THE NEW YORK HERALD.

WHOLE NO. 9393. NEW YORK, FRIDAY, MAY 30, 1862.—TRIPLE SHEET. PRICE TWO CENTS.

IMPORTANT FROM THE SOUTH.

Arrival of the Steamship Matanzas.

Highly Interesting from New Orleans.

Successful Administration of the Gulf Department.

Important Seizure of Contraband Specie.

Protest of the Foreign Consuls and Spirited Reply of Gen. Butler.

Circulation of Confederate Notes Stopped.

Discovery of the Graves of Union Soldiers.

The Case of Mayor Monroe and Decisive Action of the General Commanding.

SEIZURE OF SLIDELL'S RESIDENCE.

The Union General Protects Mrs. General Beauregard.

SUPPRESSION OF TWO CITY JOURNALS.

The New Union Organ of the Crescent City,

&c., &c., &c.

The United States steamer Matanzas, Commander Liesegang, in seven days from New Orleans, arrived at this port with passengers, mails, &c., yesterday forenoon.

On the 23d inst., while off Tortugas, she spoke the United States brig Bainbridge.

We beg to return our thanks to Purser Huertas for files of New Orleans papers to the 18th inst.

In reference to an accident which occurred to the Matanzas on leaving New Orleans, and which is elsewhere reported, it may be stated that ever since she joined the Ship Island expedition she has experienced a continuation of disasters. On leaving the levee on this trip, owing, no doubt, to the incapacity of the pilot on board, the Matanzas ran afoul of the United States steam frigate Pensacola, anchored in the stream. In coming in collision with her the port side of the Matanzas was cut to the water's edge. Had it been six inches more it would have caused the immediate sinking of the vessel. The Purser, who was busy with his writings in his office, was rudely forced away, and the black nose (bowsprit) of the Pensacola took possession of his room without much ceremony, crushing his office to the deck. The Pensacola also suffered heavy damages. Her cutwater was carried away, her anchor chain was cut loose; but "nobody was hurt."

The present crop of sugar in Louisiana amounts to 500,000 hhds., of which 100,000 have been transported to the Confederate States, leaving on hand 100,000 in the city of New Orleans, and 300,000 on the plantations.

The coming crop will be very small, as the planters are planting principally corn.

A lengthy communication from Jacob Barker has been published in the New Orleans papers, arguing against the destruction of cotton, &c. He also says, "if our brave soldiers do not win for us a satisfactory peace, we must fall back on the ballot box," and suggests an amendment of the constitution so as to allow the people to vote directly for President.

An order from Provost Marshal French says that all coffee houses, barrooms, hotels, gambling establishments and billiard saloons must procure licenses immediately, under penalty of confiscation.

An order from General Butler says the circulation of Confederate notes and bills must cease on the 27th of May. All sales or transfers of property on and after that day, in consideration of such notes or bills, will be void, and the property confiscated to the United States—one-fourth to go to the informer.

Another order suppresses the *Bee* for a covert article in favor of the cotton burning mob.

The *Crescent* is also suppressed.

The office of the *Delta* has been taken possession of for an article discussing the cotton question, in violation of General Butler's proclamation of May 1. Its business is to be conducted by the United States authorities.

Adams' express office was open—Asa S. Blake, agent—and their first express came in the Matanzas.

Thomas A. Laster was announced as the Union candidate for Recorder in the Fourth district.

Victor Wiltz was announced as a candidate for Mayor, irrespective of party.

Six persons had been condemned to be shot by the Military Commission for violation of their parole, given at Fort Jackson, in organizing a military company for service in the rebel army. General Butler approved the sentence. Their names are Abraham McLane, Daniel Doyle, Edward C. Smith, Patrick Kane, Geo. L. Williams and Wm. Stanley.

The prize steamers Fox, from Havana, and Gov. Morton, from Sabine, had arrived.

John M. G. Parker, formerly Postmaster at Ship Island, is Postmaster at New Orleans.

Ships Gen. Butler, James Hovey, City of New York and steamer Mississippi arrived on the 12th from Ship Island, and the Parliament and Wizard King on the 15th, all with troops.

The brigs Yankee Blade, from New York, and Golden Seal, from Philadelphia, arrived on the 15th. The bark Isaac R. Davis, from Philadelphia, was below.

Several hundred bales of cotton had arrived from Plaquemine, and a considerable amount of provisions from Red river.

Gen. Butler had forbidden the observance of Jeff. Davis' fast day.

He had also issued the order concerning the women who insult soldiers.

Strict health regulations have been established at Quarantine.

A municipal regulation of the city of New Orleans punishes with imprisonment in the calabouse any women of the town found in the streets after nightfall, or who may converse from the windows of their houses with persons outside. This is doubtless the punishment accorded to women who may insult our soldiers, under the recent proclamation of General Butler.

Our New Orleans Correspondence.

NEW ORLEANS, May 12, 1862.

The Gradual Pacification of New Orleans—Stagnation of Business through the Depreciation of Confederate Notes—Important Seizure of Specie—The Manner in Which the Specie was Found—Protest of the Foreign Consuls in New Orleans—The Official Correspondence Between the Consul of the Netherlands and General Butler—Statement by the Consul of the Netherlands of the Search of His Consulate—Spirited Reply of General Butler to the Foreign Consuls—A Guard Placed Over the Offices of the French and Spanish Consuls—The Seizure of Specie at the House of Smith & Co.—General Butler's Conference with the City Bankers—The First Conviction Under the Military Rule—Discovery of the Graves of Heroes of Bull Run—The Distribution of Food to the Poor—Deportment of the Women in the City—General Butler's Instructions to General Phelps on Contrabands, &c., &c.

As the steam transport Matanzas is to sail for New York within a few days, I take the opportunity to forward my communications.

The city is remarkably quiet. There have been no disturbances, and General Butler is progressing steadily in his work of restoring this city and neighborhood to the Union, in spirit as well as in fact. Business is almost dead, and the people still lounge about the streets with the same listless air as when I last wrote. The principal reason that the merchants do not open their stores is, that they are unwilling to exchange their goods for the worthless shinplasters with which the city is flooded. As an evidence of the peculiar confidence in Confederate notes that the leaders of this rebellion boast of I will recite an instance.

A man named Newcomb was sentenced by the Provost Judge, Major Joseph M. Bell, to pay a fine of three hundred dollars for attempting to smuggle goods out of the city. To obtain that amount in Louisiana currency Newcomb was obliged to give nine hundred dollars in Confederate funds.

The most important act that has been accomplished since my last letter is the seizure of a large amount of specie from the office of the Hope Insurance Company, 109 Canal street, and the banking house of Samuel Smith & Co., in Camp street. These seizures occurred on Saturday, the 10th, and under the following circumstances:—It having come to the knowledge of General Butler that a large amount of specie was secreted at the office of the Consul of the Netherlands, he ordered Captain Shipley, of the Thirtieth Massachusetts regiment, with a proper guard, to take possession of the office.

Captain Shipley found a Mr. Conturie at the office, who confessed to having the keys of the vault in his possession, but refused to deliver them. Captain S. returned to General Butler for instructions. Lieutenant Kinsman, of General Butler's staff, was then sent back with Captain Shipley, and on demanding the keys, Mr. Conturie claimed to be a Frenchman (which is true, I understand), and sent a note to the French Consul, demanding his protection. He afterwards stated that he was the Consul for the Netherlands, and protested against the invasion of his consulate. Lieutenant Kinsman told him that he must have the vault keys, and ordered his guard to search Mr. Conturie's person, on doing which they found the keys in his trowsers pocket. On opening the vault, Lieutenant Kinsman discovered nearly a cord of kegs filled with specie. A guard was placed over them for the night, and on Sunday they were removed to the Custom House. There were one hundred and sixty kegs each evidently containing five thousand dollars—in the aggregate eight hundred thousand dollars. Each keg was sealed and stamped, "Citizen's Bank, N. O." The money was of the date of 1861, and each piece had the O which indicated its having been minted at New Orleans. There is the best reason to believe that it is a part of the identical specie stolen by the rebels from the Mint at the commencement of the war. It was principally this belief and a desire to regain the property for the United States government that induced General Butler to seize the money.

Mr. Conturie was confined in his office by the guard until evening, and was then released. His first act after his liberation was to haul down the Consulate flag, and it has not since been displayed. He then prepared a statement of the transaction for his government, and forwarded to General Butler the following letter and "statement of facts." I append to this communication a protest against the invasion of a Consulate office, from the foreign Consuls in this city, and General Butler's answer, and a statement by the officers of the Citizen's Bank and Edmund S. Forstall, Esq., agent of the banking house of Hope & Co., of Amsterdam, all upon the seizure at the office of the Consul of the Netherlands:—

NEW ORLEANS, Saturday, May 10—9 o'clock P. M.

To Major General B. F. BUTLER, United States Army, Commanding Department of the Gulf, at New Orleans:—

SIR—Herewith enclosed I have the honor to transmit to you a statement of facts, which transpired in my Consular office, during the afternoon of this day, duplicates of which statement I am about to transmit to the Minister of my government accredited at Washington, and also to the Minister of Foreign Affairs at the Hague.

I desire to know whether the acts recited in said statement were performed with your sanction or by your orders. Your answer, or a faithful copy thereof, shall accompany my messages to my Ministers and government. I have the honor to be, respectfully, your obedient servant.

Am. CONTURIE, Consul of the Netherlands.

STATEMENT OF FACTS.

On this day, May 10, 1862, and at the hour of five minutes to two o'clock in the afternoon, I being in my Consular office, No. 109 Canal street, was called upon by an officer wearing the uniform and the arms of a captain of the United States army, accompanied by a squad of six or eight men, under his command.

The Captain informed me that he came to prevent the exit of any person or property from the premises.

I said I was Consul of the Netherlands, that this was the office of my consulate, and that I protested against any such violation of the same. I then wrote a note to Comte Mejan, Consul of France, in this city, requesting him to come to me for consultation. This note was handed to the officer, whose name I then learned to be Capt. Shipley, who promised to send it, after taking it to headquarters.

Captain Shipley returned, and stated to me that, by order of Major General Butler, my note would not be sent to Consul Mejan, and that he (the captain) would proceed forthwith to search the premises. Capt. Shipley demanded of me the keys of my vault; these I refused to deliver. He remarked that he would have to force open the doors; and I told him that in regard to that he could do what he pleased. For the second time, I again protested against the violation of the Consular office to Capt. Shipley, who then went out. Before he left I distinctly put the question to him, "Sir, am I to understand that my Consular office is taken possession of, and myself am arrested by you; and that too, by order of Major Gen. Butler?" He replied, "Yes, sir." During Capt. Shipley's absence, another officer remained in the office, and a special sentinel was put on guard in the room where I then kept myself. The name of this second officer is Lieut. Whitcomb, as he informed me. Capt. Shipley returned, and was followed by another officer, whose name I could not ascertain, but from appearances ranking him.

This officer approached me, and in a passionate, insulting tone, contrasting singularly with the gentlemanly deportment of both Capt. Shipley and Lieut. Whitcomb, made the same demand for the keys, as had been made by Captain Shipley; and I made the same refusal, protesting against the act, as I had done before. He then gave orders to search the office, and break open, if need be, the doors of the vault.

I then arose and said:—"I, Amedie Conturie, Consul of the Netherlands, protest against any occupation or search of my office; and this I do in the name of my government. The name of my consulate is over the door, and my flag floats over my head. If I cede, it is to force alone."

Search being begun in the office by the officer, I told him that the keys were on my person. He then, in a more than rough tone, ordered two of the soldiers to search by person, using the following, among other expressions:—"Search the fellow;" "Strip him;" "Take off his coat," "stockings," "search even the soles of his shoes." I remarked to the officer, that the appellation "fellow" that he gave me was never applied to a gentleman, far less to a foreign Consul, in his consular capacity, as I was then; and that I requested him to remember that he had said the word. He replied it was the name he had given me; and he repeated over the word three times.

Both Captain Shipley and Lieutenant Whitcomb then stepped forward; the latter was the first to take two keys out of my coat pocket; the former took the key of my vault from the right pocket of my pantaloons. Of the keys taken by Lieutenant Whitcomb there was one opening my place of business, which has nothing to do with my Consulate, and is situated in a different part of the city. I claimed it, but was told by the commanding officer that he would keep it for the present, but might let me have it to-morrow.

I must here state that when Captain Shipley told me that my letter to the Consul of France would not be sent, I remarked that I had forwarded another message to the Consul, and was expecting him every moment, and that if he (the captain) would delay action until I had seen the Consul of France, something good might come out of my consultation. Capt. Shipley replied that he could not delay action, and that the order of Gen. Butler was to "go on with the work he was charged with."

The superior officer then took the keys, opened the vault, and, in company with Capt. Shipley and Lieut. Whitcomb, entered the same. What they did then I was unable to see, as I kept myself in the same place and in the same chair where I had been searched. After searching for some time said officers retired, leaving the vault open; Capt. Shipley and Lieut. Whitcomb remaining with their men. Two other officers that I had not seen before came in and joined them for some time.

After an absence of about three-quarters of an hour the officer in question returned, and, in the presence of the other officers, closed and locked the vault, taking the keys along with him. I then remarked to him that the key of my store was among those that had been taken away from my person, and I wished to have it. The same officer then asked me whether my store contained any goods or property belonging to the Confederates. To which inquiry I answered in the negative. The same officer made use of the following language at the time:—"You have placed yourself in a bad position, and shall be treated without any consideration." He retired after that; it was then about four o'clock P. M.

I then continued to be a prisoner under the charge of Captain Shipley and a guard of armed soldiers placed inside and outside of my office until about seven o'clock P. M., when Captain Shipley, having communicated with another officer, who came in the Consular office, approached me and said, "You are now at liberty to go wherever you please, sir." I said, "I am at liberty to go wherever I please?" He answered, "Yes, sir." I then remarked, "And it is by verbal communication that I am informed of the fact?" He replied, "The same as you were arrested."

I then rose, and before leaving my office, made the following remark to Capt. Shipley: "You have taken possession of this office; I leave everything in your charge." To this he replied, "I will take care of it." Whereupon I left my office, and a short time after I took down my Consular flag.

AM CONTURIE,
Consul of the Netherlands.

NEW ORLEANS, May 12, 1862.

Major General B. F. BUTLER, United States Army, commanding Department of the Gulf:—

GENERAL—It having come to the knowledge of the undersigned that the Consulate of his Majesty the King of Netherlands, in this city, had been forcibly entered by your order by some persons in the uniforms of soldiers in the service of the United States government, the person of the Consul subjected to indignity and severe ill usage, and kept prisoner for several hours, it becomes the duty of the undersigned, in view of treaties now existing between the governments which we represent and that of the United States, to formally protest against such action, and against any act authorized by you or any authority of the United States that may be in contravention of such treaties. We have the honor to be, General, your most obedient servants,

MEJAN, Consul of France.
LORENZO CALLEGO, Consul of Spain.

Consul of Belgium.	Consul of Portugal.
Consul of Hanover.	Vice-Consul of Italy.
Consul of Brazil.	Consul of England.
Consul of Nassau and Brunswick.	Consul of Austria.
	Consul of Hamburg.
Consul of Greece.	Consul of Wurtemburg.
Consul of Bremen.	Consul of Russia.
Consul of Sweden and Norway.	Consul of Denmark.
	Consul of Switzerland.

NEW ORLEANS, May 11, 1862.

To Major General BUTLER, United States Army, commanding Department of the Gulf:—

SIR—I take the liberty to submit to you the following facts:—

On the 1st April last I presented for record in the books of the Consul Pasbas, Am. Conturie, Esq., the following resolutions of the Citizens' Bank of Louisiana, bearing date 25th February last, placing in my hands for the purpose therein stipulated, the sum of $800,000 in Mexican dollars, as agent of Messrs. Hope & Co., of Amsterdam.

JAMES DENEGRA, President.
EUGENE ROUSSEAU,
Cashier Citizens' Bank of Louisiana.

NEW ORLEANS, Feb. 25, 1862.

Extract from the journal of proceedings of the Board of Directors of the Citizens' Bank of Louisiana, at their sitting of 24th February, 1862:—

Whereas the present rate of exchange on Europe would entail a ruinous loss in this bank for such sums as are due semi-annually in Amsterdam for the interest on the State bonds,

Be it therefore resolved, That the President be and is hereby authorized to make a special deposit of eight hundred thousand dollars ($800,000) in Mexican dollars in the hands of Messrs. Hope & Co., of Amsterdam, Holland agents of the bondholders in Europe, through their authorized agent, Edmund S. Forstall, Esq., for the purpose of providing for the interest on said bonds.

Be it further resolved, That such portions of the above sum as may be required from time to time to pay the interest accruing on the State bonds shall be so applied by Messrs. Hope & Co., provided, however, that the bank shall have the option of redeeming an equivalent amount in coin by approved sterling exchange to the satisfaction of the agents of Messrs. Hope & Co.; and, provided further, that in the event of the blockade of this port not being raised in time to allow of the shipment of the said coin, then the said Edmund J. Forstall will arrange with Messrs. Hope & Co. for the necessary advances to protect the credit of the State and of the bank until such time as the coin can go forward to liquidate said debt; but no commission shall be allowed for such shipments of coin or any other expenses, except those actually incurred; and on the resumption of specie payment by this bank this trust to cease and the balance of coin to be returned to the bank.

A true copy. EUG. ROUSSEAU, Cashier.

On the 13th of April, as agent of Messrs. Hope & Co., and with a view to their better security in such times of excitement, I deemed it my duty to withdraw the said sum of $800,000, already marked and prepared for shipment, say: 160 kegs, Hope & Co., containing $5,000 each, and to place the same under the protection of the Consul of the Netherlands, Am. Conturie, Esq., for which I hold his receipt, as follows:—

NOUVELLE ORLEANS, 12 Avril, 1862.

CONSULAT DES PAYS BAS:—

Rec'd on depot ce jour de Monsieur Edmund J. Forstall, agent en cette ville de Messrs. Hope & Co. d'Amsterdam (160) cent soixante barils marques H. & Co., et contenant chacun, $5,000 soit ($800,000) huit cent mille piastres Mexicaines, les dits barils sont loges dans la voute de mer du consulat No. 100 rue du Canal.

AM. COUTURIE, Consul des Pays Bas.

Enregestoi au jal. cam No. d'ordre 2.
Le Consul Am. Conturie.

I also placed in the hands of the said Consul, on the same day, ten bonds of the New Orleans city for $10,000, and eight bonds of the City of Mobile, for which he gave me the following receipt:—

NOUVELLE ORLEANS, 12 Avril, 1862.

Recu en depoteo ce jour de Monsieur Edmund J. Forstall, agent en cette ville de Messrs. Hope & Co., d'Amsterdam (10) dix bons consolidated debt of New Orleans de $1,000 chaque, (8) huit bons de la ville de la Mobile de $1,000 chaque, lesquels bons luisel entre nous maims pour compte de Messrs Hope & Co., d'Amsterdam.

AM. COUTURIE, Consul des Pays Bas.

On the first reliable opportunity offering of communicating with Messrs. Hope & Co., which was on the 1st April last, I wrote as follows:—"The Citizens' Bank and Consolidated Association, unlike our other banks, being based on foreign capital, I have thought it my duty to interfere in behalf of the bondholders you represent, in order to secure as much of the cash assets of the institution in question as needed punctuality to meet running interests in Europe, until communications are again opened. For this special purpose the Citizens' Bank has placed in my hands $800,000 Mexican dollars, under the following resolutions:—

[Same as before transcribed.]

This document has been registered as follows:—Enregistre au journal du Consul sous lect d'ordre, Nouvelle Orleans, ce 1st Avril, 1862, Consul des Pays Bas.

For the protection of French property, in case of need, the French Consul has taken possession of a fire proof building, formerly occupied by the Canal Bank, with vaults for coin, &c. The French Consul has consented to receive for safe keeping, under the protection of your Consul, the above amount of $800,000 of Mexican dollars. I am also depositing there ten New Orleans City bonds and eight City of Mobile, belonging to you. I am doing the same with the bonds belonging to Messrs. Baring, Brothers & Co., under the protection of the British Consul. The French Consul, having subsequently declined receiving the above specie, Mr. Am. Conturie used his own vaults in Canal street.

I hold the power of attorney of Messrs. Hope & Co. covering my whole intervention in this matter, also the original of all the documents before transcribed, which I am ready to exhibit if desired. I may be permitted here to remark that, so far back as the middle of February last, I called the attention of both the Citizens' Bank and Consolidated Association to the propriety of securing against all contingencies, so far as they were able, the bondholders represented by Messrs. Hope & Co. and Baring Bros. & Co., who had supplied them with their banking capital.

Under these circumstances I deem it my duty to claim, in behalf of Messrs. Hope & Co., of Amsterdam, the above sum of $800,000, say 160 kegs, marked H. & Co., containing each $5,000, which I have been informed has been forcibly taken out of the possession of the Consul of Holland, Am. Conturie, Esq., and I trust that in consideration of facts, no doubt unknown to you, you will see the justice of ordering said money to be returned to me, that I may ship the same to Europe in accordance with my contract with the Citizens' Bank, so soon as I may be permitted to do so. I am very respectfully, your obedient servant, EDM. S. FORSTALL.

HEADQUARTERS, DEPARTMENT OF THE GULF,
NEW ORLEANS, May 12, 1862.

MESSRS.—I have the protest which you have thought it proper to make in regard to the action of my officers towards the Consul of the Netherlands, which action I approve and sustain. I am grieved that without investigation of the facts, you, Messrs., should have thought it your duty to take action in the matter. The fact will appear to be, and easily to be demonstrated at the proper time, that the flag of the Netherlands was made to cover and conceal property of an incoporated company of Louisiana, secreted under it from the operation of the laws of the United States. That the supposed fact that the Consul had under the flag only the property of Hope & Co., citizens of the Netherlands, is untrue. He had other property which could not by law be his property or the property of Hope & Co.; of this I have abundant proof in my own hands. No person can exceed me in the respect I shall pay to the flags of all nations and to the Consulate authority, even while I do not recognize many claims made under them; but I wish it most distinctly understood that, in order to be respected, the Consul, his office and the use of his flag, must each and all be respected. I have the honor to be, very respectfully, your obedient servant,

BENJ. F. BUTLER, Major General Commanding.

Owing to General Butler's having been informed that a large amount of specie belonging to the Confederate government was secreted at the offices of the French and Spanish Consuls, a guard was placed over these offices the same day of the seizure at the Consulate of the Netherlands; but on the positive assurances of the representatives of the above governments that the information was entirely incorrect, the guard was withdrawn. In regard to the seizure of property at the banking houses of Samuel Smith & Co., the facts are as follows:—General Butler was informed that fifty thousand dollars in specie had been removed from the Mint to the above house, and being satisfied that the money must be either the property of the United States government or the confederacy, he took possession of the bank, and arrested the members of the firm. The specie could not be found, and the bankers affirmed positively that they had only fourteen thousand dollars in specie in the bank, and that was of the character of private deposits. The General gave Messrs. Smith & Co. their choice between producing the specie and going to Fort Jackson, and the next morning the bankers showed the place where the money was hidden. It was concealed in the air chamber, between the vault and the brick wall. Fifty-four thousand dollars were stowed away there very nicely; but yesterday it all had to come out and go to the Custom House, with the other property.

Messrs. Smith & Co., consisting of money and plate. The General holds the property which the house had in trust for depositors, to prevent its being spirited away to the enemy. Messrs. Smith & Co. were released on parole to-day. At noon to-day, in response to an invitation from Gen. Butler, the officers of the different banks in the city assembled at headquarters to learn the General's desires in regard to the future action of the banks. He stated to the bank presidents that he had reason to believe that they had caused large amounts of specie to be removed from the city and concealed, and that if he found any so secreted he should feel justified in assuming that it was likely to find its way to the coffers of the enemy, and should take possession of it as contraband of war. He advised them to bring back to their vaults such specie as was within their control, and promised to aid them in restoring the money to their banks and to furnish them with a guard to insure its safe transport. When thus returned, he should regard it as private property and would protect it as such so long as it should be used only for the purpose of fulfilling the obligations of the banks and other legitimate objects of banking institutions. Alluding to the paper currency which has utterly deranged all kinds of business and is overwhelming the community with distress and perplexity, the General spoke forcibly of the action of the banks in stamping their notes, "Redeemable in Confederate funds," while their paper had pledged them to redeem their issue in silver and gold, and the condition of their vaults was such as to enable them to do so. He expected them to fulfil their original stipulation, and to resume specie payment as soon as practicable; but as long as they acted in good faith, he should leave the time of such resumption to their judgment. Of the seizure of the specie at the consulate and at S. Smith & Co.'s, little was said beyond a remark from the General to the effect that he was much pleased to acquaint them with the fact that our fleet in the river was progressing finely, and that the king of rivers would be open from Cairo to the Gulf long before the captured specie would be returned. He then proposed that the bank officers should confer together, and communicate their decision as to his proposals. To this they assented, and I expect I shall be able to forward their answer in my letters by the Matanzas.

The conference then closed, and the bankers took their leave, with an appearance of good feeling.

Yesterday a man named W. P. Mumford was arrested. He was one of the ringleaders in tearing down the American flag from the Mint after it had been placed there by the navy. Captain French has a clue to several of the ruffians engaged in that business, and expects to arrest them very soon.

The Captain, as Provost Marshal, has received several letters warning him of plots for his assassination; but he has not grown thin over them, and I do not see that he is inclined to shirk responsibility in consequence.

The Military Commission tried their first case this morning. It was that of a man named Benzie, charged with threatening the life of a Union man. He was convicted and sentenced to hard labor at Fort Jackson, with a twelve pound ball and a four foot chain to be attached to his left ancle, all for the term of his natural life. General Butler approved the sentence. The next meeting will be on the 14th. Colonel A. J. Butler, brother of the Commanding General, arrived here last night from Havana, where he had been on business connected with the expedition.

The appointment of a military commandant of this city had become a necessity, owing to the numerous amount of business devolving upon General Butler, aside from the movements of troops in and about the city. General Butler's time is almost constantly employed in arranging matters of public policy, in conferring with prominent citizens and in attending to the requirements of his position as Commander of the Gulf Department. The selection of Gen. Shepley as the commandant of the city is heartily applauded. He is a man of great firmness and of a peculiar faculty for systematic method. Besides these qualities, he ought to be acceptable to the people, as he has always been of the old democratic school of politicians and the intimate friend of Southern statesmen.

In this connection I take great pleasure in mentioning that General Butler offered Major Geo. C. Strong, Chief of Staff, one of the highest positions in his gift, one that involved his promotion to an acting brigadier generalship, but the Major modestly declined the honor, because he knew that in his present position he could be of much greater service to the country and the General. No elevation could enhance the respect and esteem which all in this division feel for Major Strong.

A large body of Union troops arrived to-day, and orders have been sent to Ship Island for still further large reinforcements; and as we have now communication with Ship Island by way of the lakes, and have steam transports there, the various regiments and artillery are expected daily. We have two fine light draught steamers in the lakes, taken from the rebels. One of them, the Whiteman, was captured on the 6th inst. by the Calhoun, Captain J. E. D. Haven, as she was trying to run from Mobile to New Orleans to get a cargo of molasses and sugar. She had no cargo. The captain and crew were taken to Ship Island, and the vessel was turned over to the army. The other steamer was the Creole. She ran into Lakeport (which is at the terminus of the Pontchartrain Railroad) and was quietly taken possession of by Captain Thornton, of Company C, Twelfth Maine regiment, who is in command at that point. It was probably an understood thing that she was to be run into that port. The Creole is a large and very elegant river boat, and, with the Whiteman, will be very useful in transporting troops or stores from Ship Island when they are needed in haste, as they can make the trip in ten hours.

From up the river we learn that General Williams, who is in command of the troops sent up, has destroyed a piece of the Jackson Railroad at Manchac, a few miles below Baton Rouge, and had then gone on up the river. General Lovell, with his small force, was at Manchac in Camp Moore, but has retreated across the State towards Mobile.

An unfortunate occurrence happened on the Jackson road on Saturday night. A number of persons were approaching the city on a hand car; they were hailed by our pickets, but, probably not hearing the challenge, did not stop. The guard fired upon them, killing two of the men and severely wounding two others.

Governor Moore has not been heard of since he fled at the approach of the fleet.

On the 9th inst. Lieutenant Wiegel, of General Butler's staff, and Lieutenant Bowles, of General Shipley's staff, were sent to a public cemetery (a kind of Potter's field) to search for buried arms or ordnance stores of any kind. They found nothing of that nature, but discovered the graves of a number of Union soldiers, captured at Bull run. From the sexton they learned that the poor fellows had been hustled into their narrow beds without a prayer, or any of the ceremonies that render final interment less mournful, and give sanctity to the act. The sexton, from a feeling of humanity, had obtained some plain head boards, and marked the names of the departed heroes and such particulars as he could glean. Through the columns of the HERALD I trust that the following names will be recognized by the friends of the deceased, and the mystery which probably hangs over the fate of the poor fellows be unravelled:—

G. W. Hilliard, New York, died ——.
Cyrus King, New York, died December 3, 1861.
Wm. Biggs, Ohio, died October 18, 1861.
Adam Johnson, died November 14, 1860.
G. McReynolds, died January 1, 1862.
J. Butler, died October 26, 1861, aged 20 years.
H. Parmenter, died November 3, 1861, aged 23 years.
Adolph Colem, died November 13, 1861, aged 23 years.

Captain John Clark, Commissary of Subsistence, seized several days ago, at the warehouse of Mr. Augustus Boyant, on the New Levee, upwards of a thousand barrels of good mess beef belonging to the rebel army. He has also seized since thirty-one tierces of rice from a merchant. The rice he receipted for, and the government will pay for it. He took it only because the merchants here would not sell, and the condition of the poor people rendered it imperatively necessary that they should be fed. In accordance with the notice which I inclose, he commenced the distribution of the beef this morning, and issued eight hundred liberal rations for hungry families. A sight more fearful and harrowing I do not wish ever again to witness, and it is no discredit to Captain Clark to say that in the association with the destitute, which his position renders necessary, he is frequently deeply moved. I noticed to-day that the sight of so much want increased the amount of the allowance to each family to an extent which had not entered into his previous calculations.

At the hour appointed to issue the beef, there were thousands of eager, hungry men, women and children crowded around the Custom House. A very large majority of the people were women, all carrying either baskets or napkins. Some were old and tottering with infirmity; others carried, wearily enough, a babe at the breast; and many, God help them, bore the evidence of another claim on their support soon to come.

The sun was pouring down his rays with an intensity greater than we have before experienced since our arrival, and the poor creatures struggled and jammed each other to get into the office; and finally getting to the desk, trembled from head to foot, and almost fell upon the floor from sheer exhaustion. If the leaders of this accurred rebellion could have looked upon the sight and reflected upon their responsibility for all this misery, it would have been strange if they had not experienced some dark forebodings of the terrible punishment that surely awaits them in another world, however easily they may escape a just retribution in this.

The distribution of the beef is to proceed indefinitely, and fortunately the supply is fully equal to the demand for many days.

To-day nearly two thousand barrels of flour arrived from Mobile, and a considerable amount of beef from the Attakapas country.

There has been but little change in the conduct of the people here towards the Union soldiers. The community seem to think that the city is by some hocus pocus or other to be retaken, and consequently they dare not express their honest sentiments, for fear that they would suffer if the rebels should regain their power. They will discover before long that the power of the United States government is gradually but surely developing itself, and the men who have for years rendered New Orleans a terror to peaceable citizens will suddenly find themselves suspended between Heaven and earth (with little prospect of reaching the former place), or on their way to Fort Jackson.

The conduct of the women (I mean those who "wear purple and fine linen," and are popularly supposed to be ladies) is disgusting, and not calculated to strengthen one's faith in the possession of common sense by the sex. Intrenching themselves behind the immunities which the gallantry of our countrymen has ever accorded them, they insult and sneer at our officers and men continually, and commit acts which would insure six months' hard labor at the forts to a man guilty of like actions. They turn their backs without the customary desire to be excused. They describe three-quarters of a circle around an officer by walking into the middle of the street, and regain the sidewalk at a distance sufficient to express their fear of contamination by too close an approach to his person; and, worse than all, some of them insist upon wearing little rebel flags on their bosoms (fit emblem of the secession of womanly modesty from that locality where all gentle traits are supposed to reign supreme), and dressing their children in secession colors. Hitherto, the only means of punishing these female rebels has been by some satirical observation or action; but, unless they mend their manners soon, they will find that their sex will not protect them from a proper punishment. A few days since a member of Gen. Butler's staff was walking through an aristocratic quarter of the city, when several ladies made some offensive demonstration from the window of a fine house. The officer took out his memorandum book, walked up the stoop, noted down the number of the house and the name of its proprietor, and then remarked to himself, loud enough to be heard by the ladies: "Yes, this will be an excellent house for an hospital," and walked coolly away. The blinds were immediately closed, and the ladies left very suddenly.

The following instructions to Brigadier General Phelps, commanding at Carrollton, contain a comprehensive expression of Gen. Butler's views as to the disposal of fugitive slaves who come within the lines of our army:—

HEADQUARTERS, DEPARTMENT OF THE GULF,
NEW ORLEANS, May 9, 1862.

GENERAL PHELPS—Mr. J. B. S. Armond says that a boy by name of Irwin Pardon, whose services he claims, has come within your lines. The course which I have adopted in such cases is this:—If I have any use for the services of such a boy I employ him without any scruple; if I have not, I do not harbor him, as my subsistence would by no means serve for so many extra men that I do not need. If you have any use for him, use him; if not, is he not like any other vagrant about the camp? Respectfully,

B. F. BUTLER,
Major General Commanding.

NEW ORLEANS, LA., May 14, 1862.

Reply of the Associated Banks to the Proposition of General Butler—They Request His Protection to Bring in Their Specie—Response of the General Giving Them Protection—Seizure of Three British Subjects—Correspondence Between General Butler and the British Consul—Unanswerable Arguments of the Commander-in-Chief—Seizure of Rebel Property—Arrival of Cotton in New Orleans—A New Union Party to be Established in New Orleans—Salutary Working of the Military Commission—Gunboat Movements on Lake Pontchartrain—The City Hospitality Tendered to a French Ship-of-War—Views of General Butler on the Subject, &c., &c., &c.

The communication from the Associated Banks of this city in answer to General Butler's propositions was received at headquarters yesterday, and the General's reply to it was sent to-day. I append both documents, and commend them to your readers as an opportunity to inform themselves as to the position of financial matters in this city in the future:—

NEW ORLEANS, May 13, 1862.

To Major General BUTLER, U. S. A., commanding the Department of the Gulf:—

SIR—To avoid misapprehension we take the liberty to state to you the impression made upon us during the interview of yesterday. We understood you to say that you were disposed to reaffirm the declaration made in your first proclamation, that private property of all kinds should be respected. You added that if the treasure withdrawn by the banks should be restored to their vaults, you would not only abstain from interference, but that you would give it safe conduct and use all your power individually, as well as the forces of the United States under your command, for its protection; that the question as to the proper time of the resumption of specie payments should be left entirely to the judgment and discretion of the banks themselves, with the understanding on your part and ours that the coin should be held in good faith for the protection of the billholders and depositors. On their part the banks promised to act with scrupulous good faith to carry out their understanding with you: that is to restore a sound currency as soon as possible, and to provide for the resumption of regular business as soon as the exigencies of our trade require it. You are aware that a large portion of the coin of the banks is beyond their control, and that we can only promise to use our best exertions for its return. Should we fail we will immediately advise you of the fact. In the meantime we request of you the favor to give us authority to bring back the treasure within your lines, with the safe conduct of the same from that point to this city. We have the honor to be, &c., &c., sir, your most obedient servants,

W. NEWTON MERCER,
J. M. LAPEYRE.

HEADQUARTERS DEPARTMENT OF THE GULF,
NEW ORLEANS, May 14, 1862.

MESSRS.—I have given very careful consideration to the matter of the communication handed me, through you, from the banks of the city. With a slight variation, to which I called your attention, you were correct in your understanding of the interview had by me with the banks. Specie or bullion, in coin or ingot, is entitled to the same protection as other property under the same uses, and will be so protected by the United States forces under my command. If, therefore, the banks bring back their specie, which they have so unadvisedly carried away, it shall have safe conduct through my lines, and be fully protected here, so long as it is used in good faith to make good the obligations of the banks to their creditors by bills and deposits. Now, as in the present disturbed state of the public mind, specie, if paid out, would be at once hoarded. I am content to leave the time of redemption of all bills to the good judgment of the banks themselves, governed in it by the analogy of the laws of the State and the fullest good faith. Indeed, the exercise of that, on both sides, relieves every difficulty and ends at once all negotiation. In order that there may be no misunderstanding, it must be observed that I by no means mean to pledge myself that the banks, like other persons, shall not return to the United States authorities all the property of the United States which they may have received. I come to "retake, repossess and occupy" all and singular, the property of the United States of whatever name and nature. Farther than that I shall not go, save upon the most urgent military necessity, under which right every citizen holds all his possessions. But as any claim which the United States may have against the banks can easily be enforced against the *personnel*, as well as the property of the corporations, such claims need not enter into this discussion. In such form, therefore, as in good faith safe conducts may be needed for agents of banks to go and return with property of the banks, and for no other purpose whatever, such safe conducts will be granted for a limited but reasonable period of time. Personal illness has caused the slight delay which has attended this reply. I have the honor to be your most obedient servant, BENJ. F. BUTLER, Major Gen. Com'g.

WM. N. MERCER, J. M. LAPEYRE, Committee.

A spicy correspondence has been going on for a few days between General Butler and the Acting British Consul at this port—Mr. George Coppell. As it may become an important incident in the history of this rebellion, it will undoubtedly be read with interest throughout the country. Copies of these letters, and of the correspondence relative to the seizure of specie and the "invasion" of the office of the Consul of the Netherlands, will be forwarded to Washington by General Butler, per steamer Matanzas.

The subject of the communications between the General commanding and the Acting British Consul, is a breach of good faith on the part of a number of her Majesty's subjects belonging to a body of armed men known as the British Guard, and attached to the European Brigade, under command of General Juge. This brigade was organized for the purpose of maintaining the peace of the city, and two or three days after the occupation by the Union army it was disbanded. Immediately after disbanding, Captain Burrow's company of the British Guard held a meeting and voted to send their arms and uniforms to General Beauregard's army, which they did. On learning of this General Butler threatened to arrest any member of the company found in the city after the lapse of twenty-four hours. Three of the members were so arrested and hence the correspondence.

BRITISH CONSULATE, NEW ORLEANS, May 8, 1862.

SIR—Mr. J. J. Burrows