

American smuggling and British white-collar crime

A historical perspective

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Abstract

By analyzing historical elements of the British involvement in American smuggling, a framework for testing Sutherland's theory of white-collar crime can be established. Further, it is proposed that the lack of British collaboration with American policing in addressing these historical examples of organized smuggling lends support to Deflem's theoretical model of international police cooperation.

Key Words: White-collar crime, Smuggling, Edwin Sutherland, Mathieu Deflem, Organized crime

Introduction

In 2012 the United States charged one of Britain's largest banks with facilitating illegal financial transactions by drug smugglers. The U.S. Senate's Permanent Subcommittee of Investigations alleged that HSBC¹ utilized the HSBC Group's network of banking institutions in the United States, Mexico, Europe and the Middle East to commit the crimes (U.S. Senate, 2012). These allegations of violations of the law are the latest in a long series of British and American trans-Atlantic smuggling enterprises. It is argued here that they qualify as white-collar crime and date back to the founding of the American Republic, a century and a half prior to the concept of white-collar criminality being formulated.

In 1939, the president of the American Sociological Society, Edwin H. Sutherland, gave a presentation at a joint meeting of the Society and of the American Economic Society. That Presidential Address was later published in the Society's journal as 'White-Collar Criminality' (1940), still

¹ HSBC was originally the 'Hong Kong and Shanghai Banking Corporation', but since taking over the Midland Bank in the 1990s has had its headquarters in London.

later developed into a book titled *White Collar Crime* (uncut version published 1983). Defining white-collar crime as 'a crime committed by a person of respectability and high social status in the course of his occupation' (Sutherland, 1983:7), Sutherland brought to the public's attention that 'respectable or at least respected business and professional men' (1940:1) were involved in criminal activities that were otherwise unrecognized as such. He introduced the concept of white-collar crime both to sociology and to the general public pointing out that these same elites had the influence and power to define crime so as not to necessarily encompass their activities within the penal code. He would later identify the activities of these white-collar criminals as a form of organized crime, recognizing both formal and informal organizations, which allowed for organized restraint of trade, the influence over both criminal and civil legislation, the limitation of enforcement through restricted funding, and the development of a consensus among the involved businessmen as their objective (Sutherland, 1983:229-230).

Potter and Gaines (1996:31) would later view white-collar crime as less of a definitional issue than as a social construct and a 'heuristic device guiding the study or analysis of crimes by certain actors in certain social settings', similar to the use of the terms 'street crime' or 'juvenile crime', a view that informs this paper. Further, organized crime is seen here as 'systematic illegal activity and part of the social, economic, and political systems' (Woodiwiss, 2001:10). As such it incorporates Sutherland's (1983:239) premise of white-collar criminality as also being organized crime, recognizing that 'a substantial portion of [business] violations are deliberate and organized'.

Yet Sutherland and those who followed him directed their research toward examples of modern corporations and other organizations that were involved in activities that qualified as white-collar criminality with minimal research looking back to historical examples. Though much has been written in recent years about the history of crime and of criminal justice (Godfrey et al., 2008:9-10), less has been addressed at the 'intersection between history, biography and social structure' (Conley, 1993:351) as it relates to white-collar crime. Sutherland himself recognized the historical precedent, having remarked that the 'unscrupulous American business entrepreneurs' later known as the 'robber barons' of the late nineteenth century were within his definition of white-collar criminals (Sutherland, 1983:7-8).

The primary purpose of this paper is to establish a framework for testing Sutherland's theory of white collar crime by analyzing historical elements of American and British mutual involvement in smuggling, a precursor of modern transnational crime. Using a qualitative historical approach, it is argued that this cooperative criminality provides ample evidence that Sutherland's premise that 'persons of the upper socioeconomic class engage in much criminal behavior' has actually been a practice on both sides of the Atlantic throughout American and modern British history and that 'this criminal behavior differs little from the

criminal behavior of the lower socioeconomic class' (Sutherland, 1983:7). Distinctively, 'persons of respectability and high social status in the course of their occupation' conspired at various times in American history to smuggle a variety of contraband into or out of the United States, or into other countries, in contravention of 'regulatory norms', to obtain a profit whenever an 'excess of definitions' were favorable to the violation of law (Sutherland, 1947:6-7). Those conspirators were not limited to Americans but also included British business interests and, at times, an associated aristocracy.

It is also proposed, in support of Deflem's (2002) theoretical model of international police cooperation, that the Crown's lack of collaboration with American policing in addressing these historical examples of organized smuggling lends support to the latter two of Deflem's three propositions required for cooperation: (1) that the level of cooperation is proportional to the level of autonomy of the respective policing agencies, (2) the respective agencies require a common organizational interest in policing international crime, and (3) that the national interests remain paramount in the actions of these agencies (Deflem, 2002:21-27). It is argued that the history of Anglo-American smuggling provides evidence that 'conversely, international police cooperation is unlikely to succeed - even if structural conditions are favourable - when participating agencies do not share an agenda in the fight against international crime' (Deflem, 2002:23).

Colonial America

Smuggling, defined as the illicit import or export of goods, can be inferred historically at least from the time of the Old Testament (Karras, 2010:49). With the imposition of tribute and customs or tolls, it was only a matter of time before their 'handmaidens', fraud and smuggling, followed (Barrow, 1967; Tyler, 1986). As trade became synonymous with politics, the English government itself would even condone and protect contraband trade to the Spanish colonies to further its perceived economic interests - which were viewed as one and the same as its political interests. After its seizure from Spain in 1655, for example, Jamaica was used as a base for extending British economic interest through illegal trade in the Caribbean (Liss, 1983:2-10).

Though faith was the catalyst for the arrival of the Puritans in the New World in 1630, in time revenue would replace religion for many (Cullen, 2003:13). As Barrow (1967:33) remarked, 'In pursuit of profits, idealism receded in importance'. The English Crown was already pursuing its own profits.

By 1621 the Privy Council ordered that all tobacco and other commodities from Virginia be landed first in England and that appropriate customs duties be paid (Barrow, 1967:5). With the Navigation Act of 1660 declaring Scots aliens and their vessels and crews ineligible for service in the colonial trade, more than one threw his lot in with the smugglers.

Throughout the late seventeenth century, Scots became active partners with the Chesapeake tobacco growers in smuggling tobacco out to the European markets. Reports told of Scots unloading tobacco in Glasgow prior to clearing in England and of various other vessels being identified as sailing directly to Maryland without transiting England. With family ties in the Chesapeake area thanks to relatives having been previously transported to the colonies following the English Civil War, Scotsmen reportedly became a major scourge on the customhouse (Margolin, 1992:93-95). Not until the Act of Union in 1707 did violations involving Scots seriously dwindle, but as late as 1723, they continued to be accused of involvement in frauds against the British revenue (Margolin, 1992:95-100).

Tobacco from the southern United States, besides entering Scotland via Glasgow, also was indirectly part of the Irish-American trade. The tobacco would travel through the Isle of Man, Guernsey, or France *en route* to Ireland. Irish manufactured goods, as well as East India tea, were part of the contraband trade bound to the colonies in return; the unhindered flow was so great that the amount of smuggled Irish woolens, for example, inundated the market in some years (Truxes, 1988:43-45). With the formation of the United States and the growth of American merchant activity, though smuggling continued to be of concern to the fledgling government, it would be some years before the illicit traffic again became endemic to the former colonies' maritime fleet.

The Embargo of 1807-1809 and the War of 1812

In 1801, when Thomas Jefferson became the third president, he attempted to address the partisanship of the previous decade and to unite the differing parties (Wiltse, 1961:22). By Jefferson's second term, however, his foreign policy opened the door to a level of defiance against the government by farmers and merchants alike unheard of since the British ruled the Atlantic seaboard, becoming the catalyst to the second great smuggling era in North America. From the initiation of Jefferson's embargo in 1807 until after the termination of war in 1815, American and British commerce deliberately organized to successfully circumvent United States law for individual and corporate profit (Wright, 1996:32).

The precursor to the War of 1812 was found in American maritime trade and its conflict with British economic interests - and in Jefferson's failure to secure an accommodation with the most formidable sea power in the world. Though Jefferson authorized diplomatic action in an attempt to address various grievances, he eventually declined the opportunity to accept a treaty with Great Britain. Instead, he attempted to force the hand of Britain with economic sanctions. To the chagrin of the administration, the sanctions did more long-term damage to American mercantile interests and to Americans' own acceptance of the rule of law (Spivak, 1979:21).

Many a cargo of food was shipped north by coastal traders to the Passamaquoddy region of Maine for eventual transfer across the frontier to

British New Brunswick. Within a five day period alone in May 1808, over thirty thousand barrels of foodstuffs were reported as landing in Passamaquoddy (Whipple, cited Smith, 2003: 263). The merchants of 'Quoddy' were tied to the British commercial system as a matter of survival, and those ties eased the establishment of smuggling routes for American agricultural goods into the Maritimes and to the rest of the British Empire.

The British and New Brunswick officials took whatever actions they could to undermine the embargo, directing British vessels intercepting American ships to allow their passage with or without documentation if bound to or from British colonies in the Caribbean or South America, conspiring with merchant-smugglers, and offering asylum for those reshipping in 'British bottoms' or selling contraband goods in the province (Smith, 2003:257-262). Thanks to these British initiatives, even with an expanded American enforcement effort, 'definitions' for the traffickers were favorable enough for the smuggling to continue.

With the repeal of the embargo in March 1809, a new Non-Intercourse Act came into effect, limiting trade only with Britain and France (Hickey, 1995:20). With ships being granted permission to sail foreign, the opportunities to divert to Britain (Liverpool was recognized as a prime destination) or to the British West Indies became easier than ever. By June 1812, the United States was at war with Britain and trade - or at least unauthorized trade - became treason. Yet many continued to organize and supply the British fleet sailing off the United States as well as trading with British subjects in Canada and the West Indies while also importing prohibited goods in exchange (Hickey, 1995:117).

Civil War

With the onset of the American Civil War the industrial requirements of the armies in the world's first modern conflict offered unparalleled prospects for white-collar crime and, thanks to the length of the borders between the two warring entities and the close proximity of British neutral territory to both, smuggling became one of its major forms (Catton, 1958:14).

In the years leading up to secession, the South and Southwest became the major producers of cotton for the Northern textile mills (Bryant and Dethloff, 1983:81, 105-107). The port of New York served as the predominate apex of the cotton triangle with vessels controlled by New Yorkers regularly trafficking between Sandy Hook and the major cotton ports of the South. Those ties also extended to England via Liverpool and France by way of Le Havre (Albion, 1939:95-121). The symbiotic trade, and the networks that developed between the South, the North, and Britain to achieve it, were both catalysts and precursors for contraband trade deemed treasonous by the two warring governments. With the start of the Civil War, both nations passed laws to terminate trade with the opposing force, assuming that any trade only helped the enemy. Lincoln initiated a blockade of the seacoast ports and of the inland waterways of those states that seceded from the Union (Terry, 2001:6). Though the Confederate

government was hesitant to permit trade - believing that the trade did not support the greater goal of bringing Britain into the war to maintain needed imports of Southern cotton - Richmond eventually turned a blind eye to its own policy by the middle of 1862; the need for external goods became of paramount concern (Goff, 1969:3-5).

Blockade running

The maritime industry also recognized opportunity in adversity: those in the North shipped manufactured goods to British neutral ports for transit to the South and mariners from the Confederacy and Britain and other neutral countries manned the famed blockade runners and transported needed and wanted goods into Southern ports. It was these blockade runners, carrying both private and government goods, that provided:

... 60 percent of the South's arms, one-third of its lead for bullets, ingredients for three-fourths of its powder, nearly all of its paper for cartridges, and the majority of its cloth and leather for uniforms and accoutrements' (Wise, 1988:7).

The interconnections of trade were already at work prior to the initiation of hostilities with George Alfred Trenholm as the directing partner of Fraser, Trenholm and Company, Liverpool; Trenholm Brothers, New York; and John Fraser and Company (whose namesake was a Scottish immigrant), Charleston, South Carolina having already shipped arms to Charleston via Liverpool. This triangular trade, established during the antebellum period to serve the cotton textile industry of England, would be the template for clandestine trade throughout the war (Wise, 1988:47). With the potential for high profits, various companies in England, Scotland, Canada, and the Confederacy followed in the coming year. The shipyards of Clydeside built over one hundred vessels to run the blockade with up to three thousand Scots serving as crewmen in probable violation of the British Foreign Enlistment Act (Graham, 2006:3, 13; Wise, 1988:107). Some English companies even partnered with Southern companies by providing the necessary steamers to the joint enterprise. The E.P. Stringer's Mercantile Trading Company and the Anglo-Confederate Trading Company, associated with Edward Lawrence and Company of Liverpool, were but two examples (Wise, 1988:150, 161).

Zachariah Pearson, the mayor of Hull and both a merchant and ship owner, sent seven craft to challenge the blockade. Six of his vessels were captured with a seventh running aground in mid-1862 (Wise, 1988:71). The Navigation Company of Liverpool was another English venture in blockade running, losing two of her ships to Union forces and another four to maritime accidents (Wise, 1988:111). Thomas Sterling Begbie, a shipping merchant from London, united with Peter Denny, a Dumbarton shipbuilder, and controlled the steamer *Memphis*. Offered to investors for blockade running, she was seized *en route* from Charleston with

approximately 1,500 bales of cotton after having run munitions to the South (U.S. Naval War Records, ser. 1, 17: 299-300; Wise, 1988:71-72). But not all were as unlucky as these endeavors. Henry Lafone of Liverpool teamed with Gazaway Lamar of the Importing and Exporting Company of Georgia to run seven vessels against the blockade (Wise, 1988:158-161).

Much of the trade from the Atlantic seaboard transited the port of Nassau, located in British New Providence. The port was 570 miles from the Southern-controlled harbour of Wilmington, making it more convenient than other British ports. With brokerages already established and easy access for Confederate agents, British goods were easily transshipped in exchange for exported Southern cotton, leaving only minimal exposure to Northern seizures. By declaring the goods exported from Britain as Nassau destined, they avoided seizure on the high seas by eliminating any evidence that showed their ultimate destination was to the South. Upon arrival in Nassau, the cargo would be broken and reshipped on the blockade runners (Wise, 1988:63-66). With the concurrence of the islands' governor, Charles John Bayley, whose sentiments leaned towards the Southern cause, Nassau became a major hub of blockading activity throughout the war (Carse, 1958 19).

With the outbreak of war, many Northern ship owners registered their vessels with a neutral flag to avoid Southern privateers, taking advantage in particular of the ease of British registry. Some used a neutral registry as a way to avoid the seizure of their vessels not by the Confederacy, but instead by Union forces when these same vessels were found carrying merchandise destined for the South. Historically America believed in and endorsed the theory that goods shipped in neutral vessels were neutral goods themselves, no matter the origin. Though this concept would not assist in defending later seizures of vessels actually running the North's blockade of Southern ports (in violation of international law), it served as a legal defense for cargo that was to be transshipped at neutral ports after being carried there via neutral flagged vessels. If stopped *en route*, the cargo could be defended as one that was both neutral and bound to a neutral port. That allowed only a short sea run from Nassau or Bermuda to the Confederacy without the protection of a neutral flag (Bernath, 1970:5-11; Spann, 2002:136). Halifax to the north served as both a repair station for blockade runners and as a transit port for supplies clearing onward to Nassau, Bermuda, and Havana with the Halifax firm of Weir and Company supplying the shipping services as needed (U.S. Naval War Records, ser. 1, 2: 293; Wise, 1988:191-192).

The Mexican port of Matamoros on the Rio Grande River was a major port used throughout the Civil War by the South to move cotton and whose use avoided the dangers of the blockade. With the state of Texas bordering Mexico, the South could simply ship and sell Confederate cotton to Mexican nationals or others and transport the cotton on foreign ships from Mexico to Liverpool or directly to New York or other northeastern ports demanding cotton for the Yankee textile mills. The vessels involved in the Matamoros trade were the merchant fleet of England, including those

vessels that were re-registered as English at the start of the war. By April of 1863 up to two hundred vessels were present (U.S. Naval War Records, ser.1, 17: 101, 403).

Prohibition

For American white-collar criminality, the opportunities for smuggling tended to be contingent on a specific governmental action instigated by contemporary political circumstances and conflicts, war - an example of social disorganization with both a lack of standards and a conflict of standards - seemingly the primary cause. Yet the greatest era of American smuggling was in the years between the two world wars, the years of American Prohibition.

The British dominion of Canada served as the Achilles Heel of the American prohibition movement throughout its existence and its British subjects profited enormously from the smuggling trade. In circumventing the various prohibition laws of the United States, Canada and of its individual provinces, one family developed a liquor empire during Prohibition that carried on into the late twentieth century - the Bronfman family. The family personified the idea that organized crime existed prior to the modern versions of the racketeer and the 'mob'. The Bronfmans bridged an earlier lineage of smuggling, fraud, and trading in illegal goods and services to the modern notion of organized crime. They were both the antecedent of the modern stereotyped organized crime and its real embodiment.

In the early 1900s, the Bronfman family was in the hospitality trade, operating hotels in three provinces. With war time prohibition the hotels, previously subsidized by customer traffic in their bars, were in serious financial distress. Sam Bronfman obtained a license in Montreal to import and sell liquor retail. He also established a mail order business, exporting liquor from Quebec across provincial lines under Dominion law eventually opening numerous 'export houses' where liquor was stored and then sold to neighboring provinces. The family's unpaid tax bill from the business, dating back to 1917, but not resolved until 1921, totaled approximately \$200,000 (Marrus, 1991:55-71).

Establishing approximately twenty export houses in Saskatchewan alone, the Bronfmans were a dominant player in supplying the rumrunners on the prairie. Competing against the likes of the Hudson's Bay Company empire, the Bronfmans still managed to control almost a third of all export houses in the province. Eventually they purchased a distillery in the United States, dismantled it, and transported it to Canada, in order to open their own distillery. Establishing a partnership with DCL, the major Scotch producers in Britain which included Buchanan-Dewars, Haig and Co., and Johnny Walker, the Bronfmans purchased a separate Canadian distillery, Seagram (Marrus, 1991:75-81, 129-13; Royal Commission on Customs and Excise, 1928:53). Accusations eventually led Harry Bronfman to be arrested for attempted bribery and tampering with witnesses, only to be acquitted

in 1930. Harry, along with brothers Allan, Abe and Sam, faced trial again for conspiracy to avoid payment of customs duties but the case was dismissed in 1935 (McIntosh, 1984:273-285; Royal Commission on Customs and Excise, 1928:18-21, 51-52).

A second Canadian liquor magnate and British subject also spent time on the prairie in his youth. In 1921, Harry Hatch joined the Canadian Industrial Alcohol Company, owners of Corby and Wiser distilleries under Sir Mortimer Davis, as a sales manager with an agreement that the firm would pay brother Herb Hatch's company, Hatch and McGuiness, a dollar for every case of whiskey Hatch and McGuiness sold. The brothers recruited Larry McGuiness to enlist commercial fishermen to transport Sir Mortimer's liquor to buyers in the United States. Hatch's Navy was so successful at moving whiskey across the Ontario that by December 1923, Hatch had the funds to purchase the Gooderham and Worts distillery in Toronto. By Christmas 1926, Hatch had bought into the Hiram Walker distillery in Walkerville across the river from Detroit. A new company, Hiram Walker-Gooderham and Worts, was created and continued the Prohibition sales that the Hiram Walker and Corby and Wiser distilleries had developed, including the extension of operations to St. Pierre and other foreign ports. Harry and Herb Hatch, Larry McGuiness, and a number of associates in the liquor trade faced indictment in the United States in December 1928 for conspiracy to smuggle liquor into the United States. The charges against Hatch were ultimately dismissed by the government (Wall Street Journal, Oct. 12, 1928:10; Hunt, 1988:73-94, 202-215; Schneider, 2009:199; New York Times, Dec. 5, 1928:24).

Rum row

For those along the southern Atlantic seaboard, the closest legal landfall for liquor was the British colony of the Bahamas. An archipelago almost six hundred miles long and slightly less than four hundred miles at its widest, its island of North Bimini lies less than fifty miles off eastern Florida. With the start of Prohibition, liquor exports quickly climbed tenfold. By 1922, over twenty liquor organizations were involved in the trade on New Providence. Agents representing English and Scottish distilleries marketed their wares to any potential buyers. Shipping traffic departing the Bahamas more than tripled from 1919 to 1922 to 1,681 vessels with total tonnage climbing more than eightfold to 718,110 tons. With duty on imported liquor up to six dollars a case, the income for the colony was enormous. Collected customs duties increased sixfold from 1919 to 1923. Prohibition was profiting the colonial government of the Bahamas while its enforcement plundered the coffers of the United States government (Craton, 1962:264-269; New York Times, Jan. 29, 1923:17; Lythgoe, 1964:44-49).

One of the earliest to utilize the British flag was the American adventurer and eventual legend William 'Bill' McCoy. Educated for the sea McCoy served as a mate, boat builder, and motorboat service operator prior

to entering the rum running trade (Van de Water, 1931:6-13). McCoy eventually purchased the most famous vessel in his growing fleet, the Gloucester schooner *Arethusa*. With a potential gross of fifty thousand dollars a trip to Rum Row, he registered her under a British flag with the name of *Tomoka*, later to be renamed again as the *Marie Celeste* (under the French tricolor), avoiding U.S. law being enforced against her while in international or foreign waters (Van de Water, 1931: 37-41). By 1925 the Coast Guard claimed to have identified over 300 other ships in the trade, with the Britain ensign being the dominant flag by a ratio of ten to one (New York Times, Feb. 3, 1925:6).

In due course publicity and enforcement efforts to apprehend the *Arethusa* led McCoy to sail north to the port of St. Pierre on the barren and windswept French territorial islands of St. Pierre and Miquelon (Allen, 1965 28-36; *New York Times*, Aug. 15, 1923:24; Van de Water, 1931:49-61). Located at the entrance to the Gulf of St. Lawrence about fifteen miles off the coast of Newfoundland, the fishing community of St. Pierre developed into a northern Nassau in its business dealings with the rum fleet. McCoy opened the opportunity for Ontario distilleries to further expand their white-collar criminality to the eastern seaboard. In 1923, over one thousand vessels entered St. Pierre with 500,000 cases of liquor being traded; by the mid-1920s, the distillers of Canada and Britain had established partnerships with local interests at St. Pierre to market their product south (Andrieux, 1983:14-25; Marrus, 1991:139-141; National Commission on Law Observance, 1931:24-25; Van de Water, 1931:61-72).

At least one Scot served as agent for overseas distilleries, as did the French company of Société d'Importation et d'Exploration controlled by Morue Française, the powerful fishing concern that dictated St. Pierre's economic life. The Bronfmans' Northern Export Company came to dominate the export business along with the other Canadian distillery organizations. From agent and broker to stevedore and deckhand, all profited from the organized smuggling of contraband liquor into the United States, and none more so than the distillery owners of Canada and Britain. Besides the earnings from selling their liquor for an illegal market, evidence also substantiated numerous schemes used by these white-collar criminals to avoid paying Canadian taxes and duties (Andrieux, 1983:23, 27-54; Christian, 1969:18; Marrus, 1991:141; Royal Commission of Customs, 1928:51-52, 55, 67-68, 114-116).

The ultimate antithesis to the image of gangster-trafficker may well have been Sir Broderick Cecil Denham Arkwright Hartwell, Baronet. Having reportedly decided to enter the smuggling business in partnership with an American in July of 1923, instead of creating a syndicate of private financiers to stake his venture, Sir Broderick choose to issue a circular to as many as 100,000 individuals, offering them an opportunity to invest their personal funds in the business and guaranteeing a profit of 20 percent within sixty days. He received funds from ten thousand subscribers, more than covering the expenses of that first load. He kept his word at least on the first four loads, returning a full profit to his subscribers. Later

subscribers were offered 25 percent profit. A total of seven shipments were dispatched but a portion of the sixth and most of the seventh was lost to seizure and other causes. By the spring of 1925, this led to bankruptcy and a loss of over \$1 million (New York Times, May 6, 1926:12; Nov. 9, 1924:SM1; April 20, 1925:12; Mills, 2000:96).

Blockade running also continued. Faster sixty-foot off-load boats running with multiple aircraft engines were built to outrun the shore-side patrol boats. Large, low-profile and fast vessels up to one hundred feet long capable of carrying 3,000 cases were constructed in Nova Scotia shipyards to replace the slow and easily overtaken Rum Row schooners and tramp steamers of earlier years. Other ports, including Halifax and Belize in British Honduras came into play. The two-masted British schooner *I'm Alone* created an international incident in March 1928 when, after loading in Belize with a cargo of liquor, she sailed to the Louisiana coast and eventually off-loaded her cargo to a group of lightering small craft. Being pursued by a Coast Guard cutter, she had the temerity to run, only to be shelled and sunk by the gunfire (New York Times, March 25, 1929:12; Willoughby, 1964:128-130). Even with the end of Prohibition some continued in the trade at least for a few more years in an attempt to eke out a profit by avoiding import duties and local taxes (Cashman, 1981:230-240).

Analysis

When Sutherland introduced his conception of white-collar crime and criminality he was referring to the corporations of his day, with the robber barons of a previous generation offering examples prior to his documentation of corporate malfeasance. Later criminologists recorded contemporary examples of white-collar crime in various fields yet, in reality, and as shown in this paper, since the founding of the American nation there have been white-collar criminals and British business has been an integral component of that organized criminality. From the British traders of the early 1800s to the blockade runners of the Civil War era continuing through the years of American Prohibition, British business interests have been part and parcel to the American history of smuggling and its corollary of white-collar crime.

Further, in each of these three eras of American smuggling described involving Britain, though the United States government attempted to unilaterally police the traffic through the use of the military or civil enforcement agencies, there success was, at times, limited. Prior to the War of 1812 the Crown took whatever action was needed to undermine Jefferson's embargo to maintain trade, extending those techniques to address their national interests through the following years of war. During the American Civil War, Britain all but ignored their own British Foreign Enlistment Act and allowed its subjects to finance, build and operate blockade runners servicing the Confederacy, again benefiting Britain's economic interests. Finally, in the years of Prohibition, Canada, the

Bahamas and Great Britain all profited from the sale of Canadian and British distilled spirits smuggled into the States. All are examples of a government that did not share the agenda of the United States in the Republic's fight against smuggling and substantiating Deflem's theory of international police cooperation, specifically that cooperation is unlikely to succeed when participating agencies - in this case the offices of Whitehall as opposed to the policing agencies of the United States (to include its military) - do not share an agenda in the fight against international crime, in the current example, smuggling.

The United States alone could not seem to effectively stem the flow of illicit trafficking by British subjects. It took confronting Whitehall with evidence of the construction of new Confederate commerce raiders in British shipyards (at a time when many also recognized the diplomatic consequences of continued support to the deteriorating South) for Britain to act (Graham, 2006:139-157). Again, during Prohibition, when British maritime passenger trade to the United States was threatened with sanctions for the fleet's continued sale of on-board liquor was the Crown amiable to aiding the States (Spinelli, 1989:59-88). Only when British political and economic interests were effectively challenged was any cooperation by the British government and its dominions initiated.

It is suggested that further study incorporating data sets developed from the investigation of HSBC may determine the extent to which this historical framework, and by extension Deflem's theory of international police cooperation in British-American relations, applies in the context of twenty-first century corporate criminality.

Conclusion

It was during Prohibition that the media created the stereotypical image of the organized criminal gangster, all but pushing aside the knowledge of those in legitimate business involved in the same crimes. Al Capone, Frank Costello, and the like were identified as organized crime figures, but the distiller families of Bronfman and Hatch, Sir Broderick Hartwell, Baronet as well as the directors of the numerous British distilleries were also, though rarely overtly identified as such, 'organized crime'. These individuals embodied a white-collar version of organized crime, with an objective of achieving wealth and material comfort at the expense of the law. All exemplified Sutherland's white-collar criminal as much as did the executives of the corporations that Sutherland (1983:13-25) later documented. Each period of smuggling in American history substantiates that thesis, as well as providing support to Deflem's model of international police cooperation. Each is a link in the continuous chain of white-collar criminality in the 150 years prior to Sutherland's assertion...with many of those links forged with the collaboration of British corporate criminality.

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