

Bankruptcy and the Barnett family

by John Gould

REVEREND Abraham Barnett (1808-1886) was the minister at Bristol Synagogue from 1829 to 1832, then the Hambro Synagogue in London from 1832-1842 and finally at the Great St Helen's ("New") Synagogue, London. In 1838, he married Caroline Lazarus from the well-known Lazarus family of Exeter¹ and they had four children:

- Eve (1841-1907), married William Harris
- Montague (1844-1898), married Phoebe Lewin
- Eleazer (1848-1919), my great-grandfather, married Leah Davis¹
- Julia (1854-1947), married Joseph Mandelstam.

Due to events in 1878, William Harris, Montague Barnett, Eleazer Barnett and Joseph Mandelstam all became insolvent. In 1879, Montague Barnett was tried for deception in relation to his bankruptcy.

Barnett and Company

For many years Montague Barnett had been in business as a trimmings wholesaler in London, with different partners including from 1867 to 1873 his brother-in-law William Harris. In 1876 the firm was renamed Barnett and Co and Eleazer Barnett became Montague's sole partner. The business appears to have been reasonably substantial with annual turnover of the order of £100,000.

From early 1878, Barnett and Co engaged in a new type of business as a purchasing agent for Harris and Cohen of Lima, Peru whose partners were William Harris, who had traded in Peru some 20 years previously, and Samuel Cohen, aged about 20, who had formerly been a clerk with Barnett and Co in London.

However, in October 1878 substantial expected remittances to Barnett and Co from Harris and Cohen

The Bankruptcy Act, 1869.
In the London Bankruptcy Court.
In the Matter of Proceedings for Liquidation by Arrangement or Composition with Creditors, instituted by Montague Barnett and Eleazer Barnett (known as Ernest Barnett), of 4, King-street and 30, Ironmonger-lane, Cheapside, both in the city of London, Trimming Manufacturers, trading as Barnett and Co., and for a short time carrying on business at 1, King-street, Manchester, under the style or firm of Nicolle, Dupin, and Company, as Manufacturers and Designers of Trimmings and Buttons, the said Montague Barnett residing at 31, Upper Bedford-place, Russell-square, and the said Eleazer Barnett residing at 46, Gower-street, Bedford-square, both in Middlesex, Copartners in Trade.
NOTICE is hereby given, that a First General Meeting of the joint creditors of the above-named persons has been summoned to be held at the Inns of Court Hotel, 269, High Holborn, Middlesex, on the 6th day of December, 1878, at three o'clock in the afternoon precisely.—Dated this 8th day of November, 1878.
LEWIS and LEWIS, 10, Ely-place, Holborn, Solicitors for the said Debtors.

Court Of Bankruptcy.

Category: Law

COURT OF BANKRUPTCY.
(Before Mr. Registrar BROUGHAM, sitting as Chief Judge.)

IN RE E. AND M. BARNETT.

This was an adjourned sitting for public examination. The bankrupts, Messrs. Eleazer and Montague Barnett, were trimming manufacturers carrying on business in King-street, Cheapside, and their balance-sheet returned debts amounting to £24,912, with assets £11,944. The case had been adjourned for investigation by the trustee, who still opposed.

Mr. Montagu appeared for the trustee, and Mr. Finlay Knight for the bankrupts.

His HONOUR, in the absence of the bankrupt E. Barnett, ordered an adjournment *sine die* as to him, but allowed the other bankrupt to pass his examination.

Announcement in *The Times*, 4 April 1879

failed to materialise and Barnett and Co was forced to stop payment to its creditors and to apply to the court for "Voluntary Liquidation by Arrangement or Composition with Creditors".

The first meeting of creditors under the liquidation proceedings took place on 6 December (see extract above). "The meeting was of a very stormy character. It lasted until a late hour in the Evening". As the meeting was ending, Montague was arrested but Eleazer, although present, was not detained. Montague was taken before the Lord Mayor of London, the City's Chief Magistrate, who committed him for trial.

The arrest warrant had been arranged by creditors in advance, mainly at the behest of Max Hassfeld, creditor for nearly £500. Hassfeld also petitioned to put the partners of Barnett and Co into bankruptcy, and Montague and Eleazer were duly adjudicated bankrupt on 15 January 1879.

According to *The Times* report of 4 April 1879 of Montague Barnett's public bankruptcy examination, debts were £24,912 and assets were £11,944. Nearly £8,000 was owed to Barnett and Co by Harris and Cohen.

The trial

Montague Barnett's criminal trial took place at the Old Bailey on 24 November 1879. The indictment apparently alleged that among other thing, he had:

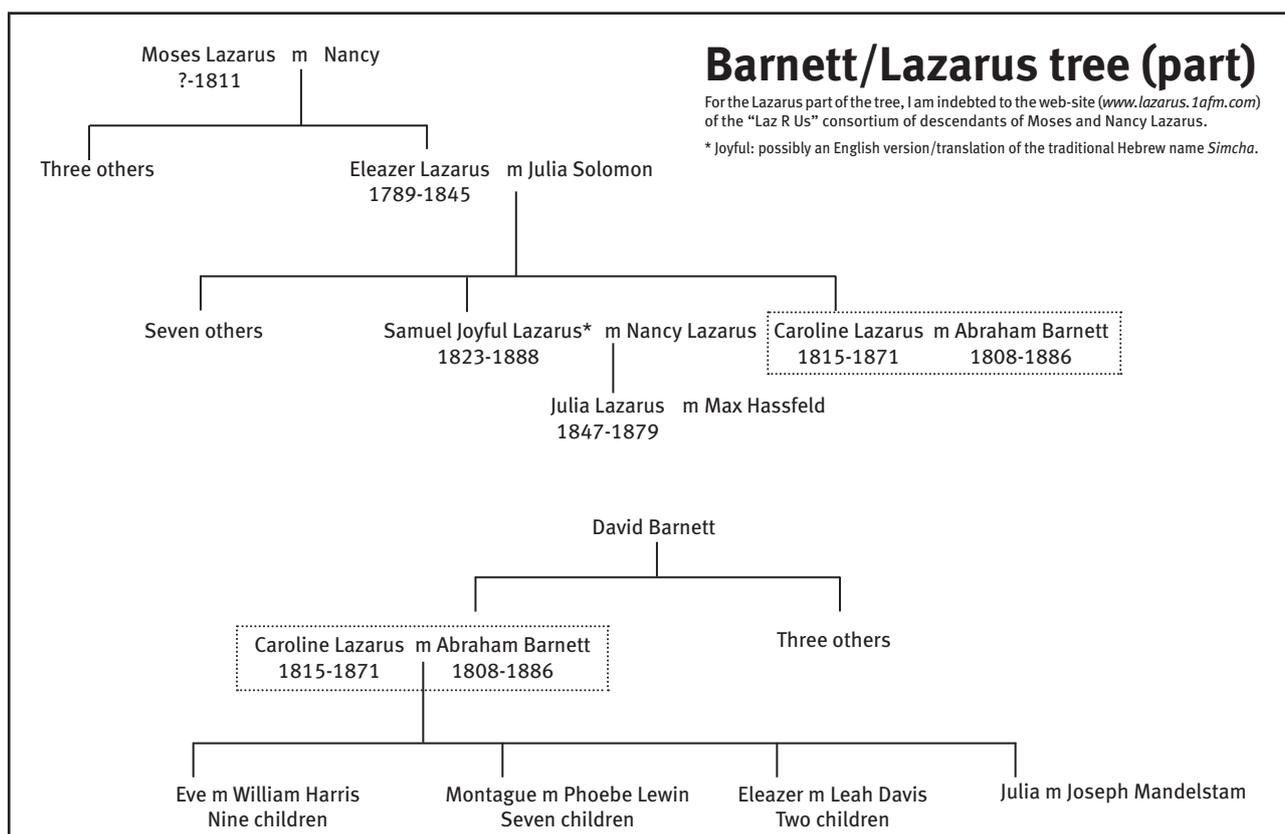
Concealed from his creditors and from his trustee in bankruptcy a personal cash asset of £387, the proceeds of a successful horse-racing bet placed just before he became aware of the likely insolvency.

Given preference to his wife's sister, Miss Lewin, by allowing her to take goods to the value of almost as much as she was owed, on the day before the other creditors learned of the firm's difficulties.

Obtained goods on credit within four months of his bankruptcy.

Misled a supplier into believing that the newly-established firm of Harris and Cohen was identical to a long-established but now defunct Lima company with the same name, thus inducing the supplier to grant additional credit on the strength of Barnett and Co's orders from Harris and Cohen.

Told a French supplier that the firm's net balance sheet assets at the last accounting were about £4,000 when they



were actually about £400, thus inducing the supplier to grant additional credit.

Committed other offences (details unclear) connected to Barnett and Co's retail trimmings business in Manchester.

Conspired with Eleazer Barnett in connection with some of the above.

Pleas of not guilty appear to have been entered on all counts. Witnesses included Montague's bookmaker and a number of creditors. The bitterest of them was Samuel Joyful Lazarus, wholesale optician, who said: "Mr Hassfeld married my daughter (note: Julia Hassfeld, *née* Lazarus, b. 1847, d. 15 November, 1879), and the defendant is unfortunately my nephew". Montague's mother, Caroline, was Samuel Joyful's sister.

'A murderer'

I consider he is the murderer of my daughter, for this case has taken such an effect on her that she died last week. The doctor said that if it had not been for Barnett she would be living now. I had not the same bitter feeling against the defendant last year as a murderer, but I had as a robber. I have a very heavy claim against Barnett, and not only that, but on account of his villainy I have been half ruined by him. Miss Lewin is part of his family, but he took care of her."

During the trial, the conspiracy charge and charges relating to Manchester and to the French supplier were withdrawn. The jury found Montague guilty on the remaining charges. The judge sentenced him to six months' imprisonment.

Caroline Barnett, Montague's mother, had died in 1871, but Abraham Barnett, Montague's 71-year-old father, was still minister at the New Synagogue so for him the trial must have been acutely stressful.

Probably, Harris and Cohen had got into difficulty because revolution and war in Peru made it almost impossible to sell there the goods sent out by Barnett and Co

William Harris tried to sell the merchandise in Ecuador, Panama and Spain before returning to England in 1881 and coming to an arrangement with his creditors (including Barnett and Co's trustee in bankruptcy) to pay a first and final dividend of 2½d in the £.

From this and other asset realisations, creditors of Barnett and Co were paid a series of small dividends. As part of the agreement by which Eleazer was formally discharged from his bankruptcy in January 1886, he paid £450 (presumably saved from his American earnings) to the trustee, enabling a further significant dividend to creditors.

Montague and Eleazer's brother-in-law Joseph Mandelstam, button manufacturer and importer of German and French trimmings, was declared bankrupt on 19 December 1878, just two months after Barnett and Co suspended payments to creditors. The timing could be coincidence but I think it more likely that Joseph was owed money by Barnett and Co and/or Harris and Cohen and that he, too, was a victim of their failure.

The First General Meeting of the creditors of the said Joseph Mandelstam is hereby summoned to be held at the London Bankruptcy Court, Lincoln's-inn-fields, in the county of Middlesex, on the 15th day of January, 1879, at half-past eleven o'clock in the forenoon, and that the Court has ordered the bankrupt to attend thereat for examination, and to produce thereat a statement of his affairs, as required by the statute.

Public announcement of Joseph Mandelstam's creditors' meeting held in 1879

In early 1879, Joseph and Julia Mandelstam migrated to New Zealand where in March 1880 their baby was stillborn.

Around 1889, Joseph died, Julia returned to England and married the widower Benjamin van Praagh in 1891. Eleazer had also left London in early 1879, but for New York. His wife Leah joined him there in about 1882. They had two daughters but divorced in 1897.

Eleazer later became treasurer of, and a shareholder in, The Paris Lace Company Inc, a retail store in Manhattan. Montague apparently remained an undischarged bankrupt for the rest of his life. In the 1881 and 1891 censuses, he described himself as "Traveller". Interestingly, his elder son, Sidney (1866-1902), was a trimmings merchant in London for a few years until 1893. In 1891, William Harris described himself as "Diamond Broker".

Blamed for death

With Samuel Joyful Lazarus blaming Montague for his daughter's death and with Samuel and his son-in-law being the driving force behind Montague's arrest and prosecution, the Lazarus family and the Barnett family would certainly have had no subsequent social contact. Thus it is unsurprising that, until I started researching in 2007, I was unaware of the Lazarus part of my ancestry.

Until I looked up Abraham Barnett in various 19th-century English censuses, I was unaware of Montague and Phoebe Barnett and their nine children or Eve and William Harris (seven children). On discovering their existence, I could not understand why my grandmother, Caroline Rose Barnett (1887-1975), Eleazer's elder daughter, who was very family minded, had not been in regular contact with such close blood relations and had not mentioned them to her own descendants.

The London Gazette

WHAT exactly is *The London Gazette*? The paper claims, among others, to be the oldest surviving English newspaper and the oldest continuously published journal in the United Kingdom, first appearing on 7 November 1665 as the *Oxford Gazette*. It is not a conventional newspaper offering general news coverage and does not have a large circulation, but it is one of the official journals of record of the British government and the most important among such official publications in Britain as the law requires that certain statutory notices are published nationally.

***The London Gazette* is available each weekday, except for bank holidays, and there are also other gazettes for Scotland and Northern Ireland.**

For genealogists and researchers, these gazettes are a rich seam of information and social history because the petitions and bankruptcy listings state in stark terms what was actually happening to our relatives when they suffered the ultimate fate in business. It is also one of the few information links that have remained unchanged in hundreds of years.

To access the site is simple. Go to www.london-gazette.co.uk and probably what you are most interested in is the HISTORIANS section, halfway down the page on the right. Click on SEARCH THE ARCHIVE and the screen opposite appears.

GOOD ADVICE

In September 2008, JGSGB chairman Laurence Harris (unrelated to William Harris!) addressed the Society's South-West London Group and urged anyone researching London ancestors to search the Old Bailey online web site, (www.oldbaileyonline.org) as "You never know what you will find".

I followed his advice and discovered the more than 10,000-word trial transcript that, when supplemented by insolvency and partnership notices from *The London Gazette* and my previous research into the family, enabled me to put together this story. My grateful thanks!

It was only when I learned of the circumstances surrounding Montague's trial that I was able to understand that the events of 1878-1879 must have left the Barnett family irreparably divided and not on speaking terms.

I speculate that Eleazer may have blamed Montague and/or William for his bankruptcy while Montague may have resented having to "carry the can" at the Old Bailey alone, while his brother and brother-in-law got off scot-free.

● The author, who is retired, is also researching his mother's Czech ancestors.

REFERENCE

1. See "Discovering my Birmingham Forbears", *Shemot*, Vol 15,4.

Saturday, January 17, 2009

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