Upon the arrival of Captain Wallis of the 46th regiment, in January 1817, to take the command, the labour of the convicts was slight and the discipline relaxed. The regulations that he introduced were effectual in reforming both, and he had recourse, in the first instance, to considerable severity of punishment to restore and maintain them; during the period of his command the overseers were allowed to strike the convicts with sticks, which at present they are not permitted to do. the tenor of the orders that he first issued, Captain Wallis appears to have tried the effect of intimidation, and denounced certain re-capture or death from the black natives to those convicts who attempted to make their escape; by these means he succeeded in diminishing the number of their attempts, but they still continue to be made notwithstanding the failures that attend most of them, and the miserable and emaciated condition of those that return. I had an opportunity of seeing one convict that was brought into Windsor in a most emaciated state, after having been out three weeks in the woods, and living upon snakes and grubs, or roots of shrubs; and those who are captured and brought back to Newcastle are also greatly reduced. The native blacks that inhabit the neighbourhood of Port Hunter and Port Stephens have become very active in retaking the fugitive convicts. They accompany the soldiers who are sent in pursuit, and by the extraordinary strength of sight that they possess, improved by their daily exercise of it in pursuit of kangaroos and opossums, they can trace to a great distance, with wonderful accuracy, the impressions of the human foot. Nor are they afraid of meeting the fugitive convicts in the woods, when sent in their pursuit, without the soldiers; by their skill in throwing their long and pointed wooden darts they wound and disable them, strip them of their clothes, and bring them back as prisoners, by unknown roads and paths, to the Coal River.

They are rewarded for these enterprizes by presents of maize and blankets, and notwithstanding the apprehensions of revenge from the convicts whom they bring back, they continue to live in Newcastle and its neighbourhood, but are observed to prefer the society of the soldiers to that of the convicts.

Severe flogging, when they are in a state to bear it; is the punishment inflicted for the offence of escape, or as it is termed, running; and I observed two instances where some very deep lacerations of the back and shoulders had been made in the infliction of this punishment. The number of lashes given is not so great as is usual in military punishments, but they are inflicted with more severity.

The number of prisoners punished in the year 1819 amounted to 91, and out of these 34 were punished for attempting to make their escape from the settlement. Considering the character of the prisoners who are sent to this settlement, the crimes for which they received punishment in 1819 are not of a heinous nature. Three convicts, however, were sent to Sydney on charges of murder, and were convicted. Major Morisset felt convinced, that except for the offence of escape to other settlements, he should have very little occasion to resort to punishments after he had succeeded in constructing places of confinement during the night for the worst men, and affording separate houses for those who were well conducted.

In the year 1818, Governor Macquarrie gave permission to Captain Wallis to place a certain number of the convicts, who had conducted themselves well, in some fertile plains that adjoin Hunter's River (and that are now called Patterson's Plains, and Wallis's Plains) to cultivate land on their own account, and to hold it during the pleasure of the government.

Three free persons, consisting of the storekeeper, the assistant surgeon, and the pilot's son (and who, with the commandant and the military, form the whole free population of the settlement of Hunter's River) have received grants of land in these plains, and cultivated a small portion of them; they are at a distance of twenty miles by land and seventy by water from Newcastle; and I observed that the convict settlers, who now amount to eleven, frequently brought down with them, maize, butter, poultry and eggs, which they gave in exchange for tea, sugar, tobacco and cotton goods, that they procured from the retailers of those articles at Newcastle.

The settlers at the plains are, with the exceptions before stated, all prisoners, under long sentences, to the Coal River. The land they occupy is very fertile, though it is subject to the inundations of the river; but the produce of their farms has afforded temptations for plunder, and employment to the convicts at Newcastle, and the means of procuring luxuries, which, in a place of mere punishment, ought to have been denied. In this respect the settlement of Newcastle was remarkably 448.