

# VEIL OF SECRECY

Historian says the secrecy of bank examination reports has enabled repeated financial crises

■ *Second of three parts*

By HAROLD BUBIL  
REAL ESTATE EDITOR

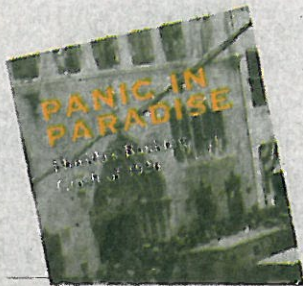
Raymond Vickers knows banks. Unlike many historians, he has practical experience in his field of expertise, earned from years as Florida's assistant state comptroller in the mid-1970s and a career as a banking attorney who has counseled more than 100 banks and helped charter 60.

"I know where the bones are," said Vickers.

A lot of those bones lost their flesh in the 1980s, during the savings and loan crisis. It was then that Vickers was inspired to write "Panic in Paradise" (University of Alabama Press, 1994), which placed the blame for Florida's 1920s land boom/bust squarely at the feet of unscrupulous bankers, developers and real estate promoters, who hid behind the secrecy of bank-examination records when dozens of banks failed — and put Florida into the Great Depression years ahead of the rest of the country.

After eight years of work, the book was published, in 1994, but by then the S&L crisis had eased and the real estate market was starting to come back from a falloff in the early '90s. Perhaps those factors limited the book's impact, or, it may have been criticism from established historians who were slow to accept the work of a revisionist — and not a career historian, to boot.

But with the exhaustively



COURTESY PHOTO

Raymond Vickers, Ph.D., and his book "Panic in Paradise."

researched and footnoted book now out in paperback, Vickers hopes it gets renewed attention because of what is happening in lending and real estate today.

"Fraud and insider abuse was the reason (for the 1920s real estate bust)," he said in a recent telephone interview from his Tallahassee office, "and the reason for the current collapse is fraud and insider abuse. I don't think anyone has focused on that."

Vickers agrees that relaxed lending standards led to the

current subprime mortgage crisis, and that, as in the 1920s, a lot of innocent bystanders are being hurt as the speculators fall and their properties go into foreclosure.

"Think of the honest people out there today who own homes, who can't sell them because the market has collapsed," he said. "Now, they didn't do anything wrong. They just bought a house and paid mortgage payments on it, and maybe had two or three kids, and now it's time to move to a new house, and they can't move to a new house because they can't sell the old house.

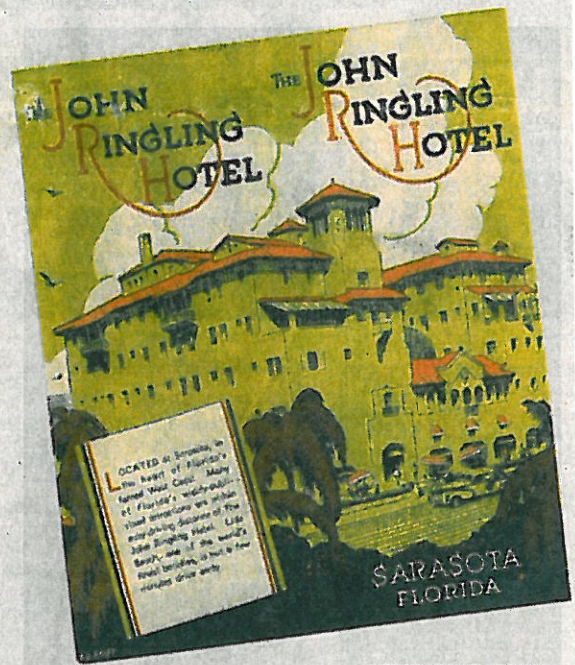
"You are having to pay for the fraud and insider abuse that occurred on Wall Street and in the rarified air of these bank board rooms."

But that cannot be proven because of "secrecy," Vickers said in an interview last fall. "You probably have more access to bank records at the Kremlin that you do in the United States. You will have to wait until 2057 to write the story of the real estate bust" of today.

In "Panic in Paradise," as well as in his forthcoming book about bank failures in 1930s Chicago, "Panic in the Loop," he takes the controversial view that bank-examination records should be open for public inspection. Instead, they are exempt from the Freedom of Information Act (see box on page 5-D). One reason often cited is that the government fears depositors

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## FLORIDA BOOM AND BUST SECOND OF THREE PARTS



HERALD-TRIBUNE ARCHIVE

A vintage promotional advertisement for The John Ringling Hotel, which was purchased by John Ringling in the late 1920s, after the Owen Burns-built structure went into foreclosure.

## Sarasota came of age in the 1920s Florida land boom

By HAROLD BUBIL  
REAL ESTATE EDITOR

Four years, maybe five. That's how long the 1920s real estate boom lasted in Sarasota. In the time it took the class of 1926 — the last one before the move to the Collegiate Gothic building on the Tamiami Trail — to work its way through Sarasota High, the city was transformed from a quaint town into a thriving resort destination.

"That's when Sarasota really came together as a viable place to go," said Jeff LaHurd, the present-day author who has made a franchise of his picture books on Sarasota history.

"There was an awful lot of building in '25," said LaHurd. "(Chicago businessman Andrew) McAnsh came, and when he built the Mira Mar Hotel and the Mira Mar apartments (in 1922 and '23), that kind of signaled the boom was going, because now we had a place for these high-brow snowbirds to stay, whereas before there weren't any accommodations for them."

Attracting high-brow snowbirds was key to the Florida sales strategy. There weren't enough of them to buy all the developments planned for

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