[From the London Times, 2d November.]

THE AFFAIRS OF SPAIN.

MADRID, Oct. 24.

The Gazette of this day contains a decree appointing General Don Jose de Ozeres, Senor y Rubianes, Commandant General of the corps of Halberdiers, vice Palafox, Duke of Sarragossa, who (according to the decree), on account of ill health, is unable to continue in the performance of his duties.

It also publishes a circular from the War office, containing a list of 28 colonels belonging to the different arms of Infantry, Artillery, Engineers, Cavalry, Reserve, Civic Guard, and Staff, who are promoted to the rank of Brigadier. The Inspectors and Directors General of the same arms were instructed to transmit to the War office a list of officers, on the basis of one in ten for chiefs, and one in eight for captains and subalterns of the different corps, whom they judge fit for promotion or decoration, and according to seniority. Three crosses of Maria Isabel Luisa for each company are also to be given to the most deserving of the corporals and privates. Similar promotions are to be made and decorations bestowed on the same basis on the troops in the colonies.

With respect to Spanish intervention in Portugal, El Espanol says, "We can to-day add, that we believe we are not mistaken in assuring our readers that the Government, in consideration of circumstances of the highest national importance, has resolved to continue in a state of prudent activity; merely sending a force to the frontier to watch and protect our territory, but in no manner to intimidate or menace our neighbours." To what extent the "prudent activity" of the Government will go, with so frank and straightforward a man as Isturitz at its head, and such prudent Generals as Villalonga, Shelley, and Pavia in command of the troops remains to be seen.

The Clamor Publico has not quite the same confidence in the

prudence or moderation of the Government:-

"Let the Heraldo," it says. "be assured that if, in obedience to the orders of France, the Isturitz Cabinet decides on intervention in Portugal, revolution and perchance war, will spread even to the very gates of Paris. To the palace league, which, to all appearance, the Courts of Portugal, Spain and France are desirous of forming, the people will oppose another league, much stronger and more powerful, founded on the great principles of justice, independence and emancipation. Into that league England must of necessity enter, under pain of remaining for ever reduced to impotence; and who can say to what a point may reach the fury of passions once unchained, the barriers of prudence and respect to thrones once broken down? The intervention of the Spanish Government in the affairs of Portugal, under any pretext soever, will burst assunder those international relations which, up to the present, have existed between the four powers that signed the treaty of the Quadruple alliance; and the question will then be, whether England and the northern powers will permit the Court of the Tuilleries to possess itself of the sway of the whole southern continent from the mouth of the Tagus to the Llobregat-from the pillars of Hercules to the coast of Cantabria. Let not the statesmen of the French party deceive themselves. The day they dare to plant their foot in Portugal they will have to do with England, whose prudent policy will never permit Spanish armies to enter with impunity the Portuguese territory, to establish there also the influence of Louis Philippe. Then the fire of the struggle which threatens to break forth on our own soil, between the partizans of French domination and the champions of national independence, will commence on the Portuguese territory; and the pretensions of France and the vengeance of England will add fuel to the flame."

I am positively assured that a second sum of 6,000,000 reals has been sent by the Government to Portugal. The first sum was to enable the malcontents to commence the movements which produced the Saldanha Ministry; the second, to support that movement, and continue it if necessary. I am further assured that these sums have not been transmitted without the approval, perhaps the counsel,

of the French Government.

The determination ostensibly come to by the Spanish Government is to preserve neutrality, at least yet awhile, and merely send troops

to the frontier.

The latest accounts from Portugal that have reached here would show the probability of a compromise between the struggling parties. Much stress is laid on the expositions stated to be addressed by Das Antas to the Queen.

The funds are nearly the same as yesterday. Three per Cents., 343 buyers, and 35 sellers; Four per Cents., 212; Five per Cents., 21 with coupon; Passives, 63; Vales, 83; Coupons, 20

A grand review was held to-day, at 3 o'clock. The Queen, accompanied by the King and Don Francisco de Paulo, was on the ground. Her Majesty looked well. The troops were formed in line on the Prado, and extended to the gate of Atocha. I heard not a single viva, not a single cry, as she rode along the line.

BAYONNE, October 28.

The entertainment provided for the Duke and Duchess de Montpensier, yesterday morning, consisted of a regatta on the Adour, which the Prince and Princess witnessed from the deck of the port steamer, handsomely decorated and adorned with flags, for the occasion. Four boats, each manned by four rowers, contended for prizes, and appeared to afford much amusement to the illustrious visitors.

Their Royal Highnesses then drove to Biarritz, and returned to

the palace to dinner.

In the evening took place a grand ball, given by the town of Bayonne, at theatre, the pit of which was boarded over, and formed with the stage a most splended saloon; it was lit up with a profusion of chandeliers, and the flags of France and Spain hung together in loving fellowship.

Their Royal Highnesses quitted Bayoune for Pau between 8 and 9 o'clock this morning. The festivities in that city are to last four days, and all the eminent Spaniards who were present here are

invited to be present at those of Pau.

I must now revert to a circumstance that has caused much excitement here. I mentioned in my last letter that great surprise had been expressed at the omission on the part of the English Consul to hoist his flag at the consulate on the day of the Duke de Montpensier's arrival. It has always been the custom, from which, during a long residence in this country I have before never known a single deviation, for the foreign Consuls to hoist their national flags on certain festivals, and also on the occasion of the visit of any member of the Royal family. Therefore, if the British flag had appeared as usual on the present occasion, no casuistry could have construed the circumstance into a recognition of the Montpensier marriage, or into any thing else than an ordinary tribute of respect paid to a son of the reigning monarch. The violation of the treaty of Utrecht is not to be atoned for by closing the Bayonne consulate, nor the unsettled balance of power righted by the lowering of a piece of bunting. The French are very punctilious in this matter of flags, and when the sub-prefect had reason to believe that it was intended to omit the customary mark of respect of hoisting the British colours on the occasion of the Duke de Montpensier's visit, he let the Consul understand that if such should be the case it was likely that something disagreeable would occur; and he has very quickly fulfilled his own prophecy, by offering a contumely to the English colours, which gave great pain and offence to those of our own countrymen who witnessed the circumstance. I mentioned, in the beginning of this letter, that the steamer on which the Duke and Duchess embarked to witness the regatta, was adorned with flags. The highest place was occupied by the French tricolour, next was the Spanish, then the Belgian flag, afterwards those of several petty states, and lowest of all hanging down to the water, was the British Union Jack. The few English present were so indignant at this treatment of their national banner, that, but for the paucity of their numbers, they would have attempted to rescue the flag by force from its degraded position; whilst on the other hand, certain Frenchmen were so irritated at the Consul's conduct, that they threatened to pull down the escutcheon of the British arms from the front of the consulate. Luckily it has all ended in words; but it is not the less true that the policy, if such it deserves to be called, pursued on the occasion, was not only trivial and undignified, but also dangerous.

THE INSURRECTION IN PORTUGAL. LISBON, MONDAY, October 19.

A Royal decree appears in this day's Diario appointing the King Don Fernando Commander in Chief of the army, a post which he held up to the revolution of September, 1836. The decree recites that "This is required by the extraordinary existing circumstances of the country;" and expresses Her Majesty's conviction that the King will employ in this most important commission the eminent qualities, talents, and virtues which distinguish the grandiose soul of His Majesty. The Marquis of Saldanha is nominated Chief of the King's Staff, and the Prince of Portugal and the Duke of Porto, the two eldest of the Princes, enter the military and naval service : the first receiving, by Royal decree, the title of Honorary Colonel of the Queen's Grenadiers, and the second entering the navy as guardia-marinha. The youths being respectively of the ages of 10 and 8, the immediate effect of this appointment will only be to give their education a professional direction. The decree recites that this is intended " to give the army and navy a public testimony of the Royal good wishes." Thus the entire Royal Family is committed with the Chartist party. The Marquis da Fronteira is made commandant of all the national battalions, excepting one about to be enrolled, to be called "The Queen's Volunteers," composed of the officers'of the fourth section of the army, and of the members of the extinct bodies of volunteers of 1843. The Lisbonians exhibit a fair share of zeal in enlisting in these battalions, and the men engaged in the Obras Publicas, or Government works, have already relieved the Queen's Volunteers and other troops in mounting guard. Some members of the new battalions have complete uniforms, but the bulk have only military caps, cross belts, muskets and bayonets. Care being taken in the selection of these men for enlistment, the regular troops may speedily be marched with security from Lisbon on Oporto. Effective measures have been taken by the Government for the supply of the Commissariat, which the loan of £70,000 from the bank of Lisbon facilitates. The Polytechnic and army schools are closed, those capable of bearing arms being enrolled for service.

Oporto still holds out lustily, the Duke of Terceira and his companions in captivity being still held in durance in the upper part of the castle of Foz, from which the Duke a day or two since witnessed the unpleasant spectacle of the floating corpse of an old groom of his, to whom he was much attached, and who having been pursued by the mob on the day of the Duke's arrest, fell into the river