

# Indian Ocean World Centre

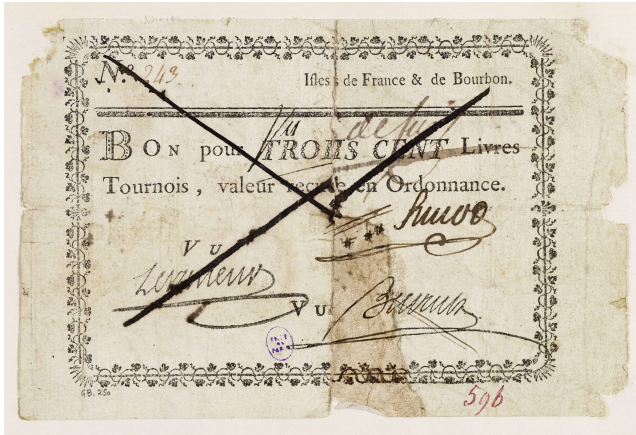
Fall **Speaker Series**

## A Colonial Scandal Born of a Web of Debts: Paul Darifat's Bankruptcy in the Isle of France in the Late Eighteenth Century

**Nov 20** - Rm 116, Peterson Hall

3:00 – 5:00, Refreshments served

In April 1784, Pierre Paul de la Bauve Darifat fled from the Isle of France (Mauritius) to Madagascar and then to Madras. He left behind him a huge debt, many creditors, and unsettled businesses on the island, across the Indian Ocean, and in France. His 15 to 18 million *livres tournois* bankruptcy triggered a chain reaction of bankruptcies that threatened to destroy the island's economy. Interestingly enough, the King of France was



*"Bon pour 300 livres tournois, Isles de France et de Bourbon, No. 243," c. 1765–1800, CC0 Paris Musées / Musée Carnavalet – Histoire de Paris.*

one of his creditors. The colonial affair, marred by scandals and public rumors, incriminated both the local administration's practices of corruption and the risky credit schemes set up to finance colonial contracting at a time of war and the Eurasian long-distance trade, especially China's trade. I argue that to recover all the derbies of this story, one has to look at money. The monetary value of goods, enslaved people, land, and financial assets was as volatile as colonial fortunes. Movable, immovable, and state's and private IOUs represented more or less stable collateral and more or less liquid capital on which credit networks were built to extend liquidity. On the colonial island, the *Ancien Regime's* diffused credit practices were exacerbated by endless—temporal and geographical—deferral of payment to finance public and private activities while creating opportunities for speculation and arbitrage. Yet when debts came due and credit lines ran out, ready money was needed. This archive-based case study shows how monetary devices—notably paper money—tied long-distance trade and early modern European overseas empires' formation together as they allowed to pay, postpone payment, and transfer value across oceans.

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