

*Manufacturing markets: Managing the industrial risks of Franco-Asian commerce, 1683-1702\**

## 1. Introduction

What is an entrepreneur? While many divergent definitions exist, many relate in one way or another to risk and uncertainty. Many treat entrepreneurs first and foremost as risk takers, but Mark and Catherine Casson (2013, 2-6; 16; 23-25; 31-36) have argued they should be better understood as risk *managers*: accomplished entrepreneurs exercise sound judgement in identifying and responding to opportunities, reaping the rewards from successfully navigating the uncertainties of the market while recognising that they themselves and their investors will bear the burden of the financial pain if the tide turns against them (see also Wadhvani and Lubinski 2017, 779-83).

The nature of the entrepreneur has not always been seen in these terms. My essay revisits the relationship between entrepreneurialism and risk-taking by returning to the birthplace of the word *entrepreneur*: early modern France. Specifically, it looks at the so-named *entrepreneurs* of Saptés and Villenouvette, two royal factories operating in the remote province of the Languedoc in southern France in the late seventeenth century.<sup>1</sup> These factories specialised in producing high-quality woollen cloth (*draps*) for foreign markets.

Historians to date have rightly stressed that Languedocian cloth dominated the markets of the Levant in the first half of the eighteenth century (Frangakis-Syrett 1992; Eldem 2003). However, in exploring the nature of the factories' activities, I will focus especially on their production for the French East India Company (*Compagnie des Indes Orientales*, hereafter CIO). The high-quality cloth that was being made for the Levantine markets was purchased and sent by the CIO to the East Indies from the 1680s to the early 1700s. This was the product of a peculiar trading dynamic, whereby the CIO was not only required to purchase this cloth, but also to bear the uncertainties involved in its production. This invites us to reflect on the role of *entrepreneurs* in early modern France in undertaking projects that were perceived to serve the public

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<sup>1</sup> The word '*entrepreneur*' is used consistently throughout the records I have seen in the *Marine* series of the Archives nationales (AN) to refer to the leading directors of both factories.

good (*bien public*), thus motivating the French crown under Louis XIV to protect these *entrepreneurs* from risk.

Fig. 1. The Languedocian factories and the key markets for their cloth in the Levant



## 2. Protecting Languedocian cloth

The early modern Languedocian cloth industry's history is especially tumultuous. While it enjoyed great success in the sixteenth century, and continued growth up to around the 1640s, growing English and Dutch competition soon brought into focus the deficiencies of the industry's wares, compounded by waves of plague and political unrest that destabilised the province (Thomson 1982, 100-04).

The 1660s marked the beginning of a series of reforms introduced by Jean-Baptiste Colbert, Louis XIV's famous minister of finance. Within his wide-reaching economic and commercial policies, Colbert envied Dutch and English success in Ottoman markets, and wanted to restore the Languedoc's place as Europe's leading producer of fine woollen cloth. Among his many reforms, Colbert threw his support in the 1660s behind Saptès (near Carcassonne) and Villenouvette (near Clermont-de-Lodève). These royal factories received significant private investment in order to develop the infrastructure needed to compete with their English and Dutch rivals (Boissonnade 1902; Thomson 1982).

Progress was slow and expensive. Villenouvette was built largely from scratch (and its buildings have largely survived to this day, as have those of Saptès); equipment had to be made for the various stages of the production process (weaving, dyeing, etc.); skilled artisans had to be poached from the United Provinces; Languedocian artisans had to be employed (and, in the case of the remotely located Villenouvette, housed and fed too); merino wool, cochineal and other raw materials had to be secured through international trade routes; the list goes on (Thomson 1982, 149-55). Supporting these investments and high overheads required a reliable stream of orders, but this was simply not forthcoming: despite Colbert's introduction of a

bounty of 10 *livres tournois* (the currency of account in France at the time) for every piece of cloth exported by merchants to the Levant, Marseille's merchants balked at the prospect of trying to compete with English and Dutch cloth in the *écbelles* (i.e. the commercial centres of the Levant) (Boissonnade 1902, 14-15). This required Colbert to establish a series of Levant Companies (*Compagnies du Levant*) with the goal of exporting more cloth, but the inauspicious climate of the Dutch War (1672-8) led to inconsistent corporate orders from year to year, which itself likely explains the issues the factories faced in producing cloth of a consistently high quality (Boissonnade 1902, 15-18). Put simply, without buy-in from the mercantile community, the factories were destined to struggle.

By 1681, Saptès and Villenouvette were on the verge of collapse, and Colbert enlisted the Estates of the Languedoc to try to find a viable solution (Boissonnade 1902, 19-23; Thomson 1982, 162-5). One of Colbert's final acts before his death in 1683 was to secure a bailout for the factories. Four investors (Pierre de Varennes, Jean-André Fredian, Pierre Thomé, Gaspard Hindret) came out of the woodwork to finance the factories as a single company. In recompense, this new company received remarkably generous terms: in exchange for committing to keep at least thirty looms in activity at each of the factories, the Estates of the Languedoc granted the company an interest-free loan totalling 130,000 *livres*; the cost of Villenouvette's rent; and a bounty of 10 *livres* per piece of cloth produced, which was matched by the king. Lyon was also enlisted to make an annual grant to the Levant Company of 6000 *livres* for ten years (Boissonnade 1902, 23-26; Thomson 1982, 165-70).

## 2.1 The CIO and the 1686 ban on Asian textile imports

Although Colbert died in the belief that this bailout would allow the factories to finally flourish, in reality, their fate remained deeply uncertain (Thomson 1982, 170). Marseille's merchants were yet to buy in to Languedocian cloth, leaving entirely unclear how the factories would find a path to sustainable growth and success.

It was Colbert's successors who would ultimately secure the fortunes of the Languedocian cloth industry. After Colbert's death, oversight of the factories and France's chartered companies passed to his son, the marquis de Seignelay, who became secretary of state for maritime affairs (*secrétaire d'état de la marine*).<sup>2</sup> After 1686, Seignelay was supported by Jean-Baptiste de Lagny, director general of commerce (*directeur général du commerce*) (Wade 2023, 59-127; Ulbert 2017).

Amongst the companies that Seignelay administered was the Mediterranean Company (*Compagnie de la mer Méditerranée*), which he established in 1685 to replace the Levant Company. However, this company proved especially unsuccessful in its goal of exporting Languedocian cloth to the Levant: much to Seignelay and Lagny's chagrin, it focussed on a multitude of activities *other* than cloth exports.<sup>3</sup> In early 1688,

<sup>2</sup> Strictly, this should be translated as 'secretary of state for the navy'. However, I eschew this translation throughout my work, as the secretary's remit was far broader than naval affairs.

<sup>3</sup> On these other activities, see as a starting point Takeda 2014. Lagny's frustration that the company was slacking in its responsibility to export Languedocian cloth is documented at length in AN, MAR/B/7/58, 60 and 62.

France's ambassador to the Ottoman Empire lamented that, thanks to the Mediterranean Company's laxity in fulfilling its duties, 'there is currently no piece of French cloth [on sale] in Constantinople or Izmir'.<sup>4</sup> While most chartered companies in this decade were kept under the thumb of Seignelay and Lagny, the Mediterranean Company proved an exception to the rule: the leading figure in the company, Joseph Fabre, was simply too useful to the crown in naval financing and provisioning in Marseille to be held to account for his actions as director of the company (Wade 2023, 59-87 and Wade forthcoming).<sup>5</sup>

Fig. 2. The CIO's main trading posts in India



With the Mediterranean Company proving unreliable, and private merchants not yet willing to buy Languedocian cloth on scale, Seignelay and Lagny looked to the CIO to take up the slack. The CIO was established by Colbert in 1664, with the explicit aim of challenging the successes of the English and Dutch East India Companies (the EIC and VOC respectively). Just like its competitors, the scope of the CIO's monopoly was defined in maritime terms from the Cape of Good Hope to the Strait of Magellan (Dernis 1755 vol. I, 60; Antunes and Ekama 2020). Colbert had hoped to garner a capital of 15 million *livres* through investment from across the social spectrum, but he proved unable to graft the VOC's corporate structure onto

<sup>4</sup> Bibliothèque nationale de France (BNF), *Français 7171*, 146v-50.

<sup>5</sup> On Fabre, see Takeda 2011 and 2014. There is a great deal more to be said about the Mediterranean Company, and I intend to do so in future work.

the French political landscape, with mercantile indifference towards the project intermingling with the suspicion of provincial élites as to the implications of investment for their tax status (Haudrière 2014, 32-3; Wade 2023, 29-57; Clark 2007, 44). In the end, the king himself became a major shareholder, supported also by a series of court notables, thus establishing the CIO as an arm of the state rather than a public-private enterprise.

Suffice it to say that the CIO was not a major commercial success under Colbert (Ames 1996; Kaepelin 1967, 1-192). Nevertheless, despite consistent harassment from the VOC, the CIO had managed to establish secure trading posts at Surat and Pondicherry by Colbert's death in 1683. With a depleted capital for future voyages, and heavy debts in Surat, Seignelay opted to restructure the company in 1685. By the end of the process, twelve investors – who had each invested at least 30,000 *livres* – became the key shareholders. All were tied to the crown in one manner or another, and their corporate investments were elements within broader strategies for social advancement (Wade 2023, 63-76). One of the investors was Marius-Basile Morel de Boistiroux, whom Seignelay had appointed as his director general of commerce. Morel served as a CIO director, but following his death shortly after in 1686, Lagny took up Morel's directorship, tasked with serving as the intermediary between the company directors and Seignelay (Kaepelin 1967, 196). As we will see in the coming pages, Lagny played a major role in formulating and executing the company's strategy.

Tab. 1. **Directors of, and their investment in, the CIO in 1687**

<b>Directors</b>	<b>Investment</b>
Marquis de Seignelay	35,000 lt
M. de Frémont	197,000 lt
Jean-Baptiste de Lagny	58,000 lt
Nicolas Soulet	201,000 lt
M. Pocquelin	98,000 lt
Oudard Thomas de Lisle	118,000 lt
Louis Desvieux	77,000 lt
M. Parent	58,000 lt
Claude Céberet du Boullay	58,000 lt
M. Lebrun	98,000 lt
Thomas Tardif	78,000 lt
Hugues Mathé de Vitry-la-Ville	238,000 lt (60,000 lt in his own name, the remainder in the name of his private partners)

Source: Kaepelin 1967, 194.

Just as this corporate restructuring was taking place, and Lagny was taking over from Morel, the CIO found itself as the object of a debate regarding its place in the French economy. In 1686, M. Chauvel wrote to Seignelay from Dieppe, a significant clothmaking centre, arguing that the CIO's trade was running French industry into the ground. 'Instead of securing the sale of our merchandise and giving us silver',

Chauvel argued, 'it [i.e. the CIO's trade] gives us poor cloth, not in exchange for other merchandise, but for infinite sums of silver and gold', a trade dynamic that ostensibly had 'entirely ruined our [i.e. France's] manufactures in silk, wool and thread'. Chauvel was at pains to stress that the French populace was opting to buy 'this cloth of poor quality [only] because of its low price'.<sup>6</sup>

The 'poor cloth' to which Chauvel was referring were Indian cottons. From 1600 to approximately 1650, Gujarat (and especially Surat) was India's main centre of production; the centre of gravity thence shifted to the Coromandel coast; at the turn of the eighteenth century, Bengal took up the mantle. Each region boasted a skilled workforce with technical knowhow that, especially regarding dyeing, was unmatched in Europe at the time (Gupta 2009, 285; Gottmann 2016, 19).

Assuredly, Chauvel's characterisation of Indian cottons as of 'poor quality' was decidedly misleading. As Felicia Gottmann has argued, the success of Indian cottons in France and the rest of Europe can be attributed in large part to their diversity: impoverished women could wear low-quality but pretty block-printed cottons, while the nobility vied to acquire high-quality painted chintzes (Gottmann 2016, 7). Even when the CIO's transportation costs and profits are factored in, these cottons remained competitive on the French market, owing to lower labour costs in India that stemmed from cheaper subsistence and flexible labour structures (Gupta 2009, 285).

By the time Chauvel wrote his *mémoire*, the argument that Asian textiles – I say *Asian* because the Levant was also producing cottons,<sup>7</sup> and I say *textiles* because Chinese silk quickly came under attack too – were undermining French industry was already rapidly gaining traction at Versailles.<sup>8</sup> François-Michel le Tellier, Marquis de Louvois, was able to wield his influence as secretary of state for war (*secrétaire d'état à la guerre*) to push through an order of the Council of State (*arrêt du conseil d'état*) on 26 October 1686, banning the import and trade of all 'cottons painted in the Indies or counterfeited in this kingdom and other silk textiles with gold and silver flowers from China and the said Indies' (quoted in Gottmann 2016, 54; Kaepelin 1967, 200-5). This was soon extended to 'any and all printed textiles, be those cottons, linens, or hems, produced in France, Europe, India, China, or the Levant' (Gottmann 2016, 54).<sup>9</sup>

This ban struck at the core of the CIO's business: since its establishment in 1664, Indian cottons had been its core import. Desperate to protect the company's commerce and credit, the directors sought a series of exemptions. An order of 27 January 1687 gave the CIO limited rights to continue importing Indian cottons, as well as

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<sup>6</sup> AN, *MAR/B/7/492*, 147v.

<sup>7</sup> Gottmann stresses this point in 2016, 21.

<sup>8</sup> Chauvel refers to plans to impose duties on cotton imports, which were ultimately put into action on 30 April 1686, before the outright ban was introduced later in the year; AN, *MAR/B/7/492*, 149v; Kaepelin 1967, 204.

<sup>9</sup> In brief, the ban never worked: over 100 orders of the Council of State were issued up to 1755 in the crown's attempts to enforce it, but as Gottmann illustrates, Indian and Levantine calicoes were easily smuggled into the country and people (especially women) from across the social spectrum flaunted the ban by wearing calicoes publicly; Gottmann 2016, 54-74; Gottmann 2015.

permission to import 150,000 *livres* of patterned silks and *écorces d'arbre* (fabrics woven with ligneous filaments) per year.<sup>10</sup>

In exchange, the directors made a significant concession. Chauvel argued that the CIO had been contributing significantly to the outflow of silver from France, while providing no support to French industry. Conscious of the weight this line of argument now carried at Versailles, the directors offered to export 500,000 *livres* of French merchandise per year to the East Indies. The exemptions granted to the CIO were made explicitly conditional on the directors meeting this commitment (Dernis 1755 vol. I, 470-74). Renewals of these exemptions on 14 August 1688 and 13 July 1700 again stipulated that the CIO must export 500,000 *livres* of French merchandise per year (Dernis 1755 vol. I, 499-502; Dernis 1755 vol. II, 7-17).

The factories of Saptès and Villenouvette rapidly emerged as the major beneficiaries of the CIO's compulsory export regime. The CIO was already submitting orders to Saptès and Villenouvette in 1686 for cloth to be sent to Siam, but the company's dealings with the factories intensified soon after the royal order of January 1687.<sup>11</sup> In the immediate aftermath of this order, the directors proposed to distribute twenty per cent of its profits to its shareholders as a dividend, in the hopes of restoring its credit and tempting new investors to come on board as directors.<sup>12</sup> Lagny, however, wanted the directors to focus instead on immediately outfitting and loading ships to be sent to Surat and the Coromandel coast.<sup>13</sup> Conscious also of the directors' recent commitment to exporting French manufactures, Lagny wrote to Seignelay on 6 July, advising him to press the directors 'to have woollens made in the Languedoc and to prepare other things that make a profit in the Indies', with the goal of reducing specie exports. 'I believe', he stressed, 'Monseigneur should also urge them to make the terms [of the CIO's orders with the factories] a little more advantageous to the *entrepreneurs* of the Clermont and Saptès factories, and tell them there is a profit to be made on our cloth in the Indies'.<sup>14</sup>

600 pieces of cloth from Saptès and Villenouvette were loaded on the *Saint Nicolas* alongside other merchandise and silver totalling 150,000 *livres*; the vessel set sail from Port-Louis to Pondicherry on 13 October. In exchange for this, Seignelay agreed to the dividend payment the directors had requested, and eight new directorships were created by an order of the Council of State of 26 August; these directorships increased the CIO's capital by 600,000 *livres* to approximately 2,295,605 *livres* in total (Kaepelin 1967, 211-12).

This infusion of capital supported Lagny's plans for more frequent voyages in the years to follow. With Seignelay's close oversight – including making the necessary orders of Languedocian cloth – the *Coche* left from Port-Louis for Pondicherry on 12 March 1688, loaded with cargo of 800,000 *livres* in specie and merchandise; and the

<sup>10</sup> AN, MAR/B/7/498, 44-5r; Dernis 1755 vol. I, 470-4; Gottmann 2016, 8-9. On the challenges these exemptions caused, see Kaepelin 1967; Gottmann 2016.

<sup>11</sup> Sadly, the CIO's trade in Languedocian cloth in Siam cannot be discussed in detail here.

<sup>12</sup> AN, MAR/B/7/492, 393-4; Kaepelin 1967, 211.

<sup>13</sup> Kaepelin 1967, 210-1; AN, MAR/B/7/492, 389.

<sup>14</sup> AN, MAR/B/7/492, 393-4.

*Florissant* left for Surat on 19 April with 520,000 *livres* in specie and merchandise (Kaepelin 1967, 213).

## 2.2 The CIO and the industrial risks of the Languedocian factories

Heading into 1688, however, the rising prices of Spanish wool and cochineal meant the factories were starting to produce cloth for the company at a loss. Much to Seignelay's chagrin, the *entrepreneurs* chose to drag their feet in fulfilling the company's orders; when Seignelay demanded an explanation, they responded that they simply could not continue producing cloth on the basis of the agreed terms.<sup>15</sup>

Seignelay therefore looked to the company to bear the uncertainty of the market in primary materials by agreeing to retroactive changes to their contracts with the factories. In writing to the company's directors (28 February and 12 March 1688), Seignelay stressed that the factories were (and would continue to be) under orders to prioritise their commissions over all others and fulfil them to the highest possible standard. In exchange, Seignelay insisted that the directors needed to engage with the factory directors to agree to a fair price 'until the [raw] materials return to their ordinary price'.<sup>16</sup> Seignelay later chastised the CIO directors for dragging their feet, and implored them to meet with M. Varennes, director of Saptès who happened to be visiting Paris at the time, to agree to new terms.<sup>17</sup>

This did not seem to resolve the issue, however, and on 23 August, Seignelay wrote again to the CIO directors to reprimand them for their tardiness in planning their upcoming voyages. (It is clear that the directors were already frustrated by their commitment to export French manufactures and were scraping the barrel to find ways to circumvent it: Lagny was required to inform them that neither 'the victuals for your crews nor the equipment' for the vessels could count towards the 500,000 *livres* required.<sup>18</sup>) Specifically, while the CIO had signed a contract with Villenouvette for 240 pieces of cloth, the CIO's needs were greater than this; Seignelay was frustrated by the news he had received from the factory that the CIO was changing its order on an almost daily basis, thus leaving it unclear as to the quantity of cloth that was needed and the colours in which to dye them.<sup>19</sup> 'I do not understand', Seignelay wrote, 'where such bad behaviour is coming from; you are putting yourselves in danger of not receiving enough cloth in time'. Seignelay was equally frustrated by the modest size of the order: he stressed that Languedocian cloth was selling well in Surat, with the trading post asking for at least 20,000 *écus* of cloth while being capable of selling more still than this; Pondicherry was also proving a willing market, and Claude Céberet de Boullay, a CIO director sent to Siam in 1687 as an envoy, had emphasised on his return to France that Languedocian cloth would sell well on the

<sup>15</sup> AN, MAR/B/7/58, 710-12; 716-7; 748-9; 763-5.

<sup>16</sup> AN, MAR/B/7/58, 710-12; 716-7; 748-9; 763-5.

<sup>17</sup> AN, MAR/B/7/58, 748-9; 763-5. A number of members of the Varennes family served as director of Saptès in the late 1680s and early 1690s, and it is not yet clear to me precisely when each member served.

<sup>18</sup> AN, MAR/B/7/60, 5-6r.

<sup>19</sup> AN, MAR/B/7/60, 5-6r; 14r.

Coromandel coast. Therefore, in ordering only 300 pieces of cloth – thus comprising the approximately 20,000 *écus* of cloth requested by Surat – the CIO would not have enough to provision markets in the East Indies beyond India. Seignelay's conclusion to this letter was precise: the directors 'must not lose a moment' in confirming their order with Villenouvette and securing another order with Varennes at Saptès to ensure they had enough cloth to send.<sup>20</sup> The directors bowed to Seignelay's demands, confirming its order of 300 pieces of cloth from Villenouvette and making a separate order for 150 pieces from Saptès for cloth intended for Siam; Augustin Magy, a leading merchant in Marseille, was enlisted to ensure the orders were received.<sup>21</sup>

Owing to the challenges created by the Nine Years' War (1688-97), only a single, small CIO vessel left for the Indian Ocean between 24 February 1690 and 26 March 1692. This risked losses for Pierre Barthe, newly established as director of Villenouvette, who had already started on the CIO's 1690 order when it was apparently cancelled. While Seignelay asked Barthe to be sympathetic to the directors – the suspension of shipments to India was largely beyond their control – he agreed Barthe should not suffer any loss as a result of the CIO's ongoing woes. Seignelay's solution was simple: he would ask the directors to agree to terms with Barthe privately; if this failed, he would happily try to arrange a settlement himself; if this failed, Barthe would be within his rights to take the CIO to court for his losses.<sup>22</sup>

By the end of the year, Seignelay had died, and was succeeded by Louis Phélypeaux, comte de Pontchartrain. Pontchartrain's approach to protecting the factories diverged quite significantly from that of Seignelay: while Seignelay's approach had an element of pragmatism, asking both sides to accommodate the changing market conditions and geopolitical climate that affected each other's activities, Pontchartrain was emphatic that the CIO needed to fulfil its contract with the factories even during the suspension in its activities. Three CIO vessels reached France in early 1691, laden with much-needed merchandise; the auction for these goods for 1,267,000 *livres* in May produced a profit of 940,000 *livres* (Kaepelin 1967, 223-24). Despite this infusion of cash, the CIO directors did not make an order with Villenouvette for the year. After being informed of this, Pontchartrain wrote to the directors on 26 July, stressing that

...This factory, as well as that of Saptès, was established to provide woollen cloth for the Levant and for your [own] trade; it is [thus] necessary that you are contributing to maintaining it [i.e. Villenouvette], and that you ask *Sieur* Barthe to provide you with the cloth he can make to deliver to you between now and the departure of your [next] vessels, until you can give him more considerable orders for the shipments [*envoys*] you will undertake in the future.<sup>23</sup>

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<sup>20</sup> AN, MAR/B/7/60, 5-6r.

<sup>21</sup> AN, MAR/B/7/60, 14.

<sup>22</sup> AN, MAR/B/7/62, 136v-8r.

<sup>23</sup> AN, MAR/B/7/62, 242-3r.

Pontchartrain also sought an order from Saptés beyond the CIO's contract with Varennes:

...In doing this, you would be doing something agreeable to the King, which could again serve to secure for you the continuation of His Majesty's protection, from whom you receive strong marks [of said protection, in exchange] for committing yourselves to omitting nothing in making your commerce as useful to the kingdom as possible.<sup>24</sup>

The *Florissant*, *Écueil* and *Lonray* set sail from Lorient on 26 March 1692, bound for Surat. These were loaded with 262,200 *livres* of cloth from Saptés and Villeneuve (Kaepelin 1967, 230).

Cloth exports to India continued up to the turn of the century. As we have seen, the CIO's agents originally had some sporadic success in selling Languedocian cloth, especially in Surat and Bengal, but these markets became increasingly shallow as political and subsistence crises rippled throughout the Indian subcontinent (Kaepelin 1967, 249-50).<sup>25</sup> Not even the factory at Surat proved able to keep up with the supply of Languedocian cloth it was sent: in 1702, the CIO warehouses there were filled with a stash of 2500 unsold pieces of Languedocian cloth (Kaepelin 1967, 496). Based on a surviving contract between the CIO and Saptés from 1687, we can estimate that this batch would likely have cost the CIO somewhere in the region of 350,000 *livres* (in 1687 terms) and run to a staggering length of approximately 60km.<sup>26</sup> With so much cloth going unsold, it is unsurprising that Louis Pilavoine wrote from Surat to the metropolitan directors in early 1702, pleading with them to send specie rather than merchandise (Kaepelin 1967, 496). In a candid letter of 17 November 1700, a company agent wrote from Bengal stressing that 'it is not possible to make people buy things they do not need – especially the Indians, whose fashion and outfits never change' (quoted in Kaepelin 1967, 472).

Put simply, by the turn of the eighteenth century, the CIO was paying for the luxury of carrying Languedocian cloth on its ships and then storing it indefinitely in the company's Indian warehouses. In 1702, the directors managed to convince the crown to relieve them of their commitment to export 500,000 *livres* of French manufactures per year (Dernis 1755 vol. II, 105-8). Although it is not yet clear to me if it had ever met this obligation in any given year, it had certainly invested heavily in the cloth of Saptés and Villeneuve between 1686 and 1702.

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<sup>24</sup> AN, MAR/B/7/62, 242-3r.

<sup>25</sup> K.N. Chaudhuri finds that the 1680s and 1690s was also a period of 'crisis' for the English East India Company's trade: Chaudhuri 1978, 86-7; 94.

<sup>26</sup> Archives nationales d'outre-mer (ANOM), COL/C2/6, 23-4r; Thomson 1982, 463. Per the contract, each piece of cloth was provided to the CIO for an average of 141 *livres* (with variations depending on the precise quality of the cloth and the colour specified) and was fixed between 20 and 22 *aunes* in length, i.e. 23.76-26.13 metres. Cloth sizes depended on the market and rarely changed in any substantial manner, so we can be confident that a piece of Languedocian cloth in Surat in 1702 would have been of similar length to a piece of Languedocian cloth for the Indian market in 1687.

### 3. Conclusion

By way of conclusion, let us reflect on the following question: *who* was bearing the uncertainties entailed in the production, transportation and sale of Languedocian cloth after 1683? There is an idiom that goes ‘nothing ventured, nothing gained’ (*qui ne tente rien n’a rien*). The successful entrepreneur as we know them today gains because they venture, i.e. they soundly judge the risks they face and accept the uncertainties that can bring even the most well-founded enterprise to the ground. Yet when faced with the volatility of commodity markets after 1683 and the unreliability of the Mediterranean Company as a customer, it was not the *entrepreneurs* of the Languedoc who bore the costs, but the CIO, which was pressured into accepting retroactive changes to its contracts to relieve the Languedocian factories of losses. When war crippled the CIO’s finances and credit, threatening a key revenue stream for the Languedocian factories, the CIO was still required to step up to the plate and keep to the purchases it committed to in its contracts. The crown’s inconsistency thus ensured that the factories were protected by the contracts, but not bound by them; by contrast, the CIO was bound by the contracts, but not protected by them. By the turn of the eighteenth century, the CIO had become an unwilling underwriter of the Languedocian cloth industry, dumping cloth on the Indian market without hope of sale. The Mediterranean Company, by contrast, avoided accountability for failing to fulfil its obligations to the factories, owing to the crown’s overreliance on Joseph Fabre for its Mediterranean policy. This created a dynamic that ensured Fabre was ‘too big to jail’, and in exploiting this dynamic, he forced the crown to lean on the Atlantic-oriented CIO – over which Seignelay and Lagny had much tighter control – to take up the slack.

Let us return, then, to what we mean by an *entrepreneur* in seventeenth-century France. Below, we can see the definition of *entrepreneur* given by the 1718 edition of the *Académie française*’s dictionary.

#### *Entrepreneur*

Architecte qui entreprend un bastiment pour un certain prix. Un habile, un bon entrepreneur.

Il se dit aussi, De ceux qui entreprennent d’autres travaux publics, comme le pavé d’une ville, des fortifications &c.

Par extension il se dit aussi, De ceux qui entreprennent d’autres choses, comme la fourniture des vivres, la fourniture des mats. En ce dernier sens il ne se dit pas absolument, mais par rapport à la chose dont il s’agit (*Dictionnaire de l’Académie française* 1718).

The root of the word in the French verb *entreprendre* – to undertake something – is clear, but focussing on the second and third definitions, we can see something more complex than this. The *entrepreneur* is understood to be someone who undertakes public works or other endeavours involving often complex logistics. The logic

of these definitions centre, then, on acting in one way or another in service to public interests, or one might say the public good.

This invites us to revisit decidedly modern understandings of entrepreneurialism within the context of free markets and private enterprise. Saptès and Villenouvette received what was effectively a public bailout in 1683, and they continued to be subsidised extensively in the years that followed. Also, as we have seen, the CIO was forced to justify its activities after 1686 in relation to the public good in response to growing scrutiny on the impact of Asian textiles on French industry. Exporting Languedocian cloth became one of its key responsibilities, because the production of Languedocian cloth itself was perceived by Seignelay and Pontchartrain to serve the public good. As a result, it was the CIO rather than the factories that were expected to bear many of the uncertainties of the market. Saptès and Villenouvette receiving this support was not antithetical to entrepreneurial values; to the contrary, the directors received this support precisely *because* they were *entrepreneurs* in the eyes of the state.

Tab. 2. Apprenticeships at Clermont-de-Lodève, 1686-1700

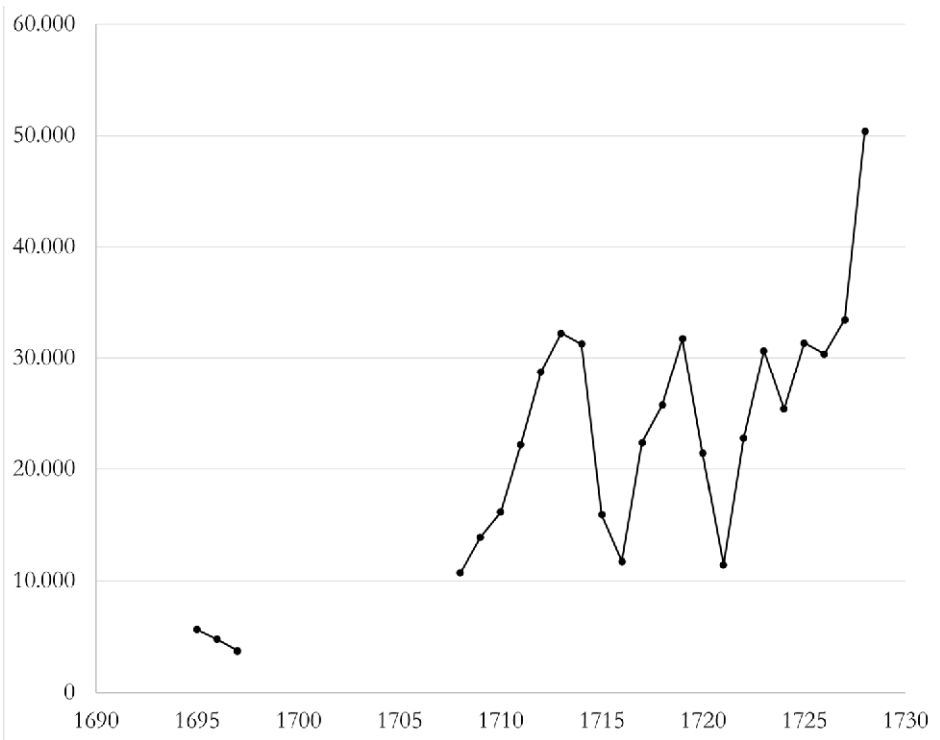
Professions	Apprenticeships
<i>(Cloth industry total)</i>	88
Weavers	73
Shearers	9
Clothiers	5
Dyer	1
<i>(Other industries/trades total)</i>	111
Hat-makers	37
Shoemakers	19
Leather-bleachers, tanners and curriers	8
Tailors	5

Source: Thomson 1982, 69.

This support was not trivial. After 1683, Saptès and Villenouvette were a source of remarkable success and vigour even during the severe economic downturn witnessed in France during the Nine Years' War (Thomson 1982). This translated into well-paid employment for a province that was otherwise heavily agrarian in its pursuits. Table 2 outlines the apprenticeships that were registered with notaries in Clermont-de-Lodève in the period 1686 to 1700: the cloth industry contributed significantly, with the technical knowhow to create the cloth demanded in the discerning Levantine market being transmitted to an ever-increasing body of weavers. Moreover, many of the apprenticeships beyond the cloth industry related to clothing more broadly, suggesting a concentration of sartorial expertise in Clermont-de-Lodève.

The trade dynamics that facilitated this investment in human capital may not have been efficient – transporting cloth that would never be sold entailed an extraordinary wastage of the CIO’s resources – but this investment contributed to the Languedocian cloth industry’s success in the long run. We do not have consistent production figures for the Levantine market until the turn of the eighteenth century, but what is clear is that production remained decidedly modest up to the 1680s (perhaps less than 1000 pieces per year) before taking a large leap forward in the 1690s (between 4000 and 6000 pieces per year, based on the extant figures from Marseille’s newly established *bureau des draps*) and then surging around the turn of the century, peaking at well over 60,000 pieces per year in the 1730s.<sup>27</sup>

Graph 1. Annual cloth exports to the Levant recorded by Marseille’s *bureau des draps*



Source: 1695-7: ACCIMP, H174. 1708-28: BNF, *Français 11789*, 369-84r.

<sup>27</sup> ACCIMP, H174; BNF, *Français 11789*, 369-84r.

To quote James Thomson (1982, 229), ‘No sector of the French economy grew more rapidly than the Languedoc’s cloth industry in the first half of the eighteenth century, no trade as rapidly as the Levant’. Marseille’s mercantile community had finally bought into Languedocian cloth, creating a virtuous circle.<sup>28</sup> Yet it had taken decades for this to happen, and in understanding how the factories survived for so long in the meantime, the CIO’s role has been overlooked. Its investment in the Languedoc – almost certainly amounting to more than a million *livres*, based on the patchwork of sums identified in this essay, and likely running into multiple millions – came at a critical moment, facilitating the development of Saptès and Villenouvette into stable, mature enterprises.<sup>29</sup> The human capital these factories fostered in turn fuelled other royal and private factories which, in the first half of the eighteenth century, made Carcassonne, Clermont-de-Lodève and Saint-Chinian the leading European centres of production for the Levantine market. In this way, although the directors of Saptès and Villenouvette were neither masters of risk management nor even the bearers of uncertainty in many cases, they nevertheless lived up to their roles as *entrepreneurs*, undertaking complex, capital-intensive operations in service to ministerial conceptions of the public good. Going forwards, I intend to further investigate the CIO’s contribution to the Languedocian cloth industry’s development (although a perfect quantification is unlikely to be possible), thereby shedding new light on one of early modern France’s great economic success stories.

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<sup>28</sup> BNF, *Français 11789*, 369-84r. Unfortunately, the loss of the archives of the *bureau des draps* during the Second World War means we do not have numbers from the institution for the period 1698-1707. I will address the question of why Marseille’s merchants finally bought into Languedocian cloth in the 1690s in future work.

<sup>29</sup> I hope to offer a more precise figure as I continue working through the archival holdings of the *Archives nationales d’outre-mer*.

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