

6. On arrival I waited upon A. de C. Crowe, Esq., Her Majesty's Consul General for Cuba, who received me very courteously and proffered every assistance in his power towards obtaining the desired information. He placed me in the hands of the Acting Vice-Consul, Mr. Butler, who having an excellent knowledge of the language, &c., of the people, rendered me most valuable aid. I was introduced to some of the leading merchants of the city, and I had an opportunity of obtaining their views on the subject of direct trade with Canada by means of steam communication.

7. The liveliest possible interest was manifested in the prospect of closer intercourse. Knowing that some of their imports from the United States were of Canadian origin, and that Canada could supply other important and needed articles, and feeling it incumbent upon them, under the great financial pressure in the Island, to obtain their supplies in the most favorable manner, the merchants of Havana look upon the establishment of steam communication between Canada and Cuba as of the greatest moment.

8. In official circles I had the honor of an introduction to the Secretary of the Government, the Marquis de Mendez Nunes. On being informed of the desire of the Government of Canada for greater commercial intercourse with Cuba, the Marquis expressed himself greatly pleased. He informed me that it was out of the power of the Island Government to enter into any trade arrangements; such matters belonged to the Imperial Government, and were conducted entirely by Spain. I was also introduced to the Postmaster General, who stated that, if the projected line of steamers were made a *regular* mail line, he would be glad to recognize it as such, which would entitle the steamers to special port privileges.

9. In the course of my inquiries I found that the consumption of Norwegian codfish was decreasing. There had been a falling off of about 33½ per cent. in the last four years. The yearly quantities will be found in the appendix. I was informed that this was caused by the high price of Norwegian compared with English, (*i.e.*, Canadian and Newfoundland codfish), the latter also paying a lesser duty; owing to the great falling off in the value of sugar, the inhabitants were obliged to use the cheaper description. The opinion was freely expressed that the consumption of English codfish would increase, while that of Norwegian would decrease still further.

10. The island numbers about 1,250,000 inhabitants. The quantity of rice consumed in consequence of its being a universal article of diet is enormous. It is obtained chiefly from Liverpool where it is received from the East Indies, and there cleaned for transhipment. When the Canadian Pacific Railway Company complete their railway to the Atlantic, and establish their Asiatic connections it might be considered of importance to ascertain how far transportation rates would bear a comparison.

11. For the following statements see appendix, viz.:—

Statement of the leading articles imported into Cuba, and whence received, Appendix B.

Statement of lines of steam communication with the Island, Appendix C.

*Pro forma* account of port charges at Havana on steamers of 1,000 tons register, Appendix D.

*Pro forma* account sales of flour; Appendix E.

Statement of the duties payable on exports, Appendix F.

Statement of the duties payable on some of the leading articles of import, Appendix G.

Statement of imports at Havana of jerked beef and English and Norwegian dry fish, Appendix H.

12. Through the great fall in the value of sugar, a very despondent feeling is apparent in business circles. The crop now in the course of being turned into sugar is a bountiful one, estimated to amount to over 700,000 tons. On some estates the planters find it difficult to undertake its manufacture, and where money has to be borrowed to move the crop, quite unprofitable. I was enabled to see the operation of sugar making with improved machinery, by means of which, as I was informed,