

## **Economics Nobel Prize winners see War as a Game**

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Thomas Schelling and Robert Aumann, the Nobel Prize winners who see war as a game

The two winners of the 2005 Nobel Economics Prize, Thomas C. Schelling and Robert J. Aumann, received the award for their contribution to the "Game Theory". In fact, Thomas C. Schelling was the theoretician of the military escalation during the Viêt-Nam war and he currently justifies the US decision not to sign the Kyoto Protocol and to ignore the UN Millennium Objectives. Robert J. Aumann is an esoteric Talmudist who has theorized about the use of collective punishment to oppress Palestinians.



The 2005 Nobel Economics Prize was granted by the Swedish Bank, on October 10th, to Robert J. Aumann and Thomas C. Schelling for their work on "Game Theory". The jury noted in their communiqué that these works led to a rational knowledge of human behaviour using a model that can be applied to political and economic negotiations, thus contributing to a rapprochement between economic sciences and all the other sciences.

Probably considering that the Bank of Sweden enjoys the infallibility of the Pope, the media echoed the news and applauded the winners without worrying about the exact nature of their work and its use or the reasons that may have led to the jury's choice.

Robert J. Aumann, theoretician of military oppression

But let us leave aside the somewhat folkloric case of cabbalistic mathematician Robert J. Aumann, whose main contribution to humanity seems to have been the application of the Game Theory to the reading of Tamud, particularly for the resolution of a cruel dilemma about the distribution of the inheritance of a dead husband among three widows. The

laureate also became known for his esoteric research about the hidden codes of the Torah.

Robert J. Aumann also theorized about the application of the principle of "forceful cooperation" due to the "fear of punishment" in the treatment given to the Palestinians, a method that, by establishing collective punishment, violates international conventions. Aumann is a member of an extremist organization, Professors for a Strong Israel, which he himself helped create to sabotage the Oslo accords. Robert J. Aumann, who defends the Great Israel upon a Jewish racial foundation, opposes the creation of a Palestinian state and currently is part of a campaign against Ariel Sharon and in favour of the annexation of the Gaza Strip.

But let us focus on the exemplary case of the other laureate.

Thomas C. Schelling, theoretician of the military escalation

Born in 1921, Thomas C. Schelling studied economics at the University of Berkeley during World War II. Later, in 1945, he entered the Federal Budget Bureau while he was preparing his doctorate in Harvard. In 1948 he worked in Paris with the US ambassador Averel Harriman in the implementation of the Marshall Plan.

The Harriman family had become one of the richest ones in the United States after the construction of the Pacific railroad. During the 1930s, Averell had given his financial support in Germany to Chancellor Hitler, whose thesis in favour of eugenics he shared as much as his anticommunist obsession. However, in 1941, Averell Harriman changed sides after he considered that the Nazi imperialism was a threat to Anglo-Saxon sea dominance. Then, Harriman's businesses were run by his proxy Prescott Bush (George W. Bush's grandfather) and his defender in the legal field was the cabinet of Allen Dulles (future CIA chief).

The Marshall Plan was a project to reconstruct Europe, which objective was to secure the US investments through the creation of an internal market and to influence political processes in order to prevent the communists from accessing power through the democratic way.

When President Truman appointed Harriman Secretary of Trade, Schelling followed him to Washington where he was integrated to the presidential team in charge of international trade affairs. He lost his post due to the electoral defeat of the Democrats and for several years he taught at the University of Yale.

In 1958, he was recruited by the Rand Corporation, the think-tank (research centre for propaganda and spreading of ideas, mainly of a political nature) out of which President Eisenhower would later devise the "industrial and military complex". That institution, until then dedicated to the study of new weapons, began to work on a new strategic thinking with intellectuals such as Herman Khan and Albert Wohlstetter (Richard Perle's father-in-law). There, Thomas C. Schelling soon met mathematician Robert J. Aumann, with whom he would later share the Nobel Prize.

Immediately, Schelling was involved in negotiations about disarmament that were taking place in Geneva. They took place under the direction of Paul Nitze, the master of the Cold War, whose assistant was Albert Wohlstetter. They both thought the atomic bomb was not dissuasive enough if the Soviet Union had the ability to launch a flash attack that could destroy the US's response capacity. Thus, they believed it was necessary to develop an arsenal, spread it across the world and to negotiate with the Soviets the dismantling of their

fastest missiles and their closest bases. The Rand Corporation tried to rationalize the negotiation relying on the Game Theory created by mathematician John von Neuman (who participated in the creation of the US atomic bomb) and economist Oskar Morgenstern. Schelling began studying the application of this theory to that case in particular and wrote a book on the topic: *The Strategy of Conflict* [1]. According to him, dissuasion should not be a game in which every player is afraid of losing the same as his opponent but a mixture of competition and tacit cooperation. In the same way that a driver tries to leave another car driver behind without taking him off the road, in the Cold War it is possible to try to win in peripheral operation theatres without starting the nuclear Apocalypses. For the benefit of those in the military industry, this theory leads to the adoption of a strategy of gradual response instead of leading to the destruction of all the rival's big cities, that is, to the conception of a variety of weapons besides the large number of powerful bombs already in store.

However, at that time, the idea that prevailed in Washington was the "massive response". To prove the effectiveness of his theory, Thomas C. Schelling resorted to his friend John McNaughton, main advisor to Defense Secretary Robert McNamara. In September 1961, a simulation game was organized in Camp Davis in which two teams, the Blues and the Reds, faced each other. Some high-ranking officials such as Henry Kissinger and McGeorge Bundy participated.

Anyway, in 1964, national security advisor McGeorge Bundy, worried about the possibility that the US officials could repeat in Viet Nam the same errors that General Douglas MacArthur had committed in North Korea (he tried to "vitrify" the country to get rid of the communists once and for all) he asked John McNaughton and Thomas C. Schelling to create a gradual strategy, that is, a scenario that included provocations and that would allow for an escalation that would force the Vietnamese to cede. They both recommended the use of bombing campaigns of increasing duration. The first, known under operational code Rolling Thunder, took place between March 2 and 24, 1965. As it did not have any effects upon the determination of the Vietnamese people, it was followed by others. Six million tons of bombs later, Thomas C. Schelling's game theory had left two million people dead. [2]. Robert McNamara quit is post at the Defense Department to devote himself to the presidency of the World Bank while Averell Harriman was called to strengthen the team negotiating peace.



After that disaster, Thomas C. Schelling came back to teach in Harvard although he continued to work as an advisor for the CIA. It was then that he began to apply the Game Theory to international trade negotiations and published *Micromotives and Macrobehavior* (1978), a work that was followed by *Choice and Consequences* (1984).

In 1990, after he retired as a university professor, Thomas C. Schelling joined the Albert Einstein Institution, a research entity turned into a CIA affiliate to plan the overthrow of regimes through "non violent" methods. [3]. There, he participated in the organization of

pseudo-revolutions in the states of the zone formerly under Soviet influence. The most recent ones are those of Georgia and Ukraine.

Thomas C. Schelling came into scene again in June 2002, when he published an article in the *Foreign Affairs* magazine of the Council of Foreign Relations, with large repercussion and in which he justified George W. Bush's decision not to ratify the Kyoto Protocol. [4]. According to him, the relation between the emission of gases that cause the greenhouse effect and global warming is not clearly proven and no state is seriously carrying out big efforts to reduce it. The more important thing here is that the mechanism of the Kyoto Protocol is based on the acceptance of generous principles made by Nobel Prize laureates and not on a system of mutual concessions. The professor later explains that there are only three successful experiences of multinational economic commitment: the Marshall Plan, NATO and the World Trade Organization. In all cases, the United States first established the rules and later set up a system of regulations through which each state justifies itself before the others and watches the others, so, the United States imposes a rule and does not have to play a police role.

During the spring of 2003, Thomas C. Schelling was one of eight experts that Bjorn Lomborg called to Copenhagen to assess the objectives of the millennium, that is, the programs established by the United Nations, during a meeting promoted by *The Economist* and financed by the Sasakawa Foundation [5]. The final document, known as the Consensus of Copenhagen, relegates the reduction of gases that cause the greenhouse effect to a 17th position and focuses on more lucrative objectives such as (1) the production of medicines against HIV/Aids with an exploitation license; (2) the spread of GMOs to fight malnutrition and (3) the lifting of customs barriers.

While the work of Thomas C. Schelling has proven to be inoperative, and thus scientifically wrong, it has made a significant contribution to our time as it has showed that US authorities use the same tools to deal with war and international trade. As to his former colleague and co-winner of the Nobel Prize, Robert J. Aumann, after dreaming of biblical numerology transformed the Israeli crimes into mathematical formulas to show how the Israeli settlers could oppress the Palestinians. It is very unlikely that, by granting them this honour, the Bank of Sweden has honoured the Nobel institution.

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