

future. Thus, capital can be formed only by restraint on consumption. This is the basis of capital formation to which Karl Marx refers to as ‘surplus value’ in his treatise. In the capitalist system, the industrialist creates capital with the help of this surplus value. In a socialist system, the State undertakes this task. In both the systems, the entire production is not distributed among the workers. If production is carried on through centralised large-scale industries, the sacrifice on the part of the worker in creating the capital is not given due recognition. The advantage in decentralisation is in the fact that the worker has a sense of direct participation in the management of the surplus value or capital.

## **Machine And The Worker**

Machines are the most common form of capital. Machines were created in order to reduce the content of physical labour in production and to increase the productivity of the worker. Machines, therefore, are an assistant of the worker and not his competitor. However, where the human labour came to be considered as a commodity to be purchased with money, the machine became the competitor of the human being. The principal drawback of the capitalist viewpoint lies in the fact that by making the machine a competitor of human labour, and thereby displacing and subjecting a human being to privations, the very purpose of creating machines has been defeated. Machines cannot be blamed for this. It is the fault of the economic and social system which cannot distinguish between the object and the instrument. It is only after considering the limitations of the machine that one has to decide upon its usefulness. From this point of view, to import machinery from Western countries, where shortage of manpower was the guiding factor in the design of machines, would be a serious mistake. The merits of machines are not independent of time and place. Machines are a product of modern science but not its representatives. Scientific knowledge is not a monopoly of any particular country. But its application has to take into account the particular condition of each country and its requirements. Our machines must not only be tailored for our specific economic needs, but must also, at least, avoid conflict with our socio-political and cultural objectives.

## **The Seven M's**

Professor Visweswarayya has said in one of his books that, while considering the system of production, one must take into account the seven