Americans and Soviets also own most of the planes that can carry heavy equipment; France, for example, has reportedly used U.S. transports to resupply clients in Chad and Zaire *and* Soviet An-22 aircraft to deliver arms to Iraq.

Superpowers can also veto sales by other nations of weapons that use their components. The United States has blocked sales of Sweden's Viggen fighter and Israel's Kfir fighter bomber because these aircraft use American-built parts. The Soviet Union is even more restrictive; only India can produce modern Soviet weapons under license.

These curbs guarantee continued superpower dominance of the arms trade. In the Iran-Iraq war, for example, both superpowers have, since 1983, thwarted sales to Iran of tanks, air-defense systems, or jet fighters, thus ensuring that technology does not "tilt the war in Iran's favor." The continuing stalemate in that conflict suggests that the superpowers *can* use their influence over the arms market to "regulate the level of armed hostilities in various regions of the world."

ECONOMICS, LABOR & BUSINESS

Battle of the Belts

"The Rise and Fall of Sun, Rust, and Frost Belts" by Bernard L. Weinstein and Harold T. Gross, in *Economic Development Quarterly* (Feb. 1988), Sage Publications, 2111 West Hillcrest Dr., Newbury Park, Calif. 91320.

During the 1970s, spectacular increases in population and income per capita in the South and West convinced many pundits that the loss of jobs in the Northeast and Midwest signaled irreversible economic decline.

Today, however, the "Frostbelt" is regaining strength while much of the "Sunbelt" stagnates into a few "sunspots": Ten of the sunny region's 16 states now have above average unemployment, and only Virginia enjoys a per capita income above the national average.

Most explanations of regional growth and decline have focused on a corporate shift from old Northern industrial cities to less developed areas in the Sunbelt offering lower labor costs and expanding markets. Frostbelt economies did not collapse, however, and the region's revival in the 1980s mocked the earlier conventional wisdom.

What, then, accounts for such painful regional fluctuations? According to Weinstein and Gross, of the Center for Enterprising, Southern Methodist University, the causes lie outside the United States.

The economic resurgence of Western Europe and Japan decreased America's share of world exports of manufactured goods from 25.3 percent to 17 percent between 1959 and 1978. Tougher foreign competition led to worker layoffs and plant closings. The impact came first in older industries such as shoes and steel during the 1970s, then in high-technology sectors such as semiconductors during the 1980s. The impact was greatest in the Frostbelt, where most of America's manufacturing is located. Meanwhile, the global inflation of the 1970s led to higher commodity prices, creating a boom in the agricultural and oil-producing Sunbelt. The Sunbelt, however, did not attract enough new industry from the North; as inflated commodity prices faded, so did the Sunbelt's prosperity. The North, benefiting from falling prices and streamlined industry, experienced renewed growth.

The shifting fortunes of the Frost- and Sunbelts are part of an untidy evolutionary process that has improved the American economy's "overall efficiency and productivity." The transition in American industry has been accompanied by tax cuts and deregulation of interstate commerce by the Reagan administration; states that followed suit, such as Florida and Illinois, have enjoyed robust economic gains. The 1980s experience indicates that Washington should not try to block change through an "industrial policy"; it should pursue market-oriented trade and monetary policies, allowing *all* areas of the nation to attain "long-run economic success."

Private vs. Public Unions: The Differences

"Contraction and Expansion: The Divergence of Private Sector and Public Sector Unionism in the United States" by Richard B. Freeman, and "The Rise and Fall of Unions: The Public Sector and the Private" by Melvin W. Reder, in *The Journal of Economic Perspectives* (Spring 1988), American Economic Association, 1313 21st Ave. South, Ste. 809, Nashville, Tenn. 37212-2786.

As is well known, the percentage of working Americans who are union members has fallen steadily for the past 35 years. In 1953, 26.8 percent of all U.S. workers belonged to unions; in 1984, the figure was 16.1 percent. But while *private-sector* union membership steadily fell, public-sector membership *rose* until 1976, when 40.2 percent of government workers belonged to unions. Despite a subsequent decline (to 33.1 percent in 1984), civil servants still tend to join unions at twice the rate of private sector employees.

Why? Freeman, a Harvard economist, and Reder, an emeritus professor at the University of Chicago, cite changes in labor law, business composition, and employer attitudes.

The Taft-Hartley Act (1947) gave the states the authority to decide if joining a union was a requirement for obtaining a job. Twenty states (largely in the South and Midwest) have since enacted "right-to-work laws" allowing employers to hire nonunion employees; firms who move plants to these states can easily bar unions from operating. In addition, deregulation (particularly in the trucking industry), by allowing freer entry into the marketplace, has diminished the clout of such once-powerful unions as the Teamsters. Lastly, government protections have superseded many union benefits; the growth of such entitlements as workmen's compensation and unemployment insurance, as well as federal curbs on arbitrary firing of women and minorities, have further reduced the incentives to join unions.

In the public sector, President Kennedy issued an executive order in