Suppose that for a period of five years a farmer gets on the average $600 per year for the farm products he sells and pays out $500 for what he buys, putting one hundred dollars in the bank each year, at the end of five years he will have saved $500 dollars and accumulated interest. Then the tariff is raised and as a result of it a number of factories are started in the neighboring towns within a few miles of his farm, creating such a profitable home market for everything produced on the farm that its earning power is increased twenty-five per cent. At the same time prices in general go up and average ten per cent. higher for five years; the farmer gets twenty-five per cent. more for what he sells and pays ten per cent. more on the average for what he buys. His sales will then bring him $750 per year, and his purchases will cost him $550 per year, so that he will be able to save $200 annually instead of $100 as he did before, and at the end of five years he will have saved $1,000 and accumulated interest instead of $500 and interest as he did during the preceding five years. Under such circumstances the farmer will have no reason to complain of increased prices.

It may be asked if prices for farm pro-