

ducts go up 25 per cent. why would prices in general not go up more than ten per cent. The increase in the farmer's profits would be largely due to the fact that a market near at hand is more profitable than a market far away. There is a saving in transportation charges on what the farmer sells as well as on what he buys when the factories are in towns within a few miles of the farm instead of being in a distant country. Moreover many classes of farm products deteriorate when shipped to distant markets and consequently bring lower prices. However, if prices in general increased 25 per cent. on the average the farmer's purchases would cost him \$625, while his sales would bring him \$750 per year, so that even then he would be able to save \$125 more during the five years than he could when prices were 25 per cent. lower.

But higher protection would not cause such a general rise in prices and consequently the advantage of the improved home market would be far greater to the farmer than would appear from these figures. No doubt the higher duties would in some cases cause a slight increase in prices of certain classes of manufactured goods for a short time,