Since these industries are critical elements of the economy's infrastructure, their deregulation is bound to make the U.S. economy increasingly efficient and innovative.

Turning to the question of flexibility and mobility of labour, the speaker felt that the structure and flexibility of the U.S. national labour markets may be one reason why the U.S. economy appears more dynamic and actively job-creating than Europe's. European workers in declining industries have been far more resistant than their U.S. counterparts to proposals for retraining for jobs in faster growing, service-oriented sectors. In Europe workers have in many cases virtually guaranteed lifetime incomes, with their employers picking up the payroll taxes often amounting to as much as 70% of wages (compared to some 28% in the U.S.). They have, partly for these reasons, been extremely hesitant to create new jobs, preferring instead to invest in labour saving devices and machinery. Also, the level and structure of wages have been too rigid to allow a proper adjustment to new economic conditions created by the two recent oil-shocks. In theory, then, if the cost of employing people went down, the unemployed might eventually push themselves back into jobs.

However, this is unlikely to happen. The European trade unions are still, generally considered, looked at as social partners, rather than adversaries of government or business. European leaders are loath to try to remove or seriously change the underlying bedrock of protective legislation. Hence, the speaker claimed, creating economic flexibility on the U.S. scale in Europe would require a social revolution. Whereas union wage bargaining covers only 25% of U.S. workers, it effects some 90% in FRG and only slightly less than that in other EEC countries. In many European countries, companies in trouble cannot fire labour without government