



FIG. 1.—Scientists and engineers engaged in R & D and U.S. TFP growth. Source: The number of scientists and engineers engaged in R & D is taken from National Science Foundation (1989) and various issues of the *Statistical Abstract of the U.S. Economy*. TFP growth rates are calculated using the private business sector data in Bureau of Labor Statistics (1991). "Other S&E" is the sum of scientists and engineers engaged in R & D for France, West Germany, and Japan.