permission. Unemployment benefits are quite generous throughout Europe. In the Netherlands, for example, the unemployed receive between 75-99% of their most recent salaries, whereas in FRG they get some 65% of previous pay in the first year and 60% the second. Wholesale firings could mean just transferring workers from corporate to state payrolls, which, as the speaker saw it, through high taxes is funded by the corporations anyway.

Paradoxically this means that European economies have increased output and unemployment simultaneously. Productivity, in terms of output per worker has risen, though jobs have languished. Being employed in Europe, then, has been a "good deal". Whereas between 1970 and 1980 German manufacturing earnings rose some 46% after inflation, in the U.S. the gain was only 13%.

However, the effect on European jobs has been devastating. Since 1970, the U.S. labour force has grown 37%, which reflects on influx of "baby boom" workers. Some 85% of the new workers have found jobs. In FRG, however, the number of would-be workers has grown a more 4.2% since 1970, whereas jobs have actually dropped 3.8%. Hence, much of the resulting unemployment has been long-term. Two-fifths of all French jobless people have been out of work for more than a year, whereas the comparable proportion in the U.S. amounts to less than 10%. Hence, to a considerable extent, European economies have been run for the benefit of the employed at the expense of the new workers.

As Dr. Bloomfield is aware, similar pressures do of course also exist in the U.S. Quite naturally, workers do not wish to see their real (after-inflation) salaries suffer, even in recession. Should wages be held down too much, many firms