political and philanthropic orientation for the Berlin business elite. Leslie Hannah describes how trust also played an important role in the fledgling securities markets, with the exception of Germany, where these networks of trust provided a substitute for formal securities regulation. Jason Russell, Andrew Smith, and Kevin D. Tennent draw attention to a new stage in business-government relations where the U.S. government decided to forego the establishment of colonies in favor of close trading relationships, especially with Latin America. Adolf Berle's role in developing this new policy was central. However, replacing the role of the military in protecting U.S. commercial interests with a "Good Neighbor" policy meant that multinationals were essentially on their own in dealing with the vagaries of volatile Latin American governments. Finally, Philip Scranton describes socialist firms in central Europe, which, like the early trading companies, had social purposes explicitly embedded in their very existence.

Although the volume provides great rewards to the patient reader, the editors and authors could have helped the reader to make connections to current conversations in the field regarding social enterprise, hybrid organizations, social impact, historical CSR, and others. At points it is not even clear what the authors mean by "socially responsible business." As a nonhistorian, I would have liked a more clearly articulated framework within which to understand the relationship between institutional context and responsible business practice. Still, it represents an important resource for historians and CSR scholars by providing countless examples of how business firms attempted to relate responsibly (or irresponsibly) to their social context.

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The Price of Oil. *By Roberto F. Aguilera and Marian Radetzki*. Cambridge, U.K.: Cambridge University Press, 2016. x + 242 pp. Tables, references, notes, index. Cloth, $120.00. ISBN: 978-1-107-11001-4.

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Reviewed by Chad H. Parker

Roberto F. Aguilera and Marian Radetzki have written both an assessment of the past and a prediction of the future. *The Price of Oil* explores oil price fluctuations since the early 1970s in an attempt to uncover the most prominent reason(s) for price instability. They dispense with a variety of popular theories about price increases—such as resource depletion, the costs of production, and the role of the Organization of the Petroleum Exporting Countries (OPEC) and Saudi Arabia—and argue that supply disruptions resulting from nationalization of oil by producing states in the 1960s and 1970s are the primary culprit of price increases since that time. Problems with inexperienced, inefficient, and politically conflicted state-owned companies meant that not enough resources were allocated to production. "Domestic and international conflicts over the oil rent," they point out, led to slower production, resulting in supply problems (p. 4). Similar issues with supply, they argue, are to blame for ongoing price instability. The authors then look at the rise of two production revolutions—the technological revolution and the shale revolution—to suggest that, as a result, sustained lower oil prices and greater global economic development will dominate the long-term future of oil.

Aguilera and Radetzki note, unsurprisingly, that "prices are in effect determined by the relative balance of supply and demand for oil" (p. 15). Speculation by investors and changes in demand, however, have little impact on the long-term price of oil. In addition, while OPEC often acts as a cartel, the authors find that its actions (its quota system and its management) also do not have a significant long-term impact on prices, in part because they are not managed consistently, individual countries cheat on production quotas, and many producing states are already operating at or very near capacity. And Saudi Arabia's actions as a "swing producer," in particular, also cannot explain price fluctuations (p. 28).

The exploration of both oil depletion and costs of production yields a conclusion that neither has significant long-term impacts. Depletion, the authors argue, has never been an issue, and costs are hard to determine. In looking at depletion, they explore the notion of "peak oil" and state that "Peak Oil adherents assert that the technology of exploration and exploitation is now so mature that believable ultimate quantities can be determined. They share this view with self-assured experts and analysts of 100 years ago" (p. 35). Providing some more information about how peak oil adherents recycle old tropes in their predictions could help contextualize, historically, the problem with these arguments. It might also shed light on the thinking of those who make these arguments and, therefore, the role of certain kinds of "experts" within the industry.

After rejecting many popular beliefs about oil price fluctuations, Aguilera and Radetzki move to their pivotal historical contribution. They argue that state-owned oil companies operate "with the purpose of affecting corporate behavior for *political ends*" (emphasis in original) and therefore "the goal of profit maximization is typically subordinated to the pursuit of a broader set of social goals and specific agendas" (p. 46). This political and social agenda, combined with early inexperience with oil industry operations, created inefficiencies. Moreover, conflicts related to oil, such as the war between Iran and Iraq in the 1980s, led to a decline in available oil.

The authors stick to the economic data, but at times this approach is to the detriment of trying to understand the broader history of the issues they raise. For instance, when discussing Iran and Iraq, Aguilera and Radetzki state that "it is certainly possible to point to the seeds of the conflict planted by the break-up of the Ottoman Empire in 1914, the aftermath of colonialism in the 1950s and 1960s, and to the religious differences of the two countries. Though the counterfactual will never be known, we allege that the conflicts would not have been as bloody and as extended in the absence of the countries' oil wealth" (p. 71). The seeds of the conflict are indeed long and complicated, and oil does factor into the discussion. The authors convincingly show that oil production dropped in Iran and Iraq during their prolonged war in the 1980s, as it did in various other oil-rich regions during periods of conflict. The argument that the production declines are significant to higher prices is not novel, and any suggestion that these sorts of conflicts were tied merely to nationalization and state ownership would be rather simple. More complicated inquiries into conflicts in and among oil-rich states might, however, complicate the point that the authors want us to contemplate. It is possible that this particular conflict would not have occurred with private ownership, but of course conflict between private firms and producing states has always been an issue historically, as it continues to be. By extending the range of the study, the authors would no doubt run across examples of serious disruptions to supply as a result of European colonialism and private control. Iran's own history in this regard is telling.

Aguilera and Radetzki quickly move into the second part of the book to explore the impact of current extractive practices on the future. They argue that the technological revolution in shale oil extraction has crossed a point whereby it is not as expensive and is therefore profitable when oil prices are low, and they maintain that this technological revolution will spread globally. The United States, they predict, will become the world's largest producer. In the end, global economic development will result.

The Price of Oil makes helpful comparisons between crude oil and other minerals and metals to show that issues like demand and resource depletion cannot exactly be identified as the key culprits of oil price fluctuations since the 1970s. Instead the authors show that problems with supply predominate. Economic historians and some business historians will appreciate the approach the authors take, but political and diplomatic historians may want deeper analysis of the political, social, and diplomatic factors within the producing states.

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The Economics of Airlines. *By Volodymyr Bilotkach*. Newcastle, U.K.: Agenda Publishing Company, 2017. x + 174 pp. Figures, tables, references, index. Paperback, $23.00. ISBN: 978-1-91111-614-1.
doi:10.1017/S0007680518000843

Reviewed by David Gillen

I had mixed feelings after reading this book. It was too rigorous to be pop economics or something you would find in airport bookstores, yet it did not have the depth of top-notch textbook quality either; it tells you how things work rather than why they exist, which is a more fundamental question. The author wanted to describe the global aviation industry and how it affects, as well as is affected by, global economic events. He also wanted to place aviation in a context of modern economics and social responsibility by explaining the externalities, both positive and negative, that the airline industry generates. To this end he has succeeded.

The four parts that make up the book could each stand alone but, I found, have a sensible sequence. Part 1 describes the basic economics of the demand and supply for air travel as well as airline pricing strategies, while part 2 includes chapters on a wide range of topics including market structure, different business models, and key strategic variables, as well as the unique features of the bilateral agreements for international market access. It also discusses alliances, regulation, and deregulation of markets and safety and security. Part 3 contains a description of the positive and negative externalities produced by the industry—the economic stimulus provided by aviation through connectivity, but with the costs of noise pollution and emissions. Part 4's topics deal with transportation infrastructure and key elements of the aviation supply chain. We learn how infrastructure, airports, and air traffic control systems can have a significant impact on how well airlines perform operationally and financially.