



Written by [Joe Wolverton, II, J.D.](#) on May 12, 2011

Donald Trump Depended on Federal Largesse to Build His Empire

Donald Trump's self-obsession knows no bounds. Aside from his empire of eponymous buildings, drinks, ties, and mattresses, "The Donald" informed the small business owners gathered at a recent chamber of commerce expo in Nashua, New Hampshire, that he tried to tell the world that Osama bin Laden was hiding out in Pakistan but that no one would listen.



Nothing in the previous paragraph is shocking to those familiar with Trumps unparalleled hubris. The fact that the reputed real estate mogul is in New Hampshire, however, is news simply for the fact that this is his second trip to the Granite State and evinces his apparently genuine intent to run for President in 2012.

The political spotlight was turned on Donald Trump after he made several television appearances questioning the White Houses current occupants eligibility for office and calling on President Barack Obama to release his long-form birth certificate.

Fire from that single issue propelled Trump into the forefront of a coterie of Republican presidential hopefuls. He began leading in certain polls and he started, somewhere along the line, to believe his own hype, cashing in on this popularity to brand himself as a maverick and man of the people.

While very few of the people would easily consider a man of Trumps wealth and status to be one of them, they might be convinced to buy his fighting city hall shtick. The truth, however, is that Donald Trumps only connection with the middle class of America is his reliance on their tax dollars to fund the expansion of his empire.

Trump likely has extraordinary business acumen and undoubtedly possesses an ambitious entrepreneurial spirit that has facilitated his accumulation of a fantastic fortune and a real estate portfolio that is valued in the billions. There is another factor in the equation, however, that is perhaps more integral to Trumps fat bottom line than his impressive skills and studies: government largesse and connections.

As a recent [article](#) in the *Los Angeles Times* explains:

From his first high-profile project in New York City in the 1970s to his recent campaigns to reduce taxes on property he owns around the country, Trump has displayed a consistent pattern. He courted public officials, sought their backing for government tax breaks under extraordinarily beneficial terms and fought any resistance to deals he negotiated.

Far from disqualifying him from public service, Trumps record of deceit, double-dealing, and raising



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one hand to rail against government waste while taking fistfuls of treasury notes in the other evinces his successful assimilation of the habits of recent lawmakers.

Trump learned early in his career to manipulate the system to his own gain. The *Times* continues:

In New York, Trump was the first developer to receive a public subsidy for commercial projects under programs initially reserved for improving slum neighborhoods. Such incentives have now become the norm in the powerful New York real estate community.

Karen Burstein, a former auditor general of New York City, reviewed a major Trump project in the 1980s and concluded he had “cheated” the city out of nearly \$2.9 million. Decades later, Burstein said she was still appalled at the way Trump operated.

In one sense, Donald Trump might not be such a good fit with his potential future Washington, D.C. neighbors. Unlike many Presidents and Congressmen who get caught with their hand in the cookie jar and instantly begin spinning the facts to create a whirl of distraction, Trump cops to his behavior. Again, the *Times*:

In a phone interview last week, Trump was unapologetic about pressing for government tax breaks, noting that he had used them not only for his own profit but to spur development in foundering parts of the city.

Referring to how he managed to win a 40-year tax abatement for rebuilding a crumbling hotel at Grand Central Station a deal that in the first decade cost taxpayers \$60 million Trump said, “Someone said, ‘How come you got 40 years.’ I said, ‘Because I didn’t ask for 50.’ ”

Furthermore, when he was pressed about whether such finagling of government funds, projects, and tax breaks would dash his hopes of becoming President of the United States, Trump claimed that, on the contrary, the experience he gained through such activities makes him a better candidate. He promises to use the sleight-of-hand tricks he’s mastered in New York for the benefit of the entire nation.

“When I work for myself, I try to make the maximum profit,” he said. “If I run [for President] and if I win, I will no longer care about myself. I’ll be doing the same kind of things for this country.”

Donald Trump’s access to these federal honey pots comes partially as a result of his obedience to an old money-making aphorism: you have to spend money to make money. In Trump’s case, the money he spent to make his money was paid to politicians, political parties, and political action committees that he correctly figured could open doors to additional storehouses of cash and influence.

He has also curried favor with elected officials through campaign contributions and lucrative job offers. In the last election cycle, Trump contributed to individual campaigns and wrote large checks to political groups, including \$170,000 to the Republican Governors Assn., \$50,000 to the GOP-supporting American Crossroads PAC and \$116,000 to the Democratic Senatorial Campaign Committee, according to the Center for Responsive Politics, a nonpartisan research organization.

Donald Trump portrays himself as a self-made man, a man who wasn’t born with a silver spoon in his mouth and who relied on his wits and work habits to get ahead and make himself a billionaire and a household name.

All of the foregoing information certainly belies that image, but Trump’s reliance on government inefficiency was a trait taught him from the cradle. Trump’s father, Fred Trump, staked his son to a \$250 million estate thanks in large part to his contract to build housing in Brooklyn and Queens for middle-income families. These contracts were backed by government funds.



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Soon after embarking on his own path toward real estate riches, Donald Trump turned away from the trail blazed by his father and made his fortune by buying rundown properties and renovating them and converting them into high-dollar addresses. The *Times* observes,

In his 1987 memoir *Trump: The Art of the Deal*, Trump harped on municipal ineptitude, and described tricking the city into thinking he had an exclusive option on the property from the owner. "A city official had requested that I send along a copy of my option agreement with Penn Central," he wrote. "I did but it was signed only by me, and not the railroad, because I had yet to put down my \$250,000."

That revelation came shortly before Trump and his partners shortchanged the public coffers, according to the city audit. Trump asked his accountants in 1987 to retroactively change the Grand Hyatt's accounting policy to lower its tax bill, according to an accountant's letter uncovered in the audit.

As he progressed from one flipped property to the next, Trump parlayed his profits into participation in programs that would make American taxpayers a silent (and uncompensated) partner in his projects.

Trump offered a similar argument when he sought to build apartments on an abandoned railroad yard along the Hudson River. To make the 5,000-plus-unit development attractive, Trump proposed a riverfront park and asked the federal government to pay \$200 million to sink an elevated section of the West Side Highway underground for several blocks. The cost seemed staggering to Congressman Nadler, in part because just three years earlier the highway had undergone a \$72-million renovation.

"It's a sin against taxpayers," Nadler said at the time.

If he is sincere in his quest to succeed President Obama as the occupant of the residence located at 1600 Pennsylvania Avenue, he'll need to appeal to voters from Maine to California. Perhaps that's the reason candidate Donald has exported his aggressive dealing and priming of the government pump to other states in the union.

In Florida and New Jersey, the *Times* writes,

Trump has fought for lower tax bills in Florida, where he won a reduction in the 1980s for Mar-A-Lago, his 118-room mansion, and in Atlantic City, N.J., where he filed 19 separate petitions seeking a lower tax bill for casinos and other properties. He eventually settled for a \$34-million reduction, which local officials said cost millions in improperly reduced tax revenue. But a court ruled that the deal could not be withdrawn.

And in Nevada:

In Las Vegas, Trump's goal was to lower the taxable value of the recently constructed Trump International Hotel and Tower. His team, which included the former chairman of the county Board of Equalization the agency that decides tax matters won a reduction last year in the taxable value from \$180 million to \$8.6 million.

But Nevada economist Bill Robinson said the tax breaks provided to Trump and other developers last year seemed out of line, particularly compared with the reductions provided to average citizens. The dramatic reductions also compounded revenue problems for cash-strapped Clark County.

"Homeowners haven't gotten anything like that kind of a break," Robinson said. "It's not in the



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public interest for the county to be giving people larger-than-normal tax breaks.”

Photo: Donald Trump in Nashua, New Hampshire: AP Images



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