

## HODGE, Sir JULIAN STEPHEN ALFRED (1904 - 2004), financier

**Name:** Julian Stephen Alfred Hodge  
**Date of birth:** 1904  
**Date of death:** 2004  
**Gender:** Male  
**Occupation:** financier  
**Area of activity:** Economics and Money  
**Author:** Rhys David

Julian Hodge was born on 15 October 1904 in Camberwell, London, the second of seven children of Alfred Hodge, an English plumber and electrician, and his wife Jane Emily (née Simcock, d. 1946) from a middle-class family of lawyers and journalists with connections to Ireland. He had an elder brother Donald, and younger siblings Leonard, Eileen, John, Gerard, and Teresa. The family moved to Wales when Julian was four and settled in a terraced house in Pontllanfraith, Gwent, where his father thought there would be good opportunities for plumbing work.

The resilience, determination and independence Hodge was to show in his business career had its origins in the family circumstances that saw his father move back to London, leaving Julian at the age of eighteen in the position of pater familias to his five younger siblings. His mother provided the early spur to success, encouraging his reading of classic books and poetry. On leaving Lewis School, Pengam at the age of thirteen, he settled into a job as a railway clerk with the Great Western Railway, which he joined in 1920 after working briefly in his uncle's chemist's shop in London. His elder brother had started in the pits.

His hours off duty were filled with the study of accountancy, much of it conducted in the spare room made available to him by a local Communist and his wife, Tom and Edith Evans, who offered some quiet away from the cramped family home. Qualifying in 1930 with the help of correspondence courses and night classes at Cardiff Technical College, this was the start of a journey that saw him, still a GWR employee, begin to advise local businesses and individuals on tax and other financial matters, subsequently door-knocking to sell life assurance as a means of publicising his freelance accountancy advisory services, all in his spare time.

A spreading circle of activities - rather than a progression from one to another - was to characterise Hodge's business operations for much of his life, during which time he built a complex array of hundreds of inter-connected companies, all rooted in a master company, Hodge Group, itself the subsidiary of his family master company, Carlyle Trust, the full ramifications known best to one man only, Hodge himself.

The steps building this empire were slow and methodical, Hodge not leaving the GWR's employ until 1941 when he was already 37 years of age. He had combined increased responsibilities in the running of the railways in Monmouthshire with the development of a substantial practice with several branches, becoming the accountant for the Withers brothers' local chain of cinemas, auditor for the Cardiff metals company and wartime munitions maker, Currans, and exercising power of attorney for the Cardiff restaurant owning Carpanini family during their internment as aliens in World War Two. After resigning his GWR job he headquartered his activities in Windsor Place, Cardiff.

In the immediate post-war years Hodge moved into mortgage agency and insurance before founding his own industrial holding company, Gwent & West of England Enterprises, soon to be used as the vehicle for purchase of local garages, and to be followed by the rescue of a Newport-based hire purchase company, Anglo-Auto Finance. Dealerships for main motor brands, notably Ford - a useful complement to the hire purchase side of his activities - followed. A vertical business empire was in the making, even extending later into motor manufacture when Hodge bought Reliant Motors, maker of the quirky three-wheelers once familiar on Britain's roads. For Hodge, who with this purchase became the second biggest British-owned car maker, the attraction was the dealerships and the hire purchase opportunities that formed part of the package.

With such a busy life it is perhaps not surprising he did not marry until 1951 at the age of 47, when he married Moira Thomas (b. 1924), a secretary in his Cardiff office from Maes-y-Cwmmwr, not far from Pontllanfraith. They had a daughter and two sons, Jane b.1953, Robert b.1955 and Jonathan b.1958. The family lived in turn in two of Wales's finest houses, White Lodge in Penylan and Tŷ Gwyn in Lisvane, former home of James Turner, the builder of City Hall and other buildings in Cardiff's Cathays Park.

Though by the 1950s a prominent figure in south Wales business circles, Hodge first came to wider attention, as the defender of small shareholders, through his Investors' Protection Facilities. In the much less regulated environment of the time Hodge believed company directors were not ensuring the interests of all shareholders were protected during take-overs, often looking to their own instead. With the issue of critical circulars to shareholders Hodge fought and won battles with Ely Breweries and Claymore Shipping in Cardiff, the latter case obliging him to take on prominent docksman and titan of Welsh sport, the former Glamorgan cricket captain and England cap, J. C. Clay.

On the wider British stage, he challenged the directors of Rootes Motors, which was attempting to take over rival Singer Motors; Massey-Harris Ferguson, the Canadian tractor maker bidding for Standard Motors; and Beecham, which was seeking to buy the successful Porth soft drinks manufacturer, Corona. All were forced to revise their offers to ensure the best price for the shares of the target companies was obtained. To small shareholders, whose bank accounts benefitted over the years by £20m from these campaigns, Hodge became a hero, receiving thousands of letters of appreciation from throughout the UK.

The drive to set up Welsh financial institutions had been continuing apace. Merchant banking - Julian S. Hodge & Co. - was added to the portfolio in 1960. Anglo Auto Finance and Gwent & West of England Enterprises were brought to the market in public flotations in 1960 and 1961, with Hodge as the most significant shareholder. The new unit trust movement was the next to catch Hodge's eye and fitted well with his previous interest in supporting the small investor otherwise unable to access the market in shares. Six trusts, a rarity outside London, were launched in Cardiff starting in 1963 with the Welsh Dragon Trust, followed by others - Education, Motorways, High Income - with enticing names redolent of the new era of modernisation promised by Harold Wilson's incoming Labour Government of 1964. Loans were advanced to prospective purchasers.

The 1960s with all these developments, however, were the high point of Hodge's efforts to break the mould in British finance by establishing Cardiff as an alternative financial centre offering a range of services in insurance, merchant banking, hire purchase, unit trusts and other financial products that had hitherto been the prerogative of London and to a much lesser extent Edinburgh. Hodge had had to fight established interests contemptuous of his upstart efforts at every stage and by the 1970s, as the scale of national and international financial operations increased, his go-it-alone approach was no longer working so well. Hodge, too, was now about to enter his later years.

The unit trusts were sold in 1970 to First Finsbury Trust, a subsidiary of Vehicle & General Insurance, which was later to write an ignoble note in UK financial history. Hodge's adroit timing in quitting unit trusts just as the industry had become overblown and ready for a fall, was exceeded, however, by his disposal of the group's hire purchase interests. Chartered, the UK overseas bank, had already taken a 22 per cent share in Anglo Auto Finance in 1968 and Standard Chartered, as it had then become, acquired the remainder of the shares in 1973, signing the documents two days before the collapse of London & County Securities triggered the secondary banking crisis.

In other disposals the Cardiff department store James Howell & Co, which Hodge had bought after it passed into the English ownership of a Bournemouth group a few years earlier, was sold in 1972 to House of Fraser. The extensive cinema interests, spread across south Wales and south-west England, were also sold. Reliant was taken over by J. F. Nash Securities.

Hodge's enduring life dream, the creation of a Bank of Wales to address what he saw as a gap in the availability of finance for small businesses in Wales, had begun anyway to loom larger in his thoughts. With his forceful personality and persuasive charm Hodge used examples drawn from his merchant bank's experience advancing bridging finance to convince the previously sceptical that mainstream banks were unduly reluctant to extend risk capital. This was a role that a Bank of Wales with better local connections could fulfil, he maintained. His vision had begun after he had been shown bank notes from the Bank of Newport during the war. Visitors to Hodge House, the fourteen-storey headquarters he had built himself in Newport Road, were proudly shown notes from Aberystwyth's Bank y Ddafad Ddu and other earlier Welsh note-issuing institutions, as he outlined enthusiastically his idea to anyone who would listen.

Recognising the desirability of outside help he won backing from the First National Bank of Chicago, and the bank was established in 1971, boasting a board replete with the names of some of the leading Welsh grandees of the time, including not just James Callaghan, a former Chancellor of the Exchequer and M.P. for the area in which Hodge's premises were located, and George Thomas a former Secretary of State for Wales in the neighbouring seat, but Sir Goronwy Daniel, Principal of University College Aberystwyth and a former Permanent Secretary, Sir Cennydd Traherne, KG, Lord Lieutenant of Glamorgan, Lord Harlech, former UK ambassador to the United States, and

leading Welsh QC, **Alun Talfan Davies**.

Its name reflected, however, a continuing London reluctance to accept breakaway ventures in the 'provinces' with an insistence from the authorities that the word Commercial be added to the original designation. After the secondary banking crisis which the bank came through unscathed another ultimately successful battle had to be fought to prevent the loss of even the word bank, the regulators deeming it one of a small minority of institutions not worthy of being included in the top group of those entitled to term themselves 'bank' but needing to use a less exalted descriptive instead.

After a period of successful and undramatic operation, the Commercial Bank of Wales, like many of Hodge's other enterprises, faded away, taken over first by the National Bank of Chicago, then Bank of Scotland, its name later dropped, and the business quietly wound up. The premise on which it had been founded - the lack of availability of finance as a restraint on the growth of Welsh businesses - had not been established. No new enthusiasts emerged to sustain Hodge's interest and passion.

Through his political and City connections Hodge was now moving in elevated circles, attending International Monetary Fund meetings in Rio de Janeiro and Washington and rubbing shoulders with the world's financial titans. Hodge's networking enabled him to bring to Cardiff between 1970 and 1976 to give the Jane Hodge Memorial Lectures in memory of his mother such luminaries as David Rockefeller, chairman of Chase Manhattan Bank, Sir Leslie O'Brien, governor of the Bank of England, Pierre-Paul Schweitzer, managing director of the International Monetary Fund, Prince Philip, and Sheikh Ahmed Zaki Yamani, Saudi Arabian oil minister and key player in the Organisation of Petroleum Exporting Countries (Opec) at the time of the 1970s energy crisis.

Earlier during his most active period in business in the 1950s and 1960s he had acquired other friendships that were to last, including Lord Marcus Sieff, chairman of Marks & Spencer, who helped Hodge turn around the Avana bakery group with a contract for its cakes, Sir Isaac Wolfson, boss of the retailing, manufacturing and financial group, Great Universal Stores, whose own foundation provided the template for Hodge's Jane Hodge Trust, and Sir Siegmund Warburg, the merchant banker behind S. G. Warburg.

His other pre-occupation at this later stage was the charity he founded to honour the mother who had encouraged his early studiousness and coped with the upbringing of seven children in difficult circumstances far away from her native London. Launched in 1962 16 years after her death with an initial endowment of £2.5m, its remit was to support medical and surgical studies and in particular cancer, polio, tuberculosis, and diseases affecting children, and the advancement of education and of religion. Its ongoing funding has been provided by dividends from the Hodge businesses and in 2022 it owned 79 per cent of the remaining Hodge Group. Separately, the Sir Julian Hodge Charitable Trust was established to manage donations to his and his wife's charitable causes. He gave away large amounts of money to assist favoured charities, many of them supportive of the Roman Catholic Church of which Hodge was a devoted communicant.

One regret will have been the scepticism with which his proposal for a new Roman Catholic cathedral in Cardiff's Bute Park, even with his offer of a £3m contribution, was greeted. There was civic opposition to the idea of encroaching on the **Bute** gift to the city, even though it was suggested the Roman Catholic Bute family had this idea in mind themselves, but there were also doubts in the Roman Catholic hierarchy whether with three large churches already, one of them, St. David's in Charles Street, already designated the metropolitan cathedral, the city needed a costly to maintain addition. His dedication to his faith won him, however, a papal knighthood.

He was a man who attracted praise and criticism in almost equal measure. To his great friend, former Speaker of the House of Commons, **George Thomas**, he was 'a man to be honoured and loved' whose 'extraordinary flair in financial matters was matched by a splendid integrity and by unfailing compassion for those less fortunate than he, qualities rooted in his rock-like Christian faith'. To the satirical magazine *Private Eye*, he was 'the usurer of the Valleys', a soubriquet the clever catchiness of which unfairly stuck.

The evolution of Julian Hodge from local business adviser and protector of the small saver to multimillionaire financier and mixer with the great and good attracted envy and hostility. Whether he deserved the disapproval and even vilification he suffered for his efforts, which has been damaging to his long-term reputation, is, however, moot. The financial authorities and his rivals in the City of London did not like the maverick upstart trying to establish businesses they regarded as their property in provincial Cardiff nor the innovative methods which his agile brain invented. Parts of the press and individual critics chose to focus on what they saw as the high interest rates charged by his hire purchase and other loan-making subsidiaries, his involvement in second mortgages, and the foreclosures that sometimes followed, and the use to which the promoters of pyramid schemes unconnected with Hodge put the funds his companies advanced. The rest of his contribution to Welsh economic life was overlooked.

Julian Hodge had begun his life in relative poverty, even having to resort, like many in the Valleys at the time, to scavenging coal tips in the bleak years of World War One. By dint of hard work, constant study, and a dedication to self-improvement he seized the opportunities to enrich himself and others and became one of the best-known and recognised figures in Wales, acquiring honours and degrees from a range of institutions, including in 1970 Knight Bachelor. He served as Treasurer of the University of Wales Institute of Science and Technology 1968-76 before becoming President 1981-85. The University of Wales made him Doctor of Laws (LLD) and other honorary degrees followed his endowment of chairs in banking and finance, accounting and business finance, and international business. He was an honorary Fellow of the Royal Society of Accountants, a member of the Welsh Economic Council (1965-68) and of the Welsh Council (1968-79). Hodge remained throughout his life a supporter of the Labour Party but was never a party member. His long-time deputy and confidant, lawyer Sir Donald Walters, served as chairman of the Conservative Party.

He had started his career in business as a tax specialist advising local people in his Gwent valley on their returns and it was perhaps unsurprising that in his final years his own potential tax liabilities - his estimated worth reached £50m - would lead him to leave Wales in 1985 at the age of 81 for exile in Jersey. An opponent of both European integration and devolution, he inveighed against both in letters to the press from his island home and helped fund the No Campaign in 1997. His voice no longer carried the authority it once had, however, and went unheeded by a majority of voters, albeit small. By then he was a figure from the past. Julian Hodge died on 18 July 2004 at St Aubin, Jersey.

There are still Hodge companies, including the Julian Hodge Bank in Cardiff, but most of his enterprises have been acquired by deeper-pocketed companies over recent decades or have disappeared as trends and lifestyles have changed. The Hodge footprint in south Wales is now much smaller than it was. Yet, the charity he founded is still a resource which many causes turn to in search of funds every year, so his and his mother's memory live on. He did much good for Wales and made mistakes; it is certain his like will never be seen again.

## Author

**Rhys David**

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Personal recollections

## Further reading

Wikipedia Article: [Julian Hodge](#)

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Wikidata: [Q6307258](#)

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