

The Expedition to Relieve Puerto Principe—An American Claim Ignored in Nuevitas—The Death of Argilaga.

NUEVITAS, Feb. 18, 1869.

The expedition which recently left here consisted of four steamers, three of which sailed yesterday morning and one this morning. They took about 2,000 troops, mostly infantry; some mountain howitzers, the horses of chiefs and staff, with about 100 others for equipage and baggage. They also carried a great quantity of provisions, some 300 barrels of flour, 400 sacks of rice and 140 rounds of ammunition for each man; the whole under command of Brigadier Lesca, recently appointed Governor of Puerto Principe, to supersede Mena. A great deal of mystery has been affected with reference to its destination, but every child in town knows that it is bound for the Bay of Guanaja, about thirty-eight miles to the west of this point. The steamers cannot get near the town, as the water is too shallow, but they have taken in tow some twenty barges, lighters and small schooners to facilitate the landing. The ultimate objective point of the force is undoubtedly Puerto Principe, which is about thirty-six miles from Guanaja, over an open road for the most part. The government are aware of the preparations made by the insurgents on the road from Nuevitas to Principe, and so have determined to avoid them by another route. It is probable that the siege of that place will be raised.

We have but one merchant vessel in port, the "Kate Ranger," an American schooner, which sails to-day for Matanzas, as the authorities will not allow her to load, although her cargo is at the bay side at Baga. The reason given is that the cargo, consisting of sugar and molasses, came through the enemies' lines, and therefore should not be allowed to leave the country without superior orders from Havana. This vessel was sent out from New York by a mercantile firm to a merchant here, who already owed large sums to the house, under an arrangement to pay with the produce of this crop. The authorities allowed her cargo to come in, but refuse to let her load. Mr. Gibbs, the United States Consular Agent, went with the representative of the house and had an interview with Brigadier Lesca. That gentleman advanced some very astounding propositions of international law, but did not grant the permission required, and the representative goes to Havana to see what can be done there.

An insurgent has furnished me with the following account of the death of Dr. Rafael Argilaga, mentioned in my letter of the 10th. He was a young man of talent, having been educated in Europe, and somewhat eccentric. He was a monomaniac on the subject of Cuban independence, was an excellent shot, and in November last followed the column of Yamaseda from Bonifio to San Miguel, striving for an opportunity to pick off that officer. His commander was always compelled to restrain him, as he was very reckless. At the time the troops made a sally from this place on the 6th the insurgents made an attack on their rear. Argilaga, who was present, rushed out into an open space and, kneeling down, discharged seven shots from his repeating rifle, when he fell, pierced with two bullets. The soldiers came up to him, and finding him still alive, finished him with their bayonets and knives. These people are very bloodthirsty, and, pretending as they do to civilization, act in a very inhuman manner. Recently a Spaniard of standing and education here boasted in public that he would pay a two dollar piece for every pair of ears that the soldiers would bring him.

The Financial Policy of the Government—Effect of the War on Labor—Gold Market—Reinforcements—Burned Plantations—Abandonment of Guanaja.

HAVANA, Feb. 24, 1869.

The financial policy of the government has finally been determined upon, and is announced by a decree in the *Gaceta* of yesterday. In order to provide ways and means to meet the constantly increasing demands upon the treasury arising from the war the following changes will be made in the customs tariff and tax law:—

First—On and after the 1st of March next all the custom houses of the island will exact the following export duties on goods for the peninsula and foreign parts:—Sugar, fifty cents per box and one dollar and twenty-five cents per hog-head; leaf tobacco, one dollar per bale; cigars, fifty cents per thousand.

Second—From and after same date there will be levied an additional tax of five per cent on the amount of the existing import duties.

Third—In the same manner an additional tax of twenty-five per cent will be once charged on the contributions for the current economic year of commerce and industry, exempting those incomes that are less than \$250 per annum.

To meet the immediate exigencies of the treasury it has been determined that the Banco Español shall furnish \$3,000,000, to be repaid by the import and export duties mentioned above, the amounts received by the custom houses to be handed over weekly. The advance of the bank is to be of the same class of notes as heretofore used, with the privilege of issuing notes of five dollars if it chooses. The result of these new financial measures depends upon the good faith of the government in paying into the bank the customs collected. In some quarters it is feared that under the exigencies of the war the government will not be able to keep faith, as the demands upon the treasury now amount to about \$2,000,000 a week, and the revenue is not a quarter of that.

The effect of the war upon commerce is beginning to be felt in the labor question. Representations were made recently to the government by the cigar makers of this city, who number several thousand and constitute the great body of white labor here, asking for some measure to remedy the ruinous state of their trade. The fact is, that while the total clearances of manufactured cigars from this port amounted to 34,162,000, from January 1 to February 15, 1869, the export has fallen down to 23,279,000 cigars during the same period this year, showing the enormous decrease of 10,883,000 in a month and a half; whereas the clearances of the leaf compare reversely thus:—In 1869 it was no less than 1,124,960 pounds, while it was only 718,865 pounds in 1868, which presents an excess of 406,095 pounds in the export of this year for one month and a half. The true evil, says the *Prensa*, lies in the latter fact alone, and there is no other remedy, thinks that paper, than to enforce a heavy duty on the export of the leaf, in order to arrest the enormous exportation of it, and thus protect the cigar twistera, at least to an important extent. But the fact is, as the *Prensa* itself owns, that the cheapness of labor abroad and the enormous wages paid here for twisting is the real question; and, as this cannot be remedied, the *Prensa* very properly exhorts the manufacturers to do their utmost in competing in the superiority of their manufacture.

The *Voz de Cuba* calls attention to the fact that the laws about foreigners as they still exist are not carried out to the letter, as according thereto every foreign resident of five years and more should swear fidelity and become vassals to the Spanish flag. It hints at the impropriety of allowing Cubans to leave with passports having the "Mister" before their names (as American citizens) instead of the usual "señor" or "Don."

The gold market is much easier than it was last week, and Spanish ounces can now be had at two and a half per cent premium. American eagles and English sovereigns are in good demand.

The war steamer *Borga* arrived late last night with 500 troops and thirty-seven officers. The corps recently arrived from Spain having the old Minié carbines have been furnished with the needle guns of the new model.

The *Diario de la Marina* has the following from the seat of the insurrection:—A party of insurgents have burned thirty-six cane fields of the plantation Australia in Colon, owned by Señors Antonio and José M. Mora. It is stated that the only motive for so doing was that they (the rebels) were not furnished quickly enough with the forage which they required for their horses. This is the more strange, as several of its employes served in the zenith of the revolt of Jaguey. The general impression here is that it was the work of the volunteers.

The same paper has the latest from Sagua, dated 21st:—Since the rebels attempted to attack Santa Domingo the troops had returned, by which it is inferred that the enemy had disappeared from that vicinity. The mobilized cavalry brought in nineteen prisoners to Sagua, some of whom are owners of plantations and their employes. It was said an encounter had occurred in the jurisdiction of Villa Clara, but we have no details. From a letter dated Cienfuegos, 18th, we glean that urgent orders for a quantity of arms from Havana had been sent here, as the inhabitants were more than three days on the defensive without an hour's rest, being threatened by two parties of rebels, or rather pillagers, to fall on this town. The arms were immediately sent from Havana.

The *Prensa* gives dates, from Santiago de Cuba to the 10th, stating that the number of sugar plantations that have been burnt were fourteen and that of coffee estates two. Only ten plantations were grinding; the rest had suspended work for want of hands.

The insurgents have left the port of Guanaja. Two small gunboats, taken in tow by the steamer *Comercio*, arrived there on the 17th and threw four shells into the place, when the rebels took flight, and a small garrison, partly composed of the crews of the gunboats, took possession. Several were found killed by the explosion of the shells. The *Diario* of this morning speaks of the arrival of the force from Nuevitas at Guanaja, which was to move towards Puerto Principe on the 21st and expected to arrive there soon. A gentleman who arrived from Nuevitas yesterday expresses the opinion, however, that the troops will find it difficult to reach that place, as the insurgents, who outnumber them two to one, are equally as well armed and make up the flower of their force. He states that they realize the disastrous moral effect to them if they allow the place to be relieved by a force less than their own after besieging it so long. The road from Guanaja is open, but quite hilly, and very well adapted to opposing the march of troops encumbered, as they will be, by a large amount of provisions and material. A bloody contest may be looked for.