

A PROBABLE INFLATION.

(From the Globe.) The American Cabinet, Congress, assisted by a committee of bankers, are busily engaged in devising ways and means of raising money to carry on the war.

Supposing a part of the movement to be called in, the continued disbursements of the Government would speedily create a supply of paper money much more than adequate for the wants of the country.

The news brought by the steamer "City of New York" greatly heightens the prospect of a continuation of peaceful relations between England and the United States.

At the same time British troops are coming into Canada by every mail steamer as well as by regular and chartered transports.

It is not reasonable to suppose that all these preparations have been made in view of late imbroglio with the Trent. On the contrary it is plainly hinted, and the conviction is gaining ground that the European powers have determined upon the recognition of the Southern Confederation.

The Chicago Tribune publishes the following paragraph editorially: "We have before us three cartridges brought to us from Annapolis by a friend. They are a portion of the ammunition for England rifles served out to Burnside's forces for the great expedition.

There will be a reaction, however, sooner or later. When the American Government ceases to issue paper money, when it makes arrangements for permanent investments and taxes the people heavily to pay the interest of the bonds, it will think themselves a few months hence to be rich will be poor.

A SAD DEATH.—Alexander Donaldson, of this city, a steam-fitter in the employ of Mr. Charles Grath, met with a fatal accident Tuesday last.

him lying at the door, and he said, "Oh, I am done." He was immediately conveyed to the Hospital, where he died on Thursday.

A witty man can make a jest, a wise man can make one. It is said that Mr. A. T. Stewart, of New York, has presented Mr. President Lincoln with a lace shawl worth \$2,500.

"Prof" Ira Field, a gymnast at Troy, is rivaling Dr. Winship. He recently lifted sixteen hundred pounds.

TOWNSHIP OF FITZROY.—Reeve, William Dean, Councilors, William Owens, George Baird, John Neil, James Steen.

A short time ago a man became so completely "wrapped in thought," that he was tied up, labeled, and sent off on the "train of ideas."

The man who is one thing to-day, and a note to-morrow, who drives an idea pell-mell this week while it drives his next is always in trouble, and does nothing from one year's end the other.

There are some members of the community," said the sagacious and witty Thomas Bradbury, "that are like crumbs in the throat. If they go the right way they afford but little nourishment; but if they happen to go the wrong way, they give a good deal of trouble."

The circulation of the Herald is now very large and constantly increasing. Merchants, business men, and those desiring to advertise in its columns, would consult their interests by advertising in its columns. Terms reasonable.

The London Examiner concludes an article on the Mason and Slidell question with the following language:—Behind the Trent affair looms black and large the blockade question, which France is resolved to bring to an issue.

At a meeting of some of the inhabitants of Carleton Place and vicinity, held at Lavallee's hotel, on Saturday evening last, it was unanimously resolved that—"In view of the unsettled state of affairs between the British and American governments and the possibility of war, it is expedient that a rifle company should be formed in this village and neighborhood, to aid in the defence of their country."

It is not always the most rugged man that is the most shabby fellow. It is not always the most shabby fellow that is the most rugged man.

The Reciprocity treaty question is at present occupying the attention of the American House of Representatives. Out of revenge for the fancied humiliation they had suffered in complying with the demands of England, threatening to have the treaty annulled.

You are quite mistaken in supposing that the "Northerners" (as you call them) are fighting for the extinction of Slavery. It is no part of the policy of President Lincoln to meddle with that "peculiar institution."

Your intimation that we are bribed by "Vankoughnet's long list of advertisements of the crown lands" shows evidence emanating from a suspicious nature, if not from a bad heart; while it falls very harmless at our feet, who have never sought or received one farthing of the "government pay" you speak of.

Our correspondent concludes his epistle by threatening to withdraw his patronage, if our weekly lucubrations do not exactly meet his ideas of men and things. Well, it is rather hard, but we suppose we must forego the loss.

An English paper says.—The sad tidings of the death of Dr. Holden, the African traveller, have been verified by the receipt of a letter and a newspaper from the Cape of Good Hope. The intelligence was received in Haslingden, with evident marks of sorrow, especially by those who had been the recipients of his bounty.

A STARTLING STATEMENT. The Chicago Tribune publishes the following paragraph editorially: "We have before us three cartridges brought to us from Annapolis by a friend. They are a portion of the ammunition for England rifles served out to Burnside's forces for the great expedition.

Prussia and Russia have expressed to the United States their opinions on the Trent affair, confirming the opinion already given by the Austrian government. It is a matter of pride to all the loyal subjects of Great Britain to find that the view she took of the outrage has met with the hearty concurrence of every one of the leading governments of civilized Europe.

The address of condolence to the Queen from British residents in New York has received about one thousand signatures. Among the signers are a number of American born citizens who desired to express their respect for the memory of the late Prince Consort, and their sympathy for the widowed sovereign.

Mr. Russel, the correspondent of the London Times, it is said, will return to England early in February. He complains of ill health, and of bad treatment at the hands of some of the Americans, who insist upon his return to find that the horror and commotion had been instantaneous.

To CORRESPONDENTS.—R. W. North Gower. Your communication is received, your orthography and punctuation are bad; but if you wish to have it published over your own name, you will correct and publish it for you, with our comments.

COMMERCIAL. MONTREAL WITNESS OFFICE. Tuesday Noon, Jan. 21, 1862. Considerable snow has fallen during the past three days and it has drifted a good deal.

Wheat.—Sales of car-loads good U. C. Spring at \$1.01 to \$1.02. No transactions in Winter Wheat. Oatsmeal per bushel, 200 lbs. \$4, to \$4.20.

Arrival of the City of New York. The steamship City of New York, from Liverpool on Wednesday, the 18th via Queenstown on the 9th, passed Cape Race at 10 o'clock this morning.

THE LATE BATTLE IN KENTUCKY. Louisville, Monday Jan. 20. Despatches have been received at Headquarters announcing that the battle at Somerset did not take place on Saturday, but on Sunday morning, and that Gen. Thomas continued in pursuit of the rebels until night.

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Gen. Thomas during Saturday night. They made a forced march of twenty-five miles through heavy roads, and managed to arrive three hours before the flight, in which they took a glorious part in spite of their fatigue.

The tenor of all the official despatches received goes to show that the affair resulted in a most brilliant victory for the Union. Prominent officers are said to be killed on our side. Gen. Nolte is unable to eat off the retreat of the enemy, owing to the bliffling character of the country, and the destruction of all the roads by felled timbers.

British and Foreign Miscellany. The Government have ordered the erection near Downpatrick, of an asylum sufficient to accommodate 300 lunatics, to be called the Down District Lunatic Asylum.

Her Majesty's Commissioners contraind the statement that it is the intention of the Queen to open the Exhibition in person.

On Christmas morning, at Castlebar, Ireland, the Rev. James Loftus, while in the act of celebrating the mass in the Catholic chapel of the workhouse of that town, dropped dead at the foot of the altar.

The Duke of Devonshire has been elected Chancellor of the University of Cambridge without opposition, in the room of the late Prince Consort.

A great meeting was held in Dublin on the 31st, in aid of the movement for raising a national tribute of respect to the memory of the late Earl of Kington for his efforts to promote the material interests of Ireland.

St. Petersburg, Jan. 2.—The Emperor has commuted the sentence on M. Bledzinski to one year's imprisonment in a fortress, and has ordered the trial of the accused to be postponed until the next session of the judicial and clerical character of the prisoner.

It is officially announced that the remains of the Prince Consort will only rest in the royal vault in St. George's Chapel, Windsor, until the completion and consecration of a mausoleum to be erected hereafter.

The Prince of Wales has written to the Council of the Horticultural Society expressing Her Majesty's desire that, instead of a statue of herself being raised as a memorial of the great Exhibition, a statue of her late husband should be substituted.

Caste, a clever Frenchman, has succeeded in transporting to Havre, from Baltimore and other places in North America, and acclimating two new species of oyster, of a very delicious kind. The same attempts to be made in other ports of France.

At Malta, on the 21st ult., a Roman Catholic priest, Don Francesco Desira, and his brother Giuseppe, were tried by jury for a voluntary attempt to murder a civilian, both were found guilty, and sentenced to nine years' imprisonment each, with hard labor.

A letter from Rome says.—The Roman medical men are interested in the descriptions of Prince Albert's fatal malady, because that form of gastric fever, originated in cold, is one of the commonest diseases here, and is generally detected at its outset and combated successfully, the favorable crisis usually taking place at the seventh, fourteenth, or twentieth day.

The Rev. Mr. Shone, Chaplain of the Sherburne, was returning from that place after doing duty on Christmas afternoon, when he was waylaid and severely injured by a man named Hart, a militia deserter, who had been discharged three days before from that garrison. The attack was witnessed by the turnkeys, who, on being arrested, implicate the offender. The Sheriff indignantly ascribes the assault to religious bigotry.

Twenty-five American troopers have just arrived at Havre, which were purchased for the imperial stables. Prince Napoleon has selected five of them for his stud, and five for the King of Italy. Five splendid hunters purchased in England have likewise arrived at the imperial stables in the Bois de Boulogne.

A Confederate privateer, called the Santee, appears to be hovering about the British Channel. She is said to be black, round, fast, and about 1600 tons. She was last seen near Ramsgate, the coast guard of which informed the Admiralty of her presence in that district on the 27th ult. The Federal navy appears to be aware of her existence, and knows the purpose for which she is employed; but, hitherto, she has escaped their vigilance.

The Shipping Gazette concludes a lengthy article upon cotton by remarking, that it would appear 1,000,000 bales less were produced last season than in 1860, hence it is obvious, especially as a portion of the crop has already been destroyed, that future exports from the Southern States, even on a return of peace, will be on a moderate scale. In all probability cotton will be a dear article of import for some time, and it behooves all immediately interested in it to increase the produce of the world by every means in their power.

Strong fears were entertained that in consequence of the very sudden departure of a number of troops for Canada, the wives and children of the non-commissioned officers and privates would be reduced to extreme poverty; but it is satisfactory to learn that the Government will take immediate measures for alleviating such distress by extending to these families a liberal allowance, similar to that which was granted to the wives and children of the troops ordered to India when the late mutiny occurred.

The Swedish Government last year sent a scientific expedition to Spitzbergen. It has just returned to Tromsø, whence it started, after having accomplished its mission very satisfactorily in spite of the extreme rigour of the weather.

The old maps have been discovered, and numerous experiments made, which have thrown fresh light on meteorology and natural history. It has been ascertained that animal and vegetable life exists in the sea at a depth of 2500 yards, and that the great current of the Atlantic ocean known by the name of the Gulf Stream reaches as far as the coast of Spitzbergen, pieces of broken wood, bottles, &c., having been found there.

The Salt Public states that upwards of 1000 tons of goods are waiting at Havre for shipment to the States, but the exporters having been officially informed that it was unsafe to send them either by English or American vessels, have determined to detain them until they can send them on to French ships; but they have been unable to find French ships for the purpose.

There are now five vacancies in the Order of the Garter, and it is understood that the following noblemen are likely to form the addition to the illustrious brotherhood, viz. Earl Carnarvon, Duke of Somerset, Earl Russell, Earl of Devon, and Earl Cowley.

A London journal says.—Quick upon the untimely decease of the young King of Portugal follows the death of another Royal victim of the same house, dying the same place and of the same malady. The third prince, Don Maro, was the third son of Don Maro, Marquis of Vila Rica, and whose death had been for some days expected, has expired. The cause of death is ascertained to have been typhoid fever.

THE BRITISH PARLIAMENT IS SUMMONED TO ASSEMBLE ON THE 6th OF FEBRUARY, BUT IT CAN BE CALLED EARLIER IF THE EXIGENCIES OF THE COUNTRY SHOULD DEMAND IT.

THE CONTINENT NEWS IS UNIMPORTANT. The Paris Bourse was firm and higher, rates being quoted at 67.00. A violent earthquake had occurred in Greece.

Canton, Dec. 30.—A coup d'etat had taken place at Peking. The Chinese have been imprisoned and a new Ministry formed under Prince Kang.

Melbourne, Nov. 15.—The shipments of gold since last mail amount to 149,000 oz.

SUFFERINGS OF THE CREW OF THE BRITISH SCHOONER TRURO. The British Schooner Truro, of Matfield, N.S., Capt. Colton, from Assuini, St. Domingo, arrived at this port on Wednesday after a passage of 66 days, having touched at Great Inagua and Fortune Island for medical aid, the Captain and two of the seamen being down with fever.