

John HILLMAN, *The Tin Cartel*, London and New York, Routledge, 2010, XII + 484 pp.

During the last years, historical studies about cartels or economic researches about their theoretical framework are proliferating. The debate about their meaning is evading the simply moral condemnation that characterised older studies published during 1950s-1980s. The renovate interest of these new studies is often focused either on the corporate organisation of firms that participated in cartels (how cartels structure affected firms' strategies and organisation), the so-called «competition problem» (how cartels affected the development of markets or the organisation of national economies), or both. The book of John Hillman is only partially linked with these two mainstreams, and it has the great merit to renew approaches and extend the debate. Its main breakthrough is rather to consider the history of the «tin cartel» under the broader point of view of economic regulation, presenting arguments about who had the duty of regulating production and trade and, especially, how.

Hillman is one of the greatest specialists of the tin industry. He has dedicated over twenty years of research to this industry, collecting a huge amount of archival data of different firms and institutions from different corners of the world. This study is more than a simple chronological account of tin cartelisation: this research is able to present a deep internal story of the cartel, of its main actors, and of their respective points of view. His analysis is able to put together several levels and does not neglect to explore also geographical and technological considerations that shaped the international structure of this industry. These details, often not considered by business historians, appear as decisive to understand the history of an industry as the tin one, whose demand was deeply affected by the technological change of its uses and whose production was disseminated in well defined geographical areas, far from the main consumption centres. Moreover, the book presents the history of a complicate framework of actors and explores how, when and why different options for regulating the international market for this non-ferrous metal were taken, and what kind of *arrière-plans* and debates lied beyond the settlement of cartels.

The series of cartel-like schemes (pools, stocks buffering, private agreements, intergovernmental agreements, etc.) that characterised tin industry since the 1920s until the mid-1980s could be considered, according with the author, as a continuous cartel, whereof the title chosen for this book. The Bandoeng Pool of the early 1920s,

the International Tin Committee formed at the end of 1920s, the International Tin Restriction Agreement settle for coping with Great Depression, and the International Tin Council formed after World War II, which lasted until the mid 1980s, are part of a continuous effort in production and market regulation. This «cartel» was, more or less, an informal institution, whose main goal was to stabilise both production and market or, broadly speaking, to cope with the problem with tin. Presenting the cartel like an institution is a big issue of this study under a methodological point of view, as it bestows a great importance upon relational economy considerations, which involves to consider in a dynamic perspective several levels of analysis, such as politics, economy, culture, geography, ecology, personal relationships and innovation. Hillman explains that tin, as many other commodities, was increasingly affected after World War I by a «boom-bust cycle», for which «too many producers are pulled in on the upswing and too many expelled on the downswing. An unfettered market is condemned to repeat the commodity cycle indefinitely and it simply exacerbated by the overall business cycle» (pp. 54-55). If oscillations of price and production can be considered as normal in a market economy, the periods of violent oscillations that occurred after World War I or during the following moments of depression are considered injurious to both producers and consumers, so «price stability over time becomes the dominant economic desideratum» (p. 55).

In the case of tin, such business cycle has been complicated by the fact that it is a non-renewable commodity, and in that case competition was not simply considered as ruinous under the economic side, but also «wasteful» under the point of view of the natural resources exhaustion. After Hillman, this problem «charge[s] producers with the moral responsibility of conducting their affairs in such a way as to avoid this waste; the scarcer the resource, the greater the moral imperative» (p. 55). The outcome of these *desiderata* of regulation (and its degree of success) depended upon the respective balances of powers and relationships established by an intricate framework of different actors, such as miners, traders, consumers, governments and colonial institutions. Each of these actors had different ideas about cartelisation and the role of tin in national economies and of its trade in the international context. Furthermore, each of these actors had different views about the ideal worth of tin and the depletion of the reserves of this metal. The cartel was the physical and ideal place where a synthesis of these different points of view could be reached. The history of tin industry as presented by Hillman shows a kind of «relational economy» able to establish and shape the industry international structure. To write the history of this institution could be imagined the right way to write the history of tin industry as a whole because is able to reach a level of analysis between the micro and macroeconomic analysis.

However, this study is not only a history of relationships; it is also the history of the different tools and instruments chosen by these actors for achieving their goals. The analysis putted forward by the author considers also in detail the mechanisms that were adopted during the time for giving to this industry more stability and show how different tools were established. The breakthrough that occurred in this long cartelisation is considered the adoption of a financial device over inventories: to form a kind of cushion between the market and the production centres could serve as a

great stabiliser of both production and prices. Similarly to what happened in many other commodities (aluminium, copper, petroleum, wheat, etc.), buffer stocks were increasingly adopted during the 1930s and afterwards for coping with the crisis: this device had the task to buy metal when the price was too low and to resell it when the price rose too much. The aspect that surprises the reader is the deep involvement of governments in backing such a stock operation: while in other industries private firms involved banks and traders in stock-piling, tin industry was precociously characterised by public intervention in decision making and financial supporting of stocks accumulation. This is maybe one of the main features of this industry, which made possible a certain continuity of economic regulation even after World War II. While other cartels were put under critics, mainly by American authorities, tin seemed an «inter-governmental agreement», and after the war was judged useful for continuing to regulate the economy. In this new context, also consumer countries were admitted in the cartel board after World War II.

One curious aspect of the book is the choice, made by the author, to never define the exact meaning of the word «cartel». This is not forcedly an imperfection; indeed histories of enterprises, for instance, are not supposed to start with a definition of the term «enterprise». This choice reflects rather the author's aim to use this word as a container word, in which all forms of regulations are included. Yet, this choice seems at the same time a minor limit under a broader point of view: indeed the term «cartel» has a controversial history and its public meaning has been affected in each historical period by the international debates about cartelisation. Tin cartel, as showed by the author, was often used as an archetype for describing a «political» or «politically driven» cartel in this general debate. The Tin cartel, indeed, was the first intergovernmental agreement that formed a regulatory authority and served also as a model for other commodities. While private regulation was put under critics during the Great Depression and, more incisively, after World War II, this cartel served for exploring the links between international trade and national politics. In many occasions, indeed, tin cartel served as a kind of *idealtypus*, especially during 1930s, 1940s and even during 1950s, for intergovernmental agreements in international trade. This study could probably have benefited of a bigger consideration about the variation of the meaning of cartelisation.

However, the general ideas of political powers toward international trade regulation as a whole seem to have been voluntarily sacrificed in this book for following a straighter narration focused on the internal tin industry problems. And this choice is not so bad and, *a contrario*, it has a certain sense in regards of the general construction of the study, because it made this book an excellent case study and never tried to dilute or to mask specific choices adopted for this industry with far-reaching considerations about the general context, neither when it was expected a deeper plunge in the analysis of the general situation of the so-called cartel movement and of the correlations with what happened in other industries.

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