The economy, politics, culture, and theory of nineteenth century Europe in the wake of the Industrial Revolution were vastly different than those in the modern world. Karl Marx began his writing in a time dominated by the rise of industry. Germany, France, and Great Britain lead the industrial charge and became the great economic powers of this time period. The conditions in the constantly changing world of 1850’s Europe lead Marx to develop his own ideals. The conditions of this time that Marx draws on most frequently are classical political economy, French socialist traditions, and German philosophy. Adam Smith and David Ricardo were considered the fathers of classical political economy. Marx believed that their ideas, especially Smith’s in *The Wealth of Nations*, about only self-interest was necessary for producing more wealth was faulty. Marx also criticizes classical political economists for not placing enough emphasis on labor in their scope of the economy. The socialist tradition, especially of France, was essential to Marx developing his communist theories. Proponents of this socialist reform against industrialization and capitalism such as Proudhon, Saint-Simon, and Fourier, advocated socialist utopias and granting more power to workers. Marx was prompted by his dissatisfaction with the conditions of his time to write a ruthless critique in *Capital*.

The German born Marx shaped his theories around German philosophy as well. Marx was a follower of Hegel as a young man and believed that history is the unfolding of the stages of the mind coming to know itself through surface appearance to the point where it is aware of itself. In support of Hegel, Marx outwardly denies everything affirmed by Kant and Descartes about history and how it relates to the human mind. Marx would later go beyond the ideals of Hegel and support the views of Ludwig Feuerbach who claimed that God is a false consciousness, and religion is only a distorted view of society. Feuerbach also claims that if people become aware of this distortion and alienation then religion and any isolation caused by it will cease to exist. Marx constantly challenged the ideals of the powers at be, and he never muffled his opinion in fear of those in charge.

Marx was not content with the conditions of philosophy in the mid nineteenth century. He set out to write ruthless criticisms in opposition to these conditions. Marx strives to be intellectually honest in his critiques, as well as, to understand where the current theories are headed in the future. At the age of twenty-five, Marx writes the last of his ruthless criticisms, in a letter with Ruga. At this time, Marx and Ruga were setting themselves out as atheists since were followers of Feuerbach. In accordance with Hegel, Marx states in this criticism that the young philosophers of this era are engaging in a critique of the old and not a dogmatic prefiguring of the future. Instead Marx believes that these young philosophers have to engage with the ideas set out by others in order to compose a well-supported criticism. In these writings Marx characterizes ruthless criticism as not being afraid of one’s own conclusions or the powers at be. For much of the nineteenth century the institutions with the most authority were the state and religion. The state was where the political struggles took place and religion contained the catalog of theological struggles. Marx declares that philosophers need to understand the debates of their time while focusing on the role of consciousness or how one makes sense of the world in which they live. Ruthless criticism shows the world what it is worth fighting for and that the pre-existing conditions are not acceptable. Philosophers need to struggle with the world in front of them and find solutions to problems the world has not yet solved. The preceding defining conditions lead Karl Marx to write one of his most well-known works, *Capital*.

Volume one of *Capital* begins with the concept of commodities. Marx starts here because commodities are commonplace to most people and are a starting point of everyday existence. He defines a commodity as an external object that satisfies needs, has a social usefulness and an exchange value. He clarifies use value as utilizing a commodity in the private act of consumption and exchange value as the public or marketplace value of a commodity. Unlike supporters of Classic Political Economy, Marx never tried to equate use value and exchange value. He confirmed that equating these values would be a contradiction in the sense that existence of different use values makes the exchange of goods in the market place possible. If division of social labor increases than the number of social exchanges also increases, according to Marx. He maintains that this creates a non-accidental exchange of commodities and that it is necessary to extract the ratio between exchange value and use value so that commodities can be traded fairly. The ratio that Marx claims all commodities have in common is human labor; which would serve as Marx’s universal ratio for exchange. Once there is exchange, it is not the physical aspect of commodities that quantifies them, rather their common element, as a product of human labor. The value of a commodity is defined as the part of society's labor consumed during the course of production. At this point in *Capital*, Marx assumes that both value and exchange value are equal which will be an important distinction later in this work. He also notes that it is paramount to be able to distinguish between two types of labor, concrete and abstract. Concrete labor comes in different forms of human capital as skills or techniques. Concrete labor creates the basis for use value. In contrast, abstract labor is the overall accumulation of labor, which is the source of exchange value.

The distinction between concrete and abstract labor leads Marx into his in depth discussion of exchange, value, and commodity fetishism in chapter two of *Capital*. The initial relevant idea is the concept of socially necessary abstract labor time. Marx explains that the value of a commodity is the amount that is socially necessary, not a technical given or coefficient. This value varies depending on time and location. Abstract labor is labor in a general sense, the amount devoted to production so as not to be confused by the details of concrete labor. Labor time is the time used to create a product in a certain set of conditions. Labor time is measured in hours and used as the measuring stick for assigning a value to a commodity. Marx remarks that the key to an effective critique is to look for contradictions. More specifically, he looks to when value and exchange value move in opposite directions. This phenomenon can occur when there are variations in the social productivity of labor. The differences between value and exchange value created the need for a dual accounting system to keep track of each value. This Marxian concept is in sharp contrast to how neo-classical economists define value or price; using only one value where quantity supplied equals quantity demanded. Marx continues by describing commodity fetishism and by doing so he bestows power onto commodity exchange. At this part of the text, Marx assumes that everything in society has become a commodity, and the relationship between things is social and between people is material. Marx continues to critique Smith, claiming that the propensity to exchange is a product of a society and not a natural state. Marx also critiques Feuerbach, who attests that religion was a distorted view. Marx asserts commodity fetishism is not a distorted view, but the way commodity exchange works. For exchange to take place there must be freedom, equality, respect of private property, and Jeremy Bentham’s theory of utilitarianism. These four requirements lead Marx to chapter three.

In the third chapter of *Capital*, Marx tackles the concepts of currency and commodities. Money is used as a representation of a certain value, in Marx’s case this is labor hours. Money simplifies the process of exchange by materializing the amount of labor hours so that exchange can occur easily. The abstract value of money is determined by the society that issues the currency. Metal money was used because it was the materialization of human labor and its weight corresponded with a set price. According to Marx, the reason that metal coins were used as currency was because there was a great deal of human labor put into their production. Equal price between a commodity and the amount of money ensure that they can be exchanged fairly and are interchangeable. Gold was common as a metal currency because it was a well-known commodity and had been used in the marketplace for centuries. This exchange system results in what Marx describes as social metabolism, where sellers have commodities with value and buyers have a use value for that commodity. Marx proved this in marketplace exchange; use value is dependent on the presence of value in the way that money and commodity are dependent on each other for fair exchange. Commodities are priced based on how quickly prices are changing, the amount of money being circulated, as well as, the speed of that circulation. Marx discusses the hoarding of money decreasing as society progressively becomes more civilized. However, he indicates that it is necessary for countries to hoard monies, but in order for these capitalist cultures to grow they must allow banks to offset this hoarding. The first three chapters of *Capital* are primarily concerned with explaining commodities and money, in addition to, their relationship to each other.

*Capital* was written by Marx as a ruthless critique of the conditions that he observed around him in the nineteenth century. The rise of industry and capitalist societies after the Industrial Revolution created civilizations that exploited their workers for the profits of the rich according to Marx. He embraced the ideals of French Socialists and critiqued Political Economists like Smith and Ricardo while developing his own theories about economics and society. Marx focuses on labor as the ever present element in commodities. Labor, as he explains in the beginning of *Capital,* is the backbone of the economy. Marx believes that laborers should have more power than they had in his time. *Capital* was a stepping stone that lead to Marx being one of the most influential voices of economic change in his era.