

The Real Ariel

Festschrift

in Honor of Ariel Rubinstein's 60th Birthday

A Special WikiLeaks Edition

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With a special foreword by Julian Assange



(Ariel and friends, photo leaked by Kfir Eliaz and Ran Spiegler, courtesy of Dror Reshef)

Table of Contents

Foreword by Julian Assange.....	4
Introduction.....	5
Correspondence with Academic Journals.....	6
Decision Letter on the “E-Mail Game”, AER, 1988	7
Decision letter by the Taco Bell Journal of Economics, 2010.....	11
Correspondence with Co-authors and Potential Consulting Clients.....	14
Correspondence with Robert Rosenthal, June 1982 – February 1983.....	15
E-mail correspondence with an aide to PM Ehud Barak, July 2000	19
JDate Columns	22
Using Economic Theory to Solve He/She Problems	23

Foreword by Julian Assange

The mission of WikiLeaks has always been to undermine powerful institutions by making their secrets public. After military and diplomatic establishments, it is time to turn to academe. And I can find no better place to start this sacred mission than with the evil discipline of economics, and Ariel Rubinstein as one of its main representatives.

This WikiLeaks edition is particularly important, as it bears out the hypocrisy and double-talk that characterizes academics in general, and economic theorists in particular. I take special pleasure at the fact that this time, not only the documents, but also the sources who leaked them, have become public.

Next on the agenda: the secret correspondences of hair stylists!

Julian Assange

Malmo Correction Facility, Sweden

Introduction

Like everything else in Ariel Rubinstein's life, the origins of his involvement with economic theory should be sought in his childhood in pre-1967 Jerusalem. One day in the mid 60's, Ariel went to a newspaper booth in Tel-Arza neighborhood and asked the vendor for a dirty magazine. As it turns out, the vendor was a communist, and so he gave Ariel a pack of old *Econometrica* issues from the early 1950s. He pointed out a particularly filthy paper by Arrow and Debreu in the 1954 volume. As young Ariel leafed through the yellow pages, he instantly fell in love. This was the birth of a stupendous career.

In this festschrift (WikiLeaks edition), we, Ariel's former and current students, exploited our relatively easy access to Ariel's personal files and uncovered for the general public's benefit a side of Ariel's professional personality that has been kept hidden from view. We are sure that both the academic economist and the lay reader can learn a lot from the leaked documents. In particular, this edition uncovers for the first time important inconsistencies between Ariel's public statements and what he allows himself to express in the supposed privacy of his correspondence with editors, co-authors and seekers of sagely advice. We are grateful to Julian Assange and the other folks at WikiLeaks for enabling this unique peek underneath the academic robe.

Ayala Arad

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Michael Richter

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Correspondence with Academic Journals

Decision Letter on the “E-Mail Game”, AER, 1988

Leaked by Erkut Ozbay and Michael Richter

30 March, 1988

Dear Ariel,

Please find enclosed two thoughtful reports (actually, one is thoughtful; the other one is just silly) on your stimulating paper "the e-mail game", which you submitted for publication in the AER. As you will see, it's quite impossible to understand what they're trying to say, or what their final recommendation is.

Now, I didn't feel like reading your paper myself. You seem like a nice guy, the title of the paper is catchy, and people say you write pretty good papers, so I decided to accept your paper for publication. You also won a free ticket to a Broadway musical of your choice.

Sincerely yours,

The Editor

Report on “The Electronic Mail Game: Strategic Behavior Under ‘Almost Common Knowledge’”

Although it is customary to start a report with explaining the author his own work, the copy/paste function did not work properly on my computer, so I'll skip that. In summary, this paper is about sending and receiving emails or something like that. As a minor comment, I strongly recommend changing the “electronic mail” to “email” throughout the text to avoid confusion.

The first major flaw of the paper is that it is not exaggerating what it does in the introduction. There should always be some gap between what the author claims to be doing and what he actually ends up doing.

I missed a few unrelated real-life examples. Also, in the literature review section, the author cites directly relevant works while failing to cite papers by friends and potential referees. He does not even cite any of his previous work! This should be fixed.

Finally, the notation in this paper is too transparent, and I'm concerned that any reader could understand it. I passed this paper to my graduate students and they all understood it. The problem is that most of them are morons. My biggest concern is that even someone not doing theory might understand it. I would like the author to replace his transparent notation with something that has lots of superscripts and subscripts on all sides, ideally in the form of chemical formulas of ionized isotopes.

Since these flaws also apply to other works by the same author, I hope that he will take my advice seriously for his future papers.

Review of “The Electronic Mail Game”

This paper is an application of the communication technology known as “electronic mail”. The author proposes to use this technology for simplifying the communication of knowledge hierarchies between two players in a game with two states, two actions, and three outcomes. One player needs to communicate the state to the other player, and he does so by using an automatic program that sends a sequence of increasing numbers until the system reaches its failure point.

As a contribution to communication technology, this paper takes too many things as given. Specifically:

1. The failure rate of communication is taken to be fixed at some p . As computer scientists, we should propose methods to analyze and improve this failure rate instead of taking it as given.
2. The origin of the failure rate is not explored. The author should consider the seven layers of the OSI model of electronic mail communication in order to address this problem. Specifically, the author could add additional redundancy at the physical, data link, network, transport, session, presentation, and application layers as a response to the observed p .

Also, from a computational point of view, the proposed use of two computers to send repeated messages back and forth between each other seems highly inefficient. While the author fails to analyze the communication time, I feel that it would be something on the order of $O(1/p)$. In other words, the better the communication protocol, the worse the runtime. I urge the author to find a better way to estimate p and then conduct all calculations of the expected number of calculations on the server side and then send this number to each participant.

Finally, the technology has dated considerably since the submission of this paper, and so further electronic methods of communication should be analyzed, in order to understand whether the problems outlined in this paper remain until this day. For example, how would the model's two agents communicate through GChat or any similar online chat program?

As a referee for the IEEE Journal on Selected Areas in Communication, I am left to wonder how this paper was sent to me in the first place. While I am always appreciative of new applications for old technologies, I fail to see the benefit for the end-user. For this work to be compelling, I believe that more work needs to be done on the implementation side so that one can test the benefits of electronic communication through the proposed sequence of increasing numbers.

Decision letter by the Taco Bell Journal of Economics, 2010

Leaked by Yuval Salant

15 May, 2010

Dear Ariels:

I am writing regarding your manuscript MS-0002 that was submitted to the Taco Bell Journal of Economics. I have now heard back from two dilettante referees, AR1 and AR2.

Both referees find your claim that "a paper that was not rejected should not be accepted" very compelling. I share their view. I am therefore happy to inform you that I decided to reject your paper. The referees find the rest of the paper very interesting and recommend that you promptly revise the paper according to their suggestions and resubmit it. I encourage you to do so.

What should your revision accomplish?

AR1 indicates in his \ her \ its letter that your results address only the three-state, three-action case. She asks that you extend the results to the canonical two-state, two-action case.

AR2 indicates that your submission mentions neither the word "retirement" nor the term "401K". As such, it is not clear how it is related to economics in general and to investment behavior in particular. I ask that you address this point by developing an application that mentions these words or their anagrams. You should consult with Rubinsteins (forthcoming) for possible directions. I agree with AR2 that such an application will make the paper more accessible to the general reader of our journal.

(Although the reader of our journal retired from military service as a captain, we continue to call him "general reader".)

AR1 and AR2 also ask you to reconcile your claim that you "have never seen a paper in Economics which deserves more than 15 pages (probably even 10)" with several precedents in the literature: The Wealth of Nations, Moby Dick, Rubinstein (1985), and so forth. Either you revise your claim or rewrite those works. Personally, I believe they could all have been compressed to less than 10 pages, probably even 8, probably even 6, probably even 4, probably even 2...

As an aside, I do not understand your claim that your recent work with Salant on choice with frames (2008) could have been summarized in five symbols (A, f) -- I struggled with these five symbols for some time until I gave up. Does 'A' stand for Ariel, or Albuquerque? What are the economic applications of the parenthesis? What is the intuition behind the comma? What does 'f' stand for? I would like you to elaborate more on this example (10-15 pages will do).

Finally, the referees are unanimous in their plea that you consolidate the authorial voices in your paper. I think that's a reasonable request for a single-authored paper. There is just too much inconsistency between the arguments made by AR3 and AR17, whereas AR6 repeats statements already made by AR5. Part of me agrees with the referees.

Once I receive your revised manuscript, I will send it again to the two referees, hoping that neither of them will split into two. If you decide not to address any of their comments, I suspect that you (and AR12 in particular) will upset both referees to the extent that they will recommend against rejecting the paper again. If, on the other hand, you decide to address their comments, or at least send your comments to their address, then again I suspect that the referees will find the paper suitable for publication and hence recommend against rejecting it. Either way, I will be forced to accept the paper unless you tell me specifically you find rejection acceptable.

I am sorry that I will not be able to reject the paper again – we receive more than 7 submissions every year and are able to reject only 87% of them. I hope that the fact that the paper will be accepted in the next round will not discourage you from resubmitting it.

Sincerely,

Ariel Rubinstein

Managing Editor

The Taco Bell Journal of Economics

**Correspondence with Co-authors and Potential
Consulting Clients**

Leaked by Kfir Eliaz and Ran Spiegler

Correspondence with Robert Rosenthal, June 1982 – February 1983

1 June, 1982

Dear Ariel,

I hope this letter finds you well in Jerusalem (the western part). It was nice having you around this side of the Atlantic.

I am sending you the first draft of the short note we talked about while you were here. As you will see, I have managed to put it all into seven pages including the references. Let's wrap this thing up quickly and send it to a journal soon.

Best,

Bob

12 June, 1982

Dear Bob,

Thanks for the draft. I enjoyed my visit very much. I read through what you sent me and added a few things here and there to make the arguments clearer.

You probably heard the good news: the Israeli army finally invaded Lebanon. My friends with military connections are telling me that our troops are on their way to conquer Beirut. It makes me so proud and warm inside, especially in light of the symbolic timing: we are commemorating 15 years to the glorious six-day war.

This is also relevant to our paper. Like I always say, it is important for economic theory to stay in close touch with real policy issues, so I added a few pages that explain how our model can be applied to the Lebanon situation, as well as a few other historical events. Let me know what you think.

Ariel

2 September, 1982

Dear Ariel,

I received your letter with considerable delay, as I was on vacation. If I am not mistaken, the paper is now 30 pages long! And it has all this policy crap in it, apparently inspired by Israel's attack on Lebanon. I suggest we make the following cuts to shorten the paper:

1. I am not sure we need the five-page discussion on how our model can help the IDF win the war on Lebanon, or explain the Cuban missile crisis, the attrition war in the Suez region and the victory of the Likud party in 1977.
2. I don't see why we need three separate cases in the proof of Theorem 1. Similarly, I don't think we need six cases in the proof of Theorem 4. In particular, why do single deviations that take place in period 497 require a special treatment?
3. I'm not sure that the figures you added are really necessary. I counted ten figures, not including Figure 8, which I couldn't decipher: is that a photo of Chuck Norris? Figure 2 is a graphical representation of Table 2. I think it suffices to give one or the other, we don't need both. Also, if we don't break the proof of Theorem 1 into three cases, we won't need Figures 4 and 5.
4. As you remember, I tried to avoid proofs that involve calculus, but you insisted. The problem is that it makes the paper too long. I think we can drastically shorten the proof if

we don't use calculus. Also, there is a typo in the eleventh term on the L.H.S of the first-order condition.

Please find enclosed my revision, which has cut the paper to eleven pages. I really think we don't need more than that.

Bob

11 January, 1983

Dear Robert,

Sorry I didn't respond to your letter earlier. I volunteered to give macroeconomics field lessons to our troops in Beirut, and had little time for research.

Now that I've read your version, I disagree with the changes you made in our paper. It's too short. A really good economics paper needs breadth. No important paper under 20 pages has ever been written. Also, I really do think we need more concrete real-life examples in the introduction. Otherwise, the general reader won't be willing to read our paper. I know that, because he told me. I think we stand a better chance at the JPE this way. But, if you insist, we can remove that discussion.

However, I do think we need the separate cases in both Theorems 1 and 4. The number 497 has a special meaning for me, so I devoted a special proof to it. The graphs are important because we may want to prepare an executive brief.

Sorry about that photo. It accidentally slipped in. I'm a big fan of Chuck. I removed it from the new draft, which I am enclosing. Wait a second, let me check...yes, I took it out. Let me know what you think.

Ariel

14 February, 1983

Dear Ariel,

I read through the revised draft you sent me. I still think the paper is too long and that we don't need that many graphs. I also think we don't need that many cases in the proofs of Theorems 1 and 4. I removed two figures, but kept the separate cases in the proofs, except that 497 thing...I think we're pretty much done and can submit this thing. You mentioned the JPE. I'm trying to think of ways to increase our chances there. Do you still have that Chuck Norris photo?

Best regards,

Bob

E-mail correspondence with an aide to PM Ehud Barak, July 2000

Dear Ariel,

I am not sure if you remember me, but I took your graduate micro theory course in Tel-Aviv (I used to sit near the exit door and got a 60). I am now working as an aide to Ehud Barak and writing to you from Camp David. The negotiations are supposed to begin tomorrow, and today we are running a simulation with the Americans. We have a morning coffee break, and there's free internet in the coffee room. We're supposed to get back any minute now, but Clinton hasn't returned from the ladies' room so I have some time to write.

I remember that in class we studied the alternating-offers bargaining model, and we showed that the first-mover will get a larger share of the pie, but the outcome is good because it converges to the Nash bargaining solution, which maximizes the product of the players' utilities.

Our objective is to convince Yasser that we should follow your procedure, with us going first. Ehud explained to him and to Clinton that Nash won the Nobel prize for showing that his method of resolving disputes is the only one that makes both players better off. Clinton seemed to be disconcerted by this argument because he heard that Nash was crazy. He was also worried about the convexity requirement – I think this has something to do with the Lewinsky affair.

The reason I am writing is that we are kind of stuck now, and we wanted to get your advice. Ehud is concerned that if he suggests Yasser that Israel should make the first offer, Yasser will be suspicious and insist on being the first-mover. On the other hand, Ehud is worried that if he concedes the first-mover advantage to Yasser, Yasser will suspect there's a trick and insist on moving second, and if this is leaked to Mubarak he will get upset and instruct the Palestinian delegation to walk out of the negotiation table.

Ehud was so upset last night that he locked himself in his suite and frantically disassembled wrist watches until 4am.

I tried to calm him down and promised I would seek professional advice from a game theorist. I looked in your paper and your textbook with Osborne, and couldn't find any model that could be applied to this problem. I was hoping that you might have worked out this problem but for some reason haven't bothered to publish your solution. I would appreciate your advice. If it's more convenient for you, you can call my cell phone, but please write me when you intend to call; I would need to answer in the rose garden because there is no reception in the building. I think we could use our delegation's slush fund to pay you for this consulting job, but I'll need to check with Ehud, because they may have saved that money for Nava's manicure.

Thanks in advance,

Gilad Aharon

Shalom Gilad,

Sure I remember you, you're the student who proposed in class to substitute Einstein's equation $E=mc^2$ in the acronym CE and obtain the result that the certainty equivalent of a lottery is proportional to its mass. Thank you for giving me the opportunity to apply my vast professional knowledge at this historic juncture.

Indeed, I have worked out a simple model that captures precisely your problem. My advice is that before the actual negotiations begin, try to find a minor issue for which the question of who moves first could be relevant, and get Ehud to concede the first-mover advantage in that situation. Then, when the negotiations begin, the opponent will

reciprocate and give you the first-mover advantage, and this way Israel will get the larger share of the pie, as my alternative-offers model shows.

(This is of course under the assumption that Israelis and Palestinians are more-or-less equally patient. This assumption is consistent with a recent experiment I ran on inter-temporal experiments with both Israeli and Palestinian subjects. The difference between the calibrated discount factors of the two groups was statistically insignificant. I didn't try to publish this result anywhere because I couldn't afford paying my subjects, as this could have been interpreted by the Israeli authorities as assistance to terrorists.)

Now, the only question is what that minor issue could be. My suggestion is that when Ehud and Yasser enter the negotiation room, Ehud should politely yet firmly let Yasser walk through the door first. This is particularly good because television viewers around the world will observe Ehud's concession.

Usually I charge 20,000\$, but because this is such a historic moment, I'll settle for 15,000. My agent will send you the details of my Swiss bank account. Please wire the money by tomorrow.

Good luck,

Ariel

JDate Columns

Leaked by Ayala Arad and Benjamin Bachi

Using Economic Theory to Solve He/She Problems

You ask, Ariel answers

Excerpts from Ariel's answers to JDate subscribers' questions

Reader 1: I have just discovered, to my astonishment, that my new girlfriend would like to be intimate with our cleaning man. When I asked her why, she said she wanted to experiment. I don't know what to do. I disapprove of her experiments. What is your advice?

Ariel: You are not in a position to judge your girlfriend's experiments, at least not yet. Let me quote from my paper, "A theorist's view of experiments": "to criticize something, you need to know it intimately; the best way to know something intimately is to do it yourself. Once you have done that, you do not want to criticize it anymore..."

Reader 2: I took an economics course of yours at the Hebrew University many years ago. You used to moonlight as a he/she consultant even then. One time I asked you when would be a good time to make a move on some boy who studied with me. You gave me the following advice, based on a recent paper of yours on bargaining: "If you are patient, you will get him, without waiting at all". I was patient, but meanwhile he got married and had two children. Recently I heard that he got separated from his wife. Is it my time already? Should I propose?

Ariel: You should sample. Try once to ask him to marry you. Try once not to propose. Then check which of the two options leads to a better outcome and choose it! If that still doesn't work, check my paper "Searching for a boyfriend in a foreign town."

Reader 3: In the last five years I have been working as a freelance gigolo to fund my B.A. in economics, and made a significant amount of money. However, I feel that the price scheme I use is not sophisticated enough and that I could make even more money. I would be happy to hear your advice.

Ariel: First of all, I regret the choices you have made in your life: a B.A. in economics? And now to your question – I think you’ve been brainwashed by your economics teachers. Why maximize profits? Why not maximize the number of clients, for example?

Reader 4: I am 24 and engaged to a wonderful man. Recently I fell in love with a woman and I find it hard to cut this affair. Obviously, my life will change significantly if I decide to leave my fiancé. I am attaching photos and additional details. Can you please help me choose between the two?

Ariel: Continuous reminders of the he/she issue simply divert the readers' attention. Hence, I will use only male pronouns in my response. I fully understand your dilemma. From your story, it sounds that he is a better friend, though he is a better lover. While he would be a better provider, he will have much more time for you. My intuition is that you will be happier with him. Choose him!!!

Reader 5: I have been dating this boy for the past six months. He is really a good catch: smart, good looking, caring and loving, and makes me laugh. There's just one problem: things end too quickly when we go to bed. Fifteen minutes and it's all over. What should I do?

Ariel: I am sorry, but this time I am unable to help. I have never seen any girl who deserves more than 15 minutes (probably not even 10).