New York University’s ties to Trump, Wall Street banks and Gulf monarchies

Sandy English
29 March 2017

This month, New York University’s Student Activities Board (SAB) rejected the International Youth and Students for Social Equality’s (IYSSE) application for club status and denied the subsequent appeal—for the second straight semester. The decision is an act of political censorship aimed at blocking the development of a socialist, anti-war group on campus.

Several of the students on the SAB publicly boast on social media of their connections to the Democratic Party, corporate media and banks. The character of the SAB itself is a reflection of the university’s administration, which is deeply integrated with the political establishment and Wall Street. While such connections are common at major universities, the process is particularly marked in New York City, the home of Wall Street, where the cost of living has grown to such an extent that workers, including those employed by NYU, can no longer afford to live in Manhattan.

The careers and personal lives of NYU’s Board of Trustees personify the marriage between finance, the government and the military.

The Board of Trustees is currently comprised of 66 members, most of whom are billionaires or multimillionaires. They nominate and elect themselves. They make staffing decisions on senior administrators, including the president of the university (who sits on the board), currently Andrew Hamilton. They have final say over all investments, including the disposition of NYU’s massive real estate holdings, as well as faculty salaries and curriculum decisions.

Most members of the Board of Trustees are New Yorkers, and they or their families have risen in wealth and power as the standard of living of the majority of New Yorkers has declined in the last 40 years. Some board members or their families have been intimately involved in attacks on the social and economic rights of the working class in New York and internationally.

The wealthiest board members make major financial contributions to both Democratic and Republican politicians, frequently to both parties at the same time, and most play some sort of political role. Often this takes place behind the scenes, but sometimes it is quite visible, such as John Paulson and Lawrence Fink, who have close relationships with the Trump administration. Another large donor is former Goldman Sachs president Gary Cohn, now the top economics official at the Trump White House.

The corporatization of the university was spearheaded by the board under the chairmanship of billionaire Laurence A. Tisch (1923-2003), its chairman from 1978 to 1998, after whom the Tisch School of the Arts is named.

It was under Tisch that NYU changed itself from a modest commuter school to a corporate educational institution. It had raised over a billion dollars by 1995 and began to attract students form outside of New York City, largely based on its location in lower Manhattan. Over the course of the previous decade, it had purchased, erected or renovated 22 buildings. Tisch played the leading role in raising the money from wealthy New Yorkers.

Tisch and his younger brother Robert (1926-2005), after whom the Preston Robert Tisch Center for Hospitality, Training and Sports Management at NYU is named, built up the highly profitable chain of movie theaters and hotels, Loew's. By the time of Laurence Tisch’s death, the conglomerate included 14 hotels, 67 movie theaters, CNA Financial, the watchmaker Bulova, and Lorillard. The younger Tisch brother eventually became the owner of the New York Giants football team.

Laurence Tisch is best known for acquiring a controlling stake in the broadcast network CBS in 1986 and ruthlessly cutting jobs and selling off its assets. In 1987, CBS records was sold to Sony for $2 billion. In 1995, when Westinghouse bought CBS, Laurence Tisch made $2.5 billion. At NYU he raised over $2 billion, including $40 million of his family’s own money.

Just as significantly, the Tisch family played a leading role in imposing austerity on the backs of the working class in New York after its near-bankruptcy in 1975, when the city was governed by the bankers through the unelected Emergency Financial Control Board.

Robert Tisch was a member of the 1976 Business/Labor Working Group on Jobs and Economic Revitalization (B/LWG), led by David Rockefeller (brother of the then-US Vice President Nelson Rockefeller). The group also included a number of trade union leaders.

Robert Tisch also founded the Association for a Better New York with real estate magnate Lew Rudin in 1971, one of the most powerful employers organizations in the city. The Rudin family is represented today on the Board of Trustees by Lew Rudin’s son, William, the manager of the family’s real estate empire. William Rudin is a leading member of the Real Estate Board of New York, the realtors’ organization that has ensured that New York City housing would be unaffordable for millions of its residents.

The B/LWG pioneered the social counterrevolution that became a national ruling class policy after the election of Jimmy Carter in 1976 and Ronald Reagan in 1980.

Robert Tisch eventually assumed the chairmanship of the employers organization, New York City Partnership, also founded by David Rockefeller. It was this group that pressured politicians such as Democratic Mayor David Dinkins in 1990 to abandon proposals to raise taxes, and demanded that they “cut spending” in the form of mass layoffs of city workers.

In this way, the Tisch family prepared New York City for Rudy Giuliani, who as mayor implemented the final transformation of New York into a city suited to the needs of the very rich and the upper-middle class.

The Tisch family fortune is estimated at $6 billion. Today the Tisches are represented on the Board by Laurence’s son Daniel, who leads the investment arm of the family business.

After Laurence Tisch retired in 1998, his lawyer and protégé, Martin Lipton, took over as chair. Lipton had become a trustee in 1976. Lipton substantively transformed NYU itself into a bastion of inequality.

© World Socialist Web Site

Lipton can best be described as one of the chief advisers to the capitalist class in the period of the mergers and acquisitions boom, in which wealth was not created by production but by looting the assets of other corporations. His firm, Wachtell, Lipton, Rosen & Katz, has regularly earned top money for its partners ($6.5 million per partner in 2015). The firm has represented such socially destructive corporations as AT&T, Halliburton, JP Morgan Chase and Monsanto. Fellow trustees Larry A. Silverstein and his daughter Lisa, New York real estate developers, are also Wachtell and Lipton clients.

Wachtell and Lipton Partner George T. Conway, III, Trump adviser Kellyanne Conway's husband, has been nominated by the president to head the Civil Division of the Justice Department, where he will be tasked with defending Trump's reactionary immigration policies.

Lipton is associated with the hiring of University President John Sexton and the relentless expansion of NYU's real estate holdings, including the infamous NYU 2031 plan that proposed to redevelop swaths of Greenwich Village.

In the Lipton period, the Board of Trustees lavished privileges on star faculty and administrators. The levels of inequality within the university itself grew. This is the period when a majority of the faculty became temporary employees and students paid ever greater amounts in tuition.

In 2015, the Faculty Against the Sexton Plan (FASP) summarized the price gouging, particularly for international students, and the delivery of inferior health care to students in the first part of its document, The Art of the Gouge.

In 2013, by reviewing the university's tax records, NYU professors exposed the astronomical loans and other perks that were given to star faculty and administrators.

For example, the university loaned NYU Executive Vice President of Operations Jacob Lew over a million dollars to purchase a house in Manhattan and a $685,000 severance payment when he left NYU to take a job at Citigroup in 2006. In 2003, Lew played a critical role in undermining graduate students' collective bargaining rights. In 2012, Obama chose him as treasury secretary and in 2013 as White House Chief of Staff.

Sexton himself received an annual salary of $1.5 million, and the university loaned him $650,000 to purchase a Fire Island summer home. NYU remodeled two university apartments for Sexton's son, Jed, and the university kept an apartment available, at discounted rent, for Harvard Professor Henry Louis Gates Jr., a good friend of Sexton's, even though Gates had no professional affiliation with NYU. When he began his retirement in 2015, Sexton was given a $2.5 million "length of service" bonus. As of last year, he began receiving $800,000 a year in retirement income.

The Lipton-Sexton regime also saw the opening of 16 satellite campuses, including those in repressive regimes such as Abu Dhabi, the Persian Gulf sheikdom where workers, mostly from South Asia, are horribly exploited and freedom of expression is routinely repressed by the state.

These facts would have seemed astonishing in any other period of American history, but they are simply the most advanced symptoms of decay in higher education in the age of intense social inequality. They show how integrated NYU has become with the ruling elite and its political representatives. The inherently anti-democratic character of NYU student and faculty life can be summed up by a look at the wealth and power of some of the other members of the Board of Trustees.

William R. Berkley is a billionaire chief of the Fortune 500 property-casualty insurance company, W.R. Berkley, based in Greenwich, Connecticut, and the current chair of the Board of Trustees. His attitude toward public education can be seen from his chairmanship of Achievement First, a string of charter schools in New York and Connecticut. He is also the director of the First Marblehead Corporation, one of the leading American private student loan companies.

Laurence Fink, CEO of BlackRock, is one of the most powerful Wall Street and Washington figures on the Board of Trustees

Fink's BlackRock manages $5.1 trillion in assets and is a top shareholder in major banks such as JPMorgan Chase, Citigroup, Bank of America, Goldman Sachs, Morgan Stanley and Wells Fargo. The firm manages 93 percent of the largest retirement plans in the US. The *Wall Street Journal* reported Fink was paid $26 million in 2015.

During the 2016 election, it was widely reported that Fink, a Democrat, had expectations of becoming treasury secretary in a Hillary Clinton administration. He even hired a prominent Clinton staffer from the State Department. His party affiliation, however, did not prevent him from joining Donald Trump's Strategic and Policy Forum.

Kenneth Langone, after whom the Langone Medical Center was named after a $200 million donation, founded Home Depot in 1978, which has made him a billionaire. He sat on its board until the crash of 2008. He has been on the board of General Electric, and now sits on the boards of Invemed and Yum! Brands, the owner of KFC and Taco Bell.

Langone was a top donor to the presidential campaigns of Republican New Jersey Governor Chris Christie in 2012 and 2016. Langone sits on the board of the influential think tank, the Center for Strategic and International Studies.

John Paulson is a billionaire hedge fund manager who made billions of dollars on the purchase of credit default swaps with the collapse of the housing bubble in 2008. In 2010, the Securities and Exchange Commission accused him, along with Goldman Sachs, of creating financial products designed to fail.

Below are a few other members of the NYU Board of Trustees. This is by no means an exhaustive list, but it gives an indication of how completely the most parasitic layers of American capitalism dominate the university. It is noteworthy that they are comprised of both Democrats and Republicans, and that many have given freely to both parties.

? **Abdul Aziz Al Ghurair** is worth an estimated $2.7 billion. He is the CEO of Mashreq Group and was Speaker of the House of the Federal National Council (FNC) in the United Arab Emirates from 2007 until 2011;

? **Steven M. Cohen**, a former aide to New York Governor Andrew Cuomo;

? Real estate magnate **Larry A. Silverstein**, who leased the World Trade Center buildings shortly before the attacks of September 11, 2001, and his daughter **Lisa Silverstein;**

? **Judy Steinhardt**, the wife of billionaire hedge fund investor Michael Steinhardt **.** The Steinhardts keep a private zoo of camels, wallabies, zebras and other animals at their 51-acre estate in Bedford, New York;

? **Tamara Winn,** the daughter of billionaire Ira Rennert, who made his wealth primarily from junk bonds. Rennert is the owner of what is reportedly the country's largest home in Sagaponack, Long Island, although his daughter lives in a Manhattan residence costing a mere $35 million;

? **Shelby White,** the widow of Wall Street financier Leon Levy, whose million-dollar donations to NYU were received with hostility by archeology professors, who say that White routinely purchased antiquities that may have been stolen;

? **Anthony Welters,** a major "bundler" of donations to Barack Obama in 2012 and recipient of government contracts under the Obama administration;

? Billionaire **Charles Zegar**, a founding partner of Bloomberg, LLP with former NYC mayor Michael Bloomberg.

The IYSSE will continue waging its campaign against the corporatization of the university and its anti-democratic censorship, regardless of whether the financial lords and ladies on the Board of Trustees have given their approval.

© World Socialist Web Site

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site