Smuts missed the significance of his defeat. It was, as Hancock says, 'the end of an epoch; of his epoch'. In the years which followed, the Nationalists steadily increased their electoral strength. And Boer-British unity was not achieved, as Smuts had hoped, through the common exercise of freedom and the use of liberal institutions, but by the support of both white races for Nationalist colour policy. Moreover it was a colour policy which meant the gradual loss of liberty for whites as well as nonwhites.

Smuts did not foresee this: he had no sense of urgency about the solution of the colour question. Always a gradualist and generally an optimist, he had hoped, as late as 1946, to progress with 'practical social policy away from politics'. He had thought there was plenty of time. He had, however, acknowledged the existence and the strength of colour prejudice in South Africa. 'South Africans cannot understand. Colour bars are to them part of the divine order of things . . . . I sometimes wonder what our position in years to come will be when the whole world will be against us. And yet there is so much to be said for the South African point of view who fear getting submerged in black Africa. I can watch the feeling in my own family which is as good as the purest gold.'

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The Tolai live in the Rabaul hinterland of New Britain. The book under review is firstly concerned with their traditional economy and the way it has expanded after the first Europeans settled in the area in 1872. Secondly, it examines the contemporary economy, which the author illustrates by reference to the Rapitok, a Tolai community of about 650 people among whom she lived and worked for about fifteen months during the years 1959-61, and by an analysis of the Rabaul market as it operated in 1961. In a concluding chapter she discusses the theoretical implications of the way in which the Tolai economy has expanded.

The book is an interesting case study of the initial stage of economic growth in rural communities. It is clearly written and the argument is supported by a wealth of quantitative data. The extensive material concerning the economy of the Rapitok is especially impressive. Given the orientation of this journal I will focus the review on the author's account of Tolai economic history.

In 1872 the Tolai had a static economy based on farming and fishing. Their technology was extremely simple but their rich volcanic soils yielded abundant harvests. Regional economic specialisation and the use of shell money promoted extensive trading between the many Tolai communities. Shell money was in great demand among the Tolai, since a person's status and power tended to be higher the more shells he possessed or controlled. The expression 'primitive capitalism' refers to the fact that in traditional Tolai society control over productive resources, primarily land and shell money, was to some extent concentrated in the hands of a small number of individuals. These men had to achieve their position through industry
and managerial skills. The author feels that the traditional Tolai social system favoured economic growth. I find it difficult either to reject or to accept this view, since, as far as I can see, the relationship between social organisation and economic growth is only partly understood.

After the arrival of the Europeans the Tolai economy has expanded almost continually, especially since the second world war. Dr Epstein divides the development process into four periods and this subdivision provides the main theoretical framework by means of which she orders her data. However, this frame merely describes the steps through which the economy has expanded. To explain the way in which they have occurred, the author has to point to properties of the Tolai natural and social environment. The first period, the 'transition period', was characterised by the Tolai's selling surplus crops to the Europeans. The author claims that the people did not expand their gardens, but it seems to me she does not succeed in demonstrating this point beyond doubt. Rightly she stresses the importance of external agencies in getting and keeping economic growth going, and also the favourable position of the Tolai on account of the abundance of their crops, and their proximity to Rabaul port and to a relatively large European community. These features also favoured the people during the three subsequent periods. The second, the 'agricultural investment period', was characterised by a rapid expansion of commercial crops, primarily coconut palms. During this expansion the people profited from the fact that they could continue using their traditional agricultural techniques.

The author estimates that in 1930 the Tolai per capita income from copra was $A7.80. A large part of this income was spent on new types of consumer goods. Around 1930 the third period, the 'investment trial period', started with the establishment of enterprises other than cultivation of crops. The Tolai opened trade stores, bought trucks to transport passengers and cargo and started processing agricultural products. Many of these trial enterprises failed due to the inexperience of the managers. During the same period Tolai expansion was adversely affected by the world depression. The fourth period, the 'tertiary investment period', starts when the non-agricultural ventures tend to become successful. The Tolai are still moving through this period which started in 1944. During the following years economic prospects were bright. Former army vehicles were bought for very low prices and copra prices rose. Moreover, during the 1950s the Australian administration started actively and successfully to promote commercial cropping. In 1959 Tolai per capita income from commercial crops was about $A50. Hence the people were still at the beginning of the road to prosperity.

By 1960 important elements of the traditional social organisation were still functioning. Traditional land tenure had started to present problems, because it prescribes that rights over land pass from a man to his sister's son rather than to his own son. Now, in planting their commercial crops, Tolai are usually assisted by their sons and not by their sister's sons. Since the main commercial crops, coconut and cocoa trees, yield for several decades, a man prefers his son, his helper, to inherit these. In traditional Tolai society the rule did not present difficulties since men owned few long-lasting crops.
Most Tolai enterprises are still subsidiary to agriculture which consequently has remained the backbone of their economy. Hence the title of the book, apparently characterising the 1960 Tolai economy as 'modern capitalism', seems incorrect to me. Continued large-scale agricultural expansion is jeopardised by land shortage. The situation is the more serious since population is rapidly increasing. Given the small scope for manufacturing industries, the author recommends increasing diversification of crops. This would strengthen the economy against price fluctuations, but it seems it can only promote further expansion if it is accompanied by more intensive cultivation. However this may be, the concluding pages of the book make clear that continuing expansion of the Tolai economy is by no means certain.

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