

## THE DESIRE FOR CAPITAL

1. **Wealth and Capital.**—We have seen that part of man's progress in material comfort has been due to the invention and use of certain implements to assist him in the creation of wealth. Instruments of this kind—tools and machines—are of so great importance in our modern life as to demand extended consideration. Any piece of wealth which is used to assist man in producing more wealth is called "capital." This definition evidently includes land, and it would seem that land is the most important of all kinds of capital. It has been customary, however, in the discussions of economics, to differentiate between land and other items of wealth used for productive purposes, and to define capital as wealth other than land used in production. This distinction is not particularly significant under modern conditions, but it should be recognized that the word "capital" is frequently used in this restricted sense.

The development of capital characterizes the industrial stage of social evolution. So important is it at the present time that by far the greater portion of existing wealth consists of capital.

2. **Consumable Goods.**—The distinction between capital and other forms of wealth does not lie in the nature of the object itself, but in the purpose for which it is used or intended. Wealth which is designed directly to gratify human desires is given the name of "consumable goods," while that used to produce consumable