

Barnett: The Story of "Florida's Bank." By *David Ginzl*. Tampa: University of Tampa Press, 2001. xix + 441 pp. Index, notes, illustrations, photos, tables. Cloth, \$35.00. ISBN1-879-85272-1.

Reviewed by Lynne Pierson Doti

When Barnett Bank was integrated into NationsBank in 1997, the employees of Barnett established a foundation to honor the traditions of the 121 year old institution. David Ginzl, a longtime employee with a Ph.D. in history, took on the job of preserving the past of this Florida landmark. The result is an excellent history of a prominent player in U.S. banking history.

Ginzl's sources are mostly the company's records, memos, board minutes, and interviews with the Barnett family and employees. He refers appropriately to local history, local newspapers, and the newspaper *American Banker*, but because he makes little use of broad histories of banking, the story he tells represents a microscopic view. The lack of historical context is understandable, given his sources, but too often background filler replaces real information about the subject of banking. Ginzl has compiled more than 400 pages of material about the Barnett Bank. Although it is difficult to equate the lifetime of any bank with the reign of Camelot, as the author does in his preface, the chronology of each era should relate to broader concurrent trends in banking history.

The bank was founded in Jacksonville, Florida, in 1877 by William Boyd Barnett, with the help of his son, Bion. Bion lived to be 101 years old and was almost continuously involved in managing Barnett Bank from its inception until his death in 1958. Obviously, such a long life contained many interesting diversions. In 1911, he departed for Europe accompanied by the wife of a neighbor, returning home occasionally to deal with various crises. His own wife, who remained a pillar of the community, finally granted him a divorce in 1931. Bion promptly married his mistress and outlived both women.

In 1908, Barnett Bank was dissolved, apparently in an attempt to undermine the position of a hostile stockholder, Jay Durfee, the son of a founding director, who opposed Bion's goal of increasing the bank's capital. Bion let the charter expire, formed a new bank, dissolved the old one, and opened Barnett National Bank, financing the new venture with the assets of the old one. This feud re-erupted in the 1920s, when Durfee teamed with Alfred du Pont to block a merger engineered by Bion.

Parallels to most of the events described here have their equivalent in other bank histories. Barnett issued script in 1907 panic. In the early 1900s the bank opened a department that catered to women. A new headquarters, with a huge ornate lobby, was built in the 1920s and

was the tallest building in Jacksonville. The bank survived the Depression by paying less interest on deposits, cutting salaries, lending less to avoid bad loans, and focusing on staying liquid. Like many banks, Barnett never really closed during President Franklin Roosevelt's bank holiday. With the end of World War II, military personnel who had been stationed at the military base near Jacksonville returned to live in the area. New banks were chartered in new neighborhoods to accommodate the population increase. Bion's son Don instituted consumer lending and expanded auto financing in the 1950s.

In 1950 the first major technological innovation was made to the building with the installation of air conditioning. An unusual teller box rose out of the sidewalk in 1955 that provided banking services to customers in their automobiles. The first computers arrived in 1957.

In 1961 the original headquarters building next to the one constructed in the 1920s was razed and a ten story edifice was constructed that was split down the middle by a gulley designed for motor banking. As confident as the directors were that people would welcome this new concept, the bank nevertheless held on to the tradition of a huge public space by extending the second-floor lobby across both buildings.

While still looking to expand in 1963, the board effected a change of management by naming Guy Botts, an attorney and local business leader, a board member. He subsequently pursued an aggressive acquisition strategy. By 1976 Botts had purchased thirty-four banks and had opened nineteen new chartered banks. In 1971, all these banks switched their identity to Barnett Bank. Barnett, like many other banks in the 1970s, engaged in real estate investment, fortunately managing to survive the subsequent

downturn in the market. The failure of the real estate subsidiary depressed the stock price of the bank, however, making further acquisitions difficult.

In 1986, responding to the perception that the bank was missing out by avoiding out-of-state mergers, Barnett agreed to buy an eleven-office bank in Georgia. By the end of 1988, Barnett's 521 offices collectively had the largest deposits in the state. Charles E. Rice became president of the newly formed holding company in 1973 and soon tried to centralize the commercial lending function to accommodate the larger businesses, but he encountered resistance from the individual banks. A new downtown forty-two-story building symbolized the institution's rededication to the Jacksonville community. In the early 1990s, a restructuring allowed the organization to develop supermarket branches and to expand across the country by acquiring companies unrelated to banking. In the later 1990s Barnett Banks fought off claims that they were marketing securities to their customers without revealing that the FDIC did not insure these investments. The plan, developed in 1996, to consolidate the subsidiary banks' trust securities, insurance, bank-card, and technology companies into Barnett Bank NA was praised by Wall Street.

It was becoming difficult to maintain earnings, and the bank implemented tough cost-cutting measures. In May 1997, Rice took a leave of absence for alcoholism treatment. On his return, Rice started working on a plan to sell the bank, soliciting proposals from other banks, particularly from NationsBank CEO Hugh McColl. On the deadline date, McColl hand delivered the highest offer for Barnett Banks. Once the deal became final on January 1, 1998, Rice agreed to stay on with NationsBank. His compensation was so generous that *American Banker* described it as "unequaled." In April 1998, NationsBank merged with Bank of America, assuming that name.

Does this long story sound familiar? I think it duplicates the events of almost any bank's history during the same period. From the late 1880s to the present, banking histories have been shaped by common national trends and economic conditions. Yet business historians cannot generalize accurately without this type of detailed corporate history, and this one is particularly accomplished. From the basic outline to the smaller details, Ginzl has done an outstanding job.

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