the yard built on the spot that I had recommended, but all the fortifications which the Russians had erected on the heights around the port had been completely destroyed by the Japanese artillery," Andersen wrote in his autobiography.[362]

Work on the harbor at Port Arthur was still only in its early stage when Andersen was abruptly ordered to inland China to inspect a number of new coal mines that had just been discovered and provide an estimate of the approximate value of the reserves. The quest for new coal reserves was a logical consequence of the naval policies pursued by Li Hongzhang and other Chinese officials. The vessels of the Beiyang Fleet and other contemporary Chinese naval forces were all steam-powered, and the demand for coal had forced the Qing government to embark on the costly import of foreign coal. In order to mitigate this, Li Hongzhang had opened up the Kaiping coal mines in the northern Chinese Hebei province as early as 1877, followed in 1881 by the establishment of one of China's earliest railroads in the same location, which was to facilitate the transportation of coal extracted from the mines.[363]

Andersen later admitted that this was a task for which, unlike previous tasks, he had no specific qualifications. "At that time, they didn't even ask me if I had any expertise in the field. I'm sure the Chinese were convinced that I had. And if I did not, I'd better hurry up and get it! You had to read up on the tasks that you had to solve. And if there was no relevant literature, well, in that case you just had to follow your instincts," he said on a later occasion. The diversified nature of his work made him appreciate the practical education he had received at home in Denmark. Of equal importance was the fact that his prior training had turned him into a generalist with an ability to quickly adapt to new challenges. "Oh yes, I was employed in many jobs that I had received no preparations for, and never even dreamt of.

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361 Andersen, *Selvbiografi*, 4.
362 Andersen, *Selvbiografi*, 4.
363 Shellen Xiao Wu, *Empires of Coal: Fueling China's Entry Into the Modern World Order, 1860-1920* (Stanford CA: Stanford University Press, 2015), 26–27.

And can you imagine what helped me? The education and practical experience which I had received at the Royal Dockyards. I often appreciated that in those days."[364]

Andersen was now permanently employed in the service of the Chinese emperor and had the official title of leading engineer at the Dagu Naval Yard. At the same time, he received the rank of captain in the Chinese Navy.[365] Andersen served alongside Grant, the leading shipwright. At the top of the hierarchy was Detring, who shared the position as head of the naval yard with the Chinese official Ma Taotai.[366] Never before and never again would Andersen be so close to political power. "I remained for four years and got into contact with Admiral Ting [Ding Ruchang] and the various commander of the Navy's ships, with whom I was on very friendly terms," Andersen wrote later in his autobiography. "Ten years later, in 1894 during the war with Japan the northern fleet was destroyed in the naval battle of Yalu Bay at Wei Hai Wei harbor, all my old friends committed suicide by eating opium."[367]

Apparently by coincidence, Andersen decided to retire from his work for the Chinese empire in 1884. His brother, Robert Andersen, had lived in East Asia for a lengthy period of time, working as a sailor, and when he was suddenly seized by home sickness and wanted to return to Denmark, Andersen joined him.[368] Andersen nurtured vague plans about possibly staying and starting a new career in his home country, but it all turned out differently. "After a year had passed, I had made up my mind that I didn't belong here. I had stayed long enough in Denmark and, to be honest, was getting bored. So I left the country once again," he explained later. The first stop was England, where for a period of time he studied machine engineering with one of the country's largest engine manufacturers.[369]

When he returned to China, nothing much had changed. Grant had stayed on at the yard in Dagu, and he would continue to live in the Tianjin area until his death at the age of just 40, in 1890.[370] Even though Andersen did not resume his career within the imperial bureaucracy, he remained in Tianjin for the time being, and in 1886 he was still listed in the most popular directory of foreigners in China as a "machine engineer" with an address in Tianjin.[371] As late as 1888, Tianjin was the point of departure when Laurits Andersen embarked on a lengthy expedition to the Great Wall.[372] Even though Tianjin continued to be Andersen's home, he spent more and more time in Shanghai, where he had set up a new company as an engineering consultant. He was also listed in the 1888 edition of a directory of foreigners in China as associated with the trading firm Mustard & Co., although the exact nature of this association is not spelled out.[373] The firm, which Andersen had already been involved with previously in the decade according to his own testimony, specialized in the import of Western

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364 Linck, *Dansker*, 40.
365 Andersen, *Selvbiografi*, 5.
366 *The Chronicle & Director for China, Corea, Japan, the Philippines, Cochin-China, Annam, Tonquin, Siam, Borneo, Straits Settlements, Malay States &c. for the Year 1881* (Hong Kong: Daily Press Office, 1881), 389.
367 Andersen, *Selvbiografi*, 5.
368 Linck, *Dansker*, 40–41.
369 Ibid., 44. It has not been possible to identify the British firm.
370 *The Chronicle & Director for China, Corea, Japan, the Philippines, Cochin-China, Annam, Tonquin, Siam, Borneo, Straits Settlements, Malay States &c. for the Year 1888* (Hong Kong: Daily Press Office, 1888), 472.
371 *The North China Desk Hong List 1886*, 65, 74.
372 Linck, *Dansker*, 60.
373 *The North China Desk Hong List 1888*, 81.

goods. The customers were mostly foreigners, but also included a growing number of cosmopolitan Chinese with an interest in all things foreign. The list of goods sold by Mustard & Co. was long: jam, salt, pepper, cheese, powdered sugar, oil, vinegar, sauces, flour, brandy, currants, raisins, whiskey, champagne, sherry, and soda water. The firm also introduced stoves for the chilly northern Chinese winters, and it sold bay rum used as a disinfectant to rinse the hands as a measure against the unhygienic conditions prevalent in big Chinese cities.[374] “We pursued the business principle that the products had to be cheap and good, but that for every brand there was to be different qualities to choose from, and of course also different prices,” Andersen said later.[375]

6.1.6. Summary

While the early decades of Andersen’s life until 1890 are outside the period of immediate interest to this thesis, it involves important clues to the drivers of his future careers as an entrepreneur in Treaty-Port China. As a newcomer in East Asia, he had to rely mostly on his skills, acquired in his native Denmark but continuously expanded, for advancement in his career, but even at this early stage his social networks proved of use. In terms of skills, he benefited from his growing engineering expertise and saw to it that whenever the opportunity arose it was kept updated in a time of rapid technological change, for example taking advantage of a stopover in Britain during his return journey to East Asia in the mid-1880s. Significantly, learning Chinese was apparently not considered a priority, and his direct communication with his most prominent Chinese connection Li Hongzhang was limited to one-syllable words.

While Andersen was only in the process of establishing social networks, they proved of essence, both when they helped him in his career, and when they failed him. The seemingly miraculous meeting with a relative in Hong Kong enabled him to get access to new networks and thus create a foundation for his career. It was also a member of these networks who guided him on from Hong Kong to Shanghai as a more promising place in terms of professional advancement. By contrast, when he set up shop in Tianjin in the mid-1870s, business was, by his own admission slow, and while the sources do not provide a clear explanation, it stands to reason that the lack of a network in a city that he had only visited sporadically was at least partly to blame.

It is noteworthy that Andersen’s life was strictly linked to the world of Treaty-Port China, and that he moved with ease among the cities forming part of the region, whereas a single trip to the Great Wall, a relatively short distance from Tianjin and therefore only marginally off the beaten path, was an expedition into the unknown which he felt merited special mention even decades later. Treaty-port China as experienced by Andersen could be understood not only in a narrow geographical sense as the actual treaty ports themselves, but also more expansively, as the shipping and logistical network that tied the cities together, as described by Anne Reinhardt.[376] It was a world also defined by the steamship technology, with the terminuses of the steamship routes marking its furthest reaches, enabling Andersen, as an

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[374] Holloway, “Mustard”, 72.
[375] Linck, *Dansker*, 44.
[376] Anne Reinhardt, “Treaty ports as shipping infrastructure,” in *Treaty Ports in Modern China: Land, law and power*, ed. Robert Bickers and Isabella Jackson (London and New York NY: Routledge, 2016), 101-120.

employee of the Shanghai Steam Navigation Co., to sail "along the coast of China and up the rivers." Andersen's social networks were also defined by this regional shipping network, and by the larger global shipping infrastructure that it was attached to. It was peopled by merchants and sailors who moved in semi-closed circuits and may have met old acquaintances in unexpected places, similar to the way jetsetters in the modern world may chance upon each other in airports cafes in distant parts of the world. In this light, Andersen random encounter with his relative in Hong Kong may be less unusual than would seem at first glance.

6.2. The Bonsack Years (1890-1902)

6.2.1. Tobacco Industry (1890-1895)

More than any other company, Mustard & Co. pioneered the introduction of machine-produced cigarettes in China, with Laurits Andersen at the center of its efforts to open up the giant Chinese market for the product, which was already achieving enormous popularity in other parts of the world. There is a straight line from Andersen's first cumbersome attempts at mass-producing cigarettes on the first floor of Mustard & Co.'s building on Nanking Road to the modern Chinese tobacco industry, a global leader with an annual production of more than 2,500 billion cigarettes.[377]

The development of the tobacco industry towards the end of the 19th century was characterized by a deliberate endeavor to speed up technological innovation, motivated by the fact that cigarette manufacturing was an extremely labor-intensive activity.[378] Even a trained worker could roll no more than 3,000 cigarettes in the course of a 10-hour workday, and the typical daily output for the average worker was closer to 2,000 cigarettes.[379] There were obvious savings to be made if the production could be automated, and since the production process itself was not particularly complicated, it was widely assumed that a machine could

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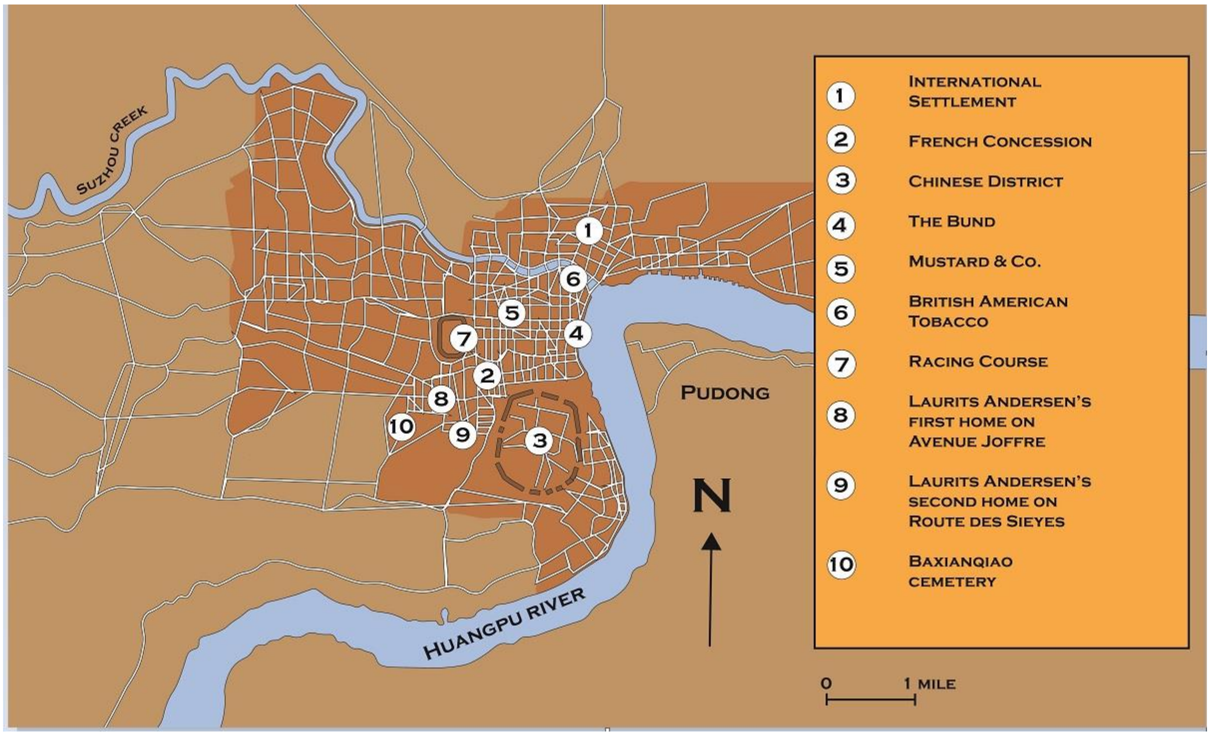
[377] World Health Organization, *Country Profile: China* https://www.who.int/tobacco/economics/country_profile/chn.pdf. The central role played by Mustard & Co. in the establishment of the modern Chinese cigarette industry has so far not been exhaustively described in the English-language literature. It is so far limited to the following: "Mustard & Co. had made an early attempt to manufacture cigarettes in Shanghai," in Cox, *Global Cigarette*, 44 n85; "Two Western factories… had produced almost all… cigarettes previously manufactured in China. One had been operated since 1891 by Duke's agent in China, an import-export house registered in England called Mustard and Company" in Sherman Cochran, *Big Business in China: Sino-Foreign Rivalry in the Cigarette Industry, 1890-1930* (Cambridge MA: Harvard University Press, 1980, 14); "In 1891, a small factory operated by Mustard and Company began producing cigarettes in Shanghai" in Carol Benedict, *Golden-Silk Smoke: A History of Tobacco in China, 1550-2010* (Berkeley CA: University of California Press, 2011), 135.

[378] A comprehensive debate has evolved about the teleological versus serendipitous technological development, see for example P. Drucker, "The discipline of innovation", *Harvard Business Review* 8 (2002): 1; J. McNerney et al. "Role of design complexity in technology improvement", *Proceedings of the National Academy of Sciences* 108 (2011), 9008, which represents the view that the development is rational and goal-oriented; M. Rosenman, "Serendipity and scientific discovery", *Research in Urban Economics* 13 (2001): 187; F. Johansson, "When success is born out of serendipity", *Harvard Business Review* 18 (2012): 22; and W. Isaacson, *The Innovators: How a Group of Hackers, Geniuses, and Geeks Created the Digital Revolution* (New York NY: Simon and Schuster, 2014) for the opposite view of coincidental development.

[379] US Bureau of Corporations, *Report of the Commissioner of Corporations on the Tobacco Industry,* Part III (Washington DC: Government Printing Office, 1915), 149; "History of the Bonsack Machine Company", Bonsack Machine Company Papers. Private Collections. State Archives of North Carolina: 3.

be developed to replace humans. The tobacco company Allen & Ginter Inc. promised a prize of 75,000 dollars for the workable design of a cigarette-making machine, and from the early 1870s onwards several patents were awarded for such devices, although none of them had any real practical use.[380]



Map of Shanghai around 1900. Source: Peter Harmsen, *Laurits Andersen: China Hand, Entrepreneur, Patron* (Copenhagen: Lindhardt & Ringhof, 2020).

Only in the early 1880s, after several years of frantic technological development, did the American machine engineer James A. Bonsack succeed in developing a machine that was actually applicable in the mass production of cigarettes.[381] "This wonderful machine," a newspaper reporter exclaimed, going on to describe its smooth work: "It is fed with tobacco at one end, and perfect cigarettes drop rapidly out of it at the other, apparently all ready for packing in the boxes."[382] The economic advantages of the machine were evident from the outset. With a crew of three – one worker to operate the machine, and two others to see to it that it was fed with tobacco and paper – one Bonsack machine could produce 120,000 cigarettes a day. This meant that while the labor cost associated with the production of 1,000 cigarettes had been 96.5 US cents prior to the introduction of the machine, it dropped to 8.1 US cents afterwards.[383]

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380 Richard B. Tennant, *The American Cigarette Industry* (New Haven: Yale University Press, 1950), 17–18.
381 Ibid.
382 "Shanghai Industries", *The North-China Herald and Supreme Court & Consular Gazette*, June 14, 1895: 929.
383 US Bureau of Corporations, *Report of the Commissioner of Corporations on the Tobacco Industry,* Part I (Washington DC: Government Printing Office, 1909), 63. US Bureau of Corporations, *Report of the Commissioner of Corporations on the Tobacco Industry,* Part III (Washington DC: Government Printing Office, 1915), 149. "History of the Bonsack Machine Company", 3. The new technology led to considerable unease among the labor force, see Cox, *Global Cigarette*, 28.

In order to produce and market the machine, members of the Bonsack family joined a group of acquaintances in establishing the company Bonsack Machine Co. in March 1883, placing its headquarters in Lynchburg, Virginia.[384] In the spring of 1885, the company entered into an agreement with the tobacco manufacturer W. Duke, Sons & Co., giving the latter a permanent preferential royalty rate below that paid by its competitors, thus contributing to its role as market leader in the US markets.[385] Soon afterwards, Bonsack Machine Co. started considering the potential in the global market, and in December 1888 it signed a contract with Richard Harvey Wright, a businessman with many years of experience at companies such as W. Duke, Sons & Co., to be its agent "in the cities, towns and countries in the continents of Asia and Africa and the islands adjacent thereto, including Malta, the Philippines and East India."[386] W. Duke, Sons & Co. was vexed by the emerging risk of seeing control with a potentially highly lucrative world market slip through its fingers, and the tension was only worsened by the fact that James B. Duke, one of the leading figures in the company, was an old rival of Wright, a former colleague. In a bad-tempered letter to Bonsack Machine Co., Duke threatened to finance an inventor who could design "a better machine". He never went through with the threat, and Bonsack was not intimidated, keeping its agreement with Wright.[387]

In the course of a lengthy tour of Africa and Asia aimed at selling the machine to local entrepreneurs, Wright arrived in Shanghai in late winter 1890.[388] Initially, he contacted an unnamed English businessman and was turned down, before approaching Mustard and Bennett. The two American merchants subsequently reached out to Andersen and asked him to join, possibly motivated by the Dane's background in machine engineering. "They were convinced that there was an enormous market for a stimulant such as this, and of course they proved to be right," Andersen said later. "I immediately accepted the proposal and assumed one third of the risk, even though I couldn't help thinking that once again I was embarking on something that I didn't have the slightest idea about." As previously, it was Andersen the generalist who stepped into action.[389]One historical source suggests that Andersen and his colleagues initially showed little interest in the machine, but that in the course of negotiations with Wright in February 1890, they were eventually persuaded to place their stakes on the new technology. This took place in an oral agreement in which they agreed to pay 7,000 US dollars for a Bonsack machine, which was warehoused in Manila at the time, along with the exclusive right to use the technology in China outside Hong Kong.[390]

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[384] "History of the Bonsack Machine Company", 4.
[385] Robert F. Durden, *The Dukes of Durham* (Durham NC: Duke University Press, 1987), 32.
[386] "History of the Bonsack Machine Company", 9.
[387] Durden, *The Dukes of Durham*, 41–43.
[388] *The North-China Herald and Supreme Court & Consular Gazette*, May 14, 1897: 883.
[389] Linck, *Dansker*, 44.
[390] "The United States Consular Court", *The North-China Herald and Supreme Court & Consular Gazette*, April 30, 1897: 796, and May 14, 1897: 883. There is room for some skepticism about the claim that Mustard & Co. initially showed little interest in the Bonsack machine, since it was made as part of testimony in a subsequent court case, where Mustard & Co. and Wright were on opposing sides. While Andersen and his partners were probably involved in the negotiations in Shanghai in February, Bennett was mainly in charge of subsequent communication, see for example letter from Bennett to Wright, May 2,1890. Papers of Richard Harvey Wright, David M. Rubenstein Rare Book & Manuscript Library, Duke University (hereafter Wright Papers). This and other letters sent from Mustard & Co. in the middle of 1890 carry the signature "Mustard & Co.", but without

Wright then moved on to the Philippines, where he learned that the machine put in storage there had suffered so much damage *en route* from Europe that it was no longer workable, and the agreement with Andersen and the two American was placed in abeyance. Subsequent correspondence with Mustard & Co. did, however, lead to an updated agreement on a new machine, and the exact conditions were laid out in a letter that Wright sent from Cairo at the end of May. The price was the same as before, and once again Mustard & Co. were limited to only using the technology inside China. Wright also emphasized that Mustard & Co. were not to allow any drawings to be made of the machine.[391] In other words, intellectual property was very much at the forefront right from the outset. Mustard & Co. agreed to the conditions in a letter sent to Wright on July 18.[392]

The Shanghai agreement was part of a larger scheme that saw Wright place the Bonsack machine strategically around the globe during his world trip of 1890. In addition to the sale in China, he also succeeded in finding buyers for the machine in the South African city of Port Elizabeth as well as in Bombay and Manila.[393] The machine was manufactured in France, where the first Bonsack machines for use in the American market had also been produced.[394] According to a modern historian, Wright "easily thought in transoceanic terms" and had a global outlook that placed him "far ahead of many American businessmen of the time."[395] In this respect, his only equal was James B. Duke, and in fact Duke's appreciation of the global potential of the cigarette meant that from the very beginning Andersen and Mustard & Co. were placed in a difficult and contradictory relationship with the American tobacco producers. Duke's ambitions were only whetted after W. Duke, Sons & Co. formed the American Tobacco Co. with four other tobacco makers.[396] At least two of the companies involved in the new venture had existing agreements with Mustard & Co. for the sale of their cigarettes in China, including "Cameo" for W. Duke, Sons & Co. and "Richmond Straight Cuts" for Allen & Ginter Inc.[397]

Andersen and his partners wished to continue this cooperation even though the purchase of the Bonsack machine had placed them on the path to becoming cigarette manufacturers themselves, running the risk of transforming themselves into competitors of the exact same American companies that they cooperated with. Mustard & Co. had no illusions that this inherent conflict of interest was anything but problematic, and in a letter sent to Wright in

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any other name. They do seem, however, to be authored by Bennett in Mustard's and Andersen's absence. Mustard and Andersen were off to Japan in June on board the steamer *Oxus*, see *The North-China Herald and Supreme Court & Consular Gazette*, June 27, 1890: 812; Bennett also mentions in one of his letters that "Mr. Mustard and another partner" are in Japan, see Bennett to Wright, July 8, 1890. Finally, the handwriting is very close to Bennett's, see Bennett to Wright, December 12, 1892. Wright Papers.

391 Wright's letter from May 28 has been lost but its approximate contents can be inferred from Bennett's reply on June 26, 1890, Wright Papers, and *The North-China Herald and Supreme Court & Consular Gazette*, May 14, 1897: 883.

392 Bennett to Wright, July 8, 1890. Wright Papers. See also *The North-China Herald and Supreme Court & Consular Gazette*, May 14, 1897: 883.

393 Wright to Krise, August 7, 1890. Wright Papers.

394 Bennett to Wright, June 26, 1890. Wright Papers.

395 Durden, *The Dukes of Durham*, 41.

396 US Bureau of Corporations, *Report of the Commissioner of Corporations on the Tobacco Industry,* Part I (Washington DC: Government Printing Office, 1909), 65.

397 Bennett to Wright, May 2, 1890. Wright Papers.

early May 1890, when negotiations about the Bonsack technology were still ongoing, Bennett had written that “unless it is necessary to do so perhaps it would be as well for you not to let the American Tobacco Co. or any of its branches know that we want one of the machines as we are now doing some business in the Cameo and Straight Cut cigarettes and would probably still want to continue it as our idea with the machine is to make a very cheap cigarette of native tobacco for native use, while if they heard of it they might stop their direct dealing with us and set up a vigorous opposition.”[398]

The introduction of the Bonsack technology into China was hit by delays right from the start. After the first machine in the Philippines had proven to be beyond repair, Wright had intended to provide Mustard & Co. with a redundant machine stored in Alexandria, but Andersen and his colleagues feared that it might turn out to be just as damaged as the one in Manila and turned down the offer.[399] In the end, a Bonsack machine was shipped from New York on board the steamer *Port Fairy* in September 1890.[400] The machine reached Shanghai on December 24[401] and was installed on the first floor of the building on Nanking Road where Mustard & Co. also had its office, so that Andersen and his colleagues could follow the production of the cigarettes and become acquainted with the technology.[402]

William Hulse, a machine engineer sent by Wright to train local partners in the use of the Bonsack machine, arrived in Shanghai on December 27.[403] Hulse had sailed via Hong Kong from Manila, where he had assisted in the introduction of the Bonsack machine for Compania General de Tabacos de Filipinas.[404] In several of his letters, Hulse mentions a staff member at Mustard & Co. who is to receive special training in the use of the machine. In a letter from June 1891, he describes him as “their man”. This is possibly a reference to Andersen, who had acquired expertise in machines during his apprenticeship with Eickhoff, and understood especially printing machines, which were an important part of the production of cigarettes, due to the need to manufacture boxes and often also cigarettes with clear indications of the individual brands.[405]

There is every indication that Hulse was unusually competent and resourceful,[406] but even so he was unable to begin work immediately upon arrival in Shanghai. This was due to a mistake made in the United States causing the Bonsack machine to be shipped without a set

[398] Ibid.
[399] Ibid.
[400] Bill of Lading, Wright papers.
[401] Mustard to Wright, December 18, 1890 and Mustard to Wright, January 29, 1891, Wright Paper; *The North-China Herald and Supreme Court & Consular Gazette*, December 26, 1890: 790.
[402] Hulse to Wright, January 9, 1891. Wright Papers.
[403] Catherine L. Fisk, *Working Knowledge: Employee Innovation and the Rise of Corporate Intellectual Property, 1800–1930* (Capel Hill NC: University of North Carolina Press, 2009, 128.
[404] Hulse left Manila on December 16, 1890, and arrived in Shanghai at the end of the same month, see Hulse to Wright, December 14, 1890 and Mustard to Wright, January 29, 1891, Wright Papers; “Passengers” *The North-China Herald and Supreme Court & Consular Gazette*, January 2, 1891: 19.
[405] Hulse to Wright, June 9, 1891. Wright Papers.
[406] Around 1890, Hulse improved the Bonsack machine with a so-called “crimper”, which held together the cigarettes by curling them up at the ends rather than using glue; see Fisk, *Working Knowledge*, 129.

of knives necessary for the device to work, while there was also no paper.[407] Hulse wrote frequent impatient letters to Wright asking for knives and paper to be sent from Manila, where he believed the broken machine originally meant for Mustard & Co. could be cannibalized.[408] "Mustard & Co. take a great interest in the thing [the Bonsack machine], and I think they will do a good business if we ever get started here, but the way things are moving at present I don't think we will get a start soon," he wrote to Wright at the end of January.[409]

Shortly afterwards, a set of three knives and 24 rolls of paper arrived from Manila, giving Hulse something to work with. However, new challenges popped up almost instantly, as Mustard & Co. explained in a letter to Wright: "Mr. Hulse has just fed the machine with the Chinese tobacco that you saw when here and it would not work at all, he says because there is oil in it and it will not hold together."[410] Over the next few days, the partners at Mustard & Co. worked frantically to find a new type of tobacco that could be used in the machine. The efforts succeeded in early February, when Andersen and his colleagues used local tobacco with a lower oil content, and it was now possible to produce altogether 100,000 cigarettes without any major mishaps.[411] The solution came at the last moment before a major crisis with Wright had broken out. Andersen and his partners had mainly blamed the production delays on Wright, pointing out that despite alleged promises he had failed to ship sufficient amounts of paper from Paris. They had been so frustrated that they had initially refused to pay a bill of 5,000 US dollars sent by Wright in January,[412] agreeing to process the payment only in February, after the production of cigarettes was finally underway.[413]

New bottlenecks soon emerged, as Hulse had quickly used up almost all 24 rolls of paper, and before long he wrote to Wright in his trademark annoyed fashion: "Why in the h… don't you send some paper from home. The people in Paris have not sent any and I don't think they intend doing so as they have not sent any notice of their shipping any. Let us know what to do at once, whether to look for paper from Paris or from America." He completed his letter with a veiled threat to not let go of the issue: "I will write again in a few days."[414] In a letter to Wright dated February 2, Hulse complained once again that no paper had arrived from Paris yet: "I am now at a standstill as I have finished the few bobbins that I got from Manila."[415] When, one and a half months later, he was on his way back to the Philippines, nothing had happened: "I don't know what to do about the paper for these people are wanting cigarettes badly and they are getting quite impatient over the matter."[416] Hulse returned to the United States in the summer of 1891 after brief stay in Manila followed by yet another stopover in Shanghai.[417]

[407] Hulse to Wright, January 1, 1891. Wright Papers. Hulse does not specify what the knives are for, but they were probably used in the parts of the machine that cut off the cigarettes in exactly measured lengths.
[408] Hulse to Wright, January 24 and January 28, 1891. Wright Papers.
[409] Hulse to Wright, January 28, 1891. Wright Papers.
[410] Mustard to Wright, January 29, 1891. Wright Papers.
[411] Mustard to Wright, February 16, 1891. Wright Papers.
[412] Mustard to Wright, January 29, 1891. Wright Papers.
[413] Mustard to Wright, February 16, 1891. Wright Papers.
[414] Hulse to Wright, February 13, 1891. Wright Papers.
[415] Hulse to Wright, February 27, 1891. Wright Papers.
[416] Hulse to Wright, April 13, 1891. Wright Papers.
[417] Hulse to Wright, July 30, 1891. Wright Papers.

Mustard & Co. were entering into the cigarette-making business despite a general ban on manufacturing in China's foreign enclaves. The rule was apparently widely known, and it is the likely reason why the only other foreign attempt at making cigarettes in China at the time – a factory for hand-rolled cigarettes established by the Shanghai capitalist E. Jenner Hogg – was placed in Pudong, outside Shanghai's foreign-ruled concessions.[418] Still, there is no indication in the extant sources that Andersen or his colleagues were concerned about the possible consequences of violating the Chinese regulations, since they do not mention the rules at all . Moreover, there was no attempt whatsoever by Mustard & Co. to conceal the production of cigarettes. Rather, there seems to have been a steady stream of visitors to its building who wanted to see the new wonder machine. The ban against manufacturing was not lifted until the Treaty of Shimonoseki in April 1895, which marked the end of the First Sino-Japanese War, as the treaty gave Japan the right to manufacture goods in certain zones inside China, and the same right was extended to other countries as a result of existing practice.[419] This event is not mentioned in any of the sources related to Wright or Mustard & Co., suggesting that the practical significance was zero.

Andersen and his colleagues at Mustard & Co. were eager to get started with the new machine, and in a letter they asked to have spare parts sent to them in an expedited manner. Rather than have them shipped to Shanghai using ordinary agents, they specifically requested that the courier firm Wells Fargo be used, as it could dispatch letters and cargo much faster than the competition, but of course at a higher price.[420] As early as in February 1891, Mustard & Co. received the first spare parts manufactured by the company Glamorgan Co., headquartered in Lynchburg, just as Bonsack Machine Co.[421] Certainly, the spare parts did not always prove useful. In a letter to Wright, Mustard & Co. describe the effect of replacing an old gear wheel in the Bonsack machine with a new one sent from the United States: "We find that the cigarettes are 1/16 inch longer than before and too long for our boxes. On looking to the cause of the difference, we found that the first wheel sent with the machine had 75 teeth whereas the new one had only 73. We shall try to repair the old wheel that we may use it a little longer and ask you to send us two new ones with 75 teeth on as before."[422]

Technical difficulties appeared in rapid succession, and since Mustard & Co. were among the first companies to use machines to produce cigarettes, not just in China but globally, they were often forced to seek their own solutions to even basic problems. For example, Mustard & Co. had been informed that a plant in New York would produce the mouthpieces for the cigarettes, which were made from stiff paper, but since delivery was delayed, Andersen and his colleagues had to try their hands themselves at making the mouthpieces. A letter sent to

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[418] Cox, *Global Cigarette*, 44.
[419] See article 6 in the Shimonoseki Treaty: "Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated import duties thereon." http://www.ibiblio.org/chinesehistory/contents/03pol/c02sa03.html
[420] Mustard to Wright, January 9, 1891. Wright Papers.
[421] Mustard to Wright, February 16, 1891. Wright Papers.
[422] Mustard to Wright, December 8, 1892. This letter, written by a person with expertise in machines, is either by Mustard or Andersen. It is not by Bennett, who writes to Wright from Beverly just four days later, Bennett to Wright, December 12, 1892. Wright Papers.

Wright in early 1893 showed the kind of practical issues that arose in the course of this fairly simple task: “We have tried to make them by hand as you suggested, but find it very difficult to get the paste to hold. Could you tell us what kind of paste or gum they use for these things, also for making up the small cigarette boxes. We can manage thin paper easy enough, but when it comes to stiff paper our flour paste won’t hold and we have to scrape everything thin to make it do so. We have used all sorts of gum and glue but without success.”[423]

Shifting exchange rates introduced an element of uncertainty for cross-border transactions. This had a major impact on Mustard & Co., which made most of its money in China, where the silver standard was maintained, but had to purchase a large part of its materials in economies that had adopted the gold standard. This also applied to the United States, which had adhered to the gold standard since 1873. Bennett, who was in the United States at the end of 1892, described the implications in a letter to Wright: “It is almost impossible for me to do any business here now, that is to buy anything for China on account of the great fall in the value of silver as we have to pay in gold and that means nearly $1.50 in our money for each $1.00.”[424]

The hot and humid climate in Shanghai arguably posed the biggest challenge for Mustard & Co. This was evident in the summer of 1892, when large numbers of cigarettes, which had already been sent to the retailers, were attacked by mold. This was something of a mystery, since cigarettes imported from the United States did not have that problem, but remained dry.[425] The local brands, which Mustard & Co. were trying to promote at the time, suffered a drop in popularity, but the company had a simple solution that would enable the locally made cigarettes to distance themselves from the negative publicity caused by the mold scandal: “Most of our shipments to other ports went bad and in consequence have spoiled our trade in this direction for the time being and we must now wait for new boxes from home of a different design before we can put them on the market again.”[426] Figures for the overall economic loss suffered by Mustard & Co. as a result of this incident are not provided in the extant sources, but it seems to have been significant. Andersen later said that in the early period, probably meaning until the end of 1892, the company was forced to destroy two million cigarettes that it had been unable to sell in the Chinese market.[427] The unpredictable Shanghai weather also caused a planned expansion to be delayed, after heavy rains had slowed down the construction of a new building meant for sales of cigarettes.[428]

Cigarettes were a novelty to most Chinese when Andersen and his partners launched their Bonsack venture. The first time the product was mentioned in China’s English-language press was in 1863, when the Shanghai-based newspaper *North China Herald* reported that Chinese manual workers kept their cigarettes in their cues.[429] As late as in 1871 the Presbyterian missionary Frederick Porter Smith reported that “the use of cigars (筆烟) and

[423] Mustard to Wright, March 24, 1893. Wright Papers.
[424] Bennett to Wright, December 12, 1892. Wright Papers.
[425] Bennett to Wright, December 12, 1892. Wright Papers.
[426] Mustard to Wright, November 19, 1892. Wright Papers.
[427] *The North-China Herald and Supreme Court & Consular Gazette*, May 21, 1897: 930.
[428] Mustard to Wright, April 1, 1892.
[429] “A Few Words on Pigtails”, *North China Herald*, March 7, 1863: 39.

cigarettes (孖姑烟) is confined to the Cantonese."[430] The cigarettes that were to be found in southern China at the time were introduced via overseas Chinese networks from the Philippines, where production had taken place since around 1800.[431] Despite a prehistory dating back years if not decades, cigarettes remained on the margins of consumer awareness in China by 1890, when Mustard & Co. acquired the right to use the Bonsack machine. However, the 1890s were to become the defining period for the introduction of cigarettes to the Chinese market, and brand names were to prove of great importance to the Chinese consumer right from the start.

Hulse described the Chinese interest in cigarettes in glowing terms when in February 1891 he wrote to Wright in order to report on the situation in Shanghai and evaluate Mustard & Co.'s experience with the new product: "They have sold all the cigarettes that I have made and some of the customers were so anxious to get them that they took them away without being packed, and one man came in this morning and wanted 100,000, and another fellow wanted the firm to let him have all they could make." Hulse ended the letter by concluding that Andersen and his colleagues were highly enthusiastic about the machine and had suggested that they wanted to order more, perhaps as many as three or four.[432] It is possible that Hulse had an interest in painting a positive picture of the situation in China, as it is clear from other sources that he was exaggerating the reception of the machine-made cigarettes. The spring of 1891 appears to have been a relatively disappointing period for Mustard & Co., and as late as June the company reported that it had still not been able to sell all the cigarettes that it had managed to produce up to then, even with the limited output caused by the scarce paper supply.[433]

It is possible to point to several possible explanations for the low sales. Cigarettes were new to most Chinese, and the first step in introducing it to the Chinese market consisted of persuading the retailers that it was a viable product. Of course, Mustard & Co. were not helped by the large and recurring problems with cigarettes being damaged by moisture. Another factor that complicated Mustard & Co.'s attempts at marketing its locally produced cigarettes was a preference among Chinese consumers for foreign brands. The intention with introducing the Bonsack machine was to produce cheap cigarettes of mediocre quality for people with modest incomes, while the more prosperous segments could still be supplied with imported cigarettes. In other words, the consumption of imported cigarettes conferred higher status, and it became evident to Mustard & Co. that this was an obstacle to the sale of locally produced brands. Therefore, in a letter to Wright sent in May 1891, Andersen and his colleagues cited the need to "practice a little deception" and asked for the dies of the brands "The Daisy, New York" and "American Cigarette", so they could be printed on cigarettes that had in fact been manufactured in China.[434]

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[430] Frederick Porter Smith, *Contributions towards the Materia Medica & Natural History of China for the Use of Medical Missionaries & Native Medical Students* (Shanghai: American Presbyterian Mission Press, 1871), 220.
[431] Benedict, *Golden-Silk Smoke*, 134.
[432] Hulse to Wright, February 27, 1891. Wright Papers.
[433] Mustard to Wright, June 5, 1891. Wright Papers.
[434] Mustard to Wright, May 8, 1891. Wright Papers.

The extant sources contain no data for Mustard & Co.'s cigarette sales during the first years after it introduced the Bonsack machine, but letters sent from the company to Wright provide indirect indication about the business climate. After a disappointing year in 1891, Mustard & Co. reported in the spring of 1892 that cigarette sales were improving, leading to plans for expanded operations. The company intended to acquire land for a new building where sales were to be located, and at the same time it raised the possibility of buying a second Bonsack machine from Wright.[435] During the first four months of 1893, Mustard & Co.'s Bonsack machine produced 1.4 million cigarettes.[436]

By virtue of his special engineering background, Andersen had headed the operation of the Bonsack machine in Shanghai from the start, and at some point during the first couple of years he realized that there were so many practical challenges associated with the new technology that a visit to the United States was needed in order to solve all the problems once and for all. At the end of May 1893, he left Shanghai on board the steamship *Empress of Japan* headed for London.[437] Mustard described the purpose of the journey in a letter to Wright: "This trip is to find out certain things and pick up ideas so we can make a success out of this cigarette speculation. We don't seem to get on. Always something wrong with our tobacco or the cigarettes."[438] Andersen arrived in Chicago at the end of June,[439] visiting the World's Columbian Exposition, a world fair organized by the city to mark the 400th anniversary of Columbus' discovery of America.[440]

There was no doubt, however, that Andersen's journey to the United States primarily had an educational purpose, and that he wished to gain a deeper understanding of the tobacco industry, bringing him to the main tobacco-growing regions of Virginia and North Carolina during the summer.[441] Still, the major tobacco producers zealously protected their patents, and Andersen had no success in gaining access to any of the large plants. For instance, an acquaintance attempted to intercede on his behalf to get permission for him to tour a tobacco plant in Richmond run by Alexander Cameron, one of the most prominent businessmen in Virginia, but was turned down.[442] After his tour of the American South, Andersen spent two days in Baltimore, looking at dryers and coolers. He thought the prices were excessive but thought Mustard & Co. had no other option but to buy them, since he now received news from Shanghai that, similar to the previous summer, the cigarettes had once again been spoiled by moisture. "I don't quite understand this," Andersen wrote in a letter to Wright. "The tob[acco] was dry and in good order when they were made. Must I dry the cig[arettes] after being packed and before being put into the cases on a rainy damp day?"[443]

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[435] Mustard to Wright, March 2, 1892. Wright Papers.
[436] *The North-China Herald and Supreme Court & Consular Gazette*, May 21, 1897: 930.
[437] *The North-China Herald and Supreme Court & Consular Gazette*, June 2, 1893: 814.
[438] Mustard to Wright, May 25, 1893. Wright Papers.
[439] Bennett to Wright, June 25, 1893. Wright Papers.
[440] Andersen, *Selvbiografi*.
[441] Ibid.; *Mindeord*, 14.
[442] Andersen to Wright, August 10, 1893. Wright Papers.
[443] Ibid.

Andersen returned to Shanghai on board the *Empress of Japan* from Vancouver on September 16, 1893.[444] He had bought various cigarette brands during his tour of North America in 1893 and brought them home across the Pacific. They lasted through the long trans-oceanic voyage, but after six days in Shanghai's humid climate they had turned white with mildew. "It seems now as [if] we shall never get over our trouble with this beastly weather prevailing here during the summer. I am almost losing heart and confidence that this business will ever be a success," he wrote to Wright. In the same letter, he considered whether certain chemicals could help preserve the cigarettes in Shanghai's special climate, pointing out that cigarettes he had bought from a factory in Liverpool had remained fine even after three or four years in Shanghai's humid weather.[445]

[444] Andersen to Wright, November 23, 1893, Wright Papers; *The North-China Herald and Supreme Court & Consular Gazette*, September 22, 1893: 475.
[445] Andersen to Wright, November 23, 1893. Wright Papers.

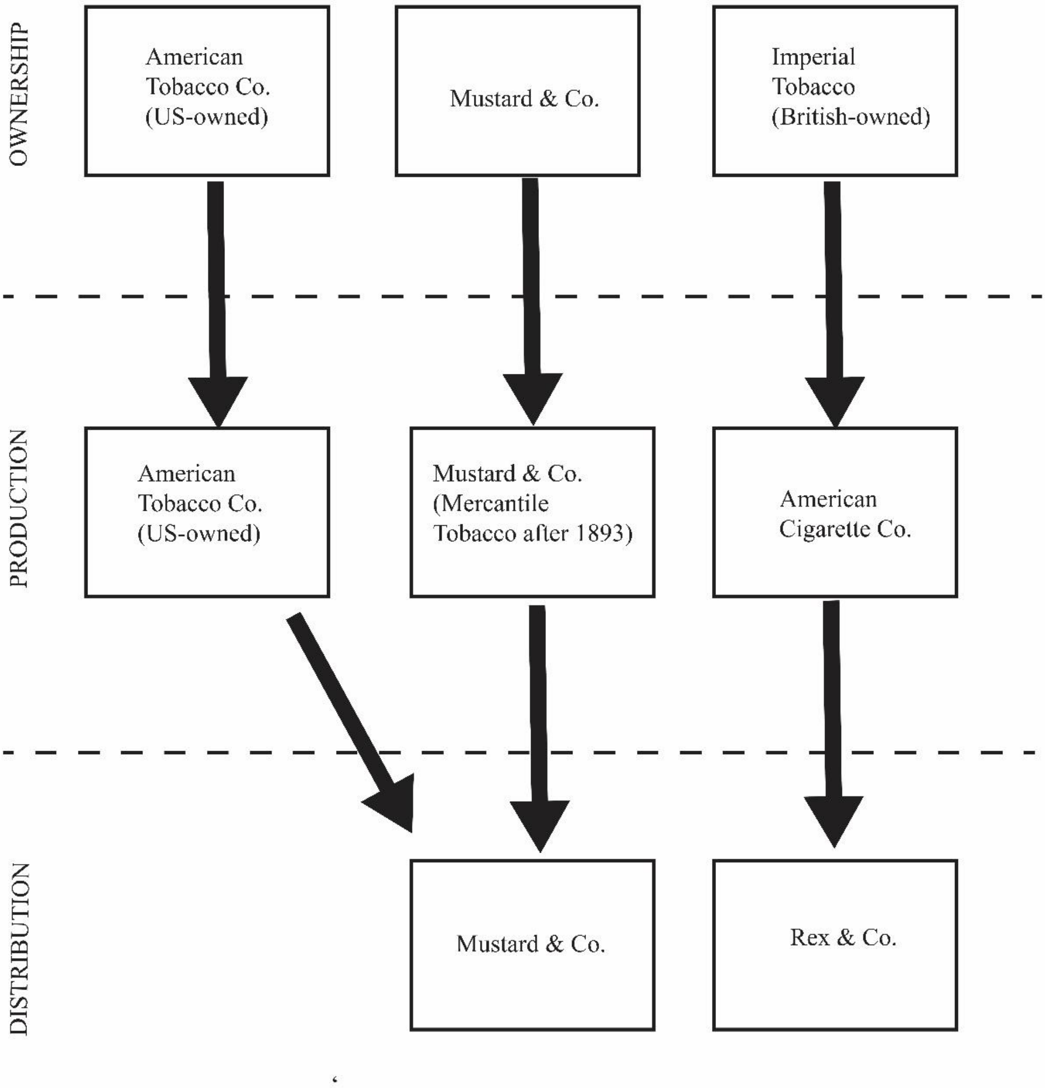

Fig. 4. Ownership, production and distribution of western cigarettes in China in the1890s and early 1900s. The size of the box representing Mustard & Co. does not represent its actual weight in the market, which was of a significantly smaller scale than both American Tobacco and Imperial Tobacco.

Immediately upon returning home, Andersen and his co-owners at Mustard & Co. established a new company, Mercantile Tobacco Co. The tour of the United States had consolidated Andersen's position as Mustard's tobacco specialist, and as a matter of course he was installed as the new company's managing director.[446] The sources do not provide a motivation for setting up the new company, but it is possible that its main objective was to

[446] Laurits Andersen, *Selvbiografi*.

remove or at least mitigate the contradiction inherent in the fact that on the one hand, Mustard & Co. was the agent for a number of leading American cigarette brands, while on the other hand it constituted a rival for the same brands due to its involvement in the production of cigarettes. If so, it was all about appearance, since the sparse extant sources suggest that Mercantile Tobacco Co. was 100 percent owned by main shareholders of Mustard & Co. Andersen approached his new responsibilities with great enthusiasm and energy. In common with other tobacco pioneers such as James Duke, he had a deep appreciation of the importance of advertising, which he described in an interview several decades later: "Now everyone knows our world-famous brands, and selling them is a piece of cake. But back then you really had to work for it! We spent a lot of money on advertisements, and in order to always be ahead of newly emerging competitors, I myself traveled all over and made sure the cigarettes became well-known, first in the Chinese market, then in Japan, and then in Manchuria."[447]

It appears that Andersen's efforts bore fruit and that his America tour was a turning point for Mustard & Co. in its effort to introduce machine-produced cigarettes into the Chinese market. In 1894, the company produced and sold 4.63 million cigarettes. The number was roughly stable in 1895 at 4.53 million cigarettes, but dropped to 3.95 million in 1896. A new, larger boom seemed on the way in 1897 when during the first four months alone Mustard & Co. produced 5.55 million cigarettes.[448] Less than two years after Andersen's return from the United States, Mercantile Tobacco Co. had carved a position for itself and risen to a status that by the summer of 1895 led China's main English-language newspaper to declare that "Mercantile Tobacco Co. of Shanghai are now well established, and under good management are doing a business the extent of which is not dreamt of by the great majority of residents of the port, and the Company are thereby developing a very important Shanghai industry."[449]

What was left out in the newspaper report, and what then and afterwards was left out in most written sources, published as well as unpublished, was the crucial role of the comprador. The paucity of references to the compradors has been noted in existing research on western companies operating in China in the late 19th and early 20th centuries. As Bickers points out in his comprehensive history of the Swire business empire, "compradors were at the heart of the firm's activities, even if hidden out of view… and hidden out of view, too, in the firm's archives."[450] The compradors are similarly mostly absent from Mustard's and later British American Tobacco's archives, as well as from almost all of Andersen's correspondence, and the little that is known about them,, especially from the early period prior to the Republican era, comes primarily from other sources, such as oral history carried out after the communist revolution.[451]

According to such oral testimony conducted with a former employee at a BAT-invested company in 1964, the role of chief comprador for Mustard was in the hands of several generations of the Cai (蔡) family. In the 1890s, either the first or the second generation in the

[447] Linck, *Dansker*, 44–45.
[448] *The North-China Herald and Supreme Court & Consular Gazette*, May 21, 1897: 930.
[449] "Shanghai Industries", *The North-China Herald and Supreme Court & Consular Gazette*, June 14, 1895: 929.
[450] Bickers, *China Bound*, 135.
[451] See, for example, 英美烟公司在华企业资料汇编, vol. 3, 967-968, 969-970, 1001-1002, and 1011-1012.

family was carrying out this function at Mustard, but his name does not emerge from any of the available sources.[452] Another individual identified in the sources as a comprador for Mustard is Yao Qingrong (姚庆荣), who was related to the Cai family and joined the company in the early 1870s, i.e. shortly after it was established by Robert Mustard, and appears to have been occupied mostly with barge transport.[453] A third Chinese employee employed since the mid-1890s in what the sources refer to as the "Compradore's Department" is identified as Zee Soa Mai. His exact functions are not clear from the available evidence, but in a publication from 1923, BAT described him as "a striking example of the loyal support which has been accorded to that Department."[454]

Alongside his tobacco business, Andersen continued in his role as investor, which on occasion caused him to be dragged into legal disputes. In April 1894, the Danish court in Shanghai, an ad hoc tribunal set up by Denmark's consulate in the city, ruled against Andersen and in favor of Bank of China, in which he himself held shares. The bank had been through a challenging period, and in order to shore up its finances, it had requested that its shareholders made mandatory contributions. Andersen had refrained from paying, arguing that he was no longer the owner of some of the shares attributed to him. The court did not accept his explanation and ordered him to pay 300 dollars to the bank.[455]

Even though the Bonsack machine did not initially result in any major revenue growth and was perhaps even a bit of a disappointment to Mustard & Co., its potential considered large enough that in addition to the Chinese rights Andersen and his colleagues soon tried to secure the right to use the technology in Japan, an important market for the company. In a letter sent in early June 1891, Mustard & Co. asked for permission to ship redundant cigarettes from China to Japan in order to sell them there. "Japan and North China [are] practically one and the same market on account of their almost daily connection by steamers," the company's owners argued in the letter.[456] The letter was sent at a time when Wright had already repeatedly made clear that the rights granted to Mustard & Co. were limited to China excluding Hong Kong, but the final agreement had not yet been sealed. Therefore, it is possible to see the letter as part of Mustard & Co.'s negotiating tactics and an attempt to expand the geographic scope of the company's rights, thus influencing the eventual wording of the agreement.

From early on, Mustard & Co. saw a competitive advantage in producing cigarettes in China but selling them in Japan, as it meant they would not have to move the Bonsack technology to Japan. In a letter to Wright dated May 1891 Mustard & Co. tried to convince him that by locating production outside Japan he would forestall any risk of Japanese theft of intellectual property: "You said when here that you did not care to let them have the machines in Japan for fear that the natives would copy them. No doubt they would if they could as they try to

[452] Interview with 程仁杰, former secretary at Wing Tao Vo, carried out in January 1964. Reproduced in 上海社会科学院经济研究所，英美烟公司在华企业资料汇编 （北京：中华书局，1983), vol. 3, 1011; *Yueh Pao*, 8.
[453] 程仁杰, oral history in 英美烟公司在华企业资料汇编, vol. 3, 1011; *Yueh Pao*, 8.
[454] *Yueh Pao*, 7. Zee Soa Mai is not mentioned in any of the Chinese sources consulted for this thesis.
[455] "Danish Consular Court", *The North-China Herald and Supreme Court & Consular Gazette*, May 11, 1894: 738.
[456] Mustard to Wright, June 5, 1891. Wright Papers.

copy everything."[457] In a separate letter, Bennett described a meeting with Israel Lawton, the former superintendent of the San Francisco Mint, who during a visit to Osaka had seen "their copies of the most complicated American machinery used in minting, and which the Japanese had made themselves from the originals which they had bought there in the U.S."[458] Bennett returned to the topic later in his correspondence with Wright and described in another letter how Fairbanks Scales, an American producer of industrial scales, had seen its products copied in Japan and sold for less than half the price: "You could hardly tell the difference by outward appearance and without turning them over and examining the things."[459]

Mustard & Co. aired its proposal about exploring the Japanese market at an awkward moment: when Wright was already involved in negotiations with American Trading Co., the Shanghai agent for the cigarette manufacturer American Cigarette Co., [460] about selling the machine for use in Japan.[461] Hulse tried to intervene on behalf of Mustard & Co., advising Wright to hold off on these talks, arguing that Mustard & Co. "mean business".[462] Wright did not budge, and explained in a letter to Mustard & Co. in late June that he had sold the Japanese rights to another party.[463] Even though Wright left the impression that it was a done deal, the sale was not finalized, and Hulse thought the interest expressed by Mustard & Co. could still be relevant, at least as a means of pushing up the price that Wright could ask from American Trading Co. As Hulse explained to Wright in August 1891: "The Am. Trading Co. are hot on this business and I think you will be able to sell them Japan for one hundred thousand dollars with four machines without any trouble at all. They have got plenty of money and are not afraid to spend it. Mustard & Co. and the Am. Trading Co. both want Japan and you will have your price if you stick to them a little."[464]

Mustard & Co. had not given up the idea of producing for the Japanese market, and Bennett, who visited the United States in the summer of 1891, proposed a deal in which Bonsack Machine Co. received 50,000 dollars for one machine and the right to use it in Japan. Korea was of no interest, since according to Bennett, "as yet they are too poor to buy anything."[465] Meanwhile, the American Trading Co. was eager to find a local partner and was focusing its efforts on the Asano conglomerate, led by legendary businessman Asano Soichiro. However, as the president of American Trading Co., James R. Morse, wrote to Wright, his experience told him that "the Japanese take their own good time in deciding such matters."[466] By September, there was still no final agreement on the Japanese market. A letter that Morse sent

[457] Mustard to Wright, May 19, 1891. Wright Papers.
[458] Bennett to Wright, July 6, 1891. Wright Papers.
[459] Bennett to Wright, August 23, 1891. Wright Papers.
[460] In spite of its name, American Cigarette Company was British and registered in Hong Kong, see *The North-China Herald and Supreme Court & Consular Gazette*, April 30, 1897: 796.
[461] James R. Morse, president of American Trading Co., to Wright, March 17, 1891. Wright Papers.
[462] Hulse to Wright, June 19, 1891. Wright Papers.
[463] Bennett to Wright, July 6, 1891. Wright Papers.
[464] Hulse to Wright, August 4, 1891. Wright Papers.
[465] Bennett to Wright, August 11, 1891. Wright Papers.
[466] Morse to Wright, August 17 and September 3, 1891, Wright Papers. The Japanese counterpart is exclusively referred to as "Asano" in the extant correspondence, but it is extremely likely that it refers to Asano Soichiro, whose conglomerate was one out of eight zaibatsu in Japan prior to World War II, see Masaaki Kobayashi, "Japan's Early Industrialization and the Transfer of Government Enterprises:Government and Business", *Japanese Yearbook of Business History*, 2 (1985): 54–79.

to Wright during that month suggests that Wright was leaving open the option of handing the Japanese rights to Mustard & Co. if the American Trading Co. proved unable to reach a deal with its Japanese partners.[467] In the course of the autumn months of 1891, it became increasingly clear that the Japanese investors were not prepared to invest in the new venture, partly because they had lost money on other recent investments and partly because they did not trust their own government's ability to protect intellectual property.[468] Even a trip to Japan by Morse, the president of the American Trading Co., was insufficient to secure a deal.[469]

In February 1892 American Trading Co. stated definitively that it was not in a position to set up an enterprise that would be able to supply Japan with cigarettes produced by the Bonsack machine. The main problem, according to American Trading Co., was the risk of running afoul of copycats. "Patent Rights of any kind are so easily evaded in this country that Capitalists are not eager to put their money into a Company of this nature and we do not think it will be possible to float a scheme such as has been proposed until the rights of Foreigners have been more clearly defined and established."[470] An entire year passed before Wright sent a letter to Mustard & Co. in February 1893 offering the rights to the Japanese market along with four Bonsack machines for 25,000 dollars. Mustard & Co. turned down the offer too, and in a letter sent in April it explained its decision, also describing intellectual property as an important factor: "The chief objection is that foreigners are not allowed to manufacture tobacco in that country and we don't know of any honest Japanese to connect with so as to run a factory in his name. We would always be in danger of having the machine imitated and with that our money would be thrown away."[471]

6.2.2. Competition Intensifies (1895-1902)

Around the middle of the year 1895, Wright was becoming impatient. The patent for the Bonsack machine was set to expire in September, and he thought he would be able to reach a better arrangement in China than the one he had with Mustard & Co., which he deemed to have failed to reach its full potential. In May 1895, he returned to Shanghai and met with Andersen and his partners in the hope of extricating himself from the limitations he had imposed upon himself in the Chinese market as a result of the contract signed five years earlier. Wright offered to pay 50,000 taels, equivalent to about 50,000 ounces of silver, in return for all Mustard's Bonsack-related business, including not just the machinery itself but also various forms of goodwill as well as the right to utilize the Bonsack technology throughout China. Andersen and his colleagues turned down the offer, and Wright left China without having accomplished what he had set out to do.[472]

Towards the end of 1895, Wright adopted a different tactic and approached Mustard & Co.'s main rival in Shanghai, American Trading Co., the agent of Hong Kong-based American

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[467] Morse to Wright, September 3, 1891. Wright Papers.
[468] Morse to Wright, October 5, 1891. Wright Papers.
[469] Morse to Wright, November 12, 1892; American Trading Co. to Wright, February 16, 1892. Wright Papers.
[470] American Trading Co. to Wright, February 16, 1892. Wright Papers.
[471] Mustard to Wright, April 24, 1893. Wright Papers.
[472] *The North-China Herald and Supreme Court & Consular Gazette*, April 30, 1897: 796.

Cigarette Co., which had joint American and British ownership. In December, he made a concrete proposal for the sale of the Bonsack technology for use in the Chinese market,[473] and he followed it up with a visit to Shanghai in early 1896, when he discussed his plans in greater detail with American Trading Co.'s representative W.S. Emens. Both parties were aware that Mustard & Co. owned the right for the use of the Bonsack technology in China, but apparently they chose to ignore this.[474] From the outset, it was the intention to invite Chinese capital, and as a result the project initially had to be postponed until after the Lunar New Year, since, as explained by Emens in a letter to Wright, "it is simply impossible to get the serious attention of a Chinaman to new business at the season."[475] After a brief delay, negotiations between Wright and American Trading Co. got underway in March. Emens was in favor of starting out in a modest fashion with three Bonsack machines, whereas Wright offered five machines for a price of 25,000 dollars and a promise not to sell the machine to others in the Zhejiang and Jiangsu provinces for three years, with an optional extension at the end of that period. After offering a five percent discount, Wright managed to seal a deal for the delivery of five machines within the coming few months. American Trading Co. then proceeded to commence construction of the building where the local production of cigarettes was to take place.

Practical challenges emerged almost immediately. In a letter, Emens pointed out the inherent risk to the tobacco caused by the hot and humid climate in Shanghai and suggested purchasing ventilators to facilitate the production.[476] Even more worryingly, from Emens' point of view, Andersen and his partners at Mustard & Co. had heard rumors about the new competition and showed no inclination to give up without a fight. In early July, Mustard & Co. published advertisements in the English-language newspaper *North China Daily News* and the Chinese-language *Shen Pao* warning against any violation of their rights: "We beg to inform the public of Shanghai that we purchased in 1890 from Mr. R.H. Wright, of Durham, North Carolina, U.S.A., the exclusive right to use the Bonsack Cigarette Machine in China and we caution others against buying or using these Machines here."[477] Shortly afterwards, the management of Mustard & Co. reiterated its protests in a face-to-face meeting with Emens.[478]

Over the following months, the situation escalated. The five new Bonsack machines which were to form the basis of American Trading Co.'s operations, arrived in Shanghai harbor, and in late 1896 or early 1897 Mustard & Co. filed a lawsuit against Wright and the American Trading Co. at the US consular court, set up to process cases against US citizens in the international district of Shanghai. Mustard & Co. demanded that Wright and the American Trading Co. withdraw the machines and formally pledge to refrain from all future attempts at utilizing the technology in the Chinese market. On the first day of the trial, April 28, 1897, the defendants argued that Mustard & Co. were attempting to introduce a monopoly in China. Mustard's lawyer retorted that his client had no ambition of maintaining a monopoly and was

[473] Emens to Wright, February 28, 1896. Wright Papers.
[474] Emens to Wright, February 7, 1896. Wright Papers.
[475] Ibid.
[476] Emens to Wright, June 27, 1896. Wright Papers.
[477] Emens to Wright, July 4, 1896. Wright Papers.
[478] American Trading Co. to Wright, August 19, 1896. Wright Papers.

specifically addressing the fact that Wright had broken an agreement about not selling the technology to other companies in China.[479] Mustard & Co.'s lawyer explained what was at stake for his client: "[American Trading Co.] had five machines just about ready to operate and there could be no doubt that directly these machines operated they would crush the plaintiffs out of the business, and […] therefore the money the plaintiffs had spent in fitting up the factory would be entirely lost to them, and they would be damaged to a very great extent," he said. "Secondly [I] would ask the Court to bear in mind that seven years ago the plaintiffs started making cigarettes with this machine, and, as was well-known, there was always a difficulty in introducing anything new in the Chinese market. The plaintiffs had experienced great difficulty and lost money in putting the cigarettes on the market, and now, when the Chinese were beginning to take to these cigarettes, the American Trading Co. and Mr. Wright came along and took whatever advantage [the plaintiffs] were likely to get."[480]

After three court sessions, during which Andersen was also called as one of the witnesses, the court ruled on July 1 in favor of Wright and the American Trading Co. The decision was based partly on the fact that the patent of the Bonsack machine had expired in 1895, depriving the original agreement handing Mustard & Co. the exclusive right to use the technology in China of a solid legal basis.[481] For Wright and Emens, this meant the green light to proceed with the production, and they were ready immediately. In fact, as early as mid-June, without awaiting the court's decision, the factory in Shanghai had discreetly commenced operations, and by now two of the five Bonsack machines were already involved in making cigarettes. They could now continue, the only difference compared with before being that it was no longer illegal.[482]

In spite of the defeat in the court, Andersen continued his business operations with the same vigor as before. Similar to other businesspeople in China, he wished to engage the state to the extent that it was possible and beneficial for his activities. This was particularly true for the Chinese customs authorities, which were run by foreigners, providing easier access for fellow Westerners. On at least one occasion, Andersen tried to talk the customs bureaucracy into introducing a special import tariff on cigarettes. The purpose was to protect local producers, including himself, who were threatened by the fact that many consumers, foreigners as well as Chinese, preferred Western brands. It is very likely that Andersen tried to take advantage of his connections at the upper rungs of the customs bureaucracy, including his former boss at the Dagu shipyard, Gustav Detring. In addition, Andersen tried to secure employment as an official in the customs administration towards the end of the 1890s, but either he withdrew his application or it was turned down.[483]

Andersen's business was to a great extent determined by the political environment. Around the turn of the 20th century, China was a society in profound crisis—the imperial power stumbling from one existential threat to the next. The most dramatic event was the Boxer

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[479] *The North-China Herald and Supreme Court & Consular Gazette*, April 30, 1897: 796.
[480] *The North-China Herald and Supreme Court & Consular Gazette*, May 14, 1897: 883.
[481] *The North-China Herald and Supreme Court & Consular Gazette*, May 14, 1897: 883 and July 2, 1897: 38.
[482] Collins to Wright, June 24, 1897. Wright Papers.
[483] Andersen's letter to the customs authorities has been lost but is mentioned in *The North-China Herald and Supreme Court & Consular Gazette*, May 21, 1897: 930.

Rising from 1899 to 1901, which marked the apogee of anti-Western sentiment among the Chinese public and caused unrest to flare up across several northern provinces. The turmoil initially dealt a dramatic blow to trade in the north Chinese market, but this changed abruptly after eight colonial powers organized a joint expeditionary force to suppress the Boxer Rising. Several of Mustard & Co.'s employees were posted in Tianjin and other north Chinese cities, specifically charged with supplying the foreign troops. Bennett described the busy activity in a letter to an acquaintance in November, detailing how he and Andersen sent stoves, cigarettes, beer, and other products to the troops, who were preparing to spend the winter in the area between Beijing and Tianjin. Andersen himself provided a similar description in one of his letters: "We are doing good business and are very busy before the closing of the northern ports [due to ice]. Especially in the stove line we are nearly sold out and could place another 2,000 small stoves if we had them."[484]

The correspondence left by Andersen from the years around 1900 provide no detailed insights into conditions on the cigarette market after the American Cigarette Co. had begun a parallel business with Bonsack-produced cigarettes via American Trading Co. On the other hand, the efforts expended by American Tobacco Co. to remove American Cigarette Co. as a rival in the Chinese market suggests that it was a major annoyance, with the potential to make business in China significantly harder. In the spring of 1902, representatives of American Tobacco Co. entered negotiations about purchasing American Cigarette Co.'s Bonsack machines in Shanghai. A tentative contract worth 102,500 taels was prepared, and both parties planned to sign the document. At the last moment, however, the British tobacco group Imperial Tobacco Co. made a more attractive offer of 110,000 taels and secured the acquisition under the noses of American Tobacco Co.'s negotiators.[485]

As in previous periods, the compradors played an essential role in the tobacco business, and even though they also do not get anything close to full credit in the sources for the 1895-1902 period, a somewhat fuller picture emerges. In 1902, Cai Fuling (蔡福龄), representing the third generation of the Cai family, came to the fore and took over as chief comprador at Mustard, following the death of his father. In a publication from 1923, BAT describes him and the Cai family as follows: "Mr. Tsai's [Cai's] grandfather was the original Compradore of Mustard & Company and he was succeeded by Mr. Tsai's father who died in 1902. This family, therefore, has always been closely connected with the Company. Mr. Tsai is recognised as a good business man and his great ability is shewn by the capable manner in which his staff carry on the responsible and arduous duties of the Department. Mr. Tsai is a naturally quiet man and is deservedly popular amongst his colleagues and in Shanghai financial circles."[486]

Also in the 1895-1902 period, Wu Tingsheng (邬挺生), born 1877, emerges as a comprador linked to Mustard. The exact nature of his association with the company is open to question, as the available sources offer contradictory information about his position in the tobacco industry. According to evidence provided in an interview carried out in the 1950s, Wu was

[484] Andersen to Lewis, October 17, 1900. Mustard Collection (1814-1960), series II and series VII, Delaware Historical Society, Wilmington DE. (hereafter Mustard Collection).
[485] Cox, *Global Cigarette*, 74–75.
[486] *Yueh Pao*, 6-7.

employed by American Tobacco Co. and was a close cooperator with that company's chief China representative Clarence Eugene Fiske.[487] By contrast, in a biographical manuscript on Wu prepared in 1960, he is described as occupying an entry-level position at Mustard's comprador department, running errands and impressing his bosses with his energy.[488] Of course, both may be true and he may have held the positions successively, but the sources do not provide sufficient evidence to state with uncertainty which came first.

Regardless of the precise circumstances under which Wu first entered the tobacco business, he later went on to become one of BAT's most prominent Chinese collaborators, and for once he offers an instance of a comprador for whom there is more than the mere sparse outlines of biographical data. Among other things, and of special interest to this thesis, his career offers evidence of the ways in which networks and language skills were valuable assets that could be harnessed for professional purposes. The son of a Chinese Christian minister, Wu was born in Zhejiang, a province which by the late 1800s had overtaken Guangdong as a source of compradors active in Shanghai, not least because they had grater local knowledge and better connections.[489] Wu was sent by his father to the Anglo-Chinese College in Shanghai, and after returning to Zhejiang he put his language skills to use as an English teacher.[490] It was in this capacity, while teaching English to the son of a local merchant who acted as a comprador for Mustard, that Wu was able to return to Shanghai and gain a position in the company. "This was due to his great ability and his excellent English," according to the short biography of Wu dated 1960.[491]

Once Wu had established himself in the Shanghai tobacco industry, his career appears to have taken off rapidly, and he soon became active in establishing agent networks in his Zhejiang home.[492] At the same time he was active in establishing new networks, and at the tender age of 20 or 21, he was one of two "principal movers" behind the establishment of the Shanghai Tobacco Trade Guild in 1898. A few years later, it had growing significantly, and according to one foreign observer, "the influence of the Guild is widespread, for its members are all leading merchants doing a large business with all the principal towns in China."[493] Wu acted as the quintessential comprador, forming a bridge between foreign and Chinese network an enabling the former to extend their sales to parts of China that they would never be able to reach on their own. Just as important as the Wu's networks were his language skills, and interestingly his career demonstrates an asymmetrical relationship between the languages English and Chinese. While for Chinese merchants, knowledge of English could be a direct entry ticket to the potentially lucrative profession as a comprador, for foreign businesspeople such as Andersen, knowledge of Chinese was never felt as a need.

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[487] Interview with 韩章同, former tobacco industry employee, carried out in May 1957. Reproduced in 英美烟公司在华企业资料汇编, vol. 2, 423-424.
[488] 蔡松甫：《关于买办邬挺生》. Reproduced in 英美烟公司在华企业资料汇编, vol. 3, 982-985.
[489] Hao, *Comprador*, 174-175.
[490] Cochran, *Big Business*, 28; 蔡：《关于买办邬挺生》, vol.3, 982.
[491] 蔡：《关于买办邬挺生》, vol.3, 982.
[492] Cochran, *Big Business*, 29.
[493] Cochran, *Big Business*, 29; Arnold Wright, ed., *Twentieth Century Impressions of Hong Kong, Shanghai and Other Treaty Ports of China: Their History, People, Commerce, Industries and Resources* (London: Lloyd's Greater Britain Publishing Company, 1908), vol. 3, 662.

Convenient or even necessary as it was to foreign businesses, the comprador system also fraught with risks, as highlighted in a letter from American Tobacco Co.'s representative in Tokyo in July 1900 expressed great concern about the losses that the company suffered via its agent in China, Mustard & Co.: "The Comprador (Chinaman) has absconded and it now appears that there will a loss of some four or five thousand yen in addition to what we fear to be a loss of some 59 cases of Peacock [cigarettes], which had been shipped to Tien Tsin [Tianjin] and the Shanghai Branch now reports fears that they have been burned. This would mean a further loss of six or seven thousand yen."[494] It was in situations such as this that the weakness of the comprador system struck the foreign businesses as inadequate, emphasizing its character as one of principal versus agent.[495]

This was all part of a wave of consolidation that swept the global tobacco industry in the years around the turn of the century and gradually divided the world into a US-dominated camp led by American Tobacco Co. and a British camp headed by Imperial Tobacco Co. The concentration of assets that this entailed was only made possible by the Bonsack machine. In his classic history of the American cigarette industry, Richard B. Tennant lays out the basic correlation between automatization and concentration: "As the industry continued its growth, the leading firms could maintain their position only by an equivalent increase in their own size, and if technological methods had remained unchanged, it seems unlikely that cigarette firms as large as those we know today could have grown up [since the plants would have expanded to an unwieldy size]. The old firms would have found their expansion blocked by rising costs. New firms would have come in, and much less concentration of output would have resulted."[496]

6.2.3. Summary

The most important event in Andersen's professional life in the period described in this section, his participation in the introduction of the Bonsack machine, came about as a result of his networks, since it was by virtue of his acquaintance with Mustard and Bennett that he was invited to take part in an attempt to harness the new technology for business purposes in China. Later in the period, Andersen also sought to mobilize his networks in dealing with Chinese customs and may even have tried to enroll his old acquaintance Gustav Detring in attempts to bring about more favorable treatment of his imported cigarettes. His networks, however, were of modest value during his stay in the United States in 1893 aimed at attaining deeper expertise in cigarette making, and they were not sufficient to get him access to the Richmond tobacco plant.

It is possible that Andersen's legal knowledge, identified above as among the resources that Andersen's instrumentalized in order to achieve his objectives, served him in this period. In an environment of legal pluralism such at Treaty-port China with its separate consular courts, it was possible to carry out creative "court shopping" in legal disputes in order to increase the

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494 Parrish to W.R. Harris, American Tobacco Co., New York, July 25, 1900. Papers of Edward James Parrish, David M. Rubenstein Rare Book & Manuscript Library, Duke University (hereafter Parrish papers).
495 Howard Cox and Kai Yiu Chan, "The Changing Nature of Sino-Foreign Business Relationships, 1842-1941," *Asia Pacific Business Review*, vol. 7 no. 2 (2000): 93-110.
496 Richard B. Tennant, *The American Cigarette Industry* (New Haven: Yale University Press, 1950), 19–20.

likelihood of a favorable ruling.[497] This could be part of the explanation why the legal dispute between Andersen and the Bank of China was settled in the Danish consular court, although the sources do not leave enough information to make this more than conjecture.

It is in this period that the first firm evidence exists for Andersen coming into contact with the institution of the comprador, as he is likely to have worked intimately with both Cai Fuling and Yao Qingrong, although this must be inferred by other sources, since he himself only refers rarely to compradors or Chinese coworkers in his correspondence, and never by name. The comprador cuts only a marginal figure, but his importance turns up in times of crisis, reflected in the American Tobacco Co.'s complaint about the absconding comprador during the Boxer rising. Significantly, the comprador is only acknowledged when something goes wrong, indicating that in normal times when business proceeds smoothly, from the western businessman's perspective he fades into the background.

6.3. Making BAT Great (1903-1911)

During the first years of the 20th century, Laurits Andersen's life took a new turn, which within a brief span of years catapulted him to the elite among foreign businessmen in China. Partly this was due to changes in his personal position within Mustard & Co., as he came to control a growing share of the firm with Mustard's death in 1900, followed by Bennett's death the year after.[498] Partly, and more importantly, it was because of sweeping changes in the global tobacco sector, with important spillover effects in China. A transatlantic "tobacco war" between the behemoths American Tobacco Co. and Imperial Tobacco Co., the leaders of the industries in their respective home markets of America and Britain, resulted in an agreement in September 1902 that not only put an end to the tensions between the two rivals but also formed the basis of their future endeavors to jointly control the world market.

The agreement had American Tobacco Co. refrain from all future business activities in the British Isles, whereas in return Imperial Tobacco Co. was to keep out of the United States and Cuba. All other markets across the world were to be served by a company set up jointly by the two parties: British American Tobacco Co. (BAT).[499] In an attempt to avoid American legislation targeted at monopolies, BAT was registered under British jurisdiction with its headquarters in London.[500] It was, however, clear from the outset that the new company was more American than British. American shareholders received approximately two thirds of the newly established company's capital of 24 million US dollars, whereas the British counterparts had to make do with the rest.[501]

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[497] On "court shopping" in the treaty ports, see Cassel, "Extraterritoriality", 34.
[498] Holloway, "Mustard", 98; *The North-China Herald and Supreme Court & Consular Gazette*, April 24, 1901: 782.
[499] Sherman Cochran, *Big Business in China: Sino-Foreign Rivalry in the Cigarette Industry, 1890-1930* (Cambridge MA: Harvard University Press, 1980), 13. Robert F. Durden, *The Dukes of Durham 1865-1929* (Durham NC: Duke University Press, 1987), 79.
[500] Michael A. Hunt, "Americans in the China Market: Economic Opportunities and Economic Nationalism, 1890s-1931", *Business History Review*, no. 51 (1977), 285.
[501] Cochran, *Big Business*, 13. Durden, *Dukes*, 79.

It was one of the world's first production-based multinationals, and from day one it had manufacturing operations not just in the United States and Great Britain but also in a number of other countries, including China and Japan.[502] China was also a high priority for BAT as a consumer market,[503] and its attractiveness in this respect was further intensified by the fact that the American home market was already nearing the point of exhaustion, while US anti-monopoly legislation limited the potential for future growth.[504]

Immediately upon its establishment, BAT took over the distribution agreement for China that American Tobacco Co. under the leadership of Clarence Eugene Fiske had so far had with Mustard & Co. This placed Laurits Andersen in a key position, since he was one of Mustard's main shareholders with a holding of 222 out of a total of 900 shares, while also taking care of the day-to-day management of the company's activities.[505] At the same time, BAT continued the role that American Tobacco Co. had had in negotiations with Andersen and his fellow shareholders about the acquisition of Mustard & Co.'s businesses in China.[506] The negotiations resulted in a deal, which Andersen signed with BAT on July 9, 1903, in which Mustard & Co. was sold off to a new company, also named Mustard & Co. but incorporated in New Jersey.[507] The new Mustard & Co. was established on November 19, 1903, and continued with Laurits Andersen as the senior person in charge, now with the formal title of managing director.[508] The agreement also stated that if he were to leave his position in the future, Andersen obliged himself to refrain from any business where Mustard & Co. was already involved.[509]

Andersen received a monthly salary of 100 taels for his work for Mustard & Co.[510] Of far greater importance in terms of building his future fortune, however, he also received shares in the newly established Mustard & Co. The company initially had a capital of 250,000 US dollars, divided among 1,000 ordinary shares and 1,500 preferential shares, both with a nominal value of 100 dollars each.[511] The shares turned out to be a good investment. After just a couple of years, the shareholders started receiving dividends equivalent to six percent of the capital every six months. This was in return for what was considered an only moderate risk, since Andersen had told his acquaintance Lewis Mustard, Robert West Mustard's

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[502] Cox, *Global Cigarette*, 82–83.
[503] The interest in the Chinese market can be traced back to the invention of the Bonsack machine in 1881, when Duke's first reaction is said to be the remark: "Bring me the atlas." After having looked up China and learning that it had a population of 430 million, he had already made up his mind: "That is where we are going to sell cigarettes." Cochran, *Big Business*, 10–11. Richard P. Dobson, *China Cycle* (London: Macmillan, 1945), 18.
[504] Hunt, "Americans", 285.
[505] BAT's archives, Shanghai Academy of Social Sciences (hereafter SASS), 2-E-56. Andersen describes his share in a letter dated September 1, 1904. This makes him the second-largest shareholder after Lewis Mustard, who had 339 shares. Kopibog (copybook) 1904-1914, 36 and 38. 26 R15 (Pk. 4), 89B. RA. The Andersen papers at the Danish National Archives (RA) include two copybooks (kopibøger) containing copies of his correspondence. They cover the years 1904-1914 (hereafter KB1) and 1914-1927 (hereafter KB2).
[506] SASS, 2-C-58.
[507] SASS, 2-E-56.
[508] SASS, 2-C-59. Andersen appears as the senior person in charge at Mustard & Co., but without a formal title, in the *North China Hong List* for the year 1903, probably before the establishment of the company in its new form. In the 1904 edition of the same publication, he is described as "managing director".
[509] Andersen to BAT, May 22, 1916, KB2, 93. RA.
[510] Andersen to l Lewis Mustard, March 28, 1905. KB1, RA.
[511] SASS, 2-C-80.

nephew, that he considered the stocks to be very safe.[512] The extant sources do not provide enough detail to determine conclusively how large a share of the original 2,500 stocks were allocated to Andersen. In a letter to an acquaintance, he once mentioned that his initial batch consisted of 100 preferential shares, but his holdings of ordinary shares are not clear.[513] An analysis is further complicated by the fact that BAT's board as early as the spring of 1905 proposed an expansion of the capital, with the issuance of an additional 4,000 ordinary shares priced at 100 dollars each, resulting in the increase of Mustard & Co.'s total capital to 650,000 dollars, divided between 5,000 ordinary shares and 1,500 preferential shares.[514] It is, however, certain that when the total shares issued by Mustard & Co. were accounted for two decades later in an internal BAT document, Andersen was listed as the owner of 500 ordinary shares and 100 preferential shares, giving him control of 9.23 percent of the company.[515]

Simultaneously with the acquisition of Mustard & Co., BAT also acquired American Cigarette Co. (not to be confused with American Tobacco Co.). American Cigarette Co. had been taken over by Imperial Tobacco Co. in 1902 and was one of Mustard & Co.'s main rivals. With a competing claim on the right to use the Bonsack machine, it operated Shanghai's only other foreign cigarette factory, located in the district of Pudong.[516] Following BAT's takeover, Andersen was made a member of American Cigarette Co.'s board in either 1903 or 1904.[517] He continued in that position for the next decade and helped oversee the re-registration of American Cigarette Co. shortly afterwards under the new name of British Cigarette Co.[518]

Andersen's two functions, as manager in both Mustard & Co. and American Cigarette Co., gave him a central position in BAT's organization in China at a time when it was still in the establishment stage. An internal corporate history issued in 1936 gives the following description: "Upon to the beginning of 1919, the general situation in China was that British Cigarette Co. [previously American Cigarette Co., ed.] and Mustard & Co. were the chief companies, the others being mere satellites."[519] Andersen also stood out due to his comprehensive understanding of local conditions, honed during many decades spent in China. "The cigarette business has benefited in many ways from the commercial experience of Mr. Andersen in China and the good advice that he always placed at the disposal of the sales staff," BAT said in an introduction to its activities in China, completed in 1923.[520] Indeed, the pioneering years immediately after the establishment of BAT gradually assumed almost mythical status among the company's staff. An anniversary publication issued by BAT in the early 1920s mentions Andersen at the top of a list of managers who helped build up the company in the vital market: "The first five years from 1902 to 1907 were hard uphill

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512 Andersen to Lewis Mustard, February 15, 1906. KB1, 88. RA.
513 Andersen to Jeffress, June 12, 1921. KB2, 345. RA.
514 Andersen to Lewis Mustard, May 19, 1905. KB1, 65. RA.
515 SASS, 2-C-61 og 2-C-80.
516 Cochran, *Big Business*, 14. Cox, *Global Cigarette*, 74–75.
517 In the *North China Desk Hong List* for 1903, H. A. Keily is listed as managing director and sole representative for American Cigarette Co., while in the 1904 edition of the same publication, C.E. Fiske is added as manager, while Laurits Andersen and E. Kempffer are listed as members of the board.
518 See later editions of *North China Desk Hong List* until 1914.
519 SASS, 2-C-61.
520 *Ying Mei Yien Kung Ssu Yueh Pao* [British American Tobacco Co. Monthly], special edition issued in September 1923 (hereafter *Yueh Pao*), 10.

introductory work with just a handful of foreigners in China, a small factory at Pootung [Pudong] employing a few hundred Chinese, and a sales staff you could count on one hand. These men had vision and vigor. They were ably led by Messrs. [Laurits] Andersen, [James A.] Thomas, [Henry A.] Keily, [Edmund] Kempffer and [Thomas F.] Cobbs in those early years."[521]

The exact nature of the relationship between BAT and Mustard & Co. was gradually fleshed out after the acquisition in July 1903. In 1904, Mustard & Co. canceled a distribution deal that Imperial Tobacco Co. had maintained with Rex & Co. and transferred the right to sell BAT's British cigarettes to Mustard & Co.[522] "Rex's business is coming here too and Mustard & Co is to give Rex & Co. about two years' commission for the privilege of being allowed to trade the Brands as he has a Contract," Andersen wrote to Lewis Mustard in June 1904.[523] In the agreement about the end of the cooperation that BAT signed with Rex & Co., the latter undertook to refrain from any kind of tobacco business over a period of 15 years and also pledged to use its influence to move one of its local partners, the wholesaler Wing Tai Vo, to purchase its tobacco products from Mustard & Co. in the future.[524]

In addition to its office in Shanghai, Mustard & Co. had branches in Tianjin, Hong Kong, Hankou, Harbin, and Mukden (now Shenyang).[525] The two latter locations, both in Manchuria, confirmed the importance of the northeast Chinese market. Even though Mustard & Co. had now become a subsidiary in a global tobacco empire, it continued its original business of importing foreign brand-name products to the Chinese market. It was, however, evident that tobacco was the main source of revenue as early as 1904, the first full calendar year after the acquisition by BAT.[526]

Many and perhaps all the Chinese who had acted as compradors for Mustard followed the company as it was merged into the BAT organization. Cai Fuling continued as comprador, and while most of his activities concerned the sale of cigarettes, he also continued taking of the sale of non-tobacco import items that had traditionally been traded by Mustard, such as Florida Water, a cologne.[527] The involvement with BAT seems to have increased Cai's clout rapidly, and he extended his business into finance, as described in oral history carried out decades later: "Cai was in charge of receiving payments from all sales. When the goods were shipped, he issued an IOU to BAT, and he paid up at the end of each month. The result was that he constantly carried large sums of money, and he lent that money on to earn interest. There were some small banks with cash flow problems that cozied up to him and wanted his help. Cai had very close interaction with the banking sector."[528] Cai's relative Yao Qingrong

[521] *Yueh Pao*, 18.
[522] SASS, 2-C-40.
[523] Andersen to Lewis Mustard, June 18, 1904. KB1, 8 RA. The letter is hardly legible, and the information about the two-year commission must be treated with care.
[524] Howard Cox, "Learning to Do Business in China," *Business History*, nr. 39 (July 1997), 38.
[525] Huang Guangyu, "Jinshi bai dayanghang zhi" ["List of 100 large foreign companies from the past century"] in *Jindaiziliao* [Sources of Modern History], no. (1992), 40.
[526] Andersen to Lewis Mustard, January 6, 1905. KB1, RA. The available sources provide no details about Mustard's revenues in 1904, and they also do not provide information about the percentage of revenue coming from the tobacco business.
[527] 程仁杰, oral history in 英美烟公司在华企业资料汇编, vol. 3, 1011.
[528] Ibid.

also moved with Mustard to work for BAT, with his participation in the transportation business apparently booming, according to the same oral history. "Yao had more than 20 barges, and he used them to transport cigarettes from BAT's warehouse in Pudong to Zhapu Road Bridge. Because the amounts of cigarettes sold was enormous, there was a constant traffic back and forth of Yao's barges."[529]

During the first two years of Andersen's work for BAT and the newly established Mustard & Co., his chief business associate was C.E. Fiske, who carried over his responsibilities from American Tobacco Co. without any major changes and was now BAT's point man for business in Shanghai and the rest of northern China. Besides, Andersen was in regular close contact with William R. Harris, an American whose main responsibility was for corporate finances in Duke's sprawling operations, as well as the Englishman Hugo Cunliffe-Owen, who was a member of BAT's board and rising rapidly in the corporate hierarchy.[530] In a telling detail revealing BAT's intense focus on China, Cunliffe-Owen visited Andersen in Shanghai as early as 1904. On this occasion, Cunliffe-Owen impressed upon Andersen that one of his first tasks would be to find a suitable location to house BAT's China headquarters, since Mustard & Co.'s existing buildings in Nanking Road were far too modest. "They only want a fine office & a little store room, no street trade," Andersen wrote in a letter.[531] At this time, it is doubtful whether Mustard & Co. still operated the old factory, which Andersen had gone through much hardship to start up during the previous decade. Rather, one can assume that BAT's only manufacturing site in China in the early years was American Cigarette Co.'s existing plant in Shanghai's Pudong district.[532] Due to his deep experience producing cigarettes in China, Andersen was closely involved in the production in Pudong, and he was kept constantly updated on important changes, including adjustments in the staffing.[533]

The Russo-Japanese War of 1904 and 1905 was primarily fought on Chinese soil and in the waters near China, providing Andersen and his colleagues a clear incentive to pay attention.[534] The war had mostly negative consequences for BAT and Mustard, since the Russians in China, whether soldiers or civilians, constituted an important market. Andersen described the situation in a letter in May 1905: "General business all over China is bad owing to the Russians being driven back, nothing can reach them from the coast and in consequence Chefoo [Yantai], Shanghai & Tientsin [Tianjin] is loaded up with all sorts of stuff, it will be like times after the Boxer troubles sending Canned provisions back to America. The large sales in Cigarettes are also dropping off for the above reason."[535] Two months later, the

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[529] Ibid.
[530] Andersen to Lewis Mustard, April 22, 1904, KB1, 2. RA.
[531] Andersen to Lewis Mustard, June 18, 1904, KB1, 8. RA.
[532] Cox, "Learning", 60 n36. Andersen also does not mention Mustard's old plant in his correspondence from this period, and it is likely that it was no longer in use.
[533] See, for example, Andersen to Lewis Mustard, January 6, 1905, KB1, RA.
[534] The Russian predicament was put on display for everyone to see when the heavily damaged Russian cruiser *Askold* sought refuge in Shanghai's harbor after suffering defeat in the Battle of the Yellow Sea on August 10, 1904. "The Japs seem to have smashed up the Ruskies d--d [damned] bad judging by the look of *Askold* now in Dock here," Andersen wrote to an acquaintance.[534] Shortly afterwards, reports arrived about a Russian defeat near the city of Liaoyang in northeastern China. "What a slaughter there must have been," Andersen wrote. Andersen to Lewis Mustard, September 14 1904. KB1, 41. RA.
[535] Andersen to Lewis Mustard, May 191905. KB1, 66. RA.

situation had only worsened: "Things have passed off very quietly, not much business on account of the fighting armies being so far inland so that our goods cannot reach them."[536]

Despite temporary setbacks of this kind, BAT's interest in China remained strong, in turn reinforcing Andersen's importance for the organization as a whole. The centrality of the Chinese market was further highlighted due to difficulties that BAT experienced in Japan, the other major potential market in the region. Duke had controlled a Japanese subsidiary, Murai Brothers, since 1899 and had initially been able to post large profits on the sale of cigarettes.[537] However, Japanese legislation introduced in the spring of 1904 led to the establishment of a state monopoly on all tobacco manufacturing, and BAT, which was forced to wind down its Japanese business, narrowly avoided a huge loss when pulling out.[538] The loss of the Japanese market also entailed the loss of Korea, which was annexed by the Japanese empire in 1905.[539] This set the stage for a regional strategy firmly anchored in China, which had always been by far the largest market in Asia. As BAT's senior representative in Japan, Edward J. Parris, wrote to Fiske with a hint of envy: "You have a great field and untold possibilities are in your reach. The situation in China, with prospective business, makes it an inviting field, requiring large view and gigantic movements." Parris predicted that the day was close when BAT would be selling one billion cigarettes a month in China. "Your 'ball of snow' [is rolling] and it will not be long before it is so large as to crush everything in its pathway."[540]

Cunliffe-Owen was in Shanghai in the summer of 1904, just months after the Japanese parliament had voted in favor of turning tobacco production into a national monopoly. In one fell stroke, Japan had destroyed the business of BAT's Japanese subsidiary, Murai Brothers, and in response Cunliffe-Owen saw to it that the Japanese production was moved to Pudong instead. "Owen is a quick, smart and hard worker, he got one local factory started up so it manufactures all the Japanese brand that formerly were made by Murai Bro[thers]," Andersen wrote in a letter.[541] Andersen was impressed by the scale the tobacco business assumed under the auspices of the visionary American investors. As he wrote to an acquaintance in August 1904: "We sold last month 178,000,000 Cigarettes. What do you think of that?"[542]

At the same time, it was soon clear that the cooperation with the ambitious Americans placed Andersen under more strain than before. He described his new life when at the end 1904 he summed up the year in a letter to Lewis Mustard: "Our business has been pretty good this year on account of high exchange, but expenses are getting terrible and after paying all expenses there is nothing left but what commission we get… That of course is a good one, as that business is going ahead by Leaps & Bounds… But the labour and attention that I must

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536 Andersen to Lewis Mustard, July 101905. KB1, 73. RA.
537 Cochran, *Big Business*, 40–41. Cox, *Global,* 39–40.
538 Cochran, *Big Business,* 41. Cox, *Global,* 110–111.
539 Cochran, *Big Business*, 41.
540 Parrish to Fiske, October 12, 1904, Parris papers. Cochran, *Big Business*, 52.
541 Andersen to Christensen, August 6, 1904. KB1, 27. RA. See also Andersen to Lewis Mustard, June 18, 1904, KB1, 8, RA, where Andersen states that in future, the Pudong factory will, among other things, produce the brand Peacock.
542 Andersen to Christensen, August 16, 1904. KB1, 27. RA.

give to it deprives me of all pleasure and makes me feel like going on strike, hang it all now I have Fiske up north on one end and London & New York on the other, gives me fits Lewis."[543] It is of some significance that beginning in 1904, around the time of BAT's acquisition of Mustard & Co., nearly all of Andersen's correspondence takes the form of copybooks, i.e. thick tomes containing copies of the letters that he himself sent. This suggests a growing consciousness of having joined a huge organization where it was crucial to keep copies of all mail, perhaps mainly for legal reasons, for use in disputes or when responsibility for failures had to be assigned.

Two events took place in the spring and summer of 1905 that were possibly linked and that combined to profoundly change Laurits Andersen's position within BAT's global organization. The first of these events was the loss of Fiske, who committed suicide, meaning the loss of Andersen's closest associate in China.[544] The other was BAT's decision to strengthen control over management in China, achieved by posting a group of trusted people in the country. BAT's motivation for this comprehensive change is not explained in any explicit manner in the sources, but it is likely that it was driven by headquarters' desire to have better control over the development in China, meaning the gradual erosion of at least part of Andersen's authority. If this was the objective, it did not materialize, as time would tell.[545]

Following Fiske's death, BAT's senior management in London did not wait long before it had picked a successor. Just two weeks after Fiske's death, Andersen was informed that the person picked for the job was James Augustus Thomas, who at that time was 43 years of age.[546] Thomas had worked in the tobacco industry for nearly a quarter century, and he had been employed by Duke since 1899. In the period from 1900 to 1903, he had been Duke's representative in Singapore and Hong Kong, and from 1903 to 1904 he had filled the same position in India.[547] He had been forced to leave India for health reasons and was in the

[543] Andersen to Lewis Mustard, December 16, 1904, KB1, 50. RA.
[544] Fiske shot himself through the head, see Inquest", *The North-China Herald and Supreme Court & Consular Gazette*, March 17, 1905, 553. Shortly afterwards, Andersen described "poor old Fiskey's" sad end, linking it with the fact that Fiske had been close to a nervous breakdown since the previous year, and noting that the French businessman Henri Vinay had also shot himself just the day before. Andersen to Lewis Mustard, March 28, 1905. KB1. RA. According to some reports, Vinay too had suffered from depression-like symptoms. *The North-China Herald and Supreme Court & Consular Gazette*, March 17, 1905, 523.
[545] In the short term, the consequence of Fiske's death was that Laurits Andersen was even busier. He now had to assume Fiske's responsibilities, which included daily routine correspondence with business connections in northern China. Besides, Fiske's death led to a lengthy exchange of letters with BAT's offices in New York and London, and with Fiske's family. Following instructions from Fiske's family, Andersen saw to it that his body was disinterred and cremated and that the ashes were sent on board the steamship *S.S. Korea* to San Francisco. There were not many bright spots for Andersen in the spring of 1905: "All work and no play is not worth living for... I don't feel very well to day and would like to take a trip home, but I am a Slave and in Chains." Andersen to Lewis Mustard, March 28, 1905. RA.
[546] Andersen to Lewis Mustard, March 28, 1905, KB1, RA.
[547] There is some confusion about Thomas' career prior to his time in India. According to Cochran, Thomas was active in Singapore from 1900 to 1903, see Cochran, *Big Business*, 15. In a letter, Andersen also described Thomas as previously responsible for BAT's depot in Singapore, see Andersen to Lewis Mustard, March 28, 1905, KB1, RA. However, according to *Yueh Pao*, before being dispatched to India, Thomas was employed in Hong Kong, *Yueh Pao*, 10. The primary sources suggest that both are correct. In a letter from the autumn of 1901, Thomas is addressed as American Tobacco Co.'s representative in Singapore, see Parrish to Thomas, September 10, 1901, Parrish papers. In correspondence from early 1903, he is described as manager of BAT's

United States at the time of Fiske's death. After his new assignment, he traveled to the region with what must be considered great speed for the age, arriving in China by June 1905.[548] Thomas was one of four BAT representatives sent to China at the same time to strengthen the British-American company's permanent presence in what was foreseen to become the most important overseas market.[549]

When the four arrived in Shanghai in June, they were accompanied by Cunliffe-Owen, a member of BAT's board.[550] His decision to go to China was in itself remarkable and signaled the high priority given this particular market, since Cunliffe-Owen was set to rise to the highest level of management: in August, he was promoted to become vice chairman of BAT's board, and before the end of the 1905 he had become the most powerful man in the company after Duke himself.[551] Andersen was clearly nervous about Cunliffe-Owen's visit, taking place just a year since he had last been in China, and he agonized over its possible significance. His suspicions were exacerbated by the fact that BAT had decided to issue new shares in Mustard & Co., and he was concerned it was an attempt to dilute his control over a company he himself had helped build over the years. It could even, he speculated, be an early warning that he was about to be terminated: "I must know [sic] try and save up a little money for a rainy day," he wrote to a friend. "One does never know what may happen. I may get the sack before I know where I am."[552]

It added to Andersen's jitters that Cunliffe-Owen communicated to him BAT's desire to limit Mustard & Co.'s activities in China. A new agreement between the two companies signed June 28, 1905, stated that Mustard & Co. only had the sole right to distribute BAT's products within a 100-mile radius of Shanghai.[553] On paper, it marked a drastic reduction in Mustard & Co.'s potential for growth within the limitation set by BAT. However, the impact was to prove much less far-reaching, since Mustard & Co. was in effect to take care of the distribution far beyond the narrow confines set out in the contract. The new issue of shares in Mustard & Co. also was to have no major negative repercussions on Laurits Andersen's status within BAT.[554] Perhaps this was the result of good personal chemistry between Andersen and Cunliffe-Owen. Cunliffe-Owen lived privately with Andersen in Shanghai, and they traveled together on an inspection tour to Beijing and Yingkou, a city in Liaoning province. It appears they got along well. "I must say this, I like him very much," Andersen wrote to Lewis Mustard.[555]

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depot in Hong Kong, see letter from Thomas to Murray Brothers, February 20, 1903. Parrish papers. The most probable explanation is that Thomas was employed in Hong Kong for a brief period in between working in Singapore and India.

548 *Yue Pao*, 10.

549 Andersen to Lewis Mustard, July 10, 1905. RA. KB1, 73. RA.

550 Andersen to Lewis Mustard, July 10, 1905. RA. KB1, 73. RA.

551 Cox, *Global*, 100.

552 Andersen to Lewis Mustard, May 19, 1905. KB1, 65. RA.

553 SASS, 2-C-40 and 2-C-41.

554 It is unclear exactly when the capital of Mustard & Co. was raised from 250,000 dollars to 650,000 dollars.

555 Andersen to Lewis Mustard, July 10, 1905. RA. KB1, 73. RA. Andersen refers to Yingkou as "Newshwang" in his letter. Newshwang or Newchwang were common names for the city in the early 20th century, based on its alternative Chinese name Niuzhuang.

While Cunliffe-Owen was still in Shanghai, BAT was faced with its biggest challenge yet in China in the form of a nationwide boycott against American products. The background of the boycott was the Chinese imperial government's refusal to renew a controversial agreement with the US government that barred Chinese jobseekers from emigrating to the United States. While the Sino-American talks were still going on, nationalist segments of the Chinese public decided to take matters into their own hands, calling for an end to the buying of American goods. Shanghai was one of the hotspots of this movement, and on July 20, 1905, members of the local chamber of commerce held a meeting where the boycott was announced.[556] The boycott spread like wildfire among Shanghai's merchants, who declared they would refrain from buying or selling "any American goods such as piece goods, kerosene oil, cigarettes, and the like."[557] Unfortunately for BAT, it was identified as an American company by the boycott movement, whereas the British element was downplayed or completely ignored. To make matters worse, one of the most popular slogans was "Don't use American goods, don't smoke American cigarettes."[558] A poster showed the image of a dog and the words: "Those who smoke American cigarettes are of my species."[559] It was in this intensely anti-American atmosphere created by the boycott movement that American Cigarette Co., which Andersen managed, was reregistered and changed names to British Cigarette Co.[560]

BAT was among a group of companies, also including Standard Oil Co., Singer Sewing Machine Co., and New York Life Insurance Co., which approached the American authorities directly, pointing out the severe losses they were suffering as a result of the boycott. John Foord, the secretary of the interest organization American Asiatic Association, sent a telegram to President Theodore Roosevelt that included a message from the American Chamber of Commerce in Shanghai, warning that "business [is] checked, foreign merchants view situation anxiously."[561] Andersen, who traveled to the United States for a five-month period beginning August 1905, later described in his autobiography his role in the political and diplomatic game over the boycott: "After I had personally lodged a protest [with the US legation] in Peking, I journeyed to Washington and obtained an audience with President Roosevelt. I was received kindly and I explained the situation over here for him, and consequently the matter had improved greatly on my return."[562]

Andersen had already made tentative arrangements for a US tour with Cunliffe-Owen in July, before the boycott movement began in a major way. Therefore, the trip was probably not initially intended to involve lobbying American authorities, although later on, after the situation escalated, it is possible that this became its chief purpose.[563] He left Shanghai on board the steam ship *R.M.S. Empress of India* on August 26, 1905, accompanied by Cunliffe-

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[556] Cochran, *Big Business*, 46.
[557] "Notes on Native Affairs: The American Boycott", *The North-China Herald and Supreme Court & Consular Gazette*, July 28, 1905, 211.
[558] Cochran, *Big Business*, 46.
[559] John Pomfret, *The Beautiful Country and the Middle Kingdom: America and China, 1776 to the Present* (New York NY: Henry Holt and Co. 2016), 180.
[560] Cox, *Global*, 158. Cox, "Learning", 39.
[561] James C. Lorence, "Business and Reform: The American Asiatic Association and the Exclusion Laws, 1905-1907", *Pacific Historical Review*, no. 39 (1970), 429.
[562] Andersen, *Selvbiografi*, 7–8.
[563] Andersen to Lewis Mustard, July 10, 1905. RA. KB1, 73. RA.

Owen and Raymond Elias Toeg, an influential Jewish businessman.[564] While they were underway, the crisis evolved on three different continents. On August 31, less than a week after they had embarked on their journey, the imperial government in Beijing issued an order to end the boycott against most American products outside southern China. Cigarettes were, however, exempted from his imperial order, and as a result the boycott against BAT's products in Shanghai and elsewhere in China continued.[565] The crisis was not over for BAT, and while Andersen and Cunliffe-Owen were on their way to North America, BAT intensified its effort to involve the US government in an attempt to find a political solution. In early September, BAT's headquarters in London sent a telegram to the US government with a request that US Secretary of War William Taft, who happened to be touring East Asia, make avail of an opportunity to put pressure on the Chinese authorities that was to arise shortly during a visit to the city of Guangzhou in southern China. Passing through the hands of Deputy Secretary of State Alvey A. Adee, the telegram was put before President Roosevelt on September 2.[566]

Roosevelt, who had built up a public image as a resolute cartel buster and previously had declined to involve himself in the matter on behalf of big business, now changed his mind and on the same day sent a telegram to Taft with instructions to bring up the boycott in talks with his hosts in Guangzhou.[567] Taft's visit, which took place on September 3, only met with limited success. Guangzhou was in turmoil, and palpably anti-Western sentiments had taken hold of the city. Even though Taft in a speech for his Chinese hosts assured them of friendly American intentions, and even though the Sino-American tension declined considerably during the following period, the comprehensive Chinese boycott of BAT's products remained in force.[568] In other words, the situation had changed somewhat when Andersen, Cunliffe-Owen, and Toeg arrived in Vancouver in the course of September.[569]

The boycott was now directed at BAT even more specifically than before, and from the point of view of BAT there was a strengthened incentive to appeal to the US authorities. Andersen and Toeg met with President Roosevelt on October 16, as reported in a Delaware newspaper shortly afterwards: "Mr. L. Andersen and R.E. Toeg of Shanghai, China, are the guests of L[ewis] W. Mustard. Anderson and Toeg are visiting the larger cities of the country and during the past week have been in Washington. On Monday [October 16], by special appointment, they were received by President Roosevelt, who assured them that he should do everything in his power to remove the cause for the feeling which has brought about the

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564 Andersen to Lewis Mustard, July 10, 1905. RA. KB1, 73. RA. "Passengers", *The North-China Herald and Supreme Court & Consular Gazette*, September 1, 1905, 511. According to the newspaper, Andersen and two other passengers were on their way to London, which is clearly a mistake. At the time, the *Empress of India* plied the route Shanghai – Nagasaki – Kobe – Yokohama – Vancouver – Hongkong. Andersen himself also makes clear in a later letter that the destination was America, see Andersen to Lewis Mustard, February 15, 1906. KB1, 86. RA.

565 Howard K. Beale, *Theodore Roosevelt and the Rise of America to World Power* (Baltimore: The Johns Hopkins Press, 1956) 234. Cochran, *Big Business*, 49–50.

566 Telegram from J. Parker to Francis B. Loomis. Theodore Roosevelt Papers. Library of Congress Manuscript Division. http://www.theodorerooseveltcenter.org/Research/Digital-Library/Record?libID=o51153. Theodore Roosevelt Digital Library. Dickinson State University.

567 Beale, *Roosevelt*, 235–236.

568 Beale, *Roosevelt*, 236–237. Cochran, *Big Business*, 50.

569 The exact date of arrival of the *Empress of India* is unclear, but the steamer left Vancouver bound for East Asia in early October. "Here and There", *The Week*, October 7, 1905, 2.

boycott of American goods by the Chinese. After several months in the United States Mr. Anderson returns to China via San Francisco. Mr. Toeg will tour Europe and India, reaching Shanghai about six months from this time."[570]

Andersen's correspondence gives the impression that from the eastern United States he was originally scheduled to continue on to London and meet with the senior management at BAT there. Instead, he sold his ticket to the British capital and traveled back west, including a train ride from St. Louis to Kansas City.[571] Andersen now spent over a month in San Francisco, discussing the boycott with members of the city's Merchants' Exchange, which at the time was at the center of all business in the US West. "I hope my advice to the people of California will have some influence on [the]ir future trade," he wrote in a letter after his return home from the US trip. "You know the general population of the Pacific coast are hardest against Chinamen than all the rest of the States."[572] He left the United States on board the steamship *S.S. Korea* on December 30, 1905, and arrived in Shanghai on January 26, 1906.[573] It is doubtful that the trip in itself resulted in a solution to BAT's crisis in China. After all, since the geographical location of the company's headquarters was in London, BAT's connections with the British government were probably more decisive than its ties with the US government on this specific matter. A large correspondence between BAT's management in China and the British Foreign Office is testimony to the close coordination with British diplomats aimed at furthering BAT's interests, and by extension the British Empire's economic interests.[574]

President Roosevelt was under continuous pressure from American business interests and at the same time received reports of the approach of a "second Boxer Rising" similar to the anti-Western rebellion that had wrought chaos in northern China at the start of the century. At the turn of the year 1905 and 1906, the president was even mulling the dispatch of a naval fleet to China in an attempt to carry out classic gunboat diplomacy. The plans came to naught, as the boycott drive gradually lost its public backing, and a "second Boxer Rising" never materialized.[575] For BAT, too, normalcy soon returned, and sales rose once again. "The business is going along satisfactorily, and we are selling lots of cigarettes. The boycott has subsided and we hear very little about it now," Andersen wrote in April 1906.[576]
One can only speculate about the motivations driving BAT to invite Andersen to the United States in the second half of 1905. It may very well have been the intention to involve him as an expert witness in the intense lobbying effort that was being directed towards the US government, aimed at putting indirect pressure on the Chinese authorities. On the other hand, Andersen's absence meant that he was not in China at a decisive moment when Thomas and the three other BAT managers had just arrived and had begun establishing themselves as the company's main representatives in the Chinese market.

[570] *Delaware Pilot*, October 21, 1905, quoted in *North China Herald*, Nov 24, 1905, p. 453.
[571] Andersen to Paige, February 22, 1906. KB1, 90. RA.
[572] Andersen to Paige, February 22, 1906. KB1, 90. RA.
[573] Andersen to Lewis Mustard, February 15, 1906. RA. Andersen to Paige, February 19, 1906. RA.
[574] Hunt, "Americans", 293, n33.
[575] Beale, *Roosevelt,* 239–250.
[576] Andersen to Harris, April 3, 1906. KB1, RA.

Andersen's main job after his return from the United States at the start of 1906 was to locate and acquire new land in the central part of Shanghai for BAT's permanent Chinese headquarters, allowing it to move out from the rented space on Nanking Road. It had to be spacious, since the building was to both serve administrative purposes and include the warehouse. Andersen was facing a clear deadline, as the rental agreement on Nanking Road was up for renewal on July 31, 1908. Since Andersen estimated that construction work would take 18 to 24 months, there was no time to waste. "I assure you it is the hardest job I ever had anything to do with," Andersen wrote in a letter to a colleague at BAT.[577] Eventually, Andersen succeeded in finding a piece of land in Shanghai's international district measuring 9.5 mou (7,300 square meters) belonging to the British trading firm Dent & Co.[578] The land was centrally located on the corner of Soochow Road and Museum Road, and it also faced Suzhou Creek near its confluence with the Huangpu River. After extensive negotiations, Andersen reached an agreement with Dent & Co. in May 1906,[579] and shortly afterwards in a letter to Lewis Mustard he proudly laid out BAT's plans for the building that was to be erected on the site: "We shall build at the Corner... 107 ft by 152 ft for office and Godown four stories high with two Elevators. How is that for high? you may ask."[580]

There were, however, a number of practical difficulties Andersen needed to overcome before construction could even start. The existing buildings on the plot were all rented out until 1907, and if BAT had to wait for these rental agreements to expire there would not be enough time to complete the new headquarters by the middle of 1908. "The only thing that worries me now is to get rid of the tenants occupying the houses which we want to pull down," Andersen wrote to BAT.[581] Another practical challenge concerned the local government's decision to expropriate part of the land for the expansion of Museum Road. Andersen was involved in long-drawn-out negotiations about compensation and suggested a compromise solution where BAT would be given a larger amount due to specific local conditions.[582] The Municipal Council, however, did not accept his proposal.[583] The issue was an example of how Andersen was employed by BAT in the role of problem solver in cases involving the local authorities.

Meanwhile, with Andersen at the helm, Mustard & Co. carried out the sale and distribution of BAT's cigarettes through six wholesalers – Fuhe, Qiankunhe, Yedexing, Yongshenchang, Shunxiayuan, and Wing Tai Vo – organized in the Shanghai Tobacco Guild.[584] The cooperation expanded in the course of BAT's first decade in China, and in 1916 the organization consisted of 20 Chinese traders. It gave Mustard & Co. access to a dense and sprawling distribution network in Shanghai, but more importantly it created almost

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[577] Andersen to Harris, April 3, 1906. KB1, 101. RA.
[578] Andersen to Jeffress, May 12, 1906. KB1, 105. RA. Andersen to Lewis Mustard, June 6, 1906. KB1, 120. RA.
[579] Andersen to Jeffress, May 12, 1906. KB1, 105.
[580] Andersen to Lewis Mustard, July 6, 1906. KB1, 120. RA.
[581] Andersen to Harris, June 25, 1906. KB1, 113. RA.
[582] "Municipal Council: Road Extensions and Widenings", *The North-China Herald and Supreme Court & Consular Gazette*, May 17, 1907, 387.
[583] "Meeting. The Municipal Council: Road Extensions and Widenings", *The North-China Herald and Supreme Court & Consular Gazette*, September 13, 1907, 611.
[584] Cox, "Learning", 39, 60.

insurmountable obstacles to new entrants from China and abroad, because the centrally placed wholesalers who made up the system had pledged to exclusively sell cigarettes manufactured by BAT.[585] In order to further consolidate the relationship with the local distributors, the traders acquired the products they needed from BAT's warehouses on a day-to-day basis. In this way, BAT was able to gain continuously updated intelligence about the market as well as the average Chinese consumer's purchasing power. Based on this information, BAT constantly adjusted its stock of products.[586] "Cigarettes from the United States were sold from the company's own warehouses in the Orient directly to the native wholesalers. There were no middlemen. Practically speaking, the product went directly from the factories to the consumer," Thomas wrote.[587] His claim that "there were no middlemen" requires qualification. It glosses over the fact that compradors filled key positions in the BAT organization, taking responsibility for the recruitment and management of distributors at the local and regional level.[588] Failing to give full credit to the compradors, named "interpreters" in official BAT lingo, conforms with a heroic corporate narrative according to which BAT's success in China was the result of the work of "American pioneers".[589]

BAT also sent its own people out into the field to promote the cigarette, mixing loud advertising with the distribution of free samples. In this way, leading BAT brands such as "Pin Head" and "Pirate" gradually became well-known throughout China. "Large quantities of cigarettes of the brand of 'Pinheads' are smoked by the Cantonese and specially by those who frequent gambling dens, the owners of which keep them in stock for their customers," a local newspaper wrote.[590] There was a fine line between proactively pushing the cigarettes on the one hand, and on the other promoting them so aggressively that it triggered a violent reaction. Several of BAT's staff were killed in the line of duty, often because unpredictable and volatile mobs suddenly turned hostile, and people started calling for blood.[591] Cultural differences were manifested on a constant basis. One of the first mistakes BAT committed on the Chinese market was to produce cigarettes with Chinese characters printed on them. Since the characters usually denoted happiness and fortune, many consumers thought it would bring bad luck to light the cigarettes.[592]

Mustard & Co. expended considerable amounts of energy and resources on the protection of BAT's brands, and the Shanghai Mixed Court played a key role in this respect. This was necessary in a market where pirated copies were costly not only in lost revenue but also in terms of damaged reputation. In one of the measures to curb the practice, Mustard & Co. routinely bought back the empty cardboard boxes that the cigarette packs had been packed in prior to being sent to the traders. The purpose was to ensure that the boxes did not

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[585] Ibid., 39.
[586] James A. Thomas, *A Pioneer Tobacco Merchant in the Orient* (Durham NC: Duke University Press, 1928), 64–65.
[587] Thomas, *Pioneer*, 59.
[588] Cochran, *Big Business*, 24-32.
[589] Ibid., 24.
[590] "The Boycott of the Americans", *The North-China Herald and Supreme Court & Consular Gazette*, July 28, 1905.
[591] Easton, *Guns*, 110.
[592] "Advertising in China", *The North-China Herald and Supreme Court & Consular Gazette*, March 20, 1926, 47.

subsequently end up on the black market for copied cigarettes. Experience quickly showed that most traders found it more lucrative to sell the boxes on to the manufacturers of copycat cigarettes.[593] A case that ended up in the Shanghai Mixed Court[594] on April 26, 1905, demonstrates the severity of the punishments meted out for infringement of intellectual property rights. Three Chinese street vendors had been arrested in Broadway, a street in Shanghai, and charged with selling copied cigarettes of the brands "Pirate" and "Pinhead", both owned by BAT. After their arrest, they had admitted that they had bought them from a local shop owner, who apparently had manufactured them himself. The court sentenced the three to physical punishment in the form of 300 strokes. In an indication that there were enormous financial incentives associated with the trade, one of the three street vendors had been caught a mere two weeks earlier and had been sentenced to suffer the exact same punishment.[595]

The central role played by China in BAT's global strategy is reflected in James B. Duke's constant involvement in the business in the huge market. Duke, who was chairman at BAT until 1923, spent almost his entire time on the company's worldwide expansion, and China was key in this regard.[596] "In discussing a proposition in far-away China or India, the question always came up as to whether Mr. Duke would approve the policy chosen," Thomas later wrote in his memoirs.[597] However, Laurits Andersen had as good as no direct contact with Duke but was in close contact with managers at the level just below on a daily basis.

It was against this background that during the years after BAT's establishment Andersen sent a stream of detailed reports to management in New York and London. In particular, he was a source of intelligence about the Chinese market, as reflected in a letter he sent to Harris in the spring of 1906 about the growing presence of competing tobacco manufacturers in China: All sorts of people are getting ready to go into the cigarette business in the different ports, Chefoo [Yantai], Tientsin [Tianjin], Hankow [Hankou], Tsinanfu [Jinan], and here in Shanghai the Egyptian Cigarette Co. has put up a fine building 50 feet by 150 feet and three stories high, but they have only the same old machines which worked in the old place. Mr. Phillips, who was formerly in Japan, I believe is going in with some Chinamen, and will put up a factory close to the new Egyptian. I cannot for a moment think that they will ever meet with any success against all the cheap goods we now have on the market, and with all the new districts we have opened up already and still pushing further into the country, new competition must surely have a sorry time ahead.[598]

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593 "The Mixed Court", *The North-China Herald and Supreme Court & Consular Gazette*, April 28, 1905, 199–200.
594 Regarding the Shanghai Mixed Court, see Pär Cassel, "The Mixed Court Of The Shanghai International Settlement," in *Max Planck Encyclopedia of International Procedural Law*. Oxford Public International Law (http://opil.ouplaw.com). (Oxford: Oxford University Press, 2021).
595 The Mixed Court", *The North-China Herald and Supreme Court & Consular Gazette*, April 28, 1905, 199–200.
596 Alfred D. Chandler, *The Visible Hand: The Managerial Revolution in American Business* (Cambridge MA: Belknap Press, 1977), 389.
597 Thomas, *Pioneer*, 49.
598 Andersen to Harris, April 3, 1906. KB1,. RA.

If it had ever been the intention of the BAT management to sidetrack Andersen, they soon changed their minds. Encyclopedic knowledge about China, accumulated over decades of work in the country, was a main reason why people like Andersen were useful for BAT in the early years. There are indications that BAT did everything in its power to keep Andersen, even when he was approaching the age of 60 and was frequently telling his acquaintances that he wished to retire. "The bosses have told me to take a holiday of 6 months even a year if I think it will put me in shape to work some years more," he wrote to Lewis Mustard in January 1907.[599]

The intimate knowledge of China gave these "old China hands" a considerable advantage vis-à-vis BAT, but at the same it placed BAT in a vulnerable situation where it was dependent on the experience of a small group of people. In an attempt to institutionalize this knowledge, Thomas introduced early on a form known as "Form No. 163". All BAT's traveling representatives were obliged to send a completed form to headquarters in Shanghai once a month, noting data about each individual city such as population, currency, and level of income, as well as information more specific to the industry such as the number of vendors, warehouse facilities, and stock of tobacco brands.[600] "Form No. 163 has been one of the principal factors in building up the organization, since that form is practically a photograph of the actual conditions in each town," BAT's internal periodical said in an anniversary issue published a couple of decades later. It continued: "Price levels and the economic distribution of goods throughout the country played a very important part in the success of the Company, since it enabled goods to be placed within easy reach of the people at suitable packet prices through being purchasable by dealers in local currency."[601] The introduction of Form No. 163 was a major step forward for BAT at a time when all other market intelligence about the vast and impenetrable China market was largely non-existent. At the same time, however, the consequence for Andersen and others in his position was a long-term risk of being made redundant.

Another reason why BAT's "Old China Hands" were gradually made less relevant over time was a decision by management to make it a top priority for new arrivals to acquire understanding of local conditions as soon as possible. An innovative step in this direction was a 500-dollar bonus for anyone who passed an oral exam in Chinese at an advanced level.[602] It was, however, emphasized that the language was considered a tool and served practical purposes. A Swede, who had acted as BAT's representative in an isolated post in the city of Xian for a period of time, attracted increasing attention because contrary to expectations he did not send back to headquarters in Shanghai detailed statistics and market intelligence. When BAT sent a representative to investigate the conditions in Xian, he found the Swede buried in studies of Chinese language and literature, displaying not the slightest interest in selling cigarettes. He was dismissed once the representative had reported back in Shanghai. "Among the Chinese he had achieved the reputation of being a brilliant Sinologue," a

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599 Andersen to Lewis Mustard, January 7 1907. KB1, 144. RA.

600 Thomas originally developed the form in 1899, while he was based in Singapore. Cox, "Learning", 44, 61 n59. An example of the form filled in by a representative in the north Chinese city of Taiyuan is reproduced in 英美烟公司在华企业资料汇编, vol. 2, 544–546.

601 *Yueh Pao*, 10–11.

602 James Lafayette Hutchison, *China Hand*. Boston: Lothrop, Lee and Shepard, 1936, 230–231.

contemporary BAT staff member wrote later in his memoirs, “but no foreign firm would have him, and he disappeared.”[603]

The unnamed Swede was an exception. BAT offered the opportunity for young, newly arrived Westerners to start out on a career in China. A newly hired American staff member later remembered the hour-long welcome speech he was given personally by Thomas once he arrived: “The company offered big opportunities to young men with ambition and get up and go; things were still in the pioneer stage and just starting out in a big way, and the company stood by their men.”[604] An example was the 17-year-old Dane Aksel Jacobsen, who arrived in China as a cabin boy on board a German steamship in 1909. He settled down in Shanghai and found a job at BAT, giving him the opportunity to travel around China as a salesman for the next five years. He later explained that his job was to “teach the Chinese to smoke cigarettes.”[605] An obituary in a Danish newspaper almost half a century later described the methods he and other BAT people adopted in order to find new customers: “By giving away [the cigarettes] for free and tossing half-full packs in the streets, he was partly responsible for making the Chinese very fond of the cigarette ‘Pirate’, which turned Laurits Andersen into a millionaire.”[606]

When BAT moved into the Chinese market and transformed Mustard & Co. to a subsidiary, slimming down was a major priority. During their visit to China in 1904, Cunliffe-Owen and Harris had long conversations with Andersen about the operations, and they encouraged him to “give up any thing that gives one too much work or trouble.”[607] Even though on the face of it, this seemed to reflect a desire for Andersen to streamline Mustard & Co.’s operation and cut out marginal activities, the opposite happened in the following years. Mustard & Co. gradually became the agent for a growing number of American and European manufacturers.

China in the first decade of the 20th century was on the brink of revolution. This impacted Mustard & Co.’s business throughout the period. “The old business is getting poorer every day,” Andersen wrote to Lewis Mustard in the spring of 1904. He linked this to growing competition but not just that. “I think the unsettled state of affairs has something to do with it, every Chinaman seems to know or expect another upheaval in far Cathay and burys [sic] his hard cash accordingly.”[608]

The foreign businesspeople in Shanghai remained a relatively small community at the turn of the 20th century. Most knew each other, at least indirectly via common acquaintances. Therefore, it was often considered unnecessary to prepare written contracts for transactions of limited sizes. Mostly, concern about one’s own reputation was sufficient to ensure that agreements, once entered into, were kept. Sometimes this backfired, as demonstrated in a long and very public court case in June 1906 between Mustard & Co. and a dissatisfied

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603 Ibid, 190–191.
604 Ibid., 12. Thomas is described as “the Old Man” in this book. There is no doubt about his identity, however, since the “Old Man’s” departure from China in 1915 coincides with Thomas’ departure, ibid. 231.
605 *Berlingske Tidende*, August 21, 1938, 64.
606 “Mange Aar i Kina” [”Many Years in China”], *Berlingske Tidende*, January 7, 1956: 1.
607 Andersen to Lewis Mustard, June 18, 1904. KB1, 8. RA.
608 Andersen to Lewis Mustard, April 22, 1904. KB1, 4. RA.

customer about a delivery of locks and other hardware for use in a new property. The details of the order had been the subject of an oral agreement between Andersen and a representative of the other company, and as a result there was subsequently no written evidence of the commission that Mustard & Co. asked for in the transaction. After several sessions in the court, which also saw Andersen attend as a witness, the court ruled in favor of Mustard & Co.[609]

Shanghai attracted entrepreneurs from all over the world, and the city was a seething furnace of business ideas and proposals. As a member of the business establishment with a growing fortune at his disposal, Andersen was frequently targeted for schemes in need of financing. "I have all I can do to keep out [of] the way of modern schemes [and] promotions. They are here in dozens," he wrote to Lewis Mustard in early 1907. "The latest is an old Engineer who has learned to make Soda Water, he wants £30,000 Dollars from friends as he can make them rich. Hang all those fellows, it makes me wish for a thick forest in which to hide."[610]

Besides his work for BAT and Mustard & Co., Andersen continued to play a role in Shanghai's business world as an investor in various local companies. As in previous periods of his life, this not only served the purpose of making a profit, it was also a way of maintaining networks and thus gaining access to intelligence that otherwise would be hard or impossible to come by. For example, he was a shareholder in The Anglo-German Brewery Co. Ltd. and took part in the annual shareholder meetings. There is some indication that he was an active participant, and, for instance, at the meeting in March 1910 he raised the proposal to elect a treasurer.[611]

Shanghai in the early 20th century was about to develop into a world-class city, with all the opportunities for entertainment that this entailed for the rich. Laurits Andersen was still attracted to some of the simple pleasures that had amused him and others of his generation when they were younger and of more modest means. Among these was the boardgame Matador, where ordinary domino pieces were used. "The old game of Matador is still going on with the rounds of w[h]isky to finish of[f] with," Andersen wrote to Lewis Mustard in 1905.[612] Poker was a big part of social life among foreigners in Shanghai around the year 1900, usually after a major dinner. Some poker nights attained almost mythical status, and the players still remembered them decades later. "You will remember that Poker night at Fiske's, more mosquitoes than money in the house," he wrote to an acquaintance.[613] Andersen's personal reputation as a poker player also had near-mythical status, and it was often mentioned by people who knew him well. For decades, people were still talking about a game

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[609] Andersen to Ellis and Hays, June 11, 1906. KB1, 108–198. RA. "H. M. Supreme Court: Mustard and Co. vs. Scott and Carter", *The North-China Herald and Supreme Court & Consular Gazette*, June 8, 1906, 576. RA. "H. M. Supreme Court: Mustard and Co. vs. Scott and Carter", *The North-China Herald and Supreme Court & Consular Gazette*, June 29, 1906, 777. "Judgment", *The North-China Herald and Supreme Court & Consular Gazette*, June 29, 1906, 779.
[610] Andersen to Lewis Mustard, January 7, 1907. KB1, 143. RA.
[611] "The Anglo-German Brewery Co., Ltd.", *The North-China Herald and Supreme Court & Consular Gazette*, March 18, 1910, 615.
[612] Andersen to Lewis Mustard, March 28, 1905. RA.
[613] Andersen to Robert, September 2, 1918. KB2, 195. RA.

where he had attempted an extended bluff, even though he was holding four aces.[614] However, by the time he was in his late 50s, he started losing interest. "[I] am getting [too] old & tired myself to get about and push things, am even getting [tired] of gambling, there is no fun in it. Went out to Lacy's Saturday played a little game and lost $26," he wrote in a letter in early 1907, when he was 57.[615]

On the other hand, Andersen spent a large amount of time, money, and energy on Shanghai's legendary horse track, not least by virtue of his membership of the Shanghai Race Club, which had been established as early as 1862. One of the club's traditions consisted of the so-called "griffin subscription", when at the start of a new season a number of racing ponies were purchased and distributed among the members through a lottery. In this manner, Andersen was involved for a number of years not just as a spectator and gambler, but also as one of the owners of the ponies that were at the center of interest.[616]

In 1904, he purchased the brown pony Cross Cut, which did not, however, do particularly well in the course of the season.[617] In 1908, he was together with Bingham, the co-owner of the black pony Khaki, which on one occasion ended up on a second place in a race for 15 ponies.[618] The 1905 season was special. Based on the lottery, Andersen had become the owner of the gray pony Atlas, which was named one of the season's favorites by people in the know.[619] Unfortunately, Atlas did not live up to the expectations, and on the first racing day, May 3, he ended up in a modest sixth place.[620] The day after, it ended in eighth place.[621] It did better on the final day of the race, when it was number two out of 19 ponies.[622] "He was very promising during training and much heard of as a likely winner," Andersen wrote to a friend. "But when the day came he was not such a hell of a fellow after all, lots of people got left, however on the half day (Saturday) he pulled of[f] number two and I received my stakes Tls 95.00, not so bad considering things were nineteen in the Race."[623]

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[614] Letter to the Editor, *The North-China Herald and Supreme Court & Consular Gazette*, April 28, 1928, 156.
[615] Andersen to Lewis Mustard, February 4, 1907. KB1, 152. RA.
[616] For a description of the rise and development of the treaty-port racecourse as a dominant arena of social interaction among the expatriate population, see Ning Jennifer Chang, "To See and Be Seen: Horse Racing in Shanghai, 1848–1945," in *The Habitable City in China: Urban History in the Twentieth Century*, ed. Toby Lincoln and Xu Tao (New York NY: Palgrave Macmillan, 2017), 91-112. For a detailed chronological history of racecourses in China, see Austin Coates, *China Races* (Hong Kong: Oxford University Press, 1994).
[617] "The Shanghai Spring Race Meetings: Stewards: First Day, Tuesday, 3rd May, 1904," *The North-China Herald and Supreme Court & Consular Gazette*, May 6, 1904, 938.
[618] "Shanghai Race Club: Spring Meeting 1908 Summary", *The North-China Herald and Supreme Court & Consular Gazette*, May 8, 1908, 337.
[619] "More Notes from the Course", *The North-China Herald and Supreme Court & Consular Gazette*, April 28, 1905, 192. Andersen to Lewis Mustard, May 19,1905. KB1 64, RA.
[620] "The Shanghai Spring Race Meeting", *The North-China Herald and Supreme Court & Consular Gazette*, May 5, 1905, 236.
[621] "The Shanghai Spring Race Meeting", *The North-China Herald and Supreme Court & Consular Gazette*, May 5, 1905, 259.
[622] "The Shanghai Spring Race Meeting", *The North-China Herald and Supreme Court & Consular Gazette*, May 12, 1905, 292.
[623] Andersen to Lewis Mustard, May 19, 1905. KB1 64, RA.

Andersen's home in Shanghai's Avenue Joffre. Photo: Peter Harmsen

Andersen did not particularly like the busy and crowded conditions in the big city, and gradually he held fewer parties in the palatial manor that he owned on Avenue Joffre. Instead, he went on trips to the countryside whenever the opportunity arose.[624] Andersen had a small cottage in the countryside outside Shanghai, which in times of great pressure at work he had hoped to start using more frequently.[625]

Among the responsibilities that Andersen took over after the death of his old partner Robert Mustard was the care of his housekeeper, Low Kin Sin, and her daughter Low Sow Ying. The two Chinese women were a kind of "reserve family" for Mustard during his stay in Shanghai, and he had had seen to it that after his own death they would be able to live relatively comfortably.[626] Andersen took this responsibility extremely seriously, demonstrated a few years after Mustard's death when Sow Ying ended up in a marriage with a violent husband. In the summer of 1905, Andersen intervened with a sternly worded letter to the husband: "Your wife has been to me repeatedly, complaining about your conduct towards her in the shape of abusing her by words and even going so far as to strike her; conduct very unbecoming in the extreme. As you know, the girl was left in my charge by the death of the

[624] Andersen to Lewis Mustard, April 11, 1906. KB1 104, RA.
[625] Andersen to Lewis Mustard, March 28, 1905. KB1, RA.
[626] Paula Schwartz Holloway, "Robert West Mustard: An American Merchant in Shanghai, 1865-1900", *Delaware History*, vol. 22, no. 2 (1986), 86–90.

late Mr. Mustard and that it was only with consent that she became your wife. You must understand that I still take an interest in her happiness and I should advise you, as you seemingly are tired of her, to let her depart in peace from your domicile and go back to live with her sister, taking away with her all her personal effects. Should you again ill-treat her when she comes to take her things away I shall find means to procure her protection from your brutality."[627] The sources do not reveal if Sow Ying was able to escape her abusive husband. However, the absence of further references to the matter in Andersen's correspondence in subsequent years suggests that he was able to ensure a new life for her, safe from physical harm.

After not having returned to Denmark since 1884, Andersen visited the old country twice with just a few years in between, in 1908, when he booked a train ticket to Europe while setting up factories on behalf of BAT in Harbin, and again in 1911. The background was a suddenly emerging ambivalent feeling towards China, which had now been his home for four decades. Especially after foreign trips, he now found it hard to get used to life in Shanghai. "I wish I could have stayed longer with you," he wrote to an American acquaintance after his tour of the United States in the second half of 1905. "It is such a change from the everyday blue cooley Chinaman out here, one gets tired of this everlasting same uniform. I for one would just as soon have remained on the other side [of the Pacific], still this is the only place in which I can do any good."[628] Six weeks later, the antipathy against life in China remained strong, reflected in a letter to another acquaintance: "Sick and tired of... all things Chinese, would like to be able to clear out and live in California."[629] In the autumn of that year, the feeling had still not dissipated, and Andersen started thinking about how China had changed since he was a young man. "This country has not the attraction it used to have for me and our old friend John Chinaman getting too smart and independent," he wrote to Lewis Mustard. "Furthermore competition is getting very keen, such a lot of new small firms ready to work for a bare living trying to sweat the old ones out."[630]

6.3.1. Summary

As Andersen became part of a large multinational organization, his networks mattered less for career purposes, and his position was now to larger extent due to knowledge and skills accumulated over decades of life and work in Treaty-Port China. Social networks did however also have other purposes such as a means of raising finances as Andersen noted when describing how an acquaintance, "an old Engineer", was seeking capital for a soda-water making enterprises among old friends. Meanwhile, Andersen maintained and expanded his existing networks by means of social activities, with the Shanghai racecourse constituting one of the main arenas for socializing among Shanghai's foreign population. According to Ning Jennifer Chang, as spectator numbers gradually rose, by around 1905 "it became normal for foreigners meeting not to know each other, and the races thus lost their original function

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[627] Andersen to Low E. Wing, June 3, 1905. KB1, RA.
[628] Andersen to Paige, February 22, 1906. KB1, 90. RA.
[629] Andersen to Kempffer, April 9, 1906. KB1, 103. RA.
[630] Andersen to Lewis Mustard, September 24, 1906. KB1 126, RA.

of promoting social cohesion and strengthening community consciousness."[631] In my view, this does not detract from the racecourse as a location for consolidating and expanding existing social networks.

Significantly, the racecourse only gradually was opened to ethnic Chinese,[632] and in general, and in common with earlier periods, Andersen's interaction with Chinese was surprisingly limited, not least considering his dependence on their assistance in being commercially successful in China. His main interface with the Chinese market was through six wholesalers, but the compradors remain unacknowledged in the sources. The other main interface was via the Shanghai Mixed Court, by means of which Andersen and Mustard was able to impose a limited level of intellectual property protection on the vast Chinese market. Overall, however, the scattered references to Chinese in Andersen's correspondence suggest lack of interest in the Chinese as individuals ("Mr. Phillips, who was formerly in Japan, I believe is going in with some Chinamen") or even alienation from Chinese culture and society ("It is such a change from the everyday blue cooley Chinaman out here, one gets tired of this everlasting same uniform").

6.4. The Long Farewell (1912-1922)

When Laurits Andersen arrived in Shanghai on October 21, 1911, after his second vacation in three years, he encountered a changed China.[633] Eleven days earlier, a rebellion had broken out in the city of Wuchang, more than 500 miles up the Yangtze River, and what had initially seemed to be a local rising had expanded with shocking swiftness and become a national revolution, which was in the process of dismantling an imperial system with a history of more than 2,000 years. "I dont [sic] quite know if I am pleased to come back under the present state of affairs," he wrote to a colleague at BAT. "The country is all in rebellion and the fight against the Government is getting more severe every day."[634] The revolution reached Shanghai on November 3, and the rebel forces soon seized control of most of the Chinese districts, reflected in their flags flying from almost all shops in the major streets.[635] The *ancien régime* hardly resisted. On the contrary, police officers in the northern part of the city also rebelled and set fire to their own building.[636] "They tell me now, after tiffin [lunch], that the revolution has started in the Hongkew [Hongkou] native settlement and that the police station has been burnt. Volunteers and the Fire Brigade are called out," Andersen wrote on the same day.[637] The rebel forces also gained control of Shanghai's arsenal.[638] "Only a few

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631 Ning Jennifer Chang, "To See and Be Seen: Horse Racing in Shanghai, 1848–1945," in *The Habitable City in China: Urban History in the Twentieth Century*, ed. Toby Lincoln and Xu Tao (New York NY: Palgrave Macmillan, 2017), 101.
632 Chang, "To See," 99-102.
633 The date of Andersen's return is clear from a letter dated November 4, 1911: "I have been back two weeks today." Andersen to Harris, November 4,1911. KB1, RA.
634 Andersen to Jeffress, November 3, 1911. KB1, RA.
635 Andersen to Allen, November 6, 1911. KB1, RA.
636 "Rebels Take Shanghai", *The New York Times*, November 4, 1911, 3.
637 Andersen to Jeffress, November 3, 1911. KB2, RA.
638 "Rebels Take Shanghai", *The New York Times*, November 4, 1911, 3.

killed an[d] injured, which is nothing compared to the valuable asset [the arsenal] to carry on the war against the Government," Andersen wrote.[639]

The most remarkable feature of the revolution was its comparatively peaceful nature, according to Andersen: "The whole town is so quiet," he wrote in a letter in early November. "The way the rebellion is conducted is really wonderful, the people are unanimous that things must be changed, and city after city hoist the new flag without firing a cannon shot."[640] Andersen also noted that contrary to many earlier instances of internal unrest, this time around there had been no massive protests directed at foreigners.[641] Still, he warned that this could change overnight, and he emphasized the importance of staying neutral and passive. "We foreigners will have to leave this squabble alone and let the Chinese fight out their own trouble, otherwise we may get hurt."[642] Andersen's initial optimism regarding the rebels' chances of succeeding was infused with a shot of realism after imperial forces took back Wuchang in late November.[643] He pointed out that, if anything, the setbacks served to motivate the insurgents even more, but he thought that in the present situation they would be advised to accept a proposal from the imperial power to introduce a constitutional monarchy.[644] "China as a republic is all nonsense and an impossibility, these people outside of a few open ports have no conception what a Republic means, most of them living here even think it is a kind of Government which does not put any taxation on the people," Andersen wrote in a letter in early December.[645]

The political turmoil could be seen in Mustard & Co.'s revenue figures. The income from sales to customers around China had amounted to 60,000 dollars a week in mid-September, but a little more than a month later it had shrunk to 14,000 dollars, and in early November it had dropped all the way to zero.[646] The stagnating trade was partly due to logistical factors. Given the unstable conditions, no steam ship company agreed to carry cargo up the Yangtze, accepting only passengers.[647] The situation, very much similar to that of a war zone, meant an increased risk of looting and destruction of stored goods. As a result, many of Mustard & Co.'s customers, both wholesalers and retailers, refrained from ordering products.[648] At the same time, all payment systems had broken down, and after a few months only a third of the banks were operating in something approaching the normal manner, in Andersen's estimate.[649] He described the situation in a letter to a colleague at BAT: "Of course it goes without saying that trade is at a standstill all over the country, at present the traders are afraid to take delivery of goods, banks are failing, nobody will take Bank notes issued by the native banks, and all Mexican dollars are hoarded, so that there is nothing solid in the way of

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[639] Andersen to Allen, November 6, 1911, KB1. RA.
[640] Ibid.
[641] Ibid.
[642] Andersen to Jeffress, November 3, 1911. KB1. RA.
[643] K.S. Liew. *Struggle for Democracy: Sung Chiao-jen and the 1911 Chinese Revolution* (Berkeley CA: University of California Press, 1971), 131–136.
[644] Andersen to Allen, December 2, 1911. KB1 RA.
[645] Ibid.
[646] Andersen to Harris, November 4, 1911. KB1 RA.
[647] Ibid.
[648] Andersen to Roberts, April 25, 1912. RA.
[649] Ibid.

currency."[650] For a businessman like Andersen, the hiatus imposed by the rebellion was agonizing, as he described in a letter to his American colleague Albert Jeffress, who had been a member of BAT's board in London since almost the establishment of the global company: "When I dont [sic] hear the jingling of silver all day I feel bad."[651]

The disorder triggered by the revolution lasted less than three months. The imperial attempts to suppress the rebellion were exposed as the death throes of a doomed dynasty, and on January 1, 1912, the leader of the revolution Sun Yat-sen declared the founding of the Republic of China with himself as president. "Fancy China being a Republic," a skeptical Andersen wrote to an acquaintance. "Nevertheless it is an accomplished fact, but how it will turn out in the long run remains to be seen."[652] China changed visibly in the period immediately after the fall of the empire. Since the beginning of the Qing Dynasty in the mid-17th century, most Chinese men had worn their hair Manchu-style, in a long, tightly bound cue down their back. As the dynasty floundered, that particular hairstyle became the symbol of everything that was old-fashioned and backward about China, and one of the first acts of the revolutionaries was to order its removal, either voluntarily or by force. "Most of the [pig]tails have disappeared," Andersen wrote in the spring of 1912. "Coming down the Nanking Road after tiffin I counted the fellows who still carried tails and they were about one in twenty."[653]

Remarkably, it seems that once conditions had settled, tobacco sales were even better than before the revolution. "Business here in Cigarettes is very good and with all the trouble and scarcity of money, we are making record sales every month," he wrote in April 1912.[654] Still, as the months passed, Andersen was increasingly disillusioned by the lawless conditions that emerged in many parts of China. For example, it was a big and growing problem that Mustard & Co. lost goods throughout China due to looting by undisciplined soldiers.[655] For Andersen, it was important to constantly keep abreast of the situation in China, not least in order to maintain his position at BAT, which was primarily based on knowledge of the country. To this end, he spent a great deal of time at the International Institute, an organization set up in Shanghai by the American missionary Gilbert Reid to enhance understanding between Chinese and Westerners.[656] The effort paid off. At a reception arranged by Reid at the International Institute in April 1912, Andersen had the opportunity to get close to the Chinese Republic's first president, Sun Yat-sen, before the prominent revolutionary had to depart Shanghai for southern China. It ended up being a long meeting, and Sun shook hands with every person present.[657] "He looks a bright man," Andersen commented afterwards.[658]

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650 Andersen to Harris, November 4, 1911. KB1 RA.
651 Andersen to Jeffress, November 3, 1911. KB1 RA.
652 Andersen to Roberts, April 25, 1912. KB1 RA.
653 Ibid.
654 Ibid.
655 Andersen to Wilson, April 13, 1912. KB1 RA.
656 Linda Pomerantz-Zhang, *Wu Tingfang (1842-1922): Reform and Modernization in Modern Chinese History*. Hong Kong: Hong Kong University Press, 1992, 186.
657 "Dr. Sun Yat-sen: Receptions in Shanghai", *The North-China Herald and Supreme Court & Consular Gazette*, April 20, 1912, 155.
658 Andersen to Lewis Mustard, April 18, 1912. KB1 RA.

In the months immediately after the revolution, Shanghai appeared to be keeping its status as a relatively peaceful enclave within China. Andersen remarked that a mutiny had taken place in Shanghai in the spring of 1912, but he added reassuringly that it was "nothing to speak of."[659] That changed the year after. "The political atmosphere is again clouded," Andersen wrote in April 1913, at a time when tension among rival cliques in the political elite were coming to a head, and a leading nationalist politician had even been killed by his adversaries. "Everybody is anxious as to the outcome, and trade is at a standstill, only Cigarettes keep on moving when there is nothing else doing."[660] In the span of a few short months, the situation escalated, and during the summer China's so-called "second revolution" broke out. The rebellion was organized by members of the Nationalist Party Kuomintang, and it was in reaction to efforts by Yuan Shikai, a general with enormous influence both before and after the fall of the imperial system, to concentrate power in his hands. Shanghai was also sucked into the revolt, and violent unrest in the Chinese districts meant that thousands of refugees streamed across the Xujiahui River into the city's French Concession.[661] According to the Danish diplomat Hugo Hergel, Andersen was "one among a tiny number of white people who opened his spacious property to them and ensured that they received something to eat."[662]

Only a few weeks later, Andersen was once again involved in efforts to protect the most vulnerable members of society. A campaign had been started to raise money for homes for destitute women and their children, as well as for the introduction of a program that was to find jobs for unemployed workers in order to keep them out of crime, and Mustard & Co. donated 500 dollars, making it one of the top contributors. The campaign had been organized by Wu Tingfang, a Malay-born Chinese who had had a career as an official and a diplomat during the Chinese empire's final years.[663] It is likely that Andersen got to know Wu at this time, since three years later in a letter to Thomas he wrote that "our mutual friend Wu Ting Fang [Wu Tingfang] is now Minister of Foreign Affairs and his son is likely to be appointed Minister to Washington."[664]

BAT's exposure to the Chinese state apparatus seems to have expanded after the revolution, partly because the new republic was considering ways to boost its finances and was eyeing a tax on tobacco and cigarettes. BAT opted for a proactive stance, and as early as 1912 it sent two representatives to Beijing to get a better idea of the changes that the tax authorities had in

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[659] Andersen to Harris, April 17, 1912. KB1 RA.
[660] Andersen to Wilson, April 21, 1913. KB1 RA.
[661] St. Piero Rudinger, *The Second Revolution in China: My Adventures of the Fighting around Shanghai, the Arsenal, Woosung Forts* (Shanghai: Shanghai Mercury, 1914), 26. "Problem of the Refugees", *The North-China Herald and Supreme Court & Consular Gazette*, July 26, 1913, 291.
[662] Hugo Hergel, "Laurits Andersen fra Shanghai: Personlige Indtryk af Nationalmuseets Mæcen", ["Laurits Andersen from Shanghai: Personal Impressions of the National Museum's Patron"], *Gads Danske Magasin*, 1926, 384.
[663] "Nanking Relief Fund: Committee at Work", *The North-China Herald and Supreme Court & Consular Gazette*, September 20, 1913, 891. Thomas had also been on the same committee as Wu in 1911 providing emergency aid in China. "General China Famine Relief Committee 1911-1912", *The North-China Herald and Supreme Court & Consular Gazette*, October 21, 1911, 167.
[664] Andersen to Thomas, November 11, 1916. KB2, 121. RA. Wu Tingfang had accepted an offer to become foreign minister the same month, see Pomerantz-Zhang, *Wu Tingfang*, 242. Wu Zhaoshu, better known among Westerners as C.C. Wu, had indeed been mulled as a candidate for the post as ambassador in Washington, but eventually Wellington Koo had been picked instead, see Pomerantz-Zhang, *Wu Tingfang*, 241.

mind. As a result, when the plans manifested themselves in specific policies two years later, BAT had done its homework and could introduce measures that satisfied all parties.[665] China's strong man during the first years of the republic was Yuan Shikai, who topped a career in the imperial service with even more exalted positions in the republic, rising to become president and eventually self-appointed emperor. Similar to most businesses throughout history, BAT's management was pining for stable and predictable conditions, and they considered rule by Yuan as the best available alternative in a situation that was far from ideal.[666] Disappointment with Yuan did however grow towards the middle of the decade, and when he died in June 1916, many hoped for better times. "After Yuan's death things seemed to change for the better in all directions, and if only the different political parties could agree on the main thing, bury the axe [sic] and settle down to work for the good of the country, things would go humming along again," Andersen wrote the same month in a letter to Jeffress.[667] Andersen's hope came to naught, but he never lost his basic optimism. In his letters right up until the late 1920s, one of the recurrent themes was the unrest and insecurity in modern China, combined with hopes that better times were just around the corner.

The unstable political conditions in China in the 1910s were a source of constant concern for Andersen, and he actively used his Chinese contacts to keep on top of the situation, as described in a letter sent to G.G. Allen at BAT's headquarters in New York in March 1916, shortly before Yuan's death: "The political situation came out just as I expected. The majority of the people, they say 90%, would not have any of Yuan Shi Kai's monarchy, and the whole of the south and the west provinces are in serious rebellion, so much so that Yuan has withdrawn from making a change of Constitution; he is now busy burning up all memorials and documents pertaining to his enthronement and issuing proclamation to the effect that all monarchical ideas have been abandoned, but that he will govern the country as President. I have had several talks with prominent Chinese about the matter, and they all say Yuan must resign before there can be any peace in the country. No one will trust him again, although he has called back three of his former ministers who were opposed to his plans and left him; they say any compromise he can offer less than resignation will not be accepted, – he must go. This state of affairs leaves general trade in a bad condition once more, traders are afraid to buy in large quantities and business is now dull in consequence.[668]

Later the same year in a letter to Warren Manley, a senior member of the San Francisco Chamber of Commerce, Andersen directly advised against traveling to China in the hope of starting a new career as a businessman. "Trade here in general is very slack, partly for want of shipping facilities but also on account of the local political situation. In my own Company, we are overcrowded with help and have no vacancies, and from what I learn, other American concerns are equally well supplied."[669] It was a period in Andersen's career when due to the unsettled political conditions he was not inclined to expand his business in new, untested

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665 Thomas, *Pioneer*, 48–49.
666 Ibid., 202.
667 Andersen to Jeffress, June 17, 1916. KB2, 100. RA.
668 Andersen to Allen, March 31, 1916. KB2, 77. RA.
669 Andersen to Manley, April 6, 1916. KB2, 84–85. RA. In spite of Andersen's advice, Manley did end up in China, dying from pneumonia while serving as a secretary at the American chamber of commerce in Shanghai in 1928. "Obituaries", *New York Times*, September 1, 1928, 7.

directions. He insisted that Mustard & Co. stayed true to its original purpose, handling only the import and distribution of foreign goods in China, refraining from any kind of export business. When possibilities for exports arose, Andersen and his colleagues at Mustard & Co. consistently referred to BAT, which had the experience and infrastructure for that type of business.[670] Many years after the fall of the Qing Dynasty, Andersen still waxed nostalgic about the ordered, predictable conditions under the emperor. In the middle of the 1920s, he described it as “good old China”.[671] He expressed similar views to his visitors. “He really loved China under imperial rule, while he is simply shrugging off the Chinese Republic,” wrote the journalist Olaf Linck, who interviewed him when he was an old man.[672]

Even though the republic meant new challenges for BAT, the company’s position as a behemoth of business in China was unshakable. In 1915, BAT sold one billion cigarettes a month, of which between half and two thirds were produced at BAT’s own plants in Shanghai, Hankou, Mukden (modern-day Shenyang), and Harbin. BAT was also one of China’s biggest employers, with a work force of 13,000.[673] Over the next decade, BAT’s presence in China expanded further, and while new production plants were added in Tianjin and Qingdao, the work force doubled to 25,000.[674] An agreement between BAT and Mustard & Co. from October 25, 1912, meant that the area in which Mustard had the sole right to distribute BAT cigarettes was widened “beyond” a limit set as 100 miles from Shanghai.[675] It is possible that Andersen refers to this agreement in a letter to BAT sent four years later: “All through your letter you lay much stress on your right at any time to discontinue permitting Mustard and Company to have the sales agency for your goods outside the Shanghai limit.”[676] The exact nature of the new geographic limit is unclear, and there is no detailed reference in the written sources. Perhaps the area now given to Mustard was only ever described in an oral agreement. However, it is clear from Andersen’s letters that Mustard & Co. had customers as far away as Vladivostok, 1,000 miles from Shanghai.[677] Due to the fuzzy dividing line between BAT’s and Mustard & Co.’s business outside the Shanghai area, it is difficult to state with certainty how Mustard & Co. was impacted when, in 1914, BAT carried out a comprehensive reorganization of its business in China. Dozens of smaller sales offices were dissolved and replaced with five major hubs for Shanghai, Hongkong, Hankou, Tianjin, and Mukden (Shenyang). For a business such as BAT, which had been growing in an uninterrupted fashion for a decade, it was essential to constantly adjust and streamline operations in order to avoid organizational chaos – but whether this measure also affected Mustard & Co. is difficult to determine based on the extant sources.[678]

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[670] Andersen to Roberts, January 29, 1917. KB2, 136. RA.
[671] Linck, *Dansker,* 64.
[672] Olaf Linck, “En Danskers Eventyr i Østen”, [“Adventures of a Dane in the East”], *København*, April 25, 1928, 6.
[673] Cochran, *Big Business*, 52.
[674] Cox, *Global Cigarette*, 165. “The Tobacco Industry in China”, *The North-China Herald and Supreme Court & Consular Gazette,* March 20, 1926, 53.
[675] SASS, 2-C-41.
[676] Andersen to BAT, May 22, 1916. KB2, 93. RA.
[677] Andersen to Thomas, September 30, 1916. KB2, 117. RA.
[678] Hutchison, *China Hand*, 215.

Even though there is no indication that BAT was dissatisfied with Mustard & Co.'s results, there are suggestions that an end to the cooperation between the two companies was being mulled as part of BAT's ongoing efforts to streamline operations in China. Jeffress arrived in Shanghai on December 17, 1920,[679] intending to discuss Mustard & Co.'s future relationship with BAT, among other things, apparently against the backdrop of a debate inside BAT about possibly cutting the link with Mustard & Co. According to a letter that Andersen sent to Allen, who worked for BAT in New York, the talks went well, and Mustard & Co.'s position within BAT's overall organizational structure remained unchanged: "We have had Mr. Jeffress with us… and have thoroughly discussed matters relating to Mustard & Co., present and future, we are in very good position both financially and with future trading prospects. Mr. Jeffress is very well satisfied with everything considering that almost everybody have made heavy losses, our trade has not fallen off but shows a steady increase. Mr. Jeffress is not in favor of selling the B.A.T. Co.'s holdings by any means, nor does he favor Mustard & Co. to leave this building."[680]

In the spring of 1916, Laurits Andersen was informed about the death of Charley Bennett, one of his former closest colleagues at Mustard & Co.[681] Bennett had resigned from Mustard & Co. in 1907, and he had seen his fortunes decline since then. Initially, he had tried his hands at stock-brokering but had not been successful. Later, his wife left him, and he had moved to the United States, but his social decline only continued.[682] For Andersen, it was a reminder that more and more of the "old China hands" of his youth died and that he himself should not wait too long if he wanted to enjoy some kind of retirement.

Since 1913, Andersen's plan had been to retire at the end of 1915, at a time when he would 66 years old and, he thought, deserve peaceful and comfortable retirement.[683] A long tour of the United States, which he embarked on in March 1915,[684] was intended to bring him to New York, where he expected to meet with BAT's management to discuss the details of handing over his responsibilities to the next generation. However, BAT was in no way prepared to let go of a valuable resource such as Andersen, and the talks ended completely differently than how he had expected. After BAT had tried various ways to persuade Andersen, he reluctantly agreed to stay in his position, apparently with more lenient but also less generous conditions than before. The detailed contents of Andersen's new contract with BAT are not described in the sources, but it seems that Andersen received permission to step down from his post on the board of British Cigarette Co., one of BAT's two most important pillars in China.[685] At the same time, it seems that there was a cut in the salary that Andersen received from BAT, and from now on his main source of income was the dividends of his

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[679] "We have had Jeffress with us since the day after I arrived", Andersen to Allen, February 3, 1921. KB2, 311. RA. Andersen had arrived in Shanghai on December 16, Andersen to Bourdette, December 18, 1920. KB2, 299. RA.
[680] Andersen to Allen, February 3, 1921. KB2, 311. RA.
[681] Andersen to W.B. Allen, April 4, 1916. KB2, 82. RA.
[682] Andersen to Reid, June 22, 1921. KB2, 347. RA. See also Andersen to Lewis Mustard, April 18, 1912. KB1, 410. RA.
[683] Andersen to Thomas, New York, September 5, 1915. James Augustus Thomas papers, June 1915–December 1915, IX A&B, Duke University (hereafter Thomas papers).
[684] See, for example, Andersen to Allen, February 1, 1915. KB2. RA
[685] In the 1914 edition of *North China Hong List*, Andersen is described as a member of the board of British Cigarette Co., whereas in 1916 he is no longer among the list of board members..

stock holdings.[686] He himself explained the new arrangement in a letter to Thomas: “It has been my firm resolve for the past two years that by the end of 1915 I must be allowed to retire but Mr. [Cunliffe-]Owen persuaded me that the new arrangement would suit both parties much better taking it for granted that my residence would continue to be Shanghai, of course with the understanding that I could go and come as I like, still I have my doubts, do not feel free, and Freedom is what I am after. Well, we shall see how it works.”[687] Andersen’s decision was greeted with relief by his colleagues. Thomas replied to Andersen the day after he had received his letter, assuring him that the decision to stay with Mustard & Co. was a popular one. “I am certain the long experience you have had in China will be of great benefit to the business,” Thomas wrote.[688] At about the same time, Jeffress wrote a similar letter to Andersen declaring his appreciation that he decided not to sever ties with BAT after all.

While Andersen had agreed to postponing retirement, he did so in the expectation that he would be able to reduce his workload considerably. However, it did not turn out that way. Just a couple of months after his return from the US trip, most everything was as before, and Andersen once again went to the BAT headquarters in Soochow Creek Road on a daily basis. “I had the idea of taking it easy on my return here, but as a matter of fact the old routine is back on me,” he wrote to Jeffress. “Don’t know of any place to go but the office, so picture me to yourself sitting at the desk as of old.”[689] At the same time, BAT commenced a renegotiation of the conditions for the sale of Andersen’s stocks in Mustard & Co. back to BAT, as originally described in the agreement from 1903. The details are unclear, but it appears that BAT, in a letter dated April 7, 1916, attempted to base the future sales price on Mustard & Co.’s revenue in the geographical area within a 100-mile radius around Shanghai. This did not include areas beyond that limit, such as northern China, where Mustard & Co. was very active on behalf of BAT.[690]

Andersen was extremely dissatisfied with this change, since it entailed a significant reduction in the value of the Mustard shares, and he made sure to express his views in his correspondence with BAT. “I do not wish to live in uncertainty as to my future income or value of my property so I will rather now offer you my shares on the basis of the present agreement than accept your new proposition,” he wrote in a reply to BAT on May 22, 1916.[691] In the course of the following weeks, Andersen and BAT managed to work out a sort of compromise, which was, however, very similar to the original proposal, since it confirmed that the basis for calculating the price of the shares should be Mustard & Co.’s revenue within a 100-mile radius from Shanghai. The only concession to Andersen was a sentence saying that the price under no circumstances could be lower than the proportional net value of

[686] Andersen to Jeffress, June 17, 1916. KB2, 99. RA. Andersen did however continue to receive some kind of quarterly income from BAT the following year. Andersen to BAT, November 30, 1917. KB2, 176. RA. Andersen to Jeffress, August 28, 1918. KB2, 192. RA.
[687] Andersen to Thomas, New York, September 5, 1915. Thomas papers. The letter was received by BAT in Shanghai on October 6, 1915.
[688] Thomas to Andersen, Shanghai, October 7, 1915. Thomas papers.
[689] Andersen to Jeffress, June 17, 1916. KB2, 99. RA.
[690] Andersen to BAT, May 22, 1916. KB2, 92–94. RA. Andersen to BAT, July 15, 1916. KB2, 104–105. RA. Andersen to Jeffress, July 15, 1916. KB2, 106–107. RA.
[691] Andersen to BAT, May 22, 1916. KB2, 93–94. RA.

Mustard & Co.'s tangible assets, but as Andersen pointed out in a letter to Jeffress, this represented common accounting standards.[692]

Indeed, the new agreement may have been an indication that for all the prestige associated with his long years in China, Andersen's position within BAT's rapidly growing organization was probably weakening.[693] This fits in with a general interpretation of Andersen's career within the BAT system as a story of gradually declining influence within the corporate hierarchy. In the first years after the formation of the global tobacco empire, Andersen was a prized asset, since the company had not yet built up its own organic expertise in the China market. By the mid-1910s, however, BAT had accumulated so much China experience that his decision to withdraw from British Cigarette Co. was accepted without protest. Even so, the BAT management appreciated his continued participation through his work for Mustard & Co.

Andersen did gradually succeed in reducing the extent of his responsibilities, and as a result he was practically semi-retired by the early 1920s. "I am still in Harness as President of Mustard & Co. but only come to the desk a few hours in the morning and will retire altogether at the end of this year," he wrote to an acquaintance.[694] When Jeffress visited Shanghai in the spring of 1921, Andersen's retirement was also discussed thoroughly, and Andersen expressed his desire to retire before the summer. Nonetheless, he continued in his role for BAT and Mustard & Co. for six months longer than initially agreed. By December 1921, Andersen, now 72, believed he could not continue for much longer, explaining his thoughts in a letter to Jeffress, now back at BAT's headquarters in London: "I feel that the time has come that it will be to the Company's advantage that I pull up the tent pegs and get out. The hot summer we passed through broke me up completely in August and since then my health has been very indifferent and I am afraid there is no improvement in sight for a man of my age. With your permission I like to retire at the end of February [1922]. I shall then have put in three years on the arrangement under which I am now working."[695]

This time, the BAT management agreed to Laurits Andersen's proposal, and on March 27, 1922, he wrote a brief note to Mustard & Co.'s board: "Being well advanced in years and not in very good health, I regret to hand you my resignation as President of the Company as 1st April 1922. At the same time, while I am in Shanghai and can be of any assistance to you with advice or information will be most happy to serve you."[696] Even though the precise nature of the arrangement Andersen reached with BAT in 1916 is not clear, it is evident that his investments in securities gradually made up almost his entire income. Since he had been a manager at BAT almost since the establishment, he was also a significant shareholder, and in January 1920 he had 844 shares in BAT Co.[697] Since his salary had been reduced, the periodic payment of dividends was more important than before, and he would sometimes

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[692] Andersen to Jeffress, July 15, 1916. KB2, 106–107. RA.
[693] Andersen to BAT, July 15, 1916. KB2, 104–105. RA. Andersen to BAT, November 30, 1916. KB2, 125–126. RA.
[694] Andersen to Reid, June 22, 1921. KB2 347. RA.
[695] Andersen to Jeffress, December 2, 1921. KB2, 368. RA.
[696] Andersen to Mustard & Co., March 27, 1922. KB2, 376. RA.
[697] Andersen to Jeffress, January 28, 1920. KB2, 258. RA.

complain about late payment. In a letter to Jeffress in June 1916, he pointed out that BAT had accumulated a significant profit, which ought to be paid to the shareholders: "I hope you will soon give orders for the melon to be cut."[698]

American Tobacco Co., BAT's main shareholder, was targeted in an anti-trust lawsuit in 1911, which resulted in a United States Supreme Court ruling for the dissolution of the tobacco manufacturer. This dramatic development had no consequences for BAT's business in China, since that part of the conglomerate's operations were registered in Great Britain, beyond the reach of American anti-trust law.[699] As a matter of fact, it was a boon for Andersen's personal finances, since he was among the shareholders who received BAT stock from American Tobacco Co.[700] How many shares Andersen acquired and how much he earned, is not described in the sources, but he was clearly satisfied. "Is it not wonderful how all Tobacco Stock has gone up since the Dissolution? The Trust enemies did certainly get the thin end of the stick," he wrote to Jeffress in 1912. "I am very well satisfied the way things turned out, only I should have bought more Am. Tob. Co. Stock when in New York a year ago. I think B.A.T. is ridiculously high, don't you?"[701]

Earlier in his career, Andersen appears to have been a somewhat enthusiastic participant in Shanghai's social events, and he himself had hosted large parties in his home, but at the age of 70 he was withdrawing from the social scene. Partly, this had to with the city's hot and humid climate, as he explained in a letter in September 1919. "I go nowhere and see nobody after leaving office, but now it is getting cooler will start out and mix with the crowd."[702] Andersen remained a frequent visitor to Shanghai's racetrack, and he also followed the success of old acquaintances on racetracks around the world. "Mr. Toeg is tickled to death over Mr. [Cunliffe-]Owen's racing success at Goodwood, and so am I," Andersen wrote to Jeffress in September 1918 after reading in the papers about events at the races at Goodwood in West Sussex. "We are looking up records and pictures, Owen looks very natural and pleased over his win, I shake his hand as in the custom when a friend wins races."[703] Occasionally, great power politics had an impact on social life in multinational Shanghai, where transnational friendship abounded but could be considered unacceptable in times of war or tension. Andersen was a member of Club Concordia, widely known to be a German club, but he canceled his membership in November 1917. The reason is not clear, but it is possible that the US entry into the war in April of that year made it difficult for him to stay a member, given his strong ties with US business.[704]

At the same time, Andersen was increasingly absorbed by memories, as one might expect given his advanced age. He often reminisced about simpler times in Shanghai during the pioneering years. In a letter to an acquaintance, he described how chemicals in the expensive imported soap he used caused the skin on his hands and face to crack. "Have been thinking of

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698 Andersen to Jeffress, June 17, 1916. KB2, 99. RA.
699 Cox, *Big Business*, 118–119.
700 Andersen to Moore & Schley, July 5, 1912.
701 Andersen to Jeffress, August 6, 1912. KB1, RA.
702 Andersen to Thomas, September 4, 1919. KB2, 232. RA.
703 Andersen to Jeffress, September 26, 1919. KB2, 239. RA.
704 Andersen to Concordia, November 24, 1917. KB2, 175. RA.

going back to the old style, a la Chinoise, one yearly wash at New Year," he added jokingly.[705] The carefree life of the bachelor, which he and his closest friends had lived earlier, was now a thing of the past, and several of his old acquaintances were married and settled down. He wrote about one such case, a former close colleague who suddenly tied the knot after returning to the United States: "Must be a great change from his old style of roaming about, we expect him out here very soon, am anxious to see what kind of figure he cuts with a wife on his staff."[706] Despite his age, Andersen had not abandoned the thought of matrimony, and he was inspired by the example of James A. Thomas, who returned to the United States in the late 1910s and was married shortly afterwards. "I have not yet followed Mr. Thomas' example and taken the plunge, but if it should happen you will receive a cable message right away," he wrote to a colleague in August 1918, shortly after his own 69th birthday. "Am glad Thomas got married himself, he was always so anxious to arrange matrimony for everybody else."[707]

6.4.1. Summary

Andersen sought to instrumentalize his knowledge about China to secure his position in BAT. It would seem that his value to the company increased in times of uncertainty, and there is an increase in the amount of political commentary in his letters to BAT management in New York. Andersen paid close attention to the turmoil of the 1911-1912 revolution, but his observations, at least as reflected in his letters, were somewhat superficial, and focused on visible change such as the disappearance of the cue. It is likely, however, that even fairly superficial information was considered valuable by his superiors thousands of miles away. During the period under review, Andersen scaled down his networking activities, and what was left of his social network became even more pronouncedly Anglo-American after the conscious choice to opt out of membership of the German-dominated Club Concordia.

6.5. Retirement (1923-1928)

The last six years of Andersen's life, spent in retirement until his death on April 15, 1928, will be largely disregarded here, as the period is of limited interest to the questions that are being explored in this thesis.[708] Only a few relevant themes will be highlighted. The first of these themes is the rapid shrinkage of his social networks, and the growing number of fellow Danes in these networks. Both are reflected in a letter which Andersen sent to a Danish acquaintance in November 1927. After lamenting a birthday spent alone with no one coming to visit, he goes on to highlight his more prominent standing among the Danish community in Shanghai: "A vicar, Reverend [Eilert] Morthensen has been sent to help convert the Danes, and tomorrow he will inaugurate a chapel for services in Danish. He has visited me repeatedly and asked me to attend his sermon and subsequently have lunch with him and his

[705] Andersen to Roberts, January 29, 1917. KB2, 136. RA.
[706] Andersen to Wilson, July 18, 1918. KB2, 190. RA.
[707] Andersen to Jeffress, August 28, 1918. KB2, 193. RA.
[708] Readers who wish a fuller chronological account of the period are referred to Peter Harmsen, *Laurits Andersen: China Hand, Entrepreneur, Patron* (Copenhagen: Lindhardt and Ringhof, 2020), chapters 10 and 11.

wife, a respectable Danish woman. The consul general and his wife will be there too, and it's going to be a regular Danish party."[709]

This leads on to the second theme of Andersen's retirement years, which is the different uses that his social networks served. The networks he had maintained prior to his retirement, dominated by American and British nationals, had to a large extent been determined by work-related needs, and perhaps even were instrumentalized for purposes of furthering his career. By contrast, the post-retirement networks, with the more heavy Danish imprint, served partly to rekindle connections to his country of birth, but at the same time also reflected – and were to some extent a result of – his decision to channel a large proportion of his accumulated wealth for charitable purposes, most prominently in the form of a large donation to the restoration of the National Museum in Copenhagen, which made him an overnight celebrity in Denmark and also significantly raised his standing among the expat Danish community in Shanghai.[710]

6.5.1. Summary

The main change in Andersen's networking behavior during the last years of his life was a strengthening of his Danish connections, suggesting that networks in the past were very much seen instrumentally, as a means to further his business and his career.

6.6. Overall summary

As stated in the introduction to this chapter, its purpose has been to provide a chronological account of Andersen's life from cradle to grave. It has been empirically founded, based on available written sources and with the inclusion of relevant secondary literature when needed, but with no attempt to go beyond widely used methodology. This will change in the following chapters, as I will proceed to apply social science methods to the knowable facts of Andersen's life. In Chapter 7, which is largely quantitative in nature, I will introduce tools from social network analysis to chart and analyze the networks Andersen was part of, and demonstrate how he used the networks strategically to become successful as an entrepreneur. I will build on these insights as I progress to Chapter 8, where I will adopt a qualitative approach and analyze the way resources at Andersen's disposal assisted him in navigating his networks, while these same resources were affected by his networks in turn. Chapter 9 will summarize the quantitative and qualitative analyses as it returns to the questions spelled out in Chapter 1, and it will conclude by assessing the extent to which social science methodology has been useful in attaining a deeper understanding of history, as proposed in the beginning of this thesis.

[709] Andersen to Anders V. Jensen, November 21, 1927. Private collection.
[710] See, for example, "Da man foreslog at lægge Nationalmuseet i Øresund" ["When it was proposed to place the National Museum in the Sound"], *Politiken*, May 17, 1938, 8.

7. Quantitative analysis of Laurits Andersen and his networks.

In this chapter, I will carry out a quantitative analysis of Andersen's social networks as they evolved during the three central periods of his life, covering the entrepreneurial years from 1890 to 1922, according to the periodization introduced in Chapter 1. I will also carry out a somewhat abbreviated analysis of his final years from 1923 to 1928 to demonstrate important changes in his networks taking place after his retirement. For each of these periods, Andersen's networks will be analyzed in different stages, each stage introducing additional data, resulting in networks of gradually increasing size and complexity.[711] The analysis will be undertaken with the help of the social network analysis software UCINET, widely used among researchers due to its intuitive nature. Also used in this analysis is the NetDraw network visualization tool, which comes with the UCINET package.[712]

At the center of the social network analysis in this thesis will be ego-net or actor-centered analyses, which take as their subject connections between the ego, in this case Andersen, and the persons he is associated with, called alters in the terminology of the discipline.[713] In graphic form, the ego and alters are represented by shapes, referred to as vertices, which are connected by lines commonly describes as edges or arcs; for the sake of legibility, I will keep the use of these technical terms to a minimum in the rest of this thesis.[714] The choice of carrying out egonet analysis serves the overall aim of this thesis, which is to highlight the life and career of one person, Laurits Andersen, as a representative of a broader collective of people, thus making it possible to generalize to some extent on the basis on Andersen's biography. As discussed above, this will be part of a mixed-methods approach, in which formal quantitative measures are combined with a qualitative analysis based on a close reading of the sources in search of evidence of the patterns detected in the quantitative phase.

As the analysis is somewhat technical and not immediately intuitive without the use and visualization of the relevant empirical data, I will introduce the methodology as I present the various steps of the analysis of the first of the three main periods, the Bonsack years, from 1890 to 1902. The same analysis will be carried out for the ensuing periods, which in consequence are of somewhat shorter length, as it will not be necessary to repeat the explanation of the methods applied. A short summary will be provided at the end of the chapter, whereas a fuller analysis of the results of the network analyses will take place in Chapter 8, which is more qualitative in nature, as it delves deeper into Andersen's strategic use of his network in conjunction with the resources at his disposal.

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[711] The inspiration of this procedure is Edwards and Crossley, "Measures and Meanings", 40-41.
[712] For more information about UCINET and NetDraw, see https://sites.google.com/site/ucinetsoftware/home.
[713] Ego-nets represent one of two main types of social network analysis; the other main type is whole network analysis. For a discussion of the two types, see for example Borgatti et al., *Analyzing*, 28-29.
[714] The most detailed and comprehensive introduction to ego-net analysis is Nick Crossley, Elisa Bellotti, Gemma Edwards, Martin Everett and Johan Koskinen, *Social Network Analysis for Ego-Nets* (London: Sage, 15).

7.1. Laurits Andersen's networks, 1890-1902

In this section, I will analyze Andersen's correspondence for the years 1890 to 1902 for patterns indicative of the personal network he belonged to during the period. I will then augment the data with information gleaned from contemporary newspapers. Andersen network, as it emerges from this data, will be introduced in graphic form. The next step will be to measure the strength of the ties in Andersen's network, followed by measurement of the extent of structural holes in the network.

7.1.1. Analysis of correspondence.

The analysis of Laurits Andersen's networks in this section is based on the correspondence listed in table 1.

Table 1. Laurits Andersen's correspondence 1890-1902.

Sender	Recipient	No. of letters	Period	Repository
Laurits Andersen	Richard Harvey Wright	14	Jan 22, 1891 – July 6, 1894	Richard Harvey Wright papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
Laurits Andersen	Lewis Mustard	8	Aug 3, 1900 – April 15, 1901	Mustard Collection, Historical Society of Delaware, Wilmington
Richard Harvey Wright	Laurits Andersen	1	March 28, 1890	Richard Harvey Wright papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
Richard Harvey Wright	W.S. Emens	1	March 17, 1896	Richard Harvey Wright papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
W.A. Hulse	Richard Harvey Wright	1	March 6, 1891	Richard Harvey Wright papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
Lewis Mustard	Martha Mustard	19	June 19, 1901 – Feb 6, 1902	Mustard Collection, Historical Society of Delaware, Wilmington

To appreciate the significance of Andersen's networks, individuals appearing in the correspondence are listed in the Appendix and described to the extent possible given the available sources. The list is not a complete inventory of all names occurring in the correspondence. Based on a case-by-case evaluation of each person that appears in the letters, I have included only those who are clearly an acquaintance or associate of the senders or recipients of the letters. For this reason, Lewis Mustard's mother Martha Mustard, who is the recipient of 19 letters, is not included as it is clear from the correspondence that she plays no personal part in the business or social life revolving around Andersen. In addition, underage children, such as Lewis Mustard's son, also named Lewis, are not included.

A simple analysis of this correspondence is conducted to identify pairs of individuals A, B, C and D who are linked in one of the following ways:

1) A writes letter to B (one pair: A-B).

2) A, in letter to B, mentions C (up to two pairs: A-C and B-C, depending on context. The pairs are counted if A describes C in a way which makes it certain that either A or B or both know C personally).

3) A, in letter to B, mentions connection between C and D (one pair: C-D).

Note that these categories are not mutually exclusive. For example, one could imagine a letter in which all three scenarios 1) to 3) applied, resulting in the following pairs: A-B, A-C, A-D, B-C, B-D and C-D.

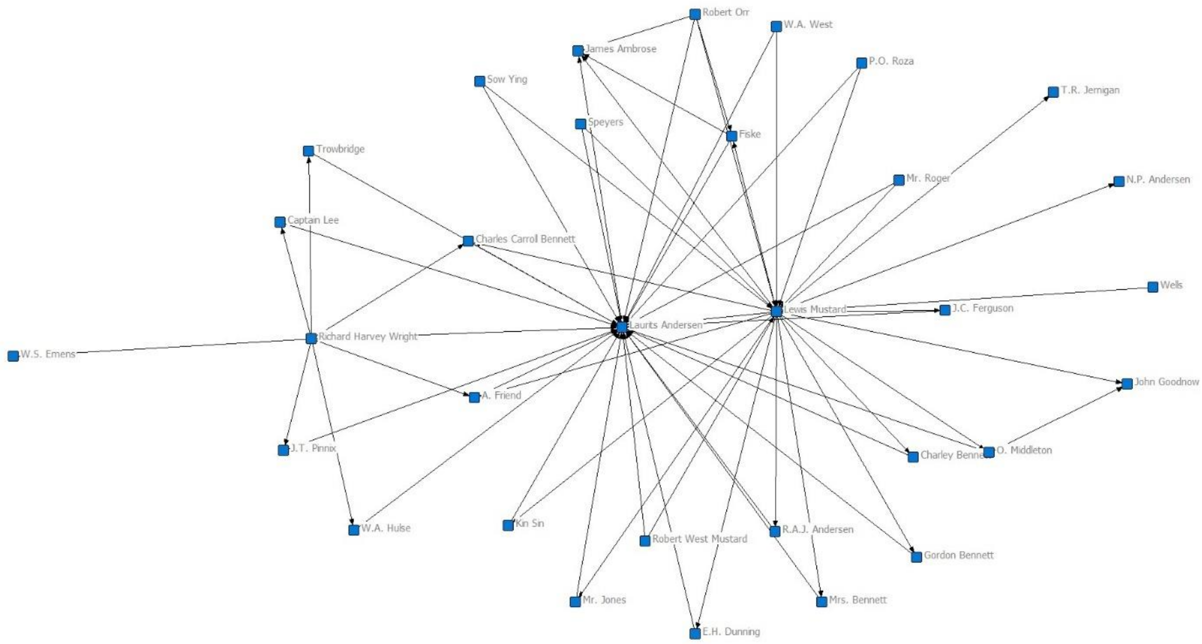
Based on these definitions of personal links, the social network that emerges from the correspondence listed in Table 1 yield the binary matrix provided in Table 2, where the number 1 stands for personal connection, and empty space stands for no connection. The x's are merely to indicate the redundant part of the matrix above and to the right of the x's.

Table 2. Laurits Andersen's network 1890-1902.

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charles Carroll Bennett	Charley Bennett	Gordon Bennett	Mrs. Bennett	E.H. Dunning	W.S. Emens	J.C. Ferguson	Fiske	A. Friend	John Goodnow	W.A. Hulse	T.R. Jernigan	Mr. Jones	Kin Sin	Captain Lee	O. Middleton	Lewis Mustard	Robert West Mustard	Robert Orr	J.T. Pinnix	Mr. Roger	P.O. Roza	Sow Ying	Speyers	Trowbridge	Wells	W.A. West	Richard Harvey Wright
James Ambrose	xx																															
Laurits Andersen	1	xx																														
N.P. Andersen			xx																													
R.A.J. Andersen		1		xx																												
Charles Carroll Bennett		1			xx																											
Charley Bennett		1				xx																										
Gordon Bennett		1					xx																									
Mrs. Bennett		1						xx																								
E.H. Dunning		1							xx																							
W.S. Emens										xx																						
J.C. Ferguson		1									xx																					
C.E. Fiske	1	1										xx																				
A. Friend		1											xx																			
John Goodnow														xx																		
W.A. Hulse		1													xx																	
T.R. Jernigan																xx																
Mr. Jones		1															xx															
Kin Sin		1																xx														
Captain Lee		1																	xx													
O. Middleton		1																		xx												
Lewis Mustard	1	1	1	1	1	1	1	1	1		1	1	1	1		1	1	1		1	xx											
Robert West Mustard		1																			1	xx										
Robert Orr	1	1										1									1		xx									
J.T. Pinnix		1																						xx								
Mr. Roger		1																			1				xx							
P.O. Roza		1																			1					xx						
Sow Ying		1																			1						xx					
Speyers		1																			1							xx				
Trowbridge		1																											xx			
Wells																					1									xx		
W.A. West																					1										xx	
Richard Harvey Wright		1			1					1			1		1				1					1					1			xx

The same personal network is represented in Fig. 5 in graphic form, created with the help of the software program NetDraw.

Fig. 5. Laurits Andersen's network, 1890-1902.



The graph suggests a social network in which Laurits Andersen occupies a central position in the middle between two individuals who are themselves well-connected: Richard Harvey Wright and Lewis Mustard. Based on what we know from Andersen's biography (Chapter 6.2.1.), Wright, a globetrotting salesman of the Bonsack Co., represents new technology, while Lewis Mustard, as the main heir of his uncle Robert West Mustard and major shareholder in Mustard & Co., represents capital. In other words, Laurits Andersen forms a bridge between technology and capital, bringing together the two factors necessary to import the Bonsack technology into China.

7.1.2. Inclusion of contemporary newspapers

This network analysis can be expanded with the help of contemporary newspapers.[715] For this purpose, I have picked the *North China Herald*, which is the only Shanghai-based daily newspaper specifically serving the city's foreign community for which an uninterrupted print run is available for the entire period 1890-1922, see Table 3. The main purpose of introducing the newspapers is threefold:

1) Since social networks based on personal correspondence necessarily have an inherent bias in that they tend to place the letter-writer in the central position, contemporary newspaper

[715] Newspapers have been identified by The Elites, Networks and Power in modern China project as one of the major sources of data for research into historical networks, see Chapter 2.5.

reports can aid in determining if there were parallel networks not captured by the correspondence in which the letter-writer was not central. In other words, it serves as a control of the validity of the network constructed on the basis of the correspondence of one person or just a few persons.

2) Contemporary newspapers, along with the correspondence, provide a basis for gauging the strength of personal ties (see 7.1.3).

3) Contemporary newspapers, again in conjunction with the correspondence, add 'meat' to the 'bare bones' of the formalized social network tables and graphs by adding concrete detail: where did people meet? Under what circumstances did they seek to maintain or strengthen their networks?

More generally, there is wider methodological aim of this exercise: there is little doubt that historical newspapers contain a wealth of information. However, a central question has been how to exploit this information in a systematic manner. Network analysis provides one feasible methodology, as is shown in the following sections.

Table 3. Events involving members of Laurits Andersen's social networks, 1890-1902.

Time	**Event**	**Participants**	**Points**
Feb 21, 1890[716]	Ratepayers meeting	Ambrose, R.W. Mustard	0.5
July 10, 1891	Steamer *Empress of India* for London	Ambrose, W.A. Hulse	0.5
Nov 11, 1892	Ratepayers meeting	Ambrose, Middleton, R.W. Mustard	0.5
March 3, 1893	Ratepayers meeting	Ambrose, Middleton, R.W. Mustard	0.5
June 9, 1893	Ratepayers meeting	Ambrose, Emens, Middleton, R.W. Mustard	0.5
March 2, 1894	Ratepayers meeting	Ambrose, Middleton	0.5
March 30, 1894	Steamer *Kobe Maru* for Nagasaki	Ambrose, R.W. Mustard	0.5
March 30, 1894	Steamer *Saikio Maru* from Kobe	Ambrose, R.W. Mustard	0.5
July 20, 1894	Complaint to Municipal Council about noise from coolies	Ambrose, R.W. Mustard (both signatories)	1.0
Feb 22, 1895	Steamer *Melbourne* for Hong Kong	L. Andersen, R.W. Mustard	0.5
March 8, 1895	Steamer *Ravenna* from Hong Kong	L. Andersen, R.W. Mustard	0.5
April 11, 1895	Hall and Holtz Ltd, shareholder meeting	Ambrose, R.W. Mustard	0.5
Sep 20, 1895	US Consular Court	Jernigan (presiding judge), C. C. Bennett (assessor)	1.0
Oct 18, 1895	US Consular Court	Jernigan (presiding judge), C. C. Bennett (assessor)	1.0
Nov 8, 1895	US Consular Court	Jernigan (presiding judge), C. C. Bennett (assessor)	1.0

716 Explanation: The time given is the time the event was recorded in the *North China Herald*, not the time it actually took place. This choice has been made since a precise time for the event is often not possible based on the information provided in the newspaper, and an approximate time for each event is sufficient for the purposes of this thesis. Therefore, for example, Ambrose and R.W. Mustard are listed as both leaving Shanghai on steamer *Kobe Maru* and returning on steamer *Saikio Maru* on March 30, 1894.

Nov 29, 1895	International Cotton Manufacturing, shareholder meeting	Ambrose, Emens	0.5
Jan 31, 1896	Annual meeting Shanghai Race Club	Ambrose, L. Andersen, Middleton	0.5
March 13, 1896	Ratepayers meeting	Ambrose, L. Andersen, Emens, Jernigan, Middleton, R. W. Mustard	0.5
Nov 6, 1896	Racecourse	Ambrose, R.W. Mustard (entering in competition with same pony)	1.0
Jan 29, 1897	Election of ratepayers to act on Municipal Council	Ambrose, Middleton (Ambrose seconding Middleton as candidate)	1.0
Jan 29, 1897	Election of ratepayers to act on Municipal Council	R.W. Mustard (ordinary participation)	0.5
March 12, 1897	Ratepayers meeting	Ambrose, L. Andersen, Middleton, R.W. Mustard	0.5
April 15, 1897	Shanghai Baseball Club, committee	Ambrose, Dunning	0.5
April 23, 1897	Ratepayers meeting	Ambrose, L. Andersen, Middleton, R.W. Mustard	0.5
May 14, 1897	Court case against Wright	Ambrose, C.C. Bennett, R.W. Mustard, L. Andersen	1.0
Oct 22, 1897	Complaint to Municipal Council about storing of dead bodies in city district	Ambrose, Middleton, R.W. Mustard	1.0
Nov 5, 1897	Racecourse	Ambrose, R.W. Mustard (entering in competition with same pony)	1.0
March 14, 1898	Ratepayers meeting	Ambrose, L. Andersen, N.P. Andersen, Middleton, R.W. Mustard	0.5
March 28, 1898	Shanghai Gas Company, shareholder meeting	Ambrose, C. C. Bennett	0.5
May 30, 1898	Shanghai Baseball Club, meeting	Dunning, Goodnow, R.W. Mustard	0.5
July 11, 1898	Steamer *Doric* for San Francisco	Ambrose, R. W. Mustard	0.5
Aug 29, 1898	Steamer *Saikio* for Nagasaki	C.R. Bennett, Middleton	0.5
Jan 23, 1899	US Consular Court	Goodnow (presiding judge), C. C. Bennett (assessor)	1.0
Jan 30, 1899	US Consular Court	Goodnow (presiding judge), C. C. Bennett (assessor)	1.0
March 6, 1899	Contribution to Queen Victoria's Diamond Jubilee Memorial Fund	Dunning, R.W. Mustard	0.5
March 13, 1899	Ratepayers meeting	Ambrose, C.C. Bennett	0.5
April 24, 1899	Shanghai Baseball Club, meeting	C.C. Bennett, C.R. Bennett, R.W. Mustard, Ambrose (form majority of six-member balloting committee)	1.0
April 24, 1899	Shanghai Baseball Club, meeting	Goodnow, Dunning (ordinary participation)	0.5
June 19, 1899	Provisional Committee for public swimming bath	Ambrose, Middleton	0.5
June 26, 1899	Ratepayers meeting	Ambrose, R. W. Mustard	0.5

July 17, 1899	Steamer *Kiangteen* for Ningbo	Ambrose, R.W. Mustard	0.5
July 24, 1899	Steamer *Kiangteen* from Ningbo	Ambrose, R.W. Mustard	0.5
Sep 11, 1899	Court case against two Chinese traders for using protected trademark	C.R. Bennett, L. Andersen (co-plaintiffs)	1.0
Oct 9, 1899	Meeting on establishing Peking International Institute	Ferguson, Goodnow	1.0
Oct 9, 1899	Appearance in Mixed Court	L. Andersen, C. C. Bennett, Fiske	1.0
Dec 18, 1899	American Association of China meeting	Ferguson, Goodnow	0.5
Feb 21, 1900	Appearance in Mixed Court	Fiske, R.W. Mustard	1.0
March 14, 1900	Ratepayers meeting	Ambrose, L. Andersen, C.C. Bennett, Ferguson, R.W. Mustard	0.5
March 21, 1900	Signatures on letter asking for fewer new licenses in Hongkou	Ambrose, L. Andersen, R. W. Mustard, Friend (among large number of signatories, therefore 0.5 point)	0.5
April 11, 1900	Shanghai Baseball Club	Ambrose, C.C. Bennett, C.R. Bennett, Dunning, Goodnow, R.W. Mustard	0.5
April 18, 1900	Steamer *City of Peking* from San Francisco	Dunning, Ferguson	0.5
Sep 5, 1900	Steamer *Haean* for Tangku	C.C. Bennett, Fiske	0.5
Oct 24, 1900	Shanghai Engineering, Shipbuilding and Dock Co., shareholder meeting	Ambrose, Middleton	0.5
Jan 30, 1901	Endorsement of candidate for Municipal Council	Dunning, R.W. Mustard	0.5
March 27, 1901	Ratepayers meeting	Ambrose, Ferguson, Jernigan	0.5
May 15, 1901	US Consular Court	Goodnow (presiding judge), Fiske (assessor)	1.0
May 29, 1901	US Consular Court	Goodnow (presiding judge), Fiske (assessor)	1.0
Aug 21, 1901	Ratepayers meeting	Ambrose, L. Andersen, Dunning	0.5
Oct 9, 1901	Ratepayers meeting	Ambrose, N.P. Andersen, Dunning	0.5
Feb 18, 1901	Shanghai Steam Laundry Co., shareholder meeting	Ambrose, Dunning	0.5
Aug 14, 1901	Steamer *Kiangteen* from Ningbo,	Ambrose, C.R. Bennett	0.5
Aug 21, 1901	Donation to Shanghai Library	Dunning, Ambrose	0.5
Nov 20, 1901	Shanghai Steam Laundry Co., shareholder meeting	Ambrose, Dunning	0.5
Feb 5, 1902	Farewell dinner for John Prentice, chairman of Municipal Council	Ambrose, Lewis Mustard	0.5
March 19, 1902	Steamer *Kiautschou* for Genoa	Gordon Bennett, Lewis Mustard	0.5
April 9, 1902	Ratepayers meeting	Dunning, R.A.J. Andersen, N.P. Andersen, Jernigan, Middleton	0.5

May 28, 1902	US Consular Court	Goodnow (presiding judge), Fiske (assessor)	1.0
Aug 20, 1902	Steamer *Kobe Maru* for Nagasaki	Ambrose, Ferguson	0.5
Sept 10, 1902	Steamer *Kobe Maru* from Nagasaki	Ambrose, Goodnow	0.5
Oct 3, 1902	American Association of China meeting	Dunning, Fiske	0.5
Nov 26, 1902	US Consular Court	Goodnow (presiding judge), Dunning (assessor)	1.0
Dec 24, 1902	US Consular court	Goodnow (presiding judge), C.R. Bennett (associate)	1.0

Source: North China Herald Online, brill.com.

Several features of social networking in Shanghai's foreign community, or at least in the circles Andersen belonged to, emerge from this list. In total, it covers 72 events or activities stretching across the 13-year period from 1890 to 1902. Among these are:

- 15 meetings of ratepayers, i.e. property owners who financed the Municipal Council through regular payments of rates.[717] The events, which brought together the International Settlement's wealthiest segments as defined by property ownership, happened regularly in springtime, but also often with extraordinary assemblies at different times of the year. While Andersen participated in six of these meetings and must be characterized as relatively active, James Ambrose was present at 14 out of 15 of the meetings for which there are records.
- 10 sessions in the US Consular Court, in which the American Consul General was the presiding judge and prominent members of the US community were employed as assessors, essentially giving the consul general advice on specialized matters.[718] The sources do not provide direct evidence of the significance of this arrangement for maintaining social networks, but it stands to reason that a regular professional contact with the highest-ranking US official in Shanghai entailed at least some enhancement in social capital. You need to explain of LA was involved in these as a party or whether he went to simply observe!
- 5 meetings in the Shanghai Baseball Club, largely if not entirely reserved for US members of Shanghai's foreign community.
- 2 meetings in the American Association of China, described by a contemporary as "a national body taking into its membership all American residents of every respectable business of profession, to conserve American interests abroad."[719]
- 2 events at the Racecourse. Based on Andersen's own later testimony, these events would seem to be more significant than this low number would suggest; names of attendees only appeared in the local media when they were directly involved by entering ponies/horses? into the races.

To summarize, the social life in the circles where Andersen found himself in the 1890s revolved to a significant extent around events and activities – at the US Consular Court, the

[717] Isabella Jackson, *Shaping Modern Shanghai: Colonialism in China's Global City* (Cambridge: Cambridge University Press, 2017), 4.
[718] Eileen Scully, *Bargaining with the State from Afar: American Citizenship in Treaty Port China, 1844-1942* (New York NY: Columbia University Press, 2001), 66.
[719] Robert Ellsworth Lewis, *Search of Far Horizons* (West Conshohocken PA: Infinity Publishing, 2005), 85.

Shanghai Baseball Club, and the American Association of China – from which Andersen was barred as a result of his status as a non-US citizen. Possibly, to make up for this, he was a relatively active participant in ratepayers' meetings, and also, it appears from his own later testimony, at the racecourse.

7.1.3. Measurement of strength of ties

Measures of the strength of personal ties serve to test if personal ties that appear important in the simple network analysis, such as the tie between Laurits Andersen and Richard Harvey Wright in Fig. 5, were indeed of an intensity and character that warrants seeing them as a pivotal.

To operationalize the strength of ties based on the available evidence in the form of correspondence and contemporary newspaper articles, I use a simple point system which is aimed to provide an approximation of historical reality. In order to carry out measurement as consistently and objectively as possible, the following rules for the award of points have been introduced, as it has been endeavored to make the rules complete, consistent and unambiguous, i.e. no tie appearing in the utilized sources should be left out, no similar ties should be awarded different points, and for no tie should there be confusion about the points to be awarded.

Table 4 contains a matrix in which this point system is implemented. Each cell contains three sets of points, each of which reflects a different aspect of social ties, for example, in the case of the personal tie between Lewis Mustard and Laurits Andersen, the sets 0-8, 13-0 and 4-0:

0-8 13-0 4-0

The first two sets of numbers, in this case 0-8 and 13-0, are points awarded on the basis of the correspondence:

- The first set, in this case 0-8, denotes who writes to whom, and how many times. The number before the hyphen denotes the numbers of times the person along the vertical axis writes to the person along the horizontal axis. The number after the hyphen denotes the number of times the person along the horizontal axis writes to the person along the vertical axis. In the concrete example, Lewis Mustard writes to Laurits Andersen 0 times, whereas Laurits Andersen writes to Lewis Mustard 8 times. Both senders and recipients of letters count as 1 point, and in this specific case, the total number of points is 8.
- The second set, in this case 13-0, denotes who writes about whom, and how many times. The number before the hyphen denotes the number of times the person along vertical axis writes about person along the horizontal axis, whereas the number after the hyphen denotes the number of times the person along horizontal axis writes about person along vertical axis. This is also recorded in the cell for the recipient of the letter, if the context suggests the recipient knows the individual being mentioned personally. In this case, Lewis Mustard mentions Laurits Andersen in 13 different letters, whereas Laurits Andersen mentions Lewis Mustard in 0 letters. Being mentioned by someone in a letter tends to reflect a weaker tie than being either the sender or the recipient of a letter, and therefore this counts as 0.5 point. In this particular case, this means the sum total is 6.5 points.

The third set, here 4-0, is based on both the correspondence and the contemporary press and denotes the number of times two individuals are described as meeting each other at either private or public events. The number before the hyphen denotes the number of times the two persons were attending events as organizers or driving forces, suggesting a commonality of interests and therefore relative strength of tie; this counts at 1.0 point. The number after the hyphen denotes the number of times the two persons were simply attending an event without playing leading roles; this counts as 0.5 point. In the example at hand, Laurits Andersen and Lewis Mustard attended four events in which they both played major roles, for a total of 4 points.

Table 4. The strength of ties in Laurits Andersen's network 1890-1902.

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charles Carroll Bennett	Charley Bennett	Gordon Bennett	Laura Bennett	E.H. Dunning	W.S. Emens	J.C. Ferguson	Fiske	A. Friend	John Goodnow	W.A. Hulse	T.R. Jernigan	Mr. Jones	Kin Sin	Captain Lee	O. Middleton	Lewis Mustard	Robert West Mustard	Robert Orr	J.T. Pinnix	Mr. Roger	P.O. Roza	Sow Ying	Speyers	Trowbridge	Wells	W.A. West	Richard Harvey Wright
James Ambrose	xx		xx																													
Laurits Andersen	0 1-0 1-9																															
N.P. Andersen	0 0 0-2	0 0 0-1	xx																													
R.A.J. Andersen		0 0 1-0 +1	0 0 0-1	xx																												
Charles Carroll Bennett	0 0 2-4	0 0-8 2-0			xx																											
Charley Bennett	0 0 1-1	0 0-4 1-1			0 0 1-1 +1	xx																										
Gordon Bennett		0 0 1-0					xx																									
Laura Bennett		0 0-4 0						xx																								
E.H. Dunning	0 0 0-8	0 0-1 0-3	0 0 0-2	0 0 0-1	0 0 0-2	0 0 0-2			xx																							
W.S. Emens	0 0 0-3	0 0 0-1								xx																						
J.C. Ferguson	0 0 0-2	0 0-2 0							0 0 0-1		xx																					
Fiske	0 0 0-1	0 0-3 1-1			0 0 1-1				0 0 0-1			xx																				
A. Friend	0 0 0-2	0 0-2 0-2											xx																			
John Goodnow	0 0 0-4				0 0 2-2	0 0 1-2			0 0 1-2		0 0 1-1	0 0 3-0		xx																		
W.A. Hulse	0 0 0-1	0 1-2 0													xx																	
T.R. Jernigan	0 0 0-2	0 0 0-1		0 0 0-1	0 0 3-0				0 0 0-1		0 0 0-1					xx																
Mr. Jones		0 0-1 0															xx															
Kin Sin		0 0-1 0																xx														
Captain Lee		0 0-1 0																	xx													
O. Middleton	0 0 2-11	0 0-1 0-5	0 0 0-1	0 0 0-1		0 0 0-1			0 0 0-1	0 0 0-1						0 0 0-2				xx												
Lewis Mustard	0 3-0 0-1	0-8 13-0 4-0	0 1-0 0	0 1-0 1-0	0 10-0 0	0 9-0 0	0 9-0 1-1	0 18-0 0	0 7-0 0-1		0 2-0 0	0 4-0 0	0 2-0 0	0 1-0 0-1		0 1-0 0	0 1-0 0	0 1-0 0		0 1-0 0	xx											
Robert West Mustard	0 0 6-19	0 0-5 1-8	0 0 0-1		0 0 2-1	0 0 1-1			0 0 0-5	0 0 0-1		0 0 1-0	0 0 0-2	0 0 0-3		0 0 0-1				0 0 1-8	0 0-13 0 +1	xx										
Robert Orr	0 0 0-1	0 0-1 0-1										0 0 0-1									0 0-5 0		xx									
J.T. Pinnix		0 0-1 0																						xx								
Mr. Roger		0 0-1 0																			0 0-1 0				xx							
P.O. Roza		0 0-1 0																			0 0-1 0					xx						
Sow Ying		0 0-3 0																			0 0-3 0						xx					
Speyers		0 0-0 0-1																			0 0-1 0-1							xx				
Trowbridge		0 0-3 0																											xx			
Wells																					0 0-1 0									xx		
W.A. West																					0 0-3 0										xx	
Richard Harvey Wright		1-14 0 0			0 1-0 0					1-0 0 0			0 1-0 0		0-1 2-0 0				0 1-0 0					0 1-0 0					0 3-0 0			xx

An excerpt from a letter written by Lewis Mustard to his mother on July 6, 1901 serves to demonstrate how points are counted: “In the evening at the musical dinner at the Astor House, we entertained Mrs. Pratt, Bob and Mrs. Orr, Mr. Fiske, Mr. Ambrose and Mr. Andersen.” Here, Mrs. Pratt and Mrs. Orr are discounted, as they are not present in other correspondence, and the four individuals of concern are Bob Orr, Fiske, Ambrose and Andersen, and 0.5 points are counted for each of the six pairs Orr-Fiske, Orr-Ambrose, Orr-Andersen, Fiske-Ambrose, Fiske-Andersen and Ambrose-Andersen.

While it is possible to mine the entire correspondence for this type of information, it is necessary to opt for a more selective approach to the mining of the *North China Herald*’s enormous archive. Consequently, I have chosen to track all individuals in Laurits Andersen’s network who score 1 point or higher based on the correspondence. This means that the following individuals are tracked: James Ambrose, R.A.J. Andersen, Charles Carroll Bennett, Charley Bennett, Gordon Bennett, Mrs. Bennett, E.H. Dunning, J.C. Ferguson, Fiske, A. Friend, W.A. Hulse, Lewis Mustard, Robert West Mustard, Robert Orr, Sow Ying, Trowbridge and Richard Harvey Wright, with the aim of gauging the extent to which the members of Andersen’s network were connected in ways not captured by the correspondence. In principle, an ever more complete network could be constructed by adding yet more persons. However, this is not necessary within the scope of this analysis. More importantly, it is to ascertain if there are clear network patterns that emerge apart from the ones established via the correspondence, or, on the contrary, if the networks as established in the correspondence are confirmed.

Returning to the example of the link between Laurits Andersen and Lewis Mustard, the total number of points is 8 + 6.5 + 4 = 18.5. In other words, based on the methodology adopted here, this is a relatively strong tie between the two, which conforms with the hypothesis that Andersen acted as a bridge mediating the capital represented by Mustard and the technology represented by the Bonsack Co.

0-8	13-0	4-0

Given the likelihood that families tend to stick together, an extra point is added for people who are close relatives, i.e. parents, children and siblings. To illustrate the significance of this, we will briefly consider the link between Laurits Andersen and his brother R.A.J. Andersen:

0	0	1-0	+1

In the available correspondence, there are no letters preserved written by Laurits Andersen to R.A.J. Andersen or vice versa, and R.A.J. Andersen is not mentioned in any other of Laurits Andersen’s correspondence; consequently, they score 0 in both categories. However, Laurits Andersen and R.A.J. Andersen are mentioned participating in the same activity in a letter written by a third person. More specifically, Lewis Mustard mentions the two in a letter to his mother dated October 5, 1901: “The Municipal Council had bought land beyond for a recreation ground, and when they wanted our piece, which belonged to Mr. Andersen, his brother and myself they had to pay for it.” This is an activity which suggests a certain level of financial involvement and thus merits 1 point, rather than 0.5 point. In addition, being brothers, Laurits and R.A.J. Andersen receive 1 extra point for a total of 2 points. Table 5 is the matrix with the point sums calculated in the case of each pair for whom a tie could be established.

Table 5. The strength of ties in Laurits Andersen's network 1890-1902 (calculated)

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charles Carroll Bennett	Charley Bennett	Gordon Bennett	Laura Bennett	E.H. Dunning	W.S. Emens	J.C. Ferguson	Fiske	A. Friend	John Goodnow	W.A. Hulse	T.R. Jernigan	Mr. Jones	Kin Sin	Captain Lee	O. Middleton	Lewis Mustard	Robert West Mustard	Robert Orr	J.T. Pinnix	Mr. Roger	P.O. Roza	Sow Ying	Speyers	Trowbridge	Wells	W.A. West	Richard Harvey Wright
James Ambrose	xx																															
Laurits Andersen	5.5	xx																														
N.P. Andersen	1.0	0.5	xx																													
R.A.J. Andersen		2.0	0.5	xx																												
Charles Carroll Bennett	3.0	6.0			xx																											
Charley Bennett	1.5	3.5			2.5	xx																										
Gordon Bennett		1.0					xx																									
Laura Bennett		2.0						xx																								
E.H. Dunning	4.0	2.0	1.0	0.5	1.0	1.0			xx																							
W.S. Emens	1.5	0.5								xx																						
J.C. Ferguson	1.0	1.0							0.5		xx																					
Fiske	0.5	3.0			1.5				0.5			xx																				
A. Friend	1.0	2.0											xx																			
John Goodnow	2.0				3.0	2.0			2.0		1.5	3.0		xx																		
W.A. Hulse	0.5	2.0													xx																	
T.R. Jernigan	1.0	0.5		0.5	3.0				0.5		0.5					xx																
Mr. Jones		0.5															xx															
Kin Sin		0.5																xx														
Captain Lee		0.5																	xx													
O. Middleton	7.5	3.0	0.5	0.5		0.5			0.5	0.5						1.0				xx												
Lewis Mustard	2.0	18.5	1.0	1.5	5.0	4.5	6.0	9.0	4.0		1.0	2.0	1.0	0.5		0.5	0.5	0.5		0.5	xx											
Robert West Mustard	15.5	7.5	0.5		2.5	1.5			2.5	0.5		1.0	1.0	1.5		0.5				5.0	7.5	xx										
Robert Orr	0.5	1.0										0.5									2.5		xx									
J.T. Pinnix		0.5																						xx								
Mr. Roger		0.5																			0.5				xx							
P.O. Roza		0.5																			0.5					xx						
Sow Ying		1.5																			1.5						xx					
Speyers		0.5																			1.0							xx				
Trowbridge		1.5																											xx			
Wells																					0.5									xx		
W.A. West																					1.5										xx	
Richard Harvey Wright		15.0			1.0					1.0			0.5		2.0				0.5					0.5					1.5			xx

Fig. 6 contains the information in Table 5 in graphic form, adding more detail to the graphic provided in Fig. 5, with the strength of ties indicated by the thickness of the lines connecting the individuals. Ties between Laurits Andersen and Richard Harvey Wright on the one hand, and between Laurits Andersen and Lewis Mustard on the other are particularly strong, confirming Andersen's position as a bridge between Wright's "world of technology" and Mustard's "world of capital". The graph also confirms the insight already gained above that Andersen found himself at a considerable distance from the US administrative establishment in Shanghai, with only a weak link to US consul T.R. Jernigan, and none to his successor in the office, John Goodnow. This is somewhat surprising, since in his autobiography and other communication, Andersen emphasizes his contacts with US politicians at the highest level, including former US President Ulysses S. Grant and President Theodore Roosevelt.

At the same time, the graph also reveals the strength of ties of which Andersen is not part, the tie between James Ambrose and Robert West Mustard being especially striking. One possible explanation for this is that both Ambrose and Mustard were "Shanghai old-timers" who had lived in the city since the 1870s, suggesting that Andersen, as a relative newcomer, still was positioned on the fringes of their important networks. Overall, James Ambrose emerges as a tireless networker, who is not only centrally placed, but also maintains relatively strong ties with key members of the foreign community, including Goodnow and Jernigan. Other individuals with apparently extensive networks include O. Middleton, E.H. Dunning and Goodnow, in addition to Robert West Mustard and Charles Carroll Bennett.

Fig. 7 contains the same graph as in Fig. 6, but with color coding, showing the preponderance of US citizens in Andersen's network, despite his lack of access to the most important members of the American community, and the virtual absence of any Chinese: in a network of 32 including himself, 23 are Americans and just two – adopted members of the Mustard household – are Chinese. A relatively large part of Laurits Andersen's social network is located in the private/other domain, where he is linked to a number of highly connected individuals, most importantly James Ambrose.

Fig. 6. Laurits Andersen's network, 1890-1902. Strength of ties shown graphically.

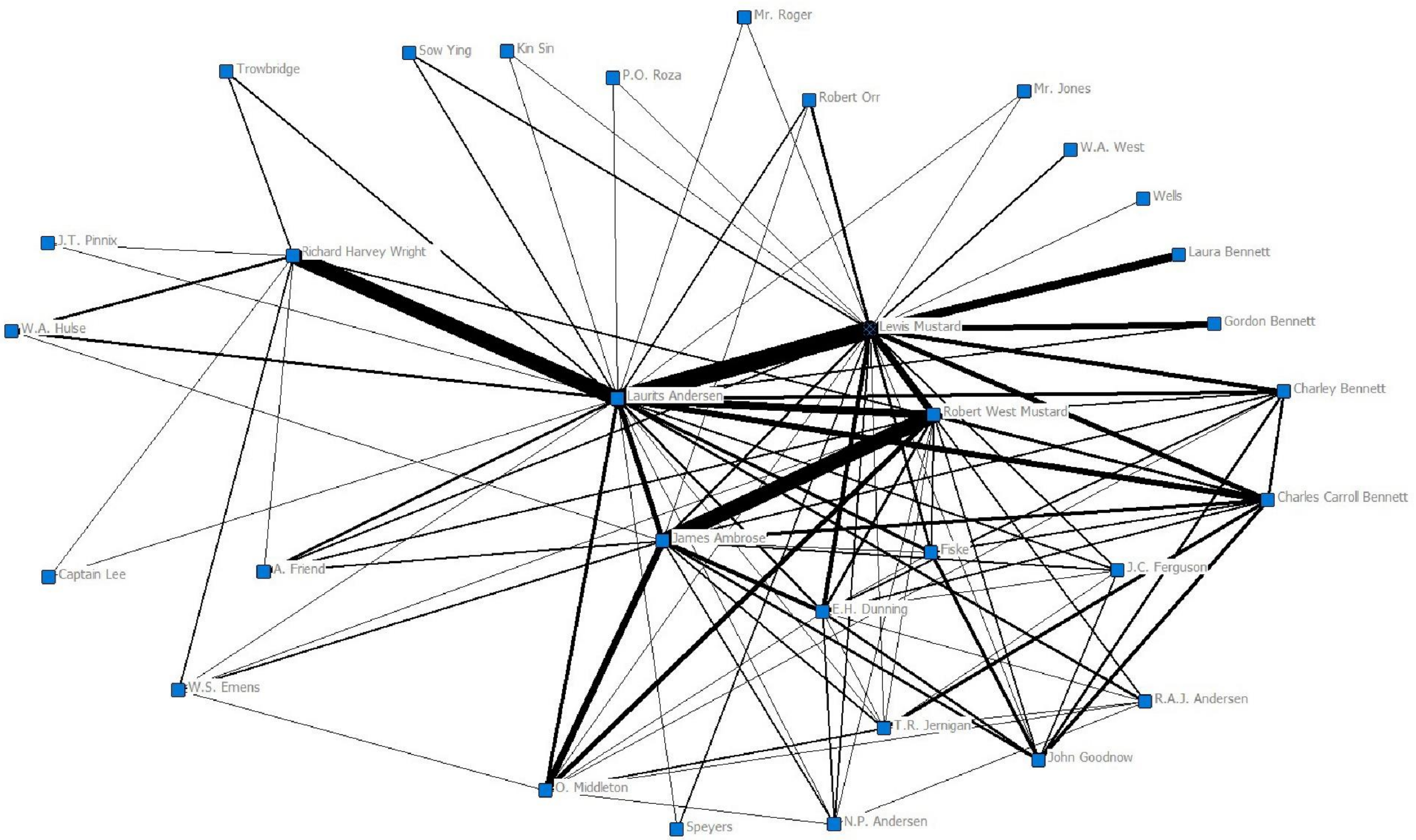
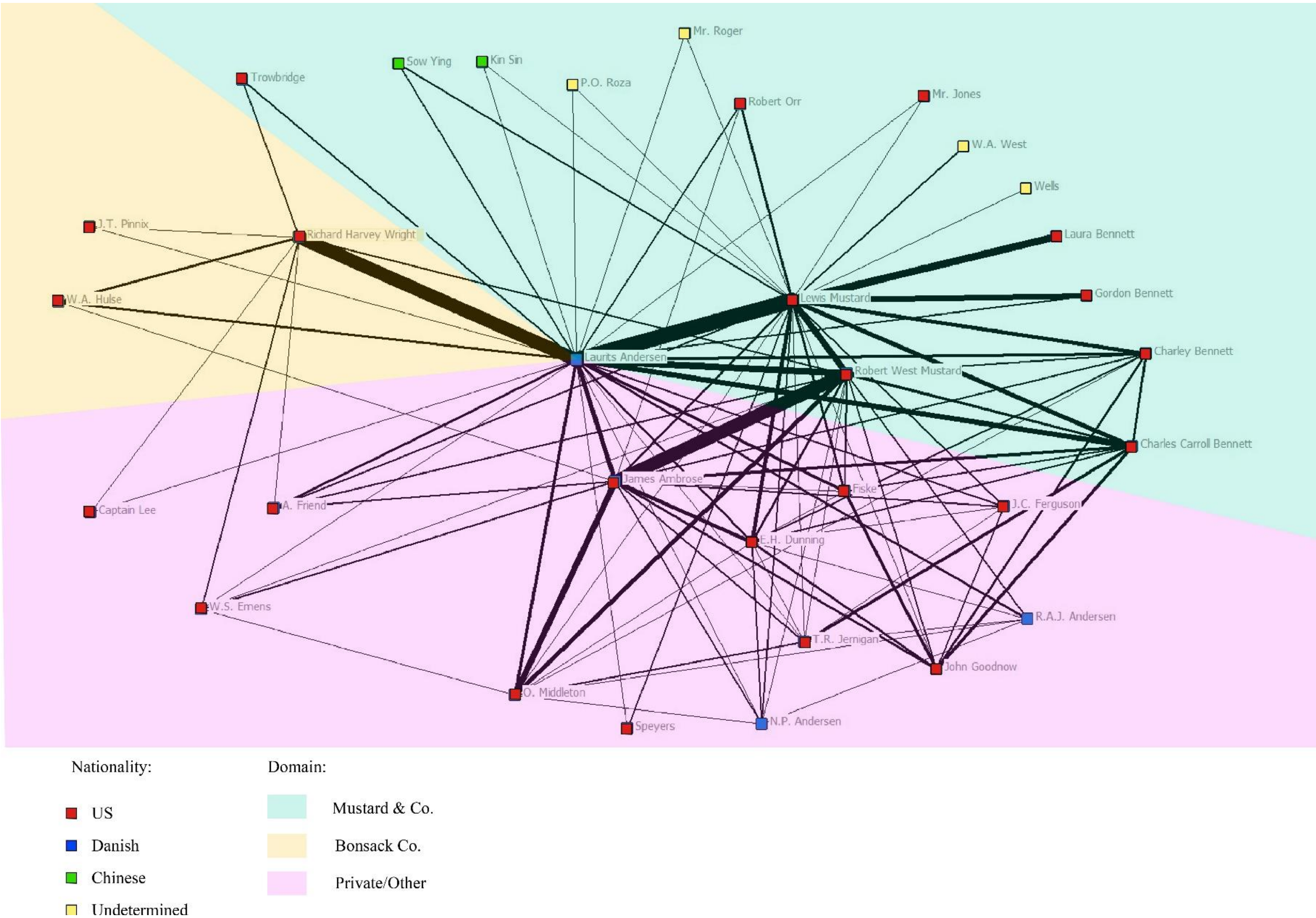


Fig. 7. Laurits Andersen's network, 1890-1902. Strength of ties shown graphically. Color coding of nationality and domain.



7.1.4. Structural hole measures

Table 6 is the output from the social network analysis software UCINET offering various statistics reflecting the presence of structural holes in Andersen's egonet. For the sake of simplicity, only the first four measures are described here.

- *Degree* denotes the size of Andersen's network, defined as the number of alters that he has.[720]
- *Effective size* is degree minus the average degree of alters in the network, providing a measure of redundancy in the network; the fewer ties the alters have among each other, the higher the number. To quote a recent textbook on egonet research methodology: "Maintaining ties requires resources and… it is inefficient to maintain ties with alters who are connected to one's other alters. It would be better to have ties with others who are not connected, thereby increasing the number of structural holes in one's network and the opportunities which they afford."[721] In this particular case, if none of Andersen's alters had ties with each other, the effective size of his network would be 31, whereas if they were all connected, it would be 1.[722] As it is, the effective size of Andersen's network is rather high, at 22.76.
- *Efficiency* is effective size divided by degree. According to Brea Perry, Bernice Pescosolido and Stephen Borgatti, this is a measure of social or political skill, as "it indicates the extent to which a person is choosing ties wisely with respect to maximizing social capital per unit of relational energy."[723]
- *Constraint* describes the extent to which the alters can form connections independent of the ego and thus constrain the ego's ability to operate in his network. As demonstrated in Fig. 1, the absence of a connection between alters is tantamount to a structural hole, and this measure is consequently a gauge of the presence of structural holes. To be more exact, a high value for constraint suggests a relatively large proportion of alters capable of connecting independently of the ago, and thus it is an inverse measure of the presence structural holes. In this case, the figure for constraint faced by Andersen is comparatively low at 0.213, reflecting the presence of a relatively large number of structural holes in his network.[724]

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[720] Stephen P. Borgatti, Martin G. Everett and Jeffrey C. Johnson, *Analyzing Social Networks* (London: SAGE, 2013), 275.
[721] Nick Crossley, Elisa Bellotti, Gemma Edwards, Martin G. Everett, Johan Koskinen and Mark Tranmer, *Social Network Analysis for Ego-Nets* (London: SAGE, 2015), 91.
[722] Borgatti, Everett and Johnson, *Analyzing Social Networks*, 275.
[723] Brea L. Perry, Bernice A. Pescosolido and Stephen P. Borgatti, *Egocentric Network Analysis: Foundations, Methods and Models* (Cambridge: Cambridge University Press, 2018), 181. For the original treatment of efficiency, see Ronald S. Burt, *Structural Holes: The Social Structure of Competition* (Cambridge MA: Harvard University Press, 1995), 20-21.
[724] If P_{ij} is the time invested by i (Ego) in each j (alter), the general formula for constraint exercised over Ego from alter A is ($P_{EGO,A} + \Sigma X P_{EGO,X} P_{X,A}$), see Nick Crossley et al., *Social Network Analysis for Ego-Nets*, 85.

Table 6. Structural hole measures in Laurits Andersen’s network 1890-1902, based on information in Table 2.

Structural Hole Measures

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	James Ambrose	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
2	Laurits Andersen	25	22.760	0.910	0.213	0.517	18.500	-1.549	0.576	0.047	1.120	572
3	N.P. Andersen	1	1	1		1	0		0		0	0
4	R.A.J. Andersen	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
5	Charles Carroll Bennett	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
6	Charley Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
7	Gordon Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
8	Mrs. Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
9	E.H. Dunning	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
10	W.S. Emens	1	1	1		1	0		0		0	0
11	J.C. Ferguson	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
12	C.E. Fiske	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
13	A. Friend	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
14	John Goodnow	1	1	1		1	0		0		0	0
15	W.A. Hulse	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
16	T.R. Jernigan	1	1	1		1	0		0		0	0
17	Mr. Jones	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
18	Kin Sin	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
19	Captain Lee	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
20	O. Middleton	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
21	Lewis Mustard	25	23.240	0.930	0.200	0.597	125.500	-1.610	0.448	0.037	0.880	578
22	Robert West Mustard	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
23	Robert Orr	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
24	J.T. Pinnix	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
25	Mr. Roger	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
26	P.O. Roza	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
27	Sow Ying	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
28	Speyers	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
29	Trowbridge	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
30	Wells	1	1	1		1	0		0		0	0
31	W.A. West	1	1	1		1	0		0		0	0
32	Richard Harvey Wright	8	6.500	0.813	0.388	0.355	0	-0.947	0.482	0.107	0.750	50

32 rows, 11 columns, 1 levels.

These findings are modified to a significant extent when the structural holes analysis is widened to include the data from the contemporary newspapers, see Table 7, as new patterns emerge:

The *degree* is slightly higher, while *effective size* is actually lower, suggesting that new links among Andersen’s alters have emerged by including information from the newspapers. Consequently, *efficiency* in Andersen’s case is down, suggesting a more complete picture of his entire social network yields the insight that gains in social capital comes at a slightly higher cost in “relational energy” than one would assume based merely on his social network as evidenced in his correspondence. Most strikingly, the *constraint* value is lower at 0.151, suggesting that structural holes in his networks are actually more prevalent than one would assume based only on an analysis of his correspondence.

Table 7. Structural hole measures in Laurits Andersen's network 1890-1902, based on information in Table 5.

Structural Hole Measures

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	James Ambrose	16	8.875	0.555	0.235	0.079	0	-1.447	0.837	0.237	3.563	183
2	Laurits Andersen	27	22.333	0.827	0.151	0.283	9.500	-1.893	0.642	0.090	2.333	639
3	N.P. Andersen	7	1.571	0.224	0.488	0.006	0.500	-0.718	0.842	0.452	2.714	23
4	R.A.J. Andersen	6	1.333	0.222	0.555	0.004	0.500	-0.588	0.822	0.467	2.333	16
5	Charles Carroll Bennett	10	3.800	0.380	0.328	0.023	2.250	-1.115	0.784	0.344	3.100	59
6	Charley Bennett	8	1.750	0.219	0.435	0.006	0.833	-0.832	0.860	0.446	3.125	31
7	Gordon Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
8	Mrs. Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
9	E.H. Dunning	13	5	0.385	0.280	0.021	11.283	-1.274	0.882	0.333	4	104
10	W.S. Emens	5	2.600	0.520	0.530	0.037	2	-0.635	0.600	0.300	1.200	14
11	J.C. Ferguson	6	1.667	0.278	0.551	0.012	0.500	-0.596	0.808	0.433	2.167	17
12	Fiske	8	2.250	0.281	0.432	0.013	1.333	-0.840	0.845	0.411	2.875	33
13	A. Friend	5	2.600	0.520	0.530	0.037	2	-0.635	0.600	0.300	1.200	14
14	John Goodnow	8	2.250	0.281	0.433	0.017	0.500	-0.836	0.844	0.411	2.875	33
15	W.A. Hulse	3	2.333	0.778	0.611	0.052	2	-0.492	0.333	0.167	0.333	5
16	T.R. Jernigan	9	2.778	0.309	0.391	0.021	2.250	-0.938	0.854	0.389	3.111	44
17	Mr. Jones	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
18	Kin Sin	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
19	Captain Lee	2	2	1	0.500	0	1	-0.693	0	0	0	2
20	O. Middleton	10	3.400	0.340	0.355	0.022	1.250	-1.036	0.859	0.367	3.300	57
21	Lewis Mustard	25	19.720	0.789	0.166	0.275	113.583	-1.798	0.682	0.110	2.640	534
22	Robert West Mustard	13	5.615	0.432	0.284	0.046	0	-1.260	0.863	0.308	3.692	108
23	Robert Orr	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
24	J.T. Pinnix	2	2	1	0.500	0	1	-0.693	0	0	0	2
25	Mr. Roger	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
26	P.O. Roza	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
27	Sow Ying	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
28	Speyers	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
29	Trowbridge	2	2	1	0.500	0	1	-0.693	0	0	0	2
30	Wells	1	1	1		1	0		0		0	0
31	W.A. West	1	1	1		1	0		0		0	0
32	Richard Harvey Wright	7	7	1	0.143	0	0	-1.946	0	0	0	42

32 rows, 11 columns, 1 levels.

7.2. Laurits Andersen's networks, 1903-1911

7.2.1. Analysis of correspondence.

The analysis of Laurits Andersen's networks in this section is based on the correspondence consisting of altogether 103 letters written by Laurits Andersen in the period from April 22, 1904, to November 4, 1911, as detailed in Table 8. For an introduction to the individuals appearing in the correspondence, see the Appendix at the end of the thesis.

Table 8. Laurits Andersen's correspondence 1903-1911.

Sender	Recipient	No. of letters	Period	Repository
Laurits Andersen	R.A.J. Andersen	1	Oct 20, 1910	National Archive, Copenhagen
Laurits Andersen	T.A. Christensen	3	Aug 16, 1904 – Sep 28, 1910	National Archive, Copenhagen
Laurits Andersen	Hugo Cunliffe-Owen	4	June 16, 1904 – April 14, 1908	National Archive, Copenhagen
Laurits Andersen	Mr. Godsey	1	July 8, 1909	National Archive, Copenhagen
Laurits Andersen	W.R. Harris	8	April 3, 1906 – Nov 4, 1911	National Archive, Copenhagen
Laurits Andersen	A.T. Heuckendorff	2	Aug 30, 1907 – Nov 8, 1907	National Archive, Copenhagen
Laurits Andersen	C.T. Hill	11	Sep 16, 1909 – Jan 20, 1911	National Archive, Copenhagen
Laurits Andersen	Fritz Holm	1	March 9, 1907	National Archive, Copenhagen
Laurits Andersen	Albert G. Jeffress	21	May 12, 1906 – Nov 3, 1911	National Archive, Copenhagen
Laurits Andersen	"John"	1	Aug 20, 1904	National Archive, Copenhagen
Laurits Andersen	C.S. Keene	1	Aug 14, 1905	National Archive, Copenhagen
Laurits Andersen	Low E. Wing	1	June 3, 1905	National Archive, Copenhagen
Laurits Andersen	Lewis Mustard	34	April 22, 1904 – Jan 24, 1911	National Archive, Copenhagen
Laurits Andersen	P.O. Roza	1	Aug 10, 1904	National Archive, Copenhagen
Laurits Andersen	James Thomas	2	May 9, 1907 – Aug 30, 1907	National Archive, Copenhagen
Laurits Andersen	Trevor Thomas	1	Aug 5, 1910	National Archive, Copenhagen
Laurits Andersen	George F. Trowbridge	8	March 16, 1906 – Feb 14, 1910	National Archive, Copenhagen
Laurits Andersen	Francis A. Wilson	2	March 8, 1906 – Feb 25, 1910	National Archive, Copenhagen

Table 9 shows the personal links in binary form, based in the definitions introduced in the previous section, as they emerge in the correspondence. The number 1 stands for personal connection, and empty space stands for no connection.

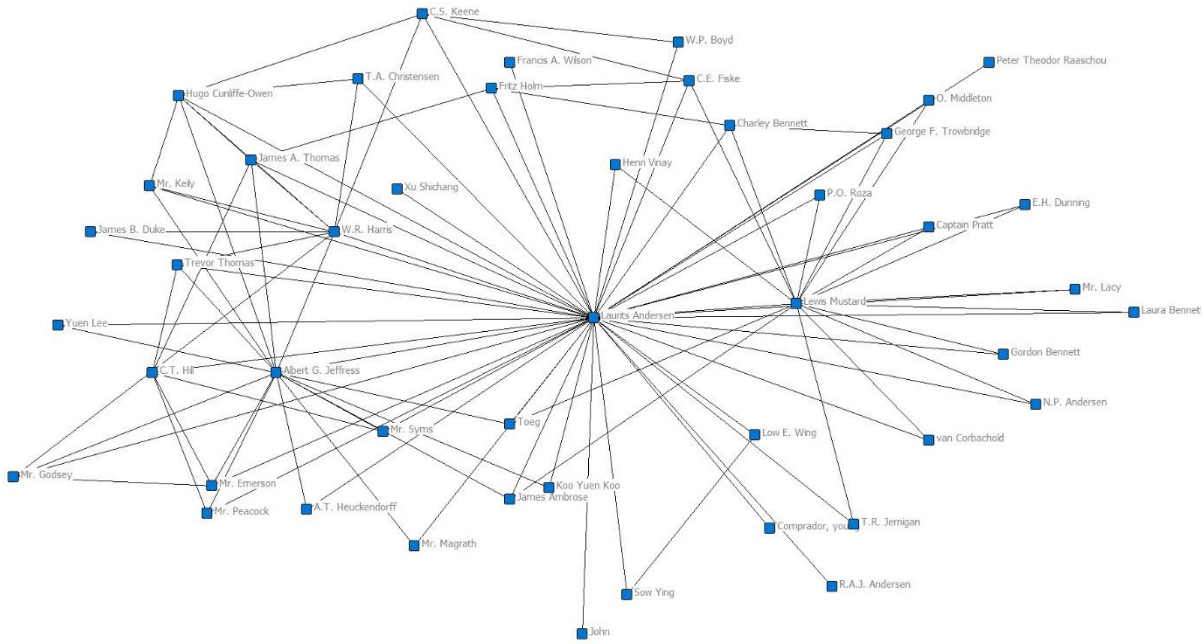
Table 9. Laurits Andersen's network 1903-1911.

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charley Bennett	Gordon Bennett	Laura Bennett	W.P. Boyd	T.A. Christensen	Comprador, old	Comprador, young	van Corbach	Hugo Cunliffe-Owen	James B. Duke	E.H. Dunning	Mr. Emerson	C.E. Fiske	Mr. Godsey	W.R. Harris	A.T. Heuckendorff	C.T. Hill	Fritz Holm	Albert G. Jeffress	T.R. Jernigan
James Ambrose	xx																							
Laurits Andersen	1	xx																						
N.P. Andersen		1	xx																					
R.A.J. Andersen		1		xx																				
Charley Bennett		1			xx																			
Gordon Bennett		1				xx																		
Laura Bennett		1					xx																	
W.P. Boyd		1						xx																
T.A. Christensen		1							xx															
Comprador, old		1								xx														
Comprador, young		1									xx													
van Corbach		1										xx												
Hugo Cunliffe-Owen		1							1				xx											
James B. Duke		1												xx										
E.H. Dunning		1													xx									
Mr. Emerson		1														xx								
C.E. Fiske		1															xx							
Mr. Godsey		1														1		xx						
W.R. Harris		1							1				1	1				1	xx					
A.T. Heuckendorff		1																		xx				
C.T. Hill		1														1					xx			
Fritz Holm		1			1												1					xx		
Albert G. Jeffress	1	1											1			1		1	1	1			xx	
T.R. Jernigan		1																						xx
John		1																						
Mr. Kelly		1											1						1				1	
C.S. Keene		1						1					1				1		1					
Koo Yuen Koo		1																					1	
Mr. Lacy		1																						
Low E. Wing		1																						
Mr. Magrath		1																					1	
O. Middleton		1																						
Lewis Mustard	1	1	1		1	1	1			1		1			1		1							1
Mr. Peacock		1																			1		1	
Captain Pratt		1																						
Peter Theodor Raaschou		1																						
P.O. Roza		1																						
Sow Ying		1																						
Mr. Syms		1																			1		1	
James A. Thomas		1											1						1		1	1	1	
Trevor Thomas		1																	1		1		1	
Toeg		1																					1	
George F. Trowbridge		1			1																			
Henri Vinay		1																						
Francis A. Wilson		1																						
Xu Shichang		1																						
Yuen Lee		1																					1	

	John	Mr. Kelly	C.S. Keene	Koo Yuen Koo	Mr. Lacy	Low E. Wing	Mr. Magrath	O. Middleton	Lewis Mustard	Mr. Peacock	Captain Pratt	Peter Theodor Raaschou	P.O. Roza	Sow Ying	Mr. Syms	James A. Thomas	Trevor Thomas	Toeg	George F. Trowbridge	Henri Vinay	Francis A. Wilson	Xu Shichang	Yuen Lee
James Ambrose																							
Laurits Andersen																							
N.P. Andersen																							
R.A.J. Andersen																							
Charley Bennett																							
Gordon Bennett																							
Laura Bennett																							
W.P. Boyd																							
T.A. Christensen																							
Comprador, old																							
Comprador, young																							
van Corbach																							
Hugo Cunliffe-Owen																							
James B. Duke																							
E.H. Dunning																							
Mr. Emerson																							
C.E. Fiske																							
Mr. Godsey																							
W.R. Harris																							
A.T. Heuckendorff																							
C.T. Hill																							
Fritz Holm																							
Albert G. Jeffress																							
T.R. Jernigan																							
John	xx																						
Mr. Kelly		xx																					
C.S. Keene			xx																				
Koo Yuen Koo				xx																			
Mr. Lacy					xx																		
Low E. Wing						xx																	
Mr. Magrath							xx																
O. Middleton								xx															
Lewis Mustard					1			1	xx														
Mr. Peacock										xx													
Captain Pratt									1		xx												
Peter Theodor Raaschou												xx											
P.O. Roza									1				xx										
Sow Ying						1								xx									
Mr. Syms															xx								
James A. Thomas																xx							
Trevor Thomas																	xx						
Toeg									1									xx					
George F. Trowbridge									1										xx				
Henri Vinay									1											xx			
Francis A. Wilson																					xx		
Xu Shichang																						xx	
Yuen Lee																							xx

The same personal network is represented in Fig. 8 in graphic form, created with the help of the software program NetDraw.

Fig. 8. Laurits Andersen's network, 1903-1911.



The graph confirms the pattern detected for the period just before, i.e. 1890-1902, with Andersen acting as a conduit for capital, represented by Lewis Mustard, the main shareholder in Mustard & Co. As mentioned earlier, during the period 1890-1902, Andersen was a bridge between the Mustard family's capital and technology in the form of the Bonsack machine; for the period 1903-1911, he represents a bridge between on the one hand the Mustard finances, as manifested in the form of the company Mustard & Co., and on the other technological, managerial and marketing know-how represented by British American Tobacco. Andersen is located in a quite central position, as not just a bridge but also a potential gate-keeper between the "Mustard cluster" to the right, and the "BAT cluster" to the left.

There is no inherent reason why Andersen should occupy this central position. Unlike in the previous decade, he was no longer in a special position because of his technological expertise or other unique skill. Rather, it was a function of his entrenched position built up at the head of Mustard & Co., expanded over the years and consolidated by the deaths of his two main partners, giving him unchallenged control of the company. However, the financial power over Mustard & Co. was to a significant extent located with the Mustard family in Delaware, and it stands to reason that Andersen was keen to keep its members from getting into direct contact with senior BAT personnel, in which case he could become redundant, or his position could at least be significantly challenged or reduced. It is thus significant that Andersen does not mention Lewis Mustard even once in his correspondence with BAT executives.

7.2.2. Inclusion of contemporary newspapers

Andersen's centrality in his own correspondence network implies an inherent bias, and in order to add meat to the network, the contemporary press is once again consulted for evidence of interaction among members of the correspondence network at large social events, see Table 10.

Table 10. Events involving members of Laurits Andersen's social networks, 1903-1911.

Time	**Event**	**Participants**	**Points**
Jan 21, 1903	US Consular Court	Goodnow (judge), Dunning (assessor)	1.0
April 2, 1903	US Consular Court	Goodnow (judge), C.R. Bennett (assessor)	1.0
April 9, 1903	US Consular Court	Goodnow (judge), C.R. Bennett (assessor)	1.0
April 30, 1903	International Institute	Goodnow, Jernigan	0.5
Aug 7, 1903	Steamer *Korea* for San Francisco	Fiske, Keily	0.5
Aug 21, 1903	US Consular Court	Goodnow (judge), C.R. Bennett (assessor)	1.0
Aug 28, 1903	Sportsman's Gun Club competition	Boyd, van Corbach	0.5
Nov 6, 1903	International Institute	Goodnow, Jernigan	0.5
Dec 11, 1903	Letter to Municipal Council protesting against extension of road	Ambrose, Toeg	1.0
Jan 29, 1904	Ratepayers meeting	Ambrose, R.A.J. Andersen, C.R. Bennett, Dunning, Fiske, Toeg	0.5
March 4, 1904	Shanghai Gas Co., shareholder meeting	Ambrose, L. Andersen, C.R. Bennett,	0.5
March 18, 1904	Ratepayers meeting	C.R. Bennett, Jernigan, Keily	0.5
March 31, 1904	US Consular Court	Goodnow (judge), C.R. Bennett (assessor)	1.0
April 29, 1904	Yangtsze Insurance Association, shareholder meeting	Ambrose, W.P. Boyd	0.5
May 6, 1904	US Consular Court	Goodnow (judge), C.R. Bennett (assessor)	1.0
May 13, 1904	Neutral Relief Fund	L. Andersen, C.R. Bennett, Fiske, Keily	0.5
June 3, 1904	Shanghai Rifle Association	C.R. Bennett, Keily	0.5
July 8, 1904	Baseball game between crews of USS New Orleans and USS Monadnock	Goodnow (guest of honor), C.R. Bennett (umpire)	0.5
Sept 9, 1904	US Consular Court	Goodnow (judge), Dunning (assessor)	1.0
Sept 23, 1904	Steamer *Wingsang* for Nagasaki	C.R. Bennett, van Corbach	0.5
Sept 23, 1904	US Consular Court	Goodnow (judge), Dunning (assessor)	1.0
Oct 28, 1904	Delegation to visit governor of Suzhou	Goodnow, Fiske	1.0
Nov 25, 1904	Steamer *China* from San Francisco	Boyd, Middleton	0.5
Feb 2, 1905	Musical comedy The Sorcerer	Heuckendorff, Raaschou	05
March 10, 1905	Shanghai Gas Co., shareholder meeting	Ambrose. Toeg	0.5
March 17, 1905	Inquest over Fiske's death	Fiske, Kempffer	1.0
March 24, 1905	Ratepayers meeting	Ambrose, L. Andersen, R.A.J. Andersen, Dunning, Keily, Raaschou, Toeg	0.5

April 20, 1905	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
June 9, 1905	Ratepayers meeting	Dunning, Goodnow, Jernigan, Keily, Middleton, Toeg	0.5
June 23, 1905	US Consular Court on estate of Fiske	Andersen, Fiske	1.0
July 7, 1905	Steamer *Kiangteen* for Pootoo	Kempffer, Middleton, Toeg	0.5
Sept 1, 1905	Steamer Empress of India for London	L. Andersen, Cunliffe-Owen, Toeg	0.5
Nov 24, 1905	Meeting with President Roosevelt in Washington DC	L. Andersen, Toeg	1.0
March 9, 1906	Shanghai Gas Co., shareholder meeting	Ambrose, Dunning	0.5
March 16, 1906	Ratepayers meeting	L. Andersen, C.R. Bennett, Jernigan, Kempffer	0.5
Aug 3, 1906	Meeting on US-Danish jurisdiction	Boyd, Raaschou	0.5
Nov 2, 1906	Shanghai Dock and Engineering Co., shareholder meeting	L. Andersen, C.R. Bennett, Toeg	0.5
Nov 23, 1906	Steamer *Loongwo* for Hankou	Keily, Kempffer	0.5
Nov 30, 1906	Steamer *Loongwo* from Hankou	Keily, Kempffer	0.5
Nov 30, 1906	Celebration of Empress Dowager's birthday	Boyd, Raaschou	0.5
Dec 14, 1906	Famine Relief donations	L. Andersen, C.R. Bennett, Godsey, J.A. Thomas	0.5
Dec 21, 1906	American Association of China, dinner	Boyd, Jernigan	0.5
Dec 21, 1906	Famine Relief donations	Keily, Kempffer	0.5
March 15, 1907	Shanghai Paper Hunt Club meeting (horse race)	C.R. Bennett, Toeg	0.5
Feb 22, 1907	Stramer *Nanking* for Hankou	Keily, Kempffer	0.5
March 22, 1907	Ratepayers meeting	Ambrose, N.P. Andersen, Boyd, Toeg	0.5
May 3, 1907	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
May 31, 1907	Shanghai Horticultural Society	Ambrose, Toeg	0.5
July 19, 1907	The Sportsman's Gun Club, competition	Boyd, van Corbach	0.5
Aug 16, 1907	The Sportsman's Gun Club, competition	Boyd, van Corbach	0.5
Dec 20, 1907	American Association of China	C.R. Bennett, Dunning, Godsey	0.5
Jan 3, 1908	Farewell luncheon to H.B. Morse	Jernigan, J.A. Thomas	0.5
Feb 28, 1908	Washington Birthday Ball	Kempffer, J.A. Thomas	0.5
March 27, 1908	Ratepayers meeting	van Corbach, Dunning, Jernigan, Kempffer, Middleton, Toeg	0.5
July 25, 1908	Welcome for Judge L.R. Wilfley	Godsey, Jernigan	0.5

Oct 3, 1908	Donation for Thomas Hanbury School and Children's Home	Raaschou, Toeg	0.5
Dec 26, 1908	Farewell luncheon for Judge L.R. Wilfley	Godsey, Kempffer, Magrath	0.5
March 27, 1909	Shanghai Gas Co. shareholder meeting	Ambrose, Dunning	0.5
April 24, 1909	Baseball club, meeting	C.R. Bennett, Dunning	0.5
June 5, 1909	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
June 19, 1909	International Institute, subscribing members	Dunning, J.A. Thomas	0.5
Aug 14, 1909	Clay Pigeon Club competition	Ambrose, van Corbach	0.5
Dec 11, 1909	International Institute	Dunning, Jernigan	0.5
Jan 14, 1910	Steamer *Suiwo* for Wuhu	van Corbach, Jernigan	0.5
Feb 4, 1910	Donation for Thomas Hanbury School and Children's Home	Raaschou, Toeg	0.5
March 25, 1910	Ratepayers meeting	Ambrose, L. Andersen, Dunning, Pratt,	0.5
April 1, 1911	Shanghai Gas Co. shareholder meeting	Ambrose, Dunning	0.5
April 8, 1910	Dunning & Co., shareholder meeting	L. Andersen (director), Dunning	1.0
April 15, 1910	International Institute, subscribing members	Dunning, Jernigan, J.A. Thomas	0.5
Sep 16, 1910	Donation to Chinese cholera hospital	L. Andersen, J.A. Thomas	0.5
Nov 18, 1910	Ratepayers meeting	L. Andersen, C.R. Bennett, Boyd, Dunning, Jernigan, Toeg	0.5
March 24, 1911	Ratepayers meeting	Ambrose, Dunning	0.5
April 15, 1911	Steamer *Saikio Maru* from Dalian	Heuckendorff, Kempffer	0.5
June 17, 1911	International Institute, subscribing members	Dunning, J.A. Thomas	0.5
Aug 5, 1911	Steamer *Tenyo Maru* for Nagasaki	Dunning, Jernigan	0.5
Sep 16, 1911	Clay Pigeon Club competition	Ambrose, van Corbach	0.5

Altogether, the list covers 76 events taking place over the nine-year period 1903 to 1911. Among notable features are the following:

- Ten meeting of ratepayers are recorded in the local media during the period, of which Laurits Andersen participated in four, suggesting a greater degree of involvement than in the previous period.
- The US Consular Court remained a forum for contact with the political and diplomatic establishment, with members of Andersen's network participating as assessors a total of eight times. However, this opportunity appears to have been highly contingent on the person occupying the consulship. Goodnow seems to have used outsiders as assessors relatively frequently, while W.P. Boyd, often acting as presiding judge, mostly operated without assessors.[725]

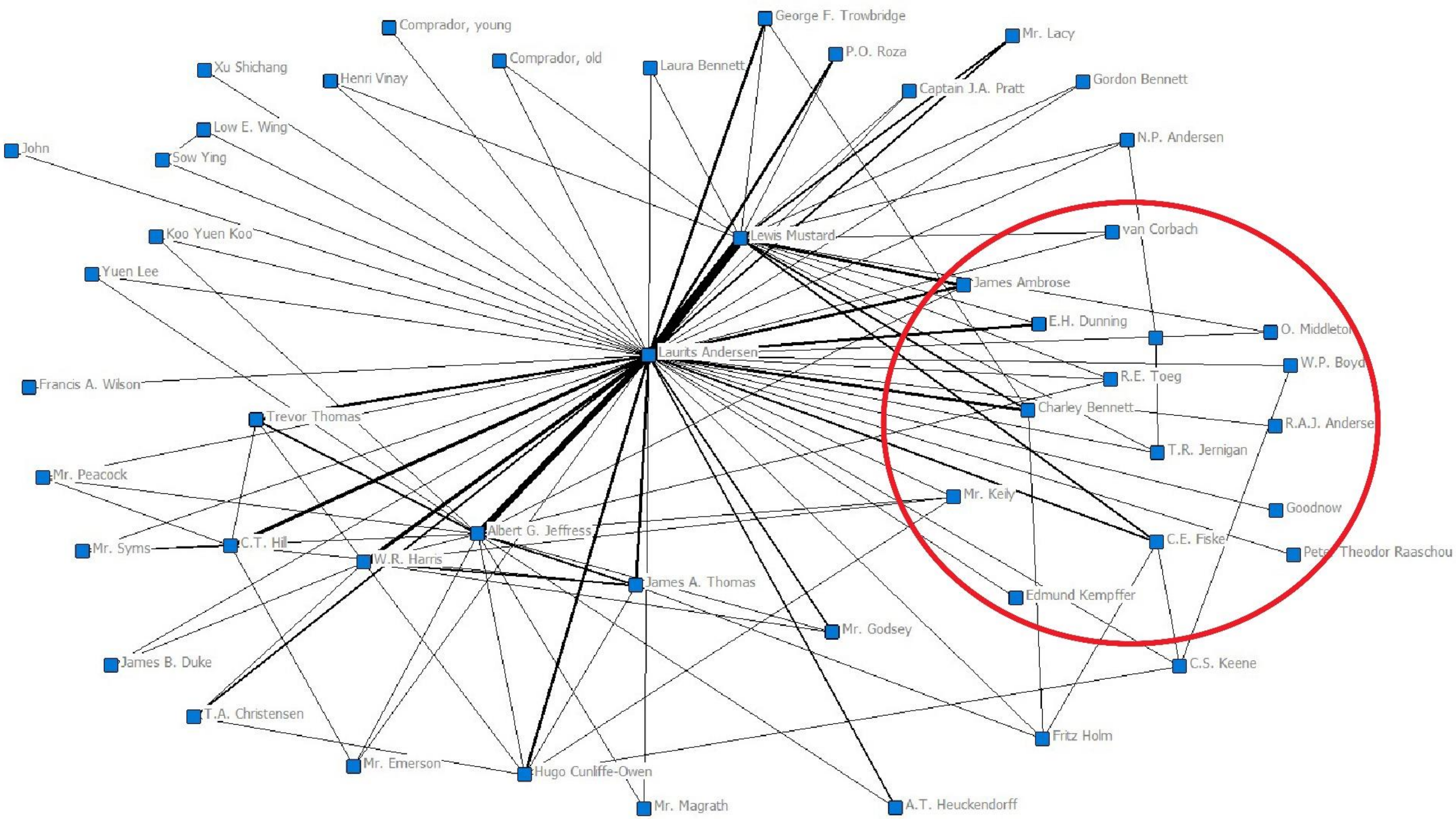
[725] See for example *North China Herald*, June 7, 1907, p. 601.

- Compared with the previous period, charity events emerge more frequently as social occasions in Shanghai, with Andersen as a frequent donor, for instance to the Neutral Relief Fund (May 13, 1904) and the Famine Relief (Dec 14, 1906).

7.2.3. Measurement of strength of ties

Using the point system described in the previous section, the strength of the ties in Andersen's network is operationalized and measured as a test of his importance in the network. Fig. 9 provides a graphic representation of the tie strength based merely on the correspondence, showing that Andersen's ties are particularly strong with Lewis Mustard (the main shareholder of Mustard & Co.) and Albert G Jeffress (BAT's point man for affairs related to Mustard & Co.). This adds credence to the hypothesis that Andersen formed a bridge between Mustard and BAT during the period. The red circle covers a group of people identified by me as the "Shanghai old-timers".

Fig. 9. Laurits Andersen's network, 1903-1911. Strength of ties shown graphically. Based on correspondence. The "Shanghai old-timers" are inside the red circle.



Evidence of social interactions gleaned from the contemporary press as summarized in Table 10 is converted into points, following the principles outlined in 7.1.2. Table 11 contains a matrix in which this point system is implemented, and Table 12 contains the same matrix with the point totals calculated. Fig. 10 provides a graphic representation of the network with the tie strengths that now emerge.

Table 11. The strength of ties in Laurits Andersen's network 1903-1911

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charley Bennett	Gordon Bennett	Laura Bennett	W.P. Boyd	T.A. Christensen	Comprador, old	Comprador, young	van Corbach	Hugo Cunliffe-Owen	James B. Duke	E.H. Dunning	Mr. Emerson	C.E. Fiske	Goodnow	Mr. Godsey	W.R. Harris	A.T. Heuckendorff	C.T. Hill	Fritz Holm	Albert G. Jeffress	T.R. Jernigan	John	C.S. Keene	Mr. Kelly	Edmund Kempffer	Koo Yuen Koo	Mr. Lacy	Low E. Wing	Mr. Magrath	O. Middleton	Lewis Mustard	Mr. Peacock	Captain J.A. Pratt	Peter Theodor Raaschou	P.O. Roza	Sow Ying	Mr. Syms	James A. Thomas	Trevor Thomas	R.E. Toeg	George F. Trowbridge	Henri Vinay	Francis A. Wilson	Xu Shichang	Yuen Lee
James Ambrose	xx																																																
Laurits Andersen	013-00-3	xx																																															
N.P. Andersen	000-1	00-1	xx																																														
R.A.J. Andersen	000-2	0-10-20-1+1		xx																																													
Charley Bennett	000-10-1	00-130-6		000-1	xx																																												
Gordon Bennett		00-4				xx																																											
Laura Bennett		00-2					xx																																										
W.P. Boyd	000-2	00-20-1	000-1		000-1			xx																																									
T.A. Christensen		0-3							xx																																								
Comprador, old		00-2								xx																																							
Comprador, young		00-1									xx																																						
van Corbach	000-2	00-2			000-1			000-3				xx																																					
Hugo Cunliffe-Owen		0-40-10							00-1				xx																																				
James B. Duke		00-1												xx																																			
E.H. Dunning	000-10	00-131-1		000-2	000-4			000-1				000-1			xx																																		
Mr. Emerson		00-4														xx																																	
C.E. Fiske	000-1	00-81-1		000-1	000-2										000-1	001-0	xx																																
Goodnow		00-2			005-1										003-1			xx																															
Mr. Godsey		0-10-4			000-2										000-1	00-1			xx																														
W.R. Harris		0-80-5							00-1				00-1	00-1					02-0	xx																													
A.T. Heuckendorff		0-20-1																			xx																												
C.T. Hill		0-11														00-1						xx																											
Fritz Holm		0-1			01-0												01-0						xx																										
Albert G. Jeffress	01-0	0-210-2											02-0			02-0			01-0	00-3	00-1			xx																									
T.R. Jernigan		00-20-1			000-3			000-2				000-2			000-6			000-3	000-1						xx																								
John		0-1																								xx																							
C.S. Keene		0-1						01-0					01-0				01-0										xx																						
Mr. Keily	000-1	00-30-2		000-1	000-3								00-1		000-2		000-2	000-1		00-1				00-1	000-2			xx																					
Edmund Kempffer		00-30-1			000-1							000-1			000-1		001-0		000-1		000-1				000-2			000-4	xx																				
Koo Yuen Koo		00-1																						00-1						xx																			
Mr. Lacy		00-7																													xx																		
Low E. Wing		0-1																														xx																	
Mr. Magrath		00-4																	000-1					00-4					000-1				xx																
O. Middleton		00-1						000-1				000-1			000-2			000-1							000-2			000-1	000-2					xx															
Lewis Mustard	012-0	0-34	01-0		010-0	04-0	02-0			00-1		02-0			010-0		06-0								01-0						00-7			01-0	xx														
Mr. Peacock		00-4																				00-1		00-3												xx													
Captain J.A. Pratt	000-1	00-2													000-1																				00-1		xx												
Peter Theodor Raaschou	000-1	00-10-1		000-1				000-2							000-1						000-1							000-1										xx											
P.O. Roza		0-10-1																																	00-1				xx										
Sow Ying		00-1																														00-1+1								xx									
Mr. Syms		00-4																				00-1		00-3																	xx								
James A. Thomas		0-20-140-2			000-1								00-1		000-3				000-1	01-5		00-1	00-1	00-5	000-1				000-1													xx							
Trevor Thomas		0-10-11													000-1					00-1		00-1		01-9																			xx						
R.E. Toeg	001-5	00-31-4	000-1	000-2	000-3			000-1				000-1	000-1		000-4		000-1	000-1						00-2	000-3			000-2	000-2				000-1	000-2	00-1		000-1	000-3						xx					
George F. Trowbridge		0-8			03-0																														01-0										xx				
Henri Vinay		00-2																																	00-2											xx			
Francis A. Wilson		0-2																																													xx		
Xu Shichang		00-2																																														xx	
Yuen Lee		00-1																						00-1																									xx

Table 12. The strength of ties in Laurits Andersen’s network 1903-1911 (calculated)

	James Ambrose	Laurits Andersen	N.P. Andersen	R.A.J. Andersen	Charley Bennett	Gordon Bennett	Laura Bennett	W.P. Boyd	T.A. Christensen	Comprador, old	Comprador, young	van Corbach	Hugo Cunliffe-Owen	James B. Duke	E.H. Dunning	Mr. Emerson	C.E. Fiske
James Ambrose	xx																
Laurits Andersen	8.0	xx															
N.P. Andersen	0.5	0.5	xx														
R.A.J. Andersen	1.0	3.5		xx													
Charley Bennett	1.0	9.5		0.5	xx												
Gordon Bennett		2.0				xx											
Laura Bennett		1.0					xx										
W.P. Boyd	1.0	1.5	0.5		0.5			xx									
T.A. Christensen		3.0							xx								
Comprador, old		1.0								xx							
Comprador, young		0.5									xx						
van Corbach	1.0	1.0			0.5			1.5				xx					
Hugo Cunliffe-Owen		7.0							0.5				xx				
James B. Duke		0.5												xx			
E.H. Dunning	5.0	8.0		1.0	2.0			0.5				0.5			xx		
Mr. Emerson		2.0														xx	
C.E. Fiske	0.5	5.5		0.5	1.0										0.5	0 0 1-0	xx
Goodnow		1.0			5.5										3.5		
Mr. Godsey		3.0			1.0										0.5	0 0-1	
W.R. Harris		10.5							0.5				0.5	0.5			
A.T. Heuckendorff		2.5															
C.T. Hill		11.0														0 0-1	
Fritz Holm		1.0			0.5												0.5
Albert G. Jeffress	0.5	22.0											1.0			0 2-0	
T.R. Jernigan		1.5			1.5			1.0				1.0			3.0		
John		1.0															
C.S. Keene		1.0						0.5					0.5				0.5
Mr. Kelly	0.5	2.5		0.5	1.5								0.5		1.0		1.0
Edmund Kempffer		2.0			0.5							0.5			0.5		1.0
Koo Yuen Koo		0.5															
Mr. Lacy		3.5															
Low E. Wing		1.0															
Mr. Magrath		2.0															
O. Middleton		0.5						0.5				0.5			1.0		
Lewis Mustard	6.0	34.0	0.5		5.0	2.0	1.0			0.5		1.0			5.0		3.0
Mr. Peacock		2.0															
Captain J.A. Pratt	0.5	1.0													0.5		
Peter Theodor Raaschou	0.5	1.0		0.5				1.0							0.5		
P.O. Roza		1.5															
Sow Ying		0.5															
Mr. Syms		2.0															
James A. Thomas		10.0			0.5								0.5		1.5		
Trevor Thomas		6.5													0.5		
R.E. Toeg	3.5	4.5	0.5	1.0	1.5			0.5				0.5	0.5		2.0		0.5
George F. Trowbridge		8.0			1.5												
Henri Vinay		1.0															
Francis A. Wilson		2.0															
Xu Shichang		1.0															
Yuen Lee		0.5															

	Goodnow	Mr. Godsey	W.R. Harris	A.T. Heuckendorff	C.T. Hill	Fritz Holm	Albert G. Jeffress	T.R. Jernigan	John	C.S. Keene	Mr. Kelly	Edmund Kempffer	Koo Yuen Koo	Mr. Lacy	Low E. Wing	Mr. Magrath
James Ambrose																
Laurits Andersen																
N.P. Andersen																
R.A.J. Andersen																
Charley Bennett																
Gordon Bennett																
Laura Bennett																
W.P. Boyd																
T.A. Christensen																
Comprador, old																
Comprador, young																
van Corbach																
Hugo Cunliffe-Owen																
James B. Duke																
E.H. Dunning																
Mr. Emerson																
C.E. Fiske																
Goodnow	xx															
Mr. Godsey		xx														
W.R. Harris		0 2-0	xx													
A.T. Heuckendorff				xx												
C.T. Hill					xx											
Fritz Holm						xx										
Albert G. Jeffress		0.5	1.5	0 0-1			xx									
T.R. Jernigan	1.5	0.5						xx								
John									xx							
C.S. Keene										xx						
Mr. Kelly	0.5		0.5				0.5	1.0			xx					
Edmund Kempffer		0.5		0.5				1.0			2.0	xx				
Koo Yuen Koo							0.5						xx			
Mr. Lacy														xx		
Low E. Wing															xx	
Mr. Magrath		0.5					2.0					0.5				xx
O. Middleton	0.5							1.0			0.5	1.0				
Lewis Mustard								0.5						3.5		
Mr. Peacock					0.5		1.5									
Captain J.A. Pratt																
Peter Theodor Raaschou				0.5							0.5					
P.O. Roza																
Sow Ying															1.5	
Mr. Syms					0.5		1.5									
James A. Thomas		0.5	3.5		0.5	0.5	2.5	0.5				0.5				
Trevor Thomas			0.5		0.5		5.5									
R.E. Toeg	0.5						1.0	1.5			1.0	1.0				0.5
George F. Trowbridge																
Henri Vinay																
Francis A. Wilson																
Xu Shichang																
Yuen Lee							0.5									

	O. Middleton	Lewis Mustard	Mr. Peacock	Captain J.A. Pratt	Peter Theodor Raaschou	P.O. Roza	Sow Ying	Mr. Syme	James A. Thomas	Trevor Thomas	R.E. Toeg	George F. Trowbridge	Henri Vinay	Francis A. Wilson	Xu Shichang	Yuen Lee
James Ambrose																
Laurits Andersen																
N.P. Andersen																
R.A.J. Andersen																
Charley Bennett																
Gordon Bennett																
Laura Bennett																
W.P. Boyd																
T.A. Christensen																
Comprador, old																
Comprador, young																
van Corbach																
Hugo Cunliffe-Owen																
James B. Duke																
E.H. Dunning																
Mr. Emerson																
C.E. Fiske																
Goodnow																
Mr. Godsey																
W.R. Harris																
A.T. Heuckendorff																
C.T. Hill																
Fritz Holm																
Albert G. Jeffress																
T.R. Jernigan																
John																
C.S. Keene																
Mr. Kelly																
Edmund Kempffer																
Koo Yuen Koo																
Mr. Lacy																
Low E. Wing																
Mr. Magrath																
O. Middleton	xx															
Lewis Mustard	0.5	xx														
Mr. Peacock			xx													
Captain J.A. Pratt		0.5		xx												
Peter Theodor Raaschou					xx											
P.O. Roza		0.5				xx										
Sow Ying							xx									
Mr. Syms								xx								
James A. Thomas									xx							
Trevor Thomas										xx						
R.E. Toeg	1.0	0.5		0.5	1.5						xx					
George F. Trowbridge		0.5										xx				
Henri Vinay		1.0											xx			
Francis A. Wilson														xx		
Xu Shichang															xx	
Yuen Lee																xx

Fig. 10. Laurits Andersen's network, 1903-1911. Strength of ties shown graphically. Based on correspondence and contemporary newspaper reports. The "Shanghai old-timers" are inside the red circle.

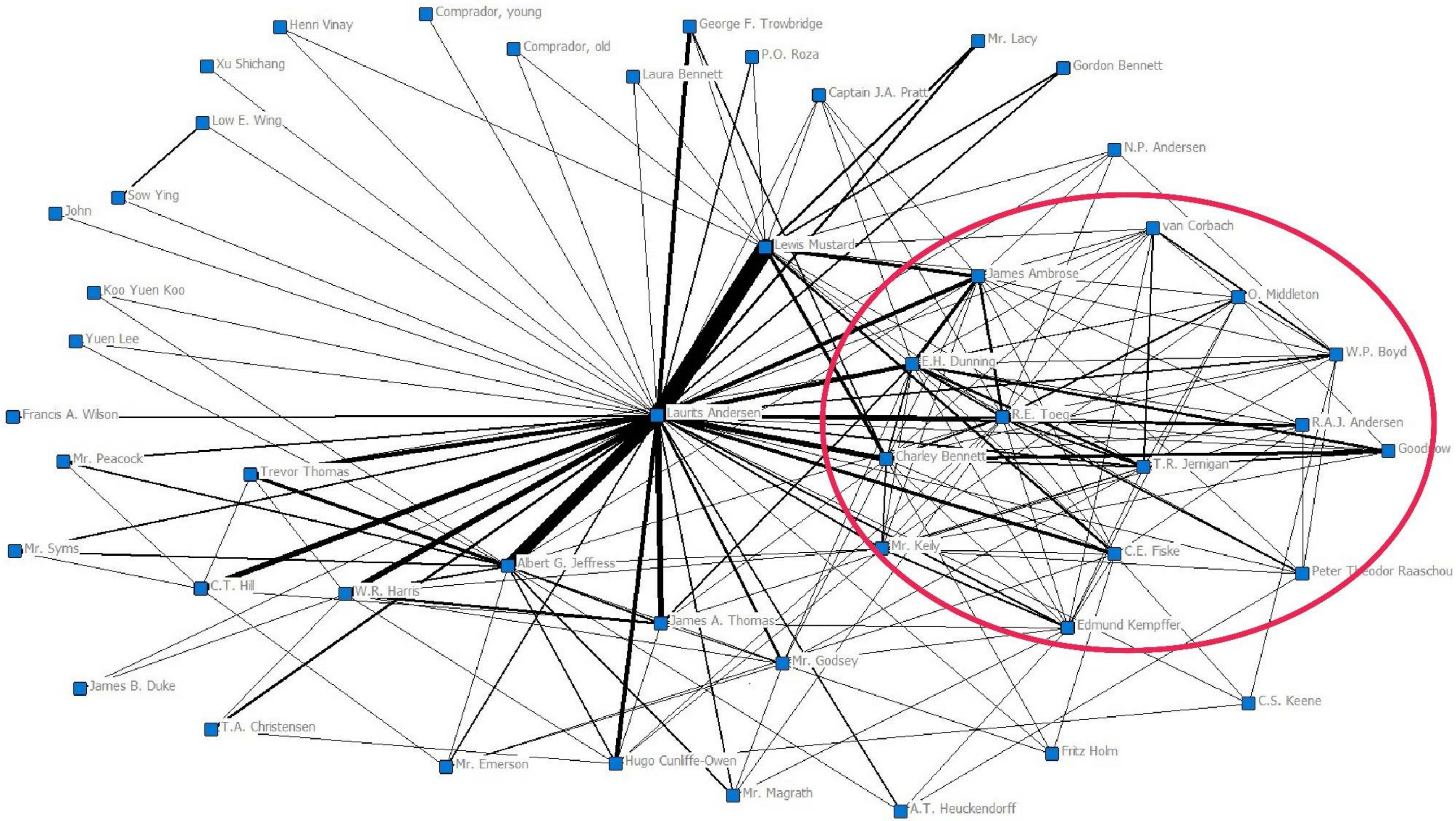


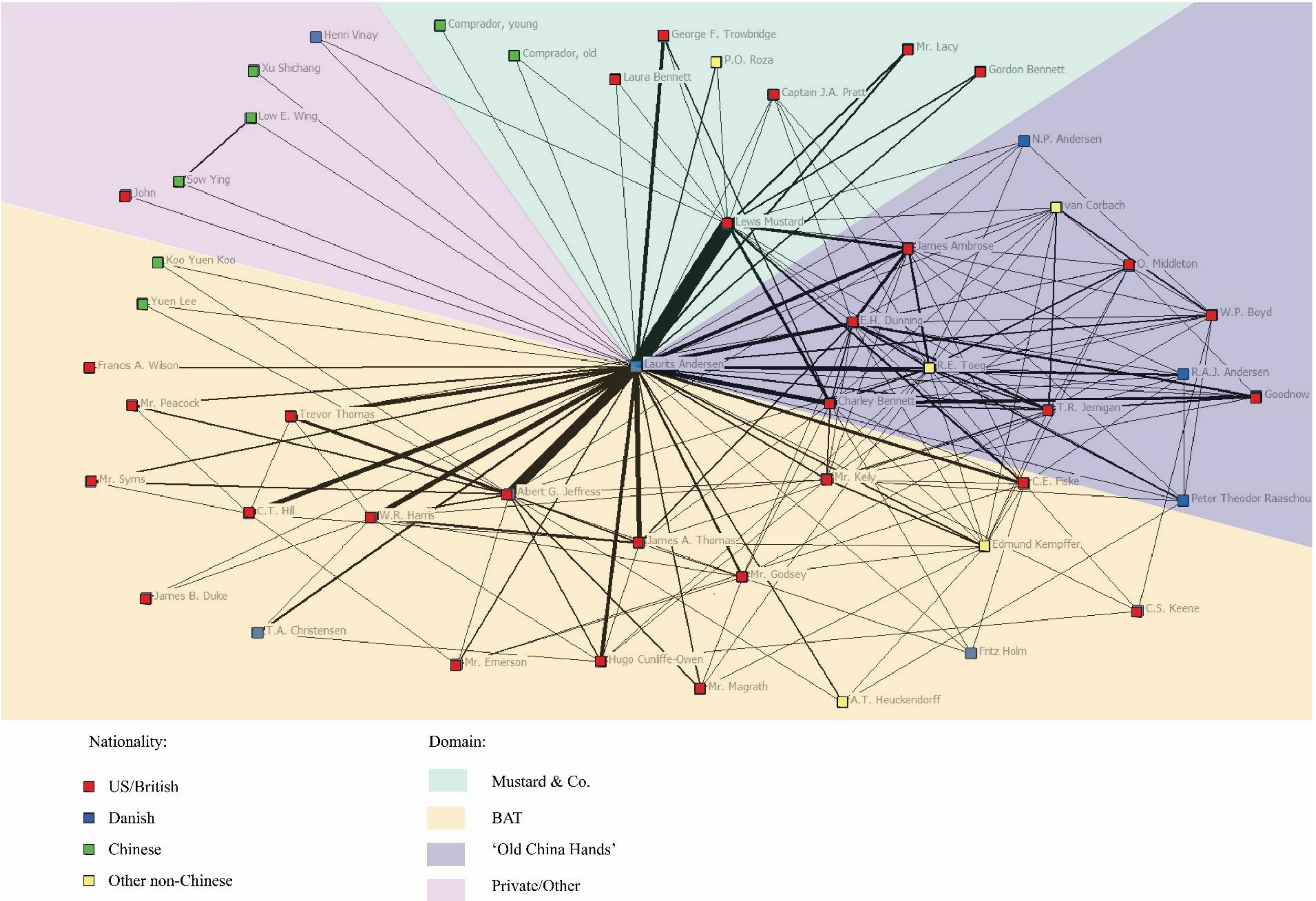
Fig. 10 adds more meat to the skeleton provided in Fig. 9 but does not significantly alter the impression that Andersen was a key contact point between the Mustard family interests on one hand, and BAT on the other. Indeed, the inclusion of data from the newspapers does not unveil any “hidden” interaction between Mustard and BAT, which seem to have communicated almost exclusively via Andersen.

One of the key differences emerging when comparing Fig. 9 and Fig. 10 is the area inside the red circle on Fig. 10, corresponding roughly to the “old China hands” in Shanghai’s foreign community, typified by James Ambrose, who had lived in the city since 1877. Whereas Fig. 9, based merely on Andersen’s correspondence, suggests limited social interaction among the member of this group, the introduction of the additional evidence contained in the contemporary media changes this picture drastically, showing a dense pattern of interaction. Well-connected individuals such as Ambrose and J.E. Toeg emerge as central figures in this network, with strong ties to most of their peers. Andersen, on the other hand, appears somewhat more marginal to this group. In particular, he has limited exposure to the diplomatic or political arena, represented by Goodnow and Boyd, two senior members of the US consulate general. This is a reflection of the fact, remarked on earlier, that Andersen only had limited ability to interact with these individuals, given his status as a non-US citizen. However, it is remarkable that Andersen’s tie with the Danish Consul General Theodor Raaschou is also relatively weak.

From a methodological point of view, a comparison of Fig. 9 and Fig. 10 shows that while network analysis based exclusively on personal correspondence can point towards important connections, such as Andersen’s role as a bridge between Mustard and BAT, it can also lead to a biased view of the past, as revealed here, where the addition of newspaper data throws light on the dense personal network among Shanghai “old-timers”. Correspondence data must, therefore, be supplemented by other evidence, whenever possible.

Fig. 11 provides a color-coded graphic display of Laurits Andersen’s network. One aspect that stands out in particular is the predominance of American and British individuals, as well as the relative scarcity of Chinese in the network.

Fig. 11. Laurits Andersen's network, 1903-1911. Strength of ties shown graphically. Color coding of nationality and domain.



7.2.4. Structural hole measures

Table 13 provides structural hole measures for the data extracted from Andersen's correspondence in the period 1903 to 1911, while Table 14 gives corresponding structural hole measures for data based on both the correspondence and the contemporary newspaper reports.

Table 13. Structural hole measures in Laurits Andersen's network 1903-1911, based on information in Table 9.

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	James Ambrose	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
2	Laurits Andersen	46	43.522	0.946	0.088	0.323	36.333	-2.425	0.551	0.028	1.239	2013
3	N.P. Andersen	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
4	R.A.J. Andersen	1	1	1		1	0		0		0	0
5	Charley Bennett	4	2	0.500	0.704	0.057	0	-0.350	0.646	0.333	1	8
6	Gordon Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
7	Laura Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
8	W.P. Boyd	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
9	T.A. Christensen	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
10	Comprador, old	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
11	Comprador, young	1	1	1		1	0		0		0	0
12	van Corbach	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
13	Hugo Cunliffe-Owen	7	3.286	0.469	0.480	0.078	2	-0.735	0.764	0.310	1.857	29
14	James B. Duke	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
15	E.H. Dunning	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
16	Mr. Emerson	4	2	0.500	0.704	0.057	0	-0.350	0.646	0.333	1	8
17	C.E. Fiske	4	2.500	0.625	0.684	0.168	0	-0.380	0.563	0.250	0.750	9
18	Mr. Godsey	4	1.500	0.375	0.740	0.021	1	-0.300	0.708	0.417	1.250	7
19	W.R. Harris	10	6.400	0.640	0.359	0.164	11	-1.023	0.728	0.200	1.800	72
20	A.T. Heuckendorff	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
21	C.T. Hill	6	4.333	0.722	0.529	0.315	4	-0.636	0.556	0.167	0.833	25
22	Fritz Holm	4	2.500	0.625	0.684	0.168	2	-0.380	0.563	0.250	0.750	9
23	Albert G. Jeffress	16	13.125	0.820	0.284	0.420	42.500	-1.260	0.636	0.096	1.438	217
24	T.R. Jernigan	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
25	John	1	1	1		1	0		0		0	0
26	Mr. Keily	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
27	C.S. Keene	5	3	0.600	0.588	0.135	0	-0.531	0.627	0.250	1	15
28	Koo Yuen Koo	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
29	Mr. Lacy	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
30	Low E. Wing	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
31	Mr. Magrath	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
32	O. Middleton	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
33	Lewis Mustard	18	16	0.889	0.323	0.637	56.500	-1.131	0.543	0.059	1	288
34	Mr. Peacock	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
35	Captain Pratt	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
36	Peter Theodor Raaschou	1	1	1		1	0		0		0	0
37	P.O. Roza	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
38	Sow Ying	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
39	Mr. Syms	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
40	James A. Thomas	6	3.333	0.556	0.517	0.107	0	-0.659	0.681	0.267	1.333	22
41	Trevor Thomas	4	2	0.500	0.704	0.057	0	-0.350	0.646	0.333	1	8
42	Toeg	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
43	George F. Trowbridge	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
44	Henri Vinay	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
45	Francis A. Wilson	1	1	1		1	0		0		0	0
46	Xu Shichang	1	1	1		1	0		0		0	0
47	Yuen Lee	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1

47 rows, 11 columns, 1 levels.

Comparing Table 13 and 14, it is clear that including data from newspaper reports result in a more complete picture of the networks existing around Andersen in Shanghai in the early 20th century. For example, the degree value for certain individuals such as James Ambrose and Charley Bennett rise drastically once the newspaper data are included. The effective size of Andersen's network also is lower in Table 13 than in Table 14, even though his degree value is higher, reflecting the higher number of ties among his alters. Correspondingly, the efficiency value for Andersen is 0.946 in Table 13, falling to 0.878 in Table 14. Still, the constraint level in Table 13 is a rather low 0.088 for Andersen and an even lower 0.075 in Table 14, suggesting the presence of structural holes.

Table 14. Structural hole measures in Laurits Andersen's network 1903-1911, based on information in Table 12.

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	James Ambrose	14	6.429	0.459	0.265	0.047	0	-1.329	0.867	0.291	3.786	129
2	Laurits Andersen	48	42.125	0.878	0.075	0.122	23.317	-2.594	0.698	0.063	2.938	2115
3	N.P. Andersen	5	1.400	0.280	0.638	0.008	0	-0.449	0.780	0.450	1.800	11
4	R.A.J. Andersen	8	1.500	0.188	0.437	0.004	0	-0.828	0.865	0.464	3.250	30
5	Charley Bennett	17	8.882	0.522	0.220	0.049	8.117	-1.516	0.867	0.254	4.059	203
6	Gordon Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
7	Laura Bennett	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
8	W.P. Boyd	11	5	0.455	0.323	0.055	8.700	-1.131	0.822	0.300	3	77
9	T.A. Christensen	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
10	Comprador, old	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
11	Comprador, young	1	1	1		1	0		0		0	0
12	van Corbach	10	2.400	0.240	0.357	0.006	1.483	-1.031	0.882	0.422	3.800	52
13	Hugo Cunliffe-Owen	8	4.250	0.531	0.417	0.082	3.500	-0.874	0.751	0.268	1.875	41
14	James B. Duke	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
15	E.H. Dunning	19	10.158	0.535	0.199	0.055	22.043	-1.615	0.869	0.246	4.421	258
16	Mr. Emerson	5	3	0.600	0.588	0.135	0	-0.531	0.627	0.250	1	15
17	C.E. Fiske	12	6.167	0.514	0.300	0.090	12.117	-1.205	0.795	0.265	2.917	97
18	Goodnow	7	1.286	0.184	0.490	0.002	0.250	-0.713	0.850	0.476	2.857	22
19	Mr. Godsey	10	5	0.500	0.347	0.047	9	-1.059	0.813	0.278	2.500	65
20	W.R. Harris	9	5.222	0.580	0.382	0.112	8	-0.962	0.746	0.236	1.889	55
21	A.T. Heuckendorff	4	2.500	0.625	0.684	0.168	0	-0.380	0.563	0.250	0.750	9
22	C.T. Hill	6	4.333	0.722	0.529	0.315	4	-0.636	0.556	0.167	0.833	25
23	Fritz Holm	4	1.500	0.375	0.740	0.021	1	-0.300	0.708	0.417	1.250	7
24	Albert G. Jeffress	16	12.250	0.766	0.255	0.278	37	-1.367	0.704	0.125	1.875	210
25	T.R. Jernigan	13	4.846	0.373	0.282	0.027	7.560	-1.265	0.883	0.340	4.077	103
26	John	1	1	1		1	0		0		0	0
27	C.S. Keene	4	2.500	0.625	0.684	0.168	0	-0.380	0.563	0.250	0.750	9
28	Mr. Keily	15	7.533	0.502	0.244	0.039	15.483	-1.409	0.867	0.267	3.733	154
29	Edmund Kempffer	13	6.231	0.479	0.278	0.052	12.867	-1.281	0.838	0.282	3.385	112
30	Koo Yuen Koo	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
31	Mr. Lacy	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
32	Low E. Wing	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
33	Mr. Magrath	5	1.800	0.360	0.622	0.006	0.333	-0.474	0.760	0.400	1.600	12
34	O. Middleton	10	3	0.300	0.358	0.021	2.750	-1.027	0.869	0.389	3.500	55
35	Lewis Mustard	18	13	0.722	0.231	0.255	46.333	-1.464	0.730	0.147	2.500	261
36	Mr. Peacock	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
37	Captain J.A. Pratt	5	1	0.200	0.648	0	0	-0.434	0.800	0.500	2	10
38	Peter Theodor Raaschou	8	3	0.375	0.422	0.036	1	-0.863	0.802	0.357	2.500	36
39	P.O. Roza	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
40	Sow Ying	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
41	Mr. Syms	3	1.667	0.556	0.840	0.074	0	-0.175	0.556	0.333	0.667	4
42	James A. Thomas	11	6.273	0.570	0.317	0.078	0	-1.148	0.787	0.236	2.364	84
43	Trevor Thomas	5	3	0.600	0.588	0.135	0	-0.531	0.627	0.250	1	15
44	R.E. Toeg	20	11.300	0.565	0.190	0.054	0	-1.661	0.875	0.229	4.350	293
45	George F. Trowbridge	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
46	Henri Vinay	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
47	Francis A. Wilson	1	1	1		1	0		0		0	0
48	Xu Shichang	1	1	1		1	0		0		0	0
49	Yuen Lee	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1

7.3. Laurits Andersen's networks, 1912-1922

7.3.1. Analysis of correspondence.

The analysis of Laurits Andersen's networks in this section is based on a correspondence consisting of altogether 65 letters written by Laurits Andersen in the period from January 24, 1912 to December 28, 1922. Since Andersen's correspondence is somewhat more sparse than for the 1903-1911, the analysis also includes 16 letters written by or sent to James Augustus Thomas, Andersen's closest collaborator at BAT in Shanghai, in the period from February 14, 1913 to August 20, 1919 (Table 15). For key persons included in the correspondence network that emerges in this way, refer to name list in the Appendix.

Table 15. Laurits Andersen's and James A. Thomas' correspondence 1912-1922.

Sender	**Recipient**	**No. of letters**	**Period**	**Repository**
Laurits Andersen	James Ambrose	1	Mar 24, 1915	National Archives, Copenhagen
Laurits Andersen	G.G. Allen	23	Jan 24, 1912 – Feb 3, 1921	National Archives, Copenhagen
Laurits Andersen	W.R. Harris	1	Apr 17, 1912	National Archives, Copenhagen
Laurits Andersen	A.S. Hughes	1	Aug 11, 1916	National Archives, Copenhagen
Laurits Andersen	Albert G. Jeffress	19	Feb 29, 1912 – June 23, 1922	National Archives, Copenhagen
Laurits Andersen	Duncan Main	1	Nov 1, 1917	National Archives, Copenhagen
Laurits Andersen	Lewis Mustard	2	Apr 18, 1912	National Archives, Copenhagen
Laurits Andersen	John Reid	1	June 22, 1921	National Archives, Copenhagen
Laurits Andersen	Sih Pao Zung	1	Dec 18, 1917	National Archives, Copenhagen
Laurits Andersen	J.A. Thomas	5	July 15, 1914 – Sep 5, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
Laurits Andersen	J.A. Thomas	4	Sep 30, 1916 – Sep 4, 1919	National Archives, Copenhagen
Laurits Andersen	Francis A. Wilson	6	Apr 13, 1912 – Dec 28, 1922	National Archives, Copenhagen
J. H. Crocker	J. A. Thomas	1	June 5, 1914	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
J.A. Thomas	G.G. Allen	1	Aug 20, 1919	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
J.A. Thomas	Laurits Andersen	4	May 15, 1915 – Sep 8, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
J.A. Thomas	J.H. Crocker	1	June 16, 1914	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
J.A. Thomas	Francis A. Wilson	4	Mar 13, 1913 – Sep 29, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
J.A. Thomas	S.S. Young	1	Oct 12, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University

Trevor Thomas	J.A. Thomas	1	Oct 21, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
Francis A. Wilson	J.A. Thomas	2	Feb 14, 1913 – March 24, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University
S.S. Young	J.A. Thomas	1	Oct 8, 1915	James A. Thomas papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University

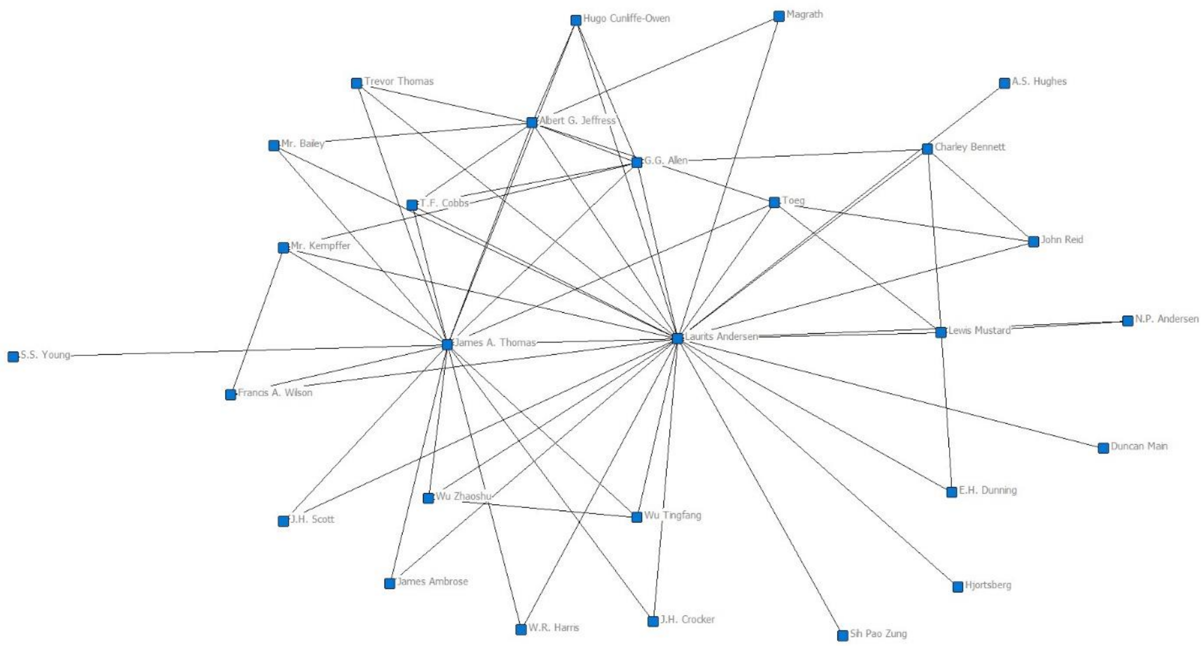
Table 16 shows the personal links, based on the definitions introduced in 7.1.1., as they emerge in the correspondence. The number 1 stands for personal connection, and empty space stands for no connection.

Table 16. Laurits Andersen's network 1912-1922.

	G.G. Allen	James Ambrose	Laurits Andersen	N.P. Andersen	Mr. Bailey	Charley Bennett	T.F. Cobbs	J.H. Crocker	Hugo Cunliffe-Owen	E.H. Dunning	W.R. Harris	Hjortsberg	A.S. Hughes	Albert G. Jeffress	Mr. Kempffer	Magrath	Duncan Main	Lewis Mustard	John Reid	J.H. Scott	Sih Pao Zung	James A. Thomas	Trevor Thomas	Toeg	Francis A. Wilson	Wu Tingfang	Wu Zhaoshu	S.S. Young	
G.G. Allen	xx																												
James Ambrose		xx																											
Laurits Andersen	1	1	xx																										
N.P. Andersen			1	xx																									
Mr. Bailey			1		xx																								
Charley Bennett	1		1			xx																							
T.F. Cobbs	1		1				xx																						
J.H. Crocker			1					xx																					
Hugo Cunliffe-Owen	1		1						xx																				
E.H. Dunning			1							xx																			
W.R. Harris			1								xx																		
Hjortsberg			1									xx																	
A.S. Hughes			1										xx																
Albert G. Jeffress	1		1		1		1		1					xx															
Mr. Kempffer	1		1												xx														
Magrath			1											1		xx													
Duncan Main			1														xx												
Lewis Mustard			1	1		1				1								xx											
John Reid			1			1													xx										
J.H. Scott			1																	xx									
Sih Pao Zung			1																		xx								
James A. Thomas	1	1	1		1		1	1	1		1			1	1					1		xx							
Trevor Thomas			1											1								1	xx						
Toeg			1											1				1	1			1		xx					
Francis A. Wilson			1												1							1			xx				
Wu Tingfang			1																			1				xx			
Wu Zhaoshu			1																			1				1	xx		
S.S. Young			1																			1						xx	

The same personal network is represented in Fig. 12 in graphic form, created with the help of the software program NetDraw.

Fig. 12. Laurits Andersen’s network 1912-1922.



Andersen and James A. Thomas emerge as two central players of seemingly nearly equal importance. In contrast to the preceding period stretching from 1903 to 1911, it is less clear that Andersen acts as a bridge between the BAT side and the Mustard side. This weakened centrality on Andersen’s part could partially be due to the nature of the historical data available. His preserved correspondence for the period 1912-1922 is thematically narrowed considerably when compared with the preceding period, and a large number of letters deal with private financial matters, such as orders directed at his New York broker Moore & Schley about the purchase and sale of shares.

By contrast, Andersen’s correspondence for the period 1903-1911, generally speaking, deals with a broader range of issues, for example personnel matters internal to Mustard/BAT, giving the opportunity to map his intra-company networks in relative detail. This could be a function of the rapid growth in the Mustard/BAT business, causing such an expansion in personnel that Andersen had to step back from direct management of this side of business. This is reflected in a letter Andersen wrote to Jeffress in 1918: “The whole building has early been turned into offices, only three floors left for storage against eight when we first moved in, having so many people on the floors we have been compelled to construct concrete fire escapes on the outside.”[726]

7.3.2. Inclusion of contemporary newspapers

In order to test whether the relative scarcity of connections is a function of the sources at hand, the analysis, similar to previous sections, is augmented with data gleaned from the

[726] Andersen to Jeffress, Aug 28, 1918, KB2, RA, 192.

contemporary media, i.e. the *North China Herald*, in which other interactions among members of the correspondence network are recorded. As in previous sections, this is also in order to facilitate measurement of the strength of ties, and with the aim to mitigate some of the inherent bias in the correspondence network, similar to previous sections, see Table 17.

Table 17. Events involving members of Laurits Andersen's social networks, 1912-1922.

Time	**Event**	**Participants**	**Points**
March 16, 1912	Shanghai Horticultural Society	Ambrose, Wu Tingfang	0.5
March 20, 1913	Ratepayers meeting	Ambrose, Dunning, Main, Toeg	0.5
Oct 4, 1913	Steamer *Empress of Asia* from Vancouver	Ambrose, Dunning	0.5
Feb 28, 1914	Washington Birthday Ball	Cobbs, Thomas	0.5
April 11, 1914	Horticultural Society annual meeting	Ambrose, Wu Tingfang	0.5
April 25, 1914	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
May 23, 1914	Ratepayers meeting	Ambrose, Andersen, Dunning, Main, Toeg	0.5
May 23, 1914	Anglo-French Flower Show, organizing committee	Ambrose, Wu Tingfang	0.5
June 5, 1914	Ratepayers meeting	Ambrose, L. Andersen, Dunning, Main, Toeg	0.5
Nov 21, 1914	Flower Show, organizing committee	Ambrose, Wu Tingfang	0.5
Nov 28, 1914	Floral Tributes to Mr. John West	Ambrose, Dunning, Toeg	0.5
March 23, 1915	Ratepayers meeting	Ambrose, Dunning, Main, Toeg	
April 24, 1915	Horticultural Society annual meeting	Ambrose, Wu Tingfang	0.5
June 12, 1915	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
Dec 18, 1915	Letter to editor, NCH	Cobbs, Thomas	1.0
April 8, 1916	Yangtsze Insurance Association, shareholder meeting	Ambrose, Toeg	0.5
April 29, 1916	Shanghai Gas Co., shareholder meeting	Ambrose, Dunning	0.5
April 28, 1917	Shanghai Gas Co., shareholder meeting	Ambrose, Dunning	
May 26, 1917	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
May 25, 1918	Horticultural Society spring show	Ambrose, Toeg	0.5
Nov 16. 1918	Funeral of Ellen Jansen	Ambrose, Dunning	0.5
March 29, 1919	New Engineering Works, shareholder meetings	Ambrose, Toeg	0.5
April 26, 1919	Shanghai Gas Co.	Ambrose, Dunning	0.5
May 26, 1919	Lane, Crawford & Co., shareholder meeting	Ambrose, Dunning	0.5
Aug 16, 1919	Clay Pigeon Club	Ambrose, Cobbs	0.5
Aug 23, 1919	Clay Pigeon Club	Ambrose, Cobbs	0.5
March 6, 1920	Clay Pigeon Club	Ambrose, Cobbs	0.5
June 4, 1920	Spring Flower Show	Ambrose, Toeg	0.5

June 3, 1922	Flower Show	Ambrose, Toeg	0.5

One circumstance that is immediately obvious from a reading of Table 17 is the significantly smaller number of events as opposed to the previous period. While for the period 1903-1911 a total of 76 events were counted, the number for 1912-1922 is just 29. This would suggest relatively little activity in Andersen’s network. There are two possible explanations for this. First, Andersen’s network to a large extent moved beyond Shanghai in the period 1912-1922 due to his close association with British American Tobacco, a multinational corporation, and his focus moved towards the cities of New York and London. It is possible, but beyond the scope of this analysis, that an analysis of American and British newspapers would unveil more activity among members of Andersen’s network living in those parts of the world.

Secondly, age may also be a reason. In the period under discussion, Andersen was in his 60s and early 70s and was thus preparing to retire, with a diminished incentive to establish new connections and maintain existing networks for professional purposes. The same pattern can be observed for other members of Andersen’s cohort. One example is R.E. Toeg, who, for the period 1903-1911 was engaged in 16 activities involving other members of Andersen’s network, according to *North China Herald* records, as opposed to 10 activities for the period 1912-1922. On the other hand, James Ambrose, who was also a member of Andersen’s cohort, actually seems to have increased his networking activities in the period under review, with 18 activities recorded for the 1903-1911 period, rising to 27 activities during the 1912-1922 period. The difference between Ambrose and Andersen, apart from possibly stemming from differences in individual *modus operandi*, could be due to Andersen’s embeddedness in formal corporate bureaucracy, reducing the incentive for him to engage in networking, while Ambrose, being a more independent operator with no fixed allegiances, remained under this kind of incentive.

7.3.3. Measurement of strength of ties

Using the point system described in 7.1.2., the strength of ties based on correspondence and contemporary newspaper reports is described in Table 18, with Table 19 providing the same matrix containing the calculated point totals. Fig. 13 contains the information in graphic form, with the color codes used in previous sections.

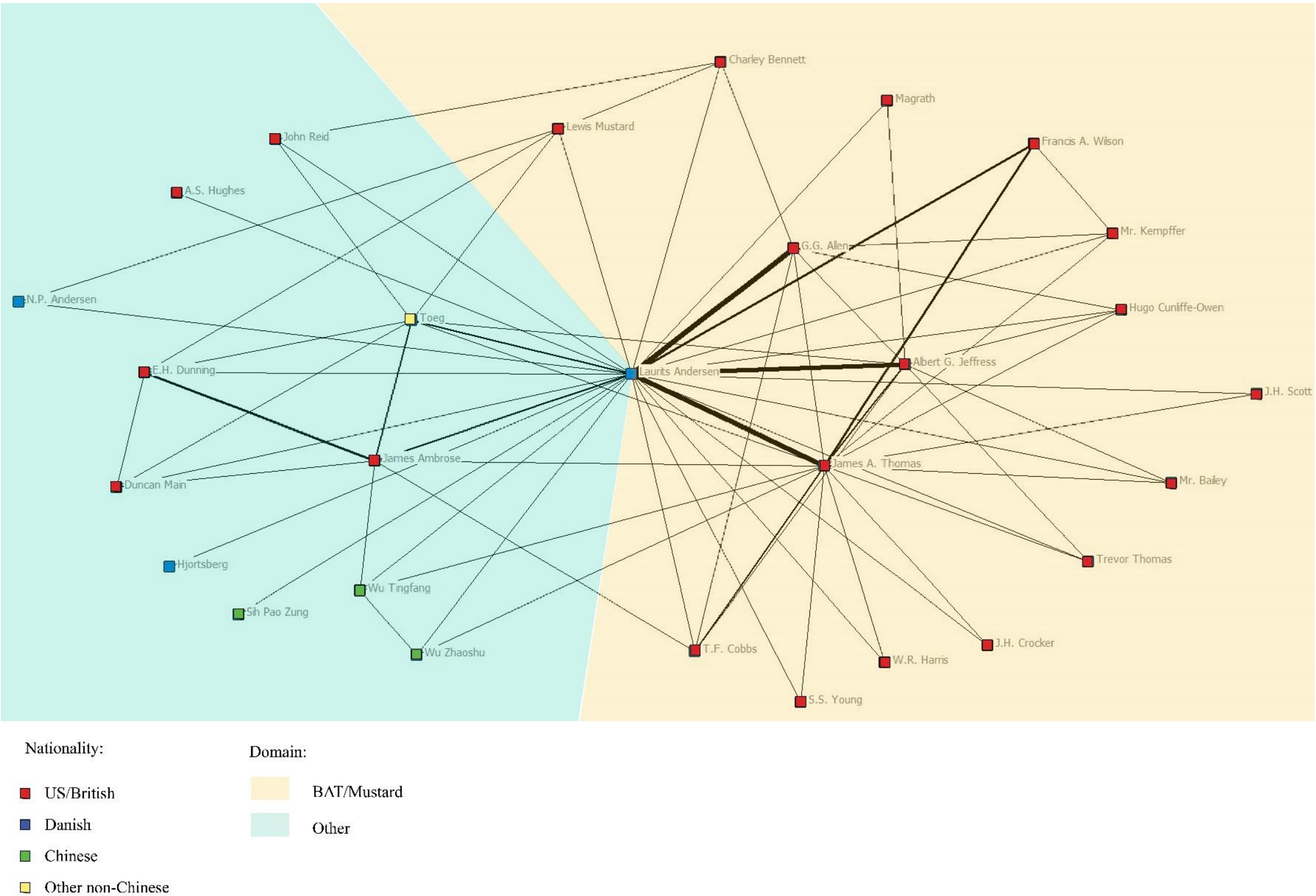
Table 18. The strength of ties in Laurits Andersen's network 1912-1922

	G.G. Allen	James Ambrose	Laurits Andersen	N.P. Andersen	Mr. Bailey	Charley Bennett	T.F. Cobbs	J.H. Crocker	Hugo Cunliffe-Owen	E.H. Dunning	W.R. Harris	Hjortsberg	A.S. Hughes	Albert G. Jeffress	Mr. Kempffer	Magrath	Duncan Main	Lewis Mustard	John Reid	J.H. Scott	Sih Pao Zung	James A. Thomas	Trevor Thomas	Toeg	Francis A. Wilson	Wu Tingfang	Wu Zhaoshu	S.S. Young		
G.G. Allen	xx																													
James Ambrose		xx																												
Laurits Andersen	23-0 4-0	1-0 1-1 0-	xx																											
N.P. Andersen			0 0-1	xx																										
Mr. Bailey			0 0-4		xx																									
Charley Bennett	0 0-1		0 0-3			xx																								
T.F. Cobbs	0 0-2	0 0 0-3	0 0-5				xx																							
J.H. Crocker			0 0-1					xx																						
Hugo Cunliffe-Owen	0 0-1		0 0-4						xx																					
E.H. Dunning		0 0 0-14	0 0-2 0-2							xx																				
W.R. Harris			0-1								xx																			
Hjortsberg			0 0-1									xx																		
A.S. Hughes			0-1										xx																	
Albert G. Jeffress	0 2-2		0-18 0-6		0 2-0		0 2-0		0 2-0					xx																
Mr. Kempffer	0 0-1		0 0-4												xx															
Magrath			0 0-1											0 0-1		xx														
Duncan Main		0 0 0-4	0-1 0 0-2							0 0 0-4							xx													
Lewis Mustard			0-2	0 1-0		0 1-0				0 1-0								xx												
John Reid			0-1			0 1-0													xx											
J.H. Scott			0-1 0-1																	xx										
Sih Pao Zung			0-1																		xx									
James A. Thomas	1-0	0 1-1	5-9 7-16		0 1-0		0 4-0 1-1	1-1	0 0-1		0 0-1			0 1-9	0 2-0					0 1-0		xx								
Trevor Thomas			0 0-3											0 0-1								1-0 0-2	xx							
Toeg		0 0 0-9	0 0-5 0-2							0 0 0-5				0 0-1			0 0 0-3	0 0-1	0 0-1			0 0-2		xx						
Francis A. Wilson			0-6 5-1												0 1-0							2-4 5-0			xx					
Wu Tingfang		0 0 0-5	0 0-1																			0 0-1				xx				
Wu Zhaoshu			0 0-1																			0 0-1				1	xx			
S.S. Young			0 0-1																			0 0-1						xx		

Table 19. The strength of ties in Laurits Andersen's network 1912-1922 (calculated)

	G.G. Allen	James Ambrose	Laurits Andersen	N.P. Andersen	Mr. Bailey	Charley Bennett	T.F. Cobbs	J.H. Crocker	Hugo Cunliffe-Owen	E.H. Dunning	W.R. Harris	Hjortsberg	A.S. Hughes	Albert G. Jeffress	Mr. Kempffer	Magrath	Duncan Main	Lewis Mustard	John Reid	J.H. Scott	Sih Pao Zung	James A. Thomas	Trevor Thomas	Toeg	Francis A. Wilson	Wu Tingfang	Wu Zhaoshu	S.S. Young
G.G. Allen	xx																											
James Ambrose		xx																										
Laurits Andersen	25.0	3.0	xx																									
N.P. Andersen			0.5	xx																								
Mr. Bailey			2.0		xx																							
Charley Bennett	0.5		1.5			xx																						
T.F. Cobbs	1.0	1.5	2.5				xx																					
J.H. Crocker			0.5					xx																				
Hugo Cunliffe-Owen	0.5		2.0						xx																			
E.H. Dunning		7.0	2.0							xx																		
W.R. Harris			1.0								xx																	
Hjortsberg			0.5									xx																
A.S. Hughes			1.0										xx															
Albert G. Jeffress	2.0		21.0		1.0		1.0		1.0					xx														
Mr. Kempffer	0.5		0.5												xx													
Magrath			0.5											0.5		xx												
Duncan Main		2.0	2.0							2.0							xx											
Lewis Mustard			2.0	0.5		0.5				0.5								xx										
John Reid			1.0			0.5													xx									
J.H. Scott			1.5																	xx								
Sih Pao Zung			1.0																		xx							
James A. Thomas	1.0	1.0	25.5		0.5		3.0	2.0	0.5		0.5			5.0	1.0					0.5		xx						
Trevor Thomas			1.5											0.5								2.0	xx					
Toeg		4.5	3.5							2.5				0.5			1.5	0.5	0.5			1.0		xx				
Francis A. Wilson			9.0												0.5							8.5			xx			
Wu Tingfang		2.5	0.5																			0.5				xx		
Wu Zhaoshu			0.5																			0.5				1.0	xx	
S.S. Young			0.5																			0.5						xx

Fig. 13. Laurits Andersen's network, 1912-1922. Strength of ties shown graphically. Color coding of nationality and domain.



In Fig. 13, no attempt has been made to divide Andersen's network into parts belong to a specific Mustard domain and a specific BAT domain, respectively. The reason is that by 1912, BAT's and Mustard's operations in China had become so integrated that a distinction between the two was is no longer meaningful or perhaps even possible. For example, very often in his business correspondence, James A. Thomas, who was dispatched to China as a BAT representative, refers to matters that are non-tobacco-related and therefore clearly within the realm of Mustard's business.

Fig. 13 confirms the notion that Andersen's personal network were considerably less complex in the 1911-1922 period than in the period prior to that. Partly this could be due to the factors already mentioned, including Andersen's position in his career trajectory at a time when networking mattered less than before. However, Fig. 13 also underlines the growing homogeneity of Andersen's network. Most of his ties located inside the BAT/Mustard domain, and, equally importantly, his strongest ties, to G.G. Allen, Albert G. Jeffress and James A. Thomas, are located there, too. Adding to the homogeneity, there is a preponderance of British/Americans individuals in his network, constituting 21 out of a total of 27, or 78 percent. The corresponding percentage for the period 1903-1911 was 57 percent.

7.3.4. Structural hole measures

Table 20 provides structural hole measures for the data extracted from Andersen's correspondence in the period 1912 to 1922, while Table 21 gives corresponding structural hole measures for data based on both the correspondence and the contemporary newspaper reports. Most strikingly, the statistics for Andersen, for example in a crucial measure such as constraint is only minimally affected by the inclusion of newspaper data.

Table 20. Structural hole measures in Laurits Andersen's network 1912-1922, based on information in Table 16.

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	G.G. Allen	7	3.571	0.510	0.467	0.082	0	-0.762	0.737	0.286	1.714	30
2	James Ambrose	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
3	Laurits Andersen	26	23.385	0.899	0.132	0.237	34	-2.024	0.569	0.052	1.308	616
4	N.P. Andersen	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
5	Mr. Bailey	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
6	Charley Bennett	4	2.500	0.625	0.684	0.168	1	-0.380	0.563	0.250	0.750	9
7	T.F. Cobbs	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
8	J.H. Crocker	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
9	Hugo Cunliffe-Owen	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
10	E.H. Dunning	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
11	W.R. Harris	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
12	Hjortsberg	1	1	1		1	0		0		0	0
13	A.S. Hughes	1	1	1		1	0		0		0	0
14	Albert G. Jeffress	9	5.444	0.605	0.394	0.157	7.167	-0.931	0.729	0.222	1.778	56
15	Mr. Kempffer	4	1.500	0.375	0.740	0.021	0.333	-0.300	0.708	0.417	1.250	7
16	Magrath	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
17	Duncan Main	1	1	1		1	0		0		0	0
18	Lewis Mustard	5	3.400	0.680	0.590	0.248	3	-0.527	0.560	0.200	0.800	16
19	John Reid	3	1.667	0.556	0.840	0.074	1	-0.175	0.556	0.333	0.667	4
20	J.H. Scott	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
21	Sih Pao Zung	1	1	1		1	0		0		0	0
22	James A. Thomas	17	13.941	0.820	0.239	0.327	49.500	-1.430	0.641	0.096	1.529	246
23	Trevor Thomas	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
24	Toeg	5	3	0.600	0.588	0.135	0	-0.531	0.627	0.250	1	15
25	Francis A. Wilson	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
26	Wu Tingfang	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
27	Wu Zhaoshu	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
28	S.S. Young	1	1	1		1	0		0		0	0

28 rows, 11 columns, 1 levels.

Table 21. Structural hole measures in Laurits Andersen’s network 1912-1922, based on information in Table 19.

		1 Degree	2 EffSize	3 Efficiency	4 Constraint	5 Hierarchy	6 EgoBet	7 Ln(Constraint)	8 Indirects	9 Density	10 AvgDeg	11 Numholes
1	G.G. Allen	7	3.571	0.510	0.467	0.082	0	-0.762	0.737	0.286	1.714	30
2	James Ambrose	7	3.571	0.510	0.463	0.053	0	-0.769	0.756	0.286	1.714	30
3	Laurits Andersen	27	23.889	0.885	0.133	0.226	30.000	-2.014	0.617	0.060	1.556	660
4	N.P. Andersen	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
5	Mr. Bailey	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
6	Charley Bennett	4	2.500	0.625	0.684	0.168	1	-0.380	0.563	0.250	0.750	9
7	T.F. Cobbs	5	1.800	0.360	0.627	0.024	0.500	-0.467	0.753	0.400	1.600	12
8	J.H. Crocker	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
9	Hugo Cunliffe-Owen	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
10	E.H. Dunning	5	1.800	0.360	0.627	0.024	0.500	-0.467	0.753	0.400	1.600	12
11	W.R. Harris	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
12	Hjortsberg	1	1	1		1	0		0		0	0
13	A.S. Hughes	1	1	1		1	0		0		0	0
14	Albert G. Jeffress	9	5.444	0.605	0.394	0.157	7.167	-0.931	0.729	0.222	1.778	56
15	Mr. Kempffer	4	1.500	0.375	0.740	0.021	0.333	-0.300	0.708	0.417	1.250	7
16	Magrath	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
17	Duncan Main	4	1	0.250	0.766	0	0	-0.267	0.750	0.500	1.500	6
18	Lewis Mustard	5	3	0.600	0.588	0.135	2	-0.531	0.627	0.250	1	15
19	John Reid	3	1.667	0.556	0.840	0.074	1	-0.175	0.556	0.333	0.667	4
20	J.H. Scott	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
21	Sih Pao Zung	1	1	1		1	0		0		0	0
22	James A. Thomas	17	13.588	0.799	0.254	0.331	46.500	-1.372	0.686	0.107	1.706	243
23	Trevor Thomas	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
24	Toeg	8	4.750	0.594	0.412	0.102	0	-0.887	0.726	0.232	1.625	43
25	Francis A. Wilson	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
26	Wu Tingfang	3	1	0.333	0.926	0	0	-0.077	0.667	0.500	1	3
27	Wu Zhaoshu	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1
28	S.S. Young	2	1	0.500	1.125	0	0	0.118	0.500	0.500	0.500	1

28 rows, 11 columns, 1 levels.

7.4. Laurits Andersen's networks, 1923-1928

7.4.1. Analysis (abbreviated)

The analysis for these years must necessarily be brief, given the scarcity of material. Correspondence preserved in the National Archives in Copenhagen covers the period from January 2, 1923 to February 27, 1928 but does not throw much light on Andersen's personal networks. Only two of the letters are of a somewhat personal nature, see Table 22. A total of 65 letters are addressed to his New York broker Moore & Schley from February 24, 1923 until February 27, 1928, showing a man putting his finances in order in preparation of completing his will. These letters are strictly business-oriented without the slightest personal touch, suggesting the firm was merely a conduit for financial transactions and thus of no interest to this analysis. In addition, two letters by Andersen to a cousin in Denmark – one of them penned on his behalf by Danish Consul General Svend Langkjær – have been included in the analysis.

Table 22. Laurits Andersen's correspondence 1923-1928.

Sender	**Recipient**	**No. of letters**	**Period**	**Repository**
Laurits Andersen	A.S. Hughes	1	Jan 18, 1923	National Archives, Copenhagen
Laurits Andersen	Albert G. Jeffress	1	Jan 2, 1923	National Archives, Copenhagen
Laurits Andersen	Anders V. Jensen	2	Nov 21, 1927 and April 13, 1928 (second letter written by Langkjaer on Andersen's behalf)	Private collection

Given the scarcity of the correspondence, no analysis will be performed on the basis of the four letters alone. Instead, in order to augment the data somewhat, the *North China Herald* for the years 1923 to 1928 is mined for reports on activities in which Laurits Andersen took part. Even if one includes Andersen's own funeral, the list is brief, see Table 23.

Table 23. Events involving members of Laurits Andersen's social networks, 1923-1928.

Time	**Event**	**Participants**	**Points**
Feb 24, 1923	Robert MacGregor's funeral	Andersen, Dunning	0.5
Oct 11, 1924	Raaschou's funeral	Andersen pallbearer for Raaschou	1.0
Oct 2, 1926	Consul General Langkaer bestows order on Andersen	Andersen, Langkjaer	1.0
April 21, 1928	Andersen's funeral	Andersen, Ambrose, Langkjær, V. Meyer (chief mourners), Morthensen (pastor) (1.0 point between Andersen and either of the four; 0.5 point for each other connection)	0.5/1.0

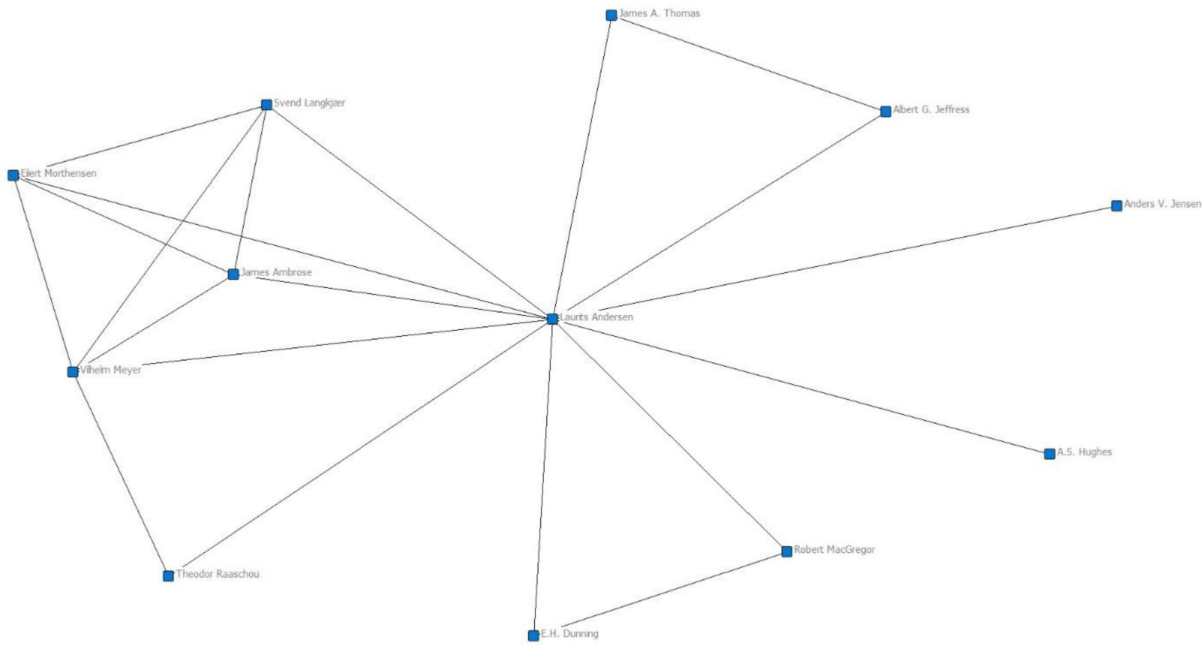
Table 24 shows the personal links, based in the definitions introduced in the previous sections, as they emerge in the correspondence and in the contemporary media. The number 1 stands for personal connection, and empty space stands for no connection.

Table 24. Laurits Andersen's network 1923-1928.

	James Ambrose	Laurits Andersen	E.H. Dunning	A.S. Hughes	Albert G. Jeffress	Anders V. Jensen	Svend Langkjær	Robert MacGregor	Vilhelm Meyer	Eilert Morthensen	Theodor Raaschou	James A. Thomas	
James Ambrose	xx												
Laurits Andersen	1	xx											
E.H. Dunning		1	xx										
A.S. Hughes		1		xx									
Albert G. Jeffress		1			xx								
Anders V. Jensen		1				xx							
Svend Langkjær	1	1					xx						
Robert MacGregor		1	1					xx					
Vilhelm Meyer	1	1					1		xx				
Eilert Morthensen	1	1					1		1	xx			
Theodor Raaschou		1							1		xx		
James A. Thomas		1			1							xx	

Fig. 14 provides the same information in graphic form.

Fig. 14. Laurits Andersen's network 1923-1928.



The graph shows drastically reduced network activity on Andersen's part. Based on the limited information at hand, the strength of ties is calculated, following the procedure outlined in earlier sections. Table 25 shows the points as the appear for each tie, and Table 26 shows the point totals.

Table 25. The strength of ties in Laurits Andersen's network 1923-1928

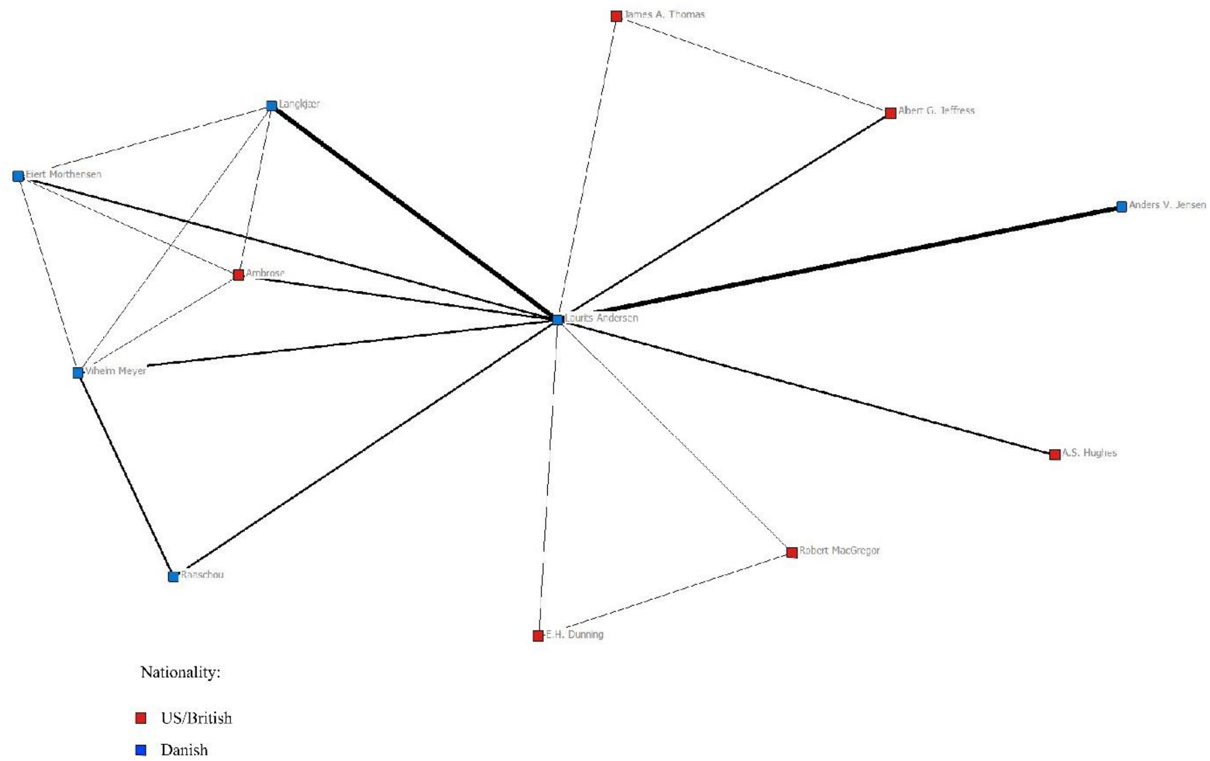
	Ambrose	Laurits Andersen	E.H. Dunning	A.S. Hughes	Albert G. Jeffress	Anders V. Jensen	Langkjær	Vilhelm Meyer	Eilert Morthensen	Raaschou	James A. Thomas	
Ambrose	xx											
Laurits Andersen	0 0 1-0	xx										
E.H. Dunning		0 0 0-1	xx									
A.S. Hughes		0-1		xx								
Albert G. Jeffress		0-1			xx							
Anders V. Jensen		0-2				xx						
Langkjær	0 0 0-1	0 0 2-0					xx					
Robert MacGregor		0 0 0-1	0 0 0-1									
Vilhelm Meyer	0 0 0-1	0 0 1-0					0 0 0-1	xx				
Eilert Morthensen	0 0 0-1	0 0 1-0					0 0 0-1	0 0 0-1	xx			
Raaschou		0 0 1-0						0 0 1-0		xx		
James A. Thomas		0 0-1			0 0-1						xx	

Table 26. The strength of ties in Laurits Andersen's network 1923-1928 (calculated)

	Ambrose	Laurits Andersen	E.H. Dunning	A.S. Hughes	Albert G. Jeffress	Anders V. Jensen	Langkjær	Robert MacGregor	Vilhelm Meyer	Eilert Morthensen	Raaschou	James A. Thomas	
Ambrose	xx												
Laurits Andersen	1.0	xx											
E.H. Dunning		0.5	xx										
A.S. Hughes		1.0		xx									
Albert G. Jeffress		1.0			xx								
Anders V. Jensen		2.0				xx							
Langkjær	0.5	2.0					xx						
Robert MacGregor		0.5	0.5					xx					
Vilhelm Meyer	0.5	1.0					0.5		xx				
Eilert Morthensen	0.5	1.0					0.5		0.5	xx			
Raaschou		1.0							1.0		xx		
James A. Thomas		0.5			0.5							xx	

Fig. 15 shows the same information in graphic form.

Fig. 15. Laurits Andersen’s network, 1923-1928. Strength of ties shown graphically. Color coding for nation.



7.5. Summary

The purpose of this chapter has been to use quantitative methods developed within the field of network analysis to gain an understanding of the networks Andersen formed part of during four distinctive periods of his life between 1890 and 1928. To reconstruct these networks, a two-step approach was adopted: first, based on the people he wrote to and about in his correspondence; and second, supplemented with data from the contemporary press. Given these raw data, the networks were rendered in graphic form for an initial, rough assessment of the “inner” architecture of the networks to answer basic questions such as: Who knows whom? Who is more central than whom? Who controls communication between whom? Further empirical detail was added to provide a measure of the strength of the ties, giving rise to questions such as: Who knows whom how well? Finally, structural holes were measured to determine if the social networks provided an environment welcoming of brokerage.

The analysis showed consistent themes as well as changes over time. Through all periods, professional networks were consolidated by activities taking place in parallel venues, including sports and charity events (see Tables 3, 10, 17 and 23). This made for networks which were marked by several strong ties, but at the same time also characterized by a significant level of structural holes, resulting in an environment inviting brokerage and by extension entrepreneurial behavior. The analysis also showed that in both the 1890-1902 and the 1903-1911 period, Andersen was able to position himself centrally within his networks and utilize them strategically to further his professional aims, whether it was to play a major role in the introduction of the Bonsack machine or to maintain a leading role within the BAT bureaucracy. In the next chapter I will move on to elaborate on these insights by setting them against qualitative evidence preserved in the written record.

8. Qualitative analysis of Laurits Andersen and his networks.

8.1. Introduction

The social networks that have been established in Chapter 7 by no means amount to a complete picture of the social networks operating in Shanghai's foreign communities around the turn of the 20th century. Given the methodology and the operationalizations chosen, they are unlikely to even provide a complete recreation of the social networks in which Andersen was located. In principle, of course, it might be possible to construct a complete chart of Andersen's social networks, or indeed for the totality of all social networks in Shanghai at his time, but it is dubious that such an approach would be very enlightening. Like a map in scale 1:1, it would sacrifice any navigability on the altar of exhaustiveness.

The crucial question is not about the *completeness* of the social networks described in the preceding chapters, but of their *representativeness*. It is important to emphasize that social networks constructed on the basis of a person's personal correspondence must be incomplete and with a built-in bias, since that person will necessarily be placed at the center of the network. The purpose of introducing contemporary newspapers as an additional source to test the validity of the correspondence networks and ascertain the extent to which members of Andersen's networks were engaged in significant patterns of interaction independent of Andersen has a direct bearing on the perception of Andersen's role as a broker.

By limiting the analysis to the Shanghai press, and not adding other media, such as New York-based newspaper or internal BAT correspondence, the dense network among, for example, BAT senior management is underplayed. Of course, this adds to risk of bias, but on the other hand, and in my view more importantly, a greater emphasis on BAT's non-Chinese operations would remove focus from the Shanghai region and lead to the study of social networks with little or no bearing on the cross-cultural environment in treaty-port China which is the primary subject of this analysis.

With this in mind, we can turn our attention to aspects of Andersen's social network that are captured by the methodology adopted in Chapter 7. The analysis of activities bringing together members of the networks in that chapter (see Tables 3, 10, 17 and 23) demonstrates that these activities can be divided into four major groups: sports, corporate, charity and civic duty, which will be discussed in turn. This will be followed by a discussion of network-related activities that are hinted at in some of the extant sources but are not captured but scarcely by the methodology and may indeed not be captured fully by *any* methodology. At the end of the chapter, I will turn to the qualitative evidence of Andersen's role as a broker, and to evidence about how he viewed his own position in the social networks, and his interaction with various groups defined by the nation and generation they belonged to.

8.2. Networking venues

Venues are taken to mean physical spaces but also more broadly social and mental spaces where individuals come together for a common purpose, allowing new social networks to evolve and strengthening existing networks.

8.2.1. Sports

Sports, in a broad sense, frequently formed a basis for establishing and maintaining social networks in Shanghai at the turn of the 20th century. This was sports as a spectator event, rather than an activity in which he members of the networks took part themselves. One of the main exceptions to this was shooting, which saw the participation of especially the relatively young members of the networks. For example, James Ambrose was chairman of the Clay Pigeon Club for a number of years in the early 20th century, while Thomas Cobbs, a member of the young generation of BAT and Mustard managers, was an active participant in the club's regularly recurring contests (see Table 17).[727]

Horse racing as a spectator sport with a significant element of gambling attached to it appears to have played a key role for social networks. Even though it is only captured sporadically by the methodology adopted in this analysis (see, for example, Table 3), anecdotal evidence emerging in the sources suggests that the race course in the center of Shanghai's foreign settlement was of central importance in bringing together members of the foreign community. The Danish journalist Olaf Linck provides a telling example of this, accompanying Andersen to the race course and describing how the old entrepreneur is greeted as the proceeds through the crowd: "Old friends come up and pat him on the shoulder with a jovial, 'Hello, commander!' But others greet him using the old nickname, 'Hello, governor!'"[728] Linck does not explain the origin of these titles, but for our purposes it suffices to note that they reflect a certain level of endearment and also suggest that Andersen was considered a figure of some authority in the local community.

Shanghai racecourse, 1908. Source: Wikimedia.

Crucially, horse racing was an activity that stirred genuine passion among its members, and it added to the attractiveness of this venue that it had low barriers of entry, with participation at

[727] For a reference to Ambrose as chairman of the Clay Pigeon Club, see also, for instance, *NCH*, March 27, 1909, p. 766.
[728] Linck, *Dansker*, 86.

varying levels of intensity was possible. One could go all in and invest in a pony in hopes that it would perform well during the season, as Andersen did repeatedly during the first decade of the century (see Chapter 6.3, pp. 123-124 and Table 3). One could take part in betting on horses, which appears to have been a pastime uniting all walks of life in the city, and one could simply go to the racecourse for "people-watching," as Andersen himself did late in life, as described by Linck: "He doesn't gamble himself. He has become too old, he says, to stake 5 dollars and receive 5.50 dollars in return, but it amuses him to walk through the halls and watch other people gamble."[729] While the interest in horse racing was tied to a specific place, the memory of having belonged to that place was sufficient in sustaining networks long after some of its members had left Shanghai and now lived in entirely different continents, as Andersen's correspondence with Jeffress in the 1910s suggests (chapter 6.4, p. 137-138).

For people such as R.E. Toeg, a merchant and high-profile investor on the Shanghai Stock Exchange, born into the Jewish community in Baghdad, the passion for horse-racing was lifelong and became a significant part of the public persona, which may have been instrumental in providing entry into social networks otherwise largely determined by nationality.[730] The supranational nature of horseracing marks a contrast with sports defined more narrowly by nation. A prime example is baseball, which may have been popular not *in spite of* leaving out non-Americans, but *because* of it. The evidence suggests that baseball events offered an opportunity for US citizens to gain privileged access to influential members of the American community, while legitimately suppressing rivals from other nations. For example, at a baseball game between crews of USS *New Orleans* and USS *Monadnock* in July 1904, C.R. Bennett position acted as umpire, while US Consul General John Goodnow was guest of honor (Table 12).

To summarize, sports venues were physical and social places where members of Andersen's networks met outside of the more formal business settings where they also encountered each other on a regular basis. In addition, they were venues that could be used strategically to exclude those who, due to their nationality, found it difficult to participate, with baseball being the most prominent example. Finally, sports venues, and especially horse racing was used self-reflexively by members of Shanghai's foreign community to consolidate a narrative they were telling about themselves as competitive risk takers striving for success. In a revealing conversation with the journalist Linck, Andersen directly compares the pony races with life as a foreign businessman in the seething treaty port of Shanghai: "We are all in a race here, huffing and puffing for the grand prize! And sometimes we feel the whiplashes, just like the other ponies."[731]

8.2.2. Other corporate activities

"Other corporate activities" refer to business activities that the foreign community in Shanghai performed "in their spare time," in addition to their main business activities. For example, in the case of Andersen, they refer to board memberships and other types of involvement in companies other than BAT and Mustard & Co. For example, he is recorded in the local media as being a member of the board of the Anglo-German Brewery Co. and

[729] Linck, *Dansker*, 86-87.
[730] Toeg obituary, *NCH*.
[731] Linck, *Dansker*, 87.

having taken part in a shareholder meeting in March 18, 1910.[732] For the western businessmen in Shanghai, whether they had arrived in the city with or without no prior connections, board memberships were a common way of establishing new contacts, although the ways in which they gained entry into the boards is often not clear from the sources and is subject to conjecture.[733]

However, Andersen's activities pale in comparison with individuals such as James Ambrose, who was an active participant in shareholder meetings for Lane, Crawford & Co.; New Engineering Works; Shanghai Steam Laundry Co.; and Yangtsze Insurance Association Shanghai Gas Co. (see Tables 3, 10 and 17); in addition, Ambrose was chairman of Cement Tile Works.[734] The low level of participation on Andersen's part can have various causes, but one possible explanation is that board membership did not speak to his specific skills, which were primarily in the technological field.

8.2.3. Charity

Charity for Andersen was sometimes a lonely activity, performed in isolation from his Shanghai-based social networks. Before Christmas of 1919 he remitted 3000 Danish kroner to Denmark for distribution among poor[735], and the following decade, he donated money to a foundation set up in Denmark for the welfare of retired sailors.[736] More frequently, however, charity was intimately associated with networking in Shanghai's foreign community around the turn of the 20th century, as for instance in December 1911, when Andersen, along with several other foreign residents of the city, made donations to the Central China Famine Relief Committee.[737] Not only were social networks instrumental in mobilizing its members and eliciting donations for charitable purposes; charity-related activities also strengthened social networks by identifying a common purpose and thus solidifying already existing ties, or by bringing together individuals who previously were not acquainted.[738]

An example of the instrumentalization of social networks for the purpose of philanthropy is the somewhat circuitous process by which Andersen eventually came to donate 50,000 pounds, or roughly one million Danish kroner, to the restoration of the National Museum in Copenhagen. Right from the onset of the donation drive, Andersen was fully exposed to the issue by virtue of his social networks, which caused him to become a member of the Shanghai-based committee set up for the purpose. More importantly, when after about a year the campaign had failed to raise the desired amount of money, Andersen was approached by a member of his social network, the former Danish consul general in Beijing James Frederik Oiesen, with a direct suggestion to donate a sizable amount (Chapter 6.5.1. pp. 142-143).

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[732] *NCH*, March 18, 1910. This is not listed in Table 12 due to the methodology adopted, including only activities which can be associated with two or more members of Andersen's correspondence network.
[733] Email communication with Stephen Davies, University of Hong Kong, May 25, 2017.
[734] *NCH*, June 10, 1911, p. 683.
[735] Andersen to Allen, September 23, 1919, copybook vol. 2, p. 234.
[736] "Generaldirektør Lauritz Andersens smukke Hilsen til vor Gerning" in *Fondet: Organ for Prins Valdemars og Prinsesses Maries Fond* (Randers, n.d.), nr. 4: 3.
[737] *NCH*, December 30, 1911.
[738] For a theoretical discussion, see Amornrat Apinunmahakula and Rose Anne Devlin, Social networks and private philanthropy," *Journal of Public Economics*, vol. 92, no. 1-2 (February 2008): 309-328.

As for ways in which the causality also worked the other way around, so to speak, and charity strengthened social networks, this appears to have taken place in two distinctive ways, either by strengthening ties among donors united for the same purpose, or by strengthening ties between donors and recipients. An example of the former is the Danish Consul General Theodor Raaschou and the Jewish businessman R.E. Toeg, who were acquainted as participants at a ratepayers' meetings on March 24, 1905 and later, on October 3, 1908 and February 4, 1910, both took part in donations for the Thomas Hanbury School and Children's Home, see Table 10. An example of the latter is Andersen's donation of an undisclosed amount to Duncan Main, the founder and leader of Hangchow Hospital and Medical Training College, for the purpose of financing activities at the institution[739]; Andersen and Main had been present at the same ratepayers' meeting at least twice, on May 23, 1914 and again on June 5, 1914, see Table 17.

Since directly or indirectly the beneficiaries of philanthropy in most cases were Chinese, charity also had the potential to reach across the foreign-Chinese divide and facilitate networking with members of the Chinese establishment. For instance, in the early Republic, both Andersen and his closest collaborator at BAT, James A. Thomas, participated in relief work that also involved Wu Tingfang, a career diplomat who later was to become foreign minister (Chapter 6.4, p. 129). It is possible or even likely that these networking opportunities may have been a major incentive behind engaging in the charitable activities in the first place, although this remains speculative, as the sources reviewed for this analysis do not directly reflect this type of motivation, which again is unsurprising given the moral opprobrium that would attach to openly owning up to having more than just altruistic reasons to participate.

Andersen himself was adamant in his conversations with Linck, the Danish journalist, that his involvement in philanthropy had no ulterior motives, telling him with specific reference to his donation to the National Museum: "Whether a person does something evil or the opposite, people always ask about the motive! All I want to say about that is that I have always only had one motivation, which is that I consider the museum to be common possession of the nation and the foundation of our culture. If you really want 'ulterior motives', you could say I never forgot how I received free education in Denmark. In addition, I have given it some thought that I have been sitting here making my money without ever paying income tax at home."[740]

If we are to take Andersen's statement at face value, there were only altruistic motives associated with donating. However, his words also reveal a certain image of himself as not only hard-working and risk-prone, but also socially conscious and willing to give back to the community. This example of his "conversation with himself" in turn can be said to add to the overall narrative which Shanghai's westerners constructed about themselves as entrepreneurs who were tough but did have a heart, providing the glue for the networks that kept them together.

8.2.4. Civic duty

Conceptually somewhat similar to charity, civic duty of various types was prevalent in Shanghai at Andersen's time and seems to have contributed to the social networks, not least

[739] Andersen to Main, November 1, 1917, copybook vol. 2, 172.
[740] Linck, *Dansker*, 15.

by bringing together the business communities on the one hand and the political or administrative communities on the other. Given the nature of this type of service, it was often preserved for only certain nationals. For instance, the possibility of rendering assistance to the US consular court was, as was to be expected, limited to US citizens, and in the period from January 1903 to September 1904, Charley Bennett assisted Consul General Goodnow as an assessor at the court at least five times, while E.H. Dunning served in the same capacity with Goodnow at least three times (Table 10). The possibility seemed very much linked to the person acting as consul general. While Goodnow usually operated with assessors, his successor Boyd almost never did.[741]

As a non-US citizen, Andersen was excluded from this access to US officialdom, which can help explain why in general he does not seem to have been very active in this field. Similarly, he was also not active in civic duty on behalf of the Danish community in Shanghai, and was known to dislike this type of responsibility (see p. 142), which can be explained partly by the fact that such networking would be of limited use for him in his role as a senior executive in an Anglo-American corporation, partly by the fact that until fairly late in life he was not recognized by his fellow Shanghai-based Danes as one of their most prominent representatives. One of the only exceptions was in 1925 when he was asked to join the committee to facilitate fund raising in Shanghai for the restoration of the National Museum in Copenhagen.

One form of civic duty shouldered by members of the foreign community for generations, without being strictly reserved for citizens of any particular nation, was service in the Shanghai Volunteer Corps, in existence since 1853. While the primary purpose was to defend the city's international sections, the unit also served as a meeting point for especially the foreign community's young men, enjoying "whiskey and soda".[742] In Andersen's social network, only Charley Bennett appears to have been involved for any extended period of time in the Corps,[743] and the social networks that he may have been able to enter into as a result are likely to have been of limited professional use, since none of the individuals appearing alongside Bennett in the local media within the context of Corps-related activities reappear within the BAT or Mustard domains of Andersen's networks.

8.3. The blind spots: what is not captured by social network analysis

Aspects of Andersen's social network not captured by the methodology elaborated in Chapter 7 are by definition hard to describe, but a close reading of the sources may offer clues to network-related activity that probably did take place even if it not immediately evident from the sources, as it appears to have been happening under the radar in ways that have left few or no traces in the historical sources, except for the faint echo. These are activities to which a significant level of social opprobrium was attached, not least due to the strict Victorian mores of the day, which even held sway in a pioneer society such as Shanghai: gambling, drinking and womanizing.

Gambling and drinking are alluded to sporadically in Andersen's own correspondence. Poker was a big part of social life among foreigners in Shanghai around the year 1900, usually after

[741] See for example, *NCH*, June 7, 1907, p. 601.
[742] "Mih-Ho-Loong Fire-Eaters," *NCH*, October 17, 1934: 116.
[743] See, for example, *NCH*, January 29, 1904.

a major dinner. Some poker nights attained almost mythical status, and the players still remembered them decades later. ""You will remember that Poker night at Fiske's, more mosquitoes than money in the house," he wrote to an acquaintance.[744] Andersen's personal reputation as a poker player also reached near-mythical proportions, and it was often mentioned by people who knew him well. For decades, people were still talking about a game where he had attempted an extended bluff, even though he was holding four aces.[745] However, by the time when he was in his late 50s, he started losing interest. "[I] am getting [too] old & tired myself to get about and push things, am even getting [tired] of gambling, there is no fun in it. Went out to Lacy's Saturday played a little game and lost $26," he wrote in a letter in early 1907.[746] Of somewhat similar status was the boardgame 'Matador', where ordinary domino pieces were used. "The old game of Matador is still going on with the rounds of w[h]isky to finish of[f] with," Andersen wrote to Lewis Mustard in 1905.[747]

Womanizing most likely also was an important part of bonding activities in Andersen's social networks, which consisted overwhelmingly of men, with just a handful of exceptions. Given the strict mores of the day, and the lack solid evidence, this must necessarily be speculative and based on just a few passages in the extant sources. James A. Thomas, in a letter to Andersen referring to a US visit by the latter, revealingly writes that "the motoring trips you are having around the country are very attractive, but I think you should have gone more into detail and explained who you had with you. I have a suspicion you had ladies although you make no mention of them."[748] In conversations with the Danish journalist Linck, Andersen, who at the time was 77 years old, made no secret of his fondness of the other sex. At one point during a visit to Shanghai's French Club, Linck asks Andersen if he has anything against the "weaker sex": "'No, of course not!' Laurits Andersen emphasizes and merrily throws a glance at a young girl who passes by our table on the verandah in the French Club… 'Absolutely not! She was cute, wasn't she?'"[749] As a parting greeting when Linck leaves Shanghai, Andersen quips, "Say hello to the girls in Copenhagen from me!"[750]

It stands to reason that this culture of womanizing, if one can use that expression given the meager data, was impacted by the demographic profile of the foreign population of Shanghai, with an overrepresentation of young males. Indeed, the community of bachelors may have given rise to a certain tribal feeling which emerges briefly in a letter from Andersen to an American acquaintance, reflecting on the gradual "loss" of members of this community to matrimony: "I suppose you shook hands with Mr. [James A.] Thomas since he got married, must be a great change from his old style of roaming about, we expect him out here very soon am anxious to see what kind of figure he cuts with a wife on his staff."[751] The skewed sex ratio among the foreign community, of course, gives rise to speculation that a great deal of this womanizing must have manifested itself in prostitution, but apart from noting that

[744] Andersen to Robert, September 2, 1918. KB2, 195. RA.
[745] Letter to the Editor, *NCH,* April 28, 1928: 156.
[746] Andersen to Lewis Mustard, February 4, 1907. KB1, 152. RA.
[747] Andersen to Lewis Mustard, March 28, 1905. RA.
[748] J.A. Thomas to Andersen, October 7, 1915.
[749] Linck, *En Dansker*, 6.
[750] Linck, *En Dansker*, 121.
[751] Andersen to Wilson, July 18, 1918, copybook 2, p. 190.

prostitution was indeed prevalent in Shanghai at Andersen's time, this can only be speculative.[752]

8.4. Andersen: brokerage

Against the backdrop of the activities described above – sports, corporate, charity and civic duty, as well as possibly gambling, drinking and womanizing – Andersen's networks evolved over time and placed him within constellations that repeatedly put him in a position where he was able to act as a broker between otherwise unconnected collectives. The chronological biography presented in Chapter 6 suggests that he was able to fill a brokerage function especially on two occasions, in the 1890s with the introduction of the Bonsack machine to China (Chapter 6.2.1), and in the 1900s when he provided the main point of contact between BAT and the Mustard fortune (Chapter 6.3).

The formal network analysis carried out in Chapter 7 shows that both in the 1890s and in the 1900s he was in a position in his social networks that facilitated a role as a broker between two distinct groups of people. During both decades, he was placed in social networks with a relative abundance of structural holes, defined as areas in social networks with weak or no links among members, hindering the flow of information (7.1.4 and 7.2.4). He was faced with the potential to act as a broker, but we need to go to the historical sources to learn *if* he utilized this potential, as he indeed did, and *why*.

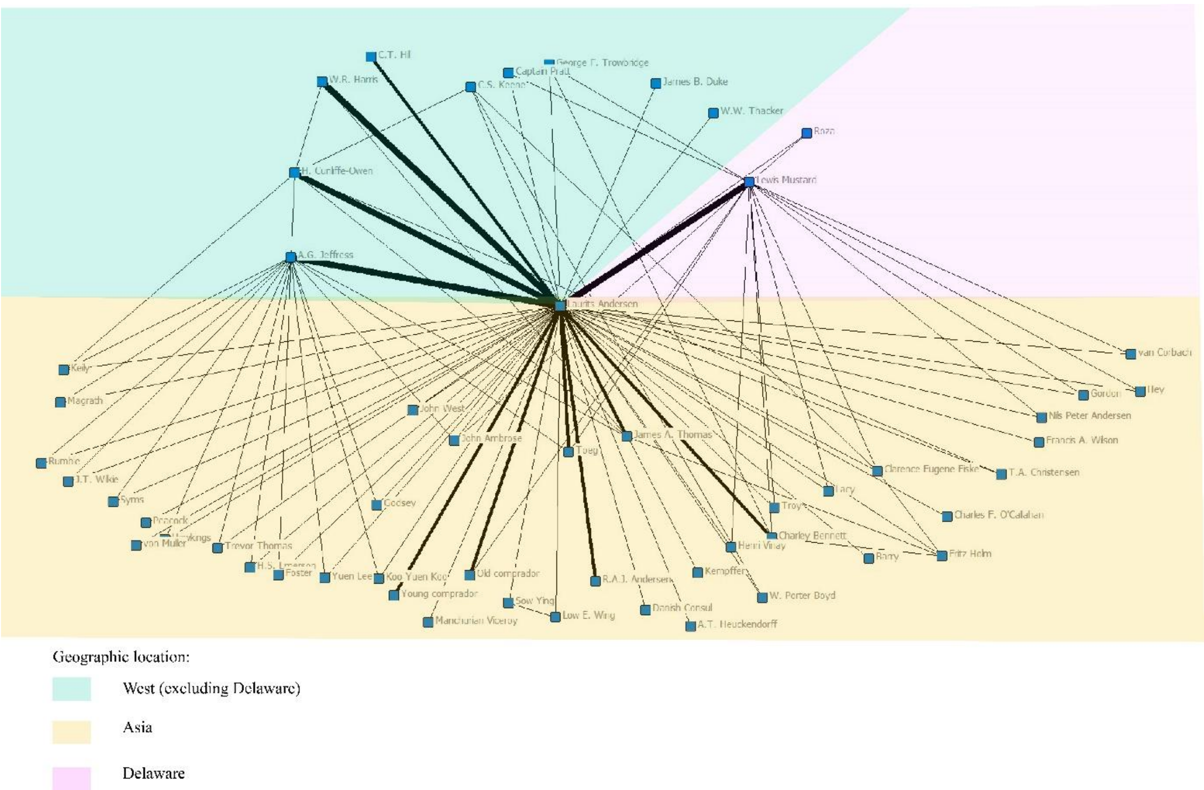
In other words, these two instances also serve as examples of how social network analysis used in isolation may not always be a sufficient method and that qualitative concerns, in this case about the resources at his disposal, must be included. In the 1890s, Andersen's privileged position was strengthened by his technological knowledge and skills, which no one else at Mustard & Co. possessed, ensuring that he could perform his broker role in an unchallenged fashion. The following decade, Andersen had only his position in the networks that he could his broker function on. His position was inherently precarious, and it is remarkable that Lewis Mustard is not mentioned once in Andersen's correspondence with BAT executives. The most straightforward explanation for this is that Andersen would weaken his own position if he enabled direct contact between Lewis Mustard and the BAT executives. Especially in an age where geographical distance mattered more than today, the scenario of direct and frequent contact between Mustard in Wilmington, Delaware, and the BAT management in New York presented a risk of Andersen becoming isolated or sidetracked in his position in Shanghai, several weeks' travel away.

The role of geography mattered immensely: in an age when intercontinental travel took weeks, and correspondence, save for the odd telegram, took twice as long if one counts the time needed for a letter to be sent and a reply to be received, geographical distance mattered immensely. Therefore, it is relevant to consider where Andersen was located physically relative to his network. Fig. 16 illustrates Andersen's network in the period from 1903 to 1911, divided according to geographic area. Andersen is located in Asia along with the majority of his network. However, it is worth noticing that the most of the relatively few ties he maintains with people in the west are of the strong kind. A separate area is set off to denote Delaware, where Lewis Mustard is located, reflecting the fact that despite the

[752] See for example, Christian Henriot, *Prostitution and Sexuality in Shanghai: A Social History 1849-1949* (Cambridge: Cambridge University Press, 2001).

geographical proximity to BAT's offices in New York, there seems to have been no direct communication, and all messages went through Andersen.

Fig. 16. Geographic location of members of Laurits Andersen's network 1903-1911.



When the Danish journalist Linck visited Andersen in Shanghai in 1926, the Danish entrepreneur was living in the afterglow of a more hectic social life, and the recognition he received was due to past achievements rather than anything he was doing at the time. "At last we were sitting on the porch, listening to music over a cocktail, while Laurits Andersen nodded to friends and acquaintances. Some received a slight hint to join us at the table."[753] Even if Andersen was far from ignored, it was clear that he had decreased his social life, as Linck comments: "Earlier, when he was fond of surrounding himself with more people, he owned a bigger house."[754]

Even during the 1912-1922 period, there was a clear drop in Andersen's networking activity. Two reasons may account for this: A large part of Andersen's networks was now located outside China, and therefore was not reflected in the Shanghai media, although this does not explain why his correspondence network was less active than in the preceding decade. This leads to the other possible reason, that Andersen had reached an age when networking matters less. For example, Thomas Cobbs, a younger member of the BAT staff, remained busy networking, because he still faced need to be established. Ambrose and Toeg also

[753] Linck, *En Dansker*, 66.
[754] Ibid., 11.

continued networking, perhaps forced to do so by being less established than Andersen in a formal corporate hierarchy.

It may have affected Andersen's networking activities during the 1912-1922 period, that he was now at a point in his career where his involvement in the BAT and Mustard business became less hands-on, with less direct engagement with junior members of the staff. In a letter to a colleague from 1918, he reflects on the explosive growth in personnel, making it impossible for him to engage with each in any direct way: "The whole building has early been turned into offices, only three floors left for storage against eight when we first moved in, having so many people on the floors we have been compelled to construct concrete fire escapes on the outside."[755]

8.5. Points of belonging: nations

The sources make it abundantly clear that during almost his entire life and career in China, Andersen was located inside social networks dominated by American and British individuals (Fig. 7, 11 and 13). This follows a trend for at least some of his contemporaries, to become members of a community of "honorable Englishmen" or "honorable Americans", such as mentioned in the literature review (p. 22), who tied themselves to Britain and America not just out of professional necessity but what appeared to be a genuine admiration of the culture of the English-speaking peoples. "Of all the countries that I have visited, America strikes me as the most magnificent," Andersen told Linck.[756] In a letter to an acquaintance in the United States whose property had been wiped out by fire, he wrote consolingly: "You Americans are so full of resources for getting ready for a new start."[757]

By contrast, Andersen's engagement with Chinese and fellow Danes was of a more limited nature, although Danes took up a bigger part of his social network in his later years (Fig. 15), and in what follows I will deal with each group in turn.

Interaction with *Chinese* was limited, as Shanghai at the turn of the 20th century was, to all intents and purposes, a segregated society, not just because of formal rules ensuring that Chinese only had limited access to the foreign-controlled areas, but also because members of the western and Chinese communities preferred to stay apart and chose not to mix even in situations where it might be possible. For example, Linck describes the audience at the racecourse in the mid-1920s: "It mostly consists of foreigners. There are very few Chinese among this group of spectators, and the few who are pointed out to me are so wealthy that they would be able to buy the entire racetrack."[758]

The written sources, whether it be Andersen's correspondence, the contemporary media or the BAT and Mustard files, provide no systematic evidence of exchanges with Chinese individuals, leading to the tentative conclusion that a great deal of these exchange must have been in oral form. An example is the interaction that Andersen and his peers had with the class of compradors, whose services were essential for a company such as Mustard & Co. In a revealing passage in a letter to Lewis Mustard from early 1911, Andersen writes: "You will be sorry to hear that the old Compradore died about Christmas time, he was 71 years old, his

[755] Andersen to Jeffress, August 28, 1918, copybook 2, p. 192. RA.
[756] Linck, *En Dansker*, 57.
[757] Andersen to Hughes, August 11, 1916, copybook 2, p. 109. RA.
[758] Linck, *En Dansker*, 86.

grandson is still here, our Compradore now. He is the fellow that got his queue cut last Sunday."[759] Although it is obvious from the context that both Andersen and Mustard are immediately familiar with the "old Compradore", he is not identified by name.

The lack of interest in the comprador's name seems to reflect company culture. It is significant that it the copious BAT archives, compradors are mentioned by name only rarely and that the 1923 publication cited above is the most detailed biographical account available from Mustard's and BAT's long decades of operations in China. Perhaps the comprador in Andersen's world was simply someone "who was always there" to fulfill functions vital for the business. The idea that the comprador was somewhat taken for granted is highlighted by the fact that he only moves into focus when he disappears and as a result something goes wrong. One example is the letter written by Edward J. Parrish, American Tobacco Co.'s chief representative in Japan, to New York headquarters complaining that the Chinese comprador has absconded as a result of the Boxer Rising (Chapter 6.2.2.). The letter also leaves the impression that the comprador may at times have served as a convenient scapegoat, although the inherent problem of control of the comprador's actions in an alien and impenetrable environment was at time very real for the Anglophone managers at BAT and Mustard.

Still, the almost complete absence of compradors, or most other Chinese for that matter, in the sources of Andersen's life is a fact in need of explanation. It is not because compradors were not important in his work. The existing literature underlines the crucial role played by compradors for western businesses in general (Chapter 2.3), and BAT was no exception in this regard, as the company itself acknowledges in the 1923 publication, stating that the success of the business in China was due to "the Chinese people – their merchants, their industrious workmen, and their trust and confidence in the Company from its inception."[760] James Lafayette Hutchison, who worked in a junior management position at BAT in China in the early 20th century, was more straightforward in his memoirs: "Actually we did no selling. The large majority of the foreigners in the company spoke no Chinese; interpreters and dealers took care of that end."[761]

While the lack of references to Chinese cooperators in sources to Andersen's life may thus to some extent be unconscious, it could also be a reflection of the special mythology that BAT managed to construct about itself and its endeavors in China, according to which its success was the result of young American and British, acting as "pioneers" with a sort of modern "frontier spirit" to spread the consumption of western-designed cigarettes to the furthest corners of the Chinese empire. Although in reality virtually the opposite was the case,[762] it was a mythology that found a ready audience in the West. Writing about BAT's activities in the early 20th century, the author Ernest O. Hauser claimed that "it had no compradore – just a few young Chinamen to take care of the money."[763] James A. Thomas seems in his memoirs eager to reduce the role of his most important comprador, Wu Tingsheng, to that of a mere servant, referring to him as "an ambitious young man… of fine address and pleasing

[759] Andersen to Lewis Mustard, January 17, 1911, copybook 1, p. 347. RA.
[760] *Yueh Pao*, 18.
[761] Hutchison, *China Hand*, 221.
[762] Cochran, *Big Business*, 24-32.
[763] Ernest O. Hauser, *Shanghai: City for Sale* (New York NY: Harcourt, Brace and Company, 1940), 100.

personality," but describing him as an "interpreter," common BAT lingo for compradors,[764] or simply a "boy."[765]

This situation was not static, however. The interaction with Chinese appears to be growing in the early years of the 20th century, reflected, for instance, in the fact that Chinese names appear with greater frequency in reports about shareholder meetings. One example is a meeting of shareholders in Dunning & Co., which also sees the attendance of two individuals identified as Zi Ching-kee and Wong.[766] Likewise, Andersen offers scattered clues of being involved with Chinese individuals, for instance in a letter in a letter to a BAT colleague from 1916: "I have had several talks with prominent Chinese…"[767] Later the same year, Andersen writes to J.A. Thomas: "Our mutual friend Wu Ting Fang is now Minister of Foreign Affairs and his son is likely to be appointed minister to Washington,"[768] suggesting a great deal of familiarity and frequent interaction with important Chinese people, which, however, has only left few traces in the sources.

Scattered in the sources are tantalizing hints of what appears to be a pattern of frequent contact with Chinese decision-makers, and what could, with a modern phrase, be termed lobbying efforts. In a telegram to G.G. Allen sent in August 1919, Jeffress describes extensive lobbying of the Chinese government on a suggestion to set up a tobacco manufacturing business with official Chinese ownership of part of a newly-established company: "Probably best [if] Bassett proceed [to] Pekin to lay [the] proposition before [the] Chinese and if [it is] favorably received, Cobbs, Kempffer [and] Kennett join him to complete arrangements. If then necessary, someone here would go [to] China but will not do this until [the] Government agrees to [the] proposition."[769]

It appears that BAT managers also used the opportunity to latch on to the contacts with Chinese officialdom carried out by western diplomats and politicians. This emerges from a newspaper report on US Consul General Goodnow visiting Duan Fang 端方 (1861-1911) in 1904, after he had been installed as governor of Jiangsu, being accompanied by Fiske, one of the main BAT staff members in Shanghai at the moment: "U.S. Consul-General Goodnow of this port, accompanied by Mr. Davidson and Dr. Barchet of the U.S. Consular Service, and Mr. Fiske, Manager of the American Cigarette Company, left [Shanghai] for Soochow on Monday morning to pay a visit to Governor Tuan Fang of that city. The party went in the Chinese Government steam launch Ching Ch'ing, which had been placed at their disposal by the Governor."[770]

Although the details are scarce, the involvement of consular officials from the United States and Great Britain and perhaps, to a lesser extent, other western powers, seems to have been a regular part of the toolbox used by BAT in its handling of regulatory and other issues in China. Sometimes, the involvement went beyond in-country diplomatic representations and

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[764] Cochran, *Big Business*, 28.
[765] Thomas, *Tobacco Merchant*, 131. Thomas does not name Wu Tingsheng directly, but it is clear from the context that he is the one referred to.
[766] *NCH*, April 8, 1910, p. 78. See also "New Dutch Bank Opened," *NCH*, Sep 25, 1920, p. 825.
[767] Andersen to G.G. Allen, March 31, 1916, KB2, 77. RA.
[768] Andersen to Thomas, November 11, 1916, KB2, 121. RA.
[769] The telegram is reproduced *in extenso* in a letter from J.A. Thomas to G.G. Allen, August 20, 1919. Duke University.
[770] En route to Soochow," *NCH*, October 28, 1904, 976.

involved the foreign policy establishments in Washington and London, as the instance of the 1904 boycott drive illustrates, and was manifested in Andersen's visit to the White House (see p. 114). Interestingly, the connections with some consular officials may have paid off even after they left office; for instance, after completing his term as consul general in Shanghai, James Goodnow was hired as an advisor on international affairs to Chou Fu, viceroy of Nanjing.[771] Unfortunately, the sources consulted for this analysis do not provide any direct evidence of this.

The relationship with Chinese women is an issue which it is difficult to draw too solid conclusions about due to the scarcity of the source materials. Andersen did have a personal connection to Sow Ying, an old friend of the Mustard household, but it appears to have been entirely Platonic, and Andersen seems to have considered himself as being in a paternal type of relationship with her, as evidenced in his letter, warning her violent husband to allow her to leave (p. 125). Interestingly, there is evidence of at least two cases of members of the Danish community having personal relationships with Chinese women. In a letter to his mother in July 1901, Lewis Mustard describes the wife of N.P. Andersen, a captain in the customs service, as "a Chinese woman, who was educated in England and Massachusetts".[772] Twenty years later, a young Danish woman writes about the matrimonial status of Oiesen, the former Danish consul: "Oiesen is married to a Chinese woman, but you do <u>not</u> talk about that, as it is considered very inappropriate here. She doesn't live with him and apparently is somewhere in Korea. They have two or three grown children, who have lived their entire lives in America."[773]

Although Andersen spent most of his time with British and American nationals, he never completely abandoned his *Danish* connections. For example, in a letter to Lewis Mustard, in May 1909 he reported that "the Danish Consul goes on Sunday and I stand him a dinner in my house tomorrow, have fourteen royal Danes in attendance."[774] However, there was a clear trend over time. A comparison of Fig. 13 and 15 highlights two important changes in Andersen's social networks from the period 1912-1922 to the 1923-1928 period: first, his social network decreased drastically, and second, the Danish component in his networks became more pronounced.

This is confirmed by other sources, suggesting that Andersen developed a nostalgic longing for his Danish roots late in life, and the change appears to have come rather abruptly. As late as around 1920, he was not a prominent member of the Danish community. For example, he is not listed as present at the 1919 funeral for Dane who had lived in Shanghai since the early 1870s, C.P.C. Lynborg.[775] It is also reflected in the fact that in one of the most comprehensive collections of letters from the Danish community preserved to this day, the unpublished letters of Gerda Rasmussen to her mother written in 1922 and 1923, he is not

[771] *NCH*, Feb 16, 1906, 346.
[772] Lewis Mustard to mother, July 6, 1901. Mustard family archive.
[773] Letter from Gerda Rasmussen to her mother Paula Lutzau, March 29, 1922. Etatsråd Mads Rasmussens Familiearkiv, 47-51. Faaborg Byhistoriske Arkiv.

[774] Andersen to Lewis Mustard, May 6, 1909, copybook 1, p. 232. RA.
[775] *NCH*, April 12, 1919, 97.

mentioned even once.[776] By October 1924, however, Andersen was chief pallbearer for Raaschou, the former Danish consul general in Shanghai, suggesting that he was now on the road towards a more significant standing in the Danish community.

8.6. Points of belonging: generation

One of the possible explanations for the thinning of Andersen's social networks in later years is simply that he moved in circles of people of roughly his own age, and they were simply dying out. As early as 1908, a tone of nostalgia creeps into Andersen's correspondence. In a letter to a fried he complains that "it will be difficult for an Old War Horse, as you once described me, to find suitable Company, when a fellow… calls the waiter once at a sitting," going on to express longing for "the old jovial crowd."[777] In his later years, Andersen appears increasingly aware of belonging to a certain, disappearing generation, as reflected in a letter to Jeffress in 1919: "Am glad to hear that Mr. Thomas arrived safely and looks well and feel[s] as fit as ever, the old brigade stands the racket pretty well, don't you think so?"[778]

Similarly, in conversations with Linck, Andersen waxes nostalgic about a generation that is gradually fading away: "I have many acquaintances, but honestly speaking not many friends if I am to stick to the strict sense of the word. They are all dead. They were men such as Mustard and Bennett, people with whom I went through everything. They are gone, and soon I will be gone, too."[779] Andersen, who is described by younger members of Shanghai's foreign community as "the old man,"[780] also demonstrates what might be termed intra-generational solidarity by donating funds to a foundation set up specifically to retired sailors of his own age (p. 77).

This is another example of Andersen's "conversation with himself," as he builds up a narrative about the kind of person he is, by placing it inside a partly imagined community of hard-working, hard-playing but fundamentally decent pioneers. When trying to describe Andersen's generation as it viewed itself, imbued with diligence and reliability, it is enlightening to consider a case of an individual who failed to conform with the standards set for its members. Several times in his correspondence, Andersen suggests that Charley Bennett is one such individual.

After Charley Bennett is apparently dismissed from BAT, Andersen vents pent-up frustration in a letter to Lewis Mustard in August 1907: "Our mutual friend Mr C.R.B. has at last run himself out which has been coming for a long time. As you know our people at 111 fifth Avenue [BAT's New York address] never had a high opinion of him & have asked me repeatedly to discharge him which I told them they could do themselves, at last I have positive orders to ask for his resignation which will take effect on 30th Sept[ember] next. What he will do I don't know & for that matter don't care, nobody but myself know what a useless thing he is and how much anxiety he has caused me during the past seven years. I am

[776] Letters by Gerda Rasmussen to her mother Paula Lutzau. Etatsråd Mads Rasmussens Familiearkiv, 47-51. Faaborg Byhistoriske Arkiv.
[777] Andersen to Roberts, April 21, 1908, copybook 1, p 211. RA.
[778] Andersen to Jeffress, September 27, 1919, copybook 2, p. 241. RA.
[779] Linck, *En Dansker*, 89.
[780] Ibid., 86.

glad it is finished although I should have liked to go out first. Your remarks are correct at [sic] very clearly put."[781]

Bennett stayed on in Shanghai for some years at the head of the trading firm Dunning & Co., but eventually left that position too, as Andersen writes in a letter to a New York acquaintance in May 1909: "Mr. Charles Bennett, who was a director [of Dunning & Co.] has now resigned (and a good job too).[782] Bennett subsequently departed Shanghai for the United States, continuing on a personal and professional decline that ended with his death in 1916. Only then did Andersen seem to make some kind of peace with him: "It is… great satisfaction… to hear of the change that had taken place in his doings the last couple of years and to know his late employers appreciated his services so highly that they entrusted him with a first-class job in one of their branch offices."[783]

8.7 Summary

In this chapter, the venues where Andersen's social networks were consolidated and expanded were explored: sports, corporate, charity and civic duty. It emerged that the activities at these venues went far beyond their stated purpose. For instance, philanthropy was not just in order to donate to the needy, but also served to strengthen bonds among donors, and between donor and donee. Just as importantly, taking part in charity contributed to Andersen's "conversation with himself" as it added to his self-image, and the self-image of his entire cohort as diligent and competitive but also socially responsible. There were also other activities that we know less about, perhaps because given the nature of the empirical data that have been preserved, they are hardly knowable: gambling, drinking and womanizing. However, to the extent that we can trace these activities, they appear to have also contributed to strengthening existing social networks, by bringing its members together and providing them with material for a common narrative about themselves.

Positioned inside this ever-shifting social network landscape, Andersen found himself in a position to act as a broker, with two periods standing out in particular. Those are the same periods identified in the last chapter, the 1890s and the 1900s, when Andersen was placed strategically between two groups that needed each other, for instance, in the 1890s when one of the groups, the Bonsack Co., represented technology, and the other group, Mustard & Co., represented finance. However, it must be emphasized that the social networks did not just represent an arena for Andersen to pursue his selfish goals, but also were manifestations of the groups that he saw himself as belonging to. These groups were primarily defined by nationality, with Britain and especially the United States seen by Andersen as particularly attractive. However, they were also defined by generation as Andersen considered himself as part of a group of pioneers that had arrived in Shanghai in the late 19th century and represented a certain ethos characterized by diligence and responsibility, and now, sadly, was turning into a dying breed.

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[781] Andersen to Lewis Mustard, August 2, 1907.
[782] Andersen to Trowbridge, May 17, 1909.
[783] Andersen to W.S. Allen, April 4, 1916, copybook 2, p. 82. RA.

9. Conclusion: Resources and Networks Between History and Social Science

This thesis has had as its objective to analyze foreign entrepreneurship in its various forms in the intensely cross-cultural environment of treaty-port China in the decades around the turn of the 20th century, setting itself the task of exploring the ways in which social science tools can augment and enrich our understanding of an essentially historical subject. Faced with the task of understanding Laurits Andersen and the age in which he lived, four questions were asked at the beginning of this thesis:

What resources were important for Andersen in his role as an entrepreneur in a difficult and alien environment?

How did he contemplate and adjust these resources in response to political, economic and technological changes in this environment?

What role did social networks play in enabling him to mobilize and leverage these resources?

How did the specific historical context – Treaty-Port China at the turn of the 20th century – affect his interaction with his social networks, as well as his interaction with China at large?

To this can be added a final question:

How can the study of historical entrepreneurship biography be enriched methodologically by the application of social network theory?

Based on the insights gained in the analyses above, I will now address these questions in turn:

1. What resources were important for Andersen in his role as an entrepreneur in a difficult and alien environment?

Four types of resources were identified in Chapter 4 as being potentially important, i.e. technical, linguistic, legal and inter-personal resources or skills. All of them proved of some importance during Andersen's career, albeit to varying degrees depending on where in his career trajectory he was located.

The *technical* skills were essential to Andersen's early efforts at carving a position for himself, and arguably they constituted the main factor enabling him to establish himself within Mustard & Co. alongside the two founders, who themselves had no technical background, by providing the technical expertise needed in order to adapt the Bonsack technology to Chinese conditions. Even earlier in his career, while active in Tianjin, Andersen was able to leverage his technical skills at a time when important members of the Chinese establishment, with Li Hongzhang as the most prominent example, were eager to upgrade their knowledge of western technology in order to harness it to the purpose of modernizing China. It is significant that for Andersen, the main resource in this respect was not necessarily his technical skills per se, but his *reputation* for having these skills, as evidenced in his mission to the interior of China to survey coal resources, a subject on which he had no expertise.

The *linguistic* skills that Andersen and his cohort were required to possess were, by and large, limited to the lingua franca of his day, English. Throughout the entirety of Andersen's career, knowledge of English was essential for him to function in an entrepreneurial and brokerage function, as his preserved correspondence, almost exclusively written in that language, is testimony to. In stark contrast to this, the only instance on record of the Chinese language being the medium of communication for Andersen was Li Hongzhang telling him in Chinese that the work he had done was "Good" (好). Put simply, the Chinese language did not matter to Andersen and his peers in their everyday work. Similarly, there is no evidence in Andersen's circles of any profound understanding of Chinese culture and Chinese mores beyond the mere basic (e.g. "It's impossible to do business around Chinese New Year"). The lack of any need to know Chinese, on the other hand, is testimony to the efficiency of the comprador system, at least for the majority of the period under consideration. Significantly, the growing BAT emphasis on Chinese skills coincides with the gradual dismantling of the comprador institution.

Andersen's *legal* skills came into play in his frequent interaction with the legal system in treaty-port China, most importantly the consular courts, where a variety of business disputes, including those related to intellectual property, were settled. In a low-trust environment characterized by deep cultural divisions, an enforceable legal system proved essential for the smooth conduct of business. Even so, when set against the empirical evidence, this resource seems to have been of somewhat limited salience to Andersen personally, since strictly speaking, Andersen needed to have no detailed legal knowledge to take part in these proceedings, requiring him only to testify, usually on behalf of Mustard & Co. Similarly, there is no evidence to suggest that he made any specialized study of legal matters to advance his career.

The *inter-personal* skills refer to Andersen's ability to enter and maintain social networks of importance to his career and will be dealt with below in the discussion of the social networks.

Taken together, these resources equipped Andersen with the requisite range of skills enabling him to take advantage of the opportunities that presented themselves in the world of treaty-port China at the turn of the 20th century. In addition, he was an example of the "autonomously reflexive" mode of thinking identified in the literature as typical for the entrepreneurial mind, as he recognized the limitations that constrained him and found practical ways to overcome these limitations. An early example was his decision to attend evening classes on technical issues while undergoing apprenticeship in Copenhagen, while another early example was his decision to go abroad.

A distinction was made in Chapter 3 between internal and external resources, with the internal resources referring to the skill sets described above, and the external resources including the institutional infrastructure that Andersen found himself in and enabled him to give full play to his skills, including the British empire-wide system of engineering exams and the consular court system. External resources also include *symbolic resources* (Chapter 3.6), described as cultural phenomena such as frames, world views and narratives through which actors can imbue social relations with meaning and purpose. One such narrative, which is repeated throughout Andersen's correspondence, concerns the existence of a "brotherhood of bachelors," a group of entrepreneurs characterized by diligence, integrity and risk-prone behavior, and an ability to also enjoy the fruits of their labor: they work hard and they play hard. There is a generational aspect to his narrative, as it is often described in Andersen's letters to an "old guard" or a dying breed, decimated over time due to death and matrimony until only Andersen himself is left.

2. How did Andersen contemplate and adjust these resources in response to political, economic and technological changes in this environment?

How Andersen viewed his own resources pertains to the concept of "autonomous reflexivity", identified in Chapter 3 as characteristic of the entrepreneurial personality, willing and able to push and overcome constraints limiting personal and professional progress. As in the preceding section, this issue will be approached with reference to the four types of resources, or skills, that have already been identified, but with an emphasis on how Andersen viewed these resources and how he proactively adjusted them to keep them up-to-date in a constantly changing environment.

The details of Andersen's biography suggest that he saw his *technical* skills as a gateway to greater acceptance, and a means to climb up the social ladder. For example, in his autobiography he records at length a conversation he had with former US President Ulysses Grant during a visit by the American statesman to China (Chapter 6.1.4., n346). Significantly, they are bonding over a technical talk about the use of a jack to lift a heavy object. The fact that he quotes this conversation almost verbatim, despite its relatively trivial content, suggests that it left an impression on him. He also notes how one of his only direct conversations with Li Hongzhang was at the end of his work on the Dagu drydock, when the high-ranking official expressed his appreciation of his work, in another sign of how technical skill had elevated Andersen's social standing.

It is possible that his early exposure to cutting-edge technology, first at Eickhoff's Machine Works and then at the naval shipyard in Copenhagen, gave him an instinctive understanding of technology as not being fixed but being a flexible resource in a constant state of development. In consequence, he stayed on top of the technological development, seizing opportunities for self-improvement when they presented themselves, for instance by attending machine engineering classes in England before returning to Asia from a visit to Denmark in 1884 and 1885. However, once Andersen had become firmly established within the BAT system, there was no longer a need for him to keep up on the cutting edge of technological development, and there is no evidence of any sustained effort to keep abreast of technological developments. Indeed, he seemed to adopt a slightly conservative view of new technology in his later years, as he expressed annoyance when one of his colleagues wanted to stake money on the gramophone and only adopted the automobile at a relatively late date.

Andersen appears to have had an instrumentalized view of *language* and seen it as a means to an end. The only other language apart from English which he made a conscious effort to acquire was German, as evidenced in his letter of August, 1907, at a time when Germany was in ascendancy in all fields, ranging from economics to politics, culture, technology and science, and knowledge of at least rudimentary German was considered a useful skill among businesspeople. Once again, the contrast when it comes to the Chinese language is stark. The

Chinese language appears to have been perceived as of no value to Andersen and his peers, and he is not on record anywhere as describing this as a problem; neither is any member of his network. Indeed, a large amount of effort spent on learning the Chinese language could be deemed excessive and turned into an object of ridicule, as evidenced in the example of the Swede whose interest in Chinese language and literature made him unemployable by not just BAT, but all foreign companies (Chapter 6.4, p. 120). It is possible, but a matter of speculation, that if he had stayed in business a few years longer, he would have encountered a situation, past the heyday of the comprador, when the requirement for westerners to know some Chinese had become somewhat more important. Even then, however, he would probably have relied on western translators further down the hierarchy for any communications-related needs.

There is no evidence that Andersen explicitly contemplated the utility of the *legal* resources at his disposal, other than taking part in proceedings at the consular courts when required to in the line of duty as a senior manager at Mustard & Co. Also, there is no evidence to suggest that he upgraded his skills in this field, perhaps because the legal environment that he encountered in the form of the consular court system was largely stable during the period being analyzed in this thesis. Andersen's views of inter-personal resources are described in more detail in the next section on personal networks.

In summary, it is worthwhile to consider what the skills added up to in terms of Andersen's perception of himself and his cohort. One can distinguish a certain personality type, defined both by what it was, and what it was not. Andersen saw himself as representing a certain ethos represented by hard work, endurance of hardship and comradeship. Charley Bennett was in opposition to this ethos, eschewing responsibility and hard work for a life spent at play and sports, or at least this was the situation with Bennett as seen from Andersen's perspective. Significantly, the ethos represented by Andersen rubbed off on newcomers, with Lewis Mustard, having spent a few months in Shanghai in 1901, voicing similar denigrating opinions about Bennett.

3. What role did social networks play in enabling him to mobilize and leverage these resources?

Even an entrepreneurial personality, with the requisite set of internal and external resources and imbued with "autonomous reflexivity" was not always enough to succeed as an entrepreneur. The final leg in the "social tripod" that guaranteed Andersen's standing in the stratified society of treaty-port China was his navigation and strategic use of social networks.

Twice in Andersen's career were his networks instrumental in placing him in a unique position that allowed him to take on the role of a broker. The first time was with the introduction of the Bonsack machine in the early 1890s, when a formal social network analysis demonstrates that he was placed in a central position between the group of individuals representing Bonsack interests on the one hand, and Mustard & Co. interests on the other. The fact that Andersen was the only person at Mustard & Co. with the skills necessary to make the Bonsack technology work in a Chinese context confirms the central position Andersen occupied in linking the two groups together and introducing the Bonsack machine into a China in an endeavor that was part business entrepreneurship, part technology entrepreneurship.

The second time Andersen was placed in an instrumental brokerage function was in the following decade, when social network analysis shows him placed between BAT on the one hand, and on the other, Mustard & Co., now a subsidiary within the BAT empire. It appears that Andersen's position was more precarious than in his former brokerage role, as it no longer depended on any specialist technical knowledge, and rather was based primarily on his ability to control communication between BAT and the Mustard interests. It is, therefore, significant that he does not mention Lewis Mustard, the chief representative of the Mustard family interests, in any of his letters to BAT executives. This can be seen as a deliberate endeavor to keep the BAT and Mustard interests from coming into direct contact, which would make Andersen redundant in his broker function.

It is worth noting that merely being connected and accepted into a social network was not sufficient for success. Once again, it is instructive to cite the case of Charley Bennett for comparison. Although he was one of the most connected individuals in Andersen's network, he was connected in ways that did not always help his business ambitions, for instance trough membership of the Shanghai Volunteer Corps, and more importantly, he lacked the qualities of diligence and reliability valued by members of the network. A complete package, of skills, ethos and networks, was needed to succeed, and he did not possess them.

The networks did not sustain themselves. Investment and reinvestment were needed in order to maintain the networks, or they would fall apart. Participation in communal activities were important, and especially charity, which marked more than simply an investment of money. Here it is necessary to return to the external resources mentioned above, referring to them in the narrow sense of symbolic resources, encompassing frames, word views and narratives. A sort of investment was also made in the form of contribution to the common narrative of a brotherhood who worked hard and played hard and were united in their status as bachelors. This is akin to the feedback loop between agency and structure described by Gulati and Srivastava and elaborated on in Chapter 3.4 whereby positions in a social structure importantly shape actors' resources and motivations, and resources in turn equip actors to exert agency while motivations propel them to do so.

4. How did the specific historical context – Treaty-Port China at the turn of the 20th century – affect his interaction with his social networks, as well as his interaction with China at large?

One important characteristic of Andersen's social networks is a marked underrepresentation of Chinese individuals in these networks, even though late in Andersen's career there is a slight increase in their numbers, possibly reflecting the beginning disintegration of the comprador system, necessitating more direct interaction between Chinese and westerners. Another possible explanation is the emergence of a decentralized proto-democracy with the establishment of the Republic, enabling officials at the local level to engage in a more unrestrained fashion with westerners.

The nature of Andersen's social network – dominated by British and American acquaintances with only a significant representation of Danes during the last part of his life when he was concerned about his legacy in his native Denmark – confirms the impression of Treaty-Port China as a somewhat self-contained system on the fringes of China, managed by its own administrations, governed by its own courts, and policed by its own law enforcers. It was a world that also looked physically different than “Chinese China,” and network methodology confirm that this had profound implications for who the foreign residents of the treaty ports interacted and communicated with – and they were mostly not Chinese.

Treaty-Port China did of course have interfaces with the world outside and was linked to it by means of technologies such as the steamship and to a lesser extent the railway, but China was not necessarily included among the regions most easily accessible from a place like Shanghai. Andersen could travel with ease and little concern about safety or comfort to a place like Tianjin, or Hong Kong on the periphery of Treaty-Part China, or even further to Singapore, Europe and North America – all part of the global infrastructure network of which Treaty-Port China was a crucial part, but a journey beyond the limits of the treaty ports into China was a different matter, as his memorable expedition to the Great Wall in 1888 suggests.

The world beyond the Shanghai city border – people by an anonymous multitude of “blue cooley Chinam[e]n… [wearing] this everlasting same uniform” (p. 133) – remained an alien one to Andersen until his dying days when he was surrounded by servants with whom he could hardly communicate. One of the only places where he was able to meet his Chinese counterpart on something resembling equal terms was in the highly formalized environment of the Shanghai Mixed Court. All other interaction was placed in the hands of compradors and other trusted collaborators. Possibly the most striking evidence that Andersen remained a stranger to China for his entire life was his lack of Chinese language skills, not matched by any indication that this was felt as a loss.

In this light, the treaty port emerges as a wall rather than a bridge. It screened Andersen and his peers off from the rest of China.

5. How can the study of historical entrepreneurship biography be enriched methodologically by the application of social network theory?

A major theme of this thesis has been to apply social science methodology to a historical case study of entrepreneurship in treaty-port China and to test the extent to which especially tools from the field of entrepreneurial studies can lead to a deepened understanding of the past in a process that can be aptly called retrospective rediscovery. This can be answered by asking a slightly different question: which insights described above would not have emerged if the tools had not been adopted?

Most importantly, the application of social network methodology on the historical case of Laurits Andersen has provided quantitative evidence that he occupied key brokerage functions in his networks at crucial junctures in his own career and in the histories of the companies that he worked for. While these insights might also have been hinted at in a more straightforward biographical narrative, quantitative social network methods provide a more systematic and comprehensive overview of the entire social network that Andersen was placed in, serving to illustrate his central position and the lack of alternative routes of communication, meaning there were no alternative brokers available at the time.

The formal social network analysis also underscores that Andersen was moving in an environment characterized by structural holes and limited communication channels, thus providing the basis for brokerage and, by extension, entrepreneurial activity. In an account leaving out the quantitative tools, this would have run the risk of being an unfounded claim. Similarly, the methodology introduced in his thesis for gauging the strength of ties by taking into account the intensity and frequency of interaction between members of a network, holds out promise for a more nuanced understanding of past relationships among historical actors. Essentially, it takes a categorical variable (is there a tie between two individuals or not) and turn it into a numerical one (how strong is that tie).

Methodologically, these are the main contributions of this thesis to the existing literature, as it shows the way towards a more formalized understanding of historical entrepreneurship, which is quantitative and therefore also potentially lends itself to a comparative approach.

The comparative potential points towards a future research agenda in which other entrepreneurs who found themselves in similar situations are subjected to similar analyses in order to test the robustness of the key finding in this thesis. My approach has documented that Andersen succeeded not solely because of the networks he was able to become a part of, and not solely because of the resources he brought to bear, but because of a combination of the two. A possible next step along these lines would be to explore the generalizability of this finding.

In an analysis that maintain its focus within the confines of treaty-port China at the turn of the 20th century, businesspeople who could be picked as test cases include R.E. Toeg, who was born into a Jewish family in Baghdad and arrived in Shanghai with virtually no resources, and similar to Andersen had to establish a career from scratch. Entrepreneurs who did not succeed, perhaps because, like Charley Bennett, they lacked the ethos that was one of Andersen's resources, could be included as a control group.

At the same time, it is important to note the shortcomings of social network methodology when applied to a historical case such as this. It fails to give full play to aspects of Andersen's life, such as interaction with Chinese interlocutors of any kind and also the womanizing, which is only hinted at in the vaguest of forms, as described in Chapter 8. In this sense, it is a blunt methodology that takes the sources very literally, so to speak, and is incapable of teasing the nuances out of the sources in a way that only a close reading or more detailed or nuanced empirical data can do. This leads to the conclusion that a mixed methodology, incorporating both quantitative and qualitative methods, in this case social network analysis combined with a culturally aware scrutiny of the sources, provides the best avenue towards a better understanding of the past.

Appendix: Members of Laurits Andersen's correspondence network

For several individuals employed at Mustard and BAT, it has not been possible to identify their precise nationality, but judging from their surnames, and based on general hiring practices at BAT they have been categorized as British/American.

Name	**Location**	**Nationality**	**Description (source in brackets) (D&C: Directory & Chronicle for China, Japan, Corea, Indo-China, Straits Settlements, Malay states, Siam, Netherlands India, Borneo, the Philippines, &c.; NCH: North China Herald)**
G.G. Allen	New York	US	BAT
James Ambrose	Shanghai	US	Architect and builder, in Shanghai since 1877 (NCH, Dec 5, 1890, 701)
N.P. Andersen	Shanghai	Danish	Commander, customs cruiser *Ping Ching* (D&C, 1899, 601)
R.A.J. Andersen	Shanghai	Danish	Laurits Andersen's brother
Mr. Bailey	Shanghai	British/American	BAT/Mustard employee
Charles Carroll Bennett	Shanghai	US	Laurits Andersen's and Robert West Mustard's partner at Mustard & Co.
Charley Bennett (Charles Robert Bennett)	Shanghai	US	Charles Carroll Bennett's son. Director at Dunning & Co. (Andersen to Trowbridge, March 16, 1906)
Gordon Bennett	Shanghai	US	Charles Carroll Bennett's son
Laura Bennett	Shanghai	US	Charles Carroll Bennet's wife
W.P. Boyd	Shanghai	US	US vice consul, until early 1908, when transferred to become consul in St. Pierre, West Indies (NCH, April 10, 1908, p. 70).
T.A. Christensen	Kobe	Danish	Landing and shipping agent in Kobe, D&C, 1898, 61. In all likelihood Danish: in an otherwise English-language letter to Christensen dated August 16, 1904, Andersen briefly breaks into Danish usage: "I will repeat what Harris said when he visited my house, it was like this, 'Andersen: there is only one thing I don't like about it, it's too far from New York otherwise I should come to see you twice a week.' How would you like to have me twice a week calling *paa Frihavnen*" [i.e. "at the Copenhagen Free Harbour, my emphasis]. Christensen's Danish identity is further supported by the fact that one of his employees listed in D&C is named A.W. Hjort, a typical Danish surname, op.cit.
Thomas F. Cobbs	Shanghai	British/American	Mustard director
Comprador, old	Shanghai	Chinese	Born circa 1840, died December 1910
Comprador, young	Shanghai	Chinese	Old comprador's grandson
van Corbach	Shanghai	-	Businessman
Hugo Cunliffe-Owen	London	British	BAT management
James B. Duke	Durham	US	BAT management
E.H. Dunning	Shanghai	US	Manager of Dunning & Co., a company described as the "Successors to Bennett & Co., Storekeepers and Importers", (C&D 1898, 148); Leading role at Shanghai Baseball Club w. R.W. Mustard and C.C. Bennett (NCH Apr 18, 1900, 673)

W.S. Emens	Shanghai	US	Merchant at American Trading Co
Mr. Emerson	Shanghai	British/American	BAT/Mustard employee since 1902
J. C. Ferguson	Shanghai		Cleric, based in Nanjing and Shanghai
C.E. Fiske	Shanghai	US	In Mixed Court numerous times in 1900 to 1902 after copyright infringers (see NCH)
A. Friend	Shanghai	US	Captain of steamer *Kutwo* (D&C, 1899, 592)
Mr. Godsey	Shanghai	British/American	BAT/Mustard employee
John Goodnow	Shanghai	US	US consul general
W.R. Harris	New York	US	BAT
A.T. Heuckendorff	Newchwang	-	Businessman
C.T. Hill	London	British/American	BAT
Fritz Holm	London, formerly Shanghai	Danish	
A.S. Hughes	New York	US	Southard, Robertson Co., supplier to Mustard & Co.
W.A. Hulse		US	Engineer, Bonsack Co.
Albert G. Jeffress	London	US	Born 1876 in Richmond, Virginia. “Tobacco King’s Death at Sea,” *North China Daily News*, February 2, 1926, 15
Anders V. Jensen	Copenhagen	Danish	Cousin
T.R. Jernigan	Shanghai	US	US consul general
“John”	Tianjin	-	John, whose surname does not appear in the only letter to him preserved in Andersen’s extant correspondence, dated August 20, 1904, is obviously an old friend. It is likely that he is an acquaintance from Andersen’s time in Tianjin, as Andersen mentions in his letter that two ducks which John has shipped to him get tossed into the Peiho River, another name for the Haihe river connecting Tianjin with Bohai Bay.
Mr. Jones	Durham	US	Tobacco professional
C.S. Keene	New York	US	BAT
Keily	Shanghai	British/American	BAT
Koo Yuen Koo	Shanghai	Chinese	BAT/Mustard customer
Kin Sin	Shanghai	Chinese	Chinese protégé of L. Andersen and R.W. Mustard
Mr. Lacy	Shanghai	British/American	BAT/Mustard employee
Langkjaer	Shanghai	Danish	Danish Consul General
Low E. Wing	Shanghai	Chinese	Married to Sow Ying
Robert MacGregor	Shanghai	British	
Mr. Magrath	Shanghai	British/American	BAT/Mustard employee
Duncan Main	Hangzhou	British	Principal, Hangchow Medical Training College
Vilhelm Meyer	Shanghai	Danish	Businessman
O. Middleton	Shanghai	US	-
Eilert Morthensen	Shanghai	Danish	Vicar, Danish Church
Robert West Mustard	Shanghai	US	Consul of Hawaii (NCH, Nov 19, 1897, 892), Municipal Council, 1897
Robert (Bob) Orr	Shanghai	US	Paymaster
Mr. Peacock	Shanghai	British/American	BAT/Mustard employee
J.T. Pinnix	Durham	US	Leaf tobacco broker
Peter Theodor Raaschou	Shanghai	Danish	Consul general for Denmark in Shanghai, D&C, 1908, 763.

John Reid	Shanghai/Racine, Wisconsin	US	Businessman
Mr. Roger	Shanghai	-	-
P. O. Roza	Shanghai	-	Clerk, Mustard & Co. (D&C, 1909, 1630)
J.H. Scott	Shanghai/Hong Kong	US/British	BAT/Mustard employee
Sow Ying	Shanghai	Chinese	Chinese protégé of L. Andersen and R.W. Mustard
Speyers	Shanghai	US	Commanding officer on US Navy monitor *Monadnock*
Mr. Syms	Shanghai	British/American	BAT/Mustard employee
James A. Thomas	Shanghai	US	BAT manager
Trevor Thomas	Shanghai	British/American	BAT/Mustard employee
R.E. Toeg	Shanghai	Iraqi Jew	Businessman
George F. Trowbridge	New York	US	Agent for Mustard & Co.
Henri Vinay	Shanghai	French	Businessman
Captain Wells	Shanghai	-	-
W.A. West	Shanghai	-	-
Francis A. Wilson	New York	US	Pioneering advertisement executive, work with American Tobacco Co. and BAT 1898-1911, then at Liggett & Meyers until 1925. (*New York Times*, Dec 27, 1937, 15). Andersen bought stock in Liggett & Meyers, Andersen to Allen, April 10, 1912
Wu Tingfang	Beijing/Shanghai	Chinese	Malay-born Chinese businessman, foreign minister
Wu Zhaoshu	Beijing/Shanghai	Chinese	Son of Wu Tingfang
Xu Shichang	Mukden	Chinese	Viceroy/Governor of the Three Eastern Provinces 东三省总督
S.S. Young	Beijing	Chinese	National Oil Administration
Yuen Lee	Shanghai	Chinese	Customer

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