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Coordinating Flows: Entrepreneurship and Industrial Organisation in the Pennautier Royal Manufacture, c. 1696–1760

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Early modern manufactories have long occupied an ambiguous position in business history. One strand of scholarship interprets them primarily as instruments of state policy, created to implement mercantilist strategies and to reinforce fiscal and regulatory authority.[2] In this perspective, royal manufactories appear as extensions of governmental power into the sphere of production.[3] A different body of research situates early manufactories within the broader dynamics of proto-industrialisation and merchant capitalism. From this viewpoint, they are understood as precursors to modern industrial firms, emerging from commercial networks that coordinated dispersed rural production.[4] In this context, the expansion of market demand and changes in household labour allocation are seen as key drivers of this transformation.[5]

Both interpretations have substantially advanced our understanding of early modern economic change. Yet by emphasising either state-building processes or market expansion, they often leave the internal organisation of the manufacture itself comparatively unexplored. How did such a manufacture operate on a daily basis? How were raw materials procured, transported, financed and transformed into exportable goods under conditions of market volatility, regulatory constraint and capital scarcity? And above all, what did entrepreneurship mean in a context where production depended on the coordination of heterogeneous and unstable economic circuits?

Classical economic theory has often defined the entrepreneur through innovation or the management of uncertainty.[6] An older tradition, however, cast the entrepreneur

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[2] Paul-Marie Bondois, 'L'organisation industrielle et commerciale sous l'Ancien Régime : le privilège exclusif au XVIIIe siècle' (1933) 21 *Revue d'histoire économique et sociale*, p.140; Eli F Heckscher, *Mercantilism* (London: Routledge, 1994); Robert B. Ekelund, *Mercantilism as a Rent-Seeking Society: Economic Regulation in Historical Perspective* (College Station: Texas A&M University Press, 1981).

[3] John Brewer, *The Sinews of Power : War, Money and the English State, 1688-1783* (London: Routledge, 2014); Philippe Minard, *La fortune du colbertisme : État et industrie dans la France des Lumières* (Paris: Fayard, 1998).

[4] Peter Kriedte, Hans Medick and Jürgen Schlumbohm, *Industrialization before Industrialization: Rural Industry in the Genesis of Capitalism* (Cambridge: Cambridge University Press, 1981).

[5] Jan De Vries, *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the Present* (Cambridge: Cambridge University Press, 2008).

[6] Joseph A. Schumpeter and Richard Swedberg, *The Theory of Economic Development* (London: Routledge, 2021); Hélène Vérin, *Entrepreneurs, entreprise: histoire d'une idée* (Paris: Classiques Garnie,r 2011); Frank Hyneman Knight, *Risk, Uncertainty and Profit* (Orlando: Signalman, 2009).

primarily as a coordinator of exchange circuits: an agent who bears market risk by purchasing at known prices and selling at unknown ones, and who thereby absorbs the uncertainty that neither property-holders nor wage-earners are willing to carry.[7] This is the figure Cantillon placed at the centre of economic life, and it is this figure, rather than the Schumpeterian innovator, that the present article takes as its analytical point of departure. More recent approaches have stressed the role of coordination and information, yet these models were largely formulated with modern firms in mind.[8] When applied to eighteenth-century manufacturing, where ownership, credit and political authority were structurally intertwined, they require substantial adjustment.[9] In particular, they tend to treat institutional frameworks as external constraints on entrepreneurial action rather than as constitutive elements of the firm's financial architecture. The Pennautier case historicises this assumption: it shows that the boundary between institutional environment and firm-level organisation was not fixed but contingent on specific political and fiscal configurations, and that its displacement, when provincial support receded in 1756, fundamentally altered the structure of entrepreneurial constraint.

In this context, entrepreneurship did not primarily consist in technological breakthrough or autonomous control over capital, but in the capacity to align heterogeneous and unstable economic circuits within a constrained institutional environment.[10] Recent scholarship in economic history has increasingly stressed the importance of institutions in shaping long-term growth trajectories.[11] Similarly, studies of early modern political economy have highlighted the negotiated and composite nature of governance structures.[12] However, even within this renewed institutional framework, the firm itself often remains a black box. This article intervenes at this intersection. By reconstructing the internal operation of a single manufacture across two distinct institutional phases, it contributes to the history of early modern manufactories, to the theory of entrepreneurship as coordination rather than innovation, and to the broader question of

[7] Alain Guéry (ed.), *Montchrestien et Cantillon: le commerce et l'émergence d'une pensée économique* (Lyon: ENS éditions, 2011), p.157.
[8] Mark Casson, *The Entrepreneur: An Economic Theory*, 2nd edition (Cheltenham, Edward Elgar, 2003).
[9] IP Minoglou and Youssef Cassis (eds), *Entrepreneurship in Theory and History* (London: Palgrave, 2005); Mark Casson, *Entrepreneurship: Theory, Networks, History* (Cheltenham: Edward Elgar, 2010).
[10] Vérin (n 5), p.105.
[11] Douglass C. North, *Institutions, Institutional Change, and Economic Performance* (Cambridge: Cambridge University Press, 1990); Sheilagh C. Ogilvie, *Institutions and European Trade: Merchant Guilds, 1000–1800* (Cambridge: Cambridge University Press, 2011).
[12] William Beik, *Absolutism and Society in Seventeenth-Century France: State Power and Provincial Aristocracy in Languedoc* (Cambridge: Cambridge University Press, 1992); Philip T. Hoffman and Kathryn Norberg (eds), *Fiscal Crises, Liberty, and Representative Government, 1450–1789* (Redwood City: Stanford University Press 1994).

how firms and institutions are constitutively, rather than merely externally, related. In doing so, it treats the manufacture not as a black box but as a site where financial architecture, material organisation and institutional dependency can be observed in their interaction.

This article addresses these questions through extensive use of the private archival records of the Pennautier royal manufacture in eighteenth-century Languedoc.[13] Preserved within the manufacture's own documentary holdings, these materials include account books kept by successive lessees, *bail d'affermage* contracts, notarial obligations, detailed transport invoices, commercial correspondence with suppliers in Bayonne and Toulouse, letters exchanged with the Roux trading house in Marseille and deliberations of the Estates of Languedoc concerning subsidies and export premiums. Together, these private business records make it possible to reconstruct, with unusual precision, the financial and material mechanisms that sustained production from the manufacture's foundation in 1696 through to the Tarbouriech phase in the 1750s–60s, a period bounded by the creation of its institutional architecture and the withdrawal of provincial support that fundamentally reconfigured its financial dependencies.

The article proceeds in three stages. The first reconstructs the manufacture's financial and institutional architecture, highlighting credit arrangements, fixed capital immobilisation, and provincial subsidies. The second examines the material coordination required to sustain production, focusing on wool procurement and transport strategies. The third examines the marketing of cloth, showing how price uncertainty, quality disputes, and dependence on intermediaries shaped the entrepreneur's role in sustaining exports.

The Foundation of the Pennautier Manufacture

A Networked Foundation

The Pennautier manufacture was established in 1696, at a moment when manufacturing expansion in Languedoc was actively encouraged by the Estates of Languedoc. Since the early 1680s, the Estates had adopted a proactive policy of industrial support, granting subsidies, export premiums and infrastructural assistance to selected manufactories. In this sense, manufacturing was embedded within a provincial strategy aimed at stabilising

[13] Arch. Dép. Aude. 124J/360–394. Fonds de la famille de Lorgeril de Pennautier. Manufacture de draps de Pennautier [Family papers of the Lorgeril de Pennautier family. Pennautier cloth manufacture].

fiscal revenues, promoting export trade and reinforcing the economic base of the province, and the kingdom as a whole.[14]

The founder of the manufacture, Louis Reich de Pennautier, came from a family ennobled through fiscal office: his grandfather had served as treasurer of the Estates of Languedoc in the sixteenth century, and Pennautier himself inherited both the charge and the nodal position within Languedoc's institutional and financial circuits that it conferred. Far from an isolated industrial investor, he occupied a central position within the province's fiscal and financial apparatus.[15] His activities extended beyond provincial taxation into commercial ventures, including involvement in several commercial companies such as the Levant company. His economic profile was therefore hybrid: he operated simultaneously within public finance, private credit networks and commercial companies.[16]

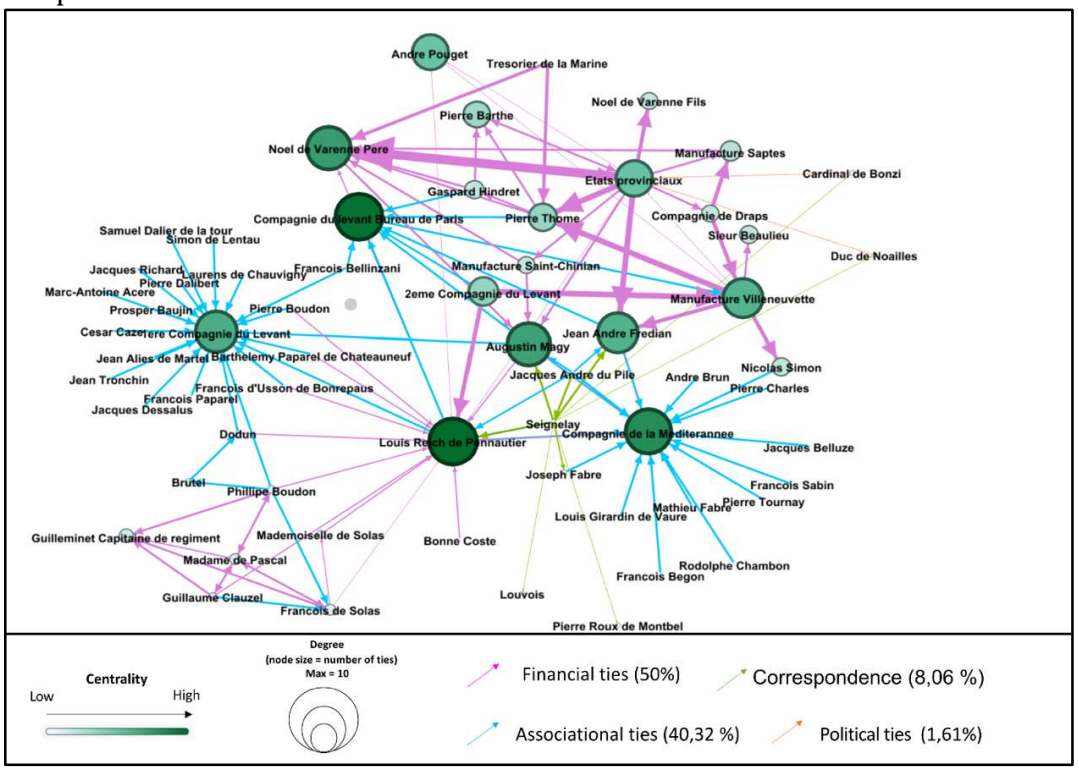


Figure 1: Louis Reich de Pennautier's relational network.

[14] Flavian Minel, 'Les premiers soutiens financiers à l'industrie lainière languedocienne : l'émergence d'une politique manufacturière (1670–1700)' (ResearchGate, 2025) <https://doi.org/10.13140/RG.2.2.22646.87362> accessed 1 September 2026.

[15] Beik (n 11), p.223.

[16] Flavian Minel, 'Investir, produire, exporter : les actionnaires de la Compagnie du Levant et les manufactures languedociennes (1670–1695)' (ResearchGate, 2025) <https://doi.org/10.13140/RG.2.2.21761.93287> accessed 1 September 2026.

The network above is visualised through an eigenvector centrality measure, which evaluates each actor's importance not simply by the number of his connections, but by the influence of the actors to whom he was connected. With the maximum score, Pennautier emerges as the most central figure in the network, positioned at the intersection of royal administration, the Estates of Languedoc, Mediterranean trading companies, and other manufactories, and capable of converting that position into economic and political leverage. It was precisely this structural centrality that made the Pennautier manufacture possible. Access to capital, credit, and political leverage derived not from ownership of industrial capital alone, but from his embeddedness within these heterogeneous and mutually reinforcing circuits.[17]

Letters exchanged between Seignelay, the governor of Languedoc (the duc de Noailles), the intendant Basville, and Pennautier himself document repeated interventions concerning the financing and supervision of royal manufactories such as Saptes and Clermont.[18] In these exchanges, Pennautier appears both as recipient of royal directives and as intermediary charged with drafting memoranda on how to sustain or expand provincial manufactures. Other documents such as notarial acts and company contracts relating to the successive French Levant Companies, show his simultaneous involvement in Mediterranean commercial ventures.[19] These sources place him at the junction of fiscal administration, commercial finance and industrial supply. In this respect, Pennautier occupied what Ronald S. Burt has described as 'structural holes': the gaps separating otherwise disconnected spheres of action such as royal administration, provincial institutions, merchant companies, and manufactories, allowing him to act as an intermediary and to convert relational position into economic advantage.[20]

Seen from this perspective, the establishment of the Pennautier manufacture was less the creation of a new productive unit than the material extension of an existing institutional and financial configuration. The industrial site thus converted relational capital into fixed infrastructure. Yet the figure of Pennautier must not be conflated with that of the entrepreneur in the operational sense. As proprietor and financier, he mobilised capital and political leverage, but the conduct of production and commercial

[17] The analytical framework and methodology underpinning this figure are detailed in my doctoral dissertation Flavian Minel, 'Structurer l'industrie, stabiliser les flux, gouverner le territoire: le cas de l'industrie lainière languedocienne (1670–1789)' (Thèse de doctorat, Université de Perpignan Via Domitia, 2025), pp.139–40.
[18] Arch. Nat. MAR/B/3/18-331. Lettres reçues [Letters received].
[19] Ibid. Extrait des articles et conditions de la société des intéressés en la compagnie de la mer Méditerranée, p.458 [Extract from the articles and conditions of the company of investors in the Mediterranean Sea Company, p.458].
[20] Emmanuel Lazega and Ronald S. Burt, 'Structural Holes: The Social Structure of Competition' (1995) 36 *Revue Française de Sociologie*, p.779 <https://doi.org/10.2307/3322456> accessed 1 September 2026.

risk was delegated to the entrepreneur. The foundation of the manufacture thus rested on a functional differentiation between ownership, finance and entrepreneurial activity. This functional differentiation between ownership and entrepreneurial activity was formalised from the outset through a lease the *bail d'affermage*, a leasing contract that structured the manufacture's operation. Under this arrangement, Louis Reich de Pennautier retained ownership of the buildings, equipment and fixed installations, while the daily conduct of production was entrusted to lessee-entrepreneurs. These operators assumed responsibility for labour organisation, procurement and commercial transactions, in exchange for the right to exploit the manufacture for a fixed annual rent.

The Organisation of the Manufacture

The separation was not merely administrative; it was first and foremost financial. At its foundation, Pennautier advanced 15,000 *livres* to the lessees, François Bourlat and Lamarque.[21] This sum, repayable over ten years, constituted the initial working capital required to launch production cycles. It financed the purchase of raw materials, the mobilisation of labour, and the early operating costs of the manufacture before sales revenues could be realised.

The accounts kept by Bourlat and Lamarque offer a concrete view of how this architecture of credit operated in practice. The 15,000 *livres* were immediately converted into fixed installations and productive equipment. As early as 1698, 650 *livres* were spent on cloth-pressing machines, and approximately 720 *livres* on dyeing vats and boilers.[22] Capital was thus immobilised from the outset in specialised infrastructure that required continuous utilisation.

Revenues, in turn, were rapidly reintegrated into the cycle of debt. In 1700, the sale of 289 *aunes*[23] of cloth generated 4,943 *livres*, yet these receipts were immediately deducted from the entrepreneurs' outstanding liability.[24] The cloth was delivered to Pennautier

[21] Arch. Dép. Aude. 124J/362. Gestion par les sieurs frères Lamarque et Bourlat, marchands: baux à ferme, pièces de comptes. 1698–1709. Compte que rendent a Monsieur de Pennautier...les sieurs Lamarque et Bourlat tant pour le paiement et emploi de la somme de 15 000 *livres* [Management by the brothers Lamarque and Bourlat, merchants: farm leases, accounting documents, 1698–1709. Account rendered to Monsieur de Pennautier by Lamarque and Bourlat for the payment and use of the sum of 15,000 *livres*].

[22] *Ibid.* Pièce n° 1, 3 quittances de Marin pour tuiles fournies pour la maison de l'affineur & Pièce n° 3 et 5. 2 quittances d'Albarede pour fourniture à la maison de la facture, pareur et affineur [Item no.1, 3 receipts from Marin for tiles supplied to the finisher's house; Items no.3 and 5, 2 receipts from Albarede for supplies to the manufacture, dresser and finisher].

[23] The *aune'*was a French unit of length used for textiles under the Ancien Régime.

[24] Arch. Dép. Aude. 124J/362. Gestion par les sieurs frères Lamarque et Bourlat, marchands: baux à ferme, pièces de comptes, 1698–1709. Avance faites par nous [Lamarque et Bourlat] à la teinture de Pennautier [Management by the

himself, who credited its value against the 15,000 *livres* he had advanced to the lessees. Production thus entered the accounts not as free income, but as a reduction of debt. The settlement drawn up in 1709 between the lessees and Pennautier makes this logic even clearer. The entrepreneurs still owed 15,000 *livres* under the original obligation contracted in 1698. To this were added 400 *livres* for four years of rent on the finishers' house and 300 *livres* for the rental of the shearers' premises, bringing the total liability to 15,700 *livres*. At the same time, Pennautier owed the lessees 15,425 *livres* for cloth already delivered and for various expenses incurred on behalf of the manufacture. These sums were entered on the opposite side of the account and deducted from the total liability. Once this compensation was effected, a residual balance of 275 *livres* remained due from the entrepreneurs in order to close the account.[25]

After more than a decade of activity, revenues and expenditures had thus nearly cancelled each other out. The account reveals not an expanding surplus, but a tightly structured equilibrium in which credit advanced, rent owed, cloth delivered, and production costs were continuously balanced against one another. It therefore appears that entrepreneurs operated within this narrow margin, where continuity of production was less a strategy of growth than a condition of financial survival.

However, the financial and material architecture of the Pennautier manufacture was embedded within a broader provincial framework shaped by the Estates of Languedoc. Although the establishment was founded at Pennautier's own expense and without an initial provincial loan, its operation unfolded within a system of incentives and recognitions administered by the Estates. Manufacturing expansion had been actively encouraged since the 1680s, and export-oriented production was tied to subsidy mechanisms such as the *pistole*[26] granted for cloth shipped to the Levant.[27]

During the first lease, the entrepreneurs relied on Pennautier to secure access to these advantages. In 1700, the Estates agreed to grant the *pistole* for up to 200 pieces exported annually. In 1706, despite the absence of a prior formal entitlement, they awarded 4,000

Lamarque and Bourlat brothers, merchants: farm leases, accounting documents, 1698–1709. Advances made by us (Lamarque and Bourlat) to the Pennautier dyeworks].

[25] Ibid. Compte que rendent a Monsieur de Pennautier…les sieurs Lamarque et Bourlat tant pour le paiement et emploi de la somme de 15 000 *livres* [Account rendered to Monsieur de Pennautier by Lamarque and Bourlat for the payment and use of the sum of 15,000 *livres*].

[26] A subvention of 10 *livres* for each fine cloth exported.

[27] Flavian Minel, 'Soutenir l'industrie lainière languedocienne au XVIIIe siècle: entre impulsions royales et stratégies provinciales' (ResearchGate, 2025) <https://doi.org/10.13140/RG.2.2.30196.62081> accessed 1 September 2026.

livres for the production of 400 pieces of fine cloth[28]. In 1709, the subsidy was officially confirmed without the imposition of a minimum production quota, a notable exception when compared to other manufactories in the province.[29]

These interventions did not transform the manufacture into a provincially financed enterprise, but they contributed to stabilising a fragile financial equilibrium. Subsidies functioned as conditional inflows linked to export performance rather than as autonomous profit. They were integrated into the same accounting structure that reconciled debt, rent and production costs. The result was a tightly structured system in which private capital, delegated entrepreneurship, and provincial incentives interacted. Capital was immobilised in specialised infrastructure; revenues were absorbed into debt reconciliation; margins remained narrow; and public support depended on sustained output. The viability of the manufacture therefore rested not on expansionist accumulation, but on the continuous alignment of financial commitments, material capacity and institutional incentives.

The central challenge was thus not merely to produce, but to produce without interruption. Fixed investment, repayment schedules, and subsidy conditions imposed a temporal discipline that made throughput indispensable. To maintain this equilibrium the entrepreneur required a steady and predictable supply of wool capable of feeding thirty looms and sustaining export commitments. The problem of industrial organisation now shifted from financial architecture to material coordination.

Securing and Moving Wool: Material Coordination Under Constraint

Securing Wool Supplies

From the mid-1750s onwards, the Pennautier manufacture entered a radically different institutional and financial configuration. In 1756, the Estates of Languedoc withdrew from the system of incentives that had long stabilised Levant-oriented production, exposing manufacturers to greater market volatility.[30] Joseph Tarbouriech emerged in this context as director within a *commandite,* meaning a limited partnership company formed with Saint-Pardoux, underpinned by a 60,000-*livre* loan at 5 per cent from the

[28] Flavian Minel, 'Base de données relationnelle - Flux financiers et industrie lainière en Languedoc (1680–1789)' (ResearchGate, 2025) <https://doi.org/10.13140/RG.2.2.21152.65284/3> accessed 1 September 2026.
[29] Arch. Dép. Hérault. C/7344. Délibération des États de Languedoc, le 26 janvier 1709, f° 105r-106v [Deliberation of the Estates of Languedoc, 26 January 1709, fol. 105r-106v].
[30] Stéphane Durand, Arlette Jouanna and Élie Pélaquier, *Des États dans l'État les États de Languedoc de la Fronde à la Révolution* (Genève: Droz, 2014), p.276.

Roux trading house.[31] From this point, the manufacture's continuity depended less on provincial support than on its capacity to transform borrowed capital into cloth at a pace compatible with Mediterranean demand and repayment schedules.

In this later phase, the central problem was no longer the establishment of infrastructure but the maintenance of throughput. Tarbouriech's extensive commercial correspondence reveals that procurement was not a simple act of purchase, but a continuous process of negotiation, evaluation and logistical coordination across interregional markets.[32] The scale of wool procurement reflects this constraint. Between September and December 1760, commercial correspondence and invoices record 157 bales of wool for which both the number of bales and their precise weight are indicated, amounting to 369 *quintaux* and 78 *livres pesant*[33]. For the remaining consignments, where the weight is not specified, an average weight per bale derived from the documented sample has been used to estimate their total mass.[34] At an average of about 2.3 quintaux per bale, this represents a substantial mobilisation of raw material. Using Jean-Michel Minovez's estimate that 20 to 25 kilograms of fine Spanish wool were required for a high-quality piece, such volumes could theoretically sustain the production of roughly 3,000 to 3,700 cloths.[35]

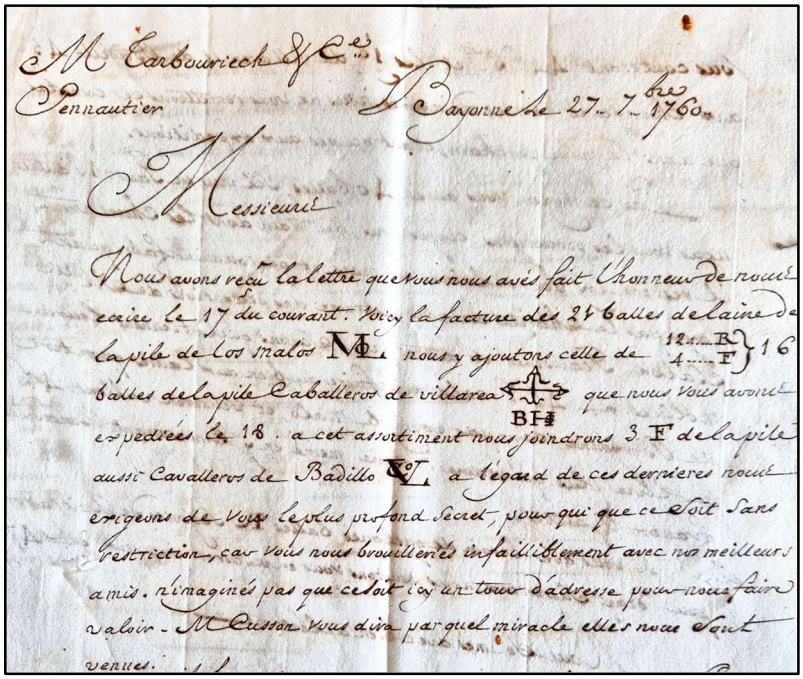
[31] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance. 1759–1845 et s. d. Acte de société entre Joseph Tarbouriech et le sieur de Saint-Pardoux le 1er novembre 1759 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence. 1759–1845 and n.d. Partnership agreement between Joseph Tarbouriech and the sieur de Saint-Pardoux, 1 November 1759].

[32]Ibid. About the Roux trading company see Sébastien Lupo, 'Révolution(s) d'échelles : le marché levantin et la crise du commerce marseillais au miroir des maisons Roux et de leurs relais à Smyrne (1740–1787)' (Thèse de doctorat, Aix-Marseille, 2015).

[33] The *quintal* and the *livre pesant* were pre-metric French units of weight. One quintal corresponded to 100 *livres pesant*. The *livre pesant* was based on the *poids de marc* system and weighed approximately 489 grams. One quintal therefore represented roughly 48.9 kilograms. These units varied slightly across regions and periods. For more information see Pierre Charbonnier and Université Blaise Pascal (eds), *Les anciennes mesures locales du midi méditerranéen d'après les tables de conversion* (Clermont-Ferrand: Institut d'Etudes du Massif Central, Université Blaise Pascal, 1994).

[34] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: Septembre à décembre 1760. Lettre de septembre à décembre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence. 1759–1845 and n.d. Item no.535: September to December 1760. Letters from September to December 1760].

[35] Jean Michel Minovez, *La puissance du Midi : drapiers et draperies de Colbert à la Révolution* (Rennes: Presses universitaires de Rennes, 2012), p.52.



M Tarbouriech & Cie
Pennautier
Bayonne le 27. 7bre 1760.

Messieurs

Nous avons reçu la lettre que vous nous avés fait l'honneur de nous
ecrire le 17 du courant. Voicy la facture des 24 balles de laine de
la pile de los malos M nous y ajoutons celle de 12 ... R / 4 ... F } 16
balles de la pile Caballeros de villarea BH que nous vous avons
expediées le 18. a cet assortiment nous joindrons 3 F de la pile
aussi Cavalleros de Badillo V a l'egard de ces dernieres nous
exigeons de vous le plus profond secret, pour qui que ce soit sans
restriction, car vous nous brouilleriés infailliblement avec nos meilleurs
amis. n'imaginés pas que ce soit icy un tour d'adresse pour nous faire
valoir. M Cusson vous dira par quel miracle elles nous sont
venues.

Figure 2: Letter from Poydenot to Tarbouriech concerning the shipment of 40 bales of wool.[36]

The letter exemplifies the documentary form through which entrepreneurial coordination operated: wool procurement left traces not in ledgers alone, but in the continuous exchange of commercial correspondence that made negotiation, adjustment and relationship management visible. A manufacture equipped with 35 looms and specialised dyeing infrastructure could not afford irregular supply. Fixed capital such as presses, vats and warehouses generated no return unless constantly activated. Any delay in wool deliveries risked interrupting production cycles, slowing turnover, and, ultimately, compromising the capacity to sustain production and therefore meet financial obligations toward creditors and commercial partners. In this configuration, wool was not simply an input; it was the pivot of a chain linking regional production and Levantine markets.

Procurement was therefore a continuous process of negotiation over quality, price, transport and timing, involving suppliers in Bayonne, Toulouse and Carcassonne, and exposed to seasonal risks and market price volatility. It is at this level – where the cost of wool, the timing of deliveries, and the pressure of debt obligations converged – that

[36] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: Septembre à décembre 1760. Lettre des frères Poydenot à Joseph Tarbouriech le 27 septembre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: September to December 1760. Letter from the Poydenot brothers to Joseph Tarbouriech, 27 September 1760].

Tarbouriech's entrepreneurial function becomes fully visible: not as autonomous initiative, but as the ongoing stabilisation of supply, production and commercial circulation across dispersed markets.

Price, Quality, and the Cost of Securing Supply

If procurement determined the viability of production, its concrete mechanics were governed by price differentials, transport costs, and qualitative hierarchies within the Spanish wool market. Indeed, Tarbouriech's correspondence shows that wool was not purchased at a uniform rate, but within a stratified market where origin, quality and timing directly shaped cost structures. In September 1760, the Poydenot brothers in Bayonne informed Tarbouriech that 21 bales from the Malo pile were sold at 44 *sols* 6 deniers per *livre pesant*, while the 16 bales from the finer Villarea and Badillo wools reached 45 *sols*. The 37 documented bales weighed 9,512 *livres pesant*, bringing the transaction to 21,221 *livres* 14 *sols*. The invoice below makes visible what the correspondence describes: qualitative distinctions between wool grades were not merely technical classifications but were directly translated into differentiated costs, capital commitments and purchasing decisions.

At this scale, even a difference of 6 deniers per *livre*, which could appear to be negligible, became economically significant once multiplied across thousands of *livres pesant*. The hierarchy between Malo and Villarea was not merely descriptive; it was embedded in cost accounting and in the very mechanics of price formation. In the correspondence, each pile functioned as a recognised benchmark within a shared commercial vocabulary. When the Poydenot brothers informed Tarbouriech that Villarea was selling at 45 *sols* per *livre pesant* while Malo stood at 44 *sols* 6 *deniers*, they were not simply reporting prices; they were situating each quality within a comparative grid that structured purchasing decisions.[37]

[37] Marguerite Martin, 'Les marchés de l'indigo en France : flux, acteurs, produits (XVIIè–XVIIIè siècles)' (Thèse de doctorat, Paris 1, 2016), p.499.

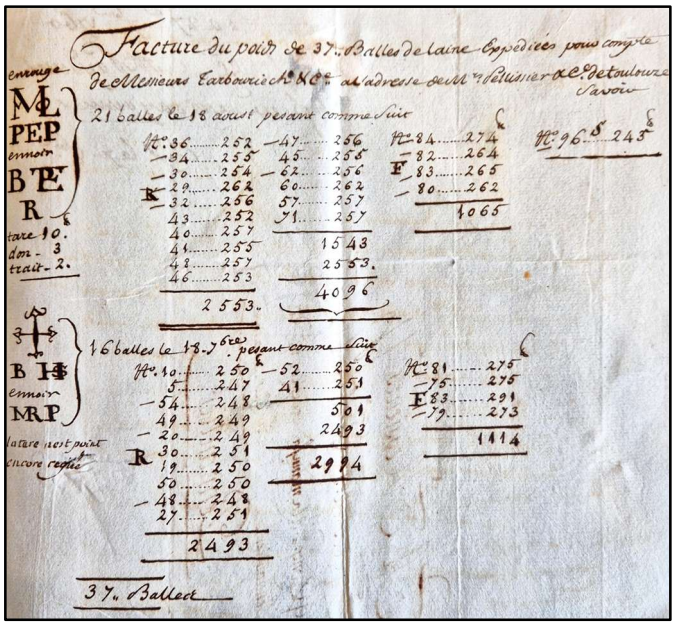


Figure 3: Invoice for the 37 bales of wool sent by Poydenot to Tarbouriech.[38]

These distinctions are translated directly into capital immobilisation. The acquisition of higher-ranked piles required the entrepreneur to commit larger sums in advance, especially in a context of intense demand for fine Spanish wool. Indeed, suppliers repeatedly insisted that prices were rising due to purchases on other markets, notably Rouen, or because proprietors of specific piles imposed minimum selling prices.[39] Quality thus became inseparable from broader market dynamics: fluctuations in demand or strategic withholding by owners affected not only overall price levels but also the relative positioning of each grade, making clear that important commercial centres were not isolated but interconnected.[40]

Suppliers also actively shaped Tarbouriech's perception of value. Letters compared one pile to another, encouraged him to evaluate price 'in relation' to recognised references, and justified higher tariffs through claims of superior fineness or reputation.[41] Quality was

[38] Ibid.

[39] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d.. Pièce 535: Septembre à décembre 1760. Lettre de Bourlat à Tarbouriech le 19 septembre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: September to December 1760. Letter from Bourlat to Tarbouriech, 19 September 1760].

[40] Fernand Braudel, *Les jeux de l'échange* (Paris: Armand Colin, 2022).

[41] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: Septembre à décembre 1760. Lettre des frères

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therefore not simply a technical property of the fibre; it operated as a negotiated economic category, constructed through comparison, reputation, and strategic framing within a competitive transregional market. In this sense, the wool trade reveals a system in which price, quality, and market power were deeply intertwined.

Transport further amplified these costs. In October 1760, a shipment of 50 bales generated total carriage expenses of 570 *livres* 16 *sols* 3 *deniers*. The rate was calculated as a percentage of weight: 5 per cent for the largest load and 5.5 per cent for smaller consignments, revealing clear economies of scale. The average transport cost amounted to approximately 5 *livres* 17 *sols* per quintal.[42] The following breakdown illustrates how transport costs were structured across a large consignment, revealing the relative weight of each component.

Item	**Amount**
Carriage: 31 bales (5,091 lp) at 5 per cent	254 l. 11 s.
Carriage: 16 bales (3,884 lp) at 5.5 per cent	203 l. 18 s.
Carriage: 3 bales (713 lp) at 5.5 per cent	11 l. 16 s.
Packing materials (11.5 *cannes*[43] of cloth and cord)	13 l. 11 s.
Labour (8 men)	8 l.
Warehousing (5 *sols* per bale)	10 l.
Exit duties & canal transfer	29 l. 3 d.
Conditioning (1 l. per bale)	40 l.
Total	**570 l. 16 s. 3 d.**

Figure 4: Detailed cost of the shipment of 50 bales of wool.

Out of the 570 *livres* 16 *sols* 3 *deniers*, no less than 470 *livres* 5 *sols* corresponded to the transport of the bales themselves. The remaining charges, packing materials, labour, warehousing, municipal exit duties and conditioning, formed a secondary but still significant layer of expense. Carriage alone thus represented roughly 82 per cent of the total freight expenditure. The differentiated rate of 5 per cent for the largest convoy and

Poydenot à Tarbouriech du 25 novembre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: September to December 1760. Letter from the Poydenot brothers to Tarbouriech, 25 November 1760].

[42] Ibid. Pièce 535: Septembre à décembre 1760. Lettre de Pellissier et Cie à Tarbouriech le 29 décembre 1760 [Item no.535: September to December 1760. Letter from Pellissier & Co. to Tarbouriech, 29 December 1760].

[43] The *canne* was a unit of length used in southern France under the Ancien Régime, particularly for measuring textiles. Its value varied regionally, but in Languedoc it generally corresponded to approximately 1.9 to 2 metres. In this context, it refers to the length of cloth used for packing and securing wool bales.

5.5 per cent for smaller lots, suggests a degressive tariff structure. Volume directly affected the percentage applied to weight, and therefore the final cost per *quintal*.

This becomes clearer when compared to a smaller shipment. An expedition of 28 bales weighing 6,660 *livres pesant* was invoiced at 444 *livres* 14 *sols*. Although cheaper in absolute terms, its average cost rose to approximately 6 *livres* 14 *sols* per quintal which is almost one *livre* more per quintal than the larger convoy. A smaller consignment from the previous year shows the same cost structure, but at a less favourable rate.

Item	**Amount**
Carriage: 28 bales at 5.1 per cent (6,660 lp)	366 l. 6 s.
Packing materials	5 l. 18 s.
Labour (7 men)	7 l.
Warehousing (5 *sols* per bale)	7 l.
Exit duties & canal transfer	30 l. 10 s.
Conditioning (1 l. per bale)	28 l.
Total	**444 l. 14 s.**

Figure 5: Detailed cost of the shipment of 28 bales of wool.[44]

At first glance, the second shipment seems less burdensome because of its lower aggregate value. However, the examination of the cost per *quintal* reveals the opposite: the 50-bale expedition averaged 5 *livres* 17 *sols* per *quintal*, whereas the 28-bale shipment reached 6 *livres* 14 *sols* per *quintal*. The difference results from the absence of economies of scale in the smaller convoy. While the larger load benefited from a reduced rate of 5 per cent, smaller consignments were subject to 5.5 per cent, and the 28-bale shipment itself was invoiced at 5.1 per cent, slightly above the most favourable rate observed in the larger expedition.

In this case, transport pricing was volume-sensitive, and consolidation reduced unit costs. For an entrepreneur operating under financial constraint and depending on rapid turnover, it was structurally more advantageous to concentrate shipments in larger batches. With this in mind, freight costs directly influenced the choice of suppliers, the timing of purchases and the sums of capital tied up in each transaction.

[44] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 534: Octobre à décembre 1759. Lettre de Pellissier à Tarbouriech le 26 décembre 1759 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.534: October to December 1759. Letter from Pellissier to Tarbouriech, 26 December 1759].

Marketing, Credit, and the Control of Outlets

The Role of the Roux Trading House

If wool procurement determined whether production could be sustained, the marketing of finished cloth determined its effective profitability. From the late 1750s onwards, the Pennautier manufacture was integrated into a dense relationship with the Roux trading house of Marseille. This relationship extended far beyond the sale of cloth. The Roux acted simultaneously as distributors, credit intermediaries, occasional suppliers of raw materials and financial partners within the *commandite* structure.[45]

Their correspondence with Tarbouriech reveals the multiple layers of this interdependence. As early as 1759, the Roux organised the purchase of Tunisian wool at 25 *livres* per *quintal*, a price dramatically lower than the approximately 45 *sols* per *livre pesant* paid for fine Spanish wool.[46] Even allowing for differences in quality and additional transport costs, such transactions suggest strategic arbitration within a context of capital constraint. Raw materials could therefore be sourced not only according to technical standards but also according to financial pressure.

Financial flows were equally structured through commercial paper. A bill of exchange for 8,653 *livres*, issued in settlement of a wool delivery, circulated through several endorsements, from Carcassonne to Toulouse and Nice, before being presented to the Roux for payment[47]. Each transfer reflected a process of compensation between merchants rather than the movement of coin. In other cases, the Roux supplied letters of exchange on request and deducted a commission of one per cent for the operation, making credit not ancillary to trade but one of its organising principles.

The negotiation of cloth prices reveals another layer of this configuration. Sales were not determined by production costs alone, nor by a mechanically fixed market price. They resulted from a continuous adjustment between nominal valuation, commercial practice, and the specific conditions of Levantine demand. The price of cloth functioned

[45] Gilbert Buti, 'Une maison de négoce à Marseille au XVIIIe siècle: les Roux frères' (2021) Patrimoines du Sud <https://doi.org/10.4000/pds.6234> accessed 1 September 2026.

[46] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 534: Octobre à décembre 1759. Lettre de Pierre Honoré Roux à Tarbouriech le 12 octobre 1759 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.534: October to December 1759. Letter from Pierre Honoré Roux to Tarbouriech, 12 October 1759].

[47] Ibid. Lettre de Pierre-Honoré Roux à Tarbouriech le 30 novembre 1759 [Letter from Pierre-Honoré Roux to Tarbouriech, 30 November 1759].

simultaneously as an economic variable and as a marker of quality.[48] Maintaining its level was therefore not a trivial matter: it conditioned the perceived standing of the manufacture within competitive circuits.

In this environment, access to outlets became a decisive factor. Merchants capable of placing substantial orders occupied a structurally advantageous position, since control over distribution channels translated into bargaining power. Negotiations did not concern price alone; they extended to payment conditions, discounting practices, and the allocation of margins. The Roux, situated at the intersection of export markets and financial intermediation, played a mediating role in these adjustments, balancing immediate sales against the longer-term stability of the manufacture's commercial reputation.

In this context, the continuity of Pennautier thus depended not solely on its capacity to secure wool and sustain production cycles, but on its integration into a network where credit, information and market access were tightly interwoven. The organisation of export markets therefore influenced production itself, since it determined how and when the capital invested in cloth could return.

Quality as a Market Constraint

The letters exchanged between Tarbouriech and the Roux trading house reveal that the problem of quality emerged most clearly at the moment of sale. Cloth did not circulate as a neutral commodity whose characteristics were self-evident. Its value had to be assessed, discussed, defended and sometimes contested before any transaction could be secured.

In October 1760, a potential buyer, Gauthier, examined consignments from Pennautier and expressed dissatisfaction with the shade of a light green dye. His reservation did not concern structural defects or manufacturing irregularities, but an aesthetic judgement. The Roux did not accept this evaluation at face value. They sought additional opinions and defended the cloth's merits, emphasising its superiority in relation to comparable products.[49] The episode shows that the recognition of quality depended less on internal

[48] Michel Morineau and Charles Carriere, 'Draps du Languedoc et commerce du Levant au XVIIIe siècle' (1968) 46 *Revue d'histoire économique et sociale*, p.108.

[49] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: lettres de septembre à décembre 1760. Lettre de Pierre-Honoré Roux à Tarbouriech le 15 octobre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: Letters from September to December 1760. Letter from Pierre-Honoré Roux to Tarbouriech, 15 October 1760].

production standards than on external validation within commercial networks. This uncertainty was not exceptional. Levantine markets were highly sensitive to colour, finish, and durability, particularly for fine reds and blues associated with luxury consumption.[50] Yet preferences varied between destinations, and buyers did not necessarily share identical criteria. As a result, quality was not a stable category determined exclusively in the workshop. It was redefined at each stage of circulation, through comparison, expertise, and negotiation.

The Roux played a decisive role in this process. They did not merely transmit information; they interpreted it. In December 1760, for example, they reported having received samples of *mahoux seconds*[51] and *londrins premiers*[52], accompanied by detailed explanations concerning their manufacture and finish. These samples were not treated as interchangeable goods. The Roux discussed with their correspondents which destination would best suit each category of cloth, suggesting that certain qualities would find more secure outlets in Constantinople, while others might be directed toward Cairo.[53]

By distinguishing between different types of cloth, and by advising on their most appropriate destinations, the Roux effectively linked production decisions to market segmentation. A fabric considered technically superior could nevertheless prove less adapted to a given outlet. Conversely, a cloth of slightly lower intrinsic quality might circulate more easily if it matched demand structures in a particular port. This dynamic became particularly significant in a context where some manufacturers reduced production standards in order to supply broader consumer segments within the Ottoman Empire.[54] The temptation to substitute cheaper dyes or less refined wool responded to real commercial pressures. Yet such adjustments risked eroding the collective reputation

[50] Gilbert Buti, 'Des goûts et des couleurs. Draps du Languedoc pour clientèle levantine au XVIIIe siècle' [2008] *Rives méditerranéennes*, p.125.
[51] *Draps mahoux* were the highest-quality cloths of the Languedoc 'Grande Draperie' produced for the Levantine market. They were woven from the finest Spanish merino wools (notably refin Villecastin or refin Ségovie) and were subject to strict manufacturing regulations, including a thread count of 3,600 warp threads for the *mahoux premier*
[52] *Londrins seconds* were a lower grade within the Levantine export range. Unlike the finer *mahoux* and *londrins premiers*, they were woven with thicker yarn spun from coarser Spanish wool (often from Soria) and required a lower warp thread count, which made them less costly and more widely produced.
[53] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: lettres de septembre à décembre 1760. Lettre de Pierre-Honoré Roux à Tarbouriech le 15 octobre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: Letters from September to December 1760. Letter from Pierre-Honoré Roux to Tarbouriech, 15 October 1760].
[54] Minovez (n 34), p.120.

of Languedoc cloth. In the absence of strong provincial supervision, the defence of quality increasingly relied on the interaction between producers and merchants.

For Tarbouriech, the issue was therefore not simply to maintain a technical level of excellence. It was to ensure that this excellence was recognised, valued and translated into effective demand. Quality functioned simultaneously as a productive constraint and as a commercial condition. The continuity of export depended not only on the physical properties of cloth, but on the capacity of the manufacture and its commercial partners to stabilise its evaluation across geographically dispersed markets.

Price Reputation, Discounts, and the Control of Outlets

Whereas quality shaped reputation, price determined whether that reputation could be converted into liquidity. The correspondence between the Roux and Tarbouriech shows that cloth prices were not fixed outcomes but a negotiated construction, structured by volume, credit conditions and control over outlets. The discussions with the buyer Gauthier in October 1760 provide a revealing case. An initial agreement had been reached for six bales at 10 *livres* per *aune*, with the prospect of a second order of 50 bales at the same nominal rate. After inspecting a shipment, Gauthier questioned the quality, particularly the shade of a green dye as mentioned above and declared the price excessive. Yet the disagreement cannot be reduced to aesthetic dissatisfaction. As the Roux observed in one of their letters, 'for a small quantity one does not look so closely as for a large one'.[55] The scale of the projected order altered the stakes of negotiation. Gauthier proposed a reduction to 9 *livres* 10 *sols* per *aune*, while maintaining a discount of 20 per cent. The effective price would therefore fall to approximately 7 *livres* 12 *sols*. In a context marked by limited liquidity in Levantine markets, such discounts were not exceptional. They formed part of ordinary commercial practice. Yet the mechanism was not merely technical, because the maintenance of a high face value of 10 *livres* per *aune* preserved the symbolic standing of the manufacture, while the discount absorbed market contraction[56]. With this in mind, the nominal price protected reputation and the discount adjusted to conjuncture of the Levant market.

For Tarbouriech, however, this was not a purely commercial discussion conducted at a distance. The proposed reduction directly affected the balance between production costs

[55] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: lettres de septembre à décembre 1760. Lettre de Pierre-Honoré Roux à Tarbouriech le 8 octobre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: Letters from September to December 1760. Letter from Pierre-Honoré Roux to Tarbouriech, 8 October 1760].

[56] Morineau and Carriere (n 47).

and debt service. Wool had been purchased at high rates, transport had required substantial outlays, and the 60,000-*livre* loan structured the rhythm of repayment. Accepting a lower nominal price risked weakening the perceived quality of his cloth in future negotiations; refusing concessions risked immobilising finished goods and delaying cash returns. His position was therefore constrained but not passive. Through correspondence, adjustments in assortments, and coordination with the Roux, he sought to maintain a price level compatible with both reputation and turnover.

However, the negotiation did not stop at the simple question of the nominal rate. Gauthier's demands extended further. Beyond the proposed reduction in price and the maintenance of a substantial discount, he also attempted to renegotiate the distribution of profits on the projected large order.[57] Such a request effectively shifted part of the entrepreneurial risk onto the producer. By invoking the scale of his purchase and his access to Levantine outlets, the buyer positioned himself as indispensable to the circulation of the cloth, using the volume of his order as leverage.[58]

In this configuration, Tarbouriech faced a structural asymmetry. He controlled production but not access to distant markets. A refusal could mean the accumulation of unsold stock; an acceptance could erode margins already compressed by high wool prices and transport costs. The issue was therefore not limited to the quality of a green dye, nor even to a few *sols* per *aune*. It concerned the capacity to stabilise a price structure that would allow the manufacture to continue operating without undermining its standing on the market.

This imbalance reflects more broadly what Pierre Gervais has described as an economy structured by the control of outlets rather than by the simple act of production. In such a configuration, the decisive leverage lies with those who command distribution networks, credit channels, and access to final consumers[59]. The manufacturer bears the fixed costs of production and the risks of immobilised capital, yet the negotiation of value occurs at the point where goods enter commercial circuits. Tarbouriech's situation fits precisely within this pattern: the power to define acceptable price levels did not rest

[57] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: lettres de septembre à décembre 1760. Lettre de Pierre-Honoré Roux à Tarbouriech le 8 octobre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence, 1759–1845 and n.d. Item no.535: Letters from September to December 1760. Letter from Pierre-Honoré Roux to Tarbouriech, 8 October 1760].

[58] Pierre Gervais, 'Crédit et filières marchandes au XVIIIe siècle' [2012] A*nnales. Histoire, Sciences Sociales*, p.1011.

[59] Pierre Gervais, 'Capitalism and (or) Age of Commerce: The Peculiarities of Market Exchange in the Early Modern Era' (2020) 77 XVII-XVIII <https://doi.org/10.4000/1718.5818> accessed 1 September 2026.

solely on the quality of his cloth, but on the capacity of intermediaries and buyers to absorb, or withhold, market access. The Roux response, maintaining the face value at 10 *livres* while adjusting the discount, must be read in this light. The visible price functioned as a marker of quality. To lower it openly would have signalled a decline in standards, particularly for a manufacture whose reputation in Levantine circuits was still consolidating. The discount, by contrast, remained a negotiable instrument, adaptable to liquidity constraints and competitive pressure. It provided flexibility without publicly altering the hierarchy of value.

This distinction between nominal and effective price was not cosmetic. It allowed Tarbouriech to reconcile two imperatives that might otherwise have proved incompatible: the preservation of reputation and the need for rapid cash conversion. In markets characterised by irregular payments and scarce resources, discounts of 17 to 24 per cent were not exceptional. They absorbed the volatility of demand while preserving the symbolic architecture of price. When the Roux eventually secured sales by selling six bales at 10 *livres* per *aune* with an 18 per cent discount, payable two months after delivery, they treated the transaction as more than a routine success. It established a reference point. Other Levantine houses agreed to purchase at the same nominal rate, with comparable discounts.[60] The maintenance of the face value thus acquired a stabilising function: it anchored expectations and contributed to the gradual consolidation of the manufacture's commercial identity.

In this sense, the 'price of reputation' was literal. Maintaining a visible standard required accepting narrower effective margins and navigating recurrent negotiation. The entrepreneur's task consisted not in imposing price, but in keeping it within a viable corridor: high enough to sustain symbolic value, flexible enough to secure sales and sufficient to service debt. Production, credit and market access converged in this delicate equilibrium.

Conclusion

The Pennautier manufacture cannot be reduced to a simple site of production. It functioned as a strategic space where multiple flows converged and had to be continuously articulated: capital, raw materials, labour, credit instruments and information circulating between Languedoc, Bayonne, Marseille, and the Levant. What

[60] Arch. Dép. Aude. 124J/367. Gestion par Joseph Tarbouriech et successeurs: baux à ferme, acquisition de biens, pièces de comptes, correspondance, 1759–1845 et s. d. Pièce 535: lettres de septembre à décembre 1760. Lettre de Pierre-Honoré Roux à Tarbouriech le 27 octobre 1760 [Management by Joseph Tarbouriech and successors: farm leases, property acquisitions, accounting documents, correspondence. 1759–1845 and n.d. Item no.535: Letters from September to December 1760. Letter from Pierre-Honoré Roux to Tarbouriech, 27 October 1760].

sustained the enterprise was not the mere presence of looms or royal privilege, but the capacity to organise wool procurement, credit obligations, and commercial distribution into a workable equilibrium.

Within this configuration, the entrepreneur appears less as an innovator than as an architect of flows. Tarbouriech's role consisted in aligning wool procurement with transport costs, production rhythms with debt maturities, quality standards with market expectations, and nominal prices with effective liquidity. His action unfolded within a field of constraint: dependence on merchant intermediaries, asymmetries in access to outlets, and fluctuations in demand. It was precisely in navigating these constraints that his entrepreneurial function took shape. He operated at the intersection of workshop discipline and commercial negotiation, attempting to reduce uncertainty not by eliminating it, but by coordinating it.

This capacity for coordination was itself conditioned by the institutional environment. In the earlier phase, the Estates of Languedoc had injected liquidity and symbolic recognition through subsidies and regulatory guarantees, thereby sustaining wool procurement, production rhythms, and export commitments. When that support receded, the balance shifted toward private finance and merchant capital, notably through the *commandite* with the Roux. This transition did not mark a linear passage toward modern liberal industry, but rather a reconfiguration of dependencies. Public backing gave way to intensified reliance on credit markets and commercial networks, without reducing structural fragility.

Seen from this perspective, the history of Pennautier is not that of a triumphant industrial venture, but of a precarious organisation whose continuity depended on the ongoing articulation of production, finance and market access. The manufacture endured insofar as wool could be procured, cloth produced, debts serviced, and outlets secured, each dependent on the others, none guaranteed. The Pennautier case contributes to the literature on entrepreneurship and industrial organisation in two related ways. It demonstrates, first, that the analytical frameworks developed for modern firms, in which institutional environments figure as external constraints on entrepreneurial action, require adjustment when applied to early modern manufacturing, where public institutions were not merely background conditions but constitutive elements of the firm's financial architecture. The withdrawal of provincial support in 1756 did not simply alter the entrepreneur's operating environment; it reconfigured the very structure of dependencies within which entrepreneurial coordination took place.

Second, and more broadly, the case historicises the figure of the entrepreneur as coordinator under constraint, suggesting that this mode of entrepreneurial function is not a distinctively modern phenomenon but a durable practice whose contours are shaped by the specific institutional configurations of each period. That early modern manufacturers navigated heterogeneous circuits of credit, supply, and market access under institutional constraint is perhaps less surprising than the degree to which their situation anticipates a more general pattern: wherever firms depend on institutional configurations for access to capital, markets or legitimacy, the entrepreneur's primary function may be less to innovate than to coordinate, and to hold together what institutions no longer guarantee.

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