

know that they risk losing some of their best workers during a recovery. Hence wage increases are often quite crudely pegged to past inflation. As is known, it is this price-wage spirit which makes inflation, once started, extremely difficult to stop. However, at the same time, the U.S. labour markets impose checks on large costs increases that Europe's do not.

As is, or should also be known, workers bargaining strength in the U.S. is less than that of Europe. Some 25% of the former's work force (including teachers) is unionized, as opposed to 42% in FRG and 57% in the U.K. It is also important to note, as the speaker pointed out, that Americans change their jobs more often than do the Europeans. Whereas the European worker stays with his or her employer an average 17 years, the comparable figure for an American worker is 14 years.⁴

Dr. Bloomfield proceeded to outline some flexibility case studies, showing how the U.S. labor force has demonstrated increased flexibility with respect to salaries, job content, and migration. High, non-competitive labor costs in the U.S. are being cut, due in part to deregulation of key industries and intense worldwide as well as domestic competition. In return for wage cuts, workers often receive a profit-sharing plan. Whereas Eastern Airlines has been without an annual profit since 1979, it has told lenders that with continued wage-cuts, it could register a profit of \$97 million this year. This has not only saved Eastern Airlines from bankruptcy but it has also turned business around. Similar cases could be made for other U.S. companies.

Another important element which contributes towards relative flexibility and mobility of U.S. management may be found in the country's training for business careers. With