

March 20, 2002

Dr. Bruce Alberts, President
National Research Council
2101 Constitution Ave., NW
Washington, DC 20418

Dear Dr. Alberts:

If the NRC played a key role in research on AIDS, and shortfalls in its performance inhibited scientific progress, I think that you would want this brought to your attention for immediate correction.

Thus, I am enclosing a copy of recent correspondence with the National Science Foundation. The early issues will be familiar to you. However, the letter continues the discussion to include the past decade, during which your Committee on National Statistics has kept the doors slammed and nailed-shut.

It has been several years since even the wildest of political imaginations could have discerned loud partisan zealots to oppose our improved understanding of the economy. Especially since it is widely understood in American politics that the performance of the economy is a key to electoral success. And you received, de facto, both a blunt warning and a promise of support from the Carnegie Commission. The cause of the silences escapes me.

A bottom-line appraisal of the performance of economic science will be available to you. William Easterly's The Elusive Quest for Growth (MIT Press, 2001) documents how the ideas of academic economists and \$1 trillion across 40 years have totally failed billions of people in the world's poorest countries. The ability of macro-economic models to forecast even whether GDP or other aggregate variables in the US will go up or down remains limited and with a large amount of error. There is no scientific basis for the complacency, intellectual sterility, and stagnation with which your Committee on National Statistics has performed its public trust.

As a biologist, you may make the mistaken assumption that the scientific study of economic behavior operates by keen observation and shrewd generalization, in a phrase used by the economist Robert Solow¹ - but that is precisely, as Solow records, what does not occur. Rather economists are only modelers, using the statistical data developed via the Committee on National Statistics. By now, Solow observes, people are recruited whose talent is for just these activities, whose interest is more in method than in substance.² Unless new thinking and measures are in these datasets, they are not in the models. And without the new measures, political scientists, psychologists, and others cannot study the economy either, nor add fresh thinking. Congratulations.

Economists are oddly self-limiting scientists. You and your associates are personally and legally accountable for the work of the Committee: you have a civic, legal, and moral obligation to be knowledgeable about what you are dealing with. Or to close-down.

Let me simply remind you that many of the problems of our society reflect the functioning of the economy. Even though shallow people in Washington are not in a mood to talk about problems, victims or unnecessary suffering, the National Academy of Sciences should be wiser than that. If you had a Committee responsible for our understanding of cancer, and progress had been stagnant for so long, you would be outraged at complacency, excluded variables, and a hand-wringing substitution of bureaucratic excuses for results.

- Concerning a related subject: You and your associates might want to review a speech that Dr. Frank Press made in the 1990-91 period, when he slammed the door in the oversight review process, and reaffirmed his policy of politically neutering social science. His speech equated a reticence to talk about ideology with a reticence to talk about sex. (I am sure that Dr. Sue Woolsey will recall the speech - she is a clinical psychologist - and can find a copy for you.) I draw the speech to your attention because it was bizarre: people in Washington had been arguing loudly about ideology for decades - conservatives, with a megaphone at full volume. The only person who was reticent to talk about ideology was Dr. Press, who was neutering the Academy and its

¹ Robert M. Solow, How Did Economics Get That Way and What Way Did It Get? *Daedalus* 126:1 (Winter, 1997), pp. 39-58, p. 56.

² *op. cit.*, p. 57.

staff, the social sciences, and research universities.

I raise this because many people, currently in your governance structure, apparently do not know the facts of your history at first-hand. They may be drawn, too hastily, to an institutional self-defense for policies that had too much of their origin merely in the rationalized fantasies and apprehensions of one man. At a minimum, any Report or public record of these continuing self-inhibiting problems for your organization should include a copy of the speech.

Sincerely,

(Dr.) Lloyd S. Etheredge

cc: NAS Governing Council
NRC Governing Council