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INSIDE THE MONEY ISSUE

This West Virginia County Used to Vote Solidly Democratic. Now It Belongs to Trump. What Happened?

In the October 10, 2016, issue of *The New Yorker*, in "Trumptown" (p. 56), **Larissa MacFarquhar** reports from the heart of Trump Country—Logan County, West Virginia—and considers why a state that used to vote solidly Democratic now belongs firmly to Trump. Richard Ojeda, who is running for state senate as a Democrat, says Trump's promise to put America first was appealing because he felt it was the first time in a long while that a national politician had actually seemed to care about his state. He says, "If we're going to go trillions of dollars in debt over Iraq, why can't we go billions of dollars in debt and make every single coal-producing plant clean in West Virginia? Don't we deserve a hand?" Kyle Lovern, a columnist at a local paper, tells MacFarquhar, "Some people say they're glad Trump's going to build a wall. They feel that charity begins at home. That there's people here that are suffering, that we need to take care of our own rather than welcome all these other people in and put them on the welfare system and give them free health care."

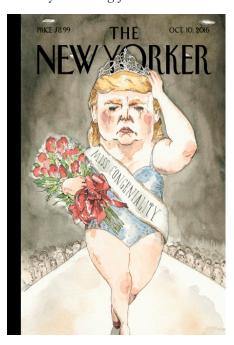
When Hillary Clinton talks about Trump voters, "she tends to divide them into two categories: bigots (her 'basket of deplorables') and people suffering from economic hardship. What's missing from Clinton's two categories is a third sort of person, who doesn't want to think of himself as racist, but who feels that strong borders describe a home. There are many such people, and not just in West Virginia," MacFarquhar writes. The perception that people in West Virginia are voting for Donald Trump because they are racist or ignorant is significant, "because that is one of the reasons they're voting for Trump in the first place," MacFarquhar writes. Charles Keeney, a professor at Southern West Virginia Community and Technical College, in Logan County, tells MacFarquhar, "When people talk about Trump, they talk about how they don't like the establishment or the élites…they envision people in New York City making fun of them and calling them stupid…when they see that the media élite is driven out of their mind at the success of Donald Trump it makes them want to root for him. It's like giving the middle finger to the rest of the country."

It's not that there's no racism in Logan. In sixth grade, when Reggie Jones—one of very few African-American kids in his school—moved to a part of town where only white people lived, the house was spray-painted with "KKK" and set on fire twice before his family moved in. And yet Jones's sense of home was so strong that he moved back to Logan after many years away. Jones, who is now the director of a nonprofit in Logan, tells MacFarquhar, "Logan is a place that race is always bubbling just below the sur-

face....There are people here who support building a wall. My concern is, you're building a wall now to keep Hispanics out; at what point do we put African-Americans on the other side of the wall?"

An Upstart Tries Out a Bold Strategy in the Ride Wars

In "The Anti-Uber" (p. 40), **Sheelah Kolhatkar** writes about Juno, a new ride-hailing company attempting to rival Uber and Lyft by promising drivers more money and better treatment. One of the many tyrannies of the sharing economy is the decline of job security. "I'm a super-progressive, and I have incredibly mixed feelings about the 'sharing economy' and companies like Uber," Lucas Smith, a Juno manager, told Kolhatkar. "Rather than creating wealth, they felt extractive." Talmon Marco, Juno's C.E.O., started the company with his partners in 2014, capitalizing on Uber's growing reputation as an uncaring employer. "Look, the sharing economy is fascinating on one end, but, at the same time, without the proper checks and balances, we're going back to fifteen-year-old textile workers in Brooklyn working eighteen hours a day," he says. All Juno has had to do is come up with an app that looks and functions like Uber's, and persuade drivers to defect. Juno allows qualifying drivers to earn an ownership stake in the company, in the form of restricted stock units. Smith tells Kolhatkar that Juno's stock grants are one of the biggest attractions for drivers. "I had one guy say—and this might sound made up—but he's been in this country, I think it was, for thirty-two years, and this was the first time he felt like



an American." According to Juno, the company has signed up more than fourteen thousand drivers since December. The question is how long the company can sustain its driver-defection strategy against a competitor as well fortified as Uber, which is currently available in seventy-two countries and is estimated to be worth close to sixty-eight billion dollars. Kolhatkar speaks with Rachel Holt, Uber's head of North American operations, who is skeptical of Juno's business model. "I'd be very surprised if a ten-per-cent commission is going to continue for a long time, if ultimately a business is there to be sustainable," she said. (Uber's commission is around twenty-five per cent.) "If there's something very compelling in what they're offering to drivers, we want to continue to learn from that," Holt said.

The future of the transportation industry is uncertain, but Marco considers the driverless era inevitable. When this happens, Uber drivers would be "deactivated, and thrown away like a used whatever," he said. Juno might not need drivers anymore, either, but they'd still have stock ownership in the company. "This is the first time since the industrial revolution when there was a class of workers who are going to have a piece of the future rather than just being laid off," Marco said. But unless Juno becomes successful, drivers' shares may have little or no value. Sunil Paul, the co-founder of Sidecar, one of the first ride-sharing businesses, is pessimistic about Juno's ability to compete with a giant like Uber. "We got run over by the Uber money truck, in lots of different ways," Paul told Kolhatkar. "I don't see much hope for a company like Juno, just to be perfectly blunt about it."

Is Y Combinator's Sam Altman Fixing the World, or Trying to Take Over Silicon Valley?

In "Adding a Zero" (p. 68), **Tad Friend** profiles Sam Altman, thirty-one-year-old president of Y Combinator—the startup "accelerator" disrupting V.C. culture in Silicon Valley—who not only wants to save the world but actually has a plan to do it. Founded in 2005 by Paul Graham, his wife, Jessica Livingston, and two friends, Y Combinator is a three-month boot camp, run twice a year, in how to become a "unicorn" (a billion-dollar company). The first group of eight companies included Reddit; subsequent groups have included Airbnb, Dropbox, Instacart, and Stripe. Collectively, YC companies are worth eighty billion dollars, a valuation that has grown seventeenfold in the past five years. In 2014, Graham chose Altman to succeed him as Y Combinator's president. Friend writes, "Altman's great strengths are clarity of thought and an intuitive grasp of complex systems. His great weakness is his utter lack of interest in ineffective people, which unfortunately includes most of us." The venture capitalist Marc Andreessen says, "Under Sam, the level of YC's ambition has gone up 10x." Altman tells Friend, "Unlike Google, we grow faster as we get bigger. We could catch them in ten years."

Privately, however, many top V.C.s complain that YC drives up prices. One tells Friend, "The program is great for the top four companies in a batch but terrible for the other forty-six, because by the time they come see me I know they've been passed on by Sequoia and Andreessen Horowitz." Ben Horowitz, the co-founder of Andreessen Horowitz, points out that this dynamic, which favors the top venture firms, isn't specific to YC: "The guys who founders want to take money from get the No. 1 draft picks, and all the other guys get to pick through the rest. It's capitalism! Do your fucking job or get your ass kicked." Others fear that YC will soon provide cradle-to-I.P.O. funding for so many top startups that it will put a lot of V.C.s out of business. YC partner Jonathan Levy tells Friend, "Can I see Sam taking over the entire V.C. system? Absolutely. There will be an exception to the original plan, then two exceptions, and then the system will have changed."

In spite of YC's success, Altman refuses to slow down. Last year, he launched a nonprofit, YC Research, to conduct pure research into moon-shot ideas. Altman also co-founded, with Elon Musk, a nonprofit called OpenAI, whose goal is to prevent artificial intelligence from accidentally wiping out humanity. Musk tells Friend, "If the A.I. that they develop goes awry, we risk having an immortal and superpowerful dictator forever." Altman's other projects focus on everything from getting out the youth vote to the creation of Startup School, a free, online, ten-week course for as many companies as want to take part (they won't get funded, but they can learn the same lessons as batch companies do). Altman's friend Peter Thiel, the billionaire venture capitalist who cofounded PayPal and Palantir, tells Friend, "Sam's program for the world is anchored by ideas, not people. And that's what makes it powerful—because it doesn't immediately get derailed by questions of popularity."

Are There Costs to Getting Rid of Paper Money?

In "Cashing Out" (p. 48), **Nathan Heller** reports from Sweden, a country that's well on its way to phasing out paper currency—many restaurants, cafés, bars, hotels, ticket machines and even some banks accept only cards—while some U.S. economists are questioning the usefulness of paper money. Although most people think of card and electronic payments as stand-ins for exchanging cash, some are embracing the idea that physical currency should be the exception rather than the rule. "When I run a transaction through my credit card, I get fraud protection, airline miles, and a digital record that I can export into budgeting software and spreadsheets. When I use cash, I get nothing," Heller writes. One social obstacle to forgoing cash is privacy; when it's electronic, every transaction can be tracked.

Heller flies to Stockholm and withdraws a wad of cash, to see what life is like when no one wants the money in your hand. Cash circulation in Sweden has plunged from a hundred and six billion Swedish kronor in 2009 to seventy-seven billion last year. Swe-

den's deputy minister of finance, Per Bolund, tells Heller, "This is not something that's been thought out by the government— 'We're going to be a cashless society'—but, rather, a development from the bottom up." Swish, the most popular mobile cashtransfer app in Sweden, launched in 2012, and less than four years later, it is used by half the Swedish population and by ninety per cent of adults under thirty. Today, some Swedish banks have more Swish transactions than A.T.M. withdrawals. David Zetterström, the co-founder of a boutique bakery chain that went cashless after it had four break-ins, tells Heller, "You always have to have someone counting cash." However costly cash-handling is for businesses, it's more so for banks. Cash requires elaborate security for transportation and disbursement; financial institutions can make money from card transactions and account maintenance, but cash has questionable returns.

For Americans, who lack the institutional trust of the Swedes, cashlessness might create unwanted chores for the U.S. government. Heller writes, "Negligible tax evasions of the babysitter variety, unrewarding for the I.R.S. to pursue, would emerge." Rogoff says, "Sweden has been very fast at doing these things . . . But they're very determined. I don't think we'd be as determined."

In a series of sidebars, writers reflect on their experience working for hire: **Justin Torres** on walking the dog of a silver-haired narcissist in the West Village (p. 60); **Shonda Rhimes** on scooping ice cream at Baskin-Robbins (p. 64); **Tom McCarthy** on posing nude as a model for an art school in Prague (p. 72); **Gillian Flynn** on donning a frozen-yogurt costume in a Missouri mall (p. 78); and **Alison Bechdel** on being mistaken for a man who could help with physical labor (p. 82).

Plus: In Comment, Jelani Cobb looks at the "false vicinity" drawn between Donald Trump's "unmitigated bigotry" and Hillary Clinton's history of establishment ties and nineties-era centrism, and considers how the first Presidential debate demonstrated that "the two candidates could scarcely be farther apart" (p. 33); in the Financial Page, James Surowiecki examines why America's racial wealth divide persists (p. 39); in Shouts & Murmurs, Douglas McGrath imagines the Vice-Presidential candidate Mike Pence's visit to Manhattan (p. 47); Louis Menand considers how Karl Marx's ideas may help us to understand the economic and political inequality of our time (p. 90); James Wood reads David Szalay's new novel, "All That Man Is" (p. 98); Vinson Cunningham watches Nate Parker's film "The Birth of a Nation," the latest retelling of Nat Turner's 1831 slave rebellion (p. 102); Hilton Als reviews Amy Schumer's standup (p. 106); Anthony Lane watches Andrea Arnold's "American Honey" and Peter Berg's "Deepwater Horizon" (p. 108); poetry by T.R. Hummer (p. 81) and Sharon Olds (p. 86); and new fiction by Kevin Barry (p. 84).

Podcasts: Jelani Cobb and the singer and activist Harry Belafonte discuss the black political movement; **Dorothy Wickenden** speaks with **Roger Angell** about why he believes the country is facing a danger unmatched since the Second World War; and **Karen Russell** reads "From the Fifteenth District," by **Mavis Gallant**, and discusses the story with **Deborah Treisman**.

Digital Extras: Photographs from a staunchly pro-Trump county in West Virginia; and poetry readings by **T.R. Hummer** and **Sharon Olds**.