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TRENDS IN GOA'S TRADE AND COMMERCE : 1878 - 1961

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Goa-India

This paper attempts to focus on and analyse one of the less researched periods in Indo-Portuguese economic history. Historians have researched on the economic aspects of Indo-Portuguese history mostly from the arrival of the Portuguese to the mid-nineteenth century. The economic history of the late nineteenth century and the twentieth century (till 1961) is relatively neglected. Nevertheless several research papers are available on the economic aspects of this period in some of the edited volumes.¹ Another trend or stereotype in Indo-Portuguese economic history is that most of the scholars have emphasised on the trade in spices, slaves or the 'big trade'. As a result of this bias, other commodities involved in the 'small trade' are not considered adequately. This shortcoming needs to be removed.

Goa was a flourishing trade centre during the sixteenth and seventeenth centuries. The Portuguese could really profit from their large mercantile network and the brisk trading and commercial activities. The Portuguese could monopolise the Eastern trade till the Dutch appeared on the scene. The Dutch competed with the Portuguese for supremacy over the Indian seas. The English who appeared later had a compromising attitude towards the Portuguese as they were traditional allies. However, the Englishmen always assigned priority to their political, economic and cultural interests. This colonial policy of the British was pursued in Portuguese Goa also. It was implemented in its most matured and blatant form through the provisions of the Anglo-Portuguese treaty of 1878.

The general deteriorating financial condition and dwindling of trade in the *Estado da India* were indicated by many factors. The economic condition of Portuguese India even before the treaty of 1878 was quite distressing. Goa's trade had declined from its old grandeur. Imports always exceeded the exports. In the early nineteenth century, the *Estado* could not dispatch to Rio de

¹ V.T.Gune, *The Gazetteer of the Union Territory: Goa Daman and Diu*, Part I, Goa, Gazetteer Department, 1979; *Goa Through the Ages, An Economic History*, Vol. II, Teotonio R. de Souza, ed., New Delhi, Concept Publishing, 1990; *Socio - Economic Aspects of Portuguese Colonialism in Goa : 19th and 20th Centuries*. B.S. Shastry, ed., Belgaum, Yermal Offset Printers, 1990. A large number of articles on various aspects of this period are available.

Janeiro 20 barrels of coconut oil and 500 quintals of linen from Goa which was specifically sought by the regent Prince of Brazil.² In 1868 the amount of imports was 46,27,188 *Xerafins* (about Rs. 23,13,594). In the same year, the amount of exports was only 26,39,812 *Xerafins* (about Rs. 13,19,906).³ In 1874-75, the imports amounted to £1,19,912-1-8 and the exports to £ 90,354-6-6.⁴ Goa's commercial ties with Brazil, East Africa and Europe had dwindled. The commercial privilege of the Portuguese at Surat came to an end with the 1872 Proclamation of the British Government in India.⁵ By 1800, the British had taken possession of Surat.⁶ The privilege of Surat was of an incalculable value to the royal revenue of Portugal.⁷ There was a decrease in the State revenue, and particularly in the revenue realised from customs. The emergence of Bombay as a rendezvous on the Western coast and the absence of a railway line to connect Mormugão port to the territories of British India also adversely affected trade and commerce in Goa.

Treaty of 1878 :

The Anglo-Portuguese treaty of 1878 which came into operation from 15 January 1880 was another major factor which harmed the economic interests of the *Estado da India*.⁸ Under this treaty a Customs Union was set up.⁹ According to the provisions of the treaty all existing customs duties on the borders between British India and Portuguese possessions were abolished. Both the Governments agreed to maintain uniform customs duties on articles imported and exported across the frontier. Import duties on all goods were abolished in Portuguese India, except on arms, ammunitions, spirits, salt and opium.¹⁰ This resulted in the loss of customs revenue to the Portuguese Government in Goa. The Portuguese share of the common customs receipt fell short of the actual income that the State had earlier derived from the imposition of customs duties. The

² Historical Archives of Goa (hereafter HAG) – *Moções do Reino* 199B, fl. 465.

³ Amaro A. Pereira, *History of Mormugão Port*, Mormugão, Mormugão Port Trust, 1978, p. 12.

⁴ Celsao Pinto 'Goa-based Overseas and Coastal Trade: 18th – 19th Centuries', in Teotonio R. de Souza (ed) op. cit., p. 195.

⁵ *Ministerio dos Negocios Estrangeiros*, hereafter MNE. *Legação de Portugal em Londres, 1889-1892 Caixa 93*; Pereira op. cit., p.11; F.C. Danvers, *The Portuguese in India*, Vol. II, New Delhi, Asian Educational Services, 1988, pp. 473-4.

⁶ Teresa Albuquerque, 'The Anglo-Portuguese Treaty of 1878: Its Impact on the People of Goa', in *Indica*, Vol. 27, No. 2, September 1990, p.117; P.E. Roberts, *History of British India*, Delhi Oxford University Press, 1980 p. 247.

⁷ HAG: *Moções do Reino*, No. 9213 (b), 1893-94 p. 394.

⁸ Antonio Maria da Cunha, *A India: Antiga e Moderna e O Darbar de Coroação de 1911*, Nova Goa, Casa Luso-Francesa, 1935, P. 148.

⁹ V.T. Gune, *A Guide to the Collections of Records from the Goa Archives*, Panaji, p.23.

¹⁰ HAG; M/R – 9200, fl 315.; Celsa Pinto, 'Goa Under the Anglo-Portuguese Treat of 1878: A Phase in Portuguese Colonialism', in *Quarterly Journal of the Mythic Society*, April-June 1993, Vol. LXXXIV, No. 2, pp. 182-93; Teresa Albuquerque, op. cit., pp. 117-24.

manufacture of salt in Portuguese India became the monopoly of the British Government. The production and sale of salt were prohibited unless they were authorized by the British agents. The sale of salt was also regulated.¹¹ Article fourteen of this Treaty prohibited the cultivation and manufacture of opium. The cancellation of the existing Portuguese currency and adoption of the British Indian currency was another result of the Treaty. Further Article 6 of the Treaty proposed the construction of a railway line. Work was undertaken for the construction of railway, Mormugão port, telegraph and other accessories.¹² However, as T. B. Cunha rightly observed, the construction of the Railway and the harbour benefit mostly the British Indian traffic and the British Company which constructed and exploited them.¹³ Under the Treaty of 1878 Portuguese India was subject to the Bombay Abkari Act (1878) which prohibited under severe penalties the manufacture, sale and consumption of liquors, the possession of stills for distillation of alcoholic beverages or other vessels intended for the purpose, without the permission of the Collector.¹⁴ The Treaty was denounced in 1892. Due to the various provisions of the Treaty during the period of twelve years and their far reaching implications, the dream of the Portuguese authorities in injecting a new life into their possessions in the East was rudely shattered.

Imports, Exports and Commodity Composition:

During this period the Portuguese official trade had become insignificant. It was the private trade that sustained the Goan economy. Besides the foreign trade, trade was carried out with other parts of India. A flourishing trade along the coastline of India was a characteristic feature of Goa's trading system in the late nineteenth and early half of the twentieth centuries. However, after 1954 due to the Economic Blockade, and the tense political relations with the Indian Union, trade could not be carried out with it. Goa was economically dependant on other parts of India, especially the neighbouring regions upto 1954. Barely 7.67 percent of Goa's trade was with Portugal and other

¹¹ Arquivo Historico Ultramarino (hereafter AHU) *Direção Geral do Ultramar India*, Caixa 2, 1885.

¹² João de Andrade Corvo and R.B.D. Morier, *Tratado do Comercio e Extradicação entre Portugal e Gran Bretanha Relativo as suas Possessões na India assignado em Lisboa pelos respectivos plenipotenciarios aos 26 Dezembro de 1878* Nova Goa, Imprensa Nacional 1880 pp. 23-4, Celsa Pinto, 'Goa Under the Anglo-Portuguese Treaty of 1878: A Phase in Portuguese Colonialism', in B.S. Shastry (ed), *Socio Economic Aspects*, op. cit., p. 51, HAG: M/R - 9203, fl. 50.

¹³ *Goa's Freedom Struggle*, (Selected Writings of T.B. Cunha), Bombay, Dr. T. B. Cunha Memorial Committee, 1961 p.10.

¹⁴ Pinto, 'Goa Under the Anglo-Portuguese Treaty of 1878 : op. cit., p. 52; Albuquerque, op. cit.

Portuguese territories. Goa imported Portuguese wines, sardines and olive oil.¹⁵ Goa's export trade to Portugal represented a low figure of 0.5 percent and less than 10 percent was imported.¹⁶

In the first two decades of the twentieth century imports from United Kingdom accounted to 7 percent, Java 4 percent, Germany, France Japan and United States of America each contributed between one and two percent.¹⁷ Ships plied regularly between Goa and Mozambique with cargo initially and later with individuals from this part of the country to eke out their living there. This economic relationship lasted till the Liberation of Goa.¹⁸ Slave trade was a lucrative business between Mozambique and Goa till 1889.¹⁹

The Goan economy had to be an import oriented one.²⁰ Goa's export trade was restricted to a few agricultural commodities, notably coconuts, mangoes, fish, salt and other fruits and firewood for which the main market was India. Cashewnuts were also exported on a large scale. In fact coconuts and cashewnuts were the major export items till the advent of mineral ores on the trade list in 1954. Since 1954 mineral ores figured prominently on the export list. The main items of import included rice, cloth, wheat, sugar, wines, vegetables, coke, textiles, soap, tobacco, tea, livestock, and equipments.²¹ Rice always figured prominently as Goa was a grain deficit region. It was imported from other parts of India, particularly coastal Karnataka. It was also imported from Burma. From 1951 to 1960 imports of barges, automobiles, trucks, mining and other manufacturing items increased considerably. Since 1957 import trade, was mostly confined to mining machinery, automobiles, trucks and consumer goods.²²

Coconuts: The whole exports of coconuts and copra was to British India, that is, to Bombay, Kathiawar and Kutch, from where a part of the copra was re-exported to European ports, at

¹⁵ Pinto, 'Goa-based Overseas and Coastal Trade: 18th - 19th Centuries', in T.R. de Souza (ed.) *op. cit.*, p. 192; Raquel Soeiro de Brito, *Goa e as Praças do Norte, Junta de Investigações do Ultramar*, 1966, p. 112; R.P. Rao, *Portuguese Rule in Goa 1510 - 1961*, Bombay, Asia Publishing House, 1963, pp. 51, 58.

¹⁶ Arthur G. Rubinoff, *India's Use of Force in Goa*, Bombay, Popular Prakashan, 1971 p.33.

¹⁷ Cresençõ Lobo, *Portuguese India. Its Commerce and Industries* Bombay, The Times Press, 1927) p.21.

¹⁸ P.P. Shirodkar, 'India and Mozambique thro' the Centuries' in *Researches in Indo - Portuguese History*, Vol. I, Jaipur, Publication Scheme; 1998, p. 1.89; Sharmila S.Karnik "Goa - Mozambique Relations 1498 - 1910, Bombay, Ph. D. thesis, 1992), p.xi.

¹⁹ Karnik, *op. cit.*, p.114.

²⁰ Silvia M. de Mendonça Noronha, 'The Economic Scene in Goa 1926 -1961', in T.R. de Souza ed. *op. cit.*, p. 280

²¹ S.C. Bhatt, Ed. *The Encyclopaedic District Gazetteers of India. Western Zone*, Vol. 7 New Delhi, Gyan Publishing House, 1997, p.68; Noronha, *Ibid*, pp.280

²² *Techno - Economic Survey of Goa, Daman and Diu*, (hereafter *TESGDD*), New Delhi, Publications Division, National Council of Applied Economic Research, 1964 , p.9.

enhanced rates. These items were exported in large quantities till 1954. Due to the Economic Blockade, their exports to British India declined and in 1960 only 16,000 nuts were exported. Coconut oil was extracted and there was both export and import of coconut oil.²³ Though the coir manufacturing industry existed, it did not grow well. There was both export and import of coir.

Cashew : Cashew was introduced in the sixteenth century and was cultivated extensively in Goa. The first cashew factory was started in the year 1926 and the export of the first consignment of cashew kernels to foreign countries was in the year 1930. It was exported to U.S.A., Japan, Saudi Arabia, and West Germany. Cashew was imported into Goa from Portuguese East Africa (Mozambique). Cashew was exported to Bombay in large quantities.²⁴

Areanuts and Betel leaves : These were cultivated in limited areas and the surplus was exported to other parts of India.

Mangoes: Mangoes grown in Goa were exported to Bombay both by land and sea routes. Mangoes were exported to foreign countries.

Pineapple: Its cultivation was mainly concentrated in the two villages of Cuncolim and Savoi-Verem of Ponda taluka. It was exported to European countries and also to Kuwait.²⁵

Canned Products: There were three canning factories in Goa which were engaged in the canning of fruits, meat and fish products. These products were exported to other parts of India and abroad also.

Forest products: Bamboo was an important forest product exported from Goa. Timber trade was limited. Superior quality wood was imported into Goa from Karnataka and other places for the construction of ships and boats.

Spirits: Second to customs, the spirit industry was the highest source of governmental revenue in Goa. Various types of intoxicating drinks were not only produced in Goa but also imported from Portugal.

²³ Lobo, op. cit, p. 45; *Agricultural Marketing in Goa Daman and Diu, Report on the Marketing of Coconut and its Products in Goa, Daman and Diu, Marketing Series No. 5, Panaji, 1971 p. 22, 30, 38-9, 63.*

²⁴ Claude Alvares, *Fish, Curry and Rice, A Citizen's Report on the State of the Goan Environment*. Goa The Other India Press, ECOFORUM, , 1995 p.144; Prasannan R Palakasseri. 'A Study of Cashew Export from Goa and Maharashtra, in *Sunday Navhind Times*, 22 December 1968, p 4; J.C. Almeida, 'Economic Development of Goa from 1962 onwards, Its Trends', in *File Goa*, p. 4 ; Fernando Cesar Correa Mendes, *Memoria sobre as condicoes agricolas, florestais e pecuarias da India Portuguesa, apresentada pela Direccao dog servicoes da Agricultura*, in *Boletim da Agencia Geral das Colonias, Ano V, No. 49, Julho de 1929*, Usbon, p. 68.

²⁵ *Agricultural Marketing in Goa, Daman and Diu, Report on the Marketing of Pineapples (Ananas) in Goa, Marketing Series No. 3, Panaji, 1967 p.1, 10*

Salt: Salt industry in Goa suffered during the period of the Treaty of 1878. However, this enterprise continued and Goa was known for the production of high quality salt. It was exported to British India, particularly to Belgaum and Kanara in Kamataka. Salt was also exported to Mozambique.

Wheat: Wheat was imported into Goa from Australia, Canada, U.S.A., and France.

Tiles: Coastal Kamataka had several tile manufacturing industries. Goa imported tiles

Vegetables and Chillies: For vegetables and chillies Goa was dependant on the neighbouring states and they were imported mainly from Karnataka.

Tobacco: The sale of tobacco was a monopoly of the Government from the second decade of the seventeenth century to almost the middle of the nineteenth century. It was imported from other parts of India as also from England and Holland.

Sugar: Sugar was imported into Goa from Mozambique, Mauritius, Java and British India. Besides sugar, jaggery was also imported from other parts of India.

Livestock: Animals like buffaloes and goats required for food were imported from the neighbouring territories of India. Meat and milk were also imported.

Trends:

During this period, Goa witnessed an unfavourable balance of trade. The value of imports far exceeded the value of exports until 1951 and this caused a drain of money which affected the financial condition of Goa. The economy of Goa suffered due to this commercial deficit. The following table indicates the magnitude of trade deficit in Goa :²⁶

²⁶ G. Pereira, 'Goa - Another Korea? American Military bases firmly rooted', in *Goan Age*, Vol. I, No. I, 26 January 1954, Bombay, p. 22.

Year	Import Amount in Rupees	Export Amount in Rupees	Deficit Amount in Rupees
1901	42,26,315	13,60,019	28,66,296
1904	53,43,953	16,49,049	36,94,904
1910	62,71,436	25,50,091	37,21,345
1915	78,44,848	29,71,141	48,73,707
1920	1,35,91,274	40,05,237	95,86,037
1925	1,52,53,378	39,49,247	1,13,04,131
1930	1,74,27,806	40,90,058	1,33,37,748
1937	Not available	Not available.	1,40,00,000
1947	-do -	-do -	2,00,00,000
1948	4,92,57,563	99,32,288	3,93,25,275
1949	5,35,50,323	88,34,765	4,47,15,558
1950	7,52,50,740	97,55,557	6,54,95,183

The imports and exports were regulated through the two customs check posts (the Portuguese and the British) on both sides of the border of Goa. During the 1930s there was a hike in the customs duties charged on consumer goods imported to Goa and consequently the cost of living in Goa was relatively higher than in the rest of India.²⁷ The poverty of exports was evident both in their quality as well as quantity and the reason for this downfall was the fiscal policy of the Government. Though the Portuguese Government had fixed higher customs duties on the imported consumer goods as a policy of protection to local production, it did not produce the desired result, instead it raised the prices of goods and thereby increased the cost of living in Goa. This further affected the general cost of production of agricultural and industrial goods produced in Goa, and consequently they were superseded by goods produced in the other parts of India. Coconut which was a major item of export earlier, dwindled in 1936. Similarly the export of mangoes also suffered and the quantity exported in 1938-39 was the lowest.²⁸ The difference between imports and exports

²⁷ Antonio Da Cruz, *Goa - Men and Matters*, Vasco da Gama, Goa, Ashok Printing Press, 1974 PP. 27-9.

²⁸ Goa's Freedom Struggle, (Selected Writings of T.B. Cunha), op. cit. p.33; B.G.Kunte, *Goa Freedom Struggle vis-a-vis Maharashtra 1946-1960*, Vol. VIII, Part I, (Maharashtra, Gazetteers Department, 1978 t: p.43; Portuguese India, A Survey of Conditions After 400 years of foreign Colonial Rule, (Issued by the Goa Congress Committee), Bombay, New Times Printing, 1939 p.33.

was so glaring that in 1950 the import duty brought in Rupees 48,23,482,²⁹ and export duty brought in Rupees 45,822.29: However, the condition changed radically with the development of the mining industries and export of mineral ores in the 1950s. The unfavourable balance of trade was counterbalanced by the freight earned from the country crafts plying between Portuguese India and British India, the interests and dividends earned on the investments in British India and elsewhere, and the remittances of Goan emigrants in India and outside. The following table reflects change in the balance of trade.³⁰

Trade during the years 1940-1961

Year	Tonnage	Tonnage
	Import	Export
1940	1,04,117	42,004
1945	72,162	45,831
1950	1,22,899	1,18,148
1955	1,69,914	16,99,683
1956	1,27,237	22,47,789
1957	1,74,698	29,14,726
1958	1,46,090	26,39,841
1959	1,45,411	38,43,661
1960	1,92,744	58,13,791
1961	1,98,330	66,40,543

The export of a few items like canned fruit, arecanut and cashewnut increased marginally, while the rest declined.³¹ The Government also tried to improve the condition. It sought a substantial release of sterling from the State Bank of Pakistan to overcome the economic crisis.³² The boom in commercial activity few years before the liberation of Goa led to a phenomenal increase in imports and exports.

It was the export of mineral ore that relieved the economy. The mining activity started in

²⁹ Gune, Gazetteer, Part I, *op. cit.*, p.551.

³⁰ Statistical Year Book 1961, Goa, Daman and Diu, General Statistics Department, p.259, quoted in R.N. Saksena, *Goa into the Mainstream*, New Delhi, Abhinav Publications, 1974 p.80.

³¹ Noronha, *op. cit.*, p. 289.

³² Murelle Maria Leonildes Da Costa, 'History of Trade and Commerce in Goa 1878-1961' Goa University, Ph. D. thesis, 2002 p.161.

Goa in the 1920s. In 1920, Goa exported manganese ore to U.S.A. In 1929, Goa exported 4870 tons of manganese ore; 2544 tons were exported to Antwerp, and 2326 tons to Baltimore. In 1930, 4082 tons of manganese ore were exported, 556 tons were exported to Antwerp, 3000 tons to Dariem and 526 tons to Baltimore. In 1931, 2393 tons of manganese ore were exported; 300 tons were exported to Antwerp and 2093 tons to America.³³ Mineral ore exploration in Goa and its export suffered considerably due to the economic depression of the 1920s. After a long period of non-export, it was in 1941 that a first sample consignment of 1000 tons of iron ore were sent to Belgium. However, soon this industry had to suffer because of the World War II. Regular mining operation and exports of Goa's iron and manganese ores restarted in 1947 and that year witnessed shipment of 102 tons of manganese ore worth £400.³⁴ Astutely perceiving new unfolding vistas, enthusiastic and bold entrepreneurs like the Dempos, Chowgules, Salgaonkars and others ventured forth into the ore business, its mining and exportation. Trade in mineral ores, iron, manganese and ferro-manganese ore, got the real boost in the late fifties and sixties and it became the linchpin of Goa's economy and earned considerable foreign exchange. Japan, West Germany and Holland were the leading importers of Goan iron ore. Manganese ore was exported to U.S.A., Belgium, Sweden and Italy. This led to the growth of ore traffic at the Mormugão port. Both Mormugão and Aguada had natural anchorages, capable of accommodating the largest ships. The other ports were Panjim, Chapora, Betul and Talpona.³⁵ As Mormugão port was connected to Hubli through a railway line in 1888, it enhanced the importance and utility of the Mormugão harbour as a rendezvous. The railway connected the hinterland and the region above the Western Ghats with the port. It was extensively used for the transport of heavy goods, ore as well as consumer goods. The railway and harbour together gave a tremendous boost to the commercial activity in Goa. When the Economic Blockade was imposed by the Government of India in 1954, Mormugão instead of functioning as a port of transit, emerged as an export oriented port for handling Goa's iron ore. It also handled import of cargoes required for the domestic consumption of the people of Goa.³⁶ The following table provides

³³ Khristanand Desai. 'Trand Union Movement in Goa 1936 - 1986', Goa University, Ph. D. thesis, 1993 p45 ; Da Costa, *Ibid*, pp.19091.

³⁴ J. C. Almeida, *op. cit.*, p. 7; *Draft Plan, 1963-66 Panaji*, Government Press p. 92.

³⁵ *TESGDD, op cit.*, p. 86 and p.131 ; Cresencio Lobo, *op. cit.*, p. 14.

³⁶ Animesh Ray, *Maritime India: Ports and Shipping New Delhi*, Munshiram Manoharlal, 1993 , p.395.

the quantum of trade carried out through the Mormugão port from 1952 to 1961:³⁷

Years	Import	Export	Total
1952	2,64,894	8,70,573	11,35,467
1953	2,73,973	14,07,816	16,81,794
1954	2,90,870	11,90,136	14,81,006
1955	1,34,283	15,54,587	16,88,870
1956	1,20,193	19,13,179	20,33,372
1957	1,67,848	27,62,243	29,30,091
1958	1,33,814	23,45,944	24,79,758
1959	1,51,297	35,17,947	36,69,244
1960	1,75,481	57,48,478	59,23,959
1961	1,94,036	65,62,249	67,56,285

The effect of the adverse balance of trade on Goan economy was also reduced because of the remittances of Goan emigrants from India, Africa and other places. In 1951, Goa received from India, by way of remittances by the emigrants Rupees 6,80,35,241 in Indian currency. Goa's budget was often sought to be balanced by the Portuguese through heavy taxation on Goans who were largely supported by these remittances from abroad.³⁸

The profits realised from smuggling activities or contraband trade also strengthened the Goan economy and enabled it to overcome the unfavourable balance of trade. When normal relations existed between Goa and the Indian Union, the latter supplied Goa with the necessary credit to meet the commercial needs. When this policy was withdrawn, Goan merchants smuggled foreign goods across Goa's border with India to earn the much needed Indian Rupee. Goa was known for foreign smuggled goods like scents, chocolates, Swiss watches, American fountain pens, transistors, Italian silk, silver and gold bullion. Gold was brought into Goa from the Gulf, Macao and Mozambique. These luxury items along with country and foreign liquor were also smuggled

³⁷ Port of Mormugão, Official Handbook, Goa. Port of Mormugão, 1962 quoted in Da Costa, 'History of Trade and Commerce', *op. cit.*

³⁸ B.G. D'Souza, Goan Society in Transition. Bombay, 1975, p. 190; Antonio da Cruz, *op. cit.*, p.66; Story of Goa, London. Information Service of India, India House, p.14.

into India.³⁹ Besides, foreigners like Antonio Shayo of Macao and Fauzi el Hose of Lebanon, some well known Goan gold traders and a few business tycoons from Bombay were involved in this illicit gold trade. The Government of India passed a notification on 24 September 1951 and stated that the import trade control restrictions in force in India were applicable to goods arriving at Indian ports for onward transshipment to Portuguese possessions in India. The object was to restrict importation into Portuguese possessions through India, of articles which were likely to be smuggled back into India.⁴⁰

The Economic Blockade gave rise to a considerable increase in the supply of goods with which Goa was flooded. The *Junta do Comercio Externo* (Board of External Trade) procured from foreign markets the essential commodities needed by the Goans. Oranges from Israel and Argentina, rice from Burma, wheat flour from Australia, sugar from Cuba, Belgium and Mozambique were imported into Goa. Pakistan also extended considerable help to Goa to overcome the Blockade.⁴¹ The export of Goan products to India had stopped and there was a fall in their prices. Products from land like mangoes, cashewnuts, coconuts and betelnuts, and salt and fish suffered much due to the Blockade as they could not be exported to India. Certain sections of the community, particularly the traders who handled traditional export items for centuries suffered. The Blockade had not severely affected the Goan economy as desired by the Government of India. It bred gangs of smugglers who carried into Goa goods manufactured in India and took from Goa into India various types of foreign liquor, gold watches, Hong Kong textiles and luxury items imported in abundance by the businessmen in Goa.⁴²

The two World Wars and the Great Depression had left their marks on the economy of Goa. Inflation was felt and demand for goods decreased during the two World Wars. The World War I

³⁹ Antonio da Cruz. *op. cit.* p.54 ; Rubinoff. *op. cit.* 34 ; Kunte. *op. cit.* p.240; S.K. Mhamai, 'Goa Based Gold Smuggling in 1950s'. in T.R. de Souza, ed., Papers presented by Goan Researchers on the History of Goa Indian History Congress. Golden Jubilee Year Session. Goa August 1987 pp.234-40.

⁴⁰ *MNE India Comercio*, Hindustan Times, M-73, A-17, Proc No. 41 and 22.; *India Comercio*, M-71, A-17, Proc No. 41, 42; S. K. Mhamai, 'Freedom Struggle and Gold Economy', in T.R. de Souza, ed, Essays on Goan History, New Delhi, Concept Publishing, 1989, pp. 159-60.

⁴¹ Sarto Esteves, Politics and Political Leadership in Goa. New Delhi, Sterling Publishers, 1986 : pp.57-58; Olivinho Gomes, 'The Economic Blockade of Goa: It's implications and consequences', in *Boletim do Instituto Menezes Braganza*, No. 159 Bastora, Goa, Tipografia Rangel, 1989 p.84; Mario Cabral e Sa, Song of the Golden Gateway.. 100 years of the Port of Mormugão and the peninsula, New Delhi, Vikas Publishing House, 1985 p. 86 ; Rao, *op.cit.* p. 57.

⁴² P.P. Shirodkar, 'Indo Portuguese Diplomatic Relations 1947-1961, Bombay, Ph.D. Thesis, 1974' pp. 410 and 416; P.P. Shirodkar, Goa's Struggle for Freedom' New Delhi Ajanta Publishers, 1988, pp.79; Telkar Sridhar, Goa.. Yesterday and Today, Bombay, 1962; *TESGDD*, *op. cit.* p. 19; Esteves, *Ibid.*

had affected British India and the traffic through the Mormugão port. Due to the Great Depression export trade was stagnant and there was decrease in the prices of agricultural and cash crops like coconut, cashewnut and betelnut. Import of essential goods continued to increase considerably.⁴³ The impact of World War II was felt by all classes of the society in Goa. The landlords suffered due to fall in coconut prices. Salt and arecanut had no demand. India and Goa experienced acute shortage of food. The Government in Goa had to begin rationing towards the end of the War. Hardships of the common people mounted when imports from India lessened and consequently gave rise to black marketing. Petitions submitted to the Government in Goa did not have any effect. The price of paddy was about Rupees 7.50 per *khandy* before the War. It shot up to Rupees 26 per *khandy* by the middle of the War, and went on increasing year after year. During the War period the Mormugão harbour had a deserted look.⁴⁴

During the World War II period, the Portuguese Government passed an order to all its offices and departments to refuse British Indian currency notes and coins. Consequently the British Indian Rupee which was freely used in Goa along with the Portuguese currency since 1878 lost its priority. A host of money changers had appeared in the market and only a few of them accepted British Indian currency at a discount. This policy of the Portuguese harmed Goa's trade and commerce with British India. Before the War the exports amounted to one-fifth of the imports while in 1941 they fell down to one-seventh.⁴⁵

Conclusion:

The condition of trade and commerce in colonial Goa from 1878 to 1961 was unfavourable to the Portuguese State as well as the Goans. The Goan economy was an import oriented one. It depended largely on British India until 1954, and from 1954 to 1961 on foreign countries. It was only in the mid-1950s that there was a spurt in the export of ore and it changed the balance of trade in Goa's favour. The remittances of the emigrants and the profit accrued from contraband trade helped the Goan economy in the 1950s. Though Goa carried out both official and private trade during this period, the former was minimal and the latter flourished. Goa exported her surplus

⁴³ Pereira, *op.cit.*, p.107; A Correia Fernandes, 'Crisis in Goa', in Lewis das Dores Silva (published), *Portuguese India Annual 1934* p.26.

⁴⁴ Fatima da Silva Gracias, *Health and Hygiene in Colonial Goa 1510-1961*, New Delhi, 1994, p.41; J. B. Pinto, *Goan Emigration*, Kampala, Uganda, 1953; pp. 14-19; Gune, *Gazetteer*, Part I, *op. cit.* p. 198.

⁴⁵ Goa's Freedom Struggle, Selected writings of T.B. Cunha *op. cit.* pp. 105-06, 135.

products as also imported foreign goods to other parts of British India and the Union of India. Obviously she had to import some commodities which she could not produce herself either from the neighbouring areas or from abroad. The Portuguese fiscal policy was not favourable to the development of the economy. The policy of protection did not really enable the growth of industries. In the wider context these policies of the Portuguese in Goa were much influenced by British India's policy towards them in Goa. The Great Depression and the two World Wars had their economic impact on Goa. In the same way the Economic Blockade affected Goa though it failed to achieve its avowed objective.