few, not exceeding fifteen, with whom the measure originated; no formal announcement of the proposal to dispose of the arms was ever exhibited. Some of the members left the armory ignorant of any such proposition, though there—when, in desultory conversation among others, it was made and agreed to. It was the resolution of the moment, hardly to be characterized as a deliberate act, and the impulse which prompted it, it seems to me, can be reasonably referred to feelings which would actuate men whose friends and former companions were with the forces to which the arms are asserted to have been forwarded. The number of muskets did not exceed thirty-nine, if all were sent, for I am assured that there never was the number you have given (sixty) in the armory. These facts are verified by all who can speak from personal participation in the whole or parts of them. The British Guard comprises gentlemen who have large responsibilities entrusted to their charge, and whose absence from the city would result in irreparable injury to the interests confided to their care; and whose word may be received with every confidence as vouchers for the verity of the above statement. The injustice of an order which includes those parties to the act, and those who were not, requires no explanation on my part. I have before observed that it is not my wish or intention to justify the act; my object is to explain its real import, and to diminish the importance which, unexplained, it bears upon its face, by stripping it of features which do not properly belong to it. With reference to that part of your communication which has relation to myself, I would merely add that I furnish, in proof of my official capacity, letters addressed to me, and signed by Earl Russell and Lord Lyons, which, as part of my official register, I must request may be returned to me; and that I am not aware that my accountability for the manner in which I may have fulfilled my duties extends beyond the source from which that authority emanated, and to which your letter will of course be forwarded in all its crudity. In conclusion, I would say that Mr. Burrows, to whom I had exhibited my last communication before sending it, now says that he did tell you that the arms were intended for General Beauregard, but that he could not from his own knowledge state whether they were actually forwarded. Referring to my last communication, I have the honor to be, sir, your most obedient servant. GEORGE COPPELL,

Her Britannic Majesty's Acting Consul.

Several important seizures of rebel property have been made within the last three days. On Monday a warehouse opposite the depot of the Pontchartrain Railroad was discovered to be filled with pikes, gun carriages and an immense amount of ordnance stores and ammunition. A strong guard was placed over it from the Twelfth Maine regiment. On the same day the Twelfth Maine regiment found a large amount of gold and silver filings at the mint.

Yesterday morning the guard at the Jackson Railroad depot, under Lieutenant Whittier, of the Thirtieth Massachusetts regiment, found about twenty thousand dollars' worth of turpentine marked C. S. A., and seized it. At the Provost Court, Major J. M. Bell, Judge, has been engaged in trying soldiers for drunkenness and a few citizens for minor offences. Yesterday he fined several merchants one hundred dollars each for disobedience of General Butler's proclamation, in that they have not opened their stores. The General is determined that the stores shall no longer remain closed, as the moral effect is decidedly prejudicial to the cause of law and order.

Four hundred bales of cotton have arrived here from a point about twelve miles up the river. It is the property of a British subject, who prefers getting the money for it from Uncle Sam rather than see it consigned to the flames. It will be sent North by one of our transports, possibly the Matanzas.

General Butler issued an order yesterday suppressing the *Crescent* newspaper, because its principal proprietor is now in the rebel army. He also issued an order prohibiting the public observance of next Friday as a day of fasting and prayer, as ordered by Jeff. Davis. These orders give great encouragement to the Union men of the city. The clergymen will find the General after them with a sharp stick shortly. Last Sunday Rev. Mr. Leacock, rector of Christ church, read Jeff. Davis' proclamation of fast.

A recruiting office has been opened on St. Charles street, and has already been quite successful. Several hundred men have enlisted in the service of the Union army.

General Butler is going to establish a Union newspaper in this city. Its name will probably be *The Union*—"it must and shall be preserved." It will be conducted by several gentlemen connected with General Butler's staff. It was suggested that the *Picayune* be taken and edited by Union men, and the name be changed to the "York Shilling," but the General thought "fourpence ha'penny" would be more appropriate to the character of the expedition.

Mr. Asa S. Blake, of the Adams Express Company, has removed the agency from Ship Island to the Custom House in this city. A branch of the Express Company will be maintained at Ship Island, under the charge of Mr. H. W. Bates. The newspapers here are trying to make capital out of the arrival of the French frigate Catinet, from New York via Havana. They try to throw out the impression that she is but the pioneer of a French fleet ordered here by the Consul, in consequence of General Butler's recent action towards the foreign Consuls. The idea is absurd, and the motive of the press is only too apparent.

At the session of the Military Commission to-day a man named George Posey was convicted of an attack on a Union soldier, and sentenced to twenty-one years' hard labor at Fort Jackson, with a ball and chain attached to his ancle.

From Lake Pontchartrain to-day, I learn of a couple of little adventures of our gunboat Calhoun and some officers of the New London, which resulted in the seizure of the rebel armed yacht Coryphus, and the discovery of the fate of several of the gunboats that for months past have been cruising about the Lakes and Mississippi Sound, always keeping at a safe distance from the New London and Calhoun. Yesterday the Calhoun, Captain J. E. De Haven, ran up into Bayou Lacomb, and found the yacht Coryphus secreted in a bend, and hidden from sight by bushes and foliage. There was but one man on her, and but one gun, a six-pounder, of course there was no resistance, and she was quietly taken possession of by the Calhoun. The Coryphus is a fine schooner, and will be very serviceable to our forces on the lakes.

The day before Lieutenant Buchanan, Acting Master Wiggin and Midshipman Day, all of the New London, took the prize steamer Creole and run up the Covington river on a reconnoissance. Near Covington they discovered the burnt remains of the Oregon, Carondelet and Bienville, three of the best gunboats in the rebel service. The guns had been removed from all but the Carondelet. On her there are two heavy forty-two pounders left, one of them slightly broken. The engines and machinery of all the gunboats were found in good order, though partly submerged. Proper efforts for their removal will probably be made. No trace of the rebel gunboat Pamlico could be found, and it is quite probable that she has escaped to Mobile. From Ship Island I learn that Captain Porter, with his mortar fleet, had been on a reconnoissance to Mobile Bay, and had returned to Ship Island to await orders from Commodore Farragut.

Fort Gaines and the rebel batteries at Grant's Pass have been abandoned, and the guns and garrisons transferred to Fort Morgan. The rebels boast of having some guns at Fort Morgan of the longest range, and flatter themselves that they can prevent the mortar boats from operating. We have learned to put very little trust in the game of brag which the enemy has been continually playing in this neighborhood, and I do not think this bombast will frighten any of our officers. Indeed, we heard to-day that Mobile had surrendered; but the story, although very creditable to the common sense of the Mobilians, is not believed here. Gen. Butler and the Provost Marshal are constantly in receipt of intelligence from the battle fields north of us, through deserters from the rebel army. Of course a good deal of the intelligence is received with doubts of its authenticity. To-day we hear that Norfolk has been captured and the Merrimac burned, to prevent its falling into the hands of the Union army; that Richmond is occupied by Union soldiers, and that on last Friday Gen. Pope was driven back from a point four miles in advance of our force near Corinth. There is the most intense anxiety here in regard to the impending battle at Corinth, as our information leads us to expect that it will be the greatest engagement that the world has ever seen, and will virtually end the war if success attends our arms.

Lieutenant Sala, of the Fourth Massachusetts battery, obtained information to-day of the existence of earthworks, mounting valuable guns, on the Gentilly road, near Lake Pontchartrain. Captain Kelty, of the Thirtieth Massachusetts regiment, was sent, with sixty men, to search for the artillery and if possible bring it to the city. About five miles out on the Pontchartrain Railroad, Captain Kelty discovered two redoubts mounting four guns, and two miles and a half further up on the Gentilly road he found four redoubts mounting nine guns. All the guns were heavy thirty-two pounders, and not one of them spiked, but all were loaded. Captain Kelty sketched a plan of the situation and embodied it in his report to headquarters. A sufficient force will be sent to remove the guns or garrison the works.

This evening the first instalment of troops from Ship Island, via Lakes Borgne and Pontchartrain, arrived, and in the afternoon we were still further reinforced by the arrival of troops, artillery and horses by way of the Mississippi river.

Colonel McMillan, of the Twenty-first Indiana regiment, now stationed at Algiers, made a reconnoissance into the Attakapas country, which resulted in the capture of a fine steamer, with a very valuable cargo.

Taking eighty men he went out on the Opelousas Railroad to its terminus. Learning there that a rebel steamer had just run the blockade at the Grand Bayou Caillon, he immediately started off and made a forced march of thirty miles that night. Arriving at the Bayou in the morning, he found the steamer quietly anchored, unsuspicious of impending danger. He took possession without meeting any resistance, and set the crew at work for the United States government. The prize is a very rich one. The vessel is a superior New York built, low pressure boat, and was formerly named the A. J. Whitmore; she is now known as the Fox. She is almost the counterpart of the Harriet Lane. Her cargo consisted of fifteen tons of powder, a large amount of arms and an assortment of desirable merchandise, and is valued at a hundred thousand dollars. She had come from Havana, and had two bags of mail for persons in the South. On Sunday night Colonel McMillan sent Sergeant Frake and three men back to New Orleans, with despatches to General Butler. As they were proceeding along the road they were fired upon by some cowardly foe, concealed from view, and Sergeant Frake and one of his men were killed; the other two escaped. The bodies of the murdered men were afterwards found buried, with nothing about them but their blankets, the miserable guerilla assassins having stripped and robbed them of their clothes.

At the session of the Military Commission to-day George Read was examined on a charge of murdering a Union man at a gaming table, and of extorting money from loyal citizens. He was sent to Fort Jackson to await trial.

At a meeting of the Board of Mayor and Aldermen yesterday, a resolution was adopted touching the freedom and hospitalities of the city to the officers of the French frigate Catinet, which arrived here the day before. The action of the Board elicited the following letter from the General Commanding:—

HEADQUARTERS DEPARTMENT OF THE GULF, NEW ORLEANS, May 16, 1862.

TO THE MAYOR AND GENTLEMEN OF THE CITY COUNCIL OF NEW ORLEANS:—

In the report of your official action, published in the *Bee* of the 16th inst., I find the following extracted resolutions, with the action of part of your body thereon, viz:—

The following preamble and resolution, offered by Mr. Stith, were read twice and adopted. The rules being suspended were, on motion, sent to the Assistant Board.

YEAS—Messrs. De Labarre, Forestall, Huckins, Rodin and Stith—5.

Whereas, it has come to the knowledge of this Council that, for the first time in the history of this city, a large fleet of the navy of France is about to visit New Orleans—of which fleet the Catinet, now in our port, is the pioneer—this Council, bearing in grateful remembrance the many ties of amity and good feeling which unite the people of this city with those of France, to whose paternal protection New Orleans owes its foundation and early prosperity, and to whom it is especially grateful for the jealousy with which, in the cession of the State, it guaranteed all the rights of property, person and religious freedom of its citizens—

Be it resolved, That the freedom and hospitalities of the city of New Orleans be tendered through the Commander of the Catinet to the French naval fleet during its sojourn in our port; and that a committee of five of this Council be appointed, with the Mayor, to make such tender and such other arrangements as may be necessary to give effect to the same.

Messrs. Stith and Forestall were appointed on the committee mentioned in the foregoing resolution.

This action is an insult, as well to the United States, as to the friendly and powerful nation towards whose officers it is directed. The offer of the freedom of a captured city by the captives would merit letters patent for its novelty, were there not doubts of its usefulness as an invention. The tender of its hospitalities by a government to which police duties and sanitary regulations only are entrusted, is simply an invitation to the calaboose or the hospital. The United States authorities are the only ones here capable of dealing with amicable or unamicable nations, and will see to it that such acts of courtesy or assistance are extended to any armed vessel of the Emperor of France as shall testify the national, traditional and hereditary feelings of grateful remembrance with which the United States government and people appreciate the early aid of France, and her many acts of friendly regard, shown upon so many national and fitting occasions.

The action of the City Council in this behalf must be revised. Respectfully,

B. F. BUTLER, Major General Commanding.

NEW ORLEANS, May 16, 1862.

Publication of a Letter Captured from a Spy—Contents of the Letter—Interesting Correspondence with the Mayor of New Orleans and the Commanding General—Prompt and Decisive Action of General Butler—The Mayor Brought to a Stand Suddenly—Suppression of the Bee Newspaper—Disloyal Attempt of Released Prisoners to Raise Troops for the Rebels—First Ride of General Butler and His Staff Through the City—Quiet Demeanor of the People, &c., &c., &c.

Yesterday General Butler caused the following letter and General Order No. 28 to be published in the daily papers:—

NOTICE.

The *Delta* will publish this letter, taken from the body of a spy—H. H. Zacharie. B. F. BUTLER, Major General Commanding.

NEW ORLEANS, May 8, 1862.

DEAR ELLEN—Knowing you would be anxious to hear as to my whereabouts, and how I was coming on, I have determined to write this, and trust to the kindness of Giffen Smedes as to its reaching you. I called upon them to-day, and I was told, if they could, they would send it the first opportunity. The day after I reached the city I called on Mrs. Gracey, and learned from her the trouble you had in getting away; but I was glad to hear you had succeeded at last, and I trust you got through your journey without difficulty. How and what shall I say as to the events that have happened since I saw you last? You were here during the most momentous time—that is, when the city was th[illegible]ned with bombardment—and of course need no news f[illegible] me on that point; but I can tell you, thanks to the talents of P. Soule, we have been granted more privileges than we expected. The Mayor is allowed to carry on the city affairs as usual, and the Yankees are to be kept outside of the city limits; though, to tell the truth, I believe they will be more rejoiced than ourselves when they leave, as they must have learned by this time that they are really in an enemy's country, as they have been made to feel it in every way. The way they are snubbed on every side is awful. Let me give an instance: Last Sunday two officers marched into Dr. Palmer's church, and coolly seated themselves in a pew where a lady was sitting; but as soon as they had seated themselves, she stood up, and, drawing her dress close to her, she left the pew to themselves and their reflections. Well done, was it not? I have been some days in the city, the regiment having been disbanded at Camp Moore a week after we left the city, by order of General Lovell, he giving us back to State service. The city is full of rumors of all kinds, denied today and confirmed to-morrow, so that it is impossible to credit anything. We are told the Confederate flag floats over the Capitol at Washington and that Beauregard has whipped Buell at Monterey. And so we go. I forgot to mention that Gracey had not got back; but as the boats can come to the city, I look for him daily. How is Ned coming on? I suppose he enjoys himself with the boys. Tell him I hope he will do everything as you tell him, as that is the way he can please me most. Give my regards to Joe. Tell her I send this to her care, and do not forget me to Mrs Cade and your pupils. I shall not write again till I hear from you, as it is impossible in these exciting times to calculate from one day to another; but believe me, I shall avail myself of the first chance of doing so. Till then, believe me always, BRO. JOHN.

P. S.—I have written this in the library, for the privilege of which I am indebted to the gentlemanly librarian, Mr. Kerr, who begs to be remembered to you and Joe. BRO. JOHN.

The order gives great satisfaction to the command, to whom the conduct of the disloyal ladies of the city has become absolutely intolerable. [This order has already been published in the HERALD.] The Mayor and the violent secessionists received it in high dudgeon, and the Mayor addressed the following letter on the subject to General Butler. The letter prefacing order No. 28 is merely given as substantiating evidence of the insulting conduct of the ladies. The order contains no reflections whatever on the virtue of New Orleans ladies, but leaves their future reputation to their behavior after the date of the order. A more effectual method of abating such an evil could not be devised, and I believe it will be entirely successful. But here is the Mayor's letter:—

STATE OF LOUISIANA, MAYORALTY OF NEW ORLEANS, May 16, 1862.

Major General BENJAMIN F. BUTLER, Commanding United States forces:—

SIR—Your general order, No. 28, of date 15th inst., which reads as follow—(here follows order 28, respecting ladies) is of a character so extraordinary and astonishing that I cannot, holding the office of chief magistrate of this city, chargeable with its peace and dignity, suffer it to be promulgated in our presence without protesting against the threat it contains, which has already aroused the passions of our people, and must exasperate them to a degree beyond control. Your officers and soldiers are permitted, by the terms of this order, to place any construction they may please upon the conduct of our wives and daughters, and, upon such construction, to offer them atrocious insults. The peace of the city and the safety of your officers and soldiers from harm or insult have, I affirm, been successfully secured to an extent enabling them to move through our streets almost unnoticed, according to the understanding and agreement entered into between yourself and the city authorities. I did not, however, anticipate a war upon women and children, who, so far as I am aware, have only manifested their displeasure at the occupation of their city by those whom they believe to be their enemies, and I will never undertake to be responsible for the peace of New Orleans while such an edict, which infuriates our citizens, remains in force. To give a license to the officers and soldiers of your command to commit outrages such as are indicated in your order upon defenceless women is, in my judgment, a reproach to the civilization, not to say to the Christianity, of the age, in whose name I make this protest. I am, sir, your obedient servant, JOHN T. MONROE, Mayor.

To this disrespectful letter General Butler vouchsafed the following unequivocal answer:—

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 16, 1862.

John T. Monroe, late Mayor of the city of New Orleans, is relieved from all responsibility for the peace of the city, and is suspended from the exercise of any official functions, and committed to Fort Jackson until further orders.

B. F. BUTLER, Major General Commanding.

This order brought the Mayor up to headquarters in a hurry. General Butler talked to him very freely, and lectured him severely for placing such an offensive construction on Order No. 28, and called his attention to its language, which expressly declares that "hereafter" women insulting our officers and men "shall be regarded and held liable to be treated as women of the town." The General then told him that he must apologize for and withdraw this letter or suffer the punishment for his offence indicated above.

The Mayor didn't like "the looks of things," and made the annexed apology and retraction, whereupon the General allowed him to resume the functions of his office:—

Gen. BUTLER—This communication, having been sent under a mistake of fact, and being improper in language, I desire to apologize for the same, and to withdraw it. MAY 16, 1862. JOHN T. MONROE, Mayor.

NOTICE.

GENERAL ORDER—NO. 29.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 16, 1862.

I. It is hereby ordered that neither the city of New Orleans nor the banks thereof exchange their notes, bills or obligations for Confederate notes, bills or bonds, nor issue any bill, note or obligation payable in Confederate notes.

II. On the 27th day of May instant all circulation of or trade in Confederate notes and bills will cease within this department, and all sales or transfers of property made on or after that day, in consideration of such notes or bills, directly or indirectly, will be void and the property confiscated to the United States—one-fourth thereof to go to the informer. By command of

Major General BUTLER.

GEO. C. STRONG, A. A. G., Chief of Staff.

The above General Order, No. 29, will be hailed with great satisfaction by the larger part of the community. The shinplaster currency and the Confederate funds are considered as worthless, and public confidence in them is almost entirely destroyed. The people will be glad of any action that rids the market of the trash.

NOTICE.

SPECIAL ORDER—NO. 39.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 16, 1862.

I. The New Orleans *Bee*, newspaper, having published an elaborate, though covert, argument in favor of the cotton burning mob, is hereby suppressed. No publication of any description will issue from that office until further orders.

II. The New Orleans *Delta*, newspaper, having, in an article of to-day's issue, discussed the cotton question in a manner which violates the terms of the proclamation of 1st May instant from these headquarters, the office of that paper will be taken possession of, and its business conducted under direction of the United States authorities. By command of Major General BUTLER.

GEO. C. STRONG, Acting Adjutant General.

Special order 39, suppressing the *Bee* and *Delta* newspapers, was issued to-day. The *Delta* will probably be transformed into the proposed Union paper, of which I have spoken in my letter.

In the Court of Military Commission to-day, A. B. Bacon, proprietor of the *Algerine Newsboy*, a paper published in Algiers, was convicted of libelling the United States government and its forces. The paper was ordered to be suppressed and confiscated to the United States government, and Mr. Bacon was ordered to give five thousand dollars bonds to keep the peace for one year; and if the order is not complied with in five days, the prisoner to be confined in Fort Jackson one year.

From information obtained by Capt. S. Tyler Read, of the Massachusetts cavalry, a treasonable organization has been discovered and broken up, and a number of the members arrested.

A number of non-commissioned officers who were taken prisoners at Fort Jackson, and afterwards released on parole, commenced last week recruiting a company of soldiers to join Beauregard at Corinth. If they could not get passports to leave the city they proposed shooting our pickets and then rushing past our lines.

Some fifteen or seventeen of these men met at Carrollton last Saturday and elected officers. One Ben. Smith, the ringleader, and formerly a sergeant at Fort Jackson, was chosen captain, and other non-commissioned officers at the fort were elected to the subordinate offices. The name adopted for the organization was the Monroe Guards, in compliment to the Mayor of this city. The meeting was then adjourned to yesterday evening, at a low groggery, in the city proper. Capt. Read was promptly on hand, and, after satisfying himself in regard to the men, notified the Provost Marshal. The Deputy Provost Marshal, Capt. Stafford, succeeded in arresting six of the men; but the ringleader, Ben. Smith, has thus far eluded pursuit. The prisoners were examined this morning by the General, and were then committed to prison to await trial by the Military Commission. Capt. Stafford is after Ben. Smith with a sharp stick, and if he gets him there will be a chance for our carpenters to try their hands at building a scaffold and gallows.

The prize steamer Fox, captured by Col. McMillan, arrived here to-day. Another prize also arrived. It is a river steamer, named the Governor Moulton. It was captured while trying to run the blockade at Berwick's Bay by the gunboat Hatteras. There was nothing in her but some thirty boxes of tobacco and a small quantity of bacon.

We are in receipt of considerable news to-day from various sections. From up the river we learn that Gen. Williams is in occupation of Natchez. He experienced no opposition in landing, and there was a very strong Union demonstration.

The flagship Hartford is aground about fifty miles above Baton Rouge. Several vessels have been sent up to get her off. From Corinth we learn that Beauregard's army is suffering for want of provisions for the men and forage for the horses. We hear, from a source that is credited, that a mob at Jackson, Mississippi, have hung General Lovell and tarred and feathered E. Warren Moise. Gov. Morris, late confidential adviser of Generals Price and Van Dorn, is at Corinth, and the federal General Curtis is said to be in occupation of Little Rock, Arkansas.

Captain John Clark, Chief Commissary, made an exchange to-day, which was a pretty good joke on secesh.

A planter wished to give a quantity of sugar for a quantity, relatively valuable, of beef, to enable him to feed his negroes. The exchange was effected, the beef being that taken from that seized by Captain Clark, and formerly belonging to the Confederate army.

General Butler, attended by his staff, rode on horseback through the city this afternoon for the first time, their horses having just arrived. No insult or molestation was offered them, though a large crowd was attracted by the brilliant cavalcade.

S. F. Glenn, Esq., of Washington city, is acting as clerk of the Provost Court, and has also established himself in the practice of law in this city. He is highly recommended by Generals Dix and Shields, and being a member of the bar of this State, and having been formerly a resident here for ten years, he is well qualified to practice in the Louisiana courts. Merchants in Northern cities would do well to send their claims to him for collection.

NEW ORLEANS, May 17, 1862.

Preparations of the Matanzas for Sailing—Bearer of Despatches for the Government &c., &c., &c.

The United States steam transport Matanzas sails positively to-day. She is crowded with cabin and steerage passengers who are anxious to get North.

Among the passengers are Hon. John E. Bouligny, Mr. Shaw, Military Secretary to Major Strong, Chief of General Butler's Staff, and Mr. E. Kimball, of the United States Quartermaster's Department.

Mr. Bouligny goes to Washington as bearer of despatches for General Butler. After remaining there a short time to transact private business he will return to this city.

Captain W. W. Harral, Acting Post Quartermaster, seized this morning five thousand barrels of flour belonging to the Confederate army.

In my next I intend describing the general hospital here, which, under the direction of Dr. R. K. Smith, Acting Post Surgeon, is a perfect model in every respect required for such an institution.

The following general orders and notice have been issued from headquarters since my last letter:—

POST OFFICE ARRANGEMENTS.

NEW ORLEANS, May 10, 1862.

To accommodate the citizens of New Orleans, I have obtained the consent of Major General B. F. Butler to the delivery of all letters found by me in this Post office on taking possession of the same. These letters were, many of them, very much defaced, some opened. They have been assorted and arranged as well as it is possible to do, and the office will be opened at the general delivery, on Wednesday morning, the 14th inst., at nine o'clock, for the purpose of issuing them. Hereafter all mail matter will be received and delivered in compliance with the laws of the United States. Remittances of cash or valuable securities must be reported and registered, to insure transmission. JOHN M. G. PARKER, Postmaster at Ship Island, Mississippi, transferred here.

MAILS.

The mails close for New York, Boston, and all cities and towns in loyal States, at three o'clock P. M. daily. The foreign mails go via New York. Mails for the above places leave by the earliest possible conveyance.

JOHN M. G. PARKER, Postmaster.

NEW ORLEANS, May 10, 1862.

GENERAL ORDERS—NO. 24.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 8, 1862.

Acting Brigadier General George F. Shepley, Colonel Twelfth regiment Maine Volunteers, is hereby appointed Military Commandant of New Orleans. All officers on duty in this city or in Algiers, except officers of the division staff, will report to him. By command of

Major General BUTLER.

GEO. C. STRONG, Assistant Adjutant General.

[The general order providing for feeding the poor of New Orleans was published in the HERALD yesterday.]

NEW ORLEANS, LA., May 20, 1862.

Accident to the Matanzas—She Collides with the Sloop-of-War Pensacola—Arrest of Prominent Citizens and Their Imprisonment in Fort Jackson—Strange and Insane Action of the Mayor—General Butler the Right Man in the Right Place—His Courage and Determination to Suppress Rebellion—The New Union Paper, &c., &c.

Owing to an accident the Matanzas was prevented from leaving port last Saturday, and her departure delayed until to-day. She had cast off from the levee and attempted to swing around without steaming up river. The current was too strong for her to do this, and just as she had got her broadside opposed to the current she was carried directly across the bows of the sloop-of-war Pensacola, which lay just astern of the berth of the Matanzas. The Pensacola immediately dropped down the river stern foremost, with the Matanzas locked amidships to her bow. In this condition the two vessels went down the river nearly a quarter of a mile, when the Matanzas managed to get clear of the Pensacola and cast her anchor. In passing the frigate Mississippi the Matanzas rubbed the whole length. The damage to the Pensacola was very trivial, only slightly injuring her cutwater; but the Matanzas had a considerable hole knocked in her port quarter, within two feet of the water line. Repairs have been made, and she will leave at noon to-day for New York. Since my last letter a number of prominent citizens have been arrested and sent to Fort Jackson. The most notable are John T. Monroe, Mayor of New Orleans; D. G. Duncan, the Mayor's private secretary; John McClellan, Chief of Police; Judge Kennedy, Lucien Adams, Recorder in the Fourth District, and Benj. S. Harrison, formerly a member of the City Council. Mr. Mazarat, Lieutenant of Police, was ordered under arrest, but the order was afterwards rescinded.

These arrests are peculiarly grateful to the respectable portion of this community, as all of them but Judge Kennedy have long been in notoriously bad odor. The Mayor and his clique have been doing their utmost by covert measures to harass and impede General Butler in promoting a friendly feeling towards the United States government, and they have placed an injurious construction on almost every step that the General has taken. Last Saturday morning, after the Mayor had the day previous apologized for his insolent, insulting letter to General Butler relative to General Order, No. 28, regarding the conduct of the women, he again called at headquarters for the purpose of withdrawing his apology or obtaining a modification of the order. General Butler told him unequivocally *that he had nothing to modify; that he was not sorry for what he had written; that he would not withdraw it if he could, and could not if he would; but, at the request of the Mayor, the General gave him permission to publish the offensive letter and the apology, and to add that the order applied only to those women who had insulted by word, look or gesture the officers or soldiers of the United States Army.* He also told him that he could append to the correspondence the startling fact that "water is wet" and "blackbirds are black"—a delicate piece of satire that I fear was entirely lost upon the obtuse intelligence of the magistrate. After an explanation from the General that would have been thoroughly clear to the comprehension of a child, the Mayor left, apparently satisfied; but Saturday night he again sent the General a letter, the counterpart of the first. Yesterday morning he was again at headquarters, with several of his friends, including Judge Kennedy, John McClellan, Chief of Police, and D. G. Duncan. The Mayor demanded the right to withdraw his apology, and General Butler granted it; *but informed Mr. Mayor that he had played with the United States authority long enough, and now he had got to go to Fort Jackson. The other parties named above, admitting their approval of the Mayor's conduct, were also sent to Fort Jackson.*

In addition to the Mayor's conduct in regard to Order No. 28 he has been guilty, in conjunction with the other members of the city government, of giving material aid and comfort to the enemy since our occupation, and the Monroe Guard—of which I gave an account in my letter of the 16th—expected (and probably with reason) that he would pay handsomely for the "honor" paid him in selecting his name for the corps. The General announced to the above gentlemen that he should hold them as hostages for the good behavior of the city.

Ben. Harrison and Lucien Adams are chiefs of the "Thugs," and have been the most relentless persecutors of Union men. Their arrest will enable decent people to sleep more securely at night.

The six men belonging to the Monroe Guard, whose arrest I described in a recent letter, were tried on Saturday by the Military Commission and sentenced "to be shot to death" at such time as the General commanding may appoint, and the sentance has been approved by General Butler. The names of the unhappy men are Edward C. Smith, Abraham McLean, Patrick Kane, Daniel Doyle, Wm. Stanley and George L. Williams.

The honest citizens of New Orleans will discover ere long that they have a General in command who is as fearless to defend them from enemies in their midst as ever Jackson was to repel a foreign foe, and his course is eminently calculated to inspire confidence in his personal courage. He rides about among the people as freely as if he was their peculiar favorite. On Sunday afternoon he started with his staff, after five o'clock, and rode to Carrollton, a distance of eight miles. They did not leave there to return until after seven o'clock, arriving at the St. Charles a little before nine. A large part of the road is through a piece of woods, where a skulking foe might have fired upon the party from ambush. The General says, in reference to the possibility of assassination, with which he is constantly threatened through anonymous letters, "If they do it it will only place General Phelps in command, and if they are satisfied with that arrangement I have nothing to say."

Among the more recent seizures are the State Arsenal, filled with ordnance stores and ammunition, and the residence of John Slidell. At the latter place Mrs. Beauregard and her mother were found in occupation, and I am informed that "that fellow" Slidell presented the place to Mrs. Beauregard on his departure for England. Gen. Butler speaks in terms of warm praise of the dignified manner in which the wife of the brave but misguided commander of the rebel army treated the officer (Mr. Kinsman, of the General's staff) and soldiers who took possession of the house. *As soon as the General learned that Mrs. Beauregard was living in the house he withdrew the guard, and woe be to the man—whether rebel or Union—who dares to offer her the slightest insult or molestation.*

The first number of our new Union paper will be issued to-morrow from the *Delta* office. The General has concluded to retain the name of the *Delta*, with the motto under it of "The Union—it must and shall be preserved." It will be conducted by Capt. John Clark, Chief Commissary of Subsistence; Major Jos. M. Bell, Provost Judge, and other gentlemen of the staff. Capt. Clark has been for eleven years editor and proprietor of the Boston *Courier*, and is peculiarly fitted for the new position, and Judge Bell is well known in New England as an able contributor to the editorial columns of the principal Boston papers.

The following orders relative to the department have also been issued:—

REMOVAL OF THE PROVOST MARSHAL'S OFFICE.

NEW ORLEANS, LA., May 10, 1862.

The office of the Provost Marshal has been removed from the United States Custom House to No. 88 Canal street. JONAS H. FRENCH, Provost Marshal and Aid-de-Camp.

HEALTH REGULATIONS OF THE CITY.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 8, 1862.

In order to allay the hopes of the bad and the fears of the good and timid, the Commanding General gives notice that the strictest health regulations have been established, since the capture of the forts, at the Quarantine Grounds, against the importation of all epidemics. By command of Major General BUTLER.

GEORGE C. STRONG, A. A. General.

JEFF. DAVIS' FAST DAY FORBIDDEN.

GENERAL ORDERS—NO. 27.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 13, 1862.

It having come to the knowledge of the Commanding General that Friday next is proposed to be observed as a day of fasting and prayer, in obedience to some supposed proclamation of one Jefferson Davis in the several churches of this city, it is ordered that no such observance be had. Churches and religious houses are to be kept open, as in times of profound peace, but no religious exercises are to be had upon the supposed authority above mentioned. By command of

MAJOR GENERAL BUTLER.

GEO. C. STRONG, A. A. General.

SUPPRESSION OF THE CRESCENT.

SPECIAL ORDERS—NO. 37.

HEADQUARTERS, DEPARTMENT OF THE GULF, NEW ORLEANS, May 13, 1862.

It appearing that the New Orleans *Crescent*, a newspaper published in this city, is owned and edited by J. O. Nixon, a rebel, now in arms against the government of the United States, the Commanding General of this department orders that the publication of that newspaper be suppressed; and that no publication, by pamphlet, handbill or otherwise, in any form whatever, shall be made from said office after the promulgation of this order. By command of Major General BUTLER.

GEO. C. STRONG, A. A. G., Chief of Staff.

NEWSPAPER ACCOUNTS.

Commercial Affairs.

THE LATEST COMMERCIAL REPORT.

[From the New Orleans Bulletin, May 20.]

TUESDAY MORNING, May 20, 1862.

We have no change to note in the market since our last report. Everything is unsettled by the currency difficulties and the depreciation of Confederate notes. There were some small transactions in sugar, both at auction and at private sale, at extreme rates. Other holders, who had been previously offering their stocks at 8c. for fair to fully fair, withdrew them from the market; but in the latter part of the day there were symptoms of an increased desire on the part of sellers to avail themselves of the panic and work off their supplies at the high prices which had been realized by others. The receipts embrace 191 hhds. sugar, 125 bbls. molasses and 120 bbls. rum. Our circulation is still composed of city, State and Confederate Treasury notes, and such private notes as command the confidence of the Committee of Safety.

THE FIRST RECEIPT OF COTTON.

[From the New Orleans Delta, May 16.]

Relative to a statement which appeared a few days ago in regard to four hundred bales of cotton brought to the city since it was occupied by the United States troops, by Mr. Lanfear, we are requested by that gentleman to say that this cotton was purchased with English dividends on English account, and is to be sent to the English owners, and that Mr. Lanfear asked General Butler to protect it, as threats had been made to burn it.

TRADING WITH UNION TROOPS.

[From the New Orleans Bulletin of May 7.]

If we sell our merchandize to the federals and receive payment in specie, or approved currency, whatever advantage they derive from the trade, we receive a corresponding one in return. If we decline to deal with them, they seize our goods and enjoy the whole benefit without any equivalent to us. In the one case it is not only no injury, but a substantial benefit to us, and but little advantage to them. In the other they enjoy the whole benefit and we suffer a total loss. Whatever may be our repugnance to any intercourse or dealings with them, we do not see that it is either judicious or expedient thus to reject their money in payment of goods, which we presume they will seize and take off without compensation, if we refuse to receive it.

The State of Finances in New Orleans.

LATEST MONETARY REPORT.

OFFICE NEW ORLEANS TRUE DELTA, NEW ORLEANS, May 17, 1862.

The past week has been marked by increasing activity in the stock market, and by the promulgation of an important order by the Commanding General of the federal forces for this military department, touching the currency of the city. Sales of bank and miscellaneous stocks transpired daily at fabulous figures, and operations in this class of securities were restricted only by the limited character of the supply; but particulars of most private negotiations were, as heretofore, scrupulously suppressed for the time, though transactions at public auction were on a sufficiently extensive scale to indicate the ruling prices of the market.

There was nothing done in bonds from the opening to the close of the week, and there were no offerings of any class upon the market, so far as we have thus far been able to ascertain. General Butler's order on the currency question prohibits the city of New Orleans and the banks thereof from exchanging their notes, bills or obligations for Confederate notes, bills or bonds, and from issuing any bills, notes or obligations payable in Confederate notes. And it further ordains that on the 27th inst. all circulation of or trade in Confederate notes and bills will cease within this military department, and all sales or transfers of property made on or after that date, in consideration of such notes or bills, will be void, and the property confiscated to the United States. The order of which the above is the substance was first published this morning, *and it has already caused almost a panic among the holders of Confederate securities. Treasury notes have been sold to-day at a heavy sacrifice*, and those possessed of no other currency will doubtless be compelled to accept for them just whatever speculators may wish to offer. At the same time it is wholly unknown what currency Gen. Butler designs substituting for them, though it is freely conjectured that it will be United States Treasury notes. Should this opinion prove correct, much suffering must arise from the absence of small change, as the numerous shinplasters which for several months past have been freely used to meet all the requirements of trade for fractional parts of a dollar and sums under five dollars, have been almost exclusively based upon Confederate currency, and the suppression of the latter must necessarily render the former valueless, and therefore useless to the public. We presume it is only necessary to respectfully invite General Butler's attention to the calamities likely to arise from the transition in the currency, and that he will be able to devise some plan to shield the thousands of deserving poor in our city from the inevitable losses which would arise from a suspension of the small note circulation till a substitute be in readiness to meet the demands for provisions and other indispensable necessaries.

Operations of every kind have continued at a stand in the outside money market since the date of our last weekly review, and the bank movement has been restricted, as heretofore, to the payment of depositors' checks and the liquidation or renewal of maturing obligations. Transactions in specie progressed as for some weeks past, but rates for it in exchange for Confederate notes and for bank and city bills have steadily advanced. Offerings of exchange have been limited to a small amount of sterling bills, but no sales have been reported up to the close of the week. Receipts of uncurrent bank notes have been, if anything, still lighter than heretofore, and negotiations were of too restricted a character throughout to establish reliable quotations.

[From the True Delta of May 19.]

THE CURRENCY PROCLAMATION.

We have not had the requisite leisure to reflect fully over the proclamation of Major General Butler in relation to the currency, but so far as the banks are concerned we can perceive no objection to their substitution of their own paper in payment of deposites in every case, up to the present time. The presidents and directors of those institutions are too honorable and patriotic to dishonor the currency they were so anxious to introduce to the public, and we are sure they will cheerfully aid in facilitating a change of currency which cannot be otherwise than distressing to many members of the community