

our wants and desires are many and various, and as one satisfaction limits another, we leave off in the satisfaction of any want at a margin far short of satiation. This is purely a physiological and psychological phenomenon, not an economic law.

Law of Diminishing Utility.—Satisfactions being dependent on Goods, we easily reflect the satisfaction on to the goods, and use the relative word Utility as if it were a quality of goods. Transferring, by the same process, the weakening satisfactions to goods successively presented to a want (or to similar goods in our possession), we get a statement of a fundamental tendency of human nature, the Law of Diminishing Utility; namely, that the additional utility which a person attaches to a given increase of his stock of anything diminishes as the stock increases. This is purely an Economic Law; for, physically considered, the goods themselves retain their material content unchanged, and are not in the abstract less capable of satisfying want, *if there be want*. Thus is explained Jevons' "variation of Utility, depending on the quantity of commodity in our possession," which, in developed exchange, gives us the law that Demand, *ceteris paribus*, decreases as Supply increases, and *vice versa*.

A Caveat.—The above analysis corresponds with, and would be recognised by, current ways of thinking and speaking; and, since Jevons, it seems to be accepted by economists. But it may be granted that Utility might be, and has been, defined differently—as the potentiality of satisfying human want; in which case we might speak of Intrinsic Utility. Here Utility would not rise and fall, but be measured by the properties useful to man which things contain; it would correspond, then, with certain fixed physical elements. But such nomenclature leads us into the same difficulties as "intrinsic value" does; and we should in any case require another word to designate