

A close-up, high-angle portrait of Donald Trump, looking slightly to the right. He is wearing a dark suit jacket, a light-colored shirt, and a blue and white striped tie. The background is dark and out of focus.

DONALD  
TRUMP  
— *and the* —  
PURSUIT  
*of* SUCCESS

NEVER  
ENOUGH

MICHAEL  
D'ANTONIO

NEVER  
ENOUGH

---

DONALD TRUMP  
AND THE PURSUIT OF SUCCESS

---

Michael D'Antonio



THOMAS DUNNE BOOKS  
ST. MARTIN'S PRESS  
NEW YORK

[Table of Contents](#)

[About the Author](#)

[Photos](#)

[Copyright Page](#)

**Thank you for buying this  
St. Martin's Press ebook.**

To receive special offers, bonus content,  
and info on new releases and other great reads,  
sign up for our newsletters.

[Sign Up](#)

Or visit us online at  
[us.macmillan.com/newslettersignup](https://us.macmillan.com/newslettersignup)

For email updates on the author, click [here](#).

---

The author and publisher have provided this e-book to you for your personal use only. You may not make this e-book publicly available in any way. **Copyright infringement is against the law. If you believe the copy of this e-book you are reading infringes on the author's copyright, please notify the publisher at: [us.macmillanusa.com/piracy](http://us.macmillanusa.com/piracy).**

---

For Toni

---

## INTRODUCTION

*For the most part, you can't respect people because most people aren't worthy of respect.*

—DONALD TRUMP

In profile, which was how TV viewers saw him that night, Donald Trump resembled nothing as much as a rooster in a tuxedo. His posture, developed in military school, was firmly erect. His eyes were focused, with narrowed intensity, on a distant challenger. And arcing from his forehead back to his neck, his famous helmet of golden hair evoked the cockscomb of a Rhode Island Red. For the rooster, this beacon is meant to attract female attention and warn off enemies. For Trump, who sat among admirers and detractors at the 2011 White House Correspondents' Dinner, it drew the television camera that caught his reaction to the public ridicule heaped on him in the name of entertainment, by both comedian Seth Meyers and the president of the United States.

The only hint that Trump was suffering came as Meyers mocked him for a full two and a half minutes. As the people laughed and strained to catch a glimpse of Trump, he leveled a look that could kill at the comedian. His face remained unmoving, and glowering, as even the diners at his own table found themselves unable to resist the tide of laughter. Meyers revealed the reason for all the derision when he spoke of a poll that found that only 38 percent of Americans were certain the president had been born in the United States. Since the Constitution requires that presidents be native born, the issue, which had been manufactured by conspiracy theorists, was a blatant attempt to paint Obama as an “other” whose claim to office was illegitimate.

Through his long, strenuous effort to promote this “birtherism,” Trump had made himself a target of those who believed this talk was divisive, destructive, and perhaps a veiled form of racism. He objected to this criticism, insisting that he was not prejudiced and that he was posing important questions. “When it comes to racism and racists,” Trump said, “I am the least racist person there is.”

When it was his turn to address the White House correspondents and their guests, the president confronted the birthers head-on, but with remarkable humor, even presenting a video clip borrowed from the animated movie *The Lion King* as “my official birth video.” Obama then mentioned Trump by name, praising the leadership he had demonstrated while performing as host of a reality TV show and making the “kinds of decisions that would keep me up at night.” Obama added that with the birther issue resolved, Trump could “get back to focusing on the issues that matter—like, did we fall off the moon landing?”

Confronted by a critic who stood rungs above him in the status hierarchy, Trump did not offer the killer stare. Instead he allowed the corners of his mouth to turn up, ever so slightly, which deepened the crow's-feet that framed his eyes. He then offered a wave to the president. Trump could take a joke. Afterward he took pains to seem unperturbed and spoke as if he had achieved something by gaining

the president's notice. "I was actually very honored by the way I was treated," said Trump. "They treated me with great respect. They joked and they clowned, but I was the topic of conversation and that's perhaps not so bad."<sup>1</sup>

In one way or another, Donald Trump has been a topic of conversation in America for almost forty years. No one in the world of business—not Bill Gates, Steve Jobs, or Warren Buffett—has been as famous as Trump for as long. First associated with high-profile real estate development in 1970s Manhattan, his name soon became synonymous with success defined by wealth and luxury. Placed on skyscrapers, casinos, and commercial airliners, the name TRUMP (usually spelled in gold-colored capital letters) became a true personal brand that connected one man to a seemingly endless number of offerings. In time it would be stamped on hotel rooms, furniture, neckties, meat; almost anything that might be sold as high quality, high cost, and high-class.

The kind of class Trump sought to deliver was defined not by social standing but by cash. Eagerly catering to the nouveau riches and the aspiring, he dismissed those who belonged to what he called "the lucky sperm club" while glossing over that he had been born into one of the wealthiest families in the country. Trump cast himself as the everyman's rich friend, who shunned high society, except when it was helpful to sell expensive apartments. In such cases he dropped the role of the anti-snob and readily referenced the Astors, Whitneys, Vanderbilts, and other blue bloods of a bygone age. It was understood, however, that he brandished these names out of commercial interest and that his heart was really aligned with Middle America. These were the people who followed him on TV, bought his products, and might even give him their votes should he ever get off the fence and actually run for office.

Today, according to the best available data, 96 percent of Americans recognize the name Donald Trump, but most don't like him. Henry Schafer of the firm that defines celebrities with its Q Score ratings called Trump the "quasi-celebrity people love to hate." In 2014, 61 percent of those polled in Trump's hometown of New York City viewed him unfavorably. Comedians find him an irresistible target. Jon Stewart, the former host of the long-running satirical news program *The Daily Show*, routinely jabbed Trump, calling him, among other things, Fuckface von Clownstick. The television host and comedian Bill Maher famously offered Trump \$5 million if he could prove he wasn't "the spawn of his mother having sex with an orangutan."<sup>2</sup>

The level of commentary offered by Stewart and Maher says much about the rancor of our age. It is hard to imagine Mark Twain requiring the censor's bleeps that accompanied Stewart's rants. Of course Twain may never have met anyone quite like Trump. Gleefully aggressive, Trump looks for opportunities to take offense and then wrestle a supposed enemy into the gutter. When Stewart offered a generic juvenile taunt, Trump replied in a deeply personal way, asking, "If he is so above it all and legit, why did he change his name from Jonathan Liebowitz? He should be proud of his heritage! Jon Stewart @TheDailyShow is a total phony. He should cherish his past, not run from it." After Maher's comment, Trump filed a \$5 million lawsuit. Although he eventually dropped it, the filing required the court's attention, at taxpayer expense, and a defense by Maher.<sup>3</sup>

But even as he appeared appeased his critics, Trump's views and bully persona made him exceedingly popular with people who believed he represented important ideals, especially the American promise of success represented by great wealth. His image was amplified as he hosted a TV game show—*The Apprentice*—and maintained a constant presence on the social media site Twitter where millions followed his commentary and many implored him to seek the presidency.<sup>4</sup>

Ever provocative, Trump gained attention by expressing raw and unrefined thoughts rather than

nuanced reflections. In his calculation, honesty comes from the corner of his heart that is willing to fling insults and divide the world into enemies and friends. As veteran gossip columnist Liz Smith sees it, Trump is often ruled by the needy child who resides in his psyche and would rather get negative attention than be ignored. Of course Trump does profit financially as he gives this part of himself free rein, and he has little patience for reflection or analysis. He just presses on, defying science with his criticism of immunizations for children and battling against the facts on climate change.

Trump has denied facts others accept and pushed the limits of propriety throughout his long and hyperactive life. In his parents' home, at school, and in the worlds of business and politics, he has continually asserted his superiority with only the barest hint of doubt. Perhaps nothing in nature is more voracious than this man's hunger for wealth, fame, and power. And it is this force that has allowed him to endure considerable mockery and substantial setbacks in business and still come back for more. Indeed, in the time after his humiliation at the correspondent's dinner, Trump nurtured an ambition to mount his own campaign for the American presidency—a real campaign and not another of his flirtations—and thereby claim the greatest accomplishment available to a mere mortal in the twenty-first century.

The Trump candidacy would be planned and plotted for 2016 when he would make it official in an address to well-wishers and journalists gathered in the lobby of his Trump Tower skyscraper in Manhattan. The most unconventional kick-off speech in many election cycles, the announcement—particularly his claim that Mexico is “sending” criminals across the U.S. border—would launch Trump on a rapid ascent to the top of the Republican field. For many weeks to come, Trump would outrage his critics and baffle his opponents as he held the nation's attention with one outrageous statement after another. As some Republicans speculated that he was a Democratic Party plant, many liberals said Trump's popularity reflected the irrational fears of the GOP base. All could agree that his ability to disrupt the status quo was breathtaking in its power and efficiency. Trump was unrivaled, it seemed, in his ability to capture and hold the attention of the American public.

\* \* \*

Although he seems like a unique and completely modern figure, Donald Trump actually emerges from this country's long tradition of rich-but-rough high-achievers, which Alexis de Tocqueville recognized in 1831, writing, “Love of money is either the chief or a secondary motive at the bottom of everything Americans do.” By the end of the nineteenth century, the rich in America had become so wealthy that their power and influence equaled that of the aristocracy in Europe. Thanks to the rise of mass circulation newspapers, the very rich became a source of widespread fascination as the press was filled with the comings and goings of Carnegies, Rockefellers, Goulds, and others whose fortunes permitted great displays of luxury. (Hence Mark Twain's term for the era, the Gilded Age.) J. P. Morgan favored ever-bigger yachts, each of which was named *Corsair* and painted a menacing black as a means of showing off his ever-increasing wealth. The Vanderbilts also owned yachts, but they were better known for their houses. In 1883 they astonished the country with the largest house ever built in New York City. The family also owned a seventy-room “cottage” in Newport called The Breakers, and the Biltmore Estate in North Carolina, which has more than two hundred and twenty rooms.

The wealthy men of the Gilded Age knew that while their countrymen loved money, they regarded the excesses of high society as both foreign and suspect. Wilbur Fisk Crafts, a popular writer of the time, expressed it this way: “Is there anything more un-American than what we call ‘society,’ whose



aristocratic code was imported from Paris and London into New York and thence spread to other large cities of our land?" To distance themselves from this vision, great men made certain that the public saw that the balls and galas were feminine affairs, in which they participated only to please the wives and daughters. In their biographies and public remarks they associated themselves with virtues such as hard work and determination. Andrew Carnegie counseled that success depended more on motivation than talent. John D. Rockefeller, founder of Standard Oil, advised "singleness of purpose."

Similarly, captains of industry and finance downplayed their intellectual pursuits and education. It was enough for a man to have attended college, if he had, but it was not necessary. After he finished school, it was best to talk about practical things and leave the world of art and books to those who couldn't handle the hurly-burly of business. By the start of the twentieth century, when Elbert Hubbard coined the term "school of hard knocks," everyday experience and common sense were widely accepted as equal if not superior to book learning. This belief affirmed both an American sense of equality and the increasingly popular idea that the accumulation of wealth made one a successful life.<sup>5</sup>

Eventually America's first great era of wealth led to countless books on the ways of making money. In 1914 preacher/author William Woodbridge posed the question of the day: "What is it that the upper ten possesses that the under ten thousand does not possess?" His book, *That Something*, revolved around an encounter between a fictional beggar and a financier who gives the beggar his business card and says the beggar doesn't need food but rather "that something" that all successful men have. Inspired, the young beggar discovers the value of "Faith, Confidence, Power, Ambition. . . and, finally, the power of his own will, which is "the talisman of success." It is the will of the soul, writes Woodbridge, that explains why a few men are destined to be carried "on our muscle" like men upon horses. Another book of this sort, *Letters from a Self-Made Merchant to His Son* by Chicago pork-packer John Graham, stressed personality and appearance, explaining, "Two thirds of success is making people think you are all right."

While the masses sought to divine the secrets of success—willpower? personality? faith? confidence?—some at the top came to believe their success was either divinely distributed or a matter of superior morals. John D. Rockefeller claimed, "God gave me my money." When J. P. Morgan was questioned about his empire, which was built in large measure through stock manipulation, he said its source was "character."

\* \* \*

The first Gilded Age faltered with various recessions and panics and finally died, at about age sixty-five, after the stock market crash of 1929. Out of the ruins of the subsequent Great Depression emerged a safer financial system, more progressive taxes, and Social Security. In the decades that followed, the middle class expanded at an unprecedented rate. A new era of prosperity dawned in 1946, the year Donald Trump was born. (This makes him a founding member of the baby boom generation.) With World War II ended, America's industrial competitors lay in ruins and more than a million servicemen came home to resume civilian life. As export markets clamored for goods and domestic demand for consumer comforts exploded, a golden age began. Housing was required for the millions of new families begun as fighting men returned, and developers such as Trump's father, Fred, grew rich providing it. Through shrewd business practices and sheer determination, Fred came to be worth an estimated \$100 million by 1975, when he turned seventy.<sup>6</sup>

The postwar golden years, which allowed men such as Fred Trump to live out a financial miracle

were marked by an unprecedented level of equality as the various income groups—upper, middle, and lower—each claimed a proportionate share of the expanding economy and the gaps separating the remained essentially constant. This happy state of affairs continued until the recession of 1973–74. Years of economic stagnation and crisis then fed a conservative political movement that was determined to use tax cuts and deregulation to promote the development of new great fortunes. Theoretically a flood tide of wealth flowing to the few would “lift all boats” and thereby save the middle class.

With the election of Ronald Reagan in 1980, firebrand conservatives got what they wanted. Washington began slashing the tax rates imposed on the rich and easing the regulations on industrial and financial institutions. All this was done in the name of growth and fairness for the rich. To emphasize this latter point, President Reagan’s budget director David Stockman gave cabinet members copies his new favorite book, *Wealth and Poverty* by George Gilder, which proclaimed the moral basis for the accumulation of great wealth. Gilder lionized entrepreneurs and excoriated the poor, declaring that “the current poor, white even more than black, are refusing to work hard.” As the turned Gilder’s passion into policies, the Reagan administration targeted social programs for cuts, reduced taxes, and sought to unleash businesses from regulations. Thus began America’s Second Gilded Age.<sup>7</sup>

\* \* \*

At first hardly anyone noticed that something significant was happening. In the early 1980s everybody Americans were primarily concerned with double-digit inflation and unemployment rates that flirted with 10 percent. As these menaces receded, many credited pro-wealth policies, and despite various financial crises, most of which were linked to speculation and lax regulation, the “second Gilded Age” wasn’t described as such until 1990, when Kevin Phillips published *The Politics of Rich and Poor*. Phillips declared that America had been swept by “a plutographic revolution comparable to that of the late 19th century,” and though he predicted an eventual end to the trend, he could not say when it might occur. As of 2015 it hadn’t happened. In the first decade of this century those in the middle actually lost income and the top 1 percent came to control more wealth than the bottom 90 percent. In 2014 the five hundred richest people in the world controlled \$4.4 trillion in assets. The sum exceeded the annual economic activity of India (population 1.2 billion) and Brazil (population 200 million) combined.

As in the past, fortunes were expressed in mansions—actually “mega” or “monster” mansions—and opulent parties, including the \$3 million birthday celebration that investor Stephen Schwarzman threw for himself in 2007. Once again, giant yachts signified success. A prime example was the steel-hulled *Rising Sun*, launched in 2004. Owned by Larry Ellison and David Geffen, it was built with eighty-three rooms, an indoor pool, and a slip space for a private submarine. In comparison, Donald Trump’s yacht was a modest, three-hundred-foot-long, traditional steamer. Preferring luxury travel by private jet, Trump spent little time aboard the *Trump Princess*. In modern times, private aircraft, which wealthy Americans buy with generous tax incentives, grab more public attention. Private-jet traffic jams became common at airports near resort towns such as East Hampton, New York, and Aspen, Colorado, and billionaires sought to one-up each other by purchasing ever-faster and ever more-luxurious planes. Donald Trump made his statement with a \$100 million Boeing 757. Built to carry two hundred or more passengers when configured for airline service, Trump’s plane was fitted out for just forty-three people, whose seat belts clicked together with gold-plated buckles.

Often parked at LaGuardia Airport in a spot that made it as visible as a billboard, Trump's 75th birthday in 2015 announced his status as a rich and successful man. Hardly anyone argued with the proposition that wealth equaled success. In the new Gilded Age, 81 percent of college freshmen surveyed by the Pew Research organization in 2006 said their primary goal in life was to become rich. This was roughly double the number who expressed this notion in the 1960s. In the same survey more than half said that one of their main goals was to become famous. Fewer than one-third indicated that they wanted to "help others who needed help."<sup>8</sup>

Talent and intelligence were recognized as essential in the quest for success, but as in the past, higher education and intellectualism were deemed to be of limited value. Much was made of the entrepreneurs and inventors who dropped out of college and became wildly successful. (Microsoft founder Bill Gates was one.) Even more attention was lavished upon those who gained great fame as well as riches. No one achieved these two goals quite like Donald Trump, who became, quite literally, the face of modern success.

Dozens of men and women with several times Trump's holdings are unknown to those outside the world's billionaires. Donald Bren, Dan Duncan, and Leonard Blavatnik each ranked more than fifty spots higher on the 2014 *Forbes* list of the world's wealthiest, but they can walk the streets of any American city unnoticed and unmolested. Trump cannot go anywhere without attracting attention. More remarkable is that his fame has persisted for more than four decades, through success, failure, shame, and glory. By thrusting himself into one issue after another, and speaking with unequalled audacity, he has made himself one of the most quoted men of his time. Early in his fame, Trump enjoyed such broad public approval that the US Gallup Poll determined that he was the seventh most admired man of the 1980s, outranked only by the pope, the Polish nationalist Lech Walesa, and the four living presidents.

Although he often sought to use his fame to influence public affairs, Trump has always claimed that notoriety has real monetary value. According to him, the name Trump, just like that of Disney or Ford, added value to products, services, and assets he offered in the marketplace. Brand names are worth money. Apple is the most valuable brand name in the world, estimated in 2013 by the ranking service Interbrand to be worth \$28 billion. Interbrand pegged the value of the Gap clothing brand at \$3.9 billion. Trump didn't show up in the firm's public rankings of valuable names, but in a 2011 deposition he testified that an independent evaluation set it at \$3 billion. This figure would have made his name the single most valuable item in his portfolio.<sup>9</sup>

Trump stressed that if the brand stood for any one thing, it was "luxury." However, he took pains to avoid being perceived as too elitist to appeal to the masses. This sensitivity, which served him well when he catered to slot-machine addicts in Atlantic City, could be traced to Trump's father, Frederick—*he always went by "Fred"*—a hard-knocks alumnus who built a personal fortune in excess of \$100 million by selling and renting homes to working-class New Yorkers. Trump Sr. wanted his children to earn college diplomas. However, he was generally suspicious of intellectuals and valued hard work above all else. Ever his father's son, Donald Trump acquired an exquisite blend of attitudes that allowed him to flaunt his Ivy League diploma but also use his father's sharp-elbow tactics to prevail against competitors and opponents.

Seemingly committed to the notion that all publicity was good publicity, Donald Trump came to display a personality that was practically all id, all the time, and truly an expression of the American urge to forge empire from ambition. Flying from place to place in his TRUMP helicopter and TRUMP jet, he offered opinions on everything from politics to sex, and continually declared himself to be superior in every way. He frequently referred to the many people who thought he should run for president and

sometimes acted as if he were a real candidate. During one especially tense Cold War moment, he even offered himself to the world as a nuclear-arms-treaty negotiator. His reasoning? A man who can make high-end real estate deals should be able to bring the United States and the Soviet Union into an agreement.

If he had acted with a bit more humor, Donald Trump could have been a P. T. Barnum for his time, universally beloved despite his bombast because everyone would be in on the joke. But those who compared him to the nineteenth-century showman, who was more famous than any president of his era, missed the mark by a few degrees. Trump occasionally smiled in a way that made you think he understood he was being preposterous, but he lacked Barnum's sunny playfulness. Instead he was often combative and sometimes mean. He sued or threatened to sue those who offended him, and he declared certain female critics unworthy because they were "grotesque" or "fat" or "ugly." He once sent writer Gail Collins of *The New York Times* a copy of her column with her photo circled and the message "The Face of a Dog!" scrawled beside it.<sup>10</sup>

When questioned about this kind of behavior, Trump justifies it like a boy in a fight, complaining that the other guy struck first. He is often right about this. Comedians, politicians, and others have picked on him for everything from his ego to his extravagant swoosh of bright blond hair. But his policy of always answering a pesky jab with a roundhouse punch reveals remarkable sensitivity for someone so accustomed to verbal brawls. As a man who says he considers money to be a way to "keep score" in life, he has been especially bothered by those who suggested he wasn't all that rich. Gail Collins received the dog-face clipping after she called him a "financially embattled thousandaire." When the writer Timothy L. O'Brien published a book that quoted unnamed sources who estimated Trump's net worth at under \$250 million, Trump sued the author and publisher seeking \$5 billion in damages. Trump's level of fame made it difficult for him to win his case because, as a "public figure," the law treats him as fair game for any writer. The court dismissed Trump's lawsuit after it concluded that Trump had failed to come forward with sufficient evidence showing that O'Brien knew that his sources' information was false or that O'Brien had serious doubts about its accuracy. However, the mere filing of a legal complaint does inflict financial and, perhaps, emotional pain on the opposition, and these outcomes probably please Trump. He prefers to win, but victory isn't necessary. "I always loved to fight," he told me during a discussion about his youth, "all types of fights, including physical."

\* \* \*

What does one make of a grown man who, when he argues with women, stoops to insulting their appearance and speaks so proudly of his pugnacious past? What if the same man is one of the most prominent people in the world, and a privately generous person who once handed a dying child a \$50,000 check so that he could enjoy the last months of his life? Add to the picture a resilience that has allowed him to stage countless comebacks from defeat and a boundless optimism, and you get a figure so compelling that he cannot be dismissed simply because of his braggadocio's personality.

Indeed, for all of his excesses Donald Trump is a man perfectly adapted to his time.

Coming of age in New York City in Tom Wolfe's "Me Decade" of the 1970s, he fashioned himself into one of the most effective self-promoters in a city that was filled with them. In the 1980s, as the fictional Gordon Gekko announced that "greed is good," Trump invited the press, and therefore the public, to view and envy the lavish lifestyle he enjoyed thanks to his own relentless pursuit of profit. Then, after some scandal and very public troubles in business, he spent the 1990s engineering the

most American of accomplishments, a comeback. In this he had much in common with other noteworthy men, including disgraced evangelists, the convicted bond trader Michael Milken, and the impeached president Bill Clinton. In the 1990s these men proved that fame can help a man overcome almost any disgrace.

In every period of his adult life, Trump maintained his real estate business, but he also dabbled in everything from sports to beauty pageants. The one consistent element in all of these interests was the value he placed on publicity, which he sought with the skill of someone who understood that celebrity is power, reporters are often lazy about facts, and image can trump reality. He moved from supplying the press with quotes and interviews to telling his own story in a 1987 book, *Trump: The Art of the Deal*, which he coauthored with a professional writer.

More than a dozen Trump-authored books followed the first. Each one advanced the notion that he was brilliant and successful. His face appeared on every cover, which meant that he beamed out from shelves in thousands of stores and airport newsstands across America. But the recognition they generated paled in comparison with the attention he received for his off-stated political ambitions. Although many political observers dismissed Trump's aspirations, his flirtations generated valuable publicity. Politics also prepared Trump for the greatest role of his life—playing himself on a TV show called *The Apprentice*.

Premiering in 2004, the series arrived as a genre called reality TV was drawing huge numbers of viewers. The show was conceived as a contest between two teams, which would ultimately produce a single winner who would get a job with Trump. The focal point of each episode was the moment when Trump announced, "You're fired," and one or more players departed the game. A genuine hit, *The Apprentice* was a top-ten program in its first season, attracting almost 30 million viewers on the final night of its run. Trump's "You're fired" catchphrase became such a sensation that a toy company developed and sold a doll in a blue suit and red tie that uttered it at the push of a button.

*The Apprentice* added "television star" to Trump's long résumé and confirmed, at last, that he was as much entertainer as businessman. The program showed his remarkable grasp of popular culture and the value of celebrity. It also made him known to a new generation of Americans. Trump came to represent wealth mixed with vulgarity and a hedonism that was refreshingly honest. Like the top-hatted Uncle Pennybags figure in the board game Monopoly, Trump's image was often used in the news media to signal that a report was about money, wealth, or luxury. The word Trump became synonymous with both unabashed success and unseemly self-promotion. To say that someone was "the Donald Trump" of this or that, which happened often, was either a high compliment or a put-down. By 2014, Trump was a walking inkblot test. In him one could see extreme examples of ambition, obsession, aggression, and insecurity. He also exhibited creativity, strength, and candor. Trump's peers in business reported that he was honorable and consistent, although he has sometimes been criticized for being slow to pay his bills (who hasn't?). With a few exceptions, employees described him as demanding but generous with pay and benefits. In our time together I found him to be quick-witted, funny, and charming. Words flowed from him like water from a spigot, even if some of the anecdotes he told have been repeated for decades.

Trump also gave the lie to the notion that he doesn't care what people think of him. His many feuds and conflicts suggest he worries a great deal about how he is perceived and whether he is judged to be a winner or a loser, handsome or hideous, strong or weak. While he says that he is driven by the thrill of competition, his bully-boy quality is a sign that something else has pushed him to overwhelm his opponents, run up the score, and dismiss those who speak against him.

In his office aerie on the twenty-sixth floor, Trump grumbled a bit about how this would

undoubtedly be a “bad book,” which meant that it would fail to promote his story as an example of entrepreneurial genius. “People want inspirational,” he said, “they want uplifting. If you give them that, you’ll have a bestseller.” But a “good book” resides in the eye of the reader, and Donald Trump may be the least qualified to judge one about him. Yet his sense of what the public wants may be unrivaled in our time. For decades, no one has made a more insistent claim on the nation’s attention than this man. Trump begins each day with a sheaf of papers detailing where and how often his name has been mentioned in the global press. The reports are typically too numerous for him to actually read, but the weight of the pages gives his sensitive ego a measure of his importance on any given day. This need to be noticed, and his drive to satisfy it, has made him a singular figure worthy of close inspection.

Who were the people who shaped him in his early years and aided him in his adult life? What values guided him through his professional and personal development? Is Donald Trump a product of his time, abetted by currents in our culture and our economy? And how much has he, through the force of his various identities—businessman, political gadfly, entertainer—influenced our society? Because he has become a stand-in for a set of ideals and attitudes, in examining Trump’s life I am attempting to understand him as an idea. What does it mean that this remarkable man, who is at once so admired and reviled, is the most recognized businessperson of our time? How has he been able to offend so many and continue to garner so much attention? And why do his enemies find it so hard to ignore him?

## THE TRUMPS OF BROOKLYN, QUEENS, AND THE KLONDIKE

*He was a very difficult guy, but he was a great teacher for me.*

—DONALD TRUMP ON HIS FATHER

Although he had been summoned by a US Senate committee to answer for \$4 million in windfall profits he took from a government housing program for war veterans, things could have been worse for Frederick Trump. He could have been Roy Cohn.

For much of the previous month, Capitol Hill and the nation had been transfixed by the Army-McCarthy hearings, where military men battled with Joseph McCarthy, the notorious Red-baiting senator from Wisconsin, over the conduct of his belligerent chief aide, Cohn. (Things had gone so badly for Roy Cohn that his political career would be ruined. The hearings were just as bad for the senator. One witness became a sensation as he famously asked of the senator, “Have you no decency, sir?” Young Cohn would leave Washington in disgrace. Shunned by colleagues, McCarthy would soon die, at age forty-eight, of alcohol-related liver disease.)

The drama of the McCarthy hearings was still fresh on July 12, 1954, when Fred Trump sat at a witness table to answer questions about graft and profiteering in a Federal Housing Administration building program. In another time, corruption in an agency that subsidized builders who constructed apartments for World War II veterans might have riveted the nation’s attention. But in McCarthy’s wake, the American people could be forgiven if they took their eyes off the Capitol for a moment.

Trump had been called to answer questions raised by the first witness to testify before the committee. In his testimony, federal investigator William McKenna said Trump ranked near the top among builders who shared in excessively high payments approved by the FHA officials who were almost certainly on the take. Many of these bureaucrats had accepted expensive gifts—TVs, watches, appliances—from developers. Others lived so far above their means that it seemed obvious they had been bribed with substantial sums. The builders, in turn, got favors worth millions of dollars. According to McKenna, Trump had benefited, in particular, from the rule-bending practiced by a powerful Washington figure named Clyde L. Powell. Powell had allowed Trump to finish construction at Beach Haven six months before he had to start repaying his federally subsidized loan. In that time, Trump pocketed \$1.7 million in rent payments.

McKenna’s testimony about Trump and others had appalled committee chairman Homer Capehart—the senator from Indiana used the word “nauseous”—who said that builders had taken advantage of both the federal government and countless vets. Capehart was taking cues from President Dwight Eisenhower, who had flushed red with anger when McKenna told him about the FHA troubles. The first nonpolitician to be elected president since U. S. Grant, Eisenhower had campaigned on a promise to root out corruption. The president had nothing against developers in particular. He had recently met with another big New York builder, William Zeckendorf, to urge him to take on the project that would

become L'Enfant Plaza in southeast Washington. But Ike truly loved the fighting men he'd led to victory in World War II. When he had unleashed federal investigators with an executive order—calling the FHA developers “sons of bitches”—Senator Capehart, a more ordinary politician, had spied an opportunity.

Like Eisenhower, Capehart was a Republican. The FHA had been created by the Democrat Franklin D. Roosevelt, and the events under investigation had all occurred while another Democrat, president, Harry S. Truman, was in charge. If Capehart could make enough noise about the FHA, it might hurt the Democrats in the coming congressional election. So he said that the builders and the FHA were mired in “a grand scandal” far worse than the infamous Teapot Dome corruption case of the twenties, in which bribes were accepted by officials to grant rich oil leases on federal land. Teapot Dome, which involved oil reserves worth hundreds of millions—if not billions—of dollars, happened under a Republican, Warren G. Harding.

Capehart, who came to the Senate after a career selling jukeboxes and popcorn machines, was renowned as a self-promoter. He decided that the hearings would become a traveling show that would open in Washington and then cross the country so that more Americans could watch him grill colluding bureaucrats and builders. With a little luck, TV cameras might appear to broadcast the show live. As any astute politician understood, television would make the investigation and the scandal far more important to the general public. Committee lawyers, senators, and witnesses would be seen as dramatic characters, and the scandal would be understood as a narrative of good and evil. In the end, the acronym FHA might even enter the political lexicon and become as powerful as the words Teapot Dome, which everyone knew represented corruption.

In the days of testimony that preceded Fred Trump's appearance, most of the witnesses had played their expected roles. After first explaining that he would not answer any questions because he refused to incriminate himself, Clyde L. Powell deflected his interrogators by repeating, “My answer is the same, sir” or “My answer is heretofore as given.” Others tried, but failed, to explain the shocking returns made by the builders. In one case, every \$5 put up by a developer quickly became \$1,737. In another instance, \$10,000 grew to \$3.1 million. One builder pounded the witness table as he insisted upon his innocence. Another suffered a heart attack in the hours after his testimony.

No one performed more brilliantly than the witness who consumed most of the afternoon hearing on July 12. Dapper in a fine suit and carefully trimmed mustache, Fred Trump sat at the witness table flanked by attorneys. Like every other witness, Trump was seated at floor level and was thus required to look up to the dais where the chairman sat, like a judge in a courtroom or a king on his throne. But Trump didn't behave like a supplicant or an accused man. Instead, he spoke confidently of the convoluted, but legal, means he used to get the most for himself out of a program that seemed almost designed to benefit a builder who could read regulations as well as he could read a blueprint.

At times Trump's testimony proceeded with a “Who's on first?” quality worthy of Abbott and Costello. Asked when he had purchased some land, Trump answered, “Five or eight or ten years prior. Questioned about a project estimate that included an extra 5 percent “architect's fee,” which mostly went into his own pocket, Trump insisted it was included to satisfy the FHA. When a skeptical Senator Capehart pressed him, Trump added, “And it is provided by the regulation.”

“What is provided by the regulation?” said Capehart.

“The five percent architect's fee.”

“Have you ever seen a regulation that says that?”

“No, I'm a builder.”

“Then how do you know these regulations provide for a five percent architect's fee?”



“They wouldn’t have allowed it if they didn’t.”

So it went for much of the afternoon with Trump warning at times, “That is a very iffy question” and then launching into descriptions of the complex methods he used to squeeze maximum profit out of the taxpayers. He explained, for example, that the land under his Beach Haven development was held by a trust devoted to his children. The buildings, however, were owned by half a dozen corporations. Every year these six entities paid rent to the trust—really his children—for the use of the land. Under the terms of the lease the Trump kids might receive \$60,000 or more in pure profit every year for ninety-eight more years. Then the lease could be renewed for another ninety-nine years.

With similar candor Trump explained how he had paid himself the general contractor’s fee that had been included in the estimate he submitted to the FHA, and how he fattened his own wallet by having one of his corporations do business with another of his. To the senators this was the equivalent of a man mowing his own lawn and then insisting he should be paid for the chore. Trump insisted that he was more like the tailor who pays a low-wage assistant to sew a custom suit, then charges his customer full price. If the quality is the same, thanks to the tailor’s supervision, why shouldn’t he get the money?

In Trump’s tailoring at Beach Haven he submitted a plan to the government that called for extra high construction costs, which allowed him to borrow more money and get the government’s approval to charge higher rents. The final tally on the project showed that Beach Haven had been built for \$4 million less than the estimate. (Worth \$35 million in 2015.) The extra high rents set when the project was approved remained in place, even after the excess profits were revealed, because the FHA permitted it. Similarly, the cash left over from the FHA building loan stayed in a Trump bank account. As far as he was concerned, this money was fairly earned and, technically speaking, not personal income. As he explained, as long as he didn’t put the cash in his pocket, the \$4 million could be regarded as a rainy-day fund for Beach Haven.

With the occasional aid of his lawyers, Trump testified for more than two hours straight. Much of what he said would disturb anyone who believed that the taxpayer dollars invested through the FHA program were supposed to serve the noble public purpose of aiding veterans as much as possible. But Trump and other builders would say that their windfall profits compensated them for the excellent work they did creating tens of thousands of homes at a breakneck pace. Any suggestion that he had violated any regulations or laws was “very wrong, and it hurts me,” said an indignant Trump. He was the one who ought to be vexed, not the senators, because of the “untold damage to my standing and reputation.”<sup>1</sup>

\* \* \*

Although Fred Trump had clearly violated the spirit of the FHA program he had not been caught in any criminal act. Plenty of Americans might admire and even root for an ambitious and clever fellow who understood the ways of the world and exploited them for his own gain. Trump was just such a fellow; a classic New York character who could have been drawn from a Gilded Age memoir of political corruption called *Plunkitt of Tammany Hall*. The Plunkitt in question was George Washington Plunkitt, a nineteenth-century New York State legislator who had famously declared, “I saw many opportunities and I took ’em.” One of Plunkitt’s most famous essays focused on what he called the “honest graft” practiced by politicians who made sure their friends received special favors, including help with real estate deals.

The rascal’s humor in *Plunkitt* stood in sharp contrast to the acid observations of Thorstein Veble

who also wrote a Gilded Age classic. In *The Theory of the Leisure Class*, Veblen showed that the American elite lived according to an ethic of utter greed and immorality covered by a veneer of proper education and manners. Far more powerful and thus more dangerous than Plunkitt's hacks and hangers-on, the members of Veblen's leisure class were enabled by great fortunes amassed by brutal men who enjoyed "freedom from scruple, from sympathy, from honesty and regard for life."

Known popularly as "robber barons," Veblen's subjects bore names such as Rockefeller, Morgan, Carnegie, and Vanderbilt. He saw in their conspicuous good works, lavish spending, and time-consuming leisure pursuits such as yachting and golf a concerted effort to distract others from their predations and inspire both admiration and imitation. Great fortunes also bought dependents and descendants access to the highest realms of business—finance, industrial monopolies, oil and minerals—where their status would be preserved with the aid of advisers, lawyers, and others who hoped to join the leisure class themselves.

\* \* \*

In the 1890s, as Plunkitt wrote his essays and Veblen lectured at Cornell University, Fred Trump's father could access neither Tammany Hall nor the leisure class. Born and raised in Germany, he had emigrated from Bremen via Southampton in October 1885 traveling in steerage aboard the new Glasgow-built *SS Eider*. Just sixteen years old, Friedrich had been trained to work as a barber in a country already oversupplied with young men who knew how to use scissors and razors.

Donald Trump's grandfather first stepped on American soil at Castle Garden, where an immigration center occupied a former fort built on an island constructed of landfill off the southern tip of Manhattan. Arriving immigrants were put through a gauntlet of inspections before being permitted to walk across a bridge to the borough. Once safely in New York City they were free to travel anywhere in the United States and its territories. Like many other new arrivals, Friedrich Drumpf had his name summarily changed by immigration officers. According to government papers, he departed Castle Garden as Friedrich Trumpf, and he would carry this name for years to come.

After six years in New York, Friedrich followed news of a mining boom to the West, where new cities and towns were rapidly developing. In Seattle's red-light district he thrived as the owner of a restaurant that offered warm meals and prostitutes in private rooms. It wasn't quite the Horatio Algy myth come to life, but in a country that equated wealth with virtue, Friedrich was becoming a true and virtuous American. Seven years after his arrival in New York, he went to the US District Court for the Washington State and, after renouncing his "allegiance and fidelity" to "William II Emperor of Germany," signed the declaration that made him a US citizen. In this document the *f* in *Trum* disappeared.

Having become a citizen and a businessman named Trump, Friedrich looked for opportunities to become rich. He spied one in a Cascade Mountains mining camp called Monte Cristo, which was overrun by prospectors looking for silver and gold. Seeing a more reliable source of cash in the prospectors than in the dirt, Trump falsely claimed to have found gold on a plot of land, which allowed him to seize control of some prime real estate without actually paying for it. (A "strike" gave a prospector exclusive access to a parcel.) Trump never worked his claim but instead built a boardinghouse. The boardinghouse was a big success. Friedrich's profit was all that much greater because he had paid nothing for his location.

As he turned his nerve and hard work into wealth, Trump showed himself to be a genuine American. In the 1890s, much of the Pacific Northwest was practically lawless, and the landscape teemed with men and women who happily exploited civilization's not having quite taken hold.

Formalities meant little in the isolation of the forests and mountains, so grit and audacity might be enough to bring success. The entrepreneurial outlaw was now gradually replacing the Indian fighter as the archetypal frontiersman, and no one in a place such as Monte Cristo would be shocked to learn that one man had simply occupied another's property. Trump may have been bolder than most as he accepted a shipment of lumber and built his business on another's land, but lots of men were living and mining on land they didn't own.

No one would have been surprised, either, that Monte Cristo turned out to be a false promise kept alive so that John D. Rockefeller, whose speculation had touched off the gold and silver rush, could escape with a big profit. In 1891 America's wealthiest man had invested in the mining region on the basis of a geologist's highly optimistic reports. Rockefeller built a large processing facility to prepare ore for shipment along a new railroad line. However, production was meager, and eventually Rockefeller and his syndicate partners learned that the geologist had been wrong. They quietly sold, at a profit, and took their money back East.

When Rockefeller's secret—there was no ore—got out and Monte Cristo was abandoned, few complaints were raised about the geologist's mistake and the New Yorker's stealthy retreat. What good would it do? Besides, a new gold rush had begun in the Klondike region of northwest Canada. Roughly one hundred thousand men stampeded north after two ships arrived in Seattle with prospectors bearing the equivalent of \$1 billion in 2015 in gold. Friedrich Trump departed for the Yukon, intending to repeat his success at Monte Cristo. After landing in Alaska he endured one of the most demanding and deadly wilderness treks imaginable. Trump began by operating one of the ten restaurants that specialized in meals made of horses that had expired on the trail. Soon came a real establishment built out of shingles and planks—the New Arctic Restaurant and Hotel—where once again he made prostitutes available. The New Arctic was located first in a town called Bennett and then floated on lakes and streams to the larger settlement of White Horse. Again occupying land he didn't actually own, Trump kept his place open day and night and made far more money than all but the most successful prospectors. As the boom ended, he departed White Horse, leaving the New Arctic to a partner, who would soon lose the business.

Wealthy and twice the age he had been when he came to America, thirty-two-year-old Friedrich Trump traveled to New York, where he caught a steamer for Germany, intending to find a wife there. By one account he brought with him a fortune that would be worth more than \$8 million in 2015. He returned to New York City in 1905 with his wife, Elizabeth Christ Trump. She was pregnant with the son who would be born in America and named Frederick (not Friedrich) Christ Trump.

Young Frederick's father used his Yukon riches to invest in real estate. He wisely focused on the sleepy borough of Queens, which was then home to fewer than two hundred thousand scattered souls. A new bridge to Manhattan was under construction along with a railroad tunnel. The bridge opened in 1909. By 1910, when the Long Island Rail Road began running trains from Queens to the glorious new Pennsylvania Station, 284,000 people lived in the borough. Developers put up apartments and homes as fast as they could. Commercial blocks emerged along Hillside, Jamaica, and Atlantic Avenues. By 1920, Queens would be home to nearly half a million people.<sup>2</sup>

Friedrich Trump knew a gold rush when he saw it. Planning to get rich by investing in properties, he made regular visits to real estate agents, often walking to these appointments hand in hand with his son. On one of those walks, in March 1918, he began to feel sick. Within hours he developed the first symptoms of the flu. In some accounts, his death was attributed entirely to the "Spanish flu," which killed about 775,000 Americans between 1918 and 1919. But inside the family, alcohol would take its share of the blame.<sup>3</sup>

Suddenly the man of the family, young Frederick began working and contributing to the household as a national economic crisis—the depression of 1920–21—swept away much of the family’s wealth. He attended night school, which he supplemented with correspondence courses, to learn various construction trades and went to work for a builder as soon as he finished high school. He began as an unskilled helper, hauling heavy loads of supplies. On good days he worked with a horse. On bad days he replaced the horse. Conscientious and strong, he was soon promoted to carpenter and began learning both the tricks and the trade of construction and real estate.

Furiously ambitious, at age twenty-one Fred Trump went into business with his mother, whose maturity reassured those who would do business with E. Trump and Son. They couldn’t have chosen a better moment. New York City had entered a period of exploding growth that would see its population increase by 20 percent in a decade. As it became the world’s largest city, New York’s economic and cultural influence rippled across America and around the globe. Thanks to newsreels and prize photographs, the skyscrapers, theaters, and streets of Manhattan dominated the world’s idea of New York City, and with the help of a rascal mayor named Jimmy Walker, the borough came to represent wealth, glamour, and corruption to an extent that was both breathtaking and intimidating. Although huge rewards awaited those who made it in Manhattan, the competition was fierce. The Trumps chose to play it safe, sticking to the outer boroughs of Brooklyn and Queens. From one-house-at-a-time projects they graduated to the development of small groups of houses on subdivided properties. Within two years they had finished and sold dozens of homes and were acquiring bigger properties near the border of suburban Nassau County.<sup>4</sup>

The fictional West Egg of F. Scott Fitzgerald’s *Great Gatsby* was on Nassau County’s North Shore and new homes built anywhere near this tony district carried cachet. Growing even faster than it did in the previous decade, Queens’s population pushed real estate prices to record levels. As the Roaring Twenties produced a bubble of wealth, the Trumps built bigger houses, on bigger lots, and embellished them with architectural details that appealed to those who wanted the look of success. At a time when the typical American home cost \$8,500 the Trumps were building some valued at \$30,000.

The stock market crash of 1929 changed what many readers saw in Fitzgerald’s novel—it became a cautionary tale—and ended the real estate boom in Queens. Rippling out in every direction, Wall Street’s woes became the Great Depression of the 1930s. So many workers were laid off that the unemployment rate, which had hovered around 5 percent, soared into double digits. As breadlines formed, almost everyone, including those with money, stopped spending. Stuck with properties that no one could or would buy, E. Trump and Son went out of business. Fred opened a grocery store, which he operated with the barest interest, and waited for a chance to get back into real estate.

\* \* \*

The American economy hit bottom in 1933, as the Great Depression pushed the official jobless rate to 25 percent and the drop in home values reached 20 percent. In many places conditions were far worse and for the millions who’d lost their jobs and struggled to pay for food, clothing, and shelter, the data said nothing about their fears, anxieties, and desperation. Foreclosures forced record numbers of families out of their homes. On a single January day, fifteen properties, seized for nonpayment of mortgages, were sold at auction in New York City.

Remarkably, amid all the gloom, one of the most popular books of the time was the celebratory history called *The Epic of America*, which introduced the world to the concept of “the American

dream.” Author James Truslow Adams defined the dream as a shared belief that every citizen should have a chance to live “the fullest possible life of which they were capable.” This concept was not merely economic. Adams stressed the dignity and respect sought by every human being—these were key elements of the dream—and rued “the struggle of each against all,” which he blamed for the speculative excesses of the twenties and the Crash.<sup>5</sup> After his book was published in late 1931, Adams spent more than a year traveling and writing about his hope that the crisis would prompt a return to less materialistic values. By 1934, as the worst of the crisis seemed over, he noted that too many of his countrymen had resumed their obsession with “getting and spending” and warned of “another orgy” of speculation.

Adams wasn’t alone in his fear. In March 1934, hundreds of residents of Brooklyn and Queens—fourteen busloads—would descend upon state lawmakers in Albany to demand they do something to help them keep their homes and to thwart real estate speculators. So many homeowners in the two boroughs had sought aid under an existing program that this agency was a year behind in processing the applications. “When the real estate market picks up, the loan shark and the speculator will reap,” said Matthew Nappear, a spokesman for the petitioning homeowners. “Many of our great financial fortunes were built up that way. It should not happen again.”<sup>6</sup>

Nappear was right about one thing. One man’s real estate crisis is another’s opportunity. All markets work in this way, providing investors with cash the chance to buy—stocks, bonds, real estate, and commodities—when prices are depressed. This reality is devoid of emotional weight and is the basic truth that keeps capitalist economies working. The difference, when it comes to real estate, is that the investment “instrument” might be someone’s home. A home, unlike, say, a stock certificate, comes freighted with extra meaning. A source of safety, comfort, and even identity, home is not just a place but the heart’s location. We do not dream of portfolios and mutual funds. We do dream of the houses and apartments we knew as children.

Additional factors distinguished real estate from other investments. For one thing, most property was bought with the help of a mortgage, which meant that a relatively small amount of ready cash could leverage a much larger purchase. Also, property, more specifically land, is permanent and fixed. Stocks and bonds and the entities they represent can and often do disappear without a trace. Except in the case of government accession, for which owners must be compensated, privately held land will always retain some value. “They ain’t makin’ any more of it,” people say to communicate real estate’s special appeal. The words convey something so primal that it is known, or rather felt, by any creature that ever defended a certain territory against a rival. Whether it is a house lot or a forest, no place is the same as *this* place.

Real estate’s magic is no secret. In growing cities and towns, property owners understand that strong demand pushes values up, and many will sell to turn paper profits into cash. But as demand wanes and prices continue to climb, and more owners seek to capitalize on the opportunity, markets enter a bubble phase. Supply then outstrips demand and the bubble bursts, sending prices down. Smart money gets into the game when prices are at rock bottom and exits before the pop.

In 1930s New York the smart money swirled around the courthouses, where judges resolved bankruptcies and foreclosures and disposed of real estate at extremely low prices. As political creatures themselves, judges understood that while rules governed their actions, well-connected players could be favored whenever possible. Friends and allies would be named as trustees who, when prime properties were forfeited in bankruptcies and get the first shot at them. With the right information, well-connected investors might even approach a homeowner who was behind on payments and make an offer to buy a building or some land before a lender foreclosed or the ci

issued a tax lien. The seller would be spared the stress and embarrassment of an eviction, while the buyer acquired real estate without the hassle of working through the courts or competing with other investors.

Lacking the connections to seize the easy opportunities, Fred Trump watched the bankruptcy/foreclosure action hoping to see an opening he might exploit. He learned the names and habits of the powerful men who ran the city's Democratic Party clubs and checked courthouse dockets. At the end of 1933, Trump's eye was drawn to claims made against one of the biggest mortgage companies in Brooklyn, Lehrenkrauss & Co. Licensed as an investment bank by the state, the company was family owned and had operated for more than fifty years. In the 1920s, as Americans of every rank and class raced into the money boom, Lehrenkrauss sold everything from foreign currency to gold. However, the firm's main business was the sale of bonds backed by big bundles of mortgages. Many of the bondholders were recent German immigrants who were reassured, as they invested their savings, by the bank's good name.

The Lehrenkrausses were so prominent that their comings and goings were recorded on the social pages—Charles F. Lehrenkrauss entertained aboard his yacht in Manhasset Bay—and their divorces appeared in the news columns. (J. Lester Lehrenkrauss's wife, Beatrice, secured a divorce from him thanks to a court in Reno, Nevada.) A Lehrenkrauss Cup was awarded each year to the top student at the local school, and members of the family were sought to sit on various boards and committees. In April 1929 the most senior Lehrenkrauss, Julius, was named to the board of a new finance company called Brooklyn Capital. The very next month he joined the advisory board of the Hamilton Trust division of the Chase National Bank.

All three Lehrenkrauss men—Julius, Charles, and Lester—were named personally when investors filed their complaint against the firm in Brooklyn's federal court. According to the papers, investors suspected that the company was insolvent and that the notes the firm had sold were essentially worthless. Thousands of bondholders were outraged by the tale of deception that emerged in the court hearings. As Julius explained, he had sold bonds worth many times the value of the mortgages that backed them. Dividends were paid with new revenues, Ponzi-style, and cash was shifted from account to account to give auditors the false impression that the firm's various operations were solvent. As the company was nearing collapse, Julius had withdrawn \$1,900 in cash, all \$20 bills, because, he said, he was "looking for the future."

Before the ordeal was over, investigators would discover that dozens of deeds were missing from company files, and unbeknownst to others in the firm, Julius had lost more than \$450,000—worth roughly \$8.1 million in 2015—in the stock market. (One of his investments had been in a copper company that had produced just \$52.26 worth of ore.) A nephew said Julius had recently told him "Stocks are bound to rise." Unable to pay for a vigorous defense and cornered by the evidence, Julius donned a formal wing-collar shirt, striped pants, and black jacket to attend the court session where he would plead guilty to grand larceny. His lawyer said that Lehrenkrauss would accept his punishment "like a man." The judge, a longtime friend of the accused's, sentenced him to a term of five to ten years in the state prison known as Sing Sing.

Although Lehrenkrauss bonds were worthless, one small part of the business, which collected mortgage payments from debtors, retained some value. The court-appointed trustees invited bids for this business. One major mortgage-servicing company, Home Title Guarantee, entered the competition. Other bidders were less well-known but better connected to the Brooklyn political machine. Fred Trump, who had managed mortgages on many of the homes he sold, embellished his qualifications by informing the court that he had been in the real estate and mortgage business for ten

years. (This claim would have had him selling houses as a high schooler.) But even with the exaggeration, he could lose without a special advantage.

---

Trump courted Brooklyn's political power brokers and joined forces with another Queens-based bidder named William Demm. Concerned that a large group of Lehrenkrauss investors might hold up the sale, the two men attended one of the investors' meetings at Bushwick High School. The victim feared that the old firm might one day be resurrected and they would be deprived of any value left in the mortgage-servicing business. Only a miracle would revive Lehrenkrauss, but Trump understood the feelings of the creditors. He and Demm promised that if Lehrenkrauss ever rose from the dead they would sell the mortgage-servicing business to the creditors for a net profit of just \$1,000. All they asked in return was that the group endorse their bid to the trustees. A deal was struck, and the court, eager to avoid conflict with the victims of the Lehrenkrauss clan, accepted the Trump/Demm bid.<sup>7</sup>

Although they would make some money processing mortgage payments, the real value in the business won by Trump and Demm was in the information they gleaned from the Lehrenkrauss operations. In the company's recent records they discovered which homeowners were behind in the payments and when foreclosures were imminent. With this knowledge, they could offer to buy distressed properties before they ever went on the market.

As Fred Trump bought properties, he zeroed in on the Brooklyn neighborhood of East Flatbush where, just thirty years before, farmers had grown produce to supply markets in Manhattan. The neighborhood's transformation from rural to urban began when a real estate firm called Wood, Harmon and Company persuaded the Brooklyn Rapid Transit Company to extend trolley service that previously stopped at nearby Prospect Park. Wood, Harmon built fifty homes within a year. The neighborhood grew even more quickly when August Belmont's Interborough Rapid Transit Company brought its subway down Nostrand Avenue. Suddenly convenient to commuters who worked almost anywhere in Manhattan, East Flatbush bloomed with new single-family homes, duplexes, and apartment buildings.

By the late 1930s, Fred Trump was piecing together lots to create large tracts where he built developments ranging from a few dozen homes to hundreds. His largest project was built on a long vacant lot where the Barnum & Bailey Circus had performed under a big top. When the circus last visited East Flatbush in 1938, the star of the show was a gorilla with the stage name Gargantua Buddy, as he was known to his friends, had been raised by an eccentric Brooklyn woman, who used to dress him in a shirt and pants and drive around the borough with him in her car's passenger seat.

Close to two different subway stops, Trump's circus-lot development was subsidized by the very same Federal Housing Administration that would come under Senator Capehart's scrutiny in 1954. Created by Franklin Delano Roosevelt to help would-be home buyers, developers, builders, and construction workers, the FHA was a part of FDR's larger New Deal effort to stimulate the Depression-era economy with the kind of government spending that economist John Maynard Keynes called pump priming.

Prior to the 1930s and the creation of the FHA, the federal government had no real housing policy and homeownership was not the bulwark of middle-class status that it eventually became. Mortgage lenders required down payments of 50 percent or more, and loans typically became payable in full—this was called a bullet payment—in five or ten years. (Most homeowners refinanced before the due date.) In 1940, just 43 percent of Americans owned their homes. In more urbanized states, even fewer people did. For New York the figure was just 30 percent. In addition to FHA support for new housing, New Deal programs sparked a steady increase in ownership by aiding the creation of twenty-year

mortgages for up to 80 percent of a home's value and by insuring lenders against loss should borrower default.

Although most Americans would struggle if asked to explain the difference between the FHA and Fannie Mae (the Federal National Mortgage Association), businessmen and politicians who followed the development of these programs recognized an opportunity. Real estate people saw a chance to do business on a much grander scale, with many more potential customers and greatly reduced risk. They saw big new bureaucracies that would be filled with Democratic appointees who would control millions and eventually billions of dollars' worth of financing that could be given to favored applicants, if one was so inclined. In New York, the top FHA job went to a high school football coach turned lawyer named Thomas "Tommy" G. Grace. A World War I army veteran and a gregarious mainstay of the party clubhouse in the Brooklyn neighborhood of Bay Ridge, Grace was just thirty-nine when he was appointed in 1935. His brother was Fred Trump's lawyer, and in August 1935 Tommy presented Trump with a plaque commemorating the federal government's commitment to back the financing for a four-hundred-home development.

The little ceremony, which was noted in *The New York Times*,<sup>8</sup> was a nonevent of the sort that businesspeople and politicians conceived and staged for the sole purpose of attracting publicity. Unlike real news events, which occurred spontaneously, these nonevents were preceded by "news" releases sent to editors and reporters, and they occurred at a certain hour with the participants following a preordained script. New York, where the first big public relations companies flourished in the 1920s, was the capital of this new business. The term *public relations* was coined by a New Yorker, Edward Bernays—a nephew of Sigmund Freud's—who taught the first course in this trade at New York University in 1923.

Bernays believed that with the right combination of manufactured events, celebrity endorsement, and allies in high places, he could not only stimulate sales for a client but actually create trends, change fashions, or alter public policy. When short flapper styles destroyed demand for a client's hairnets, Bernays got prominent women to declare they favored long hair, and he convinced regulators that hairnets should be required wherever women handled food or worked around machinery. Scarce evidence existed that these new regulations were needed but Bernays was so persuasive that policies and attitudes changed and hairnet sales soared. He performed similar magic for luggage manufacturers who suffered because new styles allowed men and women to travel light. By the time Bernays was done, public health officials were telling people it was unsanitary to share a suitcase and luggage sales ticked upward.

Bernays was aided by what the critic Neal Gabler would call "the two-dimensional society," which came with the spread of photo-rich tabloid newspapers and movie-theater newsreels that made people and events memorable to millions of people who could never access them in real life. The pioneer's methods were so successful that in 1927 *The Nation* said he was ushering in "the Kingdom of heaven of the salesman." He soon had legions of imitators, including run-of-the-mill bureaucrats and businessmen who discovered they could do it themselves. By feeding reporters a steady diet of announcements and events, they gained access to the new columns of the local papers. The free information they received was more valuable than paid advertising because it was delivered to the public as legitimate news, recognized as such by professional journalists. Much of this manipulation was harmless, but in some cases PR practitioners—particularly those in politics—created scapegoats and public enemies through negative stereotypes.<sup>9</sup>

Deploying news releases at a steady rate, Fred Trump sought free publicity for everything he did, including serving as host for a company picnic. He got a couple of free column inches by simply



- [download online \*Weight Training for Dummies \(2nd Australian & New Zealand Edition\)\* .pdf, azw \(kindle\), epub](#)
- **[Stephanie \(Harlequin Comics\) for free](#)**
- [Something Coming Through here](#)
- [click The Public Library: A Photographic Essay](#)
- [read online The Soldier Son Trilogy Bundle: Shaman's Crossing; Forest Mage; Renegade's Magic](#)
  
- <http://dadhoc.com/lib/Strong-Waters-A-Simple-Guide-to-Making-Beer--Wine--Cider-and-Other-Spirited-Beverages-at-Home.pdf>
- <http://conexdx.com/library/Stephanie--Harlequin-Comics-.pdf>
- <http://paulczajak.com/?library/--Qui--n-es-Fontanarrosa-.pdf>
- <http://rodrigocaporal.com/library/Continuous-Enterprise-Development-in-Java.pdf>
- <http://korplast.gr/lib/The-Soldier-Son-Trilogy-Bundle--Shaman-s-Crossing--Forest-Mage--Renegade-s-Magic.pdf>