

## CHAPTER III.

### OF UTILITY AND DISUTILITY.

All that man can do is to reproduce existing materials under another form which may give them an utility they did not before possess, or merely enlarge one they may have before presented. So that, in fact, there is a creation, not of matter, but of utility.

*J. B. Say.*

In order to decide among the conflicting claims of the governmentalsists it is necessary for us first to pass upon the merits and demerits of the competitive system of production. This system is an essential feature of the established order and, as a system, it would survive the changes which would follow the adoption of bisocialism. Upon the other hand, the advent of omnisocialism necessarily involves the destruction, root and branch, of the competitive system.

This attack of omnisocialism upon the competitive system as a whole is the distinctive characteristic of this school of governmentalsists. If their contention in this regard is sustained, they must necessarily prevail not only over the standard economists, but over the bisocialists as well; for the preservation of commerce—the preservation of the freedom of the individual to buy and sell—is more jealously guarded and defended by the bisocialist than by the upholder of the established order. On the other hand, if the arraignment of the competitive system, as a system, can not be maintained, omnisocialism is without a *raison*

*d'etre*. It must prevail absolutely or it must fall completely upon the determination in the minds of the people of this one issue.

Short of the adoption of omnisocialism as a system, the only fundamental contest among governmentalists is between the established order and bisocialism. In advance of the final decision of the people as to omnisocialism must come the verdict of Economic Science concerning the competitive system.

The salient feature of the competitive system is the market. It is here that competition is manifested, and from the market the good or evil of the competitive system must emerge. Within the market (using the word in its widest sense) the most salient features are those of value and cost. In this chapter and in the chapters next following, therefore, we shall investigate with great care and in some detail those economic phenomena which have to do with the processes of the market and with the origin and essential features of value and cost.

The complexities of modern industry and exchange, when reduced to their simplest forms, are found to rest upon those simple laws of nature which govern the efforts of the individual man to satisfy his desires. In order correctly to apprehend those complexities it is necessary for us to recognize certain attributes common to all men, and certain natural laws which tend to govern the individual man in his attempts to satisfy his desires.

A **Desire** is the conscious recognition of a want or a need.

Man is a being possessed of unlimited actual or potential

desires; this all experience proves. Many writers have dwelt upon this fact and have pointed out that while all other animals have the same wants from age to age, man's wants increase with every advance of civilization. The beaver, for instance, builds for himself a rude hut and constructs a dam for its protection. Compared with the huts built by primitive man, those of the beaver show the exercise of sagacity in location and construction greater, it may be, than that of man. But the wants of the beaver are fixed and unchangeable. No beaver ever was born that evolved a desire for a better or different habitation than the house provided by beaver Adam; no beaver ever evolved a desire for better or different food than that commonly desired by his kind. This trait the beaver possesses in common with all other animals except man.

Although certain domestic animals individually acquire tastes when pampered and fed by man, the lower animals, as a class and of their own volition, never progress either in the kind or number of their wants, or in the means of satisfying them. On the other hand the physical desires of man, both in kind and number, increase indefinitely. Although he may for generations inhabit rude huts, the power is ever within him

"To hew the shaft and lay the architrave,  
And spread the roof above them"

with more perfect design and ever increasing execution until he dwells in palaces.

As with shelter, so with food. Man's appetite changes insomuch that what he once prized he now abhors, and things which he once looked upon as nauseous or poisonous

he now relishes as delicacies. This is not all. With man the quantity of food desired is limited; but its quality has no assignable limit. When he has satisfied one desire, he has within him a thousand others waiting only for a circumstance to call them forth. His physical wants, actual and potential, are well nigh infinite in number, and the means of satisfying them increase from year to year and age to age. We have only to consider the myriads of articles of commerce and the ever increasing facility with which they are made and transported to realize that even with reference to the physical wants man, and man alone, is voluntarily and persistently a progressive animal.

Superimposed upon the desire to eat, to drink, and to dress, there is in man the desire to know; like the desires of his physical nature, his intellectual desires are unlimited in number, and manifest themselves progressively as the means of satisfying them increase. At first his means of observation are limited; his opportunities to know are meager. Gradually he learns to put facts into such relations that other facts are derived from them and impressed upon his consciousness in addition to those perceived directly by the senses. Finally, with more favorable environment and with increased knowledge, he seeks to solve the problems of matter, of force, of body, of soul, of space, of time, of eternity. It would almost seem that, with the fullest freedom of inquiry and the widest range of opportunity, none of these things is beyond his powers. Yet not less true and important is the fact that the means for satisfying all these desires are finite and are not commensurate with the desires themselves.

Man's ability to satisfy his desires is limited by his own powers of body and mind. Nature has furnished him with powers of action and of endurance, but upon both of these is placed a limit beyond which he can not go. Nature has also furnished him a field upon which to exert his powers, but the possibilities of this field are finite. Although this fact does not justify that distorted and exaggerated doctrine based upon it, known as Malthusianism, yet it is true that it is man's attempt to satisfy his unlimited desires with his limited powers and environment that furnishes a basis for Economic Science. This science, properly understood, will enable man to develop his powers and to put himself into the best possible relations with his physical and social environments, and so reach the highest possible satisfaction of desire.

The expenditure of effort in the satisfaction of desire is not necessarily and always irksome to man. Up to a certain point exertion may give pleasure, while beyond such point it may become more and more irksome. Again, up to a certain point a desire may be satisfied by the spontaneous bounty of nature without the necessity of any exertion worthy of serious consideration; while beyond that point an exertion irksome in its nature may be required. Thus, in summer a man may partially subsist upon wild fruits with but a slight disutility of gathering. To this disutility he is practically indifferent. But if he travels far to secure such fruits, or performs the toil necessary to preserve and store them for future use, the disutility affects him to an appreciable degree. He recognizes the irksomeness of the necessary travel or toil to the extent

that he is put upon choice whether or not he will make the necessary exertion.

It is not necessary for us fully to analyze the different powers of man, nor to distinguish between his physical and mental powers. All powers of man which are irksomely exerted for the satisfaction of desire constitute what we shall call labor-power.

**Labor-Power** is the physical or mental power of man irksomely exerted for the satisfaction of desire.

This power is exerted in two ways—in the production of immediate and direct satisfactions without any tangible result, as in the case of the services of all public officers, public speakers, opera singers, actors, teachers, preachers, lawyers, body servants, waiters, ushers, and many others; and in the production with tangible result of future and indirect satisfactions, as in the case of the labor of all artisans, mechanics, farmers—in short, of all who exert their powers upon their physical environment for the production of material forms which are afterwards consumed in the satisfaction of desire.

Labor-power exerted in the first way is called Service; in the second, Labor.

When service is rendered for the benefit of the public and at its expense, it is public service; when rendered for the benefit of private persons and at their expense, it is private service. The question of public and private service belongs to our inquiry, but service does not constitute the primary mode of exerting the powers of man for the satisfaction of desire. Primarily, man satisfies

his desires through the exertion of labor-power upon his physical environment.

Although the mechanism of modern industry may seem to be very complex and its methods extremely intricate, yet, at the bottom, the mechanical problems are exceedingly simple. The exertion of labor-power upon external objects can produce changes of two kinds only; it may change the form of the objects; it may change their position; or it may change both. If any such change creates or increases in such material substances a fitness to administer to human wants, or, what is the same thing, to satisfy human desires, then such substances are brought within the field of our inquiry; otherwise, not.

The exertion of labor-power, therefore, may bring about such a change of the form or position of a part of the physical environment as to fit it to satisfy or better to satisfy a human desire. This fitness to satisfy desire is called utility, and the material substance to which this fitness is given by labor-power may be called a labor-form.

**Utility** is fitness to satisfy desire.

An object in its natural state may possess utility, and this natural utility may be retained even after a new and distinctive utility has been given to the object by labor-power. Thus, the wood of an oak tree has natural utility for the purposes of fuel; and this utility is retained after the wood has been converted into chairs or other manufactured articles. But the utility of the wood as fuel is no longer the distinctive utility. The present distinctive utility is that of the manufactured article. In any case in which the utility added by labor-power is distinguish-

able it is always easy to determine whether the present distinctive utility of an object is natural, or whether it is the result of labor-power. In those cases where the added utility is so slight as not to be readily distinguishable the change has no economic significance.

A **Labor-Form** is any material substance, great or small, so circumstanced that its present distinctive utility is the result of labor-power.

The necessary expenditure of effort beyond a point soon reached is irksome to man, and produces immediate fatigue as well as immediate or ultimate enjoyment. Labor-power has its irksomeness as well as its utility, the former canceling or neutralizing the latter to a certain extent. Within certain limits, which we shall hereafter discover and define, both irksomeness and utility are capable of measurement. Not only that, but they may be measured by the same labor-form used as a unit, and therefore the one may be directly compared with the other. Irksomeness and utility are not correlatives, however, but opposites. In comparing them the one is set against the other. The one is negative, the other positive.

It is true that after a thing has once been attained the fact that it required an effort to secure it sometimes gives added zest to its enjoyment. But this fact does not convert irksomeness into utility; nor is it the rule that the more irksomeness the more utility; nor do these exceptional cases affect the market as a whole. In anticipation of the market men who desire to sell weigh the irksomeness of production against the utility of market price, and unless the comparison is favorable to utility they do not,



in normal conditions, enter the market at all; and men who desire to buy weigh the irksomeness which has attended the attainment of the price against the utility of the thing to be purchased, and act accordingly. Each man seeks to satisfy his desires with the least irksomeness, restraint or hindrance.

If all desires could be satisfied without the expenditure of effort and without any restraint or hindrance, all utility would be unalloyed. But to the extent that irksome effort is required, directly or indirectly, in the satisfaction of desire, and to the extent that enjoyment is restrained or hindered, just to that extent is utility alloyed and thereby canceled. It is immaterial, in this view, whether the irksomeness, restraint or hindrance precedes the enjoyment or is concurrent therewith. Taking into consideration the entire period covered by both acquisition and enjoyment, any irksomeness, restraint, or hindrance which attends the attainment, or diminishes the enjoyment of utility, negatives or alloys such utility and constitutes what we shall call disutility.

**Disutility** is any irksomeness, restraint, or hindrance, however caused, which attends the attainment or otherwise alloys the enjoyment of utility.

A man produces a labor-form, for instance a coat, and it has for him a certain amount of utility. A certain degree of disutility attends its production, however, so that only a part of its utility gives to him unalloyed satisfaction of desire. After he has completed the coat any tax upon it or restriction upon its transportation, sale, or use

practically increases the disutility of its acquisition and, to that extent, alloys the enjoyment of its utility.

The practical problem of the individual is to obtain a maximum of utility with a minimum of disutility. In doing so he must compare and measure various utilities and disutilities.

Two things may be compared when it can be said of them either that they are equal, or that one is greater than the other. Measurement is a step beyond mere comparison. In order to measure a thing *three* things are necessary; a point from which to measure, a point to which to measure, and a unit of measurement. It is our present purpose to consider those conditions under which various utilities and disutilities may be compared and measured.

First, then, let us establish a common point of view for the purposes of comparison. Up to a certain point, as we have seen, utility may be spontaneous or practically so, and in all cases of productive industry nature spontaneously does a part by furnishing the raw materials. But at the point where irksomeness begins spontaneity ends. For convenience we shall call the point where spontaneity begins the point of spontaneity, and the point where disutility begins the point of disutility.

The **Point of Spontaneity** is the point where the spontaneity of nature begins.

The **Point of Disutility** is the point where the spontaneity of nature ends and the disutility of acquisition begins.

Man does not care either to compare or to measure utilities which are spontaneous. But as soon as irksomeness

emerges his interest is aroused, and his comparisons begin. The point of disutility becomes the point from which he compares all utilities and disutilities. It is the economic starting point.

Economics does not deal with spontaneities. It is only when the procuring of utilities is onerous that man puts any estimate upon them. The first distinction, therefore, which we must make with reference to utilities is to separate those which do not require the exertion of labor-power for their acquisition and enjoyment from those which do require such exertion. This separation is based upon the distinction between spontaneous and onerous utility.

**Spontaneous Utility** is utility which does not require the exertion of labor-power for its acquisition and enjoyment.

**Onerous Utility** is utility which requires the exertion of labor-power for its acquisition and enjoyment.

Onerous utility begins at the point of disutility. Disutility begins at the same point. They extend upward together, the disutility neutralizing the utility up to a certain point at which the disutility ceases and the utility alone extends indefinitely upwards. To illustrate: A man exerts a certain amount of labor-power in making a pair of shoes. Disutility begins with the labor. A new utility also begins with the labor, and each successive moment adds to the distinctive utility which culminates in a pair of shoes. When he has cut out only the soles there is distinctive utility accompanied by a perceptible disutility. The disutility ends with the completion of the shoes, while the utility then becomes complete and persists until the shoes are worn out.

The point at which the disutility ends and the positive utility of the shoes begins we shall call the point of positive utility. It marks the point of separation between disutility—the negative of utility—and positive utility. It is the economic zero point.

The **Point of Positive Utility** is the point where the disutility of acquisition ends and positive utility begins.

We must now discover a unit of measurement for both utility and disutility. Every measuring unit must be of the same nature as the thing measured. Utility can be measured only by a standard of utility, and disutility by a standard of disutility. But since every labor-form is the concrete expression of both utility and disutility, it is possible for the same labor-form to furnish a unit, or standard, for the common measurement of both of these intangible qualities. For such a labor-form, therefore, we shall seek.