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September 10, 2008

Dr. Robert Berdahl, President
Association of American Universities
1200 New York Ave., NW – Ste. 550
Washington, DC 20005

Dear Dr. Berdahl:

The National Academy of Sciences has submitted a Gathering Storm report to Congress that recommends holding back further growth of life sciences/biomedical and social science research funds for seven years in favor of a priority to double engineering and other fields of sciences. The report was drafted in 2005, published in a final edition in 2007, and it has now become the basis for an aggressive national lobbying campaign with corporate support, the American COMPETES Act, and other enabling legislation.

The “urgent priority” funding plan will limit (and damage) biomedical/life and social science research at all AAU schools. The recommendation is a mistake.

There is a further discussion of the Gathering Storm report in the attached correspondence with the Institute of Medicine and the AAAS. My candid assessment (as a political scientist) is that Gathering Storm was an end-run by the National Academy of Engineering and its allies. (For example, the members of the Institute of Medicine did not participate, review, or agree with the study; and the 52 economists who are members of the National Academy of Sciences also were excluded – although the report is about national economic growth and international economics.) Fareed Zakaria, a Trustee of Yale University and Editor of Newsweek International, has been a public critic of the flawed data and unsupported conclusions in the Gathering Storm report. (An excerpt from his critique is included with the letter to AAAS of August 12, 2008.)

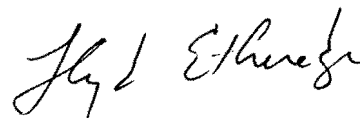
My perception is that the National Academy's shift from being a trusted scientific adviser to become a lobbying/political organization was intentional and, in view of the interest group politics (within science) and large amounts of money that are involved, the Report is unlikely to be withdrawn voluntarily. In the battles ahead, we probably will be left without an institutional mechanism that can give trusted scientific advice about R&D funding priorities.

Against this background, I am writing to suggest an idea that AAU might recommend to the new Administration to chart a better future:

A National R&D Tax.

The federal R&D funds for all scientific fields (including social science) should increase sharply. However, the most recent estimate is that the next President will inherit a deficit of \$500 billion+/year: Thus, rather than angry fights among scientists to divide shares of whatever small additional funds are realistically available, I suggest that AAU organize support for a national R&D tax, to be levied on the income of all US corporations above a certain size. It would be an earmarked tax, like the use of the gasoline tax for the highway trust funds. (I.e., and expenditures would be outside the income/deficit/appropriations and political process of the annual federal budget.) We can set the tax rate to support as much R&D as we wish. Corporations also would have a substantial degree of control: they could reduce their tax liability by any amount that they spend for public-domain research at US universities or to support institutions of higher education.¹

With best regards,



(Dr.) Lloyd S. Etheredge, Director
Government Learning Project

cc: AAU Exec. Committee (Bienen, Cohon, Frohnmayer, Hemenway, Levin, Munroe-Blum, Spanier, Tilghman, Wagner, Yang)

¹ Thus could lead to an explosion of creative R&D funding at universities. For example, while it might not be justified, now, for individual automobile manufacturers to invest in basic research in a wide range of fields from their normal operating budgets, they might have an extensive list of promising basic and applied research that they would use these dollars to support: super-strong plastics, photovoltaic and battery research, alternative fuels, pollution-free manufacturing, robotics, etc.