

BAYES' THEOREM

An Expository Presentation*

By

EDWARD C. MOLINA

American Telephone and Telegraph Company

Bayes' theorem made its appearance as the ninth proposition in an essay which occupies pages 370 to 418 of the *Philosophical Transactions*, Vol. 53, for 1763. An introductory letter written by Richard Price, "Theologian, Statistician, Actuary and Political Writer,"¹ begins thus:

"I now send you an essay which I have found amongst the papers of our deceased friend, Mr. Bayes, and which, in my opinion, has great merit, and well deserves to be preserved."

A few lines further on Price says:

"In an introduction which he has writ to this Essay, he says, that his design at first in thinking on the subject of it was, to find out a method by which we might judge concerning the probability that an event has to happen, in given circumstances, upon supposition that we know

*Read before the American Statistical Association during the meeting of the American Association for the Advancement of Science in Cleveland, Ohio, December, 1930.

¹ These titles are associated with the name of Price in the frontispiece portrait of him bound with the December, 1928, issue of *Biometrika*.