CHAPTER III

THEORY OF UTILITY

Definition of Terms

Pleasure and pain are undoubtedly the ultimate objects of the Calculus of Economics. To satisfy our wants to the utmost with the least effort—to procure the greatest amount of what is desirable at the expense of the least that is undesirable—in other words, to maximise pleasure, is the problem of Economics. But it is convenient to transfer our attention as soon as possible to the physical objects or actions which are the source to us of pleasures and pains. A very large part of the labour of any community is spent upon the production of the ordinary necessaries and conveniences of life, such as food, clothing, buildings, utensils, furniture, ornaments, etc.; and the aggregate of these things, therefore, is the immediate object of our attention.

It is desirable to introduce at once, and to define, some terms which facilitate the expression of the Principles of Economics. By a commodity we shall
understand any object, substance, action, or service, which can afford pleasure or ward off pain. The name was originally abstract, and denoted the quality of anything by which it was capable of serving man. Having acquired, by a common process of confusion, a concrete signification, it will be well to retain the word entirely for that signification, and employ the term utility to denote the abstract quality whereby an object serves our purposes, and becomes entitled to rank as a commodity. Whatever can produce pleasure or prevent pain may possess utility. J.-B. Say has correctly and briefly defined utility as “la faculté qu’ont les choses de pouvoir servir à l’homme, de quelque manière que ce soit.” The food which prevents the pangs of hunger, the clothes which fend off the cold of winter, possess incontestable utility; but we must beware of restricting the meaning of the word by any moral considerations. Anything which an individual is found to desire and to labour for must be assumed to possess for him utility. In the science of Economics we treat men not as they ought to be, but as they are. Bentham, in establishing the foundations of Moral Science in his great Introduction to the Principles of Morals and Legislation (page 3), thus comprehensively defines the term in question: “By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness (all this, in the present case, comes to the same thing), or (what comes again to the same thing) to prevent the happening of mis-