4. On the 2nd March, 1883, the barque "Alice Mary," of Sydney, went out of Port Jackson

flying the same flag. No steps were taken, as she was too far out.
5. On the 13th May, 1883, the barque "Altear" displayed this flag in the harbour of Port Jackson. The letter required by Admiralty instructions, Art. 87, par. 2 (copy enclosed), was handed by the officer of the guard to the captain of the vessel, and the flag was immediately hauled down under protest. And

6. Lastly, on June 10th, while at Apia, in H.M.S. "Miranda," I observed the barque "Avoca" flying the same flag, which was the more remarkable inasmuch as she was at the time at anchor between the "Miranda" and a German ship of war, from whose national colours the flag displayed

by the "Avoca" was barely distinguishable.

7. These are the only instances that have come under my notice in which this flag has been worn by sea-going vessels of any size, and I have not considered it my duty to interfere with the

flags displayed by the boats in harbour.

8. In my letter, No. 340, of the 23rd December, 1882, I drew the attention of their Lordships to the existence of the "Australian Colours," and requested to be informed whether there was any warrant from the Queen or from the Admiralty for its use. I have, &c.

The Secretary of the Admiralty.

JAMES ERSKINE. Commodore.

Commodore Erskine to the Captain of the barque "Altcar."

"Nelson," at Sydney, 13th May, 1883. Sir,-Having observed that you have displayed, at the peak of the ship you command, colours resembling those worn by Her Majesty's ships, I have to call your attention to the 105th section of "The Merchant Shipping Act, 1854," and to request you to inform me whether you have a warrant

from Her Majesty or from the Admiralty for hoisting any other colours than the red ensign usually worn by British merchant ships.

2. In the event of your holding no warrant for hoisting those colours, I have the honour to request you to discontinue the use of them as an ensign, in order that I may not be under the necessity of taking further steps in the matter, in accordance with the instructions laid down in the aforesaid paragraph of the Merchant Shipping Act. I have, &c.

The Captain (or his Representative) of the Barque "Altcar."

JAMES E. ERSKINE, Commodore.

Lord Lortus to the Earl of Derby.

(New South Wales.—No. 224.)

My LORD, Sydney, 18th December, 1883.

I have the honour to acknowledge the receipt of your Lordship's Despatch No. 78, of the 20th September last, forwarding copies of a correspondence relating to the use of a flag known as the "Australian Colours" on board vessels and boats belonging to the Australian Colonies, and

requesting information in regard to the origin and use of this flag.

2. I have the honour to forward to your Lordship copy of a minute from the President of the Marine Board, stating that he is not aware that this flag has ever received official recognition, and that a notification herewith was issued in September last, showing that the practice of flying the flag known as the colonial ensign is illegal, and that masters and owners of vessels were liable to a heavy penalty for hoisting the said flag.

3. In conformity with the request of the Lords of the Admiralty, I beg to return herewith the

drawing of the flag enclosed in the letter of the 21st February, 1883.

I have, &c.

The Right Hon. the Earl of Derby, &c.

Augustus Loftus.

Minute by the President of the Marine Board.

I CANNOT ascertain that this flag has ever received official recognition, although it is said to have met with the approval of the Admiralty in the year 1824, during Sir Thomas Brisbane's My association with Port Jackson dates as far back as the year 1848, and I have frequently noticed vessels wearing this flag in the harbour since that time; and I have known it in more than one instance to have been hauled down and confiscated by naval officers.

There still, however, appears to be a persistency to use the flag on the part of certain ship-

masters and boat-owners.

The enclosed notification, with the view of preventing the use of the flag, was issued from this office on the 26th September last.

December 4, 1883.

Francis Hixson.

Office of the Marine Board of New South Wales, Sydney, 26th September, 1883. ATTENTION is hereby directed to the illegal practice of flying the flag known as the colonial ensign in certain vessels. Masters and owners of these vessels are informed that under the 105th section of the Imperial Merchant Shipping Act of 1854, they become liable to a penalty not exceeding £500 for hoisting the said or any other flag likely to be mistaken for the colours worn by her Majesty's ships of war. By order.

GEO. S. LINDEMAN, Secretary.