

HOOVER INSTITUTION

ON WAR, REVOLUTION AND PEACE



Stanford, California 94305-6010

September 30, 1991

copy for Peter Walker.

Dr. Peter C. Fishburn
AT&T Bell Laboratories
Post Office Box 636
Murray Hill, N.J. 07974-0636

Dear Peter:

Serendipity never rests. Not long after I replied to you on August 23 that I could not help you very much in your search for information about the origins of independence axioms, I came across in a wholly different connection an ancient folder of mine that contained material on choices under uncertainty. It contained several batches of material. The one that I believe may be of greatest interest to you and of which I am sending you a set of xeroxed copies has letters primarily between Paul Samuelson and Jimmie Savage running from May 19, 1950 to August 16, 1950. A second batch has to do with an article by Bill Baumol that apparently appeared in the JPE some time in 1951 presumably. I doubt very much that that is of any great interest to you since the letters about the article do not discuss at all the problem of axiomatization. A third batch apparently reflects an episode at the end of November 1950 during three months when I was in France as an adviser to the then Marshall Plan agency. These were presumably presented at a workshop of Maurice Allais' and consist of a paper by Allais himself in French entitled "Summary notes on the supposed possibility of determining absolute satisfaction by considering choices involving risk." A second paper is a summary of a paper by M. Massé on the uncertainties of the future in economic mechanisms, and a third is a French outline of the theory of choice with uncertain alternatives by me. However, I am sure I did not write the French. I am sure what I did was to give Maurice an English-language summary and he translated it into French. I doubt that those are of very great interest to you. However, if they are, we shall be glad to send you xeroxed copies of them.

A fourth item is a paper apparently from Paul Samuelson entitled "Probability and the Attempts to Measure Utility" which looks like a draft. It is heliotyped with many handwritten entries. I have a note written on it to Jimmie, to whom I passed it on, saying: "This just came from Paul Samuelson," but I do not have a date for it. It does discuss the issues you are interested in, but my guess is that this has been published. However, if you are interested in seeing it, again we will be glad to make it available.

Next are letters between Jimmie and myself and Bill Baumol having to do

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with the article on "The Expected Utility Hypothesis and the Measurability of Utility" that Jimmie and I later published. So far as I can see, the Baumol comments do not refer particularly to the axiomatization question.

Finally, I have a mimeographed copy of an unclassified report of the Office of Naval Research in London entitled "Preference Patterns in the Face of Uncertainty," issued by the American Embassy in London, which is essentially a summary of the international colloquium on the foundations and applications of the theory of risk that was held in May 1952 in Paris under the sponsorship of the Centre National de la Recherche Scientifique. Again, I suspect you have had access to the published proceedings of that conference so I doubt that that would be of much use to you, but it might be. It is a rather intelligent and technically sophisticated summary of the discussions that went on. Here again, if you are interested in seeing it, let me know.

I hope the material I am sending will be of some use to you.

Sincerely yours,



Milton Friedman
Senior Research Fellow

F:v
Encs.