The Brothers Goldsmid and the Financing of the Napoleonic Wars

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One of the most prosperous and happy periods that England has ever known, the nine years of peace enjoyed since the termination of the American War, ended abruptly in 1792. Events now precipitated themselves: in Paris the Republic was proclaimed, Louis XVI was executed, and in 1793 England mobilised against France. Burke’s prophecy, “It will be a long and dangerous war,” was to become true. It raged for twenty-three years almost unceasingly on land and water against an enemy whose name was first the French Revolution, subsequently Napoleon, and not before the 18th of June, 1815, had Wellington finally broken the resistance of the most powerful antagonist England had yet known.

From 1783 Pitt had stood at the head of affairs. When he took office Consols were quoted at 54; his wise financial policy and the introduction of the Sinking Fund made them in 1792 touch the peak figure of 97¾. A year later, however, when in the midst of unsettled conditions he had to arrange for his first war loan, the Exchequer had to be satisfied with an issue price of 72 per cent. Though the Prime Minister had given notice through the Governor of the Bank of England that he was prepared to contract for the loan with anyone who would offer the best terms, and had done everything in his power to excite competition, he once again found himself at the mercy of particular groups of bankers: from one combine only, of whom
John Julius Angerstein (of Lloyds and National Gallery fame) was a member, had he received a tender. In the House of Commons he had to admit that, as his endeavours had met with no response, the terms for the new loan were less advantageous to the public than might have been expected; they were, however, the best he had been able to procure. He fared no better in the following year when again only one group, the same, tendered.

A landmark in the financial history—a most essential but frequently neglected part of history itself—was the year 1795. For the first time several syndicates applied for the issue of £18,000,000, and the contract could be made with the one that offered the best terms. That group had besides old-established and well-known houses, such as Charles Thellusson & Co.; Boyd, Benfield & Co.; and the important Robarts Curtis (subsequently Robarts Lubbock & Co.); as fourth partner a firm hitherto little known, and not at all in the market for Government stock: Messrs. B. & A. Goldsmid.

These newcomers it was who had been the driving power in so effectively attacking the hitherto impregnable ring of contractors. No longer was the placing of loans a source of patronage; the unfair manipulations at the expense of the taxpayer had once and for all ceased to exist and from then and there the public had the best market terms for their money.

The two brothers Goldsmid, Benjamin and Abraham, both at that time in the early forties, must indeed have been men of outstanding capacity and singular financial genius, as, only three years before

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1 The firm of Angerstein & Rivaz, insurance office, had their office "over the Royal Exchange." Other members of the 1793 and 1794 group were Godschal Johnson, merchants, Old South Sea House, Old Broad Street; and James Morgan, broker, 13 Castle Street, Long Acre. Of the 1793 group the firm of Thellusson (see Note 2) was a member.

2 The Thellussons, under various styles, had their offices at 15 Philpot Lane and later at 34 Little Eastcheap. The founder of the firm, Peter Thellusson, has acquired fame in another field: in 1797 he left his large fortune to multiply at compound interest for several generations, and this eccentric will led to the Act of 1800 prohibiting such accumulation for the future,
that turning point in the history of the National Debt and of their own, they had moved from 25 Leman Street, where they were engaged as merchants and later as bill-brokers, to 6 Capel Court, to establish themselves as bankers. Though they had enlarged their former more modest sphere—modest only in so far as it did not require a large capital—by embarking in banking, they never gave up bill-broking, and of Abraham it was said, as it was some twenty years later of Nathan Mayer Rothschild, that he knew, as if by instinct, a bad name on a bill of exchange.

Having no intention of delving any deeper into technicalities, I think it should be explained in what manner the Goldsmids had been bill-brokers and bankers. To-day bill-brokers buy bills on their own account at a discount, borrow money on their own account upon their own security at interest, and make their profit out of the difference between discount and interest; they are not agents, but principals. This, however, was not always the case. Originally they were merely agents who, for a commission, procured for country bankers the discounting of their bills in London. Samuel Gurney, the great Quaker banker, who, in 1807, helped to inaugurate a new departure in banking by establishing Messrs. Overend, Gurney & Co. as the first bill-brokers of the modern and more ambitious type, explained in 1847 before a Committee of the House of Lords that Goldsmids had been his direct antecedents.

In addition it should be borne in mind that in the orthodox and strict meaning of the word neither the Goldsmids nor incidentally any Jews in England ever were bankers proper whose business consists

3 Aaron Goldsmith, their father (d. 1781), before removing to 25 Leman Street, lived in Gun Square, Houndsditch.

4 The Quakers Thomas Richardson and John Overend, in 1807 joined by Samuel Gurney, were the founders of Richardson, Overend & Co., later Overend, Gurney & Co. They were (£7,000,000 passing in some years through their hands) by far the greatest bill-brokers of their time. After the death of the partners the firm was managed by incompetent hands and drifted into a dangerous policy. May 10, 1866, is memorable in the financial history of England as Black Friday, for on that day Overend, Gurney & Co., with liabilities of £18,727,915, stopped payment. Of bill-broking and the Overend firm a detailed account will be found in the author's Quakers in Commerce (1940).
solely in paying out again, when they are asked for it, the money placed in their care. The two brothers were, like to-day the firms of Rothschild, Baring, and Samuel Montagu, general purposes bankers or merchant bankers, whose main activities, besides the handling of bills and dealings in foreign exchanges, consisted until the middle of last century, in the issue of loans. The banker proper, therefore, looked to those who entrusted him with their money, to the depositors. The merchant bankers sought the confidence of the investor.

Thus the Goldsmids, with the investor on the one side and the Government, ever in need of funds, on the other, did business. They were first and foremost loan contractors, and together with the Barings and Robarts the loan contractors of their day. The change of address from Whitechapel to the City had far-reaching consequences; it brought the Goldsmids literally into the neighbourhood of the Bank of England and the Stock Exchange, and at one jump they emerged from comparative obscurity into the limelight of great transactions. Cool and imperturbable in times full of perturbation and of wild rumours, during which stocks and foreign exchanges fluctuated wildly, they were correctly informed, and in good time, and so reaped the reward of an intelligent foresight. Their House became the organ of unlimited confidence, and for a long and important period they stood in the very forefront among the magnates of the London money and stock markets, and The Times coupled together the name of Abraham Goldsmid with that of Sir Francis Baring, giving them the title of "the Pillars of the City".

Their father, Aaron Goldsmid (who spelt his name with a t), a native of Holland, whose forefathers had lived in Cassel and Frankfurt, was by 1742 well established in London. Besides four daugh-

5 According to the handwritten Records of the Stock Exchange, kept from 1802, the year in which the building at Capel Court was opened, the following earlier Goldsmids were members: Abraham, 1802–1810; Alexander, 1809–1827; Aaron Asher, 1835–1861; Aaron Asher, junior, 1838–1875; Asher, 1820–1819; Benjamin, 1820–1820 (sic); Isaac Lyon, 1806–1841; Moses A., 1819–1862. At Lloyds were entered: Alexander in 1799; Benjamin in 1800; Alexander in 1810; John Lewis in 1811, and Moses in 1812.
George, the eldest, was associated with his father; this firm, Aaron Goldsmid & Son, was later carried on as Goldsmid & Eliason at 25 Leman Street. In 1787 Asher, Aaron's second son, joined Abraham Mocatta, one of the twelve Jew brokers. From 1803 the firm, which is flourishing to this day, was styled Mocatta & Goldsmid, formerly brokers.

6 The four daughters of Aaron Goldsmid were: Goley, married Joachim of Amsterdam; Esther, married his brother Elias Joachim. After his death she married Nathan Salomons, who later became a partner of the Goldsmid firm; Polly (d. 1841), married Lyon De Symons. Sarah, married Daniel Eliason, a brother of Mrs. Abraham Goldsmid. He was a diamond merchant and later entered the Goldsmid firm; for a time he acted, like Abraham, Benjamin and Asher Goldsmid, as a president of the Meshchatt Nefesh Charity, founded in 1778 by Barent Levi Cohen.

7 Dictionary of National Biography, vol. xxii. p. 80, states that Abraham was born in Holland; this is not correct.

8 In 1684 the firm was founded and later styled de Mattos & Keyser, the partners being Abraham de Mattos Mocatta and A. I. Keyser. Asher Goldsmid subsequently married Miss Keyser, and in 1787 joined Abraham Mocatta as partner. From 1799 on, the firm was known as Goldsmid & Mocatta, and from 1803 as Mocatta & Goldsmid, under which style it exists until this day.

The first Articles of Copartnership were drawn up as follows:

12th April 1787. ARTICLES OF COPARTNERS Between Abraham de Mattos Mocatta of the one part and Asher Goldsmid of the other part,

8th July 1790. DEED (endorsed on above Articles of Copartners) by which Abraham de Mattos Mocatta agreed to forego his right of appointment of his son Isaac Lumbroso de Mattos Mocatta as a partner in view of the objection of Asher Goldsmid.

4th April 1791. AGREEMENT Between Abraham Mocatta (herefore called Abraham de Mattos Mocatta) of the one part and Asher Goldsmid of the other part.

31st Decr. 1792. ARTICLES Between Abraham Mocatta of the first part Asher Goldsmid of the second part Isaac Mocatta of the third part and Moses Mocatta of the fourth part.

13th Aug. 1793. DEED (endorsed on above Articles of the 31st December 1792) by which Isaac Mocatta was dismissed from the Partnership because he speculated in stocks and funds without the consent of the other partners.

2nd Septr. 1795. ARTICLES Between Abraham Mocatta of the first part Asher Goldsmid of the second part Moses Mocatta of the third part and Jacob Mocatta of the fourth part.

31st March 1800. ARTICLES Between Abraham Mocatta of the first part Asher Goldsmid of the second part Moses Mocatta son of Abraham Mocatta of the third part Jacob Mocatta another son of Abraham Mocatta of the fourth part and Isaac Lyon Goldsmid son of Asher Goldsmid of the fifth part.
in bullion, specie, diamonds and pearls, now bullion brokers to the Bank of England. They subsequently removed from Mansell Street to Grigby’s coffee-house near the Bank, and here under the same roof and under the patronage of his maternal uncle, Abraham Mocatta, young Moses Montefiore established himself.

Aaron Goldsmit’s two younger sons, Benjamin and Abraham, who are the subject of the present paper, started on their own account as B. & A. Goldsmid. Benjamin, in 1783, married Jessie, daughter of Israel Levien Salomons of the White House, Clapton, a very wealthy East India merchant, and his wife Hester Prager. Besides being beautiful and charming the young lady is reported to have been the richest marriageable Jewess in England and to have had a dowry of £100,000; even had it been less it was, in the modest Leman Street days, useful and sufficient to add to the credit of the firm. After this happy marriage Benjamin took up his residence at Stamford Hill, where some thirty years later Nathan Mayer Rothschild, before he bought Gunnersbury, used to spend the summer. One of Benjamin’s great ambitions—and he had many—was realised when in addition to his town house at 20 Spital Square, he bought an extensive estate


(For the above statement and other footnotes I am indebted to the late Sir Osmond E. d’Avigdor-Goldsmid, Bart.)

It is interesting to mention that Sir Harry d’Avigdor-Goldsmid, one of the present partners in Mocatta & Goldsmit, is a great-great-great-grandson of the afore-mentioned A. I. Keyser, and represents the seventh generation in direct descent in that firm.

In the early nineteenth century the following of the wider Mocatta family were members of the Stock Exchange: Moses, 1803–1858; Jacob, 1809–1826; Abraham, 1815–1826; Daniel, 1820–1825; A. L., 1822–1826; Aaron, 1820–1825; and Jacob, 1824–1827.

9 Israel Levien Salomons was not a member of the David Salomons family, cf. Albert M. Hyamson, David Salomons, 1939, p. 8.

10 After leaving the place at Stamford Hill, where most of his children were born, Benjamin lived for six months above the counting-house; he then removed to a large house in Old Broad Street to await here the completion of the mansion at Roehampton.
in the select and aristocratic district of Roehampton,\textsuperscript{11} with the Earl of Bessborough and the banker Gosling as neighbours. There he lived in truly princely style, arranged splendid festivities—that on the victory of Aboukir never before having been equalled in England—and was proud when these and his general movements were reported in the Press. Besides a collection of works of art, manuscripts and a fine library, the mansion contained a private Synagogue, and to the Chief Rabbi was appropriated a piece of land, the produce of which, fine wheat for the Passover cakes, was annually presented to him; but, notwithstanding such marked domestic religiosity, Mrs. Goldsmid,\textsuperscript{12} four years after her husband's death, deserted her Jewish fold, and was baptized at St. Vedast’s, Foster Lane.

It is characteristic of the whole Goldsmid family that an inclination towards luxury was strongly developed, but equally so was the luxury of doing good. Their names were found in the subscription lists of all denominations, and their charity, on a really grandiose scale, can only be compared to that of the later, the "Magnificent" Rothschilds. But Abraham and Benjamin seem to have exercised much lavish generosity from somewhat different motives. Benjamin, the elder of the two, quite the opposite of his unassuming brother, had far-reaching social aspirations. He felt flattered when, with his growing wealth, he found admittance to the Gentile aristocracy, but in circles of his co-religionists he was severely taken to task for being too much inclined to combine charity with his own personal advancement. It is reported of him that he was "the real

\textsuperscript{11} Thackeray in \textit{Vanity Fair}, Chapter XLII, dubbed Roehampton a 'banking colony.'"

\textsuperscript{12} Benjamin Goldsmid had seven surviving children: John Lewis (1789-1853), m. 1808 Louisa de Visme; Henry (1790), m. Sarah Ward Ogle; James (1792-1814), 58th Regiment; Albert (1793-1861), Major-General; Lionel Prager (1797), 19th Light Dragoons, m. Eliza, daughter of W. Campbell, whose wife was a daughter of David Franks of Philadelphia, a member of the Franks family of England (among their children was Major-General Sir Frederick John Goldsmid (1818-1908)); Anna Maria (1795), m. 1812 Timothy Yeats Brown of Peckham Lodge; Hester, m. 1815 James Henry Deacon of Curzon Street.

(In the difficult task of unravelling the sometimes rather complicated family connections, I was greatly assisted by the Rev. Morris Rosenbaum, to whom I wish to express my gratitude.)
founder "13 of the Naval Asylum and that this establishment stood "for a time under his management". These and similar statements, however well meant and amiable, are exaggerations which, if looked into closely, 14 will show that Benjamin was a meritorious and munificent benefactor to the Asylum, but nothing more than a benefactor. Public subscriptions were collected in 1798 for an orphanage to educate and maintain children of sailors fallen in England's wars; it was styled "The British Endeavour" and started at Paddington Green. From that year forward the whole Goldsmid family, and not Benjamin alone, took an interest in that patriotic institution and helped to raise funds among their friends and co-religionists. Besides Joseph Hart Myers, Eleazar P. Solomons and Gabriel Brandon, membership was acquired by Benjamin, Aaron, John Lewis, Abraham and George Goldsmid and by David Mocatta, Daniel Eliason and Thomas Moxon, all three partners in the different Goldsmid firms. In 1805 the Asylum 15 obtained a Royal Warrant appointing, under the presidency of the Duke of Cumberland, Commissioners, to which office, among a galaxy of great names from other spheres, three men from the City were also appointed: Samuel Thornton, the Evangelical philanthropist and a director of the Bank of England; Sir Francis Baring and John Julius Angerstein, but the name of any of the Goldsmids is missing on that illustrious list. Benjamin and Abraham, together with Daniel Eliason, were called to the purely nominal office of stewards, and were with Nathan Salomons in due course made life governors, but none of them had any influence whatever in the management. The Commissioners became quite a wealthy body; in addition to an annual Parliamentary grant of over £20,000 they received among other considerable donations £40,000 from Lloyds' Patriotic Fund, collected by Angerstein, and in 1806

13 "The real founder" is the wording of Dictionary of National Biography; Jewish Encyclopedia, vol. vi. p. 30, states that Benjamin was the "founder of the Naval Asylum which for a time was under his management."

14 I have been allowed to examine all the files and documents of the Asylum, stored at the Admiralty, and tender my best thanks to the helpful librarians.

15 In 1807 seventy children were moved from Paddington to Greenwich, in what is called "The Queen's House."
from Messrs. Goldsmid on behalf of the Jewish Community, the respectable sum of £2,600.

For the year 1803 I have traced at the Public Record Office an interesting entry on the revenue side of the treasurer's cash book: "Goldsmid Friends, £162 5s.", and I have also been lucky in finding a very informal but significant slip of paper on which, in lead pencil, this gift is detailed. Besides the gentlemen of the Goldsmid coterie already referred to as paying members of the Asylum, Alex. Davison, John Hill, Solomon Levein, Moses Zuntz, Joseph Cohen, Lyon Levy and Samuel Levy, some of whom have been quite prominent in London Jewish history, were contributors to the fund. Another donor was one W. Allen, described on the slip as life governor. It surely is quite safe to assume that this Allen was William Allen of Allen & Hanbury, Plough Court, equally famous as philanthropist, scientist and Quaker, and the more so as in the early part of the century Quakers and Jews met in their common fight against their unrepealed disabilities.

By far the most important feature of this apparently negligible scrap of paper is that it records the fact that a very prominent Gentile functionary made his donation of £10 10s. by way of the more domestic Goldsmid collection, and not, as it would seem natural for a high official to do, by direct subscription. The assumption that, besides doing a good work, the donor also intended to ingratiate himself with the bankers, would be by no means a false conclusion. This ingenious man was Abraham Newland, and the Goldsmids were indeed lucky to have in him, besides their intimacy with Pitt, a sometimes even more useful and influential friend at Court, or to be more precise, at the Court of Directors of the Bank of England. This famous, popular, and, what was more important, very speculative chief cashier, had taken a liking to the two brothers, and whatever may have been the more intimate and invisible relations between the official and the bankers it is difficult to discern but easy to guess. That by this very close acquaintanceship, which it would perhaps be more to the point to describe as a very silent partnership, both sides benefited, can hardly be questioned. It is beyond any doubt, however,
that when Newland died he left a considerable fortune, amassed by intelligent manipulations in Government loans, and to each of the brothers he bequeathed £500, with, as can well be imagined, the not very irksome proviso—to buy mourning rings.

Abraham was by far the more popular of the two brothers; of him it was unanimously maintained that he was “an honour to his species and his nation in particular”, and that “he went about doing good”. William Cobbett, ever an enemy of all bankers and of Abraham Goldsmid in particular, differed, as was his wont and journalistic practice, from the general opinion, and held that “a man acquiring such immense wealth, must see, that something was necessary to keep the public from grudging”, and likewise that Goldsmid “merely tossed back to the miserable part of us in the shape of alms, the fraction of pence, upon the immense sums of money that he got by his traffic in loans and bills and funds.” That the man whom he so uncharitably attacked had in his desk IOU’s to the amount of over £100,000, given and received as a mere form to confer on gifts the appearance of loans, Cobbett did not know. Even if he had, so bitter was his hostility to the Goldsmids, he would assuredly have forgotten to mention it when writing his weekly leader.

Abraham, this quiet and unpretending man, in 1795 sent out an appeal for the erection of what was later named the Jews’ Hospital. Within a week the sum of £11,900 was raised; the fund reached the respectable total of £20,000, but remained untouched for several years, as considerable differences arose as to the carrying-out of the scheme. That on the first subscription list there were the names of only two Sephardim, and these, Abraham Mocatta and Emanuel Loussada, related to Goldsmid, is typical of those times. Momentous, however, is the fact that among the eighty-seven donors on the earliest list, there were, together with forty-four Ashkenazi Jews, forty-one Gentiles. They had contributed from purely philanthropic motives and had not the slightest intention of meddling in Jewish affairs. The common appeal to all denominations, to voice which became bitterly necessary in our own day, in December 1938, by no means, therefore, constituted a new departure.
THE BROTHERS GOLDSMID

Married to Anne Eliason of Amsterdam, Abraham\textsuperscript{16} lived at first at 18 Alie Street, in the district of Whitechapel, and then took up residence at 27 Finsbury Square, at the turn of the century a fashionable quarter. At Morden Hall\textsuperscript{17} in Surrey, an establishment equally extensive, sumptuous and hospitable as was Roehampton, he was once honoured by a visit of George III who stayed for luncheon.

Like all the other Goldsmids, he was well acquainted with all the Nelsons, and particularly with his neighbour at Merton Place, the Admiral. The refined and musical Goldsmid's daughters sang and played with Emma Hamilton, and in Asher Goldsmid's house the youthful Moses Montefiore once met Lord Nelson, and, after dinner, sang in his presence the lengthy Grace in Hebrew. One day in 1805 "young" George Matcham, Nelson's nephew, was entertained in Morden, and in his somewhat abrupt sentences reports in his \textit{Diary}:\textsuperscript{18} "Went to Mr. Goldsmid's... Fine house. Saw his sons... After breakfast row'd in the Boat. Horace shew'd his skill. Grounds poor. Very polite. Did not like their dinner; Jewish. The Hall the height of the house, very gaudy; as are all the rooms; but tasteless." And some time later he records of Abraham: "His fortune is princely and he has the heart of a prince in putting it to use."

Until his final departure, Nelson dined out nowhere except at

\textsuperscript{16} Abraham Goldsmid's children were: Aaron (1784-1866), married Sophia, daughter of Joseph Salomons; Moses (1783); Moses (sic) (1786); Elias (1788-1846); Jane (1783), m. Emanuel B. Lousada; Isabel (1788-1860), m. her cousin, Sir Isaac Lyon Goldsmid, Bart. (1779-1859); Esther (1790).

\textsuperscript{17} Abraham Goldsmid bought Morden Hall from Isaac Mendes Pereira, who had failed and subsequently lived at Roehampton. He was one of the executors of a certain Israel Elkin, a wealthy West Indian merchant, who kept an establishment at Kingston. Cf. Arthur Howitt, \textit{Richmond and its Jewish Connections}, 1920. After Abraham Goldsmid, Morden Hall became the residence of Sir Robert Burnett, 7th Bart., who had served under General Bourgoine throughout the first American war.

\textsuperscript{18} The only date George Matcham gives in his \textit{Diary} is "Monday 9th" without year or month; it can, however, only have been in 1805. He was the son of Catherine, Lord Nelson's youngest sister. "Horace" was Horatio Nelson, son of the Rev. William Nelson, the Lord's elder brother, created Viscount Merton and Earl Nelson in 1805.
the Duke of Queensberry's (Old Q.) and at Goldsmid's; and the night before he left England, never to come back, he slept at Benjamin's house at Roehampton. 19 After the victorious tragedy at Trafalgar, which left Lady Hamilton penniless, Abraham wrote to the bereaved: "His time was to die, and if not by a shot you might have lost him by sickness." But platonic consolation was in Emma Hamilton's case not sufficient; something had to be done to free her from worry and debts, and in particular from Merton Place, a liability and not an asset. In November 1808, she was able to inform Charles Greville the diarist: "Goldsmid and my City friends came forward and they have rescued me from Destruction, Destruction brought on by Earl Nelson's having thrown on me the Bills for finishing Merton, by his having secreted the Codicil of Dying Nelson, who attested in his

19 Lionel Prager Goldsmid (Benjamin's son) records in his unpublished Diary, written in after years: "I remember Lord Nelson slept at our house the night before he left England on his last fatal mission—he was walking the last morning arm in arm with my mother up and down the drawing-room—a large room with two immense glasses—then a rarity—from the top to the floor of the room at the upper end, and my youngest sister and myself on the side of his armless body and each time he told us two to look at that old fellow Lord Nelson and see what a funny-looking fellow he was, he was dressed in a naval coat, white naval breeches with naval buttons at knees, silk stockings, invariably hanging on as if not pulled up, too large and shoes rather high in the quarters large with buckles. He was kind in the extreme and we all loved him. I particularly wished to go to sea with him—I was too young. . . . I certainly have an excellent memory, but the death of Lord Nelson can never be erased from it owing to a circumstance arising from my childish vanity. Lord Nelson had promised if I would grow taller he would take me to sea with him and I was always trying how tall I was and I found one day I could on tip-toe just get my nose upon the large circular library table, and I daily tried if I could get my heels to touch the ground. One day at my usual neck-stretching, my nose supporting me, my dear mother near the fireplace, one end of the large room, and two of my brothers looking out of the Centre Bay Window with a large telescope—the servant brought my mother a letter and soon she screamed out: 'Children, Lord Nelson is killed.' Down came my heels, and I was caught by my nose which slipped off the table, bleeding and it was so sore. For a length of time I did not forget the accident nor the death of England's loved Admiral. . . ."

The diarist, incidentally, was the father of Major-General Sir Frederick John Goldsmid, C.B., K.C.S.I.

(I wish to record my gratitude to Gladys Lady Swarthling, great-great-great-granddaughter of Aaron, the ancestor of the Goldsmids, for having given me this copy of the diary.)
Dying moments, that I had well served my country.” She had every reason to be grateful, and said that Goldsmid behaved “like an Angel.”

Here, once again, it is my unpleasant duty to disappoint staunch upholders of the Goldsmid saga. It was not Abraham, as has been stated, even in important books of reference, who had bought Merton Place, and therefore it is not he who deserves Lady Hamilton’s epithet “angel.” The angelic and energetic Goldsmid was Asher,20 the partner in Mocatta & Goldsmid, who altogether seems to have been quite a personality on his own account, but who was obscured by the brighter light of his two brothers.

The Duke of Sussex, a good Hebraist, who in his large library had collected, besides a thousand editions of the Bible, many most valuable Hebrew manuscripts, and who liked the society of learned Jews, kept up friendly relations with Abraham; and under his escort Sussex and the other royal dukes went in 1809 to the Great Synagogue. Such an official visit by members of the Sovereign’s family was not repeated until seventy-two years later, when Edward VII, as Prince of Wales, attended the marriage ceremony of Leopold de Rothschild at the Central Synagogue.

Mention must be made of another connection of Abraham’s with the Royal House which was of a disagreeable and painful character. When the financial straits of the Prince of Wales, the future Regent and George IV, had come to such a pitch that he actually no longer knew which way to turn, he conceived the quite desperate and fatal idea of issuing bonds, which in fact were no more and no less than post-obits. In these “Prince of Wales’ bonds” their unfortunate holders found ample opportunity to familiarise themselves with the idea of losing their capital, for they never received any interest. The true facts as to these bonds are wrapped in almost

20 Asher Goldsmid, who in London resided in 1778 in Bury Street, in 1785 in Mansell Street, in 1824 in Finsbury Square, bought Merton Place in 1808. "I am glad to hear a Goldsmid has purchased Merton rather than any stranger. You, I hope, will feel more easy now it is gone. . . ."—Mrs. Bolton to Lady Hamilton, April 23rd, 1809. Mrs. Thomas Bolton (Susannah Nelson) was the eldest sister of Lord Nelson; she is the great-grandmother of the present (4th) Earl of Nelson.
complete obscurity; the Prince's faithful Sir William Knighton\textsuperscript{21} had seen to that. Two important transactions appear to have been carried through and one of them by Abraham Goldsmid jointly with friends on the Continent. They expressed themselves ready to negotiate a twelve-years' loan of three hundred and fifty thousand florins; the affair was concluded, and for two years the Dutch bankers paid the bondholders their interest out of their own pockets, after which they left matters to follow their course.

Meanwhile, the bank of B. & A. Goldsmid, in an era full of commotion, incident and press of business, had gone from success to success. As side by side with the war, a commercial struggle on a large scale had to be organised, gigantic transactions presented themselves year after year in all departments of finance and banking. Specie payment was suspended,\textsuperscript{22} the guinea disappeared, and the

\textsuperscript{21} Sir William Knighton, Bart., one of the few decent and honourable personalities at Carlton House (and outside the camarilla), was originally a medical practitioner. When, however, the Prince Regent recognised that his chronically ailing finances stood in greater need of treatment than he himself, he made the able man his Keeper of the Privy Purse. In his master's financial interest Knighton made frequent journeys to the Continent, and often visited Frankfurt. In 1825 he even went there twice, in March and in October, and it requires no great powers of divination to guess that his object was to call on the Rothschilds.

Incidentally I have found in records dealing with the finances of the future King George IV very little or no reference to the fact that, twenty years before Knighton's time, he and the Royal Dukes stood in business relations with old Mayer Amschel Rothschild. The greatest princely money-lender of those days was the Elector William of Hesse, whose agent was Rothschild. On the security of his patron, the Jewish banker advanced about £200,000 in 1791 and 1798, in two instalments. For the details of the transaction, see the author's Regency Pageant, 1936, pp. 253 and 254.

\textsuperscript{22} During the crisis of 1797 the reserves of the Bank of England fell from ten and a half millions to one and a half millions, and cash payments had to be suspended. It was thought that the measure would be of a temporary character, but it had to remain in force for twenty-four years, until 1821.

Subsidies were granted to Russia, Austria, Prussia, Hanover, to the smallest of the many German principalities, and even to the Free Imperial City of Frankfurt; but very wisely England did not lend, she gave and thereby eliminated future disappointments. For the most part the subsidies were paid not in cash but in ammunition, clothing, and other equipment.

The Funded Debt of Great Britain stood in 1793 at £238,231,348; in 1802 at £567,008,078; in 1810 at £734,787,786, and in 1816 at £1,603,768,064. Of this
country had to put up with an inconvertible paper currency. It became necessary to circumvent Napoleon's exceedingly well-thought-out blockade scheme, directed at the very point where England was most vulnerable, and that was the gold reserve of the Bank of England. Europe had, in order to wage war, to be supplied with money in the form of subsidies, and annually, sometimes twice a year, the Government had to apply to the money market for the sinews of war.

Since Goldsmids had in 1795 launched the attack which has become historic against the phalanx of contractors, there had been but few issues in which they had not borne a large share. The second War Loan of 1795 was again floated by the group led by the Goldsmids. It was officially disclosed that "perhaps this Loan might have been negotiated at better terms, but the Minister thought himself under some obligation to accede to the proposal of the subscribers of the last loan". That those who had hitherto enjoyed a lucrative monopoly were not animated by too fond feelings for those who had deposed them may well be imagined, and must also be taken into account with regard to developments that followed.

The issue of December 1796, the second in a year of enormous difficulties, marked another departure. Prussia had withdrawn from the Confederacy; Austria needed assistance; trade was stagnant and supplies were difficult to obtain. The whole situation was discouraging, and Pitt was of the opinion that to resort to the ordinary methods of financing the war would be perilous. He therefore decided to appeal directly to the patriotism and the loyalty of the country and to throw the subscription for this loan of £18,000,000, which has been called Loyalty Loan, open to the public. The new way seemed
at first to lead to success. Subscription was opened on December 1st, and before noon on December 5th the whole loan was subscribed, and much more might have been obtained.

Still worse times were to come, however, and 1797 developed into an annus terribilis. A run on the Bank of England placed this national institution in such enormous danger that help had to be solicited from every available quarter. At this juncture one of the Goldsmids, together with Daniel Eliason, Abraham's brother-in-law, travelled in quest of gold to Hamburg, but, like that of many others, their mission was a failure. Consols fell in September to 47\frac{3}{4}, the lowest point they ever touched, and Loyalty Loan to 14 per cent discount. The Goldsmids were largely engaged and consequently lost heavily.

The year 1801, too, turned out to be a sinister one for their balance-sheet. At times, far from being averse to a little gamble—and in this instance for the fall—they had, after the French had retired from Egypt, been taken unawares by the treaty of peace between England and France, followed in 1802 by the Treaty of Amiens. According to the ever-ready Stock Exchange wit there were "no commissions sufficient to pay for summer excursions nor confidence enough to make a bankrupt." Consols, however, although the Goldsmids were said to have stood in the market and sold to any amount, steadily rose from 54\frac{1}{4} to 70, and their endeavour to counteract public opinion cost them, as has been said, as much as £180,000.

23 After the crisis, 3 per cent Consols stood at 47\frac{3}{4} against 97\frac{3}{4}; 4 per cent Consols at 60\frac{3}{4} against 106\frac{3}{4}; and 5 per Cents at 72\frac{1}{4} against 120. Incidentally 3 per cent Consols stood at 107 in 1737 and at 113\frac{3}{4} in 1897; these were the top prices.

24 For the Loan of £3,000,000, issued in 1799, offers were made as follows:

the Robarts-Goldsmid group, fortified by E. P. (Eleazar Philip) Salomons, £90 10s.
Boyd, Benfield & Co., £89 13s. 6d.
J. Battye, for a group of members of the Stock Exchange, £89 10s.
D. Giles, £88 15s.
Boldero, Lushington & Co. (who ceased to exist in 1812), for a group of bankers, £87 19s. 6d.

For the relations between Abraham Goldsmid and E. P. Salomons within the Jewish community cf. Albert M. Hyamson, David Salomons, 1939, pp. 14 and 15.
But they could afford even such a loss, and four years later the capital of the House was estimated to have stood at £800,000.

In the spring of 1801, after a tenure of over seventeen years, Pitt gave up office, and was succeeded by Henry Addington. Whatever the reasons may have been—it is surely not a coincidence but on the contrary extremely striking, that in 1801 and 1802 the Goldsmids took no part in any of the many loan transactions. In 1803, however, shortly before the return of Pitt, the Goldsmids, coupled with Robarts and partnered by Esdaile & Co., entered again into contracts and continued to do so regularly; the group was strengthened a year later by an alliance with Baring Brothers. Pitt died in 1806, and again the Goldsmids kept away from the market during 1807 and 1808.

The loan of 1809, the year which had brought the victory of Talavera, but also the lamentable Walcheren Expedition, a big issue of £14,600,000 was subscribed by Goldsmids single-handed without any partner; from every point of view a marvellous achievement and by no means an unprofitable one, as in those far off days competition had not yet ruined conditions, and bankers charged a commission which amounted to as much per cent then as to-day per thousand. The contract for this loan was made out in the names of Abraham Goldsmid and Thomas Moxon, his junior partner; that of Benjamin was missing.

As Benjamin was successful and rich, and especially since he had gained two sweepstakes in one year, he was universally considered to be a spoiled favourite of fortune. Beneath the surface, however, he was in his later years an ailing and unhappy man. Already as a youth subject to occasional attacks of melancholia, he suffered more and more frequently from depression of spirits, and, on the 15th of April, 1808, at his seat at Roehampton, during an attack of gout, he took his life.\(^{26}\) The jury found a verdict of lunacy.

\(^{25}\) Esdaile & Co. stopped payment in 1837.

\(^{26}\) "Coroner's inquest made it appear that he hung himself with the cord that was suspended from the tester of his bed, for the purpose of enabling him to turn himself round in his fits of gout, with which he had been much afflicted. It being proved that he had laboured under great depression of spirits, the Jury found a verdict of Lunacy."—\textit{Gent. Mag.}, 78, 1, 1808.
William Cobbett, delightful as he is as a Rural Rider, always became perfectly rabid and incoherent when attacking financiers—whom he alternately styled as bankers, fundholders, gamblers, jobbers, speculators, and naturally as Jews. He thundered against bank notes and the National Debt to reduce or to abolish which he had found a shrewd, though somewhat far-going expedient, repudiation. He, incidentally, lived long enough to see, in 1826, the establishment of the first Joint Stock banks in London, and to express the considered view that they were nothing but foolish tricks.

In 1812, Cobbett once again began to wage war, and the first instalment of an article entitled Paper against Gold was published in his Weekly Register on the 1st of September. In this treatise he expressed his strongest disapproval of the Bullion Committee which had just finished examining experts, and of the experts who had brought forward other opinions than those held by him. “There was,” he wrote, “Sir Francis Baring, for instance, the great loan maker, and Goldsmid, the rich Jew, whose name you so often see in the newspapers where he is stated to have given dinners to princes and great men.” What had most strongly excited Cobbett’s implacable wrath was that Abraham Goldsmid had stated in his evidence that, in his view, there was no difference between the value of notes and coins, and that he, for one, would as soon take bank notes as cash in payment.

From the journalistic point of view Cobbett had hit on a feature, and when the fifth instalment appeared on October 3rd it had become sensational news value. Much had happened in the meantime.

On the 16th of May, 1810, Goldsmid and Baring Brothers con-

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27 His Rural Rider was published in 1830.
28 The appointment of the Bullion Committee under its chairman, Francis Horner, was the direct and immediate consequence of David Ricardo’s pamphlet, The High Price of Bullion, a Proof of the Depreciation of Bank Notes, 1809, incidentally the economist’s first publication in book form. The Report of the Bullion Committee, to a large extent inspired by Ricardo, became “one of the landmarks on the highway of economic studies,” and, by following the plans expressed in it, cash payments could be resumed in perfect security against any reverses (but not before 1821).
jointly had sponsored two loans of together £13,400,000. As immediately after the subscription the scrip was quoted at 2 per cent premium, it seemed a success. During the summer, however, a crisis —worse even than that of 1797—swept over the country; the premium changed into a figure below par, and by the beginning of September the new loan was quoted at 3½ per cent discount. The fall was especially unpleasant, as Goldsmid had retained for himself, either for the purpose of investment or, more probably, as a speculation for the rise, a parcel of £800,000 stock. From that commitment, however, no difficulties could originate, and even a much greater loss could easily have been borne.

At this juncture, already inconvenient enough in itself, a supremely adverse event descended like a bolt from the blue: Sir Francis Baring, the potential partner in the new issue and a powerful upholder of the market in Government stock at large, died on the 11th September. This sudden demise greatly added to Goldsmid’s troubles, as Barings now held back and the burden of supporting the markets fell on Abraham’s shoulders alone. The new task proved to be a very arduous one in the general and extreme nervousness then prevailing, and by the 27th of September the scrip had fallen to 6½ per cent discount.

Another transaction gave cause for still more embarrassment. Thomas Paine on one occasion had defined credit as “suspicion asleep”; and that there was much more truth in that pointed saying than might be assumed was a fact which Goldsmid was soon to have to face. The East India Company had placed £500,000 Exchequer bills with his firm for negotiation; only £150,000 were settled; £350,000 had still to be arranged. Now, as the funds had had a sharp setback and knowing that Goldsmid had to struggle hard in order to avoid a further fall, suspicion became wide awake, the East India Company became alarmed and claimed the rest. Payment was fixed for the 28th of September.

29 Subscriptions for £12,000,000 for the English Budget were invited on May 16th; for £1,400,000 for the Irish Budget on May 25th; the Budgets were kept separate, and not before 1816 was financial unity added to the political union, which dates from 1800.
Abraham had never really recovered from the shock sustained by the tragic death of his brother. Since that time he, too, was subject to alarming depressions of spirit, and the effect upon his deranged nervous system was to magnify fear and to banish hope. Before the sun set over that dreaded September 28th the tragedy of two years ago had repeated itself. Abraham Goldsmid was found dead with a smoking pistol in his hand.

With lightning speed the sensational news spread all over London and caused an immense excitement. Spencer Perceval, the Prime Minister, immediately came to town from his house at Ealing to confer with the Governor of the Bank of England and high Treasury officials; special messengers were despatched to the King and the Prince of Wales. The Stock and Royal Exchanges “were crowded, all persons making enquiries about” this event. Wild and exaggerated rumours, as always, persist in such cases, followed, and the version that Abraham Goldsmid was the victim of a “conspiracy of bears” and that “the leaguers succeeded” gained credence.

On close examination it is difficult to believe these reports. Goldsmid’s adverse circumstances came about only partly because stocks had a sharp and sudden fall, and it was not the losses but the publicity of the losses which ruined him. His failure, however, was the incentive to a violent slump, and the serious decline happened but on the day following the suicide. Then, on the 29th of September, the New Loan in fact changed hands at 10¼ per cent discount, against 6½ per cent on the 27th. In describing the event and explaining it, chroniclers seem to have mistaken the effect for the cause.

The question whether the big London bankers might not have been able to rally round Goldsmid at the critical juncture must remain open. But in raising it, one must remember that it was Goldsmid who, fifteen years previously, had dared to touch privileges that were almost sacrosanct, or in any case sanctioned; and though these were

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30 Only during the hours of the greatest excitement was the discount at 10½ per cent; by the end of the hectic day it had recovered to 8½ per cent, and in November it was quoted at 4½ per cent.
scandalous practices which he had abolished, the defeated have a good memory.

On Monday, 1st of October, at half-past five in the morning, the jury having returned a verdict of “died by his own hand; but not in his senses, at the time”, Abraham Goldsmid was buried in the Brady Street cemetery. The customary funeral rites were withheld from him, and Abraham, too, was consigned to a grave outside the pale of consecrated ground.

To carry on the firm was out of the question, after what had happened, and Messrs. Bainbridge, Barnett & Kensington were instructed to look into the affairs of the House. Their report stated that, after fulfilling all the engagements, and provided that those who held stock as security for monies advanced would not throw it in a hurry on a disorganised market, there would be a considerable surplus. These hopes did not materialise. The account with the Treasury was completely balanced, which means that all the proceeds received from the last loan issue had been paid in. To some of the Government boards who in those days partly financed themselves, considerable amounts, however, were due originating from Exchequer bill transactions. Spencer Perceval took the lead, and it was resolved to abstain from commencing any process. Nothing should be enforced “so long as the adjustment of the affairs proceeded to the satisfaction” of the “Inspectors for the Superintendence, Direction and Control of the said concerns”, Thomas Bainbridge, Alexander Baring, William Joseph Denison and George Ward. By 1816 fifteen shillings in the pound had been paid. In 1820 there was still due “to the King’s Most Excellent Majesty” £446,700. The surviving partners, Thomas Moxon, Aaron Goldsmid, a son of Abraham, and Nathan

31 The coachman attested to finding Abraham Goldsmid “lying on the ground, the blood flowing copiously from a wound under his chin and his hand still containing the fatal pistol.” Several witnesses deposed that since the unfortunate death of his brother he had been subject to alarming depressions of spirits, impatience and irritability. All that “rendered him more susceptible to the mortification and embarrassments to which the late depression of stocks exposed him.”

As executors of his will Abraham had appointed his brother Asher, who renounced; his sons Aaron and Moses; Thomas Moxon and Daniel Eliason.
Salomons, petitioned on May 5th to authorise a composition for the remaining debt. The matter was furthered with considerable speed. On May 30th the Bill\textsuperscript{32} was presented and was read for the first and second, and on June 30th for the third time. On the 8th of July, 1820, George IV gave the Royal Assent.

The bank of B. & A. Goldsmid had come to an end, but so great was the Goldsmid brothers' reputation of integrity that it survived the severest test imaginable in the commercial world, a financial failure. A second lease of prosperity was enjoyed by that great Jewish family through the descendants of Asher; his son Isaac Lyon, who led the agitation to repeal the civil disabilities affecting British-born subjects professing the Jewish religion (and who incidentally was married to his cousin, a daughter of Abraham), was, in 1841, the first Jew raised to a baronetcy. His son, again, Sir Francis, was in 1833 the first Jew admitted to the Bar, and in 1858 the first Jewish Queen's Counsel.

Since the death of Sir Julian, the third baronet, in 1896, and in 1904 of Colonel Albert Goldsmid, who gloriously had found his way back to Judaism, the English Goldsmids are extinct in the male line. The distinguished name survives only in the descendants of Asher's daughters in the families of Goldsmid-Montefiore, Goldsmid da Palmeira and d'Avigdor-Goldsmid.

\textsuperscript{32} (Bill) \textit{Act to authorize a composition for the Debt remaining due to his Majesty from the late Abraham Goldsmid Merchant and his surviving Partners.}

On June 20th John Haynes, a builder and carpenter of Mitcham (near Morden), had, for some reason or other, petitioned against the Bill.