

TIN
UNDER CONTROL

By
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FOREWORD

Tin provides one of the clearest examples of a kind of international "cartel" that enjoyed the support of interested governments during the 1930's. International tin control, under British-Dutch leadership, has been conspicuously successful from the viewpoint of tin producers, especially the higher-cost producers and producing countries. How this success was achieved and maintained, through most of a decade of uncertain peace, makes a significant story.

From the standpoint of the public interest in the world at large, on the other hand, the tin control reveals signal defects. It interfered with the economic distribution of tin production. It made insignificant contributions toward price stability. Its "buffer-stock" schemes served no useful purpose beyond profiting their participants. It maintained tin prices higher than was necessary, or than was conducive to elimination of high-cost units or to protection of tin against future competition from substitute materials. Moreover, its contribution to the improvement of working conditions in the tin-mining industry was almost negligible.

Such brief statements cannot do justice to Dr. Knorr's analysis of tin as a commodity and his appraisal of the tin agreements in operation, in the first book in English devoted to the world tin economy. It brings out the specific characteristics of tin supply and the demand for tin which explain why control of this commodity can be readily misused for monopolistic purposes. Its content is basic to wise consideration of national and international policies toward raw materials and foodstuffs in the post-war world. It is timely, in the present stage of policy evolution, yet most of it will outlast the events of the coming decade.

Tin has an obvious interest for a Food Research Institute. Rising consumption of canned foods is one of the striking facts of this century. The phenomenal growth of the canning industry has depended on the peculiar characteristics of tin plate and its abundance. And tin plate is the largest single channel through which the world's tin is nowadays consumed.

Tin under Control, however, owes its appearance to another reason. It is a product of the Institute's program of research on international commodity agreements. This program, initiated because of our interest in food commodities in the world economy, required us to look beyond food and agriculture as such. For pertinent experience and analogies, the tin control was too important to be neglected, and the Institute's experience in commodity analysis proved helpful in the study of this non-ferrous metal.

Grateful acknowledgment is made to the Rockefeller Foundation for a grant of funds that made possible the preparation and publication of this work. It may be superfluous to add that the Foundation is in no way responsible for the treatment or even for the choice of the subject. In accordance with the standard practice of the Food Research Institute, the final responsibility for the book, in general and in detail, rests with the author himself.

JOSEPH S. DAVIS

November 10, 1944

PREFACE

The primary purpose of this study is to offer an appraisal of the International Tin Control Scheme. This scheme was devised to grapple with certain distressing problems confronting tin producers, investors in tin-mining companies, and tin-exporting countries. The desirability of solving these problems is abundantly clear. In judging the means toward this end, I have based my appraisal on the assumption that no solution is satisfactory which seriously interferes with the economic utilization of resources in production. I have done so because the maximization of real income from the general social viewpoint must remain the fundamental criterion of judgment for anyone who is not connected with any special-interest group.

The selection of this approach was fortified by two considerations. First, careful analysis of the position of the tin-mining industry revealed that the encouragement of utmost economy in production is not only in the interest of the world's consumers of tin but also in the enlightened interest of the industry and the exporting countries. Second, in the sense that the great bulk of tin produced in the world enters foreign trade, this metal is the striking example of a commodity which is of truly international concern and import.

I wish to thank J. S. Davis, Director of the Food Research Institute, for his constructive criticisms and generous advice. For valuable comments I am also indebted to Karl Brandt, V. P. Timoshenko, and V. D. Wickizer, who read the manuscript wholly or in part.

Grateful acknowledgments are due also to Rosamond Peirce for helping me with statistical problems, to P. Stanley King, who made the map and the charts, and to Mr. and Mrs. William Hawley Davis for the preparation of the index. The onerous task of editing the manuscript fell to Ruth Lee Young.

K. E. KNORR

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