

The Foundations of Paul Samuelson's Revealed Preference Theory

A study by the method of rational reconstruction

Stanley Wong



Contents

	Foreword	ix
	New preface and acknowledgments	xiv
	Preface from the original edition	xxvii
i	Introduction	i
2	Understanding and criticism	
	2.1 Introduction	9
	2.2 The method of rational reconstruction	11
	2.3 Theory construction as problem-solving	20
	2.4 Criticism of the method of rational reconstruction	21
	2.5 A solution to the problem of criticism	22
3	The Hicks and Allen Programme	
	3.1 Introduction	25
	3.2 The problem-situation of the Hicks-Allen theory	26
	3.3 The Hicks-Allen solution	30
	3.4 A problem-shift in the Hicks-Allen Programme	33
	3.5 On the law of diminishing marginal rate of substitution	36
	3.6 On the law of demand in the Hicks-Allen theory	41
4	A new theory	
	4.1 The problem-situation of Samuelson (1938a)	46
	4.2 The Samuelson solution	51
	4.3 On the justification of the Samuelson Theory	55
	4.4 The Samuelson Theory as an explanation	61
	· · · · · · · · · · · · · · · · · · ·	vii

Contents

5	A method of revealing preferences	
	5.1 The problem-situation of Samuelson (1948)	67
	5.2 Definition of indifference in terms of revealed	
	preference	74
	5.3 Operationalism, indifference and revealed preference	79
6	The observational equivalent of ordinal utility theory	
	6.1 The problem-situation of Samuelson (1950b)	100
	6.2 The Houthakker solution	109
	6.3 A critique of the methodology of Paul Samuelson	112
7	Epilogue	
	7.1 Rational reconstruction self-applied	122
	7.2 Concluding remarks	127
	Notes	129
	Bibliography	138
	Name index	145
	Subject index	147