

Henry Hornblower

The BULLETIN regrets to note the loss during the present year of another distinguished member of the Business Historical Society. Henry Hornblower died at his winter home at Pinehurst, North Carolina, on April 1, 1941. His life is of special interest to the business historian. From 1888 until 1936 he was a member of the Boston investment house of Hornblower & Weeks, of which he was one of the founders. Thus his career in a real sense epitomizes the work of the American investment banker of his generation, a period in which the financial capitalist filled a very important place in American business.

Henry Hornblower was born in Lawrence, Massachusetts, on June 8, 1863. In 1878 he was graduated from high school in Arlington, and during the next year he entered business as a clerk in his father's brokerage firm, Hornblower & Page, in Boston. After the dissolution of this firm on the death of Page in 1888, young Hornblower and John W. Weeks formed a partnership as Hornblower & Weeks. The new firm began its work in a modest office with a staff of three men, the partners and an office boy.

The firm, Hornblower & Weeks, soon became an active figure in Boston's investment market. Henry Hornblower became a member of the Boston Stock Exchange in 1888, and in 1889 the firm acquired a seat on the New York Stock Exchange. For many years Hornblower was active on the floor of the Boston Exchange, and he came to be considered one of the most able and astute brokers in Boston. From the first, the firm carried on a commission business, buying and selling on order, but it also soon began to participate in the underwriting and original distribution of new securities. This brought it into the reorganization and consolidation movement which got heavily under way in the early 1890's. Hornblower & Weeks managed the consolidation of many small lines to form the Boston & Maine Railroad. In the 1890's it was very active in the copper share market, for which Boston was a center. After the turn of the century the firm took the leading part in bringing about the merger (in 1903) of the old Massachusetts National Bank and the First National Bank of Boston.

By this time the activities of Hornblower & Weeks had become nationwide. Because of the rapid growth of the firm's business, Henry Hornblower had to leave internal management to junior members of the firm in order, like Weeks, to confine himself to general policies of the firm. To meet their expanding business an office was established in New York in 1901, in Chicago and Providence in 1907, in Detroit in 1908, and later in other cities. At the same time new partners were admitted to the firm. From the early years of the century, the major part of the firm's original financing was in industrials. Hornblower & Weeks entered the automobile industry while that industry was still in its infancy, underwriting the original issue of Chevrolet Motor stock of which it represented a one-third interest, and later it participated in marketing the original securities of General Motors. Similarly, it took part in the formation of other large corporations in various fields.

While its founding partners were still active, Hornblower & Weeks came to be recognized as one of the outstanding investment houses in the country. The historian looks for explanations of such success. Of course it was made possible by the expansion of business and by the need of financing industrial capitalists in trouble. But the history of investment banking in that time also records many failures. Such success as Hornblower & Weeks attained points to wise internal policies, such as the concentration of activities in one field, avoidance of so-called speculation, and maintaining an adequate liquid capital at all times. In the final analysis, however, success rests with the men who stood at the head of the firm. The founding partners of Hornblower & Weeks were a notable pair of bankers: each made special contributions to the firm and both were men of great ability and undoubted integrity.

Henry Hornblower represents the American investment banker of his time at his best. He has been characterized as a good example of that type of business man whose preferences and standards are those of the professions. He was quiet and unostentatious with a keen sense of social responsibility, and he was known for his moderation and balance of judgment. While as a broker and banker he was forceful and aggressive, he looked on business as a long-range activity with wide ramifications. In other words, he was not a trader for the profits of the moment but a constructive financier. To say that as a broker and banker he was as respected as he was successful is to give a true measure of his career.