O.K Against Kanezors recommendations, I started the network setup wizard(on win XP), created network setup disk using USB jump drive(I finally figured out that I do not need a floppy disc), inserted it into the windows 98 computer, and attempted to install it. Unfortunately, after I restarted the computer, it sayd: "Error loading C:\Windows\system\hnetwz.dll Initialization failed."(I am not sure if that is the exact name of the file) So I am back where I was.
cmatt42 what do you mean by switch? what does it look like, and what is it for?
Question: How can a computer have IP address if it is not connected to the Internet?
Conclusion so far: The network setup disk suggestion is out(unless there is a way to fix the error message). I don't want to buy a hub just to connect 2 computers, but If I wanted to connect more than 2, I would probably need it. About the switches, I don't know yet.