CHOICE AND REVEALED PREFERENCE*

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1. It is impossible to go through the literature of modern contributions to the ordinalist theory of consumer's behavior without noticing that two approaches which seem not only different, but almost opposite, have evolved. The first is the Theory of Choice, a refinement of the Fisher-Pareto indifference-preference construction. Its modern foundations, however, were laid down by Professor Frisch in his 1926 paper "*Sur un problème d'économie pure.*"[1] In the Fisher-Pareto theory, choice merely reflects ophelimity; therefore, ophelimity is the primary and choice the secondary concept.[2] With Frisch, choice becomes the basic element of the theory of the consumer; the indifference curves are a derived concept introduced to facilitate the rationalization of choice.[3] The second approach is that of Professor Samuelson, for which he has chosen the term of Revealed Preference Theory. Its pivot is one of the most interesting contributions to the general theory of the consumer, even though it was Samuelson's first *oeuvre de jeunesse.*[4] Recently, he told us that his inspiration had its roots in a discussion with Professor Haberler and in Professor Leontief's analysis of indifference curves.[5]

[1] *Norsk Matematisk Forening Skrifter*, Serie I, No. 16, pp. 1–40. I am glad to point out here this important contribution of Frisch which, because it came to my attention only after my paper on "The Pure Theory of Consumer's Behavior" appeared in *Quarterly Journal of Economics*, L (1936), pp. 545–593, was not mentioned there.

[2] I. Fisher, *Mathematical Investigations in the Theory of Value and Prices*, (1925 Reprint), p. 12, §2.

V. Pareto, *Manuel d'économie politique*, ch. III, para. 55; App., para. 4, 8.

[3] Frisch, *op. cit.*, p. 5 *et passim.*

[4] "A Note on the Pure Theory of Consumer's Behavior," *Economica*, V (1938), pp. 61–71, 353–4.

[5] P. Samuelson, "The Problem of Integrability in Utility," *Economica*, XVII (1950), pp. 355–385. Very likely, he had in mind Leontief's paper, "Composite Commodities and the Problem of Index Numbers," *Econometrica*, IV (1936), pp. 39–59, which, I believe, provides the first discussion of how revealing index numbers are for the preference field of the consumer.