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ROYAL MEEKER

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BY
ROYAL, MEEKER, PH.D.

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PREFACE

The historical part of the following study was undertaken in 1899 with the intent to discover, if possible, a statistical application of Professor Alfred Marshall's theory of bounties as applied to industries of increasing return. It soon became obvious that the statistical material obtainable, in the shipping industry at least, is utterly inadequate to meet the requirements of such a study. Statistics of varying degree of accuracy can be obtained in unlimited quantities, but the statistics necessary to a mathematical study of the effects of a bounty to American shipping are totally wanting. I have thought it not entirely useless to write a brief history of shipping subsidies in all the more important countries, because such a history is convenient for reference and comparison. Statistics have been used whenever they seemed not altogether useless. In many cases they were useful only to show the fallaciousness of the ordinary use of statistics. In fact the greatest value of the historical part of this work is to show that the broad generalizations so frequently made as to the effects of bounties are without foundation, because it is impossible to isolate the economic effects of bounties from those of other economic causes.

The longer I labored with the statistical-mathematical method, the more I became convinced of the limitations of this method. A criticism of the scientific arguments for bounties is given in Part II. Some of the more important popular arguments for shipping subsidies are reviewed, as well.