

For more than a year foreign steel rails have almost ceased to come into this country, yet in that time American rails have fallen in price \$20 a ton, solely as the result of home competition.

The manufacture of cut nails is an American invention, originating near the beginning of the present century. When it was first undertaken in this country, wrought nails, which then cost 25 cents a pound, were largely imported; hence the necessity for protection to the new industry. By the tariff act of 1824 the duty on all nails was made 5 cents per pound, at which it remained until 1833, since which year it has been reduced. Prices of cut nails have ranged as follows during the past fifty years: In 1828 the price was 7 to 8 cents per pound; in 1829 it fell to 6 and 7 cents; in 1830 to 5 and 6 cents; in 1833 to 4 and 6 cents; from 1835 to 1840 the price was from 5 to 7 cents, falling in 1840 to 5 and 6 cents; in 1842 the price fell to 3 and 4½ cents; in 1844 and 1846 it was 4 and 5 cents; in 1855 it again fell to 3 cents; in 1861 it was 3 cents. Like all other products, the price advanced during the era of war prices, but before the panic of 1873 it had again fallen to 3 cents, and on the 1st of January, 1876, the price was 2½ cents. It will be noted that, in 1830, six years after the duty was made 5 cents per pound, the price was the same as the duty; that, in 1833, the price fell below the duty; that, in 1842, it was 2 cents per pound below the duty; and that, on the 1st of last January, it was just one-half the duty of 1824, and about one-fourth the price charged for cut nails when that duty was imposed. Political economists who receive their inspiration from our industrial adversaries sometimes allege that the duty is always added to the price. The history of the manufacture of cut nails is an illustration of the fallacy of their theory. Protection and home competition brought down the price of cut nails far below the duty, and drove out of our markets the English wrought nails with which they had for many years to compete, and which in 1828 cost from 10 to 17 cents a pound. For a long time we have exported nails to foreign countries, the value of the exports of nails and spikes in the fiscal year 1875 amounting to half a million of dollars.

The history of a celebrated American manufactory of saws presents a striking example of the cheapening effects of protective duties. Prior to the Revolution, and for many years after its close, saws were not made here. All our saws came from abroad, and we paid for them just what foreigners were pleased to charge us. In 1840 an American mechanic, Henry Disston, commenced the manufacture of saws in Philadelphia in a small way. At that time