

dividual economic life, in which case it is the task of science to reveal the connections and the causal chain obtaining between the various phenomena of *social* type and determining the *individual* phenomena; or, it may be assumed that science should proceed from an analysis of the causal nexus in the individual life, since the social phenomena are a certain resultant of individual phenomena—in which case it would be the task of science to begin with the phenomena of the causal relation in the individual economic life from which the phenomena and the causation of the social economy must be derived.

No doubt Marx is an "extreme objectivist" in this sense, not only in sociology, but also in political economy. For this reason, his fundamental economic doctrine—the doctrine of value—must be sharply distinguished from that of the classical economists, particularly Adam Smith. The latter's labour value theory is based on an individual estimate of commodities, corresponding to the quantity and quality of the used labour. This is a subjective labour value theory, as compared with which Marx's theory of value is objective; *i.e.*, Marx's theory is a social law of prices. Marx's theory is accordingly an objective theory of labour value, based by no means on any individual evaluation, but expressing only the connection between the given social productive forces and the prices of commodities as the latter are determined on the market.²⁴ In fact, it is with the example of the theory of value and price that Sombart best shows the difference between the two methods. "Marx does not for a moment concern himself," says Sombart, "with the individual motives of those engaging in the exchange, or with assuming as his starting point considerations as to production costs. No, his reasoning is as follows: prices are made by competition; how they are made, that is another matter. But competition, in turn, is regulated by the rate of profit; the rate of profit by the rate of surplus value; the rate of surplus value by the value, which is itself the expression of a socially conditioned fact, the social productive forces. Marx's system now enumerates these elements in the reverse order: value—surplus value—profit—competition—prices, etc. If we must formulate the situation in a