

**Private Property and Class possession**  
**Are the managers really in control?**  
**Part One**

The basis of any society is the way its members are organised for the production of wealth. Where a section only of society controls the use of the main means of production then we can speak of a class society.

Control of the means of production by a minority class implies the exclusion from such control of the rest of society, an exclusion which can only rest ultimately on physical force. A social organ of coercion, the state, is thus a feature of all class societies and historically first made its appearance with the division of society into classes.

The class that controls the means of production can be said to constitute a stable ruling and privileged class when it:

1. controls the use of the means of production (possession);
2. controls the state (rule);
3. has preferential treatment in the allocation of goods for consumption (privilege).

It is important to keep these three features - possession, rule and privilege - separate since they don't always automatically go together. It is possible for a possessing class to be neither the ruling class nor a privileged class. For instance, it might not actually control the state but just have its protection against the excluded majority. Another minority class might control the state and use it to allocate itself, at the expense of the possessing class, a privileged consumption. In this case there is a socially and politically unstable situation in which the possessing class, starting from the finally decisive fact of controlling the means whereby society lives, will strive to capture state power for itself - strive to become the ruling class as well as the possessing class. This done, it can easily end the privileged consumption of the previous ruling class.

Just such a struggle for power occurred in Western Europe in the five hundred years up to the 19th century. In feudalism the power of the nobility was based on their control of the then main means of production, the land. In time a new possessing class arose in the towns whose economic power was based on trade, money and industry. At first the bourgeoisie (originally, those of the bourg or market town) were often plundered, legally and illegally, by the feudal barons, but in time the nobles learned not to kill the goose that laid the golden egg. The bourgeoisie grew in economic and political influence until eventually they were able to overthrow the feudal aristocracy and shape the state in their own interest. This was done in England in the 17th century, culminating in the so-called Glorious Revolution of 1688, in America with the victory in the War of Independence and in France with the Revolution of 1789.

All three revolutions had a similar aim and result: to establish, in their own words, the "rule of law"; "no taxation without representation"; "the rights of property". The bourgeoisie wanted their possession of the means of production legally recognized and protected and taxes (which, in the end, are a charge on property and property income) levied on them only in accordance with the law, in whose making they would have a say through representation in Parliament.

The bourgeoisie succeeded in shaping the state and society in their own interest and the popular concept of "property" is still very much that of the bourgeois tradition. "Property" is generally taken to mean not only the fact that a person actually possesses a thing, but that he has the legal right to possess it. "Property" has come to mean legally recognised possession and to be almost inextricably associated with the idea of a legal title.

Before we proceed any further we need to be clear on what we mean by "property". We have a choice: either stick to the meaning which it has historically come to have - legally recognised possession, or substitute for this legalistic definition a broader sociological one which would allow us to say that any class society was a property society on the basis of the fact that a section only of the population controlled the use of the means of production, whether or not this was recognised by legal titles.

In view of the danger of confusion in introducing new meanings to words, we will stick to the established usage, but won't object to others adopting the sociological definition as long as they make it clear that they are doing this. So we will use "property" to mean the legal recognition of possession. When we wish to refer to the social fact which the law merely acknowledges we shall use the word "possession". Thus all class societies are based on the "possession" of the means of production by a section only of society. Some, in particular capitalism as it evolved in Western Europe, supplement this possession with legal property titles which the state recognises and will if necessary enforce through the courts and ultimately the armed forces.

De facto class possession means that the absence or abolition of individual property titles to the means of production in any society does not necessarily confirm that society is a classless one. We must look beyond mere legal forms and determine whether or not there is a section of society which has, as a matter of social fact, control of the use of the means of production.

The Bolshevik leader, Trotsky, is in large part responsible for spreading the opposite view. He and his orthodox Trotskyist followers confuse "property" and "possession" and imagine that the abolition by a vanguard party of professional revolutionaries of legal property titles to the means of production - and hence of a class of legal property holder - is tantamount to establishing a classless society. This is why they describe Russia as a "workers state" (a meaningless term in any case, as we shall see later). The Russian revolution, they claim, abolished bourgeois property rights and vested ownership of the means of production in the state. As long as this state ownership of the means of production is maintained, they go on, then Russia can not be called a class society. Certainly, they admit, there is a privileged group in Russia but its

members are privileged only with regard to the allocation of the products, not with regard to production. They thus constitute not a class but only a "caste". As far as the production of wealth is concerned, we are asked believe that both this "caste" and the working class stand in the same relationship.

This analysis, which places the Russian worker in the same basic social position as the privileged top state and party officials, was so absurd that it did not take long for it to be rejected within the Trotskyist movement itself. In fact it is thanks to the resulting controversy that we owe much of the clarification of the difference between what we called above "property" and "possession", and in particular to two ex-Trotskyists: Bruno Rizzi and James Burnham.

Rizzi, in a book published in France in 1939 with the title *La bureaucratisation du Monde* (The Bureaucratisation of the World), argued that capitalism was being replaced throughout the world, not by socialism but by a new exploiting class society not foreseen by Marx. Rizzi called this new class society "bureaucratic collectivism". In it individual ownership of the means of production was replaced by collective ownership, as foreseen by Marx, but the collective ownership not of all society but of only a section of it. Bureaucratic Collectivism was a class society based not on individual property titles, but on the possession of the means of production by a class, collectively as a class:

In our opinion another ruling class, the bureaucracy, has emerged from the October revolution, and its receding, while the bourgeoisie has been dispensed with and consequently has no possibility of returning. The possession of the state gives the bureaucracy possession of all movable and immovable goods which, although socialised, do not the less belong in toto to this new ruling class. It goes without saying that the new ruling class takes good care not to officially declare that it enjoys this possession but it in fact controls all the economic levers and has its property guarded by the GPU and the bayonets of the "purged" army.

The class property which in Russia is a fact is certainly not registered with any lawyer or in any register of property. The new soviet exploiting class has no need of such nonsense. It has the force of the state in its hands and that is worth much more than the old registrations of the bourgeoisie. It defends its property with machine-guns, with which its all-powerful oppressive apparatus is provided, and not with lawyers' deeds. In soviet society exploiters do not appropriate the surplus value directly, .as the capitalist class does in cashing the dividends of his enterprise, but they do so indirectly, through the state which appropriates the whole national surplus value and then shares it out amongst the officials themselves . . . We see then that exploitation passes from its individual form to a collective form, in accordance with the transformation of property. There is a class which en bloc exploits another in accordance with class property and which then goes on to distribute internally, through its state, the proceeds amongst its members(our translation from the French).

Burnham, in his more widely known *Managerial Revolution* published in 1941, put forward the same general theme as Rizzi about a new class taking over from the capitalists, but for him these were the industrial managers rather than the

political bureaucrats.

Burnham wrote very clearly and concisely about how class society could exist without property titles vested in individuals, so clearly that he is worth quoting at some length:

In most societies that we know about, and all complex societies so far, there is a particular, and relatively small, group of men that controls the instruments of production (a control which is summed up legally in concept of "property right", though it is not the legal control but the fact of control which concerns us). This control (property right) is never absolute; it is always subject to certain limitations or restrictions (as, for instance, against using the objects controlled to murder others at will) which vary in kind and degree. The crucial phases of this control seem to be two: first, the ability, either through personal strength, or as in complex societies with the backing - threatened or actual - of the state power acting through the police, courts and armed forces to prevent access by others to the objects controlled (owned). Where there is such a controlling group in society, a group which, as against the rest of society, has a greater measure of control over the access to the instruments of production and a preferential treatment in the distribution of the products of those instruments, we may speak of this group as the socially dominant or ruling class in that society. It is hard, indeed, to see what else could be meant by 'dominant' or 'ruling' class. Such a group has the power and privilege and wealth in society, as against the remainder of society. It will be noted that this definition of ruling class does not presuppose any particular kind of government or any particular legal form of property right; it rests upon the facts of control of access and preferential treatment, and can be investigated empirically.

Effective class domination and privilege does, it is true, require control over the instruments of production; but this need not be exercised through individual private property rights. It can be done through what might be called corporate rights, possessed not by individuals as such but by an institution: as was the case conspicuously with many societies in which a priestly class was dominant - in numerous primitive cultures, in Egypt, to some degree in the Middle Ages. In such societies there can be and have been a few rich and many poor, a few powerful and many oppressed, just as in societies (like the capitalist) where property rights are vested in private individuals as such.

We have defined "ruling class" as consisting of the group of persons which has (as a matter of fact, not necessarily of law or words or theory), as against the rest of the population, a special degree of control over access to the instruments of production and preferential treatment in the distribution of the products of those instruments.

(We would prefer to define "possessing class" in this way, reserving the term "ruling class" for a possessing class which also controls the state).

Burnham refers above to the priest-ruled societies of ancient times as examples of class societies without individual property rights. A study of such societies

by Karl Wittfogel, *Oriental Despotism* was published in 1957. Wittfogel was concerned to show the inadequacy of the view (which he attributed to Marx) that the ruling class in any society is always a class of private possessors of the means of production. In oriental despotism, or "hydraulic society" as Wittfogel also called it, a state bureaucracy, headed by an absolute ruler (the despot), ruled on the basis of the control of large-scale waterworks providing irrigation for agriculture.

These waterworks, however, were not the private property of the despot or his bureaucracy. They were state property. But the state being despotic and bureaucratic, they were, in the terminology we have chosen to use, the collective "possession" of the bureaucracy. Individual private possessors of means of production - merchants, moneylenders, even landowners - did exist in oriental despotism, but they did not constitute a ruling class. Indeed the real ruling class - the state bureaucracy - was in so powerful a position that it was easily able to control the class of private owners and prevent them from becoming the ruling class.

Wittfogel concluded that the existence of oriental despotism with its bureaucratic ruling class was proof of the inadequacy of the view that all states exist to protect individual private property. He was right, but then this is not a view which Marxists are called upon to defend. Our view, expressed earlier, is that the class which controls the use of the main means of production will, in periods of social stability, also be the ruling class (= the class which controls the state). We made no claim that such a class had to control the means of production as individual possessors or private title-holders, but merely that they had to effectively "possess" them. The state bureaucracy of Wittfogel's hydraulic society clearly satisfies this condition. For, in controlling waterworks in a society where large-scale irrigation was essential to agriculture, they controlled the key means of production, thus making the actual producers, whether slaves, serfs or "free" village communities, dependent upon them.

Wittfogel's merit, despite his unfair criticisms of Marx, is to have shown from history that private property vested in individuals as individuals is not the only form of class possession, but that a class can collectively possess the means of production. ALB