

## ECONOMICS, LABOR & BUSINESS

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cated. 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

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1962 recognizing federal employee unions and allowing limited collective bargaining. State and local governments adopted similar regulations, although the powers given to their employee unions differed. During the 1960s and '70s, some state governments gave employee unions more clout (e.g., by requiring binding arbitration to solve disputes) making membership more attractive.

Why are government unions losing members more slowly than their counterparts in business? Freeman sees U.S. corporations as more fervently "antiunion" than during past decades. Executives in industry who oppose unions and union wage demands can increase profits; mayors or governors who try to thwart employee unions may find themselves losing the next election.

### *Tool for Success*

"The Difficult Birth of the Typewriter" by Cynthia Monaco, in *American Heritage of Invention & Technology* (Spring/Summer 1988), 60 Fifth Ave., New York, N.Y. 10011.

The modern typewriter, invented by Christopher Sholes, first appeared in the United States in 1874. But his invention, the "Remington," was not an immediate success, though it was popular at expositions like the Philadelphia Centennial in 1876, where fairgoers could buy typewritten letters for 25 cents. In addition, a few celebrities, notably Mark Twain, were en-



*Clerks typing in a large American mail-order house around 1912. At least 112 writing machines preceded the Remington. The first English typewriter patent was in 1714; the first American patent dates to 1829.*