

Mediterranean No. 20.

Confidential.

Contraband Trade at Gibraltar.

(Confidential Memorandum.)

I have been studying carefully the letters of our Minister at Madrid contained in the Parliamentary Paper, C. 3346/82, having special reference to the smuggling into Spain of various goods, more particularly tobacco, from Gibraltar, and of the remedies which he proposes. I have also studied the Parliamentary Papers of 1877, C. 1783 and C. 1894, in which are detailed at great length the proposals of Lord Carnarvon, then Secretary of State for the Colonies, on the same subject, and I observe that the remedies proposed in 1877, and again by Sir R. Morier in 1882, are virtually identical; both being to the effect that we should, by certain exceptional restrictions on trade at Gibraltar, assist the Spanish Government to enforce their revenue laws against their own subjects. I have also read Parliamentary Paper, C. 3551 of 1883, on the subject of Maritime Jurisdiction in Gibraltar Waters, in which frequent allusion is made to the subject of contraband trade.

Before entering into the general question, I would point out that in the correspondence, both in 1877 and 1882, it seems to be assumed, (1) that there are grievances of, what may be termed, a sentimental character in our possession of this place, and (2) that we hold some unusual and exceptional position at Gibraltar by which, as it were, the Spanish Government are placed at a disadvantage; and that these circumstances should induce us to modify the usual rules of international custom, as regards smuggling, in their favour.

It appears to me important that we should clearly understand our position in these two points before we proceed any further, and I confess myself unable to see that our circumstances at Gibraltar will bear out any such views as those above stated.

Gibraltar has been in our possession not far short of two centuries. It is a colony and fortress of Great Britain, regularly confirmed to us by a treaty, and inhabited for generations by people born in the colony, and who are British subjects.

As to any sentimental feeling, regarding Gibraltar, on the part of the Spanish people and

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Government, if it exists, it derives its strength from causes far deeper than any which can be removed by regulations on contraband trade.

Almost every nation in Europe, I would observe, has had its frontiers altered within the present century, and many have had provinces taken from them by their neighbours, and, no doubt, in such cases feelings of soreness may remain for a time; but even if it be so, I am not aware that a demand for exceptional legislation against contraband trade would be entertained by any Power on such grounds.

But, it appears also to be assumed that, by holding a fortress and colony so immediately in the vicinity of Spain, we place her, as it were, at a disadvantage, and that she has special difficulties in consequence in preventing the entrance of contraband articles into her territory. Lord Carnarvon dwells a good deal on this point. He speaks of the port as offering "peculiar facilities to the habitual depredators on the Spanish revenue" (C. 1783, p. 68). Again, he alludes to Gibraltar (C. 1894—77, p. 22) as a place "which breaks the commercial cordon, so to speak, of the whole of the Spanish coast, and which therefore, if it once be constituted the basis of smuggling operations, does give no doubt an enormous and exceptional advantage to the smugglers.

A consideration of the circumstances will, however, I think, show that the facts are the other way. Gibraltar is joined to Spain on its north side by a narrow flat sandy peninsula, only a few hundred yards wide; and again seawards it has Spanish territory on both sides east and west, and the fortress of Ceuta a few miles to the south, so that, instead of the position of Gibraltar being favourable for smuggling purposes, it appears to me to be much the reverse, and that, if the Spanish authorities were really in earnest, the contraband trade, both by land and sea, could be stopped at once.

To go into details. On the north front Gibraltar is separated from Spain by the neutral ground, a mere narrow strip of land a few hundred yards wide; and, as all persons leaving Gibraltar by land during the day are only allowed to do so by the one road which crosses this neutral ground, and as they must all pass through the gate at Linea, it follows that the Spanish authorities have the absolute power of preventing the entrance of contraband goods by the very simplest means. If, therefore, smuggling is carried on by land during daylight, as I believe is the case to a considerable extent, it can only be accomplished by negligence or venality of the Spanish authorities. It is calculated that upwards of 3,000 persons (Spaniards) enter Gibraltar daily by land and leave it before evening gunfire, either on foot or in carriages, or with pack animals, and that many of them are engaged in contraband trade of a petty character, but I cannot imagine a land frontier

better adapted for putting an immediate stop to such practices. Again, during the night, as the gates of Gibraltar are closed at sunset, it is evident that smuggling by land must be limited to some few persons who manage to hide themselves and their goods in the north front gardens or premises during the day, and take advantage of darkness to try and run the gauntlet. As Lord Napier cleared away many old gardens and small huts on the north front, this night smuggling, although it still exists, has, I believe, shrunk to very small dimensions, not, however, from any exertion of the Spanish authorities, but of our own. I quite agree that to allow smugglers to take shelter openly in our lines would be a scandal, but this is not the case, and, therefore, I arrive at the conclusion that, so far as the land front is concerned, smuggling can only exist by the connivance and even direct encouragement of the Spaniards; that they have the readiest means of stopping it, and have no ground for complaint against us. As proofs, I would quote from Lord Napier's confidential despatch of 16th September 1880, where he says, "There can be no doubt that if the people were properly searched at Linea, the practice complained of would cease, but there is complete collusion between the 'carabineros' and the smugglers, and the only notice taken by the former of the smugglers when they have them within their control is to load themselves with tobacco or other contraband goods, which they in their turn conceal in their clothes and carry away. The police sergeant on duty on the north front informed the police magistrate that between 3.30 and 6.30 there were three reliefs of carabineros; each time the relieved carabinero packed himself with contraband goods; the last one, seen by an officer passing, ended the operation by filling his boots before marching away."

But I have even a more pregnant and recent instance, as showing how little the Spanish authorities and inhabitants in our neighbourhood appreciate our efforts to stop contraband trade; in fact, that their sentiments are very much the other way. On the 2nd December 1882, one of our sentries on the north-east front guard, about 8.30 a.m., perceived a boat with five men, presumably smugglers, near the slaughter houses embarking some bales. On being perceived the men immediately pushed off, and, as when called upon in Spanish to stop they paid no attention, the sentry first fired a blank charge, and then, by order of the corporal of the guard, fired two shots at the boat, and on perceiving a second boat making off, he also fired a shot at it. I am not aware whether any persons were wounded; but the most remarkable part of the transaction is this, that no sooner had our sentry fired at the boats, than he in his turn was deliberately fired at by two men (whether soldiers or not is uncertain) from the Spanish lines at Linea. Were the matter not so serious, it would be ludicrous. Whilst we are endeavouring to prevent

smuggling into Spain, by means which really go far beyond the international requirements of the case, so far from the Spanish authorities supporting us, our soldiers are fired at from the Spanish lines. The circumstances have been reported to the Spanish General, the Governor of the District at Algeciras, who naturally feels much aggrieved at what he designates as "a savage attack upon our soldiers;" but his efforts to discover the offenders have been unavailing, and his officers who investigated the matter endeavoured to avoid the dilemma by throwing doubts on the facts, and by a suggestion that the shots were really fired from the boats. General Aizpurua earnestly hopes the matter may be allowed to drop, and I see no object in any further correspondence with him on the subject; but it will be evident, I think, that the feeling in the Spanish lines is not in favour of stopping contraband trade, and, further, that grave consequences may arise, if our soldiers under the circumstances detailed, are to be liable to be fired at. The matter has been kept quiet, but a recurrence of it might almost naturally lead to our soldiers returning the fire. Therefore, when the Spanish authorities speak of the "organized smuggling from the port of Gibraltar into Spain" as a grievance of the first magnitude (C. 3551, page 27), I have no hesitation in saying that the organization is on their side, and is notorious.

So much for smuggling by land. It is, I believe, carried on openly by day by the Spanish population and connived at and encouraged by their authorities. During the night, the only valid restrictions appear to be on our side.

To turn to the question of contraband trade by sea. Here, again, the conditions and circumstances of the question are as favourable to Spain as can possibly be the case where the frontiers of two nations are contiguous. The whole of the country to the east and west of Gibraltar is Spanish territory. They have the port of Algeciras, only five miles off to the west, Malaga and other places not out of reach on the east, and the fortress of Ceuta only ten miles away to the south, so that, without infringing our maritime jurisdiction, they have ample opportunities of checking contraband trade did they so desire. I quite admit that it would be a scandal were we to allow, as in years gone by, smuggling boats to lie in the various small bays round the rock under shelter of our guns, ready to seize an opportunity of sailing, in whatever direction seemed likely to enable them to elude Spanish cruisers; but the regulations now in force as to patrolling nightly, not only within the port, but by steam launches round the southern and eastern side of Gibraltar, have effectually put a stop to this practice; we, in fact, guard our own waters from abuse;*

* See Appendices A and B, showing the fines imposed on the owners of Spanish boats moving in our waters at night during the last 7 months: also list of attempts to smuggle on the land front at night during 1883.

but, in this case also, successful efforts to check contraband trade are due to our exertions and not to those of the Spanish authorities. Lord Napier, in his confidential despatch, dated 19th September 1880, says, "the boat smuggling under our batteries being prevented, the matter appears to have been compromised, and smuggling boats, well laden, sail boldly out of the port in the day time for the Spanish coast without notice being taken of them."

As another proof of the unblushing manner in which smuggling is connived at by the Spanish authorities, I may mention the following recent instance. Mr. Dunstan, Assistant Inspector of Revenues, on the 26th May 1882, reports, "on the afternoon of the 24th instant (Queen's birthday), two boats' crews belonging to the Spanish gunboat lying off the Ragged Staff, on that day and during the visit of His Excellency the Governor of Algeciras, were going and coming from town with a number of packages and large cases. I asked the men what they contained; they told me (I think rather reluctantly, as I had to repeat my question two or three times before getting it answered) that it was groceries and eatables. I noticed them packing away some parcels of tobacco in the stern of the Governor's boat under the seats; they were small paper packets in reddish yellow wrapper. The other and smaller of the two boats made a trip off to their vessel about 3.25 p.m., and returned afterwards, taking with them two baskets of small packages of groceries, besides four or five packages wrapped in brown paper about 1 foot long by 6 inches wide, that by their size, shape (square), and being far too heavy for groceries, I concluded they were small cases of cavendish tobacco, also four petroleum boxes, heavy, two large cases (used before), one of which was a large tobacco case, and several smaller parcels; these cases may have contained groceries as stated, but, my having seen petroleum boxes used so often for packing tobacco, and thinking it strange that advantage should be taken of His Excellency's visit to make their purchases of groceries, I have thought proper to report the circumstances."

Again, in September 1883 a Spanish gunboat arrived and anchored in our port and remained part of three days, during which time it was reported that the crew shipped about 40 or 45 packages of tobacco, each of 12 or 14 lbs. weight, and other goods. This is merely an instance of what is stated to be a common custom on the part of the crews of Spanish Government vessels.

A general consideration of the above circumstances and a perusal of the correspondence, leads me to the conclusion that the real origin and cause of contraband trade from Gibraltar arises from the prohibitive duties which Spain imposes on foreign goods generally, and specially on tobacco.

I have endeavoured to show that there is no foundation for complaint as to our conduct in the matter; on the contrary, that Spain has exceptional opportunities and facilities of stopping smuggling both by sea and land did she choose to avail herself of them. The fact is, that the population of Spain in the districts in our neighbourhood is opposed to the assumed policy of their own Government, and in violating Spanish laws the people are both directly and indirectly encouraged by the negligence and venality of their own officials. The Spanish Minister at Madrid himself admits "that he was well aware that the contraband trade of which he complained, as being carried on under the British flag,* was encouraged by the adjacent Spanish provinces." (C. 3551, page 2.)

We do not create the evil, but go beyond the custom of other countries in endeavouring to prevent smuggling both by land and sea.

The regulations made by my predecessor as to the north front, and the night patrolling of the port and coast, are really more than can be required of us, and have indeed in a great measure put an end to the smuggling.†

In any negotiations with the Spanish Government on commercial treaties, their assertions that the contraband trade is organized by us, should not be assented to. It is organized by Spaniards and carried on under their flag. Nor, in my opinion, should proposals be entertained having in view special restrictions as to Gibraltar trade. In the first place, such proposals virtually admit that there is some grievance in our position and conduct here, which I have endeavoured to show is not the case. In the next place, the published correspondence proves that the Spanish Government are not prepared to modify their revenue laws, however willing we may be to meet them.

As regards contraband trade carried on from Gibraltar, the Marques de la Vega de Armijo, in his letter of 22nd June 1882 (page 20, C. 3346), lays it down as a rule that we are "bound to suppress smuggling, seeing that this is a crime punishable by the laws of every country." This, however, surely is not the case in the sense used by the Spanish Minister. Smuggling is an offence punishable by the country against whom it is committed, but is nowhere recognized as such by the authorities of other countries from which it may be carried on. We are, therefore, in no sense bound to act as implied by the Spanish Minister.

I merely bring this forward as showing that the Spanish Government attempt to throw the responsibility upon us of offences committed by Spaniards, and which are due entirely to their own bad laws and defective arrangements.

* The contraband trade is conducted under the Spanish flag, by Spanish boats.

† See Appendix C as to large diminution in the importation of tobacco of late years.

Further, in my opinion, any exceptional restrictions, or the imposition of an import duty at Gibraltar, will cause inconvenience to trade and expense in establishments as to custom-house, &c., and will not really prevent smuggling; the Spaniards will defeat all our efforts.

I would specially call attention to a Memorandum sent to the Colonial Office by Mr. Francia and others, dated 7th August 1877 (C. 2145), in which the evil effect which custom-house restrictions would have on the trade and commerce of Gibraltar are fully detailed.

In short, the onus lies entirely on the Spanish Government. By adopting free trade principles they would at once remove the cause, and their laws would be in harmony with the desires of the population. Smuggling would, in that case, drop of itself. But, should the Spanish Government adhere to their prohibitive duties on foreign goods, which, of course, they have a right to do if they think proper, they should then fully understand that smuggling will be the result, that it lies with them to put a stop to it, and for this they have unusual facilities in the neighbourhood of Gibraltar, provided they can find officials who are vigorous, and who do not enrich themselves, or sympathize with those who carry on the contraband trade.

Finally, I would point out that, whilst smuggling from Gibraltar is steadily decreasing, owing to the precautions taken by ourselves, the legitimate commerce of the city is as steadily rising, and the number of vessels visiting the port annually is increasing, not only as to numbers, but in the size of the ships employed. Upwards of 6,000 visited this port last year.* Any custom-house or other restrictions would do great injury, and, in my opinion, are uncalled for. This is not a mere local question but an Imperial one; and the Chambers of Commerce at home, who were prepared to resist strenuously Lord Carnarvon's proposals in 1877, may be relied on to take the same course again, should the question be revived. My view is that the Spaniards are not sincere in this matter, and are merely making use of smuggling as a cry, and that we should leave the question alone.

JOHN ADYE,
Lieutenant-General and Governor.

April 1884.

* The following return shows the steady increase in the importation of coal to Gibraltar:—

	Tons.
1881 - - - - -	355,617
1882 - - - - -	418,060
1883 - - - - -	448,314
First three months of 1884 - - -	130,180

APPENDIX A.

Attempts at Smuggling by Sea from Gibraltar by Spaniards, from
July 1883 to January 1884, inclusive.

- 10th July 1883. Spanish boat, picked up at night in the port, with a crew of two men and eight bales of tobacco. Fined 2*l*.
- 23rd August 1883. Algeçiras boat, with crew of three men and four bales of tobacco, picked up by patrol at night. Fined 4*l*.
- 22nd September 1883. Algeçiras boat, with two men and four large skins of tobacco, picked up by patrol at night. Fined 2*l*.
- 26th January 1884. Algeçiras boat, with four men and 18 bales of tobacco, picked up by patrol at night. Fined 4*l*.
- 26th January 1884. Algeçiras boat, with four men and seven bales of tobacco, picked up by patrol at night. Fined 2*l*.
- 29th January 1884. Algeçiras boat, with five men and 26 bales of tobacco, picked up at night. Fined 8*l*.
- 29th January 1884. Algeçiras boat, with one man, pulling about the bay at night, in ballast. Fined 1*l*.
- 30th January 1884. Spanish boat, with four men and 36 bales of tobacco, picked up by patrol at night. Fined 10*l*.

APPENDIX B.

Attempted Smuggling by Land at night by Spaniards from Gibraltar,
April 1884.

- January 1883. Three bales of tobacco, found in North Front Gardens, destroyed.
- 14th March 1883. One bale found, near lime kiln, destroyed.
- May 1883. Two bales of tobacco found near lime kilns.
- May 1883. Four bales found—confiscated.
- June 1883. Two Spaniards arrested on eastern beach, attempting to embark tobacco.
- 28th June 1883. Three Spaniards arrested at night with one bale of tobacco on North Front. Fined by magistrate for being on North Front, at night, without a permit.
- July 1883. Four bales of tobacco found hidden—confiscated.
- 28th July 1883. Two Spaniards made prisoners at night, with two bales of tobacco.
- 29th July 1883. A Spaniard found loitering at night, and one bale of tobacco found—tobacco confiscated.
- 29th August 1883. Two Spaniards found on North Front, without permits.
- 29th August 1883. Two Spaniards attempted to cross sentries at night with two bales of tobacco; men escaped, tobacco confiscated.
- 7th September 1883. Six Spaniards trying to pass British sentries on North Front. British sentry fired, and wounded one Spaniard—no tobacco found.
- 20th October 1883. Small quantity of tobacco found on North Front—confiscated.
- January 1884. Three Spaniards found on North Front—two bales of tobacco found and confiscated.

APPENDIX C.

Imports of Tobacco into Gibraltar from 1873 to 1883, inclusive.

Years.	Quantity.
—	Cwt.
1873 - - - - -	149,284
1874 - - - - -	178,093
1875 - - - - -	81,381
1876 - - - - -	101,598
1877 - - - - -	68,344
1878 - - - - -	96,009
1879 - - - - -	55,006
1880 - - - - -	62,528
1881 - - - - -	58,345
1882 - - - - -	45,080
1883 - - - - -	38,422
