

**DIVIDED STATES, from page 8**

**R.R.:** *It seems beguiling that people wouldn't be able to see it. I mean, there was Occupy, talking about the 99 percent versus the 1 percent, so it seems like income inequality is something we know about.*

**G.P.:** Oh, yeah. It's discussed all the time. So the question is: Why doesn't anything change? It's a big, big subject, and politicians have sort of caught on to it. Obama talked about it at different times, Elizabeth Warren talks about it. It's just very hard to address — and it also is not a subject that the people who fund politicians really want to hear about. So it may be something to talk about, but not too boldly. I don't know. There's a lot to say about why nothing changes on that front, but the fact is nothing changes. In fact, it got worse with the financial crisis and the recession.

**R.R.:** *One of the people you profile in this book is Tammy Thomas, and she's from Youngstown, Ohio. Could you talk about Youngstown and the changes there?*

**G.P.:** Here, 1978 really is a crucial year. That was the year the first big steel mill, Youngstown Sheet and Tube, closed down, and it happened like that (he snaps fingers). The board of directors — it had out-of-town ownership — met at the Pittsburgh Airport. They were flying in from Chicago and from Tampa and San Francisco. And they voted to close (the steel mill): It was too big a money loser, and it would have taken too big an investment to turn it around. So it was kind of a canary in the coal mine. In the next five years, every major steel plant in Youngstown closed. It was like a house of cards; it just all collapsed. Fifty thousand jobs in a very small area disappeared.

Tammy Thomas was a teenager at that point, so she basically came of age in a city that had lost its whole foundation. And, you know, the odds were already against her: Her mother was a heroin addict; she was raised by her great-grandmother; she didn't know her father very well when she was a girl, and jobs were very few and far between. The '80s and '90s were a disaster for Youngstown: epidemics of arson, gangs. So Tammy had three children, and the odds of being able to raise those kids in Youngstown and keep them in tact, body and soul, were so slim — and she did it. She got a job on an assembly line in one of the last factories still open, wiring harnesses for GM engines. And she did that for 20 years. Her kids all graduated from high school, and they all left Youngstown and didn't come back. She would say to me over and over, "I just did what I was supposed to do." Which seems so simple, but who does that? So she's remarkable. Not just a survivor but I'd say a great success.

Then the inevitable happened, and Delphi Auto Parts, her employer, decided to get out of its American businesses. At 40, 41, Tammy suddenly had nothing, her pension was cut in half. And instead of folding the tent, she became a community organizer, and that is what she was doing when I met her.

**R.R.:** *There's also someone else that had determination and that's Usha Patel.*

**G.P.:** Yeah. A big part of the book takes place in Tampa, Fla., because Tampa is ground zero of the housing boom and housing bust, this economy of housing as a disposable commodity. People own five or six of them, constantly flipping them, making a living investing in property, which, like most gambling, ends up going badly.

Usha Patel was an immigrant from India who scraped together savings from working two or three jobs around Tampa to buy her piece of the American Dream, which was a Comfort Inn, so she became a motel owner. That was going great, and she had a big loan, one from the Small Business Administration, one from a bank. That loan, as with all of these loans, started changing hands and getting sliced up and sold off to different investors, until no one really knows

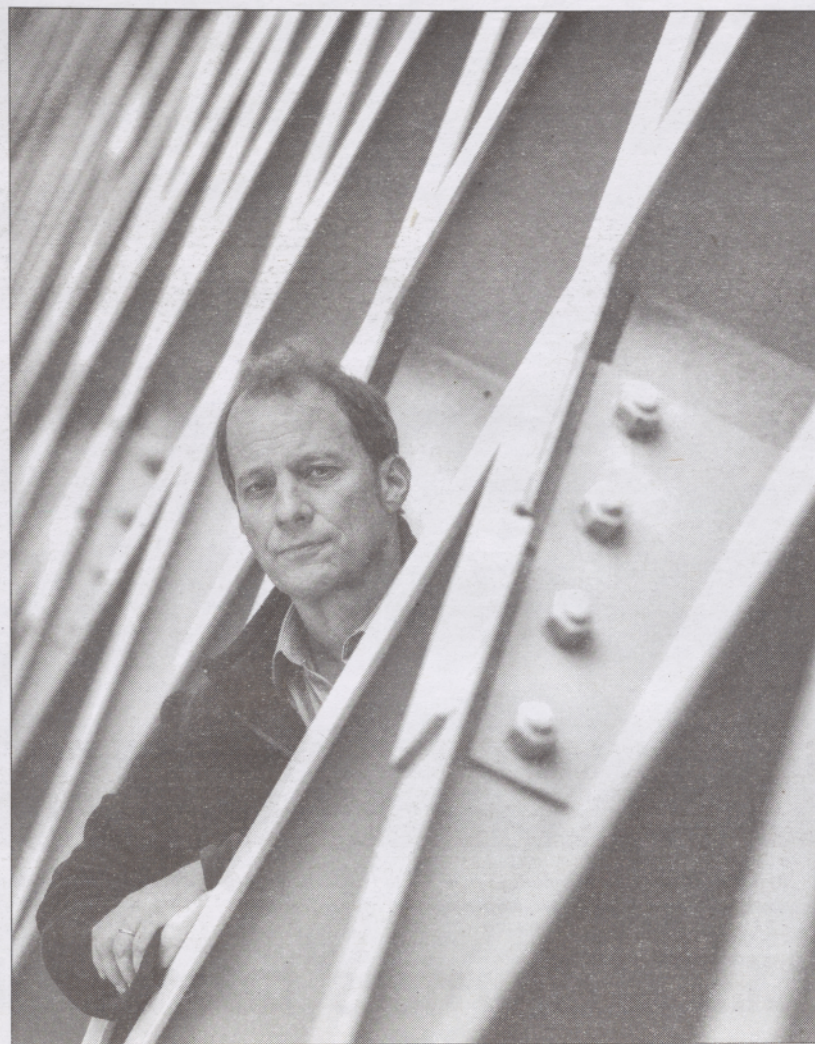


PHOTO BY LUCIEN KNÜTESEN

Journalist George Packer is known for writing about U.S. foreign policy in *The New Yorker*. His latest book, *The Unwinding: An Inner History of the New America*, covers the history of America from 1978 to 2012. The book won last year's National Book Award for Nonfiction.

who the owner of the note is. When the housing bust came, her motel was a victim of it: She started having 80 percent vacancy, and suddenly in comes a whole new bank, HSBC, demanding the motel back. She had no idea that HSBC had the note.

She fought them and unlike all the other people in the book, Usha Patel had an extended family from India, across three continents, and they supported her while she fought this case to a draw. So essentially, she survived, kept the motel but lost all her money to the lawyers and is still running it, as far as I know — but always struggling to stay above water. It was interesting to me that, as the one immigrant, she was the one who had people to support her. All the native-born American characters, they were kind of doing it on their own, which I think is true of a lot of people in the country today.

**R.R.:** *Interspersed with people like Usha Patel and Tammy Thomas are short profiles of people like Oprah Winfrey and Jay Z. Why did you decide to do that?*

**G.P.:** Because I felt that to understand American life in this generation, which was my absurdly ambitious project, you had to see life at the top, too, because we live in a celebrity culture. Celebrities are our household gods. They shape the language, the way we think, and they offer this mirage of "I can make it, so can you." That's certainly Oprah's sort of not-so-subtle message.

I wanted to choose celebrities from different walks of life, so from politics, I chose Newt Gingrich because I think, maybe more than anyone else, he's poisoned the atmosphere. He's created the

toxic politics that we live with. From entertainment, Oprah Winfrey: the rags-to-riches story, which is a powerful American story, but also the faith that she offers to other people, that if your mind is in tune with the hidden powers of the universe, you might end up with nine houses as well. From business, Sam Walton, because I think Walmart is the representative corporation of this era of inequality, cheap goods, low wages.

**R.R.:** *Oprah's so fascinating: She's a black woman and a billionaire.*

**G.P.:** I think she's the richest woman on earth. She's huge.

The first sentence of that chapter is "She was so big that she owned the letter O." (laughs) You know, she wrote an autobiography that she then suppressed before it was published, which is too bad, because I depended a lot on what they've written about themselves for these chapters. I wouldn't have been able to get interviews with most of them, and it would have not borne much fruit. But I use their own language, to kind of get inside the sentences they use. So Oprah's is that cascading excitement of things are getting better and better. Sam Walton, it's kind of a fake, folksy, home-spun language.

We associate or identify with and kind of almost put our hopes into the hands of celebrities and millionaires and billionaires, at times when the normal, ordinary path to success doesn't seem to work. So to put on a McDonald's uniform? Jay Z has a line in his autobiography about how when he was young, he thought, How could you do that? I'm gonna do something else that's gonna work a lot faster and a lot better. And in a way, the message is: It's better to cut corners, cut the line, break the law, do it your own way and get to the top than to

follow the rules, which is for suckers, 'cause the game seems rigged. If the game seems rigged, why not deal crack? I mean, why not do what Jay Z did? (Editor's note: As a teen, Jay Z sold crack on Brooklyn streets while memorizing his own rap lyrics.) So there's kind of a moral temptation when you see people becoming so successful and flaunting it and almost gloating over it. I think Jay Z, unlike Oprah, he isn't really saying you can do it, too. Jay Z's message, to me, from his music, is more: I'll do it so you don't have to. It's a little more cruel.

Jay Z comes from the projects, but Robert Rubin, who's a financier and was Clinton's treasury secretary, is another of the well-known figures in the book. He thinks of himself as a good man and cares about social issues and justice and all that, but really, he's part of Wall Street. And during those years, Wall Street became a form of organized crime. It wasn't helping the country: It was helping itself. He became part of that and didn't really want to see it because he had a higher idea of himself.

So there's different ways in which these successful characters project the message to the 99 percent.

**R.R.:** *So here we have these decades of unraveling. How do you get it back on the spool?*

**G.P.:** I don't think there's a set of instructions. I think it just takes a tremendous amount of hard work, organizing, repeating things over and over again. I mean, it took a long time for the right wing to convince large parts of the country that they didn't need the government, that government was negative and that if you just turn everyone loose, then we would all do well. I think reversing that and reminding people that we actually do need institutions that work, starting with government, that takes a long time as well.

Seattle's a good example. Campaign finance reform is a big issue here in Washington, and so is the minimum wage. To me, right there, those two issues are at the heart of a lot of what we're talking about. And if those two issues can take hold in other communities around the country and begin to be enacted... It'll never go back to the way it was when I was a kid or when you were a kid. And there were a lot of things wrong with the country when we were both kids, as you well know. Some things are better.

I'd say we're more free. We're more tolerant but we're less fair. I don't want to see us become less tolerant, but I want us to become more fair. Issues like the ones I just named are good ways into that.

**R.R.:** *Do you think that becoming more fair is a ground-up movement?*

**G.P.:** I do. I mean, nothing happens in Washington anymore. It's broken, it's paralyzed. I used to think it would come from good people elected to high office. I don't want to give up on that because I don't want to give up on democracy, but I'm pretty realistic about the chances of reforms coming from there. I also don't think Silicon Valley is a place to look to. A lot of people think that's where exciting ideas for a new economy are going to come from. I think Silicon Valley has shown its color, and it's essentially —

**R.R.:** *Green.*

**G.P.:** So I think people like the characters in my book are where I find hope. And I don't want to exaggerate it, because they're all up against huge odds and none of them are thriving. But the fact that they haven't given up is inspiring.

We know there are many more of them so, yes, I think it will come from obscure people in out-of-the-way places, and it will be very slow and long. But that's what it takes. It takes a stick-with-it-ness, which is something Americans have.

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