

The case of Sydney Schanberg

# How the NY Times shielded Trump and the Manhattan real estate mafia

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The October 3 edition of the *New York Times* featured an eight-page exposé on the systematic tax evasion and fraud carried out by New York real estate billionaire Fred Z. Trump and his son Donald to transfer the father's fortune to his children, while paying less than 10 percent of the \$550 million they legally owed to the government in inheritance taxes.

The report presents a detailed, factual account of how Donald Trump and his siblings benefited from tax fraud in the amount of at least half a billion dollars. (See: "NY Times exposé on Trump fortune: An empire built on tax evasion and fraud").

Taken as a whole, the exposé opens a small window into the criminality and corruption that characterize not only the Trumps, but the entire corporate-financial oligarchy of which they are a part. In their presentation and framing of the report, however, the *Times*' editors do their best to deflect attention from what the material says about the capitalist system as a whole and instead direct the reader's attention to the personal attributes of Donald Trump, as though he were a mere aberration.

The *New York Times* is intimately familiar with the corruption, tax evasion and bribery that are the stock in trade of the New York real estate industry, including the Trump empire. It could have published a similar exposé of the Trump clan 40 years ago had it so desired. But it was—and remains today—deeply involved in covering up for and promoting the profiteering and plundering operations of the city's real estate speculators and their allies on Wall Street.

Perhaps the most notorious example is the *Times*' firing in 1985 of its Pulitzer Prize-winning columnist Sydney Schanberg. In July of that year, Executive Editor A. M. Rosenthal and publisher Arthur

Sulzberger summarily closed down the twice-weekly column by Schanberg, who had been the newspaper's metro New York commentator since 1981. Schanberg resigned from the *Times*, where he had worked since 1959, and went on to write for *New York Newsday*, followed by the *Village Voice* and occasionally for the *Nation* magazine.

Schanberg had attained international fame and respect for his reporting as the *Times* correspondent first in Vietnam and then in Cambodia. He was one of a very few American journalists who remained in Phnom Penh to report the bloody Khmer Rouge occupation of the city in 1975. Narrowly escaping with this life, he wrote an article for the *Times* Sunday magazine in 1980 about his Cambodian colleague and friend titled "The Death and Life of Dith Pran," which he later turned into a book. The book, in turn, served as the basis for the 1984 film *The Killing Fields*.

The *Times* got rid of Schanberg because he was writing column after column exposing the Westway project—a \$4 billion highway-luxury apartment development in Manhattan's lower west side that was being avidly promoted by Trump and his fellow real estate speculators, along with Chase Manhattan CEO David Rockefeller, the construction unions and leaders of both political parties, from President Ronald Reagan to Governor Mario Cuomo, Mayor Ed Koch and Senators Al D'Amato and Daniel Moynihan. Among the project's staunchest boosters was the *Times* editorial page.

The scheme involved reclaiming hundreds of acres from the Hudson River and turning them into landfill for a partially underground highway and a high-rent apartment and office complex. Its estimated cost was

the staggering sum for that time of \$4.2 billion, or about \$1 billion for every mile of newly constructed highway.

This boondoggle for Wall Street and the real estate mafia was being pushed at a time when New York City had barely recovered from its brush with bankruptcy in 1975, which was averted by placing the city's finances under the control of an unelected state financial control board dominated by bankers and imposing cuts in city workers' jobs and benefits and slashing social services. New York's subway and mass transit systems, starved of funds, were on the brink of collapse.

Westway became mired for years in federal lawsuits brought by conservationists and others who opposed the project, claiming it would produce an environmental disaster and devastate aquatic life in the Hudson. In the course of several trials, which Schanberg followed and commented on and the *Times* and the rest of the New York and national media ignored, Judge Thomas Griesa berated government officials, lawyers and others backing the project for covering up information, distorting scientific data, giving false testimony and committing perjury. In the end, Griesa ruled for the opponents of Westway and blocked the project from going forward.

The *Times* silenced Schanberg after two of his Westway columns, published in July of 1985, denounced the New York press, implicating his own paper, for refusing to report the revelations of corruption and deception surrounding the development scheme. Here is an excerpt from Schanberg's last *New York Times* column, dated July 27, 1985:

As a public works project, the Westway plan may be this generation's largest misuse of scarce public funds, but we do owe it an educational debt—as a wondrous, unfolding case study of wheeling and stealing on a grand scale. Rather than using the money to build this brief underground highway through landfill that will gouge 200 acres out of the Hudson so that developers can erect luxury apartment towers on Lower Manhattan's West Side waterfront, we could spend it for rehabilitating the subways, which can use all the help they can get...

The big unions say Westway will mean jobs.

Big business says it will mean big business. The politicians don't want to offend anyone big because it's the big people who pay for their election campaigns.

So the mayor is for it and the governor is for it. And so are Senators Moynihan and D'Amato. Not least, David Rockefeller is for it...

The city's newspapers, like the big politicians, have also ignored most of the scandal. The New York dailies, strangely asleep, run only occasional bland stories, sometimes just snippets—rarely about the chicanery. That, too, is part of the shame of Westway.

The following month, a reader bemoaned the sacking of Schanberg in a letter to the editor that read:

In a city gone mad with greed and avarice, Sydney Schanberg's was the one voice of reason, taking on such powerful targets as the developers, landlords, the advocates of that gigantic boondoggle, Westway, and other miscreants. Who is now going to speak out against these forces which are remaking our city into an overbuilt monstrosity inhabited only by the world's very right or the very poor and homeless?

By its actions, the *Times* delivered an unequivocal answer: No one! Its firing of Schanberg sent an unambiguous message to all *New York Times* writers: Don't mess with Donald Trump and the real estate industry.



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