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Game theory and history of economic thought:  
Walras's correspondence as a test of the effectiveness of cheap talk in  
achieving efficient outcomes.

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**Abstract**

This paper is devoted to a study of Walras's correspondence as a test of the effectiveness of cheap talk in achieving efficient outcomes. First, through a survey of two famous game-theoretic analyses of historical facts, we show that letters matter. Second, building on these studies, we bring game theory, experimental economics and history of economic thought together by focusing on Walras's correspondence with British economists. This correspondence is considered as an economic setting in which renowned economists were repeatedly and randomly paired to play a battle of the sexes game. Results for all letters pooled over all periods reveal the existence of potential gains from coordination in a battle of the sexes game without communication. Third, we use Walras's correspondence with Cournot to shed a new light on the role of communication in overcoming these coordination problems. Through the study of these letters, we show that, in a battle of the sexes game preceded by one round of two-way communication, sequential announcements are more effective than simultaneous announcements

**Key-words:** Cournot, Walras, Coordination, Battle of the sexes, Cheap talk.

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