

Leon Trotsky, *The Nation and the Economy*¹ (July 1915)

Earlier in this volume we included two articles by Parvus: No. 19 ('Before the Hottentot Elections') and No. 20 ('Colonies and Capitalism in the Twentieth century'). The theme of those articles was that the productive forces of modern capitalism had outgrown the confining limits of nation-state organisation with imperialism as the result. Parvus wrote that 'Each industrial state wants to have its own *colonial empire*, from which all other industrial states will be excluded or driven back as much as possible.' In 1907 Parvus also wrote an article on German trade policy that contemplated a European union in response to the rising industrial power of the United States: 'There is only one means,' he declared, 'for European countries to withstand America: that is *economic unification of the whole of Europe*.'²

Leon Trotsky collaborated closely with Parvus during the first Russian revolution of 1905. Together they played a leading role in debates over the theory and tactics of *permanent revolution*.³ Trotsky also adopted from Parvus the lasting conviction that one of the major purposes of socialism was to free modern forces of industrial production from the tariff barriers imposed by nation-states. The potential scale economies of modern industry could not be achieved without access to wider markets. Confined within national limits, and with enormous commitments of fixed capital, large-scale industry would have needlessly high production costs that would contradict capital's imperative to maximise profit. The inevitable consequence must be imperialist warfare that could only be prevented by international revolution.

As a correspondent covering the Balkan wars for the journal *Kievan Thought*, in 1909 Trotsky wrote that 'Only a single state of all the Balkan nationalities, based on democratic-federative principles – along the lines of Switzerland or the North American republic – can bring internal peace to the Balkans and create the conditions for a powerful development of the productive forces.'⁴ In 1910 he returned to the same theme in an essay on 'The Balkan Question and Social Democracy':

The only way out of the national-state chaos and bloody stupidity of Balkan life is unification of all the peoples of the peninsula into a single economic-state unit on the basis of national autonomy of the constituent parts. It is only within the limits of a single Balkan state that the Serbs of Macedonia, Sanjak [Bulgaria], Serbia proper and Herzegovina will be able to unite in a single national-cultural community, simultaneously enjoying all the advantages of a common Balkan market. Only the united Balkan peoples will be able to provide a genuine rebuff to the shameless pretensions of tsarism and European imperialism.⁵

With the outbreak of world war in 1914, Trotsky regarded the Balkan conflicts as a microcosm of the global contradictions that now threatened the whole of human culture. In an article on 'Imperialism and the National Idea', published in May 1915, he applied the lessons of the Balkan wars to the new conflict between the Great Powers. 'For petty-bourgeois ideologues,' he wrote, 'two principles are struggling in the current war: the principle of national right and the principle of coercion – of Good and Evil....For us materialists, the war appears in its imperialist essence as the fundamental striving of all capitalist states for expansion and conquest.' After summarising the claims and counter-claims of European states, he dismissed them all with a ringing denunciation of imperialism:

Imperialism represents the capitalist-predatory expression of a progressive tendency of economic development: to construct the human economy on a world scale, having emancipated it from the constraining fetters of the nation and the state. The naked national idea, which stands opposed to imperialism, is not only powerless but also reactionary: it is dragging the human economy backwards into the swaddling clothes of

¹ Trotsky 1915b.

² Parvus 1908, p. 31.

³ Day and Gaido (eds.) 2009.

⁴ Trotsky 1909.

⁵ Trotsky 1910.

national limitation. Its deplorable political mission, conditioned by its impotence, is to provide ideological cover for the work of the imperialist butchers.

Destroying the very foundations of the economy, the current imperialist war, illuminating and amplifying the spiritual wretchedness or charlatanism of the national idea, is the most convincing expression of the blind alley that development of bourgeois society has led to. It is only socialism that must economically neutralise the nation, having unified mankind in solidarity and cooperation; [it is only socialism] that emancipates the world economy from national fetters, thus emancipating national culture from the grip of economic competition between nations – only socialism provides a way out of the contradictions that have broken out before us as a terrible threat to the whole of human culture.⁶

In July 1915 Trotsky responded to the ideas set out by Karl Kautsky's ponderous but thought-provoking essay on the 'National State, Imperialist State, and Confederation'. For Kautsky, the natural human community always originated in a common language, and the consequent limits of popular political discourse dictated the impossibility of abandoning the nation-state and its parliamentary institutions. There was, however, a clear alternative to the imperialist ambitions provoked by nation-state rivalries: a federated Europe in which national-democratic communities might be affirmed while at the same time ensuring free access to markets adequate to the productive forces of modern capitalism. For Kautsky, a United States of Europe need not await the international revolution; even within a capitalist framework, abolition of tariff divisions would allow for a rise in labour productivity and popular living standards, thereby improving the lives of workers and the conditions for Social Democratic politics. Whereas Trotsky invariably associated the transcendence of nation-states with *international socialist revolution*, Kautsky explicitly referred to federal Europe as the highest form of *capitalism*:

The best and most promising means of expanding the domestic market is not the expansion of the national state into a multinational state, but the centralisation of several national states into a confederation with equal rights. *The federation of states rather than the multinational state or the colonial state: that is the form for the great empires required by capitalism to reach its final, highest form in which the proletariat will seize power.*

Such a federation can assume multiple forms; it can be a confederation of federations. As such, it represents the most elastic political form, capable of endless expansion up to the final world federation.

Trotsky replied to Kautsky in the article translated here. Although he respected Kautsky's authority and even shared many of his convictions, he again spoke clearly of freeing the productive forces 'from an imperialist blind alley within the broad arena of socialism'. Trotsky took the link between socialism and elimination of nation-state barriers to be self-evident.

Lenin, who at the time thought Trotsky was much too close to Kautsky, insisted on being more explicit. While he acknowledged the attraction of the slogan of a United States of Europe, by August 1915 he worried that its implications might in fact be reactionary, signifying, as Kautsky evidently implied, 'a temporary union of the Great Powers of Europe with the aim of enhancing the oppression of colonies and of plundering the more rapidly developing countries – Japan and America.'⁷ Lenin regarded the United States of Europe as a variant of Kautsky's projected 'ultra-imperialism'. Under capitalism, a United States of Europe must be either 'impossible or reactionary'⁸ and might even have the effect of postponing socialist revolution. On these grounds Lenin drew the famous conclusion that would bedevil Trotsky for years to come. In the succession struggle that followed Lenin's death in 1924, Stalin, Bukharin and countless lesser figures ritually condemned Trotsky on the grounds that he thought socialism was impossible in a single country.⁹ Trotsky was portrayed as a 'pessimist' who doubted the

⁶ Trotsky 1915a.

⁷ Lenin 1915d, p. 344.

⁸ Lenin 1915d, p. 340.

⁹ In reality Trotsky objected to the Stalinist slogan of 'Socialism in One Country' on the same grounds that he had always cited when condemning the economic limitations of capitalism. The Stalinists, he argued, were proposing a reactionary industrialisation strategy of socialism in a *separate* country, shutting the Soviet republic off

possibility of Soviet Russia holding out and progressing as a single socialist country confined within a hostile capitalist encirclement. Lenin provided the grounds for this charge when he wrote in August 1915 that the slogan of a United States of Europe contradicted the universal law of uneven development:

Uneven economic and political development is an absolute law of capitalism. Hence, the victory of socialism is possible first in several or even in one capitalist country alone. After expropriating the capitalists and organising their own socialist production, the victorious proletariat of that country will arise against the rest of the world – the capitalist world – attracting to its cause the oppressed classes of other countries, stirring uprisings in those countries against the capitalists, and in case of need using even armed force against the exploiting classes and their states. The political form of a society wherein the proletariat is victorious in overthrowing the bourgeoisie will be a democratic republic, which will more and more concentrate the forces of the proletariat of a given nation or nations in the struggle against states that have not yet gone over to socialism. The abolition of classes is impossible without a dictatorship of the oppressed class, of the proletariat....It is for these reasons and after repeated discussions ... that the Central Organ's editors have come to the conclusion that the slogan for a United States of Europe is an erroneous one.¹⁰

The Nation and the Economy

I

The recognition of every nation's right to self-determination, which is included in Russian Social Democracy's programme, traces its origin to the epoch of revolutionary battles for national bourgeois democracy. In the final analysis, this demand means recognition of each nation's right to state independence – and thus it obliges Social Democracy to oppose every regime that involves the compulsory cohabitation of nations or fragments of nations and, depending on circumstances of time and place, to assist the struggle of nations and national minorities against the yoke of a foreign nation. But nothing more than that. Contrary to what the most unrestrained social-imperialists would like, Social Democracy by no means abandons the programme of national democracy. It has no wish to tolerate, nor can it, any forms of compulsory inclusion of national groups within large state forms, a kind of paralysing open-field system within a national state, in the supposed interests of economic development. But likewise, Social Democracy by no means takes on the task of multiplying the open-field system, that is, it does not transform the national principle into some kind of absolute supra-historical idea.

It is perfectly true that Social Democracy always and everywhere defends the interests of economic development and opposes all political measures that might delay it. However, it does not regard economic development as something self-sufficient in technical-production terms, as an extra-social process, but rather as the basis of human society's development, with its class groupings, its national-political superstructure and so forth. From this point of view, which in the final analysis does not lead to guaranteeing local or national capitalism superiority over the capitalism of other places and countries, but rather to ensuring the systematic growth of human power over nature – from this broad historical point of view the class struggle of the proletariat is in itself the most important factor guaranteeing further development of the productive forces by way of freeing them from an imperialist blind alley within the broad arena of socialism. There is no doubt that a coercive state of nationalities and national fragments (Russia, Austria...) can, during a certain epoch, promote development of the productive forces, creating a wide domestic

from the world economy by ignoring the economic benefits offered by the most extensive foreign trade and even capital imports within the capitalist encirclement. See Day 1973.

¹⁰ Lenin 1915d, pp. 342-3.

market for them. But in giving birth to the cruel struggle of national groups for influence over the state authority, or by causing ‘separatist’ tendencies, that is, the struggle to separate from the state organisation, the coercive multinational state paralyses the class struggle of the proletariat as the most important force of economic and all historical progress. The proletariat is deeply interested in abolishing all artificial frontier posts and tariffs and in the widest possible expansion of a free arena for economic development, but it cannot attain this goal at a cost that would above all disorganise its own historical movement and thus weaken and diminish the most significant productive force of modern society. Today’s social-imperialists, mainly of the German type, reject the idea of national self-determination as a ‘sentimental’ prejudice of the past and recommend submission to an iron necessity of economic development as a supra-historical criterion that trumps the historically limited claims of nations; they put forth not some unconditional requirements for economic progress but rather its historically limited form that stands before us in the shape of imperialism, which in the current war is revealing its whole contradiction not just with the requirements for further economic progress but also with the most elementary conditions for human existence.

The condition for the proletariat’s development, and the sole form in which it can take possession of state power, is now and will continue to be democracy. Above all, the latter presupposes growth of the cultural-political independence of the masses, their economic and political communication over a wide arena, and their collective intervention in the fate of the country. Thus a national language, the instrument of human communication, inevitably becomes at a certain stage of development the most important instrument of democracy. For this reason, the striving for national unity was an inseparable part of the movement during the epoch of bourgeois revolutions; and insofar as in backward areas – not only in Asia and Africa but also in Europe – we are witnessing the awakening of historically delayed nationalities, they necessarily take the form of a struggle for national unity and national independence while coming face to face with the imperialistic effort to overcome the nationally limited confines of the capitalist economy and to create a world empire through military force.

In this process, Social Democracy by no means identifies itself with the internally contradictory imperialist methods of making way for social-historical tasks that have come to maturity. But just as little, if not less, can it counter imperialism – let alone the progressive historical requirements that it is exploiting – with the naked national idea. It would truly be a miserable petty-bourgeois utopianism *à la* Hervé¹¹ to think that the fate of development in Europe and the entire world will finally be secured if the state map of Europe is brought into correspondence with the map of nationality, and if Europe is split into more or less complete nation-state cells ignoring geographic conditions and economic ties. In the previous epoch, France and Germany approximated the form of a national state. This in no way prevented either their colonial policy or their current plans to move the border to the Rhine or the Somme. An independent Hungary, Bohemia or Poland will in the very same way strive for an outlet to the sea by violating the rights of other nationalities, as Italy is doing at the expense of the Serbs or the Serbs at the expense of the Albanians. Besides the national democracy that is awakened by

¹¹ [A reference to Gustave Hervé (1871-1944). Prior to the First World War Hervé headed the extreme left inside the French Socialist Party. He was elected delegate to the International Socialist Congress in Stuttgart in 1907, where he spoke against militarism. Editor and publisher of the periodical *Guerre Sociale (Class War)*, he signed his articles with the pen-name *Sans Patrie* (Man without a Fatherland). But on the outbreak of war he renamed the paper *Victoire* and supported Clemenceau’s policies. After the war he created the *Parti socialiste national* (PSN) and became an admirer of Mussolini.]

capitalism and strives to unite the greatest possible number of a nation's elements in a single economic-cultural community, there remains capitalism itself, which strives, wherever it has sunk roots, to expand the limits of the domestic market as widely as possible, to find the most favourable outlets to the world market, and to impose its domination over areas with an agrarian type of economy. For national capitalism, the national principle is neither an absolute idea nor the final crown of the structure. It is merely the ladder to make a new leap – in the direction of world domination. If, at a certain stage of development, the national idea is the banner of struggle against feudal-particularistic barbarism or foreign military coercion, later, by creating a self-sufficing psychology of national egoism, it becomes itself an instrument for the capitalist enslavement of weaker nations and an indispensable instrument of imperialist barbarism.

The task is to combine the claims to autonomy on the part of nations with the centralising requirements of economic development.

II

Social-nationalism has astonished everyone, itself above all, with its power: during the first epoch of the war it took possession of the strongest parties and organisations of the proletariat. But together with this suddenly demonstrated force comes its extraordinary and nothing less than shameful ideological wretchedness. Not a single serious attempt to tie the ends together theoretically! Decisions and actions, on which the life and death of socialism depend, are explained and justified by contradictory and accidental considerations in which political impressions play the most important role freed from all theory. The fundamental argument justifying the social-nationalistic policy of a worker's party is the idea of 'defence of the fatherland'. But until now not one of the social-patriots has taken the trouble to give a sensible explanation of just what is actually endangered in the fatherland and what is to be defended. A French socialist speaks of the Republic and revolutionary traditions: he defends the past. A German patriot refers to his mighty national industry as the basis for socialism: he defends the present. Finally, our own native social-nationalist, who 'repeats what he hears and tells lies for two', refers to the interest of Russia's further economic development: he defends the future. Each of them is more or less resolutely attempting to proclaim his own 'national' interest to be above the international interest of mankind. But such attempts only bring even more hopeless confusion to the matter. One of the two: either the international interest demands defeat of Germany (or Russia), and then there is no point in speaking of defence of the fatherland because there are indeed some people in the world for whom Germany or Russia is the fatherland. Or else the opposite: defence of the fatherland is the self-sufficient principle of the proletariat's policy, and then any attempt to combine that task with a generally obligatory line in the behaviour of the international proletariat is hopeless, for the defence of one fatherland presupposes destruction by force of another fatherland.

At the beginning of the war Kautsky made an attempt to define the fundamental good in whose name the proletariat is sacrificing its class independence on the bloody altar of defence of the fatherland. That good is the national state. In the first article [above] we spoke of what a powerful factor the national-cultural community is in historical development. Thus it has to be said that the state (it is the fatherland) deserves to be defended insofar as it conforms to the type of a national state. That is exactly how Kautsky puts the question. But then the question arises: in what sense can and must the proletariat of Austria-Hungary and to an important degree also Russia defend their fatherland? From Kautsky's point of view, the multi-ethnic proletariat of the

Danubian monarchy apparently has no obligation whatever to the state of the Habsburgs. Kautsky himself hints at such a conclusion. But with the existing international combinations, defence of Germany presupposes defence of Austria-Hungary and Turkey, while on the other hand defence of the national integrity of France presupposes perpetuating the violent bloc of nationalities known as Russia, or the world colonial power, Great Britain.

Standing together with states comprising both nationalities and national minorities there are states in which a far from perfect national unity is supplemented on the one hand by an alliance with multinational states, and on the other hand by trampling the national independence of the colonies.

In terms of the tendencies of development it has revealed, the current war threatens not the nation as such but rather the state, which is the historical dwelling place of the nation. Capitalism has no more realised national unity than it has democracy. It has awakened the demand for national unity, but in itself it has brought to life tendencies that prevent realisation of that demand. Meanwhile, the nation is a powerful and extremely persistent factor of human culture. The nation will outlive not only the current war but also capitalism itself. In the socialist system, too, freed from state-economic dependence, the nation will long remain as the most important seat of spiritual culture, for the nation has at its disposal language, the most significant organ of this culture. The state is another matter. It was formed as a result of the intersection of dynastic, imperialistic and national interests together with transient relations of material forces. The state is an incomparably less stable factor of historical development than the nation. During the past epoch economic development found its accommodation within the capitalist state, which with an enormous stretch is called 'national'. This same state-fatherland provided the accommodation for cultural development of the almost always divided nation, exploiting or endeavouring to exploit other nations through its state apparatus. To the extent that capitalist development became cramped within the limits of the state, the latter was supplemented by annexations and colonial extensions. The struggle for colonies, that is, flouting the economic and national independence of backward countries, was the main content of the foreign policy of the so-called national state. The rivalry over colonies led to the struggle of capitalist states between themselves. The productive forces finally became cramped with the limits of the state. If the current 'national' state finds itself endangered, that danger results from the lack of correspondence between its frontiers and the level of development attained by the productive forces. The danger threatens not from an external enemy but from within, from economic development itself, which in the language of world war is telling us that the 'national' state has become an impediment to development, that it is time to scrap it. In this sense, the idea of defence of the fatherland, that is, of the national state that has outlived itself, is a deeply reactionary ideology. To the extent that social-patriots link the fate of the nation – which in itself by no means paralyses economic development and in no way prevents it from assuming an all-European and world scale – with the fate of a shut-in state-military organisation, we, the internationalists, are bound to take upon ourselves defence of the historic rights of nations to independence and development in opposition to its conservative 'patriotic' defenders.

Capitalism attempted to compress both the nation and the economy within the limits of the state. It created a mighty formation, which over an entire epoch served as an arena for development both of the nation and of the economy. But the nation and the economy have come into contradiction – both with the state and with each other. The state has become too narrow for the economy. In the endeavour to expand, it tramples on the nation. On the other hand, the economy refuses to subordinate the natural movement of its forces and means to the distribution

of ethnic groups on the surface of the globe. The state is essentially an economic organisation; it will be compelled to adjust to the requirements of economic development. The place of the shut-in national state must inevitably be taken by a broad democratic federation of the leading states on the basis of the elimination of all customs partitions. The national community, arising from the needs of cultural development, will not only not be destroyed by this but, to the contrary, it is only on the basis of a republican federation of the leading countries that it will be able to find its full completion. The necessary conditions for this presuppose emancipation of the limits of the nation from those of the economy and vice versa. The economy will be organised in the broad arena of a European United States as the core of a worldwide organisation. The political form can only be a republican federation, within whose flexible and elastic bounds every nation will be able to develop its cultural forces with the greatest freedom.

In opposition to German and other social-annexationists, we have no intention of throwing overboard recognition of the right of nations to self-determination. To the contrary, we think the epoch has been approaching when it will finally be possible to realise this right. On the other hand, we are infinitely far from counterpoising the 'sovereign' rights of every national group or tiny grouping to the centralising requirements of the economy. But in the very course of historical development we are discovering the dialectical reconciliation of both 'elements': the national and the economic. For us, recognition of every nation's right to self-determination must be supplemented by the slogan of a democratic federation of all the leading nations, by the slogan of a United States of Europe.