

SPAIN.

Designs of the Provisional Government—The United States Gunboat Fired On—Apologetic Letter from Serrano—The Cuban Trouble—Financial Embarrassment.

MADRID, Jan. 10, 1869.

It is understood that the government has been sounding the troops to ascertain their feelings in regard to a *coup d'état*. Some of the infantry, officered by Prim's friends, are ripe for anything, but the engineer and artillery corps cannot be corrupted. The latter are the *élite* of the Spanish army. They declare—at least their prominent officers declare—that they will support the government in all that is proper and right until the Cortes meet, and whatever that body decrees they will obey, but they will not permit any *coup d'état* if they can help it. The position assumed by these corps has rather thrown cold water on the ambitious designs of the government. Still it cannot be safely affirmed that they have been relinquished. They will not be until the last moment, although it is more impossible daily to carry them out. The elections take place on the 15th, and the result will greatly affect the plans of the government.

Marshal Serrano, President of the provisional government, addressed Mr. Hale, our Minister, a note on New Year's Day, with a copy of a telegram from General Pavia, commanding troops in Malaga, informing the government that a boat of the Swatara, bearing the United States flag, had been fired into by the revolutionists while it was conveying some ladies to the ship. General Pavia had dispersed the revolutionists, and he did not know whether any one had been hurt in the boat. He had made explanations to the commander of the Swatara. General Serrano, on behalf of the provisional government, deplored the act of vandalism. The relations between the United States and Spain were always friendly, and he regretted that anything should occur that might in any way change them. He promised to secure and punish the guilty parties for this gross assault on the flag of a friendly country. Of course the act was one that could not be prevented, and the government is not all to blame for it. General Serrano very promptly, on behalf of the government, conveyed to Mr. Hale the news and his regrets. That was all that could be done. Mr. Hale has, no doubt, expressed his entire satisfaction at General Serrano's disclaimer, and the affair will be dropped, unless something different is reported by Commander Blake or the Vice Consul.

The news from Cuba is said to be very gloomy. Every exertion is being put forth to hurry on reinforcements. Transportation is limited; the Cadiz and Malaga affairs have affected governmental plans, and above all the finances are in such a deplorable state that it is doubtful whether any considerable number of troops can be sent out before spring, when it may be too late. We do not know the precise nature of the intelligence that General Lersundi has sent by Atlantic cable, but we may infer that it is bad from the effect in the higher circles. Spaniards begin to freely admit that they consider the island of Cuba lost to them, and they say that it does not surprise them when such persons as General Dulce took with him are sent out to govern the island. It is confessed on all sides that no such lot of needy and penniless adventurers were ever sent out of Spain before to be saddled on the poor Cubans. With very few exceptions they are men of no talent, position or respectability. They came to the surface during the revolution and must be taken care of by the government. They will fill their pockets in Cuba if the revolution there does not choke them off, and come home rich. As illustrating their character they relate a good saying of a wit, who stated that if those fellows could raise money by mortgaging Cuba they would have pledged half of the island and spent the proceeds before they sailed from Cadiz. It is a pity that Spain could not send better men. What wonder that the island is dissatisfied to see its resources dissipated or bagged by these needy adventurers! To be sure the officials here are but little better, and Cuba may not in justice claim that partiality has been shown her.

The Finance Minister is in a painful position. The old government had negotiated a loan with the Rothschilds, of Paris, for 40,000,000 reals, and bonds to that amount had been sent him. He sold in one way or another 100,000,000 in these bonds, and remitted the government 90,000,000, after having deducted 10,000,000 for his percentage, insurance, and I know not what. Mr. Figuerola, the Finance Minister, relied on the sale of the balance, 300,000,000, to meet the interest of various bonds now due. But day before yesterday he received from the Rothschilds all the bonds in his hands, with the information that he would not undertake to put them on the market—very sharp practice on the part of the Paris bankers, but exceedingly bad for the provisional government. The Minister of Finance found himself, figuratively speaking, on his beams end, and was compelled to borrow ten million reals from the Bank of Spain to meet imperative payments. No one knows what will be done now. The interest of the debt must remain unpaid, unless some method is discovered by which money can be raised. What that method shall be just now engages the thoughts of every financier, who can see no daylight anywhere. The situation is bad enough with the coffers well filled, but when perfectly empty it is really disheartening. Spanish funds are dropping lower and lower daily. The end must come very soon. How can the crash be prevented? *Nous verrons.*

Fernán Salvochea, the leader of the revolution in Cadiz, was before a court martial found guilty and sentenced to twelve years' transportation. His conduct before the court was cool and confident. When asked what his religion was he replied, "Patriotism and love of my fellow man." When asked what his object was he said, "To establish a republic on the model of the United States." His judges requested him to tell who were his accomplices, and he coolly told them to find out. The Andalusians are opposed to the sentence of the court and opposed to the wholesale arrests that have been made. Men were arrested who took no part in the fight, but solely because they were members of the republican committee. About thirty are yet in prison awaiting trial. Many rich persons are still leaving Cadiz. The Andalusians have little respect for either Prim or any of the parties in power at Madrid, and will not be satisfied with anything short of a fair representative government.