

4. G. Blainey, "Lost Causes of the Jameson Raid," *Economic History Review*, 2nd ser., 18 (1965): 350-366. For a discussion of Blainey and his critics, see Richard Mendelsohn, "Blainey and the Jameson Raid: The Debate Renewed," *Journal of Southern African Studies* 6 (1980): 157-170.
5. Shula Marks and Stanley Trapido, "Lord Milner and the South African State," *History Workshop* 8 (1979): 50-80; Alan Jeeves, "The Control of Migratory Labour on the South African Gold Mines in the Era of Kruger and Milner," *Journal of Southern African Studies* 2 (1975): 3-29.
6. Rob Turrell, "Kimberley's Model Compounds," *Journal of African History* 25 (1984): 59-75.
7. Colin Bundy, "The Emergence and Decline of a South African Peasantry," *African Affairs* 71 (1972): 369-388; Colin Bundy, *The Rise and Fall of the South African Peasantry* (Berkeley, California: University of California Press, 1979).
8. Peter Richardson, "The Recruiting of Chinese Indentured Labourers for the South African Gold-Mines, 1903-1908," *Journal of African History* 18 (1977): 85-103.

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reply:

While Mr. Hoffenberg quite rightly points out that *historically* there never was a free market in South Africa, it does not follow that the distinction between capitalism and state capitalism is a "non-issue."

Perhaps the distinction is best made by Franz Oppenheimer, who in his book *The State* distinguishes between what he calls "economic" and "political" means. Economic means are the use of voluntary exchange and persuasion to obtain ends, while political means involve coercion and the threat of it. While the attempt of the white mine owners to use State power to further their ends "*required* large numbers of cheap, unskilled workers" (emphasis added), and was certainly a move to increase profits, the means employed were not "economic." While it might be "profit-maximizing" for us to club you over the head and take your wallet, the free market does not allow "profitable" behavior that involves coercion.

The market consists of the nexus of voluntary exchanges involving enforceable and exchangeable private property rights. The market is not a place, a thing, a behavioral assertion, or a war of all against all. It is simply the voluntary exchange of justly acquired property. Property rights, though, do not include the right to a certain price, wage or profit. The attempt of the white mine owners to use the State to obtain cheap black labor was an attempt to establish a State-protected right to the profitability of their industry. Similarly, the attempt by white

union leaders to close out black labor was an attempt to enforce a particular job and wage rate.

The nature of the market is such that profit opportunities constantly shift in accordance with changing consumer desires for goods and services. Profit indicates that someone is serving these needs relatively efficiently. By attempting to freeze profits and raise wages, resources get misallocated, society's needs are not met and injustice results.

It may in fact have been true that the mining industry "required" cheap labor and the white ruling elite wanted to impose social order, and that apartheid "reinforced the market forces conducive to economic growth." However, in a free market economy if such cheap labor could not be obtained by voluntary exchange, the mining industry would be out of luck.

The market is *not* the relentless pursuit of profit in the name of economic growth. Instead, the market is defined ethically, in terms of means, as voluntary exchanges. If an industry's technology requires labor that cannot be obtained voluntarily, then the capitalists should be the losers, not the laborers. The history of South Africa is the story of very mangled market forces trying to break black capital and labor out of the rule of a power elite comprised of white capital and labor in combination with white political leaders.