

Date: Tue, 22 Nov 2011 13:36:56 -0500

To: public@nytimes.com

From: Lloyd Etheredge <lloyd.etheredge@policyscience.net>

Subject: **Economics: "Smoking Gun" testimony by NSF's Deputy Director**

Cc: [. . .]

Dear Mr. Brisbane:

In light of the concerns that I have brought to your attention as Public Editor, I enclose testimony on July 26, 2011 by NSF Deputy Director Cora Marrett that you may wish to review. Her testimony confirms that the national peer-review system for scientific research - that most scientists and Times readers still believe to exist - was quietly discontinued at NSF more than two decades ago. All of the decisions - the NSF system now is called "merit review" - are made by Dr. Marrett and her subordinates. This means that Dr. Marrett and her subordinates were the actual decision makers who crafted and enshrined the Economics models and data systems that failed so catastrophically. And who are responsible for ignoring the warnings and failing to report the alarming evidence of growing scientific unreliability in NSF's Reports to Congress.

- To scientists the global economic crisis was a combination of 9/11 and the explosion of the space shuttle Challenger. We had a catastrophic failure of models and data systems and of scientific institutions (like the National Science Foundation) that were accountable to be in contact with reality,.

The Need for an Independent Inquiry

I write to ask your help because we need to make informed choices and learn rapidly: As a nation, we urgently need an independent Commission - like we created after 9/11 or the explosion of NASA's space shuttle - to understand these scientific + institutional mistakes and to craft a future with more trustworthy institutions and better outcomes.

Emergency Action is Needed

Emergency action is needed. The scientific failures of the NSF system are wider than simply ignoring international finance: As scientists warned NSF's senior leadership, the NSF-controlled generation of models and data systems have lagged behind a changing reality and have deeper, fundamental problems. Now, the models and data systems have [as reported by Ezra Klein on October 8] failed a second time: their estimates and policy guidance were (predictably) unreliable

to craft a rapid GDP and jobs recovery here and abroad. The Director of National Intelligence has warned that the world's political systems face growing stress, governance and regime failure, societal conflict, and the risk of the same extremist and violent politics that grew in the Depression when recovery policies failed.

I know that the Times is reluctant to question the national peer review system - just as responsible journalists do not seek to investigate and potentially discredit the decisions of our jury system: [For example, NIH retained its peer review system and nobody would dream of questioning its research program to study the genomics of cancer. It also is run by one of the most brilliant geneticists in the world and the Director of the National Cancer Institute, Dr. Varmus, also won a Nobel Prize.] By contrast NSF's top-down system and the *hubris* of Dr. Marrett *should* be questioned: NSF is poorly designed, poorly led, and poorly staffed to meet the emergency needs for fundamental, interdisciplinary rethinking Economic models and data systems during a crisis. Its senior management team has no Economics expertise: the NSF Director was a Dean of Engineering, Dr. Marrett trained as a sociologist and pursued a career as an administrator, the Assistant Director for Social, Behavior, and Economic sciences is an historian. NSF's supervisory National Science Board still has no economists: it may not recognize the dangers, nor know how to create a new, rapid learning system for the social sciences.

Re the enclosed testimony: In Dr. Merritt's words: "[I]n contrast to a number of other funding bodies [e.g., NIH = LE] , the external reviewers do not make binding recommendations that the program officer is obliged to follow." (p.3)

- Dr. Marrett defends the "high standard for excellence" of the program officers who work for her in the NSF bureaucracy and who "are subject matter experts in the scientific areas that they manage." The higher level purview that she and her subordinates enjoy also gives them wiser judgment, in her view, and a better "portfolio" in what has slowly evolved as (*de facto*) an NSF empire.

Notably, in this testimony, Dr. Marrett makes no reference to the catastrophic failure of the NSF Economics program. And this stunning silence is likely to be the predictable future unless Times readers have an accurate map and there is an independent Commission to craft an emergency response and begin to design a rapid learning system for healthy and rapid economic growth here and abroad.

Thank you for your attention to these issues.

Lloyd Etheredge

Dr. Lloyd S. Etheredge - Director, Government Learning Project
Policy Sciences Center Inc.
c/o 7106 Bells Mill Rd.
Bethesda, MD 20817-1204
URL: www.policyscience.net
301-365-5241 (v); lloyd.etheredge@policyscience.net (email)

[The Policy Sciences Center, Inc. is a public foundation that develops and integrates knowledge and practice to advance human dignity. Its headquarters are 127 Wall St., Room 322 PO Box 208215 in New Haven, CT 06520-8215. It may be contacted at the office of its Chair, Michael Reisman (michael.reisman@yale.edu), 203-432-1993. Further information about the Policy Sciences Center and its projects, Society, and journal is available at www.policysciences.org.]