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ten poorly run and heavily upholstered with middle managers—were ripe targets for corporate raiders, who seized them and sold off some of their far-flung ventures. In 17 of the 62 hostile takeovers between 1984 and 1986, the authors note, more than half of the acquired conglomerates' assets were sold within three years—mostly to buyers in the same business.

The authors believe that the move toward more specialized firms should help the U.S. economy. In fact, they say, none of the misgivings economic forecasters had about the negative effects of takeovers were warranted. Retail prices did not rise, because, in most cases, the market share of the combined companies remained too small to affect prices. In 62 hostile takeovers, 26,000 workers lost their jobs—only 2.5 percent of the work force. And most post-takeover layoffs were targeted at redundant white-collar workers who could quickly find other jobs. Finally, the authors say, takeovers did not cause a drop in research and development (R&D). Most takeover targets were mature "cash cows," not R&D-intensive companies. Besides, they add, despite the media hype over hostile takeovers, the majority of corporate mergers in the 1980s were voluntary.

In the long run, the authors conclude, corporations have less to fear from takeovers that threaten to break them up than from the increasing number of state antitakeover laws that threaten to keep them together.

SOCIETY

After Math

"Whatever Happened to New Math?" by Jeffrey W. Miller, in *American Heritage* (Dec. 1990), 60 5th Ave., New York, N.Y. 10011.

In the mid-1950s a radical new way of teaching math to America's reluctant students was born, and was soon hailed as the greatest advance since Pythagoras's theory. A little more than three decades later, however, the term "new math" is virtually a profanity.

New math was born after World War II as a modest attempt to improve math education. Math classes of the day were deadly dull; textbooks were practically designed to kill off curiosity. Two-thirds of high school students quit studying math after their freshman year.

A new approach to learning math was needed. And in 1951, William Everitt, the Dean of the University of Illinois Engineering School, hired Max Beberman, a irrepressible 25-year-old high-school teacher, to develop it. Promising to make students passionate about polygons, Beberman tossed aside multiplication tables, long division, and the rest of the "old math" in favor of a "base system," "frames," and "truth sets." New math was built on twin pillars of pedagogy: "discovery learning" and "nonverbal awareness." Simply put, instead of memorizing rules and procedures, students used number lines, word problems, and graphs to "discover" answers to problems.

But it was the launching of Sputnik in 1957 that truly launched new math. At first limited to four laboratory schools, new math was quickly installed in 19,000 public schools, propelled by national hysteria over America's mathematic and scientific "inferiority" and by generous federal support. Recognizing that teachers had to be taught how to teach new math, Beberman traveled the country conducting workshops. Meanwhile, a group of Yale mathematicians, under the direction of Edward Begle, wrote a series of textbooks designed to introduce new-math instruction as early as kindergarten. New math had arrived. Sales of the textbooks jumped from 23,000 copies before Sputnik to 1.8 million in 1959.

But by the mid-1960s, writes Jeffrey W.

Miller, of the University of California, San Francisco, new math had grown beyond Beberman's or Begle's control. Parents and poorly trained teachers balked; publishers confused matters with textbooks that were hodge-podges of old math and new. Critics denounced new math as elitist, indecipherable, and impractical. And finally it turned out that new-math students scored no higher on standardized tests than those schooled in old math. By the mid-1970s, new math was dead.

If the space race hadn't pushed new math along so quickly, Miller writes, it might have been a success. Instead, "its most lasting impact might be that of a cautionary tale." Today's curriculum reformers, he concludes, would do well to work "from the teachers up, not from the universities down."

Drug Bust

"The Economics of Legalizing Drugs" by Richard J. Dennis, in *The Atlantic* (Nov. 1990), 745 Boylston St., Boston, Mass. 02116, and "Imagining Drug Legalization" by James B. Jacobs, in *The Public Interest* (Fall 1990), 1112 16th St. N.W., Washington, D.C. 20036.

While drug legalization advocates are quick to criticize the high cost of the federal drug war and its failure to control drug use and drug-related crime, says Jacobs, a law professor at New York University, they can't decide how exactly they would legalize drugs if given the chance.

Dennis, of the Drug Policy Foundation, counters with a concrete legalization plan: Make all currently illegal drugs legal, with the exception of crack cocaine and other drugs that make the user violent. Marijuana, powder cocaine, heroin, and other drugs would be sold to adults in government-licensed stores, just as liquor is now. The resulting drop in drug prices, Dennis says, would take the enormous profit out of drug dealing, deflating a $100 billion market and curtailing drug-gang violence by at least 80 percent. Drug-related crime would also tumble as users quit stealing to support their habits. Prisons and the courts would be freed up for serious criminals; police departments could direct their attention, and the $10 billion annually they spend fighting drugs, to other problems.

But Jacobs dismisses such hopeful scenarios. A black market will form around any drug—such as crack—that remains illegal, he says. Indeed, drug dealers might even stay in business, competing with legal suppliers by cutting prices and boosting potency. And what about prescription drugs? Could heroin, cocaine, and speed be sold over the counter while Valium, sleeping pills, and antibiotics remain available only on a doctor's prescription? Wouldn't *all* regulation of food and drugs eventually have to be abandoned?

He adds that if drugs were legal and cheap, users might want to use more, and thus might steal as much money as they did before. Moreover, he says, just as alcohol use shot up after the repeal of Prohibition, the number of drug users would jump. And there are already 10 million monthly cocaine users and 1.5 million hardcore addicts in the United States. If Washington slapped heavy taxes on legalized drugs, prices would rise and users would have the same incentive to engage in crime as before.

Dennis concedes that the number of drug addicts would increase after legalization, but he says only by 250,000. He points to one opinion poll in which only one percent of the respondents said that they would try cocaine if it were legal. Even if black-market corruption continued around the sale of crack, there would still be an immediate drop in drug crime. And the $10 billion in new tax revenue that he projects would more than make up for the "social costs" of new addicts.

Jacobs believes that legalization is too big a gamble. If we lose, he says, "it will be too late to go back to the *status quo ante*." Dennis, however, says that he is willing to run that risk to preserve the individual's right to be wrong.