

# Capital - A Great Tool

Capital – the enigma of the Capitalists world. The subject of worship by corporations, curiosity by workers and hatred by the socialists and a complete misunderstanding by all of them. Some say it is “assets” without telling us what “assets” are or mean. Some say it is wealth and again they don’t tell us what constitutes “wealth.” Some say property, some say it is ability and knowledge, some say money. You could be forgiven if you held thoughts of confusion... Pick up a thousand books on economics, written by the most learned university academics from anywhere in the world and we find this confusion. For every writer there are at least two meanings to the word “capital.”

Where does it come from? How do you get it? Why does it confer on a few great wealth? What, exactly, is this mysterious thing called “capital?”

Whenever there is confusion over an issue or subject it is a realistic approach to eliminate those things that it is not. So what can we say is not capital with any degree of certainty?

It must be obvious that it is not human beings. Humans are the “labour” factor in producing anything and people are not bought and sold in polite society. Those who disagree with this presumably support chattel slavery. Land, the mother of all things, is the source of all wealth, and whilst we may use land, under certain circumstances, to gain access to capital, it must be recognised that land, as labour, is natural.

Land precedes man, so, in itself, it cannot be capital.

By eliminating those things that exist naturally, i.e. without assistance from man we are left with only one conclusion. Capital is man made. It is a product of human labour employed, directly or indirectly upon land.

Look around, that giant building is man made, the grandstand is man made, that freeway is man made, that giant truck on the freeway is man made, the enormous ship coming through the heads is purely a man made object. The Hubble telescope, the space shuttle, the giant truck moving ore in Queensland; all these are WEALTH. All these things are used to assist in the production of further wealth. This puts them in a sub category of Wealth. Wealth, of course, is simply natural things enhanced by the addition of human labour to fit our requirements.

Let’s clear up a point or two. Money itself is not capital. Money is a representative product. It is a measure (as a rule measures in metres and millimetres) of wealth. Instead of saying she is worth two cows we say she is worth \$2000. His car is worth \$30,000; not 15 bulls 20 sheep 25 al-packas 250 cabbages and 500 bales of hay. Whilst money is a great bone of contention it is only my intent to point out its use as a measure. Land, according to where it is located, can command great prices. It is not capital (although it may be exchanged for capital, and here the medium money again plays a part). What is in the ground, tin, lead, copper, gold etc. is not capital. Whilst these elements have great value that value is only realised when labour is applied to their removal from the earth. That labour may be mostly in the form of capital. It is still labour.

There remains one more matter. It is obvious that capital is wealth, all capital is wealth. This does not mean that all wealth is capital.

All wealth may be used as capital or exchanged for capital but it is well to remember the purpose of production is human satisfaction therefore wealth is consumable and intended for such.