

ers, and that between low-wage industries (e.g., textiles) and high-wage ones. Flexible specialization creates a new breach between those who are able to work full time

and those who are not. Without legal safeguards, the authors warn, more flexibility for employers could mean "insecurity and exploitation" for employees.

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"Trade Protection Comes to Silicon Valley" by Arthur Denzau, in *Society* (March/April 1989), Box A, Rutgers Univ., New Brunswick, N.J. 08903.

Washington has leaped to defend American manufacturers of computer chips against foreign competition; as a result, it has wounded the U.S. computer manufacturers that use the chips.

This tale of perverse consequences, recounted by Denzau, a Washington University economist, begins in 1986. In July of that year, the Reagan administration signed an agreement with Tokyo, ending alleged Japanese "dumping" of computer chips, chiefly the Dynamic Random Access Memory Chips (DRAMs), key components in mainframe and personal computers. The idea was to protect the two remaining U.S. "merchant" chip-makers—Texas Instruments and Micron Technology—from "unfair" low-cost competition. (A few U.S. computer companies, notably IBM, manufacture their own DRAMs.)

Predictably, the price of common 256 kilobyte memory chips (containing 256,000 memory bits) jumped after the agreement, from \$2 to as much as \$7. Be-

fore 1986, prices had been dropping. As a result of the price hike, Denzau estimates, 5,000 to 10,000 jobs were saved at Texas Instruments and Micron Technology. But the high price and scarcity of chips cost computer manufacturers and other electronics firms 2.6 percent of their business—an estimated \$1.2 billion in 1986 alone—and between 7,000 and 11,000 workers their jobs. Essentially, every job saved in the chip industry cost a job in the computer industry. And the Japanese still dominate the DRAM market.

Despite the U.S. trade barriers, Denzau says, it is not likely that many American firms will be lured back into the risky DRAM business. More ominous, Japanese chip-makers now have an incentive to shift their attention to fields still free of trade restraints and dominated by U.S. firms, such as application-specific integrated circuits and central processing units. "We are in danger," warns Denzau, "of sacrificing our future to regain the past."

SOCIETY

Race or Class?

"Growing Up in Poor Neighborhoods: How Much Does It Matter?" by Susan E. Mayer and Christopher Jencks, in *Science* (March 17, 1989), P.O. Box 1722, Riverton, N.J. 08077.

Common sense suggests that growing up in a "bad" neighborhood hurts a child's chances of future success. That concern underlies much of today's debate about the apparent growth of the "underclass"—the increasing *economic* segregation of poor blacks, Hispanics, and a few whites in wretched inner-city neighborhoods.

But after surveying some two dozen studies, Mayer and Jencks, both research-

ers at Northwestern University, find only mixed or contradictory support for "common sense." The nub of the problem, they find, is sorting out the relative significance of class and race.

Two studies only tentatively suggest that poor children attending "middle-class" elementary or intermediate schools score higher on standardized tests than similar students in lower-class schools.

What about the effect of racial desegregation? One 1965–72 study found that it helped black students in the North but had no effect in the South. There are no studies of long-term effects.

The results from high schools are more complete. Two studies show that students entering the ninth grade with comparable test scores are just as likely to graduate and attend college whether they attend high school in a poor or an affluent neighborhood.

But racial segregation does have a clear impact: Dropout rates are highest at predominantly black high schools, no matter what the individual student's race or socioeconomic background. Studies of northern blacks who attended all-black high schools during the 1960s and early '70s showed that they had higher aspirations than their black counterparts in integrated schools but were ultimately less successful in college. (Yet, in the South, blacks attending integrated high schools in 1972 enjoyed less collegiate success than blacks in segregated schools.)

Teenage crime is more complicated. A study of Nashville during the 1950s found that poor youths attending middle-class schools were less likely to commit serious crimes; a study of Chicago teenagers during the early 1970s found that such youths were *more* likely to commit crimes.

Two studies show fairly conclusively that black teenage girls growing up in predominantly black neighborhoods are more likely to become pregnant.

Overall, the authors write, two things are clear. First, as researchers learn more about the causes of particular problems,

Culture, Chicago-Style

In 1926, admen at the J. Walter Thompson Company proclaimed that an "economic millennium" and the universal availability of standardized merchandise, motion pictures, and radio were erasing class distinctions in America. During the 60 years

Almost Heaven

Visiting California during the 1950s, diplomat George F. Kennan was amazed by its sun 'n surf culture. From his memoirs in *The Atlantic* (April 1989):

California reminds me of the popular American Protestant concept of heaven: There is always a reasonable flow of new arrivals; one meets many—not all—of one's friends; people spend a good deal of their time congratulating one another about the fact that they are there; discontent would be unthinkable; and the newcomer is slightly disconcerted to realize that now, the devil having been banished and virtue being triumphant, nothing terribly interesting can ever happen again . . .

These people practice what for centuries the philosophers have preached: They ask no questions; they live, seemingly, for the day; they waste no energy or substance on the effort to understand life; they enjoy the physical experience of living; they enjoy the lighter forms of contact with an . . . indulgent and undemanding natural environment; their consciences are not troubled by the rumblings of what transpires beyond their horizon. If they are wise, surely the rest of us are fools.

socioeconomic factors seem to diminish in importance relative to racial segregation. Second, the effects of socioeconomic factors and race are rarely straightforward. A poor black youth attending a well-to-do integrated school may be spurred to greater achievements, or he may feel resentment towards his more privileged classmates and turn to crime.

"Encountering Mass Culture at the Grassroots: The Experience of Chicago Workers in the 1920s" by Lizabeth Cohen, in *American Quarterly* (March 1989), Univ. of Md., 2100 Taliaferro Hall, College Park, Md. 20742.

since, critics, Left and Right, have turned the ad agency's boast into an indictment. American "mass culture," they argue, spawned an apolitical materialism across the land, creating a bland, homogenized society.