

Matters in Nicaragua.

The following extract of a private letter from an intelligent American, lately an officer in Gen. WALKER'S army, gives his view of the condition of his force :

LA VIRGIN, Tuesday, Nov. 25, 1856.

* * Gen. WALKER'S prospects now look pretty dark. He was obliged to retreat from Masaya after fighting for four days, and he has now moved his whole army from Granada to this place, after laying Granada in ruins. The enemy are now in possession of the entire State, with the exception of the Transit road, and they say they will have that soon.

A month ago there were between 1,800 and 2,000 fighting men in the General's army ; now there are not more than 700 or 800 men fit for duty, and against this small force are opposed the entire allied forces of Guatemala, San Salvador and Costa Rica, amounting to some 6,000 strong. I am afraid they will whip the Americans out at last.

Yours, &c.