

SALT AND THE GOAN ECONOMY
(A STUDY OF GOA'S SALT INDUSTRY AND SALT TRADE IN
THE 19TH AND 20TH CENTURIES DURING THE PORTUGUESE
RULE)

A THESIS SUBMITTED TO
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ECONOMICS

BY
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UNDER THE GUIDANCE OF

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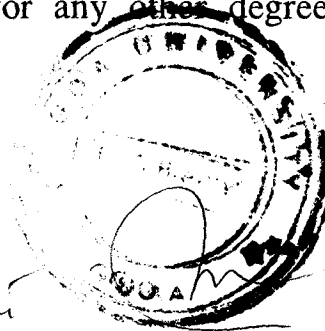
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Certificate

This is to certify that the thesis entitled 'Salt and The Goan Economy' (A Study of Goa's Salt Industry and Salt Trade in the 19th and 20th Centuries during the Portuguese Rule) submitted by Shri. Harischandra Tucaram Nagvenkar for the award of the degree of Doctor of Philosophy in Economics is based on his original studies carried out by him under my supervision. The thesis or any part thereof has not been previously submitted for any other degree or diploma in any university or institution.

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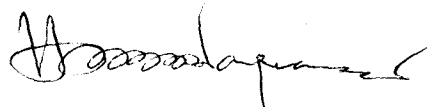
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STATEMENT REQUIRED UNDER THE UNIVERSITY ORDINANCE
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The present thesis entitled SALT AND THE GOAN ECONOMY (A Study of Goa's Salt Industry and Salt Trade in the 19th and 20th Centuries during the Portuguese Rule) is entirely based on the research work carried out by me for Ph. D. degree under the supervision of Prof. Dr. M. A. Shahi.

I, hereby, state that this research work is my original contribution and the same or any part thereof has not been submitted for any other degree or diploma or academic award. The literature concerning the problem investigated has been surveyed and all the necessary references are given in the thesis. This research work has been carried out independently and due acknowledgements have been made wherever the facilities are availed from.



HARISCHANDRA TUCARAM NAGVENKAR

Candidate

CONTENTS

| | Page |
|--|---|
| ACKNOWLEDGEMENTS | vii-viii |
| LIST OF TABLES | ix-xiv |
| GLOSSARY AND ABBREVIATIONS | xv-xvi |
| CURRENCY | xvii |
| WEIGHTS AND MEASURES | xviii |
| INTRODUCTION | 1-20 |
| CHAPTER ONE : SALT - THE WORLD, INDIA AND GOA | 21-73 |
| 1.1 | Introduction |
| 1.2 | Salt - Its properties and sources |
| 1.3 | Salt in the historical perspective of the World |
| 1.4 | Salt in the Indian perspective |
| 1.5 | Salt policy of British India Government |
| 1.6 | Salt and Goa |
| CHAPTER TWO : STATE OF THE GOAN ECONOMY AND SALT IN THE PRE-19TH CENTURY PERIOD | 74-114 |
| 2.1 | Introduction |
| 2.2 | Goa at the height of prosperity |
| 2.3 | Economic decline of Portuguese India |
| 2.4 | Decadence of the Goan economy in the 18th century |
| 2.5 | Goa - based mainland, coastal and sea - borne trade |
| 2.6 | Salt industry and Salt trade in the pre-19th century Goan economy |
| 2.7 | Contribution of salt to the public receipts of Portuguese India |
| CHAPTER THREE : SALT AND THE GOAN ECONOMY DURING THE 19TH CENTURY PRIOR TO THE ANGLO-PORTUGUESE TREATY OF 1878 | 115-195 |
| 3.1 | Introduction |
| 3.2 | The state of the Goan economy in the 19th century |
| 3.3 | Salt in the agricultural perspective of the Goan economy |
| 3.4 | Salt industry in the 19th century during the period upto the implementation of the Anglo-Portuguese |

| | | |
|---------------------|--|----------------|
| | Treaty of 1878 | |
| 3.5 | Salt producers in Goa, Daman and Diu | |
| 3.6 | Production of salt in Goa as contributed by different production agencies | |
| 3.7 | Role played by salt in the external trade of Goa | |
| 3.8 | Share of salt in the total export duties revenue collected by the Custom-Houses of Goa | |
| 3.9 | Measures adopted by the Portuguese Indian government which influenced the external trade of Portuguese India | |
| 3.10 | Rise in the burden of the Custom duties of British India on salt and other goods | |
| 3.11 | Government policies and measures as regards salt in Portuguese India | |
| CHAPTER FOUR | : THE ANGLO-PORTUGUESE TREATY OF 1878 AND ITS IMPACT ON THE SALT INDUSTRY IN GOA | 196-275 |
| 4.1 | Introduction | |
| 4.2 | Main features of the Treaty of 1878 | |
| 4.3 | Factors and developments which contributed to the signing of the Treaty of 1878 | |
| 4.4 | British Government and the Treaty of 1878 - Motives behind the signing of the Treaty | |
| 4.5 | Features of the British salt monopoly in Portuguese India | |
| 4.6 | The State of the salt industry during the tenure of the Treaty | |
| 4.7 | Total number of salt producers during the initial period of the Treaty of 1878 | |
| 4.8 | Positive impact of the Anglo-Portuguese Treaty of 1878 | |
| 4.9 | The Treaty of 1878 - A lethal blow to the salt industry and the consumers of salt | |
| 4.10 | Contribuicao Predial and Salt Pans | |
| 4.11 | Impact of the Treaty on the social life in Portuguese India | |
| 4.12 | Adverse effect of the Treaty on salt production in Goa | |
| 4.13 | The Treaty of 1878 - Adverse effects on the liquor industry | |
| 4.14 | Termination of the Treaty in 1892 | |
| CHAPTER FIVE | : SALT AND THE GOAN ECONOMY AFTER THE DENOUNCEMENT OF THE ANGLO-PORTUGUESE TREATY OF 1878, TILL 1929 | 276-353 |
| 5.1 | Introduction | |
| 5.2 | Major changes in the administrative and taxation set-ups | |

| | | |
|----------------------|--|----------------|
| 5.3 | The economy of Portuguese India after the denouncement of the Treaty of 1878 | |
| 5.4 | Salt industry after the end of the Treaty of 1878 - Restrictions by the Bombay Presidency government | |
| 5.5 | Concentration of the salt industry in Goa at the dawn of the 20th century | |
| 5.6 | Production of salt in Portuguese India by 1915-16 | |
| 5.7 | Salt manufacturers as per the Census of 1900 | |
| 5.8 | Salt and the external trade of Portuguese India - Value of the import and export trade | |
| 5.9 | The role of salt and other selected principal export commodities in the external trade of Portuguese India | |
| 5.10 | Portuguese India Government's measures to revive the economy | |
| 5.11 | Portuguese India Government's measures to promote the salt industry | |
| CHAPTER SIX | : GOAN ECONOMY AND SALT FROM 1929 TILL THE IMPOSITION OF THE ECONOMIC BLOCKADE BY INDIA | 354-408 |
| 6.1 | Introduction | |
| 6.2 | The State of Agriculture | |
| 6.3 | The state of the manufacturing industry | |
| 6.4 | External trade and the economy of Portuguese India during the period 1929-1954 | |
| 6.5 | The state of the salt industry in Goa | |
| 6.6 | Role of Salt in the external trade of Portuguese India - A comparative assessment | |
| 6.7 | Salt exports vis-a-vis mineral ore exports during the period 1946-1954 | |
| 6.8 | Districtwise salt exports of Portuguese India (1950-1954) | |
| CHAPTER SEVEN | : ECONOMIC BLOCKADE BY INDIA, THE GOAN ECONOMY AND SALT | 409-468 |
| 7.1 | Introduction | |
| 7.2 | The State of the Goan economy prior to the economic blockade. | |
| 7.3 | The State of the salt industry on the eve of the economic blockade | |
| 7.4 | Effects of the economic blockade and causes of its failure | |
| 7.5 | The State of the Goan economy during the blockade (1955-1961) | |
| 7.6 | The State of the salt industry during the blockade (1955-1961) | |

| | | |
|--------------|--|---------|
| 7.7 | The State of salt exports during the blockade - A comparative assessment. | |
| 7.8 | Portuguese government's efforts to neutralise the blockade. | |
| 7.9 | Portuguese Government's efforts to remove salt industry from its decadence | |
| CONCLUSIONS | : | 469-494 |
| APPENDIX | | 495-497 |
| MAPS | | 498-499 |
| BIBLIOGRAPHY | | 500-512 |

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LIST OF TABLES

| | | PAGE |
|------|--|------|
| 1.01 | Years of the conquest/take over of the provinces/areas of Portuguese India | 47 |
| 1.02 | Area under saltpans in different concelhos of Goa (1960) | 54 |
| 2.01 | Receipts of the Custom-House of Goa Island (1594-1787) | 88 |
| 2.02 | Receipts and expenditure of the Royal Treasury of Goa (1753-1798) | 90 |
| 2.03 | Annual receipts from Dizimos - Tithes (1746 to 1797) | 91 |
| 2.04 | Public incomes from farmed out taxes and other charges (1750 and 1753) | 106 |
| 2.05 | Receipts from farmed out salt duties of Goa Island, Salsete and Bardez (1750-1798) | 107 |
| 3.01 | Annual receipts from Dizimos - Tithes (1795-97 to 1825-27) | 123 |
| 3.02 | Average annual receipts of the Custom-House of Goa Island (1806 to 1840) | 131 |
| 3.03 | Average Annual Receipts of the Custom-Houses of Ponda, Bicholim and Pernem (1785 to 1827) | 132 |
| 3.04 | Production of 5 principal agricultural commodities in Goa (1825) | 138 |
| 3.05 | Regionwise Production of 5 principal agricultural commodities in Goa (1849) | 141 |
| 3.06 | Production of 5 agricultural commodities in Goa (1849) | 143 |
| 3.07 | Production of salt in Goa Island (1824 and 1825) | 146 |
| 3.08 | Production of salt in Salsete (1824 and 1825) | 147 |
| 3.09 | Production of salt in Bardez (1824 and 1825) | 148 |
| 3.10 | Shares of salt producing concelhos in the value of the total production of salt in Goa (1824 and 1825) | 149 |
| 3.11 | Production of salt in different concelhos (1844) | 150 |
| 3.12 | Villagewise Production of salt in Bardez (1843 and 1844) | 151 |
| 3.13 | Concelhowise breakup of the production of salt in Goa (1849) | 151 |
| 3.14 | Production of salt in Goa (1824 and 1844) | 153 |

| | | |
|------|--|-----|
| 3.15 | Concelhowise Production and consumption of salt and number of salt producing villages, salt pans and salt labourers in Goa (1876) | 156 |
| 3.16 | Production of salt in Goa (1824, 1844 and 1876) | 157 |
| 3.17 | Agriculturists and salt-farmers in salt producing provinces of Portuguese India (Census of 1848) | 158 |
| 3.18 | Agriculturists and salt-farmers in salt producing concelhos of Goa (as per the census of 1877) | 158 |
| 3.19 | Production of salt in Goa by different production agencies (1879) | 161 |
| 3.20 | Export trade in principal export commodities of Goa with foreign countries (1844) | 162 |
| 3.21 | Export trade in selected principal commodities of Goa with foreign territories through Custom-houses acting as exit points to the Madras Presidency (1844) | 164 |
| 3.22 | Values of the total export trade and of seven principal export commodities of Portuguese India (1878-79) | 167 |
| 3.23 | Export duties revenue collected by the Custom Houses of Goa (1871-72) | 171 |
| 3.24 | Revenue from export duties on salt, collected at different Custom Houses and checkposts in Goa (1871-72) | 173 |
| 4.01 | Receipts collected by the Public Treasury of Portuguese India (1868-69 to 1877-78) | 201 |
| 4.02 | External Trade of Portuguese India (1876-77 to 1878-79) | 204 |
| 4.03 | Salt production in Goa during the tenure of the Treaty of 1878 | 224 |
| 4.04 | Salt production in different concelhos of Goa under the Treaty of 1878 (1880-91) | 225 |
| 4.05 | Average salt output in Goa per each salt-work under operation, during the tenure of the Treaty of 1878 | 228 |
| 4.06 | Average salt output in different Concelhos, per each salt work under operation, during the tenure of the Treaty of 1878. | 230 |
| 4.07 | Production of salt in Goa during the second year of the Treaty | 232 |
| 4.08 | Number of salt-pans under different categories in four concelhos of Goa | 234 |
| 4.09 | Total number of salt-pans under different categories in Goa | 234 |

| | | |
|------|---|--------|
| 4.10 | Compensation received by the saltpan owners from the British India Government under the Treaty of 1878 | 236 |
| 4.11 | Total salt sold by the British agents for exports and internal consumption (1881) | 237 |
| 4.12 | Places where 'Estancos' were set up for the distribution of salt for domestic consumption in Goa | 240 |
| 5.01 | Rice imports of Portuguese India (1901-1927) | 284 |
| 5.02 | Export of salt from Goa to the sea ports in British India (1892-93 to 1894-95) | 302 |
| 5.03 | Total number of farmers and salt producers in Goa (Census of 1900) | 307 |
| 5.04 | External trade of Portuguese India (1896-97 to 1903-04) | 308 |
| 5.05 | Total import and export trade of Portuguese India (1904-1928) | 311 |
| 5.06 | Exports of nine selected principal commodities from Portuguese India (1897-98 to 1903-04) | 313 |
| 5.07 | Exports of nine selected principal commodities from Portuguese India (1904-1913) | 314-15 |
| 5.08 | Exports of nine selected principal commodities from Portuguese India (1914-1918) | 316 |
| 5.09 | Exports of nine selected principal commodities from Portuguese India (1919-1928) | 317-18 |
| 5.10 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India (1897-98 to 1903-04) | 319 |
| 5.11 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India (1904-1913) | 319 |
| 5.12 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India (1914-1918) | 320 |
| 5.13 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India. (1919-1928) | 320 |
| 5.14 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India (1897-98 to 1903-04) | 323 |
| 5.15 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India (1904-1913) | 324 |

| | | |
|------|--|--------|
| 5.16 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India (1914-1918) | 324 |
| 5.17 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India (1919-1928) | 325 |
| 5.18 | Export prices of nine selected principal commodities of Portuguese India (1904-1928) | 330-31 |
| 6.01 | External trade of Portuguese India (1929-1938) | 361 |
| 6.02 | Index numbers of the values of the import trade and export trade (1930-1938) | 362 |
| 6.03 | Shares of selected regions/countries in the total imports of Portuguese India (1929-1935) | 363 |
| 6.04 | Shares of selected regions/countries in the total exports of Portuguese India (1929-1935) | 364 |
| 6.05 | External trade of Portuguese India (1939-1945) | 365 |
| 6.06 | Index numbers of the values of the import trade and export trade (1939-1945) | 365 |
| 6.07 | Shares of different countries in the import trade of Portuguese India (1942-1946) | 367 |
| 6.08 | Shares of different countries in the export trade of Portuguese India (1942-1946) | 367 |
| 6.09 | External Trade of Portuguese India (1946-1954) | 369 |
| 6.10 | Index numbers of the values of the import trade and export trade (1946-1954) | 369 |
| 6.11 | Shares of different countries in the import trade of Portuguese India (1948-1951) | 370 |
| 6.12 | Shares of different countries in the export trade of Portuguese India (1948-1951) | 371 |
| 6.13 | Shares of different countries in the import trade of Portuguese India (1951-1954) | 371 |
| 6.14 | Shares of different countries in the export trade of Portuguese India (1951-1954) | 372 |
| 6.15 | Production of salt in Portuguese India (1938-1954) | 375 |

| | | |
|------|---|--------|
| 6.16 | Export of nine selected principal commodities from Portuguese India (1929-1938) | 378-79 |
| 6.17 | Export of nine selected principal commodities from Portuguese India (1939-1945) | 380 |
| 6.18 | Export of nine selected principal commodities from Portuguese India (1946-1954) | 381-82 |
| 6.19 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India (1929-1938) | 385 |
| 6.20 | Shares of the exports of nine selected principal commodities in the total exports of Portuguese India (1939-1945) | 385 |
| 6.21 | Shares of the exports of nine selected principal commodities in the total exports of Portugues India (1946-1954) | 386 |
| 6.22 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India. (1929-1938) | 388 |
| 6.23 | Shares of the exports of principal commodities towards the payment of import trade obligations of Portuguese India (1939-1945) | 389 |
| 6.24 | Shares of the exports of nine selected principal commodities towards the payment of import trade obligations of Portuguese India (1946-1954) | 389 |
| 6.25 | Export prices of nine selected principal commodities of Portuguese India (1929-1954) | 394-95 |
| 6.26 | Salt exports and salt production in Portuguese India (1938-1948) | 400 |
| 6.27 | Exports of salt and production of salt in Portuguese India and Goa (1952-1954) | 401 |
| 6.28 | Export of mineral ore from Goa (1947-1952) | 403 |
| 6.29 | Export of salt from each of the three districts of Portuguese India (1950-1954) | 404 |
| 7.01 | Mineral ore production in Goa (1956 - 1961) | 421 |
| 7.02 | Quantity exported of the mineral ore from Goa (1955-1961) | 422 |
| 7.03 | Value of the export of the mineral ore from Goa (1955-1961) | 422 |
| 7.04 | External trade of Portuguese India (1955-1961) | 423 |

| | | |
|------|--|-----|
| 7.05 | Index numbers of the import trade and export trade of Portuguese India (1955-1961) | 423 |
| 7.06 | Shares of different countries in the import trade of Portuguese India (1955-1961) | 430 |
| 7.07 | Shares of different countries in the export trade of Portuguese India (1955-1961) | 431 |
| 7.08 | Production of salt in Goa, Daman and Diu (1955-1962). | 434 |
| 7.09 | Salt producers and salt workers in Portuguese India (1955-1961) | 439 |
| 7.10 | Exports of nine traditional principal commodities from Portuguese India (1955-1961) | 442 |
| 7.11 | Export of salt from Goa, Daman and Diu (1955-1961) | 443 |
| 7.12 | Salt Exports and Salt production in Portuguese India and Goa (1955-1961) | 446 |
| 7.13 | Shares of the exports of nine selected principal traditional commodities in the total exports of Portuguese India (1955-1961) | 448 |
| 7.14 | Share of the export of the mineral ore in the total exports of Portuguese India (1955-1961) | 448 |
| 7.15 | Shares of the exports of nine selected principal traditional commodities towards the payment of import trade obligations of Portuguese India (1955-1961) | 450 |
| 7.16 | Share of the mineral ore exports towards the payment of import trade obligations of Portuguese India (1955-1961) | 450 |
| 7.17 | Export prices of nine selected principal commodities of Portuguese India (1955-1961) | 454 |

GLOSSARY

- Alfandega - Custom House
- Anuario - Yearbook
- Alvara - Ordinance issued by king, Vice-roy or any other high ranking official, valid for a period of one year without the need of royal confirmation.
- Arrematacao das rendas- Farming out monopoly rights to collect non-agricultural revenues
- Carta Organica - Organic Charter
- Cartaz - A safe conduct pass for navigation issued by Portuguese authorities to non-Portuguese ships, against the payment of a fee
- Comercio Externo- External Trade
- Concelho - Taluka
- Confraria - An association established for promoting religious objectives
- Congresso - Congress. Congresso Provincial = Provincial Congress
- Conselho - Council. Conselho do Governo = Government Council; Conselho Legislativo e Executivo=Legislative and executive Council
- Contribuicao Predial- Property Tax
- Decreto - Decree
- Decreto Lei - Decree - Law
- Dizimo - Tithe: a tax at the rate of tenth part of the produce
- Estado da India - Portuguese India comprising of the districts of Goa, Daman and Diu.
- Estanco - 'Estancos' for the sale of salt were government approved shops which were selling the annual per head quota of salt (14 pounds) for the domestic use of the

people, as per the provisions of the Anglo-Portuguese Treaty of 1878.

- Fabrica - Related to the incomes from the properties assigned for the promotion of the cult and maintenance of a church
- Forca Policial - a body appointed for supervision and inspection with a view to ensure strict adherence of law.
- Foro - Land revenue, quit-rent
- Junta - Board. Junta do comercio Externo=Board for External Trade
- Khazan Land - Reclaimed land
- New Conquests - Provinces of Goa conquered or taken over by the Portuguese during a later period and which include all provinces other than Goa Island, Salsete and Bardez.
- Old Conquests - Early Conquests by the Portuguese in Goa. They include Goa Island, Salsete and Bardez.
- Patmarim - a Country craft
- Pauta - List. Pautas Aduaneiras = Custom Tariffs list
- Portaria - Government order
- Prazos de Coroa - Land grants by the Government
- Regedor - Village Chief
- Regimento - Standing Order
- Renda - Revenue from farmed out taxes
- Taverna - Liquour shop

ABBREVIATIONS

- HAG : HISTORICAL ARCHIVES OF GOA
- MR : MONCOES DO REINO

CURRENCY

| | | |
|------------------------|---|--|
| Xerafim (pl. Xerafins) | = | 5 tangas |
| | = | 1 Pardau |
| | = | 300 reis (singl. real) of Goa |
| | = | 160-200 reis fortes of Portugal |
| Tanga | = | 60 reis = 4 barganys |
| Rupia (Rupee) of Goa | = | 2 xerafins 2 tangas |
| Rupee of Bombay | = | 2 xerafins 2 tangas 30 reis |
| Rupia (Rupee) of Goa | = | 720 reis of Goa = 400 reis of Portugal |
| Cruzado | = | 1.33 xerafins = 400 reis of Goa |

After the signing of the Monetary Convention by the governments of Portuguese India and British India in Panaji on the 18th March 1880, 1 rupia of Portuguese India was made equivalent to 1 rupee of British India. Similarly 1 real and 1 tanga of Portuguese India were made equivalent to 1 pie and 1 anna, respectively, of British India.

| | | |
|--|---|--|
| Rupee | = | 16 Tangas or annas = 64 paisas = 192 reis or pies |
| Tanga of Portuguese India or anna of British India = 4 paise = 12 reis or pies | | |
| Paisa | = | 3 pies or reis |
| Escudo | = | 1/6 Rupee |

WEIGHTS AND MEASURES

| <u>Traditional</u> | = | <u>Metric</u> |
|---|---|--|
| 1 Seer | = | 933 grams |
| 1 Kudav or Curo = 2 pailis | = | 7.986 litres |
| 1 Khandi = 20 Kudavs or Curos | = | 159.72 litres |
| 1 Kumbh or Cumbo = 20 Khandis | | |
| = 400 Kudavs or Curos | = | 3194.4 litres |
| 1 Maund = 40 seers | = | 37.32 Kgms(equivalent to 82 and 2/7 pounds) |
| 1 Khandi of maund | = | 479.16 litres |
| <u>Metric</u> | = | <u>Traditional</u> |
| 1 Kilogram | = | 1.072 seers |
| 1 Tonne | = | 26.7952 maunds |
| <u>Avoir Du Poids</u> | = | <u>Metric</u> |
| 1 Pound | = | 453.4 grams |
| 1 Ton | = | 1015.66 Kgms |
| 1 Gone which is the load of a bullock or cow is considered equivalent to 15 Kudavs or Curos | | |

INTRODUCTION

1. The economy of Goa during 450 years of long rule by the Portuguese nation, remained a trade oriented economy, although agriculture was the main occupation of the population of the territory since the times of the colonisation of the west coast of India by the pre-Aryan people. Although rice was the principal agricultural commodity cultivated all over the territory, Goa was well known to the outside world as a producing centre and exporter of coconuts, arecanuts, salt and certain other export commodities. Thanks to its surplus production over and above the needs of the Goan economy, salt was one of the important export commodities in the external trade of Goa. The commodity was exported by land, riverine and sea routes to different parts of the Indian sub-continent, and by sea route, even beyond the Indian sub-continent to far off countries, both to the west and east of India. It was paying along with other export commodities for the imports of the merchandise, Goa was badly in need of, being a 'deficit' territory in the production of rice, clothes and other essential commodities. Thus, salt was playing an important role in the economy of Goa. The present study purports to assess this role in the context of the state of the Goan economy as a part of the economy of Portuguese India, during the 19th and 20th centuries, under the Portuguese rule. Thanks to the availability of rich archival material built over a long period of about 450 years of the Portuguese rule, literature relating to the historical past of Goa during this alien rule is abundant, especially, in Portuguese language. Most of these accounts have, however, exhibited their Luso-centrist or Euro-centrist bias and have, thus, made the colonial masters the centres of their attention. Until a few decades ago, the study of the Portuguese presence in India had been, mostly, concentrated on the political, administrative and military details, and the only economic aspect of this presence that had attracted the mind of the scholars, had been trade relations between Portuguese India and Portugal and its colonies. Even here, the emphasis had, mostly, been on oceanic trade and trade in spices. Periodwise, the 'Golden Goa' period of the 16th century had received the attention of the scholars, to the utter neglect of the period of decadence. It is heartening to note that this intellectual bias has been, slowly, waning, thanks to the new awakening among both old and

new scholars since the liberation of Goa, Daman and Diu. Emphasis has been shifted to hitherto neglected fields of enquiry like coastal trade, hinterland linkages of trade, the period of decadence of Portuguese India and other related areas of enquiry. Certain socio-economic aspects of Goa's past are, now, being focused, which has led to in-depth studies of certain socio-economic issues pertaining to this territory. However, despite these new trends in the Indo-Portuguese historiography, many areas of study concerning Goa's or Portuguese India's past await research in depth. Goa's economy during the Portuguese rule is one of such areas which awaits in-depth study at the hands of scholars.

Although literature on Comunidades (Village communities) and certain other economic areas is not lacking, many aspects of the Goan economy, namely, land relations, traditional industries, agriculture, tax system, population, poverty, internal trade, commercial relations with the neighbouring regions, financial position of the territory, economic dependence of Goa upon the mainland India and the impact of different Government policies on the Goan economy, invite our attention for their comprehensive and in-depth study. Even in the field of trade during the Portuguese period, commodity-wise study and study of trade routes not yet touched by the scholars, require the attention of academic fraternity. Mention must also be made of the utter neglect of the study of the economy of Portuguese India during the 20th century. Goan economy during the period after the end of the Anglo-Portuguese Treaty of 1878 and during the inter-war period, the effects of the two World Wars on the Goan economy and the state of the Goan economy during the last decade of the Portuguese rule, particularly, the impact of the Indian economic blockade, still remain untouched grounds from the point of view of their comprehensive and systematic study.

Against the background of these lacunae or inadequacies in the Goan historiography and in the studies of comparatively recent period of the Portuguese presence in India, the present study purports to be an attempt to focus, in a comprehensive manner, one of the oldest traditional and export-oriented industries of Portuguese India, that is, the salt industry. The study tries to present the working of the Goan salt industry and export trade in salt, and their importance in the economy of Portuguese

India, during the 19th and 20th centuries upto the downfall of the Portuguese rule in Goa, Daman and Diu. Washed on the western side by the waters of the Arabian sea, Goa has been, since times immemorial, an ideal place for solar salt works on account of the favourable factors in the form of an abundant source of salt water, large tracts of land for the evaporating ponds and a hot climate to hasten evaporation. Daman and Diu, on the Gujarat coast, have also been the producers of solar salt on account of their favourable natural conditions. Goan salt was not only an export commodity, but also an important commodity of internal consumption, well-known for its domestic use as a condiment and preservative, and its use for fish curing and as a manure. So far, no comprehensive and in-depth study has been made in this important area of the Goan economy.

The present study of salt industry and salt trade of Goa will, thus, be an attempt to fill up one of the gaps in the study of different dimensions of the Goan economy during the Portuguese rule, and will try to contribute to the existing knowledge of Goa's historical past. It will examine the different factors which shaped the destiny of this agro-based industry in Portuguese India. Since the study covers the period from the beginning of the 19th century upto the year when the Portuguese rule on the western coast of India breathed its last, it presents a comprehensive view of the historical evolution of the salt industry and salt trade, and their importance in the Goan economy in different sub-periods. By focusing this historical evolution, the present study will help to understand the genesis of the present state of this industry in Goa.

2. Scope of the study

The present study covers the following aspects of the subject at different periods of time during the 19th and 20th centuries under the Portuguese rule:-

1. The state of the Goan economy touching upon different sectors of the economy, namely, agriculture, industries, external trade, and, also, other indicators of the state of the economy like population, migration etc. In order to have a glimpse of the contributing factors which determined the state of the economy in the 19th century, the pre-19th century economy of Goa is also covered by the present study for its brief review.

2. Concentration of the salt industry in 4 Concelhos of Goa, namely, Salsete, Goa Island, Bardez and Pernem; factors favourable to salt production in Goa; technique of production of salt and various uses of salt in Goa.
3. Production of salt in different salt-producing Concelhos in terms of quantity and value and changes in the same, over different periods of time.
4. Population of salt producers and salt workers and changes therein, over different periods of time.
5. Exports of salt and changes therein, over different periods of time.
6. Relative importance of salt in the Goan economy, particularly, in the agricultural sector and the external trade sector of the economy, and, also, vis-a-vis other principal export commodities of Portuguese India.
7. Impact of the policies of the Portuguese Government in Goa and the policies of the neighbouring British India government and, in the later period, of the Government of free India on the salt industry and salt trade of Goa, particularly, the long ranging effects of the Anglo-Portuguese Treaty of 1878 and the Indian blockade of 1954.
8. Effects of other factors on the salt industry and salt trade of Goa.

3. Objectives of the study

As mentioned above, the main aim of the present study is to understand the working of the salt industry and salt trade of Goa and its relative importance in the Goan economy, during the 19th and 20th centuries, under the Portuguese rule. The present study purports to examine the state of the Goan economy during this period in the light of the study of the main subject of the thesis. The specific objectives are laid down as per the aforesaid main aim of the study, which are as follows:-

1. To study all the aspects of the production of salt in Goa, including the quantity of salt produced and its value, over the period of time under study, and analyse the relative importance of salt production in the Goan economy.
2. To know the total exports of salt from Portuguese India during the period under study, analyse the changes in them and assess the relative impor-

tance of salt exports in the external trade of the territory, and vis-a-vis the other principal export commodities.

3. To examine and to discern the impact of the different factors which shaped the destiny of the Goan salt industry in the course of the history of Goa during the period under study, namely, the Anglo-Portuguese Treaty of 1878, the restrictions imposed by the Bombay Presidency government on the export of salt from Portuguese India after the end of the Treaty, and the Indian economic blockade of 1954.
4. To identify, along with the above factors and developments other factors which influenced the state of the salt industry in Goa, so as to facilitate the correct understanding of the present state of this industry.
5. To understand the state of the Goan economy during the period under study, while focusing the main area of the study.

4. Hypothesis

The following hypothesis formulated on the basis of the identification of different dimensions of the subject, was tested against the data collected and analysed at various phases of the research work.

1. The annual production of salt in Goa increased during the 19th century upto the implementation of the Anglo-Portuguese Treaty of 1878, in 1880. It was less during the period of the Treaty and even after the period of the Treaty, particularly, during the 20th century, than what it was before its implementation. The production of salt during the later period of the Portuguese rule was less than what it was in the 1930s.
2. During the major period of the 19th century, the burden of the export duty on salt was much more than the burden on the other export commodities.
3. The Anglo-Portuguese Treaty of 1878 caused great harm to the salt industry and to the salt producers and salt consumers of Goa, Daman and Diu.
4. The annual exports of salt before the implementation of the Treaty of 1878 in 1880 were much higher than those during the period after the Treaty, particularly during the 20th century. The exports of salt during the 20th

century decreased on account of the failure of the salt-producers to effect improvements in the methods of salt production and restrictions on the export of salt into India imposed from time to time by the Government of British India and, then, of free India.

5. The relative importance of salt in the external trade of Portuguese India decreased during the 20th century in terms of its share in the overall export trade and the percentage of the exports of salt to the overall import trade of Portuguese India.
6. The economy of Portuguese India continued to be decadent and stagnant during the 20th century on account of undeveloped agriculture and totally backward manufacturing sector which reflected in its external trade sector. The stagnation in the above three sectors and in the salt industry was the outcome of the failure of the local government to introduce appropriate measures to strengthen these sectors and the salt industry, and the attitudes of the people which were unfavourable to development.
7. The boom period which was witnessed during the later period of the Portuguese rule in Goa was destined to be short lived as it was wholly dependent upon the growth of mineral ore exports. It did not change the basic structure of the Goan economy, and, so, the economy continued to remain backward.
8. The economic blockade imposed by India severely affected the traditional exports of Portuguese India.

5. Methodology of the study

Since the present study is of the nature of historical research concerned with the economic aspect of a problem, the methodology adopted for the purpose is framed as per the requirement of the historical research into an economic problem. Keeping up with the subject of the research study, the scope of the study is defined and different dimensions of the subject are identified, as explained in the section of "Scope of the study". The period under study is divided into the following sub-periods:- (i) The period from the beginning of the 19th century upto the year of the implementation of

the Anglo-Portuguese Treaty of 1878, (ii) The period of the tenure of the Anglo-Portuguese Treaty of 1878, (iii) The period beginning from the end of the above Treaty upto the year of the beginning of the Great Depression, (iv) The period beginning from the Great Depression upto the year of the beginning of the economic blockade imposed by the Government of India on Portuguese India, and (v) The period from the beginning of the economic blockade upto the end of the Portuguese power in Goa, Daman and Diu.

After defining the temporal universe of the study in the manner as given above, sources of historical data are identified for the purpose of collecting data for the relevant sub-periods under study. Sources of historical data required to understand the state of the economy of Goa in the pre-19th century period under the Portuguese rule and, also, to focus the basic information on salt, the geographical and historical setting of Goa and salt in the historical perspective of the world and India are, also, identified.

Two types of sources of historical data are drawn upon, to collect the relevant data for the present study: (a) Primary sources and (b) Secondary sources. Data are collected from both types of primary sources: (i) Archival sources and (ii) Published primary sources.

6. Sources of data collection

As regards archival sources relevant manuscripts available in the Goa Archives are examined to collect data for the pre-19th century period and the period covering the 19th century. The Goa Archives constitutes one of the most ancient repositories of records in India, providing primary source material relating to the history of European expansion in Asia and Africa and, especially, the rise, fall and decay of the Portuguese power in Asia. Built up over a period of more than 400 years, it houses a very large number of documents which are, also, valuable primary sources to study the history of the erstwhile Portuguese India, particularly, the economy of the territory. Most of these documents are in Portuguese language. As the present researcher completed his higher studies in the Portuguese medium, during the Portuguese rule in Goa, it was comparatively easy for him to collect the required data from

both primary and secondary sources in Portuguese language. The Goa Archives houses different series of records, namely, “Moncoes do Reino” (Monsoon series), “Correspondencia para O Reino” (Correspondence directed to Portugal), “Estrangeiros” (Foreigners), “Reis Vizinhos” (Neighbouring Kings), “Alfandegas” (Customs series), “Arrematacao das Rendas” (Revenue Farming), “Mocambique” (Correspondence from Mozambique) and other series. Among these series of records, the series “Moncoes do Reino” (Monsoon series) is more extensively used by the present researcher. “Moncoes do Reino” is one of the largest collections at the Goa Archives. The manuscripts in this series contain letters, instructions, reports and other official matters received by the Government of Portuguese India from the National Government at Lisbon, during the monsoon period, and copies of the replies dispatched from Goa to Portugal. It throws light on administration, legislation and also on the economy of Portuguese India, during the period upto 1914. This series is examined to collect data for the pre-19th century period and the 19th century period, under the present study.

The manuscript pertaining to the correspondence of the Commissariat of Salt and Abkari with different authorities, is also used for collecting data.

The present study has drawn heavily on the published primary sources of data collection. Special mention must be made of the Government Gazettes of Portuguese India and the reports of the Governors-General of the territory, dispatched to Portugal. The “Boletim do Governo” and, later on, “Boletim Oficial” which were the government gazettes in Portuguese India, published government legislations, orders, reports and other documents. They give us a glimpse of the administrative, legislative and other policies of the Portuguese government and provide us important economic data. The reports of the Governors-General of the territory directed to the National government at Lisbon, also offer a picture of the Goan economy during the concerned period. Data are collected from these sources and, also, from the published accounts of the voyages and travels left behind by the Europeans who visited Goa during the previous centuries. The published reports of different government departments like the report of the Commissariat of Salt and Abkari during the tenure of the Anglo-

Portuguese Treaty of 1878, the reports of the Customs reforms, the Census reports etc. are, also, examined.

Among the sources from where data were collected, the following works deserve special mention. Since the details of these titles are given in the section of the bibliography of this thesis, full titles of these works are not given for the sake of convenience. Some of these works include:-

- a) "Instrucoes com que El-Rei D. Jose I mandou passar ao Estado da India" edited by Claudio L. M. de Barbuda. The book contains also notes of the editor on custom houses, Gauncars, economy of Goa, trade and other matters.
- b) "Statistical Report on the Portuguese Settlements in India" prepared by captain Kol for the Bombay Government.
- c) "Collecao de Bandos ----" edited by Felipe Nery Xavier, which include proclamations, decrees, royal orders etc. relating to New Conquests
- d) "Ensaio sobre a Estatistica do Estado da India" by Francisco M. Bordalo, which provides statistical information about Portuguese India.
- e) "Estatistica da India Portuguesa Confeccionada" by Joao Stuart da Fonseca Torrie, which gives statistical data pertaining to Portuguese India.
- f) "Collecao de Tratados e Concertos de Pazs ----", edited by Julio F. J. Biker, which contains the treaties and peace agreements signed by the Portuguese and includes, also, other important documents.
- g) "Bosquejo Historico das Comunidades" edited by Felipe Nery Xavier, which provides information on the comunidades of the villages of Goa Island, Salsete and Bardez and offers a glimpse of the economic position of Goa in the previous centuries.
- h) "Gabinete Literario das Fontainhas", a periodical edited by Felipe Nery Xavier, which gives us the discription of villages and information about agricultural production, imports of rice, custom duties structure etc., pertaining to Goa.

Secondary sources, published in the 19th century itself and throwing light on the economy of Goa during the same century, are extensively used by the present researcher. Prominent among such works are the following:

1. "An Historical Sketch of Goa" (Dennis Cottineau de Kloguen),
2. "A Liberdade da Terra" (Francisco Luis Gomes),
3. "An Historical and Archaeological Sketch of the City of Goa" (Jose Nicolao de Fonseca)
4. "The Portuguese in India" (F. C. Danvers), and
5. "A India Portuguesa" (A. Lopes Mendes).

Data are also collected from the printed works published in the 20th century, prominent among them are the following:-

1. "Subsidios Para a Historia Economico-Financeira" (J. B. Amancio Gracias)
2. "O Caminho de Ferro e Porto de Mormugao" (J. B. Amancio Gracias)
3. "Etnografia da India Portuguesa" (A. B. Braganca Pereira)
4. "Historia de Goa". (M. J. Gabriel Saldanha)
5. "A India Portuguesa, Estudos Economico-Sociais" (F. X. Ernesto Fernandes)
6. "The New Cambridge History of India, Portuguese India" (M. N. Pearson)
7. "Trade and Finance" (Celsa Pinto)
8. "Goa: Images and Perceptions" (Celsa Pinto)
9. "Goa through the Ages, An Economic History" (Goa University Publication edited by Teotonio R. De Sousa)

As regards the Goan economy and the Goan salt industry in the 20th century, during the Portuguese rule, information and data are collected from a large number of the Yearbooks of Portuguese India, Statistical yearbooks published by the Governments of Portuguese India and the National Government, books containing statistics of foreign trade of Portuguese India published by Portuguese India Government, reports of the Governors-General of the territory, reports of different Government departments and financial institutions and other sources published from time to time.

Notable among them are the following: (a) Anuario da India Portuguesa, (b) Anuario Estatistico da India Portuguesa, (c) Estatistica do Comercio Externo, and (d) Relatorio da Caixa Economica. All the above sources are published primary sources of data collection. In addition to these, printed works of the nature of secondary sources are also used. Besides books, they include periodicals giving economic data and other information, namely, "Boletim Informativo" published by Junta do Comercio Externo (Board of External Trade), "Boletim Trimestral" and Boletim oficial (Government Gazette). Information and data are also derived from the issues of "Republica Portuguesa" which describe the proceedings of the sessions of the "Conselho do Governo", the Gazetteer of Goa, Daman and Diu, Techno-economic Survey of Goa, Daman and Diu published by NCAER, New Delhi, and also from some of the published collections of the papers read at, in all nine conferences, of the "Congresso Provincial" which was established in 1915, at the initiative of the Portuguese government, to act as a forum to deliberate on the social and economic problems of Portuguese India and to recommend measures.

Measures, weights and currency:- The quantities of salt and most of the other commodities are given, in this study, in the traditional measures of kumbhs and khandis upto the period before the implementation of the Anglo-Portuguese Treaty of 1878, as these were the measures generally used in Goa during this period. After the implementation of the Treaty, maund started being used as a measure of weight in Goa. This change is obviously reflected in this study and, thus, quantities are given in maunds for major part of the period upto the end of the Portuguese rule. The quantities measured in maunds are converted into metric tonnes since metric measures are officially used in India. Tonnes as referred to in this study, thus, mean metric tonnes. During the major part of the 19th century, xerafim was the currency of Goa. In the early 1870s, however, values began to be measured in reis. As per the Monetary Convention of 1880 signed by the Governments of Portuguese India and British India, the currency Rupee of both the territories was made equivalent and Rupee became the main currency of Portuguese India. This change in the currencies of Portuguese India is reflected in this study and values are measured in the currencies which were in force

during different periods. Although during the last few years of the Portuguese rule, Escudo was the official currency of Portuguese India, the present study has converted the values in Escudos into Rupees at the official rate of 1 Rupee = 6 Escudos.

Limitations of the study, as regards data collection: Since the present study is in the form of a historical research, it could be pursued by the researcher within the confines of the availability of the data fulfilling the purpose of the study. Consequently, the present researcher had to be satisfied with limited quantity of data in respect of certain areas of the problem under study. On account of this limitation, conclusions had to be drawn on the basis of the limited but reliable data collected for the purpose in hand. Data regarding actual production and export of salt during the pre-19th century period were not available. Similarly, the present researcher could not get data of production of salt and other main agricultural commodities for the first 23 years of the 19th century. Data were available only for the years 1824, 1825, 1844, 1849 and 1876, and for the period during the tenure of the Treaty of 1878. The role played by the salt production in the agricultural sector of the economy in terms of its share in the value of the total agricultural production, and the rate of change in the salt production are examined on the basis of the data pertaining to most of these years. Similarly, the data pertaining to the export trade of Goa and exports of salt before the Treaty of 1878, were available for the years 1844 and 1878-79 only. The share of salt in the total export trade of Goa during this period was derived on the basis of these data. After the denouncement of the Treaty of 1878 in 1892, neither the data of the Concelho-wise production of salt and agricultural commodities nor the data of the total production of these commodities were available for the major part of the 20th century. The data of the total production of salt were available from 1938 onwards. It was, therefore, necessary to depend on the data of the total import and export trade, and exports of salt and other principal export commodities of Portuguese India to assess the role played by salt in the economy of Goa during the major period of the 20th Century. The data regarding regional income and balance of payments were not available as the same were not computed by the Portuguese India government. The data of production of salt were easily available for the last decade of the Portuguese

rule in Goa. They are analysed to draw conclusions on the role played by salt in the economy of Goa, during this period.

7. Analysis of data

The present study being of the nature of a historical research into an economic problem, bases itself on the documentary evidence provided by both primary and secondary sources. Being a study on the working of the salt industry and salt trade of Goa, data related to (a) production of agricultural goods and salt, (b) total import and export trade, (c) exports of salt and other principal export commodities, (d) employment in the salt industry, in Goa or Portuguese India, and other relevant data are collected to highlight the role of salt in the Goan economy. These data are analysed to derive the following:

1. Percentage change in the production of salt over the period of time under study
2. Percentage share of the export of salt and other principal export commodities in the value of the total export trade.
3. Percentage of the value of the salt exports and the exports of other principal export goods to the value of the total import trade of Portuguese India to enable to measure the relative capacity of the salt exports and the exports of other principal export goods to pay for the import trade obligations of the territory.
4. Average prices received by the salt exports and the exports of other principal commodities over the period of time under study.
5. Percentage change in the exports of salt and other principal export commodities during different periods of time.
6. Change in the population of salt producers and salt workers in Goa.

8. Review of the literature on salt

Although, no comprehensive study of the salt industry and salt trade of Goa during the 19th and 20th centuries, under the Portuguese rule, has, so far, been made, two research-studies on Goan salt are worth mentioning here. One is the unpublished dissertation entitled "The Goan Mithagar (A study of salt makers of Bhati), submitted

by Ryna Sequeira to the Goa University for the degree of Master of Arts. It discusses the methods of salt production in Goa, the problems faced by the salt makers of Goa in the light of the experiences of the salt makers of Bhati and causes of the present state of the salt industry in the territory. The second study is the unpublished dissertation entitled "Microbiological Study of Saltpans in Goa" submitted by Fatima Sequeira to the Goa University for the degree of Master of Science. Alongwith the main theme of the study, it examines, the problem of pollution of the salt pans in Goa. Another unpublished dissertation on Goan salt is the one submitted by Sajna N. A. Fernandes to Goa University for the award of the post-graduate diploma in environmental pollution control technology. Entitled as 'Impact of Aquatic Pollution on Salt Industry of Tiswadi Taluka' it focuses the effects of aquatic pollution on the salt pans of the Tiswadi Taluka in Goa. Techno-economic Survey of Goa, Daman and Diu, conducted by National Council of Applied Economic Research has highlighted the state of the salt industry of Portuguese India at the time of the liberation of the territory. Alberto da V. Lobo's article in Goa Today (May-June 1967) entitled "The Salt Industry" dwells upon the state of the salt industry of Goa during the mid-sixties, highlighting the performance of the industry and the causes of its decline, and examining, in detail, the scope for the allround growth of the industry in the future. During the first half of the 20th century, two scholars studied the state of the salt industry in Goa. J. B. Amancio Gracias in his book "O Caminho de Ferro e o Porto de Mormugao" analysed the impact of the Anglo-Portuguese Treaty of 1878 on the Goan salt industry, and F. X. Ernesto Fernandes in his "A India Portuguesa, Estudos Economico-Sociais" examined the position of the Goan salt industry at the dawn of the 20th century. "History of Mormugao Port" compiled by Amaro Pereira in the recent period, gives also an account of the impact of the Anglo-Portuguese Treaty of 1878 on the salt industry in Goa. The Commission for the Regulation of Chemical and Pharmaceutical Products of the Portuguese Government at Lisbon which made a study of the salt production in Portuguese India in 1959 published a booklet entitled, 'Producao de Sal na India Portuguesa'. It throws light on the process of salt production and other related aspects of the salt industry in Portuguese India. Mario Cabral e

Sa's work entitled "Song of the Golden Gateway....." makes brief reference to the state of the Goan salt industry after the imposition of the economic blockade by India in 1954. As mentioned by Techno-economic Survey of Goa, Daman and Diu, the Directorate of Economics had prepared "A Short Note on Salt Production in Goa" after the liberation of the territory. However, the note was not available to the present researcher. "Goa under the Anglo-Portuguese Treaty of 1878", a paper published in the collection of papers entitled "Goa; Images and Perceptions", authored by Celsa Pinto, examines, in a comprehensive way, the impact of the Anglo-Portuguese Treaty of 1878 on the Goan salt industry.

Literature on salt industry in India is not prolific. There are few works on the subject. Two of them make comprehensive and systematic study of the salt industry in India. S. C. Agarwal's "The Salt Industry in India" is a successful attempt to present different aspects of salt production in India. It discusses, among other dimensions of the subject, geographical distribution of salt production, technology of salt production, Indian salt industry during the Pre-British period and history of salt revenue in India. S.K. Dravid's work is equally comprehensive. His "Development of Salt Industry in India" examines, inter alia, growth of salt industry before and after independence, technology of manufacture of salt, distribution channels of salt, and finance, price policy and labour in salt industry. M. P. Bhat and K.K. Bokil have reviewed "Salt industry in India from fifties to eighties" in "Salt Research and Industry", Volume 18, No1 March 1982. "Salt industry of Bengal, 1757-1800" is the study made by Barui Balal in the interaction of British monopoly control and indigenous enterprise. Even though S. C. Agarwal and S.K. Dravid examine salt industry in India, there is no discussion of Goan salt industry in their aforesaid works. Against the background of this existing literature on Goan salt and salt industry in India, the present study is the first of its kind to study Goan salt industry and salt trade during the 19th and 20th centuries, under the Portuguese rule, in a comprehensive manner. It is, also, the first attempt to present the Goan economy, more particularly, the external trade of Portuguese India, on a wider canvas of the 19th and 20th centuries until the end of the Portuguese power in Goa, Daman and Diu. Taking into consideration this

aspect of the present study, it is an original contribution to the existing knowledge of Goa's economy during the Portuguese rule.

9. Chapterisation

The entire thesis is organised into an introduction, seven chapters and conclusions of the study.

The first chapter Entitled "Salt - The World, India and Goa", places the commodity under study in the world perspective by highlighting its properties and different sources of its production in the world and, also, its importance in the world history. The chapter places the commodity in the Indian perspective and proceeds to outline geographical and other features of Goa, Daman and Diu and, also, the historical setting of Goa. It offers us a picture of the factors favourable to salt production in Goa and areawise concentration of the salt industry in this territory. Technique of production of salt in Goa and various uses of salt, in general and in the Goan context, are also examined in this chapter.

The second chapter entitled "State of the Goan economy and salt in the pre-19th century period". offers a broad but brief outline of the evolution of the Goan economy since the days of Goa's conquest by the Portuguese. It traces the movement of the Goan economy from the Golden period of economic prosperity to the economic decline which started in the beginning of the 17th century and continued thereafter. The chapter describes the factors which contributed to the economic decline of Goa and gives a brief account of the state of the Goan economy in the 17th and 18th Centuries. Against this background, the chapter deals with the localisation of the salt industry in Goa and the importance of salt in the Goan economy during the period. It focuses also the different land routes through which salt was being carried to the hinterland of India and identifies different ports on the Indian coast and foreign regions to which salt was being carried by coastal vessels and other ships.

The third chapter bearing the title of "Salt and Goan economy during the 19th century prior to the Anglo-Portuguese Treaty of 1878" begins with the brief discussion of the Goan economy in the first few decades of the 19th century and traces economic, political and other factors which influenced the Goan economy. It provides a glimpse of

the state of agriculture, manufacturing, communication sector, external trade, and population and living standards of the people during the period upto the implementation of the Anglo-Portuguese Treaty of 1878. It, then, proceeds to examine the position of salt production in the agricultural perspective of the Goan economy. It throws light on the production centres of salt, area-wise output of salt, the relative importance of salt production vis-a-vis the production of other agricultural commodities, change in the production of salt in different salt producing centres of Goa, the population of salt producers and workers, and production of salt as contributed by different production agencies. As regards the export of salt from Goa, the chapter discusses the role played by salt in the external trade of Goa by highlighting the share of salt exports in the total export trade of Goa and the share of salt in the total export duties revenue of Goa. Measures adopted by the Portuguese Indian government which influenced the external trade of the territory and government measures and policies to promote the salt industry and salt trade are also examined in this Chapter.

The fourth chapter is entitled "The Anglo-Portuguese Treaty of 1878 and its impact on the salt industry in Goa". The main focus of this chapter is the impact of the British salt monopoly created by the Anglo-Portuguese Treaty of 1878 in Portuguese India, on the salt industry of Goa. The chapter begins with a brief discussion of the features of the Treaty of 1878 and delineates the factors and developments which contributed to the signing of the Treaty by the Portuguese government, and the motives of the British government behind the signing of the same. It, then, proceeds to describe the features of the British salt monopoly in Portuguese India and examines the state of the salt industry during the tenure of the Treaty by highlighting the following: (i) Change in the total production of salt in Goa and in the Concelhowise production of salt, during the period of the Treaty, (ii) Change in the number of salt works in Goa, which were actually under operation, during the period of the Treaty, (iii) Public distribution of salt during the period of the Treaty, (iv) Population of salt producers in Goa, and (v) exports of salt from Goa. The chapter discusses, then, at length, the economic and social impact of the Anglo-Portuguese Treaty of 1878 on Portuguese India by focusing both favourable and harmful effects of the Treaty, with particular

reference to the effects of the British salt monopoly on the Portuguese Indian economy, in general, and the people in particular.

The fifth chapter bears the title of "Salt and Goan economy after the denouncement of the Anglo-Portuguese Treaty of 1878, till 1929" and begins with the brief discussion of the implications of the denouncement of the Treaty. It, then, throws light on the economy of Goa and other Portuguese possessions during the period after the denouncement of the Treaty, under the following heads: (i) Agriculture and Goan economy (ii) The manufacturing industry in Goa, (iii) External trade of Portuguese India, (iv) Emigration as an indicator of decadence, (v) Republic and decentralisation, (vi) The performance of Mormugao port and railway line in Goa as an indicator of decadence. The chapter, then, devotes itself to the discussion of the state of the salt industry after the end of the Treaty of 1878. It reveals how the salt industry and salt trade of Goa and Daman were severely affected by the two notifications of the Government of the Bombay Presidency, which restricted the movement of the Portuguese Indian salt to Bombay Presidency. The chapter discusses, briefly, localisation of the salt industry in Goa, production of salt in Portuguese India and the population of salt producers in Goa. It, then, proceeds to explain the role played by Goan salt in the external trade of Portuguese India, under the following heads: (i) Volume of the import and export trade of Portuguese India and its direction, (ii) The shares of the annual export of salt and other selected export commodities in the annual export trade, (iii) The percentages of the annual exports of salt and other selected export commodities to the annual import trade, (iv) The percentage change in the exports of salt and other selected export commodities during the period under study, and (v) The average price received by salt and each of the other selected export commodities from the export trade. The chapter gives also an account of the measures adopted by the Government of Portuguese India to revive the economy and promote the salt industry.

The sixth chapter, entitled as "Goan economy and salt from 1929 till the imposition of the economic blockade by India", examines the position of salt industry and salt trade of Goa during the period beginning with the start of Great Depression and covering the Second World War. The period ends during the year when India imposed eco-

conomic blockade on Portuguese India. The chapter gives an account of the state of the economy of Portuguese India under the following heads:- (i) the state of agriculture as depicted by the imports of rice and other food items, (ii) the state of the manufacturing industry and (iii) Volume and direction of the import and export trade of Portuguese India during the sub-periods 1929-1938, 1939-1945 and 1946-1954. The chapter, then, proceeds to focus the main area of study, i.e., the state of the salt industry and salt trade in Goa by discussing the following:- (a) Production of salt in Goa, (b) Manpower in the salt industry, and (c) role played by salt in the external trade of Portuguese India. The role played by salt in the external trade is explained under the following heads:- (i) The percentage shares of the annual exports of salt and each one of the other selected export goods, in the annual export trade of Portuguese India, (ii) The percentages of the annual exports of salt and each one of the other selected export goods, to the annual import trade of Portuguese India, (iii) The percentage changes in the annual exports of salt and each one of the selected export commodities during the period under study, and the comparison of the percentage change in the annual export of salt with the percentage change in the annual export trade of the territory, and (iv) average prices received by salt and other selected export commodities in the export trade.

The seventh chapter is entitled "Indian economic blockade, Goan economy and salt". The main focus of this chapter is the impact of the Indian economic blockade on the Goan economy, in general, and the salt industry and salt trade, in particular. The chapter begins with a brief account of the causes that compelled the Government of India to impose an economic blockade on Goa, Daman and Diu and, then, discusses briefly the implications of the blockade for the Goan economy. It examines further the state of the Goan economy, in general, and salt industry, in particular, at the time of the imposition of the economic blockade. The state of the economy of Goa during the period of the blockade is, then, studied under the following heads:- (i) agriculture (ii) industrial sector and (iii) external trade of Portuguese India. The state of the external trade is examined under the heads: - (a) Volume of the import trade and export trade of the territory and (b) the direction of the import and export trade. The chapter,

then, proceeds to analyse the impact of the blockade on the salt industry and salt trade under the following heads:- (i) Production of salt, (ii) Population of salt producers and salt workers, and (iii) Export of salt. The role played by the export of salt in the external trade of Portuguese India is focused under the following heads:- (i) The percentage shares of the annual exports of salt and each one of the other selected export goods, in the annual export trade. (ii) The percentages of the annual exports of salt and each one of the other selected export goods to the annual import trade. (iii) The percentage changes in the annual exports of salt and each one of the selected export goods, during the period under study, and the comparison of the percentage change in the annual export of salt with the percentage change in the annual export trade of the territory, and (iv) average prices received by salt and other selected export goods in the export trade. Government measures to fight the challenge of the Indian economic blockade, in general, and measures to protect the salt industry in Portuguese India, are also discussed in this chapter.

Conclusions : This is the concluding chapter of the thesis. It is based on what was discussed in the earlier chapters. The conclusions are drawn on the basis of the testing of the hypothesis against the data collected and analysed at the various stages of the study. The chapter briefly relates these conclusions to the present state of the salt industry in Goa.

Appendix contains the text of the important provisions of the Anglo-Portuguese Treaty of 1878.

Two Maps, one showing the production centres of salt in India and the other indicating the production centres of salt in Goa are also included.

Bibliography contains references in Portuguese, English and Marathi language.

CHAPTER ONE

SALT - THE WORLD, INDIA AND GOA

1.1 INTRODUCTION

As one of the oldest commodities used in man's food, salt occupies an important place in the history of human civilisation on earth. The value of salt was known long before man began to write history. One can state without much exaggeration that history of salt is the history of human civilisation. Salt is a mineral of universal distribution, which makes the production of salt as one of the widely distributed mineral industries. The earth which is rightly considered a water planet as land occupies less than one third of its surface, has 1350 million km³ of water in its oceans which hold unimaginably huge quantities of salt. Although salt is available in different forms including rock salt deposits, brine, i.e. salty water, is the source of all salt on the earth. Man began to consume salt as an essential commodity in his diet, when, in the course of time, he substituted raw food by cooked food. Salt has come to occupy such a significant place in the modern world that salt and salt-based products have become important determinants of industrialisation all over the world.

Since ancient times, salt has played an important role in the economic life of India which is today one of the leading producers of salt. The country produces most of its salt by the method of solar evaporation of sea water and natural brines. Goa was known to the ancient India as one of the important salt-producing regions, situated on the west coast of India, and favourably suited to solar salt works. The present chapter discusses the varied aspects of salt and its importance in the context of the world, India and Goa.

1.2 SALT - ITS PROPERTIES AND SOURCES

Salt is a mineral substance whose chemical name is sodium chloride and its chemical formula is NaCl. Sodium Chloride is the simplest type of chemical salt. It consists of the elements sodium and chloride and its mineral name is Halite.¹ It is called common salt to distinguish it from a class of chemical compounds called salts. Salts usually form clear crystals that are almost perfect cubes.² Its physical form at room temperature is colourless, transparent or translucent cubic crystals. It is a clear

and brittle mineral. Although salt is colourless when it is pure, impurities in it may make it appear to be white, grey, yellow, red, brown or blue. It is hygroscopic in the sense it absorbs atmospheric moisture and in pure form will lump together unless counter measures are taken. Its density is such that it is 2.165 times as heavy as water at 0 degree C. (32 degree F). The melting point of salt is 800 degree C. (1472 degree F), which is bright red heat. Vapourisation begins near this temperature. It dissolves easily in cold water, a little more readily in hot water. 100 parts by weight of water dissolves 36.0 parts of salt at 20 degree C. (68 degree F). The specific gravity of such solution is 1.2. Salt is also soluble in glycerin, slightly soluble in alcohol or liquid ammonia, and insoluble in concentrated hydrochloric acid.³ Chemically, salt is a compound and, as such, it is formed when hydrogen ions of hydrochloric acid are replaced by the sodium ions(cations) of sodium hydroxide. A molecule of common salt contains an atom of chloride combined with 23 parts by weight of sodium to form 58.5 parts of common salt. Pure sodium chloride is not deliquescent. It, however, absorbs moisture on account of the presence of magnesium chloride. The specific gravity of salt crystals is 2.16. It is fairly hard. As per Moh's table of hardness, the hardness of salt is 2.5. Salt has acoustic properties, i.e., it is a good medium of sound transmission. The smallest quantity perceptible to taste is 68 grains of salt dissolved in a gallon of water.⁴

The source of all salt - even deposits that are located underground - is brine(salty water) from seas, salt lakes and similar bodies of water. Salt deposits that now lie underground were formed by the evaporation of sea water, millions of years ago.⁵ Although the material that gives sea water its salty flavour is comprised of many substances, sodium chloride is the most predominant compound among these substances.⁶ The salinity of the ocean water is 33 to 38 parts per thousand, containing virtually, all elements although in minute amounts. The average salinity of sea water is about 3.5%. Sulphate, chloride, sodium and magnesium constitute major percentage of the dissolved substances. Sodium and chloride together forming common salt, however, contribute more than 85% of the substances dissolved in the ocean water.

Salt makes up almost 80% of the total dissolved solids in ocean water. The proportion of most dissolved elements are remarkably constant.⁷

Sea water is salty because rain water dissolves minerals containing sodium and chlorine in rocks and soil, and rivers carry these minerals to the sea. Thus, the dissolved salts in the sea come from weathering on the continents. As mentioned above, earth is a water planet since land occupies less than 1/3rd of its surface and has 1350 million km³ of water in its oceans. With a surface area of 362 million km² and a mean depth of 3.8 km., the oceans hold enough salt to cover Europe to a depth of 5 kms.⁸ If the oceans of the world were completely dried up they would yield at least 4500000 cubic miles of rock salt, or about 14.5 times the bulk of the entire continent of Europe above high-water mark. Sea water contains on an average about 3% of salt, although the actual concentration varies from about 1% (in the polar seas) to 5%.⁹ The other minerals contained in the sea water, which are mostly compounds of calcium, potassium and magnesium, are about 1%. The colour of sea water is affected by the percentage of salt in it. As the quantity of salt decreases, the colour changes from blue to green.¹⁰

In the ancient world, almost all of the salt used in commerce was produced from the evaporation of sea water, although other sources were also tapped, but to a smaller extent.¹¹ The people knew the technique of entrapping the sea water by damming off flooded areas, during high tides just before the dry season.¹² This process was known to the Indian people during the Vedic age. The sea water was moved through a series of evaporating ponds in order to, finally, extract the crystals of salt. Much salt is now produced in the arid countries by this method. In almost all countries the process of solar evaporation of sea water is similar in principle, although details of evaporating ponds vary with local conditions.¹³

The ancient world knew, also, the technique of extracting salt from the beds of rock salt. This process was known to the people of the Bronze age. This source is tapped by mining or quarrying the beds of rock salts by way of excavation.¹⁴ Much before 300 B.C., salt was extracted from the salt mines of the Northern India. Rock salt is now extracted not only by usual excavation methods, but also by dissolving the

rock salt by pumping water down the salt strata through the specially drilled wells and treating the returning brine the way the natural brines are done. Another source of salt extraction which was known to the ancient world, was the exploitation of natural brines found in large parts of the world. The method of solar evaporation was being adopted to extract salt from the brines.¹⁵ In modern times, on account of impracticability of manufacturing salt by means of solar heat, artificial heat is used to concentrate and evaporate the brines, in England, Germany, the U.S.A. and some other countries. Salt is also obtained from the artificial brines which are created by pumping water into wells drilled into underground salt beds and then pumping up the aqueous solution of salt.¹⁶

As a mineral of universal distribution, salt is obtained from the following sources: (1) Sea. It is the biggest storehouse of salt. Common salt forms 76% of the total salts dissolved in sea. Sea contains 58,000 cubic miles of salt. (2) Salt lakes. It is another store of salt. Dead Sea and Sambar Lake (India) are the examples of salt lakes. (3) Brine springs. They are subterranean streams impregnated with salt from percolating through saliferous strata. They are found in the U.S.A., England, Germany and some other countries. (4) Spontaneous salt or naturally formed surface salt. It is found in many parts of the world. In India, Uttar Pradesh and Coromandel coast in Tamilnadu are the regions where such salt is found. (5) Rock salt. It is mined in many countries which include U.S.A., France, Pakistan etc. In Pakistan, Punjab Salt Range contains some of the richest deposits of rock salt in the world. In India rock salt deposits are found in Mandi in Himachal Pradesh. Leading producers of salt include the U.S.A., China, Russia, Germany, India, France, Great Britain and Canada. Poland, Rumania, Spain, Netherlands, Israel, Mexico, Brasil and Australia are also contributing substantially to the world production of salt. Among all these salt producing countries, the USA is the largest single producer of salt.¹⁷ In 1905 its annual production was 3,297,285 tons which increased to 23,320,000 tons in 1961 and to 35,819,000 metric tonnes in 1985. The world production of salt was 84,730,000 tonnes in 1961.¹⁸

Salt is obtained by the following methods:-

1. Solar evaporation. Sea water, natural brine from lakes or wells, or brine obtained by lixiviation of salt earth are subjected to solar evaporation to produce salt.
2. Artificial evaporation:. Brine is subjected to artificial evaporation in open pans. Evaporation of brine is undertaken by direct fire or by steam or in vacuum evaporators.
3. Freezing of sea brine. This leads to saturated brine and separation of salt.
4. Mining of rock salt. Rock salt is extracted by dry mining method or by injecting water into the deposits of salt through tubes sunk into these deposits and, thus, creating saturated brine.

As regards the sources of salt production in the world, one notices that the world production of salt is derived mainly from the natural brines. The proportion of the salt obtained from evaporation of sea water to the total world production is very small as compared to other sources. Extraction of salt through the method of solar evaporation of sea water is undertaken in France, Portugal, Spain, Italy, the USA, India, some of the formerly USSR countries and in almost all other maritime countries.¹⁹ The manufacture of salt by exploiting the natural brines takes place in the USA, Austria, France, Germany and in the Dead Sea. Great Britain also has natural brines.²⁰ The rock-salt deposits are largely found and exploited in the USA and Europe. In Europe, Germany and Russia, in South America, Argentina and Mexico and in Asia, China are the countries which have large deposits of rock-salt. Such deposits also occur in the Lower Cambrian of the Punjab Salt range in Pakistan and Iran.²¹ In India, some rock salt deposits are found in the areas near Mandi of Himachal Pradesh. However, production of salt here is not substantial. Interestingly, South American countries are exploiting their rock salt deposits rapidly, with Brasil being the largest producer among these countries.²²

1.3 SALT IN THE HISTORICAL PERSPECTIVE OF THE WORLD

The economic significance of salt is indicated by many facts in the history of the world civilisation. There are many theories explaining the origin of salt. But the

Aqueous theory is the present accepted theory. It explains the origin of salt by stating that salt deposits are the result of deposition from sea waters. The habitual use of salt is closely connected with the advance from nomadic to agricultural life.²³ Man living in the primitive society did not know how to make salt. Since man in this society was eating raw or roasted meat he could get all the salts contained in his food and, so, there was no need to consume salt separately. As people started eating cooked food -- either vegetarian food or cooked meat, salt became an essential commodity in their daily diet. It began to be regarded as God's gift. Homer described it as a divine commodity²⁴, and for Plato and Pithagorous, it was God's favourite commodity. For Plinio, salt and soil were things more necessary in the world.²⁵ Historically, salt is one of the oldest materials used in man's food.²⁶ The Pen Ts'ao, a very early Chinese book on medicine gives more than forty uses of salt.²⁷ The preservative qualities of salt made it a fitting symbol of an enduring agreement, and influenced the choice of this particular element of the covenant as that sealed an obligation to fidelity. Hence, the Greek saying, "Trespass not the salt and the board", the Arab avowal, "There is salt between us", the expression, "to eat the salt of the Palace", and the modern Persian phrase, "Namak Haram" (i.e. disloyal or ungrateful).²⁸ In the olden days in Goa, whenever people suspected that a person was telling a lie, he was asked to swear on salt (or on betel leaf or cowdung) to prove that he was telling the truth.²⁹ There was a time when people valued salt as much as rare minerals and oils. Salt was often traded 'ounce for ounce' for gold.³⁰ In the ancient Greece, slaves were bought with salt.³¹ For Greeks, it was a sacred commodity and was used as a part of offerings to Gods.³² Thus, the economic significance of salt is indicated by the social, cultural and religious beliefs and attitudes of the people in the ancient civilisations. It is further revealed by the use of salt as money in many parts of the world extending from Africa to Far East. Marco Polo has described in his travelogue that salt was used as money in Siam, Borneo and China.³³ Cakes of salt were being used as money in Abyssinia, Tibet and in certain other parts of the world.³⁴ The Sama Nagas used flat cakes of salt for making small payments.³⁵ Because of its extreme scarcity, the commodity was

measured equal to gold in Sahara and Sudan. In the 16th century, in the lands of Adilshah of Bijapur, salt was being purchased by its weight in copper.³⁶

The importance of salt in the ancient period can be gauged by the fact that the word salary is derived from the Latin *Salarium*-the money allotted to Roman soldiers to buy their salt.³⁷ During the ancient times, salt was an important commodity entering into international trade all over the world. It was a great merchandise of China. In the 16th Century which is a more recent period, 500 junks(Chinese ships) were carrying salt all over the world and salt trade was bringing huge profits to the Chinese traders.³⁸ Salt trade tells us about the ancient highways of commerce. The *via Salaria* was one of the oldest roads in Italy through which "the produce of salt pans of Ostia was carried into the Sabine country". The caravan route uniting the salt Oases of the Lybian desert mentioned by Herodotus was mainly a salt route. The trade between the Syrian ports and the Persian Gulf involved the transport of the salt of Palmyra and the ancient trade between the Aegean and the coasts of Southern Russia was largely relying on the salt works at the mouth of Dnieper.³⁹ A number of cities including Genoa, Pisa and Venice developed as centres for salt trade.⁴⁰ In the middle of the 15th Century, Portugal's salt had attained international relevance and it was mostly exported to the Northern Europe. In India, Susruta, the father of Indian medicine speaks of 4 kinds of salt.⁴¹ In India, much before the invasion of Alexander the Great, around 327 B.C., salt was extracted from the salt mines of the Northern India and transported to different parts of the country. Salt extraction from Sambhar lake in India started in the 6th Century A.D.⁴²

The economic significance of salt in the ancient as well as modern times is clearly indicated by the government policies in respect of salt. Salt was so important a commodity in the middle ages that governments in those days often took over the salt trade as a state enterprise. In many eastern countries, in the 9th century A.D., salt was a government monopoly.⁴³ Many governments were exercising monopoly in the manufacture of salt. In many eastern countries, salt came first as a source of government revenue, followed by tea.⁴⁴ As salt was a sure source of revenue on account of the commodity being a necessary, governments of all the times were always in fore-

front to impose its monopoly on the manufacture and sale of salt and/or levy heavy taxes, many a time oppressive imposts, on the manufacture and sale of this commodity.⁴⁵ India was one of such countries which followed this oppressive practice and, thus, made salt a commodity beyond the reach of the poor people.⁴⁶ Most of the countries were covering their military expenses, salaries of the government servants and many other items of expenditure by way of the receipts of salt tax.⁴⁷ Since salt is a necessity of greatest importance, there are instances in the history of the world, in which countries have used salt as a weapon to bring their enemy countries into submissiveness. This they have done by cutting off the supplies of salt to the territories of their enemies. To force the rulers of Ceylon into submission, the Portuguese had devised a plan to cut off the supply of salt, alongwith clothes and opium, to Ceylon for three years. King Philip of Portugal had given orders to carry out this plan.⁴⁸

1.4 SALT IN THE INDIAN PERSPECTIVE

India is one of the leading producers of salt in the world. Most of the salt produced in India comes from solar evaporation of sea water and natural brines. Indian climate is conducive to salt production from sea water and natural brines. With an abundant source of salt water on both west and east coast of the country, availability of large tracts of lands for evaporating ponds with soil preventing the sipping of water into it, in many coastal regions, and hot climate to hasten evaporation, India is favourably suited for solar salt works. Salt obtained from evaporation of sea water in India constitutes about 75% of its total salt production.⁴⁹ As mentioned above, in the ancient times, besides solar salt which was produced in coastal regions of the country, mining of salt was carried out in the Northern India, much before 300 B.C.⁵⁰ This salt was transported to far and near places in India. Salt extraction from Sambhar lake had started in the 6th century A.D. Before the advent of Muslims, the people of India were procuring salt, which was an absolute necessity to them on account of hot climate of India, from the salt works on the sea coasts and from various rock salt deposits, notably in the Salt Range in Punjab.⁵¹

Salt mines were found in an extensive area in Punjab. Kutch Runn was also an important area where salt was extracted. Solar salt works were operating on the west-

ern coast of India covering Gujarat, Maharashtra, Goa, Karnataka and Kerala. The coast of Madras also had solar salt works.⁵² However, there was no production of salt on the coast of Bengal, since in the Bay of Bengal water is comparatively sweet.⁵³ As salt was a necessity of life, it was one of the most important sources of revenue for the governments in India. All the empires and kingdoms who ruled India levied heavy taxes on salt and a good number of them imposed their monopoly on salt production. In Kautilya's 'Arthashastra', the state is advised to keep both mining and commerce in minerals as state monopolies. Salt was also to be a state monopoly. The manufacture of salt was supervised by a state official named as Lavanadhyaksa. During the rule of Jayavarman, towards the end of the 3rd century A.D., salt mines of the country were government monopolies. During the period of the Pallavas, the manufacture of salt and jaggery was a royal monopoly and special licence had to be obtained for private manufacturing.⁵⁴ In ancient India, the governments used to appoint superintendents of salt to regulate the sale of salt. He was collecting from the salt producers, rent in money and the quantity of salt, due to the government. Adulteration of salt was severely punished by the governments in those days.⁵⁵

In India, salt is extracted from the following sources:-

1. Sea Salt. With the coastal line of about 3,500 miles, India is favourably placed to produce salt from sea water. 70% of the total production of salt in India is derived from sea water. Sea salt is produced in the following states of India: (a) Gujarat (Bhavnagar, Jamnagar, Kandla, Mithapur, Porbandar), Maharashtra (Bombay, Bhayindar, Bhandup, Uran, Shiroda), Tamilnadu (Cuddalore, Tuticorin, Nagarcoil), Karnataka (Sanikatta), Kerala (Mallipuram), Andhra Pradesh (Nanpada, Penuguduru, Kakinada), Orissa (Astrang in Puri district, Gangam, Surla, Sumadi-Huma), West Bengal (Midnapur district), Goa, Daman and Diu.
2. Lake Salt. The major salt lakes are Sambhar lake in Rajasthan and Chilka on the east coast. Sambhar lake is the principal source of lake salt.
3. Inland (sub soil) salt. Salt is produced from sub soil brine which contains four to five times more salt than sea brine. The brine is used to manufac-

ture salt by digging pits or tube wells. In Rajasthan (Didwana, Pachbadra, Phalodi), Rann of Kutch (Kharagoda, Dharangadhra) and Madras (Tuticorin), large tracts with sub saline water at a very shallow depth underground, are found.

4. Rock salt. Before independence India had large rock salt deposits. After partition of the country, most of the rock salt sources have gone to Pakistan and India is left with comparatively less rock salt deposits at Mandi in Himachal Pradesh.

Most of the solar salt works in India are concentrated on the coast of Saurashtra and Kutch, which contribute more than 50% of the total production in India. Tamilnadu and Rajasthan were taking second and third place, respectively, in salt production. Maharashtra and Andhra Pradesh are the other major salt-producing states in the country. All the above five largest salt-producer states contributed about 98% of the total salt production of the country in 1982. Orissa, Goa, Karnataka, West Bengal and Himachal Pradesh were the other salt producing states. Salt was also being produced in the Union Territories of Pondicherry, Daman and Diu. The total area under salt farming in India was around 75,518 h.a with the five largest salt-producer states accounting for about 94.5% of the total area under salt cultivation.⁵⁶ Among the Indian states, Gujarat was accounting for the largest area under salt production. In terms of sources of salt extraction, sea water was contributing 73.28%, inland water resources 24.33%, salt water lakes 2.33% and rock salt 0.06% to the total salt production. As rock salt deposits which are found near Mandi in Himachal Pradesh contribute negligibly less salt production to the total output of the country, its percentage share in the total salt production is less than 1%. Salt water deposits of India are also comparatively very less.⁵⁷

Before independence, internal production of salt was not sufficient to meet the domestic demand in India and, therefore, the country was importing large quantities of salt. In 1947 as against total production of 20.21 lakh tonnes of salt, imports were to the tune of 3.48 lakh tonnes. In 1951, the country opened up a new page in the history of salt industry when it started exporting this traditional commodity to other countries.

During this year, when the total internal production was 27.44 lakh tonnes and imports of the order of 50,000 tonnes, the country turned the corner and exported 1.12 lakh tonnes of salt. Imports of salt totally stopped after 1954. With the increased production, exports also increased, although a fall in the exports of the commodity was registered during some years.⁵⁸ It may be of some interest to discuss the salt policy of the British India Government at this juncture to appreciate the importance of salt in its historical as well as socio-economic and political context.

1.5 SALT POLICY OF THE BRITISH INDIA GOVERNMENT

Till the beginning of the 17th century, salt industry in India was flourishing and had made the country self sufficient in salt production. With the advent of the British rule, the industry received great setback on account of the policy of the Britishers to restrict the manufacture of salt and create artificial scarcity of the product. In fact, one can state without any exaggeration that the history of salt industry during British period is the history of government monopoly and licencing system aiming at restricting the output of salt and levying exorbitant taxes on salt. It was also the policy of encouraging imports at the cost of indigenous production. The policy of interference in salt industry was initiated in Bengal during the East India Company's rule.

Salt was an important commodity in the interprovincial and internal trade of India. The low price at which Bengal salt could be conveyed through all the branches of the river Ganges, made it a profitable article of trade in the Northern India. Merchants from different parts of India were trading with each other in this and other commodities. However, the Indian traders and merchants who were dominating the internal, inter-provincial and Asiatic trade in India in the pre-Plassey period, started being, slowly, displaced by the English merchants in the post-Plassey period. Since the early years of the trading activities of the East India Company in India, the servants of the Company were engaged in private trade. In the course of time, this trade flourished at the cost of not only the indigenous traders but also, many a time, of the Company itself.⁵⁹ The East India Company tried to put an end to this situation, albeit unsuccessfully. Clive as the Governor of the Company established in 1765 a monopoly of trade in salt, betelnut and tobacco, in the hands of an exclusive society formed

for that purpose. As Diwan, the Company was to receive from the society a duty of 35% on salt, 10% on betelnut and 25% on tobacco.⁶⁰ In 1768, this Society was abolished and the indigenous Zamindars and merchants were permitted to manufacture salt under certain restrictions. They were required to pay a duty of 30% to the Company's Government.⁶¹ Thus, the British power in India, represented by the East India Company heavily depended upon salt as a source of tax revenue for the Government in India.

In fact, for all the rulers in India, prior to the advent of the Britishers, salt was one of the most important sources of Government revenue. Salt tax was an important component of the taxation system in the pre-British India. Realising the importance of salt in the mobilisation of resources for the Government, the East India Company's Government decided to create its monopoly in the production of salt in India. The production of opium was also monopolised by the East India Company.⁶² In Bengal, although the monopoly of salt started from the establishment of the Board of Trade in 1765, the strict monopoly of salt commenced in 1780 under a system of agencies.⁶³ The monopoly of opium and salt enjoyed by the East India Company was most advantageous to the said company. There is reference in the Fort William-India House Correspondence to the improvement in the financial position of the Company because of the increase in the actual production of opium and salt towards the end of the 18th century. Thanks to the improvement in the financial position of the Company on account of the most advantageous sale of Company's opium, salt and import goods in Bengal, the East India Company decided not to receive any subscription to the Decennial Loan of the Bengal Presidency after 20-2-1799. Under the monopoly system of salt production, salt was produced in Bengal, by the Company's agents. Salt was manufactured by contractors who hired labourers for that purpose. They agreed to deliver to the Government the requisite quantity of salt and received advances to carry on their operations.⁶⁴ The East India Company and, then, the Government under the British Crown, did their best to strengthen their monopoly power in the production of salt. Firstly, the authorities took great care to check the unremunerative character of production by ordering the abolition of the manufacture of salt in those areas where

the salt production was least profitable. Secondly, widespread smuggling of salt in Bengal, brought about by its high price and irregular supply, was sought to be wiped out through a number of measures. One of these measures was to abolish the manufacture of salt in those areas where smuggling was most extensively carried on. But, neither smuggling of salt nor illicit manufacturing of salt in Bengal (and in the rest of the country too) stopped, thanks to the oppressive prices of this commodity on account of the exorbitant duties charged by the Government.⁶⁵ The East India Company's Government failed on one more front. It resisted the importation of salt into India, but despite its resistance, foreign salt began to be imported in 1819 and, on a large scale, in 1835 when 3 lakh maunds of salt landed on the Indian shores.⁶⁶ However, it is to be noted here that salt imports from Portuguese India and French colonies in India, were going on, even before the advent of the British power in the Indian sub-continent.

Realising the limitations of the manufacture of salt on government account, the British India Government seriously applied its mind to substitute it by licensed manufacturing under a system of excise. This new system of excise was introduced in Bengal in 1863, under which manufacturing of salt was made free, subject to excise and other duties. With this, the monopoly of salt production by the Government was permanently abolished in India.⁶⁷

In Bombay Presidency, salt was produced almost entirely by solar evaporation under a system of excise. Sea-salt formed about 90% of the total quantity produced in this Presidency and the manufacturing was carried on in the island of Bombay, Ahmedabad, Kaira, Broach, Surat and the northern and southern Konkan. The manufacture of salt was generally free, but was subject to licence and payment of excise duty before the removal of salt from the place of manufacture. All the salt works in Gujarat except salt works at Cambay were owned by the Government. The owners of salt works in Konkan were mostly private individuals.⁶⁸

In Madras, salt was obtained exclusively by solar evaporation on the margin of the sea. In 1805, salt monopoly was created by the Government, under Madras Act I of 1805 whereby salt manufacturing was made illegal except on account of the Gov-

ernment or with its sanction. Under the monopoly system, salt could only be manufactured for sale to the Government and under the supervision and control of the Government authorities.⁶⁹ The right to manufacture salt could be enjoyed by registered salt producers only. Madras Act VI of 1871 provided for the manufacture of salt under the excise system.⁷⁰ The production of salt in Madras was subject to restrictions under which the quantity of salt to be manufactured was determined annually by the government authorities on consideration of the stock in hand and probable requirement of the trade. Those salt works owners whose salt works were closed by the Government authorities were entitled to receive compensation from the Government. The policy of interfering in the salt industry of Bengal and other provinces was extended by the British government to other parts of the country. The free system of manufacture prevailing in Travancore Cochin salt sources, was changed to a monopoly system, whereby the Travancore salt could not enter the British India. By a treaty with the Nawab of Surat, the British government took over the control of Bombay salt sources in 1800. The Treaty granted to the British government the exclusive right of the Peshwas of the salt works situated in Gujarat. The British government took over the control of the salt works in Saurashtra and Kutch. As per an agreement signed with the states of Kathiawar and Dhragandhra, the salt works in these two states were compelled by the British government to reduce production and export of salt to the British territory. In 1900, by another agreement, the British Government totally prohibited the manufacture of salt in these two states. The British policy of securing the control of the salt sources in the Indian States was pursued in all respects by way of commercial treaties with these States. Accordingly, the Sambhar Lake in Rajasthan was taken over by the British government on lease from the Jodhpur and Jaipur States. By negotiating similar treaties, the said government took over on lease a large number of salt works existing in the territories of the Indian States in Rajasthan and Central India.⁷¹

It is clear from the above presentation of the salt policy of the Government of the British India upto the later part of the 19th century, that the monopoly power of the Government followed either the system of manufacturing salt on government ac-

count or the system of licenced manufacturing of salt under which salt could be produced by the private individuals, subject to the payment of excise and other duties. Whatever be the system, the salt policy of the British Government was, undoubtedly, oppressive and totally unconcerned about the interests of the Indian people. Consumption of salt in India being greater, in proportion to other articles of diet, than in any other part of the world and, as an condiment, it being an absolute necessity of life, for human beings and also a necessity for cattle, the Government should have left salt production free from unjust restrictions and oppressive duties. The policy of the Government to restrict the output of salt, impose barriers on its trade and levy exorbitant rates of excise and other duties on its production and sale, worked against the interests of all classes, but more to the detriment of the poorer classes, as salt became out of their reach on account of its costlier prices.⁷² Repeated demands of the people to free the commodity from oppressive duties were not paid heed to, by the British India Government. A petition made by the cultivators from Bombay, to the Government of the Bombay Presidency, in 1852, describes vividly the plight of the farming class on account of the oppressive salt tax which was in force during those days. They pointed out in their petition that the produce of the agricultural fields supplied them with food, sufficient for only eight months in a year. During the remaining four months they had to subsist on vegetables they seasoned with chillies and salt. But, the salt duties with their exorbitant rates, were making the life of the farming class miserable, as the farmers had to forego even this poor comfort.⁷³

Totally insensitive to the sufferings of the people, the British India Government never paid sympathetic attention to the demands of the people to reduce the salt duties. On the contrary, one observes that the Bombay Government hiked the excise duty on salt from 8 annas per maund to Re.1 in 1844. The excise duty was further increased to Re. 1-8-00 in 1861 and to Re. 1-13-00 in 1869. In 1877, there was further rise in the excise duty which was, now, fixed at Rs. 2-8-00 per maund. However, the duty was later on reduced to Rs. 2 per maund. In Madras, cost price was 3 annas per maund of salt and excise duty was fixed at Rs. 2 per maund. The actual price for the consumers was between the range of Rs. 2-8-0 and Rs. 3-8-0.⁷⁴ Salt manufacturers

and consumers did not suffer because of unreasonably higher excise duties alone. Severe restrictions imposed by the Government acted as an obstacle to the smooth functioning of the industry. The Government had power to suppress any salt work which had produced, as the average of any three years, less than 5,000 Indian maunds of salt per annum.⁷⁵ The British India Government implemented this oppressive structure of salt duties and restrictions on production and sale, throughout the country, with the sole aim of earning more and more revenue from the salt industry in India. As a result, the people of India continued paying heavy excise and other duties on this article of daily necessity, to the tune of about 250 to 300 percent of the cost of production of the commodity. The duties gave to the East India Company and, then, to the Government under the British Crown, huge revenues.⁷⁶ In 1793, the net revenue of East India Company derived from salt manufacture was 800,000 pounds. This increased to 1,300,000 pounds in 1844.⁷⁷ Salt revenue collected by the British India Government increased between 1872 and 1880 from 5,966,595 pounds to 7,115,988 pounds.⁷⁸

One of the items of salt revenue collected by the British India Government was customs duties on export and import of salt by sea and inland routes. In 1850, by the Act XXXI of 1850, a duty equivalent to the excise was imposed by the Bombay Presidency on salt imported from or exported to the foreign territory.⁷⁹ That the British India Government did not want to surrender this important source of tax revenue is apparent from the refusal of the British India Government to remove the import duty on British salt imported into India. The merchants and manufacturers of salt in Britain had launched an organised movement for the abolition of import duty on British salt imported into India. One of their arguments was that the British salt imported into India was of superior quality as compared to the low quality salt produced in India. The British India Government's refusal to remove the import duties on British salt imported into India was not aimed at protecting the salt industry and the interests of the salt manufacturers of India. It was just one-point programme of tightening up the process of protecting salt revenue of the British India Government, which constituted an important component of the total public revenue of the Government treasury.⁸⁰ This was also a major factor behind the policy of discouraging the imports of

salt from Portuguese India, by way of heavy import duties and other severe measures. Accordingly, the British India Government took stern measures to wipe out the smuggling of the Portuguese Indian salt into British India. These measures however, turned ineffective and the British India Government realised that it was necessary to extend its monopoly power in the production of salt, to the Portuguese settlements in India. The Government set itself on this task, on the basis of its experience with the French Colonies in this regard.

The efforts to bring French colonies in India under the salt monopoly power of the British Government had borne fruits in the first quarter of the 19th Century. Salt production in these colonies became the exclusive right of the British Government. The Government of these colonies was receiving, as per this arrangement, Rs. 441,600 per annum for not producing salt in the Pondichery territory. The French colony was receiving supplies of salt from British India and had to sell this salt at the same prices as they were ruling in the British Indian territory.⁸¹ With the signing of the Anglo-Portuguese Treaty in 1878, the British India Government was empowered to monopolise the production and sale of salt in the remaining European settlements too.

Salt tax was always condemned by the intellectuals and economists. Noted naturalist Buffon described the salt tax as a crime against one of the benefits of Nature. It was abolished in France during the revolution of 1793, but was again imposed there in the beginning of the 19th century. England abolished it in 1825. However, in spite of this opposition by the intellectual class and others, the British Government continued the monopoly of salt manufacture and sale in British India against the wishes of the Indian people.⁸²

The British India Government's salt policy of using salt as a major source of tax revenue continued in the 20th Century. It was not only severely condemned by the people of India, but also employed by Mahatma Gandhi and his Congress as a plank for its independence movement. The production of salt in India which was a Government monopoly was allowed only under severe restrictions on the manufacture and trade of this commodity. Salt was subject to heavy excise duty. In 1930, half of the retail price of salt represented tax. Salt had, thus, become a luxury commodity for

the poor people in India. Mahatma Gandhi and the Congress decided to agitate against this vexatious salt policy of the British Government and use this issue as a means to rouse the masses against the British rule. He recognised the fact that to rouse the masses against the British rule, it was necessary to use some symbol, the people could easily recognise. There was no point in slogans about dominion status, because the masses had no idea of what that was. So Gandhi gave a call to the Indian people to break the salt monopoly of the British India Government by making their own salt. On 12-3-1930 he marched off from Ahmedabad to the sea and broke the law by ceremoniously making the salt. On the same day, salt was made at about 5,000 meetings throughout the country.⁸³ The breaking of the salt law provided the best focus for a symbolic revolution which would demonstrate the strength of the freedom movement.⁸⁴

It should, however, be stressed that even though the salt monopoly of the British Government was the major target of the Civil Disobedience movement launched by Mahatma Gandhi, it continued to be a stable source of revenue for the British Indian finance. Mahatma Gandhi's Salt Satyagraha did not have any unfavourable impact on the salt revenue of the British Government. On the contrary, salt revenue was the only item under the major heads of revenue which increased during the Great Depression. During 1929-30 the salt revenue amounted to Rs. 67 million which increased to Rs. 68 million during the next year, i.e. 1930-31, when Mahatma launched his salt march. This rise in the salt revenue shows that neither agitation against the salt monopoly of the British Government nor Great Depression diminished this important source of revenue for the British Government. It is also observed that after 1930-31, the salt revenue further increased. In 1931-32 and 1932-33, it was Rs. 87 million and Rs. 102 million, respectively.⁸⁵

Under the system of salt monopoly, the British Government's efforts were always in the direction of deliberately enhancing the salt revenue. The Government was adopting this policy even though it had the option of increasing the income tax, as suggested by the Secretary of State. The policy of enhancing the salt revenue was preferred by the Government as it thought that, while the income tax was paid by the

most articulate sections of the people, the salt tax affected only the dumb millions whom one could afford to ignore. Even the provincial governments subscribed to this view when they were asked by the Central Government about their views on this matter.⁸⁶

1.6 SALT AND GOA

Goa, Daman and Diu, the three Portuguese settlements which were administered as a single unit under the name of Estado da India until they were liberated by Indian forces on the 19th December 1961, are three land blocks on the west coast of the Indian sub-continent separated from each other by a distance of over 480 kms.⁸⁷ After liberation, these three land blocks continued to be administered as a single administrative unit, as a Union Territory, until Goa was separated from the other two and given the status of a full-fledged state in 1987.

1.6.1 GEOGRAPHICAL AND OTHER FEATURES OF GOA, DAMAN AND DIU

The territory of Goa, Daman and Diu covered an area of 3,706.72 square kms. The distribution of area for Goa, Daman and Diu was 97.4, 1.52 and 0.98 per cent, respectively. Goa, Daman and Diu covered 3571.08 square kms of land and 135.64 square kms of inland waters.⁸⁸

The territory of Goa has an area of 3,611.13 square kms and lies between 15 degree 47' 59" and 14 degree 53' 57" N. latitude, and 74 degree 20' 11" E and 73 degree 40' 54" E longitude. Its extreme length from north to south is 60 miles and its greatest breadth from east to west is 30 miles.⁸⁹ Goa is bounded on the north by the Terekhol or Araundem river which separates it from Maharashtra, on the east by the Western Ghats which separate it from Karnataka State, on the west by the Arabian Sea and on the south by the district of North Kanara of Karnataka State. Goa's geographical area covers 3,479.65 square kms of land and 131.48 square kms of inland resources.⁹⁰

Goa has three main physical divisions:

- (a) Mountainous region of the Sahyadris in the east, where lies the southern end of the Sahyadri range,
- (b) The middle level plateaus in the centre, and

(c) The low-lying river basins and the coastal plains.⁹¹

The terrain is intersected by a number of rivers flowing westwards, which provide a network of internal waterways. The land is interspersed also with plains, hills and valleys. The important rivers are Mandovi, Zuari, Terekhol, Chapora and Sal which are navigable for a total length of 230 kms. The major riverine plains in Goa are those of the Mandovi and Zuari. Those of Chapora in the north, and of the Kushawati and Sal in the south are lesser basins. The coastal plains are alluvial lowlands.⁹²

The soils are, in general, lateritic. The agricultural low lands, especially in the coastal tract, are alluvial flats formed through sedimentation along the principal rivers. Goa has a hundred kms. long coast which forms a segment of the western coastline of India.⁹³ The coast is full of creeks and estuaries formed by the rivers. 81% of the soil is lateritic, 7.4% alluvial and the rest sandy.⁹⁴

The climate of Goa is warm and humid. It is monsoonic. Heavy rainfall is originated from the South-West monsoon and is concentrated in the months of June, July, August and September. On the western side of the territory, the rainfall varies between 2,800 and 3,500 millimeters (90 to 120 inches). The year-round temperature varies between 20 degree and 36 degree C. The eastern side of the territory, where hills and mountains rise to higher altitudes, experiences considerably heavier rainfall and wider temperature variations.⁹⁵ In the high altitude areas near Dudhsagar, the annual rainfall is nearly 7,500 millimeters (300 inches). An important characteristic of Goan climate is that the areas closest to the sea have the lowest rainfall and the least year-round variation in temperature, and as one proceeds further inland, rainfall becomes heavier and temperature variations somewhat sharper.⁹⁶

Daman (area: 57.13 square kms) is a small territory situated on the west coast of India, north of Bombay. It is bounded on the north by the Bhagwan river, on the east by the territory of Gujarat State, on the south by the Kalem river and on the west by the Arabian sea. There are three west flowing rivers, namely, the Bhagwan river, the Kalem river and the Damanganga river. The Damanganga river divides the territory into two parts, Naeo Pargana (Grand Daman) and Calna-Pavari Pargana (Small

Daman).⁹⁷ The climate of Daman is mild and humid. Soil is moist and fertile. Daman is little cooler and drier than Goa.⁹⁸

Besides Daman proper, Portuguese India possessed two small enclaves, Nagarhaveli and Dadra before 1954. During this year, they were liberated from the Portuguese yoke by the freedom fighters from different parts of India. These enclaves were separated from Daman by a narrow strip of 5 to 7 miles wide of Indian territory.⁹⁹

Diu (area: 38.46 square kms) is a tiny island situated in the gulf of Cambay near Veraval port. It is connected with the mainland at the southern extremity of the Saurashtra peninsula by a narrow channel on the north of the territory through a swamp. On the south of the island, there is a sandstone cliff washed by the sea. The topography is generally plain and the hillocks have a maximum height of 30.5 meters (100 feet). The climate is sultry and the soils are barren, sweet water being acutely scarce in the territory.¹⁰⁰

As regards the administrative set-up, since 1987, Goa is a full-fledged state of the Indian union with two districts - North Goa and South Goa and 11 talukas. They are as follows: Tiswadi(Goa Island), Bardez, Salcete, Pernem, Bicholim, Satari, Ponda, Sanguem, Canacona, Quepem and Mormugao.¹⁰¹

When Goa was granted the status of a State, Daman and Diu were separated from it and were continued to be a single administrative unit as a Union Territory. Thus, until 1987 after its liberation from the Portuguese rule, Goa, Daman and Diu constituted a single administrative unit as a Union Territory with their own Legislative Assembly since 1963.

During the Portuguese rule, Goa, Daman and Diu formed three districts of the Estado da India which was regarded by Portugal as one of its different 'overseas territories', scattered in the continents of Africa and Asia. The Estado da India had 11 concelhos in Goa, namely, Ilhas (Goa Island with the area of 166.12 square kms), Salsete (277.19 square kms), Bardez (264.80 square kms), Pernem (242 square kms), Mormugao or Marmagoa (78.31 square kms), Bicholim (236.33 square kms), Satari (512.84 square kms), Ponda (252.28 square kms), Sanguem (886.59 square kms),

Quepem (347.31 square kms) and Canacona including Angediva island with the area of 0.26 square kms (347.36 square kms). Daman proper had the area of 57.13 square kms. Nagarhaveli and Diu had the area of 489.58 and 36.58 square kms, respectively. As mentioned above, Nagarhaveli was a part of the Estado da India upto 1954. Thus, inclusive of Nagarhaveli, the Estado da India's geographical area was 4,194.42 square kms.¹⁰²

Portuguese India which was divided into three districts, namely, Goa, Daman and Diu was composed of 12 concelhos in 1881. They were as follows: Goa Island, Salsete, Bardez, Pernem, Sanquelim, Ponda, Sanguem, Quepem, Canacona, Daman, Nagarhaveli Paragana and Diu. The territory was divided into 18 provinces: Goa Island, Salsete, Bardez, Pernem, Bicholim, Satari, Ponda, Embarbacem, Astragar, Bally, Chandrawaddy, Cacora, Canacona, Angediva, Daman(Grande), Daman(Pequeno), Nagarhaveli Paragana and Diu.¹⁰³ In 1897, a new concelho named Satari was formed by separating this province from the concelho of Sanquelim. In 1917 another new concelho by name Mormugao was formed by separating this area from the concelho of Salsete and in 1947 the concelho of Sanquelim was named as Bicholim.¹⁰⁴

1.6.2 GOA IN ITS HISTORICAL SETTING

Goa was an integral part of the Indian sub-continent in its historical evolution. The first settlement of the Neolithic man in Goa must have been in the period 2000 B.C. It is, however, suggested that Kols, Kharwas and Mundaris were the first settlers of Goa, living on fishing, hunting and primitive form of agriculture since 3500 B.C.¹⁰⁵ Along with these settlers, it is also suggested that the pre-Aryan society of Goa consisted of 'Mhars' and Asurs too. The majority of these tribes settled on the warm sea shores, islands, along the river banks, creeks and in the 'accessible valleys'. 'Kharwa' tribe is believed to be the ancestor of the present day 'Kharwis'. Probably, Kharwas and Mundaris settled near the sea shores in Goa 3000 B.C.¹⁰⁶ The neolithic culture was succeeded by the iron age (C. 1200 B.C.) which was known during the period of Mahabharat.¹⁰⁷ Parashurama, the legendary hero of the western coast of India with his Parashu or axe represents the Iron age in this part of India. It is believed that he helped the clearance of dense forests and subsequent colonisation of the Konkan re-

gion. These axe-wielding Bhargavas might have brought the pre-Aryan tribes in Goa under their domination and started the process of exploitation of these tribes by taking over surplus production from lands cultivated by them.¹⁰⁸ The myth of the reclamation of the Konkan region from the sea by Parashuram should be looked into, in the above context. Thus the early settlements in Goa are associated with the myth of Parashuram.¹⁰⁹

Goa was known as Govarashtra, the land of cows. It is believed that the name Goa is derived from the pastoral and cattle herding communities (Go_) of Gopa. They are probably the ancestors of present day Gaudas of the Western Ghats. Bhishmaparva of the Mahabharat refers to the area as Gopakpatt or Gomant.¹¹⁰ Some historians have come forward with a theory that the name Goa is derived from Gohaladeva, the first ruler of Kadamba dynasty of Goa.¹¹¹

The name Gauba is mentioned in the Ptolemy's geography in the second century A.D.¹¹²

As a commercial entrepot of great fame, Goa was known to the rest of India and to the outside world since time immemorial. However, it was known to the ancient world by different names. Goa had established commercial relations with the Egyptians, Phoenitians and Greeks during the ancient times. There is a reference to Gubi, which has been equated with Goa, in the records of Gudea (2143-2124 B.C.) the ruler of the Sumerian city-state of Lagash.¹¹³ Goa has been identified with a number of places on the Western Coast of India which the Greeks have mentioned in their writings. It is also believed that Ibn Batuta must have corrupted the name of the then capital of Goa, Chandrapur to Sindabur and used this term to mention Goa in his writings.¹¹⁴

Goa is believed to have been ruled by Bhojas in the 3rd Century A.D. Their seat of power was Chandrapur which is present day Chandor and their kingdom included Shashti, Antruz, Bardez, North Kanara district, part of Belgaum district and some other areas around Goa. It is believed that they were also ruling the island of Goa. Bhojas were semi-autonomous rulers of the Deccan and the Konkan and they were ruling the above territories in feudal allegiance to the Mauryan Emperor of Patli-

putra.¹¹⁵ During the Mauryan period, the influence of Jainism and Buddhism became predominant in Goa.¹¹⁶

With the defeat of Konkan Mauryas in C. 578 A.D. at the hands of Chalukyas of Badami, Goa went into the hands of the latter. It was made a part of the province of Revatidvipa, the present day Reddi to the north of Goa.¹¹⁷ Chalukyas of Badami ruled Goa for about 2 centuries. By 753 A.D., Rashtrakutas held the sway over Decan, Konkan, Karnataka and Gujarat. Under their overlordship, Goa was held by Shilaharas. When the Chalukyas of Kalyani became sovereign in Deccan, Konkan, Karnataka and Gujarat, Shilaharas ruling Goa, came under the overlordship of the Chalukyas. There were three houses of the Shilaharas: South Konkan or Goa, North Konkan or Thana and Kolhapur or Valvade.¹¹⁸ Goa passed in the hands of South Konkan Shilaharas in the 8th century, who after the defeat of Rashtrakutas at the hands of Western Chalukyas became the feudatories of the latter.¹¹⁹ Under the Chalukyas of Kalyani Kolhapur or Valvade Shilaharas and North Konkan Shilaharas ruled Goa before Kadambas overthrew the North Konkan Shilaharas.¹²⁰

Goa Kadambas (1020 -1350) ruled over Goa after taking over Sashti and a part of Konkan from North Konkan Shilaharas. However, the island of Goa and the port of Gopakapattana continued to remain with the Shilaharas. When in the early period of the 11th century A.D., the power of the North Konkan Shilaharas weakened, the Goa Kadambas defeated the North Shilaharas and annexed Gopakapattana, the Island of Goa and other areas to their territory. Although Kadambas continued to be the feudatories of the Western Chalukyas, the North Shilaharas accepted the overlordship of Kadambas.¹²¹ In the 11th century A.D., when Kadambas were ruling Goa, this territory had commercial relations with the ports of Gujarat, Kathiawar, Malabar, Cylon, Bengal, Malaca and other regions.¹²²

In the course of time, the rule of Kadambas reached the zenith of its glory. The port-capital of Gopakapattana prospered as a great trading centre. Under Jayakeshi II, the glory of the Goa Kadambas reached its meridian.¹²³

But, by the middle of the 13th century, the power of the Goa Kadambas declined. Their position dwindled from the "Lords of the Western Ocean" to the petty

chieftains. Their kingdom was annexed by the Yadavas of Devgiri, but soon Kadamba Shashtadeva was re-established in this kingdom by 1247 A.D. As the port-capital of Gopakapattana was looted and destroyed by the troops of Khilji's General Malik Kafur during the first quarter of the 14th century, the Kadambas transferred their seat of government to Chandrapur (Chandor).¹²⁴ During the invasion of Muhammed Tughlak (1327 A.D.) this capital-city was destroyed, which resulted into the transfer of the seat of the government of the Kadambas back to Gopakapattana.¹²⁵ The Kadamba country had to face the attack of the Nawab of Honavar by the middle of the 14th century.¹²⁶

Even though the Kadamba rule came under severe attacks of the Muslim invaders, the Kadamba dynasty continued, but they were now exercising their sovereignty over a much restricted kingdom.¹²⁷ Between the years 1356 and 1378 A.D., the pendulum of the sovereignty over Goa oscillated irregularly from the Bahamanis to Vijayanagar, with a few interruptions from the Kadambas. Goa became a part of the Vijayanagar empire during the 14th century.¹²⁸ Under Vijayanagar, Goa was a part of its Aragagutti province. The capital of this province was Govapuri though at times it was transferred to Chandragutti. The province comprised of, among others, Tiswadi, Salsete, Antruz, Sattari, Bardez, Bicholim, Pernem and Sawantwadi.¹²⁹ It is believed that there was a revival of the Kadamba dynasty around 1445 either under Vijayanagar or as an independent state.¹³⁰ The Portuguese chroniclers have mentioned in their writings that Goa had attained independence by 1440.¹³¹ It is, also, believed that as Zuari river became shallow because of silting and the port of Gopakapattana could not provide facilities to big ships to enter the port, Gopakapattana lost its commercial importance and in the last quarter of the 15th century, a new port was developed at the old Goa site of Ela village, along the Mandovi river. Gopakapattana was deserted by the traders and other people and the new port at Ela along Mandovi river prospered on account of its development as a great centre of trade and commerce.¹³²

Goa became a part of Bahamani kingdom in 1471. The Bahamanis merged it with their province of Junnar for administrative purposes. When the Bahamani kingdom split up by the end of the 15th century and five Deccani Sultanates emerged out

of it, Goa came under the rule of Adil Shah of Bijapur.¹³³ Yusuf Adilshah was the founder of the Bijapur kingdom.¹³⁴ Adil Shah developed the new port-town at Ela (Old Goa) as the capital of Goa. The new port-town of Goa attracted merchants and traders from all parts of the world. A large number of them settled down in the port-town of Goa itself to pursue their trading activities which were bringing them huge profits.¹³⁵ Goa became an entrepot of great fame. The Goa port was being visited by ships from Mecca, Aden, Ormuz, Cambay, Malabar and many other places which wanted to establish commercial relations with this flourishing trading centre. It imported horses from Hormuz, Persia and Cambay, which were supplied to the rulers of Deccan and of South India. Ships laden with carpets were also coming from Arabia and Persia.¹³⁶ Bengal, Gujarat, Malabar, the Deccan, Ceylon, East Africa, Central Asia, China and other regions were dispatching to this port their merchandise consisting of precious stones like diamonds and rubies, pearls, tobacco, opium, textiles, spices, silver, gold, slaves etc. Goa was exporting calicos, fine muslins, rice, areca, spices, betel, salt etc. in exchange of horses and other merchandise imported.¹³⁷ The ships of the traders who included Arabs, Banyas, Malabaris, Jews and Persians were seen anchored at the port, loading and unloading a variety of goods. Goa port had better facilities for anchorage for larger ships which could sail 8 to 10 miles inside from the mouth of the Mandovi river and formed a good line of defence.¹³⁸ The new port town at the Ela village became an important centre of ship building. With the flourishing trade, the town wore a prosperous look. Beautiful edifices came up. Handsome streets surrounded by walls and towers were built to add majesty to the town. At the time of the arrival of the Portuguese in Goa, this was the position of the port-town of Old Goa. During all the rules which preceded the advent of the Portuguese in Goa, salt was occupying an important place in the export trade of this territory. The economic significance of salt prompted all these regimes to implement measures protecting the salt industry and bringing about its development.¹³⁹

In 1505, the Portuguese captured the island of Anjediva situated to the south of Goa along the Karwar Coast.

Realising the strategic importance of Goa from military point of view as a great trading centre, Afonso de Albuquerque, the Portuguese warrior conquered Goa from Adilshah of Bijapur in March 1510 and, after being driven out of Goa within two months, realigned his forces and recaptured it on 25-11-1510. Although the territory conquered by the Portuguese from the Adil Shah of Bijapur is referred to as Goa, it was only the Goa island that had fallen in the hands of the Portuguese in 1510. The present territory of Goa was carved out of the annexations and acquisitions made by the Portuguese in the subsequent period, which process continued upto 1788. After the conquest of Goa island, the Portuguese tried to extend their boundaries to the neighbouring territories, which, finally, led to the surrender of Salsete and Bardez provinces to them by Ibrahim Khan, in 1543.¹⁴⁰ The following table indicates the years of conquest or take over of different provinces or areas which made up Portuguese India of later years.¹⁴¹

TABLE 1.01
YEARS OF THE CONQUEST/TAKE OVER OF PROVINCES/AREAS OF
PORTUGUESE INDIA

| Province/Area | Year |
|---|------|
| Anjediva | 1505 |
| Goa Island | 1510 |
| Salsete and Bardez | 1543 |
| Diu | 1535 |
| Daman | 1553 |
| Tiracol | 1746 |
| Ponda, Panchmahal, Canancona, Cabo de Rama | 1763 |
| Bicholim, Sanquelim and Satari | 1781 |
| Pernem | 1783 |

Source:- Captain Kol, Statistical Report on Portuguese Settlements in India, New Delhi, Reprint Asian Educational Services, 1995, p.314; Joao Stuart de Fonseca Torrie, Estatística da Índia Portuguesa Confeccionada, Nova Goa, Imprensa Nacional, 1879, p.1

1.6.3 THE INSTITUTION OF COMUNIDADES AND SALT

Salt production in Goa was closely associated with the system of Comunidades that was in force in this territory, from time immemorial. When the Portuguese conquered Goa in 1510, they found that a typical system of land ownership relations and land cultivation was an integral part of its rural life. It was known as Gaonponn. The Portuguese named it Gaoncaria or Comunidade. The ownership of land was vested not in individuals, but in village communities.¹⁴² The lands were cultivated collectively and the produce distributed among the villagers according to established customs and practices. The Comunidades were agricultural associations of the original settlers of the villages.¹⁴³ They were collective farming societies as well as socio-political entities charged with public functions. They were performing political, administrative, social, economic, religious and cultural functions.¹⁴⁴ The Comunidades were looking after the affairs of temples, were building and maintaining village roads and were performing most of the functions of village panchayats. The membership of the Comunidades was hereditary as only the descendants of the original settlers could become the members of this institution. They were called Gaoncars.¹⁴⁵ To look into the administration of lands and other public affairs, the Gaoncars were electing from among themselves a managing committee - a Village Council.¹⁴⁶ Although the village land was collectively owned by the villagers, each villager could own a little land, individually, on which he could build his house. Out of the total produce from the collective cultivation of the village lands, a certain proportion was earmarked for village expenditure such as land improvement, irrigation works, construction of bunds, flood control, maintenance and development of roads, maintenance of temples, payments to the village servants like washermen, tailors, barbers etc and to the temple servants. They were also spending on public assistance and education.¹⁴⁷

The Comunidades were regulating the distribution of agricultural and other lands such as waste lands, Khajan(reclaimed) lands and forest lands among Gaoncars. They were exercising municipal, civil and judicial powers. They settled disputes within the villages and punished the people committing offences. It was the responsibility of the Comunidades to manage the finances and funds of the villages.¹⁴⁸ The

collection of taxes from the villagers for the state was the responsibility of the Comunidade. Only the representatives of the Vangad or Class that descended from the first settlers of the village had the right to become the members of the Village Council or Gaoncars. Every male member of such a Vangad became a Gaoncar on attaining a certain age, say between 12 and 18 in most of the villages.¹⁴⁹

Under the system of Comunidades, the state was collecting the tax revenue from the entire village through its Comunidade and not from each individual. The total output of the field was considered as one common pool and before distributing the shares of different people, the share due to the state in the form of land tax was kept aside. It was the duty of the Comunidade to pay the tax revenue to the government regularly.¹⁵⁰ The surplus produce from agricultural cultivation over and above all the payments which included land tax and other expenses was shared by the Gaoncars, according to the number of adults (Janas) in the families.¹⁵¹ This share of each Gaoncar came to be known as Jon.

In Goa, as lands were subject to the system of Comunidades, the production of salt also came under this unique system of land ownership and land cultivation. In the ancient Goa, the lands under saltpans were owned and cultivated collectively in those villages where salt was produced by the method of solar evaporation of brine. The surplus production over and above the land tax and other expenses was distributed among the Gaoncars in the same way as was the case with the cultivation of rice and other crops.

The Portuguese, soon after they conquered Goa from the Adil Shah kingdom, found the system of Comunidades useful for the administration of villages and decided to retain it by guaranteeing the Comunidades their rights of ownership of their properties. The Portuguese made no alteration in the rural administration and the tax system. They retained the system of the Gaoncar (original settlers) sharing among themselves the surplus amount over and above the payment of land tax and other expenses. About 16 years after the take over of Goa by Afonso de Albuquerque on 16-9-1526, Afonso Mexia, the Vedor da Fazenda Real, granted to the people of Goa, in the name of King D. Joao III, "Foral de usos e Costumes dos Gaoncares e Lavradores

das Ilhas de Goa.¹⁵² It was a charter of local usages and customs. This was the first document which codified civil rights, fiscal and penal legislation, property rights and land relations under the system of Comunidades.¹⁵³ With the enactment of the Foral, the state became the controller of Comunidades.¹⁵⁴

In the course of time, the Comunidades lost their earlier characteristics. Collective farming gave way to the system of leasing the lands to the individual tenants. The Comunidades lost their functions related to the administration of the village and degenerated into the societies of property rights holders. A system of auctioning the lands annually or triennially, for the purpose of leasing the same to those who wanted to cultivate them was introduced by the Comunidades. Under this system, leaseholders were cultivating land individually and paying a fixed percentage of the total produce, as a rent to the Comunidades. This new system of individual farming by the lease holders of the Comunidades land, began to be used in the production of salt at the salt-pans on the lands owned by the Comunidades.¹⁵⁵

1.6.4 FACTORS FAVOURABLE TO SALT PRODUCTION IN GOA

Salt industry first developed in Goa more than two thousand years ago.¹⁵⁶ It is humanly impossible to ascertain the exact year when the first salt-pan was constructed in Goa for extraction of salt from sea water. The art of manufacturing salt must have been introduced by the early settlers who colonised different coastal areas in the region or they must have learnt this art from the subsequent band of settlers who entered Goa in search of their means of livelihood. Since the days when the early settlers learnt or brought with them the art of manufacturing salt from sea water, the commodity has come to occupy a prominent place in the economy of Goa, particularly, in the export trade of this coastal region. This has been possible because of natural and other factors favourable to salt production in Goa. Goa's geographical position, its climate, the existence of large tracts of low lying lands on the banks of creeks and rivers, the salinity of the sea water, availability of skilled labour and expertise to produce salt from sea water, lack of favourable conditions for salt production in other neighbouring coastal regions and availability of markets in far and near places with cheaper modes of transport both through waterways and land routes, all

this has contributed to make Goa a favourable region for the growth of the salt industry.

As a coastal region with the coast of the length of about 100 kms., washed on its western side by the waters of the Arabian Sea, Goa has an abundant supply of sea water. However, the existence of abundant supply of sea water is, although a necessary condition, not a sufficient condition. The coast of Bengal proves this fact. Since water in the Bay of Bengal is, comparatively, with less salinity, there was, once upon a time, no production of salt on the coast of Bengal.¹⁵⁷ The salinity of sea water in Goa is not only favourable for salt production, but is, also, ideally coupled with the existence of large tracts of low lying lands. In Goa, the coastal areas are interspersed with creeks and estuaries formed by the rivers. They supply abundant quantity of brine(salt water) for salt production. The availability of large tracts of low lying lands along the creeks and estuaries in both northern and southern parts of Goa, facilitates evaporation of the brine which is essential for the production of salt. To add to this, the climate of Goa is favourable for the evaporation of the brine. It is warm with the year-round temperature varying between 20 degree and 36 degree C. Although heavy rainfall is originated from the south west monsoon, it is concentrated in the months from June to September. As a result, most of the long non-monsoonic period of the year is available to the salt producers to undertake the cultivation of salt.¹⁵⁸ The salt production season in Goa starts in the month of December and ends in the month of May with the onset of Monsoons. The importance of the availability of non-monsoonic period for the salt production season in Goa, can be gauged by one more fact. The salt production activity does not clash with the main productive activity of rice production. On the contrary, salt production is undertaken by the rice farmers as a supplementary source of income after the kharif season of rice production is over. A peculiarity of salt production in Goa is worth noticing. The salt pans are prepared on the Khazan lands which are situated on the banks of creeks and rivers. These lands are generally rice producing fertile lands which are cultivated during the rainy season and converted into salt pans when rice production kharif season is over.¹⁵⁹

To produce salt by solar evaporation, another important factor which is essential, is the existence of a strata of tough impermeable clay, or the means of constructing one.¹⁶⁰ In many parts of the country, salt pans are shallow and with hard ground which is a favourable condition for salt production. In Goa, salt pans are deep and on soft ground. As such, the preparation of the ground for salt production is a time consuming process. It takes a couple of months to prepare salt beds in Goa.¹⁶¹ Despite this difficulty, the soil conditions in Goa for salt farming are not too unfavourable, as they are in the neighbouring coastal areas. Sindhudurg and Ratnagiri districts are two districts to the north of Goa having a large coastal length. Despite this favourable condition, these two districts do not produce salt on a large scale, except in Shiroda, a small village in Sindhudurg district, which was a major centre of salt manufacture in the erstwhile undivided Ratnagiri district. This was because soil in most of the coastal areas of these two districts is not favourable for salt production. However, small salt pans are found at Malvan, Ratnagiri and Vengurla talukas with a very small percentage of production of salt.¹⁶²

Goa's position as an important centre of salt manufacture and as an exporter of salt, could not be challenged by many other salt producing regions in India because of the expertise of the Goan skilled labour in the manufacture of this traditional commodity. Although after liberation of Goa, skilled labour coming from outside the territory are undertaking all the jobs related to salt farming, traditionally, Goa was a centre of skilled salt workers who were efficiently manning all the operations of salt farming. There was a very large number of families, in all the centres of salt manufacture, whose members were experts in this productive activity. The skills passed from generation to generation and, in this way, human factor played an important role in the survival of this traditional industry against all odds. It is worth mentioning here, in this respect, an important feature of salt manufacture in Pernem. There is a distinct community in this place, which is traditionally engaged in the manufacture of salt. The community is known as Mithgaudas which is a sub-division of the Gauda community. 'Mith' in the local language means salt. Thus, the very name of the community indicates its profession related to the manufacture of salt. It is pertinent to

note that this community is, also, largely found in the Konkan region, north of Goa, namely, Malvan, Vengurla, Deogarh, Sawantwadi and Kudal. The Mithgaudas are, generally, a self-employed community, many of them having their own salt pans for which they employ landless people of their own community. Family members including women and children generally assist in the salt manufacturing process and, also, in agricultural operations. The Mithgauda community is a classic example of how salt farming skills have passed from generation to generation within the same community.¹⁶³

Availability of markets to the Goan salt in the neighbouring and far off regions was another important factor which brought about the growth of the industry since time immemorial. In the absence of salt producing centres worth the name, and because of the easy availability of Goan salt, comparatively, at cheaper rates, there was always tremendous demand for Goan salt from the neighbouring states in India. Far off regions like Arabia, Africa, Macau were also providing markets for Goan salt.¹⁶⁴ The marketing of Goan salt was facilitated by the cheaper modes of transport both through waterways and land routes. Besides land routes, internal waterways in the form of navigable rivers in Goa, constituted an important and cheap mode of transport for the movement of salt from the producing centres to the market places within Goa. For the export of salt to the regions outside Goa, both within and outside India, a large number of country crafts loaded with salt were found sailing to the neighbouring and far off ports of India and other countries. Thus, salt was an important commodity entering into sea-borne and coastal trade of Goa. But, more than this, salt was an integral part of Goa's inland trade which was using cattle caravans to carry merchandise to and from the mainland interior of India, through different Ghat routes across the Sahyadri range of mountains. Salt as an export item in the inland trade through the Ghat routes, dates back to the early period of Goa's history

1.6.5 AREAWISE CONCENTRATION OF THE SALT INDUSTRY IN GOA

Salt was produced in all the three districts of Portuguese India, namely, Goa, Daman and Diu. In Goa, out of 11 concelhos (now Talukas), only four concelhos - Goa Island(Tiswadi), Bardez, Salsete and Pernem were producing salt. The same

situation prevails today. All the four talukas are separated from each other by rivers descending from Western Ghats. Pernem has Chapora river to the south. Bardez is separated from Tiswadi by Mandovi river in the south and from Pernem by Chapora river in the north. Tiswadi lies between Mandovi river in the north and Zuari river in the south. Salsete lies south of Tiswadi and is separated from this Taluka by Zuari river in the north, and from its neighbouring eastern and southern regions by the river Sal. In the taluka of Tiswadi, the salt pans are located on the banks of Mandovi river in Panaji, Ribander and Santacruz and, on the banks of the Zuari river at Siridao, Curca and Santana. The location of salt pans in the taluka of Bardez is on the banks of Siquerim at Arpora. The saltpans in Salsete are located on the banks of the river Sal. In Pernem, the saltpans are situated on the banks of the river Tiracol.¹⁶⁵ In 1960, the area under saltpans in different talukas where salt cultivation was taking place, was as follows:

TABLE 1.02
AREA UNDER SALTPANS IN DIFFERENT CONCELHOS OF GOA (1960)
(in hectares)

| Concelho | Area |
|----------------------|----------|
| Goa Island (Tiswadi) | 197.3391 |
| Salsete | 102.5350 |
| Bardez | 92.7053 |
| Pernem | 18.0232 |
| Total (Goa) | 410.6026 |

Source: Statistical Year Book 1969, Government of Goa, Daman and Diu, Panaji p.79

Thus, total area under saltpans in Goa was 410.6026 h.a. in 1960. In Daman and Diu, area under saltpans, during the same year, was 9.2590 h.a. and 2.3133 h.a., respectively. Accounting for the area under saltpans of all the three districts, total area under saltpans in Portuguese India was 422.1749 h.a. in 1960.¹⁶⁶ Although total area under saltpans in different talukas of Portuguese India did not remain the same, for the last so many years, it is worth noting that the localisation of the salt industry in Goa, did not undergo any change over this period. Saltpans were found being cultivated on the banks of the same rivers as before. However, over a period of many

centuries, the area under saltpans was found to have decreased because of several factors which were in operation during this period.

The figures of the areas under saltpans in different talukas of Goa in 1960, throw light on the relative position of different salt producing talukas as regards the coverage of land by saltpans. The share of Goa Island(Tiswadi) in the total area of land utilized for salt production in Goa was maximum (48%) followed by that of Salsete which was 25%, Bardez and Pernem had 22.5% and 4.5%, respectively, of the total land under saltpans in Goa.

The relative position of the total area under saltpans in Goa, in 1960, can be better understood if we compare it with the areas under rice fields, coconut trees and cashew trees during the same period. The figures of these areas were as follows:

Rice fields :- 44,699.1825 h.a; Coconut trees :- 18,496.1759 h.a; Cashew trees :- 32,517.0750 h.a. The area under saltpans was 0.42% of the total combined area under rice fields, coconut trees, cashew trees and saltpans, which was minimum among the percentages of the areas under other individual crops. The percentages of the other individual crops were as follows: Rice fields :- 46.5; Coconut trees :- 19.25; Cashew trees :-33.83. It is apparent from the above that the area under saltpans was not even one percent of the total combined area under the above four important crops of Goa.¹⁶⁷

1.6.6 THE PROCESS OF PRODUCTION OF SALT IN GOA: TECHNIQUE USED

Salt production had been a prosperous local industry in Portuguese India, particularly in Goa, since ancient times. Extracting salt from the saline sea-water has been even today a traditional occupation of many descendants of the salt-pans workers who, in the course of last many centuries, have sustained this industry against all odds. In spite of the decadence set in, in this industry during the last 80 years of the Portuguese rule, the industry played an important role in the export trade of Portuguese India, during many years over this period. As an important traditional industry of Goa, salt production could have worked wonders to the economy of this tiny territory, if certain minimum requirements of the industry had been fulfilled at the production level and other levels including marketing of the product. Among the obsta-

cles that arrested the speedy growth of this industry, the outdated process of production of salt stands out as the most significant factor. Notwithstanding the favourable natural conditions for the production of salt in Goa, salt industry in this territory could not prosper on account of this primitive method of production which has come down to the modern times with marginal changes.¹⁶⁸

The process of production of salt from sea water, as followed in Goa, is the same traditional process followed in coastal regions to produce solar salt from sea water. The construction of salt pans is the first step in this process. The fields which are submerged with water during the rainy season are first cleared of water for the construction of pans. This is generally done during the month of December. Water is sucked out from the submerged fields with the help of a pump. Then the workers embark upon the task of constructing the pans by inserting a big pipe at the place where the water is let in from the rivulet.¹⁶⁹ The salt pans are constructed at a slightly declining slope so that water from external reservoir can easily flow to the internal reservoir and, then, from this to the salt beds as a result of the gravitational force.¹⁷⁰ The above mentioned big pipe is blocked by a mixture of muck with hay for a few days. The next step carried out in the construction of pans is building up of the bunds which is done with the help of a tool named ghor in the local language. The bunds are, then, moulded to give them the required shape. The most important work in the manufacture of salt lies in the formation of the crystallizing beds. The quantity and quality of the salt produced, chiefly depend on the impermeability and cleanliness of the flooring of beds. In order to make the beds of the salt-pan hard, superfluous mud is removed by the workers with the help of fhor. Hardness is imparted to the beds by a tedious and oft-repeated process of puddling with the feet, which is done at intervals of a few days.¹⁷¹ The stamping is continued until the pans are levelled up and become flat and solid. This process of puddling with the feet is aided in some places in India by the addition of mud or sand to the surface as the nature of the soil may render necessary.¹⁷² As salt pans in Goa are deep and on soft ground, unlike in many parts of the country where they are shallow and with hard ground, preparation of the ground for salt production, is the most time consuming process in this territory. It takes a couple

of months to prepare salt beds in Goa. As mentioned elsewhere, the saltpans in Goa are prepared on low lying khazan lands which are generally rice producing fertile fields, converted into salt pans when rice production kharif season comes to an end. The softness of the ground of the saltpans is, thus, the result of the nature of the khazan land that is used for salt production.

As described above, the first step in the process of salt farming consists of construction of pans by dividing the low lying areas at the mouth of the estuaries which are subject to tidal cycles, into different parts, and surrounding each part by bunds prepared very carefully.¹⁷³ The second step in this process involves the collection of water into the salt-pans. After ensuring that the beds are imparted sufficient hardness and they have become flat, saline water from the estuary is made to flow into the first bed. Through an opening, the water from the first bed is allowed to let in into the second bed. Through an opening from the second bed, the water is allowed to let in into the third bed.¹⁷⁴ The production of salt by solar evaporation requires sufficient supply of brine which is furnished by tidal backwaters. The formation of brine is an important step in salt production. The water is let in from the second bed into the third bed every day.¹⁷⁵ It is allowed to stagnate and evaporate with the heat of the sun. The process of evaporation is continued until the point of crystallisation is reached and crystalline salts are formed. The sodium chloride is now seen distinctly in the form of a thin white coat of salt. These white crystals of salt are now ready to be collected.¹⁷⁶ The bed is dried up for some days to allow the salt to harden. The crystals of salt are, then, collected with the help of a shovel and heaped at a place near the saltpans. The salt thus produced will be allowed to be dried up for a few days before it is dispatched to its destination in different markets.¹⁷⁷ Before the crystals of salts are formed, the salt workers are required to take utmost care during the period when the brine is allowed to concentrate in the salt beds. When the water is allowed to stagnate and evaporate, it is stirred up constantly in order to rake up the muck. The mud is mixed with the help of teeth shaped tools. The pan which has soft muck is levelled with the help of smaller teeth shaped tools.¹⁷⁸ This process is important for the formation of good quality crystals of salt.

The above description of the process of production of salt in Goa, focuses on the outmoded and outdated method of production employed by the saltpan owners. The process of production of salt has suffered on account of the refusal of the saltpan owners to effect technical developments in the methods of production. During the last eighty years of the Portuguese rule in Goa, when in many other parts of the country, improvements have been carried out to modernise the salt industry, the salt farms in Goa have not experienced any important change in the production method.¹⁷⁹ In the beginning of this century, when Goan salt works were languishing under the weight of primitive methods of production, different parts of British India had adopted improvements in their salt farming and were trying to compete with the cheap Goan salt, by way of production of different grades of salt. Ernesto Fernandes in his book entitled "A India Portuguesa, Estudos Economico- Sociais ----" (publication year: 1905) mentions different improved methods of production of salt as adopted in British India during that period. In British India, during those years, the different grades of salt which were being taken up for production were inter alia, as follows: Thick and weighty salt; fine and light salt; and light and finest salt. To produce thick and weighty salt, when crystals appear in the salt bed as a result of the evaporation process, they are continuously stirred up with the help of a rake, leading to their desired thickening.¹⁸⁰ There is no stirring up of the crystals when light and fine salt is produced. When the crystals are in the process of formation, a fine layer of salt which is formed on the surface of water is extracted every day. Whiteness is imparted to the crystals by ensuring perfection in the formation of the salt beds and by prompt and efficient collection of salt, before water in the bed is completely dried up.¹⁸¹ Light and finest salt is produced by subdividing the salt beds into smaller ones and, after the collection of the crystals of salt, by using the method of sifting to separate the thick crystals of salt from those which are very tiny. With the help of sifting, at least four to five types of finest salt are produced.¹⁸² The production of different types of salt depends also on the height of the water level in the salt bed. Goan salt industry was totally indifferent to the production of different grades or types of salt which could have secured larger and safe markets for its product, not only in British India during those

days, but also in other parts of the world. If Goan salt cultivators had learnt and adopted the above methods of producing different grades of salt, they would have also got remunerative prices for the product turned out by them, since superior quality salt would have fetched higher price.

It should, however, be stressed that outdated method of production was not the only serious limitation to the efficiency of the salt industry in Goa. Scale of production was also a serious obstacle to the growth and efficiency of the industry. Salt works in Goa were too small and too crudely laid out. Each salt work covered too small an area, an average area being about 8 acres.¹⁸³ This factor coupled with the lack of mechanized and scientific process of production and indifference of the salt cultivators towards the desirability to produce different grades of salt or their inability to do the same, contributed to the production of inferior quality salt with insolubles often upto 5%.¹⁸⁴ In the words of a Portuguese expert who had visited Goa in the later years of the Portuguese rule to study Goa's salt industry, Goan salt was unfit for human consumption. Goan salt was reddish or blackish in colour, depending on the soil.¹⁸⁵ In the matter of improvements in or modernisation of the salt industry in Goa, the Portuguese Government could have contributed a lot, but it showed total callousness in this respect and did not take any measure to improve the quality of salt in the territory. The production of salt has suffered over a long period of time on account of the clogging of the mouths of the rivers, on the banks of which salt pans are constructed, with silt. This obstructed the flow of the sea water into the saltpans and, also, the movement of the country craft in the river through which salt is carried to various destinations. Measures on the part of the Government to prevent the silting of the river beds by way of dredging operations, could have solved this problem, but nothing was done in this respect.¹⁸⁶

The inferior quality of salt produced in Goa was closely related to an important deficiency in the process of evaporation of sea water. Even today the salt farmers in Goa have not perfected the process of evaporation of brine and, so, the rate of evaporation of brine is not adequately controlled by them, with the result that other

salts like calcium, magnesium and potassium crystallize along with the sodium chloride, making this commodity impure and, thus, of inferior quality.¹⁸⁷

1.6.7 SALT - ITS VARIOUS USES, IN GENERAL, AND IN THE GOAN CONTEXT

Salt is a necessity of life. It imparts an agreeable flavour, improves the taste of food and is used as a condiment. It promotes digestion and cell-formation, and acts as a stimulant to nerves. As salt has antiseptic properties, it prevents putrefaction. Salt is widely used in diet, medicine and industry. Consumption of adequate salt in man's everyday diet is necessary for good health. Human blood contains salt and body cells must have salt to function properly. The sodium component of salt regulates osmotic pressures in the body and helps prevent excessive water loss. The sodium and chloride, also, play a major role in the transmission of nerve impulses. The salts sodium chloride and potassium chloride supply ions (electrically charged atoms) needed by nerve cells.¹⁸⁸ Depending upon the food habits and the living conditions of the people, each individual, generally, requires between 5 to 10 gms of salt. Where men live mainly on milk and raw or roasted meat, consumption of sodium chloride is unnecessary.¹⁸⁹ The people living in the hot climate and those who have to exert physically, have to consume more salt as there is more sweating under those two conditions. The loss of salt existing in human body through urine and sweating should be compensated by the adequate intake of salt in man's everyday diet. Salt is also essential to the health of animals.¹⁹⁰

The use of salt in the medical treatment is universal and varied. Salt, particularly, table salt which is fine grained and of high purity is used as a condiment in the preparation of food and as a preservative in the kitchen since time immemorial.¹⁹¹ The meat-packing, sausage-making, fish-curing and food processing industries use salt as a preservative or seasoning or both. The pickle making industry is an important user of salt.¹⁹² If there is 8% or more salt in the pickles or the food preparation, it can be preserved for long, since bacteria cannot thrive when the concentration of salt is 8% or more. Salt was largely used as a manure for agriculture. The Romans used it as a manure on their agricultural farms. As it has germicidal properties its use in agri-

culture helps to destroy pests, parasitic fungi, weeds etc. and, thus, it promotes the growth of plants. It is also indispensable in fish curing.

Salt which is iodized, i.e. which has potassium iodide or sodium iodide added to it, is widely used in those regions where iodine is lacking from diet, a situation that can cause goitre.¹⁹³ The use of salt for curing and preserving hides and as brine for refrigeration is well-known in the industrial field. Salt plays an important role in modern industries.

The chemical industry uses the largest quantity of salt. Salt is broken down and used to make a variety of sodium and chlorine products. It is essential for the manufacture of sodium bicarbonate (baking soda), sodium carbonate (washing soda), sodium hydroxide (caustic soda), hydrochloric acid, bleaching powder, chlorine and many other chemicals. Sodium compound called soda or soda ash is used to produce glass and soap.¹⁹⁴ Salt is also employed in glaze and porcelain enamel manufacture. It is also useful in the metallurgical processes as a flux (a substance promoting fusing of metals) and in the manufacture of cement to recover potash as a by-product.¹⁹⁵ Chlorine products from salt are used in the manufacture of paper, plastics, pesticides, cleaning fluids and antifreeze and other fluids used in technology. Since the melting point of ice is lowered when salt is mixed with it, salt is used as a deicer to clear the road surface from snow and ice and make it safe for driving.¹⁹⁶ It is also used in water-softening equipment that removes calcium and magnesium compounds from water.

Goa, which was a producing centre of salt of great renown, was, also, an important consumption centre of this commodity, since ancient times. Domestic use of salt was two-fold: Goans were using salt as a condiment in food preparation to give taste to food. Secondly, it was largely used as a preservative of food items. Goan households continue to use salt, for the above two purposes, to this date. During the Portuguese period, Goa did not have food processing industries worth the name and, so, the use of salt in the industries as a preservative or seasoning or both was minimum. The pickle making activity had not taken the form of an industry in the territory. Similarly, chemical and other manufacturing industries which use salt as a main

input or as a substance in the process of production, had not at all developed in Portuguese India. As a result, salt was used by the Goan people in their food preparations, either as a condiment to give taste to food or as a preservative for home-made food items. But, besides being used in food preparations as mentioned above, salt had two other most important uses in Goa. Salt was largely employed in the traditional fishing industry to undertake the process of fishcuring whenever there was surplus catch of fish by the fisherfolk. Salted fish was in great demand not only in Goa but also in the rest of the country and abroad. Fish which is a perishable commodity could, thus, be preserved for a long period by the application of salt to it. The consumption of salt for salting the fish in Goa was substantial. In fact, the traditionally practised fishing industry's profitability was largely dependent upon the availability of cheap salt in Goa. Salt was also mixed with the food supplied to the cattle in order to compensate for the lower quantity of salt in the cattlefood.¹⁹⁷

In recent times, agriculture and horticulture are increasingly using chemical fertilizers to increase the productivity of crops. During the ancient times and, subsequently, under the Portuguese rule, the only important and easily available manure to the farmers and fruit growing cultivators was salt. Salt was increasingly used as a manure not only in coconut and arecanut groves, but also in the production of other fruits and even in rice fields. Soda and potash are two mineral alkali which simultaneously exist in the plants. In Goa salt was being used as a manure, to compensate for the inadequacy of soda in the plants.¹⁹⁸ In fact, the type of salt which was being produced in Goa was not fit for human consumption, but fit to be used as manure for the plants and trees. Salt freshly produced from sea water evaporation ponds may contain large number of halophilic (salt loving) micro-organisms which occasionally cause spoilage of meat, fish, vegetables and hides when salt has been used in preservation.¹⁹⁹ Goan salt produced during the Portuguese rule, and even in the present times, had impurities which, as mentioned above, were arising out of lack of proper care in the process of production.²⁰⁰ This inferior quality salt, fit to be used as manure only, was, however, used, on a large scale, in Goa for human consumption as a condiment and preservative.

The study of salt in the context of the world, India and Goa highlights the importance of this commodity not only in the history of the humanity, but also in the modern industrial world. The growth of the salt industry in the regions which have favourable natural conditions for salt production, can greatly contribute to the industrial development of these region. Salt producing centres in the developed countries have proved this fact beyond doubt.

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CHAPTER TWO

STATE OF THE GOAN ECONOMY AND SALT IN THE PRE - 19TH CENTURY PERIOD

2.1 INTRODUCTION

The study of the Goan salt industry and salt trade in the 19th and 20th centuries, during the Portuguese colonial rule, requires the understanding of the state of the Goan economy and of the relative importance of salt as an export commodity in this economy during the pre-19th century period. Salt was a locally produced export commodity even before the arrival of the Portuguese in the Indian sub-continent and their subsequent conquest of Goa island in 1510. The Goan economy during the pre-19th century period, under the Portuguese rule, is characterised by the golden period in the 16th century, followed by its economic decadence from the 17th century onwards.

The discovery of the new sea route to India via Cape of Good Hope by the Portuguese fleet, under the command of Vasco da Gama, brought about a complete revolution in the commercial world. Before the discovery of the sea route to India, a flourishing trade of spices and other goods was going on between India and the Arab world. This trade was in the hands of Arabs who were supplying to the Venetians the much sought after merchandise brought by them from India and other Asian countries. The Venetians were reaping rich profits on these oriental commodities, particularly, on the spices, which were being sold in the European markets at prices several times higher than what they were in India. Genoa was also distributing these goods throughout Europe.¹ The entry of the Portuguese in the Indian ocean gave a serious jolt to the economic interests of the Arabs and Venetians. Within a few years the Arabs fleet had been either destroyed or admitted to the trade on the Malabar Coast on Portuguese terms. The powerful navy of the Portuguese prevented the navigation of all alien vessels which did not possess the authenticated permits - the cartazes - issued by the Portuguese power in India.² After the victory of Diu in 1509, which made the Portuguese, the masters of the Indian Ocean, Afonso de Albuquerque realised that his dream of building the Portuguese empire in India with supremacy both at sea and

land, could be fulfilled if he could conquer Goa.³ The Portuguese found Goa as a centre of commercially strategic importance on the West Coast of India. During those days, Goa was an important entrepot for trading in horses and merchandise. It was being visited by merchants of various countries. Goa was a great market of Arabian and Persian horses throughout India. Horses were being imported into India from Ormuz and other Arabian countries.⁴ It was almost the centre between Chawl and trading centres on the Gujarat coast in the north, and the centres of Calicut, Cochin and Cananor, in the extreme south. In the 15th century, Goa was a true entrepot, channelling exports from the Bahamani kingdom and Vijaynagar and importing goods including horses for these interior markets.⁵ The conquest of Goa in 1510 gave to the Portuguese a station excellently situated, for purpose of trade, midway between Surat in the north and Cochin and Calicut in the south. Goa was made the principal emporium of trade between the east and the west.

2.2 GOA AT THE HEIGHT OF PROSPERITY

As the main centre to purchase and sell the merchandise, Goa's strategic position as an entrepot on the west coast of India was enhanced, under the Portuguese rule, to such a great extent that within a period of about 100 years, it reached the zenith of its prosperity. This was, in reality, the result of almost complete monopoly of the trade in spices to Europe exercised by the Portuguese power through the system of Cartazes.⁶ The conquest of Ormuz and Malaca, by Afonso de Albuquerque, was greatly instrumental in strengthening the monopoly power of the Portuguese in the spices trade and trade in other merchandise.⁷ The goods, instead of being transported through the ports of Levant and the Mediterranean sea to Europe, came to be exported from Goa to Lisbon.⁸ As Tome Pires correctly prophesied, the way was open for Goa to become the greatest place in the world.⁹

As a seat of the capital of the Estado da India comprising of different possessions stretching from Africa to remote regions in the south-east Asia, Goa attained strategic and political significance, but, more than this, its commercial importance as a great entrepot on the world map, during the 16th century, brought both fame and wealth to this tiny territory and earned for it the epithet of 'Golden Goa'. In the course

of nearly one century after its conquest by the Portuguese, Goa witnessed a flourishing trade with the outside world, mainly with Portugal, Africa, eastern parts of Asia and the Middle East regions.¹⁰

When this trade in spices and other important goods was going on in full swing, Goa was also trading in locally produced goods. Trade in rice, coconuts, arecanuts, betel and salt was going on unabated, although the Portuguese had concentrated more on the sea-borne trade.¹¹ In fact, during the pre-Portuguese period, when Goa was a 'place of great trade' and ships from Mecca, Aden, Hormuz, Cambay, Malabar and other regions were flocking to the Goa port coastal trade connecting different ports of the Indian sub-continent, riverine trade using waterways within the territory of Goa and inland trade using cattle caravans to and fro the mainland interior of the Deccan, were continuing unhindered. The Portuguese did not interfere with this trade in locally produced commodities moving out of Goa. The trade in commodities of essential nature and other merchandise entering into the Goan territory was also allowed to continue smoothly. Country crafts laden with locally produced and foreign originated goods were visiting different ports on the Indian coast and were bringing essential supplies for the local people and goods for being re-exported to Portugal and other regions.

Balaghat (Deccan) was the major source of supplies of goods for their consumption in Goa and for being re-exported to the European countries.¹² Cattle caravans using the land routes through the difficult mountain passes were bringing to Goa rice, wheat etc., and taking to the interior mainland India salt, coconuts, copra, arecanuts and other merchandise. "Great trains of oxen loaded with merchandise used to come into Goa from very distant kingdoms in the interior".¹³

The coastal and inland trade was, thus, acting as the feeder of the sea trade, based at Goa.

Although Goa based sea trade was a valuable source of profits to the Portuguese during this period, coastal trade carried by country crafts and inland trade through the mountain passes to and from the interior mainland India were of great necessity to the survival of the local people. Despite its agricultural economy, Goa was

foodgrains-deficit region and, thus, had to depend upon the supply of rice and other essential commodities coming from neighbouring regions. Goa's potential to import goods which it required for its sustenance and re-export, depended upon its capacity to supply the locally produced goods which were in demand in these neighbouring regions. These commodities included salt, betelnuts or arecanuts and coconuts.

Tome Pires in his 'Suma Oriental' which is the earliest extensive account of the East from the Red Sea to Japan written in Malacca and India in 1512-1515, refers to the goods, Goa was trading in. Rice, salt, arecanuts and betel were the goods which Goa was exporting to far off places both within and outside India. Betel from Goa was better than what was available anywhere else, mild and pleasant to the taste and highly prized.¹⁴ Goa was exporting betelnuts to Aden, Ormuz and Cambay besides rice and salt.¹⁵ Quoting "Livro Que Trata das Cousas da India e do Japao", Vitorino Magalhaes Godinho, in his book 'Os Descobrimentos e a Economia Mundial', makes reference to the saltpans existing in Salcete and Bardez during the 16th century. 'Ha Marynhas de sall de muyta renda' (There are saltpans earning large incomes) The territory of Bardez was receiving large supplies of goods from the interior mainland. The caravans used to leave Bardez in search of such supplies during the summer season and were bringing these supplies in exchange of salt which the territory was producing over and above of what was consumed. There were saltpans on the banks of the river Sal in the south Goa. It was an area full of saltpans(Zona de marinhas). Salt produced in this region was being transported to far off places.¹⁶

During the 16th century, although Goa, which comprised of Goa island, Salsete and Bardez, was known to the world as a great entrepot buzzing with trading activity, the main source of livelihood for the majority of the people was agriculture followed by horticulture, fishing and salt-production. Obsessed as they were with trade and commerce, the Portuguese did not pay any attention to the development of agriculture and allied activities.¹⁷ But, inspite of the total indifference of the Portuguese towards these productive activities, agriculture and allied activities served the economy in two ways. Firstly, they supplied to the majority of the people, means of livelihood, although insufficiently and, secondly, commodities like coconuts, salt,

betelnuts etc. acted as exchange-goods to avail of much needed supplies of essential goods and goods for re-export, from outside Goa. Among all these goods, salt was a prominent commodity which besides being exported to the Indian mainland and other countries was used as a condiment and preservative in food preparations and was, also, extensively used for fish curing and as a manure in the plantations of coconuts, arecanuts and other fruits like mangoes, as well as on rice farms.¹⁸

Although the prosperity of Portuguese India continued upto the end of the 16th century, the second half of this century witnessed a decline in the spice trade to Europe. However, this decline was compensated by the inter-Asia trade undertaken by the private traders, particularly, by the 'casados'. This trade contributed to the rise in the government incomes, thanks to the increase in the customs duty receipts.¹⁹ In spite of this fall in the spice trade to Europe in the second half of the 16th century, the city of Goa had grown into one of the finest capitals in India with a large population, stately buildings and extensive commerce.²⁰ The budgets were balanced.²¹

2.3 ECONOMIC DECLINE OF PORTUGUESE INDIA

The economic decline of Portuguese India gained momentum in the 17th century. The weakening of the Portuguese military power in the East was the main factor that contributed to this situation. Portugal could not maintain her naval supremacy in the face of rising influence of her enemies.²² This, in fact, sprang up from the decline of the economic power of Portugal in the 17th century. Portugal could not overcome the challenge of the Dutch to the economic interests of the Portuguese nation in the Indian sub-continent and other Asian countries. Portuguese India started facing two formidable rivals at the dawn of the 17th century, namely, the Dutch and the English. The Dutch people acquired new vigour with the birth of their new liberty in 1581, when Holand gained her independence. They began to push their commercial enterprises in all directions and appeared upon the Indian scene with their powerful navy. They soon proved themselves as able challengers to the Portuguese monopoly of the Eastern trade. Amsterdam outrivalled Venice and Lisbon to become the European emporium of Indian commerce.²³ The Dutch who arrived in Southeast Asia in 1596, challenged the Portuguese in both commercial and military areas.²⁴ They blockaded

Goa several times. The Dutch fleet was anchored at Aguada for 23 days in 1604. It blockaded the entrance to the Mandovi river again in 1636-37 and 1637-38. They established a 'factory' at Vengurla on the Konkan coast near the Portuguese Indian borders and continued their blockades of Goa so frequently that the Portuguese trade was greatly affected by their actions.²⁵ However, long before the Dutch began attacking and taking over the Portuguese possessions, they had succeeded in outcompeting the Portuguese commercially and had brought about the decline in the Portuguese trade in the East. Early in the 17th century, rapid decline of the Carreira (the voyage to Portugal) had started on account of the challenges of the Dutch traders to the Portuguese trade.²⁶ With their considerable financial resources, long commercial experience and superior naval organisation, the Dutch systematically harried the Portuguese interport trade of Asia from the Persian Gulf to Japan.²⁷ The Portuguese lost Malaca to the Dutch in 1641, and the whole of Ceylon and all the Portuguese possessions on the Malabar coast fell to the Dutch in 1659 and 1663, respectively.²⁸ The Dutch challenge was not the only cause of the downfall of Goa as a trading centre in the 17th century. Along with the implacable hostility of the Dutch, the devastating effects of successive epidemics leading to the desertion of the city of Goa constituted another factor which brought about the decline. The decay of Portuguese morals both among the men and women and the general corruption prevalent in the government and the society also contributed to this situation.²⁹ Two more causes can be cited as regards the decay of the Portuguese power and their trade in India. The Portuguese made a number of conquests far divided from one another. It was difficult to defend an empire which was stretching over thousands of miles covering Pacific, Atlantic and Indian Ocean. In the 16th century, the Portuguese had 50-odd forts and fortified areas. Their number came down to just nine, by 1663, thanks to the naval supremacy of the Dutch, military successes of the local powers and weakening of the military power of the Portuguese.³⁰ In India, as Malabar was lost, the Portuguese were left with only five possessions on the west coast of India, namely, Diu, Daman, Bassain, Chaul and Goa. In the course of time, they lost Chaul and Bassain, but in the second half of the 18th century seven new talukas (known as New Conquests) were added to Goa, which

until that time was comprising of Goa island, Bardez and Salsete, to make up the present Goa and, along with Daman and Diu, the Estado da India.³¹ The other cause that led to the decline of Goa's position as a great trading centre in the East was that the Portuguese devoted more attention and resources to Brazil and neglected Portuguese India. This was because they found more profits in Brazil where sugar was the dominating commodity in the overseas trade. As a result, the Portuguese India got little help from the mother country against the incursions of the Dutch.³²

Inquisition was also one of the factors which led to the economic ruin of Portuguese India during the 18th century. Most of the traders in the territory were Hindus. Traders from the Muslim community were, also, in a substantial number. Scared as they were of the actions of the Inquisition authorities, these traders had to work under constant fear of persecution under Inquisition. This greatly disturbed the trade of Goa with the outside world. The Inquisition led to the desertion of the provinces of Daman and Diu, leading to the decline of the industries in these northern parts of Portuguese India.³³ The challenge meted out by the neighbouring native rulers to the Portugal's right to rule in India, also acted as a contributing factor for the decline of their power and the Goan economy. They had to incur heavy expenditure in resisting such challenges. During the invasion of Marathas, the Royal Treasury (Fazenda Real) incurred loans which totalled 4,389,453 xerafins. The purpose of these loans was to celebrate peace treaty. Although the Portuguese rule in Goa survived Sambhaji's invasion of 1683, the challenge of this Maratha ruler acted as a blow to the economy of Goa because it caused destruction of palmgroves and paddy crops of Bardez, and the salt industry of Salsete.³⁴

Different foreign travellers who visited Goa during the 17th century and, also, during the subsequent period, have recorded their experiences of the economic decline of Portuguese India.³⁵ Even though the Portuguese did not have sufficient means and had, thus, become poor, they were giving the people around them, the false impression of their affluence. As Jesuit Padre Manuel Godinho said in 1660s, Portuguese India which was once a 'giant' had become a 'pigmy'. Thevenot refers to the vanity of the Portuguese as one of the causes of the decline of the Portuguese power in

the East. Their vanity was of such a high degree that they took the challenge of the Dutch lightly.³⁶ However, given these political and commercial circumstances under which they were working, the Portuguese could have, still, arrested the decline of the economy of Portuguese India, if they had devised and implemented adequate measures to strengthen the Goan economy by promoting the traditional and dominant sector of the economy that was agriculture. The decline of the economy could have been avoided if the Government had developed the traditional industries like salt manufacturing and devised the means to develop Goa's external trade in a planned way. The development of agriculture and traditional industries would have enabled the territory to offer the locally made merchandise in exchange for the goods required for the internal consumption in the territory and for reexport. However, except for the initiative taken by Marquez de Pombal in the last quarter of the 18th century to bring about improvements in the agricultural sector of Portuguese India, agriculture and manufacturing were rarely encouraged by the Government. In fact, this neglect of agriculture and industries was an inherent feature of the Portuguese presence in the Indian subcontinent.³⁷ Right from the day Vasco da Gama landed on the Indian soil, the Portuguese were never interested in any other activity but trade. The very statement made by one of the Portuguese sailors who disembarked on the shores of Calicut in their first voyage to India, is symbolic of this attitude of the Portuguese. Being asked what has made them to come to such a long distance, prompt came the reply: 'We have come in search of Christians and spices'. Obsessed as they were with trade in spices and other Indian commodities, it was but natural that the Portuguese neglected agriculture and manufacturing in Goa.³⁸

2.3.1 INDICATORS OF THE ECONOMIC DECLINE

The decline of the Portuguese trade in India is reflected in the behaviour of a number of economic variables from the 17th century onwards. During the period 1610 - 1620, the Portuguese carried to Europe 7,500 to 10,000 quintals of spices annually as against much larger quantity of 25,000 to 30,000 quintals during the period 1570 - 1595. The Portuguese returned just 27 ships to Europe in the first decade of the 17th century as against 75 ships returned by the Dutch to that continent. By 1630,

the ratio of the country trade to the 'carreira' to Portugal was 15:1. In fact, the 'Carreira' to Portugal had declined and the country trade had increased in the later period of the 16th century itself. However, in the 17th century, the competition of the Dutch and the British in the country trade led to a substantial fall in the country trade, emanating from Portuguese India. The custom revenues of Portuguese India decreased by 43% between 1600 and the 1629.³⁹ As depicted by the Table 2.01, the receipts of the Custom House of Goa Island decreased from 200,000 xerafins in 1600 to 80,135 xerafins in 1700.⁴⁰ The sea trade of Portuguese India which was estimated to be of the value of 2,700,000 cruzados in 1600 slumped down to 500,000 cruzados in 1680 and the budgets of the territory experienced deficits.⁴¹ Towards the close of the 17th century, Portuguese India was reduced to a condition of great depression. Throughout the 17th century, the territory was suffering from an empty treasury, but as the century was coming to a close, the state treasury hit rockbottom. As is mentioned above, this was the result of the decline of the Portuguese trade which had gone in the hands of the Dutch and the English. When, with their commercial acumen and military power, the English strengthened their commercial position in India in the later period of the 17th century, trade and commerce in Portuguese India further deteriorated. The decadence of the Goan economy in the late 17th century is highlighted in the petition submitted by the Camara Geral das Terras de Bardez (General Assembly of the Comunidades of Bardez) to the Crown. The petition dated 23-1-1688 spells out the miserable economic position of the people, firstly, on account of inadequate supplies of foodgrains which were sufficient for just four months, and, secondly, due to the heavy burden of taxation imposed upon the people by the Government. Thanks to the conflict between Sambhaji and Mongols, the areas across the Ghats and the Konkan region were not in a position to supply the foodgrains and other necessities to Goa. As the people's plight had become miserable on account of the lack of means of livelihood, it was difficult for them to play their tax liabilities to the Government.

During the seventeenth century, Goa's dependence upon the inland trade through the Ghat routes along the eastern mountain ranges of Goa substantially increased, thanks to the economic blockades of Goa by the Dutch and the continuous

conflict of the Portuguese with this new European power in the Indian ocean. Goa had to depend upon the hinterland trade through these routes for its supplies of food and other essential commodities. Even the sea borne trade of the Portuguese started depending increasingly on this trade.⁴² The two main components of the sea borne trade - clothes and diamonds - were now being supplied through the Ghat routes.⁴³

In the 17th century, when the Portuguese sea trade was on the decline, the 'Rendas' (Receipts from farmed out taxes) from the inland trade with the mainland India became the major source of public revenue in Portuguese India. Salt continued to be one of the important export commodities in the trade between Goa and the interior mainland of India. Goa could get essential supplies for its people and supplies for its seaborne trade to Europe and other countries by exchanging salt, arecanuts, coconuts etc. for such supplies. Riverine waterways in Goa, carrying salt, coconuts, betelnuts etc., were being used by the traders as a supply line to this inland trade.⁴⁴

Goa's trade with Canara had salt as an important exchange commodity to get essential supplies for its people. When the Portuguese were exercising monopoly over the spice trade in the East, Canara was one of the regions which was subjected to this monopoly. However, the trade relations of Goa with the Canara region were largely because of the needs of rice supplies which Goa was feeling on account of the inadequate production of this commodity in the territory. Besides rice and pepper, commodities like wood and timber, iron, ginger, sugar, coir, salt-petre etc. were received by Goa from this region.⁴⁵ Portuguese India was purchasing rice and other commodities by selling to the Canara region salt and other local commodities. However, the Portuguese were also supplying to the Canara region goods brought from Portugal and other countries. Horses, copper, quicksilver, vermilion, coral and lead were the goods which brought from the above countries were supplied to the Canara region in exchange of rice and other commodities. In the course of time, Goa's imports from Canara began to be paid largely in terms of local goods like salt.⁴⁶ However, for many years, rice from Canara was partly secured by the Portuguese by way of tributes exacted from local chiefs in the region.

Although Canara - Goa trade relations continued in the 17th and, then, in the 18th century too, the inland trade between the mainland India and Goa gained more importance on account of the Dutch blockades of Goa. Pyrard de Laval who was in Goa during the period 1608 - 10, has given an account of the hinterland trade between Balaghat and Goa. A large number of people both men and women were bringing into Goa from Balaghat all types of merchandise on horses, oxen, donkeys and other beasts of burden.⁴⁷ Details of the traditional tariff in force in Salsete which is known as Shiva Poi tariff and which lists 67 items taxed at the Customs House, refer to the commodities brought to Goa from Balaghat. Oxen caravans coming from Balaghat were bringing cloth, sugar, coir rope, cotton thread etc. from Balaghat.⁴⁸ Salt was an export commodity entering into this trade.

When the economic position of Portuguese India was worsening in the 17th century on account of the decline of trade and commerce, the government of Portuguese India became increasingly aware of the importance of salt as an export commodity paying for the import of necessaries and other goods for reexport. The government made efforts to find an outlet for Goan salt in the neighbouring territories and distant regions. There is one instance to take note of, in this regard. When Shivaji established a salt monopoly in his lands and created salt depots at Manneri and Factorpa in the neighbourhood of the Portuguese territory of Goa, it became difficult to find an outlet for the Goan salt. The Portuguese government retaliated by compelling the fisherfolk of the Maratha territory, who were coming to fish in the rivers of Chapora or Aldona, to buy in Goa all the salt they required for salting the fish they were catching in Goa, instead of buying it in the depots of their own territory.⁴⁹ In 1687, the authorities in Goa refused permission to the Maratha Subhedar of Bicholim to transport salt of Pernem to Manneri through the rivers of Kaissua and Colvale.⁵⁰

2.4 DECADENCE OF THE GOAN ECONOMY IN THE 18TH CENTURY

The 18th century brought in its wake more difficult times for Portuguese India. Almost all the most valued possessions of Portugal in the East, had been taken over by the Dutch. England had consolidated its position in India. By 1726, Portuguese India's trade with the outside world had totally ruined. On account of the decline of

trade, the tax farmers could not fulfil their obligations towards the Government. They were unable to pay their dues to the government treasury. Bidders and guarantors were not coming forward to play their respective roles in tax collecting activities. Declining trade led to the shortage of private capital.⁵¹ In a lucid account of the position of Portuguese India by 1750, the Vice-roy Marquez de Castello Novo and Alorna states that the Dutch "have taken away our best trade and have their eyes on Daman" He writes further that the English have also caused great harm to the Portuguese trade by paralysing their commerce on the Coromandel coast and in Bengal, as a sequel to their blockade of the coast of Coromandel after they declared war against France.⁵² Goa's trade had fallen to such a low level that, as was described by the Vice-roy Conde de Ega, "the extreme poverty was irremediable and all were groaning under the weight of misery".⁵³ The ruin of the Portuguese Indian trade by 1726 was the result of a number of factors which were operating during those difficult years for the Portuguese power in India. Among them, three factors stand out as prominent ones. Firstly, the business skills and commercial organisation of the rival European traders were a real challenge to the Portuguese Indian traders. The techniques of marketing of the Englishmen and other Europeans were superior to those of the Portuguese traders. The former were buying the Asian goods paying 50% advance or more, from the ports of Cambay, Persia, Surat and other places. They were selling the goods in larger quantities and at much cheaper rates than what the Portuguese were doing. The second factor that caused the ruin of the Portuguese Indian trade in the 18th century, was the rise of Bombay as a new commercial entrepot on the western coast of India, which undermined the commercial position of Surat and Goa, relegating them to a secondary position. The commercial acumen and military power of the Englishmen coupled with their scientific and technological superiority, placed them on the centre-stage of the commercial life in India.⁵⁴

The decadence of the Portuguese Indian trade in the 18th century is explained by one more factor that was, in fact, in operation even in the 17th century. The traders of the neighbouring states were unwilling to dispatch their goods to Goa as there was no sufficient demand for them in the territory. As a result, the goods which were, in

the past, being sent to Goa, were now being purchased by the English, the French and the Dutch. The traders from outside Goa, particularly, the other European traders were, also, not interested in procuring from Goa, the supplies of goods they required, since they could get most of these goods from the other ports on the Indian coast. The Britishers, for example, were procuring the goods they wished to trade in, at Vengurla port. Another reason why these traders did not want to trade with Goa to get their supplies of goods from Goa, was the fact that, except for a few commodities like salt, coconut and arecanuts, Goa had scarcely anything of its own to offer to these traders. Moreover, merchants at the other ports were being given adequate protection against the pirates. There was, comparatively, more freedom and, also, more custom duties concessions granted to them by the local authorities. On the contrary, custom duties structure in Portuguese India was harmful to the trade in the ports of Goa and other Portuguese possessions.

Goa's inability to offer goods catering to the requirements of the traders from outside Goa resulted from its undeveloped agriculture and lack of any industry worth the name. This situation prevailed, also, in the 17th and earlier centuries. During the period of prosperity in the 16th century, however, this inherent limitation of Goa's economy was neutralized by the flourishing trade that was attracted to the port town of Goa as an international entrepot. But, once Goa lost its prominence as an international centre of trade and commerce, the downfall of the economy could not be prevented on account of its undeveloped agriculture and almost total absence of manufacturing industry, except the traditional agro-based industry of salt. The decadent state of the economy of Goa is well reflected in the plight of the people, which was brought about by the shortage of foodgrains and other necessities of life, during the first half of the 18th century. To add to the woes of the people, the burden of taxation imposed upon them, was heavy. This situation is highlighted by the petition submitted to the Crown by the Camara Geral das Terras de Salsete (General Assembly of the Comunidades of Salsete) in 1733. The petition mentions the fact that the supplies of foodgrains were sufficient for just 4 months. Each individual was not getting even half measure of rice per day. As a result of the starvation of the people, a large number of

them had to leave the Portuguese territory and settle in the territory of Sunda, in the areas across the Ghats and in the Canara region. More than 60 thousand christians left Goa to settle in the above territories in order to escape from hunger in Goa and earn their means of livelihood. It was reported that every year about 2,000 people were leaving the territory of Salsete and settling in the neighbouring territory. On account of the heavy burden of taxation, the cultivators were deserting agricultural lands and coconut groves.⁵⁵

The decline in the economy of Goa is amply reflected in the figures of the receipts of Goa Island custom house during the 18th century. They indicate the downfall experienced in the external trade of Goa Island. The data of the Custom House receipts of Goa Island available to us (see Table 2.01) show that the custom receipts in 1700 were just 80,135 xerafins which were less than the custom receipts in 1649 by an amount of 125,566 xerafins.

The custom receipts after 1700 did increase, but they never reached the level of the year 1649 until 1779. Between these two years (1700 to 1779), one notes ups and downs in the custom receipts of Goa Island, the lowest level, among these available data, being reached in 1723 which was 77,750 xerafins. Between 1723 and 1750, the increase in the annual custom receipts has been of about 13% only. Between 1750 and 1787, one observes substantial rise in the custom receipts of Goa Island, which increased during this period of 37 years by 380%. Against the rise of just 9.8% between the years 1700 and 1750, the rise of 380% between 1750 and 1787 looks substantial. This is a pointer to the fact that the external trade of Goa revived to a great extent, in the last decades of the 18th century. Between the quinqueniums 1778-82 and 1783-87, the average annual custom receipts for the later period were 80% higher than those for the former period.⁵⁶

The decline in the external trade of Portuguese India and the consequent poor state of the economy of the territory during the 18th century, greatly affected the public incomes of the government of Portuguese India. The government experienced deficit in its public finances for major part of the period of decline. In fact, the public finances had experienced deficits even during the period of prosperity in the 16th

TABLE 2.01
 RECEIPTS OF THE CUSTOM HOUSE OF GOA ISLAND (1594-1787)
 (in xerafins)

| YEAR | RECEIPTS |
|------|----------|
| 1594 | 189,430 |
| 1600 | 200,000 |
| 1649 | 205,701 |
| 1698 | 103,780 |
| 1699 | 110,127 |
| 1700 | 80,135 |
| 1701 | 124,214 |
| 1702 | 89,476 |
| 1706 | 95,250 |
| 1713 | 104,000 |
| 1719 | 104,500 |
| 1723 | 77,750 |
| 1750 | 88,000 |
| 1753 | 115,100 |
| 1771 | 140,000 |
| 1778 | 198,748 |
| 1779 | 242,881 |
| 1780 | 223,908 |
| 1781 | 234,680 |
| 1782 | 331,513 |
| 1783 | 433,998 |
| 1784 | 450,911 |
| 1785 | 360,432 |
| 1786 | 552,557 |
| 1787 | 422,476 |

Source: Historical Archives of Goa, Moncoes do Reino 126A (1723-1754); 171B (1789-90) Fl. 493; Claudio Lagrange Monteiro de Barbuda, Instrucoes com que El-Rei D. Jose mandou passar ao Estado da India no anno 1770, Nova Goa, 1841.p.25; Gabinete Literario das Fontainhas, Ed. F.N. Xavier, Vol. II, Nova Goa, Imprensa Nacional, 1847, pp.288-89

century and the crown was often sounding a note of warning to the Vice-roys against the excess of expenditure over revenue.⁵⁷ But, the situation on this front deteriorated as economic decadence, on account of the decline of trade, set in in the territory. Portuguese India had to wait for the financial help to come from Portugal.

Thus, the economy of the territory had to be propped up by the succour coming from the mother country.

In the second half of the 18th century the public finances of the territory were experiencing deficit, continuously for many years. However, as trade began to be revived in the later period of this century, the public finances witnessed surplus of the receipts over expenditure. The Table 2.02 depicting receipts and expenditure of the Royal Treasury of Goa corroborates the above fact.⁵⁸

2.4.1 GOVERNMENT MEASURES TO REVIVE THE ECONOMY

The decadence of the economy brought about by the decline of external trade of Portuguese India was reflected not only in the deficits in the public finances of the territory, but also in the persistent efforts made by the Government of Portuguese India to raise additional tax resources with a view to tide over its difficult financial position. When the Government had to withdraw the 'Dizimos' (Tithes), a tax on agricultural produce, levied by it to increase its tax resources, since the Jesuits levelled a stiff opposition to this tax, it became imperative for the authorities to search new sources of tax revenue.⁵⁹ Accordingly, the Government imposed the following taxes: 1. Meios Foros (Half quit rent), 2. Meias Cizas (A duty of 5% on the sale of property), 3. Rendas de copra (a duty of one xerafim on every khandi of copra that might be exported and 4. Pensao de xendi (a capitation tax on the Hindus of Goa Island, Bardez and Salsete, to be paid, also, by the Muslims in these three provinces).⁶⁰ A duty of 1/2 xerafim on every 1,000 coconuts exported from Goa was also levied. Each native resident of Tiswadi, Bardez and Salsete was to pay annually an impost of 2 xerafins. Goldsmiths, apothecaries and brokers were to pay 3 xerafins and the merchants 5 xerafins, annually.⁶¹ The Xendim Tax was a Portuguese version of Jizhya. The ecclesiastics in the Council of State recommended it in order to make Hindus pay certain annual contribution. As these taxes which were in force since 1704 failed to wipe out

the deficits in the public finances of the territory, and as in the wake of Maratha invasion of Goa, the financial position of the Government deteriorated further, 'Dizimos' (Tithes) were re-introduced in 1745. The levying of 'Dizimo' (Tithe) meant that the

TABLE 2.02
RECEIPTS AND EXPENDITURE OF THE ROYAL TREASURY OF GOA
(1753-1798)
(in xerafins)

| YEAR | RECEIPTS | EXPENDITURE | DEFICIT/SURPLUS |
|------|-----------|-------------|-----------------|
| 1753 | 1,578,034 | 2,011,085 | -433,051 |
| 1754 | 1,623,366 | 2,021,063 | -397,697 |
| 1756 | 1,844,919 | 1,638,592 | +206,327 |
| 1757 | 1,738,265 | 1,590,041 | +148,223 |
| 1758 | 1,656,600 | 1,666,939 | -10,339 |
| 1759 | 1,502,405 | 1,754,812 | -252,407 |
| 1760 | 1,660,737 | 1,924,111 | -263,374 |
| 1761 | 1,554,804 | 1,639,398 | -1,902,774 |
| 1762 | 1,543,284 | 1,854,621 | -311,337 |
| 1764 | 1,972,032 | 2,051,846 | -79,814 |
| 1766 | 1,672,208 | 1,776,449 | -104,241 |
| 1767 | 1,453,609 | 1,529,093 | -75,484 |
| 1769 | 1,543,656 | 1,554,478 | -10,822 |
| 1783 | 2,027,648 | 2,020,489 | +7,159 |
| 1784 | 1,848,980 | 1,852,280 | -3,300 |
| 1785 | 2,022,397 | 2,010,999 | +11,398 |
| 1786 | 2,160,988 | 2,123,779 | +37,209 |
| 1787 | 1,867,624 | 1,858,430 | +9,194 |
| 1798 | 1,947,653 | 1,819,128 | +128,525 |

Source: Compiled from different codices of the series Moncoes do Reino (Historical Archives of Goa) as given in no. 58 of References and Notes of the Chapter II.

tenth part of the gross agricultural produce which included rice paddy, coconut, salt and toddy extracted from coconut trees, was to be paid to the Government in the form of tax revenue. However, this 10% rate was levied for the private individuals, and for

agricultural production from Comunidades the rate was fixed at 5%. The tax was first introduced in Goa Island, Salsete and Bardez, and, later on it was made applicable to Pernem and Bicholim.⁶² As a tax on gross produce, 'Dizimos' was not taking into account the costs incurred by the producers to produce the commodity. The producers had to pay the same amount of tax on the same quantity of produce, irrespective of costs incurred. Secondly, the tax-collecting contractors were not happy with their collections and, so, they had tendency to demand more and more produce from the producers. Thus, the tax was vexatious. The producers preferred leaving the produce to spoil at the fields rather than pay the tax to the tax-collecting contractors.⁶³ Despite these deficiencies, 'Dizimos' contributed substantially to the state finances and reduced the financial burden of the government. The table 2.03 throws light on the annual receipts from Dizimos in Goa Island, Salsete and Bardez, during certain periods in the 18th century.⁶⁴ The figures indicate that the annual receipts from Dizimos remained more or less stable during the period 1747 to 1785, but reverted back to the higher level during 1795-1797.

TABLE 2.03
ANNUAL RECEIPTS FROM DIZIMOS (TITHES) 1746 TO 1797
(in xerafins)

| PERIOD | Receipts |
|--------------|----------|
| 1746 | 305,475 |
| 1747 to 1749 | 246,666 |
| 1750 | 222,425 |
| 1753 | 242,885 |
| 1771 to 1773 | 249,827 |
| 1783 to 1785 | 239,779 |
| 1795 to 1797 | 309,655 |

Source: Historical Archives of Goa, Moncoes do Reino 202D, F.387

In 1750 and 1753 total receipts from all farmed out taxes and charges in Portuguese India were 696,773 xerafins and 766,041 xerafins, respectively. The percentage of the 'Dizimos', during these two years, to the total receipts from all farmed out taxes was 31.9 and 31.7, respectively. This indicates that 'Dizimos' were making siz-

able contribution to the public finances in Portuguese India during the years of the decline in its external trade.⁶⁵

The deplorable situation that Portuguese India's trade and, also, the entire economy were finding themselves in, is equally focused by the measures tried by the Portuguese government to revive not only the external trade of Goa, Daman and Diu, but also to strengthen the agricultural sector of the territory. Realising the poor performance of the Government treasury in the collection of revenues, a Royal letter dated 10.4.1769 modified the administrative base of the public finance in the territory and abolished 'Casa dos Contos' and 'Conselho de Fazenda' (Council of Revenue). It created 'Junta de Real Fazenda'. As regards Customs administration, the Government by issuing a Regimento (Standing Order) dated 20-1-1774, modified the Custom duties structure at Goa Island Customs House. The decline in trade and commerce was sought to be arrested by reducing the import duty from 9% to 5% and the export duty from 6% to 2%.⁶⁶ The Regimento exempted rice, wheat, salt and cattle from the customs duties at the Customs House of Goa Island. The Government amended in November 1780 certain provisions in the above Regimento which by imposing certain restrictions and inconveniences upon the traders, had discouraged commerce at the port of Goa. The Regimento of 1774 with its amendment in 1780 must have contributed to the rise in trade and commerce at the port of Goa, since one notices an increase in the custom receipts of Goa Island Customs House and, also, a rise in the public receipts of Goa, during the later period of the 18th century.⁶⁷

Measures tried or adopted by the Government of Portuguese India to revive trade during this century were many. In 1760s the Vice-roy Conde de Ega encouraged local manufacturing by bringing artisans from Thane, Surat and Cambay. He was instrumental in introducing the cultivation of cotton plant in Goa. A company for trade with Bengal was started, but it had to be wound up within short period.⁶⁸ Throughout the period of the 18th century, the government authorities, either at the national government's level at Lisbon or at the local government's level in Goa, applied their mind to revive trade and commerce in Goa. Instructions from the Crown to the local government authorities and suggestions of the local government authorities

to the Crown highlighted possible measures to lift the Goan economy from its decadence. Way back in 1700, the Portuguese Crown had decided to allow a goods laden ships from Brasil to visit Goa directly, against the wishes of the Tobacco Board which wanted to route such ventures only through Lisbon. Even the Brazilian traders were allowed to send the tobacco powder to Goa.⁶⁹ During the initial decades of the 18th century, the Crown had ordered the Portuguese Indian government to pursue regular ship voyages for trading in Bengal and ask the ships to touch the coastal ports during their to and fro voyages.⁷⁰ The Crown instructed the government at Goa to ask the friendly princes and vassals to trade with Goa by exporting their goods to this territory.⁷¹ In 1715, the Vice-roy of Portuguese India suggested to the Crown that the trade should be again directed from Lisbon to Goa and from this port to the other ports of Portuguese possessions. Thus, skipping over the port of Goa should be avoided. Similarly, Indian trade should be diverted from different Indian ports to Goa and through this port only the merchandise should reach Portugal.⁷²

In the later period of 18th century, a grand plan entitled "Breve e Util Idea de Comercio, Navegacao e Conquistas da Azia e da Africa "was suggested to expand Portuguese trade in Asia and Africa.⁷³ The Plan of 1786 was proposed to activate commercial relations between Portuguese India and Mozambique. A proposal to form a company, at Lisbon, covering commerce of Mozambique, Goa, Malabar, Bengal, Coromandel and China was also formulated.⁷⁴ Measures to liberalise Portuguese commerce in Asia were also taken by the Government. But all these measures met with a setback and Goan trade slowly came under British commercial domination which was developing fast in the Indian sub-continent.

2.4.2 MEASURES TO DEVELOP AGRICULTURE IN GOA

Agriculture being the mainstay of Goa's economy, the development of this territory's economy was closely linked with the prospects of this sector which, right from the day Goa was conquered by Afonso de Albuquerque, was totally neglected by the Portuguese authorities. Although the authorities were aware of the need to develop agriculture to revive the declining trade in Goa, no significant measures were adopted by the Government in this regard. As a result of this indifference of the

authorities towards agriculture and, also, manufacturing, Goan economy could not overcome the decline in its external trade, brought about by a number of factors. Paddy cultivation was the main occupation of the population of Goa. The chief paddy crop known as Sorod depended upon the monsoon rainfall in the months of June, July and August. The serpentine river nets and seasonal lakes enabled several villages to raise a second crop known as Vaingan during the months of December to April. Where the Vaingan crop was not feasible, beans of various kinds as well as several other kinds of vegetables were grown.⁷⁵ The territory had palmgroves all over the seaside area. In the New Conquests, arecanut groves were adding to the natural beauty of the area. Besides paddy, Goa was producing, inter alia, the following agricultural commodities: coconuts, arecanuts, nachinim, cashew, tory, chillies, cinnamon, pacolo, hemp, sesame and salt. Although the economy was predominantly agrarian, the agricultural sector was backward with the same outdated agricultural techniques, inherited by the territory, as Francisco Luis Gomes said, subsequently in the 19th century, "from the days of Brahma". Despite rice being main agricultural commodity, its production was less than the requirements of the local people. Except salt, coconuts, arecanuts and certain other agricultural commodities, the production of most of the agricultural goods was insufficient on account of lower productivity in agriculture and less geographical area covered by the crops, even though large tracts of lands were remaining uncultivated, particularly in the New Conquest provinces. This had resulted into a situation in which Goa was importing, on a large scale, rice and certain other necessities of life from the neighbouring areas like Deccan and Canara regions.

Against the background of the neglect of agriculture by the Portuguese, a turning point came in the last quarter of the 18th century when in 1776, Marques de Pombal, the Portuguese statesman who took over the reins of power in Portugal, introduced measures to develop agriculture in Portuguese India. He tried to lift agriculture in Goa from the miserable conditions it was finding itself in. He established a public warehouse in Goa, created the post of 'Intendente' of Agriculture in Portuguese India, appointed 'Junta da Agricultura', exempted the cultivation of crops in new lands

from the payment of 'Dizimos' (Tithes) for 10 years and popularised the science of agronomy in Portuguese India. He took strict measures to make the people cultivate their lands.⁷⁶ The Government of Portuguese India adopted certain measures in 1781 which purported to strengthen Goan agriculture, since the Governor General of Portuguese India had, by now, realised that as there were no means and necessary infrastructure to increase trade and commerce in the territory, agriculture which was an important sector of the economy, should be given utmost priority for lifting the territory from economic backwardness. The Government decided to cultivate one or two plots of better land on its own account. The farmers who would cultivate uncultivated lands and develop irrigational schemes were exempted from payment of Dizimos for 10 years. Poor families from Goa Island, Salsete and Bardez which were hardworking and with an aptitude of work, were to be given lands in Ponda, Zambaulim and Canacona if they expressed their willingness to cultivate the same. They would also be given tools, a pair of bullocks and, during the first year, seeds. It was also decided to bring to Goa, at the cost of the Government, Chinese farmers to cultivate a few lands in the territory so as to expose the local farmers to their techniques of production.⁷⁷

Even though the Government initiated measures to revive agriculture in Goa, most of these measures were directed to the development of rice cultivation and, to some extent, cultivation of pulses. Coconuts and salt production did not attract the attention of the Government and, so, no measures were initiated to increase their production. As far as salt was concerned, the Government was totally indifferent towards the development of salt industry or bringing under it new lands for cultivation. Given the importance of salt as an export commodity since time immemorial and as a source of income for the Government as mentioned in Canusapto (List of Duties) of the times of Muslims, which was in force at the Custom Houses of Salsete and Bardez upto 1811, the lack of interest on the part of the Government in the promotion of salt was, in fact, surprising.⁷⁸ It was more surprising if we take into consideration the deplorable conditions under which the industry was working during that period. Owing to the great fall in the prices of salt and consequent losses to the producers, the process of converting many salt pans into rice fields was continuing during those years.⁷⁹ So

far coconuts were concerned, even though the commodity was produced on a large scale in Goa, its imports were going on unabated for considerably long period. The product was given protection by the Government by an Edital dated 16-1-1774 by which its imports were totally prohibited into Goa.

The efforts of the Government, translated into different measures as mentioned above, bore fruits in the subsequent immediate period and, also, in the long run stretching into the 19th century. In 1729, much before the campaign for agricultural development was undertaken by the Government, the production of rice in Goa Island, Salsete and Bardez was 9,843 kumbhs. The break-up of this total production was as follows:- Goa Island : 3,015 kumbhs; Salsete: 4,108 kumbhs; Bardez: 2,630 kumbhs. In 1777, the production from new cultivation in these three Concelhos of Goa was 1827 kumbhs with Concelho-wise break up being as follows: Goa Island : 352 kumbhs; Salsete: 1,386 kumbhs; Bardez : 89 kumbhs.⁸⁰ Between 1778 and 1787, production of rice from new cultivation was 2,137 kumbhs. Between 1788 and 1805, the rice production from new cultivation was recorded as 523 kumbhs.⁸¹ As regards imports of rice into Goa, one observes downward trend in the imports from 1757 to 1780 in the 18th century. This downward trend in the imports of rice was also noticed in the 19th century. The following figures of the imports of fardos (bales) of rice make clear this point:- 1757: 162,145; 1779: 146,246; 1780: 138,036; 1824: 24,327; 1846: 47,197.

The above mentioned figures of additional production of rice from new cultivation and the figures of imports of rice depicting their downward trend over the years, explain the fact that the campaign of agricultural development which was undertaken by the Government was reasonably successful.⁸²

It should be, however, emphasised that the measures aimed at agricultural development were haphazardly planned and implemented by the Government. They did not stress the need to improve the method of production in the cultivation of rice and other crops, nor did they make possible large scale cultivation of new lands under rice and other crops. Secondly, the measures totally neglected the development of salt industry which was a predominant export earning industry of Goa, Daman and Diu.

Although the Government had protected the coconut plantation industry by prohibiting the imports of coconuts from outside Goa, no significant measures were taken to promote its production. Thus, the measures adopted by the Government to boost up the agricultural sector and revive the economy, did not succeed to halt the decline of the Goan economy.

2.5 GOA-BASED MAINLAND, COASTAL AND SEA-BORNE TRADE

From 17th century onwards Goa lost its pivotal place as an international entrepot, and economic decadence that followed the golden period of the 16th century, pervaded all the sectors of its economy. However, the territory did not plunge into total debacle, thanks to the coastal trade and mainland trade which continued unabated in the 18th century and, also, in the subsequent period.⁸³ As mentioned before, the mainland trade through the Ghat routes was playing a significant role in the economic life of Goa. Thousands of people were involved in this trade. Goods were being carried to and from Goa on the backs of the animals which were mostly bullocks. The Ghat routes were carrying to Goa rice and all other types of necessaries, and Goa was supplying to the mainland salt, coconuts, arecanuts and other locally produced as well as other important goods.

The coastal trade was mostly along the western and eastern coasts of India. Country crafts comprising of patmarins, muchuas, escunos, sibares, saudos, tonas, canoas, manquerins etc. laden with local and foreign originated goods were found moving from port to port. Coastal trade along the western and eastern coasts was operated by Goa based private traders who were visiting different ports with locally made and other products carried from Goa and were bringing from these ports goods required in Goa both for consumption and re-export. Country crafts were visiting Kanara, particularly Mangalore and Basrur, Cochin, Calicut, Mahe, Alleppy, Madras and other ports both on the western side and Coromandel coast.⁸⁴ Goa was importing from Kanara rice, sugar, iron, ginger, coir, saltpetre, timber for ships etc.; from Cochin pepper, cloves, coconut and coconut products, cinnamon, cardmom, country crafts, horses etc.; from Calicut copra, coconut oil, cashewnuts, salted fish and tex-

tiles; from Alleppy teakwood, dyes, oil, jaggery, cloth and country crafts; from Mahe rice and pepper; and from Madras textiles, rice, saltpetre, sugar, chests etc.⁸⁵

The Goa based traders were carrying to the ports which their country crafts were visiting, different locally made and other goods. The country crafts moving in the direction of the ports to the south of Goa and on the Coromandel coast, were always laden by locally produced goods like salt, domesticated birds, mangoes, cashewnuts, coconuts etc. and other merchandise like tiles, slaves, tea, gold, pagoda. Goan traders were carrying to Cochin salt, hides, tea, gold, pagodas and other articles; to Alleppy salt and certain other goods; to Mahe salt, tiles, domesticated birds, mangoes, cashewnuts, slaves etc.; to Kanara salt and other articles; and to Madras salt and coconuts.⁸⁶

The trade relations of Goa with Kanara were more concerned with the exchange of rice for salt produced in Goa. Portuguese India required annual rice supplies of 70,000 bags from Kanara, which they tried to secure in return of 60,000 loads of salt. This quantity of salt was being supplied by Portuguese India to the Nayakas of Kanara.⁸⁷

Although coastal trade along the western and eastern coast of India was going on since time immemorial, in the second half of the 18th century, Goa's dependence on this trade increased to a very high level. Along with this inter-port trade on the Indian coast, sea-borne trade linking Goa to different ports in Asia and Africa played valuable role in arresting the further decline of Goa's economy. Both coastal as well as sea borne trade operated by Goa based indigenous traders, Portuguese settlers and crown officials, revived Portuguese India's external trade in the second half of the 18th century and, also, during the initial few decades of the 19th century. Under the privately operated sea-borne trade, Portuguese India had trade links with East Africa, Macau, Brazil and Lisbon.⁸⁸

The imports of Portuguese India, under this Goa based private traders operated sea borne trade, were as follows: East Africa - gold, eboney, ivory, slaves etc.; Macau - crockery, Chinese silks, paper, parasols, fans, camphor etc.; Brasil - tobacco.⁸⁹

The merchandise carried to Macau comprised of cotton, textiles, ivory, sandalwood, saltpetre, slaves etc. In the late 18th century, there developed a very profitable opium trade between the west coast of India and Macau. Along with the flourishing textile re-exportation trade, the opium trade which was short-lived "overshadowed all major trading channels".⁹⁰

The export trade to East Africa comprised of victuals including salt, textiles, glassbeads, guns, gunpowder etc. There was also slave trade between Mozambique, on one hand, and Mauritius and other French colonies in the Indian ocean, on the other, via Goa.⁹¹ Direct long distance trading in tobacco started taking place between Goa and Brazil when in 1775 Portugal's monopoly over the purchase and sale of tobacco was terminated. Towards the later period of the 18th century and, then, in the beginning of the 19th century, Goa-Brazil trade in finished cotton goods prospered to a large extent.⁹²

There was a brief revival of 'Carreira' (Goa-Lisbon trade) during the Anglo-French wars which continued upto 1815. During these wars, Lisbon was the major entrepot for the import of Asian goods into Europe. Lisbon was receiving from Bengal and Gujarat, Chinese tea and textiles for their re-export to different European nations.⁹³ This improvement in the commercial interaction of Portugal with Asia during the last quarter of the 18th century is reflected in the number of visits of ships from Asian ports to Lisbon and vice-versa. During the period 1784-88, 56 ships left Lisbon for Asian Ports and 75 ships entered the port of Lisbon from Asian ports.⁹⁴

The Goa-based coastal and sea-borne trade operated by the indigenous traders and others, involved trading in both luxury and high value commodities, and bulk, low value and essential commodities. However, during the second half of the 18th century (and also in the first half of the 19th century) trading in luxury and high value commodity occupied the centre stage of the Portuguese Indian commercial system.⁹⁵

That Portuguese India's economic position improved, though not substantially, in the last quarter of the 18th century, because of the contribution made by the Goa based coastal and seaborne trade, operated by indigenous traders and others, is amply proved by the fact that in the last quarter of the 18th century the Custom House re-

ceipts of Goa Island were at a level which was much higher than what they were in the previous period, particularly in the first half of the 18th century (see Table 2.01). One of the factors which contributed to the higher custom receipts during this period, was the modification brought about by the Government in the Custom duties structure of the Goa Island Custom House.⁹⁶ The revival in the external trade brought about by the above factors is also reflected in the public finances of Portuguese India. During many years in this period, Portuguese India experienced surplus in its public finances and the public receipts were found to be at higher levels as compared to the period before 1750. (see Table 2.02)

Thus, the revival of external trade on account of Goa-based coastal and sea-borne trade in the last quarter of the 18th century averted the total debacle of the Goan economy. However, it should be emphasised that this survival of the Goan economy from total collapse did not generate forces to lift the territory from its decadence. Goa and other Portuguese possessions in India were deep in the mire of decadence because of the inherent weaknesses of their economy, particularly because of its weak trading system and its inability to produce adequate quantity of either agricultural or industrial goods for export market. As Goa had nothing to offer for export markets except salt, coconuts, arecanuts and some other less important commodities, traders showed a natural tendency to skip over the ports of Goa, and trade with other regions on the Indian coast. The financial burden on the Government, owing to its inability to raise adequate resources from tax and other sources, was almost a perennial feature of Portuguese India during the 18th century, except for a few years in the last quarter of this century. On account of the deficits in the public finances, the financial position of the territory had to be propped up by the succour from the Crown, which during the period of 7 years from 1744 to 1750 had amounted to 3,158,652 xerafins in gold and silver.⁹⁷ Even during the last quarter of the 18th century, when the external trade was reviving on account of Goa based coastal and sea-borne trade, the territory was under heavy debt burden. By 1780, Goa Island, Bardez and Salsete were living under heavy debt obligations. While the revenues of these provinces were 83,574 xerafins, 273,699 xerafins and 338,125 xerafins, respectively, their debts were very high-

181,503 xerafins, 390,013 xerafins and 326,176 xerafins, respectively.⁹⁸ Although Portuguese India's Goa based coastal and overseas trade which developed in the last quarter of the 18th century continued to be profitable in the first quarter of the nineteenth century, by the middle of the 19th century, Goa, Daman and Diu found themselves in the vortex of commercial dominance of British India, and Portuguese Indian trade almost became subservient to the commercial interests of Bombay which had attained by this time world wide importance as an international entrepot.

2.6 SALT INDUSTRY AND SALT TRADE IN THE PRE - 19TH CENTURY GOAN ECONOMY

The preceding study of the Goan economy in the pre - 19th century period which is characterised by the golden period in the 16th century and economic decline from the beginning of the 17th century, offers us a broad picture of the salt industry in the Goan economy during this period. It helps to highlight the importance of salt in the Goan economy during this period. Although, during the golden era of economic prosperity, the share of salt and other locally produced export commodities like coconuts and arecanuts in the total export trade of Goa, was very small as compared to the trade in spices and other internationally demanded goods, these locally produced export commodities contributed to the development of the external trade of Portuguese India in an indirect way. Salt and other locally produced export goods played the role of a medium of exchange for availing of essential goods required for local consumption and goods for reexport. When Goa experienced economic decadence from the beginning of the 17th century, salt and other locally produced export commodities continued to be a part of the external trade of Portuguese India and were main export commodities of Goa. During the 18th century, when Goa - based country trade was making a valiant attempt to prevent the total downfall of the Goan economy, salt was one of the few commodities which were an integral part of the export trade of the territory.

Salt was produced in Goa during the pre-Portuguese period in Goa island, Bardez, Salsete and Pernem in almost same villages as were found to be the producing centres in the subsequent century.⁹⁹ Historical documentation points out to the fact

that Salsete, Bardez and Goa Island were the producers of salt at the time of the advent of the Portuguese in Goa. Salt was produced in Goa Island along the banks of Mandovi and Zuari rivers.¹⁰⁰ The following villages were the traditional producing centres of salt: Mercurim, Batim, Goa Velha, Gauncim, Curca, Siridao, Morombi Pequeno, Murda and Calopore.

In Bardez, salt was produced along the banks of the river Sinquerim, and the villages which were the traditional producing centres of salt were as follows: Calangute, Pilerne, Nerul, Marra, Nagoa, Arpora, Camorlim and Verla. Salt was being produced in Salsete along the river Sal in the following villages: Margao, Orlim, Cavelossim, Chinchinim, Telaulim, Sirlim, Dharmapur, Deussa, Assolna.

In Pernem, salt was produced along the banks of the river Tiracol and Agarwaddo was one of the main producing centres in Pernem.¹⁰¹

As mentioned in the Chapter I, Khazan lands producing rice during the rainy season, were being used to produce salt during the first quarter of each year. The salt producers in Goa were adopting the same old primitive methods to produce this commodity. During all the regimes preceding the Portuguese rule, the rulers had recognised the importance of salt in the economy of the territory and were adopting special measures to protect the industry and encourage salt production.¹⁰² During the pre-Portuguese period, salt was an important export commodity not only in the coastal and mainland trade, but also in the sea - borne trade of Goa. The export trade in salt followed the same routes and more or less the same destinations during the Portuguese rule. Salt became an inseparable component of the coastal, mainland and sea borne trade of Goa. In all these three routes of the export trade in salt, the network of inland waterways existing in Goa played an important role. Salt was carried through the inland waterways to different market places for its internal consumption and, also, to different ports or other destinations in Goa, from where it was transported to the regions outside Goa by coastal, inland or sea routes.¹⁰³

2.6.1 COASTAL TRADE IN SALT

As highlighted in the preceding sections of this Chapter, the coastal trade which was mostly along the western and eastern coasts of India was operated by Goa

based private traders whose country crafts of different types laden with salt and other goods were visiting different ports on these coasts. Mhamais were one of the leading trading families which were operating this Goa based coastal trade and, also, seaborne trade. Country crafts laden with salt and other locally produced goods were visiting Mangalore, Basrur and other ports of Kanara, Mahe, Cochin, Calicut, Alleppy and Madras and in exchange of salt and other export goods, were carrying in their return visits commodities like rice, clothes, sugar, spices, saltpetre and other essential goods. Goa's trade relations with Kanara involved exchange of salt for rice. Country crafts carrying salt and other locally produced goods were also visiting Bombay and other ports to the north of Goa, from where they were returning with essential and other goods required by Goa.¹⁰⁴

2.6.2 INLAND TRADE IN SALT

The study of the state of the Goan economy during the pre - 19th century period highlights the importance of salt in the inland trade to the mainland India. Goan salt was exported to the hinterland of the mainland India through the Ghat routes along the eastern mountain ranges of the territory. The oxen caravans with salt and other locally produced export goods loaded on the backs of the oxen, were seen crossing the Ghat passes, in the direction of the interior regions of the Deccan plateau. In their return trips, these caravans were bringing rice, wheat, clothes and other essential supplies for Goa and merchandise for reexport.¹⁰⁵ Being a 'deficit' territory in foodgrains, the inland trade through the Ghat passes with salt as an important component of this trade, played a significant role for the survival of the local people, since this trade supplied foodgrains and other essential goods to the Goan people. The importance of this trade and of salt as a component of this trade, greatly increased during the period when the Dutch blockaded Goa. In the 17th century and the subsequent period when the sea trade declined, the inland trade became a major source of public revenue for Portuguese India. Salt, being an important component of this trade, made substantial contribution to the public revenue from 'Rendas' (revenue from farmed out taxes) collected from the inland trade. The inland trade with the mainland India was taking place through the following Ghat routes via the passes in the mountains.¹⁰⁶

1. Talkati Ghat leading to Alorna. This route was being used by the oxen caravans which were coming to Colvale in the north.
2. Rama Ghat. The oxen caravans using this route were coming to Thivim and Bicholim.
3. Chorlem Ghat. This route, situated at Satari, was used by the oxen caravans coming to Sanquelim and Thivim.
4. Kelghat. It had two routes, one leading to Sanquelim and Bicholim in the north and the other to Usgao and Ponda. The first route was also touching Mapusa.
5. Tinai Ghat near Collem. This route was used by the oxen caravans leading to Ponda. It was also touching Usgao, Khandepar, Mardol and Durbate.
6. Kuvessi Ghat at Supa. The oxen caravans using this route were coming to Ponda.
7. The Volvoi river and the Ghat pass of Khandepar. It was frequented by the caravans coming from Konkan.
8. Usgao and Bolcondem passes
9. Tanari Pass in Embarbacem. This pass was very narrow and was connecting Goa with the lands of Sawants and Marathas
10. Dighi Ghat near Supa. It was used by the caravans mostly for carrying clothes to Goa. The route was touching, on the way, Sanguem, Kepem, Paroda, Margao and Balli.
11. Kundal Ghat in Embarbacem. The passes at this Ghat were used by the caravans coming to Kunkolim via Naikini.
12. Donkorpem Ghat in Verlem of Zambaulim. This route was leading to Netarli Village.

2.6.3 SEA BORNE TRADE IN SALT

Salt was also a commodity in the sea borne trade of Goa. It was finding its place in the market of far - off regions like West Asia, Africa, Siam and certain other countries which were trading with Goa. Goa and Daman were exporting to Muskat salt and certain other locally produced goods like arecanuts and coconut products. Goa was exporting salt to Aden and Ormuz. Salt was also being exported to the oriental ports of Macau, Shangai, Singapore and Siam. East Africa including Mozambique

was also importing of Goan salt. Ships carrying salt and other export commodities from Goa were touching the ports of these regions and were exchanging the same for the goods available in these countries. Similarly, foreign ships carrying goods required by Goa, were visiting the ports of this territory and were loading salt and other locally produced commodities in their return journeys.¹⁰⁷

2.7 CONTRIBUTION OF SALT TO THE PUBLIC RECEIPTS OF PORTUGUESE INDIA

Although salt was an important export commodity in the external trade of Portuguese India, the contribution of salt to the public receipts of the territory was very small. The share of the revenue from taxes on salt in the total public receipts of the Portuguese India government was negligible because of relatively less production of salt in terms of value, as compared to the production of other commodities including agricultural produce in Goa. During the 18th century, 'Renda do Sal' (Revenue from salt tax) and revenue from Dizimos (Tithes) on salt production constituted the contribution of salt to the public revenue of Portuguese India. In case of both the taxes, salt was subject to a peculiar tax collection system, known as the system of revenue farming. It was a system whereby the Government was entering into a contract with the tax farmers who were authorized to collect the taxes from those who were required to pay the same to the Government. The contract stipulated that the tax farmers pay a fixed sum of money to the Government in instalments. They were required to pay a part of their dues in advance. The tax farmers were armed with punitive powers in the process of collection of taxes. This system which continued, for a long period, even in the 19th century, was oppressive and extortionist. The tax farmers were indulging in the extortion of the tax payers who were always bound to pay whatever demanded from them under the threat of punishment. The position regarding the collections from farmed out taxes including salt duties is made clear by the data pertaining to the 26 farmed out taxes for the years 1750 and 1753, as depicted in the table 2.04.¹⁰⁸

TABLE 2.04
PUBLIC INCOMES FROM DIFFERENT FARMED OUT TAXES AND OTHER
CHARGES (1750-1753)
(in xerafins)

| Tax/Charge | 1750 | 1753 |
|--|----------------|----------------|
| 1. Dizimos (Tithes) | 222,455 | 242,885 |
| 2. 'Renda' of Tobacco leaves | 170,700 | 176,000 |
| 3. 'Renda' of Goa island Custom House | 88,000 | 115,100 |
| 4. Receipts from 2% additional duties linked to Royal Treasury of the Portuguese India | 29,333 | 28,366 |
| 5. 'Renda' of the Salsete Custom House | 36,000 | 29,500 |
| 6. 'Renda' of the Bardez Custom House | 17,100 | 23,000 |
| 7. 'Renda' of salt | 22,000 | 26,100 |
| 8. Others(18 in number) | 111,185 | 125,090 |
| Total | 696,773 | 766,041 |

Source: Historical Archives of Goa, Moncoes do Reino, 126A (1723-1754), Fls. 49-50V

It throws light on the relative position of the salt duties among all 26 farmed out taxes levied in Goa. During both these years, the revenue collected by the government of Portuguese India by way of farmed out taxes, was 696,773 xerafins and 766,041 xerafins, respectively. The revenue from salt tax during these two years was 22,000 xerafins and 26,100 xerafins respectively. It was 3.15% and 3.4%, respectively, of the total revenue from all 26 farmed out taxes in Goa. Thus, the percentage share of salt duties revenue in the total revenue from farmed out taxes was negligible. Similarly, the salt duties revenue of Goa Island, Salsete and Bardez as a percentage of the total receipts of the Royal Treasury of Portuguese India never crossed 2%. The Table 2.05 throws light on this relative share of the farmed out salt duties collected in Goa Island, Salsete and Bardez, in the total receipts of the Royal Treasury of Portuguese India.¹⁰⁹

The data pertain to 15 years during the period from 1750 to 1798. The receipts from salt duties ranged between 17,675 xerafins (in 1798) and 30,050 xerafins (in 1767). In 1750, the receipts from salt duties were 22,000 xerafins, while towards the

TABLE 2.05
RECEIPTS FROM FARMED OUT SALT DUTIES OF GOA ISLAND, SALSETE
AND BARDEZ (1750-1798)
(in xerafins)

| Year | Receipts from Salt Duties | Total receipts of the Royal Treasury of Portuguese India | % of the Column 3 to Column 2 |
|------|---------------------------|--|-------------------------------|
| 1 | 2 | 3 | 4 |
| 1750 | 22,000 | N.A. | - |
| 1753 | 26,100 | 1,578,034 | 1.65 |
| 1754 | 28,167 | 1,623,366 | 1.7 |
| 1756 | 28,550 | 1,844,919 | 1.5 |
| 1757 | 27,402 | 1,738,265 | 1.5 |
| 1758 | 22,352 | 1,656,600 | 1.3 |
| 1759 | 27,200 | 1,502,405 | 1.8 |
| 1760 | 27,200 | 1,660,737 | 1.6 |
| 1761 | 27,200 | 1,554,804 | 1.7 |
| 1762 | 27,200 | 1,543,284 | 1.7 |
| 1764 | 27,210 | 1,972,032 | 1.3 |
| 1766 | 25,542 | 1,672,208 | 1.5 |
| 1767 | 30,050 | 1,453,609 | 2 |
| 1769 | 27,542 | 1,543,656 | 1.7 |
| 1798 | 17,675 | 1,947,653 | 0.9 |

Source: Compiled from different codices of the series Moncoes do Reino (Historical Archives of Goa) as given in no.58 of References and Notes of the Chapter II.

close of the 18th century, i.e. in 1798, they were 17,675 xerafins. In 1753, the total receipts of the Royal Treasury of Portuguese India were 1,578,034 xerafins which increased to 1,947,653 xerafins in 1798. From 1753 to 1769, the average annual percentage share of the receipts from salt duties in the total receipts of the Royal Treasury of Portuguese India was 1.6%. In 1798, this percentage share was just 0.9%. Thus, salt duties either as a percentage of the total revenue from farmed out taxes or as a percentage of the total receipts of the Royal Treasury of Portuguese India were negligible in the public finance structure of Portuguese India. However, as mentioned above, salt duties were not the only tax, salt was subject to. Salt was paying also

Dizimos (Tithes) which were levied at the rate of 10% on the gross income from land. Rice, coconuts and salt were three commodities which were subject to this tax. That the Portuguese India government was attaching great importance to salt as a source of tax revenue is clear from the fact that when the Government decided to introduce Dizimos as a tax to raise resources to surmount its financial problem, it included salt in the list of the commodities subject to this tax. In the absence of the data on the revenue from 'Dizimos' levied on salt, it is difficult to estimate the contribution of salt to the total receipts from 'Dizimos' during the 18th century. However, considering very large production of paddy and coconuts in Goa, as compared to the production of salt in the territory, one can conclude that the contribution of salt to the total receipts from Dizimos was not substantial.

The study of the economy of Goa during the pre-19th century period has highlighted the importance of salt in the external trade of Portuguese India. Goa's economy slipped into decadence from the 17th century onwards, but export commodities like coconuts, arecanuts and salt played an important role, although in a limited way, in providing relief to the Goan economy.

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CHAPTER THREE

SALT AND THE GOAN ECONOMY DURING THE 19TH CENTURY PRIOR TO THE ANGLO-PORTUGUESE TREATY OF 1878

3.1 INTRODUCTION

The dawn of the 19th century witnessed the continuation of the decadence in trade and commerce that had set in, in the economy of Portuguese India since the beginning of the 17th century. As we have seen in the Chapter II, the stagnation in the external trade of Portuguese India that continued in the second half of the 18th century, carried some bright spots which were more marked during the last quarter of the century. Goa-based coastal and overseas trade operated by the indigenous traders and others had prevented the total debacle of the Goan economy.¹ Modification brought about by the government of Portuguese India in the custom duties schedule of the Goa Island Custom House had been of great help in this regard. These bright spots continued at the time Portuguese India stepped into the 19th century. There was brief revival of the Goa-Portugal trade channel during the Anglo-French wars in the early 19th century. The British monopoly of opium trade had been challenged by a new channel of opium trade opened up between Portuguese India and Macau. The East India company had monopoly of the opium trade to China. From 1813 when the Company stopped all opium exports via Bombay, the Indian traders defied the British government by exporting Malwa opium to China by sailing with Portuguese papers and under the Portuguese flag leaving from Daman.² This trade brought atypical windfall for the Portuguese India government. Clarence-Smith is of the view that the new capital of Portuguese India, Panaji, was built between 1827 and 1835, largely from the resources earned by the Portuguese India government from the opium trade.³ Besides this channel of opium trade, direct Goa-Brazil trade links had been established and Brazilian tobacco could be imported directly from Brazil. Trade in cotton textiles was going on smoothly between Portuguese India and Brasil.⁴ Portuguese India's trade with East Africa which was profitable in the 17th century, had been crippled with the loss of Mombassa, but was now showing some signs of improve-

ment as Indian ocean slave trade expanded during this period. Thanks to the initiative taken in 1770s by Marques de Pombal, one of the great Portuguese statesmen who was at the helms of affairs during this period, the Portuguese government in Goa had taken progressive measures to develop agriculture in Goa.⁵

Despite these bright spots on the trade and commerce scene of Goa, and measures taken by the Government to develop agriculture in the last quarter of the 18th century, the economy of Goa exhibited all the signs of decadence at the dawn of the 19th century. Agriculture had remained stagnant and although there was realisation on the part of the Government to promote manufacturing industries, Goa in the beginning of the new century could not boast of any manufacturing industries of economic importance. The stagnation and backwardness of agriculture reflected most conspicuously in the large quantity of imports of rice and other essential goods into Goa from the interior mainland India and Canara region, since local production was not sufficient to meet the consumption needs of the people. As Goa had nothing to offer except a few commodities like coconut, arecanut, salt and salted fish for export markets, most of the traders of the neighbouring states had stopped visiting the Goa port for trading purposes.⁶ Even these traditional export commodities were not produced on such a scale that would have prompted the traders to visit Goa for large scale trading in these commodities. The financial position of the Government of Portuguese India was leaving much to be desired.

All was not well on the political front too. During the last two decades of the 18th century, Goa was living under the shadow of Tipu Sultan's possible attacks on Goa. Napoleon Bonapart had entered into an alliance with Tipu Sultan with the intention of driving both the British and the Portuguese out of India. The English suspected the aggression of Goa by the French, as its vicinity to Bombay made it the most desirable station to the French. Accordingly, they proposed to the Portuguese authorities the idea of introducing an English garrison into Goa, and in 1799 a detachment of British troops consisting of about 1100 rank and file entered into Goa.⁷ Thus, in the very beginning of the 19th century, Goa found itself under the imposed protection of the British forces who had made their way into the Portuguese territory

with the declared intention of defending Goa against Tipu Sultan - French axis.⁸ The stationing of British forces in Goa was a source of constant irritation to the Portuguese authorities as there were no signs of these forces of the allied nation of Portugal vacating the territory of Goa. The British forces left Goa in 1815 and the fear of political dependence under British domination which was lurking over Goa, disappeared, at least, for the time being.⁹

The political situation in the parent-country was also disturbing. When Goa was living under the threat of the French aggression, and to protect it, British forces had occupied the territory, the French invaded Portugal in 1807 and, as a result, the Portuguese Royal Court fled to Brazil and remained there for a long period.¹⁰ During this period, the Regency Council set up in Lisbon was, in fact, controlled by the British General William Carr Baresford, who received his orders from the Duke of Wellington stationed in London.¹¹ This period saw Portugal ruling its overseas territories from its temporary seat in Brasil. The crisis brought about by the French aggression did not allow Portugal to pay attention to its colonies in Asia and Africa. One more development took place after the second decade of the 19th century, which greatly influenced the Portuguese colonies including Goa. Brasil became independent in 1822 and in the same year Portugal got a liberal constitution which restricted the powers of the Court.¹² The Charter of 1826 established a constitutional monarchy.¹³ But, the period after liberal revolution of 1820 witnessed great political instability in Portugal because of intermittent civil strife between liberals and absolutists and, later, among liberal factions.¹⁴ Concerned with its own problems, Portugal's control over its overseas territories decreased and they were left to fend for themselves. Goa had to look after its own economy. Its economic relations with the parent-country dwindled to the minimum. Although the territory was a political dependency of Portugal, during the 19th century, it became economically almost independent of its parent-country; and this process was hastened by the above mentioned political events in Portugal.¹⁵

Thus, the first two or three decades of the 19th century witnessed Portuguese India's economic links with its parent-country almost totally unloosened. However,

this did not make the territory an economically independent and self-reliant administrative unit. The Portuguese possessions in India became economic dependencies of British India, making the economy of this territory, particularly its trade and commerce, subservient to the interests of British India. The 19th century saw Bombay, which had earned world-wide reputation as an international entre-pot, totally dislodging Goa and Surat from the position of eminence they had enjoyed in their prime days and making Goa a virtual economic satellite of British India. In addition to the political developments mentioned before, there were a few other important events that influenced the economy of Goa, Daman and Diu during the first half of the 19th century. One of these political developments that engaged the minds of the Portuguese authorities and influenced, although indirectly, the economy of Goa, was a series of revolts by the Ranes in the New Conquests.¹⁶ In 1844, one more political event took place, which influenced the administrative set-up of Portuguese India. During this year, Macau and Timor which were, so far, being administered by the Governor General of Portuguese India, were delinked from Portuguese India and a separate Governor General was appointed for these two territories.¹⁷ The abolition of slavery in all Portuguese territories was another event that influenced the economy of Portuguese India. During the governorship of Pestana, an imperial edict was passed on 25-2-1869, which abolished this inhuman system in the Portuguese dominions. As a result of this measure, trading in slaves which was going on in the Portuguese colonies, since time immemorial, officially stopped.¹⁸

3.2 THE STATE OF THE GOAN ECONOMY IN THE 19TH CENTURY

The state of the Goan economy during the 19th century until the implementation of the Anglo-Portuguese Treaty of 1878, can be better understood if we focus the different aspects of the economy of Goa, namely, Goa's agricultural sector, the state of its industries, volume, composition and direction of its external trade, the state of the communications sector, the state of its public finances, particularly its custom receipts position, the population and the standard of living of the people and economic measures adopted by the Government to tone up the economy during this period. The focus on the state of the Goan economy will enable us to understand, in a better way,

the state of the salt industry and salt trade in Goa and the changes that have taken place in them during the period under study.

3.2.1 AGRICULTURE IN GOA

Agriculture was the most important sector of the Goan economy even though, since their arrival on the Goan soil, in the beginning of the 16th century, the Portuguese neglected this productive activity on account of their obsession with trade and commerce.¹⁹ The majority of the people in both Old and New Conquests was engaged in the agricultural pursuits, but, paradoxically, agriculture had remained least productive economic activity in Goa. In fact, this situation prevailed even in the subsequent century towards the end of the Portuguese power in India. The soils and climatic conditions were favourable for the growth of a wide variety of tropical crops, but the technique of production followed by the Goan farmers was primitive. "Tools, methods of preparing land and means of using water belonged to the times of Brahma" Rice, coconut and salt were the principal products of land.²⁰ Besides these agricultural products, the following agricultural commodities were being produced in Goa:- Nachinim, arecanuts, woorid, mugo, savom, sesame, culita, tory, kidney bean, chovli, orio, pepper, chillies, hemp, cotton, cinnamon, sugarcane, pacol, sweet potatoes, onions, coffee, jackfruits, mangoes, cashewnuts and bananas, besides certain other products which included vegetables.²¹ Although the above includes fruits, very little attention was given to the production of fruits in the territory.²² Thus, agricultural production in Goa included cereals, pulses, spices, fruits, vegetables and certain other categories, besides salt which was abundantly produced.

In the Old Conquests although there was cultivation of rice, salt, coconut, nachinim, arecanut, fruits and other products, cultivation of rice and coconut was more general.²³ During the first half of the 19th century, Goa's position, in this respect, was such that there were vast lands remaining uncultivated in both Old Conquests and New Conquests.²⁴ In Bardez 1/10 area was uncultivated, while in Salsete the uncultivated area was 1/3 of the total area available for cultivation.²⁵

As compared to the production in the second half of the 18th century, particularly towards the close of this century, production of agricultural goods in Goa, by

1841 was estimated to be double.²⁶ This increase in the production of agricultural goods, particularly that of rice, was the outcome of the encouragement given by the Government to the rice cultivation in Goa, especially in Ponda. Cottineau in his 'An Historical Sketch of Goa' published in 1831 states that by 1827 rice production was more than the consumption requirement in Goa and was sufficient even for exportation.²⁷ So far productivity of land was concerned, by 1840, the cost of rice cultivation was 1/3 of the total production on good plots and 1/2 of the total production on sandy and high lands. The cost of salt production was 1/3 and that of coconut production 1/5 of the total production.²⁸

In 1841, the Government, in order to bring under cultivation uncultivated lands in New Conquests, set up an institution named "Sociedade Patriotica de Agricultura dos Baldios das Novas Conquistas". The "Sociedade" was to grant on lease uncultivated lands of the New Conquests to those persons who were volunteering to cultivate these lands.²⁹ With a view to attract the agriculturists from the Old Conquests to the lands of this 'Sociedade', and encourage them to cultivate pulses on the land, the Government granted certain facilities to the agriculturists willing to avail of the same.³⁰ Subsequently, in order to encourage the agriculturists to settle on the lands of the 'Sociedade' and undertake the cultivation of these lands which were fertile and available in plenty, the Government exempted, for five years, the cultivators working under the 'Sociedade', from the payment of all taxes.³¹ All these measures were purported to increase the production of agricultural goods in the New Conquests, so as to free the territory from its dependence on the imports of cereals and other products.

Between the Old Conquests and the New Conquests, the production of agricultural products in the latter was less than that in the former, inspite of land availability in the latter being larger and land being fertile. In the Old Conquests, the position of agriculture, in terms of improvements effected therein, was comparatively better, since Jesuits had been instrumental in introducing these improvements. The New conquests were showing a different picture. The people were averse to the introduction of innovations in the practice of agriculture.³² Even though the areas like Satary, Embarbacem and Astragar pertaining to the New Conquests had great potentialities

for the development of agriculture, the scarcity of capital and much needed human efforts acted as a stumbling block to the development of agriculture in the New Conquests. Lack of initiative and enterprise on the part of the farming population neutralised the benefits accruing to these areas.³³ Agriculture in Goa suffered because of the neglect on the part of the Government, even though it was "more powerful nerve of richness". Despite the absence of the scarcity of land, the inaction and indifference on the part of the people kept Goan agriculture poor and backward. During the preceding centuries, heavy taxes, wars and frequent invasions of the neighbouring native rulers affected the prospects of agriculture.³⁴ Goa had large tracts of Comunidades land of cultivable nature, but these lands were not adequately utilized by the people and, so, a very large number of plots were remaining uncultivated. One of the reasons of this situation was the system of annual or triennial leasing of the Comunidades lands. This system did not encourage the farmers to effect improvements on land.³⁵

During the first half of the 19th century, although the production of rice was more than what it was in the 18th century, thanks to the Government efforts to revitalise the Goan agriculture in the last quarter of the 18th century, imports of rice into Goa never stopped, since, except for a few years period as mentioned above, production of rice was always lagging behind the consumption requirements of the local population. By 1839, the position of Goa Island, as described by Barbuda, was as follows: The production of rice was 55,000 khandies and, assuming that each person was to be supplied one measure, the population would have required an additional quantity of 108,378 khandis, i.e., almost double the quantity of its production. In Salsete and Bardez, the difference between production and consumption was proportionately less. The shortage of rice here was equivalent to two months consumption.³⁶ According to an estimate, by 1846 production of rice in Goa was sufficient to meet the consumption requirements of the Goan population for just 4 months of a year.³⁷ Even the production of nachinim, the staple food of the poor, was not sufficient for internal consumption. In 1846, imports of rice were amounting to 47197 fardos.³⁸ According to an estimate, in 1850 and 1851, the deficiency of rice was equivalent to 113 and 1/2 days of consumption.³⁹ By the middle of the 19th century, the cultivated land in the

Old Conquests of Goa was covering 70,000 hectares, while in the New Conquests the area cultivated was between 20,000 to 25,000 hectares. Land under rice cultivation was 49,600 h.a. The number of coconut trees was 1,394,547. There were 254,933 arecanut trees covering 229 h.a of land.⁴⁰ As far as productivity of land in terms of rice crop was concerned, the seed-output ratio was 1/15 for the sorodo crop on the banks of the rivulets or creeks and 1/8 for the vaingana crop. The seed-output ratio was 1/6 on dry lands.⁴¹ The productivity per hectare for the rice crop was 8 hectolitres. On an average the annual production per coconut tree was 20 to 30 coconuts and the productivity per areca tree was 3 kgs of arecanuts.⁴² The annual rice production in Goa was 14,742 kumbhs (47,174 kilolitres and 4 Hectolitres) comprising of 12,394 kumbhs of the sorodo crop and 2,346 kumbhs of vaingana crop. The production of coconuts and arecanuts per annum was 23,108,457 fruits and 2,390 khandis (764,800 kgs), respectively.⁴³ This inability of the agricultural sector to meet the consumption requirements of the people of Goa as regards rice and other food articles is, no doubt, the most striking indicator of the stagnation of agriculture in the territory. It is, however, pertinent to note that the stagnated state of Goa's agriculture is exhibited by one more economic variable during the first half of the 19th century. It is none other than 'Dizimos'(Tithes), a tax on the gross production of rice, coconuts, salt and toddy from coconut trees, levied at the rate of 10% of the gross production of these commodities on private lands and at the rate of 5% of the same on the Comunidades land.⁴⁴ When Portuguese India entered into the 19th century, the collection of the receipts from this tax was exhibiting a decreasing trend. The figures of these receipts during the period from 1795 to 1827, which are available to us, focus on the behaviour of the revenue from this tax levied on land income in Goa. The annual revenue from this tax decreased from 309,655 xerafins during the three years period of 1795-97 to 187,000 xerafins during the three years period of 1825-27.⁴⁵ This decreasing trend in the receipts from Dizimos is shown by the Table 3.01. As mentioned above, this fall in the collection of 'Dizimos' (Tithes) exhibits the stagnated state of, and, also, decadence in the agricultural sector of Goa.

TABLE 3.01
ANNUAL RECEIPTS FROM DIZIMOS (TITHES) 1795-97 TO 1825-27
(in xerafins)

| Period | Receipts |
|---------|----------|
| 1795-97 | 309,655 |
| 1801-03 | 265,000 |
| 1810-12 | 267,860 |
| 1816-18 | 211,200 |
| 1822-24 | 196,500 |
| 1825-27 | 187,000 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202 D (1824-26)

3.2.2 MANUFACTURING INDUSTRIES IN GOA

During the entire period of the Portuguese presence in Goa, one sector of the economy that was totally neglected by the Government was manufacturing industry. It is pertinent to note that the Government authorities were aware of the importance of this sector for the development of the economy of Portuguese India and, accordingly, there is reference to the need to set up and develop manufacturing units, in the letters, reports and other documents dispatched by the Vice-roys and Governors-General to the National Government at Lisbon. However, these suggestions or decisions never materialised in concrete terms, and the position of Goa as regards manufacturing industry remained, more or less, as it was during the previous centuries.⁴⁶ Although agriculture also received the same treatment at the hands of the Government of Portuguese India, as witnessed in the last quarter of the 18th century, measures aiming at improvements in agriculture were adopted by the Government, thanks to the initiative taken by Marques de Pombal. This neglect of the manufacturing business was at the heart of all the woes of the economy of Portuguese India. In the absence of manufacturing industries, Portuguese India continued to suffer from unfavourable balance of trade, which could have been avoided if Portuguese India, or Goa to be more specific, had at its disposal manufacturing goods and larger quantities of agricultural goods to be offered to the export market.⁴⁷ During the first half of the 19th century, Goa had the following manufacturing industries⁴⁸

1. Gunpowder manufacturing unit
2. Sugar production
3. Production of jaggery from sugar cane
4. Jaggery production from coconut tree
5. Liquor production from coconut tree, cashew tree and sugar cane.
6. Coconut oil production
7. Sesame oil production
8. Cocum oil production
9. Wax production
10. Cotton textiles on smaller scale.

Only the gunpowder manufacturing unit was owned by the Government, while all other units belonged to the private sector, and were run as small units, producing output on small scale. Goa had Government-owned cloth manufacturing unit at Cumbarjua, where looms had been installed for weaving the cotton cloth. This unit was closed on account of continuous losses suffered by the Government.⁴⁹ Cotton cloth manufacturing units never developed in Goa as the territory was not a cotton-growing region and, as such, was suffering from the insufficient supply of cotton to the weaving industries. An attempt had been made to establish a cotton goods manufacturing unit in Goa, but in spite of Government's assistance and Junta da Fazenda's help, the unit did not succeed because of the shortage of capital.⁵⁰ In Bardez, attempts had been made to see whether sugar cane production was possible. The distillation of liquor from sugar cane was also tried in this Concelho, but no encouragement was received by this industry in Goa.⁵¹ Besides the above manufacturing units, there were coir rope producing units, shoemaking units and other trades like carpentry, goldsmithy, knitting of stockings, blacksmithy, turnery, stone cutting, masonry, cabinet-making and other small trades.⁵² Sugar production was taking place at Collem in the New Conquests and weaving units had been set up at Panaji. While iron works were found in the New Conquests, wax production was taking place in Salsete. A weaving unit had been set up at Taleigao, but on account of losses incurred, it had to be closed down.⁵³ Daman and Diu were centres of cotton goods production, and export of cot-

ton goods from Daman to East Africa and Brasil greatly helped the economy of Portuguese India for long time, until machine made cotton goods totally dislodged these handicraft cotton goods.

Most of the manufacturing units of Goa were cottage units catering to the demands of limited local market. Production for export market was almost conspicuous by its absence. Even though Goa could boast of excellent and skillful artisans such as goldsmiths, carpenters, blacksmiths, shoemakers etc., there was no inducement to work over and above what was sufficient to ensure a bare livelihood.⁵⁴ Manufacturing did not flourish because of lack of capital. Except the House of Kenkros, Goa did not have capitalists who could invest in manufacturing.⁵⁵ Manufacturing industries were not getting any encouragement from the Government. To add to this, the people themselves were lacking in the spirit of enterprise.⁵⁶ In the second half of the nineteenth century, the position deteriorated further and by 1878, Goa dwindled into insignificance. Except for a few manufacturing units which were required for meeting the basic necessities of the people and certain trades and professions, Goa had no manufacturing business of any importance.⁵⁷

3.2.3 THE COMMUNICATIONS SECTOR IN GOA

Along with other sectors of the economy, the transport sector was very backward in Goa. Roads connecting different towns and villages were in poor conditions and a large number of villages were not linked by any road. Many villages were inaccessible. This situation continued upto 1846 when the Government, under the initiative of the Governor General J. F. Pestana, undertook the construction of roads to develop the communication network in the Concelhos of Goa Island, Salsete and Bardez.⁵⁸ The development of the road system in Goa continued after 1855, and a large number of roads were constructed through the length and breadth of Goa and to the frontier of British India.⁵⁹ 'A carriage descended the Ghats by a road leading from the British frontier for the first time in the year 1857.'⁶⁰ Construction of a road from Usgao to the Ghat of Tinem which joined itself to the road from Dharwar and opened up the port of Goa to the interior of British India was taken up by the Government of Portuguese India. Another road from Sanquelim to Massordem leading to the Ghat of

Tinem was under construction. Panaji - Sadashivgad road connecting the capital of Goa to the south and another road leading to British India and running northwards through Bardez from Verem to Naibag on the confines of Sawantwadi were taken up for construction.⁶¹ The programme of road building undertaken by the Government, aimed at connecting the port of Goa to the interior of British India in an attempt to promote the export trade of Goa.⁶²

A turning point in the communication system came with the opening of the first telegraph line connecting Goa with the outside world in 1859.⁶³ The network of roads constructed by the Government had salutary effect on the internal trade of Goa. Goa's external trade through the Ghat routes and other land routes was benefitted because of better transport. This greatly helped, alongwith other export commodities, the export of salt, through the land routes, to the mainland interior of British India. The Government tried to improve the conditions of Goa through the development of a new capital for Portuguese India, at Nova Goa (Panaji) which replaced the Old Goa port town.⁶⁴

3.2.4 POPULATION AND STANDARD OF LIVING OF THE PEOPLE IN GOA

The population figures and the data pertaining to the standard of living of the people of a territory help us to understand the state of the economy of that territory. Although the enumeration of the population of Portuguese India, carried out during the major part of the 19th century, was not scientific and systematic, the figures of the population of the territory which are placed before us by these enumerations, indicate us, if not exactly, in a broad manner, the change in the population during the 19th century. Population figures of Goa coupled with the figures of production in the agricultural sector, give us an idea about the availability of locally produced agricultural goods to the population of the territory, throwing, thus, light, though in a limited way, on the standard of living of the people. The population of Goa Island, Salsete and Bardez in 1801 was 179365. In 1808, while the population of Portuguese India was reported as 292,688, Goa's population was 258,600.⁶⁵ In 1825, the population of Portuguese India and Goa was 316,253 and 281,956, respectively.⁶⁶ In 1844, while the population of Portuguese India was 382,934, Goa had a population of 346,686.⁶⁷

In the enumeration of the population that took place in 1848, Portuguese India's population was reported as 383,594. Goa's share in this population was 347,476.⁶⁸ In 1877, while Goa had a population of 392,234, Portuguese India's population totalled up 420,586.⁶⁹ Portuguese India's population in 1879 was 442,883 and Goa's share in this total population was 390,500.⁷⁰

During the first half of the 19th century, Goans were enjoying a very low standard of living. 80% of the people of Goa was composed of truly poor and miserable lot. 1/2 pardau (80 reis) or 1/4 rupee was sufficient for decent maintenance of a single individual in Goa, but a very large majority of the Goan population had such a dismally low income that decent living was totally beyond their reach. Many were getting either one Rupee or 2 or 3 Rs. per month.⁷¹ Those who were earning 2,000 rupees per year were considered rich, but their number was minimal during this period.⁷² Only 2 or 3 people had annual incomes exceeding Rs. 20,000 per year.⁷³ Thus, there were very few rich families in Goa. Most of the people of Portuguese India were "almost naked and used ordinary clothes". Even these clothes were imported from the lands of Balaghat.⁷⁴ The landed gentry including the upper and middle peasants had reasonably comfortable life.⁷⁵ In the rural sector, except Gaonkars who were the original settlers of the Comunidades land, almost all were poor.⁷⁶ The poor had to do with just one meal.⁷⁷ High and rich classes were eating bread and the poor used flour. Pork, fowl and turkey were cheap and abundant. Sheep and goat were rare, but beef although cheap, had no demand except in three cities of Goa.⁷⁸

By the second half of the century, the standard of living of even the upper class population suffered, due to inflation. During this period salaries of various government officials were raised.⁷⁹ The high cost of living reduced the savings of the middle class.⁸⁰ A labourer earned a daily wage of 16 reis. The whole year's wages could buy for him only 10 khandis which were not sufficient to maintain the whole family. The estimated amount of rice required by an adult during a year was calculated as 3 khandis of unhusked rice.⁸¹ In the beginning of 1860s, the people of Goa suffered because of higher and increasing prices of all basic necessities of life. This, no doubt, made the life of the people, at large, unbearable, but the people with fixed in-

comes suffered more, as their purchasing power eroded substantially. The seriousness of this situation is conveyed by the request of the military personnel, stationed in the territory, to the Portuguese Crown for a rise in their salaries which, they said, were insufficient to meet their basic needs.⁸² The rise in the prices of rice and other essential goods had resulted from the shortage of these commodities in Goa. Since the local production could not meet the growing demand of the people, and the imported rice and other essential goods were subject to import duties, the people asked the Government to exempt rice and paddy imports from import duties, upto December 1862.⁸³ Per capita gross regional product and per capita consumption of Goa, estimated by Francisco Luis Gomes, a great Goan scholar of the 19th century, give us an idea about the standard of living of the people of Goa, by the middle of the 19th century. He estimated the gross regional product of Goa as 9006800 xerafins on the basis of his estimates of different components of the gross regional product. The estimates of the production of these components were as follows:-

Animal sources 94,800 xerafins; rice production 6,700,000 xerafins; cereal and pulses, 250,000 xerafins; Coconuts 1,380,000 xerafins and other commodities 412,000 xerafins. By dividing the gross regional production by the population of Goa which was about 347,000 during this period, he derived the per capita gross regional product of Goa as 26 xerafins, which was comparatively at a very low level.⁸⁴ As mentioned by Francisco Luis Gomes, even Ireland, a poor region in Great Britain had per capita gross product of 100 xerafins. Per capita consumption of Goa was estimated by Gomes as 30 xerafins, which figure was more than the per capita gross production of Goa by 4 xerafins, implying that there was insufficiency of production of essential goods in Goa. Goa was importing 1/4 of the rice output of Goa from outside the territory, as per his estimate in this respect.⁸⁵

The lower standard of living of the people of Goa and the miserable conditions in which the majority of the people was living, were the outcome of the backwardness of the Goan economy, which had resulted into a lack of adequate means of livelihood for the people. This led to the migration of a large number of people to British India, in search of employment for earning means of livelihood. This was an altogether dif-

ferent picture now, as compared to the situation some 250 years back. In the zenith of its prosperity in the 16th century, the people of almost all countries were flocking to Goa for commercial purposes. With the decline in trade there was no occasion for immigration of the people into Goa. The only exception was of a handful of Gaulis i.e. milkmen who annually resorted from British Indian territory to Satari for grazing their cattle. As Goa's economy suffered because of its dwindling trade, the movement of population began in the opposite direction. The beginning of the 19th century witnessed a large number of people, principally, those belonging to menial classes, annually emigrating to British India in search of employment.⁸⁶ By 1830, thousands of workers and a good number of craftsmen from Goa were found migrating to the lands of Balaghat and British settlements, in search of the means of livelihood which they were not getting in their own territory. The migrants were not taking their wives and children along with them. They were left behind and were sustained by the incomes of the menfolk who returned to Goa after regular intervals. The people intending to migrate to the mainland India had to put up with great inconveniences and difficulties on account of the passports and other requirements.⁸⁷ During the first half of the 19th century, many Goans had migrated to Bombay and other places of Bombay Presidency to work as cooks, clerks and nurses.

3.2.5 GOA'S EXTERNAL TRADE

As Goa lost its position as an international entrepot in the post-sixteenth century period, its external trade underwent drastic changes in terms of quantity, direction and composition of trade. In the 19th century, the nature of Goa's external trade further changed. In the first half of the nineteenth century, Goa's external trade was characterised by Goa based coastal trade carried on by the indigenous traders and others, with different ports on the Indian coast, but, particularly, with Bombay, and by Goa based long distance overseas trade with Macau, Brazil and Portugal. Towards the end of the first half of the 19th century, the long distance trade channels of Goa almost disappeared and Goa's fate was invariably and irretrievably linked to its trade with Bombay.⁸⁸ Goa's trade with the interior of the mainland India, through Ghat routes, was also going on after the end of the first half of the 19th century. However,

during the first half of this century itself, Goa-based Asiatic trade with Bombay increased and downward trend was visible in the Goa-Balaghat trade.⁸⁹ Goa's import trade during the first half of the 19th century included rice, wheat, sugar, tea, Chinese ware, raw materials, liquour, wines, beer, spices, paper, iron, copper, tin, cotton cloth, linen, wool, silk etc.⁹⁰

The exports of Goa comprised of coconuts, arecanuts, salt, rice, pulses, oils, alcoholic drinks, vinegar, jaggery from coconut tree and sugarcane, cashewnuts, pepper, ginger, cotton thread, stockings, hemp, fishing nets, candles, fruits, woodwork etc.⁹¹

Goa's more important export goods were areca, salt and coconuts. It was considered main wealth of Goa. Goods which were being exported in less quantity and, so, were considered less important, included copra, oil, vinegar, liquours, jaggery, cashewnuts, pepper and chillies, hemp, cinnamon, fruits, wax products, butter etc.⁹²

By 1827, as Cottineau reports in his book on Goa, this territory was exporting coconuts and, comparatively, smaller quantity of salt to Bombay. A ship or two were leaving Portugal for Portuguese India every year, but the destination of their voyage was Brasil, Macau, Daman, Bombay and Surat. Daman had more trade and commerce than what Goa had. Trade and commerce in the latter had been reduced to the minimum. One or two ships were going from Goa to Macau, but they generally touched Daman to take opium for Macau.⁹³

Towards the late 1830s, Goa's position as regards its import-export trade was precarious. The gap between the imports and exports was substantial. In 1839, the unfavourable balance of trade was to the tune of 1,415,822 xerafins. Goa was paying for its imports not only in terms of its meagre exports, but also in terms of cash.⁹⁴

The difference between the imports and exports could be paid only because of the earnings of thousands of migrant Goans who were earning their means of livelihood in British India by working as stone-cutters, carpenters, tailors and other workers. The migrants used to return to Goa towards the end of the rainy season and in the beginning of summer with their earnings in metallic money. During the late 1830s, this migrant Goan population was bringing every year, about 800,000 xerafins in

terms of metallic money, which helped the territory to reduce its burden of unfavourable balance of trade.⁹⁵

During the 19th century, the external trade of Goa continued to be in a decadent state. There are different indicators which prove the decadence of Goa's external trade during this period. One of these indicators is the receipts of the Custom House of Goa. The movement of these receipts over a period of time gives us an idea about the performance of the import and export trade of the territory. The data pertaining to the period from 1806 to 1840 as regards the receipts of the Custom House of Goa Island, as shown in the Table 3.02, make clear that the average annual receipts of the Custom House of Goa Island during this period indicated a downward trend.

TABLE 3.02
AVERAGE ANNUAL RECEIPTS OF THE CUSTOM HOUSE OF GOA ISLAND
(1806 TO 1840)
(in xerafins)

| Period | Receipts |
|--------------|-----------|
| 1806 to 1810 | 238,952.6 |
| 1811 to 1815 | 201,343.4 |
| 1816 to 1820 | 262,662.3 |
| 1821 to 1825 | 110,372.4 |
| 1826 to 1830 | 93,241.2 |
| 1831 to 1835 | 71,688.4 |
| 1836 to 1840 | 69,617 |

Source:- Claudio Lagrange Monteiro de Barbuda, *Instrucções com que El-rei D. Jose I mandou passar ao Estado da India, Nova Goa*, Imprensa Nacional, 1841, p.25

The average annual receipts during the five years period from 1806 to 1810 were 238,952.6 xerafins which decreased to 110,372.4 xerafins during the period from 1821 to 1825. The receipts further decreased to 69,617 xerafins during the period from 1836 to 1840.⁹⁶ The decadence of the external trade of Goa is also proved by the receipts of the Custom Houses of Ponda, Bicholim and Pernem. If we observe the annual receipts of these three Custom Houses during the period from the last years of the 18th century to the end of the first quarter of the 19th century, as shown in the Table 3.03, we find that there was a tendency for the Custom receipts to fall and then

to increase, but over the period of time for which the data are available, we note that the annual receipts decreased.

TABLE 3.03
ANNUAL AVERAGE RECEIPTS OF THE CUSTOM-HOUSES OF PONDA,
BICHOLIM AND PERNEM (1785 to 1827)
(in xerafins)

| Ponda | | Bicholim | | Pernem | |
|---------|----------|----------|----------|---------|----------|
| Period | Receipts | Period | Receipts | Period | Receipts |
| 1785-87 | 42,070 | 1785-87 | 23,850 | 1793 | 8,543 |
| 1797-99 | 29,663 | 1797-99 | 15,712 | 1797-99 | 7,500 |
| 1809-11 | 28,656 | 1809-11 | 18,433 | 1804-06 | 2,255 |
| 1819-21 | 32,755 | 1821-23 | 20,652 | 1813-15 | 905 |
| 1825-27 | 37,080 | 1824-26 | 22,772 | 1824-25 | 1,501 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202D(1824-26)

In case of the Ponda Custom House, the annual receipts decreased from 42,070 xerafins during 1785-87 to 28,656 xerafins during 1809-11, but they increased to 37,080 xerafins during the period 1825-27. It should, however, be noted that between the period 1785-87 and 1825-27, there was a fall of 4,990 xerafins in the receipts of the Ponda Custom-House. As regards the Custom-House of Bicholim, the annual receipts decreased from 23,850 xerafins during the period 1785-87 to 22,772 xerafins during the period 1824-26. The annual receipts of the Pernem Custom-House which were 8,543 xerafins in 1793 decreased to 2,255 xerafins during the period 1804-06. They slumped down further to 1,501 xerafins during the period 1824-25.⁹⁷

The rise of Bombay as a commercial centre on the western coast of India changed the direction of Goa's external trade in the course of the 19th century. Goa and other Portuguese possessions started importing a large number of goods from Bombay leading to a substantial increase in the trade of Portuguese India with Bombay. The import trade of Goa with Bombay was composed of rice, wheat, sugar, tea, spices, oils, butter, cheese and other food items, liquour, textiles and clothes of both Indian and European origin, paper, hardware, crockery, glassware, cutlery, Chinese silks, curios, fans, parasols etc. Goa's exports consisted of local liquour, coconut, coconut products, cashewnuts, salt, arecanuts, cocum, local pottery, fowls, mangoes,

jaggery, pepper, chillies, nachinim, tamarind, bamboos etc. Daman imported from Bombay cotton, tea, sugar, spices, saltpetre etc. Its exports to Bombay consisted of tobacco, wood and textiles. Diu's imports from Bombay consisted of dates, pepper, sugar, oils, copra, rice, tobacco etc., and it was exporting to Bombay ivory.⁹⁸

During the first half of the 19th century, we observe increase in the Goa-Bombay coastal trade while Goa-Balaghat trade is found to have decreased. The value of Goa based Asiatic trade with Bombay was 710,552, 560,671 and 837,993 xerafins in 1823, 1826 and 1837, respectively, while Goa's trade with Balaghat, during the same period was valued at 804,949, 823,155 and 433,558 xerafins, respectively.⁹⁹

The first few decades of the 19th century were marked by certain developments which influenced the trade and commerce of Portuguese India. On 10-12-1836, the Portuguese Government issued a decree which abolished all traffic in slaves within the Portuguese Dominions.¹⁰⁰ Another development was associated with the rise of Bombay as a flourishing international port. American clothes which appeared on the commercial scene of India started competing with the clothes of Diu. They also competed away the clothes of Diu from the market of East Africa.¹⁰¹

In 1839, total production of goods was valued at 4,627,754 xerafins and total consumption was estimated to be 6,043,576 xerafins. During the same year, import trade was valued at 2,009,281 xerafins and export trade was of the value of 593,459 xerafins. Thus, the difference between the values of import trade and export trade was very large, to the tune of 1,415,822 xerafins. The value of export trade was 29.5% of the value of import trade. The territory was paying for its imports in terms of coins and the export of coconuts, arecanuts, salt and fruits. Because of heavy import duties imposed by the importing country, i.e. British India, on the import of coconuts, the coconut growers were earning less profits on this trade. During this period the export of salt and fruits was less as compared to other products.¹⁰²

By 1840, most of Goa's trade was with Bombay and with adjacent lands of Balaghat. The trade between Goa on one hand and Daman, Diu, Macao and Timor on the other, was insignificant. However, Goa's trade with Mozambique and Portugal

was not as insignificant as that with Daman, Diu, Macau and Timor. Goa did not have more than two ships.¹⁰³ There were a few ships in Diu and Daman which navigated throughout the year between these two Portuguese possessions and Mozambique. Most of the trade along the coasts was carried on by small crafts which were navigating to the north and to the south along the Indian coast. Such country crafts were mostly belonging to the British Indian ports, the biggest of such crafts not exceeding 25 tonnes or, at the most, 30 tonnes.¹⁰⁴ The Portuguese Indian country crafts rarely crossed beyond Diu to the north and Cochin to the south. Prior to the tenure of Vice-roy D. Manuel de Portugal e Castro, one ship used to leave for Mozambique on Government's account, to carry on trade with that Portuguese colony on the east coast of Africa. Since the enterprise incurred losses, and even costs could not be covered by this trade channel, it was subsequently discontinued. As far as Macau was concerned, only one brig or galleon was coming every year from this Portuguese port along the Chinese coast.¹⁰⁵

The situation by 1860 was such that very few Portuguese merchant ships visited the ports of Portuguese India. These ports were visited mostly by foreign ships. Coastal trade between Goa, Daman and Diu on one hand and Bombay, Cochin and other ports, particularly of the east coast of India, was carried on by sailing boats, and by a few British steamships. As compared to the trade during the initial period of the Portuguese rule in Goa, the coastal trade carried on, now, was less.¹⁰⁶ By 1860, Goa was importing rice, copra and tobacco from South Malabar; all luxurious goods from Bombay; gold, tortoise, ivory, teeth of hippopotamus, unicorn from Mozambique; tea, sugar, silk, dining table wares etc. from Macau; wines, vinegar, hats, brandy, oils from Lisbon; and from Balaghat area and Belgaum, clothes, rice, wheat, tobacco leaves, pepper, hemp, wax, saltpetre etc.¹⁰⁷ Exports by this period included salt, coconuts, copra, arecanuts, salted fish, birds and fruits. Coconuts and other fruits were main export goods, while arecanuts, salt, pepper, cinnamon, coir, liquor from cashew and coconut tree, gums, saltpetre etc. were exported on a smaller scale.¹⁰⁸

In 1868, the import trade of Goa was composed of the following items: Rice, paddy, sugar, tea, potatoes, livestock, cotton cloth, wool, coir, wheat and other cere-

als, alcoholic beverages, linen ropes, iron and steel, copper, sulphur, meat, coffee, biscuits, garlic, coriander, almond, jaggery, lavender, shoes and other footwear and carriages. During the same year the exports consisted of the following: Coconut, arecanuts, copra, salt, domesticated birds, bamboos, both raw and finished cashewnuts, coconut oil, salted fish, firewood, culita, kidney beans, rice, cashew and coconut liquor etc.¹⁰⁹

In 1878-79, the exports of Goa consisted of the following items: Coconut, salted fish, copra, salt, cashewnuts, fruits, firewood, coconut liquor, fowls, onions, bamboos, fish, fins of fish etc.

The exports in 1878-79 were such that in terms of value, coconut was the largest export commodity, followed in descending order of their export earnings, by salted fish, copra and salt. Thus, in terms of export earnings salt was occupying 4th place in the export trade of Goa.¹¹⁰

3.3 SALT IN THE AGRICULTURAL PERSPECTIVE OF THE GOAN ECONOMY

Agriculture has been the mainstay of the Goan economy since time immemorial. The production of paddy and other agricultural commodities has played a dominant role in the Goan economy under all rules in this territory. It has been a major source of livelihood and employment for the people of Goa. Although solar salt is produced out of the marine water resources in most of the coastal regions, wherever favourable climatic conditions are available, traditionally its production has been undertaken as an agricultural pursuit, since for the production of solar salt, land has been an important factor of production. Accordingly, in Goa, salt has always been considered as an agricultural commodity. It is from this point of view that the study of salt industry in Goa, should be made in the context of the agricultural production in this territory. The role played by salt can be better understood if the state of the agricultural sector in the Goan economy in terms of production of major agricultural commodities is focused by us. The data available for the years 1824 and 1825 help us in understanding what was the position of agricultural production in Goa during the first quarter of the 19th century.

Goa Island: During the year 1824, Goa Island produced 4,644 kumbhs of paddy(rice) valued at 557,280 xerafins, 74 khandis of arecanuts of the value of 4,440 xerafins, 5,719 kumbhs of salt valued at 17,157 xerafins and 7,270,919 coconuts of the value of 218,127 xerafins. Goa Island produced just 7 khandis of nachinim valued at 42 xerafins during this year. The total value of these 5 main agricultural commodities was 797,046 xerafins.¹¹¹ The share of rice (paddy) in this total value of the production of 5 main agricultural goods was about 70%. The shares of coconuts and salt were 27% and 2.1% respectively. Arecanuts and nachinim contributed very negligibly to this total value. In 1825 the production of the main agricultural commodities was as follows:- Rice (paddy), 4,395 kumbhs (527,400 xerafins); salt, 5,729 kumbhs (17,187 xerafins); coconuts, 5,111,353 (153,340 xerafins); Nachinim, 11 khandis (66 xerafins).¹¹² If we assume that the production of arecanuts during 1825 was more or less the same as it was during the preceding year, we can conclude that the total value of 5 main agricultural commodities during this year was 702,433 xerafins. The shares of rice, salt and coconuts, in this total value were 75%, 2.4% and 21% respectively. The shares of nachinim and arecanuts were negligible as in the previous year.

Bardez: During the year 1824, Bardez produced 5,625 kumbhs of rice(paddy), 542 kumbhs of salt, 2,014 khandis of nachinim, 104 khandis of arecanuts and 5,186,396 coconuts valued at 675,000 xerafins, 2,168 xerafins, 12,084 xerafins, 6,240 xerafins and 155,591 xerafins, respectively.¹¹³ The total value of these 5 main agricultural commodities was 851,083 xerafins. The share of each commodity in this total value was, in serial order, about 79%, 0.2%, 1.4%, 0.7% and 18%. In 1825, the production of main five agricultural commodities was as follows:- Rice(paddy) 5,407 kumbhs (648,840 xerafins); salt 544 kumbhs (2,176 xerafins); Nachinim 1871 khandis (11,226 xerafins) arecanuts 83 khandis (4,980 xerafins) and coconuts 4,713,754 (141,412 xerafins).¹¹⁴ The total value of the production of these five main agricultural commodities was 808,634 xerafins. The share of each one of the five commodities in the total value of these commodities was, in serial order, as follows:- Paddy-80.2%; Salt-0.2%; Nachinim- 1.3%; Arecanuts- 0.6% and Coconuts- 17.5%.

Salsete: In 1824, the value of rice(paddy) produced in Salsete was 869,061 xerafins and that of salt 3,099 xerafins. The production of salt was 1,023 kumbhs during this year. The estimated production of rice (paddy) was 5,793 kumbhs. In 1825, the production of rice (paddy) was 5,811 kumbhs valued at 871,685 xerafins. The value of the production of arecanuts and nachinim was 5,076 xerafins and 3,558 xerafins, respectively, and the production of salt was 1,019 kumbhs valued at 3,086 xerafins. The estimated production of arecanuts was about 85 khandis and that of nachinim 593 khandis. Salsete produced 8,913,008 coconuts valued at 267,390 xerafins.¹¹⁵ The total value of all five main agricultural goods in 1825 works out at 1,150,795 xerafins. The share of each commodity in the total value of the production of these five commodities was as follows: Rice(paddy) 75.8%; Salt 0.2%; nachinim 0.3%; coconuts 23.2% and arecanuts 0.44%.

New Conquests: New Conquests included Ponda, Astragar, Embarbacem, Balli, Chandrawaddy, Cacora, Canacona, Cabo de Rama, Bicholim, Sanquelim and Pernem. In 1824, New Conquests produced 3,692 kumbhs of rice (paddy), 10,907 khandis of nachinim, 1422 khandis of arecanuts, 124 kumbhs of salt and 3,136,080 coconuts. The values of all these commodities were as follows: Rice (Paddy), 443,109 xerafins (120 xerafins per kumbh); Nachinim, 54,535 xerafins (5 xerafins per khandi); arecanuts, 71,119 xerafins (50 xerafins per khandi); salt 992 xerafins (8 xerafins per kumbh); coconuts, 78,402 xerafins (25 xerafins per 1,000 coconuts). The total value of the production of all five main agricultural goods in 1824 in Old Conquests was 648,157 xerafins. The percentage share of each of the above commodities in this total value of the production of 5 commodities was as follows: Rice (paddy) 68.36%; salt 0.15%; coconuts 12%; arecanuts 11% and nachinim 8.41%.¹¹⁶

The production figures for the year 1825 for the New Conquests were as follows: Rice paddy, 3,471 kumbhs (416,557 xerafins); Nachinim, 11,838 khandis (59,192 xerafins); arecanuts, 1,326 khandis (66,310 xerafins); 122 kumbhs of salt (976 xerafins); coconuts, 3,454,577 (86,364 xerafins).¹¹⁷ The total value of the production of 5 main agricultural commodities in Old Conquests in 1825 was 629,399 xerafins. The percentage share of each of the above commodities in this total value of

the production of 5 commodities worked out as follows: Rice (paddy) 66.1%; salt 0.15%; coconuts 13.7%; arecanuts 10.5%; nachinim 9.4%.

Based upon the production of the five main agricultural commodities in Goa Island, Bardez, Salsete and New Conquests, Goa's production of these five commodities in 1825, in terms of value, can be derived. The production of these commodities in Goa for the year 1825 was as follows:-

TABLE 3.04
PRODUCTION OF FIVE PRINCIPAL AGRICULTURAL COMMODITIES IN
GOA (1825)

| Commodity | Quantity | Value (in xerafins) |
|--------------|------------------|---------------------|
| Rice (paddy) | 19,084 kumbhs | 2,464,482 |
| Coconuts | 22,192,692 (No.) | 648,506 |
| Salt | 7,415 kumbhs | 23,425 |
| Arecanuts | 1,568 khandis | 80,806 |
| Nachinim | 14,313 khandis | 74,042 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202, unpagged

The total value of the production of 5 agricultural goods in Goa, during 1825, totalled up 3,291,261 xerafins. Among these commodities, maximum contribution to this total value of the production, came from rice (paddy). It was 74.8%, followed by coconuts which contributed 19.7% to this total value. Salt contributed just 0.7% to this total value of the production of 5 commodities. The share of arecanuts and nachinim was 2.4% and 2.2%, respectively.

Thus, in 1825 the contribution of salt to the total value of 5 main commodities was abysmally low. It was not even 1%, but the contribution of paddy was maximum at a very high level of about 75%, followed by that of coconuts.

3.3.1 SALT VIS-A-VIS TOTAL AGRICULTURAL PRODUCTION IN GOA ISLAND AND SALSETE IN 1840s

The data available as regards agricultural production, agricultural consumption and imports and exports of agricultural commodities in respect of Goa Island in 1844, throw light on the state of the economy of Goa Island, by the middle of the 19th century. They help us to understand the position of Goa's economy and, also, that of salt

vis-a-vis total agricultural production in this concelho. Goa Island's production of agricultural commodities in 1844 was worth 640,608 xerafins. Its consumption of the agricultural commodities was valued at 1,253,720 xerafins. Goa Island imported agricultural goods worth 677,089 xerafins while its exports of these commodities were worth 235,877 xerafins.¹¹⁸ The above figures make clear one important fact related to the economy of Goa Island. The local agricultural production was short of the consumption requirements of the concelho, by 613,112 xerafins, and its import trade was larger than its export trade by 441,212 xerafins. The percentage of the export trade to the import trade of the concelho was about 35%, implying that Goa Island's exports could pay just 35% of its import trade obligations.

One of the commodities which was giving surplus production was salt. Its production was worth 65,290 xerafins. Consumption within the concelho being worth 6,717 xerafins, the surplus available was 58,573 xerafins. This quantity was being exported to the foreign countries. The value of salt exported from Goa Island was about 25% of the total export trade of the agricultural commodities of the concelho.¹¹⁹

In 1844, an important phenomenon was visible in the economy of the concelho of Goa Island. The production of rice and other agricultural goods decreased substantially on account of the unremunerative prices of the agricultural commodities. In a report dispatched to the higher authorities, the Administrator of the concelho stated that the prices were not covering even 50% of the expenditure incurred by the farmers on farm production. The Administrator of the concelho in this report made reference to the demand of the farm producers that the cereals imported from outside Goa should be subjected to heavy custom duties, so as to discourage their imports into the territory. The implication of this demand was that the agricultural prices in Goa had fallen because of large scale imports of rice and other agricultural commodities into Goa.¹²⁰ It was a demand for the protection to the local agricultural industry by means of higher import duties on imported agricultural goods. However, it should be emphasised here that irrespective of the price level of agricultural goods, Goa's agricultural production, particularly rice production was always falling short of its consumption needs.

The data of the agricultural production, agricultural consumption and imports and exports of agricultural commodities pertaining to the year 1843 in respect of the concelho of Salsete are available in the Goa Archives. The study of these data is worth undertaking to understand the economy of Salsete by the middle of 1840s. It helps us also to have a broad idea about the economy of Goa and the position of salt in the total agricultural production during the period. The concelho produced agricultural goods worth 1,508,762 xerafins, but its total consumption was of the value of 1,598,407 xerafins, implying that production of many agricultural commodities produced in the Concelho was not sufficient to meet the consumption requirements of the people of Salsete. The Concelho of Salsete imported goods worth 344,401 xerafins and exported goods valued at 264,704 xerafins.¹²¹ The production and consumption of rice, coconut, salt and nachinim, and production of arecanuts during this year was as given below:-¹²²

Salsete produced 45781 khandis of rice worth 961,401 xerafins. Its consumption was over and above the quantity produced. It was 57,017 khandis valued at 1,197,357 xerafins, necessitating imports of rice equal to 11,236 khandis worth 235,956 xerafins. The production of coconuts in Salsete in 1843 was 16,723,650 worth 334,473 xerafins. Its consumption in the concelho was 6,368,650 valued at 127,573 xerafins. The quantity exported of coconuts was 10,355,000 worth 207,100 xerafins. The production of arecanuts was 71 khandis valued at 14,632 xerafins. The entire quantity produced of this commodity was exported during the year under question. The production of salt was 13,716 khandis worth 20,574 xerafins. The consumption of the commodity in the concelho was 9,000 khandis valued at 13,500 xerafins. The quantity exported was 8,395 khandis worth 12,592 xerafins. Salsete produced 875 khandis of nachinim worth 18,375 xerafins. The consumption within the concelho was 1,048 khandis worth 25,998 xerafins, necessitating imports of the quantity of 532 khandis worth 11,172 xerafins. Salsete exported 359 khandis of nachinim worth 7,539 xerafins.

The data mentioned above, tell us that the contribution of rice to the total agricultural production in terms of value in Salsete was 63.7%, followed by coconuts

whose contribution to the total agricultural production was 22%. Salt contributed just 1.36%, while the shares of nachinim and arecanuts were negligible. Salsete was a 'deficit' Concelho in rice and nachinim, and had surplus production of salt and coconuts. The deficit in the case of the principal staple food of Goa - rice, was 11,236 khandis and the surplus in salt and coconuts was 4,716 khandis and 10,355,000 nuts, respectively.

3.3.2 THE STATE OF THE AGRICULTURAL PRODUCTION AND THE RELATIVE POSITION OF SALT IN GOA IN 1849

The available figures of the production of agricultural commodities in 1849, enable us to understand the position of this sector during this period and to compare it with that in the year 1825. The Table 3.05 shows us the production of rice, nachinim, salt, arecanuts and coconuts in quantitative and value terms in Goa Island, Salsete, Bardez and New Conquests in 1849.

TABLE 3.05
REGIONWISE PRODUCTION OF FIVE PRINCIPAL AGRICULTURAL
COMMODITIES IN GOA (1849)

| Commodity | Goa Island | | Salsete | | Bardez | | New Conquests | |
|--------------|------------|---------------|----------|----------------|---------|---------------|---------------|----------------|
| | Qty | Value | Qty | Value | Qty | Value | Qty | Value |
| Rice (Paddy) | 98936 | 601866 | 40670 | 854070 | 113282 | 792974 | 95284 | 762284 |
| Nachinim | 1210 | 8381 | 333 | 6660 | 5315 | 26575 | 11074 | 880599 |
| Salt | 44700 | 23959 | 13000 | 26000 | 37285 | 37285 | 2844 | 1422 |
| Arecanuts | 82 | 6435 | 72 | 5760 | 74 | 2960 | 2632 | 184292 |
| Coconut | 6434640 | 175544 | 12000000 | 300000 | 4301300 | 117343 | 46456247 | 1161406 |
| TOTAL | | 816185 | | 1192490 | | 977137 | | 2990003 |

Note:- (a) Quantity in Khandis, except coconuts (b) Value in xerafins

Source:- Historical Archives of Goa, Moncoes do Reino, (1850), Doc. no. 198 of 1850

In Goa Island, the production of rice (paddy), nachinim, salt and arecanuts was 98,936 khandis, 1210 khandis, 44,700 khandis and 82 khandis, respectively. The production of coconuts was 6,434,640 nuts. The values of these commodities were 601,866 xerafins, 8,381 xerafins, 23,959 xerafins, 6,435 xerafins and 175,544 xerafins, respectively. The total value of the production of these 5 agricultural commodities

ties was 816,185 xerafins.¹²³ The share of each one of this commodity in the total value of production of these 5 commodities was as follows:

Rice (Paddy):- 73.7%; Nachinim:- 1%; Salt:- 3%; Arecanuts:- 0.7%; coconuts:- 21.5%.

In Salsete, the production of rice(paddy), nachinim, salt and arecanuts was 40,670 khandis, 333 khandis, 13,000 khandis and 72 khandis, respectively. The number of coconuts produced was 12,000,000. The values of the production of these goods were as follows: rice, 854,070 xerafins; nachinim, 6,660 xerafins; salt, 26,000 xerafins; arecanuts, 5,760 xerafins and coconuts, 300,000 xerafins.¹²⁴ The total value of the production of these five commodities was 1,192,490 xerafins. The share of each one of the above commodities in the total value of the production of 5 commodities was as follows: rice(paddy) 71.6%; nachinim 0.5%; salt 2.1%; arecanuts 0.5% and coconuts 25.1%.

The production of rice (paddy), nachinim, salt and arecanuts in Bardez was 113,282 khandis, 5,315 khandis, 37,285 khandis and 74 khandis, respectively. In the absence of the availability of the data of production of coconuts in 1849, we have taken into consideration the figure of the production of this commodity in the previous year (1848). The production of coconuts in 1848 was 4,301,300. The values of all these commodities were as follows: rice(paddy) 792,974 xerafins; nachinim 26,575 xerafins; salt 37,285 xerafins; arecanuts 2,960 xerafins and coconuts 117343 xerafins. The total value of the production of these 5 commodities was 977,137 xerafins.¹²⁵ The share of each one of the above commodities in the total value of the production of these 5 goods was as follows: rice (paddy) 81%; nachinim 2.7%; salt 3.8%; arecanuts 0.3% and coconuts 12%.

The production of rice(paddy), nachinim, salt and arecanuts in New Conquests was 95,284 khandis, 110,074 khandis, 2,844 khandis and 2,632 khandis, respectively. The production of coconuts was 46,456,247. The values of all these commodities were as follows:- rice(paddy) 762,284 xerafins; nachinim 880,599 xerafins; salt 1,422 xerafins; arecanuts 184,292 xerafins and coconuts 1,161,406 xerafins.¹²⁶ The total

value of these commodities was 2,990,003 xerafins. The share of each commodity in this total value was 25.5%, 29.5%, 0.05%, 6% and 38.9% respectively.

On the basis of the production figures of five commodities (rice, nachinim, salt, arecanuts and coconuts) pertaining to Goa Island, Salsete, Bardez and New Conquests, for the year 1849, as given above, we can compute the production of these commodities in value terms for the whole territory of Goa for the above year. The Table 3.06 indicates these production figures and percentages of the share of each commodity to the total value of the production of these five commodities.

TABLE 3.06
PRODUCTION OF FIVE AGRICULTURAL COMMODITIES IN GOA (1849)
(in xerafins)

| Commodity | Production | % share of the commodity to the total value |
|--------------|------------------|---|
| Rice (Paddy) | 3,011,194 | 50.4 |
| Nachinim | 922,215 | 15.4 |
| Salt | 88,666 | 1.5 |
| Arecanuts | 199,447 | 3.3 |
| Coconuts | 1,754,293 | 29.4 |
| Total | 5,975,815 | 100 |

Note:- Compiled on the basis of the values indicated in the Table 3.05

While rice contributed more than 50% of the total value of the production of these five commodities, the share of nachinim, arecanuts and coconuts was 15.4%, 3.3% and 29.4%, respectively. The contribution of salt to the total value production of the five commodities was a meagre 1.5%.

3.3.3 CHANGE IN THE AGRICULTURAL PRODUCTION INCLUDING SALT BETWEEN 1825 AND 1879

The position of the agricultural sector in the Goan economy and the relative importance of salt therein can be better understood by us if we know the rate of change in the quantity produced of the main agricultural commodities between the years 1825 and 1879. On account of the non-availability of the data pertaining to the total agricultural production of Goa during this period, quantity produced of rice, coconuts, salt and arecanuts is taken into consideration and based upon the available

data related to the years 1825, 1848 and 1879, rates of change in the quantity produced of each of these four main agricultural commodities between 1825 and 1879 are computed.

Goa produced 381,680 khandis, 453,472 khandis and 619,700 khandis of rice in the years 1825, 1848 and 1879 respectively.¹²⁷ Between the years 1825 and 1848, the increase in the annual production of rice has been registered as 18%. Between the years 1848 and 1879, this increase has been 36%. The annual production of rice increased by 62% between the years 1825 and 1879. The production of coconuts in 1825, 1848 and 1879 has been 22,192,692, 32,724,293 and 39,913,440, respectively.¹²⁸ Between the years 1825 and 1848, the increase in the annual production of coconuts has been registered as 47%. This percentage increase was 21 between 1848 and 1879. Between the years 1825 and 1879, the rise has been about 80%. Goa produced 148,300 khandis, 86,765 khandis and 149,662 khandis of salt in 1825, 1848 and 1879, respectively.¹²⁹ The annual production of salt decreased by 41.5% between the years 1825 and 1848. Between the years 1848 and 1879, the annual increase in the production of salt has been 72.5%. The increase in the annual production of salt in 1879 over that in 1825, has been just 0.9%. The production of arecanuts in 1825, 1848 and 1879 was 1,568 khandis, 1255 khandis and 4,559 khandis, respectively.¹³⁰ Between the years 1825 and 1848, there has been 20% fall in the annual production of arecanuts. The production of this commodity in 1879 was 263% more than that in 1848. Between the years 1825 and 1879, the annual production of arecanuts increased by 190%.

The above analysis focuses the fact that while the annual production of rice, coconuts and arecanuts increased by 62%, 80% and 190%, respectively, the increase in the annual production of salt was just 0.9%, between the years 1825 and 1879.

3.4 SALT INDUSTRY IN THE 19TH CENTURY DURING THE PERIOD UPTO THE IMPLEMENTATION OF THE ANGLO- PORTUGUESE TREATY OF 1878.

The state of the salt industry in the 19th century during the period upto the implementation of the Treaty of 1878 can be studied on the basis of the data of pro-

duction of salt in different salt-producing villages of Goa pertaining to the four Concelhos - Goa Island, Salsete, Bardez and Pernem - where salt was produced during the post - rainy season. These data of production of salt and other variables pertaining to different concelhos of Goa throw light not only on the concentration of the salt industry in Goa, but also on the change that has taken place in production, employment and other variables in these concelhos. The earliest year of which data of production of salt in Goa were available was 1824. The available data help us to know the village-wise concentration of the salt industry and production in each village during the first quarter of the 19th century. As regards the salt industry in Goa, it can be stated with due consideration for the historical facts that the localisation of the salt industry as found in 1824, was existing in Goa, since time immemorial. For hundreds of years, Goa's salt industry was concentrated along the banks of Mandovi and Zuari rivers in Goa Island, the banks of the river Sal in Salsete, the banks of the River Chapora in Bardez and the banks of Tiracol river in Pernem.¹³¹ In 1824, salt production was taking place in the following villages of Goa Island: Mercurim, Batim, Goa Velha, Gauncim, Curca, Siridao, Morombi pequeno, Murda and Calapore. In Salsete, Margao, Orlim, Cavelossim, Chinchinim, Telaulim, Sirlim, Dharmapur, Deussa and Assolna were the villages where salt was being produced. So far as Bardez was concerned, the following were the salt-producing villages: Calangute, Pilerne, Nerul, Marra, Nagoa, Arpora and Camorlim. Agarwaddo was the main salt-producing centre in the Concelho of Pernem.¹³² Thus, the total number of salt-producing villages in Goa Island, Salsete and Bardez was 9; 9 and 7, respectively.

Goa Island : The villagewise production of salt in Goa Island in 1824 and 1825 was as given in the Table 3.07. The total production of salt in Goa Island in 1824 and 1825 was 5,719 kumbhs, and 5,730 kumbhs respectively.¹³³ Maximum production of salt was reported at Calapore(2,245 kumbhs) which amounted to 39% of the total salt production of Goa Island. Batim produced 1,530 kumbhs and 1,540 kumbhs of salt during these 2 years which amounted to 26.7% and 26.8%, respectively, of the total salt production of Goa Island. Minimum production was turned out by Gauncim (0.34%).

TABLE 3.07
 PRODUCTION OF SALT IN GOA ISLAND (1824 AND 1825)
 (in kumbhs)

| Place | 1824 | 1825 |
|-----------------|--------------|--------------|
| Mercurim | 50 | 50 |
| Batim | 1,530 | 1,540 |
| Goa Velha | 710 | 710 |
| Gauncim | 20 | 20 |
| Curca | 250 | 250 |
| Siridao | 80 | 81 |
| Morombi pequeno | 774 | 774 |
| Murda | 60 | 60 |
| Calapore | 2,245 | 2,245 |
| TOTAL | 5,719 | 5,730 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202 C, F.259-60

The estimated value of salt produced in Goa Island in 1824 and 1825 was 17,157 xerafins and 17,187 xerafins, respectively.¹³⁴ The estimate is based upon the price of salt which was about 3 xerafins per kumbh during this period.

Salsete: The Concelho of Salsete reported the villagewise production of salt as given in the Table 3.08. The total production of salt in Salsete in 1824 and 1825 was 1,023 kumbhs and 1,019 kumbhs, respectively. Maximum production of salt was reported at Telaulim in both the years:- 500 kumbhs in 1824 and 450 kumbhs in 1825. It was 48.8% and 44% of the total salt produced in the concelho of Salsete. The second largest producer of salt in the concelho of Salsete was Assolna. It produced 228 kumbhs, and 264 kumbhs in 1824 and 1825, respectively.¹³⁵ Percentage-wise, it was 22% and 26% of the total salt production in Salsete, respectively. The total value of salt produced in 1824 in Salsete was 3,099 xerafins. It implies that the price of salt per kumbh in the concelho of Salsete was slightly more than 3 xerafins. Accordingly, the total value of salt produced in 1825 was 3,086 xerafins.

TABLE 3.08
PRODUCTION OF SALT IN SALSETE (1824 AND 1825)
(in kumbhs)

| Place | 1824 | 1825 |
|--------------|--------------|--------------|
| Margao | 35 | 37 |
| Orlim | 11 | 12 |
| Cavelossim | 4 | 4 |
| Chinchinim | 151 | 162 |
| Telaulim | 500 | 450 |
| Sirlim | 42 | 40 |
| Dharmapur | 22 | 20 |
| Deussa | 30 | 30 |
| Assolna | 228 | 264 |
| TOTAL | 1,023 | 1,019 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202C, F.259, 261, 263V

Bardez: The production of salt in Bardez in 1824 and 1825 is given in the Table 3.09. The total production of salt in these years was 542 kumbhs and 544 kumbhs respectively. Maximum production of salt was reported at Nerul. It produced 300 kumbhs, and 300 kumbhs in 1824 and 1825, respectively. It amounted to 55% of the total production of the concelho of Bardez. The second largest producing centre of salt was Arpora (80 kumbhs, and 83 kumbhs, respectively).¹³⁶ It amounted to 14.7% and 15% of the total salt production of Bardez. Based upon the price of salt which was 4 xerafins per kumbh, we can calculate the value of the salt produced in this concelho during 1824 and 1825. It was 2,168 xerafins and 2,176 xerafins, respectively.¹³⁷

Pernem: The production of salt in Pernem, the only concelho producing salt in the New Conquests, was 124 kumbhs and 122 kumbhs, in 1824 and 1825, respectively. The price of salt per kumbh in Pernem during this period was 8 xerafins.¹³⁸ It can, therefore, be concluded that the value of salt output in Pernem in the above 2 years was 992 xerafins and 976 xerafins, respectively.

TABLE 3.09
PRODUCTION OF SALT IN BARDEZ (1824 AND 1825)
(in kumbhs)

| Place | 1824 | 1825 |
|--------------|------------|------------|
| Calangute | 56 | 60 |
| Pilerne | 10 | 9 |
| Nerul | 300 | 300 |
| Marra | 61 | 60 |
| Nagoa | 15 | 12 |
| Arpora | 80 | 83 |
| Camorlim | 20 | 20 |
| TOTAL | 542 | 544 |

Source:- Historical Archives of Goa, Moncoes do Reino, 202 C, F.264-65

3.4.1 PRODUCTION OF SALT IN GOA IN 1824, 1825 AND 1844

The figures of the production of salt, both in quantitative and value terms, in different salt producing concelhos of Goa in 1824 and 1825, help us to get a macro-view of the production of salt in Goa. In 1824, total production of salt in Goa was 7,409 kumbhs. In terms of value, the production of salt in Goa was 23,416 xerafins. In 1825, while total output, in quantitative terms, was 7,415 kumbhs, its value was worth 23,425 xerafins. It is pertinent to know the percentage shares of each concelho in the total quantity produced and the total value of the output of salt in Goa. Goa Island which produced 5,719 kumbhs of salt in 1824 contributed 77% to the total salt production in Goa. Salsete's share in the total production of Goa, in quantitative terms, was 1,023 kumbhs, which amounted to about 14%. The share of Bardez was 7.3% since it produced 542 kumbhs of salt. Pernem contributed 1.6% of the total salt production of Goa in 1824. The percentage shares of these concelhos in the total salt production of Goa in 1825, in quantitative terms, were 77.2%, 13.7%, 7.3% and 1.6%, respectively.

The percentage shares of these four salt producing concelhos in the value of the total salt production of Goa, in 1824 and 1825 were as given in the Table 3.10.

TABLE 3.10
SHARES OF SALT-PRODUCING CONCELHOS IN THE VALUE OF TOTAL
PRODUCTION OF SALT IN GOA (1824-1825)
(in percent)

| Concelho | 1824 | 1825 |
|------------|------|------|
| Goa Island | 73.3 | 73.3 |
| Salsete | 13.2 | 13.2 |
| Bardez | 9.3 | 9.3 |
| Pernem | 4.2 | 4.2 |
| Total | 100 | 100 |

Note: The Table is compiled on the basis of the quantities indicated in the Tables 3.07, 3.08 and 3.09 and the quantity produced in Pernem.

If we compare the shares of the salt producing concelhos in the total salt production of Goa, in quantitative terms, with those in value terms, we observe that the share of Goa Island in quantitative terms (77%) was more than that in value terms (73%). The share of Salsete in the total salt production of Goa in quantitative terms was more or less equal to that in value terms. In case of Bardez, the share in value terms (9%) was more than that in quantitative terms (7%). Similarly, the share of Pernem in value terms (4%) was more than that in quantitative terms. This was true of both the years, 1824 and 1825.

The data available as regards the production of salt in different salt producing concelhos of Goa in 1844 enable us to compare the production of salt in 1824 with that in 1844, both in quantitative and value terms. The Table 3.11 provides us the break-up of the production of salt in Goa among four salt-producing concelhos of this territory.¹³⁹

The Table 3.11 focuses the following facts as regards salt production in Goa. The total production in Goa was 164,035 khandis in 1844. In value terms, Goa's production of salt during this year, was 88,988 xerafins. The largest share in this total salt output of Goa was contributed by Goa Island. The quantity produced by Goa Island was 130580 khandis valued at 65,290 xerafins. It amounted to 79.6% of the total quantity of salt produced in Goa and 73.3% of its value measured in xerafins. The shares of Salsete, Bardez and Pernem (and Balli) in quantitative terms were 13,911 khandis (8.5%), 15,112 khandis (9.2%) and 4,432 khandis (2.7%), respectively. The

shares of these three concelhos in value terms were as follows:- 13,911 xerafins (15.6%), 7,556 xerafins (8.5%), 2,231 xerafins (2.5%). The above figures make it clear that in terms of quantity, the second largest contributor to the total salt production of Goa was Bardez, but, in terms of value, this position was taken by Salsete, and Bardez went down to the third place, since the price of salt in Bardez was less than that in Salsete.

TABLE 3.11
CONCELHOWISE PRODUCTION OF SALT IN GOA (1844)

| Concelho | Production | |
|------------------|-----------------------|--------------------|
| | Quantity (in khandis) | Value(in xerafins) |
| Goa Island | 130,580 | 65,290 |
| Salsete | 13,911 | 13,911 |
| Bardez | 15,112 | 7,556 |
| Pernem and Balli | 4,432 | 2,231 |
| TOTAL | 164,035 | 88,988 |

Source:- Boletim oficial, 5-6-1845, No. 25, P.1; Boletim oficial, 26-6-1846, No.28, p.5,6,

3.4.2 VILLAGEWISE PRODUCTION OF SALT IN THE CONCELHO OF BARDEZ IN 1843 AND 1844

Data were not available as regards the villagewise production of salt in different concelhos of Goa, except that in the concelho of Bardez. The villagewise production of salt in 1843 and 1844, in this concelho, was as shown in the table 3.12. The table states that the total production of salt in Bardez in 1843 and 1844 was 741 kumbhs and 755 kumbhs, respectively.¹⁴⁰ During both the years, the largest contribution to the total salt production in Bardez came from Nerul (35%) followed by Marra (29%). Arpora's contribution to the total salt production in Bardez was 15% in 1843 and just 2.1% in 1844, while Verla's share in the total salt production of this Concelho was 14.5% in 1844. If we compare the production of salt in Bardez in 1825 with that in 1843, it is observed that the share of Nerul in total salt production in Bardez decreased from 55% to 35%. The share of Arpora remained more or less the same. Marra's share decreased from 29% to 11%.

TABLE 3.12
VILLAGEWISE PRODUCTION OF SALT IN BARDEZ (1843 AND 1844)
(in kumbhs)

| Village | 1843 | 1844 |
|--------------|------------|------------|
| Calangute | 70 | 80 |
| Pilerne | 70 | 72 |
| Nerul | 260 | 260 |
| Marra | 215 | 215 |
| Nagoa | 16 | - |
| Arpora | 110 | 16 |
| Verla | - | 110 |
| Colvale | - | 2 |
| TOTAL | 741 | 755 |

Source:- Boletim oficial, 26-6-1846, No.28, p.5

3.4.3 PRODUCTION OF SALT IN GOA IN 1849

Data available as regards the production of salt in Goa, in 1849, show that the production of salt, during this year, was less than that in 1844. The production in the year 1849 was 97,829 khandis while that in the year 1844 was 164,035 khandis. In terms of value, the production of salt in Goa during this year was 88,666 xerafins.¹⁴¹ The Concelho-wise break-up of the production of salt in this year is given in the Table 3.13

TABLE 3.13
CONCELHOWISE BREAK-UP OF THE PRODUCTION OF SALT IN GOA (1849)

| Concelho | Quantity (in khandis) | Value (in xerafins) |
|------------------------|--------------------------|-------------------------|
| Goa Island | 44,700 | 23,959 |
| Salsete | 13,000 | 26,000 |
| Bardez | 37,285 | 37,285 |
| New Conquests (Pernem) | 2,844 | 1,422 |
| TOTAL | 97,829 | 88,666 |

Source:- Historical Archives of Goa, Moncoes do Reino, 224, Doc. 198 of 1850

As we have seen before, total agricultural production of Goa in 1849 was valued at 7,318,734 xerafins and the value of the production of 5 main agricultural commodities, namely, rice(paddy), nachinim, salt, coconuts and arecanuts, was 5,858,472 xerafins. Since the value of the production of salt was 88,666 xerafins, the share of salt in the value of the total agricultural production of Goa was 1.2%, and, in the value of the above five commodities 1.5%. The contribution of salt to the value of five agricultural commodities in each of the above four regions was as follows:¹⁴² Goa Island : 2.9%; Salsete : 2.1%; Bardez :3.8%; New Conquests : (Pernem was the only salt producing concelho) : 0.04%.

From the Table 3.13 we can derive the percentage shares of the salt producing regions in the total production of salt in Goa in 1849, both in terms of quantity and value. Goa Island, Salsete, Bardez and Pernem contributed 45.6%, 13.3%, 38.1% and 3%, respectively, to the total quantity of salt produced in Goa. In terms of value, the shares of these concelhos were 27%, 29.3%, 42% and 1.6%, respectively. It is clear from the above analysis that maximum contribution to the total production of salt in Goa came from Goa Island, followed by Bardez. The conclusion that is derived from the above analysis is that although Goa Island contributed 45.6% of the quantity produced in Goa, its contribution, in value terms, was just 27%. On the contrary, the share of Salsete in the total salt output in Goa in terms of value was 29.3%, even though its share in the total quantity of salt produced in Goa, was just 13.3%. Bardez contributed 42% of the total production of salt, in value terms, while its share in the quantity of salt produced in Goa was 38%. Pernem contributed 3% in terms of quantity, but just 1.6% in terms of the value of the production of salt.

The price of salt per khandi in each concelho of Goa was as follows :-
Goa Island : about 1/2 xerafim; Salsete: 2 xerafins; Bardez :1 xerafim; Pernem (New Conquests) :1/2 xerafim. The price of salt was highest in Salsete and lowest in Goa Island and New Conquests during the year 1849.

3.4.4 CHANGE IN THE PRODUCTION OF SALT BETWEEN 1824 AND 1844 AND BETWEEN 1844 AND 1849

Between the years 1824 and 1844, the following changes are observed in the production of salt in Goa as a whole and in each salt-producing concelho of this territory. The production figures pertaining to 1824 and 1844, which are juxtaposed in the Table 3.14 help us in drawing conclusions regarding the change that has taken place between these two years.¹⁴³

TABLE 3.14
PRODUCTION OF SALT IN GOA (1824 AND 1844)

| Concelho | 1824 | | 1844 | |
|---------------|----------------|---------------|----------------|---------------|
| | Quantity | Value | Quantity | Value |
| Goa Island | 114,380 | 17,157 | 130,580 | 65,290 |
| Salsete | 20,467 | 3,099 | 13,911 | 13,911 |
| Bardez | 10,852 | 2,168 | 15,112 | 7,556 |
| New Conquests | 2,482 | 992 | 4,432 | 2,231 |
| TOTAL | 148,185 | 23,416 | 164,035 | 88,988 |

Note:- (a) Quantity in khandis (b) Value in xerafins

Source:- The Table is compiled on the basis of the tables 3.07; 3.08; 3.09 and 3.11 and the corresponding values of the salt output in different concelhos.

On the basis of the production figures of salt pertaining to 1824 and 1844, we can conclude the following, as regards the change that has taken place between these two years:

The production of salt in Goa as a whole, increased by 10.6%, in terms of quantity and by 280% in value terms. The rates of growth of salt production in terms of quantity in the 4 concelhos producing salt, were as follows: Goa Island 14%; Salsete 32%; Bardez 39% and New Conquests (Pernem and Balli) 78%. The growth rates of salt production, in value terms, were as mentioned below:

Goa Island 280.5%; Salsete 348.8%; Bardez 248.5 %, and New Conquests 124.8%.

Between the years 1824 and 1844, one notices that the quantity of production of salt in Salsete decreased by 32%, but, in value terms, the production registered an increase of 348.8%. In all other concelhos, there was an increase in the quantity pro-

duced of salt and, also, in the value of the output of salt. In all concelhos, the rate of the growth of the value of salt production was much higher than that of the quantity of salt produced. The conclusion one can draw from this difference between the two, is that the price of salt increased substantially between these two years.

Between the years 1844 and 1849, one notices a decrease in the production of salt, in terms of quantity produced in different concelhos except Bardez. The quantity of salt produced in Goa decreased from 164,035 khandis in 1844 to 97,829 khandis in 1849.¹⁴⁴ This fall was substantial, amounting to 40.4%, but, in value terms production decreased marginally by just 0.4%. In Goa Island, salt production decreased from 130,580 khandis to 44,700 khandis, amounting to 65.8% decrease. Since the production decreased from 65,290 xerafins to 23,959 xerafins, the percentage fall in value terms was 63.4%.

The quantity produced in Salsete decreased from 13911 khandis to 13000 khandis, the decrease being 6.5%. In value terms there was a rise of 87%, since production increased from 13,911 xerafins to 26,000 xerafins. The production in Bardez increased from 15,112 khandis to 37,285 khandis and, in terms of value, from 7,556 xerafins to 37,285 xerafins, amounting to 146% and 393% rise, respectively. There was a fall in the production of salt in Old Conquests (Pernem), both in terms of quantity and value. It decreased from 4,432 khandis to 2,844 khandis and, in value terms, from 2,231 xerafins to 1,422 xerafins, amounting to 36% decrease, in both cases.

3.4.5 THE STATE OF THE SALT PRODUCTION ON THE EVE OF THE ANGLO-PORTUGUESE TREATY OF 1878

The Table 3.15 offers, at a glance, a clear picture of the state of the salt industry in Goa, prior to the Treaty of 1878 between Portugal and England - a treaty which brought about drastic changes in the salt industry of Portuguese India. The Table 3.15, besides other data pertaining to the salt industry in Goa, gives the figures of total production and consumption of salt in the territory in 1876.¹⁴⁵ The total production of salt in Goa was 293,372 khandis. The consumption of salt for domestic use was 100,643 khandis and that for the use as manure was 76,012 khandis. The production

of salt in Goa Island was maximum (160,415 khandis) followed by Bardez (78,400 khandis), Salsete (46,117 khandis) and Pernem (8,440 khandis) in the descending order of salt production. The salt production in Goa Island was 54.7% of the total salt production in Goa. The relevant percentages of Bardez, Salsete and Pernem were 26.7; 15.7 and 2.8, respectively. Maximum consumption of salt for domestic use and for the purpose of manure was reported in Goa Island. It was 80,420 khandis, followed by Salsete (30,000 khandis), Bardez (14,420 khandies) and Pernem (3,955 khandies). The non-salt producing concelhos in Goa consumed, for the above two purposes, 47,860 khandis of salt.

In 1876, the total number of villages engaged in the manufacture of salt in Goa was 36 and the total number of saltpans was 386. While Goa Island and Salsete had 11 and 12 villages producing salt, respectively, the number of salt-producing villages in Bardez was 8. Pernem had five villages producing salt. Maximum number of salt pans was found in Salsete (197) followed by Goa Island (104), Bardez (64) and Pernem (21).¹⁴⁶ The Table 3.15 throws light on the fact that even though the concelho of Goa Island had 27% of the total number of salt pans in Goa, it produced 54.7% of the total production of salt in Goa. On the contrary, Salsete with 51% of the total saltpans in Goa produced 15.7% of the total production of salt. Bardez with 16.5% of the total saltpans, produced 26.7% of the total salt production in the territory. The share of Pernem with 5.5% of the total saltpans, was 2.8% of the total salt production in Goa. One of the conclusions that can be drawn on the basis of the above analysis is that the average size of the saltpans in Salsete was too small as compared to that of the saltpans in Goa Island. Even the saltpans in Bardez were comparatively larger than those in Salsete.

At the time of the implementation of the Treaty of 1878, total area under saltpans in Goa was 1,914,115 square meters. The production of salt, as per official estimates, was 1,255,304 maunds (46,848 tonnes). Average per acre production of salt calculated by the first Mixed commission was 4,034 maunds (150.5 tonnes). The estimate of the same by the second Mixed commission was 1859 maunds (69.3 tonnes). The number of salt workers was 1949.¹⁴⁷

The total production of salt in Portuguese India in 1876 was 367,994 khandis. The consumption of salt in Portuguese India for domestic use and fish curing, amounted to 118,809 khandis. 77,702 khandis of salt was used for the purpose of manure in farms, coconut groves and other fruit orchards.¹⁴⁸

TABLE 3.15
CONCELHOWISE PRODUCTION AND CONSUMPTION OF SALT, AND
NUMBER OF SALT PRODUCING VILLAGES, SALTPANS AND SALT
LABOURERS IN GOA (1876)
(Quantity of salt in khandis)

| Concelhos | No. of salt Producing Villages | No. of saltpans | No. of Labourers engaged in saltpans | Production | Consumption for domestic use | Consumption for manure |
|-------------------------|--------------------------------|-----------------|--------------------------------------|----------------|------------------------------|------------------------|
| Goa Island | 11 | 104 | 546 | 160,415 | 40,210 | 40,210 |
| Salsete | 12 | 197 | 466 | 46,117 | 20,000 | 10,000 |
| Bardez | 8 | 64 | 339 | 78,400 | 2,820 | 11,600 |
| First Division (Pernem) | 5 | 21 | 380 | 8,440 | 3,000 | 955 |
| Second Division | | | | | 11,001 | 3,000 |
| Third Division | | | | | 10,472 | 7,627 |
| Fourth Division | | | | | 13,140 | 2,620 |
| TOTAL | 36 | 386 | 1,731 | 293,372 | 100,643 | 76,012 |

Source:- Jose Nicolao de Fonseca, "An Historical and Archaeological Sketch of the City of Goa, New Delhi, Reprint by Asian Educational Services, 1986, p.25

3.4.6 CHANGE IN THE PRODUCTION OF SALT DURING THE PERIOD FROM 1824 TO 1876

It is worth studying the change in the production of salt in Goa during the period from 1824 to 1876. The figures of the production of salt in 1824, 1844 and 1876, as given in the Table 3.16 with the break-up of the salt production in Goa among four salt producing Concelhos, show the direction in which the salt production has moved, over the period from 1824 to 1876.¹⁴⁹ During the period from 1824 to 1876, the total annual production of salt in Goa increased from 148,185 khandis to 293,372 khandis amounting to an increase of 98%. Between these two years, the salt production in Goa Island increased from 114,380 khandis to 160,415 khandis, while the production

in Salsete and Bardez registered a rise from 20,467 khandis to 46,117 khandis and from 10,852 khandis to 78,400 khandis, respectively. In Pernem (New Conquests) the production of salt increased from 2,482 khandis to 8,440 khandis. The percentage rise in the production of salt in Goa Island, Salsete, Bardez and Pernem during the period from 1824 to 1876, was 40; 125; 622 and 240, respectively.

Between the years 1844 and 1876, the total annual production of salt in Goa increased from 164,035 khandis to 293,372 khandis, amounting to an increase of 79%.¹⁵⁰ The figures of production of salt show that the percentage rise in the production of salt in the 4 concelhos of Goa during the above period was as follows:- Goa Island :- 23%; Salsete:- 231.5%; Bardez:- 418% and Pernem:- 90.4%

TABLE 3.16
PRODUCTION OF SALT IN GOA (1824, 1844 AND 1876)
(in khandis)

| Concelho | 1824 | 1844 | 1876 |
|-----------------------|---------|---------|---------|
| Goa Island | 114,380 | 130,580 | 160,415 |
| Salsete | 20,467 | 13,911 | 46,117 |
| Bardez | 10,852 | 15,112 | 78,400 |
| Pernem (NewConquests) | 2,482 | 4,432 | 8,440 |
| Total | 148,185 | 164035 | 293,372 |

Source:- The Table is compiled on the basis of the data of salt output as indicated by the tables 3.11, 3.14, 3.15

3.5 SALT PRODUCERS IN GOA, DAMAN AND DIU

The number of salt cultivators in Portuguese India by the middle of the 19th century was about 770. As per the census of 1848, Goa's population of salt cultivators was 658, and Daman and Diu had 84 and 28 salt cultivators, respectively. The following Table 3.17, showing the number of agriculturists and salt cultivators, as per the census of 1848, gives us an idea about the relative position of salt cultivators vis-a-vis the number of agriculturists in the saltproducing provinces of Portuguese India.¹⁵¹

As per the census of 1848, the population of Portuguese India was 406,668.¹⁵² The population of Goa was reported to be 347,476.¹⁵³ The population of agriculturists

in the salt producing provinces of Goa was 34,877. Thus, the salt-cultivators in Goa constituted 1.8% of the population of agriculturists in the salt-producing provinces of Goa and 0.19% of the population of Goa.

TABLE 3.17
AGRICULTURISTS AND SALT FARMERS IN SALT PRODUCING PROVINCES
OF PORTUGUESE INDIA (CENSUS OF 1848)

| Provinces | Agriculturists | Salt-cultivators |
|------------|----------------|------------------|
| Goa Island | 10,368 | 299 |
| Salsete | 10,413 | 226 |
| Bardez | 10,948 | 112 |
| Pernem | 3,148 | 21 |
| Daman | 8,834 | 84 |
| Diu | 406 | 28 |
| Total | 44,117 | 770 |

Source:- Captain Kol, "Statistical Report on the Portuguese Settlements in India", 1855, New Delhi Reprint by Asian Educational Services, 1995; p.314

The percentage of salt cultivators to the total population of agriculturists in the 4 salt-producing provinces of Goa and, also, to the total population of Goa, as shown by the census of 1848, remained more or less the same in the Census of 1877. As per this latter census, the population of Goa was 392,234 and the number of salt farmers in Goa was as depicted in the Table 3.18.

TABLE 3.18
AGRICULTURISTS AND SALT FARMERS IN SALT PRODUCING
CONCELHOS OF GOA (CENSUS OF 1877)

| Provinces | Agriculturists | Salt farmers |
|------------|----------------|--------------|
| Goa Island | 9,862 | 314 |
| Salsete | 30,366 | 340 |
| Bardez | 12,161 | 235 |
| Pernem | 12,952 | 39 |
| Total | 65,341 | 928 |

Source:- Joao Stuart da Fonseca Torrie, *Estatistica da India Confeccionada*, Nova Goa, Imprensa Nacional, 1879, p.230

The Table 3.18 indicates that the number of agriculturists and salt-farmers in four salt-producing provinces of Goa was 65,341 and 928, respectively.¹⁵⁴ The percentage of the salt farmers to the population of agriculturists in the four salt producing provinces of Goa, was 1.4, and their percentage to the population of Goa was 0.2%.

The analysis of the population of salt farmers and its comparison with the population of agriculturists in the salt producing provinces of Goa and with the total population of Goa, in the years 1848 and 1877, throws light on the important fact that the number of salt cultivators in Goa was very negligible - just a three digit figure. In spite of this, Goa's salt production was very large, so large that it created huge surpluses for export markets.

The data as regards the number of salt workers in Goa pertaining to 1876, as shown by the Table 3.15 gives us an idea about the employment of labour in the salt industry of Goa in the latter part of the 19th century. The total number of labourers working on the saltpans in Goa in 1876 was 1731. Out of these, 1351 salt workers belonged to the Old Conquests and 380 were working on the saltpans situated in Pernem. There were 546 salt workers in Goa Island, which number was maximum among all the Concelhos of Goa. The number of salt-workers in Salsete and Bardez was 466 and 339, respectively.¹⁵⁵ Average number of salt workers per saltpan in different Concelhos of Goa was as follows:- Goa Island :- 5.2; Salsete:- 2.3; Bardez:- 5.3; Pernem:- 18. Thus, Pernem had maximum number of saltworkers per saltpan.

3.6 PRODUCTION OF SALT IN GOA, AS CONTRIBUTED BY DIFFERENT PRODUCTION AGENCIES

In Goa, the production of salt was not undertaken by private individuals alone. Salt was produced by different other production agencies too. Besides private individuals, institutions like Comunidades, Confrarias and Fabricas were undertaking the production of salt. However, most of the salt in Goa was produced by the private individuals. Data pertaining to the contribution of these different production agencies to the production of salt in 1879, as shown by the Table 3.19 focus the shares of these production agencies in the total production of salt in different concelhos of Goa.¹⁵⁶ The Table 3.19 indicates the production of salt in Goa by different production agen-

cies and concelhowise production of salt in Goa. The production figures of Bardez do not find place in this table. It is observed from the figures in the above table that the production of salt by private people in Goa Island and Salsete was 5,055 and 1,378 kumbhs i.e. about 85% and 99.6%, respectively, of the production in the respective Concelho. The entire production of salt in Pernem which was 169 kumbhs was undertaken by the private people. In Goa Island, Comunidades produced 776 kumbhs, i.e. 13% of the salt production in the concelho, and the production by Confrarias was 100 kumbhs i.e. 1.6% of the same. In the concelho of Salsete, the production of salt by Fabricas was just 5 kumbhs, i.e. 0.3%. As far as total production of salt in Goa was concerned, the percentages of the salt production by different production agencies to the total output of salt in Goa, were as follows:- Private people, 88.2%; Comunidades, 10.3%; Confrarias, 1.3%; and Fabricas 0.06%, since their production was 6602 kumbhs; 776 kumbhs; 100 kumbhs and 5 kumbhs, respectively.

During this year, the production of salt in Goa Island was 79.2% of the total salt production in Goa. The share of Salsete and Pernem was 18.4% and 2.2%, respectively, of the total salt production in Goa.

The Table 3.19 and help us, also, to know the costs incurred in the production of salt in different concelhos and in Goa as a whole. The gross production of salt in Goa Island, Salsete and Pernem was 5,931 Kumbhs, 1,383 Kumbhs and 169 Kumbhs, respectively, while the net production was reported as 3,658 Kumbhs, 830 Kumbhs and 101 Kumbhs respectively. Net production of salt in Goa was 4589 Kumbhs. In Daman gross production of salt was 393 Kumbhs and net production was estimated at 196 Kumbhs. The net production of salt in all the concelhos was about 60% of the gross production which indicate that the costs incurred to produce salt were about 40% of the gross production of salt.¹⁵⁷

3.7 ROLE PLAYED BY SALT IN THE EXTERNAL TRADE OF GOA

As an export commodity, salt played an important role in the external trade of Goa even before the advent of the Portuguese in India. Salt was being exported not only to the neighbouring regions, but also to the far off countries which were trading

TABLE 3.19
 PRODUCTION OF SALT IN GOA BY DIFFERENT PRODUCTION AGENCIES
 (1879)
 (in kumbhs)

| Province | Private people | Comunidades | Confrarias | Fabricas | Gross total production | Net total production |
|------------------------|----------------|-------------|------------|----------|------------------------|----------------------|
| Goa island | 5055 | 776 | 100 | - | 5931 | 3658 |
| Bardez | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Salsete | 1378 | - | - | 5 | 1383 | 830 |
| Pernem | 169 | - | - | - | 169 | 101 |
| Gross total production | 6602 | 776 | 100 | 5 | 7483 | 4589 |

Note:- N.A.= Not Available

Source : Joao Stuart da Fonseca Torrie, *Estatistica da India Confeccionada*, p.107

with Goa and Konkan region. In the 19th century, when all important trading channels were dwindling into insignificance and Goa's survival was dependent upon Goa-based country trade, salt became one of the important commodities entering into the foreign trade of Portuguese India. Goa which was once an international trading centre with a variety of commodities being traded at the port of Goa to be carried forward to different countries and to the mainland India or coastal regions of India, had to depend, by 1840s, upon a few locally produced commodities for its export trade. By 1840s its export trade was mostly with the coastal regions of India and, through the Ghat passes, with the hinterland of the mainland India. The figures of the export trade of Goa with foreign regions including British India, for the year 1844, focus on this peculiar aspect of the composition of the export trade of Goa. The Table 3.20 throws light on the composition and the volume of the export trade of this territory.¹⁵⁸ The principal export commodities of Goa, which were mostly locally produced traditional commodities included coconuts, arecanuts, copra, cashewnuts, salted fish and salt. The total export earnings from these six main export commodities as apparent from the Table 3.20 were 691,503 xerafins. However, after including the values of the exports of the commodities other than six principal commodities as mentioned above, which amounted to 59,836 xerafins, the total value of the export trade of Goa

TABLE 3.20
EXPORT TRADE IN PRINCIPAL EXPORT COMMODITIES OF GOA WITH
FOREIGN COUNTRIES (1844)
(in xerafins)

| Commodity | Value of the Exports | Export Duty Revenue |
|--------------------------|----------------------|---------------------|
| Coconut | 285,970 | 15,740 |
| Arecanut | 260,170 | 5,998 |
| Copra | 66,015 | 3,858 |
| Cashewnuts | 36,273 | 719 |
| Salted Fish | 15,797 | 1,209 |
| Salt | 27,278 | 31,878 |
| Other export commodities | 59,836 | - |
| TOTAL | 751,339 | 59,402 |

Source:- HAG, MR 218B, 1844. F.776

amounted to 751,339 xerafins.¹⁵⁹ As indicated by the Table 3.20, coconuts earned the largest export earnings among all export commodities, followed by arecanuts, copra, cashewnuts, salt and salted fish in the descending order of the export earnings of these commodities. The export earnings of coconuts were 285970 xerafins, which were 38.6% of the total export earnings and 41.3% of the export earnings of the above six principal export commodities of Goa. The share of arecanuts in the total export earnings of Goa was 34.6%, since the export earnings of this commodity were 260,170 xerafins during 1844. Arecanuts accounted for 37.6% of the export earnings from 6 principal export commodities. It was the second largest export income earner of Goa. Export earnings of copra were 66,015 xerafins and its share in the total export earnings of Goa was 8.7%. The share of this commodity in the export earnings from six principal commodities was 9.5%. The value of the export of cashewnuts and salted fish was 36,273 xerafins and 15,797 xerafins, accounting for 4.8% and 2% of the total export earnings of Goa, respectively. The shares of these 2 commodities in the export earnings of six principal export commodities were 5.2% and 2.2%, respectively.

The value of the quantity of salt exported to the foreign countries in 1844 was 27,278 xerafins. Goa exported 59,579 khandis of salt during this year. The share of salt in the total export earnings of Goa was 3.6%. It was 3.9% in the export earnings from 6 principal export commodities.

3.7.1 EXPORT TRADE THROUGH THE CUSTOM-HOUSES ACTING AS EXIT POINTS TO THE MADRAS PRESIDENCY.

The export trade of Goa taking place through the Custom-Houses which were the exit points for the goods being transported to the Madras Presidency, was playing an important role in the economy of Goa. The data pertaining to this trade for the year 1844 give us an idea about the relative importance of salt in this export trade. The Table 3.21 showing the values of the principal goods exported and the export duty revenue collected by the government from these exports, throw light on the share of salt in this export trade and the relative contribution made by the export of salt to the export duty revenue of the Government. The value of the export trade of Goa through the Custom Houses acting as exit points to the Madras Presidency was 76,829 xerafins.¹⁶⁰ The export earnings from the main 4 commodities mentioned in the Table 3.21 were 67,178 xerafins. Coconuts accounted for the largest share (31,794 xerafins) in the export trade of Goa through these Custom Houses. Export earnings from coconuts were 41.3% of the total export earnings from this export trade. Export earnings from copra and arecanuts were 15,715 xerafins and 1,509 xerafins, accounting for 20.4% and about 2%, respectively, of the total export earnings from this export trade. The value of salt exports from the Custom Houses acting as exit points to the Madras Presidency was 18160 xerafins, accounting for 23.6% of the total export earnings from this trade. Salt exported through the outlets other than the Bar of Aguada was more than that exported through the Bar of Aguada. The former was valued at 10,629 xerafins and the latter 7,531 xerafins.

3.7.2 SALT AND EXTERNAL TRADE OF SALSETE AND GOA ISLAND IN 1840s

Data which are available as regards the external trade of Salsete in 1843 help us in understanding the economic position of this concelho in the middle of the 19th century and, thus, can give us an idea about the state of the economy of Goa during

TABLE 3.21
 EXPORT TRADE IN SELECTED PRINCIPAL EXPORT COMMODITIES OF GOA
 WITH FOREIGN TERRITORIES THROUGH THE CUSTOM HOUSES ACTING
 AS EXIT POINTS TO THE MADRAS PRESIDENCY (1844)
 (in xerafins)

| Commodity | Value of the quantity exported | Export duty revenue |
|--|--------------------------------|---------------------|
| Coconuts | 31,794 | 5,567 |
| Areca | 1,509 | 29 |
| Copra | 15,715 | 1,030 |
| Salt | 10,629 | 11,811 |
| Salt exported through the Bar of Aguada | 7,531 | 2,199 |

Note:- In terms of quantity, salt exported through the Bar of Aguada was 12,570 khandis and through other outlets 17,733 khandis during the year 1844
 Source:- HAG, MR 218B, 1844, F.777

the period. The Concelho imported goods worth 344,401 xerafins and exported goods valued at 264,704 xerafins. It imported rice and nachinim of the value of 235,956 xerafins and 11,172 xerafins, respectively. Its import trade consisted, also, of wheat, cotton, pulses, wax etc. The values of the main commodities exported were as follows:- coconuts 207,100 xerafins; salt 12,592 xerafins; and arecanuts 14,632 xerafins.¹⁶¹ These figures give us the following picture of the economy of Salsete: 1) Rice imports constituted 68.5% of the total import trade of Salsete. 2) Coconuts accounted for 78% of the total export trade of Salsete. The commodity was, thus, the largest export income earner, 3) Salt accounted for 4.75% of the total export trade of Salsete, and 4) the value of arecanuts exports was 5.5% of the total export income of Salsete. A report dispatched by the Portuguese India Government to the National Government at Lisbon throws light on the economic position of Salsete during 1840s. The report states that two third area of the Concelho of Salsete was totally agricultural. Rice and coconuts were its main agricultural commodities. The production of rice and nachinim during 1843 had surpassed the production of these two commodities in the previous year. The concelho of Salsete which was a deficit rice producing region required large scale imports of rice to cover up the deficit. There was a substantial in-

crease in the production of coconuts, but the level of prices of this commodity failed to bring any benefit to the coconut-growers of Salsete.¹⁶² The report states further that in 1841 and 1842 there was great fall in the production of salt, but despite this fall, there was no proportionate rise in the prices of salt. This caused great loss to the salt producers who laboured very hard in their saltpans to eke out a living. The position of the agricultural class had deteriorated, during this period, to a great extent. It was difficult for them to keep aside grains as seeds. The economic position of the farmers had reached such a low level that even the foodgrains produced by them with their sweat, were beyond their reach as far as their consumption requirements were concerned.¹⁶³ On the basis of the economic situation prevalent in Salsete, as reported by the Portuguese India Government to the National Government, we can surmise that Goa as a whole was subjected to more or less same situation during the beginning of 1840s.

In 1844, total export of salt from Salsete was 5,445 khandis valued at 5,445 xerafins. Since the production of salt in Salsete during the year was 13,911 khandis valued at 13,911 xerafins, the quantity of salt which was available to the people of Salsete for internal consumption was 8,466 khandis valued at 8,466 xerafins.¹⁶⁴ Thus, during this year 39.14% of the total production of salt was exported and 60.85% remained for internal consumption.

Goa Island exported agricultural commodities worth 235,877 xerafins in 1844. The export of salt during this year was 117,146 khandis valued at 58,573 xerafins. Thus, the share of salt exports in the total agricultural exports of Goa Island was about 25%. As Goa Island's production of salt during this year was 130580 khandis valued at 65,290 xerafins, the salt exports of Goa Island were 89.7% of the total production of this commodity in this Concelho. The quantity of salt available for internal consumption in Goa Island was 13,434 khandis of the value of 6,717 xerafins, implying that just 10.3% of the total salt production of Goa Island was available for internal consumption.¹⁶⁵

3.7.3 SALT EXPORTS OF GOA AFTER 1844

In 1845, Goa exported 61,153 khandis of salt which was valued at 35,951 xerafins. Out of this, 27,143 khandis of salt of the value of 13,588 xerafins was exported by national transport and 34,010 khandis of salt valued at 22,363 xerafins was carried by foreign transport.¹⁶⁶

The export of salt in 1868 was equal to 58,098 khandis and 19 maunds valued at 49,827 xerafins. Salt carried by national transport was valued at 30,760 xerafins and that carried by foreign transport was of the value of 19,067 xerafins.¹⁶⁷

In 1876, Goa exported 95,429 khandis of salt. Out of this quantity, salt exported by land was 55,516 khandis and that exported by sea was 39,913 khandis. Since Daman and Diu exported 15,287 khandis and 2,000 khandis, respectively, total export of salt from Portuguese India was 112,716 khandis. As production of salt in Portuguese India in 1876 was 367,994 khandis and the territory's internal consumption and total exports were 196,511 khandis and 112,716 khandis, respectively, surplus equivalent to 58,767 khandis of salt was available to Portuguese India during this year. This was about 16% of the total production of salt of the territory. A large part of this surplus was found lying in the godowns on account of the lack of demand and a sizable quantity was finding its way to British India through illegal routes.¹⁶⁸ Taking into account the fact that the surplus of salt in Portuguese India was about 16% of the total production of this commodity, it can be surmised that the smuggling of salt to British India was less than 16% of the total production of salt. Comparing the export of salt in 1876, as given above, with that in 1844, which was 59,579 khandis, we can conclude that the percentage rise in the export of salt between these two years was 60%.

3.7.4 SALT AND EXPORT TRADE OF GOA ON THE EVE OF THE EXECUTION OF THE ANGLO-PORTUGUESE TREATY OF 1878

The relative position of salt in the total export trade of Portuguese India at the time of the implementation of the Anglo-Portuguese Treaty of 1878 was not very promising. In 1878-79 the total export trade of the territory was valued at 901,347,625 reis. Portuguese India's trade with foreign countries was of the value of

872,126,856 reis amounting to 96.7% of the total export trade. The share of Portugal and Overseas Portuguese territories in the export trade of Portuguese India was just 0.5% and 2.7%, respectively. As shown in the Table 3.22, the export of coconuts to

TABLE 3.22
VALUES OF THE TOTAL EXPORT TRADE AND OF SEVEN PRINCIPAL
EXPORT COMMODITIES OF PORTUGUESE INDIA (1878-79)
(in reis)

| Commodity | Value of the quantity exported | % of the value of the commodity exported to the total export trade |
|---------------------|--------------------------------|--|
| Coconuts | 385,214,009 | 42.7 |
| Salted fish | 102,564,993 | 11.4 |
| Arecanuts | 94,285,122 | 10.5 |
| Salt | 28,870,245 | 3.2 |
| Cashewnuts (kernel) | 17,865,392 | 2.00 |
| Coconut Liquour | 6,982,171 | 0.77 |
| Cashew liquour | 2,172,370 | 0.24 |
| Other commodities | 263,393,323 | 29.19 |
| Total | 901,347,625 | 100 |

Note: 1 Rupee = 400 Reis

Source:- Relatorio do Governador Geral (1887), p.104-05.

the foreign countries was of the value of 385,214,009 reis which was 42% of the total export trade. The value of salted fish exported to foreign countries was 102,544,593 reis, i.e., 11.3% of the value of the total export trade. Portuguese India exported arecanuts valued at 94,285,122 reis, which was 10.5% of the total export trade of the territory. The value of the exports of cashewnuts (kernel), coconut liquour and cashewnut liquour constituted 2%, 0.77% and 0.24% of the total value of the export trade of Portuguese India. The territory exported during the year 1878-79, 126,524 khandis of salt valued at 28,606,405 reis to the foreign countries.¹⁶⁹ Only 194 khandis of salt was exported to the overseas Portuguese territories, which was valued at 263,840 reis. Thus, total salt exports of Portuguese India were 126,718 khandis valued at 28,870,245 reis. The percentage of the value of salt exports to the value of the total export trade of Portuguese India was just 3.2%. As compared to the share of coconuts in the total export trade which was 42% and that of the salted fish which was 11.3%,

the share of salt (3.2%), which was once upon a time an important export commodity of Goa, was low. Almost entire quantity of salt (99.84%) exported from Portuguese India was finding its way into foreign markets, and negligibly low percentage (0.15%) was being exported to the Overseas Portuguese Territories.¹⁷⁰ In terms of the value of the salt exported, these percentages were 99.08% and 0.91%, respectively.

The percentage share of the seven export commodities in the value of the total export trade of Portuguese India in 1878-79 was 70.8.¹⁷¹

3.8 SHARE OF SALT IN THE TOTAL EXPORT DUTIES REVENUE COLLECTED BY THE CUSTOM-HOUSES OF GOA

The contribution of salt to the total export duties revenue collected by the Custom-Houses of Goa was substantial during the major part of the 19th century. The Table 3.20 depicting the export earnings of the principal export commodities of Goa in 1844 and the contribution of each of them to the total export duties revenue collected by the Custom-Houses of Goa, focuses this important role of salt in the generation of export duties revenue for the Government.¹⁷² The Table 3.20 shows that the export earnings of coconuts were the largest among the six principal export commodities of Goa, but the export duties revenue from this commodity was not largest. It was 15,740 xerafins amounting to 25.9% of the total export duties revenue of Goa which was 60,614 xerafins in 1844. Arecanuts constituted the second largest export income earner, but its contribution to the total export duty revenue was 5,998 xerafins, i.e, just 9.8% of the total export duty revenue of Goa. Copra contributed 6.3% of the total export duty revenue of Goa. The shares of cashewnuts and salted fish in the total export duties revenue were 1.18% and about 2%, respectively.

The contribution of salt to the total export duties revenue of Goa during this year was however, the largest among all principal export commodities of Goa. Even though the share of salt in the total export earnings was just 3.6%, this commodity contributed 31,878 xerafins to the total export duties revenue of the territory, which accounted for 52.5% of the total export duties revenue of Goa.¹⁷³ Thus, even though salt occupied fifth place as an export income earner among six principal export commodities, its contribution to the government finances was the largest in terms of ex-

port duty revenue generated by it. This points out to the fact that the burden of export duty on salt was unreasonably exorbitant, as compared to all other export commodities of Goa.

The relative burden of export duty on each of the export commodities can, also, be measured in terms of the ratio between the export duty payments and the export earnings of each commodity. While the percentage of the export duty payments to the export earnings of coconuts, arecanuts, copra, cashewnuts and salted fish was 5.5; 2.3; 5.8; 2 and 7.6, respectively, the export duty payments by salt were 116.8% of the export earnings of this commodity. It implies that salt paid to the government export duty which was more than the value of the export earnings of this commodity. One can conclude from this analysis that the burden of export duty on goods other than salt was very less. That the burden of export duty on salt was maximum among all export commodities is also proved by the export trade of Goa which was taking place through the Custom-Houses acting as exit points to the Madras Presidency. The total export duty revenue earned by the Government from this export trade was 20,845 xerafins.¹⁷⁴ The Table 3.21 shows that the export duty revenue from coconuts, arecanuts and copra was 5,567 xerafins, 29 xerafins and 1,030 xerafins, accounting for 26.7%, 0.13% and 4.9% of the total export duties revenue from this trade.

It is, thus, clear that even though coconuts accounted for the largest share in this export trade since export earnings from the export of coconuts were 41.3% of the total export earnings, this commodity contributed only 26.7% of the total export duties revenue of the Government. On the contrary, even though the share of salt in the total export earnings from this export trade was 23.6%, it contributed 14,010 xerafins to the total export duties revenue. This amounted to 67% of the total export duties revenue from this export trade. Thus, salt was the largest contributor to this revenue, implying that the burden of the export duty on salt was maximum among all export commodities entering into this trade. As depicted by the Table 3.21, the burden of export duty on salt exported through the outlets other than the Bar of Aguada was much more than that on salt exported through the outlets of the Bar of Aguada. While salt exported through the Bar of Aguada contributed export duty revenue equal to just

29% of the value of the exported salt, salt exported through the outlets other than Bar of Aguada contributed export duty revenue which was equal to 111% of the value of salt exported through these outlets. The position of the export duties on salt was similar in the subsequent period.

The export duty revenue contributed by the export of salt from Goa in 1845 was 35,951 xerafins. Since the value of the exported salt was 35,951 xerafins, it implied that the export duty revenue collected by the government was 100% of the value of the salt exported from Goa.¹⁷⁵ In 1868, the export duty revenue from the salt carried by national transport amounted to 26,556 xerafins and that collected from the salt exported by foreign transport was equal to 15,322 xerafins.¹⁷⁶ Since the value of the salt exported by national transport and by foreign transport was 30,760 xerafins and 19,067 xerafins, respectively, it is clear that salt carried by national transport paid export duties equal to 86.3% of the value of the exported salt, and salt exported by foreign transport contributed to the Custom receipts 80.3% of the value of the export of salt. Thus, the total export duty revenue collected from the salt exports in 1868 was 84% of the value of the export earnings from salt. The above figures of the export duties revenue contributed by salt in Goa, throw light on an important fact associated with the exports of salt from Goa. It is that the burden of the export duties on salt was very heavy as compared to other export goods in the Portuguese Indian territory.

The Portuguese India Government which was collecting export duties on salt at the Custom-Houses of the territory, introduced a tax on salt which was named as Gadi, the collection of which was started from 21-11-1843. The tax on salt named as Gadi collected for the Custom-Houses of Goa, 557 xerafins in 1843. In 1844, the revenue from this tax increased to 18,432 xerafins.¹⁷⁷ In 1845, this tax contributed to the receipts of the Custom-Houses 12,181 xerafins. Since the receipts of the Custom-Houses of Goa in 1843, 1844 and 1845 were 278,205 xerafins, 371,042 xerafins and 327,551 xerafins, respectively, the contribution of this tax on salt to the Custom House receipts of Goa was 0.2%, 4.96% and 3.71%, respectively. The figures of the tax Gadi for the above years indicate that, between the years 1844 and 1845, the revenue from this tax decreased by about 34%, from 18,432 xerafins to 12,181 xerafins.

The implication of this was that, between these 2 years, the export of salt to the south registered a fall.¹⁷⁸ The revenue from the tax Gaddi, however, increased to 15,439 xerafins during the year 1852-53.¹⁷⁹ The Gadi was abolished in 1854¹⁸⁰

3.8.1 SHARE OF SALT IN THE TOTAL EXPORT DUTIES REVENUE COLLECTED BY THE CUSTOM-HOUSES OF GOA (1871-72)

Salt was a major source of export duties revenue among all the export goods of Goa during the year 1871-72. The total receipts of the Custom-Houses of Goa during this year were 483,263 xerafins and the share of the import duties in the total custom-receipts was 344,814 xerafins. The total export duties revenue of Goa during this year was 111,283 xerafins. The export duties revenue from the export of salt was 41,856 xerafins. The Table 3.23 indicates the export duties revenue from different principal export commodities of Goa, during this year.¹⁸¹ The contribution of salt to the total export duties revenue of the Custom-Houses of Goa was the largest. It was 37.6% of the total export duties revenue and 8.6% of the total receipts of the Custom-Houses of Goa. The percentage shares of the export duties revenue from the exports of coconuts and arecanuts in the total export duties revenue of Goa were 22.7% and 18.5%, respectively, while the contributions of these two commodities to the total Custom receipts of Goa were 5.2% and 4.2%, respectively.

TABLE 3.23
EXPORT DUTIES REVENUE COLLECTED BY THE CUSTOM-HOUSES
OF GOA (1871-72)

| Commodity | Revenue (In xerafins) |
|--------------|------------------------|
| Salt | 41,856 |
| Coconut | 25,364 |
| Copra | 3,132 |
| Areca | 20,540 |
| Birds | 7,331 |
| Firewood | 4,339 |
| Other Goods | 8,719 |
| Total | 111,283 |

Source:- Relatorio do Governador Geral do Estado da India, 1871-72, p.153

Thus, coconuts and arecanuts occupied second and third place in terms of their contribution to the total export duties revenue of Goa.¹⁸²

The position of salt in the total export duties revenue collected during the previous year - 1870-71, was not different. During this year, the total receipts of the Custom Houses of Goa were 474,164 xerafins and the total export duties revenue was 109,186 xerafins. Export duties revenue from the export of salt was 47,165 xerafins. In terms of percentages, the share of salt in the total custom receipts was about 10%, while the same, in the total export duties revenue was 43%. During this year too, coconuts and arecanuts occupied second and third place in terms of their contribution to the total export duties revenue of Goa.¹⁸³

It is pertinent to note that the export earnings of salt were not the largest. Still, its contribution to the total export duties revenue of the Government was the largest, implying that the export duties imposed on the export of salt were higher than those levied on other export commodities.

3.8.2 SHARES OF DIFFERENT CUSTOM-HOUSES AND CHECKPOSTS IN THE EXPORT DUTIES REVENUE FROM SALT EXPORTS OF GOA

Salt as an export commodity was earning for the Portuguese Indian Government, a sizable export duty revenue during the 19th century. Even before the advent of the Portuguese, salt was an important source of revenue for the Government. This was the reason why the governments of the pre-Portuguese period, had enacted adequate laws for the protection of the salt industry in Goa. Salt was being exported to British India by riverine and sea routes and, also, by land routes. Other countries were receiving Goan salt by sea routes. Riverine and sea ports and land routes particularly the Ghat passes were the outlets for the Goan salt to the foreign markets. One of the ways to study the relative contribution of these outlets to the marketing of Goan salt in foreign countries is to know how much revenue from export duties on salt was collected by the Custom-Houses and the check-posts at these outlets. The Table 3.24 throws light on how much revenue from export duties on salt was collected at each Custom house and check post during the year 1871-72. Although the data pertain to

only one year, they give us an idea about the relative performance of different Custom houses and check posts as regards the export of salt from Goa.¹⁸⁴ The Table 3.24

TABLE 3.24
REVENUE FROM EXPORT DUTIES ON SALT COLLECTED AT DIFFERENT
CUSTOM HOUSES AND THEIR CHECK POSTS IN GOA (1871-72)
(in xerafins)

| Custom House/Checkpost | Revenue | Custom House/Checkpost | Revenue |
|---------------------------|---------|-----------------------------------|---------|
| Custom House of Nova Goa | 15,601 | Custom House of Betul | 613 |
| Custom House of Chapora | 78 | Check post of Tiracol | 193 |
| Check post of Quirampanim | 8 | Custom House of Doromaro- roga | 8,105 |
| Check post of Torxem | 657 | Checkpost of Chandel | 1,134 |
| Check post of Noibaga | 33 | Checkpost of Salem | 203 |
| Check post of Anconem | 3 | Custom House of Sanquelim | 3,550 |
| Check post of Veluz | 1,224 | Check post Maulinguem | 268 |
| Check post of Quelaudem | 1,279 | Custom House of Sanguem | 4,470 |
| Check post of Cuessim | 66 | Checkpost of Zuna | 17 |
| Check post of Naiquinim | 688 | Checkpost of Netorlim | 1,134 |
| Custom House of Tinem | 1,471 | Custom House of Canacona | 310 |
| Checkpost of Polem | 606 | Checkpost of Supanguddi | 10 |
| Checkpost of Udenvol | 98 | Checkpost of Lingapedda | 1 |
| Checkpost of Col | - | Checkpost of Piramaroga | 25 |
| | | Total | 41,856 |

Source:- Relatorio do Governador Geral do Estado da India, 1871-72, p.153.

indicates that the total quantity of export duty revenue from salt, collected in Goa in 1871-72, was 41,856 xerafins. Maximum salt was exported through the Custom House of Nova Goa since the revenue from salt collected at this Custom House was maximum (15,601 xerafins). It was 37% of the total export duty collections from salt in Goa. The Custom House of Doromarogo, situated on the land route to British India, occupied the second position in the collection of this revenue and, therefore, also as regards the quantity of salt exported. The revenue from salt collected by this Custom-House was 19.3% of the total export duty revenue from salt in Goa. These per-

centages in respect of Custom-Houses of Sanguem and Sanquelim were 10.6 and 8.5. The Table shows that export duty revenue from salt collected at the Custom House of Chapora was minimum among all Custom Houses.¹⁸⁵ It is also observed that the export duty revenue from salt collected at many check - posts was comparatively substantial. Thus, the figures of export duty revenue from salt contained in the Table 3.24 give us the contribution of each Custom house and check post to the total export duty revenue from salt in Goa, but, at the same time they impliedly tell us about the relative contribution of each Custom House and check post to the export of salt in Goa. The data contained in the Table No 3.24 indicate the shares of the sea Custom Houses and the territorial Custom Houses in the total export duties revenue from salt exports. The sea Custom Houses and their checkpoints contributed 39.14% of the total export duties revenue from salt exports, while the share contributed by the territorial Custom Houses and their checkpoints contributed 60.6% of the total export duties revenue from salt exports of Goa. It is, thus, clear that the territorial Custom Houses contributed larger percentage of the total export duties revenue from salt exports.

3.9 MEASURES ADOPTED BY THE PORTUGUESE INDIAN GOVERNMENT WHICH INFLUENCED THE EXTERNAL TRADE OF PORTUGUESE INDIA

The 19th century was characterised by the formulation and implementation by the Government of Portuguese India of a number of measures which exerted great influence on the external trade of the territory. Some of these measures contributed to the expansion of the exports of salt, during the period under study in this chapter. These measures were adopted by the Government to give a boost to the decadent external trade of Portuguese India by increasing the movement of trade in Goa and other settlements in India. By these measures the Government tried to expand the export trade in locally produced commodities. Although these measures were not meant for the expansion of salt exports alone, they contributed to the development of salt trade as a part of the external trade, in general.

The Government of Portuguese India terminated the system of farming out the revenues at the Custom Houses of Salsete and Bardez from 1-1-1802. This measure

brought about far reaching changes in the administration of the collection of Custom duties at the above two Custom Houses. The system of revenue farming was vexatious for the traders since revenue farmers were indulging in many malpractices in the collection of duties from the traders who had to carry their goods through different checkpoints.¹⁸⁶

Another important measure that the Government of Portuguese India implemented during the first decade of the 19th century was the equalisation of the Custom duties of Salsete and Bardez with those of Goa Island, as per the Royal Order dated 3-6-1810. The Junta da Fazenda resolved in October 1810, to bring the duties charged at the Custom Houses of Bardez and Salsete on par with those at the Custom House of Goa Island. The Government abolished all the posts under the Custom Houses of Goa Island, Salsete and Bardez, in order to bring about free movement of the goods imported through these Custom Houses.¹⁸⁷

Although in 1810, when the equalisation of the Custom duties of all the three Custom Houses of the Old Conquests was carried out by the local Government, the National Government at Lisbon had advised the Portuguese India Government to bring the Custom duties of the New Conquests on par with those charged at the Custom Houses of Goa Island, Salsete and Bardez, nothing materialised in this regard, until 1840. The Custom Houses of the New Conquests continued to operate under the system of revenue farming. The continuation of two different systems of tax collection - one for the Customs Houses of the Old Conquests, which were under direct administration of the Public Treasury, and the other for the Custom Houses of New Conquests, under the system of revenue farming - led to the continuation of the contraband of goods between Old and New Conquests.¹⁸⁸ The Government, in July 1840, under the recommendation of the committee which had been appointed in 1835 to study this problem, abolished the system of revenue farming in the New Conquests and brought the Custom Houses in the New Conquests under the direct jurisdiction of the Public Treasury.¹⁸⁹ The uniformity thus brought about among all the Custom Houses of Goa, marked a watershed in the history of customs administration. It boosted the customs revenue of the Custom Houses in the New Conquests. During

1806-10 the Custom Houses in the New Conquests had collected 47,665 xerafins in the form of Custom receipts. The custom revenue increased to 68,000 xerafins in the three-year period which ended in December 1840.¹⁹⁰

The Government by another measure implemented through the Portaria dated 23-12-1840, transferred to Assolna and Chapora, along the sea coast, the Custom Houses of Salsete and Bardez, respectively. The New Conquests had seven Custom Houses, namely, Pernem, Bicholim, Cansarpale, Sanquelim, Ponda, Zambaulim and Canacona or Cabo de Rama. They were reduced to two: Sanguem and Sanquelim. Later on, in 1841, Dodomarog was elevated to the position of the Custom House. Thus, from 1841 the number of Custom Houses in Goa was six: Pangim, Assolna, Chapora, Sanquelim, Sanguem and Dodomarog.¹⁹¹

Prior to this measure reducing the number of Custom Houses of Goa, in October 1839, the Government brought the Custom Houses of Salsete and Bardez, which were so far independent units, under the aegis of the Custom House of Goa Island. The Custom House of Goa Island was, thus, made the central Custom House.¹⁹²

The Government stopped the practice of a commodity paying custom duties at different custom houses when it passed through these custom houses. Once custom duty was paid at one Custom House, it was to be exempted at all other Custom Houses through which the commodity passed. This measure freed the people from the oppressions and arbitrariness of the tax farmers who were indulging in such malpractices while collecting the taxes. The internal Custom House of Ponda which required on account of many rivers, maintenance of many posts at which customs duties were charged, was abolished. This resulted into the removal of the obstacles to the freedom of trade and commerce. The internal and external trade developed. The export duties revenue from salt, coconut and copra increased. The export duties brought a revenue of 41,681 xerafins in the subsequent year. The cereals, pulses and seeds imported into New Conquests brought a revenue of 15,416 xerafins. This was much more than the annual revenue earned from import and export duties during the three years period of 1806 to 1809.¹⁹³

The free movement of merchandise which included salt and other commodities exported from Goa and merchandise imported to this territory was subject to great inconveniences and obstacles on account of a large number of checkpoints and vexatious imposts which the merchants were supposed to pay at these checkpoints. The Portuguese India Government abolished the posts and the Custom Houses which were subordinate to the Custom Houses of Salsete and Bardez and, also, the vexatious imposts levied at these posts. This measure led to a great increase in the external trade of Portuguese India.¹⁹⁴ Another tax entitled 'Impostos de Bagibabo' which was levied at different posts and which was imposing restrictions on agriculture and internal trade by impeding free movement of trade, was abolished from 1-1-1841. This tax had been termed barbarous by the trading people since the tax farmers were indulging in the extortions from the traders involved in trade.¹⁹⁵

In 1840, the Government monopoly of tobacco was abolished by the Portuguese Government and, in its place, import duties on tobacco and licence fee to sell tobacco leaves in retail, were introduced. From 1-1-1841, the Government abolished xendi tax, which had been introduced in 1705 and which had imposed upon Hindus and Muslims great disabilities as it had led to extortions from the people at the hands of the tax-farmers.¹⁹⁶

Thus, during the 1840s the Government of Portuguese India introduced a number of reforms to strengthen the Customs administration in the territory of Goa, Daman and Diu with a view to give a boost to the external trade of Portuguese India. The Custom Tariff schedule of 1840 stands out among all these reforms. A Portaria dated 19-11-1840 implemented a new tariff duties list which had been approved by the Decreto dated 10-1-1837.¹⁹⁷ As per this new list, foreign goods imported in foreign ships were levied import duty at the rate of 10%. If these goods were carried in Portuguese ships, the rate was to be 7%. Goods imported from Portugal and Portuguese colonies were exempted from import duties, if similar exemption was granted by the governments of these territories to Portuguese India. In the absence of such exemption from Portugal and Portuguese colonies, the imports from Portugal and Portuguese colonies were subject to the import duty of 5% if the imported goods were

transported in Portuguese vessels.¹⁹⁸ As far as export duties were concerned, the new tariff list fully exempted goods of Portuguese origin transported in Portuguese ships with a destination to other Portuguese ports. Goods exported to foreign ports in Portuguese vessels were subjected to the export duty at the rate of 1%, and if the same were carried to foreign ports in foreign vessels, the rate of the export duty was to be 2%.¹⁹⁹ Salt and gunpowder were not to pay any export duty. To promote agriculture and manufacturing, raw materials imported from abroad were exempted from import duties.²⁰⁰

Under this tariff duties list, all handicrafts made up of skins, woolen clothes, clothes of linen, silk and cotton, woodcrafts and handicrafts of copper, iron and steel, when imported from foreign countries in foreign ships were imposed an import duty of 20% ad valorem, if all these goods could be manufactured by local artisans. If the same were imported by national transport, they were to pay 15% ad valorem duty.²⁰¹ In November 1840, import and export duties were more clearly defined. Import duties rates on coir products were such that they acted as protective devices against the import of foreign coir products.²⁰² The tariff duties list of 1840 banned the import of salt and gunpowder into Portuguese India.²⁰³

Gunpowder, salt, gold, silver and copper coins were exempted from the payment of export duties at the Custom Houses of Goa Island, Salsete and Bardez.²⁰⁴

The tariff duties list of 1840 was a turning point in the history of Customs administration. Since 1820, external trade of Portuguese India was in doldrums. The new list brought about a positive change in the performance of Goa's external trade. In 1836, the receipts of the Custom House of Goa Island were 43,516 xerafins. In 1840, which was the year of the implementation of the new tariffs list, these receipts increased to 93,590 xerafins. The receipts increased to 136,892 xerafins in 1850. Thus, the new list of Custom duties led to the rise in the receipts of the Custom House of Goa Island, which was no, doubt, an indication of the rise in the external trade of Goa.²⁰⁵

The Government of Portuguese India abolished, as a measure to expand the export trade, one more tax which was an important source of revenue for the Govern-

ment treasury. It was a tax on the exports of coconuts, copra and arecanuts from Goa, at the rate of one xerafim per khandi of copra and 1/2 xerafim per 1,000 coconuts. This tax which was named as 'Direitos de coco, copra e areca' had been introduced in 1704. In 1705 it had collected a revenue of 9,000 xerafins per year which figure increased to 10,000 xerafins in 1749 and to 10,468 xerafins in 1840. The tax was abolished in 1854.²⁰⁶

3.10 RISE IN THE BURDEN OF THE CUSTOM DUTIES OF BRITISH INDIA ON SALT AND OTHER GOODS

The external trade of Portuguese India was not influenced by the measures adopted by the Portuguese Indian government alone. The measures taken by the British India Government, from time to time, exerted great influence on the volume of the trade and the net profits of the traders involved in this trade. It was a well known fact that the Custom duties policy of the British India Government was never sympathetic to the economic interests of the Portuguese possessions. The increase in the rates of the Custom duties in 1844 by the British India Government, more than proved this fact. During the first half of 1844, the British India Government increased the custom duties on the products entering into Portuguese India and, also, on the Portuguese Indian products entering into British India. Before 24-4-1844, one gone of 5 maunds of salt imported into British Indian territory from Goa, was paying only one Rupee and one quarter. This duty was hiked to 7 Rupees from the above date. Custom duty on rice was doubled. Rice with husk which was paying 1 anna per gone of 5 maunds had to pay 6 annas (4 tangas 48 reis of Portuguese India). Nachinim was not subject to any custom duty before. It had to pay now 3 annas per gone of 5 maunds. This hike in the Customs duties on the goods moving to and from British India, affected the external trade of Portuguese India. This was because, by this time, most of the trade relations of Goa had been established with British India. Goa had, by now, very few trade outlets other than British India. The hike in the custom duties levied by the British India Government on the salt exported by Portuguese India to British India was, no doubt, a blow to the export trade of salt of Portuguese India. In terms of the percentage, the rise in the import duty on salt levied by the British India

Government was 460%.²⁰⁷ Thus, Goan salt was subjected to a comparatively higher burden of custom duties in both exporting and importing countries, as compared to other commodities.

3.11 GOVERNMENT POLICIES AND MEASURES AS REGARDS SALT IN PORTUGUESE INDIA

Being an important export commodity and, also, a commodity of high consumption within the territory of Portuguese India, salt was looked at by the Portuguese Indian government as an important source of tax revenue for the Government treasury. Accordingly, following the footsteps of the preceding regimes, the Portuguese government took utmost care to bring salt within its tax net. As mentioned before, salt was one of the commodities subject to the tax levied on the produce of land, named as Dizimos (Tithes). Salt was also subject to the export duty levied by the Portuguese Indian government, as per the custom duties schedules implemented by it, from time to time. Salt exports were also subject to a tax named Gadi which was subsequently withdrawn by the Government. Although the Government used salt as an important source of tax revenue, it equally strived to promote the production and export of salt by way of fiscal protection to the local salt industry. This is amply proved by the tariff duties schedule of 1840, implemented by the Portaria dated 19-11-1840. As per this new tariffs schedule, gunpowder, salt, gold, silver and copper coins were exempted from the payment of export duties at the Custom Houses of Goa Island, Salsete and Bardez. So far as salt was concerned the motive behind exempting this commodity from the payment of export duties was nothing but to promote its exports to foreign countries.²⁰⁸

For salt, the Custom tariffs schedule of 1840 was important in one more sense. One of its provisions acted as a protecting wall against the competition of the foreign salt to the local salt in Portuguese India. It banned the import of salt (and also gunpowder) into Portuguese India.²⁰⁹

Although the ban on the import of salt into Portuguese India helped the local salt industry, the measure adopted by the Government to exempt salt exported from the Custom houses of Goa Island, Bardez and Salsete from the payment of the export

duty, caused great loss to the external trade of Goa taking place through the territorial frontiers with British India. The provision making the export of salt from Goa Island, Bardez and Salsete free from the payment of export duty, led to losses not only to the traders, but also to the Government Treasury. As salt exported through the Concelhos of Goa Island, Bardez and Salsete was exempted from the export duties and salt exported through the territorial frontiers continued to be subject to the export duties, the traders of Balagate who used to come to Goa, through the inland trade routes, in search of salt, stopped coming to Goa to collect salt and other export commodities.²¹⁰

These traders started going to the districts of Vengurla, Bandem and Manerim to buy salt exported there from Goa, free of export duties. This resulted into a fall in the export of Goan salt through inland routes. As the traders of Balagate stopped coming to Goa to buy salt, through land routes, the inland trade of Goa was diverted to other places outside Goa. This was because of the fact that the traders of Balagate who used to come to Goa to buy salt, with their oxen caravans, were bringing with them different commodities for being sold in the Goan markets. As they started going to Vengurla, Bandem and Manerim to buy Goan salt which was available there at cheaper rates, the incoming trade to Goa, conducted through the inland routes, registered a fall leading to great losses to the Government treasury on account of the fall in the import duties which were paid by the traders of Balagate carrying merchandise to Goa.²¹¹

The representation made by the traders of Goa in this regard was later on accepted by the Governor General of Portuguese India and this anomaly was removed with effect from 21-11-1843. The Government made an amendment to the Custom Tariffs Schedule of 1840 and provided that the salt to be exported by sea to Vengurla, Bandem and Manerim and, in general, to any foreign port in the North would pay the same export duties as would be paid on the export of salt through the land routes. However, salt exported to the southern ports continued to be exempted from export duties as provided in the article 17 of the Portaria dated 19-11-1840. As this exemption could have been misused by the salt traders, the Director of Customs was instructed to take appropriate measures to prevent this possible malpractice.²¹²

In 1843, the Portuguese Indian government took two more important measures which influenced the export trade conducted from Goa. The Government decided that from 21-11-1843, the export duties on the commodities exported by sea would be collected at the sea Custom houses of Goa. The other measure was concerning the system of collecting the export duty on salt. The system of farming out the export duty on salt exported by land routes, was stopped with effect from 1-1-1844, and from this day onwards the collection of the export duty on salt was made by the Custom houses of the territory.²¹³

The Custom tariffs schedule of 1854 fixed the following rates for the export duties on arecanuts, coconuts and salt: Arecanuts, 2 xerafins 2 tangas and 30 reis per khandi of 512 pounds; coconuts, 1 xerafim per 1,000 coconuts; salt exported through sea routes, 20 reis per khandi of 20 curos and salt exported through land routes, 3 tangas and 20 reis per khandi of 20 curos. It is clear from the above that the export duty structure of Portuguese India for salt was exhibiting a peculiar feature. The Government levied different rates of export duties for salt exported through sea ports and salt exported by land routes. Salt exported by land routes was subject to a rate which was exorbitantly higher than that for salt exported by sea routes.²¹⁴ The purpose of this dual rate structure for salt was to promote the marketing of salt in distant lands. However, as a result of this disparity in rates, the traders coming to Goa from across the Ghat regions to buy salt, found this commodity costlier than the Goan salt which was available to them in the neighbouring regions to the north of Goa at cheaper rates on account of the lower rates of export duties on salt carried by sea routes. As had happened in 1840, when salt carried by sea routes from Goa Island, Bardez and Salsete was exempted from the payment of export duty, this time also, the incoming trade to Goa via Ghat routes was diverted to these neighbouring regions to the north of Goa. In order to remove this disparity which had diverted incoming trade of Goa to other regions, the Government of Portuguese India modified certain provisions of the Portaria, dated 19-11-1840, which was regulating the system of collection of custom duties in the territory. As regards salt, an important provision was introduced from 1-7-1854 through the Portaria no. 32. As per this provision, salt exported by sea to the

northern ports upto Ratnagiri and to the southern ports upto Kumpta, was to be considered for the purpose of export duties as if it was exported by land routes, and, thus, the rates of the export duties were to be equal to those charged on salt exported through land routes.²¹⁵ The Government adopted one more measure to promote the export of salt from Goa. So far as goods exported by foreign means of transport either by sea or land, to the foreign countries, it had been provided that they should pay besides the regular export duties, additional charges at the rate 15% of the duties paid by them. Salt exported by land, however, was exempted from this additional charge. The Government by the same Portaria no. 32 abolished the impost of Gadi on salt.²¹⁶

Although the import of salt from foreign countries into Portuguese India had been banned by the Portuguese Indian Government, salt imports from other Portuguese territories were allowed by the Government, but they were subjected to an import duty of 5 reis per khandi of salt. This measure was aimed at placing the locally produced salt on a better footing against the salt imported even from other Portuguese territories.²¹⁷

During the 19th century, salt was being considered as an important revenue yielding commodity for the government, even by the National Government at Lisbon. As per this policy, efforts were never lacking on the part of the National Government to subject salt to the tax burden of the Government. The Portuguese Royal Court's Decreto dated 21-11-1844 with its article 3, is symbolic of this policy of the National Government vis-a-vis salt. The article 3, of the said Decreto laid down that a tax of 20 reis per alqueire(Bushel) should be imposed by the overseas territories of Portugal on the salt consumed in these territories. The tax was supposed to be paid at the place where salt was despatched for consumption. The National Government, however, suspended the implementation of the article 3 of the said Decreto levying a tax of 20 reis per bushel on the salt consumed in the Overseas Provinces, on the request of the Government of Portuguese India in this respect, which pointed out certain difficulties in the implementation of the said article.²¹⁸

One of the measures adopted by the Portuguese Indian Government in 1840s, caused great inconvenience to the traders carrying salt through the inland routes

across Goa-British India borders. Before the establishment of the Custom-houses on the inland routes in Goa the Custom-duties on the export of salt were fixed per 'gone', without weighing the salt contained in the 'gone'. This helped the traders as there was no inordinate delay in transporting the commodity to its destination. The authorities at the Custom Houses on the inland routes changed this system in favour of weighing the salt contained in the 'gone' in order to calculate the duties which were to be paid by the traders. This time-consuming exercise obstructed the movement of goods across the borders and led to great inconveniences to the trading community involved in the trade to Balaghat. The new system was, however, abolished on the representation of the traders who demanded reversion to the old system of fixing the export duties per 'gone' of salt without weighing the salt contained therein. The Governor General of Portuguese India, ordered that salt carried by oxen or buffaloes should be charged the export duty of 3 tangas per 'gone' without weighing the salt.²¹⁹

The Government of Portuguese India was following a policy of enlightening the local manufacturers and producers about the markets available to the export products of the territory in the foreign countries. The Government was publishing such information in the Government Gazette---Boletim do Governo---brought out from Panaji. The Boletim do Governo dated 15-09-1846 has published an advertisement reproduced from a daily newspaper in respect of salt demanded in the ports of Singapore. The advertisement gives information on the quality of salt required and the price charged in the local market of Singapore. Such advertisements and information published by the Government gazette from time to time are a pointer to the interest shown by the Government in the promotion of the exports of locally produced commodities. The Government of Portuguese India was more concerned about the need to place Goan salt in the foreign markets.²²⁰ The policy of the local government to fix dual rates of export duties on the export of salt found expression in the 11th Custom Tariffs Schedule implemented by the Government. As before, the purpose of the Government was to promote the marketing of this commodity in distant countries by charging relatively lower rates of export duties on the export of salt to these countries. The 11th Custom Tariffs Schedule fixed the following rates of Custom duties for are-

canuts, coconuts and salt exported from the territory: arecanuts, 930 reis per khandi of 512 pounds; coconuts 374 reis per 1,000 coconuts and salt of all qualities 250 reis per khandi of 20 curos. However, if salt was exported by sea route beyond the ports of Ratnagiri in the North and Kumta in the South, the export duty on this commodity was to be less - 23 reis per khandi of 20 curos. Thus, the Government continued its policy of fixing lower rate of export duty for the salt exported to distant places so as to promote its marketing in distant markets.²²¹

The study of the Goan economy and the salt industry during the 19th century upto the implementation of the Anglo-Portuguese Treaty of 1878, focuses the decadent state of the Goan economy on account of the decline in the external trade of Portuguese India during the second half of this century. Government measures did not succeed in reviving the Goan economy. As a result, the Portuguese government was compelled to sign the Anglo-Portuguese Treaty of 1878, to arrest the decadence of the Portuguese Indian economy. The implementation of the Treaty acted as a turning point in the history of Portuguese India.

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CHAPTER FOUR

THE ANGLO - PORTUGUESE TREATY OF 1878 AND ITS IMPACT ON THE SALT INDUSTRY IN GOA

4.1 INTRODUCTION

The Anglo - Portuguese Treaty of 1878 was a turning point for the stagnated economy of Portuguese India. Signed on 26-12-1878 and implemented from 15-1-1880, the Treaty opened up a new chapter of economic relations, between Portugal and England, in the Indian sub-continent.¹ The Anglo - Portuguese Treaty of 1878 was the culmination of long drawn negotiations between the authorities of the two allied nations to establish an economic union of the two Indias - one, Portuguese India, a tiny one, and the other British India with its gigantic geographical size. With the signing of the Treaty, Portugal's efforts to extricate Goa from its virtual isolation were vindicated and Portuguese India's hopes to end its economic stagnation soared high. The Treaty of 1878 was not the first attempt to bring about an alliance in economic matters between the two countries. It was a culmination of an alliance dating back to the closing years of the 14th century. The alliance between the two countries began on 9-5-1386 with the signing of the Treaty of Perpetual Alliance at Windsor, and was sought to be strengthened by subsequent Treaties signed from time to time.² Most of these treaties and trade agreements proved disadvantageous to Portugal. Trade Agreement of 1654, giving to British subjects in Portugal and colonies trading rights was found disadvantageous to Portugal and favourable to the British interests. The Treaty of Commerce of 1842 and the Treaty dealing with the slave trade signed during the same year, proved to be favourable to England and less advantageous to the Portuguese nation.³ The Anglo-Portuguese alliance, thus, imposed upon Portugal the role of a satellite of its oldest ally. "Portugal became not only England's oldest ally, but also her first European colony".⁴ The Anglo - Portuguese Treaty of 1878 was not, at all, different in its effects on the economy of Portuguese India. Although it imparted certain advantages to the economy of Portuguese India, the Treaty made Goa, Daman and Diu virtual satellites of British India. The monopoly of salt manufacture and salt

trade which was granted to the British India Government by the Treaty of 1878, imposed upon Goa the status of a British colony within a colony.

4.2 MAIN FEATURES OF THE TREATY OF 1878

The Anglo-Portuguese Treaty of 1878 aimed at the establishment of a Customs Union of British India and Portuguese India by abolishing the Customs line between the two Indias and ensuring, thus, complete freedom of trade between them. The Treaty provided for the following:

- a. Reciprocal freedom of commerce, navigation and transit between the two Indias;
- b. Abolition of all custom duties on the frontier lines between British India and Portuguese India;
- c. Uniformity of customs duties in the two territories on goods imported and exported by sea with, however, special stipulations with regard to salt, spirits and opium;
- d. Introduction into Portuguese India of the system of excise on spirituous liquours, including toddy, sanctioned by law in the Bombay Presidency;
- e. Prohibition of the export from Portuguese India of opium, or its cultivation or manufacture, except on account of the British Government;
- f. Monopoly power of the Bombay Presidency Government in British India on the manufacture of salt and its trade in Portuguese India, with the powers granted to the British India Government to limit the manufacture of salt and suppress if necessary, the salt works therein; and
- g. Mutual agreement for the construction of a railway line from the town of New Hubli to the port of Mormugao and its extension from New Hubli to Bellari.⁵

The Treaty contained many provisions related to these main features and, also, other provisions. Important provisions of this Treaty are given in the Appendix.

With the implementation of the Treaty, the Custom line between British India and Portuguese India was abolished. On the part of British India, it was a further step towards complete freedom of inland trade in India. 'The first and greatest step' towards complete freedom of inland trade had been made in the preceding year, when the British India abolished the great salt line which shut out the product of the native

states in Central India from British territory and which for many years had been a great hindrance to trade and a scandal to British administration.⁶ For Portuguese India, the creation of a Custom Union of the two Indias was an important step in the direction of paving the way for the economic development of the Portuguese territory in India. The Portuguese India Government had come to realise, for a long time, that given the size of Goa, Daman and Diu and the geographical position of this Portuguese territory which was surrounded by the British Indian Territory from three sides, free movement of goods between the two Indias was absolutely necessary to lift Goa and other Portuguese possessions from their decadence. A Customs Union would have made possible the availability of vast markets for the products of Portuguese India in British India. It was further hoped that a Customs Union of the two territories would help develop the external trade of Portuguese India, increase the Customs revenue of the Government and safeguard the rights of sovereignty of the Portuguese nation in these parts of India. These hopes were not vindicated as the Treaty was not between two equally powerful nations, but between one nation which had caught itself in the morass of economic backwardness and the other, the most powerful nation which had attained commercial supremacy in the world economy and had strengthened its political and economic position in the Indian sub-continent. All the economic woes that followed the Anglo-Portuguese Treaty of 1878 were the outcome of the economically weak position from which Portugal negotiated the Treaty with Great Britain. Portugal's possessions in India had reached such a low economic level that it had no other alternative, but to sign the Treaty on British India's terms.⁷ We can have a better grasp of the impact of the Treaty on Goa and other Portuguese possessions, if we probe deep into the factors and developments that compelled Portugal to sign this treaty.

4.3 FACTORS AND DEVELOPMENTS WHICH CONTRIBUTED TO THE SIGNING OF THE TREATY OF 1878

The Treaty of 1878, which was given effect after the exchange of ratifications on 6-8-1879, was the outcome of the desperate attempts made by the Portuguese government to extricate Portuguese India from its increasingly deteriorating position. The

state of the Goan economy prior to the Treaty was a cumulative effect of many forces which were in operation much before the 19th century. "Goa presented a dismal picture of economic ruin, largely ascribed to the substantial run down in her commerce".⁸ Goa had lost its trade with the outside world, thanks to a variety of factors beginning with the powerful challenge thrown up by the Dutch to the commercial and military supremacy of the Portuguese in the Indian Ocean and on the west coast of India. With the consolidation of the British power in the Indian sub-continent, particularly with the emergence of Bombay as an international entrepot, the economic decline of Goa gained momentum. Received by Great Britain as a dowry gift from Portugal, Bombay, after its transfer to the British Crown, developed as a flourishing trade and commerce centre and attracted both interregional and international trade at the cost of hitherto traditional centres of commerce like Surat.⁹

During the pre-Treaty period, the Portuguese India's trade with Europe had been almost nil. The trade with Brasil which was sustained by goods coming from Balaghat, was almost extinct as it was supplanted by the trade from Bombay.¹⁰ In spite of the privileges of lower import duties in Portuguese Africa, Portuguese India's trade with that territory was moving downwards to reach the lowest ebb, since the cotton goods industry of Daman could not face the competition of the American and British goods in Portuguese Africa. So, the industry had to be closed. The ships from Europe had almost stopped coming to Goa.¹¹ The pre-Treaty economic position was such that Portuguese India's export trade was composed of just a handful of traditional commodities like coconuts, arecanuts, salt, fresh fruits etc.¹² It was mostly with British India. A large number of people, during this period, were finding their way to British India, particularly to Bombay, in search of means of livelihood they were awfully short of, in Goa and other possessions. Thousands of Goans had settled in Bombay and other places in British India, and, in less number, in other parts of the world. The Goan economy and also the economy of other possessions, was being sustained by the remittances of these emigrants, which, with great difficulty, could cover up the gap between the imports and exports of Portuguese India.¹³ Most of the Goan emigrants were working as servants and artisans.¹⁴ The middle class people in Goa were

mostly living on their salaries which they earned as civil and military employees. The majority of the people of the territory was leading a miserable life.¹⁵

Against the background of this alarmingly critical and deplorable situation in which Portuguese India was finding itself, in glaring contrast to the economic progress of British India, the Government authorities and the intellectual class of Goa became increasingly conscious of the fact that all the economic problems of Goa were the result of the isolation of Goa on account of the lack of a communication link in the form of a railway line connecting the Marmugao port to the mainland India and lack of adequate development of the Marmugao port which in its existing state could not establish adequate links with the world markets.¹⁶ In fact, the Portuguese government had realised the disadvantages of the economic isolation of Portuguese India, long before the negotiations for the common customs union started to pave the way for the Anglo-Portuguese Treaty of 1878. The Portuguese government's first attempt to link Goa with British India by a railway line dates back to the year 1864.¹⁷ The efforts did not succeed, but the Portuguese government renewed the same in the subsequent period when negotiations began on the Anglo-Portuguese Treaty, for the formation of the Common Customs Union. The proposal of the above railway link, aimed at removing Goa from its isolation, occupied an important place in these negotiations and, consequently, in the Treaty. The article VI of the Treaty made reference to the probable construction of a railway communication between British India and Portuguese India, and to the fact that a company had been formed for the construction of a railway line from the port of Marmugao to the town of New Hubli.¹⁸

The realisation of the fact that the isolation of Goa was acting as an obstacle to the economic development of the territory finds ample place in the report of Andrade Corvo, the Portuguese Minister, prior to the Treaty of 1878. In his report, he wonders how a land which was being rightly considered the garden of India was reduced to such a miserable condition.¹⁹ He himself explains that the main reason of the decadence of Portuguese India was the total isolation of the territory. Despite being a fertile land, Goa was finding itself in a precarious economic and financial situation because of the decline of trade and commerce and lack of capital, resulting from its iso-

lation from the mainland India, on account of the lack of communication links.²⁰ This is amply proved by the economic indicators of the period prior to the Treaty. It should be, however, made clear that the isolation of Goa was not the only factor which contributed to the decline of trade and commerce in the territory. Deep inertia on the part of the mother country as regards the problems of Portuguese India was being witnessed during the period prior to the Treaty.²¹ To add to this, there was utter lack of enthusiasm of the local people towards improving trade and industry in the territory.²²

The stagnation and deterioration of the economy of Portuguese India prior to the Anglo-Portuguese Treaty of 1878 is reflected in a few indicators of the economic performance of the territory. The Table 4.01 which gives us the figures of the receipts of the public treasury, the Dizimos (Tithes) and the Custom receipts, during the period from 1868-69 to 1877-78, focuses on the fact that there has been a decline in all the above three variables in Portuguese India.²³

TABLE 4.01
RECEIPTS COLLECTED BY THE PUBLIC TREASURY OF PORTUGUESE
INDIA DURING (1868-69 TO 1877-78)
(value in reis)

| Year | Total Receipts | Tithes (Dizimos) | Custom Receipts |
|---------|----------------|------------------|-----------------|
| 1868-69 | 884,803,475 | 288,714,990 | 186,957,640 |
| 1869-70 | 884,988,225 | 244,798,255 | 170,827,056 |
| 1870-71 | 997,522,210 | 237,079,104 | 161,868,904 |
| 1871-72 | 1,197,123,083 | 245,888,152 | 177,044,232 |
| 1872-73 | 994,722,730 | 228,122,685 | 168,340,219 |
| 1873-74 | 881,458,659 | 224,554,902 | 162,932,438 |
| 1874-75 | 874,808,609 | 196,047,096 | 166,182,587 |
| 1875-76 | 872,470,387 | 195,089,037 | 183,389,381 |
| 1876-77 | 838,325,624 | 207,824,099 | 163,515,842 |
| 1877-78 | 850,490,797 | 200,653,135 | 149,309,465 |

Note:- One Rupee was equivalent to 400 Reis.

Source:- Relatorio do Governador Geral do Estado da India, 1879, p.82-83

The fall in the public receipts of Portuguese India was mainly the result of the decline in the receipts from tithes which were levied on coconuts, salt and rice at the rate of 10% of the gross produce of these crops. The income from the levying of tithes was 313,417,780 reis in 1867-68, which decreased to 195,089,037 reis in 1875-76. In 1877-78, the income from this property tax was 200,653,135 reis, an amount which was slightly higher than the income in 1875-76. Between 1868-69 and 1877-78, one notices a decline of 88,061,855 reis in the income from tithes, which amounts to 30.5% fall in this income. The decline was due to the defective system of collection of tithes.²⁴ During the same period, the custom receipts decreased from 186,957,640 reis to 149,309,465 reis, the fall amounting to 20%. However, the decline in the public receipts was just 3.8% during this period. The contraband trade in salt, cashew liquor and coconut liquor which were smuggled out into British India, was another factor which had led to the fall in public receipts.²⁵

The trends in the movement of public receipts of Portuguese India between 1868-69 and 1877-78 as shown by the Table No. 4.01 are as follows: The public receipts of the territory marginally increased during the years from 1868-69 to 1870-71. Between the year 1870-71 and 1871-72, there was a substantial rise in the public receipts to the tune of 199,600,873 reis, but from the latter year, they kept a downward trend upto 1876-77, during which they reached the lowest ebb in the eight years period starting from 1872-73. In 1877-78, the public receipts of Portuguese India registered a slight increase over those in 1876-77. Thus, one observes that for most of the years during more or less 10 years period prior to the Treaty of 1878 the public receipts were decreasing in Portuguese India. Average tax receipts in Portuguese India, during those years were 1,213 reis, while in British India they were 1,530 reis. The lower level of average tax receipts in Portuguese India was the result of the poverty that was prevailing in the territory, which prevented the rise in the public receipts collected by the government.²⁶ There were other factors contributing to the fall in the public receipts. The report of the Governor General of Portuguese India for the year 1879 dispatched to the National Government at Lisbon mentions the other causes of

the poor performance of the public finances in Portuguese India. The public receipts decreased because of the following:-

- i) The Government sold some of the lands owned by it by public auction, as a result, it lost the receipts from these lands,
- ii) Lands received by many people as 'prazos de coroa' were exempted from the payment of 'foros' to the Government,
- iii) There was scarcity of cereals, both locally produced and imported from outside, on account of unfavourable rainfall, and
- iv) There were trade fluctuations which affected trade and commerce in British India, in general, and Bombay, in particular.²⁷

The crisis in trade and commerce experienced by Bombay was the result of the sudden fall in cotton prices in America.²⁸ It had a direct bearing on the commercial relations of Goa and Daman with Bombay, since, by now, most of the commercial transactions of Portuguese India were with Bombay. This led to the decline in the customs revenue of Portuguese India.²⁹ The decline in the customs revenue was also the outcome of less availability of imported cereals on account of unfavourable rainfall in rice-producing regions of British India. This is corroborated by the fact that Portuguese India's imports of rice which were to the tune of 32,870 khandis decreased to 20,747 khandis in 1874. In 1878, rice imports increased to 63,323 khandis, but in 1879 they decreased to 33,836 khandis.³⁰

However, since the crisis in trade and commerce in Bombay took place around the year 1872-73, its effect on the Portuguese Indian economy can be better gauged, if we compare the public receipts in 1872-73 with those in 1877-78. The fall between these two years is 14.5%. The effect of the commercial crises in Bombay reflected in the collection of import and export duties in Portuguese India in the following manner: Import duties of Portuguese India, which were 303,814 xerafins in 1872-73 decreased by 16,673 xerafins in 1873-74. Export duties registered a fall of 20,529 xerafins. The decline in import and export duties was 5.4% and 15%, respectively.³¹

Portuguese India's position on the import-export front on the eve of the implementation of the Treaty of 1878, was not, at all, promising. The Table 4.02 gives

us the figures of imports and exports of Portuguese India during the period 1876-77 and 1878-79.³²

TABLE 4.02
EXTERNAL TRADE OF PORTUGUESE INDIA (1876-77 TO 1878-79)
(value in reis)

| Year | Imports | Exports | Trade Balance |
|---------|---------------|-------------|---------------|
| 1876-77 | 1,566,586,026 | 799,448,419 | 767,137,607 |
| 1877-78 | 1,784,056,391 | 836,399,145 | 947,657,246 |
| 1878-79 | 2,275,282,168 | 901,347,625 | 1,373,934,543 |

Note:- 1 Rupee = 400 Reis; 1 Xerafin = 200 Reis

Source:- Relatorio do Governador Geral 1879, pp.102-103

The Table 4.02 shows us that during this period imports and exports have recorded an increase of 45% and 12%, respectively. Exports increased by a very low percentage of 12% as compared to the rise in imports which was 45%. The external trade between these years was depressing in one more sense. In 1876-77, exports were 51% of the import trade of the territory. During the next two years, this percentage further decreased to 47% and 39%, respectively. That at the time of the implementation of the Treaty, Portuguese India's position of external trade was not, at all, promising, is corroborated by one more fact associated with the external trade during the above period. The negative balance of trade between the years 1876-77 and 1877-78 increased by 23.5%, while between the years 1877-78 and 1878-79, the rise was 45%, indicating a deteriorating negative balance of trade position during the period.

The deteriorating external trade position of Portuguese India is more visible when we compare its import and export trade position in 1868 with that in 1878-79.³³ In 1868, the value of the import trade was 4,627,188 xerafins (925,437,600 reis) and the export trade was worth 2,639,812 xerafins (527,962,400 reis). The value of the export trade was, thus, 57% of the value of the import trade. In 1878-79, although there was a rise in the value of both import and export trade, over and above that in 1868, the value of the export trade was 39% of the value of the import trade, indicating the worsening position of Portuguese India's trade gap over the period. Prior to the

implementation of the Treaty of 1878, agriculture, commerce and industry in Diu were in total decadence. The value of internal and external trade of Diu in 1879 had gone down to 25,000,000 reis, which was 1/20th part of the commerce in olden times.³⁴

The economic deterioration of Portuguese India was further accelerated by the British Government's revocation of the privileges at Surat, granted by the Mughals to the Portuguese government. Under these privileges, the Portuguese Factory at Surat, established in 1661, enjoyed the privilege of lower duties on the Portuguese products at the rate of just 2.5% ad valorem. Since the goods imported into and exported from the British Indian territory had to pay comparatively higher import and export duties, the privilege enjoyed by the Portuguese Factory at Surat, promoted smuggling of goods through this Factory into British India. The extent of the difference between the rates of custom duties charged by the British India authorities and those charged by the Portuguese authorities at Surat Factory can be gauged by giving just one example. Liquour was paying Rs. 3 per gallon if imported directly into British India, but just 2.5% ad valorem if imported through the Portuguese Factory of Surat.³⁵ The wide difference between the rates charged in British India and those at the Surat Factory led to the simulated sales of goods to the Portuguese. In order to evade higher custom duties prevailing in British India, the merchants of British India started the practice of invoicing in the Portuguese territory goods other than the Portuguese goods. As a result, these goods started entering British Indian territory through Surat by paying duties at the rate of just 2.5% ad valorem. This resulted into a loss of custom revenue to the tune of 150,000 Sterling pounds per annum, to the British India government. It was pointed out by the British authorities that the Portuguese authorities at the Surat Factory were hand in glove with the unscrupulous merchants, in this smuggling activity.³⁶ Subsequently, the Bombay Government by a notification issued on 26-7-1872 abolished from 1-9-1872 the Firman privilege granted by the Mughals to the Portuguese.³⁷ Although this decision evoked loud protests from the Portuguese government and repeated demands were made by Portugal to the British Crown to restore these privileges at Surat, the British government stood firm on its

stand as regards the revocation of privileges. However, the protests of the Portuguese authorities generated a new thinking as regards the economic relations between the two Indias. A proposal to form a Customs Union of the two territories, involving common customs tariffs and removal of all customs barriers between the two, was made by the British authorities. For the Portuguese, the factory at Surat was a symbol of the national pride, but by 1844, the Portuguese ships had virtually stopped visiting Surat and trade there had greatly decreased, leading to a substantial fall in the revenue earned at the said factory. With the revocation of the privileges, Portuguese India lost even this meagre sum of revenue earned at this factory.³⁸ The Portuguese government, by this time, realised that Goa, Daman and Diu could not survive unless their isolation was ended by way of their close and unhampered economic relations with British India. The Portuguese Government expressed its willingness to negotiate with the British Government for the cession of the privileges which it claimed at Surat, on the following basis: An agreement for the construction by both the governments, of a railway line from the port of Murmugao to the frontier of Goa; free transit of all British Indian products through the Portuguese territory to the said port, and of products imported through that port for British India; exemption and reduction of import duties; and an agreement for mutual extradition of criminals. Thus, the proposal made by the British government for the formation of a common Customs union involving the removal of diverse tariff lists and abolition of trade barriers between the two regions, was thought of by the Portuguese government as an important measure in the direction of extricating Portuguese India from its economic backwardness.³⁹

The Treaty of 1878 was, thus, the outcome of Portuguese India's deplorable economic conditions prior to the signing of the Treaty. As we have said before, it was a desperate attempt on the part of the Portuguese government to lift the sagging economy of the territory from its backwardness. The Portuguese government both at the national level and at the level of Portuguese India had realised that if the Treaty was to play a major role in strengthening the economy of the Portuguese territory in India, it should reconcile to the fact that its future is inseparably bound to the economy of British India. It was also realised that Portuguese India had to make certain sacrifices

in order to get the desired benefits from British India.⁴⁰ In such circumstances, it was but natural for Portugal to accept certain terms in the Treaty, which involved great sacrifices on the part of Portuguese India, but which were greatly beneficial to British India. This was the reason why Joao de Andrade Corvo signed the Treaty even though he was aware of the fact that certain provisions of the Treaty would harm the interests of the people and the government of Portuguese India. The two provisions in the Treaty which played havoc with the economy of Goa, Daman and Diu were the introduction of the British Abkari system in respect of alcoholic beverages in Portuguese India, and the granting of the monopoly of salt manufacture and trade in Portuguese India to the British India government. While negotiations were going on between the two countries on the proposed Treaty, the Portuguese Government and the intellectuals in Goa were aware of the fact that the monopoly of the manufacture and sale of salt in Portuguese India, which was supposed to be granted to the British India government would immensely benefit that government at the cost of the interests of the saltpan owners and the government of Portuguese India. Since, with the implementation of the Treaty, the contraband trade of salt to British India, would have come to an end and the British Government would have saved the annual loss of revenue estimated by some to be over Rs. 6.84 lakh, and, secondly, the entire salt industry in Portuguese India with its annual production of salt estimated by some to be Rs. 57 lakh, would have fallen into the hands of the British India government, the Treaty would have greatly strengthened the monopoly power of this government throughout India.⁴¹ The introduction of the Abkari system in Goa, Daman and Diu, would have also benefitted the British India government as it would have brought the contraband trade of Portuguese Indian liquours into British India to an end, and would have, thus, increased the revenues of that government. Both these provisions would have worked against the interests of Portuguese India. Even though the Portuguese government and some Goan intellectuals were aware of these possible dangers to the salt and liquor industry of Portuguese India, they welcomed these provisions as they thought that in exchange of these sacrifices, Portuguese India would get better deal from the British Government. It was felt that the system of Common Customs Union and the re-

removal of the Customs barriers between the two Indias, leading to the free movement of the merchandise, would bring about the much required development of trade and commerce in Goa and other possessions. It was also thought that the removal of the import duties by the British government on coconuts, coconut oil, arecanuts and cashewnuts exported from Portuguese India to British India, would promote the commercial development of Goa, Daman and Diu.⁴² It is worth mentioning here that prior to the implementation of the Treaty, coconuts of Goa could not compete with those produced in Cochin, as the latter were not subject to import duties of British India.⁴³

One of the most important considerations that prompted the Government of Portuguese India to accept the above mentioned unfavourable terms in the Treaty was the proposal in the Treaty to construct a railway line connecting the Mormugao Port to the British Indian Railway system. In fact, it was one of the principal motives behind the efforts made by the Portuguese authorities to sign the Treaty. The Portuguese Government submitted itself to the unfavourable and unjust terms of the British government as regards the salt industry of Portuguese India, out of its realistic approach towards the prevailing situation during those times.⁴⁴ The Portuguese Government felt that even in the absence of these terms imposed by the British government, the salt industry in Goa and other possessions would suffer as the British India Government would enforce its order prohibiting the import of Portuguese Indian salt into British India in the ships of not less than 300 tonnes. In that case, the export of the Goan salt to the Bombay Presidency territory would have suffered, as its shipping through patmarins would not have been allowed by that Government and the transportation of the Goan salt in the ships of not less than 300 tonnes would have rarely taken up by the salt traders since it was economically unprofitable. Moreover, it was difficult for the traders to hire ships of that capacity for the transport of salt.⁴⁵

4.4 BRITISH GOVERNMENT AND THE TREATY OF 1878 - MOTIVES BEHIND THE SIGNING OF THE TREATY

A close study of the economic relations of Great Britain with the political powers in the Indian sub-continent, including Portugal, impresses upon us the fact that the Britishers did whatever they could do within their capacity to bring all other pow-

ers in India into their submission. After consolidating their military and political power in the Indian sub-continent, the Britishers entertained the hopes that they would be able to annex the Portuguese settlements in India to British India. That Great Britain was looking for an opportunity to annex the Portuguese settlements to the territory under their rule, was amply proved by the deeds and utterances of the British authorities on various occasions. The Governor of Bombay, Sir Robert Grant's statement in this regard indicates the thought process of the British nation in this matter. For him, the Portuguese possessions were absolutely valueless. They were most inconvenient neighbours and rallying points for the discontents of the British subjects in India. He stated further that the policy of the British nation was to seize the earliest opportunity of 'barring up the most inconvenient and possibly mischievous inlet'.⁴⁶

In 1839, the British government proposed to the Portuguese government the exchange of Goa for a pecuniary equivalent. It offered 500,000 sterling pounds for the exchange of Goa, Daman and Diu and stated that if the security of British India demanded, the British troops would enter into the Portuguese possessions. The letter of the British envoy at the Portuguese court, dispatched to the Foreign Minister of Portugal stated that the offer to exchange Goa, Daman and Diu against pecuniary considerations should be acceptable to the Portuguese Government as Portuguese India had become an unproductive state as far as its public revenue earning capacity was concerned, and there were no prospective hopes of improving its trade and commerce, and other sources of prosperity. Secondly, Great Britain had pecuniary claims upon Portugal, which required speedy settlement. The third reason given by the British Government for its proposal of the exchange of Goa, Daman and Diu for a pecuniary equivalent was the so called anarchical state of the Portuguese possessions. It was argued by the British government that the Portuguese possessions were showing a tendency to provoke collision with the neighbourly states which were allies of Great Britain.⁴⁷ The British envoy in a letter to the Foreign Minister of Portugal, Viscount of Sa' de Bandeira, threatened to capture Goa when the British Government suspected that the Portuguese authorities in Goa were protecting the insurgents from Sawant-wadi and, thus, fomenting disturbances in that principality.⁴⁸ Although Viscount of

Sa' de Bandeira sent a befitting reply to this proposal which was nothing but an affront to the self-respect of the Portuguese nation meted out by the British Government, the failure to grab Goa and other Portuguese settlements made Great Britain more determined in its designs to take over Goa. All their efforts were now in the direction of bringing about the economic collapse of Portuguese India. The British government hoped that with the economic downfall of Goa, the natural outcome would be its voluntary transfer by the Portuguese authorities to the British India Government. The British designs were at work at different levels, during the period prior to the signing of the Treaty of 1878, and if one observes some of the provisions of the Treaty, particularly those related to salt and liquor produced in Portuguese India, it can be said without an iota of doubt that they were the culmination of the efforts of the British Government to bring about the economic downfall of Portuguese India.

In fact, the British policy vis-a-vis commercial interests of Portuguese India was never sympathetic. The events in the 19th century proved the fact that whenever commercial interests of British India even remotely clashed with those of Portuguese India, the Britishers made all out efforts to wipe out the Portuguese challenge by whatever methods available to them.⁴⁹ The Portuguese - Malwa opium trade which was clandestinely going on through the Portuguese port was disrupted by the Britishers by introducing a transit system in 1831 which protected the East India Company's opium monopoly. Britain succeeded in compelling Portugal to open up its ports to cheap British textiles through treaties on this subject.⁵⁰ The British India government pursued a hostile policy towards the traditional exports of Portuguese India. The salt industry in Portuguese India had to face all types of obstacles from the British India government. The imports of salt from Portuguese India were restricted by way of severe custom duties on salt. As mentioned before, prior to the Treaty of 1878, the British India Government prohibited the import of salt into British India in the ships of not less than 300 tonnes. The Bombay Presidency government issued this order with the sole purpose of totally discouraging the import of salt from Portuguese India, since it was fully aware that Goan salt was transported to the Bombay Presidency in patmarins, as transportation in the ships of not less than 300 tonnes was totally un-

profitable for Portuguese India.⁵¹ The British India government imposed exorbitant custom duties on the indigenous liquour imported from Portuguese India. Despite being fully aware that Portuguese India's economy was dependent upon the exports of traditional goods like salt and liquour, the Government of British India followed a totally unsympathetic policy towards the traditional exports of that territory.⁵² This resulted into a rise in contraband trade in salt and indigenous liquour between the two territories.

That the Britishers had vested interests in hastening the economic decline of Portuguese India, is corroborated by one more fact. The British India Government expressed initially its strong opposition to the construction of the railway line from the British India border to the port of Mormugao and also to the development of the port of Mormugao when such demand was made by the Portuguese authorities. This was much before the negotiations started for the proposed Anglo-Portuguese Treaty. The Bombay Presidency Government tried to pursue its proposal of railway link between Karwar and Hubli, even though it knew well that Karwar could not, at all, compare favourably with the port of Mormugao which was a natural harbour far better than Karwar.⁵³ An extract of the Bombay Gazette dated 23-8-1878 indicates the fact that the British Indian opinion was favouring the construction of a railway line between Karwar and Hubli and wished that the efforts to construct Mormugao - Hubli railway line would never materialise.⁵⁴

The economy of Portuguese India would have revived if the British India Government had extended its helping hand to its allied nation by granting preferential treatment to the Portuguese Indian goods entering into the British Indian territory. This would have promoted trade between the two territories and Goa's economy would have prospered inspite of its tiny size in the face of a country of gigantic proportions. A territory of the size of a half district that was Goa, even with a high level of economic prosperity would not have been able to challenge the commercial supremacy of Great Britain. The Britishers were shrewd enough to know this and, also, to take care of their interests in such a situation. In spite of this, they did not miss a single opportunity to bring about economic debacle of Portuguese India. Their de-

signs in this respect were crystal clear in the Treaty of 1878. The Treaty can be taken as a unique example of how a country in the name of extending a helping hand to its ally, tried, in a subtle way, all its means to 'kill' the main industries of its ally and, in this way, bring the allied country under its thumb so as to serve its own interests. This was exactly done by the British nation within the framework of the Treaty of 1878. Great Britain's main objective to sign the Treaty was to gain monopoly control of the manufacture and distribution of salt in Portuguese India and to introduce in Portuguese India the British Abkari system in respect of indigenous liquor produced in this territory. Its motive to take over the monopoly control of salt manufacture and its distribution in Portuguese India was two-fold:- Firstly, the Britishers wanted to wipe out the competition of Goan salt and salt produced in other Portuguese possessions to the salt industry of British India, which was subject to the Government monopoly in that territory. Goan salt was perceived by the British Government as a threat to the salt monopoly exercised by that Government within its territory.⁵⁵ Portuguese Indian salt was successfully competing the salt produced in British India on its own soil. This was because salt produced in Goa and other possessions was cheaper than that produced in British India. While salt was sold at one real per pound in Portuguese India, its price was Rs. 2 and 2 annas per maund in British India. Price differences between Pernem, the northern most concelho of Goa and Sawantwadi, a princely state contiguous to Pernem, can be cited here. While 8 seers of salt were costing one rupee in Sawantwadi, the same quantity was priced at 8 reis in Pernem. Secondly, by taking over the monopoly control of the Portuguese Indian salt, the British government wanted to get rid of the contraband trade in Goan salt, which was going on between the two territories, since long time.⁵⁷ As heavy tariff duties on the British Indian side were making the entry of Goan salt into British India difficult, smuggling of Goan salt into British India was a regular feature on the borders of the two Indias. The Goan frontier line, covered as it was with dense forests, was a most difficult boundary to guard for the British India government. Retired jungle paths offered great temptation and considerable facility to the smugglers, while the profit to be derived from a single successful trip was so great that the strictest vigilance could not entirely prevent the

illicit traffic.⁵⁸ By taking over the monopoly control of the Portuguese Indian salt industry through the exclusive right to manufacture salt in Goa, granted by the Treaty of 1878, the British authorities thought that the salt revenue of the British India government would increase as a result of the stoppage of the contraband trade in salt. 'Times of India', an English daily published from Bombay, highlighted this advantage of the rise in the salt revenue of the Government, by stating that it was much more than "the direct saving from the reduction in establishment" that would follow as a result of the establishment of a Customs Union for both the territories.⁵⁹ It had been estimated that salt amounting to about 3 lakh maunds (11,196 tonnes) was being smuggled into the British territory leading to the loss of revenue of about Rs. 6 lakh to that Government.⁶⁰

Thus, Great Britain's main objective of signing the Treaty of 1878 with Portugal was to gain the monopoly of salt manufacture and sale in Portuguese India. In order to achieve their goal, the Britishers presented an exaggerated picture of the contraband in salt. As Mr. Constancio Roque da Costa argues in his book, "O Tratado Anglo - Portuguese de 26 de Dezembro", the impression created by the Britishers that the contraband of salt into British India was very high, was totally wrong. The Portuguese authorities negotiating the Anglo-Portuguese Treaty were led to believe by the Britishers that the contraband of salt was amounting to 50% of the total salt production in Portuguese India. Mr. Constancio Roque da Costa pointed out that the figures pertaining to the year 1876 proved the contrary. The difference between the production of salt in 1876, on one hand, and the quantity of salt consumed and exported, on the other, during this year was 58,767 khandis, which was about 16% of the total production of salt in 1876.⁶¹ He stated further that taking into account large quantity of salt of 1876 and the previous two years, which was lying in the godowns, looking forward to reasonable prices, the quantity of the contraband salt would be much less than 16% of the total production and not 50% as was made out by the British authorities and gullibly believed by the Portuguese negotiator of the Treaty, Mr. Andrade Corvo.⁶²

As mentioned before, the other important motive which prompted the British Government to sign the Anglo-Portuguese Treaty of 1878 was to impose upon Portuguese India the British Abkari system in respect of liquor production. The British Government which was entertaining its designs against the indigenous liquor industry in Portuguese India was of the firm view that the only way to protect the British Indian liquor industry from the competition of the liquor imported from Portuguese India and to prevent the smuggling of the liquor from Portuguese India into British Indian territory was to subject the local Portuguese Indian liquor industry to the Abkari system which was in force in the Bombay Presidency. Before the signing of the Treaty, the liquor industry in Portuguese India was flourishing and the exports of coconut liquor and cashew liquor to British India were going on unhampered despite heavy Custom duties levied on the Portuguese Indian liquor. The production of liquor in Goa and Daman was taking place with minimum restrictions and very low tax rates. It was, therefore, possible for this industry to compete successfully with the liquors produced in Bombay Presidency and other parts of the British Indian territory. In spite of higher import duties, the Goan liquors were finding their way to different parts of British India through legal as well as illegal channels, thanks to the superior quality of these liquors. The British Indian authorities were finding it difficult to take up the challenge thrown up by the Goan liquors and it was not an easy task for them to stop the smuggling of the Portuguese Indian liquor which was entering into British India through a number of clandestine exit points.⁶³ The British India Government realised that the liquors produced in Portuguese India are competing the local liquors in the British Indian territory and the contraband trade in liquors is taking place on account of two important factors: one, superior quality of the Portuguese Indian liquors and, second, low rates of taxation, the Portuguese Indian liquors were subject to. The low rates of taxation in Portuguese India had made these liquors cheaper than those in British India where they were subject to heavy excise duties. The British Government realised that the only alternative at their disposal to end this situation was the introduction of same rates of taxation in Portuguese India as were in force in British India in respect of production, sale and export of the liquors.

The Treaty of 1878 gave the British Government an opportunity to achieve its goal and, accordingly, the introduction of the Abkari system, in conformity with the Bombay Abkari Act of 1878, was made an integral part of the Treaty.

4.4.1 BRITISH SALT MONOPOLY IN THE FRENCH POSSESSIONS IN INDIA

British India's successful take over of the manufacture of salt in Portuguese India, under the Treaty of 1878, was in line with its policy of bringing salt production in the entire Indian sub-continent under its monopoly power. This was required to protect and strengthen its salt monopoly in its own territory. As per this policy, the British India government had decided to take in its hands monopoly control of the manufacture and distribution of salt in other European settlements in India and had moved in this direction, by trying to bring under its monopoly control the salt industry in the French possessions in India. By a convention between Great Britain and France signed at London on 7-3-1815, the French Government farmed out to the British India Government, the exclusive right to purchase the salt that may be manufactured in the French possessions in India, 'at a fair and equitable price'. The French Government was bound to fix in the French possessions 'nearly the same price for salt, as that at which it shall be sold by the British Government in the vicinity of each of the French possessions'. By exercising monopoly control over manufacture and distribution of salt in the French possessions, the British Government wanted to prevent large scale contraband of salt from French possessions to British India. But, the contraband continued to great discomfiture of the British India Government.⁶⁴ By a convention between the Governments of Madras and Pondichery signed at Pondichery on the 13th May 1818, the British Government succeeded in stopping the manufacture of salt throughout the territory of French possessions in India. To compensate the loss to the proprietors of the salt-pans in the French possessions for keeping the salt-pans in a state of inactivity, the Madras Government undertook to pay to the French Government as an indemnification to the said proprietors a sum of 4,000 star pagodas per annum. The British Government was to supply to the inhabitants of the French settlements in India the required quantity of salt for their domestic use and consumption.⁶⁵ The French Government was required to adopt strict measures for ensuring the effec-

tual prevention of the contraband trade of salt. This Convention of 13-5-1818 was, subsequently, renewed by the two Governments by signing a new convention.⁶⁶ The Government of Great Britain was paying Rs. 4 lakh per year to the French Government for effecting a ban on the manufacture of salt in Pondichery.⁶⁷ In this way, the British India Government succeeded in wiping out the local salt industry in the French settlements in India.

The British salt monopoly in Portuguese India as envisaged in the Treaty of 1878, was, thus, the continuation of the efforts of the British Government to bring under its monopoly control, salt production and sale of salt in all other European possessions in the Indian subcontinent.

4.5 FEATURES OF THE BRITISH SALT MONOPOLY IN PORTUGUESE INDIA

One of the most striking features of the Anglo-Portuguese Treaty of 1878 was that it made the production of salt in Portuguese India the monopoly of Britain. The British monopoly was also applicable to the sale and distribution of salt in Portuguese India. The article 12 of the Treaty empowered the British India Government to control and supervise the production and distribution of salt, to allow or disallow production of salt in the salt-farms, to fix prices of salt for different uses and stipulate quotas of salt for domestic consumption and other purposes in Portuguese India. As per the above article, the Government of Bombay was given the exclusive privilege of regulating or undertaking the manufacture and sale of salt in Portuguese India, for the period during which the Treaty was to remain in force.⁶⁸

As per the provisions in the above article, the proprietors or tenants of salt-works could, under the direction of the agents of the Government of Bombay and subject to the conditions mutually agreed upon between them, continue to manufacture salt on their own account, or manufacture salt on account of the British agents, or farm out their salt works to the British agents. In case the proprietors or tenants of salt works could not arrive at a voluntary agreement with the British agents, the Portuguese India government was to take necessary measures to let these salt works in farm to, and under the direction or administration of the British agents, so that these agents

could arrange to manufacture salt in these salt-works in most suitable manner possible. However, after the expiry of the farm, the proprietors were to obtain the possession of their salt-works and were entitled to get compensation for any damages during the farming out period.⁶⁹

The British agents were empowered to suppress any salt-works which they thought were difficult to superintend or guard, or could not be worked with profit. The Portuguese government was bound to order the suppression of such works on the recommendation of the British agents.

The Treaty prohibited the manufacture and sale of salt, the collection of salt, spontaneously produced, and the transit and exportation of the same by sea and land, by any persons not delegated in this behalf by the British agents or by the persons who had not obtained from the British agents a permit in this regard. The Portuguese India government was to adopt in its territory the procedure and penalties in force in British India for the repression of smuggling and contraband practices in respect of salt. The Treaty ensured effective exercise of the above privilege by investing the British agents with certain powers. The British agents could enter and inspect at any time any salt work or any warehouse or premise used for storing salt, or any vessel which had been or was proposed to be laden with salt. They could arrest any person involved in smuggling or prohibited activity and, also, his accomplice. They had power to seize any salt which they thought to be used for contraband trade. The British agents were given effective powers to search persons, animals, carriages, vessels, goods and packages in or upon which they had reason to believe that contraband salt was concealed or likely to be concealed. They could seize animals, carriages or vessels used in transporting salt, and, also, all goods and packages in or among which it might be contained or concealed.⁷⁰ They were armed with the right to obtain from the Portuguese authorities orders for arrests or searches, required in the proceedings against contraband of salt. As per the Treaty, it was the duty of the Portuguese government to appoint officers who were statutorily required to assist the British agents in their proceedings against contraband of salt. For this purpose, these officers were supposed to reside at or near salt-works.⁷¹

In accordance with the provisions contained in the article 12 of the Treaty, the British Government undertook to pay just compensation to the proprietors of salt-works which had been let in farm to the British agents or suppressed by the Portuguese India Government on the recommendation of the British agents. The article 15 of the Treaty of 1878 provided that the British Government, in accordance with the stipulations contained in the articles 11, 12, 13 and 14 of the Treaty would undertake to pay to the Portuguese Government an annual compensation of Rs. 4 lakh. It was, however, agreed by both the Governments that the amount of compensation was not to be paid to the Portuguese Government, but was to be held by the British Government as a collateral money to guarantee the Railway project agreement.⁷²

The Treaty provided that whenever the British India government was to decide the suppression of the operation of the salt-works in Portuguese India, the responsibility to award compensation to the owners of the suppressed salt-works was to be carried out by the Mixed Commission appointed under the provision of the Treaty. The Mixed Commission awarded compensation to the owners of the suppressed salt-works and, also, to the owners of the saltworks which had been let in farm to the British agents. The amount of the compensation was to be decided on the basis of the average annual proceeds of the salt works, the average price of salt in the locality and (excluding duty) in the neighbouring British Indian districts and the damage, if any, caused to the proprietors by the suppression of their salt works, or by deprivation of the free use of them with respect to other cultivation and other rights of property.⁷³

Before the implementation of the provisions regarding salt in the Treaty, the saltpan owners had come to know what was the fate in store for them during the tenure of the Treaty. But, the seriousness of the misfortune which had visited them in the name of the Anglo-Portuguese Treaty was conveyed to them by none other than the delegate of the Crown Antonio Augusto de Aguiar who visited Portuguese India to take necessary steps for the execution of the Treaty. In a meeting of the saltpan owners convened by him in the Government Palace at Panaji on 2-12-1879, he informed them that the Treaty had made all saltpans of Portuguese India, the property of the British Government, and the salt to be produced in them the monopoly of that Gov-

ernment.⁷⁴ He made clear the point that no change was possible in any clause of the Treaty. He informed further that in the existing circumstances, the salt pan owners had only two alternatives before them: (1) To cultivate the saltpans on their own account and pay the excise duty to the British India Government, after getting the licence for the same from that Government, or (2) to surrender the saltpans to the British agents and receive, in return, compensation which was to be determined by the Mixed Commission.⁷⁵

A Committee of the saltpan owners was appointed by the Crown delegate to formulate conditions for the cultivation of the saltpans by the owners. However, there was disagreement over the conditions for the cultivation of the saltpans between this committee of saltpan owners and the British delegate, which defied solution despite several meetings. Finally, the British delegate agreed, in a telegram to the saltpan owners of Goa Island, to buy from the saltpan owners salt upto 6 lakh maunds (22,392 tonnes) at the rate of 6 annas per maund.⁷⁶

Even though the saltpan owners were bound to follow the conditions laid down by the Treaty for the cultivation of salt in their saltpans, the saltpan owners of Bardez defied these conditions and continued producing salt without signing contract with the British Government. The Governor General banned the production of salt in this Concelho and instructed the administrators of all Concelhos to ensure that the saltpan owners would sign the contract with the British Government on or before 25-1-1880. Under the threat of the Portuguese India Government that failing to sign the contract, the owners would lose their saltpans as they would be taken over by the Government, the saltpan owners were forced to sign the contract.⁷⁷ The Commissariat of Salt and Abkari had by that time initiated strict action against those owners from Bardez who had not signed contracts with British agents. In this way, the saltpan owners of Bardez had to submit themselves on the lines of the saltpan owners from other Concelhos of Goa to the conditions imposed by the British India Government and became the "leaseholders" of the British Government for a period of three years.⁷⁸

After the implementation of the Treaty, a contract was signed between the British India government and the saltpan owners of Goa on 25-1-1880. The contract

provided for the following:- (1) The British India Government would not import salt so long as Goan salt was available to meet the local demand in Goa. (2) The British agents would not interfere in the process and method of manufacturing and hours of work. The workers were not supposed to stay in the saltpans between 7.30 p.m. and 5 a.m., After the payment of excise duty salt could be removed between 7 a.m. and 6 p.m. The British agents would decide on the place where salt was to be deposited. (3) Fish, mud and other things from the saltpans will not be claimed by the British agents. Fishermen will be allowed to operate during the day. (4) The British agents will guard the salt pans. (5) The salt producers could produce whatever quantity of salt they wish to produce, subject to the condition that they should pay excise duty to the British government before removing the salt. The excise duties to be paid by the owners will be as per the rates in force in Bombay Presidency. (6) The saltpan owner would be bound to accept the requirement of the British agents to supply, in proportion to the area of his saltpan, the salt required for local consumption at the rate of 2.5 annas per Indian maund. This salt will not pay British excise duty. (7) The saltpan owner will be bound to supply, in proportion to the area of his salt pan, the salt required for the purpose of manure or fish curing. The rate of this salt will be decided by the Portuguese India and British India governments. This salt was not required to pay any excise duty.

The contract stipulated that the British agents would buy upto 7 lakh maunds (26,124 tonnes) of salt from the saltpan owners. Whatever stocks of salt will be in the possession of saltpan owners on the 10th November of every year, will be bought by the British agents, subject to the maximum limit of 7 lakh maunds, (26,124 tonnes) at the rate of 6 annas per maund.⁷⁹

Both the contracting parties to the Treaty of 1878 agreed upon an additional article, dated 8th March 1879, to the said Treaty, which stated that both the countries should reconsider the stipulations of the article XII of the Treaty in order to alter, modify or improve the same and remove any abuses which might have arisen in the practical application of these stipulations. Accordingly, an agreement was signed in Lisbon on 24-9-1884 concerning measures to regulate the implementation of the arti-

cle XII of the Treaty. In pursuance with this agreement, a mixed commission was to meet in Goa to make a new award of the compensation to be paid from the beginning of the fourth year of the Treaty (15-1-1883) to all the proprietors of salt works in Goa, whose salt works had been placed in charge of the British agents before the above date and who had received compensation as awarded by the Mixed Commission of 1880, upto the end of the 3rd year of the Treaty. The Mixed Commission was, also, to award compensation to 1) all the proprietors of Goa and Daman whose salt works had been placed in charge of the British agents since 15-1-1883, 2) The proprietors of Daman, since 15-1-1883 whose saltworks were to be suppressed, and 3) The Government of Diu.⁸⁰

As per the same agreement signed in Lisbon on 24-9-1884 in pursuance with the additional article of 8-3-1879 the existing arrangement as regards the supply of salt by the British agents to the Portuguese government to enable it to sell the same to the people for their domestic consumption, was changed. Under the existing arrangement, the British agents were supplying this salt to the Portuguese government at the rate of 1 anna 8 pies per maund in Goa and 1 anna 6 pies per maund in Daman and Diu. The new arrangement which was introduced from 1-11-1885 was to proceed on the following lines:

The British agents were required to hand over to any person or persons willing to undertake production of salt, any two groups of salt works to be selected by the Portuguese government from among those salt-works which had been transferred to the British agents. The persons willing to undertake production of salt on these two groups of salt-works were to be authorized by the Portuguese government. Out of these two groups of salt works, one was to be from Goa Island and the other from Salsete. Salt produced in these saltworks was to be used by the Government of Portuguese India for distributing it to the people of Goa for their domestic consumption, subject to the condition that per head annual quota was to be 14 pounds. Salt of inferior quality produced in these salt-works was to be supplied by the Government to the cultivators for manuring their farms or coconut groves. Thus, the Agreement signed in pursuance with the Additional Article of 8-3-1879 provided for the transfer of some

salt-works in charge of British agents, to the Portuguese government to enable it to produce salt to meet the domestic consumption requirements of the people and the needs of the cultivators in respect of the manuring of farms and coconut-groves. Such salt was not subject to the excise duties of the British Government. The new arrangement for the supply of salt for domestic consumption and manuring purposes stipulated that if the production in the salt-works meant for the above purposes was less than the needs of the people, the deficiency was to be made up by the British Government, and if production was surplus, the same government would buy this surplus quantity and, also, reduce proportionately the area of salt-works transferred to the Portuguese Government.⁸¹

So far as inferior quality salt was concerned, it was agreed that such salt should be denaturalized before it was sold to the cultivators for manuring purposes. The Agreement of 24-9-1884 provided for the enlargement of the limit within which the British agents had powers to arrest persons indulging in stealing or smuggling of salt from the salt-works or otherwise in the act of committing contraband. This limit was enlarged to 100 yards from 1-11-1884, but it was not to include inhabited houses or villages. The inviolability of domicile guaranteed by the 'Carta Constitucional' to the people was to be honoured.

Another provision agreed upon in the said agreement was that the requirement of the unsold salt to be destroyed after six months, was relaxed and the period was extended to 12 months from the first June of every year, in the case of any proprietor of salt works in Goa agreeing to work under the British excise system.⁸²

4.6 THE STATE OF THE SALT INDUSTRY DURING THE TENURE OF THE TREATY

The production of salt in Goa during the period when the Treaty of 1878 was in force, suffered a lot because of the restrictions and controls imposed by the monopoly of the British India Government in the manufacture and sale of salt in Portuguese India. The figures of the production of salt during the tenure of the Treaty (1880-1891) depicted by the Table 4.03 show that the production was neither steadily increasing nor was stable. During the first year of the implementation of the Treaty,

Goa produced 14,112.67 tonnes of salt, which increased in the second year to 17,074.17 tonnes, but, from this year, kept a decreasing trend upto 1883 when production reached the level of 7,062.86 tonnes. During the year 1884, it slightly increased to 7,882.71 tonnes. The peculiarity of this year is that production of salt in Salsete did not take place at all. During the next year, there was a rise in the salt production to 13,374.37 tonnes. After fluctuations in the salt production upto 1888, the salt production kept an increasing trend upto the last year of the Treaty (1891) when the production of salt in Goa was maximum --- 22,663.61 tonnes among all the years during which the Treaty was in force. The average annual production of salt during the 12 years period of the Treaty was 13,866.5 tonnes. The Table 4.03 shows that the minimum production of salt was registered during 1883 when production was 7,062.86 tonnes.⁸³

As regards the salt works in Goa, the Table 4.03 shows that the number of salt works in operation kept fluctuating during the tenure of the salt monopoly exercised by the British Government. During the first year, the number of salt works in operation was 263. It increased to 330 in the second year, keeping a decreasing trend since this year, to reach the lowest level of 87 salt works in 1884. The cause of this substantial fall in the number of salt works under cultivation was that during this year no salt-work was under cultivation in Salsete. From this year onwards upto 1889, we notice fluctuations in the number of the salt works under cultivation. From 1889, the number of the salt-works under operation decreased to reach the level of 268 during the last year of the Treaty.

If we analyse the figures of the production of salt and of the number of salt works under operation during this period, we arrive at the following conclusions:-

- I. During the tenure of the Treaty annual production of salt increased by 60.5%.
- ii. During the same period the number of salt-works increased by just 2%.
- iii. The wide disparity between the above two percentages indicates that the increase in the production of salt between the first and the last year of the Treaty, was due to the increase in the production of the existing salt-works which were put to more intensive cultivation during the period of the Treaty.⁸⁴

TABLE 4.03
SALT PRODUCTION IN GOA DURING THE TENURE OF THE TREATY OF
1878

| YEAR | No of salt works under cultivation | Total production | |
|------|------------------------------------|------------------|-----------|
| | | Maunds | Tonnes |
| 1880 | 263 | 378,152 | 14,112.67 |
| 1881 | 330 | 457,506 | 17,074.17 |
| 1882 | 327 | 413,176 | 15,419.77 |
| 1883 | 109 | 189,251 | 7,062.86 |
| 1884 | 87 | 211,219 | 7,882.71 |
| 1885 | 278 | 358,369 | 13,374.37 |
| 1886 | 237 | 342,500 | 12,782.14 |
| 1887 | 244 | 403,545 | 15,060.34 |
| 1888 | 232 | 236,864 | 8,839.8 |
| 1889 | 277 | 393,572 | 14,688.15 |
| 1890 | 275 | 467,241 | 17,437.48 |
| 1891 | 268 | 607,276 | 22,663.61 |

Note:- Quantities are converted into tonnes.

Source: Francisco Xavier Ernesto Fernandes, India Portuguesa Estudos Economicos Sociais, Bastora, 1905, p.214

4.6.1 SALT PRODUCTION DURING THE TREATY IN DIFFERENT CONCELHOS

The Table 4.04 shows production figures and the number of salt works which were under operation, during the tenure of the Treaty, in different Concelhos:-⁸⁵

Salsete: The production of salt in Salsete was subject to fluctuations during this period. The total output of salt during the first year was 3,859.87 tonnes which decreased in the next year to 3,679.9 tonnes and increased to 4,165 tonnes in the year 1882. In 1883, the production of salt in Salsete was lowest (872.1 tonnes) among the production figures of the entire period during which the Treaty was in force. As mentioned before, in 1884 there was no production of salt in Salsete. From the year 1885, production of salt kept an increasing trend, but the year 1888 witnessed substantial fall, reaching the level of 969.57 tonnes. In 1889 there was manifold increase in the

TABLE 4.04
SALT PRODUCTION IN DIFFERENT CONCELHOS OF GOA UNDER THE TREATY OF 1878 (1880-1891)

| YEAR | SALSETE | | BARDEZ | | GOA ISLAND | | PERNEM | |
|------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| | No. of salt works | Production | No. of salt works | Production | No. of salt works | Production | No. of salt works | Production |
| 1880 | 136 | 103426 (3859.87) | 61 | 139193 (5194.7) | 55 | 114430 (4270.5) | 11 | 17103 (638.3) |
| 1881 | 164 | 98604 (3679.9) | 64 | 141234 (5270.86) | 83 | 189234 (7062.2) | 19 | 28434 (1061.2) |
| 1882 | 164 | 111604 (4165) | 63 | 124788 (4657) | 81 | 150212 (5606) | 19 | 26572 (991.6) |
| 1883 | 36 | 23369 (872.1) | 52 | 138172 (5156.7) | 3 | 1473 (55) | 18 | 26237 (979) |
| 1884 | - | - | 54 | 155463 (5801.9) | 21 | 32118 (1198.6) | 12 | 23638 (882.2) |
| 1885 | 95 | 56340 (2102.6) | 61 | 137040 (5114.34) | 65 | 138078 (5153) | 17 | 26911 (1004.3) |
| 1886 | 104 | 70475 (2630) | 61 | 126016 (4702.9) | 55 | 125165 (4671) | 17 | 20844 (778) |
| 1887 | 108 | 81780 (3052) | 64 | 149412 (5576) | 56 | 143623 (5360) | 16 | 28530 (1064.7) |
| 1888 | 101 | 25980 (969.57) | 61 | 106853 (3987.7) | 53 | 83400 (3112.5) | 17 | 20631 (770) |
| 1889 | 114 | 118782 (4432.95) | 62 | 41109 (1534.2) | 82 | 206969 (7724) | 19 | 26712 (996.9) |
| 1890 | 112 | 84934 (3169.7) | 62 | 139902 (5221) | 84 | 219453 (8190) | 17 | 22955 (856.7) |
| 1891 | 111 | 135481 (5056.1) | 61 | 174838 (6525) | 80 | 273951 (10223.8) | 16 | 22006 (821.2) |

Note:- (a) salt production in maunds (b) quantities in brackets indicate salt output in tonnes

Source:- Francisco Xavier Ernesto Fernandes, India Portuguesa, Estudos Economicos Sociais, Bastora, 1905, p.214

production of salt as compared to the previous year. This rise was 357%. The production of salt again decreased in 1890 to witness a substantial rise in the next year. There were also fluctuations in the number of salt-works which worked during the period of the Treaty. In 1880, the number of these salt-works was 136 which increased to 164 in 1881 and 1882, but witnessed a sharp fall in 1883 reaching the lowest level (36) during this year. After the entire lot of salt works remaining inactive in 1884, the number of salt works in 1885 increased to 95, which after increasing for 2 years, fluctuated in the subsequent period.

The number of salt works which worked during the period of the Treaty decreased from 136 in 1880 to 111 in 1891, amounting to 18.4% fall. Despite this fall, we experience 31% rise in the annual production of salt between the years 1880 and 1891. We also note that during some years, even though there has been rise in the number of salt-works, the quantity produced of salt has registered a substantial fall. For example, between 1880 and 1881, the number of salt works increased by 28, but the quantity produced decreased by 180 tonnes.

Bardez: The salt production during the first year of the Treaty was 5,194.7 tonnes, which increased by just 1.4% during the second year, but decreased to 4,657 tonnes in 1882. From this year it kept an increasing trend upto 1884 and then decreased to 4,702.9 tonnes. From 1887, the production of salt decreased and reached the minimum level of 1,534.2 tonnes in 1889. The production then rose till the last year of the Treaty. Over the period of the tenure of the Treaty, the annual production of salt in Bardez increased from 5,194.7 tonnes to 6,525 tonnes, amounting to an increase of 25.6%. We note that, even though the number of salt-works remained the same during some years, there were wide variations in the salt output. For example, in 1889 and in 1890 the number of salt works was 62, but production in 1890 was 240% more than what it was in 1889. It is further observed that even though the number of salt-works decreased during some years there was increase in the quantity produced of salt. For example, when in 1882, 63 salt works produced 4,657 tonnes of salt, in 1884, 54 salt works produced 5,801.9 tonnes of salt.

As regards the number of salt works worked it remained constant or marginally increased except for the year 1883 and 1884 when the number of salt works was 52 and 54, respectively. Over, the period of the Treaty, the number of the salt-works fluctuated in Bardez, but the number of the salt-works in the first year of the Treaty was the same (61) as that in the last year.

Goa Island: The production of salt in Goa Island was 4,270.5 tonnes in the first year of the Treaty. During the second year, the production rose to 7,062.2 tonnes, but in 1882 decreased to 5,606 tonnes. In the year 1883 only 3 salt-works were at work and the production was minimum, reaching the level of 55 tonnes. From this year, the production increased to 5,153 tonnes in 1885, but in 1888 decreased to the level of 3,112.5 tonnes. From this year upto the last year of the Treaty the salt production kept an increasing trend reaching the level of 10,223.8 tonnes. The increase between the first year and the last year of the Treaty amounts to 139.4%. Maximum production of salt was registered in the last year of the Treaty. We further notice that even though there was decrease in the number of saltworks during some years, the quantity produced of salt was found increased. For example in 1891, the number of salt works was 80 which was less than that in 1881 by 3. In spite of this, the salt production in 1891 was more than that in 1881 by a quantity of 3,161.6 tonnes. As regards the number of salt pans, we note that there were fluctuations in it, over the period of the Treaty. The number which was 55 in the first year, increased to 80 in the last year of the Treaty. The salt works which were under operation during 1883, were minimum in number - just three - among all the years of the Treaty.

Pernem: The production of salt in Pernem was 638.3 tonnes during the first year of the Treaty. Over the period of the Treaty there were fluctuations in the production of salt in this Concelho. The production increased to 1,061.2 tonnes in 1881, but remained more or less stable at the level of 970 tonnes, during the next two years. In the subsequent period, the salt production was subject to variations. These variations occurred even though the number of salt works under operation remained the same during some years. For example, during the years 1885, 1886, 1888 and 1890, the number of salt works under operation remained at the level of 17, but production

during these years was 1,004.3 tonnes, 778 tonnes, 770 tonnes and 856.7 tonnes, respectively. During some years, when the number of saltworks was less, the salt production was more than what it was when the number of salt-works was more. For example, when the number of salt-works was 12 in 1884, the production was 882.2 tonnes which was more than that in 1886, 1888 and 1890, during which the number of salt-works was 17. Between the first and the last year of the Treaty, the number of saltworks under operation increased from 11 to 16 which amounted to an increase of 45%, and the annual salt production registered an increase of 183 tonnes which amounted to a rise of 28%.

TABLE 4.05
AVERAGE SALT OUTPUT IN GOA PER EACH SALT WORK UNDER
OPERATION DURING THE TENURE OF THE TREATY OF 1878

| YEAR | No of Salt works Worked | Average Salt output per each salt work under operation | |
|------|-------------------------|--|--------|
| | | Maunds | Tonnes |
| 1880 | 263 | 1,437.0 | 53.62 |
| 1881 | 330 | 1,386.0 | 51.70 |
| 1882 | 327 | 1,263.5 | 47.15 |
| 1883 | 109 | 1,736.0 | 64.80 |
| 1884 | 87 | 2,427.8 | 90.60 |
| 1885 | 278 | 1,289.0 | 48.10 |
| 1886 | 237 | 1,445.0 | 53.92 |
| 1887 | 244 | 1,653.8 | 61.72 |
| 1888 | 232 | 1,021.0 | 38.10 |
| 1889 | 277 | 1,420.8 | 53.00 |
| 1890 | 275 | 1,699.0 | 63.40 |
| 1891 | 268 | 2,266.0 | 84.56 |

Note: The table is compiled on the basis of the table 4.03. Quantities are converted into tonnes

4.6.2 AVERAGE SALT PRODUCTION PER EACH SALT WORK UNDER OPERATION

The Table 4.05 shows the average quantity of salt produced in Goa per each salt work under operation during the period of the Treaty of 1878, when the manufacture of salt in all the salt works in Goa was the monopoly of the British India Government.⁸⁶

The analysis of the average salt output in Goa per each saltwork during the tenure of the Treaty focuses certain features of salt production during the Treaty. It is found that when the number of salt works was minimum (87) in 1884, the average salt output per each salt work was maximum. It was 90.6 tonnes. When the number of salt works in 1882 was 327 which was maximum number during the period, the average salt output per each salt work was very less (47.15 tonnes). Total output of salt in 1891 was maximum, but average salt output per each salt work was not maximum. It was 84.56 tonnes which was less than what it was in 1884 when the number of salt works was minimum.

The study of the salt production per each saltwork in different Concelhos of Goa enables us to draw certain important conclusions regarding the differences among the salt-producing Concelhos of Goa. It is clear from the Table 4.06 that even though the number of saltworks was largest in Salsete among all Concelhos of Goa, average output per each salt work was smallest. On the contrary, in Pernem even with the smallest number of saltworks among all Concelhos of Goa, average output per each salt-work was higher than what it was in case of Salsete. In Bardez and Goa Island average output per each salt-work was comparatively higher than that in other two Concelhos. The cause of average output per each salt-work in Salsete being comparatively very less may be that the size of the salt-works in this Concelho was smaller than that in other Concelhos. It may also be possible that there were variations in the productivity of the salt-works in different Concelhos.⁸⁷

TABLE 4.06
AVERAGE SALT OUTPUT IN DIFFERENT CONCELHOS PER EACH SALT WORK UNDER OPERATION, DURING THE TENURE OF THE TREATY OF 1878

| YEAR | SALSETE | | BARDEZ | | GOA ISLAND | | PERNEM | |
|------|-------------------|--------------------------|-------------------|---------------------------|-------------------|--------------------------|-------------------|--------------------------|
| | No. of salt works | Output per each saltwork | No. of salt works | Output per each salt work | No. of salt works | Output per each saltwork | No. of salt works | Output per each saltwork |
| 1880 | 136 | 760 (28.36) | 61 | 2281 (85.12) | 55 | 2080 (77.62) | 11 | 1554 (58) |
| 1881 | 164 | 601 (22.43) | 64 | 2206 (82.32) | 83 | 2280 (85) | 19 | 1496 (55.83) |
| 1882 | 164 | 680 (25.37) | 63 | 1980 (73.9) | 81 | 1854 (69.2) | 19 | 1398 (52.17) |
| 1883 | 36 | 649 (24.22) | 52 | 2657 (99) | 3 | 491 (18.32) | 18 | 1457 (54.37) |
| 1884 | - | - | 54 | 2879 (107.4) | 21 | 1529 (57) | 12 | 1969 (73.5) |
| 1885 | 95 | 593 (22.13) | 61 | 2246 (83.82) | 65 | 2124 (79.2) | 17 | 1583 (59) |
| 1886 | 104 | 677 (25.26) | 61 | 2065 (77) | 55 | 2275 (84.9) | 17 | 1226 (45.75) |
| 1887 | 108 | 757 (28.25) | 64 | 2334 (87.1) | 56 | 2564 (95.7) | 16 | 1783 (66.54) |
| 1888 | 101 | 257 (9.6) | 61 | 1751 (65.34) | 53 | 1573 (58.7) | 17 | 1213 (45.26) |
| 1889 | 114 | 1041 (38.85) | 62 | 663 (24.74) | 82 | 2524 (94.2) | 19 | 1405 (52.43) |
| 1890 | 112 | 758 (28.28) | 62 | 2256 (84.2) | 84 | 2612 (97.5) | 17 | 1350 (50.4) |
| 1891 | 111 | 1220 (45.53) | 61 | 2866 (107) | 80 | 3424 (127.7) | 16 | 1375 (51.3) |

Note: (a) The table is compiled on the basis of the table 4.04; (b) salt output in maunds (c) quantities in brackets indicate salt output in tonnes

4.6.3 SALT PRODUCTION IN GOA DURING THE INITIAL PERIOD OF THE TREATY OF 1878 - ITS CHARACTERISTIC FEATURES

It is worth analysing the production of salt in Goa during the initial period of the Treaty of 1878. The report of the Gerencia for the second year of the implementation of the Treaty, throws light on the characteristic features of the salt production during this initial period. Although the figures of the salt production and the number of saltpans during the first two years of the Treaty differ from those given by Earnesto Fernandes in his study of the Goan salt industry during the tenure of the Treaty of 1878, the data contained in the aforesaid report of the Gerencia, help us to know the break-up of the salt production and of the number of salt-pans in Goa among different categoriers thereof. During the first year of the Treaty only those proprietors who signed contracts with the British agents to produce salt on their own account undertook the production of salt in Goa. During the second year, besides the above mentioned proprietors, British agents also produced salt, by special contracts, on a number of saltpans, the proprietors of which had been provided compensation by the British agents. As a result, the total production of salt in Goa which was 14,541.8 tonnes in the first year, as per the figures provided by the report of the Gerencia, increased to 18,448 tonnes during the second year of the Treaty, amounting to 26.8% rise between the two years. During the second year, as shown in the Table 4.07, the production of salt by the proprietors who signed contract with the British agents to produce salt on their own account was more than the production of salt by the British agents on the saltpans, the proprietors of which were compensated by the British Government, in all the four salt producing Concelhos of Goa.⁸⁸ In the first category, Bardez produced maximum salt followed by Goa Island, Salsete and Pernem. Total salt produced in Goa in this first category was 14,809.2 tonnes. In the second category, Goa Island produced maximum salt followed by Salsete and Bardez. In Pernem, production under this category was nil. Total salt produced in Goa in the second category was 3,638.7 tonnes. Thus, out of 18,448 tonnes of salt which was the total production of salt during the second year of the Treaty, salt produced by the salt proprietors on their own account was about 80% and salt produced by the British agents on the saltpans,

the proprietors of which were compensated by the British government, was about 20%.⁸⁹

TABLE 4.07
PRODUCTION OF SALT DURING THE SECOND YEAR OF THE TREATY

| Concelhos | Production by the proprietors who signed contracts with the British agents to produce salt on their own account | | Production by the British agents by special contracts, on saltpans, the proprietors of which were compensated by the British Government | |
|-------------|---|----------|---|---------|
| | Maunds | Tonnes | Maunds | Tonnes |
| Goa Island | 130,423 | 4,867.4 | 72,102 | 2,690.8 |
| Salsete | 89,897 | 3,355 | 18,283 | 682.3 |
| Bardez | 147,849 | 5,517.7 | 7,115 | 265.5 |
| Pernem | 28,647 | 1,069 | NIL | - |
| Goa (Total) | 396,816 | 14,809.2 | 9,750 | 363.9 |

Note:- Quantities are converted into tonnes

Source:- "Relatorio Geral da Gerencia do Commissariado do Sal e Abkari," 1882, Nova Goa, Imprensa Nacional, 1882, p.3.

During the first three years of the Treaty, the proprietors of 289 saltpans in Goa signed contracts with British agents to cultivate these saltpans on their own account. Out of this, the maximum number of saltpans under the above category belonged to Salsete. Salsete had 134 saltpans of this category. Bardez, Goa Island and Pernem had 70, 67 and 18 saltpans, respectively. During the same period of the first three years, 162 proprietors signed contracts with the British agents and, accordingly, were awarded compensation by the Mixed Commission. Out of this, maximum number of saltpans (88) which got compensation from the Mixed Commission, were from Goa Island followed by Salsete (70). Bardez and Pernem had two saltpans, the proprietors of which got compensation from the Mixed Commission. There were five saltpans in Goa (4 in Goa Island and 1 in Pernem), the proprietors of which neither signed contracts with the British agents to cultivate the same on their own account nor were compensated by the Mixed Commission, since they had remained uncultivated for more than 10 years. During this period, there were 43 saltpans in Goa, in the case of which ownership of the saltpans was lying with two or more proprietors. Maxi-

imum number of such saltpans was in Salsete with 30 saltpans of this category, followed by Goa Island (11). Bardez and Pernem had 1 each.

It was observed that some proprietors of these saltpans signed contracts with the British agents and others did not.⁹⁰

During the initial period of the implementation of the Treaty one notices a sizeable percentage of the saltpans in Goa remaining uncultivated.

The Table 4.08 indicates that between the first and second year of the Treaty, there has been increase in the number of salt-pans cultivated entirely, in all the salt-producing Concelhos of Goa. As the British salt monopoly, brought about by the Treaty of 1878, came as a blow to the salt industry of Portuguese India, a large number of saltpans remained uncultivated during the first year of the Treaty. Their number in different Concelhos was as follows: Goa Island 112; Salsete 95; Bardez 11; and Pernem 5. The number of saltpans cultivated entirely, during the first year in these Concelhos was 49, 117, 61 and 16, respectively. During the second year, when the saltpan owners adjusted themselves to the new situation, the number of the uncultivated saltpans decreased to 84, 67, 8 and 3, and that of the saltpans cultivated in their entirety, increased to 84, 160, 65 and 19, respectively. Between the first and second year, the number of saltpans cultivated partially, decreased in Goa Island and Salsete, and in Bardez and Salsete no saltpan was brought under partial cultivation.⁹¹

On the basis of the above figures, we can arrive at the total number of saltpans under different categories pertaining to the territory of Goa. The Table No. 4.09 shows the total number of saltpans which were cultivated entirely in Goa along with the number of saltpans which were cultivated partially and which remained uncultivated during the first and second year of the Treaty.

As regards the number of saltpans in different categories, we notice that for the entire territory of Goa, the number of saltpans cultivated entirely was 243 in the first year of the Treaty. The number of saltpans which remained uncultivated was 223, and 33 saltpans were found cultivated partially during this year. During the second year of the Treaty, these figures were 328; 162 and 9, respectively. It is clear from the above, that during the first year of the Treaty 44.6% of the saltpans remained unculti-

vated and 48.6% of the total number of saltpans were cultivated entirely. The percentage of the saltpans cultivated partially was 6.6% of the total number of saltpans in Goa.

During the second year, the above percentages were as follows: Saltpans which were cultivated entirely: 65.7%; saltpans which remained uncultivated: 32.4% and saltpans which were cultivated partially: 1.8%.⁹²

TABLE 4.08
NUMBER OF SALTPANS IN DIFFERENT CATEGORIES IN FOUR
CONCELHOS OF GOA (FIRST AND SECOND YEAR OF THE TREATY)

| Concelho | No. of saltpans cultivated entirely | No. of saltpans cultivated partially | No. of saltpans without being cultivated |
|------------------------------|-------------------------------------|--------------------------------------|--|
| GOA ISLAND | | | |
| 1. First year of the Treaty | 49 | 9 | 112 |
| 2. Second year of the Treaty | 84 | 2 | 84 |
| SALSETE | | | |
| 1. First year of the Treaty | 117 | 22 | 95 |
| 2. Second year of the Treaty | 160 | 7 | 67 |
| BARDEZ | | | |
| 1. First year of the Treaty | 61 | 1 | 11 |
| 2. Second year of the Treaty | 65 | 0 | 8 |
| PERNEM | | | |
| 1. First year of the Treaty | 16 | 1 | 5 |
| 2. Second year of the Treaty | 19 | 0 | 3 |

Source:- Relatorio Geral da Gerencia do Sal e Abkari, 1882, p.3

TABLE 4.09
TOTAL NUMBER OF SALTPANS UNDER DIFFERENT CATEGORIES IN GOA
(FIRST AND SECOND YEAR OF THE TREATY)

| Saltpans | First Year of the Treaty | Second Year of the Treaty |
|-----------------------------|--------------------------|---------------------------|
| 1. Cultivated entirely | 243 | 328 |
| 2. Cultivated partially | 33 | 9 |
| 3. Without being cultivated | 223 | 162 |
| 4. Total | 499 | 499 |

Source:- Relatorio Geral da Gerencia do Sal e Abkari, 1882, p.3

The above analysis explains us that the percentage of the saltpans which remained uncultivated decreased by 16% and that of the saltpans which were cultivated entirely registered an increase of 17% between the first and second year. The percentage of the saltpans cultivated partially decreased by 4.8%.

4.6.4 COMPENSATION RECEIVED BY THE SALTPAN OWNERS OF PORTUGUESE INDIA FROM THE BRITISH INDIA GOVERNMENT

In accordance with the provisions contained in the article 12 of the Treaty, the British Government paid compensation to the proprietors of salt works which had been let in farm to the British agents or suppressed by the Portuguese India Government on the recommendation of the British agents. The salt works owners in Portuguese India received from the British India Government an annual compensation of Rs. 135,518. The Table 4.10 gives the break-up of the compensation paid by the said Government to the saltworks owners in different salt-producing areas of Portuguese India. The Goan salt-pan owners got Rs.92,197 as an annual compensation from the British India Government, while Daman and Diu received Rs. 38,864 and Rs. 4,456, respectively. The maximum compensation was received by the owners of the saltpans in Salsete followed by those in Daman. However, the compensation did not mitigate fully the losses of the salt-pan owners whose salt-works were suppressed by the British government. Moreover, the compensation was paid only for saltpans which were in operation. There were many saltpans owners who had saltpans which were not in operation but the owners had started preparatory work on these saltpans and had incurred expenditure so as to undertake production of the commodity. Such saltpans were not paid compensation even though the owners incurred losses as they could not undertake production of salt as a result of the provisions of the Treaty, relating to salt manufacture. Thus, the provisions related to compensation to be paid to the saltpan owners were unjust and discriminatory. That the Britishers were not sincere in their policy as regards the payment of compensation, was proved by one more fact. The British India government did not pay compensation to the saltpan owners for the year 1892, the year when the Treaty came to an end. Even though the owners were eligible to receive the compensation as per the provisions of the Treaty, they were not paid the

same and, as a result, had to make organised efforts in the form of public meetings and other means to persue their genuine case.⁹³

TABLE 4.10
COMPENSATION RECEIVED BY THE SALT-PAN OWNERS FROM THE
BRITISH INDIA GOVERNMENT UNDER THE TREATY OF 1878
(in Rupees)

| Concelho/District | Total compensation received |
|---|-----------------------------|
| 1. Salt-pan owners of Salsete | 59,361 |
| 2. Salt-pan owners of Goa Island | 28,105 |
| 3. Salt-pan owners of Bardez and Pernem | 4,731 |
| 4. Salt-pan owners of Daman | 38,864 |
| 5. Salt-pan owners of Diu | 4,456 |
| Total | 135,518 |

Source:- Amancio Gracias, 'O Caminho de Ferro e Porto de Mormugao', Bastora, Tipografia Rangel, 1940, p.80

4.6.5 TOTAL SALT RECEIVED BY THE BRITISH AGENTS DURING THE FIRST 2 YEARS

The state of the salt industry in Goa can also be gauged on the basis of the total salt received by the British agents from the proprietors of the saltworks in Goa. The figures given below pertain to the first two years after the implementation of the Treaty.

As per the provision in the Treaty of 1878, as regards the monopoly of salt manufacture and sale exercised by the British India Government, the proprietors of saltpans in Goa who had signed contracts with the British agents to produce salt on their own account had an obligation to hand over to the British agents the quantity of salt produced by them. During the first year of the Treaty, the British agents received from the proprietors 8,425.5 tonnes of salt. The British agents paid Rs. 78,046 as the value of the salt they received from the salt-pan proprietors. The share of Goa Island in the quantity of salt received by the British agents was 3,868.5 tonnes which was 46% of the total salt received by the British agents.⁹⁴

In the second year of the Treaty, the British agents received 6,905.2 tonnes of salt against the payment of Rs. 59,481 by the British Asst. Collector. It meant that

between the first and second year of the Treaty, the British agents received 1,520.3 tonnes less salt from the proprietors. It is observed that even though the production of salt between these 2 years increased in Bardez, salt received by the British agents in this Concelho decreased from 1,404.5 tonnes to 344.8 tonnes. There was also a fall in the salt handed over to the British agents in Salsete from 3,094 tonnes to 2,239.7 tonnes. But this fall was understandable since salt production itself had decreased in this Concelho during this period.⁹⁵

The state of the salt industry in Goa, during the tenure of the Treaty, can be understood better, if we know the total quantity of salt sold in Goa and the different channels in which this salt was used. The data pertaining to the total quantity of salt sold in Goa by the proprietors of the saltpans and the British agents, in the second year of the Treaty, and its break-up, given below, into different quantities as per its uses, can give us an idea about the shares of exports and internal consumption in the quantity of salt sold in Goa. The proprietors sold 6,513.7 tonnes of salt during this year. The salt sold by the British agents was more than 1,723.3 tonnes. Total salt sold in Goa was, thus, 8,237 tonnes during the second year of the Treaty.⁹⁶ This quantity was used in the following manner:-

TABLE 4.11
TOTAL SALT SOLD BY THE BRITISH AGENTS FOR EXPORTS AND
INTERNAL CONSUMPTION

| Purpose for which sold | Quantity | |
|-------------------------|----------|---------|
| | Maunds | Tonnes |
| 1. Export by Sea | 109,876 | 4,100.6 |
| 2. Export by land | 105,838 | 3,949.9 |
| 3. Internal Consumption | 5,002 | 186.67 |

Note:- Quantities are converted into tonnes

Source:- Relatorio Geral da Gerencia do Commissariado do Sal e Abkari, 1882, p.3

The total export of salt was, thus, 8,050.5 tonnes. Goan salt was exported to Vengurla, Malvan, North Kanara, South Kanara, Belgaum, Sawantwadi, Ratnagiri and other nearby and remote places. 186.67 tonnes of salt which was sold for internal

consumption was supplied to the private people and to shopkeepers under licences granted by the British Agents.⁹⁷

Besides the above quantity of salt sold by the proprietors and the British agents, salt amounting to 1,047.8 tonnes was sold in Goa by the British agents for the purpose of fish-curing. The rate charged by the British agents was 6 annas per maund. The total quantity of fish which was salted with the help of the above salt was 2,995 tonnes in Goa. Bardez registered maximum sale of salt for fish curing, which amounted to 475.2 tonnes. This quantity was 45% of the total salt sold in Goa for the purpose of fish-curing.

The British agents sold in Goa during the same period 24.8 tonnes of salt for being used as a manure in rice farms and fruit gardens. The rate charged by the British agents for the salt to be used as manure was 2.5 annas per maund.⁹⁸

4.6.6 PUBLIC DISTRIBUTION OF SALT DURING THE TENURE OF THE TREATY OF 1878

The British salt monopoly in Portuguese India created in this territory an elaborate and well planned system of public distribution of salt, aiming at supplying salt to the people for their personal consumption. This system was unique in the Portuguese Indian territory throughout the period of the 19th Century. It worked through 'Estancos' (Public distribution centres acting, also, as warehouses) which were set up by the Portuguese India Government in different parts of the territory. The 'Estancos' were constructed by the Public Works Department of Portuguese India. They were selling salt to the citizens for their domestic consumption.⁹⁹ After the construction of the 'Estanco' by the Public Works Department or after availing premises for the 'Estanco', the public distribution work in respect of salt for domestic consumption was leased to the highest bidder participating in the auction for the same. The Village Chief (Regedor) had powers to put at the disposal of the lease-holder of the 'Estanco', a part of the salt produced by the salt-owners, which was destined for this purpose. The British agents had to verify this quantity before handing it over to the leaseholder of the 'Estanco'.¹⁰⁰

As per the article XII of the Treaty, the Portuguese India Government established a net-work of 'Estancos' in many parts of the territory for the distribution of salt for domestic consumption. The Table 4.12 shows the names of the places in each Concelho where 'Estancos' were set up by the Government. In all 18 estancos were established in 1880. Besides this, one depot was set up at Angediva Island. In the third year of the Treaty two more 'Estancos' were started by the Government, one at Betim(Bardez) and the other at Arambol(Pernem).¹⁰¹

The public distribution of salt through 'Estancos' was nothing but a system of rationing of salt by fixing an annual quota of salt per individual for his or her domestic consumption. In accordance with what was stipulated in the Treaty, each person's quota was 7 seers, i.e. 14 lbs. per annum. The 'Estancos' were supplying this quantity in four quarterly instalments. Each individual was being supplied one seer for the first quarterly and two seers for each of the the next quarterlies. The remaining salt was received by the people in the remaining quarterlies.¹⁰² The price charged by the 'Estancos' per seer of salt was 30 old reis or 8 reis of Convention. From the third year of the Treaty, the 'estancos' started selling salt at the rate of 15 old reis or 4 reis of Convention per seer. This amounted to 50% reduction in the rate of salt charged by the 'estancos' in the past.¹⁰³

The Portuguese India government, even under the British monopoly of salt manufacture and sale in Portuguese India, was careful in ensuring that the people of the territory get good quality salt from the 'estancos'. Whenever low quality salt was being supplied to the people by the 'estancos', the Commissariat of Salt and Abkari was giving instructions to the British Collector through the Administrator of the respective Concelho to withdraw such salt from the 'estancos' and replace it by good quality salt. The lease-holders of the 'estancos' were also instructed to stop selling such salt to the people.¹⁰⁴

As per the administrative system followed strictly by the Portuguese India Government, the leaseholder of the 'estanco' was required to collect from the British agents the salt meant for being distributed through the 'estancos'. The employees of the Commissariat of Salt and Abkari were empowered to approve the quality of salt in

the possession of the British agents, before the leaseholders collected the same for distributing it through the 'estancos'.¹⁰⁵

Besides 'estancos', Goa had retail shops to sell salt on retail basis, under the licensing system operated by the British India government through its agents in Goa. Total number of such shops were 89. Goa Island, Bardez and Salsete had 26,17 and 28 shops, respectively, while Pernem, Sanquelim and Ponda had 1,7 and 10, respectively.¹⁰⁶

TABLE 4.12
PLACES WHEERE 'ESTANCOS' WERE SET UP FOR THE DISTRIBUTION OF
SALT FOR DOMESTIC CONSUMPTION IN GOA

| Concelhos/Areas | Places |
|-----------------|--|
| Goa Island | 1.Nova Goa (Panaji) 2.Old Goa 3.Goa Velha |
| Bardez | 1.Mapusa 2.Calangute 3.Tivim 4.Aldona 5.Betim |
| Salsete | 1.Margao 2.Chinchinim 3.S.Tome 4.Cortalim 5.Curtorim |
| Pernem | 1.Naibaga 2.Arambol |
| Sanquelim | Bicholim |
| Ponda | Khandepar |
| Sanguem | Sanguem |
| Quepem | Quepem |
| Canacona | Talpona |
| Angediva Island | Depot at Angediva |

Source:- O Relatorio Geral da Gerencia do Commissariado do Sal e Abkari, 1882, pp.4, 5

The Government of Portuguese India created an administrative set up to supervise and superintend the operation of salt tax and Abkari in Goa and cooperate with the British agents in the execution of the relevant provisions in the article XII of the Treaty. In pursuance with the provisions of the article XII and XVIII of the Treaty and the agreement dated 15-1-1880 signed by the Portuguese and British Commissioners, a 'Forca Policial' for salt and Abkari was formed with the total staff of 468. It consisted of one Commissariat, seven fiscal chiefs and a large number of Jamadars and sipoys. During the second year of the Treaty there were 101 Jamadars and 357 sipoys. Total salaries paid to the entire staff of this body was Rs.57,878.¹⁰⁷

Under severe restrictions and controls on the salt industry, making salt a scarce and costly commodity, during the tenure of the Treaty, it was but natural that the people will indulge in smuggling of salt from the place where it was deposited and guarded under the close eyes of the British agents. But the Treaty had envisaged appropriate measures to tackle this problem and the Portuguese India Government had made elaborate arrangements for preventing the contraband trade in salt. All the provisions of the laws and rules pertaining to salt were severely implemented by the Portuguese Government. The Commissariat of Salt and Abkari had laid down a procedure to act in this matter. Whenever contraband salt was apprehended, the Administrators of Concelhos were required to take action in such cases. Smuggling of salt was put down by the government with heavy hand. The Customs guards were always on their toes to curb smuggling which, even with severe measures, had not stopped.¹⁰⁸ There were many instances in which smuggled salt was intercepted and apprehended by the Customs guards. During the second year of the Treaty, there were 48 registered cases of smuggling of salt in both Old and New Conquests. It was noticed that the smuggling of salt to the southern part of India was going on without any abatement.¹⁰⁹ That the contraband of salt was a serious problem is indicated by the request made by the British Commissioner to the Portuguese authorities to allow him to establish posts at places overlooking roads and rivers, so as to supervise the movement of salt in different areas.¹¹⁰

4.7 Total number of salt producers during the initial period of the Treaty

The Census of 1881 throws light on the total number of the salt producers in Goa during the initial period of the Treaty and the break-up of this population among different Concelhos and salt-producing villages. The total number of the salt producers as per this Census was 1131. Four salt-producing Concelhos of Goa reported the following number of salt producers: Goa Island 307; Salsete 115; Bardez 426; Pernem 94 and Sanquelim, a non-salt producing Concelho, 189. In Goa Island the following villages were reported as salt-producing villages: Batim, Goa Velha, Mercedes, S.Braz, Santa Cruz and S. Lourenco, with 47; 27; 10; 1; 8 and 14 salt-producers in each of them, respectively. The salt-producing villages in Salsete, as reported by the Census of 1881, were Assolna, Chinchinim and Navelim, with 24; 75 and 16 salt-producers in each of them, respectively. The Concelho of Bardez had the following salt producing Villages: Calangute, Candolim, Nagoa, Nerul, Oxel, Parra, Pilerne and Siolim. The number of salt producers in these villages was 13; 4; 109; 231; 3; 2; 60 and 4, respectively. Arambol, Agarwaddo, Corgao, Mandrem and Kerim, villages pertaining to Pernem, the northern-most salt producing Concelho of Goa, had 24; 32; 14; 1 and 23 salt producers, respectively.

According to the Census of 1881, the total population of Portuguese India was 475,172 and that of Goa was 413,698. Taking into account the total number of salt producers in Goa which was 1,131, one can conclude that the percentage of salt producers to the total population of Goa was abysmally low - just 0.27%. The percentage of salt producers to the total number of workers in Goa Island, Salsete, Bardez and Pernem, taken together, amounting to 85,813, was 1.3%.¹¹¹ Since, the number of workers in Goa Island, Salsete, Bardez and Pernem was 13,341; 36,448; 34,970 and 1,054, respectively, the percentage of salt producers to the total number of workers in each of these Concelhos was 2.3; 0.3; 1.2 and 8.9, respectively.¹¹²

4.8 POSITIVE IMPACT OF THE TREATY OF 1878

The Treaty of 1878 brought about in its wake many advantages to the economy of Portuguese India. One of the greatest contributions of the Treaty was that it removed Portuguese India from its isolation. As was expected by the Portuguese

authorities who were negotiating the Treaty with the British Government, the Treaty contributed to the end of the isolation of Goa since it led to a free flow of goods across the borders on account of the removal of the custom barriers between the two territories. It also translated into reality, the long cherished dream of the Goan people to establish a railway link with the British Indian territory. With the establishment of the Customs Union and the removal of the Customs barriers in the form of customs duties on the commodities moving between the two Indias, the people of Goa could get essential commodities like rice, cloth, oils and other food items, tobacco etc. with greater ease and at cheaper prices. The consumers belonging to poor and middle classes were immensely benefitted because of the fall in the prices of the consumer goods.¹¹³ The traditional export goods of Portuguese India, namely coconuts, betelnuts and fruits could flow to British India without any restrictions and, thus, they could secure wider markets in British India.¹¹⁴

The air of optimism that was blowing in Goa during the early years of the implementation of the Treaty of 1878 finds place in the report of the Governor General of Portuguese India, dated 21-3-1881, dispatched to the 'Junta Geral da Provincia'. The Governor General Caetano Alexandre de Almeida remarked in this report that the new order of things brought about by the Treaty had been advantageous to the population in general and more especially to the poorer classes. On account of the total abolition of the Customs duties, and the full liberty of transit, the prices of the principal articles of food had decreased, to the extent of 25% in case of some and 30% in case of others. The prices of tobacco had gone down to 50% of what they were before.¹¹⁵ The Governor General attributes these changes to the abolition of the customs duties and the full liberty of transit, without any delays or fiscal vexations of any kind, which the commerce of Goa was enjoying under the Treaty. Although the price of salt increased, it was compensated by the fall in the prices of other essential commodities consumed by the people. The Treaty, as per this report, had brought prosperity to the commerce in Portuguese India since both imports and exports had increased considerably.¹¹⁶ This note of optimism, however, did not continue for long, as the Treaty brought in its wake certain serious disadvantages to the economy of Portu-

guese India. In spite of its darker side which became more and more visible as years rolled by, during the tenure of the Treaty, one cannot deny the fact that the Treaty had many bright spots for the economy of Portuguese India. It brought improvements in the economic life of the people in many respects.

The Treaty contributed to a major restructuring of the financial and fiscal administration of Portuguese India. The rationalisation of the fiscal administration was brought about by the Government. The Government adopted measures to achieve more efficient revenue collection and, accordingly, established branch offices of the Revenue Department in the outlying provinces of Goa.¹¹⁷

The Treaty paved the way for the signing of a monetary convention by the two Governments, which took place on the 18th March, 1880. A uniform system of currency, weights and measures was introduced in order to facilitate free movement of goods between the two territories as provided by the Treaty. This was the pressing need of the time, as most of the trade relations of Portuguese India were with the British Indian territory and it was inconvenient for Portuguese India to maintain a different system of currency, weights and measures. With the Monetary Convention, the existing Portuguese Indian coinage came to an end and new silver and copper coins equivalent to those in British India were introduced in Portuguese India. The new Portuguese Indian Rupee had greater intrinsic value than the old one.¹¹⁸

The most positive contribution of the Treaty, a contribution that has left an indelible mark on the economy of Portuguese India, has been the Railway line linking Goa to British India's railway network. The Treaty provided for the construction of the Railway link between the Mormugao port and the hinterland of British India, and also for the development of the Mormugao port to attract more trade from the rest of the world. Taking into account the staunch opposition of the British Government to the proposal of the railway line linking Goa to the British Indian railway network, made by the Portuguese Government in the initial stage of its efforts for the same, the agreement between Portugal and Great Britain as regards the said railway link was a turning point in the life of Portuguese India. No doubt, the change in the policy of British India as regards this proposal was the outcome of its realisation that the rail-

way project and the development of the Mormugao port could transform Goa into an outlet for the British Indian products and, thus, serve the economic interests of British India.¹¹⁹ But, one cannot deny the fact that with the establishment of the railway line passing through territory of Goa and linking Goa with the frontier of British India, far reaching changes were experienced in the communication network of Goa. The importance of the land routes through Ghat passes decreased. The difficulties and inconveniences suffered by the people of Goa and the people across the border of this territory during the Monsoon season ended forever. The movement of goods between the two Indias increased as there was now regular and secure means of transport between the two territories. The new mode of transport was faster than the transport of goods by bullocks or other pack animals. As a result of the railway link from Mormugao port to the frontier of British India, the most beneficial and permanent effect that accrued to the economy of Goa was that Goa was freed from the isolation that had hampered its internal and external trade for years together. Hitherto inaccessible areas in British India became accessible to Goa. The railways opened up the interior regions of British India to the economy of Goa which helped the Portuguese territory in getting an outlet for its export products and in availing with greater ease, in all the seasons, consumer goods and other goods from British India.

The construction of the railways and the development of the Mormugao port benefitted the economy of Goa also in the field of employment generation. Jobs in the railways and in the Mormugao port created employment opportunities for the people of Goa and reduced, to some extent, the unemployment problem that was assuming serious proportions owing to the stagnation of the Goan economy.¹²⁰

4.8.1 CHANGES IN THE CUSTOM DUTIES STRUCTURE BROUGHT ABOUT BY THE TREATY AND ITS IMPACT

The Treaty of 1878 brought about drastic changes in the Custom Tariffs list of Portuguese India. At the time of the signing of the Treaty, the Custom Tariffs list that was in force, was the one decreed on 12-11-1869, whereby 169 articles were subject to specific import duties. Those import goods which were not specified in the import duties list were levied import duty at the rate of 6% ad valorem. Under export duties

list, 12 articles were taxed and others were exempted from the payment of these duties. By the Decreto of 9-9-1880, all goods including even those which had been declared exempted from import and export duties, were levied the duty of 3% ad valorem.¹²¹

After the signing of the Treaty, the Custom tariffs list was made more liberal. As regards imports, 62 commodities were listed for specific duties, while in case of export commodities only 3 articles were levied specific duties. Arms, ammunition and alcoholic drinks were subjected to higher import duties. Rice, wheat, pulses and livestock were exempted from the payment of import duties. However, rice exports were made subject to custom duties.¹²²

The Custom Tariffs list, introduced on 24-4-1882 and formulated in accordance with the Indian Tariff Act of 1882, was more liberal. Only arms and ammunition, salt, opium and alcoholic drinks were levied import duties and all other goods were exempted from the payment of such duties. As regards export duties, only rice had to pay the export duty. Thus, during the tenure of the Treaty of 1878 there was custom duty-free movement of almost all goods between two Indias. Although the Treaty brought about uniformity in the Custom tariffs structures of both the territories, this arrangement was more favourable to the British government than to the Portuguese government as the uniform custom tariffs list was an exact copy of the British tariffs list and the British government was empowered to modify the tariffs as and when found necessary.¹²³

One of the conspicuous effects of the Treaty of 1878 was the fall in the Custom duties revenue of Portuguese India. The unification of the Custom tariffs system of Portuguese India with that of British India, brought about this decline in the Customs receipts.¹²⁴

The customs receipts during the first three years after the implementation of the Treaty were as follows:- 1st Year : 28,155,061 reis; Second Year : 29,717,960 reis; Third Year: 38,902,746 reis. The Custom duties revenue during the tenure of the Treaty was less, but this loss was compensated by the increase in the receipts of other indirect taxes, maximum increase being experienced by the Abkari duty. Before the

implementation of the Treaty, the tax revenue from the production and sale of liquor in Goa was Rs. 65,714.¹²⁵ The introduction of the Abkari system, subsequent to the implementation of the Treaty, brought in, in Goa Abkari receipts of Rs. 176,337 in the first year of the Treaty. This figure increased to Rs. 225,452 in the second year of the Treaty.¹²⁶

4.8.2 EFFECTS OF THE TREATY AND THE RAILWAY PROJECT MORE FAVOURABLE TO BRITISH INDIA

As mentioned above, the Treaty of 1878 brought about far reaching and favourable changes in the economy of Goa, Daman and Diu, in respect of certain economic areas which required long awaited improvements for the economic survival of this tiny territory. It should, however, be stressed here that the Anglo-Portuguese Treaty did not remove the territory from its economic decadence. Although the Portuguese Government was entertaining great hopes about the impact of the Treaty of 1878 on the Portuguese Indian economy, the economy of this tiny territory remained decadent even towards the close of 1880s. A report for the year 1887 dispatched by the Governor General of Portuguese India to Portugal gives us a vivid picture of the economic position of Goa, Daman and Diu during that period. The report says, "Agriculture has continued to be decadent. It is not using modern techniques of production. Agricultural lands are mostly owned by the Comunidades and are in the same state as found by Afonso de Albuquerque in 1510. The commerce has been reduced to the immediate necessities of consumption. Industries are almost non-existent. The handicraft products produced in Goa are rudimentary in nature. The territory suffers from lack of capital and the artisans do not have adequate professional training".¹²⁷ This situation was the outcome of not only the disabilities like the British salt monopoly and the Abkari system, heaped by the concerned provisions in the Treaty on the economy of the Portuguese possessions, but also of certain so called advantages which were brought about by the Treaty. Most of these advantages were more favourable to British India than to the Portuguese settlements in India. Moreover, these so called advantages affected, in the long run, the interests of Portuguese India.

As mentioned before, the Treaty, leading to the removal of the Customs barriers, resulted into free movement of goods between the two territories and the people of Portuguese India could avail of the essential commodities at lower prices. Although this benefitted the consumers, particularly the poor sections of the society, the position of the rice-producing farmers in Goa became precarious as the prices of rice kept a downward trend in the market, in conformity with the prices of the imported rice. As the markets of Portuguese India were flooded with large quantities of rice imported from British India, the production of rice in Goa became an unprofitable enterprise. The cultivation of paddy was adversely affected in Goa.¹²⁸

As we have seen before, one of the great advantages of the Treaty was that it laid down the basis for the exploration of the Mormugao Harbour and the construction of a railway line linking the Mormugao port to the frontier of the British Indian territory. However, the contract which was signed in Lisbon between the Portuguese Government and the West of India Portuguese Guaranteed Railway Co. Ltd on 18-04-1881, granting to the latter a concession for a period of 99 years to undertake the work of the construction and maintenance of the railway line in Goa and the work of the development and maintenance of the Mormugao Port, was more favourable to the British Indian interests than to Portuguese India.¹²⁹ The Stafford House Committee which was set up to study the proposal for the construction of the railway line in Goa and the development of the Mormugao Port, demanded from the Portuguese Government a guarantee for the payment of interest on the capital which would be invested. The estimated cost of the entire project was 1,300,000 sterling pounds. By the clause 21 of the contract, the Portuguese Government undertook to pay to the said Company the amount necessary to create a dividend of 5% on the capital of 800,000 sterling pounds and of 6% on the additional capital of 550,000 sterling pounds. Thus, the Portuguese Government was bound to pay 73,000 sterling pounds (Rs. 1,095,000) as interest amount on the total capital invested by the West of India Portuguese Guaranteed Railway for the construction of the Railway line in Goa and the development of the Mormugao Port.¹³⁰ In addition to the above guarantee of the profit, the annual salt compensation of Rs.4 lakh which the British Government undertook to pay to the

Portuguese Government under the Treaty, was held by the British Government as a collateral money to guarantee the Railway project agreement.¹³¹

This guarantee of 5% interest on the initial share capital and 6% interest on the additional share capital, which the Portuguese Government was bound to give under the contract, was, in fact, a costly affair for the Portuguese Government, if one considers the rates of interest prevailing during those days. The conditions in the contract thus prove the fact that the British Government tried its best to serve its own interests at the cost of the Portuguese India Government. How the British Government succeeded in taking utmost advantage of the weaker position of the Portuguese India Government is amply proved by the fact that the additional capital of 550,000 sterling pounds was never subscribed, but was raised in London on the hypothecation and guarantee of the Railway line in Goa at the interest rate of 4%. Since the interest guaranteed by the Portuguese Government on the additional capital was 6%, it meant that the Company pocketed 2%, i.e., Rs. 165,000 at the cost of Portuguese India.¹³²

The construction of the Railway line in Goa and the development of the Mormugao Port benefitted the British Indian economy more than the economy of Portuguese India. This was because Goa became an outlet for the British Indian products. The products of British India could have now an easy and faster exit through the Mormugao Port.¹³³ In fact, one of the motives of the British India Government to undertake this project, which was spelt out by the British delegate at the negotiations table for the Treaty, was to consolidate its salt monopoly in Portuguese India. The British Government used the Port development and the Railway construction project as a tool to serve its own interests. The British delegate was very vocal about the benefit which this project would have accrued to the British salt monopoly. He said that the project would greatly enhance the value of the British salt policy in Goa, because it would carry salt safely, speedily and cheaply in all seasons over the Ghats into the interior.¹³⁴ In the absence of the Railways, salt and other commodities could be conveyed by land route on the pack of bullocks only during six months of the year.

The construction of the Railway and the development of the Mormugao Port in Goa did not confer on Goa any significant immediate benefits. The Portuguese

Government expected that the project would contribute to the development of trade and commerce in Goa and bring back the lost glory of Portuguese India.¹³⁵ The Portuguese Government was also entertaining the hopes that the Port and Railway project would lead to the building up of a city in Mormugao which could compete with the flourishing city of Bombay. However, although the project removed Goa from its isolation, the economy of Portuguese India did not gain much from the Railway and Mormugao Port project. The expectations regarding the building up of an industrial city never materialised even after the dawn of the 20th century. The Mormugao Port did not rise above its status of a transit port for the port of Bombay. And, as a result, the Portuguese Indian territory remained in the same stagnated and decadent position even during the 20th century. One of the indicators of the failure of the Mormugao Port and the Railways in promoting trade and commerce in Goa is the amount of the net earnings of the Railway line during the period from 1888 to 1900. They were less than the required minimum annual net revenue of Rs. 1,224,000.¹³⁶ From 12-5-1881 to 1902, the Portuguese Government paid to the company 1,238,265 sterling pounds (Rs. 18,573,975) and the compensation paid by the Portuguese Government to the property owners, for their lands which were taken over by the Government, was Rs. 834,533.¹³⁷ The construction of the Railways and the development project of the Mormugao port affected the economy of Portuguese India in one more sense. It contributed to substantial deficit in the budget of the territory for two reasons:- Firstly, the territory had to hypothecate the receipts of the Abkari tax to enable itself to pay the interest on capital raised by the Railway Company. Secondly, it had to surrender to the British Government as a collateral money to guarantee the railway project agreement, the annual salt compensation of Rs. 4 lakh which the British Government had undertaken to pay to the Portuguese Government,¹³⁸

Thus, the hopes entertained by the Portuguese authorities about the future of Portuguese India were virtually shattered. Joao Vilhena, in his report attached to the Tax Reforms of 1881, had hoped that “after the Railways of Mormugao are constructed, India (i.e. Portuguese India) will be, no doubt, the most flourishing territory among all Portuguese Colonies”.¹³⁹

The subsequent developments proved these optimistic predictions about the impact of the Railway project on Portuguese India, totally wrong.

4.9 THE TREATY OF 1878 - A LETHAL BLOW TO THE SAL INDUSTRY AND THE CONSUMERS OF SALT

As we have seen above, the Anglo- Portuguese Treaty paved the way for the free movement of goods across the borders between Portuguese India and British India through the creation of the common Customs Union and, thus, benefitted the people of Portuguese India, who, thanks to the abolition of the custom duties between the two territories, could avail of the essential commodities from British India at cheaper rates. However, the Treaty struck a lethal blow to two main industries of Portuguese India - one, the salt industry and the other, liquor industry. The free movement of goods between the two territories, which was made possible by the removal of customs barriers was not made applicable to salt, liquor, arms and ammunition and opium. The British government introduced certain provisions in the Treaty, which enabled that government to nip in bud the competition meted out by Portuguese India to its salt monopoly within the territory of British India and its liquor industry. The British Government succeeded also in inserting in the Treaty a provision to protect its opium trade from any possible competition from Portuguese India. During the 12 years period, the people of Portuguese India were severely affected by the provisions related to the British salt monopoly and the Abkari system, in the Treaty of 1878. Both these provisions worked against the interests of the people of Portuguese India as their main aim was to consolidate the British interests at the cost of the local salt and liquor industries. Although Great Britain had failed in its consistent and continuous efforts to annex Goa to British India, it succeeded, through these provisions, in making this territory an economic dependency of the British power in India. It enabled the Britishers to tighten their grip over the Portuguese territories and "these aroused forebodings about the future of the Estado."¹⁴⁰ It is pertinent to note here that while British India looked at the Treaty as a weapon to make Portuguese India subservient to its interests, Portuguese India looked at it as a means to revive its sagging economy.

The British government made every effort to exploit to its benefit the precarious situation the Portuguese Indian economy was finding itself in. Nowhere was this attempt more visible than in the implementation of the British salt monopoly in Portuguese India. As we have seen before, the monopoly in the manufacture and sale of salt exercised by the British Government, caused great damage to the salt industry of Goa, Daman and Diu. The British Government became the virtual owners of all salt-pans in Goa and the proprietors of the salt-pans who had to sign contracts with the British agents to cultivate the salt-pans on their own account, became the "leaseholders" of the British India Government. In fact, the clause 12 in the Treaty, granting the British India Government the exclusive right to produce and sell salt in Portuguese India which led to the handing over of all the salt-pans in this territory to the Bombay Presidency government, was a clear violation of the property right of the proprietors of the salt-pans. The Portuguese India Government which did not own a single saltpan in the territory armed itself with powers to surrender the entire salt industry to the British India government.¹⁴¹ By allowing a foreign nation to take over one of its principal industries and by surrendering the salt-pans to this foreign power, the Portuguese Government bargained its sovereignty in exchange for certain benefits which it could derive from the Treaty. The Treaty gave ample powers to the British India Government to suppress the operation of the salt works which, according to that Government, were found to be harmful to the interests of that country, were difficult to explore or unable to give sufficient profits. Decisions on the above subjects were to be taken by the British agents stationed on the Portuguese Indian soil. The Treaty provided these British agents ample powers to carry out searches with the objective of unearthing the smuggling of salt in the Portuguese Indian territory. As was provided in the clause 12 of the Treaty, the British agents could act as a government within the sovereign territory of Portuguese India. They could enter and inspect any place where salt was suspected to be stored, search people, animals etc, seize the smuggled salt, arrest the culprits if they were found indulging in smuggling of salt or involved in any other illegal act violating the laws or rules concerning salt. The British agents had

powers to prosecute the accused and punish the guilty, in pursuance with the British Indian law.¹⁴²

The entire period during which the Treaty was in force, witnessed conflict or disagreement of this or that kind, between the British India Government and the saltworks proprietors in Goa, and on every occasion, the British India Government tried to safeguard its own interests at the cost of the Goan salt industry. At the time of the renewal of the contracts between the British India Government and the saltworks owners in Goa, the clash of interests between the two parties was clearly visible. When in 1883, the British authorities convened a meeting of the saltpan owners in Panaji for the renewal of the contract, the saltpan owners proposed that the British agents should purchase from them whatever salt that remained unsold after 15 January of every year upto the quantity of 15 lakh maunds (55,980.1 tonnes). As this was not acceptable to the British authorities, the signing of the contracts was postponed, but, finally, the British government agreed to buy the entire salt as suggested by the saltpan owners, but on the condition that the British agents would buy two types of salt with different prices. The British agents handed over to the Portuguese India Government samples of these two types of salt, which were brought from British India. This proposal was rejected by the Goan saltpan owners on the ground that they were not in a position to produce salt by British Indian methods. Although the problem remained unsolved, the saltpan owners continued cultivating salt without being interfered with by the British agents and the Portuguese India Government.¹⁴³ However, after the publication of the conditions for the manufacture and sale of salt by the British Collector, the saltpan owners were compelled to sign the contracts for the remaining period of the Treaty. The conditions were onerous and vexatious. The salt producers were allowed to work on the salt farms for the manufacture of salt during stipulated hours only. The salt produced by the salt producers was to be deposited at those places marked by the British authorities. Such salt could be transported from the places of deposit after paying an excise duty of Rs. 2.5 per maund. The salt producers were bound to destroy the stocks of salt if they remained unsold for more than 2 years.¹⁴⁴

The salt monopoly exercised by the British India government made the life of the people, particularly, that of the people associated with the salt industry and salt trade miserable at different levels. Not only the provisions in the Treaty as regards the salt monopoly and abkari system were harmful to the interests of the people of Portuguese India, but the very implementation of these provisions and measures enforced by the administrative machinery of the British Government in the Portuguese Indian territory was unduly harsh and coercive. The Portuguese India Government abetted the British power in this vexatious enforcement of the concerned measures. The implementation of the salt monopoly by the British agents and the local government was accompanied by excesses on the people associated with salt manufacture and trade. The salt-works were under the control and supervision of Jamadars and Sepoys who, many a time, employed coercive methods while enforcing the laws and measures related to the salt monopoly. Their supervision of the places where salt was being produced, stored and distributed was so strict that the Treaty left behind nothing but bitterness and hatred towards the British salt monopoly.¹⁴⁵ That the implementation of the Treaty as regards the salt monopoly and, also, the Abkari system was harsh and coercive was proved by the sharp reaction of the people in different localities. There were cases of the beating of the law-enforcers in Merces-Santa Cruz area in the neighbourhood of salt-pans. In many areas, the salt manufacturers refused to deposit the salt produced by them at the places earmarked by the British agents. In spite of these occasional conflicts between the law-enforcers and the people who suffered on account of the harsh and coercive enforcement of measures, the Treaty will go down in the history of Portuguese India as that characterised by the most effective implementation of the measures concerning salt administration and administration of the Abkari system.¹⁴⁶

Under the salt monopoly exercised by the British Government, the people of Portuguese India had to suffer great hardships and inconveniences on account of the exorbitant rates charged by the British India government for the supply of salt. Since the Treaty provided that the British India government will be the sole authority to fix the prices of salt produced in Portuguese India, the free price mechanism in respect of

salt sold internally in Portuguese India and salt exported from the territory came to an end. As a monopoly supplier, the British India Government fixed different prices for different uses of salt. The salt made available for fish curing was charged 6 annas per maund, and for using it as a manure, the price was 2.5 annas per maund. The price of salt charged to the Government of Portuguese India for enabling it to distribute the salt through 'Estancos' for domestic consumption of the people, was 1 anna 8 pies per maund. As compared to the price structure that was in force before the implementation of the Treaty, these prices were exorbitant and beyond the capacity of the people of Portuguese India.¹⁴⁷

The British monopoly of the manufacture and sale of salt in Goa, Daman and Diu played havoc, not only with the producers of salt but also with the consumers of this essential commodity in Portuguese India. As we have seen before, the cost of salt was now beyond the capacity of the consumers of salt. The salt available for fish curing and manuring was also costly. These were, no doubt, hardships suffered by the people of Portuguese India. But greater hardships were heaped upon them when the consumption of salt per individual was regulated by the Portuguese government, in accordance with the provisions in the Treaty, to 14 pounds (6.35 kgs) per annum. This quantity of salt allowed by the British India Government and supplied by the Portuguese Government through 'Estancos' was totally inadequate for an individual for his or her personal consumption. This restrictive availability of salt for domestic consumption evoked loud protests from different quarters of the Goan society even before the signing of the Treaty. It was pointed out to the British Government that since the principal food of the people of Goa consisted of vegetables and fish, the average annual need of a person at the minimum level was 32 pounds of salt and, as such, the minimum of 14 pounds which was to be allowed by that government was a dismally low figure. But, despite repeated demands made by the people to increase the per individual quota of salt, the British Government did not budge an inch and continued with the same quantity as agreed upon in the Treaty. The people demanding higher quota of salt for Goa, referred to the Statistical Abstract relating to British India and pointed out that average consumption per person per annum was 18 lbs.¹⁴⁸

In 1891, Mr. Cristovao Pinto, a member of the Portuguese Parliament raised this issue of dismally low per capita availability of salt to the people of Portuguese India and pointed out that the average consumption of salt in the Bombay Presidency had been 28.9 lbs.¹⁴⁹

When the negotiations were going on for signing the Treaty, the British Government justified its policy of allotting the supply of 14 pounds of salt per head per annum to the people of Portuguese India, in its letter, dated 13-7-1877, to Mr. Nogueira Soares who was negotiating the Treaty on behalf of the Portuguese Government.¹⁵⁰ He agreed that the quantity received by the two French possessions - Pondichery and Mahe, was higher than that allotted for Portuguese India. While Portuguese India was allotted 14 lbs of salt per head per annum, Pondichery and Mahe were allotted 24.8 and 35.4 lbs of salt per head per annum, respectively. But the quota for the above two French possessions included the quantity of salt for all purposes, i.e., domestic use, fish curing and manuring. On the contrary, the quota for Portuguese India was meant for domestic purpose only. It was further pointed out by him that this quota for Portuguese India was sufficient since, in 1875-76, the consumption of salt per head per annum for all purposes had been 11.3 lbs. While the quota in Gujarat and the rest of Bombay Presidency had been 9.6 and 12.1 lbs, respectively, in Madras and Bengal it was 12.5 and 10 lbs per head per annum, respectively, in 1874-75.¹⁵¹ Thus, the complaint of the Portuguese India Government that the per capita supply of salt to its subjects was lower than the people's actual per capita consumption was not entertained by the British Government. Even the authorities in Lisbon felt that quota of 14 lbs was reasonable.¹⁵² However, per head consumption of salt in Madras Presidency was higher than that allowed in Portuguese India. In 1850-51, it was 13.5 lbs which increased to 16 and 1/8 lbs in 1861-62 and, then, to 19 lbs in 1866-67.¹⁵³

The insufficient quantity of salt available to the people for their personal consumption coupled with its higher price fixed by the British Government, made the life of the people, particularly poor people of Goa, Daman and Diu miserable. They were left with no alternative but to sacrifice, partly or wholly, the consumption of salt at the

cost of their health. Inadequate use of salt in food consumption led to diseases associated with the lack of salt in the human body. Moreover, less salt or absence of salt made the food consumed by the people tasteless.¹⁵⁴ The problem of lack of or inadequate supply of salt was so serious in Goa that in many parts contiguous to the sea coast, the people resorted to the extraction of salt from the silt of paddy fields inundated by sea water. Many people started extracting whatever salt they could get by using sea water.¹⁵⁵

Although the British Government agreed to supply 14 lbs. i.e. 7 seers of salt per capita per year to the Goan people, during the tenure of the Treaty of 1878, the average quantity of salt, actually received by the people of Goa for their domestic use, was much less than the quantity which was agreed upon. Goa's population enumerated as on 17-2-1881 was 420,868. Considering the agreed supply of 7 seers per capita per year, the Government of Portuguese India was entitled to receive during the first year of the Treaty 2,748.7 tonnes of salt from the British agents.¹⁵⁶ But, the Government 'Estancos' received from the British agents, in terms of no. 1 clause (i) of the article XII of the Treaty, 1,761.3 tonnes of salt. Thus, the Goan people got 987 tonnes less salt during the first year of the Treaty. During the second year, based upon the population of Goa, the Government 'estancos' should have received from the British agents 2,748.7 tonnes of salt, but, it actually received 2,230.1 tonnes of salt from the British agents. Thus, the Goan people received 518.6 tonnes less of salt during the second year of the Treaty.¹⁵⁷

In terms of salt sold at 'estancos' for domestic consumption, the actual average per head consumption of salt in Goa, during the second year of the Treaty, was 6 seers and 4.8 tolas which was less than the 7 seers or 14 pounds agreed upon in the article XII of the Treaty. The figure is derived by dividing the quantity of salt sold at 'estancos' which was 2,086.5 tonnes by the total number of the people (368,965) who approached 'estancos' for salt purchases.

Besides the salt sold to the people by the 'estancos', the people of Goa were receiving this essential commodity under the following arrangements: (1) Salt sold in retail, (2) salt sold by the British agents and salt pan owners to the people for its con-

sumption within the territory and (3) salt sold in retail by the shops set up under the licence granted by the British agents. During the second year of the Treaty, total quantity of salt effectively consumed in the territory, under all arrangements mentioned above, was 2,349.4 tonnes. Taking into account the population of Goa (417,917) as enumerated by the 'estancos' in the second year, per capita consumption of salt in Goa was found to be about 6 seers.¹⁵⁸ This figure was less than 7 seers or 14 pounds agreed upon in the Treaty of 1878. If the population of Goa (420,868) as enumerated on 17-2-1881 is taken into account, per capita consumption of salt was still less - 5 seers and 78 tolas. Although this figure of average per capita consumption of salt in Goa, as calculated above, may not denote correct average consumption of salt during the second year, firstly, because of the possibility of clandestine use of salt out of previous year's stocks not manifested to the British agents and, secondly, because of the possibility of a large number of poor people having foregone the use of salt, it tells us, in no uncertain terms, that average per capita availability of salt to the Goan people, on the part of the British agents, was less than 7 seers or 14 lbs which were agreed upon in the Treaty.¹⁵⁹ It was feared that the per capita availability of salt in the 3rd year would still be less, since on account of the decrease in the price of salt from 30 old reis (8 new reis) to 15 old reis (4 new reis) and the free distribution of salt to the poor people, more and more people would approach the 'estancos' to receive salt for domestic use.¹⁶⁰

4.9.1 IMPACT OF THE BRITISH SALT MONOPOLY ON COCONUT PLANTATIONS AND FISH CURING INDUSTRY

The British salt monopoly in Portuguese India adversely affected the coconut plantations in the territory of Goa. Salt was being used as a manure for coconut trees and, also, for other fruit bearing trees. It was also used as a manure in the agricultural farms. However, its use in coconut plantations was widespread. On account of its capacity to improve the fertility of the soil and, comparatively, cheap price in the market, demand for salt as manure was very large. With the introduction of the British salt monopoly and consequent fixation of the price of salt for the purpose of manure at a higher rate of 2 and 1/2 annas per maund, the availability of salt became be-

yond the reach of the proprietors of coconut groves. This led to the decrease in the use of salt as a manure in the coconut plantations and consequent fall in the production of coconuts.¹⁶¹

Another industry which fell victim to the British salt monopoly was the fish curing industry in Portuguese India. As a leading traditional industry in all the three districts of Portuguese India, the fishing industry was consuming large quantities of salt for salting the fish whenever there was surplus fish catch. Salting of fish earned supplementary means of livelihood for the fishermen as it made the product durable for long period. As the price charged by the British agents for the supply of salt for the purpose of fish curing was as high as 6 annas per maund, fish curing became uneconomical and unprofitable enterprise. This resulted into large quantities of surplus fish lying heaped on the beaches. The fishermen were left with only one alternative - to destroy the surplus fish catch and sacrifice their potential supplementary income.¹⁶²

4.10 CONTRIBUICAO PREDIAL AND SALTPANS

When the entire salt industry in Goa, was groaning under the weight of the British salt monopoly, the Portuguese India Government struck a powerful blow to the proprietors of salt-works in Goa, when the Government subjected the salt-works to the newly established property tax, named as Contribuicao Predial, which substituted the tithes(Dizimos).¹⁶³ The Taxation Reforms decreed on 1-9-1881 brought about substantial changes in the economic organisation and financial system of Portuguese India. In place of 'Dizimos' (tithes) which were abolished by the Government, a tax on net earnings of all rural and urban properties, named as Contribuicao Predial, was introduced.¹⁶⁴ The Portaria Provincial dated 26-5-1884 and, then, the Portaria dated 25-5-1888, while implementing the decision to introduce the Contribuicao Predial, made it also applicable to the saltpans cultivated by the saltpan owners under contracts which they signed with the British India Government.¹⁶⁵ This decision of the Government was unjust and exploitative as all the saltpans in Goa had been handed over to the British India Government under the article 12 of the Treaty and the salt produced by the owners on these saltpans was the monopoly product of the British Government. It was further argued by the saltpan owners that the Portuguese India Gov-

ernment had no reason to bring the saltpans under the tax net of the 'Contribuicao Predial' as the British Government had paid the compensation of Rs. 4 lakh to the Portuguese Government on the ground that the monopoly of salt had led to the abolition of all taxes related to salt.¹⁶⁶ It was pointed out by the saltpan owners that when the tithes(Dizimos) were being levied by the Government on the gross incomes from land, prior to the introduction of the 'Contribuicao Predial', the saltpans had been exempted from the payment of the Tithes on the ground that under the Treaty the saltpans had been surrendered to the British Government.¹⁶⁷ Despite the exemption of the saltpans from the Tithes which had continued for 8 years after the implementation of the Treaty, when the new tax in place of the Tithes was introduced, it was, thoughtlessly, made applicable to the saltpans.¹⁶⁸

The Government, however, made it clear that the Contribuicao Predial will be levied on the net incomes from saltpans, not during the tenure of the Treaty, but after the end of the Treaty.¹⁶⁹ In spite of this promise given by the Government, the saltpan owners were asked to pay the Contribuicao Predial, which was 10% of the net incomes from the saltpans, in 1888. The saltpan owners had no other way but to pay the tax, which they did under protest.¹⁷⁰ But, they decided to pursue their demand for the abolition of the imposition of the Contribuicao Predial on the saltpans during the tenure of the Treaty.¹⁷¹ With the imposition of the Contribuicao Predial on the saltpans, the salt produced in Goa was made subject to two taxes. One, the excise duty of the British Government and the other, Contribuicao Predial on the production of salt in the saltpans. As the rate of the excise duty was Rs. 2.5 on salt valued at 6 tangas, it amounted to a rate of more than 600% ad valorem. When the salt producers had to bear this heavy burden of the excise duty imposed by the British Government, the Portuguese India Government had come out with the Contribuicao Predial to make it applicable to the saltpans and, thus, add to the burden of the salt producers. By doing so, the local government put the salt produced in Portuguese India in an unfavourable condition as compared to the salt produced in British India, where it was paying only one tax - the excise duty. The Goan salt, thus, had to face difficult situation in already difficult times.¹⁷²

4.11 IMPACT OF THE TREATY ON SOCIAL LIFE IN PORTUGUESE

INDIA

The British salt monopoly and the British Abkari system caused great harm to the social life in Portuguese India. Both created tension in the public life. Since the above two systems were imposed upon Portuguese India albeit through the subtle medium of the Treaty and they were antagonistic to the interests of the people related to the salt industry and liquor industry, an atmosphere of social unrest was built up in Portuguese India, giving rise, many a time, to violent activities which disturbed the peaceful and quiet life of Goa and other Portuguese possessions. The British salt monopoly involving restrictions and controls on the production and sale of salt, suppression of many salt-pans by the British agents, harsh and vexatious enforcement of the provisions related to salt in the Treaty, strict regulation of the supply of salt to the people, leading to the inadequacy of salt for personal consumption and for productive purposes, rise in the price of salt after the implementation of the Treaty and unemployment created by the closure of many salt-works, contributed to social tensions in Portuguese India and forced many people to indulge in criminal activities.¹⁷³ The British Abkari system also promoted social unrest as many people who were thrown out of employment, joined the band of criminals. There were many cases of banditry, thefts and smuggling. In fact, one of the purposes of the salt monopoly system and the Abkari system forced by the British Government on Portuguese India was to wipe out the smuggling that was going on between the two territories, but the Treaty made the smuggling of salt and liquors a profitable exercise. In spite of the precautions taken by the Portuguese India Government and its counterpart in British India, smuggling of salt and liquor did not stop, thanks to the existence of many difficult routes over which vigilance was impossible.¹⁷⁴

The Treaty acted as a curse to Daman, as the British India Government armed with the powers granted by the article 12 of the Treaty suppressed all the saltpans of Daman.¹⁷⁵ Although this was in conformity with the letter of the Treaty, the Portuguese authorities felt that it was against the spirit of the Treaty. The Portuguese authorities at Lisbon in a communication to the local government in Goa had articu-

lated this view. They reacted to the suppression of the saltpans in Daman by stating that the purpose of the provision regarding salt in the Treaty was not to destroy the salt industry, but to regulate the production and sale of salt in Portuguese India. They further pointed out that the saltpans in Daman could be suppressed by the British Government if the salt manufacturers are compensated for the loss in their incomes, the Government of Portuguese India is compensated for the loss of its revenue and the salt workers are given due compensation for the loss of their wage incomes.¹⁷⁶ The British India Government, however, went ahead with their policy of suppression of all the salt-works in Daman. Although the owners of the saltpans were given compensation, those who were engaged in the saltpans, as workers, lost their employment and, as a result, they were forced to migrate with their families to the neighbouring British India. Not only the salt workers, but also all the people associated with the coastal shipping in Daman were affected on account of the British salt monopoly in Portuguese India. The coastal shipping in Daman was largely dependent on the transportation of salt to different ports in the British India. With the total suppression of the saltpans in Daman, the coastal shipping lost its regular business, leading to loss of incomes and rise in unemployment.¹⁷⁷ Even before the implementation of the Treaty, the economic position of Daman had deteriorated because of the decline of the cotton goods industry on account of the fall in the exports of these goods which had been virtually evicted from the East African markets by the products imported from USA, Great Britain and France. Diu also was finding itself in a precarious economic position, not only because of the impact of the British salt monopoly system on its salt industry, but also because of the decaying state of its cotton goods industry which could not compete with the foreign made textile goods.¹⁷⁸

4.12 ADVERSE EFFECT OF THE TREATY ON SALT PRODUCTION IN GOA

The British monopoly of salt in Portuguese India played havoc with the production of salt in the territory. The impact of the Treaty on the production of salt in Portuguese India can be measured in terms of the number of salt-works which were under operation and, also, in terms of the difference between the total output of salt

before the Treaty and that during the last year of the Treaty. During the tenure of the Treaty almost 50% of all saltpans in Goa remained idle. During the last year of the Treaty, 268 saltpans were under cultivation and the total production of salt in Goa was 22,663.6 tonnes. Total consumption of salt for domestic consumption, fish curing and manuring of land was 5,598 tonnes. The average annual quantity of salt exported during the last three years of the Treaty, was 11,059 tonnes. By deduction from the total production of salt during the last year of the Treaty, the quantities of internal consumption of salt in Goa and the average annual export of salt, as mentioned above, the surplus production of salt in Goa during the last year of the Treaty was calculated to be 6,006.5 tonnes. This surplus production of salt during the last year of the Treaty was 26.5% of the total production of salt.¹⁷⁹ The actual production of salt in Goa in the beginning of the implementation of the Treaty, had been officially calculated to be 46,848 tonnes. If we compare the quantity of salt produced during the last year of the Treaty with that produced in the beginning of the implementation of the Treaty, we observe that the production in the last year of the Treaty was less by 24,184.5 tonnes. It implies that the annual production of salt between the period in the beginning of the Treaty and the last year of the Treaty decreased by 51.6%. Even if we accept the estimates of the annual production of salt made by the First Mixed Commission and the Second Mixed Commission for the period in the beginning of the Treaty, we notice that the fall in the annual production of salt in Goa was substantial.¹⁸⁰ The first Mixed Commission had estimated the production of salt in the beginning of the implementation of the Treaty as 42,197.4 tonnes. But, the second Mixed Commission estimated this quantity as 29,463.4 tonnes. Even going by these lower estimates, the production of salt in the last year of the Treaty was less than that in the beginning of the implementation of the Treaty by 19,533.7 tonnes and 6,799.8 tonnes, respectively.¹⁸¹

4.13 THE TREATY OF 1878 - ADVERSE EFFECTS ON THE LIQUOUR INDUSTRY

The Treaty with its article 13 struck a lethal blow to the liquor-producing industry in Portuguese India. The toddy tapping industry and liquor distillation industry producing coconut liquor, cashew feni and other liquors were seriously af-

fect. The article 13 sounded a death knell to the Goan liquor on the same lines as was done by the article 12 to the salt industry in Goa, Daman and Diu. This was because of obvious reasons. The new excise duties which came into existence in Portuguese India were very high as compared to the taxes which were in force upto that time. This new structure of excise duties which were levied on the tapping and distillation of liquours and, also, on their sales, imposed an increased tax burden on the tappers and producers of liquours. This heavy burden of tax led to a tremendous rise in the prices of all liquours in Portuguese India, leading to a substantial fall in the internal consumption of liquours and their exports. The fall in internal consumption and exports of liquours resulted into the decline in the production of liquours in Goa, Daman and Diu.¹⁸²

Before the implementation of the Treaty, the tax on toddy tapping per coconut tree was 2 tangas per annum. This tax, immediately after the signing of the Treaty, was increased to Re.1 per coconut tree per annum, as per the Abkari system which was created by the Portaria no. 852 of 29-12-1879. From the 4th year of the Treaty, the tax on toddy tapping per coconut tree was increased to Rs. 2 and from 1-1-1885 to Rs. 4.¹⁸³

The Abkari system brought about a substantial rise in the prices of liquours. The price of one bottle of liquor was raised to about 4 annas in the initial period. Later on it experienced a rise of 8 to 10 annas per bottle. This led to the decline in the consumption and exports of these liquours, resulting into a fall in their production. The production of Feni produced from tapped coconut trees was 2,000 'caloes' per day in Goa(1 calao=18 bottles). One fourth of this total production was being sold to the 'tavernas' i.e. liquor shops in Goa and the remaining was exported to British India. The Abkari system led to the decrease in the production of this liquor to the 1000 'caloes' per day.¹⁸⁴ The Abkari system brought down the number of the tapped coconut trees from more than 107,000 prior to the implementation of the Treaty to around 79,500 by 1890-91. The number of the tapped cajuarina trees in Daman was 163,876 prior to the Treaty. It decreased to 40,888 by 1890-91.¹⁸⁵ The distillation of cashew liquor also suffered because of the Abkari system. However, in the subse-

quent years, there registered a rise in the number of tapped coconut and cajuarina trees, although their rise failed to compensate the loss to the Government and the proprietors.¹⁸⁶

Thus, the Treaty of 1878 with its article 13, dealt a heavy blow to the liquor industry in Portuguese India. In fact, the introduction of the British excise system which was forced upon Portuguese India through the medium of the Treaty by the Britishers, had only one objective for the British India Government. It was wiping out the competition of the Portuguese Indian liquor industry to the British Indian one. The British authorities succeeded, to a large extent, in their objective, as the uniformity of the taxes in both the territories made Portuguese Indian liquor less attractive than what it was before.

The benefits derived from the Treaty by the British India Government and the economy of British India were much more than what limited advantages accrued to the Portuguese Indian economy. By paying a compensation of Rs. 132518 to the salt-works owners and Rs. 4 lakh to the Portuguese India Government, the British India Government succeeded in taking over the entire salt industry of Portuguese India in its hands. Even though the smuggling of salt and liquors did not completely stop, there was reduction in the smuggling of these products. This was because the differences in the prices of these two commodities between the two territories had been substantially reduced during the tenure of the Treaty. According to one estimate, out of an annual production of around 11 lakh maunds (41,052 tonnes) of salt, about 3 lakh maunds (11,196 tonnes) were smuggled to British India. Given the import duty of Rs. 1-13-00 per maund which was in force in British India before the Treaty, the total loss to the British India Government on account of the smuggling of estimated 3 lakh maunds (11,196 tonnes) of salt, was more than Rs. 5 lakh. A large part of this loss was saved as a result of the reduction in the smuggling of salt during the tenure of the Treaty.¹⁸⁷

As per the article 13 of the Treaty which provided for the introduction of the Abkari system in Portuguese India, the Abkari systems in both the territories were to be on par with each other. Since the excise duties on liquors in Portuguese India

were to be the same as enforced in the Bombay Presidency, through the Bombay Abkari Act of 1878, whenever the taxes on toddy taping and distillation were increased in the Bombay Presidency, the Portuguese India Government had to follow suit by increasing the same at the same rates. This benefitted the British India Government as the liquor produced in Portuguese India ceased to be cheaper, which reduced the competitive power of the Portuguese Indian liquor in British India.¹⁸⁸

4.14 TERMINATION OF THE TREATY IN 1892

The hardships suffered by the people on account of the clauses 12 and 13 of the Treaty which severely affected the salt and liquor industry of Portuguese India evoked sharp reactions from the proprietary class and tappers in Goa. A demand began to take shape in Goa for the revocation of the Treaty. The proprietors of saltpans and coconut groves and, also, tappers expressed their displeasure and bitterness against these unjust clauses, in a meeting held in September 1891 in the Municipal Hall at Panaji. The largely attended meeting demanded in a resolution that the two governments should sign a new trade agreement that could protect the genuine interests of the producers of salt and coconuts and also tappers under favourable conditions. It was rightly thought that the new trade agreement should keep the interests of the people of Portuguese India uppermost in its mind.¹⁸⁹

Even though the British Indian economy derived more and more gains from the implementation of the Treaty, the Government of that territory realised that the benefits from the Treaty were not as substantial as they were expecting and were not in proportion to the administrative costs incurred by that Government. The British salt monopoly did not benefit the British India Government in terms of the tax revenue from the import of salt from Goa into British India. Before the implementation of the British salt monopoly, the import duty revenues of the British India Government from the salt imports from Portuguese India estimated to be 280,000 maunds (10,449.6 tonnes), were Rs.5.07 lakh per annum. Prior to the British salt monopoly, the import duty on salt was Re.1 and 13 annas per maund. Later on, when the import duty on salt was hiked to Rs.2 and 8 annas per maund, the British India Government incurred a loss of Rs. 7 lakh in the import duties revenue from the import of salt from

Goa.¹⁹⁰ It was also found that the implementation of the salt monopoly in Portuguese India involved larger costs of administration to the British India Government. The costs were amounting to Rs. 1 lakh per annum. This made the British Government to realise that the salt monopoly was not conducive to the interests of British India.¹⁹¹ All these factors which worked on the sides of both the contracting parties to the Treaty, brought about the termination of the Treaty on 14-1-1892 as the same was not renewed by them before the stipulated date.

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CHAPTER FIVE
SALT AND THE GOAN ECONOMY AFTER THE
DENOUNCEMENT OF THE ANGLO-PORTUGUESE TREATY
OF 1878 TILL 1929

5.1 INTRODUCTION

The Anglo-Portuguese Treaty of 1878 was denounced by both the countries in 1892. As per the provision in the Treaty, the tenure of the Treaty was to come to an end in 1892, unless it was renewed before the date when it was supposed to be terminated. Both the contracting parties were not keen in renewing the Treaty. As far as Portuguese India was concerned, during the administration of the Governor General Vasco Guedes de Carvalho e Menezes, a strong feeling prevailed in Portuguese India that certain clauses in the Treaty were operating to the disadvantage of the Portuguese interests. As we have seen before, the Treaty had brought about drastic changes in the economy of Portuguese India. With the Common Customs Union which abolished the customs barriers between the two territories and, later on, with the construction of the Railways in Goa, Portuguese India's isolation had been a thing of the past. But, the Treaty had given a mortal blow to the salt and liquor industries of Portuguese India. In such circumstances, Portugal was not keen in renewing the Treaty in its existing form.¹ The Portuguese authorities were, however, interested in renewing the Treaty with certain modifications in the provisions of the Treaty. The British India Government expressed a desire that the Treaty should be terminated. They were, however, ready to renew it with certain modifications. The British Minister at Lisbon gave on 14-10-1890, a formal notice to the Portuguese Government for the termination of the Treaty at the completion of 12 years for which it was originally concluded. Despite this formal notice, Joaquim Jose Fernando Arez, the delegate of Portugal and A. D. Carey, the delegate of Great Britain, began the negotiations for the renewal of the Treaty until February 1892.² As the negotiations did not show any result, they broke off and, thus, the Treaty was allowed to lapse. The British unwillingness to renew the Treaty in its existing form, was quite natural, as, with the termination of the Treaty, British India would have been free from the annual payments which were be-

ing made to the Portuguese Government and to the salt pan owners in exchange of the monopoly rights exercised by that Government in the manufacture and sale of salt in Portuguese India.³

5.2 MAJOR CHANGES IN THE ADMINISTRATIVE AND TAXATION SET-UPS

With the termination of the Treaty, the Convention signed at Panaji on 20-1-1880 for the extradition of criminals and that signed in respect of money, weights and measures between the two countries were terminated on 4-2-1892. Portugal claimed that with the termination of the Treaty, British India was bound to revive the privileges which had been granted by the Moghuls to Portugal at Surat and which both the contracting parties had agreed to be abolished under the Treaty.⁴ British India, however, rejected the claim of Portugal. Even the claim for compensation as an alternative to the revival of the privileges was not acceptable to British India.⁵

The termination of the Treaty brought about far reaching changes in the economy of Portuguese India. The administrative and taxation structure that had evolved in Portuguese India after the implementation of the Treaty came to an end. The British monopoly of the manufacture and sale of salt was abolished. The common Customs Union between both the territories was, also, dissolved and the Portuguese India reverted back to the Custom duties list that was in force in the pre-Treaty period. The renouncing of the Treaty necessitated reverting back to the tax system which was in force before the Treaty. This was required to offset the loss of the compensation that the British India Government was paying to the Portuguese India Government, under article no. 17 of the Treaty. Immediately after the renunciation of the Treaty, custom duties were imposed by the Portuguese India Government on both imports and exports, as per the instructions received from the National Government at Lisbon. The Secretariat of the Department of Shipping and Overseas Affairs in Lisbon instructed the Governor General of Portuguese India that all the British Indian ports and territories and all native states of India which had joined the Customs Union, should be treated as foreigners to the same union from 15-1-1892. A Delegation of the Murmugao Customs House was established at Colem near the Railway line. The existing Customs duties list was maintained, but the following alterations were made. Hats,

footwear, spices of all qualities, material made of cotton, wool, linen, silk and jute, and certain other goods were subjected to the import duties at the rate of 14% ad valorem. Rice and wheat were subjected to the import duties of 5 annas per khandi. All official 'estancos' of salt were abolished by the Portuguese Government.⁶

Thereafter, the Governor General of Portuguese India by a Decreto dated 16-4-1892 introduced a new Custom Duties List which was the first list to be implemented after the end of the Treaty of 1878. This new Custom duties list took as a base 14% ad valorem rate for levying custom duties.⁷ The Government of Portuguese India re-established the tariffs which were in force before the implementation of the Treaty. With this, a large number of goods imported and exported by Portuguese India were subjected to the tariff duties which were implemented by the said Decreto.⁸ Rice was also subjected to import duty.⁹ For goods produced in any Portuguese territory and imported through the Custom-Houses of Portuguese India, the tariff rates levied were 50% of the rates charged for foreign goods. The above new tariffs list of 1892 contained 12 commodities which were subject to export duties.¹⁰ The Government, however, exempted salt from export duty in order to promote its placing in the foreign markets. With a view to discourage the imports of salt into Portuguese India and, thus, protect the local salt industry, the Government imposed an import duty of Rs.2-08-00 per maund on salt imported into Portuguese India.¹¹

The Decreto dated 17-2-1894 introduced a new tariffs list in Portuguese India. The number of commodities subject to export duties in the list was 16. They included, inter alia, arecanuts, cashewnuts, firewood, coconuts, wood, salted and dry fish and birds. Salt was exempted from export duty and the import of salt was subjected to an import duty of Rs. 2-08-00 per maund.¹² The tariffs list dated 16-11-1896 introduced a new Customs duties structure which was moulded entirely on the customs duties list of 16-4-1892 as modified by the Decreto dated 17-2-1894. This new list contained 61 commodities which were subject to import duties and 55 commodities exempted from this duty.¹³ The number of commodities which were subject to export duties was increased to 19. The Portaria do Commissario Regio of 20-7-1896 introduced 20% additional tax on the import duties. Later on, by a Portaria Provinci

no. 131 of 10-4-1900, the Government reduced the number of export goods which were subject to export duties to 7. The rates charged in case of some of these seven export commodities were also reduced substantially.¹⁴ They included, inter alia, coconuts, cashewnuts, firewood and minerals. The export of goods which were exempted from export duties included, among others, salt, areca, bamboos and mangoes. Export of feathers of non-domesticated birds and hides was prohibited. Copra was also exempted from export duties.¹⁵

With the denouncement of the Treaty of 1878 and the consequent reverting back to the taxation system that was in force prior to the Treaty, the receipts from the custom duties and excise duties in Portuguese India increased. Increased earnings from the custom duties and excise duties contributed substantially to the financial relief of the Territory. As per the figure given by Amancio Gracias the total public receipts from imports and exports after the renunciation of the Treaty of 1878, were Rs. 341,478. Even if one adds the amount of the annual compensation which was being given by the British Government for the loss of custom duties revenue during the tenure of the Treaty, to the Portuguese India government, the total amount of the annual public receipts from imports and exports, of the Portuguese India government, during the period of the Treaty, was less than the above mentioned receipts collected after the end of the Treaty.¹⁶ During the year 1892-93, the total receipts collected at the Custom Houses of Portuguese India were Rs. 391,532 which included, inter alia, import duties revenue and export duties revenue amounting to Rs. 368,306 and Rs. 18,043, respectively.¹⁷ During the next year(1893-94), the total receipts of these Custom Houses were Rs. 370,163 which included, inter alia, import duties revenue and export duties revenue of Rs. 348,195 and Rs. 15,311, respectively.¹⁸ The Government treasury benefitted because of quick and efficient supervision of taxation that was made possible by the specific system of taxation adopted by the Portuguese India Government and the British system of weights and measures that was continued even after the termination of the Treaty. The receipts from the customs duties increased to such a level that they alone constituted more than 50% of the total receipts of the Government. Thus, the termination of the Treaty helped the Government to improve its f

nancial position, but it was less beneficial to the people of the territory, since the reverting back to the taxation system that was in force prior to the Treaty, contributed to the rise in the prices of different goods including rice and other essential commodities.¹⁹ Moreover, the termination of the Treaty did not benefit, in any way, the revival of the Portuguese Indian economy from the decadence it was finding itself in.

5.3 THE ECONOMY OF PORTUGUESE INDIA AFTER THE DENOUNCEMENT OF THE TREATY OF 1878

Although the Treaty of 1878 had virtually conferred on Portuguese India the status of an economic dependency of British India and brought in its wake many disadvantages to the Portuguese Indian economy, it is equally true that its termination did not benefit the economy of Portuguese India. The state of the economy of this tiny territory in the aftermath of the denouncement of the Treaty of 1878 and the developments that took place during the period after the end of the Treaty, demonstrate that the economy of this territory could not lift itself from its stagnation and decadence owing to several factors which were in operation. The state of the economy of Portuguese India after the denouncement of the Treaty and the position of the salt industry during this period, proved right the argument of the Goan scholars that instead of allowing the Treaty to lapse in 1892, the Portuguese authorities should have renewed it by removing the disabilities which it had imposed on the Portuguese Indian economy and by ensuring better conditions for that economy in the renewed treaty. Considering the tiny size of the Portuguese territory, the geographical position of all the three settlements which were surrounded by the British Indian territory on all three sides, and its dependence on British India for the supply of almost all essential and other commodities and as an export market for the goods produced in Portuguese India, the renewal of the Treaty with certain modifications would have immensely benefitted the economy of Goa and other Portuguese possessions in India.²⁰ Instead, the Treaty was allowed to lapse, making the economy of the Territory to languish in the same cesspool of economic decadence. The economy of Goa after 1892, the year of the denouncement of the Treaty, is one of the best examples of a decaying economy with every sector finding itself in a pool of stagnation. The dawn of the 20th century

did not bring in its wake any improvement in the economy of Portuguese India. This sorry state of affairs was aptly described by the great Goan Menezes Braganza at the inaugural session of the 'Conselho do Governo', constituted in pursuance with the Carta Organica of the Portuguese India, introduced by the Portuguese Government by two Decretos, one dated 27-7-1917 and the other dated 10-5-1919. While speaking as a member of the 'Conselho do Governo' in this inaugural session held on 1-7-1919, Menezes Braganza expressed his anguish in the following words: " Portuguese India has neither rich trade nor manufacturing units buzzing with work nor elegant monuments, nor a shipping which will remind us of the foregone years. All is over. In terms of material greatness Portuguese India is just a tomb..."²¹ The above description of the plight of Portuguese India made by Menezes Braganza is the most succinct description of the Goan economy in the beginning of the 20th Century. In fact, it is more applicable to the economy of Daman than that of Goa. At the dawn of the 20th century, Daman was continuing in the same deplorable situation as was prevailing during the tenure of the Treaty and thereafter. The report of the Governor General vividly describes this situation in Daman. The Governor General says, " I went to Daman in 1907. The impression was saddest deserted roads. abandoned houses..... The commercial and industrial life was totally paralysed, as if calamity had visited the place as if we had the sight of a cemetery.....There was misery everywhere".²² The Treaty of 1878 had caused the death of the salt industry and the shipbuilding industry and had led to the exodus of the population of Daman. After the termination of the Treaty with the total ban on the exports of salt from Daman and with the obstacles to the exports of other goods from this territory, the life of the people in Daman had become miserable and the people had no other alternative but to migrate to British India in search of the means of livelihood. This was followed by the epidemic of bubonic plague.²³ The deplorable position of the economy of Daman after the end of the Treaty of 1878, is indicated by the insignificant receipts of the Custom - House of Daman. The receipts of this Custom-House decreased from Rs. 14,283 in 1894 to Rs. 8,410 in 1903. In 1907, these receipts were slightly higher than what they were in 1903. They amounted to Rs. 10,717 during this year.²⁴ Although

Goa's economic position during this period was not as deplorable as that of Daman, it is pertinent to note that the economy of Goa was showing all the signs of decadence. This was more conspicuous in the agricultural sector of the Goan economy.

5.3.1 AGRICULTURE AND THE GOAN ECONOMY

Goa continued to be a predominantly agricultural economy during the 20th century. As in the past, at the dawn of the 20th century too, Goa's agricultural production consisted of rice, coconuts, arecanuts, nachinim, bajri, millet, urida, culita, tory, pacolo, mugo, kidney beans, sesame, cotton, linen, hemp, tobacco, coffee, tamarind, cardmom, pepper, chillies, mustard, ginger, cato, sweet potatoes, cashewnuts, mangoes, jackfruits, bananas, sugar cane, onion, lemon, papayas, lady's fingers etc. Salt was also one of the main products produced on agricultural lands in Goa. The agricultural products produced in Goa belonged to the categories of cereals, pulses, spices, fruits, roots and certain other categories. Rice, coconuts, arecanuts, cashewnuts, nachinim, mangoes and salt were the main commodities produced in Goa.²⁵ Rice being the staple food of Goans, its production was the most valuable among all the commodities produced in the territory. Despite being a predominantly agricultural economy even during its golden era of trade and commerce in the 16th century, Goa was always a 'deficit' region in the production of rice. The production of rice in Goa was far below the consumption requirements of the people. This situation continued in the 20th century and became one of the serious problems faced by the people of Goa.²⁶ In fact, the deficit experienced by the Goan people in the production of rice and certain other agricultural commodities during the period, symbolised the stagnated state of the agricultural sector of Goa. It can be stated without much exaggeration that this was one of the main problems which were at the root of the economic decadence of Portuguese India.

Goa went through a crisis during the year 1897, on account of the scarcity of rice. To diffuse this crisis, the Government of Portuguese India decided to acquire rice for public distribution and to exempt rice imports from custom duties. It had also decided to start public works to provide employment to those people who required relief on account of this crisis.²⁷ As regards the production of cereals, the economic

position of the territory was miserable during the first two decades of the 20th century. The territory was producing less than half of the total quantity of rice which was required for its consumption. The remaining quantity which was more than half of the quantity consumed by the people of Portuguese India was being imported from British India.²⁸ A major part of the value of the import trade of Portuguese India consisted of rice imports. The picture did not change even after the dawn of the 20th century. During the years 1896-97 and 1899-1900, the values of rice imports were Rs. 1,540,750 and Rs. 2,202,750, respectively. Rice imports as a percentage of total imports in 1896-97 and 1899-1900 were 35% and 43.5%, respectively. During both these years the value of rice imports was more than the value of the total export trade of Portuguese India by an amount of Rs. 130,750 and Rs. 825,250, respectively.²⁹

During the period 1901-1927, the quantity of rice without husk imported into Portuguese India increased from 81,771 khandis in 1901 to 127,969 khandis in 1927 and that of rice with husk increased from 15,284 khandis in 1901 to 81,602 khandis in 1927. While the rise in case of the former was 56.5%, in case of the latter it was 434%. It is pertinent to note that the rise in the quantity of rice imported into the territory was not continuous throughout this period. There were ups and downs in the quantity imported, the imports of the quantity of rice without husk being maximum (204,249 khandis) in 1919. As indicated by the Table 5.01, the value of the total imports of rice in 1901 was Rs. 1,045,550, which increased to Rs. 1,883,628 in 1910. The value of the total rice imported increased to Rs. 6,529,687 in 1919. In 1927, it was Rs. 3,998,874. Thus, the total imports of rice, in terms of value, increased by 282.5% between 1901 and 1927. The importance of the rice imports in the economy of Portuguese India can be determined on the basis of the share of the value of the rice imports in the import trade of the territory and the percentage of the value of the rice imports to the value of the export trade. Since in 1901, the value of the total import trade and that of the export trade was Rs. 4,226,315 and Rs. 1,360,019 respectively, the share of the value of the rice imports in the total import trade was 24.7% during this year.

TABLE 5.01
RICE IMPORTS OF PORTUGUESE INDIA (1901-1927)
(value in Rupees)

| Year | Value | Per cent of total imports | Per cent of total exports |
|------|-----------|---------------------------|---------------------------|
| 1901 | 1,045,550 | 24.7 | 76.8 |
| 1902 | 910,110 | 21 | 62.6 |
| 1903 | 1,568,614 | 33 | 108.6 |
| 1904 | 1,866,628 | 34.9 | 113.2 |
| 1905 | 1,550,894 | 31.4 | 92.6 |
| 1906 | 1,658,643 | 32.8 | 94.3 |
| 1907 | 1,263,512 | 20.7 | 52 |
| 1908 | 1,714,143 | 29.3 | 82.7 |
| 1909 | 1,774,072 | 27.7 | 85 |
| 1910 | 1,883,628 | 29.7 | 73.8 |
| 1911 | 2,592,510 | 29.3 | 98.8 |
| 1912 | 2,285,485 | 30.8 | 87.4 |
| 1913 | 2,465,069 | 30.8 | 84.5 |
| 1914 | 2,460,616 | 30.3 | 92.4 |
| 1915 | 2,204,649 | 27 | 74.2 |
| 1916 | 3,589,373 | 39 | 103.6 |
| 1917 | 3,333,561 | 39.8 | 108.9 |
| 1918 | 5,027,264 | 46.8 | 126 |
| 1919 | 6,529,687 | 46.6 | 147 |
| 1920 | 4,106,598 | 30 | 102.5 |
| 1921 | 4,051,198 | 26.7 | 101 |
| 1922 | 3,605,214 | 22 | 97.4 |
| 1923 | 4,073,016 | 24.8 | 103.5 |
| 1924 | 3,761,506 | 23 | 79 |
| 1925 | 3,762,578 | 24.3 | 95.2 |
| 1926 | 4,400,993 | 27 | 111.7 |
| 1927 | 3,998,874 | 23.7 | 98.8 |

Source: Anuario do Estado da India, 1929, Nova Goa, Imprensa Nacional, 1930 pp.440, 445

The percentage of the value of the rice imports to the total export trade of Portuguese India was about 77%. In 1910, the share of the value of rice imports in the total import trade increased to 29.7% and the percentage of the value of rice imports to the value of the export trade decreased to 73.8%. In 1920, the former was 30% and the latter 102.5%. These percentages were 23.7% and 98.8%, respectively, in 1927. The above analysis focuses the point that the value of the import of rice was generally not less than one fourth of the value of the total import trade of Portuguese India. The figures of the percentages of the value of rice imports to the value of the total export trade indicate that, generally, not less than 70% of the total annual export earnings of the territory was spent on the import of rice alone. During the years 1903, 1904, from 1916 to 1921 and during 1923 and 1926, the position on account of imports of rice was very serious, as the value of the import of rice alone was more than the value of the total export trade of the territory.

The above analysis of rice imports vis-a-vis total imports and exports of Portuguese India focuses the fact that rice imports constituted substantial part of the total imports of Portuguese India, and the percentage of rice imports to total exports was very high. During the years 1896-97, 1899-1900 also, the value of rice imports was more than that of total exports of Portuguese India.³⁰

Menezes Braganza, a renowned Goan Scholar and a member of the "Conselho do Governo", estimated the production and consumption requirement of rice in Goa as 41,690 kumbhs and 61,000 kumbhs, respectively. On the basis of these estimates, he arrived at the figure of the deficit in the availability of rice for local consumption as 19,310 kumbhs. He estimated the average annual imports of rice during the period between 1909-10 and 1919-20 (excluding 1918-19 which was the year of economic crisis) as 17,117 kumbhs and arrived at the conclusion that Goa's requirement of rice over and above its production was 40% of what the territory was producing locally.³¹ On the basis of the value of the annual average rice imports of Rs. 2,864,667 and that of the annual average total imports of Rs. 8,420,975 during the above period, Menezes Braganza came to the conclusion that one third of the value of the annual average total imports during the above period was composed of the value of rice imports.³² The

burden imposed by the imports of rice into Portuguese India can be measured by comparing the value of the imports of rice with the total receipts of the Government of Portuguese India. The total value of the imports of rice into the territory was about Rs. 2.5 million during this period and the public receipts in the budget of 1917-18 were Rs. 4.4 million. Thus, the value of the imports of rice was more than half of the public receipts of Portuguese India, implying that the amount spent by the people of the territory on the imported rice was more than half of the public receipts of the Government. During the five years period of 1906 to 1911, the average annual import trade of the territory was slightly less than Rs. 55 lakh and the value of the average annual export trade was around Rs. 13 lakh. A large part of the import trade consisted of the imports of rice and other necessities of life, and textiles. Thus, the deficit in the import and export trade which was Rs. 42 lakh was largely due to the need to import rice and other necessities of life.³³ If the production of rice and other necessities of life in Goa had been sufficient to meet the consumption requirements of the people, the deficit in the external trade of Portuguese India would have been reduced to the minimum.

This situation was, no doubt, the result of the neglect of the agricultural sector, both by the Government of Portuguese India and the agriculturists. The methods of production used by the agriculturists were outdated. They were averse to the use of modern implements on the farms. The use of the manures on the farms was awfully inadequate. So far the role of the government in the promotion of agriculture was concerned, it was observed that the Portuguese India Government had utterly failed in its responsibility to create adequate infrastructure for the development of agriculture in Portuguese India.³⁴ The availability of credit to the farming class was totally inadequate. There were no agricultural banks in the territory. There was pressing need to start agricultural credit institutions based on the principle of mutual help. Although agriculture was the mainstay of the economy, the Government was totally indifferent to the need to start an agricultural school in Goa to teach the latest methods in the arts of tilling and cultivating the fields and to demonstrate the merits of intensive and extensive agriculture and of chemical manures.³⁵ The Government did not have any ar-

rangement to demonstrate rice cultivation through improved processes of production.³⁶ The cooperative movement which had been launched in British India in 1904, was almost conspicuous by its absence in Portuguese India. There were very few consumer societies in which it was noticed that cooperative principles were not observed. 'Cooperativa dos Funcionaries' and 'Cooperativa Economica' were two consumer societies operating in Goa.³⁷ Goa had two agricultural institutions which had been set up for agricultural exploration. One was "Sociedade Patriotica dos Baldios das Novas Conquistas" founded in 1843 for the purpose of agricultural exploration of the land running waste in the New Conquests. It owned extensive lands and was in flourishing condition. The other was "Cooperativa Agricola da India". It did not possess lands as extensive as the first Society.³⁸ However, both these institutions had failed in introducing new techniques in agriculture. The Government was not providing adequate facilities and concessions to the farmers for bringing under cultivation the uncultivated lands available in the territory.³⁹ No serious efforts were made by the Government to bring under cultivation the uncultivated lands in the Old Conquests and extensively large cultivated lands in the New Conquests. The Commission, appointed by the Government of Portuguese India by the Portaria Provincial of 5-9-1902, after studying the availability of uncultivated lands in the New Conquests, had reported that there was more than 60,000 h.a. of government-owned cultivable and flat land, remaining uncultivated in Satari, Embarbacem, Astagar and Cotigao.⁴⁰ This neglect of the agricultural sector in Goa acted, as we have seen before, as a contributory factor to the deficit in the external trade of Portuguese India. The stagnation in the agricultural sector of Portuguese India was amply proved by the stagnated values of land in Goa. For a considerably long period, there was no rise in the value of land in Goa, which was a pointer to the fact that there was a lack of progress in the territory.⁴¹ The neglect of agriculture equally contributed to the large scale migration of the local people to British India and certain other foreign countries. The people without sufficient means of livelihood in the agricultural sector had to leave their lands, compelled by the misery in which they were living, and migrate to other countries where they could be gainfully employed.

The need to develop agriculture in Goa was always stressed by Goan scholars who came out with valuable proposals to attain self-sufficiency in the production of rice and other products. They highlighted, on different platforms, the pressing need to develop agriculture for bringing about the development of Goa and other Portuguese settlements. It was suggested that the cultivation of rice should be promoted in the New Conquests where large tracts of cultivable land were available, by leasing out, for a long period, uncultivated cultivable lands to the national or foreign companies.⁴² On the lines of the policy which had been followed by the great British statesman Lloyd George, landowners who keep their lands uncultivated, should be heavily taxed by the Government. An important proposal was also presented in the Conselho do Governo, in its session held on 1-10-1919, to bring under cultivation the uncultivated lands in both Old and New Conquests. It was proposed that the National Government at Lisbon should activate and promote rice cultivation in Goa, by taking up for itself the responsibility of certain items of expenditure in the budget and allowing the local government to use the amount thus spared, for the cultivation of rice in Goa, for a period of 10 years.⁴⁴

5.3.2 THE MANUFACTURING INDUSTRY IN GOA

Goa's position as regards manufacturing industries continued to be very precarious during the first few decades of the 20th century. Even thereafter, there was no improvement in this position. The main industries operating in the territory were as follows: Coconut liquour, cashew liquour, coconut oil, sesame oil, fishing and fish curing, jaggery and vinegar, earthen pots, bangles, firework, lime, copper works, tin works, lac work and bamboowork. There was a preserved food production unit in Margao which was producing preserved meat and mango and pine-apple jam for export markets. All these industries, except the last unit, were following traditional methods of production and the production of each unit was on a small scale.⁴⁵ Coconut liquour, cashew liquour and salted and dry fish had both internal and external markets. Besides the above, there were rice mills, one cashew nut processing unit at Rasaim with about 350 workers engaged in the production work, and household domestic industries, namely, goldsmithy, blacksmithy, carpentry, tailoring, shoemaking

etc. Among the household industries, goldsmithy in Goa had world-wide reputation.⁴⁶ Thus, the industrial sector of the Goan economy was most backward and was playing a negligible role in the economic structure of the territory. Salt production which was traditionally undertaken as an agricultural pursuit was, also, adopting primitive methods of production. As a result, it was never practised as an industry using modern technique of production. Many factors were at work in keeping the industrial sector of Goa backward. The development of the mining industry in the first decade of the 20th century brought some hopes to the decadent Goan economy. But, it failed to revive it for the reasons given below. The beginning of the manganese ore mining in Goa was made in February 1905. As the manganese ore was getting higher price in 1906-07, the number of mining leases increased in Goa. The Mining Department was created in the Directorate of Land Survey of the Portuguese Indian Government.

However, after 1907 the exploration of the manganese ore mining received a setback on account of the fall in the prices of manganese ore in the international market. The production of the manganese ore decreased, although the number of the applications for mining leases increased.⁴⁷ The decline in the prices of the manganese ore affected the export of this commodity from Goa. In 1906-07, manganese ore valued at Rs. 303,700 had been exported from Goa. But, the export of the commodity decreased to Rs. 100,711 in 1907-08. In 1910-11, it experienced a further decrease to Rs. 40,896. Thus, manganese ore mining industry which could have brought some relief to the Goan economy failed to do the same on account of the fall in the prices of this commodity.⁴⁸

There was an awful shortage of capital which was the result of the lack of the financial institutions catering to the needs of the manufacturing sector. The lack of institutional finance was not compensated by the availability of private finance.

Capital was shy in Goa. The people had the tendency to preserve their wealth in the form of ornaments and had not imbibed the banking habit. There was a striking want of enterprise. Almost everybody wanted to be a public servant or to take up some liberal profession such as that of a pleader or doctor. In spite of being intelligent and sober minded, easy life and climate had made Goans almost incapable of sus-

tained effort and a hard struggle.⁵⁰ Even though there was a commercial school in Goa, the same was being frequented by the people who wanted to take up bureaucratic posts rather than to pursue a commercial career after completing the studies in the school.⁵¹

Goans were traditionally either agriculturists, traders or artisans and were, thus, lacking in the entrepreneurial skills which are essential for the development of the manufacturing industries. On account of this serious deficiency, Goa could not set up manufacturing industries based upon even locally available raw materials. It should, however, be noted that one of the main causes of this dismal picture on the manufacturing front, was the total inertia exhibited by the Portuguese Government in this matter. The Government of Portuguese India did not come forward with appropriate measures to encourage manufacturing industries in Portuguese India. The discussion in different sessions of the Congresso Provincial whose first conference took place in 1915 is a pointer to the failure of the local government in promoting the industrial and agricultural growth of the territory. The Government did not adopt adequate measures to encourage the people to start industrial units based upon the availability of local raw materials. Infrastructure which should have been made available by the Government was totally inadequate. There were no financial institutions to adequately cater to the needs of the potential and existing entrepreneurs. The Government could not provide assistance in the marketing of even traditional commodities with export potential. There was scarcity of technical schools and training facilities.⁵²

5.3.3 EXTERNAL TRADE OF PORTUGUESE INDIA AFTER THE DENOUNCEMENT OF THE TREATY

The external trade of Portuguese India after the denouncement of the Treaty continued to be stagnant and limited to the traditional commodities as far as its export trade was concerned. The import trade of Portuguese India, also continued to be composed of almost the same commodities which mostly included the essential commodities required for the internal consumption of the local people. Portuguese India's imports consisted of rice, wheat, cotton, linen, wool and silk clothes, sugar, tea, iron,

copper, tin, conserved food, silver, gold, china ware, pepper, wines, liquour, beer, medicines etc. The export trade was composed of coconuts, copra, arecanuts, pulses, oils, sugarcane, jaggery, cashewnuts, wood, medicinal plants, fruits, birds, fish, wooden handicrafts, chillies, cinnamon etc. Salt also continued to be an export commodity during this period.⁵³

After the termination of the Treaty of 1878, Portuguese India was freed from all the restrictions and controls which were exercised by the British Government under different provisions of the Treaty, but continued to be an economic dependency of British India as most of its external trade remained confined to British India. When the 20th Century dawned, the external trade of Portuguese India was finding itself as sub-servient to the British interests in India. Portuguese India's commercial relations with Brasil, East Africa and Europe were, now, almost non-existent. Goa had ceased to be an attraction for the ships from Europe. Goa's re-export trade in the Indian textiles had, long back, ceased to exist, as the British made textiles had made their way to the Indian markets on an unprecedented scale.⁵⁴ Trade with Portugal had gone down to a very low ebb. Portuguese India's imports from the parent country consisted of wine imports. In 1902-03, Portugal's share in Portuguese India's import trade was just 4%. So far as Portuguese India's export trade was concerned, Portugal's share in it was totally negligible. It was 0.73%. This trade was taking place in foreign vessels. The sailing vessels which were plying between Portugal and Goa, about 25 to 30 years before this period, had stopped their trips.⁵⁵ Goa's coastal trade by now, had become more or less restricted to Bombay. Bombay was now the main port where the bulk of Goa's export trade was being directed. It was composed largely of coconuts, arecanuts, birds and fruits. Salt was also exported to Bombay. Goa's export trade to Bombay was far behind its import trade to this British Indian port.⁵⁶ In fact, this trend was visible in the first quarter of the 19th century itself. While Goa's imports from Bombay were valued at 363,624 xerafins, its export trade to this port was worth 61,803 xerafins in 1826.⁵⁷

5.3.4 EMIGRATION AS AN INDICATOR OF DECADENCE

The economy of Goa towards the beginning of the 20th century was greatly influenced by the migration of the Goan people to British India and other countries. The emigration of Goans during this period was, in fact, an indicator of the decadence of Portuguese India. As per the Census of 1900, the total population of Portuguese India was 531,798 which included the population of Goa, which was 475,513. The total number of the people who were enumerated as absentees in Portuguese India was 40,273. As far as Goa was concerned, the number of absentees in the territory was 38,647.⁵⁸ In the absence of the exact figure of the people who migrated from Goa, the figure of the population of absentees in Goa, can give us a broad idea about the number of emigrants from Goa. On the basis of this figure, we can conclude that by 1900, 7.3% of the population of Goa had migrated to foreign countries including British India, for earning their daily bread. The migrations of Goans were mostly to British India, mainly to the Bombay Presidency, and the East Africa.⁵⁹ Towards the beginning of 1920s, 5% of the Goan population constituted emigrants, out of which 75% were found to have emigrated to British India and the remaining to Portugal, France, Germany, England, China, Japan and Mesopotamia.⁶⁰ The population of the Goans who had migrated to British India was more than 120,000. Bombay alone had more than 40,000 Goans.⁶¹ In 1900, the number of the people in Goa engaged in manual occupations other than agriculture was 73,657. In 1910, their number decreased to 60,800 and in 1921 it was found that the number of such people had further decreased. The cause was not far to seek. The people in this category of population which included carpenters, goldsmiths, blacksmiths, cobblers, tailors etc. were leaving their traditional manual occupations to migrate to British India and other countries in search of better prospects which were available in the cities and towns of these countries.⁶² The Portuguese India government had long realised the importance of the emigration of the Goan people in reducing the burden of the unemployment problem faced by the local economy and in bridging up the negative balance of trade of Portuguese India through the remittances of the migrated people. In 1879 itself, the Government had abolished, by the Portaria dated 5-5-1879, the passport system the people

were subjected to, to travel to British India. In 1897, the Government established a commission by a Portaria dated 6-10-1897, with a view to promote the emigration of the people of Portuguese India to Mozambique. In 1899, the Government by a Portaria dated 14-7-1899 approved grants-in-aid to the English medium schools run as per the British Indian educational system.⁶³ The emigration of Goans reduced the burden of unemployment on the economy of the territory which was reeling under economic backwardness in all the sectors of the economy. As before, it helped the Goan economy through the remittances of the emigrants to their families back home. The remittances of the emigrant Goans helped cover the deficit in the balance of trade of Portuguese India. They prevented the starvation and further mass exodus of the local people.⁶⁴

5.3.5 REPUBLIC, DECENTRALISATION, 'ESTADO NOVO' AND THE GOAN ECONOMY

The end of the monarchy and the consequent proclamation of the republic in Portugal did not bring about any improvement in the economic position of Portuguese India. The first decade of the 20th century was marked by a political turmoil in Portugal. On 1st February 1908, Dom Carlos I, the king of Portugal was assassinated along with Prince Dom Luis, the heir apparent. On 5th October 1910, Portugal was declared as a Republic. The new government which came into power could not stall the chaos and confusion which had set in, in the economy of the country, thanks to the political instability during those transitional changes.⁶⁵ However, order was re-established in the course of time. After the proclamation of the republic in Portugal, the economic and financial structure in Portugal and its overseas territories underwent, though slowly, great changes. New legislations and new decrees were introduced by the Government. The country witnessed the establishment of new institutions and new direction to the public services. Order and method prevailed in the matter of government finances, which resulted into the rise in the public revenue and public expenditure in the country. The disorderly maintenance of accounts prior to this historical event was now a thing of the past.⁶⁶ However, these changes did not speed up the economic development of the overseas territories of Portugal, including Portuguese

India. As far as Portuguese India was concerned, the proclamation of republic in Portugal did not bring about any appreciable impact on Portuguese India in the matter of lifting the territory from its decadence and stagnation.

Even the new regime of autonomy and decentralisation which was brought about by the implementation of the “Carta Organica do Estado da India” through the issuing of two Decretos, one dated 27-7-1917 and the other dated 10-5-1919, could not improve the economic position of Portuguese India. As per this charter, the main organisation for the administration of the territory, after Governor General, was “Conselho do Governo” which was later on named as “Conselho Legislativo e Executivo”. It enjoyed legislative powers and was composed of elected representatives along with nominated members. The people of Portuguese India were conferred by the above charter both financial and administrative autonomy. Despite the new era of decentralisation which dawned in the polity of the territory, no favourable changes were witnessed in the economy of Goa and the territory continued in the morass of backwardness with totally undeveloped agriculture and manufacturing, and with external trade characterised by unfavourable balance of trade. The economic revival of Portuguese India (and also of other overseas territories) did not materialise even after the advent of Dr. Antonio de Oliveira Salazar’s regime in the late 1920s. The economic and financial chaos that had engulfed Portugal and had led to a new wave of unrest among the Portuguese people, installed a military rule in the country for a short period. The military rule handed over the reins of the government to Dr. Salazar who was at that time a professor of Economics teaching in a renowned University of the country. Dr. Salazar introduced his programme of National Reconstruction - Estado Novo - and made relentless efforts to put the derailed economy of the country in order. Despite this new economic programme of Dr. Salazar, the decadent state of Portuguese India did not experience any appreciable revival in its economy, until the advent of the mineral ore exports boom of the early 1950s. The so called ‘Estado Novo’ of Dr. Salazar, instead of contributing to the upliftment of the Goan economy, curtailed civic liberties, freedom of the press and freedom of speech and association of the people.⁶⁷ Even the Mormugao Port and the railway line constructed in Goa utterly

failed in bringing about economic revival of the Portuguese Indian territory. On the contrary, their performance symbolised the economic stagnation of the territory.

5.3.6 PERFORMANCE OF MORMUGAO PORT AND THE RAILWAY LINE AS AN INDICATOR OF ECONOMIC STAGNATION

The performance of the Mormugao port and the railway line linking the British Indian territory to the port of Mormugao, during the period under study in this chapter, was a striking indicator of the decadent and stagnated state of the economy of Portuguese India. The development of the Mormugao port and the construction of the railway line in Goa had the objective of taking the territory out of its isolation, in order to promote its trade and commerce with the outside world and, in this way, bring about the overall development of Portuguese India. The Government of Portuguese India and the people of the territory hoped that with the development of the Mormugao port and the construction of the railway line in Goa, the external trade of Goa would revive from the ruins it was finding itself, since long time. However, to great consternation of the people of Goa, these hopes did not materialise for obvious reasons. The railway line failed to bring about the expansion of trade and commerce of Goa with the outside world on account of the failure of the port of Mormugao to attract traffic and to establish direct commercial relations with Europe and other regions.⁶⁸ The day of the inauguration of the railway line in Goa, which was 31st January 1888, had seen the Governor General of Portuguese India Cardose de Carvalho and the Governor of the Bombay Presidency Lord Reay shaking hands and embracing each other in a unique gesture symbolising the crumbling of the barriers between the two Indias and the end of the isolation of Goa.⁶⁹ However, the end of the isolation of Goa did not lead to the expansion and flourishing of trade and commerce of this territory. As we have seen before, under the contract signed by the Portuguese government with the West of India Portuguese Guaranteed Railway, the former had undertaken to pay to the latter the amount necessary to create a dividend of 5% on the capital of 800,000 sterling pounds and 6% on the additional capital of 550,000 sterling pounds which had been invested by the railway company.⁷⁰ The total amount of the guaranteed interest which was to be paid by the Portuguese government was 73,000

sterling pounds per annum. It was necessary to earn Rs. 24,000 per mile of the railway line to prevent loss in the operation of the Mormugao port and the railway line. The actual earnings were not even 1/3 of the above amount. The earnings were not sufficient to cover even the minimum dividend guaranteed by the Portuguese government.⁷¹ From 12-5-1881 to 1902, the Portuguese India Government paid to the West of India Portuguese Guaranteed Railway 1,238,265 sterling pounds. Since the beginning of its operation from 1888, the Railway Company experienced a decline in its revenue.⁷² Between 1892 and 1901, the net earnings were not sufficient to pay the guaranteed interest fully.⁷³ This was largely due to the war of tariffs between the Railway Companies of British India --- The Great Peninsula Railway Company and the Southern Mahratta Railway Company --- and the West of India Portuguese Guaranteed Railway. This resulted into the diversion of the flow of goods from the Mormugao Port to the Bombay Port.⁷⁴ Most of these goods were coming from India's southern regions. This compelled the West of India Portuguese Guaranteed Railway to enter into an agreement with the Southern Mahratta Railway, under which the latter was allowed to explore the railway line in Goa and the Mormugao Port, without affecting the jurisdiction of the Portuguese Government in relation to the former. The agreement was concluded for a period of 5 years and successively renewed till 31st December 1955. The agreement, however, did not bring in any expected benefits to reduce the financial burden on the Portuguese Government. From 1912 to 1918, the Portuguese Government paid every year the total of the assured interest, i.e. 73,000 sterling pounds.⁷⁵ The cause was not far to seek. Even though the West of India Portuguese Guaranteed Railway Company continued its efforts to stimulate the import traffic at Mormugao port and tried to open direct commercial relations with Europe, the movement of the merchandise in and out of the Port did not expand and the Port continued to be a transit port for Bombay, of the districts served by the Southern Mahratta Railway.⁷⁶ This was the position of the Mormugao Port even though, as the directors of the Railway Company had stated in their report, Mormugao was the only port in India where a steamer could enter from the high sea and take shelter along the quay within one hour, while in Bombay the steamers had to enter into the dock, and in

Calcutta, before reaching the port, the steamers had to sail with some difficulty in the Hugli river. This situation was the unavoidable result of the failure of the Portuguese government to establish an industrial and commercial city in the area surrounding the Mormugao Port.⁷⁷ In fact, during the very year of the inauguration of the railway line in 1888, the directors of the West of India Guaranteed Portuguese Railway had pointed out in their report that unless the traders establish themselves at Mormugao and a commercial city is set up there, Mormugao port would continue to be a transit port for Bombay.⁷⁸ Prior to this, in 1885, the same railway company had submitted to the Portuguese India government, a proposal to set up an industrial and commercial city at its own cost, but under the supervision of the Portuguese government. Signed by the Engineer Sawyer, the proposal stated that the above railway company would acquire land at its own cost and construct roads as per the plans approved by the Portuguese India government. It proposed to use the hills of Mormugao for the construction of urban dwellings.⁷⁹ The Portuguese government, however, did not approve of this proposal and, so, in 1911, the West of India Guaranteed Portuguese Railway Company renewed its proposal, since it found that the Portuguese government had not taken any measure in this direction. The Company proposed that the Portuguese government should cede Mormugao to the Company to enable it to establish there an industrial city, and further declared that if the proposal was acceptable to the Government, it would set up a Port Trust for Mormugao Port.⁸⁰ The Portuguese government again rejected the proposal of the Company, firstly, because it did not want to surrender to the Britishers the only commercial port of Goa and, secondly, because the cession of Mormugao to a foreign company would have amounted to the alienation of the Portuguese sovereignty.⁸¹ Thus, the policy of the Portuguese government neither to allow the West of India Guaranteed Portuguese Railway Company to develop Mormugao as an industrial and commercial city at the Company's own cost, nor to take adequate steps in the direction of establishing the city on the Government's own initiative and account, did not, in any way, improve the position of the Mormugao port. As a result, the Port continued to be a transit port for Bombay. However, the interest shown by the above British railway company in the setting up of an industrial and

commercial city in Mormugao, awakened the Portuguese government from its deep slumber and the Government issued a Decreto on 6-9-1917 which granted to Mormugao the status of a city.⁸² But nothing was done for almost two years to build up an industrial city at Mormugao on account of shortage of capital and other required factors, until Engineer Maravilhas placed before the Conselho do Governo in 1919 a plan for the establishment of an industrial city at Mormugao. The plan envisaged the setting up of a 'Comissao de Melhoramentos de Mormugao' (Commission for the Improvement of Mormugao). Maravilhas suggested in his plan the ways and means to raise finance for the building up of the proposed industrial city. The 'Comissao de Melhoramentos de Mormugao' came into existence with the approval of the proposal by the Conselho do Governo.⁸³ However, even after the setting up of the 'Comissao de Melhoramentos de Mormugao', no appreciable change was visible in the performance of the Mormugao port. The Port did not experience any substantial rise in the trade with other nations and, thus, could not contribute to the economic revival of Goa. The Portuguese Government was not getting enough profits from the concession, even for the payment of the interest amounting to 73000 sterling pounds per annum. From 1918 onwards till 1955, the Portuguese Government paid the assured interests to West of India Portuguese Guaranteed Railway partially, except in the following years: 1928, 1929, 1931, 1939, 1943, 1944, 1945 and from 1951 to 1954. Only in 1927, the Portuguese Government could get profits which were enough to cover the payment of interest.⁸⁴

5.4 SALT INDUSTRY AFTER THE END OF THE TREATY OF 1878- RESTRICTIONS BY THE BOMBAY PRESIDENCY GOVERNMENT

Although the Treaty of 1878 granting monopoly of salt production and salt trade to the British India Government caused great harm to the interests of the salt manufacturers in Portuguese India, its termination did not benefit the salt manufacturers. With the denouncement of the Treaty in 1892, the British salt monopoly was abolished and the salt pan owners and salt producers were freed from all the controls and restrictions imposed by the British India Government. This change in the administrative and fiscal system under which the salt pan owners were operating, brought

much desired freedom to the salt pan owners and salt producers in Portuguese India, but it severely affected the interests of the salt pan owners who were receiving compensation from the British Government during the tenure of the Treaty.

After the denouncement of the Treaty, the economic position of the salt pan owners who were getting annual compensation from the British India government for keeping the salt pans idle, during the tenure of the Treaty, became very precarious as they lost this assured source of income. During the tenure of the Treaty these saltpan owners were leading a careless but comfortable life without working in the fields. Most of them were also the owners of coconut groves, but were idling away their time and had stopped taking care of their coconut groves for the simple reason that coconut groves were not earning for them as much income as they were getting from the British Government in the form of the compensation. They were accustomed to this life of comforts during the tenure of the Treaty. With the end of the Treaty, their peaceful and comfortable life came to a sudden end and their economic position became precarious because of the stoppage of the annual compensation being paid to them by the British Government.⁸⁵ The end of the Treaty of 1878 brought in its wake loss of markets for the Portuguese Indian salt. The loss was serious because of the severe restrictions put by the British India Government on the export of salt from Portuguese India.⁸⁶ After the termination of the Treaty, the Bombay Presidency government reestablished the order issued by it before the Treaty of 1878, which stipulated that the imports of salt from Portuguese India would be allowed only when the salt is carried in the ships of the capacity of 300 tonnes and above.⁸⁷

The Government of Bombay Presidency published the notification no. 2477 dated 9-4-1894, whereby the conveyance of salt in coasting vessels from any port in Portuguese India to any port in the Bombay Presidency was prohibited.⁸⁸ In 1895 one more notification was issued by the Government of Bombay Presidency, which dealt greater lethal blow to the salt industry in Daman than what had been carried out by the notification of 9-4-1894. The notification no. 475 S.R. dated 25-1-1895, issued by that Government under section 19 of the Sea Customs Act VIII of 1878, totally pro-

hibited the import of salt from Daman to the ports of the Bombay Presidency either by sea or by land route.⁸⁹

The two notifications issued by the Bombay Presidency Government were, indeed, measures against freedom of trade. This policy of the British India Government was in no way a measure to protect the local salt industry of British India. This was because British India at that time was importing salt from other countries.⁹⁰ The policy of British India was, thus, discriminatory towards the people and the Government of Portuguese India. It was, no doubt, an attempt to destroy the salt industry in Portuguese India. As the salt manufacturers of Goa pointed out, the severe restrictions on the import of salt from Portuguese India were nothing but a war waged by the British India Government against the salt industry of Portuguese India.⁹¹ “It was an economic war declared peacefully by a nation which was always considered by Portugal its ally and friendly nation”.⁹² It was also an attempt against the international laws.

The effect of the ban on the export of salt by coastal vessels brought great sufferings to the salt manufacturers. It brought decadence to the salt industry of Goa and Daman. The greatest sufferers were the salt manufacturers of Daman, as the ban imposed was applicable to the movement of salt by land routes too. It lost markets for its salt not only in the territory of British India, but also in the land locked Portuguese Indian territory of Nagarhaveli Paraganna.⁹³ With the implementation of the Notification of 25-1-1895, Nagarhaveli could not get the supplies of salt from Daman and, thus, had to consume costly salt imported from the British Indian territory. As Daman did not have merchant ships, it could not carry salt to those markets where it could get higher price.⁹⁴

The restrictions on the import of salt from Portuguese India imposed by the Bombay Presidency Government dampened the interest of the Goan salt-producers in the production of salt. In fact, during the tenure of the Treaty of 1878, despite the British India Government's monopoly of salt manufacture and sale of salt in Portuguese India, many salt producers had evinced interest in the production of salt in Portuguese India. A good number of salt pan owners had undertaken the production of

salt under the control and supervision of the British agents as per the arrangement laid down in the Treaty. With the abolition of the British salt monopoly, although the salt pan owners were freed from the monopoly restrictions imposed by the British Presidency Government, they found themselves in the trap of the two notifications mentioned above -- one dated 9-4-1894 and the other dated 25-1-1895, issued by the same Government to give a mortal blow to the salt industry in Portuguese India.⁹⁵ The salt pan owners tried their best to get these restrictions removed by the British India Government. They made representations to the Portuguese India Government to seek solution to the lamentable state of the salt industry in the territory, and impressed upon the authorities the need to begin negotiations with the British India Government on the issue of the removal of these restrictions. The local Government by its letter dated 23-4-1896, submitted to the National Government at Lisbon the details of the problems faced by the salt industry and requested that Government to prevail upon the British Government to intervene in the matter, so that the restrictions on the imports of salt from Portuguese India would be removed by the British India Government.⁹⁶

The National Government at Lisbon initiated negotiations with the British Government at London on this issue. The British Government made it clear that the ban on the import of salt was limited to the salt imported from Daman only and the salt from Goa could be exported to any port of Bombay Presidency in coasting vessels of specified tonnage.⁹⁷ It was clarified by the British Government that the measures as regards the import of salt into Bombay Presidency had been taken because of the increasing smuggling of Portuguese Indian salt into Bombay Presidency.⁹⁸ This clarification did not improve the state of affairs, as the British India Government stuck up to its old order whereby the salt of Goa could be transported by sea route to the British territories, only by coasting vessels of 300 tonnes or more.⁹⁹ The import of Goan salt into British territory by railways was allowed, but the railway freights could not compete with those of coastal vessels, although they were economical.¹⁰⁰

After the denouncement of the Treaty in 1892 till the publication of the two notifications, one dated 9-4-1894 and the other dated 25-1-1895, the export of salt

from Goa to the sea ports of the Bombay Presidency and Madras Presidency was as follows:-

TABLE 5.02
EXPORT OF SALT FROM GOA TO THE SEA PORTS IN BRITISH INDIA
(1892-93 TO 1894-95)

| Year | Bombay Presidency | Madras Presidency |
|-----------|-------------------|-------------------|
| 1892 - 93 | 5,221 (194.8) | 2,315 (86.4) |
| 1893 - 94 | - | 13,983 (521.8) |
| 1894 - 95 | - | 1,080 (40.3) |

Note:- (a)Quantities in maunds(b)Figures into brackets indicate quantities in tonnes
Source:- F.X. Ernesto Fernandes, 'A India Portuguesa, Estudos Economico-Sociais' p.218

After 1894 - 95, the exports of salt by sea to the ports of even Madras Presidency stopped at once.¹⁰¹

As years went by, after the implementation of the notification dated 9-4-1894 issued by the Bombay Presidency Government, banning the transport of salt in the coastal vessels of less than 300 tonnes, the export of salt by sea route decreased substantially. Comparatively small quantity of salt was transported by railways.¹⁰²

Even though the salt of Goa was not prohibited from entering into British territory, the condition put by the Bombay Presidency Government as regards the tonnage of the vessels allowed to carry Goan salt, obstructed the export of salt from Goa to the Bombay Presidency territory. The coasting vessels of the tonnage specified by the British Government could only be steamships whose freights were always costly. Owing to this restrictive order, the Goan salt could not be transported by patmarins which were plying regularly between the British Indian ports and ports of Goa. Portuguese India did not have ships of higher tonnage -- 300 tonnes and above, as specified by the Bombay Presidency government.¹⁰³ In the absence of the availability of the ships of the above specified tonnage, and due to higher costs of steamships, the

movement of salt from Portuguese Indian ports to British India was substantially reduced.

The Commission appointed by the Portuguese India Government to recommend reforms in the Custom Tariffs lists, studied the problem of the restrictions put by the Bombay Presidency Government on the movement of the Portuguese Indian salt into Bombay Presidency and suggested the Portuguese India Government to take immediate steps to end the discriminatory treatment meted out by the British India Government to the Portuguese Indian salt. The commission impressed upon the local government the need to pursue the matter under the following heads:-¹⁰⁴

i. The Government should try to persuade the British India Government to abolish the discriminatory measures against Portuguese Indian salt.

ii. The British India Government should be persuaded to allow the import of salt from Portuguese India into Bombay Presidency on the same lines as it allows the import of salt of other countries.

iii. The British India Government should be requested to allow the transport of the Portuguese Indian salt in the vessels of any tonnage.

iv. The British India Government should be requested to stop levying taxes on salt transported from Daman to the land locked Portuguese territory of Nagarhaveli when it passes through the British Indian territory. Other goods passing through the British Indian territory, from one Portuguese Indian territory to the other Portuguese Indian territory should also be exempted from British Indian taxes.

It should, however, be noted here that the condition to carry the Goan salt in the ships of higher tonnage was not the only obstacle to the movement of salt from the Goan ports to British India. Goan salt was, also, subject to a heavy import duty in British India.¹⁰⁵ Between 1883 and 1903, the duty on salt was Rs. 2.5 per maund. From 1903, the duty was reduced to Rs. 2. In 1905, it was decreased to Rs. 1.5 which was further reduced to Re. 1 in 1907. The British India government later on increased the duty to Rs. 2.50, but reduced it to Rs. 1.25 in 1925.¹⁰⁶ In spite of these two obstacles faced by the Goan salt in British India, Goa would not have confronted the problem of diminishing exports of salt, if the territory had been successful in search-

ing markets for the Goan salt in foreign countries. The failure of the Goan salt industry in this regard was one of the contributing factors of the decadence of this industry during this period. The lack of markets for the Goan salt in foreign countries was, in its turn, the effect of many contributing factors which were in operation during the period. Firstly, Portuguese India did not have adequate shipping facilities of its own for transporting this commodity to long distance destinations and, therefore, had to depend largely on the foreign ships. Secondly, on account of the outdated methods of production the quality of salt produced in Goa was not very high. Thirdly, Goa was not producing different grades of salt which required superior techniques of production. This last factor was at the root of the marketing problems faced by the Goan salt industry. Goan salt producers who were found to be antagonistic to effecting improvements in the technique of production of salt were, in fact, responsible for the problems of marketing, faced by the salt industry. As Ernesto Fernandes points out in his study of Goan salt industry, Goan salt producers were producing only two types of salt--fine white salt and fine black salt and that too with the help of outdated methods - 'methods of patriarchal age'.¹⁰⁷ Our salt producers had totally ignored the art of manufacturing finest salt and thick and weighty salt. These types of salt were being produced in the salt producing regions of the Bombay Presidency. The salt producers in Bombay Presidency knew all the intricacies of producing finest, thick and weighty salt which was being produced by them along with the fine salt. The methods used by them were superior to what were used by the Goan salt farmers. This situation led to our salt being competed away in those markets in India where finest and thick and weighty salt was in great demand. The Goan salt, inspite of the comparative superiority of the British Indian salt, was being preferred in British India, particularly, in the Bombay Presidency territory, on account of its cheapness and its easy availability in the territories of the British India bordering Goa, through contraband routes.¹⁰⁸ Thus, cheapness of our salt and not its quality determined the demand for the Goan salt in the British Indian territory.

The obstruction to the movement of the Goan salt to the ports of Bombay Presidency brought about by the notification of the Bombay Presidency government

dated 9-4-1894, would not have posed a serious threat to the marketing of the Goan salt into British India, if the Goan salt-producers, salt traders and the local government had made special efforts to search markets for this commodity in the Madras Presidency and the native states. This did not materialise on account of the ignorance of the concerned authorities and the people about the scope of these two notifications issued by the Bombay Presidency government. This, naturally, led to the wrong interpretation of the two aforesaid notifications of the above Government.¹⁰⁹ As the notifications of the Bombay Presidency were not applicable to the British Indian ports other than those belonging to the Bombay Presidency, the ports of the Madras Presidency and those of the native states were open to the coasting vessels of any tonnage for carrying the Goan salt. But, little attention was paid to the fact that the Goan salt would have successfully secured markets in the Madras Presidency and the native states. There was manifest reluctance on the part of all concerned to secure markets for the Portuguese Indian salt in these regions. The Portuguese Indian salt would have got profitable placing in the aforesaid regions, in competition with the salt imported from Arabia, Egypt, Persia, Germany etc. in the ships of long distance and greater tonnage, thanks to the cheaper rates at which the former was available.¹¹⁰ The failure to exploit this potential market for the Portuguese Indian salt was, thus, one of the factors which contributed to the lack of adequate markets for the Portuguese Indian salt.

The state of the trade in Goan salt after the implementation of the two orders issued by the Bombay Presidency Government with reference to the import of the Portuguese Indian salt into the Bombay Presidency, was a representative example of “the natural indolence and timidity of the Portuguese Indian external trade during the Portuguese rule”.¹¹¹

5.5 CONCENTRATION OF THE SALT INDUSTRY IN GOA AT THE DAWN OF THE 20TH CENTURY

The implementation of the two notifications issued by the Bombay Presidency Government, one specifying that salt from Goa could be imported, by sea route, only in coastal vessels with a carrying capacity of 300 tons or more, and the other, totally

banning the import of salt from Daman, even by land route, into the Bombay Presidency, caused great harm to the salt industry in Portuguese India. Since these notifications severely affected the export of salt from Portuguese India, the production of salt in the territory suffered a great set back. In Goa, a number of saltpans were converted by the owners of saltworks into paddy fields.¹¹² It was, however, noticed that the localisation of the salt industry in Goa was not affected either by the Anglo-Portuguese Treaty of 1878, or by any other development including the notification dated 9-4-1894 issued by the Bombay Presidency government. Salt continued to be produced in the Concelhos of Goa Island, Salsete, Bardez and Pernem, in almost the same villages as in the 19th Century. The villages in which the saltpans were located in each Concelho were as follows:¹¹³

Goa Island: Batim, Mercês, Curca, Calapur, Goa Velha, Agassaim, Graca, Neura, Piedade and Taleigao.

Bardez: Arpora, Nagoa, Calangute, Anjuna, Pilerne, Parra, Nerul, Candolim, Oxel and Siolim.

Salsete: Margao, Telaulim, Benaullim, Chinchinim, Deussa, Dharmapur, Ambelim, Assolna, Cavelossim, Carmona and Orlim.

Pernem : Agarwaddo, Arambol, Kerim, Korgaon and Mandrem.

During this period, although Daman and Diu had saltpans, production in the saltpans of Daman had been more severely affected on account of the restrictions imposed by the British India Government.

Towards the end of the 19th century, the total number of saltpans in Goa was estimated to be 507. The break-up of saltpans among the four salt-producing Concelhos was as follows: Salsete : 234; Bardez: 73; Goa Island: 177; Pernem: 23. However, the total number of saltpans in Goa, as per the letter of the local government, dated 23-4-1896, to the Ministry of Shipping and Overseas Affairs at Lisbon, was 502.¹¹⁴

5.6 PRODUCTION OF SALT IN PORTUGUESE INDIA BY 1915-16.

On account of the great difficulties the salt industry of the territory had to encounter in the export of salt, the production of salt in the territory kept a downward

trend, after the implementation of the two notifications by the Bombay Presidency Government - one, banning the transport of Goan salt to the ports of the Bombay Presidency in coasting vessels of less than 300 tons; and the other, totally banning the import of salt from Daman. The production of salt by 1915-16 was estimated to be less than 50% of the production in 1876. Taking into account the production of salt in 1876, which was 367,994 khandis, the estimated production of salt in 1915-16 was less than 183,997 khandis.¹¹⁵

5.7 SALT MANUFACTURERS AS PER THE CENSUS OF 1900

The total number of salt producers in Goa as per the census of 1900 was 262. Taking into account the number of farmers in Goa, which was 60,309, as per the above Census, we observe that the number of salt producers in Goa, was dismally low.¹¹⁶ It was 0.43% of the total number of farmers in Goa. The number of farmers and saltproducers in different salt producing Concelhos of Goa, according to the above Census, was as given in the Table 5.03

TABLE 5.03
TOTAL NUMBER OF FARMERS AND SALT PRODUCERS IN GOA

| REGION | FARMERS | SALT PRODUCERS |
|-----------------|---------|----------------|
| Goa Island | 1,770 | 4 |
| Salsete | 715 | 121 |
| Bardez | 4,386 | 106 |
| Pernem | 8,980 | 31 |
| Other Concelhos | 44,458 | - |
| Total | 60,309 | 262 |

Source:- Censo da Populacao do Estado da India 1-12-1900, Vol. I, p.102; Part II, p.16

The Table 5.03 makes clear that the number of saltproducers in Goa Island was just 4. Salcete had 121 saltproducers, out of which Chinchinim returned 4 and Navelim returned 118 saltproducers. The number of salt producers in Calangute, Nagoa and Nerul, all in Bardez, was 16, 23 and 67, respectively. In Pernem, the villages Agarwaddo and Arambol returned 18 and 13 salt producers, respectively.¹¹⁷

5.8 SALT AND THE EXTERNAL TRADE OF PORTUGUESE INDIA

VOLUME OF THE IMPORT AND EXPORT TRADE

To understand the role played by salt in the external trade of Portuguese India after denouncement of the Treaty of 1878, during the period under study in this chapter, it is worth studying the state of the export and import trade of Portuguese India during this period. As we have observed before, Goa's trade was mostly with British India, particularly, with Bombay. Although the British India Government had imposed severe restrictions on the import of the Portuguese Indian salt into the Bombay Presidency, trade between Portuguese India and British India in respect of almost all other commodities was going on without any hurdles except the imposition of custom duties in both the countries. Portuguese India was continuing to depend for the supplies of most of its consumption requirements including rice and other food items on British India and was continuing to export the same traditional commodities, mostly, to British India. One notices during this period the same trend of negative balance of trade in the external trade of Portuguese India. The external trade of Portuguese India during the period from 1896-97 to 1899-1900 and from 1901-02 to 1903-04 was as depicted in the Table 5.04

TABLE 5.04
EXTERNAL TRADE OF PORTUGUESE INDIA (1896-97 TO 1903-04)
(value in Rupees)

| Year | Imports | Exports | Balance of Trade | % of Exports to Imports |
|-----------|-----------|-----------|------------------|-------------------------|
| 1896-1897 | 4,395,000 | 1,410,000 | -2,985,000 | 32 |
| 1897-1898 | 4,350,000 | 1,127,500 | -3,222,500 | 25.9 |
| 1998-1899 | 4,002,500 | 1,095,000 | -2,907,500 | 27.3 |
| 1899-1900 | 5,060,000 | 1,377,500 | -3,682,500 | 27.22 |
| 1901-1902 | 3,600,000 | 1,500,000 | -2,100,000 | 41.6 |
| 1902-1903 | 4,000,000 | 1,450,000 | -2,550,000 | 36.2 |
| 1903-1904 | 4,700,000 | 1,600,000 | -3,100,000 | 34 |

Source: Relatorio-Censo da Populacao 1900, Vol. I. p.38; Projecto de Reforma das Pautas Aduaneiras, Nova Goa, Imprensa Nacional, 1905, pp.13,32,33

The Table 5.04 focuses on the fact that during the last 4 years of the 19th Century, the import trade of Portuguese India increased by 15%. The export trade kept the decreasing trend and reached the level of Rs. 1,377,500, during the last year of the century, which amounted to a decrease of 2.3% during the period of four years. The negative balance of trade increased from Rs. 2,985,000 to Rs. 3,682,500.¹¹⁸ During the years 1901-02, 1902-03 and 1903-04, the import trade of Portuguese India was valued at more than Rs. 36 lakh, Rs. 40 lakh and Rs. 47 lakh, respectively. The export trade of the territory, during these years, was equal to more than Rs. 15 lakh, Rs. 14.5 lakh and Rs. 16 lakh, respectively. The negative balance of trade during these years was, thus, Rs. 21 lakh, Rs. 25.5 lakh and Rs. 31 lakh, respectively.¹¹⁹ As depicted in the Table 5.05, from 1904 to 1914 which was the first year of the first World War, the imports increased from Rs. 5,343,953 to Rs. 8,107,859 and the exports increased from Rs. 1,649,049 to Rs. 2,663,238, amounting to an increase of 51% and 61%, respectively, although during this period, there were ups and downs in the annual imports and exports of the territory. Between these two years, the negative balance of trade increased from Rs. 3,694,904 to Rs. 5,444,621 amounting to an increase of 47%. From 1914 to 1918 which was the last year of the first World War, the imports and exports increased by 32.3% and 49.3% to reach the level of Rs. 10,733,815 and Rs. 3,978,541, the negative balance of trade reaching the figure of Rs. 6,755,274 which amounted to an increase of 24%. From 1918 to 1928 which is the preceding year of the Great Depression, the import trade increased from Rs. 10,733,815 to Rs. 16,482,133, while the export trade registered an increase from Rs. 3,978,541 to Rs. 4,511,023. Between these two years, the unfavourable balance of trade increased from Rs. 6,755,274 to Rs. 11,971,110. Thus, the increase in the imports and exports was 53% and 13%, respectively, while the rise in the negative balance of trade was 77%.

The above-mentioned figures of imports and exports pertaining to the years from 1904 to 1928 make us clear that between these two years, the import trade increased by 208% while the increase in the export trade was 173%. Although the imports and exports showed an increase, one notices a disturbing trend during this pe-

riod. The unfavourable balance of trade increased from Rs. 3,694,904 to Rs. 11,971,110, which amounted to an increase of 224%. As regards the percentage of the export trade to the import trade, one notices the fact that this percentage decreased from 32% in 1896-97 to 27% in 1928. Between the years 1904 and 1918, the percentage increased from 30.8% to 37% and from 1918 to 1928 it decreased from 37% to 27%. It is worth noticing that the export trade as a percentage of the import trade during this period (1897-1928) never crossed the figure of 40%.

5.8.1 DIRECTION OF THE PORTUGUESE INDIAN EXTERNAL TRADE

The figures pertaining to the percentage shares of different countries in the import trade and export trade of Portuguese India during this period give us an idea about the extent of the dependence of Portuguese India, particularly Goa, upon British India. In 1921, while the share of Bombay in the import trade of the territory was Rs. 11,132,759 (73.5%), the share of British India was about Rs. 13,283,577 (87.7%). Portugal and other Portuguese colonies accounted for Rs. 227,199 (1.5%) and Rs. 90,879 (0.6%), respectively, as their shares in the import trade of Portuguese India. In 1927, the share of Bombay decreased to Rs. 9,168,856 (54.5%), and that of British India to about Rs. 13,055,105 (77.6%). The shares of Portugal and other Portuguese colonies decreased to Rs. 168,235 (1%) and Rs. 8,411 (0.05%), during this year. England's share which was Rs. 499,838 (3.3%) in 1921 increased to Rs. 1,345,887 (8%) in 1927. The figures given above focus the fact that, although the share of British India in the import trade of the territory declined by about 10%, it was as high as 77.6% in 1927. So far as the export trade of Portuguese India was concerned, Bombay's share in the export trade in 1928 was as high as Rs. 4,105,031 (91%) and Katiawar's share was Rs. 157,885 (3.5%). Portugal's share was Rs. 26,164 (0.58%), while other Portuguese colonies' share was Rs. 16,239 (0.36%), respectively. Thus, while Portuguese India was depending heavily upon British India so far as its external trade was concerned, its trade with Portugal and other Portuguese overseas territories was very negligible.¹²⁰

TABLE 5.05
TOTAL IMPORT AND EXPORT TRADE OF PORTUGUESE INDIA (1904-1928)
(value in Rupees)

| Year | Imports | Exports | Balance of Trade | % of exports to imports |
|------|------------|-----------|------------------|-------------------------|
| 1904 | 5,343,953 | 1,649,049 | -3,694,904 | 30.8 |
| 1905 | 4,932,823 | 1,674,555 | -3,258,268 | 33.9 |
| 1906 | 5,059,858 | 1,758,816 | -3,301,042 | 34.7 |
| 1907 | 6,082,179 | 2,429,033 | -3,653,146 | 39.9 |
| 1908 | 5,845,213 | 2,072,158 | -3,773,055 | 35.4 |
| 1909 | 6,396,433 | 2,085,173 | -4,311,260 | 32.6 |
| 1910 | 6,334,488 | 2,550,092 | -3,784,396 | 40.2 |
| 1911 | 8,841,469 | 2,622,311 | -6,219,158 | 29.6 |
| 1912 | 7,401,682 | 2,614,442 | -4,787,240 | 35.3 |
| 1913 | 7,985,595 | 2,915,435 | -5,070,160 | 36.5 |
| 1914 | 8,107,859 | 2,663,238 | -5,444,621 | 32.8 |
| 1915 | 8,154,951 | 2,971,142 | -5,183,809 | 36.4 |
| 1916 | 9,173,421 | 3,463,795 | -5,709,626 | 37.7 |
| 1917 | 8,357,682 | 3,059,496 | -5,298,186 | 36.6 |
| 1918 | 10,733,815 | 3,978,541 | -6,755,274 | 37 |
| 1919 | 13,992,902 | 4,444,221 | -9,548,681 | 31.7 |
| 1920 | 13,611,934 | 4,005,238 | -9,606,696 | 29.4 |
| 1921 | 15,146,611 | 4,004,820 | -11,141,791 | 26.4 |
| 1922 | 17,183,890 | 3,698,921 | -13,484,969 | 21.5 |
| 1923 | 16,423,906 | 3,933,677 | -12,490,229 | 23.9 |
| 1924 | 16,243,871 | 4,753,534 | -11,490,337 | 29.2 |
| 1925 | 15,456,854 | 3,949,247 | -11,507,607 | 25.5 |
| 1926 | 16,282,390 | 3,937,902 | -12,344,488 | 24 |
| 1927 | 16,823,589 | 4,047,150 | -12,776,439 | 24 |
| 1928 | 16,482,133 | 4,511,023 | -11,971,110 | 27.3 |

Source : (1) Anuario do Estado da India, 1929, Nova Goa, Imprensa Nacional, 1930 p.440; Crescencio Lobo, 'Portuguese India, its commerce and Industries', Bombay, The Times Press, 1927, p.114

The dependence of the Portuguese Indian trade on British India is also proved by the number of the British ships and British Indian coastal vessels which visited the Portuguese Indian ports. Most of the ships visiting these ports were British. In 1915-16, 2176 British nationality vessels entered Goa, while the number of Portuguese nationality vessels entering Goa was 1494.¹²¹

Between 1923 and 1929, the number of long distance British ships increased from 54 to 124. On the contrary, the number of the long distance Portuguese ships visiting these ports was dismally low. There were years when no long distance Portuguese ship visited the Portuguese Indian ports. In 1927, only one such ship and 1238 Portuguese nationality coastal vessels visited these ports.¹²²

5.9 THE ROLE OF SALT AND OTHER SELECTED PRINCIPAL EXPORT COMMODITIES IN THE EXTERNAL TRADE OF PORTUGUESE INDIA

The role of salt in the external trade of Portuguese India during the period after the denouncement of the Treaty of 1878 upto 1928, the year preceding the Great Depression, can be studied by determining the following:

- 1) The share of the value of the annual export of this commodity in the value of the annual total export trade of the territory, as compared to the similar shares of other principal export commodities during this period.
- 2) The percentage of the value of the annual export of salt to the value of the annual total import trade of the territory, as compared to the similar percentages of other selected principal export commodities during this period.
- 3) The percentage change in the export of salt, as compared to that of the other selected principal export commodities, between the years 1897-98 and 1928.

All these values can be computed on the basis of the Tables 5.06, 5.07, 5.08 and 5.09 giving the figures of the exports of principal export commodities during the following periods, respectively : (a) 1897-98 to 1903-04, (b) 1904 to 1913, (c) 1914-18 (First World War period) and (d) 1919 to 1928 (period between the end of the First World War and the beginning of the Great Depression), and on the basis of the Tables 5.04 and 5.05 giving the figures of the total import trade and export trade of the terri-

tory during the above mentioned periods.¹²³ While the Table 5.06 gives only the values of the exports of the principal export commodities, the Tables 5.07, 5.08 and 5.09 provide both the quantities and the values of these commodities. The principal commodities indicated by these Tables include along with salt the following commodities : coconuts, cashewnuts with shells, cashewnuts without shells, copra, arecanuts, mangoes, salted fish and dry fish. While in case of the export of coconuts and mangoes their number is given, the quantities of the export of other commodities are measured in maunds. The figures in the brackets indicate the quantity in tonnes.

TABLE 5.06
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM
PORTUGUESE INDIA (1897-98 TO 1903-1904)
(value in Rupees)

| Commodity | 1897-98 | 1898-99 | 1899-00 | 1900-01 | 1901-02 | 1902-03 | 1903-04 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Salt | 53,052 | 37,616 | 70,532 | 33,878 | 97,743 | 81,485 | 111,540 |
| Coconuts | 498,867 | 461,530 | 584,219 | 637,704 | 472,670 | 465,622 | 604,226 |
| Cashewnuts (with shell) | 23,126 | 30,110 | 27,184 | 42,192 | 51,815 | 59,995 | 56,919 |
| Cashewnuts (without shell) | 29,721 | 38,217 | 34,176 | 36,596 | 30,387 | 28,934 | 15,229 |
| Copra | 16,455 | 8,634 | 68,558 | 49,236 | 58,956 | 33,974 | 75,883 |
| Arecanuts | 77,389 | 71,256 | 187,538 | 135,976 | 144,319 | 172,826 | 146,697 |
| Mangoes | 77,171 | 34,580 | 53,330 | 72,195 | 97,063 | 61,702 | 120,766 |
| Salted Fish | 53,979 | 72,638 | 63,930 | 60,907 | 81,475 | 33,603 | 43,819 |
| Dry Fish | 76,709 | 110,210 | 97,061 | 120,916 | 144,278 | 112,066 | 104,069 |

Source: Projecto da Reforma das Pautas Aduaneiras, 1905, pp.32-33

5.9.1 SHARES OF THE EXPORTS OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA

The Tables 5.10, 5.11, 5.12 and 5.13 give us the percentage shares of the value of the annual export of salt and other principal commodities in the value of the annual total export trade of Portuguese India during the periods (a) 1897-98 to 1903-04, (b) 1904 to 1913, (c) 1914 to 1918 and (d) 1919 to 1928, respectively.¹²⁴ The Tables throw light on the fact that the share of coconuts in the export trade of Portuguese

Table 5.07
Exports of Nine Selected Principal Commodities from Portuguese India (1904-1913)

| Year | | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|----------------------|----------|-----------------------------|--------------------------------|------------------|-------------------|----------|-------------------|------------------|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1904 | Quantity | 495740 (18501) | 34095660 | 12945 (483) | 2266 (84.5) | 14859 (554.5) | 21606 (806.3) | 6798158 | 35311 (1317.8) | 31080 (1160) |
| | Value | 100941 | 696346 | 31843 | 12760 | 67295 | 117449 | 106200 | 52742 | 132484 |
| 1905 | Quantity | 406551 (15172.5) | 36304727 | 26991 (1007.3) | 5331 (199) | 21690 (809.4) | 3004 (112) | 8851380 | 35910 (1340) | 18258 (681.4) |
| | Value | 93368 | 800816 | 42004 | 30279 | 129086 | 22741 | 115747 | 47808 | 31323 |
| 1906 | Quantity | 640491 (23903.2) | 25764551 | 19340 (721.8) | 6243 (233) | 14786 (551.8) | 7722 (288.2) | 5744924 | 21490 (802) | 24830 (926.6) |
| | Value | 125710 | 760208 | 46333 | 27753 | 90620 | 52197 | 99183 | 53088 | 74724 |
| 1907 | Quantity | 789401 (29460.5) | 30895731 | 39898 (1489) | 7084 (264.3) | 8909 (332.5) | 15561 (580.7) | 8564478 | 31211 (1164.8) | 30979 (1156) |
| | Value | 158130 | 1017360 | 99933 | 37756 | 61443 | 108450 | 159875 | 66049 | 109940 |
| 1908 | Quantity | 1068132 (39862.8) | 30313532 | 28844 (1076.4) | 3963 (147.9) | 16128 (601.9) | 29835 (1113.4) | 10910375 | 37501 (1399.5) | 49468 (1846) |
| | Value | 195457 | 808157 | 68211 | 24246 | 70070 | 121391 | 134041 | 71267 | 150798 |

Contd..

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------|----------|---------------------|----------|-------------------|------------------|------------------|-------------------|----------|-------------------|-------------------|
| 1909 | Quantity | 611420 (22818) | 29257141 | 37012 (1381.3) | 3534 (131.8) | 14137 (527.6) | 27735 (1035) | 12893490 | 54286 (2026) | 64075 (2391.2) |
| | Value | 137552 | 853823 | 94266 | 36449 | 64814 | 163138 | 148777 | 84582 | 123427 |
| 1910 | Quantity | 546443 (20393.3) | 34920757 | 38184 (1425) | 7495 (279.7) | 18178 (678.4) | 45536 (1699.4) | 6883295 | 45468 (1696.8) | 28765 (1073.5) |
| | Value | 121358 | 1381239 | 125162 | 50815 | 106992 | 170056 | 143797 | 57963 | 100632 |
| 1911 | Quantity | 481675 (17976) | 29080418 | 42071 (1570) | 7171 (267.6) | 10435 (389.4) | 20484 (764.4) | 10770100 | 19421 (724.8) | 48753 (1819.4) |
| | Value | 120555 | 1237457 | 146512 | 61555 | 74935 | 162375 | 149827 | 48441 | 134027 |
| 1912 | Quantity | 434249 (16206.2) | 34335655 | 36675 (1368.7) | 6282 (234.4) | 8454 (315.5) | 24091 (899) | 4543415 | 12471 (465.4) | 31586 (1178.8) |
| | Value | 107320 | 1521963 | 91546 | 42345 | 104958 | 146926 | 120860 | 33127 | 137947 |
| 1913 | Quantity | 586928 (21904.2) | 36180230 | 46086 (1720) | 10597 (395.5) | 19555 (729.8) | 27766 (1036.2) | 6450209 | 17872 (667) | 45897 (1712.9) |
| | Value | 113753 | 1423707 | 151215 | 68565 | 146711 | 146715 | 152338 | 52015 | 144760 |

Note:- (a) Quantity in Maunds except for coconuts and mangoes (b) figures in brackets are quantities in tonnes (c) value in Rupees

Source:- (1) Estatística do Comercio Externo e Navegacao 1945, Reparticao Central da Estatística e Informacao, Goa, Imprensa Nacional 1945, p.XXXVI; (2) Crescencio Lobo, 'Portuguese India, Its Commerce and Industries, Bombay, The Times Press, 1927, pp.130-132

Table 5.08
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1914-1918)

| Year | | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|-----------------------------|--------------------------------|------------------|------------------|---------|------------------|-------------------|
| 1914 | Quantity | 509746 (19023.7) | 27077955 | 35735 (1333.6) | 4622 (172.5) | 15351 (573) | 21703 (810) | 8094376 | 21953 (819.2) | 17444 (651) |
| | Value | 131669 | 1111418 | 141131 | 37809 | 107244 | 239667 | 161664 | 68986 | 63374 |
| 1915 | Quantity | 832679 (31075.6) | 46126031 | 51821 (1934) | 5208 (194.3) | 27115 (1012) | 20278 (756.7) | 7352323 | 19750 (737) | 28925 (1079.5) |
| | Value | 228439 | 1367580 | 124383 | 48231 | 203065 | 171128 | 172501 | 62675 | 125471 |
| 1916 | Quantity | 823675 (30739.6) | 30525067 | 39341 (1468.2) | 2980 (111.2) | 16856 (629) | 21180 (790.4) | 6497492 | 11604 (433) | 38674 (1443.3) |
| | Value | 552764 | 1141393 | 127249 | 24404 | 112496 | 173791 | 127383 | 45326 | 159554 |
| 1917 | Quantity | 639765 (23876) | 37183346 | 24970 (931.9) | 4226 (157.7) | 1105 (41.2) | 42232 (1576) | 6402869 | 11944 (445.7) | 26755 (998.5) |
| | Value | 617163 | 1261391 | 51462 | 40388 | 13277 | 234986 | 180560 | 39450 | 122258 |
| 1918 | Quantity | 419394 (15651.8) | 56168932 | 43739 (1632.3) | 4228 (157.8) | 20835 (777.5) | 42127 (1572) | 3093448 | 17690 (660) | 25237 (941.8) |
| | Value | 488727 | 1943824 | 89659 | 36422 | 187646 | 344061 | 87304 | 52432 | 128377 |

Note:- (a) Quantity in maunds except for coconuts and mangoes (b) figures in brackets are quantities in tonnes (c) value in Rupees

Source:- Estatística do Comercio Externo e Navegacao 1945, Reparticao Central da Estatística e Informacao, Goa, Imprensa Nacional 1945, p.XXXVI;

TABLE 5.09
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1919-1928)

| Year | | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|-----------------------------|--------------------------------|------------------|-------------------|----------|-------------------|------------------|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1919 | Quantity | 527889 (19700.8) | 49628852 | 22272 (831.2) | 3356 (125.2) | 25604 (955.5) | 25291 (943.8) | 17830695 | 31731 (1184.2) | 24938 (930.6) |
| | Value | 481968 | 2003990 | 75485 | 46278 | 356679 | 250905 | 193957 | 91837 | 182417 |
| 1920 | Quantity | 354363 (13224.8) | 26959381 | 32345 (1207) | 4812 (179.5) | 6517 (243.2) | 26620 (993.3) | 10088180 | 22536 (841) | 28835 (1076) |
| | Value | 324236 | 1727432 | 170527 | 73820 | 99047 | 260894 | 294070 | 75421 | 140666 |
| 1921 | Quantity | 227617 (8494.7) | 33018396 | 52022 (1941.5) | 4547 (169.7) | 10978 (409.7) | 34822 (1299.5) | 7666110 | 24664 (920.4) | 13538 (505.2) |
| | Value | 238328 | 1850561 | 232917 | 67928 | 169120 | 311872 | 306839 | 95758 | 128141 |
| 1922 | Quantity | 289126 (10790.2) | 34927771 | 44173 (1648.5) | 6242 (233) | 14259 (532) | 31005 (1157) | 12955434 | 24532 (915.5) | 8591 (320.6) |
| | Value | 265143 | 1703898 | 118309 | 93482 | 209885 | 301352 | 321388 | 59460 | 93243 |
| 1923 | Quantity | 283668 (10586.5) | 36024683 | 45417 (1695) | 4954 (184.9) | 16003 (597.2) | 26120 (974.8) | 8667788 | 24641 (919.6) | 8576 (320) |
| | Value | 278588 | 1765730 | 130896 | 67332 | 241406 | 298438 | 359284 | 110113 | 111043 |

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------|----------|---------------------|----------|-------------------|-----------------|------------------|-------------------|----------|-------------------|------------------|
| 1924 | Quantity | 339326 (12663.6) | 43980458 | 45616 (1702.4) | 8816 (329) | 20313 (758) | 32142 (1199.5) | 11748725 | 32948 (1229.6) | 10162 (379.2) |
| | Value | 331251 | 2088091 | 208124 | 112321 | 321084 | 434347 | 375280 | 158417 | 106728 |
| 1925 | Quantity | 334811 (12495) | 26756139 | 46217 (1724.8) | 5697 (212.6) | 3568 (133) | 23546 (878.7) | 19923712 | 27681 (1033) | 26234 (979) |
| | Value | 329234 | 1428581 | 217225 | 94687 | 58158 | 377612 | 368155 | 137484 | 275209 |
| 1926 | Quantity | 359219 (13406) | 31421060 | 33626 (1255) | 4317 (161) | 5016 (187.2) | 23446 (875) | 7927963 | 25217 (941) | 20305 (757.7) |
| | Value | 356192 | 1528908 | 127035 | 62291 | 84614 | 402736 | 380567 | 176845 | 179142 |
| 1927 | Quantity | 315928 (11790.4) | 42320580 | 22816 (851.5) | 5267 (196.5) | 14908 (556.3) | 24414 (911) | 9945140 | 34078 (1271.8) | 15795 (589.4) |
| | Value | 313843 | 1594042 | 179998 | 85296 | 189596 | 292251 | 373356 | 175079 | 231786 |
| 1928 | Quantity | 325174 (12135.5) | 33666883 | 22834 (852) | 11014 (411) | 2923 (109) | 33945 (1266.8) | 11371850 | 24558 (916.5) | 15402 (574.8) |
| | Value | 322808 | 1639353 | 109974 | 285769 | 43907 | 378461 | 580309 | 133874 | 218690 |

Note:- (a) Quantity in Maunds except for coconuts and mangoes (b) figures in brackets are quantities in tonnes (c) value in Rupees

Source: (1) Estatística do Comercio Externo e Navegacao 1945, Reparticao Central da Estatistica e Informacao, Goa, Imprensa Nacional 1945, p.XXXVI;

TABLE 5.10
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODI-
TIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA.(1897-98 TO 1903-04)
(in percent)

| Commodities | 1897-98 | 1898-99 | 1899-00 | 1901-02 | 1902-03 | 1903-04 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Salt | 4.7 | 3.4 | 5.1 | 6.5 | 5.6 | 6.9 |
| Coconut | 44.2 | 42 | 42.4 | 31.5 | 32 | 37.7 |
| Cashewnuts (with shell) | 2 | 2.7 | 2 | 3.4 | 4.1 | 3.5 |
| Cashewnuts (without shell) | 2.6 | 3.5 | 2.5 | 2 | 2 | 0.9 |
| Copra | 1.4 | 0.7 | 5 | 4 | 2.3 | 4.7 |
| Arecanuts | 6.8 | 6.5 | 13.6 | 9.6 | 11.9 | 9.1 |
| Mangoes | 6.8 | 3.1 | 3.8 | 6.4 | 4.2 | 7.5 |
| Salted fish | 4.7 | 6.6 | 4.6 | 5.4 | 2.3 | 2.7 |
| Dry fish | 6.8 | 10 | 7 | 9.6 | 7.7 | 6.5 |

Note: Percentage shares are derived on the basis of the Table 5.04 and 5.06

TABLE 5.11
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODI-
TIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1904-1913)
(in percent)

| Commodities | 1904 | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 | 1912 | 1913 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Salt | 6 | 5.5 | 7.1 | 6.5 | 9.4 | 6.6 | 4.7 | 4.5 | 4 | 3.9 |
| Coconuts | 42.2 | 47.8 | 43.2 | 41.8 | 39 | 40 | 54 | 47 | 58 | 48 |
| Cashewnuts (with shell) | 1.93 | 2.5 | 2.6 | 4 | 3.3 | 4.5 | 4.9 | 5.5 | 3.5 | 5 |
| Cashewnuts (without shell) | 0.77 | 1.8 | 1.5 | 1.5 | 1.1 | 1.7 | 2 | 2.3 | 1.6 | 2.3 |
| Copra | 4 | 7.7 | 5 | 2.5 | 3.3 | 3 | 4 | 2.8 | 4 | 5 |
| Arecanuts | 7.1 | 1.35 | 2.96 | 4.4 | 5.8 | 7.8 | 6.6 | 6.1 | 5.6 | 5 |
| Mangoes | 6.4 | 6.9 | 5.6 | 6.5 | 6.4 | 7.1 | 5.6 | 5.7 | 4.6 | 5.2 |
| Salted fish | 3.2 | 2.8 | 3 | 2.7 | 3.4 | 4 | 2.2 | 1.8 | 1.2 | 1.7 |
| Dry fish | 8 | 1.8 | 4.2 | 4.5 | 7.2 | 5.9 | 3.9 | 5.1 | 5.2 | 5 |

Note: Percentage shares are derived on the basis of the Table 5.05 and 5.07

TABLE 5.12
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1914-1918)
(in percent)

| Commodities | 1914 | 1915 | 1916 | 1917 | 1918 |
|-------------------------------|------|------|------|------|------|
| Salt | 4.9 | 7.6 | 15.9 | 20 | 12 |
| Coconuts | 41.7 | 46 | 32.9 | 41 | 48.8 |
| Cashewnuts (with shell) | 5.2 | 4.1 | 3.6 | 1.6 | 2.2 |
| Cashewnuts (without shell) | 1.4 | 1.6 | 0.7 | 1.3 | 0.9 |
| Copra | 4 | 6.8 | 3.2 | 0.4 | 4.7 |
| Arecanuts | 9 | 5.7 | 5 | 7.6 | 8.6 |
| Mangoes | 6 | 5.8 | 3.6 | 5.9 | 2.1 |
| Salted fish | 2.5 | 2.1 | 1.3 | 1.2 | 1.3 |
| Dry fish | 2.3 | 4.2 | 4.6 | 3.99 | 3.2 |

Note: Percentage shares are derived on the basis of the Table 5.05 and 5.08.

TABLE 5.13
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1919-1928)
(in percent)

| Commodities | 1919 | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Salt | 10.8 | 8 | 6 | 7 | 7 | 7 | 8.3 | 9 | 7.7 | 7.1 |
| Coconuts | 45 | 43 | 46 | 46 | 44.8 | 43.9 | 36 | 38.8 | 39.3 | 36 |
| Cashewnuts (with shell) | 1.7 | 4.2 | 5.8 | 3.1 | 3.3 | 4.3 | 5.5 | 3.2 | 4.4 | 2.4 |
| Cashewnuts (without shell) | 1 | 1.8 | 1.6 | 2.5 | 1.7 | 2.3 | 2.4 | 1.5 | 2 | 6.3 |
| Copra | 8 | 2.4 | 4.2 | 5.6 | 6.1 | 6.7 | 1.5 | 2.1 | 4.6 | 0.9 |
| Arecanuts | 5.6 | 6.5 | 7.7 | 8 | 7.5 | 9 | 9.5 | 10 | 7.2 | 8.3 |
| Mangoes | 4.3 | 7.3 | 7.6 | 8.6 | 9 | 7.9 | 9.3 | 9.6 | 9.2 | 12.8 |
| Salted fish | 2 | 1.8 | 2.4 | 1.6 | 2.7 | 3.3 | 3.5 | 4.4 | 4.3 | 2.9 |
| Dry fish | 4.1 | 3.5 | 3.1 | 2.5 | 2.8 | 2.2 | 6.9 | 4.5 | 5.7 | 4.8 |

Note: Percentage shares are derived on the basis of the Table 5.05 and 5.09.

India was the largest among all the export commodities of the territory. During the period from 1897-98 to 1928, the share of coconuts never declined below 31% of the annual total export trade of Portuguese India. The share of this commodity was maximum - 58% - in 1912. As compared to the share of coconuts, the shares of other principal commodities were very less. The share of salt never crossed 20%. The shares of arecanuts, mangoes and copra never increased above 13.6%, 12.8% and 8%, respectively. The shares of cashewnuts with shell, cashewnuts without shells and salted fish were less as compared to all the above export commodities. It is, however, clear from the tables mentioned above, that the shares of dry fish were comparatively higher than those of cashewnuts of both types and salted fish, during the period from 1897-98 to 1928.

The Tables 5.10, 5.11, 5.12, and 5.13 explain us how the percentage shares of salt and other principal export commodities in the total export trade changed during the periods from 1897-98 to 1913 (Pre-First World War period) from 1914 to 1918 (First World War period) and from 1919 to 1928 (Post-World War I and pre-Great Depression period). The position of each of the principal export commodities was as described below:-

The percentage share of the export of salt in the total export trade of the territory during the period from 1897-98 to 1913 decreased marginally from 4.7% to 3.9%. During the First World War period, this share increased from 4.9% in 1914 to 12% in 1918. Between the years 1919 and 1928, the share of the export of salt decreased from 10.8% to 7.1%. Thus, during the period from 1897-98 to 1928, the share of the export of salt in the total export trade of the territory increased from 4.7% to 7.1%. The percentage share of the export of coconuts in the total export trade of Portuguese India during the period from 1897-98 to 1913 increased from 44.2% to 48%. The First World War period witnessed a decrease in this share. It decreased to 41.7% in 1914 and after ups and downs reached the level of 48.8% in the last year of the War. The percentage share of the export of coconuts decreased during the period after the World War I reaching the level of 36% in 1928. The share of cashewnuts with shell, in the export trade of the territory increased from 2% to 5% between the years

1897-98 and 1913, and that of cashewnuts without shell remained more or less constant at the level of slightly more than 2% during the same period. During the War period one witnesses a decline in these shares, the former reaching the level of 2.2% and the latter that of 0.9% in 1918. On the eve of the Great Depression, i.e., in 1928, the shares of cashewnuts with shell and those without shell were 2.4% and 6.3%, respectively.

The share of copra in the export trade of the territory increased from 1.4% in 1897-98 to 5% in 1913. In 1918, the share was 4.7%. During the post-war period, after much fluctuations, the share of copra reached the lowest level of 0.9% in 1928. The share of arecanuts in the export trade of the territory decreased from 6.8% in 1897-98 to 5% in 1913. During the first year of the First World War, this share rose to 9% but decreased to 8.6% in 1918. In 1919, the share of arecanuts was 5.6% which increased to 8.3% in 1928. As regards mangoes, their share in the export trade of Portuguese India was 6.8% in 1897-98, which declined to 5.2% in 1913. Between 1914 and 1918 - the period of the World War - the share of this commodity in the export trade decreased from 6% to 2.1%. During the first year after the end of the World War, the share of mangoes was 4.3%. It increased to 12.8% in 1928. The share of salted fish and dry fish decreased from 4.7% and 6.8%, in 1897-98, to 1.7% and 5%, respectively, in 1913. During the last year of the World War I, i.e. in 1918, these shares further decreased to 1.3% and 3.2%, but in 1919, they increased to 2% and 4.1%, respectively. On the eve of the Great Depression, the shares witnessed a marginal rise to 2.9% and 4.8%.

5.9.2 SHARES OF THE EXPORTS OF SALT AND OTHER EIGHT PRINCIPAL COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA

The percentage of the annual export of each commodity to the annual total import trade of Portuguese India measures the contribution of each export commodity towards the payment of the import trade obligations of the territory. The Tables 5.14, 5.15, 5.16, and 5.17 indicate these percentages as regards nine principal export commodities of Portuguese India.¹²⁵ As shown by these tables, the contribution of the ex-

port of coconuts towards the payment of the import trade obligations of the territory was largest among all the export commodities of Portuguese India. During the period from 1897-98 to 1928, the contribution of this commodity towards the payment of the import trade obligations never decreased below 9.3%. It was maximum in 1910 when it reached the level of 21.8%. As compared to coconuts, the contributions of all other principal export commodities in this respect were very less. The contribution of salt during this period was never more than 7.3%. For most of the years, it was not more than 3%. The contributions of cashewnuts with shell, cashewnuts without shell, copra, salted fish and dry fish were very negligible. The contributions of these export commodities never increased above 1.9%, 1.7%, 2.5%, 2.2% and 2.8%. As far as arecanuts and mangoes were concerned, their contributions never crossed the figure of 4.3% and 3.5%, respectively. It should, however, be noted that for most of the years, during this period from 1897-98 to 1928, the contributions of cashewnuts without shell and salted fish were less than one per cent, and those of cashewnuts with shell, dry fish and copra were not more than 2%. As regards arecanuts and mangoes one notices the fact that for many years the percentage contribution of each one of these two commodities was more than 2%.

TABLE 5.14
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL
COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE
OBLIGATIONS OF PORTUGUESE INDIA (1897-98 TO 1903-04)
(in percent)

| Commodities | 1897-98 | 1898-99 | 1899-00 | 1901-02 | 1902-03 | 1903-04 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Salt | 1.2 | 0.9 | 1.4 | 2.7 | 2 | 2.3 |
| Coconuts | 11.4 | 11.5 | 11.5 | 13 | 11.6 | 12.8 |
| Cashewnuts (with shell) | 0.5 | 0.7 | 0.5 | 1.4 | 1.4 | 1.2 |
| Cashewnuts (without shell) | 0.68 | 0.9 | 0.6 | 0.8 | 0.7 | 0.3 |
| Copra | 0.3 | 0.2 | 1.3 | 1.6 | 0.8 | 1.6 |
| Arecanuts | 1.7 | 1.7 | 3.7 | 4 | 4.3 | 3 |
| Mangoes | 1.7 | 0.8 | 1 | 2.6 | 1.5 | 2.5 |
| Salted fish | 1.2 | 1.8 | 1.2 | 2.2 | 0.8 | 0.9 |
| Dry fish | 1.7 | 2.7 | 1.9 | 4 | 2.8 | 2.2 |

Note: Percentages as given in the above Table are derived from the Table 5.04 and 5.06.

TABLE 5.15
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF
PORTUGUESE INDIA (1904-1913)
(in percent)

| Commodities | 1904 | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 | 1912 | 1913 |
|-------------------------------|------|------|------|------|------|------|------|-------|------|------|
| Salt | 1.8 | 1.8 | 2.5 | 2.6 | 3.3 | 2.1 | 1.9 | 1.3 | 1.4 | 1.4 |
| Coconuts | 13 | 16.2 | 15 | 16.7 | 13.8 | 13.3 | 21.8 | 13.99 | 20.5 | 17.8 |
| Cashewnuts (with shell) | 0.6 | 0.8 | 0.9 | 1.6 | 1 | 1.4 | 2 | 1.6 | 1.2 | 1.9 |
| Cashewnuts (without shell) | 0.23 | 0.6 | 0.5 | 0.6 | 0.4 | 0.5 | 0.8 | 0.7 | 0.5 | 0.8 |
| Copra | 1.25 | 2.6 | 1.79 | 1 | 1.2 | 1 | 1.6 | 0.8 | 1.4 | 1.8 |
| Arecanuts | 2.2 | 0.46 | 1 | 1.7 | 2 | 2.5 | 2.6 | 1.8 | 2 | 1.8 |
| Mangoes | 1.98 | 2.3 | 1.9 | 2.6 | 2.3 | 2.3 | 2.2 | 1.6 | 1.6 | 1.9 |
| Salted fish | 0.98 | 0.96 | 1 | 1 | 1.2 | 1.3 | 0.9 | 0.5 | 0.4 | 0.6 |
| Dry fish | 2.47 | 0.63 | 1.4 | 1.8 | 2.5 | 1.9 | 1.5 | 1.5 | 1.8 | 1.8 |

Note: Percentages as given in the above Table are derived from the Table 5.05 and 5.07.

TABLE 5.16
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF
PORTUGUESE INDIA (1914-1918)
(in percent)

| Commodities | 1914 | 1915 | 1916 | 1917 | 1918 |
|-------------------------------|------|------|------|------|------|
| Salt | 1.6 | 2.8 | 6 | 7.3 | 4.5 |
| Coconuts | 13.7 | 16.7 | 12.4 | 15 | 18 |
| Cashewnuts (with shell) | 1.7 | 1.5 | 1.3 | 0.6 | 0.8 |
| Cashewnuts (without shell) | 0.4 | 0.5 | 0.2 | 0.4 | 0.3 |
| Copra | 1.3 | 2.5 | 1.2 | 0.1 | 1.7 |
| Arecanuts | 3 | 2 | 1.9 | 2.8 | 3.2 |
| Mangoes | 2 | 2 | 1.3 | 2.1 | 0.8 |
| Salted fish | 0.8 | 0.7 | 0.5 | 0.4 | 0.48 |
| Dry fish | 0.78 | 1.5 | 1.7 | 1.4 | 1.1 |

Note: Percentages as given in the above Table are derived from the Table 5.05 and 5.08.

TABLE 5.17
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF
PORTUGUESE INDIA (1919-1928)
(in percent)

| Commodities | 1919 | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Salt | 3.4 | 2.3 | 1.5 | 1.5 | 1.6 | 2 | 2 | 2 | 1.8 | 2 |
| Coconuts | 14 | 12.7 | 12.2 | 9.9 | 10.7 | 12.8 | 9.2 | 9.3 | 9.4 | 10 |
| Cashewnuts (with shell) | 0.5 | 1.2 | 1.5 | 0.6 | 0.79 | 1.2 | 1.4 | 0.7 | 1 | 0.6 |
| Cashewnuts (without shell) | 0.3 | 0.5 | 0.4 | 0.5 | 0.4 | 0.69 | 0.6 | 0.3 | 0.5 | 1.7 |
| Copra | 2.5 | 0.7 | 1.1 | 1.2 | 1.4 | 2 | 0.37 | 0.5 | 1.1 | 0.2 |
| Arecanuts | 1.7 | 1.9 | 2 | 1.7 | 1.8 | 2.6 | 2.4 | 2.4 | 1.7 | 2.3 |
| Mangoes | 1.3 | 2 | 2 | 1.8 | 2.1 | 2.3 | 2.3 | 2.3 | 2.2 | 3.5 |
| Salted fish | 0.6 | 0.5 | 0.6 | 0.3 | 0.6 | 0.9 | 0.8 | 1 | 1 | 0.8 |
| Dry fish | 1.3 | 1 | 0.8 | 0.5 | 0.6 | 0.6 | 1.7 | 1.1 | 1.3 | 1.3 |

Note: Percentages as given in the above Table are derived from the Table 5.05 and 5.09.

The Tables 5.14, 5.15, 5.16 and 5.17, explain us how the percentage contributions of salt and other principal export commodities towards the payment of the import trade obligations changed during the periods from 1897-98 to 1913, from 1914 to 1918 and from 1919 to 1928. The position of each of the principal export commodities was as follows:

The percentage contribution of the export of salt towards the payment of the import trade obligations as measured by the percentage of the export of salt to the total import trade of Portuguese India was 1.2% in 1897-98. It increased marginally to 1.4% in 1913. In 1918, this percentage rose to 4.5%, but decreased to 2% in 1928. Thus, during the post-war period upto the immediate preceding year of Great Depression, the percentage contribution of salt towards the payment of the import trade obligations showed a declining trend even before the onslaught of Great Depression. The percentage contribution of the export of coconuts in this respect increased from 11.4% in 1897-98 to 17.8% in 1913. During the first four years of the First World War, this contribution was less than what it was in 1913. In 1918, it increased to 18%, but de-

creased to the level of 10% in 1928. The percentage contribution of the export of cashewnuts with shell and those without shell very marginally increased from 0.5% and 0.68% in 1897-98 to 1.9% and 0.8% in 1913, respectively. During the War period, these percentages further declined to reach 0.8% and 0.3% in 1918, respectively. In 1928, the contribution of the former further decreased to 0.6%, but that of the latter slightly increased to 1.7%. The percentage of the export of copra to the import trade of the territory increased from 0.3% to 1.8% between 1897-98 and 1913. During the last year of the World War I, this percentage was 1.7%. In 1928 it further decreased to a very low level of 0.2%. The percentage of the export of arecanuts to the import trade of the territory was 1.7% in 1897-98. It remained more or less constant at the level of 1.8% in 1913. During the War period, this percentage increased and reached the figure of 3.2% in 1918. After the war period, one notices decline in this percentage which reached the level of 2.3% in 1928. As regards mangoes we observe that this percentage was 1.7% in 1897-98. It remained more or less constant in the year 1913. After slight increase during the first few years of the World War I in 1918 it slumped down to 0.8%, but increased during the post -War period to reach the level of 3.5% in 1928. The contribution of the export of salted fish and dry fish towards the payment of the import trade obligations of Portuguese India changed from 1.2% and 1.7% in 1897-98 to 0.6% and 1.8% in 1913, respectively. During the last year of the World War I, i.e. in 1918, these percentages further declined to 0.48% and 1.1%, respectively. In 1928, the percentage contributions of these two commodities towards the payment of the import trade obligations were 0.8% and 1.3%, respectively.

5.9.3 CHANGE IN THE EXPORTS OF SALT AND OTHER EIGHT PRINCIPAL COMMODITIES BETWEEN THE YEARS 1897-98 AND 1928

The performance of the export of salt as compared to that of the other export commodities during the period under study in this chapter, can be better understood if we measure the percentage change in the annual export of each of these commodities during the periods between 1897-98 and 1914, between 1914 and 1918, and between 1918 and 1928. This analysis is made on the basis of the Tables 5.06, 5.07, 5.08 and 5.09,¹²⁶

The annual export of salt between 1897-98 and 1914 increased from Rs. 53,052 to Rs. 131,669 which amounted to an increase of 148%. Between 1914 and 1918, the annual export of salt increased from Rs. 131,669 to Rs. 488,727 amounting to an increase of 271%. However, between 1918 and 1928, a decline in the annual export of salt was registered. It decreased from Rs. 488,727 to Rs. 322,808, the decrease amounting to 34% between the two years. The quantity exported of salt registered an increase of 2.8% from 18,501 tonnes to 19,023.7 tonnes, between the years 1904 and 1914. During the First war period, there was a decline of 18%, as salt exports decreased from 19,023.7 tonnes in 1914 to 15,651.8 tonnes in 1918. The salt exports decreased to 12,135.5 tonnes in 1928, amounting to a fall of 22.5%, between 1918 and 1928. The annual export of coconuts between 1897-98 and 1914 increased from Rs. 498,867 to Rs. 1,111,418 amounting to an increase of 122%. Between 1914 and 1918, the annual export of coconuts increased from Rs. 1,111,418 to Rs. 1,943,824, which amounted to an increase of 75%. It decreased from Rs. 1,943,824 in 1918 to Rs. 1,639,353 in 1928, which amounted to a decline of 15.7% between these two years. The exports of coconuts in terms of quantity increased by 20.6%, between 1904 and 1914, but during the War period, the quantity exported of this commodity increased from 27,077,955 nuts to 56,168,932 nuts, which amounted to a rise of 107.4%. The quantity exported of coconuts decreased to 33,666,883 in 1928, which meant a decline of 40%, between 1918 and 1928. The increase in the annual export of cashewnuts with shell amounted to 510% between 1897-98 and 1914, since the annual exports increased from Rs. 23,126 to Rs. 141,131 during this period. Between 1914 and 1918 the export of cashewnuts with shell decreased from Rs. 141,131 to Rs. 89,659. The decrease in the export of this commodity was 36.5%, during this period. The export of the commodity registered an increase of 22% from 1918 to 1928, as it increased from Rs. 89,659 to Rs. 109,974. The quantity exported of cashewnuts with shell increased from 483 tonnes in 1904 to 1,333.6 tonnes in 1914, amounting to a rise of 176%. Between 1914 and 1918, the exports of this commodity in terms of quantity increased by 22.4%. From 1918 to 1928, the quantity exported of this commodity decreased from 1,632.3 tonnes to 852 tonnes, the decline being 47.8%. Between 1897-

98 and 1914, the annual export of cashewnuts without shell increased from Rs. 29,721 to Rs. 37,809, amounting to an increase of 27%. From 1914 to 1918, the exports decreased from Rs. 37,809 to Rs. 36,422, the decrease being 3.7% over the period. However, between 1918 and 1928, the exports increased by 684% from Rs. 36,422 to Rs. 285,769. The exports of cashewnuts without shell increased from 84.5 tonnes in 1904 to 172.5 tonnes in 1914, amounting to a rise of 104%. During the war period, there was a marginal fall of 8.5% in the quantity exported. The exports increased from 157.8 tonnes to 411 tonnes, accounting for a rise of 160%, between 1918 and 1928. As regards copra, an increase of 551% was registered in its annual exports as they increased from Rs. 16,455 to Rs. 107,244 between 1897-98 and 1914. The export of copra increased to Rs. 187,646 in 1918, registering an increase of 75% between 1914 and 1918. From 1918 to 1928, the export of this commodity decreased by 76.7%, as it slumped to the level of Rs. 43,907 in 1928. The exports of copra, in terms of quantity, increased by just 3.3%, between 1904 and 1914, while the rise in the exports during the war period (1914-1918) was 35.7%. The post-war period upto 1928 witnessed a fall of 86% in the exports of copra, in terms of quantity exported. From 1897-98 to 1914, the annual export of arecanuts increased from Rs. 77,389 to Rs. 239,667, which amounted to an increase of 209%. Between the years 1914 and 1918, it increased by 43.5% reaching the figure of Rs. 344,061 in 1918. The increase between 1918 and 1928 was 10% since the export of arecanuts reached the level of Rs. 378,461 in 1928. The quantity exported of arecanuts remained more or less constant between 1904 and 1914 at the level of slightly upwards of 800 tonnes, but, the exports increased from 810 tonnes in 1914 to 1572 tonnes in 1918, which meant a rise of 94%. In 1928, the quantity exported of arecanuts decreased to 1,266.8 tonnes, amounting to a decline of 19.5%. The annual exports of mangoes between the years 1897-98 and 1914 increased by 109% since the exports rose from Rs. 77,171 to Rs. 161,664 during this period. They decreased by 46% between 1914 and 1918, reaching the figure of Rs. 87,304. From 1918 to 1928, the exports of mangoes increased by 564% reaching the level of Rs. 580,309. The exports of mangoes increased from 6,798,158 mangoes in 1904 to 8,094,376 mangoes in 1914. In 1918, the quantity ex-

ported of mangoes decreased to 3,093,448. However, in the subsequent period there was a rise in the exports of mangoes, the quantity exported reaching 11,371,850 fruits in 1928. Thus, between 1904 and 1914, the rise in the quantity exported was 19%. While the period 1914-1918 witnessed a decline of 62%, the exports of mangoes from 1918 to 1928 increased substantially by 267.6%. Between 1897-98 and 1914, the export of salted fish increased from Rs. 53,979 to Rs. 68,986 amounting to an increase of 27%. From 1914 to 1918, it decreased by 24% and reached the level of Rs. 52,432. However, the export of this commodity increased by 155% during the period 1918-1928 from Rs. 52,432 to Rs. 133,874. The quantity exported of salted fish decreased from 1317.8 tonnes to 819.2 tonnes, accounting for a decrease of 38%. During the war period, the exports of salted fish decreased further to 660 tonnes, which amounted to a decline of 19.5%. Between 1918 and 1928, the quantity exported of salted fish increased from 660 tonnes to 916.5 tonnes, which amounted to a rise of 38.8%. The annual exports of dry fish decreased from Rs. 76,709 to Rs. 63,374, amounting to a decrease of 17% between 1897-98 and 1914. From 1914 to 1918, the exports increased by 102% to reach the figure of Rs. 128,377. The increase between 1918 and 1928 was 70% since the export of this commodity increased to Rs. 218,690 in 1928. The exports of dry fish decreased from 1,160 tonnes in 1904 to 651 tonnes in 1914. The decrease was 44%, between these two years. During the war period, the quantity exported of dry fish increased by 44.6%. The quantity of dry fish exports decreased from 941.8 tonnes in 1918 to 574.8 tonnes in 1928, amounting to a fall of 39%.

5.9.4 EXPORT PRICES OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES

The performance of the annual exports of salt as compared to that of the other principal export commodities of Portuguese India can be measured on the basis of the export earnings of each commodity per unit of measure and the change that has taken place in the same, over a period of time. The export earnings of each commodity, per unit of measure, constitute the average price received by the commodity from its exports. The Table 5.18 shows the export earnings of salt, cashewnuts with shell, cashewnuts without shell, copra, arecanuts, salted fish and dry fish per one tonne of the

TABLE 5.18
EXPORT PRICES OF NINE SELECTED PRINCIPAL COMMODITIES OF PORTUGUESE INDIA (1904-1928)
(In Rupees)

| Year | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|------|----------|-----------------------------|--------------------------------|-------|-----------|---------|-------------|----------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1904 | 5.4 | 20.4 | 66.0 | 151.0 | 121.3 | 145.6 | 15.6 | 40.0 | 114.0 |
| 1905 | 6.0 | 22.0 | 41.7 | 152.0 | 159.5 | 203.0 | 13.0 | 35.6 | 46.0 |
| 1906 | 5.2 | 29.5 | 64.2 | 119.0 | 164.2 | 181.0 | 17.26 | 66.2 | 80.6 |
| 1907 | 5.3 | 32.9 | 67.0 | 142.8 | 184.8 | 186.7 | 18.66 | 56.7 | 95.0 |
| 1908 | 4.9 | 26.6 | 63.3 | 164.0 | 116.4 | 109.0 | 12.28 | 50.9 | 81.7 |
| 1909 | 6.0 | 29.2 | 68.2 | 276.5 | 122.8 | 157.6 | 11.53 | 42.2 | 51.6 |
| 1910 | 6.0 | 39.5 | 87.8 | 181.6 | 157.7 | 100.0 | 20.89 | 34.0 | 93.7 |
| 1911 | 6.7 | 42.5 | 93.3 | 230.0 | 192.4 | 212.4 | 13.91 | 66.8 | 73.6 |
| 1912 | 6.6 | 44.3 | 66.9 | 180.6 | 332.6 | 163.4 | 26.6 | 71.0 | 117.0 |
| 1913 | 5.2 | 39.3 | 88.0 | 173.3 | 201.0 | 141.6 | 23.61 | 78.0 | 84.5 |
| 1914 | 6.9 | 41.0 | 105.8 | 219.0 | 187.0 | 295.8 | 19.97 | 84.2 | 97.3 |
| 1915 | 7.3 | 29.6 | 64.3 | 248.2 | 200.6 | 226.0 | 23.46 | 85.0 | 116.2 |

Contd..

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-----|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| | 1916 | 18.0 | 37.4 | 86.6 | 219.5 | 178.8 | 219.8 | 19.60 | 104.6 | 110.5 |
| | 1917 | 25.8 | 33.9 | 55.2 | 256.0 | 322.2 | 149.0 | 28.19 | 88.5 | 122.4 |
| | 1918 | 31.2 | 34.6 | 54.9 | 230.8 | 241.3 | 218.8 | 28.22 | 79.4 | 136.3 |
| | 1919 | 24.4 | 40.3 | 90.8 | 369.6 | 373.2 | 265.8 | 10.87 | 77.5 | 196.0 |
| | 1920 | 24.5 | 64.0 | 141.2 | 411.2 | 407.2 | 262.6 | 29.14 | 89.6 | 130.7 |
| | 1921 | 28.0 | 56.0 | 120.0 | 400.0 | 412.7 | 240.0 | 40.0 | 104.0 | 253.6 |
| | 1922 | 24.5 | 48.7 | 71.7 | 401.2 | 394.5 | 260.4 | 24.8 | 64.9 | 290.8 |
| 331 | 1923 | 26.3 | 49.0 | 77.2 | 364.0 | 404.2 | 306.0 | 41.45 | 119.7 | 347.0 |
| | 1924 | 26.0 | 47.4 | 122.2 | 341.4 | 423.6 | 362.0 | 31.94 | 128.8 | 281.4 |
| | 1925 | 26.3 | 53.4 | 126.0 | 445.3 | 437.2 | 429.0 | 18.47 | 133.3 | 281.0 |
| | 1926 | 26.5 | 48.6 | 101.2 | 387.0 | 452.0 | 460.2 | 48.00 | 188.0 | 236.4 |
| | 1927 | 26.6 | 37.6 | 211.3 | 340.8 | 340.8 | 320.8 | 37.54 | 137.6 | 393.2 |
| | 1928 | 26.6 | 48.7 | 129.0 | 695.3 | 402.8 | 298.7 | 51.00 | 146.0 | 380.4 |

Note:- Average export price in case of coconuts and mangoes is per 1000 units. In case of all other goods it is per one tonne

Source:- Average export prices are computed on the basis of the Tables 5.07, 5.08 and 5.09.

commodity, and the export earnings of coconuts and mangoes per 1000 units, over a period of 25 years from 1904 to 1928.¹²⁷ The Tables 5.18 is computed on the basis of the tables 5.07, 5.08 and 5.09.

As shown by the Table 5.18, the average price per one tonne received by the salt exports increased from Rs. 5.4 in 1904 to Rs. 6.9 in 1914. After 1914, the average price received by salt per one tonne continued to increase substantially reaching the level of Rs. 31.2 during the last year of the World War I. In 1919, the average price received by the salt exports decreased to Rs. 24.4 and after ups and downs in the post-war period, it reached the figure of Rs. 26.6 in 1928. Thus, the average price per one tonne received by the salt exports increased by 27.7% from 1904 to 1914. From 1914 to 1918, which was the First World War period, the average price per one tonne increased by 352%. From 1918 to 1928, it decreased by 15%. During the period from 1904 to 1928, the average price received by the salt exports increased by 392.5%. The average price received by the coconuts exports increased from Rs. 20.4 to Rs. 41 per 1,000 units, between 1904 and 1914. During the War period, there was a decline in this variable. The average price decreased from Rs. 41 in 1914 to Rs. 34.6 in 1918. The average price of the coconuts exports was higher during the post-war period, as compared to what it was during the War period and reached the level of Rs. 48.6 in 1928. Thus, the average price of the coconuts exports per 1,000 units increased by 105% from 1904 to 1914. During the War period, it declined by 17%. The post-war period registered an increase of 41%, between 1918 and 1928. The average price of coconuts exports increased from Rs. 20 in 1904 to Rs. 48 in 1928, amounting to an increase of 140% during this period. The average price received by the cashewnuts with shell and those without shell increased from Rs. 66 to Rs. 105.8 and from Rs. 151 to Rs. 219 per one tonne, respectively, amounting to an increase of 60% and 45%, between 1904 and 1914. During the War period, it registered a decline in case of the former and a rise in case of the latter. The former decreased from Rs. 105.8 in 1914 to Rs. 54.9 in 1918, amounting to a decline of 48%, and the latter increased from Rs. 219 in 1914 to Rs. 230.8 in 1918 amounting to a rise of 5%. In the post-war period, the average price of both these exported commodities increased from

Rs. 54.9 in 1918 to Rs. 129 in 1928, and from Rs. 230.8 in 1918 to Rs. 695.3 in 1928, amounting to an increase of 135% and 200%, respectively. As regards the period from 1904 to 1928, one notices that the rise in the average price of the exports of these two commodities was 95% and 360%, respectively. The average price received by copra exports per one tonne of the commodity, increased from Rs. 121.3 in 1904 to Rs. 187 in 1914. It increased from Rs. 187 in 1914 to Rs. 241.3 in 1918 during the War period. Between the years 1918 and 1928, the average price of the exported copra increased from Rs. 241.3 to Rs. 402.8. The rise during the periods 1904-14, 1914-18 and 1918-28 was 54%, 29% and 67%, respectively. Between the years 1904 and 1928, the average price of copra exports increased from Rs.121.3 to Rs. 402.8, amounting to an increase of 232%. The average price received by arecanuts exports per one tonne increased from Rs. 145.6 in 1904 to Rs. 295.8 in 1914, amounting to an increase of 103%. Between the years 1914 and 1918, it decreased from Rs. 295.8 to Rs. 218.8, the percentage fall being 26%. The average price of arecanuts exports increased from Rs. 218.8 in 1918 to Rs. 298.7 in 1928, amounting to an increase of 36.5%. From 1904 to 1928, the average price received by arecanuts exports increased from Rs. 145.6 to Rs. 298.7, amounting to an increase of 105% over the period.

The average price received by mango exports per 1,000 units increased from Rs. 15.6 in 1904 to Rs. 19.97 in 1914 and, then, to Rs. 28 in 1918. The increase between 1904 and 1914 and between 1914 and 1918 amounted to 28% and 40%, respectively. The average price received by mango exports increased from Rs. 28 in 1918 to Rs. 51 in 1928, amounting to an increase of 82%. Between 1904 and 1928, the average price increased from Rs. 15.6 to Rs. 51, indicating a rise of 227% over the period. The average price of the salted fish exports and the dry fish exports per one tonne changed in the following manner:- In case of the former there was an increase from Rs. 40 in 1904 to Rs. 84.2 in 1914, and in case of the latter there was a decrease from Rs. 114 to Rs. 97.3 between the above two years. During the War period the average price of the salted fish exports decreased from Rs. 84.2 to Rs. 79.4 and that of the dry fish increased from Rs. 97.3 to Rs. 136.3. It increased from Rs. 79.4 in 1918 to Rs. 146 in 1928 in case of salted fish, and from Rs. 136.3 to Rs. 380.4 in case of

dry fish. In terms of percentage changes, the following picture was clear: In case of salted fish, the average price increased by 110.5% between 1904 and 1914, and in case of dry fish the decrease was 14.7%. During the War period, the average price of salted fish exports decreased by 5.7% and that of dry fish increased by 40%. The average price of both the export commodities increased by 84% and 179%, respectively, between 1918 and 1928. Between 1904 and 1928, the average price of both the commodities increased by 265% and 233.6%, respectively.

5.9.5 PERFORMANCE OF THE EXPORTS OF SALT AS COMPARED TO THE EXPORTS OF OTHER SELECTED PRINCIPAL COMMODITIES OF PORTUGUESE INDIA (1897-1898 TO 1928).

The foregoing analysis of the performance of salt and other eight principal traditional export commodities of Portuguese India, during the period from 1897-98 to 1928, in terms of different indicators of this performance, enables us to compare the performance of salt with that of the other selected export commodities, in the external trade of the territory.

1897-98 to 1913

As indicated by this analysis, during the period from 1897-98 to 1913, which was the pre-First World War period, the shares of the value of salt and cashewnuts without shell in the total export trade of Portuguese India remained more or less constant, but the shares of coconuts, cashewnuts with shell and copra increased. The shares of other commodities are found to be decreased between these two years. As regards the percentages of the values of the exports of principal commodities to the total import trade, it is observed that the percentages of salt, cashewnuts without shell, arecanuts, mangoes and dry fish remained more or less constant, but those of coconuts, cashewnuts with shell and copra increased. Between the years 1904 and 1914, salt exports in terms of quantity increased by just 2.8%, but, the quantity exported of cashewnuts with shell and without shell increased by much higher percentage. The quantity exported of coconuts and mangoes increased by a percentage which was also higher than that of salt. As regards the average prices received by the principal export

commodities, one notices 27.7% rise in the average price of salt but the average prices received by coconuts, arecanuts and salted fish increased by much higher percentage. The rise in the average prices of cashewnuts with shell and without shell, copra and mango was also greater than that of salt.

1914-1918

During the period 1914-1918, which was the First World War period, the shares of the value of salt, coconuts and dry fish in the total export trade of the territory increased but those of cashewnuts with shell, mangoes and salted fish decreased. The shares of copra and arecanuts remained almost constant. So far as the percentages of the values of the exports of principal commodities to the total import trade is concerned, we observe that the percentages of salt dry fish and coconuts increased, but those of cashewnuts without shell, copra and arecanuts remained more or less the same. The percentages of cashewnuts with shell, mangoes and salted fish experienced a decline. From 1914 to 1918, while the quantity exported of salt, cashewnuts without shell, mangoes and salted fish declined, the quantity exported of coconuts, cashewnuts with shell, copra, arecanuts and dry fish witnessed an increase. It should, however, be noted that the percentage fall in salt exports was much lower than that of mangoes and was marginally lower than that of salted fish. As far as the average prices received by the principal export commodities are concerned, one notices that the average price of salt increased by 352%. The percentage rise in the average price of salt was much higher than that in the average prices of cashewnuts without shell, copra, mangoes and dry fish. The average prices of other commodities decreased between 1914 and 1918.

1919-1928

During the period 1919-1928, which was the post-war period the shares of the value of salt, coconuts and copra in the total export trade decreased and the shares of cashewnuts with shell and without shell, arecanuts and mangoes increased. The shares of the remaining selected commodities remained more or less constant. However, the decrease in the share of salt was less than that of coconuts and copra. As regards the percentages of the values of the exports of selected principal export commodities to the total import trade of Portuguese India, we observe a decrease in the

percentages of salt, coconuts and copra, increase in the percentages of cashewnuts without shell, arecanuts and mangoes and constancy in case of other selected commodities. From 1918 to 1928, the quantities exported of salt, coconuts, cashewnuts with shell, copra, arecanuts and dry fish decreased, but the decrease in the exports of salt was less than that of coconuts, cashewnuts with shell, copra and dry fish. Between these two years, there was an increase in the quantities of cashewnuts without shell, mangoes and salted fish. So far as average prices received by the principal export commodities are concerned one notices that, from 1918 to 1928, average price of salt marginally decreased by 15%, while the average prices of all other selected export commodities experienced a rise which in case of cashewnuts with and without shell and dry fish was substantial and in respect of coconuts and arecanuts was comparatively less.

5.9.6 PERFORMANCE OF THE EXPORTS OF SALT AS COMPARED TO THAT OF THE TOTAL EXPORT TRADE OF PORTUGUESE INDIA (1896-97 TO 1928)

As indicated by the Tables 5.04, 5.05, 5.06 and 5.07, during the period from 1896-97 to 1913, while the total export trade of Portuguese India increased by 106.%, the value of the exports of salt increased by 114%. The quantity of the exports of salt between 1904 and 1913 increased by just 18%. During the war period (1914-1918), as revealed by the Tables 5.05 and 5.08, the total export trade of the territory increased by 49%, but the value of the exports of salt increased by 271%. It is, however, pertinent to note that during the war period, the quantity of the export of salt decreased by 18%.

The Tables 5.05 and 5.09 reveal that while the total export trade of Portuguese India increased by 13%, the value of the salt exports experienced a decline of 33%, during the period 1919-1928. In terms of the quantity of salt exported, a decline of 38.4% was witnessed during this post-war period.

5.10 THE PORTUGUESE INDIA GOVERNMENT'S MEASURES TO REVIVE THE ECONOMY

The Portuguese India government's contribution to the decadence of the territory was not less substantial. The Government's lethargic attitude was visible at many levels. As we have seen before, no concrete measures were taken by the Government to promote the agricultural and industrial sectors. Most serious deficiency in this respect was the total lack of the financial structure required for the growth of these sectors. The export trade sector would have expanded if the above two sectors had received proper attention from the Government. Even if the territory had succeeded in becoming self-sufficient in the production of rice, the unfavourable balance of trade experienced by the territory would have reduced, to the great benefit of the people of Portuguese India. The setting up of export-oriented industries would have expanded the export sector of the territory. The Government was no doubt aware of all this and, out of this realisation, prepared itself for taking some measures to promote the economy of the territory. To discuss this matter, the Governor General of the territory convened a meeting of the top government officers and prominent citizens on 21-7-1911 in the Government palace at Panaji. The Governor General appointed a commission for the development of Portuguese India. But, despite this interest shown by the Governor General and certain measures adopted by the Government, nothing concrete transpired.¹²⁸

However, as mentioned in the section of the 'The performance of the Mormugao Port and the Railway line ...', the Government of Portuguese India, realising the importance of the Mormugao port for the economic development of the territory, set up in 1919 a 'Comissao de Melhoramentos de Mormugao (Commission for the Improvement of Mormugao) in order to create infrastructure for the establishment of an industrial city at Mormugao. The aforesaid Commission was set up as per the plan placed by the Engineer Maravilhas before the Conselho do Governo in July 1919. The plan of the Engineer Maravilhas suggested ways and means to raise finance for the building up of the proposed industrial city. The plan, however, never succeeded and, consequently, the Comissao de Melhoramentos was dissolved in 1934.¹²⁹ The

Government of Portuguese India adopted one more measure to revive the economy of the territory. It introduced in 1920s a new Custom Tariffs policy with a view to protect the local agriculture and industries from the competition of goods imported from British India and other countries. In 1920, the Governor General Dr. Jaime de Morais presented his new taxation policy, whereby, the custom duties were raised by the Government. The rates of import duties which were in force from 1896 were increased by 20% by a Portaria dated 29-12-1921. Subsequently, the existing custom tariffs list was substituted by a new one, by a Portaria dated 14-1-1924, which led to an increase in the custom revenue of the government. The extent of the increase in the custom revenue can be determined, if we compare the custom revenue collected in 1919-20 with that collected in 1935-36, when the custom tariffs list of 1924 was in force. The custom revenue increased from Rs. 639,008 in 1919-20 to Rs. 3,783,000 in 1935-36, amounting to a rise of 519%. The Custom Tariffs list of 14-1-1924 raised import duties on many goods including those of higher consumption like rice. This new tariffs list levied export duties on goods exported from Portuguese India to foreign countries at the following rates: Areca, 1% ad valorem; coconuts, 6 tangas 6 reis per 1,000 coconuts in Goa and 1 tanga per 1,000 coconuts in Daman and Diu; Cashewnuts, 1% ad valorem in Goa; copra, 1% ad valorem in Goa; salt, 9 reis per maund in Goa, salt exports from Daman and Diu being exempted from export duties; fish, 8 tangas per maund. As per this tariffs list, goods exported to other Portuguese territories were exempted from the payment of export duties.¹³⁰ The Custom Tariffs list of 1924 was severely criticised by intellectuals like Menezes Braganza in 1930s who stated that the new custom tariffs policy of the Portuguese government had the ulterior motive of increasing the government revenues without considering the economic position of the people. It was contended that the new tariffs policy had brought in its wake retaliation on the part of the British India Government which had increased its own custom duties and freights.

It was, further, argued that as a result of high tariffs, goods of general consumption like rice became costlier as compared to their prices in British India. As Menezes Braganza stated further, this led to the rise in the cost of living of the peo-

ple, which, in its turn, brought about a rise in the wages and, consequently, a rise in the cost of production of goods, both agricultural and industrial. The Portuguese India government, however, argued that as compared to the rates of the custom duties which were in force in British India, the rates in Portuguese India were much lower.¹³¹

Whatever may be the consequences of the new custom tariffs policy as regards the cost of living of the people, one conclusion which will be undebatable is that the new custom tariffs policy implemented in 1924 and the subsequent fiscal measures of the government did not contribute to the development of agriculture and industries. The territory remained in the morass of decadence as before, on account of lack of concrete and direct measures of the government in the direction of promoting economic development of the territory.

5.11 PORTUGUESE INDIA GOVERNMENT'S MEASURES TO PROMOTE THE SALT INDUSTRY

Although it is true that no concrete measures were pursued by the Government of Portuguese India in the direction of promoting industrial and agricultural sector of the territory so as to give a boost to the beleaguered economy of Portuguese India, the different Governors-General who came to power during the period under study in this chapter, adopted important measures to search markets for the Portuguese Indian salt. Among these Governors-General, Governor General Joaquim Machado's contribution was unique. He took special interest in trying adequate solution to the marketing problem of the local salt. Joaquim Machado, the Governor General of Portuguese India, an intellectual in his own right, studied the economic problems of the territory in depth and tried to search adequate solutions to them. He seized of the problem faced by the salt industry on account of the unjust policy of the Bombay Presidency Government and began corresponding with the Governor of Bombay on this issue. This he did, as the National Government at Lisbon was not taking any adequate measures in this matter. He asked the Governor of Bombay to give him the exact interpretation of the order which prohibited the imports of Goan salt into Bombay Presidency by coasting vessels. He asked, also, for the revocation of the said order. However, the British Governor of Bombay was totally indifferent to the frank and persuasive argu-

ments of the Portuguese Governor. He explained to the Portuguese Governor the definition of a coasting vessel as under the order issued by his Government, but refused to revoke the said order. In his letter dated 17-4-1899, Machado asked Lord Sandhurst's Government that the interpretation of the 2 notifications should be sympathetic to the salt industry of Portuguese India.¹³² The Governor General Joaquim Machado was not discouraged by his failure to make the Government of Bombay Presidency withdraw its discriminatory orders against the Portuguese Indian salt. Neither his efforts with the Governor of Bombay nor the negotiations initiated by the National Government at Lisbon with the British Government at the diplomatic level, had succeeded. But he continued his efforts in other directions. He tried to place Goan salt in the markets of Calcutta and Madras. The Governor General contacted the Portuguese Consuls in these cities and dispatched to them the samples of salt. The samples were much appreciated in both the cities and the deal to send there 10,000 tonnes of salt was nearly finalised, but the company which had indicated its willingness to spare one of its steamships to transport salt, communicated, at the last moment, its inability to do so, by giving flimsy reasons for the same. It was beyond doubt that those vested interests in British India, which did not want that Portuguese Indian salt capture these two markets, pressurised the company into not sparing its steamship. The Governor General Machado was not a person to be disheartened easily by such failures. He initiated efforts to open markets for Portuguese Indian salt in Macao, Canton, Colombo, Zanzibar and Marseille. But all his praiseworthy efforts failed due to insurmountable adverse factors. Either the prices offered were not remunerative enough to cover the production and transport costs, or there was no steamship company willing to transport salt, in acceptable conditions.¹³³

Towards the end of the 19th century, the Governor of Macau exhibited great interest in the import of Portuguese Indian salt into Macau and, through this Portuguese possession, into China. In response to the enquiries made by the Governor of Portuguese India about the possibilities of marketing Goan salt in Macau and China, the Governor of Macau swung into action by summoning the Chinese trader who had monopoly rights in salt trade in Macau, to explore the possibility of import of salt into

Macau. As the Northern China was facing acute shortage of salt on account of unfavourable production conditions in that region and as, on the basis of the samples, Goan salt was found to be of good quality, the Chinese trader offered to buy immediately 4,000 tonnes of Goan salt of first and second grade and, subsequently, 700 tonnes of salt every month. The Governor of Macau proposed to the Governor of Portuguese India a plan to use the proposed trade in Goan salt for the promotion of bilateral trade between Goa and Macau in those commodities which were in high demand in Europe. In exchange of salt, Macau was to supply to Portuguese India, goods like tea, silk, precious wood, pottery and other Chinese manufactures for being re-exported to Europe, subject to the condition that the goods exported by Macau were to be exempted from import duties at the Goa Custom Houses. On account of several bottlenecks including lack of shipping facilities, the Goan salt industry failed to take advantage of this plan.¹³⁴ The Governor General Machado's efforts with the Government of Macau are worth to be highlighted here. He outlined a plan whereby Portuguese India was to reestablish old and traditional relations with the ports of the East. As per this plan, the steamships of the 'British India' Company were to load salt at Mormugao in each of their voyage to the port of Macau. In their return voyage the steamships were to bring merchandise from Macau, to be re-exported to Europe. Thus, Machado's endeavour aimed at supplying salt to the ports of the East in exchange for goods to be reexported to Europe. It was an attempt to develop the port of Mormugao, so as to establish there a commercial entrepot and bring to Goa its old glory.¹³⁵

The export of salt to the East would have given a boost to the salt industry in Goa. Machado pursued the matter with religious fervour, but his efforts did not pay any returns. Firstly, the proposed trade depended upon foreign merchant shipping. Getting markets for Portuguese Indian goods in such circumstances was a difficult task. Secondly, Portuguese India could not supply goods which, as the Portuguese Consul at Xanghai thought, would have secured markets in the East. In such circumstances, the efforts of Machado were bound to receive the expected setback. If Portuguese India had reestablished commercial relations with the ports of the Far-east, it would have, certainly, facilitated exchange of goods between the two regions. The

markets of China, Japan and other neighbouring countries would have been open for Portuguese wine. Portuguese India would have exported salt, areca, cashewnuts, mangoes etc. in exchange for silk, porcelain, china ware, carpets etc. which could have been reexported to Europe via Mormugao. This would have been the only way to revive Portuguese India's trade and make Mormugao a commercial entrepot. Machado opened negotiations with the proprietor of 'Nippon Kaisha', a Japanese shipping Company, the ships of which were plying between China-Japan and Bombay. He asked the Company to touch the port of Mormugao on the way to Macau and load salt for the markets of Macau and other neighbouring regions. This would have solved, to some extent, the perennial problem of shipping faced by the salt manufacturers in Portuguese India.¹³⁶

Machado's commitment to the development of his territory was so powerful that he did not relent even after his failure to search markets for Portuguese Indian salt. He tried to place Portuguese Indian salt into East African markets where salt from British India was being exported through Bombay Port. In order to compete the British Indian salt, a Decree dated 17-8-1901 was issued to reduce custom duties, at the instance of the Governor General. However, his efforts to export salt to the East African markets did not succeed on account of the lack of national merchant navy. With a view to reduce Portuguese India's dependence on foreign merchant navy, Machado went ahead with his proposal to establish a national partnership shipping company. He convened a meeting of main salt-producers and capitalists of Goa and the representatives of Banco Nacional Ultramarino. The plan proposed before this meeting was to raise funds for this shipping company and acquire one or two steamships to ply between Mormugao and Aden, in collaboration with a German Shipping Company which would enter into a contract with the Portuguese Government for shipping goods between Lisbon and East Africa, under a subsidy of Rs. 5,000 per month.¹³⁷ If this proposal had materialised, Portuguese India's dependence upon foreign shipping would have been reduced to a substantial extent. Portuguese India's position as regards shipping of its merchandise was in 1903 -04 as follows:-

Portuguese India's merchant navy consisted of coastal sailing vessels. In 1903-04, 1,416 national vessels, with the tonnage of 29,164, entered Portuguese Indian ports and 1,472 national vessels with the tonnage of 33,665, left these ports. Foreign vessels which entered Portuguese Indian ports were 1,038 with the tonnage of 43,573, and those which left these ports were 1,147 with the tonnage of 47,529. Against the background of this state of shipping, the floating of a national shipping company, as proposed by Machado, would have reduced Portuguese India's dependence on foreign shipping, but this proposal did not succeed and the state of Goa's shipping remained in the same position as before and, thus, the efforts to search markets for the Portuguese Indian salt failed. Joaquim Machado tried also to search markets for the Portuguese Indian salt in Europe.¹³⁸

The Governor General Machado's efforts to search markets for Goan salt in the other regions of British India i.e. outside Bombay Presidency received favourable response from a businessman of Hyderabad, who offered to buy Portuguese Indian salt. The Governor General succeeded in getting the custom tariff duties of the British India Government reduced, thanks to the sympathetic stand taken by that Government in this respect. Unfortunately, Goan salt was not satisfying the conditions of quality demanded by the buyer nor salt-pan owners were ready to sell the salt at the price mentioned by him.¹³⁹

Machado realised that the cultivation of salt in Goa was following an outdated process. He, therefore, sent to Marsaille an emissary to study the system of the manufacture of salt in France. The purpose was to introduce modern methods of production in salt manufacture in Portuguese India so as to improve the quality of salt and make use of the by-products for industrial purpose.¹⁴⁰

One of the successors of the Governor General Joaquim Machado, J.M. de Horta e Costa, following the footsteps of his predecessor tried to solve the problems of the Portuguese Indian salt industry by attempting to place Goan salt in Macau, at the instance of the Governor of Macau Alves Roccas. But, the attempt did not succeed. During his tenure, the Government renewed its efforts through the National Government at Lisbon to compel the Bombay Presidency Government into removing

the restrictions on the shipping of Goan salt. But, this time too, the British India Government refused to comply with the demand of the Portuguese India Government.¹⁴¹

The salt industry in Goa underwent such a serious situation that in order to extricate the industry from its difficult times, a proposal was made in 1914 for leasing, for six years, all the saltpans of Goa. Amancio Gracias who was the secretary of 'the Commission for the development of Portuguese India' drafted a memorandum on this proposal and submitted it to the Governor General of Portuguese India. Although the memorandum was well appreciated by the Governor General Dr. Couceiro, nothing was accomplished in this matter in the subsequent period.¹⁴²

As the Portuguese India Government could do nothing to prevail upon the British India Government to remove the restrictions on the exports of salt from Goa to the sea ports of Bombay Presidency, the Government of Portuguese India toyed with the idea of attempting another treaty with the British India government, to regulate the export of salt to British India and to solve other bilateral issues. This treaty, however, never materialised as no concrete measures were initiated in that direction.¹⁴³

The Governor General Freitas Ribeiro towards the end of 1910s applied his mind to the problem of salt industry. Finding the salt industry in Portuguese India in a precarious situation, he realised that only British Indian markets could lift this industry from the difficult times it had found itself. There was a pressing need to impress upon the British India Government to remove unjust restrictions on the movement of Portuguese Indian salt into British India. In order to achieve this, the Governor General wanted to celebrate a commercial agreement with British India Government on the export of salt to British India. The Governor General Jose de Freitas Ribeiro initiated his efforts to enter into a commercial agreement with British India. He appointed in 1919 a Commission of high officials, which proposed that Amancio Gracias should be sent to Pondicherry to study the economic system of Pondicherry. Amancio Gracias who had drafted a memorandum on this issue visited Pondicherry, but by the time he returned from this French possession in India, a new Governor General had been appointed. Thus, the proposed commercial agreement with British

India did not materialise and the problems of marketing the Portuguese Indian salt continued, to the detriment of the local salt industry.¹⁴⁴

5.11.1 FISCAL MEASURES TO PROTECT THE LOCAL SALT INDUSTRY

The difficulty encountered by the Portuguese Indian salt in the British Indian markets on account of the restrictions imposed by the Government of Bombay on the transport of salt into its territory made the Portuguese Indian government increasingly aware of the need to protect the locally manufactured salt. Accordingly, as mentioned before, the Custom Tariffs list of 14-1-1924 provided for the import duty of Rs. 4 per maund on the salt imported into Goa. The import duty on the salt imported into Daman and Diu was fixed at the rate of 6% ad valorem. As per the same Custom Tariffs list, the export duty on salt exported from Goa was fixed at the rate of 9 reis per maund, while the salt exports from Daman and Diu were totally exempted from export duties by the Government. That the government of Portuguese India was determined to encourage the salt exports from Goa was proved by one more fact. The government reduced the export duty on salt in Goa from 9 reis per maund to 6 reis per maund, as per article 10 of the Decreto lei no. 405 dated 18-3-1930.¹⁴⁵ All these measures focus an important fact related to the government policy concerning salt. The Portuguese India government looked at the problems faced by salt in the export trade of Portuguese India as problems of marketing requiring fiscal measures alone for their adequate solution. The government of Portuguese India never applied its mind to the need of the salt industry to undertake improvements in the process of its production and to enhance its productivity and quality.

The study of the economy of Portuguese India during the period from the denouncement of the Treaty of 1878 upto 1929 focuses the continuation of the decadence of the Goan economy during this period. The salt industry encountered serious problems on account of the restrictions imposed by the Bombay Presidency government on the conveyance of salt by sea route. The British India policy towards Portuguese Indian salt contributed to the decline in the salt exports by sea route, and led to the stagnation in the salt industry of Goa.

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CHAPTER SIX

GOAN ECONOMY AND SALT FROM 1929 TILL THE IMPOSITION OF THE ECONOMIC BLOCKADE BY INDIA

6.1 INTRODUCTION

The Goan economy between 1929 and 1954 was not different from what it was during the preceding period extending from the end of the Anglo-Portuguese Treaty of 1878 in 1892, to the beginning of the Great Depression in 1929, which played havoc throughout the world. The Portuguese Indian economy during the period from the beginning of Great Depression to the imposition of the economic blockade by India in 1954 was nothing but a stagnated economy with economic backwardness lurking in all the domains of the economy, except during the last few years of this period, when the export trade of Portuguese India exhibited buoyancy, thanks to the increasing demand for the mineral ore of Goa in the world market. The Goan economy continued to be an economic dependency of British India and then of free India since its trade and migration of the people of the territory were largely directed to British India, and after 1947, to the Indian Union. Although agriculture was the mainstay of the Goan economy, since majority of the people was engaged in the agricultural and allied pursuits, it had remained stagnant and backward.

6.2 THE STATE OF AGRICULTURE

Even though rice was the main agricultural commodity produced in Goa and was the staple food of the Goan people, its production had continued to be much less than the consumption requirements of the local people. Increasing imports of rice and almost every other essential commodity required by the local people were the measure of the backwardness of the agricultural sector of the territory. The dependence of Portuguese India on British India and other countries as regards the supplies of essential commodities required by the territory, can be measured by the share of rice imports in the total imports of Portuguese India. During the period from 1936 to 1939, the imports of rice into Portuguese India were as follows- 1936: Rs. 1,593,271; 1937: Rs. 1,727,774; 1938: Rs. 1,903,510; 1939: Rs. 1,840,054.¹ The percentage of the rice imports to the total imports of Portuguese India, during this period, as given below,

give us an idea about this dependence of Portuguese India as regards its consumption requirements:- 1936:-12%, 1937:-12.1%, 1938:-13.8%, 1939:-13.5%. As late as in 1950 during this period under study, rice imports were 18.2% of the total imports of Portuguese India. If we take the average of the annual rice imports from 1948 to 1951, the percentage of the rice imports to the average annual total imports of the territory, during this period was 13.8.² The seriousness of the problem of the deficit in the rice production of Portuguese India is eloquently conveyed if we compare the value of the rice imports in Portuguese India with the value of the total exports of this territory. The value of the total export trade of Portuguese India as compared to the value of the total import trade of the territory was so low that, most of the times, it was barely sufficient to pay for the rice import obligations of the territory. During the years 1948, 1949, 1950 and 1951, rice imports were 70.8%, 68%, 140% and 38% of the total export trade of Portuguese India.³ It implied that the major chunk of the value of the export trade was spent on the imports of rice only. The position in 1950 was worst among these four years, as during this year the value of rice imports was more than the total value of exports of Portuguese India. In absolute terms, while the value of the rice imports was Rs. 13,705,836, the value of the total export trade was Rs. 9,755,557.⁴ The latter was less than the former by Rs. 3,950,279. The imports of food items in 1948 constituted 50% of the total import trade of Portuguese India, in value terms.⁵ With the increasing population, the imports of food grains and other essential commodities were also increasing during the period under study. As Aver-tano Fernandes, a Goan scholar of repute, pointed out in 1940 in his lecture on the Goan economy, organised under the auspices of the Institute Vasco da Gama, this miserable situation on the agricultural front was the result of the failure of the Goan agriculturists in adopting modern techniques of ploughing and other innovations which other parts of the world had already introduced in their agricultural operations. Agriculture was not receiving any technical assistance worth the name from the government and the experts in this field.⁶ Irrigation was undeveloped and fishing and salt production which were primary sector activities were continuing to use backward methods, introduced since time immemorial.⁷ Even though large tracts of unculti-

vated cultivable lands were available in Goa, particularly, in the New Conquests, efforts to bring them under cultivation were lacking. Farmers, landowners and other segments of the rural population were starving of institutional finance. There was no agricultural bank to provide credit to the farmers nor Banco Nacional Ultramarino was giving adequate stress to agricultural credit.⁸

6.3 THE STATE OF THE MANUFACTURING INDUSTRY

As far as the manufacturing sector was concerned, the position had remained the same with no manufacturing units worth the name in Goa. This sector in Goa was mostly composed of a few traditional industries catering to the requirements of the villages or semi-urban areas and using outdated methods of production. As in the past, lack of capital and spirit of enterprise coupled with the indifference of the government towards the need to promote industries was the principal cause of the backwardness in the manufacturing sector of the territory. The government had failed to give new orientation to the economic life of the territory, as it could not provide infrastructure to the prospective industries in Goa. Initiative and efforts to utilise local resources to undertake the industrialisation of the territory continued to be lacking both on the part of the Government and the people.⁹ One of the important sources of wealth in Goa was human capital. It was, however, neglected by the government to the detriment of the industrialisation of the local economy. On account of the persistent neglect of human capital and the lack of industrial development coupled with the backward and unproductive agriculture, Goan people were compelled to migrate to British India and other countries in search of means of livelihood. The migration which had begun in the early period of the 19th century, gained momentum during this period. Although the migration of the Goans was an indicator of the decadent and stagnated Goan economy, paradoxically, it acted as a valuable source of wealth to Portuguese India, in the form of these migrants' substantial remittances to their homeland.¹⁰

The availability of finance to the existing and potential industries in Goa was dismally inadequate. The financial market of Portuguese India was composed of Banco Nacional Ultramarino, Caixa de Credito Rural, Caixa Economica Postal, reserves of the charitable institutions and Fabricas and individual moneylenders. One of

the weaknesses of the financial market was the lack of coordination among the Government of the territory, Banco Nacional Ultramarino and other institutions mentioned above. The traders engaged in the import and export trade and small entrepreneurs were always finding it difficult to avail of adequate credit from the financial institutions. The administrative machinery of Portuguese India was not geared to the requirements of the economic development of the territory.¹¹

Although Goa's position as regards modern manufacturing industries was miserable, this deficiency could have been offset by the development of the traditional handicrafts like goldsmithy, blacksmithy, carpentry and artistic wood-work etc. and the promotion of the existing small industries in the territory. But, different factors caused the ruin of Goan artisans and small industries. Dr. Tristao Braganza Cunha pointed out that one of the causes of this ruin was the denationalisation of the Goans. The new habits and customs acquired by the Goans by systematically copying the Europeans, particularly, by emulating their life-styles, had led to the increasing consumption of exotic goods which had brought about the draining away of Goa's wealth to foreign countries. This tendency to emulate the life styles of the Europeans which was described by Dr. Tristao Braganza Cunha as denationalisation of Goans, had, according to him, also contributed to the decadence of the local arts and industries.¹²

The National Government at Lisbon was aware of the importance of the promotion of industries in its colonies including Goa. In 1944, a Decreto-Lei issued by the National Government highlighted the need to develop those industries in the colonies, which could utilize the locally available resources and which did not require tariff protection for their development.¹³ Despite the commitment expressed by the National government in this Decreto-Lei to promote the establishment of industries in colonies, no concrete measures were taken by this Government to speed up the process of industrialisation in Goa.¹⁴ Even the traditionally practised salt industry had not undergone any improvement worth the name to bring about increase in its productivity.

6.4 EXTERNAL TRADE AND THE ECONOMY OF PORTUGUESE INDIA DURING THE PERIOD 1929-1954

During the period under study in this chapter, external trade of Portuguese India continued to exhibit all the signs of stagnation and of a decadent economy except during the last few years of this period when a beginning of the mining boom was witnessed and the territory began its march towards higher incomes, higher prices and sudden spurt in the export trade, accompanied by a rise in the import trade. The period 1929-1954 was influenced by different world phenomena like Great Depression, World War II and Post-World War revival, and near at home, by the independence of India, the reactions of the Portuguese Government at Lisbon to the historical event of the independence of India and the increasing demand on the part of certain countries like Japan and Germany for Goan mineral ore.¹⁵ For the purpose of study, the period 1929-1954, can, thus, be divided into three sub-periods (I) 1929-1938 (ii) 1939-1945 and (iii) 1946-1954 on the basis of the influence exercised by the world phenomena and the factors near at home, on the economy of Portuguese India, particularly, the Goan economy. During the entire period under study in this Chapter, the import trade of Portuguese India consisted mainly of essential commodities like polished rice, wheat, sugar, tea and coffee, petroleum products, tobacco and cigarettes, oils, wood, cotton seeds, cement, motor vehicles and their components like tyres etc.¹⁶ Its export trade was composed of coconuts, cashewnuts, firewood, copra, salt, salted and dry fish, mangoes, ananas, bamboos, coal, arecanuts etc. In 1940s, mineral ore occupied an important place in the export trade of the territory.¹⁷

6.4.1 DEPRESSION AND AFTER 1929-1938

The Great Depression which began in the United States of America in the agricultural sector spread like a wild fire throughout the world where free economy was followed. The economy of Portuguese India which had close economic relations with British India and other countries was subjected to the ravages of this world phenomenon, along with its neighbouring country-British India. Great Depression affected the external trade of Portuguese India and led to the continuous fall in the prices of the commodities causing great harm to the producing class.¹⁸

The movement of prices of different commodities produced locally in Goa, during the period between 1928 and 1937, explains the seriousness of the economic crisis Portuguese India underwent during these difficult times. The prices kept a downward trend. The price level during this period (1928-1937) was not more than 35 to 45% of what it was between 1918 and 1928. The prices of agricultural commodities like coconuts decreased. The price of coconuts decreased in such a way that it was less than what it was in the last century.¹⁹ The price of coconuts was Rs. 35 to 40 per 1,000, before the First World War. It decreased to Rs. 14 to 16 per 1,000, i.e. it was now less than half of what it was before the First World War. The prices of salt, wood, copra, arecanuts fish and fruits also decreased, although, as compared to the prices of coconuts, they were relatively higher. Their value decreased by 50%. There were instances when there was no demand for these products.²⁰ The fall in the prices of coconuts affected the coconut grove owners in two ways: Firstly, the incomes of the coconut growers decreased and, secondly, the incidence of the 'Contribuicao predial' (Property Tax), the coconut growers were subject to, increased in real terms.

The fall in the values of agricultural commodities led to the decrease in the production of all these commodities.²¹

During this period of crisis, the position of the Portuguese Indian government improved, thanks to the rise in the tax revenue from both direct and indirect taxes. The main cause of this rise was the increase in the tax rates brought about by the Government through statutory measures.

During this period, the government continued the same tariffs structure of 1924, which contributed to the increase in the custom revenue of the territory. The Goan nationalist Tristao Braganza Cunha suspected in this government policy an ulterior motive of increasing the government revenues to the detriment of the Goan economy. In 1938 and 1940, the government's total receipts maintained themselves at a very high level of the upward of Rs. 70 lakh. As mentioned before, the custom revenue increased by 519% between 1919-20 and 1935-36. Higher tariffs imposed by the Portuguese India government brought in its wake retaliation on the part of the British India government which raised its own custom duties and other charges. As a

result of high tariffs, goods of general consumption like rice imported into Goa, became costlier to the people as compared to their prices in British India. The prices of rice in normal times were more than double the price in British India. This taxation policy of the Portuguese Indian government evoked severe criticism on the part of the Goan intellectuals. It was argued that the rise in the government revenue was disproportionate to the economic position of the territory. This contention was, however, later on, countered by the Governor General of Portuguese India General Bossa, who stated that, as compared to the rates which were in force in British India, the rates of custom duties in the territory were much lower. The rates in British India were generally more than ten times the rates which were in force in Daman and Diu, and, in some cases, the rates in force in Goa.²²

During the period 1929-1938, the index number of cost of living decreased from 100 to 50, as prices decreased from 1929. This helped the fixed income group of employees, particularly, the government servants. The government servants' incomes increased in real terms. The rise in the incomes of this group was estimated to be 25 to 33% from the year 1929.²³ However, the position of the majority of the people of Portuguese India became miserable. The period witnessed an increase in the unemployment of the people because of the lack of employment opportunities. The value of property depreciated during this period of economic crisis. It is worth mentioning here that even in this precarious situation, there was a small section of the population of Goa and other settlements, which was leading a life of prosperity.²⁴

The external trade of Portuguese India during this period deteriorated on account of this economic crisis. The Table 6.01 focuses this fact in two ways: Firstly, it indicates the decline in the value of imports and exports between the years 1929 and 1938 and, secondly, it shows that, between these two years, the percentage of the value of exports to the value of imports has decreased.²⁵ During all these years this percentage has remained below 32, ranging between 18 and 31, which implies that the value of the export trade was much less than the figure of the negative balance of trade of the territory.

TABLE 6.01
EXTERNAL TRADE OF PORTUGUESE INDIA (1929-1938)
(value in Rupees)

| Year | Import Trade | Export Trade | Balance of Trade | % of the exports to the Imports |
|------|--------------|--------------|------------------|---------------------------------|
| 1929 | 16,754,450 | 5,186,396 | -11,568,054 | 31% |
| 1930 | 17,652,002 | 4,090,058 | -13,561,944 | 23% |
| 1931 | 17,049,810 | 3,187,395 | -13,862,415 | 18.7% |
| 1932 | 16,209,239 | 2,923,150 | -13,286,089 | 18% |
| 1933 | 15,211,583 | 2,376,159 | -12,835,424 | 15.6% |
| 1934 | 14,268,563 | 2,784,880 | -11,483,683 | 19.5% |
| 1935 | 14,186,250 | 2,570,210 | -11,616,040 | 18% |
| 1936 | 13,276,912 | 2,438,340 | -10,838,572 | 18.4% |
| 1937 | 14,187,323 | 2,883,763 | -11,303,560 | 20.3% |
| 1938 | 13,760,508 | 2,521,980 | -11,238,528 | 18.3% |

Source: Anuario Estatístico 1959, p.241. Boletim official, No.14, 18-2-1936, pp.300 onwards; Direccao dos Servicos Aduaneiros, 1931 to 1935, pp.20,21,22,32.; Anuario Estatístico da India Portuguesa 1936-39, p.141.

The Table 6.01 explains that, during the period, the import trade and the export trade did not decrease continuously, although for most of the years there was continuous decline. Between the first year of the Great Depression (1929) and the preceding year of the Second World War (1938) the import trade decreased from Rs. 16,754,450 to Rs. 13,760,508 and the export trade registered a fall from Rs. 5,186,396 to Rs. 2,521,980. Thus, the import trade decreased by 17.5% and the decrease in the export trade was equal to 51%. These percentages show that the export trade decreased by a higher percentage as compared to the import trade. As shown by the Table 6.02, the index number of the import trade decreased from 120 in 1930 to 94 in 1938, while the index number of the export trade decreased from 119 in 1930 to 73 in 1938.²⁶

TABLE 6.02
INDEX NUMBERS OF THE VALUES OF THE IMPORT TRADE AND EXPORT
TRADE (1930-1938)

| Years | Import Trade | Export Trade |
|-------|--------------|--------------|
| 1930 | 120 | 119 |
| 1931 | 116 | 93 |
| 1932 | 110 | 85 |
| 1933 | 103 | 69 |
| 1934 | 97 | 81 |
| 1935 | 96 | 75 |
| 1936 | 90 | 71 |
| 1937 | 96 | 84 |
| 1938 | 94 | 73 |

Source:- Anuario Estadístico 1959, p.241

Note:- Base year: 1940 to 1944. Average of the values of the years 1940-1944=100

The balance of trade during this period remained unfavourable at a very high level as compared to the preceding period ending in 1928. Although the negative balance of trade decreased from Rs. 11,568,054 in 1929 to Rs. 11,238,528 in 1938, for all the nine years from 1929 to 1938, the figures of the negative balance of trade were much higher than the value of the export trade of the territory. The deterioration of the economy of the territory can be gauged with greater clarity, if we compare the percentage change in imports and exports of the territory, during the period 1929-1938 with that during the period 1914-1928, which preceded the period of economic crisis. While the value of the import trade and export trade increased by 32.3% and 49.3% respectively, during 1914-1928, both registered a decline of 17.5% and 51%, respectively, during 1929-38. During this latter period, the value of the general external trade of Portuguese India decreased substantially. Between 1930 and 1937, the general external trade decreased from Rs. 130,790,000 in 1930 to Rs. 82,100,000 in 1937, amounting to a fall of 37%.²⁷

During the period 1929-1938, the external trade of the territory underwent a change in terms of its direction. As the Tables no.6.03 and no.6.04 show, the percent-

age share of Bombay in the total import and export trade of Portuguese India decreased from 53% to 38.42% and from 85.25% to 67.3%, respectively, between the years 1929 and 1935. The Goan nationalist Dr. Tristao Braganza e Cunha attributed this fall in the share of British India in the import trade and export trade of Portuguese India to the high tariffs policy of the Portuguese government during this period. The rise in the custom duties rates charged by this government led to the reduction in the trade between the two territories. The share of the USA in the export trade of Portuguese India increased from 0.11% to 17.3%. Other countries' share in the export trade of the territory increased from about 6% to 14%. Rangoon's share in the import trade increased from about 6.5% to 11%. During this period, the shares of Portugal and other Portuguese colonies in the export trade of Portuguese India were dismally low.

TABLE 6.03
SHARES OF SELECTED REGIONS/COUNTRIES IN THE TOTAL IMPORTS OF
PORTUGUESE INDIA
(1929-1935)

| Region/Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1. Portugal | 216132 (1.29) | 224180 (1.27) | 182433 (1.07) | 197752 (1.22) | 185581 (1.22) | 225443 (1.58) | 261027 (1.84) |
| 2. Other Portuguese colonies | 139062 (0.83) | 150042 (0.85) | 502969 (2.95) | 426303 (2.63) | 684521 (4.5) | 592145 (4.15) | 798685 (5.63) |
| 3. Bombay | 8879858 (52.98) | 9226701 (52.27) | 8190728 (48.04) | 7869585 (48.55) | 6635292 (43.62) | 5611825 (39.33) | 5450357 (38.42) |
| 4. Karachi | 943275 (5.63) | 1390977 (7.88) | 1766360 (10.36) | 1513943 (9.34) | 1282336 (8.43) | 943152 (6.61) | 648311 (4.57) |
| 5. Rangoon | 1084013 (6.47) | 1138554 (6.45) | 1159387 (6.8) | 815324 (5.03) | 1282336 (8.43) | 1389758 (9.74) | 1568999 (11.06) |
| 6. England | 1378891 (8.23) | 1482768 (8.40) | 1955613 (11.47) | 1739251 (10.73) | 1537891 (10.11) | 1609494 (11.28) | 1502323 (10.59) |
| 7. USA | 383677 (2.29) | 485430 (2.75) | 294961 (1.73) | 176680 (1.09) | 176454 (1.16) | 315335 (2.21) | 341888 (2.41) |
| 8. Other foreign Countries | 3732891 (22.28) | 3553348 (20.13) | 2997356 (17.58) | 3470398 (21.41) | 3427169 (22.53) | 3581409 (25.1) | 3614656 (25.48) |
| Total Import Trade | 16754450 (100) | 17652002 (100) | 17049810 (100) | 16209239 (100) | 15211583 (100) | 142685 (100) | 14186250 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source :- Movimento Comercial, Direccao dos Servicos Aduaneiros (1931 to 1935), pp.20, 21

TABLE 6.04
SHARES OF SELECTED REGIONS/COUNTRIES IN THE TOTAL EXPORTS OF
PORTUGUESE INDIA
(1929-35)

| Region/Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 |
|------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1. Portugal | 1037 (0.02) | 31084 (0.76) | 22949 (0.72) | 35662 (1.22) | 35404 (1.49) | 22836 (0.82) | 15164 (0.59) |
| 2. Other Portuguese colonies | 10372 (0.20) | 6544 (0.16) | 13068 (0.41) | 5261 (0.18) | 4752 (0.20) | 4177 (0.15) | 4112 (0.16) |
| 3. Bombay | 4421402 (85.25) | 3247915 (79.41) | 2278987 (71.5) | 2136822 (73.1) | 1587274 (66.8) | 211374 (75.9) | 1729751 (67.3) |
| 4. Katiawar | 437732 (8.44) | 56852 (1.39) | 43030 (1.35) | 292315 (1.00) | 70572 (2.97) | 14203 (0.51) | 12337 (0.48) |
| 5. USA | 5705 (0.11) | 185688 (4.54) | 451972 (14.18) | 202282 (6.92) | 256625 (10.8) | 220005 (7.9) | 444646 (17.3) |
| 6. Other foreign Countries | 310146 (5.98) | 561974 (13.74) | 377387 (11.84) | 513889 (17.58) | 421530 (17.74) | 409934 (14.72) | 364198 (14.17) |
| Total Export Trade | 5186396 (100) | 4090058 (100) | 3187395 (100) | 2923150 (100) | 2376159 (100) | 2784880 (100) | 2570210 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source:- Movimento Commercial, Direcção dos Servicos Aduaneiros (1931 to 1935) pp.22, 23

During most of the years they were less than 1%. Portugal's share in the import trade of the territory remained below 2%. However, the share of other Portuguese colonies in the import trade, showed an increasing trend from less than 1% to 5.63%, during this period.²⁸

6.4.2 WAR PERIOD 1939-1945

The decline in the import and export trade of Portuguese India, that was witnessed during the period 1929-1938 on account of the economic crisis faced by the territory, gave way to the revival of the external trade during the period of the second World War. The position of the economy was better than what it was in the preceding period of the economic crisis.²⁹ The Table no.6.05 throws light on this fact by highlighting certain positive features of this period.

TABLE 6.05
EXTERNAL TRADE OF PORTUGUESE INDIA (1939-45)
(value in Rupees)

| YEAR | Import Trade | Export Trade | Trade Balance | % of the exports to the imports |
|------|--------------|--------------|---------------|---------------------------------|
| 1939 | 13,586,722 | 2,771,589 | -10,815,133 | 20.4 |
| 1940 | 14,574,000 | 2,888,666 | -11,685,334 | 19.8 |
| 1941 | 14,185,166 | 2,561,500 | -11,623,666 | 18 |
| 1942 | 14,058,000 | 3,036,166 | -11,021,834 | 21.6 |
| 1943 | 16,686,166 | 3,798,166 | -12,888,000 | 22.7 |
| 1944 | 14,185,166 | 4,941,666 | -9,243,500 | 34.8 |
| 1945 | 28,544,833 | 9,130,833 | -19,414,000 | 32 |

Source:- Anuario Estatístico 1959, p.241; Anuario Estatístico da Índia Portuguesa 1936-39, p.141

During the second World War period, the index number of the import trade and export trade changed as follows:

TABLE 6.06
INDEX NUMBERS OF THE VALUES OF THE IMPORT TRADE AND EXPORT TRADE (1939-1945)

| YEAR | Import Trade | Export Trade |
|------|--------------|--------------|
| 1939 | 92 | 80 |
| 1940 | 99 | 84 |
| 1941 | 96 | 74 |
| 1942 | 95 | 88 |
| 1943 | 113 | 110 |
| 1944 | 96 | 143 |
| 1945 | 194 | 265 |

Source:- Anuario Estatístico 1959, p.241

Note: Base year: 1940 to 1944. Average of the values for the years 1940-1944=100

The Table 6.05 shows that the import trade experienced ups and downs, between the years 1939 and 1945, but it increased from Rs. 13,586,722 in 1939 to Rs. 28,544,833 in 1945 amounting to an increase of 110%, while the export trade increased continuously, except between the years 1940 and 1941. The annual exports

during this period increased from Rs. 2,771,589 in 1939 to Rs. 9,130,833 in 1945, amounting to an increase of 229%. Thus, the percentage rise in the export trade was greater than that in the import trade. Another redeeming feature of this period was that the percentage of the export trade to the import trade increased from 20.4% to 32%, which implied that the capacity of the territory to pay for its imports, in the form of the value of the exports, increased. It should, however, be noted that the negative balance of trade during this period increased from Rs. 10,815,133 to Rs. 19,414,000. That the economy of Portuguese India was in a better position during the second World War period, so far its external trade was concerned, than the preceding period, is proved by the fact that the average annual import trade during this period was Rs. 16,545,721 which was higher than the average annual import trade amounting to Rs. 15,255,664, during the preceding period (1929-1938). Similarly, the annual average export trade during the War period was Rs. 4,161,226 which was higher than that pertaining to the period 1929-1938, by Rs. 1,064,993.

During the War period, we observe striking change in the share of India and Portugal in the import trade of Portuguese India. As shown in the Table 6.07, the share of Portugal increased from 2.35% in 1942 to 9% in 1945. In the immediate post-World War year (1946) this share decreased to 7.5%. The share of India decreased from 80.82% in 1942 to 73.68% in 1945. During the next year (1946) this share further decreased to 56.24%. As regards the export trade of Portuguese India, the share of India in this trade decreased substantially from 90.84% in 1942 to 53.51% in 1945. During the year 1946, this share increased to 61.77%.³⁰ The Table 6.08 indicates the changes in the shares of different countries in the export trade of Portuguese India between the years 1942 and 1946.

6.4.3 POST-WAR PERIOD 1946-1954

The period 1946-1954 witnessed continuous increase in the import trade of Portuguese India, except for the year 1954 when the Government of free India imposed economic blockade on the Portuguese Indian territory. As revealed by the Table 6.09, the imports increased from Rs. 27,993,666 to Rs. 72,523,000, amounting to a rise of 159%. The export trade of the territory was subject to ups and downs during

TABLE 6.07
SHARES OF DIFFERENT COUNTRIES IN THE IMPORT TRADE OF
PORTUGUESE INDIA (1942-1946)

| Countries | 1942 | 1943 | 1944 | 1945 | 1946 |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Portugal | 330363 (2.35) | 210245 (1.26) | 482295 (3.4) | 2569035 (9) | 2119120 (7.57) |
| Other Overseas Terri- tories | 660,726 (4.70) | 764226 (4.58) | 360303 (2.54) | 1401551 (4.91) | 1394084 (4.98) |
| <u>Foreign Countries :-</u> | <u>13066911</u> <u>(92.95)</u> | <u>15711694</u> <u>(94.16)</u> | <u>13342567</u> <u>(94.06)</u> | <u>24574246</u> <u>(86.09)</u> | <u>24480461</u> <u>(87.45)</u> |
| i) India | 11361676 (80.82) | 14545331 (87.17) | 12341094 (87) | 21031833 (73.68) | 15743637 (56.24) |
| ii) Other foreign countries | 1705235 (12.13) | 1166363 (6.99) | 1001472 (7.06) | 3542413 (12.41) | 8736823 (31.21) |
| Total Import Trade | 14058000 (100) | 16686166 (100) | 14185166 (100) | 28544833 (100) | 27993666 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source:- Estatistica do Comercio Externo e da Navegacao 1946, Goa, Imprensa Nacional, 1948, p.XXII

TABLE 6.08
SHARES OF DIFFERENT COUNTRIES IN THE EXPORT TRADE OF
PORTUGUESE INDIA (1942-1946)

| Countries | 1942 | 1943 | 1944 | 1945 | 1946 |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Portugal | 2429 (0.08) | - | 32121 (0.65) | 168007 (1.84) | 55773 (0.88) |
| Other Overseas Territories | 13966 (0.46) | 76 (0.002) | 9389 (0.19) | 17348 (0.19) | 14577 (0.23) |
| <u>Foreign Countries :-</u> | <u>3019770</u> <u>(99.46)</u> | <u>3797786</u> <u>(99.99)</u> | <u>4900156</u> <u>(99.16)</u> | <u>8945477</u> <u>(97.97)</u> | <u>6267483</u> <u>(98.89)</u> |
| i) India | 2758053 (90.84) | 2874832 (75.69) | 3118685 (63.11) | 4885908 (53.51) | 3914879 (61.77) |
| ii) Other Foreign Coun- tries | 261717 (8.62) | 922954 (24.30) | 1781470 (36.05) | 4059568 (44.46) | 2352603 (37.12) |
| Total Export Trade | 3036166 (100) | 3798166 (100) | 4941666 (100) | 9130833 (100) | 6337833 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source :- Estatistica do Comercio Externo e da Navegacao, 1946, Goa, Imprensa Nacional, 1948, p.XXII.

this period. In 1946, the exports were valued at Rs. 6,337,833. They increased to Rs. 64,687,000 in 1953, amounting to an increase of 92%. In 1954, the export trade was valued at Rs. 52,680,333. Between 1946 and 1954, the export trade increased by 731%.³¹

The negative balance of trade continuously increased, during this period, from Rs. 21,655,833 in 1946 to Rs. 65,945,000 in 1950. From 1950, the negative balance of trade decreased continuously reaching the level of Rs. 19,842,667 in 1954. As regards the percentage of the exports to the imports, one notices a fall from 22.6% to 12.2%, between 1946 and 1950. From 1950 to 1954, we witness a rise in this percentage from 12.2% to 72.6%. Thus, from 1950 onwards the external trade position of Portuguese India greatly improved as compared to the preceding periods. As the Table no.6.10 indicates, the index number of import trade increased from 190 in 1946 to 492 in 1954. The index number of the export trade increased from 184 in 1946 to 1529 in 1954. The above analysis explains the improvement in the economy of Portuguese India. This improvement in the external trade position of the territory is corroborated by one more fact. The annual average import trade of Portuguese India, during the period 1946-1954, increased to Rs. 63,644,277 from Rs. 16,545,721 of the preceding period of the Second World War. Similarly, the annual average export trade during 1946-1954 increased to Rs. 24,662,629 from Rs. 4,161,226 of the preceding War period.

During the period 1946-1954, the share of different countries which were trading with Portuguese India, underwent drastic changes. In 1946, Portugal's share in the import trade of the territory was 7.5%. As indicated by the Table 6.11 and the Table 6.13, it increased to 14% in 1948, but decreased, thereafter, to reach the level of 5.73% in 1953. In 1954, the share of Portugal increased to 13.7%. The share of the other Portuguese overseas territories was about 5% in 1946. It increased to 13.4% in 1948, but came down to 2.7% in 1954. India's share in the import trade of the territory had decreased to 56.2% in 1946. In 1948, its share declined to 27%. In 1954, there was further fall in the share of India to the level of 17.7%. England's share in the import trade of the territory increased from 12% in 1948 to 18.5% in 1954.

TABLE 6.09
EXTERNAL TRADE OF PORTUGUESE INDIA (1946-1954)
(value in Rupees)

| YEAR | Import Trade | Export Trade | Trade Balance | % of Exports to Imports |
|------|--------------|--------------|---------------|-------------------------|
| 1946 | 27,993,666 | 6,337,833 | -21,655,833 | 22.6 |
| 1947 | 42,706,166 | 6,148,833 | -36,557,333 | 14.39 |
| 1948 | 46,837,833 | 8,752,500 | -38,085,333 | 18.68 |
| 1949 | 51,693,333 | 7,933,500 | -43,759,833 | 15.34 |
| 1950 | 75,185,166 | 9,240,166 | -65,945,000 | 12.2 |
| 1951 | 79,698,166 | 25,461,666 | -54,236,500 | 32 |
| 1952 | 87,915,833 | 40,721,833 | -47,194,000 | 46.2 |
| 1953 | 88,245,333 | 64,687,000 | -23,558,333 | 73.3 |
| 1954 | 72,523,000 | 52,680,333 | -19842667 | 72.6 |

Source:- Anuario Estadístico 1959, p.241

TABLE 6.10
INDEX NUMBERS OF THE VALUES OF THE IMPORT TRADE AND EXPORT
TRADE (1946-1954)

| YEAR | Import Trade | Export Trade |
|------|--------------|--------------|
| 1946 | 190 | 184 |
| 1947 | 290 | 178 |
| 1948 | 318 | 254 |
| 1949 | 351 | 230 |
| 1950 | 510 | 268 |
| 1951 | 541 | 739 |
| 1952 | 596 | 1182 |
| 1953 | 599 | 1878 |
| 1954 | 492 | 1529 |

Source:- Anuario Estadístico 1959, p.241

Note: Base year: 1940 to 1944. Average of the values for the years 1940-1944=100

The Tables 6.11 and 6.13 throw light on the decline of the share of the USA in the import trade, between the year 1948 and 1954, from 13.6% to 6.6%.³²

As demonstrated by the Table 6.12 and the Table 6.14 the shares of different countries in the export trade of the territory substantially changed during this period. The shares of Portugal and the overseas Portuguese territories remained to a negligibly low level, but India's share substantially decreased from 54% in 1948 to 6.2% in 1954. The share of Japan which was just 1.8% in 1948 increased to 44.7% in 1951 and, although it declined in 1954, it remained at a higher level of 36.2% among all countries importing goods from Portuguese India. The share of the USA increased from 20% in 1948 to 51.7% in 1952, but decreased to 17.5% in 1954. West Germany's share increased from 0.75% to 25.9%, between 1951 and 1954.³³

TABLE 6.11
SHARES OF DIFFERENT COUNTRIES IN THE IMPORT TRADE OF
PORTUGUESE INDIA (1948-1951)

| Countries | 1948 | 1949 | 1950 | 1951 |
|---|----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Portugal | 6557296 (14) | 6203200 (12) | 1954814 (2.6) | 4861588 (6.1) |
| Other Overseas Territories | 6276269 (13.4) | 3204986 (6.2) | 3458517 (4.6) | 2869134 (3.6) |
| <u>Foreign Countries (Includes the following and other countries)</u> | <u>34004266</u> <u>(72.6)</u> | <u>42285146</u> <u>(81.8)</u> | <u>69771834</u> <u>(92.8)</u> | <u>71728349</u> <u>(90)</u> |
| (a) India | 12739890 (27.2) | 14163973 (27.4) | 16164810 (21.5) | 15541142 (19.5) |
| (b) England | 5714215 (12.2) | 8581093 (16.6) | 14661107 (19.5) | 14345670 (18) |
| (c) USA | 6369945 (13.6) | 3928693 (7.6) | 3984813 (5.3) | 5977362 (7.5) |
| (d) Japan | - | 98217 (0.19) | 1278148 (1.7) | 2072152 (2.6) |
| Total Import Trade | 46837833 (100) | 51693333 (100) | 75185166 (100) | 79698166 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source:- Anuario Estatístico 1948, p.162; Armando G. Pereira, *India Portuguesa*, Lisboa, Agencia Geral do Ultramar, 1953 p.349

TABLE 6.12
SHARES OF DIFFERENT COUNTRIES IN THE EXPORT TRADE OF PORTUGUESE INDIA (1948-1951)

| Countries | 1948 | 1949 | 1950 | 1951 |
|--|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| Portugal | 26257 (0.3) | 10313 (0.13) | 55441 (0.6) | 38192 (0.15) |
| Other Overseas Territories | 122535 (1.4) | 27767 (0.35) | 60061 (0.65) | 84023 (0.33) |
| <u>Foreign Countries</u> (Includes the following and other countries) | <u>8594955</u> <u>(98.2)</u> | <u>7893832</u> <u>(99.5)</u> | <u>9120044</u> <u>(98.7)</u> | <u>25334357</u> <u>(99.5)</u> |
| (a) India | 4735102 (54.1) | 3659723 (46.13) | 3763519 (40.73) | 5980945 (23.49) |
| (b) USA | 1750500 (20) | 1983375 (25) | 2374722 (25.7) | 5856183 (23) |
| (c) Japan | 165422 (1.89) | 1142424 (14.4) | 1478426 (16) | 11391549 (44.74) |
| Total Export Trade | 8752500 (100) | 7933500 (100) | 9240166 (100) | 25461666 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages
Source:- Anuario Estatístico, 1948, p.163; Armando G. Pereira, India Portuguesa, Lisboa, 1953, p.350

TABLE 6.13
SHARES OF DIFFERENT COUNTRIES IN THE IMPORT TRADE OF PORTUGUESE INDIA (1951-1954)

| Countries | 1951 | 1952 | 1953 | 1954 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Portugal | 4861588 (6.18) | 3375968 (3.84) | 5056457 (5.73) | 9979165 (13.76) |
| Other Overseas Territories | 2869134 (3.64) | 4685914 (5.33) | 2523816 (2.86) | 1994382 (2.75) |
| <u>Foreign Countries</u> (includes the following and other countries) | <u>71728349</u> <u>(90.18)</u> | <u>79853951</u> <u>(90.83)</u> | <u>80665059</u> <u>(91.41)</u> | <u>60549452</u> <u>(83.49)</u> |
| (a) USA | 5977362 (7.56) | 5503531 (6.26) | 7474379 (8.47) | 4822779 (6.65) |
| (b) India | 15541142 (19.52) | 24212020 (27.54) | 21452440 (24.31) | 12843823 (17.71) |
| (c) UK | 14345670 (18.20) | 12879669 (14.65) | 14189849 (16.08) | 13409502 (18.49) |
| Total Import Trade | 79698166 (100) | 87915833 (100) | 88245333 (100) | 72523000 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages
Source:- Anuario Estatístico, 1955, p.250

TABLE 6.14
SHARES OF DIFFERENT COUNTRIES IN THE EXPORT TRADE OF
PORTUGUESE INDIA (1951-1954)

| Countries | 1951 | 1952 | 1953 | 1954 |
|--|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Portugal | 38192 (0.16) | 89588 (0.22) | 58218 (0.09) | 15804 (0.03) |
| Other Overseas Territories | 84023 (0.34) | 36649 (0.09) | 58218 (0.09) | 42144 (0.08) |
| <u>Foreign Countries</u> (includes the following and others countries) | <u>25334357</u> <u>(99.5)</u> | <u>40595595</u> <u>(99.69)</u> | <u>64570563</u> <u>(99.82)</u> | <u>52622384</u> <u>(99.89)</u> |
| USA | 5856183 (23.18) | 21073548 (51.75) | 27970659 (43.24) | 9240130 (17.54) |
| India | 5980945 (23.5) | 2341505 (5.75) | 2775072 (4.29) | 3271448 (6.21) |
| Japan | 11391549 (44.75) | 12550469 (30.82) | 12846838 (19.86) | 19101888 (36.26) |
| Germany | 190962 (0.75) | 3103003 (7.62) | 15505474 (23.97) | 13654742 (25.92) |
| Italy | - | - | - | 1643626 (3.12) |
| Total Export Trade | 25461666 (100) | 40721833 (100) | 64687000 (100) | 52680333 (100) |

Note:- (a) Value in Rupees (b) Figures into the brackets indicate percentages

Source:- Anuario Estatístico, 1955, p.250

6.5 THE STATE OF THE SALT INDUSTRY IN GOA

The restrictions imposed by the Bombay Presidency Government on the export of salt from Portuguese India soon after the denouncement of the Treaty of 1878, the failure of the saltpan owners to effect improvements in the technique of production of salt and the failure of the local government to search and ensure markets for the Portuguese Indian salt in other parts of the world and, also, to encourage the development of the salt industry, all these factors contributed to the stagnation of the salt industry in Goa, Daman and Diu. This resulted into the decline in the production of salt in all the three Portuguese possessions. An important characteristic of the salt industry during the period after the end of the Treaty of 1878, was that there was absence of exact data of salt production in Goa.³⁴ Although the production of salt was

taking place in the same four concelhos of Goa, namely, Goa Island, Salsete, Bardez and Pernem, and, mostly, in the same villages as was the case in the 19th century, a large number of saltpans had stopped the production of salt and had been converted into rice-fields. It was, however, not possible to calculate the exact production of salt in these concelhos, on account of the lack of administrative machinery to do the same. In the absence of the exact data of salt production, calculations made on the basis of per head consumption of salt which was estimated to be 18 lbs. and population of Portuguese India as per the Census of 1931, which was 580,000, give us the estimated figure of annual salt production in 1930s. Amancio Gracias calculated total consumption of salt in Portuguese India as 326,250 maunds (12175.7 tonnes). By adding to this figure the annual average of three years exports of salt upto 1937, which amounted to 189,984 maunds (7,090.2 tonnes), and the annual estimated clandestine exports of 18,998 maunds (709 tonnes), Amancio Gracias estimated the figure of the annual salt production in Portuguese India as 535,232 maunds (19,975 tonnes).³⁵ If we compare this estimated annual production of salt with that during the tenure of the Treaty of 1878, estimated by the Britishers to be 11 lakh maunds (41,052 tonnes), we find that the production in late 1930s, was much less than that which had taken place during the tenure of the Treaty.³⁶ This was the position of Goa's salt industry, in spite of the favourable natural conditions existing in Goa, Daman and Diu, for the development and expansion of this age old industry. The decline in the production of salt was mainly the effect of the refusal of the Goan salt-works owners to effect improvements in the technique of production of salt. While throughout the world including British India, the salt industry had undergone great changes in the methods of refining, packaging and quality control, the salt industry in Goa had not experienced any progress in these respects. "As if it was resistant to all progress in the industry".³⁷ Different Goan scholars highlighted the need to modernise the salt industry of Goa, so as to prevent its natural death on account of foreign competition. Despite the note of caution sounded by them and suggestions for the immediate intervention of the Government of Portuguese India so as to place the Goan salt industry on a sound footing, the things did not change and the industry continued to remain decadent.³⁸ Even after

the liberation of Portuguese India the position did not change. It is pertinent to note that when Goa was following the same age old methods in the production of salt, the neighbouring British India was making all out efforts to make the country self-sufficient in salt production, by way of extension of salt production and improvements in its process of production. The British India government initiated, also, some measures aiming at providing fiscal protection to its local salt industry. From 18-03-1931, it imposed an additional duty of 4 and 1/2 annas per maund on salt imported from abroad except from Aden. From 1936, however, the additional duty of 4 and 1/2 annas was reduced to 1 and 1/2 annas, and from 30-04-1938 it was allowed to expire.³⁹ But, the British India Government continued its efforts to increase the domestic production of salt. While in British India, production of salt increased from 1.71 million tons to 1.95 million tons and imports declined from 6.9 lakh tons to 3.9 lakh tons,⁴⁰ the salt production in Portuguese India was stagnated at a level which was much less than what was the position during the period of British salt monopoly under the Treaty of 1878. Moreover, when in British India salt production was undergoing improvements in the technique of production which included the process of refining salt for getting different grades of salt, in Goa, Daman and Diu, there was no single refinery, and the whole produce was consumed at home or exported abroad without being refined.⁴¹

As revealed by the Table 6.15, the production of salt in Portuguese India was 29,061 tonnes in 1938. In 1939 it decreased to 26,095 tonnes. It decreased further to a level of 20,000 tonnes in 1947 and remained stable at the same level in 1948. In 1952, the production registered a further decline reaching the figure of 19,957 tonnes. The state of the salt industry deteriorated further in the subsequent years. The production slumped down to 15,972 tonnes in 1953 and, then, to 13,479 tonnes in 1954.⁴²

Goa's share in the total production of salt in Portuguese India was, as we have seen before, always very substantial, the production of Daman and Diu being negligible as compared to that of Goa. In 1952, Goa produced 18,894 tonnes of salt. The production in Daman and Diu was 891 tonnes and 172 tonnes, respectively. Thus, in

TABLE 6.15
 PRODUCTION OF SALT IN PORTUGUESE INDIA (1938-1954)
 (in tonnes)

| YEAR | Production |
|------|------------|
| 1938 | 29,061 |
| 1939 | 26,095 |
| 1947 | 20,000 |
| 1948 | 20,000 |
| 1952 | 19,957 |
| 1953 | 15,972 |
| 1954 | 13,479 |

Source:- Anuario Estatístico do Ultramar, 1960, p.XI; Anuario Estatístico, 1948, Estado da India, 1950, p.126

terms of percentages, Daman and Diu produced 5.3% of the total salt production of Portuguese India. During this year, Pernem produced 726 tonnes of salt. Goa Island's production was about 11,974 tonnes. Thus, Salsete and Bardez taken together produced 7,983 tonnes of salt during 1952. In 1953, while Portuguese India's production of salt decreased to 15,972 tonnes, Goa's salt production slumped down to 9,994 tonnes. The decline in Portuguese India's salt production was just 20%, as compared to the output in 1952. Goa's salt production, on the contrary, decreased substantially. The decline was 47.2%. In 1953, Goa's salt production was 62.5% of the total salt production in Portuguese India. In 1954, while Portuguese India's salt production decreased to 13,479 tonnes, amounting to a fall of 15.7%, Goa's salt production increased from 9,994 tonnes in 1953 to 12,745 tonnes, registering, thus, a rise of 27.5%. During 1954, Goa's salt production was 94.5% of the total salt production of Portuguese India.⁴³

6.5.1 MANPOWER IN THE SALT INDUSTRY

Data as regards the number of producers of salt could be available for the last few years of this period. In the first quarterly of 1950, Goa had 160 salt producers. Daman and Diu had 5 and 4 producers, respectively. The break-up of the salt producers of Goa among different salt producing Concelhos was as follows:- Goa Island -53,

Bardez-29, Salsete-66 and Pernem-12. In the first quarterly of 1951, the number of salt producers in Goa increased to 184. Daman and Diu had 5 and 2 producers, respectively. The number of salt producers in different Concelhos of Goa was as given below:- Goa Island 94, Bardez 22, Salsete 53 and Pernem 15. The position in the first quarterly of 1952 was as follows:- Goa 244, Daman 5 and Diu 2 producers. The break up of the salt producers among different Concelhos of Goa was :- Goa Island: 178; Bardez: 11; Salsete: 43 and Pernem:12.⁴⁴ In the first quarterly of 1953, the number of salt producers in Goa decreased to 146. Daman and Diu's position remained stable at 5 and 3 producers, respectively. The break-up among different Concelhos was as follows:- Goa Island 65; Bardez 22; Salsete 50 and Pernem 9. The number of salt workers in Goa in 1953 was 463. Daman and Diu had 10 and 6 workers, respectively. The Concelhowise break-up of salt-workers was as given below:- Goa Island: 235; Bardez 110; Salsete 101 and Pernem 17.

The number of the salt producers and salt workers for the entire salt production season in 1953 and 1954 was as follows: In 1953 while Portuguese India had 327 salt producers and 742 salt workers, Goa had 303 salt producers and 675 salt workers. In 1954, while Portuguese India had 107 salt producers and 97 salt workers, Goa had 100 salt producers and 81 salt workers. The figures given above explain the fact that the number of salt producers and salt workers decreased by 220 and 645, respectively, in Portuguese India, between these two years. The decrease in case of Goa was 203 and 594, respectively.⁴⁵

6.6 ROLE OF SALT IN THE EXTERNAL TRADE OF PORTUGUESE INDIA - A COMPARATIVE ASSESSMENT

The role played by the exports of salt in the external trade of Portuguese India offers us a clear picture of the importance of the Goan salt in the external trade of the territory. Although all the three districts of Portuguese India were producing and exporting salt, the contributions of Daman and Diu to the total salt exports from Portuguese India were dismally negligible. In 1946, out of the quantity of 79,78.2 tonnes of salt worth Rs. 329,612 exported from Portuguese India, Goa's share was 7,939 tonnes valued at Rs. 329,159. Daman exported just 39 tonnes of salt worth Rs. 450.

Diu's share in the total exports of salt during this year was a meagre quantity of 40 seers, valued at Rs. 3. Thus, Goa's export of salt was 99.5% of the total quantity of salt exported from Portuguese India in 1946. While Portuguese India's exports of salt during the years 1950, 1951, 1952, 1953 and 1954 were 9,226.2 tonnes (Rs. 356,141), 6,003.8 tonnes (Rs. 317,485), 7,656.6 tonnes (Rs. 489,764), 8,555.3 tonnes (Rs. 506,528) and 6,193.5 tonnes (Rs. 414,970), respectively, Goa's exports of salt amounted to 8,525.3 tonnes (Rs. 337,391), 5,026.6 tonnes (Rs. 291,535), 6,697.6 tonnes (Rs. 446,369), 6,693.4 tonnes (Rs. 448,804) and 5,474.7 tonnes (Rs. 366,815), respectively. Thus, during these years the percentage shares of the salt exports from Goa in the total annual salt exports of Portuguese India were 92.4%, 83.7%, 87.5%, 78% and 88%, in terms of the quantity of salt exported, and 94.7%, 91.8%, 91%, 88.6% and 88.3%, in terms of the value of salt exports, respectively. On the basis of the above, it can be concluded that the share of Goa's salt exports in the total annual salt exports of Portuguese India was, in general, not less than 80%, both in terms of quantity and value of the salt exports, during the last few years of the period under study in this chapter.⁴⁶ This fact enables us to understand the importance of the Goan salt in the external trade of Portuguese India by studying the role played by the Portuguese Indian salt in the external trade of Portuguese India.

As observed in the Chapter V, the role played by the Portuguese Indian salt in the external trade of Portuguese India, as compared to the role played by the other principal export commodities of Portuguese India, including coconuts, cashewnuts with shell and without shell, copra, arecanuts, mangoes, salted fish and dry fish can be studied by determining the following:-

(a) The percentage share of the value of the export of salt in the value of the total annual export trade of Portuguese India and changes in this share over a period of time, vis-a-vis the shares of the other principal export commodities in the total annual export trade of the territory.

(b) The percentage contribution of the value of the export of salt towards the payments of the total annual import trade obligations of Portuguese India and changes

TABLE 6.16
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1929-1938)

| Year | | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|-----------------------------|--------------------------------|------------------|-------------------|----------|------------------|------------------|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1929 | Quantity | 322122 (12021.6) | 45610094 | 32808 (1224.4) | 8107 (302.5) | 7504 (280) | 30898 (1153) | 13042409 | 24182 (902.4) | 26325 (982.4) |
| | Value | 319343 | 2264094 | 149246 | 326355 | 113207 | 342270 | 459183 | 140695 | 277401 |
| 1930 | Quantity | 267020 (9965.23) | 35957088 | 3939 (147) | 13258 (494.8) | 11492 (428.9) | 30263 (1129.4) | 8947281 | 17866 (666.7) | 16976 (633.5) |
| | Value | 264232 | 1325942 | 21888 | 389962 | 139061 | 322741 | 342593 | 121525 | 259172 |
| 1931 | Quantity | 221582 (8269.4) | 31334405 | 3546 (132.3) | 20198 (753.8) | 7082 (264.3) | 27297 (1018.7) | 5895929 | 16182 (604) | 10469 (390.7) |
| | Value | 220903 | 924669 | 15212 | 598869 | 73711 | 207657 | 246940 | 83405 | 128187 |
| 1932 | Quantity | 205283 (7661) | 30549417 | 23601 (880.8) | 10536 (393.2) | 7622 (284.4) | 33149 (1237) | 5993052 | 18392 (684.4) | 14855 (554.4) |
| | Value | 204544 | 905885 | 97736 | 295745 | 17952 | 239013 | 198743 | 74171 | 120611 |
| 1933 | Quantity | 111999 (4179.8) | 24087424 | 17302 (645.7) | 21023 (784.6) | 3943 (147) | 24806 (925.7) | 3434938 | 4948 (184.6) | 6171 (230.3) |
| | Value | 114344 | 669526 | 57778 | 417248 | 35699 | 149127 | 118557 | 28556 | 43280 |

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------|----------|--------------------|----------|------------------|------------------|------------------|-------------------|---------|------------------|-----------------|
| 1934 | Quantity | 133779 (4992.6) | 33453053 | 22864 (853.2) | 13780 (514.2) | 25961 (968.9) | 31599 (1179) | 3263097 | 8125 (303.2) | 5227 (195) |
| | Value | 132636 | 569978 | 60116 | 250756 | 164191 | 149120 | 110940 | 38972 | 37656 |
| 1935 | Quantity | 177674 (6630.8) | 22713881 | 13120 (489.6) | 25451 (949.8) | 19607 (731.7) | 33926 (1266) | 4115980 | 8228 (307) | 5465 (204) |
| | Value | 175380 | 553146 | 71829 | 458784 | 139866 | 205372 | 163952 | 39567 | 33335 |
| 1936 | Quantity | 210119 (7841.6) | 18464148 | - | 19928 (743.7) | 3600 (134.3) | 22602 (843.5) | 3592598 | 11066 (413) | 6202 (231.4) |
| | Value | 186899 | 679274 | - | 368270 | 36250 | 161832 | 139738 | 48435 | 31788 |
| 1937 | Quantity | 182157 (6798) | 29490572 | 2673 (99.7) | 23253 (867.8) | 6297 (235) | 29261 (1092) | 4206589 | 6867 (256.2) | 8057 (300.7) |
| | Value | 115012 | 670443 | 10835 | 437269 | 62586 | 257614 | 211069 | 44705 | 46834 |
| 1938 | Quantity | 194104 (7244) | 26085596 | 12602 (470.3) | 23435 (874.6) | 6809 (254) | 27049 (1009.4) | 3835817 | 10944 (408.4) | 13241 (494) |
| | Value | 193008 | 537317 | 74023 | 429778 | 45229 | 207548 | 99293 | 64380 | 77321 |

Note:- (a) Quantity in maunds except for coconuts and mangoes, (b) Figures in brackets indicate quantities in tonnes, (c) Value in Rupees
Source:- Estatística do Comercio Externo e Navegacao 1945, Reparticao Central da Estatistica e Informacao, Goa, Imprensa Nacional 1945, p.XXXVI.

TABLE 6.17
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1939-1945)

| Year | | Salt | Coconuts | Cashewnuts (with shell) | Cashewnuts (without shell) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|----------------------------|-------------------------------|------------------|-------------------|---------|-----------------|------------------|
| 1939 | Quantity | 230594 (8605.8) | 24965773 | - | 34752 (1297) | 7900 (294.8) | 26496 (988.8) | 4078281 | 4682 (174.7) | 9753 (364) |
| | Value | 228197 | 504354 | - | 633779 | 44702 | 185491 | 128798 | 31276 | 59171 |
| 1940 | Quantity | 245868 (9175.8) | 25289804 | - | 35951 (1341.7) | 3254 (121.4) | 27262 (1017.4) | 4378228 | 5713 (213.2) | 11704 (436.8) |
| | Value | 218791 | 709614 | - | 646850 | 33053 | 137776 | 128012 | 11484 | 99620 |
| 1941 | Quantity | 271950 (10149.2) | 20547358 | - | 31186 (1163.8) | 2192 (81.8) | 29235 (1091) | 1226817 | 5622 (209.8) | 5554 (207.2) |
| | Value | 138611 | 568174 | - | 574990 | 20844 | 230421 | 50252 | 37502 | 30386 |
| 1942 | Quantity | 369147 (13776.6) | 22047098 | - | 12388 (462.3) | 3521 (131.4) | 31441 (1173.4) | 2249775 | 7921 (295.6) | 7052 (263) |
| | Value | 223572 | 873691 | - | 220661 | 42864 | 924094 | 28758 | 56418 | 32348 |
| 1943 | Quantity | 277854 (10369.5) | 14726242 | - | 15735 (587.2) | 2972 (111) | 17856 (666.3) | 2441558 | 7999 (298.5) | 9280 (346.3) |
| | Value | 378384 | 993072 | - | 312273 | 65026 | 827902 | 88066 | 48868 | 62963 |
| 1944 | Quantity | 297333 (11096.5) | 13547872 | 350 (13) | 14702 (548.7) | 7170 (267.6) | 18122 (676.3) | 2152354 | 10127 (378) | 8918 (332.8) |
| | Value | 590866 | 941859 | 7009 | 538234 | 181940 | 606987 | 87644 | 107462 | 122118 |
| 1945 | Quantity | 246984 (9217.5) | 24947567 | - | 19042 (710.6) | 11394 (425.2) | 31822 (1187.6) | 1616400 | 2542 (94.8) | 6071 (226.5) |
| | Value | 482720 | 1739157 | - | 934918 | 269627 | 930991 | 113746 | 5489 | 143334 |

Note:- (a) Quantity in maunds except for coconuts and mangoes (b) Figures in brackets indicate quantities in tonnes (c) Value in Rupees

Source:- Estatística do Comercio Externo e Navegacao 1945, Reparticao Central da Estatistica e Informacao, Goa, Imprensa Nacional 1945, p.XXXVI.

TABLE 6.18
EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1946-1954)

| Year | | Salt | Coconuts | Cashewnuts (with shell) | Cashewnuts (without shell) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|----------------------------|-------------------------------|-------------------|-------------------|---------|----------------|-----------------|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1946 | Quantity | 213778 (7978.2) | 17542902 | - | 18294 (682.7) | 1081 (40.3) | 30527 (1139.2) | 1709400 | 2924 (109) | 5489 (204.8) |
| | Value | 329612 | 1876052 | - | 984429 | 26758 | 649836 | 136194 | 54573 | 136565 |
| 1947 | Quantity | 300142 (11201.3) | 16362214 | 2922 (109) | 18732 (699) | 137 (5) | 21268 (793.7) | 516819 | 1410 (52.6) | 8052 (300.5) |
| | Value | 380964 | 2106699 | 39675 | 1422417 | 4184 | 581397 | 68344 | 31624 | 224657 |
| 1948 | Quantity | 304287 (11356) | 12331714 | - | 27065 (1010) | 41522 (1549.6) | 23393 (873) | 3465233 | 1796 (67) | 11232 (419) |
| | Value | 349525 | 1222820 | - | 2079607 | 1266533 | 572170 | 358801 | 55900 | 849752 |
| 1949 | Quantity | 260042 (9704.8) | 17305921 | - | 28818 (1075.5) | 1996 (74.5) | 12090 (451.2) | 2808925 | 235 (8.7) | 7654 (285.6) |
| | Value | 281206 | 1820746 | - | 2326992 | 74858 | 383582 | 225160 | 8330 | 197568 |
| 1950 | Quantity | 247220 (9226.2) | 16369701 | - | 22336 (833.6) | 503 (18.7) | 14939 (557.5) | 3783101 | 194 (7.2) | 2192 (81.8) |
| | Value | 356141 | 1941083 | - | 1901673 | 18881 | 469344 | 386206 | 4994 | 75206 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|------|----------|--------------------|----------|---|-------------------|-----------------|------------------|---------|----------------|-----------------|
| 1951 | Quantity | 160875 (6003.8) | 34589862 | - | 31856 (1188.8) | 3652 (136.3) | 15061 (562) | 1741063 | 610 (22.7) | 4148 (154.8) |
| | Value | 317485 | 4055320 | - | 3089824 | 136949 | 497985 | 177664 | 10822 | 118155 |
| 1952 | Quantity | 205154 (7656.3) | 6658848 | - | 25817 (963.5) | 14 (0.52) | 11022 (411.3) | 1301655 | 156 (5.8) | 4189 (156.3) |
| | Value | 489742 | 471826 | - | 3070265 | 503 | 400913 | 146772 | 3110 | 152866 |
| 1953 | Quantity | 229253 (8555.7) | 7818214 | - | 29350 (1095.3) | 219 (8.17) | 12668 (472.7) | 1054241 | 1173 (43.7) | 1270 (47.4) |
| | Value | 506528 | 914583 | - | 2497470 | 8199 | 435911 | 139976 | 23592 | 34761 |
| 1954 | Quantity | 165958 (6193.5) | 8969225 | - | 34187 (1275.8) | 4428 (165.2) | 5460 (203.7) | 1140416 | 812 (30.3) | 4957 (185) |
| | Value | 414970 | 1632480 | - | 1912480 | 166055 | 207762 | 170271 | 16466 | 126442 |

382

Note:- (a) Quantity in maunds except for coconuts and mangoes, (b) Figures in brackets indicate quantities in tonnes, (c) Value in Rupees

Source:- (1) Estatística do Comercio Externo e Navegação 1945, Repartição Central da Estatística e Informação, Goa, Imprensa Nacional 1945, p.XXXVI.; (2) Comercio Externo, 1958, Direcção dos Serviços de Economia, Repartição de Estatística Geral, 1959, pp.54-55.

in this percentage contribution, over a period of time, vis-a-vis the contributions of the other principal export commodities of the territory.

(c) The percentage change in the annual exports of salt over a period of time, as compared to the percentage change in the annual exports of the other principal export commodities of Portuguese India, and, also, as compared to the percentage change in the total annual export trade of the territory.

For the purpose of analysis, the period under study in this chapter will be divided into the following sub-periods: (1) 1929-1938, (2) 1939-1945 and (3) 1946-1954, and the role played by salt as compared to the other principal export commodities in the external trade of the territory will be determined under the aforesaid heads (a), (b) and (c).

6.6.1 SHARES OF THE EXPORTS OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA

The Tables 6.19, 6.20, and 6.21 indicate the percentage shares of the value of the exports of salt and other principal export commodities in the value of the total annual external trade of Portuguese India for the periods 1929-1938, 1939-1945 and 1946-1954, respectively, computed on the basis of the tables 6.16, 6.17, and 6.18 giving the quantities and values of the exports of salt and other principal export commodities and the tables 6.01, 6.05, and 6.09, demonstrating the values of the total annual export trade of the territory for the above periods.⁴⁷

The economic crisis in Portuguese India was brought about by the world-wide phenomenon of Great Depression. The share of salt in the total annual export trade of Portuguese India was 6.1% in 1929 which was the first year of the crisis. It increased to 7.6% in 1938, but decreased to about 4% in 1937. In 1938, the share of salt increased to 7.6%. It is worth mentioning here that during the period 1929-1938, the export of salt decreased from Rs. 319,343 in 1929 to Rs. 193,008 in 1938, but the share of salt in the total export trade increased, albeit marginally, from 6% to 7.6%. During the Second World War period, the share of salt decreased from 8.2% in 1939 to 5.2% in 1945. During the post-war period upto 1954, the share of salt decreased

from 5.2% to 0.7% in 1954. During the period 1929-1938, as shown by the Table 6.19, the share of coconuts exports in the export trade of the territory decreased from 43.6% to 21.3%, amounting to a fall of 22% in the share of coconuts in the total export trade of Portuguese India. During the second World War period the share of coconuts was 18% in 1939 and 19% in 1945, indicating that the share remained more or less constant. During the post-War period upto 1954, the share of coconuts decreased from 29.6% in 1946 to 3% in 1954. The share of cashewnuts with shell in the total export trade of the territory was 2.8% in 1929 and 2.9% in 1938, implying that the share remained more or less constant. As regards cashewnuts without shell, their share increased from 6.3% to 17% between 1929 and 1938, indicating that the share increased by more than 10%. During the Second World War period, except for the year 1944, the exports of cashewnuts with shell were almost nil. The share of cashewnuts without shell decreased from 22.8% in 1939 to 10.2% in 1945. In 1946 the share of this commodity in the export trade was 15.5%. It decreased to 3.6% in 1954.

The percentage share of copra in the total export trade of Portuguese India was 2% in 1929 and 1.7% in 1938, implying that the share of this commodity remained more or less constant. During the Second World War period, this share increased from 1.6% to 3%. During the post-war period, the share of copra was just 0.4% in 1946, it decreased to 0.3% in 1954. The percentage share of arecanuts in the export trade increased from 6.5% in 1929 to 8.2% in 1938. During the War period, the share of this commodity increased from 6.7% in 1939 to 10% in 1945. The post War period witnessed a substantial fall in this share. It decreased from 10.2% in 1946 to 0.4% in 1954. During the period of crisis, the percentage share of mangoes in the total export trade of Portuguese India decreased from 8.8% in 1929 to about 4% in 1938. The War period witnessed further fall in this share from 4.6% in 1939 to 1.2% in 1945. During the post-war period, the share of this commodity was 2.1% in 1946, it decreased to 0.3% in 1954. The share of salted fish in the export trade of Portuguese India was 2.7% in 1929 and 2.5% in 1938, which points out to the fact that the share remained more or less constant. However, the share of dry fish during these two years was 5.3% and 3%, respectively, amounting to a fall of less than 2% between these two

TABLE 6.19
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1929-1938)
(in percent)

| Commodities | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|
| Salt | 6.10 | 6.46 | 6.93 | 6.99 | 4.80 | 4.70 | 6.80 | 7.60 | 3.98 | 7.60 |
| Coconuts | 43.6 | 32.4 | 29.0 | 30.9 | 28.0 | 20.4 | 21.5 | 27.8 | 23.2 | 21.3 |
| Cashewnuts (with shells) | 2.8 | 0.5 | 0.4 | 3.3 | 2.4 | 2.1 | 2.7 | - | 0.3 | 2.9 |
| Cashewnuts (without shells) | 6.29 | 9.5 | 18.7 | 10.0 | 17.5 | 9.0 | 17.8 | 15.0 | 15.0 | 17.0 |
| Copra | 2.0 | 3.4 | 2.3 | 0.6 | 1.5 | 5.8 | 5.4 | 1.4 | 2.0 | 1.7 |
| Arecanuts | 6.50 | 7.80 | 6.50 | 8.00 | 6.20 | 5.30 | 7.99 | 6.60 | 8.90 | 8.20 |
| Mangoes | 8.8 | 8.3 | 7.7 | 6.8 | 5.0 | 4.0 | 6.3 | 5.7 | 7.3 | 3.9 |
| Salted fish | 2.7 | 3.0 | 2.6 | 2.5 | 1.2 | 1.4 | 1.5 | 2.0 | 1.5 | 2.5 |
| Dry fish | 5.3 | 6.3 | 4.0 | 4.0 | 1.8 | 1.3 | 1.2 | 1.3 | 1.6 | 3.0 |

Note:- Percentage shares as above are derived on the basis of the Tables 6.16 and 6.01.

TABLE 6.20
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1939-1945)
(in percent)

| Commodities | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 |
|-------------------------------|------|------|-------|-------|-------|-------|-------|
| Salt | 8.2 | 7.5 | 5.4 | 7.3 | 10.0 | 11.9 | 5.2 |
| Coconuts | 18.0 | 24.5 | 22.0 | 28.0 | 26.0 | 19.0 | 19.0 |
| Cashewnuts (with shell) | - | - | - | - | - | 0.1 | - |
| Cashewnuts (without shell) | 22.8 | 22.3 | 22.4 | 7.2 | 8.2 | 10.9 | 10.2 |
| Copra | 1.6 | 1.1 | 0.8 | 1.4 | 1.7 | 3.7 | 3.0 |
| Arecanuts | 6.70 | 4.70 | 10.00 | 30.40 | 21.79 | 12.20 | 10.00 |
| Mangoes | 4.60 | 4.40 | 2.00 | 0.94 | 2.30 | 1.70 | 1.20 |
| Salted fish | 1.10 | 0.40 | 1.40 | 1.80 | 1.20 | 2.10 | 0.06 |
| Dry fish | 2.10 | 3.40 | 1.18 | 1.00 | 1.60 | 2.40 | 1.50 |

Note:- Percentage shares as above are derived on the basis of the Tables 6.17 and 6.05.

years. During the War period, the share of salted fish decreased from 1.1% in 1939 to 0.06% in 1945. The share of dry fish decreased from 2% to 1.5% between these two years. The post-War period upto 1954 witnessed a steep decline from 0.8% in 1946 to 0.03% in 1954, in case of salted fish. As regards dry fish, the share decreased from 2% to 0.24%

TABLE 6.21
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES
IN THE TOTAL EXPORTS OF PORTUGUESE INDIA (1946-1954)
(in percent)

| Commodities | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 |
|-------------------------------|------|------|-------|------|-------|------|-------|------|------|
| Salt | 5.2 | 6.2 | 4.0 | 3.5 | 3.8 | 1.2 | 1.2 | 0.7 | 0.7 |
| Coconuts | 29.6 | 34.0 | 14.0 | 22.9 | 21.0 | 16.0 | 1.1 | 1.4 | 3.0 |
| Cashewnuts (with shell) | - | 0.64 | - | - | - | - | - | - | - |
| Cashewnuts (without shell) | 15.5 | 23.1 | 23.7 | 29.3 | 20.5 | 12.1 | 7.5 | 3.8 | 3.6 |
| Copra | 0.40 | 0.06 | 14.40 | 0.94 | 0.20 | 0.53 | 0.001 | 0.01 | 0.30 |
| Arecanuts | 10.2 | 9.4 | 6.5 | 4.8 | 5.0 | 1.9 | 1.0 | 0.3 | 0.4 |
| Mangoes | 2.10 | 1.10 | 4.00 | 2.80 | 4.10 | 0.70 | 0.36 | 0.20 | 0.30 |
| Salted fish | 0.8 | 0.5 | 0.6 | 0.1 | 0.005 | 0.04 | 0.007 | 0.03 | 0.03 |
| Dry fish | 2.1 | 3.6 | 9.7 | 2.5 | 0.8 | 0.46 | 0.37 | 0.05 | 0.24 |

Note:- Percentage shares as above are derived on the basis of the Tables 6.18 and 6.09.

6.6.2 CONTRIBUTION OF THE PROCEEDS FROM THE EXPORTS OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES TO IMPORT PAYMENTS OF PORTUGUESE INDIA

The Tables 6.22, 6.23 and 6.24 indicate the percentage contributions of the exports of salt and other eight principal export commodities towards the payment of the total annual import trade obligations of Portuguese India for the periods 1929-1938, 1939-1945 and 1946-1954, respectively, computed on the basis of the tables 6.16, 6.17 and 6.18, giving the quantities and values of the exports of salt and other principal export commodities and the tables 6.01, 6.05 and 6.09 demonstrating the values of the total annual import trade of the territory for the above periods.⁴⁸

The percentage contribution of the export of salt towards the payment of the total annual import trade obligations of Portuguese India was 1.9% in 1929 and 1.4% in 1938, indicating that during the period of crisis the contribution of this commodity remained more or less constant. This percentage was 1.6% in 1939 and 1.7% in 1945. During the post-war period, the export of salt as a percentage of the total import trade, decreased from 1.1% to 0.5%. The percentage contribution of the export of coconuts towards the payment of the total import trade obligations decreased from 13.5% in 1929 to 3.9% in 1938. This pointed out to the fact that the percentage contribution of coconuts exports decreased by about 9% during the period of crisis brought about by the Great Depression. During the Second World War period, the percentage of the export of coconuts to the total import trade increased from 3.7% in 1939 to 6% in 1945. During the post-war period upto 1954, the percentage contribution of the export of this commodity decreased from 6.7% in 1946 to 2.2% in 1954. During the period of crisis, the percentage of the export of cashewnuts with shell and cashewnuts without shell to the total import trade of Portuguese India changed in the following manner. The former decreased from 0.9% to 0.5% and the latter increased from 2% to 3% between the years 1929 and 1938. During the period of the World War II, the export of cashewnuts with shell was almost nil. The contribution of cashewnuts without shell towards the payment of the import trade obligations was 4.6% in 1939, it decreased to 3.2% during the last year of the War (1945). During the post-war period, the contributions of cashewnuts with shell and those without shell towards the payment of the import trade obligations changed as follows:- It was almost nil in the case of the former and in the case of the latter it decreased from 3.5% in 1946 to 2.6% in 1954.

The percentage of the copra exports to the total import trade of Portuguese India was 0.6% in 1929, it decreased to 0.3% in 1938. During the last year of the World War II, this percentage increased to 0.9%. During the post-war period upto 1954, this percentage marginally increased from 0.09% in 1946 to 0.22% in 1954. During the period of crisis, the percentage of the export of arecanuts to the total import trade of the territory decreased from 2% in 1929 to 1.5% in 1938. The Second

World War period witnessed an increase in this percentage from 1.3% in 1939 to 3.2% in 1945. During the post-World War period, there was a decrease in this percentage from 2.3% in 1946 to 0.2% in 1954. The percentage of the exports of mangoes to the total annual import trade of the territory decreased from 2.7% in 1929 to 0.7% in 1938. During the war period, this percentage declined further from 0.94% in 1939 to 0.4% in 1945. From 1946 to 1954, this percentage decreased from 0.5% to 0.23%. The percentages of the exports of salted fish and dry fish to the total import trade of Portuguese India decreased from 0.8% and 1.6%, respectively, in 1929 to 0.4% and 0.5%, respectively, in 1938. During the War period, the former decreased further from 0.2% in 1939 to 0.01% in 1945, while the latter remained more or less constant at the level of 0.5% in 1945. During the post-war period, the above percentage changed as follows: The former decreased from 0.2% in 1946 to 0.02% in 1954, and the latter decreased from 0.5% in 1946 to 0.17% in 1954.

TABLE 6.22
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA (1929-1938)
(in percent)

| Commoditie | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 |
|-------------------------------|-------|------|------|------|------|------|------|------|------|------|
| Salt | 1.9 | 1.5 | 1.2 | 1.2 | 0.7 | 0.9 | 1.2 | 1.4 | 0.8 | 1.4 |
| Coconuts | 13.50 | 7.50 | 5.40 | 5.58 | 4.40 | 3.40 | 3.90 | 5.00 | 4.70 | 3.90 |
| Cashewnuts (with shell) | 0.90 | 0.10 | 0.08 | 0.60 | 0.30 | 0.40 | 0.50 | - | 0.07 | 0.50 |
| Cashewnuts (without shell) | 2.0 | 2.2 | 3.5 | 1.8 | 2.7 | 1.7 | 3.2 | 2.7 | 3.0 | 3.1 |
| Copra | 0.6 | 0.7 | 0.4 | 0.1 | 0.2 | 1.1 | 1.0 | 0.2 | 0.4 | 0.3 |
| Arecanuts | 2.0 | 1.8 | 1.2 | 1.4 | 1.0 | 1.0 | 1.4 | 1.2 | 1.8 | 1.5 |
| Mangoes | 2.7 | 1.9 | 1.4 | 1.2 | 0.7 | 0.7 | 1.0 | 1.0 | 1.5 | 0.7 |
| Salted fish | 0.80 | 0.60 | 0.48 | 0.40 | 0.20 | 0.20 | 0.20 | 0.30 | 0.30 | 0.40 |
| Dry fish | 1.6 | 1.4 | 0.7 | 0.7 | 0.3 | 0.2 | 0.2 | 0.2 | 0.3 | 0.5 |

Note:- Percentages as given above are derived from the Table 6.16 and 6.01.

TABLE 6.23
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA (1939-1945)
(in percent)

| Commodities | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 |
|-------------------------------|------|------|------|------|------|------|------|
| Salt | 1.60 | 1.50 | 1.00 | 1.59 | 2.2 | 4.10 | 1.70 |
| Coconuts | 3.70 | 4.8 | 4.0 | 6.2 | 6.0 | 6.6 | 6.0 |
| Cashewnuts (with shell) | - | - | - | - | - | 0.04 | - |
| Cashewnuts (without shell) | 4.6 | 4.4 | 4.0 | 1.5 | 1.8 | 3.8 | 3.2 |
| Copra | 0.3 | 0.2 | 0.1 | 0.3 | 0.4 | 1.3 | 0.9 |
| Arecanuts | 1.3 | 0.9 | 1.6 | 6.5 | 5.0 | 4.2 | 3.2 |
| Mangoes | 0.94 | 0.80 | 0.30 | 0.20 | 0.50 | 0.60 | 0.40 |
| Salted fish | 0.20 | 0.07 | 0.20 | 0.40 | 0.20 | 0.70 | 0.01 |
| Dry fish | 0.4 | 0.7 | 0.2 | 0.2 | 0.3 | 0.8 | 0.5 |

Note:- Percentages as given above are derived from the Table 6.17 and 6.05.

TABLE 6.24
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA (1946-1954)
(in percent)

| Commoditie | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 |
|-------------------------------|------|-------|------|------|-------|------|-------|-------|------|
| Salt | 1.1 | 0.9 | 0.7 | 0.5 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 |
| Coconuts | 6.7 | 4.9 | 2.6 | 3.5 | 2.5 | 5.0 | 0.5 | 1.0 | 2.2 |
| Cashewnuts (with shell) | - | 0.09 | - | - | - | - | - | - | - |
| Cashewnuts (without shell) | 3.5 | 3.3 | 4.4 | 4.5 | 2.5 | 3.8 | 3.4 | 2.8 | 2.6 |
| Copra | 0.09 | 0.009 | 2.70 | 0.14 | 0.02 | 0.17 | 0.40 | 0.009 | 0.22 |
| Arecanuts | 2.3 | 1.3 | 1.2 | 0.7 | 0.6 | 0.6 | 0.4 | 0.5 | 0.2 |
| Mangoes | 0.50 | 0.10 | 0.70 | 0.40 | 0.50 | 0.20 | 0.10 | 0.15 | 0.23 |
| Salted fish | 0.20 | 0.07 | 0.10 | 0.01 | 0.006 | 0.01 | 0.003 | 0.02 | 0.02 |
| Dry fish | 0.50 | 0.50 | 1.80 | 0.40 | 0.10 | 0.10 | 0.10 | 0.04 | 0.17 |

Note:- Percentages as given above are derived from the Table 6.18 and 6.09

6.6.3 CHANGES IN THE EXPORTS OF SALT AND OTHER EIGHT PRINCIPAL COMMODITIES (1929-1954)

The role played by salt as compared to that of the other principal export commodities in the external trade of Portuguese India, can be better understood if we compute the percentage change in the annual exports of each one of these commodities between the years 1929 and 1954, the period under study in this chapter. As we have seen, the Tables 6.16, 6.17 and 6.18 indicate the quantities and values of the exports of the principal export commodities of Portuguese India for the periods 1929-1938, 1939-1945 and 1946-1954. The percentage change in the annual exports of each one of these commodities is computed with reference to these three periods.⁴⁹

The percentage fall in the annual exports of salt from 1929 to 1938, which was the period of crisis brought about by the Great Depression, was 39.6%, since the export of salt decreased from Rs. 319,343 in 1929 to Rs. 193,008 in 1938. During the World War II, the export of salt increased from Rs. 228,197 in 1939 to Rs. 482,720 in 1945. This amounted to 111% increase in the export of salt. During the post-war period from 1946 to 1954, the export of salt increased from Rs. 329,612 to Rs. 414,970, amounting to an increase of 25% during this period. In terms of quantity exported, one notices a decline in the exports of salt from 12,021.6 tonnes in 1929 to 7,244 tonnes in 1938, which accounts for 39.8% fall in the exports of salt. During the war period (1939-45) the quantity exported of salt increased marginally from 8,605.8 tonnes to 9,217.5 tonnes, indicating a rise of 7%. The exports of salt decreased from 7,978.2 tonnes in 1946 to 6,193.5 tonnes in 1954, which amounted to a decline of 22.4%. During the period of crisis (1929-1938), the export of coconuts decreased from Rs. 2,264,094 to Rs. 537,317, amounting to a decrease of 76.3%. The war period witnessed a rise in the exports of coconuts from Rs. 504,354 to Rs. 1,739,157. This amounted to 244% rise in the export of the commodity. During the post-war period (1946-1954), the exports of the coconuts decreased from Rs. 1,876,052 in 1946 to Rs. 1,632,480 in 1954, which indicated 13% fall in the exports. The quantity exported of coconuts registered a decline of 43% from 1929 to 1938, as the exports decreased from 45,610,094 to 26,085,596. During the war period, the exports of coconuts de-

creased for some years, but the quantity exported in 1945 was more or less the same as what it was in 1939. In 1946, there was sudden fall in the quantity exported of coconuts. Between the years 1946 and 1954, one notices further fall in the quantity exported of coconuts to 8,969,225. The decline between these two years was 49%. The period of crisis (1929-1938) witnessed a fall in the exports of cashewnuts with shell from Rs. 149,246 in 1929 to Rs. 74,023 in 1938. The decline was to the tune of 50.4%. During the War period, these exports were almost nil, except for the year 1944 when cashewnuts with shell worth Rs. 7,009 were exported. The exports of cashewnuts with shell in terms of quantity, decreased from 1,224.4 tonnes in 1929 to 470.3 tonnes in 1938, the decrease being 61.6%. The exports of cashewnuts without shell registered a rise of 31.6% between 1929 and 1938, as they increased from Rs. 326,355 to Rs.429,778 during this period. During the War period, they increased from Rs. 633,779 in 1939 to Rs. 934,918 in 1945, amounting to an increase of 47.5%. The period from 1946 to 1954 registered 94% increase in the exports of cashewnuts without shell, as the exports of this commodity increased from Rs.984,429 to Rs.1,912,480 during this period. During the period 1929-1939, the quantity exported of cashewnuts without shell increased from 302.5 tonnes to 874.6 tonnes, the rise being 189%. But, during the war period the quantity exported of this commodity decreased, the decline being 45%. However, the period 1946-1954 witnessed a rise of 86.8% in the quantity exported of cashewnuts without shell. The export of copra decreased from Rs. 113,207 in 1929 to Rs. 45,229 in 1938, amounting to a fall of 60% during this period. During the World War period (1939-1945), these exports increased from Rs. 44,702 to Rs. 269,627, which amounted to a rise of 503%. In the post-war period, the exports of copra increased from Rs. 26,758 in 1946 to Rs.166,055 in 1954, which amounted to a rise of 520%. The quantity exported of copra between the years 1929 and 1938 marginally decreased from 280 tonnes to 254 tonnes, the fall being just 9%; but, during the war period, there was a rise in the quantity exported, which amounted to 44%. In 1946, there was sudden fall in the quantity of copra exports to 40.3 tonnes, but, in 1954, the exports increased to 165.2 tonnes, amounting to an increase of 310%. During the period of crisis, the exports of arecanuts decreased

from Rs. 342,270 in 1929 to Rs. 207,548 in 1938. This was a decline of 39%. The World War period registered a rise of 402% in the exports of this commodity, which increased from Rs. 185,491 in 1939 to Rs. 930,991 in 1945. The exports of arecanuts decreased from Rs. 649,836 in 1946 to Rs. 207,762 in 1954, amounting to a decline of 68%. The exports of arecanuts in terms of quantity decreased marginally by 12.5% between 1929 and 1938, but, the war period (1939-1945) witnessed a rise of 20%. From 1946 to 1954, the exports of arecanuts decreased substantially by 82%, from 1,139.2 tonnes to 203.7 tonnes.

The period of crisis witnessed a decline of 78.4% in the exports of mangoes, as they decreased from Rs. 459,183 in 1929 to Rs. 99,293 in 1938. During the World War period, the exports of mangoes registered a decline from Rs. 128,798 in 1939 to Rs. 113,746, amounting to a fall of 11.7%. The exports of this commodity increased from Rs. 136,194 in 1946 to Rs. 170,271 in 1954, which amounted to an increase of 25%, during this period. The quantity exported of mangoes experienced a fall of 70.6% from 13,042,409 to 3,835,817, between 1929 and 1938. During the war period, there was further decline in the quantity of mangoes exported from Portuguese India, which amounted to 60.4%. In the post-war period, the exports of mangoes declined from 1,709,400 in 1946 to 1,140,416 in 1954, amounting to a fall of 33%. The exports of salted fish and dry fish decreased from Rs. 140,695 and Rs. 277,401 in 1929 to Rs. 64,380 and Rs. 77,321 in 1938, respectively. During this period of crisis, this decline was 54.3% and 72%, respectively. During the World War II, the exports of salted fish declined from Rs. 31,276 in 1939 to Rs. 5,489 in 1945, amounting to a fall of 82.5%, and those of dry fish increased from Rs. 59,171 to Rs. 143,334 during the same period. The increase in the exports of dry fish was 142%, between the above two years. The post-war period upto 1954 registered a fall of 70% in the exports of salted fish and a fall of 8.5% in the exports of dry fish, since the exports of the former decreased from Rs. 54,573 in 1946 to Rs. 16,466 in 1954 and in case of the latter they decreased from Rs. 136,565 to Rs. 126,442, between these two years. During the period 1929-1938, the quantity exported of both salted fish and dry fish declined by 54.8% and 49.7%, respectively. Even during the war period, there was a fall in the

quantity of the exports of these two commodities, the former amounting to 45.8% and the latter 37.8%. The period 1946-1954 experienced a further decline in the quantities exported of these commodities, the former amounting to 72.2% and the latter 9.7%.

6.6.4 EXPORT PRICES OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES (1929-1954)

The average prices received by salt and other eight selected commodities from their exports as measured by the export earnings of each one of these commodities per unit of measure, and the change that has taken place in the same over a period of time, help us to understand the performance of the annual exports of these commodities during the period under study in this Chapter. The table 6.25, computed on the basis of the tables 6.16, 6.17 and 6.18, indicates the export earnings of salt, cashewnuts with shell, cashewnuts without shell, copra, arecanuts, salted fish and dry fish per one tonne of the commodity and the export earnings of coconuts and mangoes per 1,000 units, during the period 1929-1954.⁵⁰ As shown by this Table, the average prices of salt and other principal export commodities received from their export increased between these two years, although there was no continuous rise during the period and different commodities exhibited different growth rates in their average prices.

As regards salt, one notices that during the period of crisis (1929-38), the average price per one tonne remained more or less constant at the level of Rs. 26.5. The average price increased substantially from Rs. 26.5 in 1939 to Rs. 52.3 in 1945. During the first year of the post-war period, the average price of salt decreased to Rs. 41.3. In 1954, it was Rs. 67 per one tonne, although, prior to this year, from 1946, it kept a decreasing trend, reaching the level of Rs. 29 in 1949. Thus, from 1939 to 1945 and from 1946 to 1954, the average price of salt changed as follows: Between 1939 and 1945, it increased by 97%, while the rise from 1946 to 1954 was 62%. The average export price of coconuts per 1,000 nuts decreased from Rs. 49.6 in 1929 to Rs. 20.5 in 1938, amounting to a decrease of 58.7% during this period of crisis. During the World War period, the average price of this commodity increased from Rs. 20.2 in 1939 to Rs. 69.7 in 1945. During the first year of the post-war period,

TABLE 6.25
EXPORT PRICES OF THE PRINCIPAL COMMODITIES OF PORTUGUESE INDIA (1929-1954)
(In Rupees)

| Year | Salt | Coconuts | Cashewnuts (with shells) | Cashewnuts (without shells) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|------|----------|-----------------------------|--------------------------------|-------|-----------|---------|-------------|----------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1929 | 26.5 | 49.64 | 121.9 | 1078.8 | 404.3 | 296.8 | 35.20 | 156.0 | 282.3 |
| 1930 | 26.5 | 36.87 | 148.9 | 788.1 | 324.2 | 285.7 | 38.29 | 182.2 | 409.0 |
| 1931 | 26.7 | 29.50 | 115.0 | 794.4 | 278.9 | 203.8 | 41.88 | 138.0 | 328.0 |
| 1932 | 26.7 | 29.65 | 111.0 | 752.0 | 63.0 | 193.2 | 33.16 | 108.3 | 217.5 |
| 1933 | 27.3 | 27.79 | 89.5 | 531.8 | 242.8 | 161.0 | 34.51 | 154.7 | 188.0 |
| 1934 | 26.5 | 17.03 | 70.4 | 487.6 | 169.4 | 126.4 | 33.99 | 128.5 | 193.0 |
| 1935 | 26.4 | 24.35 | 146.7 | 483.0 | 191.0 | 162.2 | 39.83 | 128.8 | 163.4 |
| 1936 | 23.8 | 36.78 | - | 495.0 | 270.0 | 191.8 | 38.89 | 117.2 | 137.3 |
| 1937 | 16.9 | 22.73 | 108.6 | 503.8 | 266.3 | 236.0 | 50.17 | 174.5 | 155.7 |
| 1938 | 26.6 | 20.59 | 157.4 | 491.4 | 178.0 | 205.6 | 25.88 | 157.6 | 156.0 |
| 1939 | 26.5 | 20.20 | - | 488.6 | 151.6 | 187.6 | 31.58 | 179.0 | 162.5 |
| 1940 | 23.8 | 28.05 | - | 482.0 | 272.2 | 135.4 | 29.23 | 53.8 | 228.0 |
| 1941 | 13.6 | 27.65 | - | 494.0 | 254.8 | 211.2 | 40.96 | 178.7 | 146.6 |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-----|------|------|--------|-------|--------|--------|--------|--------|-------|--------|
| | 1942 | 16.2 | 39.62 | - | 477.3 | 326.2 | 787.5 | 12.78 | 190.8 | 123.0 |
| | 1943 | 36.5 | 67.43 | - | 531.8 | 585.8 | 1242.5 | 36.06 | 163.7 | 181.8 |
| | 1944 | 53.2 | 69.52 | 539.0 | 981.0 | 679.9 | 897.5 | 40.72 | 284.3 | 366.9 |
| | 1945 | 52.3 | 69.71 | - | 1315.6 | 634.0 | 784.5 | 70.36 | 57.9 | 632.8 |
| | 1946 | 41.3 | 106.94 | - | 1442.0 | 664.0 | 570.4 | 79.67 | 500.6 | 666.8 |
| | 1947 | 34.0 | 128.75 | 364.0 | 2035.0 | 836.8 | 732.5 | 132.20 | 601.2 | 747.6 |
| 395 | 1948 | 30.7 | 99.16 | - | 2059.0 | 817.3 | 655.4 | 103.50 | 834.3 | 2028.0 |
| | 1949 | 29.0 | 105.20 | - | 2163.6 | 1004.8 | 850.0 | 80.00 | 957.4 | 691.7 |
| | 1950 | 38.6 | 118.57 | - | 2281.2 | 1009.6 | 841.8 | 102.00 | 693.6 | 919.4 |
| | 1951 | 52.9 | 117.24 | - | 2599.0 | 1004.7 | 886.0 | 102.00 | 476.7 | 763.2 |
| | 1952 | 64.0 | 70.85 | - | 3186.5 | 967.3 | 974.7 | 112.70 | 536.2 | 978.0 |
| | 1953 | 59.2 | 116.98 | - | 2280.0 | 1003.5 | 922.0 | 132.70 | 539.8 | 733.3 |
| | 1954 | 67.0 | 182.00 | - | 1499.0 | 1005.0 | 1020.0 | 149.30 | 543.4 | 683.4 |

Note:- Average export price in case of coconuts and mangoes is per 1000 units. In case of all other goods it is per one tonne.

Source:- Average export prices are computed on the basis of the Tables nos. 6.16, 6.17 and 6.18

i.e. in 1946, the export earnings per 1,000 units increased substantially to Rs. 106.9. In 1954, the average price of coconuts increased to Rs. 182. Thus, between 1939 and 1945 and between 1946 and 1954, the average price of coconuts increased by 245% and 70%, respectively. The export earnings of cashewnuts with shell per one tonne increased from Rs. 121.9 to Rs. 157.4, between 1929 and 1938. This amounted to a rise of 29%. During the War period, the export earnings of this commodity per one tonne were Rs. 539 in 1944. In 1947, they were Rs. 364. Except for these two years, for all other years, the exports of cashewnuts with shell were almost nil. The average price of cashewnuts without shell per one tonne decreased from Rs. 1,078.8 in 1929 to Rs. 491.4 in 1938, amounting to a fall of 54.5% during this period of crisis. It increased from Rs. 488.6 in 1939 to Rs. 1,315.6 in 1945, indicating a rise of 169%, between these two years. The average price continuously increased from Rs. 1442 in 1946 to Rs. 3,186.5 in 1952, but in 1954 it declined to the level of Rs. 1,499. Thus, between 1946 and 1954, the average price of this commodity increased by 4%. The export earnings of copra per one tonne decreased from Rs. 404.3 in 1929 to Rs. 178 in 1938, which amounted to a fall of 56%. The average price of this commodity increased from Rs. 151.6 in 1939 to Rs. 634 in 1945. This rise was 318%, over the period. In 1946 the average price of copra was Rs. 664, it increased to Rs. 1,005 in 1954, amounting to an increase of 51.3%. The export earnings of arecanuts per one tonne decreased from Rs. 296.8 in 1929 to Rs. 205.6 in 1938, amounting to a decrease of 30.8%. They increased from Rs. 187.6 in 1939 to Rs. 784 in 1945. This rise was to the tune of 318%. In 1946, the average price received by the commodity was Rs. 570.4, which increased to Rs. 1,020 in 1954, amounting to a rise of 79%. The average price earned by mangoes per 1,000 units exported, was Rs. 35 in 1929. It decreased to Rs. 25.8 in 1938. This was 26% rise. From 1939 to 1945, the average price of the mangoes exported, increased from Rs. 31.5 to Rs. 70.3, indicating a rise of 123%. In 1946, the average price of this commodity was Rs. 79, it increased to Rs. 149 in 1954, amounting to an increase of 88.6%. The export earnings of salted fish per one tonne increased marginally from Rs. 156 to Rs. 157.6, between 1929 and 1938, amounting to a rise of 1%. As regards dry fish, there was a decline of 44.6%, as the average price

received by this commodity decreased from Rs. 282.3 in 1929 to Rs. 156 in 1938. Between 1939 and 1945, the average price of salted fish decreased from Rs. 179 to Rs. 57.9, amounting to a fall of 67.7%. It is, however, noticed that during the years from 1941 to 1944, the average price received by this commodity was more than Rs. 160, reaching the level of Rs. 284.3 in 1944. The average price of dry fish increased from Rs. 162.5 in 1939 to Rs. 632.8 in 1945, amounting to an increase of 289%. In 1946, the average price of salted fish and dry fish was Rs. 500.6 and Rs. 666.8, it increased to Rs. 543.4 and Rs. 683.4, respectively, in 1954. Thus, the average price of the former increased by 8.6%, while in case of the latter the rise was just 3.4%, between the years 1946 and 1954.

6.6.5 PERFORMANCE OF THE EXPORTS OF SALT AS COMPARED TO THE EXPORTS OF THE OTHER SELECTED PRINCIPAL TRADITIONAL COMMODITIES OF PORTUGUESE INDIA (1929 TO 1954)

The foregoing analysis of the performance of salt and other eight principal traditional export commodities of Portuguese India, during 1929-1954, in terms of different indicators of this performance, enables us to compare the performance of salt with that of the other selected export commodities in the external trade of the territory.

1929-1938

As revealed by this analysis, during the period of crisis (1929-1938), the share of the value of salt in the export trade of the territory increased marginally, but the shares of cashewnuts with shell, copra and salted fish remained constant. The shares of coconuts and mangoes declined substantially. The share of cashewnuts without shell increased substantially. As regards the percentages of the values of the exports of principal commodities to the total import trade, it is observed that the percentages of the exports of salt and all other goods except cashewnuts without shell decreased. So far as the average prices received by the principal export commodities were concerned, one notices that the average price received by salt remained constant and the average prices of coconuts, arecanuts, mangoes, dry fish and cashewnuts without shell experienced a decline. As regards the percentage change in the exports of the principal commodities from Portuguese India, we observe that during this period, ex-

cept for cashewnuts without shell, the quantity exported of salt and all other commodities decreased, but the rate of the decrease in the exports of salt (40%) was less than that of coconuts, mangoes, dry and salted fish and cashewnuts with shell.

1939-1945

During the war period (1939-1945), the shares of coconuts and dry fish in the total export trade of Portuguese India remained constant, and the shares of cashewnuts without shell and salted fish decreased substantially. While the share of arecanuts increased, that of mangoes decreased. As regards salt, its share had a marginal decline from 8.2% to 5.2%. With respect to the percentages of the values of the exports of principal commodities to the total import trade, it is observed that the percentages of salt and dry fish remained almost constant. While the percentages of coconuts, arecanuts and copra increased, those of cashewnuts without shell and mangoes experienced a decline. The percentage of salted fish decreased substantially. As regards the average prices received by the principal export commodities, one notices almost 100% rise in the average price of salt. However, the rise in the average prices of coconuts, cashewnuts without shell, copra, arecanuts, mangoes and dry fish was much more than that of salt. The average price of salted fish witnessed a substantial fall during the war period. So far as the percentage change in the exports of the principal commodities was concerned we observe that there was a fall in the quantity of the export of cashewnuts without shell, mangoes and salted fish, and a rise in the quantity exported of salt, copra and arecanuts. The percentage rise in the exports of salt, however, was much less than that of copra and arecanuts.

1946-1954

As focused by the analysis of the indicators of the performance of principal traditional export commodities, during the post war period (1946-1954), the shares of salt and all other principal traditional export commodities in the total export trade of Portuguese India witnessed a substantial decline from 1946 to 1954. In 1954, the share of salt was less than that of coconuts, and cashewnuts without shell. The percentages of all principal traditional commodities except copra to the total import trade, experienced a fall during this period. In terms of these percentages, salt occupied

third place (0.5%) among principal traditional commodities exported from Portuguese India in 1954.

As regards the average prices received by the principal traditional commodities, except for cashewnuts with shell, there was a rise in the average prices of all these commodities between the years 1946 and 1954. However, the rise in the average price of salt (62%) was lower than that of coconuts, arecanuts and mangoes. So far as the percentage change in the quantity exported of the principal traditional commodities between the above two years is concerned, it is observed that there was a decline in the quantity of these commodities except for cashewnuts without shell and copra which increased. It is, however, clear from the analysis of the change in the quantities exported, that the percentage decline in the exports of salt was much less than that of coconuts, arecanuts, salted fish and mangoes.

6.6.6 PERFORMANCE OF THE EXPORTS OF SALT AS COMPARED TO THAT OF THE TOTAL EXPORT TRADE OF PORTUGUESE INDIA (1929-1954)

As indicated by the Tables 6.01 and 6.16, during the period 1929-1938, which was the period of crisis, while the total export trade of Portuguese India declined by 51.4%, the export of salt, in value terms, experienced a decline of 40%. The quantity of the salt exports also declined by the same percentage. The Tables no. 6.05 and no. 6.17 focus the fact that, during the War period (1939-1945), the total export trade increased by 229% and the value of the exports of salt rose by 111%. However, the quantity exported of salt increased by just 7%. The post-war period, extending from 1946 to 1954, experienced a widening difference between the rate of change of the total export trade and that of the exports of salt. As revealed by the Tables 6.09 and 6.18, the total export trade increased by 731%, but the value of the salt exports increased by just 26%. In terms of quantity, the salt exports decreased by 22.4%.

6.6.7 SALT EXPORTS AND SALT PRODUCTION IN PORTUGUESE INDIA

An important indicator of the performance of the export trade of a particular commodity is the percentage of the quantity exported of that commodity to the quantity produced of the same within the territory. The performance of the exports of salt during the period under review in this chapter, can be gauged on the basis of this indi-

cator. Since the production figures of salt were available for the years 1938, 1939, 1947, 1948, 1952, 1953 and 1954, the percentages of the annual exports of salt to the total quantity produced of salt in Portuguese India can be derived for these years only. Similarly, the production figures of salt produced in Goa were available for the year 1952, 1953 and 1954 and, therefore, the percentages in the above respect, are derived for these three years only.

TABLE 6.26
SALT EXPORTS AND SALT PRODUCTION IN PORTUGUESE INDIA
(1938-1948)
(in tonnes)

| Year | Production of salt | Export of salt | % of the salt exports to the salt production |
|------|--------------------|----------------|--|
| 1938 | 29,061 | 7,244 | 25 |
| 1939 | 26,095 | 8,605.8 | 33 |
| 1947 | 20,000 | 11,201.3 | 56 |
| 1948 | 20,000 | 11,356 | 56.8 |

Note: Figures of production are reproduced from the Table 6.15 and those of exports from the Tables 6.16, 6.17 and 6.18

As shown by the table 6.26, the percentage of the export of salt to the production of salt in Portuguese India increased from 25% in 1938 to 56.8% in 1948. As indicated by the table, even though the production of salt declined, there was a rise in the percentage of the export of salt to the production of salt, on account of the increase in the export of salt from Portuguese India. The position in this respect, during the period 1952-1954, is demonstrated by the Table 6.27. In 1952, the percentage of the salt exports to the production of salt decreased to 38.3%, but during the next year it rose to 53.5%. In 1954, the percentage decreased to 46%. The position of Goa in this respect is also depicted in the Table 6.27. In 1952, Goa produced 18,894 tonnes and exported 6,697.7 tonnes of salt, the percentage of the latter to the former being 35.4%. In 1953, production slumped down to 9,994 tonnes and the exports remained more or less constant. Thus, the percentage referred to above, increased to 67%. In 1954, the production of salt in Goa increased to 12,745 tonnes and exports decreased to 5,474.7

tonnes, the percentage of the latter to the former decreasing to 43%. The analysis of the ratio between the salt exports and the salt production of the territory, as made in this section, focuses the fact that the ratio between the two, did not continuously increase or decrease. There were ups and downs in the ratio, indicating that the performance of the salt exports was much to be desired. It indicates the decadent state of the salt industry in Goa, Daman and Diu.

TABLE 6.27
EXPORTS OF SALT AND PRODUCTION OF SALT IN PORTUGUESE INDIA
AND GOA (1952-1954)
(in tonnes)

| Year | Portuguese India | | | Goa | | |
|------|------------------|---------|-------------------------------|------------|---------|-------------------------------|
| | Production | Export | % of the export to production | Production | Export | % of the export to production |
| 1952 | 19,957 | 7,656.6 | 38.36 | 18,894 | 6,697.7 | 35.44 |
| 1953 | 15,972 | 8,555.3 | 53.56 | 9,994 | 6,693.4 | 67 |
| 1954 | 13,479 | 6,193.5 | 46 | 12,745 | 5,474.7 | 43 |

Source:- (1) Anuario Estatístico 1959, p.299; (2) Anuario Estatístico 1956, p.206; (3) Statistical Year Book 1961, p.303; (4) Anuario Estatístico do Ultramar 1959, p.12; (5) Anuario Estatístico do Ultramar, 1960, p.XI.

6.7 SALT EXPORTS VIS-A-VIS MINERAL ORE EXPORTS DURING THE PERIOD 1946-1954

One of the important factors that brought about drastic changes in the volume, composition and direction of the external trade of Portuguese India during the last 15 years of the Portuguese rule in Goa, Daman and Diu, was the beginning of the mineral ore exports from Goa, during the 1940s. Although the people were aware of the availability of the deposits of mineral ore in Goa and mining leases were being applied for, on a large scale, during the first decade of the 20th century, the extraction of mineral ore received impetus in the 1940s, thanks to increasing demand for mineral ore in the world market. The mineral ore was being exported from Goa, even before the period of the mineral ore exports boom that began at the dawn of the 1950s. The export of the mineral ore in 1940 and 1941 was of the value of Rs. 103,318 and Rs. 141,722, respectively. During these two years, the value of the mineral ore exports

was 3.5% and 5.5% of the value of the total export trade of Portuguese India. In 1942, the export of the mineral ore from Goa decreased to Rs. 17,250, which further decreased, in 1943 and 1944, to Rs. 15,807 and Rs. 14,953, respectively.⁵¹ During these last three years, the values of the mineral ore exports were 0.57%, 0.4% and 0.3% of the total export trade of the territory, respectively. If we compare the above-mentioned shares of the mineral ore exports in the total export trade of Portuguese India, with the shares of nine traditional export commodities, viz., salt, coconuts, cashewnuts with and without shell, copra, arecanuts, mangoes and salted and dry fish in the same, we note that the shares of the mineral ore exports during these years were insignificant. The shares of these nine traditional export commodities, taken together, were about 68% during 1940 and 1941, and during the next three years, they were 78%, 73% and 64%, respectively. During this period, the shares of salt exports were 7.5%, 5.4%, 7.3%, 10% and 12%, respectively, which are found to be higher than those of mineral ore exports, for most of these years. The table no. 6.28 gives the figures of the exports of mineral ores from Goa for the period 1947-1952. It shows that the exports of manganese ore and iron ore increased continuously from 1947 to 1951, both in terms of quantity and value. In 1947, iron ore export was just 14 tonnes valued at Rs. 425. The manganese ore exported during this year was 102 tonnes of the value of Rs. 4,000. From 1948 to 1951, the export of iron ore increased from 5,464 tonnes valued at Rs. 188,295 to 284,987 tonnes valued at Rs. 8,064,629. The rise between the two years was 5115% in terms of quantity and 4182% in value terms. During the same period, the export of the manganese ore increased from 4,802 tonnes valued at Rs. 175,140 to 62,839 tonnes valued at Rs. 7,746,450. This amounted to a rise of 1208% in terms of quantity and 4323% in value terms. Thus, there was a tremendous rise in the export of mineral ore from Portuguese India. If we compare the shares of the mineral ore exports in the total export trade of Portuguese India, with those of the traditional export goods, as given in the table 6.21, we get the following picture. The predominance of the traditional export commodities continued upto 1950, when the share of the nine traditional export commodities in the total export trade of the territory was 55.4% and that of mineral ore was 32.4%. From 1951 on-

wards, the share of mineral ore exports became more than that of nine traditional export commodities. The position in 1951 was as follows: Mineral ore exports 62%; nine traditional export goods 32.9%. In 1952, the share of nine traditional export goods further slumped down and reached the level of 11.5%, while the share of the mineral ore exports increased to 85%. If we compare the shares of salt exports in the total export trade of Portuguese India with those of mineral ore exports, we observe the following picture: Upto 1947, the position of salt exports was better than that of mineral ore exports. In 1947, while the share of mineral ore exports was 0.07%, that of salt was 6.2%. In 1948, the share of mineral ore exports and that of salt exports in the total export trade were more or less equal (4%). However, from 1949 onwards as indicated by the table 6.28 the share of mineral ore exports increased manifold, while as shown by the table 6.21, the share of salt exports decreased from 3.5% in 1949 to 1.2% in 1952.⁵²

TABLE 6.28
EXPORT OF MINERAL ORE FROM GOA (1947-1952)

| Year | Iron Ore | | Manganese Ore | | Total Mineral Ore | | % of the value of the mineral ore exports to the value of the total export trade |
|------|----------|----------|---------------|----------|-------------------|----------|--|
| | Quantity | Value | Quantity | Value | Quantity | Value | |
| 1947 | 14 | 425 | 102 | 4000 | 116 | 4425 | 0.07 |
| 1948 | 5464 | 188295 | 4802 | 175140 | 10266 | 363435 | 4.1 |
| 1949 | 49955 | 1274151 | 11372 | 567371 | 61327 | 1841522 | 23.2 |
| 1950 | 72054 | 1774727 | 20459 | 1217335 | 92513 | 2992062 | 32.4 |
| 1951 | 284987 | 8064629 | 62839 | 7746450 | 347826 | 15811079 | 62 |
| 1952 | 471844 | 14913926 | 139608 | 19859141 | 611452 | 34773067 | 85 |

Note:- (a) Quantity in tonnes (b) Value in Rupees

Source: (1) B. G. D'Sousa, 'Goan Society in transition', Bombay, Popular, 1975 p.193; (2) Relatorio da Caixa Economica, Gerencia de 1952, Panaji, 1953, p.30-31; (3) Armando Pereira, India Portuguesa, Lisboa, 1953 p.350; (4) Statistical Year Book, 1961, pp.301-03

TABLE 6.29
EXPORT OF SALT FROM EACH OF THE THREE DISTRICTS OF
PORTUGUESE INDIA (1950-1954)

| Year | Goa | | Daman | | Diu | | Portuguese India | |
|------|----------|--------|----------|-------|----------|-------|------------------|--------|
| | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value |
| 1950 | 8525.399 | 337391 | 697.287 | 18550 | 3.583 | 200 | 9226.269 | 356141 |
| 1951 | 5026.660 | 291535 | 947.349 | 25450 | 29.856 | 500 | 6003.865 | 317485 |
| 1952 | 6697.694 | 446369 | 707.96 | 25725 | 250.981 | 17670 | 7656.635 | 489764 |
| 1953 | 6693.424 | 448804 | 1856.278 | 57449 | 5.598 | 275 | 8555.300 | 506528 |
| 1954 | 5474.701 | 366815 | 718.858 | 48155 | - | - | 6193.559 | 414970 |

Note:- (a) Quantity in tonnes (b) Value in Rupees

Source: (1) Anuario Estadístico, 1959, p.299; (2) Anuario Estadístico, 1961, p.303;

(3) Comercio Externo, 1953, p.284-5

6.8 DISTRICTWISE SALT EXPORTS OF PORTUGUESE INDIA **(1950-1954)**

As mentioned before, the percentage of the Goan salt to the Portuguese Indian salt, as regards both its production and exports, was the largest, generally at the level of more than 80%. This helps us to draw conclusions as regards Goan salt on the basis of the data pertaining to the total figures of salt production and salt exports of Portuguese India. However, the availability of the figures of salt exports from Goa for the years from 1950 to 1954, gives us a correct picture of the export trade of Goa, during the last five years of the period under study in this chapter. As depicted in the Table 6.29, which gives the break up of the salt exports from Portuguese India into salt exports from each district of the territory, Goa exported 8,525.4 tonnes of salt valued at Rs. 337,391 in 1950. The export of salt from Goa decreased to 5,026.6 tonnes (Rs. 291,535) in 1951, but increased during the next year to 6,697.7 tonnes (Rs. 446,369). After remaining at the same level in 1953, the salt exports from Goa decreased to 5,474.7 tonnes (Rs. 366,815). Thus, the exports of salt from Goa decreased by 36% in terms of quantity exported, but, in terms of value, increased, marginally, by 8.7%.⁵³ The position of Portuguese India in this respect, indicates the same trend. The exports of salt in terms of quantity, decreased by 33%, while in terms of value, there was a rise of 16.5% in the salt exports.

During this period, the entire quantity of salt exported from Portuguese India found its place in India. India was, thus, the only importer of Portuguese Indian salt.

The study of the Goan economy upto the imposition of the economic blockade on the Portuguese Indian territory by India, highlights the fact that in the beginning of the 1950s, the spurt in the mineral ore exports led to the buoyancy in the external trade of the territory. The export trade expanded. But, the position of the salt industry became precarious on account of the decline in the export trade in salt. The blockade by India accelerated this process.

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53. Refer to the Table 6.29 of this chapter

CHAPTER SEVEN

ECONOMIC BLOCKADE BY INDIA, THE GOAN ECONOMY AND SALT

7.1 INTRODUCTION

The Government of India imposed in 1954 economic blockade on Portuguese India. It was a culmination of the freedom struggle launched by the people of Goa, Daman and Diu to liberate the last three vestiges of the European colonialism on the Indian sub-continent. After India's independence in 1947, the Government of India and the Indian people expected that the colonial rule in both French and Portuguese possessions in India would soon come to an end and all French and Portuguese colonial pockets would return to the fold of the motherland. Following some initial hesitation by the French, the Government of Premier Mendes-France, after withdrawing from Indo-China, agreed to leave India. In October 1954, the French settlements were transferred de facto to India. By 1956, an agreement was signed between India and France, giving India complete control over Pondicherry, Karikal, Mahe, Yanam and Chandranagar.¹ The Indian Prime Minister Pandit Jawaharlal Nehru hoped that the Portuguese would follow the French example. The Portuguese, however, regarded their Indian possessions more important to their empire than did the French. On 27-2-1950, India approached the Portuguese with a request to begin talks. The Portuguese rejected the proposal. In January 1953, India submitted a note suggesting that Portugal transfer the colonial pockets to India. Prime Minister Oliveira Salazar of Portugal rejected the proposal by refusing even to discuss the issue with the Indian leaders.² The intransigence and adamant attitude of the Portuguese Government claiming that the Portuguese ruled territories in India were integral and inalienable parts of the Portuguese nation, and refusing even to sit across the negotiating table, gave momentum to the freedom struggle which had experienced a respite after the agitation of the Goan people launched on the 18th June 1946, under the leadership of Ram Manohar Lohia. In July 1954, Dadra and Nagarhaveli, two land locked Portuguese possessions were liberated by the freedom fighters of Goa and other parts of the country. Out of the fear of the military action by the Government of India on Goa, the Portuguese

sealed the border of Goa and cut off Goa's rail link with India.³ The Government of India was now convinced that economic blockade of Portuguese India was the only measure that could loosen the hold of the colonial power over the last remnants of the European presence in India. Accordingly, the Indian government imposed economic blockade on Goa, Daman and Diu. After the economic blockade, the agreement between the West of India Portuguese Guaranteed Railway and the Southern Mahratta Railway Co., which had been signed in 1902 to allow the latter to explore the Murmugao Railway line and Harbour, was denounced by the Southern Mahratta Railway Co.⁴ Despite being aware that this extreme measure of economic embargo on the Portuguese ruled territories would bring in its wake great sufferings and inconveniences to the people of these territories, the Indian Government ventured this measure with the sole purpose and hope of uprooting the Portuguese colonial power from the Indian sub-continent. With the implementation of the economic blockade of Goa, Daman and Diu, all commercial relations of India with these territories were cut off. The movement of merchandise at the official level to and from Portuguese India came to a standstill. The movement of the people from the Indian Union to Portuguese India and vice-versa was restricted. The remittances of money from the Portuguese Indian emigrants living in Bombay and other parts of India, to Goa, Daman and Diu stopped at the official level.⁵

The blockade brought about complete isolation of the Portuguese Indian territory from the mainland India and caused great inconveniences and hardships to the local people whose economic and other interests were linked more to India than to Portugal. The blockade, however, did not serve the purpose for which it had been imposed, but it caused great harm to the interests of the producers of coconuts, arecanuts, other horticultural crops and salt, as it totally stopped the exports of these commodities to India. The blockade sounded a death-knell to the salt industry in Goa.⁶ This impact of the economic blockade on the Goan economy and the salt industry can be better understood against the background of the state of the Goan economy and the salt industry at the time of the imposition of the blockade. A review of this state is given below.

7.2 STATE OF THE GOAN ECONOMY PRIOR TO THE ECONOMIC BLOCKADE

The Goan economy on the eve of the Indian economic blockade was exhibiting all the signs of an undeveloped economy with its backward agriculture, almost non-existent modern industrial sector and external trade characterized by the import of industrial finished goods and export of raw materials and primary commodities. The backwardness of the Goan agriculture was amply reflected in huge imports of rice and other food products from India and other countries. Since late 1940s, Goa had become an important exporter of raw materials in the form of mineral ore extracted in the territory and exported to countries like Japan, West Germany and other countries. Despite favourable natural and other factors for the development of the territory, Goa had remained a backward economy during major part of the Portuguese rule and this characteristic was visible even during the period of the boom, experienced by the economy after 1954, and brought about by huge exports of mineral ores from the territory. With the existence of low lands and alluvial soil, regular rainfall arising out of the South-West monsoon, rich marine and mineral resources, facilities of cattle breeding, navigable internal waterways of the total extension of about 250 kms., 79 kms. of metre gauge railway line linked to the Indian railway network, and, above all, the availability of a natural and all weather port - Mormugao Port - and 7 minor ports, Goa had all the potentialities for development. To add to this, the density of population was not excessive, the people had aptitude for agricultural work and handicrafts since the territory had long and rich tradition of agriculture and crafts like goldsmithy and other metal crafts, woodwork, pottery etc. The availability of cheap labour and the quality of the people to easily adapt to new techniques, were also favourable factors for development.⁷ These favourable factors were, however, being neutralized by certain unfavourable forces inhibiting the economic growth of the territory. The methods of production in agriculture and other agro-based industries like salt production were totally outdated. Natural resources required to produce industrial finished goods were either lacking or insufficient, internal market for Goan products was small on account of the smallness of the territory, investment incentives and technical

training facilities were inadequate, there was a predominant tendency among the educated Goan youth to detest manual work and opt for white collar jobs and, above all, except for skills for trading activity, developed over centuries, enterprising spirit among the Goan people was conspicuous by its absence. To add to this, power production was totally inadequate in the territory.⁸ To top to all these inhibiting forces, the Portuguese government's role in the development of Portuguese India was largely passive until it woke up to the challenge posed by India in the form of economic blockade of all the three Portuguese possessions. All these unfavourable factors had prevented Goa from taking a big leap into the process of development and industrialisation. Like in the 19th century, for the major part of the 20th century, Goan economy had continued to be largely dependent upon British India. Although the political setups of Portuguese India and British India were different and there were customs barriers between the two territories, trade was relatively free, population movements were unfettered, and the port of Mormugao and its rail link served not only Goa, but, also, a large hinterland within the territory of India.⁹ The influence of the neighbouring India was visible in one more field: The Indian currency was in circulation in Portuguese India along with the Portuguese currency which was also expressed in terms of rupees, annas and paises. As the local economy lacked the capacity to provide the means of livelihood to a large section of its population, about 30% of the population had migrated to Bombay and other cities and towns of India. The remittances of these migrants helped to cover up the deficit in the balance of trade of the territory. The Portuguese ruled Indian territory, heavily depended on India for the supplies of rice and other foodgrains, fruits, vegetables, soap, textiles, tea, tobacco, coal, cotton thread and other consumer goods. It imported from Portugal only wine, sardines, olive oil etc. Goa's exports to British India consisted of large quantities of salted fish, betelnuts, coconuts, salt, and its exports to Portugal were totally negligible. Thus, Goa was linked more to India than to the parent country.¹⁰ British India accounted for more than 65% of the import trade and more than 94% of the export trade of Portuguese India in 1929. In 1940s, these percentages registered a great decline, particularly, after the independence of India. From 1948 to 1954 the share of India in the import

trade and export trade of Portuguese India decreased from 27% to 17.7% and from 54% to 6.2%, respectively, implying that the dependence of Goa on India, in respect of the former's external trade, decreased substantially.¹¹ This decline in the dependence of the territory on India and rise in the shares of other countries in the external trade of Portuguese India was brought about by large imports of industrial goods including machinery for the mining industry, heavy vehicles, petroleum products, motor cars and other goods from countries other than India and large exports of the mineral ores to these countries. In 1954, the shares of Japan and Germany in the export trade of Portuguese India were about 36% and 26%. The share of the U.K. in the import trade of the territory was 18.5%.¹² However, Portuguese Indian economy's link with India continued unabated in the field of smuggling activity across the borders. Goa's economy was being affected by the smuggling activity that was going on across its borders with India, even before the independence of India. After the independence of India which brought in its wake severe controls and restrictions on the import of luxury goods into that country, foreign goods being imported by Portuguese India found their place into India through clandestine routes. The Portuguese territory was importing expensive luxury items from abroad, far in excess of local requirements. During just three months in 1954, Rs. 25 lakh worth contraband was seized by the Indian Custom Officials, across the Portuguese Indian borders, which according to official estimates, was just 10% of the total goods smuggled into India.¹³ Thus, the estimated total value of smuggled goods crossing the Portuguese Indian borders into India, was Rs. 2.5 crore which was 50% of the total export trade of the territory in 1954. The exports of the mineral ores not only changed the direction of the external trade of Portuguese India, but also provided an important source of affluence to the territory, particularly after 1951. The first export of the mineral ore was that of manganese ore. In 1947, 100 tonnes of manganese ore were exported, and the exports of iron ore started in 1949.¹⁴ The exports of iron ore brought about unprecedented rise in the export trade of the territory from 1951. At the time of the imposition of the blockade in 1954, the total export trade of Portuguese India was Rs. 52,680,333 which was 470% higher than what it was in 1950. The percentage of the total exports to the total im-

ports increased from 12% in 1950 to 72.6% in 1954, and the deficit in the balance of trade decreased by Rs. 46,102,333 between these two years. This rise in the export trade owing to the spurt in the mineral ore exports initiated the process of the rise in the level of per capita income and wage rates in Goa.¹⁵

7.3 STATE OF THE SALT INDUSTRY ON THE EVE OF THE ECONOMIC BLOCKADE

While the overall external trade of Portuguese India was expanding substantially because of the spurt in the mineral ore exports after 1951 and, as a result, the Goan economy was showing the signs of the beginning of prosperity, the state of the salt industry in Portuguese India in general, and that in Goa, in particular, was marching towards decadence. As indicated in the Table 6.15 of the Chapter VI, the production of salt in Portuguese India was decreasing substantially from 1938 onwards. Between 1947 and 1954, the annual production decreased from 20,000 tonnes to 13,479 tonnes. The production of salt in Goa decreased from 18894 tonnes in 1952 to 12,745 tonnes in 1954.¹⁶ In 1953, there were 303 salt producers and 675 salt workers. In 1954, their number declined to 100 and 81, respectively.¹⁷ The export of salt from Goa decreased from 8,525.399 tonnes to 5,474.7 tonnes and that from Portuguese India decreased from 9,226.269 tonnes to 6,193.559 tonnes, between 1950 and 1954.¹⁸

As we have seen in the preceding chapter, during the last few years before the imposition of the blockade, the change that was witnessed in the percentage share of the export of salt in the annual total export trade, and the change in the percentage of the export of salt to the total import trade of Portuguese India were a pointer to the decadence of the salt industry. The percentage share of the export of salt in the total export trade decreased from 6.2% in 1947 to 0.7% in 1954. The percentage of the export of salt to the total import trade of the territory decreased further from 0.9% to 0.5%, between these two years.¹⁹ In fact, the position of all traditional export commodities including salt, coconuts, copra, cashewnuts, arecanuts, salted and dry fish and mangoes taken together, had become precarious on the eve of the blockade. The share of the exports of these traditional export commodities taken together, in the total

export trade of the territory decreased from 78.6% in 1947 to 8.5% in 1954, and the percentage of the same to the total import trade of the territory declined from 11% in 1947 to 6% in 1954. It is pertinent to note that the percentage shares of most of the principal export commodities taken individually, in the total export trade of Portuguese India, decreased during this period. The share of coconuts, cashewnuts without shell and arecanuts decreased, during this period, from 34%, 23% and 9.4% to 3%, 3.6% and 0.4%, respectively.²⁰ Although the export of salt in quantitative terms decreased between 1947 and 1954, as the export of salt in value terms registered a rise, one notices a rise in the average price received by salt from its export trade. Between these two years, the average price of salt exports per one tonne increased from Rs. 34 to Rs. 67. The average export prices received by coconuts and arecanuts also registered a rise during the period 1947-1954, notwithstanding the decline in the exports of these commodities in quantitative terms.²¹

This review of the Goan economy, in general and the salt industry, in particular, at the time of the imposition of the Indian economic blockade, leads us to the following conclusions:

1. Towards the end of 1940s, the economy of Goa was set for a great change, on account of the beginning that was made in the expansion of the exports of mineral ores from Goa. From 1951 the Goan economy started showing signs of prosperity, thanks to a great expansion of its external trade on account of the spurt in the mineral ore exports. The process of the rise in the level of per capita income began during this period.
2. Despite this change, the Goan economy was showing all the characteristics of an undeveloped economy with the predominance of the backward agriculture and the existence of totally undeveloped industrial sector.
3. The dependence of the Goan economy on India as regards Goa's external trade and migration of the Goan population, continued, although the share of India in the import and export trade of Goa registered a sharp decline in late 1940s. This decline was accelerated after 1951.

4. Although the Goan economy began to take on the semblance of prosperity on account of the expansion of external trade brought about by the spurt in mineral ore exports, the position of the traditional export goods had become precarious. Their relative importance in the external trade dwindled to a great extent. As far as salt was concerned, there was a fall in the production of salt during the period prior to the imposition of the economic blockade. The exports of salt registered a decline between the years 1946 and 1954.

Against the background of this state of the Goan economy and the salt industry, the economic blockade imposed by India came, at the first instance, as a stunning blow to the economy of Portuguese India and to the people of Goa, Daman and Diu.

7.4 EFFECTS OF THE ECONOMIC BLOCKADE AND CAUSES OF ITS FAILURE

The economic blockade led to the complete isolation of the Portuguese Indian territory from the mainland India.²² India which was meeting the demand of the Portuguese Indian population in respect of cloth, foodgrains, tea and other household consumer goods, ceased to be the source of these supplies to the territory. India which was the only or the largest market for some of the traditional export commodities of Portuguese India, which included salt, coconuts and arecanuts, ceased to be the same. As a result, the territory had to divert its attention to the world market, to enable itself to avail of the supplies which were hitherto coming from India and to seek outlets for its export products.²³ As the Goan migrants living in Bombay and other parts of India could not remit money to their families in Goa, the local people had to undergo great sufferings. Alternative but unofficial ways to remit money to Portuguese India were discovered by the Goan migrants in India. The migrations of the Goans to India were greatly affected as the Indian government imposed restrictions on the movement of the Portuguese Indian people in the form of passports. This led to the deterioration of the unemployment problem in Goa. It was, however, offset by another development that was the offshoot of the blockade. As the blockade put a ban on the movement of population between the two territories, the immediate effect of this measure was the ban imposed by the Portuguese Indian Government on the entry

of the Indian labour into Goa. This coupled with the spurt in the mining activity resulted into a great increase in the demand for the local labour in the mining industry.²⁴

Two major changes were brought about by this phenomenon. A substantial rise in the wage rates in the mining industry was witnessed and, secondly, a large scale movement of labour from the agricultural sector to the mining sector was experienced in Goa. This, naturally, caused neglect of agriculture in the territory. The trade embargo severely hit the producers of coconuts, arecanuts, other horticultural crops and salt, as it totally stopped the exports of these commodities to India. The blockade gave a stunning blow to the traditional export goods of Goa. The share of these goods in the total export trade of Portuguese India decreased to 2.6% in 1960.²⁵

Although the Goan economy was isolated from the main currents in India, it became highly susceptible of the fluctuations of international trade, since Portuguese India vigorously pursued its efforts to buy its necessary supplies from almost all the continents of the world and sell the locally produced export goods to different countries other than India. The territory imported rice from Burma and Thailand, wheat from Australia and Canada, sugar from Cuba, Mozambique and Belgium, potatoes from Holland, butter from Australia and Holland, milk powder from U.K., Denmark and Holland, pulses from Burma, and cotton textiles from Japan, U.K. and Pakistan. Israel supplied oranges, and frozen beef came from South Africa and Argentina. Wheat flour and cotton yarn were imported from Australia and Pakistan, respectively. It imported machines, instruments and tools, and vehicles from U.K., Germany and U.S.A. Junta do Comercio Externo (Board of External Trade) relentlessly tried to search markets for the export products of Portuguese India. It exported cashewnuts to U.S.A., Japan and Persian Gulf, canned food to Timor, Persian Gulf, Germany, Angola, England, Guine, Portugal and Mozambique, and dry fish to Cylon. Coconuts, bamboos and animal fats were exported to Persian Gulf, and cotton seeds oil found its market in England. While fins of fish were exported to Singapore and Hongkong, maws of fish found their market in England.²⁶

The Government of India hoped that the blockade of Portuguese India would make the life of the Portuguese in these three possessions miserable and would com-

pel them to leave the Indian shores for good. Although the economic relations between Portuguese India and India received a severe blow, the economy of the territory did not suffer because of certain favourable factors which were operating to the benefit of the territory, before the imposition of the blockade. These factors continued to benefit the Goan economy during the period of blockade. One of these factors was the new dimension the Goan economy had attained in the form of the mining industry which flourished to a great extent from 1951.²⁷ As a result of the spurt in world demand, the manganese ore and iron ore mining industry underwent a rapid development and brought prosperity to Goa. This neutralized the adverse effects of the economic blockade and prevented the downfall of the Portuguese Indian economy. The Portuguese exploited the growing interest of the foreign countries in Goa's mineral ore. The mining industry sustained the local economy and more than compensated the adverse effects of the Indian blockade.²⁸ As indicated by the Table No. 7.01, the production of the mineral ore in Goa increased from 2,788,537 tons Avoir Dupois in 1955 to 6,567,000 metric tonnes in 1961.²⁹

As shown by the Tables 7.02 and 7.03, the exports of the mineral ore increased from 1,680,296 tonnes (Rs. 5,2551,436) in 1955 to 6,636,932 tonnes (Rs. 190,505,276) in 1961. The major component of the mineral ore exports was the export of iron ore which increased from 1,528,797 tonnes (Rs. 40,765,719) in 1955 to 6,527,695 tonnes (Rs. 183,143,197) in 1961. Thus, the rates of growth of the value of the mineral ore exports and the value of exports of iron ore between these two years, were 262% and 349%, respectively.³⁰ During the period 1956-61, Goa exported on an average about 4 million tonnes of mineral ore annually, a quantity substantially greater than the mineral ore exports of India (about 2.5 million tonnes) during the period.³¹ On account of this spurt in the exports of the mineral ore, the total export trade of Portuguese India experienced an unprecedented expansion during the period of the economic blockade. The development of the mining industry necessitated large scale imports of machinery, heavy vehicles, petroleum products and other material required for the maintenance and expansion of the mining activity. Coupled with this, the prosperity brought about by the expansion of the mineral ore exports, led to the rapid

rise in the imports of the consumption goods into the territory. As highlighted by the Table 7.04, the total export trade of Portuguese India increased from Rs. 56,087,000 in 1955 to Rs. 199,560,000 in 1961 and the total import trade experienced a rise of Rs. 85,770,000 from Rs. 121,537,000 in 1955 to Rs. 207,307,000 in 1961. As indicated by the Table 7.05, the index number of the import trade increased from 735 to 1,253 and that of the export trade increased from 1,628 to 5,792. Thus, the import trade and export trade of the territory increased by 70.5% and 256%, respectively.³² The percentage rise in the total exports was, thus, much more than that in the import trade, during the period. In this way, the boom in the mineral ore exports acted as a factor which made blockade ineffective.

Among all factors which made the Indian economic blockade largely ineffective, measures adopted by the Portuguese India government stand out as the most important factor in this respect. The Portuguese government swung into action and took steps to neutralise the effects of the Indian measure. "The blockade created a spirit of defiance among the Portuguese and intensely improved their image as providers and administrators".³³ As the Indian territory ceased to be the source of the supplies of consumer and other necessary goods, the Portuguese India government took swift measures to get these goods from new markets around India and, also, from far off countries of the world. Different countries from Asia, Africa, Europe, Australia and America started supplying goods that were required by Portuguese India, thanks to the vigorous efforts of the Portuguese government. This was made possible because the Portuguese currency Escudo ranked in the international markets next to the Swiss franc and was stable. The Portuguese could get all these goods at comparatively lower prices, which led to the rise in the real income of the local people.³⁴ This resulted into an increase in the standard of living of the people. It should, however, be noted that the rise in the standard of living of the local people was brought about by the spurt in the mining activity and the ban imposed by the Portuguese government on the entry of Indian labour, which increased the demand for local labour and, consequently, the wage rates. Thus, the spurt in the mining activity which contributed to the flourishing of both internal and external trade led to the rise of incomes in the

territory. Agricultural and industrial wage rates increased. They were one and a half to two times the all-India averages. While a mine worker in India was getting Rs. 3 to 4, his counterpart in Goa was paid Rs. 5 to 7 a day. Similarly, when an average agricultural labourer in India was getting Re. 1 to 1.50, his counterpart in Goa was paid a wage of Rs. 2 to 2.50 a day. As the government deliberately hiked the salaries of its servants, the incomes of this group also increased, as compared to its counterpart in India. The period of the blockade witnessed a higher standard of living enjoyed by the local people, not just because of this rise in money incomes, but more due to the increase in the real incomes of the people which were brought about by the lower prices of many consumer goods.³⁵ Thus, the Indian economic blockade instead of causing the debacle of the Portuguese Indian economy gave a boost to the economy and made the Indian measure ineffective.

While pushing through one of the most unpleasant measures ever taken by the Government of India, the said government had thought that Portuguese India would be starved of Indian goods, but, to the utter disappointment of the Indian government, the blockade was sabotaged by the traders of Portuguese India, who, by using ingenious methods, successfully circumvented the blockade and imported the Indian goods the territory required, from the neighbouring countries like Singapore and Hongkong. Goan traders could get the supplies of textiles, aluminium household goods and other necessities produced in India through the above two countries.³⁶ The blockade was also sabotaged by the neighbouring countries like Pakistan, Ceylon, Burma and other countries which strengthened their commercial relations with Portuguese India. Pakistan provided port facilities for the Goan export products which previously were shipped to Bombay.³⁷

The blockade became ineffective because of one more factor that was in operation even before the imposition of this extreme measure by the Indian government. It was the smuggling activity that was going on unabated across the Portuguese Indian borders. The blockade gave an unprecedented boost to this illegal activity. Although the borders had been sealed by the Indian government for the transport of the merchandise between the two territories, Portuguese India could get a large number of

Indian goods which it required, through illegal trade routes. Smuggling of goods to and from the Indian territory continued throughout the period of the blockade. Export goods of Portuguese India, like salt, arecanuts, fish etc., which were prohibited from entering into India, found their place into this territory through illegal trade routes. The smuggling activity thrived as it was difficult to supervise the borders on account of thick and inaccessible jungles and inadequate number of government personnel inspecting the borders. The unholy alliance between the smugglers and the authorities working at both the sides of the borders, encouraged this illegal activity and, thus, sabotaged the economic blockade imposed by the Government of India.

Smuggling across the borders of Daman was more rampant. In 1960, Daman imported watches valued at Rs. 41.8 lakh, which amounted to 78% of the value of its import trade. The maximum percentage of these imported watches was meant for being smuggled into India. This was proved by the fact that the total number of watches imported by Daman was 185,000, when the population of that district was just 22,000.³⁸

TABLE 7.01
MINERAL ORE PRODUCTION IN GOA (1956 - 1961)

| YEAR | Quantity (Iron ore, manganese ore and ferro-manganese ore) |
|------|--|
| 1956 | 2,788,537 tonnes Avoir Du Poid |
| 1957 | 3,143,372 „ „ „ „ |
| 1958 | 3,038,155 „ „ „ „ |
| 1959 | 3,183,622 Metric tonnes |
| 1960 | 6,047,594 „ „ |
| 1961 | 6,567,000 „ „ |

Source: 1) Relatorio da Caixa Economica 1960, Panaji, p.51; (2) Statistical Year Book 1971-72, Bureau of Economics, Statistics and Evaluation, Government of Goa, Daman and Diu, Panaji, p.120, (3) J. C. Almeida, Panorama Economico e Financeiro do Estado da India, Bastora, Tipografia Rangel, 1963, p.19

TABLE 7.02
QUANTITY EXPORTED OF THE MINERAL ORE FROM GOA (1955-1961)
(in tonnes)

| YEAR | IRON ORE | MANGANESE ORE | FERRO-MANGANESE | TOTAL MINERAL ORE |
|------|-------------|---------------|-----------------|-------------------|
| 1955 | 1528797.000 | 151499.000 | - | 1680296 |
| 1956 | 2079518.320 | 164944.522 | - | 2244463 |
| 1957 | 2721262.528 | 129739.136 | 61426.344 | 2912428 |
| 1958 | 2506234.256 | 62707.520 | 63502.032 | 2632444 |
| 1959 | 3686209.400 | 55295.760 | 99417.420 | 3840922 |
| 1960 | 5651950.644 | 33666.060 | 124150.042 | 5809766 |
| 1961 | 6527695.000 | 37784.000 | 71453.000 | 6636932 |

Note:- From 1952 to 1956, Ferro-manganese ore was included in Manganese ore

Source:- (1) Boletim Informativo, Junta de Comercio Externo, Panaji, February 1961, p.34; (2) Relatorio da Caixa Economica, Gerencia de 1960, p.31

TABLE 7.03
VALUE OF THE EXPORT OF THE MINERAL ORE FROM GOA (1955-61)
(in Rupees)

| YEAR | IRON ORE | MANGANESE ORE | FERRO-MANGANESE ORE | TOTAL MINERAL ORE |
|------|-----------|---------------|---------------------|-------------------|
| 1955 | 40765719 | 11785717 | - | 52551436 |
| 1956 | 59082499 | 20290028 | - | 79372527 |
| 1957 | 82426333 | 21266833 | 3899333 | 107592500 |
| 1958 | 73186852 | 8956030 | 3351899 | 85494781 |
| 1959 | 95067519 | 5393959 | 4148211 | 104609690 |
| 1960 | 154387020 | 3481772 | 4422611 | 162291404 |
| 1961 | 183143197 | 4505297 | 2856782 | 190505276 |

Note:- From 1952 to 1956 ferromanganese ore was included in manganese ore.

Source:- (1) Statistical Year Book, 1961, General Statistics Department, Government of Goa, Daman & Diu, Panaji, Imprensa Nacional, 1963, p.301-303; (2) Boletim Informativo, Junta de Comercio Externo, February 1961, p.34, and May 1961, p.13

TABLE 7.04
EXTERNAL TRADE OF PORTUGUESE INDIA (1955-1961)
(value in Rupees)

| YEAR | IMPORTS | EXPORTS | TRADE BALANCE | % OF EXPORTS TO IMPORTS |
|------|-------------|-------------|------------------|----------------------------|
| 1955 | 121,537,000 | 56,087,000 | -65,450,000 | 46 |
| 1956 | 114,052,000 | 82,741,000 | -31,311,000 | 72.5 |
| 1957 | 141,656,000 | 112,102,000 | -29,554,000 | 79 |
| 1958 | 145,720,000 | 89,474,000 | -56,246,000 | 61.4 |
| 1959 | 125,113,000 | 118,283,000 | -68,300,000 | 94.5 |
| 1960 | 171,773,000 | 172,126,000 | +353,000 | 100.2 |
| 1961 | 207,307,000 | 199,560,000 | -7,747,000 | 96.2 |

Source:- (1) Anuario Estatístico 1959, Reparticao Central de Estatistica e Informacao, Estado do India 1960 p.241; (2) Anuario Estatístico 1961, General Statistics Dpt, Govt. of Goa, Daman and Diu p.259; (3) Foreign Trade Year Book 1962, Government Statistical Department, Panaji, Imprensa Nacional, 1964, p.51 (4) Relatorio da Caixa Economica de Goa, 1960, Panaji, p.19; (5) Boletim Informativo de Junta do Comercio Externo, March 1961, Year I, Vol. I, p.15, and July 1961, p.46.

TABLE 7.05
INDEX NUMBERS OF THE IMPORT TRADE AND EXPORT TRADE
(1955-1961)

| YEAR | IMPORT TRADE | EXPORT TRADE |
|------|--------------|--------------|
| 1955 | 735 | 1,628 |
| 1956 | 689 | 2,402 |
| 1957 | 856 | 3,254 |
| 1958 | 881 | 2,597 |
| 1959 | 756 | 3,433 |
| 1960 | 1,038 | 4,996 |
| 1961 | 1,253 | 5,792 |

Note:- Base year: 1940 to 1944. Average of the values for the period from 1940 to 1944=100, as computed by the Government Statistical Department, Government of Goa, Daman and Diu.

Source:- Foreign Trade Year Book 1962, Government Statistical Dept, Panaji, Imprensa Nacional, 1964.

7.5 STATE OF THE GOAN ECONOMY DURING THE BLOCKADE (1955-1961)

As we have seen above, the economic blockade which came, at the first instance, as a stunning blow to the Goan economy, became totally ineffective on account of the different factors which operated to the benefit of the Portuguese Indian economy. The spurt in the mining industry, the swift measures adopted by the Portuguese government and certain other factors mentioned above, brought, instead of depression as expected by the Government of India, prosperity to Goa, in the form of lower prices of consumer goods, higher regional and per capita income, higher wages and salaries and availability of consumer goods in plenty. This led to a better living for the people of Goa.³⁹ The prosperity was, however, a product of the transient factors which did not lead to any permanent change in the economic structure of the territory. Since it was the outcome of the growth of the trading activity, it would have come to an end with the decline in the demand for the Goan mineral ore in the world market.⁴⁰ The prosperity failed to effect a permanent change in the economic structure of Goa for one more reason. The Portuguese government did not apply its mind to the permanent improvements in the Goan economy since it was obsessed with the idea of proving to the world that the people in Portuguese India were more than happy, under the Portuguese rule. The Portuguese government wanted also to make the local people believe that their economic position was far better than that of the people in India.⁴¹ Thus, there was no effort on the part of the Portuguese government, to divert the transitory higher incomes to the investment activities in the industrial and agricultural sector. The government was not interested in long term measures for the transformation of the economy, although, at a later stage, half hearted measures to improve resource base and infrastructure were taken by it. As a result, the so-called prosperity did not contribute for the development of the agricultural and industrial sector.⁴² Despite the prosperity being generated in the external trade sector, this sector continued to have the structure of a backward region characterised by the import of industrial goods and export of raw materials.

7.5.1 THE STATE OF THE AGRICULTURAL SECTOR

The agricultural sector during the period of the economic blockade continued to be backward even though the economy experienced prosperity on account of the spurt in the mining industry. Thanks to the availability of cheap imported goods which competed successfully with the local agricultural products, the position of the farmers became worse and they were reduced to the subsistence level. Even fishermen's position did not improve.⁴³ The position of the traditional export commodities like coconuts, arecanuts and salt became miserable because of the steep fall in their exports, which affected the production of these commodities. The backwardness of Goa's agriculture during this period can be gauged on the basis of large scale imports of rice which the territory had to undertake on account of the failure of the agricultural sector to produce sufficient rice for its population. In 1949, Portuguese India imported 9,478 tonnes of rice worth Rs. 6,012,324. The value of the rice imports was 11.6% of the total import trade of Portuguese India. In 1955, the rice imports were 22,317 tonnes worth Rs. 9,952,397 which amounted to 8% of the total import trade and 17.7% of the total export trade of the territory. In 1957 and 1958 the territory imported rice amounting to 35,132 tonnes (Rs. 22,881,159) and 20,035 tonnes (Rs. 11,969,888) respectively. The value of the former was 16% and 20.4% of the total import and export trade, respectively, while the latter amounted to 8% and 13% of the total import and export trade, respectively. In 1959, the food imports which were of the value of Rs. 44,166,666, including the rice imports valued at Rs. 13,611,333, amounted to 35% of the total import trade. The rice imports were 10.8% of the total import trade. In 1960, food imports accounted for Rs. 46,750,000 which were 27% of the total import trade. Out of this, rice imports were of the value of Rs. 16,731,500 which amounted to 9.7% of the import trade.⁴⁴ Around 1959, Portuguese India's annual rice production was 61,600 tonnes, while yearly consumption of rice was estimated to be 85,045 tonnes, implying that Portuguese India was producing about 72% of its rice requirements. The deficit between total consumption and total production was 23,445 tonnes. Portuguese India's agriculture had the capacity of producing 105,632 tonnes of rice per annum, since the territory was capable of producing 3 ton-

nes of rice per hectare, if the farmers had adopted the method of intensive cultivation and improved technology in agriculture.⁴⁵ Total productive land in Portuguese India was 316,833 h.a., out of which 244,325 h.a. was actually cultivated and 72,508 h.a. was not brought under cultivation. It implied that almost 23% of productive land could be brought under cultivation to produce additional foodgrains required by the people. Even if the existing rice lands had produced 2 tonnes per h.a., Portuguese India would have been self-sufficient as regards rice production and around 10% of the territory's import trade obligations required for rice imports would have been spared.⁴⁶ But, no adequate efforts were made by the government or agriculturists either in the past or during the period under study in this chapter, to modernise agriculture on a large scale and increase its productivity. However, certain half hearted measures were taken by the government in the latter period. In spite of these measures, agriculture in Goa suffered. One of the main factors which contributed to this phenomenon was the acute shortage of manpower in the agricultural sector because of the movement of the agricultural workers to the mining sector on account of higher wages in the latter. Wages in the agricultural sector also increased, although not to the same extent.⁴⁷

The production of rice in 1960 decreased by 15% as compared to the average normal production of this commodity. But, it was 5% more than that in the previous year. The farm output was affected during the last years of the Portuguese rule in Goa, Daman and Diu, because of the repeated outbreak of pests and diseases, heavy silting of nalas and rivulets, which damaged the sown area, silting of tanks which reduced the irrigation facilities, and transformation of 1100 h.a. of cultivated land into swamps. This last cause was the outcome of the heavy barge movements on account of which the embankments designed to protect the low-lying rice fields along the river courses gave way.⁴⁸ As mentioned before, trade embargo by India hit the producers of coconuts, arecanuts, other horticultural crops and salt. Large scale imports of rice and other foodgrains contributed to the reduction in the prices of locally produced rice and other foodgrains. In 1960, even though agriculture was the main source of livelihood to the majority of people with 64% of the working force engaged in agriculture

and allied activities, the contribution of this sector was just 20% of the regional income.⁴⁹

7.5.2 THE STATE OF THE INDUSTRIAL SECTOR

The state of the industrial sector during this period was the outcome of different factors which contributed to the lack of development of the territory. The prosperity brought about by the spurt in the mining activity did not effect any favourable change in this position and, consequently, the period 1955-1961 inherited a weak industrial structure on account of limited market, inadequacy of raw materials, inadequate skilled labour, lack of cheap source of power, lack of technical know-how and inadequate institutional credit.⁵⁰ There were two factories worth the name, one, match factory at Curti, Ponda and, the other fish meal pilot plant at Vasco. Besides these, Goa had two canning factories and a large number of small industrial units, most of them being processing units like rice and flour mills, oil crushers, five cashewnuts decortication units etc. There were small scale units like soap and candlestick manufacturing units, handlooms, ice producing units, tiles and bricks producing units, cashew and coconut liquour producing units, pottery units, printing presses, tyre retreading units, and, also, some cottage industries producing handicraft products. There was also one carbonic gas plant, which was also a small scale unit.⁵¹ Goa did not have any major industry, except iron ore, manganese ore and ferro-manganese ore industry, nor any capital goods industry. Most of the industrial establishments were employing less than 40 persons, except the match factory at Curti and four cashewnut units at Bicholim, Ponda and Satari. As per Statistical Yearbook of 1959, there were 423 industrial units in Portuguese India employing 2,533 workers. The 1960 Census enumerated 16,704 persons engaged in the industrial sector, amounting to 6.5% of the total working force of the territory.⁵² Thus, the industrial sector of Portuguese India was, largely, consisting of small and cottage units, and modern industries were almost conspicuous by their absence. This made Goa a territory without industrial cities or industrial towns. Goan cities or towns were minor commercial centres with administrative and other offices, without any industries worth the name.⁵³ Keeping up with its tradition of indifference towards industrialisation of the territory, the Portuguese

India government did not take serious measures to utilise the prosperity brought about by the spurt in the mining industry, to effect permanent improvements in the weak industrial structure of the territory.

7.5.3 THE STATE OF THE EXTERNAL TRADE SECTOR

While discussing the factors contributing to the failure of the blockade, it was observed that the external trade, more particularly the export trade of Portuguese India, expanded substantially because of the spurt in the mineral ore exports from Goa. The performance of the total import and export trade, and of the mineral ore exports, as indicated by the Tables 7.04, 7.02 and 7.03 focuses the state of the external trade of the territory, during the period 1955-1961. While the import trade increased, by 70.5%, the rise in the export trade was 256%. While the value of the mineral ore exports increased by 262%, the quantity of the mineral ore exports increased by 294%. The Table 7.05 depicting the index numbers of the import trade and export trade highlights this expanding trend in the external trade. The expanding export trade is focused by one more variable. It is the increasing percentage of the value of the export trade to the value of the import trade. The percentage of the export trade to the import trade increased from 46% in 1955 to 96.2% in 1961. In 1960, this percentage was 100.2%, implying that the balance of trade turned positive for the first time in the history of Portuguese India.⁵⁴ As revealed by the Table 7.04, the positive balance of trade was equal to Rs. 373,333. In 1961, the balance of trade turned again negative. However, as compared to the position in 1955 (Rs. 65,450,000) the negative balance of trade in 1961 (Rs. 7,747,000) was much less. It was less by Rs. 57,703,000. As seen before, the main reason of the positive balance of trade in 1960 and the decline in the negative balance of trade for most of the years since 1955, was the rising exports of the mineral ores from Goa.⁵⁵

7.5.4 COMPOSITION OF THE EXTERNAL TRADE

Although the economy of Portuguese India was giving the impression of an economy of prosperity, the fact was that its external trade continued to have the structure of a backward region characterised by the import of industrial goods and export of raw materials. From 1955 to 1959, we find that the imports of machines and

manufactured goods constituted 54%, 43%, 38%, 50% and 43% of the total imports in value terms.⁵⁶ During 1960, the imports of machines, vehicles, other equipments etc. constituted 38% of the total import trade. Portuguese India continued to remain dependent upon the outside world for satisfying its consumption requirements. During the above period, food items constituted 28%, 33%, 36%, 28% and 35%, respectively, of the total import trade of the territory. As regards the export trade, one notices the fact that the export of the goods classified as raw materials was more than 90% of the total export trade. From 1955 to 1959 the average annual export of raw materials which included mineral ore was 94.33% of the total export trade. During the same period, the average annual export of machines and manufactures from Portuguese India was just 2%.⁵⁷

In 1960, the raw materials including mineral ore constituted 94.4% of the total exports. Food items and manufactures accounted for 2.5% and 2.7%, respectively, of the total export trade. The exports of machines, instruments etc. constituted 0.36% of the total exports of the territory.⁵⁸ All these percentages indicate the predominance of the primary sector, totally weak industrial base and the neglect of the industrial sector in Portuguese India.

7.5.5 THE DIRECTION OF THE EXTERNAL TRADE

As explained before, the severance of the commercial relations between Portuguese India and India compelled the Portuguese India government to search new sources of essential supplies and other commodities in different other countries of the world. It had also to look for new markets for its traditional export commodities. In the absence of new markets for some of its traditional export commodities, the export trade of Portuguese India in these commodities was reduced to a substantial extent. As a result of this, the direction of the external trade during the period of economic blockade underwent drastic changes. As shown by the Table 7.06 and 7.07, the percentage share of India in the import and export trade of Portuguese India became zero during the period between 1956 and 1961. In 1955, the share of India in the import trade and the export trade of Portuguese India was as low as 4.3% and 0.26%, respectively. As compared to their shares before 1955, the shares of most of the foreign

TABLE 7.06
SHARES OF DIFFERENT COUNTRIES IN THE IMPORT TRADE OF PORTUGUESE INDIA (1955-1961)

| Countries | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
|--|----------------------------|----------------------------|-----------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|
| 1. Portugal | 37907390 (31.19) | 14131043 (12.39) | 19066897 (13.46) | 16466360 (11.3) | 14262882 (11.4) | 17005527 (9.9) | 17455299 (8.42) |
| 2. Other Portuguese Overseas Territories | 5262552 (4.33) | 4185708 (3.67) | 3683056 (2.6) | 9326080 (6.4) | 6130537 (4.9) | 7729785 (4.5) | 6219210 (3.00) |
| 3. Foreign Countries (including the following) | <u>78367057</u> (64.48) | <u>95735249</u> (83.94) | <u>114840519</u> (81.07) | <u>115118800</u> (79) | <u>100966191</u> (80.7) | <u>140338541</u> (81.7) | <u>183632540</u> (88.58) |
| a) USA | 7778368 (6.4) | 9124160 (8) | 9108481 (6.43) | 7431720 (5.1) | 4629181 (3.7) | 8588650 (5) | 8748355 (4.22) |
| b) India | 5469165 (4.5) | NIL | NIL | NIL | NIL | NIL | NIL |
| c) U.K. | 14292751 (11.76) | 21669880 (19) | 25965545 (18.33) | 22878040 (15.7) | 19767854 (15.8) | 26796588 (15.6) | 36610416 (17.66) |
| d) Germany | 8191594 (6.74) | 7983640 (7) | 9845092 (6.95) | 9471800 (6.5) | 12511300 (10) | 18207938 (10.6) | 22596463 (10.9) |
| e) Japan | 4411793 (3.63) | 6500964 (5.7) | 6969475 (4.92) | 14572000 (10) | 12135961 (9.7) | 14600705 (8.5) | 21145314 (10.2) |
| f) Holland | 6076850 (5.0) | 7641484 (6.7) | 7465271 (5.27) | 14717720 (10.1) | 7006328 (5.6) | 8416877 (4.9) | 9162969 (4.42) |
| g) Switzerland | - | - | - | - | 2877599 (2.3) | 13398294 (7.8) | 22389156 (10.8) |
| h) Burma | - | 3980415 (3.49) | 11020837 (7.78) | 11366160 (7.8) | 7131441 (5.7) | 17005527 (9.9) | 13060341 (6.3) |
| Total Import Trade | 121537000 (100) | 114052000 (100) | 141656000 (100) | 145720000 (100) | 125113000 (100) | 171773000 (100) | 207307000 (100) |

Note:- Figures into brackets are percentages

Source:- (1) Anuario Estatístico do Ultramar, 1960, Instituto Nacional da Estatística, Dec. 1961, p.83; (2)Ibid, 1959, pp.140-154; (3) Anuario Estatístico, 1956, pp.258-9; (4) Anuario Estatístico, 1959, Lisboa, Tipografia Portuguesa, pp.248-51; (5) Anuario Estatístico, 1955, p.250; (6) Statistical year Book, 1961, pp.262-4

countries other than India and that of Portugal in the import trade of Portuguese India were higher during the period 1955-1961. The shares of United Kingdom, Germany, Japan, Switzerland and Burma in the import trade of the territory were 17.6%, 10.9%, 10.2%, 10.8% and 6.3%, respectively, in 1961. During 1955, Portugal's share in the import trade was 31%. Although it decreased in the subsequent years, for most of the years it was not less than 10%. During this period, Portuguese India's import trade

with other Portuguese colonies comparatively increased and their share reached the level of 6.4% in 1958.

TABLE 7.07
SHARES OF DIFFERENT COUNTRIES IN THE EXPORT TRADE OF
PORTUGUESE INDIA (1955-1961)

| Countries | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
|---|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|----------------------|
| 1. Portugal | 39261 (0.07) | 182030 (0.22) | 1670320 (1.49) | 447370 (0.5) | 2483943 (2.1) | 1032756 (0.6) | 2634192 (1.32) |
| 2. Other over- seas Territories | 22435 (0.04) | 82741 (0.10) | 78471 (0.07) | 447370 (0.5) | 1064547 (0.9) | 172126 (0.10) | 199560 (0.10) |
| 3. Foreign Countries (including the following and other coun- tries) | 56025304 (99.89) | 82476229 (99.68) | 110196266 (98.3) | 88489786 (98.9) | 114379661 (96.7) | 170404740 (99) | 196726248 (98.58) |
| a) India | 145826 (0.26) | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Germany | 21178451 (37.76) | 14430030 (17.44) | 24214032 (21.6) | 27557992 (30.8) | 31463278 (26.6) | 61104730 (35.5) | 56635128 (28.38) |
| c) USA | 6214439 (11.08) | 6801310 (8.22) | 6445865 (5.75) | 3489486 (3.9) | 3903339 (3.3) | 3958898 (2.3) | 3192960 (1.6) |
| d) Italy | 8480354 (15.12) | 15571856 (18.82) | 15503706 (13.83) | 11631620 (13) | 10172338 (8.6) | 12393072 (7.2) | 17561280 (8.8) |
| e) Japan | 12378401 (22.07) | 33311526 (40.26) | 44067296 (39.31) | 32300114 (36.1) | 51453105 (43.5) | 75391188 (43.8) | 101276700 (50.75) |
| Total Export Trade | 56087000 (100) | 82741000 (100) | 112102000 (100) | 89474000 (100) | 118283000 (100) | 172126000 (100) | 199560000 (100) |

Note:- Figures into brackets are percentages

Source :- (1) Anuario Estatístico do Ultramar 1959, p.156; (2) Anuario Estatístico do Ultramar, 1960, pp.89-93; (3) Anuario Estatístico, 1955, p.250; (4) Ibid, 1956, p.260; (5) Ibid, 1959, pp.252-3; (6) Statistical Year Book, 1961, pp.268-70.

As regards the export trade of Portuguese India, change in the direction of the external trade of this territory was substantial. As indicated by the Table 7.07 the percentage share of the countries like Japan, Germany and Italy for most of the years, was higher during this period. The percentage share of Japan increased from 22% in 1955 to 50.7% in 1961. In 1955, the percentage share of Germany, USA and Italy, in the export trade of the territory was 37.7%, 11% and 15%, respectively. Although it decreased in 1961, in case of Germany it was as high as 28.3%, while in case of Italy

it remained at a level of about 9%. The Table 7.07 indicates further that the percentage shares of Portugal and other Portuguese overseas territories in the export trade of Portuguese India remained at a dismally low level - less than one percent for most of the years.

Towards the end of the Portuguese rule in Goa, Daman and Diu, the export trade of the territory indicated the following direction: Manganese ore was exported to Germany, Spain, Japan and France, while Japan, Germany and Italy and also Holland imported iron ore from the territory. Ferro-manganese ore was exported to Germany, Holland, Italy and U.K. Dry fish found its markets in Cylon and British East Africa, and U.S.A. imported cashewnuts from Goa.⁵⁹

7.6 STATE OF THE SALT INDUSTRY DURING THE BLOCKADE (1955-1961)

As discussed in the previous sections of this chapter, the Indian economic blockade could not bring about the debacle of the Portuguese Indian economy as expected by the Indian government, on account of several factors which operated to the benefit of the Portuguese possessions in India. Much to the chagrin of the rulers of India, the Portuguese Indian economy wore on the appearance of prosperity which made the blockade ineffective. However, the blockade, in its initial stage, brought great sufferings and inconveniences to the people of Goa, Daman and Diu, as commercial relations between the two territories came to a standstill and the movement of the population across the borders was greatly disturbed. Although the boom in the mineral ore exports and effective measures taken by the Portuguese government defeated the purpose for which the blockade had been imposed by India, the agricultural and horticultural sector received a setback under the impact of the blockade. The Goan agriculture suffered because of the uneconomical prices received by the agricultural commodities due to the stiff competition of the imported agricultural goods, and higher wage rates which prevailed in the agricultural sector on account of the influence of the higher wage rates in the mining sector. The higher wage rates increased the costs incurred on production in agriculture.⁶⁰ The blockade made the life of the growers of coconuts, arecanuts and salt miserable, as almost entire quantity of these

commodities was being marketed into India, before the blockade.⁶¹ The impact of the blockade on the salt industry and salt trade of Goa was very powerful. This impact can be identified and analysed in a comprehensive way, if we study the state of the salt industry and salt trade during the period of the blockade, by highlighting the changes that have taken place therein, over the period. The state of the salt industry in Goa is studied under the following heads: (a) Production of salt in the following :- (i) Portuguese India, (ii) each of the three districts of the territory and (iii) each of the four salt-producing Concelhos of Goa. Changes in the production of salt, over the period 1955-1961, both in quantitative and value terms. (b) Population of salt producers and salt workers in Portuguese India and in each of its three districts. Changes in the population of salt producers and salt workers, over the period.

7.6.1 PRODUCTION OF SALT IN PORTUGUESE INDIA

As explained in the Table 6.15 of chapter six, there was a substantial fall in the production of salt in Portuguese India, during the period 1938 - 1954. The production of salt which was 29,061 tonnes in 1938 decreased to 26,095 tonnes in the immediate next year (1939). In 1953, the production of salt was 15,972 tonnes which decreased to 13,479 tonnes in 1954. After the imposition of the economic blockade by India, the production of salt was severely affected on account of the stoppage of the export of salt to India which was virtually the only importing country of the Portuguese Indian salt. As shown in the Table 7.08, in 1955, the production of salt declined to 6166 tonnes from its production level in 1954 (13,479 tonnes) amounting to a fall of 54.3%. In 1956, the production of salt declined further to a level of 5,595 tonnes. Although the production increased to 9,511 tonnes in 1957, it slumped down, reaching the figure of 3,871 tonnes in 1959. Thus, the production between 1955-1959 decreased by 37.3%. During the subsequent year, the production of salt increased to 7,059 tonnes, but decreased to 5,733 tonnes in 1961. Thus, although the production of salt was subjected to ups and downs during the period after the imposition of the economic blockade, it never reached the level of production existing prior to 1955. Between the years 1954 and 1961, the production of salt in Portuguese India decreased by 57.5%.

The production of salt in Goa exhibited similar trend. In 1952, the production of salt in Goa was 18,894 tonnes.⁶² As shown by the Table No. 7.08, it decreased to 5,996 tonnes in 1955, amounting to a decline of 68.3%. In 1956, it further decreased to 5,137 tonnes, but rose substantially to 8,119 tonnes in 1957. The production of Goan salt decreased subsequently and reached the level of 2,290 tonnes in 1959. However, in 1960, we notice a rise in the production to the level of 4,666 tonnes. In 1961, the production of salt in Goa slumped to the level of 2,278 tonnes. Between 1955 and 1961, the production of salt in Goa decreased by 62%. During the same period, this percentage for Portuguese India was 7%. Thus, the percentage fall in the production of salt in Goa was much more than that in case of the entire territory of Portuguese India during the period of the blockade.

TABLE 7.08
PRODUCTION OF SALT IN GOA, DAMAN AND DIU (1955-1961)
(in tonnes)

| Area | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Goa Island | 4290 | 3694 | 6234 | 2426 | 1498 | 3212 | 184 | 384 |
| Salsete | 198 | 447 | 380 | 341 | 147 | 28 | - | 6 |
| Bardez | 1148 | 790 | 887 | 514 | 522 | 1222 | 1902 | 2158 |
| Pernem | 369 | 206 | 618 | 107 | 123 | 204 | 192 | - |
| <u>Goa (Total)</u> | <u>5996</u> | <u>5137</u> | <u>8119</u> | <u>3388</u> | <u>2290</u> | <u>4666</u> | <u>2278</u> | <u>2548</u> |
| Daman | 170 | 386 | 1208 | 822 | 991 | 1156 | 1695 | 2100 |
| Diu | - | 72 | 184 | 348 | 590 | 1237 | 1760 | 1580 |
| <u>Portuguese India</u> | <u>6166</u> | <u>5595</u> | <u>9511</u> | <u>4538</u> | <u>3871</u> | <u>7059</u> | <u>5733</u> | <u>6228</u> |

Note:- 1962 is the post-liberation year

Sources:- (1) Anuario Estatístico 1955, p.201; (2) Relatorio, Caixa Economica, Gerencia de 1959, p.23; Gerencia de 1960, p.55; (3) Anuario Estatístico 1961, p.220; (4) Anuario Estatístico 1959, p.208; (5) Anuario Estatístico 1956, p.206; (6) Statistical Year Book for 1962, p.207

As indicated by the Table 7.08, the production of salt in different salt producing concelhos of Goa, during 1955-1961, changed as follows: The production of salt in Goa Island did not continuously decrease during this period. It experienced ups and downs. But between the period 1955-1961, the production decreased from 4,290 ton-

nes to 184 tonnes amounting to a decrease of 95.7%. The average annual production of salt during 1955-1961 was 3,077 tonnes. In 1955, Salsete produced just 198 tonnes of salt. The production increased to 447 in 1956 but, subsequently, continuously decreased and reached the lowest level of 28 tonnes in 1960. Thus, between 1955 and 1960, production of salt in this Concelho decreased by 86%. The average annual production of salt during 1955-1961 was 220 tonnes.

The production of salt in Bardez was 1148 tonnes. It decreased to 790 tonnes in 1956, but increased in the subsequent year. During 1958 and 1959, the production was very low - 514 tonnes and 522 tonnes, respectively. It increased to 1,222 tonnes in 1960 and reached the level of 1902 tonnes in 1961, amounting to a rise of 65.6% between 1955-1961. The average annual production of salt during 1955-1961 was 998 tonnes. In 1955, Pernem produced 369 tonnes of salt. The production decreased to 206 tonnes in 1956, but, in the subsequent year, it rose to 618 tonnes. In 1958 the production fell to 107 tonnes. Between 1955 and 1961, the production declined from 369 tonnes to 192 tonnes, amounting to a fall of 48%. The average annual production of salt in Pernem during this period was 260 tonnes.

The production figures of salt in respect of Daman and Diu were as follows:- The salt production in Daman was 170 tonnes in 1955. After fluctuations, it settled to the level of 1,695 tonnes during the last year of the Portuguese presence in India. The production between 1955 and 1961 registered a steep rise of 897%. The average annual production of salt in Daman was 918 tonnes. The production of salt in Diu, in 1956, was just 72 tonnes which steeply increased in the subsequent period, reaching the level of 1760 tonnes in 1961. The rise in the production of salt between the years 1956 and 1961 was 2344%. The annual average production of salt between the years 1955 and 1961 was 598 tonnes.

On the basis of the above analysis we can conclude the following: Since the production of salt in Goa decreased by 62% during 1955-61 and that of Daman and Diu increased by 897% (1955-61) and 2344% (1956-61), respectively, the impact of the blockade was most unfavourable to Goa, as compared to the other two districts. The impact of the blockade can also be identified in respect of different salt producing

Concelhos of Goa - namely, Goa Island, Salsete, Bardez and Pernem. As shown by the Table 7.08, while the annual salt production of Goa Island and Pernem decreased by 95% and 48%, respectively, during 1955-1961, and that of Salsete decreased by 86% between 1955 and 1960, the salt production in Bardez increased by 65.6% during 1955-1961. One can conclude that the impact of the blockade on salt production in Bardez was not unfavourable and that on salt production in Pernem was less unfavourable than what it was as regards Goa Island and Salsete. The production figures in the Table 7.08 also throw light on the following: a) During most of the years, the production of salt in Goa Island was the highest, second place being occupied by Bardez. The production of salt in Salsete was for most of the years less than that in Pernem. While the production in Pernem for the years 1955, 1957, 1960 and 1961 was 369 tonnes, 618 tonnes, 204 tonnes and 192 tonnes, production of salt in Salsete for the same years was 198 tonnes, 380 tonnes, 28 tonnes and nil, respectively. The areawise concentration of the salt industry as explained in the chapter I, states that the geographical area under saltpans in Salsete was 102.5350 h.a. while in Pernem it was just 18.0232 h.a. Considering this fact, the dismally low production of salt in Salsete during this period, makes clear that the saltpans in Salsete suffered the most, during the period of the economic blockade. During the period 1955-1961, we notice an important phenomenon in the production of salt in Portuguese India. Before 1955, the percentage of production of salt in Goa to the total production of salt in Portuguese India was generally not less than 90%.

In 1952, this percentage was 94.6%. In 1955, the percentage of the production of Goan salt to the total salt production in Portuguese India was as high as 97%. But, in the subsequent period, this percentage declined sharply as noticed below: 1956: 92%; 1957:85%; 1958:74.6%; 1959:59%; 1960:66% and 1961: 39.7%. The above percentages make clear that, in 1961, the salt production of Daman and Diu taken together, was more than that of Goa, since the production of Daman and Diu was 60.7% of the total Portuguese Indian salt. One can conclude from this analysis that the impact of the economic blockade on Goan salt was more serious than that on the salt production of Daman and Diu taken together. For the period 1955-1961, the annual

average production of salt in Portuguese India was 6,067 tonnes. Goa's annual average production of salt was 4,553 tonnes. If we compare the average annual production of salt in Goa, during the period 1955-1961, with the production of salt in 1952 (18,894 tonnes) one notices the fact that the average annual production during 1955-1961 was 24% of the salt production in 1952. The impact of the Indian economic blockade on the production of salt lingered on even after the liberation of Goa, Daman and Diu. The production of salt did not revert back to the position before the imposition of the blockade. During the first year of liberation (1962), while the erstwhile Portuguese India's salt production was 6,228 tonnes, Goa produced 2,548 tonnes of salt. Thus between 1961 and 1962, the erstwhile Portuguese India's salt production increased by just 8.6%. The rise in respect of Goa was 12%. Even 8 years after liberation, i.e., in 1969, total salt production of Goa, Daman and Diu was 11,623 tonnes and the production of Goa was just 2,682 tonnes. Comparing these production figures with those pertaining to the year 1952 when the production of salt in Portuguese India and Goa was 19,957 tonnes and 18,894 tonnes, respectively, one can conclude that the production of salt in the erstwhile Portuguese India as a whole, and that in Goa, even 8 years after liberation, was much lower than the production before the imposition of the blockade. The position of Goa, in this respect, was worse than that of Daman and Diu.⁶³ However, the blockade was not the only cause of this position. The inferior quality of salt produced in Goa was one of the important factors which reduced the production of salt in Goa. The marketing of the product became difficult because of the inferior quality of salt. As compared to the salt produced in Goa and Daman, salt produced in Diu was better and white, thanks to the better climatic conditions in Diu. Saltworks in Diu were taking brine from wells which possessed concentrations of 7 degree to 15 degree Be. It was better from chemical point of view and from the viewpoint of 'organoleptic' character too. Because of the improvement in the technique of production, the production of salt in Diu increased. Between 1959 and 1960, it more than doubled, and between 1959 and 1961, it almost trebled.⁶⁴ It is pertinent to note here that Mozambique, Angola and Cabo Verde, the overseas territories of Portugal in Africa, were also the producers of salt like Portuguese India. Unlike the position of

Portuguese India, the production of salt in these territories kept an increasing trend for most of the years, during the period under study in this chapter. While the production of salt in Mozambique increased from 3,979 tonnes in 1938, to 10,896 tonnes in 1953, and then in 1960, to 25,394 tonnes, Angola's production of this commodity increased from 55,166 tonnes in 1954 to 57,817 tonnes in 1960. The production of salt in Cabo Verde was 10,628 tonnes in 1953, it increased to 23,758 tonnes in 1960. Against the background of this rise in the production of salt in the above overseas territories of Portugal, the decrease in the salt production of Portuguese India exhibited an opposite trend in the salt industry of the Portuguese overseas territories.⁶⁵

7.6.2 SALT PRODUCERS AND WORKERS IN PORTUGUESE INDIA

The number of salt producers and salt workers during the period under study in this chapter exhibited two distinct features. Firstly, as compared to the population of these two groups before the imposition of the economic blockade by India, it decreased during the period 1955-1961. Secondly, the population of both these groups did not witness a continuous declining trend. On the contrary, it was subjected to ups and downs during the period. During the years 1953 and 1954, the number of producers of salt in Portuguese India was 327 and 107, while the number of salt workers was 742 and 97, respectively.⁶⁶ Against this backdrop, it is worthwhile to know the number of these two groups in Portuguese India for each year of the period 1955-1961, with its break-up among different salt producing Concelhos of Goa, Daman and Diu. The Table 7.09 indicates the population of salt producers and salt workers in Portuguese India from 1955 to 1961, with its break-up among different salt producing Concelhos.

Salt producers: The number of salt producers in Portuguese India was 97 in 1955, it increased to 144 and then, to 149 in 1956 and 1957, respectively. In 1958, the number of the producers decreased to 129 and, in the next year, it fell down, substantially, to the level of 41. In 1961, there were 38 salt producers in Portuguese India, as per the official records. Thus, the number of salt producers in Portuguese India decreased by 61% during the period 1955-1961. If we compare the number of salt producers in 1961 with that in 1953, we note that the percentage fall between these two years was

88%. This percentage figure gives us more exact measure of the impact of the blockade on the number of salt producers in Portuguese India. The position of Goa in this respect was not different, since the number of salt producers in Daman and Diu was

TABLE 7.09
SALT PRODUCERS AND SALT WORKERS IN PORTUGUESE INDIA
(1955-1961)

| Area | 1955 | | 1956 | | 1957 | | 1958 | | 1959 | | 1960 | | 1961 | |
|--------------------------|------|-----|------|-----|------|-----|------|-----|------|----|------|-----|------|----|
| | P | W | P | W | P | W | P | W | P | W | P | W | P | W |
| Goa Island | 39 | 14 | 56 | 249 | 72 | 233 | 54 | 187 | 19 | 21 | 15 | 2 | 15 | - |
| Salsete | 32 | 89 | 51 | 192 | 29 | 95 | 48 | 230 | - | - | 1 | 5 | 1 | - |
| Bardez | 9 | 9 | 18 | 125 | 27 | 192 | 16 | 155 | 15 | 30 | 11 | 16 | 11 | 1 |
| Pernem | 13 | 13 | 14 | 41 | 14 | 42 | 5 | 13 | - | - | 5 | 26 | 5 | - |
| Goa(Total) | 93 | 125 | 139 | 607 | 142 | 562 | 123 | 585 | 34 | 51 | 32 | 49 | 32 | 1 |
| Daman | 4 | 6 | 3 | 41 | 4 | 114 | 4 | 233 | 4 | - | 4 | 390 | 4 | - |
| Diu | - | - | 2 | 19 | 3 | 47 | 2 | 28 | 3 | 17 | 3 | 17 | 2 | 29 |
| Portuguese India (Total) | 97 | 131 | 144 | 667 | 149 | 723 | 129 | 946 | 41 | 68 | 39 | 456 | 38 | 30 |

Note:- P:Producers; W:Workers

Sources: Anuario Estadístico 1955, p.201; Anuario Estadístico 1959, p.208; Anuario Estadístico 1956, p.206; Relatório, Caixa Económica, Gerência de 1959, p.23, and Gerência de 1960, p.55; Statistical Year Book 1961, p.220

not more than seven in any one year, during this period. In Goa, the number of salt producers was 93 in 1955. It increased to 139 and 142 in 1956 and 1957, respectively. It decreased to 123 in 1958 and, then, in 1959 it slumped down to 34. In 1961 there were 32 salt producers in Goa. Thus, between 1955 and 1961, the population of salt producers in Goa decreased by 65.5%. This fall in the population of salt producers, during the period 1955-1961, was the result of the blockade that hit the exports of salt to the neighbouring India. As shown by the Table 7.09, the number of salt producers in different Concelhos of Goa, and in Daman and Diu changed as follows:-

The number of salt producers in Goa Island in 1955 was 39. It kept an increasing trend and reached the level of 72 in 1957, but decreased, in the subsequent period, reaching the level of 15 in 1961. The population of salt producers decreased by 61.6% between 1955 and 1961. The number of salt producers in Salsete was 32 in

1955. It increased to 51 in 1956. In 1957, the number decreased to 29, but it increased to 48 in 1958. In 1960 and 1961, there was only one producer of salt in Salsete. The number of salt producers in Bardez was 9 in 1955. In 1956, it increased to 18 and reached the level of 27 in 1957. The declining trend started after 1957. In 1958, the number of salt producers fell down to 16 which further decreased to 11 in 1961. Pernem had 13 producers of salt in 1955. The figure after remaining more or less stable during the next two years, decreased to 5 in 1958, which remained stable at the same level in 1961.

So far as salt producers in Daman and Diu were concerned, their number remained more or less stable at the level of 4 and 2, respectively, during this period.

Salt workers: The number of salt workers in Portuguese India was 131 in 1955, which substantially increased during the next three years, reaching the level of 946 in 1958. In 1959 the number decreased to 68, but increased substantially in to 456 in 1960. It, subsequently, decreased to the level of 30 in 1961. In Goa, there were 125 salt workers in 1955. Their number increased to 607 in the subsequent year, but came down to 562 and 585 in 1957 and 1958, respectively. In 1959 the number of saltworkers sharply declined to 51, which further decreased to 49 in 1960. As per official records, the number of salt workers in 1961 was just 1. This may be an underestimate made by the official enumerators of the salt workers. The break-up of the salt workers among different salt producing Concelhos of Goa was as follows:-

In 1955, there were 14 workers in Goa Island, which number increased sharply to 249 in 1956. The downward trend in the number of salt workers started from this year. In 1959 there were just 21 workers. The number returned in the enumeration of salt workers in 1960 was 2. In 1961, the number of salt workers returned was zero. There were 89 saltworkers in Salsete in 1955, which number rose to 192 in the subsequent year. After a decline in 1957, the number increased to 230 in 1958. In 1960, there were just 5 salt workers in Salsete. The number of salt workers in Bardez was just 9 in 1955. It increased to 125 and 192 in 1956 and 1957, respectively. The downward trend in the number of saltworkers started from 1957. There was a substantial fall in 1959, when the number of salt workers decreased to 30. In 1961, only

one worker was returned in the enumeration of the salt-workers of this Concelho. The number of salt workers in Pernem was 13 in 1955, which increased to 41 in the subsequent year and, after remaining stable in 1957, it decreased to 13 in the next year. In 1960, there were 26 salt-workers in Pernem. No salt worker was returned in the enumeration of saltworkers in 1961.

As far as salt-workers in Daman were concerned, their number was 6 in 1955. It increased to 41 and 114 in 1956 and 1957, respectively. In 1958 and 1960, there were 233 and 390 salt-workers, respectively. No salt-worker was returned in 1961. Diu's position was as follows:- No salt-worker was returned in Diu in 1955. In 1956, there were 19 salt-workers. Their number increased to 47 in 1957. After this year, declining trend started in the number of salt-workers in this district, but in 1961 their number increased to 29.

The above analysis throws light on the fact that during the last few years of the Portuguese rule in Goa, Daman and Diu, the number of salt producers and salt workers in Goa decreased on account of the impact of the blockade of Goa by the Indian government and, also, because of the lack of competitiveness of the Goan salt industry in the world market. The decrease in salt workers was more pronounced than the decrease in salt producers. Although the figures of the number of salt producers and salt workers cannot be considered hundred per cent reliable, they provide us an idea about the impact of the blockade on the population of salt producers and salt workers.

7.7 STATE OF SALT EXPORTS DURING THE BLOCKADE - A COMPARATIVE ASSESSMENT

The Indian economic blockade gave a mortal blow to the export trade in most of the traditional export commodities of Portuguese India. Salt was one of such commodities which were severely affected as their exports to India were totally prohibited by the Government of India. Although the Portuguese Indian government adopted measures to create demand for the locally produced salt within the territory and, also, to search markets for this commodity in other Portuguese overseas territories and foreign countries, exports of salt sharply declined, and during some years they became almost nil. The fate of most of the other traditional export commodities

TABLE 7.10
EXPORTS OF NINE TRADITIONAL PRINCIPAL COMMODITIES FROM PORTUGUESE INDIA (1955-1961)

| Year | | Salt | Coconuts | Cashewnuts (with shell) | Cashewnuts (without shell) | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|----------|---------------------|----------|----------------------------|-------------------------------|------------------|------------------|---------|----------------|-----------------|
| 1955 | Quantity | 3 (0.118) | 607980 | 6 (0.224) | 23680 (883.74) | - | 242 (9) | 5540 | 454 (16.94) | 11687 (436) |
| | Value | 16 | 53448 | 1975 | 2030748 | | 7295 | 804 | 10207 | 664628 |
| 1956 | Quantity | 29057 (1084.39) | 386800 | - | 17472 (652) | 3589 (133.94) | 21104 (787.6) | 35000 | 227 (8.47) | 2975 (111) |
| | Value | 37420 | 23935 | - | 1870053 | 90035 | 452805 | 5700 | 5245 | 151218 |
| 1957 | Quantity | 13871 (480.25) | 453110 | - | 14778 (551.51) | 14309 (534) | 2514 (93.8) | 9625 | 492 (18.36) | 5293 (197.5) |
| | Value | 23299 | 32313 | - | 1566579 | 453002 | 60632 | 1301 | 9605 | 263090 |
| 1958 | Quantity | 163514 (5355.95) | 218328 | - | 21914 (817.83) | 3159 (117.9) | 5510 (205.6) | 8140 | 295 (11) | 9926 (370.4) |
| | Value | 146765 | 21759 | - | 2224645 | 97111 | 134513 | 814 | 7103 | 191277 |
| 1959 | Quantity | 11.4 (0.426) | 189677 | - | 21172 (790) | - | 7740 (288.8) | 5520 | 551 (20.5) | 4836 (180.4) |
| | Value | 119 | 24689 | - | 2078808 | - | 191758 | 616 | 12358 | 122185 |
| 1960 | Quantity | 4084 (152.42) | 16265 | - | 35072 (1308.9) | - | 7997 (298.4) | 8387 | 756 (28.2) | 8428 (314.5) |
| | Value | 3892 | 2455 | - | 3370129 | - | 197401 | 1110 | 19949 | 343758 |
| 1961 | Quantity | 3 (0.113) | 1560 | - | 31879 (1189.7) | - | 12194 (455) | 1035 | N.A. | N.A. |
| | Value | 106 | 313 | - | 3126919 | - | 307886 | 145 | N.A. | N.A. |

Note:-(a) Quantity in maunds except for Coconuts and Mangoes (b) Figures in brackets indicate quantities in tonnes (c) Value in Rupees

Source:-Anuario Estatístico, 1959, pp.298-9; Anuario Estatístico do Ultramar, 1960, pp.131-2; Statistical Year Book 1961, Panaji, General Statistical Department 1963, pp.301-03

was not different. This is amply proved by the Table 7.10 which give us the quantities and values of the exports of principal traditional export commodities of Portuguese India. The Table indicate that the quantity of salt exported in 1955 was totally negligible (118 kgms.). In 1956, Portuguese India exported 1,084.393 tonnes of salt valued at Rs. 37,420. The exports declined in the next year to the level of 480.254 tonnes of the value of Rs. 23,063. In 1958, the territory exported salt equal to 5,355.951 tonnes valued at Rs. 146,765. In 1959 also, the export of salt was totally negligible (426 kgms). However, during the next year, the export of salt increased to 152.424 tonnes worth Rs. 3,891. The salt exports again became totally negligible in 1961, when the exports were 113 kgms valued at Rs. 106. The Table 7.11 indicates

TABLE 7.11
EXPORT OF SALT FROM GOA, DAMAN AND DIU (1955-61)

| Year | Goa | | Daman | | Diu | | Portuguese India | |
|------|----------|--------|----------|-------|----------|-------|------------------|--------|
| | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value |
| 1955 | 0.118 | 16 | - | - | - | - | 0.118 | 16 |
| 1956 | 65.233 | 1849 | 1019.160 | 35571 | - | - | 1084.393 | 37420 |
| 1957 | 0.214 | 49 | 15.578 | 425 | 464.522 | 22589 | 480.254 | 23063 |
| 1958 | 3867.133 | 107363 | 1.008 | 27 | 1487.810 | 39375 | 5355.951 | 146765 |
| 1959 | 0.426 | 119 | - | - | - | - | 0.426 | 119 |
| 1960 | 0.324 | 141 | - | - | 152.1 | 3750 | 152.424 | 3891 |
| 1961 | 0.113 | 106 | - | - | - | - | 0.113 | 106 |

Note:-Quantity in tonnes and Value in Rupees

Source: (1) Anuario Estatístico 1959, Estado da India, p.299; (2) Statistical Year Book 1961, Estado da India, p.303

the quantities and values of the exports of salt from each district of Portuguese India, namely, Goa, Daman and Diu. It is clear from the Table that during 1955, 1959 and 1961, there was no export of salt from Daman and Diu and, therefore, the figures of the salt exports from Portuguese India were the same as for Goa. Thus, during the years 1955, 1959 and 1961, the exports of salt from Goa were totally negligible at the level of 118 kgms, 426 kgms and 113 kgms respectively. Also in 1957 and 1960, the exports of salt from Goa were totally negligible, amounting to just 214 kgms and 324 kgms, respectively. In fact, during all those years when the annual exports of salt were less than one tonne, the actual exports of salt were nil. The negligible quantity of salt that was shown as quantity exported constituted the supplies made to the for-

eign ships which visited the ports of Portuguese India during those years. Thus, Goa's actual exports of salt took place only during the years 1956 and 1958, when more than 65 tonnes (Rs. 1,849) and 3,867 tonnes (Rs. 107,363), respectively, were exported from this district. On the basis of the above analysis we can conclude the following:

1. During the blockade, there were exports of salt from Portuguese India, only during the years 1956, 1957, 1958 and 1960.
2. During the period of blockade, Goa actually exported salt, only during the years 1956 and 1958.
3. While Daman exported salt only during the years 1956, 1957 and 1958, the exports of salt from Diu took place only during the years 1957, 1958 and 1960.

During the period 1955-1961, the maximum quantity of salt that was exported from Portuguese India and, also, from Goa, was in the year 1958. During this year, Portuguese India's exports of salt were 5,355.95 tonnes valued at Rs. 146,765. Goa's share in these exports was 3,867.133 tonnes of the value of Rs. 107,363. Daman and Diu's shares were 1.008 tonnes and 1,487.810 tonnes worth Rs. 27 and Rs. 39,375, respectively. 1958 was the only year when, inspite of the Indian economic blockade, the territory could export large quantity of salt to foreign countries. Goa exported 3,866.3 tonnes of salt of the value of Rs. 107,261 to Mozambique. Diu exported to Mozambique 621.23 tonnes worth Rs. 16,375 and to Malasia 866.6 tonnes valued at Rs. 2,300. Daman's export of salt amounting to 1.008 tonne valued at Rs. 27 was entirely to British East Africa. In 1960, the entire salt measuring 152 tonnes worth Rs. 3,750 exported by Diu, found its market in Mozambique.⁶⁷ Average annual export of salt during the period 1955-1961 was less than the average annual export of salt during the preceding seven years period. It is pertinent to note that the economic blockade of the territory was not the only cause of this phenomenon. There were other factors which contributed to this situation: Overseas export markets were not available to the Goan salt due to the inferior quality of salt, which was in turn, the effect of the lack of modernization of the salt works. The costs of production of salt had increased but the ex-

port prices of salt were ruling at a lower level. Thus, the Goan salt had lost its competitive strength in the foreign markets.⁶⁸

The performance of Portuguese India's and Goa's export trade in salt can also be gauged on the basis of the following:

1. Percentage of the exports of salt to the production of salt in the territory and change therein over the period 1955-1961.
2. Percentage share of the value of the annual export of salt in the value of the annual total export trade of the territory and change therein, as compared to the similar percentage shares of other principal export commodities, over the period 1955-1961.
3. Percentage of the value of the annual export of salt to the value of the annual total import trade of the territory and change therein, as compared to the similar percentages of other principal export commodities, over the period 1955-1961. This percentage purports to measure the capacity of the salt exports to pay for the import trade obligations of the territory.
4. Percentage change in the export of salt, as compared to that in the export of other principal commodities, during the period 1955-1961.
5. Average prices received by salt and other export commodities and changes therein, during the period 1955-1961.

7.7.1 SALT EXPORTS VIS-A-VIS SALT PRODUCTION (1955-1961)

One of the important indicators of the performance of the exports of salt from Portuguese India is the percentage of the export of salt to the production of salt in the territory. The Table 7.12 indicates the percentages of the export of salt to the total production of salt in Portuguese India and, also, Goa, during the period of the economic blockade. The Table 7.12 states that for the years 1955, 1959 and 1961, in case of Portuguese India, and for the years 1955, 1957, 1959, 1960 and 1961, in case of Goa, the annual exports of salt were less than one tonne. These quantities of the annual exports of salt for the above mentioned years were not the actual exports of salt to the other countries, but they were the supplies of salt made to the foreign ships visiting Portuguese Indian ports. Such supplies were considered by the government

TABLE 7.12
SALT EXPORTS AND SALT PRODUCTION IN PORTUGUESE INDIA AND
GOA (1955-1961)
(quantity in tonnes)

| Year | Portuguese India | | | Goa | | |
|------|------------------|----------|---------------------------|------------|----------|---------------------------|
| | Production | Export | % of Export to Production | Production | Export | % of Export to Production |
| 1955 | 6166 | 0.118 | 0.0019% | 5996 | 0.118 | 0.0019% |
| 1956 | 5595 | 1084.393 | 19.38% | 5137 | 65.233 | 1.26% |
| 1957 | 9511 | 480.254 | 5% | 8119 | 0.214 | 0.0026% |
| 1958 | 4538 | 5355.951 | 118% | 3388 | 3867.133 | 114% |
| 1959 | 3871 | 0.426 | 0.01% | 2290 | 0.426 | 0.018% |
| 1960 | 7059 | 152.424 | 2% | 4666 | 0.324 | 0.007% |
| 1961 | 5733 | 0.113 | 0.0019% | 2278 | 0.113 | 0.005% |

Source: (1) Caixa Economica, Gerencia de 1959, p.23; (2) Ibid, Gerencia de 1960, p.55; (3) Anuario Estadístico, 1956, p.206; (4) Anuario Estadístico 1959, p.299; (5) Statistical Year Book, 1961, General Statistical Department, Govt. of Goa Daman & Diu, Imprensa Nacional 1963, p.220; (6) Statistical Year Book 1961, p.303

authorities as exports to foreign countries. Thus, for the above mentioned years in the case of which the annual export figures of salt are recorded as less than one tonne, no exports of salt took place to the other countries from Portuguese India or Goa. This makes clear the fact that the percentages of the exports of salt to the total production of salt for the above-mentioned years, as given in the Table 7.12 are, in fact, the percentages of the annual supplies of salt to foreign ships, to the total annual production of salt. Thus, it can be concluded that for the years 1955, 1959 and 1961 in case of Portuguese India and for the years 1955, 1957, 1959, 1960 and 1961 in case of Goa, the percentages of the annual exports of salt in the real sense of the term, to the total production of salt were zero. As regards the other years of the period 1955-1961, the following conclusions are drawn:

1. The percentage of the export of salt to the total production of salt in Portuguese India during 1956 was 19.3%. It decreased to 5% in the subsequent year. In 1958, the total exports of salt were more than the total production of salt in the territory, resulting into the percentage of the exports of salt to

the production of salt crossing 100% mark. It was 118% during this year. In 1960, this percentage slumped down to the level of 2%.

2. In case of Goa, the percentage of the exports of salt to the production of salt was 1.2% in 1956. It increased to 114% in 1958, implying that the exports of salt were more than the quantity produced, during this year.

The above analysis focuses an important fact as regards the percentage of the exports of salt to the production of salt in Portuguese India: Except for 1958, for all other years, this percentage was either too low or actually zero. The decadence in which the salt industry had landed itself is proved by this fact. The conditions of the salt industry of Goa were more serious in this respect.

7.7.2 SHARES OF THE EXPORTS OF SALT AND OTHER NINE SELECTED PRINCIPAL COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA

The Table 7.13 indicates the percentage shares of the value of the exports of salt and other principal traditional export commodities and the Table 7.14 gives us the percentage shares of the value of the exports of the mineral ore, in the total annual export trade of Portuguese India for the period 1955-1961. These percentages in the Table 7.13 are computed on the basis of the Table 7.10 giving the quantities and values of the exports of salt and other principal traditional export commodities, and the Table 7.04 demonstrating the values of the total annual export trade of the territory for the period 1955-1961. The percentages in the Table 7.14 are computed on the basis of the Tables 7.03 and 7.04. The Table 7.13 throws light on the fact that the percentage shares of salt and each one of all other traditional principal export commodities, except cashewnuts without shell, were less than one percent, for most of the years. The position of each one of these commodities was as follows:-

The percentage share of salt in the total annual export trade of the territory was zero in 1955. It was 0.04% in 1956. After slightly increasing to 0.16 in 1958, it fell down to the lowest level of 0.002% and became zero in 1961. The percentage share of coconuts in the total annual export trade was 0.09 in 1955. It decreased to the dismally low level of 0.0001% in 1961. The share of cashewnuts with shell in the total

TABLE NO. 7.13
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL TRADITIONAL
COMMODITIES IN THE TOTAL EXPORTS OF PORTUGUESE INDIA
(1955-1961)
(in percent)

| | Salt | Coconuts | Cashewnuts with shell | Cashewnuts without shell | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|-------|----------|--------------------------|-----------------------------|-------|-----------|---------|----------------|-------------|
| 1955 | - | 0.09 | 0.003 | 3.6 | - | 0.01 | 0.001 | 0.02 | 1.2 |
| 1956 | 0.04 | 0.02 | - | 2.26 | 0.1 | 0.54 | 0.007 | 0.006 | 0.2 |
| 1957 | 0.02 | 0.02 | - | 1.4 | 0.4 | 0.05 | 0.001 | 0.008 | 0.23 |
| 1958 | 0.16 | 0.02 | - | 2.5 | 0.1 | 0.15 | 0.0009 | 0.008 | 0.2 |
| 1959 | - | 0.02 | - | 1.75 | - | 0.16 | 0.0005 | 0.01 | 0.1 |
| 1960 | 0.002 | 0.001 | - | 1.95 | - | 0.11 | 0.0006 | 0.01 | 0.2 |
| 1961 | - | 0.0001 | - | 1.6 | - | 0.15 | 0.00007 | - | - |

Note:- Percentage shares as above are derived on the basis of the Tables 7.10 and 7.04

TABLE 7.14
SHARE OF THE EXPORT OF THE MINERAL ORE IN THE TOTAL EXPORTS
OF PORTUGUESE INDIA (1955-1961)
(value in Rupees)

| Year | Total Exports | Export of the Mineral Ore | % of the column 3 to the column 2 |
|------|---------------|---------------------------|--------------------------------------|
| (1) | (2) | (3) | (4) |
| 1955 | 56,087,000 | 52,551,436 | 93.7 |
| 1956 | 82,741,000 | 79,372,527 | 95.9 |
| 1957 | 112,102,000 | 107,592,500 | 95.9 |
| 1958 | 894,740,00 | 85,494,781 | 95.5 |
| 1959 | 118,283,000 | 104,609,690 | 88.4 |
| 1960 | 172,126,000 | 162,291,404 | 94.2 |
| 1961 | 199,560,000 | 190,505,276 | 95.4 |

Source: Figures in the first two columns of this Table are reproduced from the Table 7.04 and the Table 7.03.

export trade of Portuguese India was 0.003 in 1955. No exports of this commodity took place after this year. The percentage share of cashewnuts without shell was 3.6% during 1955. It decreased and reached the level of 1.6% in 1961. This was the only

traditional export commodity whose performance in the export trade was better than any other traditional export commodity.

Except for the years 1956, 1957 and 1958, when the shares of copra were 0.1%, 0.4 and 0.1%, respectively, the exports of copra for the other years were nil. The share of arecanuts in the export trade of Portuguese India was 0.01 in 1955. It increased to 0.15% in 1961. The share of mangoes in the export trade of the territory for most of the years during the period 1955-1961 remained to the lowest level. Between salted fish and dry, the position of dry fish was slightly better. The share of salted fish was 0.02% in 1955. In 1960, it came down to the level of 0.01%. In case of dry fish, the share decreased from 1.2% to 0.2% between 1955 and 1960.

Against the background of the poorest performance of the traditional export commodities, the share of the mineral ore in the total export trade of Portuguese India was the largest and to the highest level. As indicated by the Table 7.14, the share of the mineral ore in the total export trade of Portuguese India was 93.7% in 1955. It decreased to 88.4% in 1959, but increased again and reached the level of 95.4% in 1961.

7.7.3 SHARES OF THE EXPORTS OF SALT AND OTHER NINE SELECTED PRINCIPAL COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA

The Table 7.15 indicates the percentage contributions of the exports of salt and other selected traditional principal export commodities and the Table 7.16 gives us the percentage contribution of the export of the mineral ores, towards the payment of the total annual import trade obligations of Portuguese India for the period 1955-1961. The percentages in the Table 7.15 are computed on the basis of the Table 7.10 giving the quantities and values of the exports of salt and other principal export commodities and the Table 7.04 demonstrating the values of the total annual import trade of the territory. The percentages in the Table 7.16 are computed on the basis of the Table 7.03 giving the values of the exports of the mineral ores and the Table 7.04 as described above. The position of each of the principal traditional commodities and of the mineral ores was as follows:-

TABLE 7.15
SHARES OF THE EXPORTS OF NINE SELECTED PRINCIPAL TRADITIONAL
COMMODITIES TOWARDS THE PAYMENT OF IMPORT TRADE
OBLIGATIONS OF PORTUGUESE INDIA (1955-1961)
(in percent)

| Year | Salt | Coconuts | Cashewnuts with shell | Cashewnuts without shell | Copra | Arecanuts | Mangoes | Salted fish | Dry fish |
|------|-------|----------|--------------------------|-----------------------------|-------|-----------|---------|----------------|-------------|
| 1955 | - | 0.04 | 0.001 | 1.6 | - | 0.006 | 0.0006 | 0.008 | 0.54 |
| 1956 | 0.03 | 0.02 | - | 1.6 | 0.07 | 0.4 | 0.005 | 0.004 | 0.13 |
| 1957 | 0.01 | 0.02 | - | 1.1 | 0.3 | 0.04 | 0.0009 | 0.006 | 0.18 |
| 1958 | 0.1 | 0.01 | - | 1.5 | 0.06 | 0.09 | 0.0005 | 0.004 | 0.13 |
| 1959 | - | 0.02 | - | 1.6 | - | 0.15 | 0.0005 | 0.01 | 0.097 |
| 1960 | 0.002 | 0.001 | - | 2 | - | 0.11 | 0.0006 | 0.01 | 0.2 |
| 1961 | - | 0.0001 | - | 1.5 | - | 0.14 | 0.00006 | - | - |

Note:- Percentages as given above are derived from the Tables 7.10 and 7.04

TABLE 7.16
SHARE OF THE MINERAL ORE EXPORTS TOWARDS THE PAYMENTS OF
IMPORT TRADE OBLIGATIONS OF PORTUGUESE INDIA (1955-1961)
(value in Rupees)

| Year | Total Imports | Exports of the Mineral ore | % of the column 3 to the column 2 |
|------|---------------|-------------------------------|--------------------------------------|
| (1) | (2) | (3) | (4) |
| 1955 | 121,537,000 | 52,551,436 | 43.2 |
| 1956 | 114,052,000 | 79,372,527 | 69.6 |
| 1957 | 141,656,000 | 107,592,500 | 75.9 |
| 1958 | 145,720,000 | 85,494,781 | 58.6 |
| 1959 | 125,113,000 | 104,609,690 | 83.6 |
| 1960 | 171,773,000 | 162,291,404 | 94.5 |
| 1961 | 207,307,000 | 190,505,276 | 91.9 |

Note:- Figures in this Table are reproduced from the Table 7.04 and 7.03.

In 1956, the contribution of the export of salt towards the payment of the total annual import trade obligations of the territory was 0.03%. In 1960, it further decreased to the level of 0.002%. The contribution of the export of coconuts towards the import trade obligations was 0.04%, which slumped down to the lowest level of 0.0001%. In 1955 the contribution of cashewnuts with shell was 0.001%. In the subsequent period no exports of this commodity took place. In case of cashewnuts without shell, the contribution in this respect, remained more or less constant at the level of 1.5% between 1955 and 1961. The percentage of the export of copra to the import trade of Portuguese India was 0.07 in 1955, which remained more or less constant in 1958. The contribution of arecanuts towards the payments of import trade obligations was 0.006% in 1955. It increased to 0.14% in 1961.

In 1955, the exports of mangoes contributed 0.0006% towards the payments of the import trade obligations of the territory. This percentage remained constant in 1961. The contribution of salted fish in this respect increased from 0.008% to 0.01% between 1955 and 1960, while the contribution of dry fish decreased from 0.54% to 0.2%. The percentage contribution of the exports of mineral ores towards the payment of the import trade obligations of Portuguese India was 43% in 1955. It increased to 75.9% in 1957, but decreased to 58.6% in the subsequent year. In 1960, this contribution was maximum 94.5%. However, in 1961 it was 91.9%.

7.7.4 CHANGES IN THE EXPORTS OF SALT AND OTHER NINE SELECTED PRINCIPAL COMMODITIES (1955-1961)

The Table 7.10 depicting the quantities and the values of the exports of salt and other export commodities and the Tables 7.02 and 7.03 indicating the quantities and values of the exports of the mineral ore, give us an idea about the percentage change in the exports of these selected principal export commodities of Portuguese India. The performance of each of the export commodities was as follows:-

The annual export of salt decreased from Rs. 37,420 in 1956 to Rs. 3,892 in 1960. During 1955 and 1961 there were no exports of salt to other countries. As we have mentioned before, there were only supplies of salt to foreign ships visiting Portuguese India. The percentage fall in the exports of salt from 1956 to 1960 was about

90%. In terms of quantity exported, this fall was 86%. If we compare the exports of salt in 1954 with the export of salt in 1961 (when the actual exports were zero), we can conclude that the fall in the export of salt was 100%. During the period 1955-1961, the exports of coconuts decreased from Rs. 53,448 to Rs. 313, amounting to a decrease of 99.4%. In terms of quantity, this fall was 99.75%. The exports of cashewnuts without shell increased from Rs. 2,030,748 in 1955 to Rs. 3,126,919 in 1961, amounting to a rise of 54%. In terms of quantity, this rise was 34.6%. Between 1956 and 1958, the exports of copra increased from Rs. 90,035 to Rs. 97,111. This was 8% rise. In terms of quantity, there was no increase in the export of copra. On the contrary, the export of copra decreased by 12%. The exports of arecanuts was valued at Rs. 7,295 in 1955. It increased to Rs. 452,805 in 1956. In 1961, the export of arecanuts was valued at Rs. 307,886. Thus, between 1955-1961, the export of arecanuts increased by 4120%, but between 1956-1961, a decline of 32% was witnessed in these exports. In terms of quantity, the export of arecanuts increased by 4939% from 1955 to 1961 and decreased by 42% between 1956 and 1961.

The exports of mangoes decreased from Rs. 804 in 1955 to Rs. 145 in 1961, amounting to a fall of 82%. Between 1956 and 1961, the exports decreased from Rs. 5,700 to Rs. 145, which amounted to a decline of 97.5%. In terms of quantity, the fall in the exports of mangoes was 81% between 1955 and 1961 and 97% between 1956 and 1961. Between 1955 and 1960, the exports of salted fish increased by 95% as the exports increased from Rs. 10,207 to Rs. 19,949. In terms of quantity the rise was 66.5%. So far as dry fish was concerned, there was a decline in the export trade of this commodity. The exports declined from Rs. 664,628 in 1955 to Rs. 343,758 in 1960 amounting to a fall of 48%. In terms of quantity, the exports of dry fish decreased by 58.6%. The annual exports of the mineral ore increased from Rs. 52,551,436 to Rs. 190,505,276 between 1955 and 1961, amounting to an increase of 262.5%. In terms of quantity, the annual exports of the mineral ore increased from 1,680,296 tonnes to 6,636,932 tonnes, indicating a 295% rise in the quantity of the mineral ore exported from Goa.

7.7.5 EXPORT PRICES OF SALT AND OTHER EIGHT SELECTED PRINCIPAL COMMODITIES (1955-1961)

The export earnings of salt and each of the other export commodities, per unit of measure, constitute the average price received by the respective commodity from its exports. The performance of the salt exports can be measured on the basis of the changes in the average price received by salt, as compared to the changes in the average prices of the other export commodities. The Table 7.17 indicates the average prices of salt, cashewnuts without shell, copra, arecanuts, salted fish, dry fish and mineral ores per one tonne of the commodity, and the average prices of coconuts and mangoes per 1000 units exported during the period 1955-1961.

The average prices of all the above mentioned export commodities, except mineral ore, are computed on the basis of the Table 7.10 and the average prices of the mineral ore exports are computed on the basis of the Table 7.02 and 7.03. The average price received by the exports of salt was Rs. 34.5 per tonne in 1956. It decreased to Rs. 25.5 per tonne in 1960. The decline amounted to 26%. As regards coconuts, the average price received by this commodity from its exports increased from Rs. 87.9 in 1955 to Rs. 200.6 per one thousand units in 1961, amounting to a rise of 128%. The average price of the exports of cashewnuts without shell increased from Rs. 2,298 per tonne in 1955 to Rs. 2,628 per tonne in 1961. The rise was equal to 14.4%. Copra experienced a rise in the average price per tonne of its exports from Rs. 672 in 1956 to Rs. 823.6 in 1958. The percentage rise amounted to 22.5% during this period. The average price received by arecanuts from their exports decreased from Rs. 810.5 per tonne in 1955 to Rs. 676.6 per tonne in 1961, amounting to a decline of 16.5% over the period. The average price of mangoes from its exports decreased marginally from Rs. 145 to Rs. 140 per 1,000 units, between 1955 and 1961. The decrease was 3.5% over the period. The average price received by salted fish from its exports increased from Rs. 602.5 to Rs. 707.4 per tonne between 1955 and 1961. The rise amounted to 17% during the period. As regards dry fish, there has been a fall in the average price of this commodity from Rs. 1524 to Rs. 1,093 per tonne, from 1955 to 1961, the decline being 28% over the period. The average price per tonne received by the mineral

TABLE 7.17
EXPORT PRICES OF NINE SELECTED PRINCIPAL COMMODITIES OF
PORTUGUESE INDIA (1955-1961)
(in Rupees)

| YEAR | Salt | Coconuts | Cashewnuts without shell | Copra | Arecanuts | Mangoes | Salted fish | Dry fish | Mineral ore |
|------|------|----------|-----------------------------|-------|-----------|---------|----------------|----------|----------------|
| 1955 | - | 87.91 | 2298 | - | 810.5 | 145 | 602.5 | 1524 | 31.2 |
| 1956 | 34.5 | 61.87 | 2868 | 672.2 | 575 | 162.8 | 619 | 1362 | 35.3 |
| 1957 | 48.5 | 71.31 | 2840.5 | 848.3 | 646.4 | 135 | 523 | 1332 | 37 |
| 1958 | 24 | 99.66 | 2720 | 823.6 | 654.2 | 100 | 645.7 | 516.4 | 32.5 |
| 1959 | - | 130 | 2631.4 | - | 664 | 111.6 | 602.8 | 677 | 27.2 |
| 1960 | 25.5 | 151 | 2574.7 | - | 661.5 | 132.3 | 707.4 | 1093 | 28 |
| 1961 | - | 200.6 | 2628.3 | - | 676.6 | 140 | - | - | 28.7 |

Note: Average export price in case of coconuts and mangoes is per 1000 units. In case of all other commodities it is per one tonne.

Source:- The Table is computed on the basis of the Tables 7.10,7.02, and 7.03

ore from its exports was Rs. 31.2 in 1955. It decreased to Rs. 28.7 in 1961. Thus, the average price per tonne received by the mineral ore from its exports, decreased by 8%.

7.7.6 EXPORT PERFORMANCE OF SALT VIS-A-VIS OTHER SELECTED PRINCIPAL COMMODITIES (1955-1961)

The foregoing analysis of the performance of salt and other eight principal traditional export commodities of Portuguese India, during the period 1955-1961, in terms of different indicators of this performance, enables us to compare the performance of salt with that of the other selected export commodities, in the external trade of the territory.

As revealed by the foregoing analysis, during the period 1955-1961, the share of the value of salt in the export trade of the territory decreased to a dismally low level reaching the level of zero in 1961. The shares of all other selected principal export commodities in the export trade of Portuguese India except arecanuts decreased to the lowest level. However, in 1961, the share of cashewnuts without shell was higher than the shares of each one of all nine selected traditional commodities, although it was slightly less than 2%. As regards the percentages of the values of the exports of

selected principal traditional commodities to the import trade of Portuguese India, it is observed that these percentages for all the seven years from 1955 to 1961 remained insignificant. Among these traditional commodities, the position of cashewnuts without shell was slightly better, since the above percentage was 1.5% which was more than that of any other traditional commodity in 1961.

So far as the average prices received by the principal traditional export commodities were concerned, we observe that the average prices of salt, arecanuts and mangoes decreased, while those of coconuts and cashewnuts without shell increased, from 1955 to 1961. Between 1955 and 1960, the average price of salted fish increased, while that of dry fish experienced a fall. It is pertinent to note that even though the export trade of Portuguese India was almost entirely based upon the export of mineral ores, the average price of mineral ore decreased by 8% between the years 1955 and 1961. As regards the percentage change in the exports of the selected principal export commodities, it is observed that between 1956 and 1960, the quantity exported of salt decreased by 86%, but comparing the salt exports in 1961 which were virtually zero with those in 1954, we notice that the fall in the exports of salt was 100%.

Between 1955 and 1961, the percentage fall in the exports of coconuts was slightly less than 100% and that in the export of mangoes was 81%. As compared to this the decline in the export of copra was just 12%. Similarly, between 1955 and 1960, the exports of dry fish decreased by 58.6%. It is pertinent to note that between 1955-1961, the quantity exported of arecanuts, mineral ore, and cashewnuts without shell increased. However, the percentage rise in the exports of arecanuts was much more than that in the exports of the other two commodities.

7.7.7 PERFORMANCE OF THE SALT EXPORTS VIS-A-VIS TOTAL EXPORTS OF PORTUGUESE INDIA (1955-1961)

As indicated by the table 7.04, during the 1955-1961, the total export trade of Portuguese India increased by 256%. The exports of the traditional export commodities, however, registered a sharp decline during this period, thanks to the economic blockade imposed by India. Among these commodities, the performance of the salt

exports was totally miserable. The salt exports from the territory decreased by 100%, between the years 1954 and 1961. As shown by the Table 7.10 and 7.11 the exports of salt during the first year (1955) and the last year (1961) of this period, were actually zero. Except for the year 1958, the contribution of salt to the expansion of the export trade of Goa after 1954 was almost nil.

7.8 PORTUGUESE GOVERNMENT'S EFFORTS TO NEUTRALIZE THE BLOCKADE

The Indian economic blockade which caused great upheaval in the economy of Portuguese India and the life of the people in its initial stage, was taken by the Portuguese government as a great challenge to its existence in the Indian sub-continent and, therefore, swift measures were adopted by it to neutralise the effects of the blockade. The Portuguese government moved into action to exploit the situation arising out of the Indian blockade to its own advantage. As explained before, the government of Portuguese India took immediate steps to ensure the supplies of consumer goods including foodgrains and other commodities from the world market.⁶⁹ Such commodities were imported from virtually all the continents of the world. This not only neutralised the effects of the Indian blockade, but also benefitted the local people, since such supplies could be available to the people at comparatively lower prices. The import duty policy of the Portuguese government promoting liberal imports of goods, at negligibly lower rates of duties, was one of the important causes which made possible the availability of consumer and other goods at cheaper rates. The prices of such goods in Portuguese India were below the prices in India by 50 to 70%.⁷⁰ Although the blockade hit hard the export trade in the traditional export goods of Portuguese India, the closing down of the Indian markets to these goods did not affect the overall economy of the territory, since these exports were negligible, as compared to the mineral ore exports from Goa, even before the imposition of the economic embargo by India. However, as the producers of these traditional export goods suffered a lot as their products lost markets outside Portuguese India, the Portuguese Indian government moved into action and tried to divert the export of such commodities to other countries and made an attempt to subsidise them.⁷¹ Thanks to the efforts of the gov-

ernment, Cylon imported all the exportable dry fish from Daman and Diu. As the product was of high quality, the Portuguese government could get a special concession from Cylon. As explained before in this chapter, the Portuguese government succeeded also in diverting certain other traditional export goods to new markets. In 1958, a large quantity of Goan salt was marketed to Mozambique. Salt from Diu could find its market to Mozambique and Malasia.⁷² The Portuguese government realised that the adequate measures which were adopted by it to take the territory to economic prosperity inspite of the adversity brought in by the Indian measures, could continue to be successful only if the phenomenal increase in the demand for the Goan mineral ore in the world market continued and there was continuous rise in the production of the mineral ores in Goa. Accordingly, the Portuguese government geared its machinery to give wholehearted support to the mining boom in the territory. The mine owners, in their turn, did not spare any efforts to actively cooperate with the Portuguese government in its bid to exploit the world market for mineral ores. The Portuguese government introduced development projects like the expansion and improvement of the internal transportation network geared to the increased ore traffic, electricity supply and educational institutions.⁷³ In order to give a boost to the loading of the mineral ore at the Mormugao port, the Portuguese government gave all help for the installation of a mechanised dock with the capacity to load 10000 tonne cargo ship in a day of 24 working hours, at this port. The mechanisation of the mines either fully or partially, was also encouraged by the government. It developed airport facilities by building and expanding an airport at Dabolim in Goa. It undertook the setting up of cold storages, warehouses and motor repair shops.⁷⁵

When the Southern Mahratta Railway Company denounced in 1955 its agreement with the West of India Portuguese Guaranteed Railway signed in 1902 to allow the former to explore the Murrugao railway line and harbour, the Portuguese government immediately swung into action to adopt urgent measures in this respect. As a result, the Railways and the Murrugao Harbour continued to function without any interruption. The Portuguese government decided not to revoke the agreement signed by it with the West of India Portuguese Guranteed Railway in 1881. On the contrary,

all help was given to this Company. In 1957, the Government supplied, among other things, rolling and floating stock and other equipment for the development of the Company. The Railway Company rose to the occasion and successfully handled the increasing traffic of mineral ores and other merchandise through the Mormugao port. However, in 1959 the Railway Company communicated to the Portuguese government its intention to terminate the concession of the Railway line and Harbour on 31-3-1961. Accordingly, on 1-4-1961, "Junta Autonoma dos Portos e Caminhos de Ferro", an autonomous body formed by the Portuguese government with financial and administrative autonomy, took over the management of the Mormugao Port and the Railways in Goa.⁷⁶

In 1955 the National government at Lisbon, revised the Development Plan for Portuguese India in order to activate and speed up the development of the territory. Accordingly, the provision of resources to be raised by Portuguese India was hiked from Rs. 17,833,333 to Rs. 30,000,000.⁷⁷ During the same year, the Government set up an Economic Council for the State of India.⁷⁸ Worried as it was about the future of its overseas territories, the Portuguese government realised that the economy of these territories would be strengthened if trade among the overseas territories and between Portugal and overseas territories flourished. As a first step to achieve this goal, the government issued a decree in 1957 and abolished the Custom duties among the overseas territories.⁷⁹ The Portuguese Indian government introduced in 1955 an extensive campaign for the development of agriculture in Goa and other two districts, which was named as "Frente Agricola". Among other measures, this campaign envisaged institution of prizes for the farmers who cultivated rice farms of the area of not less than 3000 square meters. Measures were adopted to improve the productivity of the agricultural sector. At some places, embankments designed to protect the low lying rice fields along the river courses, which had given way, were fortified. Crop protection campaign was launched. Insecticides were supplied at subsidised rates and the government encouraged the introduction of tractors and mechanized threshers. The government encouraged the cultivation of rice on marginal lands. The cultivation of

vegetables was promoted in the irrigated areas. All these measures aimed at achieving self-sufficiency in foodgrains and vegetables to the extent possible.⁸⁰

The government tried to modernise salt industry and fish curing industry. To encourage the fishing industry four mechanized fishing vessels were put into commission. In order to utilize surplus fish, a fishmeal plant was set up.⁸¹

The Junta do Comercio Externo played an important role in the economic life of Portuguese India during the period of the economic blockade. The Junta (Board of External Trade) was established by the Government in December 1959. Prior to this date, it was functioning under the name of Junta das Importacoes e Exportacoes which had been set up in 1946. The Junta had, originally, been created to supervise the import and export trade and to ensure a sufficient and regular supply of goods to the public. Its activities, however, coincided, from the very beginning, with the difficult period of Portuguese India's economic and political life. When India imposed economic blockade on the Portuguese Indian territory, the Portuguese government took immediate counteracting measures in a planned manner, to neutralise the effects of the sudden change in the economic structure of the territory, and to achieve this, the Junta do Comercio Externo was geared to face the challenge of the economic blockade and was given a role which was beyond its scope.⁸²

The Junta took up the task of importing rice on its own account in large consignments. It imported refined sugar from Mozambique. It ensured a regular supply of necessities of life to the people and distributed rice through local merchants.⁸³

The role played by the 'Junta' in encouraging the local industries was significant. It provided financial support to underdeveloped activities such as salt, fishing and textile industries. It financed the cashewnuts industry. It imported yarn and supplied it to the textiles units at cost price. The Junta set up warehouses, ice plants and a fish meal factory. It embarked upon industrial enterprises of its own to pave the way for private initiative in such fields. It provided grants to promote industrial and agricultural campaigns. Mechanised fishing was another activity which was undertaken by the Junta. To help the Junta in this enterprise, the Overseas Ministry at Lisbon supplied it four fishing crafts. The Junta tried to enhance the value of the local

rice production in order to encourage the local agriculture. In this way, Junta tried to promote local industries and, in a limited way, help the farming class.⁸⁴

The mining boom and the deliberate efforts made by the Portuguese government to make available to the local people consumer goods at cheaper rates, were supplemented by the government by one more measure purporting to neutralise the effects of the blockade. The government deliberately hiked the salaries of the government servants. A government clerk and a postman began to draw a salary of Rs. 250 per month. A school teacher was paid Rs. 350 to 600 per month. Employment in the Banco Nacional Ultramarino was a big attraction in Goa, as an assistant in the bank was drawing a salary between Rs. 500 and 600 per month. During this period a government clerk in India was drawing between Rs. 100 and 150 per month.⁸⁵

7.9 PORTUGUESE GOVERNMENT'S EFFORTS TO REMOVE THE SALT INDUSTRY FROM ITS DECADENCE

As explained before, one of the traditional export commodities which were hard hit by the Indian economic blockade was salt. The state of the salt industry had, in fact, become precarious during the 20th century, much before the imposition of the economic blockade. This is proved by the fact that the production of salt and its exports, instead of keeping a rising trend, had fallen to a very low level, by 1954. The production of salt had decreased by 53.7% in terms of quantity between 1938 and 1954, and the decline in the quantity exported had been 48.5% between 1929 and 1954.⁸⁶ The inferior quality of salt produced in Goa and, as a result, its lack of competitiveness vis-a-vis the superior quality of salt produced in India, was the cause of this decadence in the salt industry. Against this background, the economic blockade came as a fatal blow to this languishing industry. The salt farmers and salt traders had to face the severest crisis of their life. The Government of Portuguese India could not remain a silent spectator to the miserable situation the people engaged in salt production and salt trade had landed in. The government moved into action and took measures to search new markets for the Portuguese Indian salt. In 1958, it succeeded in marketing Goan salt into Mozambique and salt produced in Diu, into Mozambique and Malasia. As we have seen before, Goa exported 3866.3 tonnes and Diu 621.23

tonnes of salt to Mozambique. During the same year, Diu exported to Malasia 866.6 tonnes of salt.⁸⁷ The Junta do Comercio Externo (Board of External Trade) tried to place the Portuguese Indian salt into European and other markets. It established contacts with the traders in these countries. In 1961, Switzerland evinced keen interest in buying Portuguese Indian salt. Junta, by a public notice, even asked the salt producers and other concerned people to contact the authorities of the Junta, for further information in this respect. The deal, however, could not materialise.⁸⁸ As mentioned in Chapter I, the efforts of the Portuguese India government could not succeed because of the lower quality of Goan salt which was not fit for cooking and other domestic purposes. When a salt expert from Portugal had been invited by the Portuguese government to seek his advice on the upgrading of the quality of salt, he had described Goan salt as “not fit for human consumption”. The salt expert had carried out experiments to upgrade the quality of Goan salt, but the experiment had failed, resulting into huge loss to the concerned salt pan owner. Naturally, other salt pan owners were discouraged to employ new technical methods for salt extraction and the same outdated methods continued to be used in the salt extraction in the territory, making Goan salt a product of inferior quality. The inferior quality of Goan salt was the main cause of the loss of markets for Goan salt in its traditionally importing regions like many parts of India, Africa and Arabian countries much before the economic blockade imposed by the Indian government in 1954.

The Government adopted different measures to infuse new life in the salt industry of the territory. In 1960, it decided that the entire salt of Goa produced in 1959 would be purchased by the Junta do Comercio Externo. The Junta by its official communication of 3-3-1960 authorised the purchase of the entire salt of Goa produced in 1959, at the rate of Rs. 2.5 per khandi and its sale to the agricultural producers and farmers at the rate of Rs. 2 per khandi. The salt was to be delivered at the doorsteps of the agricultural producers and farmers by transporting it in the vehicles of Junta. Within this authorisation, the Junta acquired salt from the producers of salt and distributed it in 67 villages of different Concelhos.⁸⁹ The total quantity of salt thus distributed amounted to 12015.5 khandis valued at about Rs. 30038. The measure im-

mensely benefitted the salt producers in two ways:- Firstly, the salt which was remaining idle in huge deposits, on account of its inferior quality, could get markets within the territory. Secondly, the salt-producers could get a sufficiently remunerative price for the salt produced by them in 1959. The government measure benefitted also the farmers and the owners of palm-groves who could get salt in their own localities at a concessional rate and could, thus, use the commodity as a manure for the trees and plants.⁹⁰ This measure was an attempt by the government to give relief to the decadent salt industry of Goa by bearing a loss of half rupee on every khandi of salt purchased from the salt producers, in addition to the transport costs incurred by the Junta to carry the commodity to the farmers and coconut-grove owners. The Junta built up a modern salt pan at Gogola in Diu. It adopted also measures to protect the existing salt manufacturing industry in Diu.⁹¹

In 1961, when large stocks of salt were available at the places of the production of salt, especially at the saltpans in Deussa and Chinchinim of Salsete, Nerul and Pilerne of Bardez, and Santa Cruz and Mercedes of Goa Island, the Junta do Comercio Externo again made arrangements to carry salt to the doorsteps of the farmers and coconut grove owners. The minimum quantity to be purchased was 50 khandis. If the salt was to be transported by the vehicles of the Junta, the price per khandi was 12.5 Escudos (about Rs. 2) per khandi. If the purchasers were to carry it by their own vehicles, the price was fixed at 9.5 Escudos (about Rs. 1.5) per khandi.⁹²

The Government of Portuguese India arranged for the financial support to the salt industry along with other industries like fishing. It earmarked a sum of Rs. 783,333 through the Junta do Comercio Externo. It made also a provision of Rs. 300,000 to launch the marketing of the local products including salt in the foreign markets and start the advertising campaign for the same. In spite of all these efforts, the problem of large unsold stocks of salt remained unsolved.⁹³ The Portuguese Indian government thought of a solution to this problem which was “as adventurist as the history and temperament of the Portuguese”. The problem of surplus salt was to be solved by loading the ships with salt and authorising the masters of the vessels to dump the cargo into the sea, under any valid pretext.⁹⁴

The measures adopted by the Portuguese India government to solve the problem of the marketing of Goan salt, did not succeed, because they touched the problem only superficially. The government never applied its mind to the basic problem of the Goan salt industry, which was the outdated method of production used by the salt producers of the territory. The poor marketability of the Goan salt was the result of the inferior quality of salt produced by the Goan salt farmers. Thus, during the period of the economic blockade, even though the Goan economy was marching towards the semblance of prosperity, the salt industry of Goa found itself in the cesspool of stagnation.

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CONCLUSIONS

1.1 INTRODUCTION

The study of the Goan salt industry and salt trade in the 19th and 20th centuries during the Portuguese rule, was carried out by the present researcher with a view to assess the role played by the salt industry and salt trade in the economy of Goa as a part of the economy of Portuguese India. As one of the oldest traditional and export-oriented industries of Goa, salt industry contributed its mite to the economy of Portuguese India during the period of the decadence of the economy in the 19th and 20th centuries. The study tried to present in a comprehensive way the working of the Goan salt industry and export trade in salt during the period under consideration. It examined the different factors and developments which shaped the destiny of this agro-based industry of Portuguese India and presented a view of the historical evolution of the salt industry and salt trade upto the downfall of the Portuguese rule in Goa, Daman and Diu. By doing so, the study made an attempt to understand the genesis of the present totally decadent state of the salt industry in Goa. Within the aforesaid parameters of the main aim of this study and the specific objectives which were laid down to focus different aspects of the problem in hand, the study highlighted different aspects of the production of salt and different dimensions of the export trade in salt, and changes therein during the period under study, particularly, the relative performance of salt exports vis-a-vis the performance of the total export trade and that of the other selected principal export commodities of Portuguese India. It examined the impact of the Anglo-Portuguese Treaty of 1878, the restrictions imposed by the Bombay Presidency government after the end of the Treaty, the economic blockade imposed by India in 1954 and other important developments which occurred during the period on the economy of the territory. Measures adopted by the Portuguese government relating to salt, were also studied and, although the main area of the study was focused, the study tried to present a broad outline of the state of the Portuguese Indian economy during the different periods of time under consideration. The hypothesis which was formulated in the beginning of the study on the basis of the identification of different dimensions of the subject was tested in the course of this study against the data col-

lected and analysed at various phases of the research work. The conclusions which follow in this chapter are based on the testing of this hypothesis. The present research work focuses the fact that the salt industry in Goa reached the state of decadence on account of the outdated methods of production, the neglect of the saltpans by the salt producers, their failure to modernise the salt-works and the indifferent attitude of the Portuguese government towards the need to improve the methods of production of salt. It can be concluded without much difficulty that the genesis of the present state of the Goan salt industry lies in the decadence of this industry during the Portuguese rule. The conclusions drawn in this chapter link the present state of the salt industry in Goa with the decadence of this industry during the Portuguese rule. The conclusions touch upon the following different aspects of the salt industry and salt trade: (i) Production of salt in Goa (ii) Export trade in salt of Portuguese India. (iii) Factors which contributed to the decadence of the salt industry in Goa (iv) The state of the Goan economy during the 19th and 20th centuries under the Portuguese rule, and (v) The present state of the salt industry in Goa as the effect of its decadence during the Portuguese rule.

1.2 PRODUCTION OF SALT IN GOA

In the absence of the relevant documentation, it is not possible to know what was the volume and the value of salt production in Goa during the pre-19th century period. Despite this lacuna, we can state without much deviation from reality that the total production of salt during this period did not have much variation from the level of production in the first quarter of the 19th century. This was because of the fact that, during the pre-19th century, salt was being produced in, more or less, the same villages as was the case in the first quarter of the 19th century. Secondly, the technique of production of salt adopted in the pre-19th century was the same as was adopted in the 19th century and even in the 20th century. The documentary evidence states that during the pre-Portuguese period, different rulers who ruled Goa had provided for special measures to protect the salt industry and encourage its output. Despite this fact, the total area under saltpans in Goa was too small as compared to the area under rice, coconuts, arecanuts and other agricultural commodities. One can in-

fer from the above fact (in the absence of relevant documentation) that the share of the value of the salt production in the total agricultural production of Goa was negligible in the pre-19th century period. The data pertaining to the 19th century which were available to the present researcher indicate that the same position as above, prevailed in this century, as regards the share of the value of the salt production in the total agricultural production of Goa. In 1825, the value of the production of five main agricultural commodities (rice, coconuts, arecanuts, nachinim and salt) in Goa was 3,291,261 xerafins. While the maximum share in this value was of rice (75%), salt contributed just 0.7% to the same. In 1849, the value of the production of the above commodities was 5,975,815 xerafins. While rice contributed maximum (50.4%) to this value, the share of salt was just 1.5%.

The production of salt in Goa increased between 1824 and 1876. In 1824, total production of salt was 7,409 kumbhs (i.e. 148,180 khandis); in 1844, it increased to 164,035 khandis, to further increase to 293,372 khandis in 1876. Thus, between 1824 and 1844, production of salt increased by 10.6% in quantitative terms. The rise in value terms was, however, substantial (280%). The rise in the production of salt between 1824 and 1876 in terms of quantity was 98%. Between 1844 and 1876, production of salt increased by 79%. In 1824, the shares of the four salt-producing Concelhos were as follows:- Goa Island (77%), Salsete (14%), Bardez (7.3%) and Pernem (1.6%). In 1876, the share of Goa Island decreased to 54.7% and those of Salsete, Bardez and Pernem increased to 15.7%, 26.7% and 2.8%, respectively. However, production of salt between 1844 and 1849, decreased by 40.4%, in terms of quantity.

The figures of production of salt by different production agencies in Goa for the year 1879, throw light on the fact that while about 88% of the total salt was being produced by the private people, 10% of the production of salt came from the Comunidades. The contribution of other institutions was negligible.

The Anglo-Portuguese Treaty of 1878 which abolished the Custom line between Portuguese India and British India and ensured complete freedom of trade between them, dealt, however, a mortal blow to the salt industry of Portuguese India as

it created the monopoly power of the British government over the manufacture and trade of salt in the territory. The British India government was granted by the Treaty powers to limit the manufacture of salt and, if necessary, to suppress the salt works of Portuguese India. The British agents were given exclusive powers to supervise and control the production and distribution of salt. Although the Goan salt works owners whose saltworks were suppressed got an annual compensation of Rs. 92197 from the British India government, the suppression of large number of salt-works and the interference of the British India government in the form of controls and regulations over salt production and trade, led to the fall in the production of salt in Goa. If one compares the production of salt during the last year of the Treaty (22,663 tonnes) with the production at the time of the implementation of the Treaty (46,848 tonnes) the former is less than the latter by 24,185 tonnes. The annual production of salt decreased by 51.6% between these two years. Even if we accept the lower estimates of the production of salt at the beginning of the Treaty, we observe that the decline in the production of salt was not less than 6,800 tonnes. During the tenure of the Treaty, the production of salt in Goa did not increase steadily nor remained stable. It was subject to fluctuations. In the third year of the Treaty the production of salt in Goa decreased. During this year, there was no production of salt in Salsete. During the tenure of the Treaty, the number of salt works under operation kept on fluctuating. In 1884, this number reached the lowest level and, as far as Salsete was concerned, no salt-work was under operation during this year. During the first year and second year of the Treaty, 44.6% and 32.4% of the salt-works respectively, remained uncultivated. The total number of salt-works during the last year of the Treaty was 268. This amounted to 50% decline, as compared to the number of salt works before the implementation of the Treaty.

The British monopoly over the salt works in Portuguese India created an atmosphere of terror among the producers of salt in the territory as the British agents who enjoyed extensive powers as per the provisions of the Treaty used coercive and harsh measures in carrying out their functions. This greatly affected the productive activity in the salt industry. An atmosphere of misunderstanding and hatred between

the British agents and the salt producers created social tensions in the rural life of the territory. The British monopoly of salt with its controls on the production and distribution of salt in Portuguese India made salt a scarce and costlier commodity for the consumers who had to satisfy themselves with the annual per head availability of just 14 pounds for their domestic consumption. The British salt monopoly affected also agriculture, horticulture and fish curing on account of the higher prices of salt in the territory.

The termination of the Treaty of 1878 in 1892 did not revive the salt industry from its decadence even though the salt-works owners were freed from the clutches of the British monopoly power. The notification of the Government of the Bombay Presidency prohibiting the import of Portuguese Indian salt transported in coasting vessels of the capacity of less than 300 tons, supplemented by another notification totally prohibiting the import of salt from Daman, dampened the interest of the salt-works owners in the cultivation and development of salt works. As a result, the position of the salt industry in Goa further deteriorated after the termination of the Treaty. Many saltpan owners discouraged by limited markets to their product outside Portuguese India neglected the maintenance and development of salt-works, while a large number of the owners converted their salt-pans into the rice-fields. This brought about a substantial fall in the salt-production in Goa, Daman and Diu. The estimated decline in the salt production in Goa was about 50%. Throughout the period of the twentieth century, the salt industry in Goa did not experience any revival from its decadent state. Restrictions imposed by the Bombay Presidency government were not the only cause of this situation. The quality of the Goan salt was inferior, since the Goan salt works owners were adopting the same old primitive technique of salt production. Moreover, the scale of production of salt in Goa was comparatively small.

The production of salt in Portuguese India, in 1938 was 29,061 tonnes which was 38% less than the production of salt at the time of the implementation of the Treaty of 1878. The production further decreased from its level in 1938 and reached the level of 20,000 tonnes in 1948. The downward trend continued unabated and in 1954 it reached the lowest point of 13,479 tonnes. Goa's share in the production of

salt in Portuguese India was estimated to be more than 90 per cent during almost all years during the Portuguese rule, except for a few years during the last decade of the Portuguese presence in India. In 1953, Goa's salt production declined by 47.2% as compared to the previous year's output, but registered a rise of 27% in the year 1954, reaching the level of 12,745 tonnes. The Indian economic blockade gave a serious blow to the salt industry in Goa. Although the production of salt was subjected to ups and downs during the period of the economic blockade, it never reached the level of production existing prior to 1955. The production of salt in Portuguese India decreased by 57.5% and that of Goa by 82%, between the years 1954 and 1961. The impact of the blockade was most unfavourable to Goa as compared to Daman and Diu, since between the years 1955 and 1961, production of salt in Goa decreased by 62% and that of Daman increased by 897%. Between 1956 and 1961, production in Diu increased by 2344%.

If we compare the production of salt at the time of the implementation of the Treaty of 1878 (46,848 tonnes) with that in the last year of the Portuguese rule, i.e. 1961 (2,278 tonnes) we observe that the production of salt in Goa decreased by about 95%. Salt production in 1961 was 10% of the production of salt during the last year of the Treaty of 1878 (22,663 tonnes).

1.2.1 SALT PRODUCERS AND SALT WORKERS

The state of the salt industry, particularly that of the salt production in Goa, can also be evaluated on the basis of the number of salt producers and salt workers engaged in this industry. Data pertaining to the employment in the salt industry of Goa were not available before 1848. Even for the subsequent period during the 19th century and for major part of the 20th century during the Portuguese rule, data pertaining to the employment in this industry were available for a few years. These limited data, however, help us to draw conclusions regarding the changes in the employment in this industry over the period upto the end of the Portuguese rule in Goa, Daman and Diu. As per the census of 1848, there were 658 salt producers in Goa. Their number increased to 928 as per the Census of 1877. In 1876, the total employment in the salt industry of Goa was 1,731. This includes also the salt producers. According to the

Census of 1881, the number of salt producers in Goa was 1,131. The figures as above make clear that during the period 1848-1881, there was a rise of 72% in the number of salt producers. With the reduction in the number of salt works under cultivation, as a result of the Treaty of 1878, the number of salt producers in Goa decreased. The restrictions imposed by the Bombay Presidency government in 1894 on the conveyance of salt by coastal vessels, led to the conversion of many salt pans into rice fields. In the absence of the data pertaining to the number of salt producers during this period, the above fact enables us to surmise that the aforesaid restrictions led to the decline in the number of salt producers in Goa. Data pertaining to the number of salt producers and salt workers during the last decade of the Portuguese rule, indicate a declining trend in the number of both these classes. The total number of salt producers and salt workers in Goa, which was 303 and 675 in 1953, decreased to 32 and 1, respectively, in 1961. Thus, between 1848 and 1961, the number of salt producers decreased by 95%. Between 1953 and 1961 it decreased by 89.5%.

1.3 EXPORT TRADE IN SALT OF PORTUGUESE INDIA

Although the figures of the quantities of salt exports from Portuguese India, and their values, during the pre-19th century period, are not available, one can understand, without difficulty, the significant role which was played by the export trade in salt, since times immemorial. Available documentation highlights the role of the salt trade in the economy of Goa during the pre-Portuguese period. Salt which was one of the few locally produced export commodities of Goa was being transported by riverine and land routes to the mainland India and by sea route to different ports of India and distant foreign lands. During the zenith of its prosperity, when Goa was a world-renowned entrepot, and during the period of declining trade and economic decadence from 17th century onwards, salt was entering into the export trade of Goa as an exchange commodity partly paying for the import obligations of the territory. Goa, which was a 'deficit' territory in respect of production of foodgrains, could avail of these supplies by exporting salt, coconuts, arecanuts and a few other goods. Goa's imports of rice from Canara by country crafts and from the hinterland of India through Ghat routes, were paid, partly, in terms of salt. In the 17th and 18th centuries when

Goa's dependence upon the inland and coastal trade increased, thanks to the decline in its seaborne trade, it had to increasingly rely upon salt, coconuts, arecanuts and certain other locally produced goods, as the territory had scarcely anything of its own to offer to the outside world, except the commodities mentioned above. The coastal trade which revived the external trade of Goa in the last quarter of the 18th century and first 3-4 decades of the 19th century, averting, thus, the total debacle of the economy of Goa, had salt as one of the few locally produced export commodities which were being carried southwards to the ports of Canara, Mahe, Alleppy etc. and northwards to the ports of Vengurla, Bombay and certain other ports on the west coast. By the middle of the 19th century, when the long distance sea trade links of Goa with Europe, Brasil and East Africa, and trade in luxurious items dwindled into total insignificance and Goa's economic decadence further deteriorated, its export trade became restricted to a few locally produced commodities which included, inter alia, coconuts, arecanuts, salt, salted fish, cashew liquour, coconut liquour, cashewnuts with shell and cocum. The contribution of salt to the total export earnings from the export trade of Goa in 1844, focuses the minor role played by this commodity in the export trade of the territory. While coconuts accounted for the largest share of 38.6%, the shares of arecanuts, copra and cashewnuts were 34.6%, 8.7% and 4.8%, respectively, in the value of the total export trade. The share of salt exports, in this respect, was just 3.6%. In 1878-79, the share of coconuts in the value of the total exports was 42.7%, followed by salted fish and arecanuts. The share of salt was 3.2%, and occupied the fourth place in the export trade of the territory. As regards the growth of the quantity of salt exports, one notices that the salt exports increased by 60%, between 1844 and 1876. In the 19th century, although the share of the salt exports in the total export trade was very less (about 3%), its share in the total export duties revenue of Portuguese India was the largest (52.5% in 1844 and 37.6% in 1871-72) among all export commodities, indicating, relatively very high export duties burden on salt as compared to the other export commodities.

Salt exports during the tenure of the Anglo-Portuguese Treaty of 1878 increased by about 37% between 1881 and 1891. The termination of the Treaty of 1878

did not bring about the revival of the export trade in salt, of Goa, on account of the notification of the Bombay Presidency government issued in 1894, which severely affected the export of Goan salt by sea route. The said notification was an attempt of the Bombay Presidency government to destroy the competitiveness of the Goan salt industry. The British India government succeeded in this attempt, as is made clear by two facts: Firstly, on account of the difficulties in the exports of salt to British India, a number of salt-pans were converted by the owners into rice fields. Secondly, the exports of salt from Portuguese India substantially decreased. Between 1904 and 1928, the exports of salt in terms of quantity decreased by 34.5%. During this period, out of 9 selected principal export commodities, the quantities exported of coconuts, copra, salted fish and dry fish also decreased. However, the decline in case of coconuts was just 1.3%, and that in case of copra was 80%. Between 1897-98 and 1928, while total export trade in value terms increased by 220%, the salt exports in value terms increased by 508%. The average price of salt exports per tonne increased by 392%, while in case of other selected principal commodities, the average price increased by lesser percentage, between 1904 and 1928. During the period 1897-98 and 1928, the share of the value of salt exports in the total export trade of the territory increased from 4.7% to 7%. There was, however, fall in the shares of coconuts, copra, salted fish and dry fish. We also notice that the percentage of the value of the exports of salt to the total import trade increased from 1.2% to 2%.

If we observe the performance of the quantity of salt exports during the World War I and the post-war period upto 1928, we notice that the exports of salt decreased by 18% and 22.5%, respectively. During the former period, the exports of coconuts and arecanuts more or less doubled. During the latter period, the quantities exported of all other selected principal export commodities except mangoes, cashewnuts without shell and salted fish experienced a decline. While the War period witnessed a rise of 352% in the average price of the salt exports per tonne, during the post-war period it decreased by 15%. However, the latter period witnessed a rise in the average prices of all other selected principal commodities.

The performance of the salt exports in the external trade of Portuguese India between 1929 and 1954 was influenced by the following developments: Economic crisis brought about by Great Depression; the World War II; the post-War revival; the abolition of the salt duty by the British India government in 1947 on salt produced in India; and the development of mining industry in Goa. Between 1929 and 1954 the quantity of salt exports decreased by 48.5%. The quantities of the exports of coconuts, copra, cashewnuts, mangoes and salted fish also showed the declining trend. Those of dry fish and cashewnuts without shell, however, increased substantially. Between these two years, the value of the total export trade of the territory increased by 915%, but the value of salt exports increased by just 30%. The percentage rise in the average price of salt per tonne was 153% which was less than the percentage rise in case of coconuts, arecanuts, mangoes and salted fish. So far as the shares of the value of different selected export commodities in the total export trade were concerned, it is observed that the share of salt decreased from 6.1% to 0.7%. The share of coconuts decreased from 43.6% to 3%. Those of arecanuts and cashewnuts without shell decreased from 6.5% and 6.2% to 0.4% and 3.6%, respectively. On account of the substantial rise in the mineral ore exports, the share of this commodity increased from 0.7% in 1947 to 85% in 1952. As regards the percentage of the value of the export of salt to the total import trade, one notices a decline from 1.9% in 1929 to 0.5% in 1954. The percentage in case of coconuts decreased from 13.5% to 2.2%.

If one observes the performance of salt exports in each sub-period of the above period 1929-1954, one gets the following picture: During the period of crisis (1929-1938) when the prices declined and unemployment increased, the value of the total export trade decreased by 51%. The quantity of salt exports decreased by 40%. The value of salt exports also declined by 40%. The quantities exported of all other selected commodities, except that of cashewnuts without shell, decreased. However, the percentage fall in the exports of salt was less than that of all other commodities except arecanuts and copra. While the average price of salt exports per tonne remained constant, the average prices of most of the other selected export commodities decreased. In case of coconuts, the decline was 58.7%. Between 1929 and 1938, the share of the

value of salt exports in the total export of Portuguese India marginally increased, but the shares of some other selected commodities including coconuts decreased. During the World War II period, the quantity exported of salt increased by just 7%, but the average price of salt exports per tonne almost doubled. The post-War period upto 1954 indicated the downward trend in the exports of salt in terms of quantity. The quantity exported of salt decreased by 22.4%. The quantities exported of all other selected commodities except copra and cashewnuts without shell decreased. While the value of the total export trade of Portuguese India increased by 731% from 1946 to 1954, the value of salt exports increased by just 26%. The average prices of salt exports and the exports of all other selected commodities increased, but the rise in the average price of salt exports was less than that of coconuts, arecanuts and mangoes. The striking feature of this sub-period is that between the above two years, while the shares of the values of all nine selected traditional commodities, including salt, in the export trade of Portuguese India, decreased to a dismally low level, the share of the mineral ore continued its increasing trend. While in 1942, the share of the mineral ore exports was less than one percent, the share of the nine selected traditional commodities taken together was 78%. Salt accounted for the share of 7.3% which was higher than that of mineral ore. In 1952, the share of the nine selected traditional commodities taken together decreased to 11.5%, while that of the mineral ore increased to 85%. The share of salt in the total export trade of Portuguese India decreased to just 1.2%.

The economic blockade imposed by India struck a fatal blow to the declining exports of salt, as India was virtually the only buyer of the Portuguese Indian salt. Portuguese India lost all its markets for salt and other traditional commodities in India. Portuguese India as a whole could export its salt to some other countries only in 1956, 1957, 1958 and 1960. Goa exported salt only in 1956 and 1958. The quantity of the exports of salt from Portuguese India between 1954 and 1960 decreased by 97.5%. Goa's exports of salt between 1954 and 1961 decreased by 100%. Between these two years, while the value of the total export trade of Portuguese India increased by 279%, the value of the salt exports between 1954 and 1960 decreased by 99%. During this period, while one notices a substantial fall in the quantities exported of

almost all traditional commodities, the exports of the mineral ore substantially increased because of the spurt in the world demand. However, the average prices received by the selected traditional commodities including salt, from their exports registered an increase. During the period of the economic blockade, the share of the values of nine selected traditional commodities taken together, in the total export trade of the territory decreased from 8.6 in 1954 to a dismally low level of 1.8% in 1961. The share of the value of salt exports in the total export trade decreased to 0.16%, in 1958. The position of salt exports from Portuguese India as compared to the exports of certain other selected traditional commodities was more precarious. The position of the exports of the Goan salt as compared to the salt exports from Daman and Diu was more precarious as its proved by the fact that when during some years Goa's salt exports were zero, Daman and Diu exported salt to other countries.

1.4 FACTORS WHICH CONTRIBUTED TO THE DECADENCE OF THE SALT INDUSTRY IN GOA

The present study of the salt industry and salt trade in Goa in the 19th and 20th centuries under the Portuguese rule, has highlighted an important fact concerning the working of the salt industry in this territory. Towards the end of the Portuguese rule in Goa, the salt industry was marching in the direction of total decadence, if not extinction, on account of many factors which were in operation during this rule. The principal cause of this dismal picture was the refusal of the industry to effect improvements in the methods of production of salt, leading to the same outdated and primitive methods being adopted in the extraction of salt. As a result, Goan salt had become a product of inferior quality, "not fit for human consumption" as described by the Portuguese expert invited by the Portuguese India government to advise on the upgrading of this product. When salt producing regions in India, particularly Bombay and Gujarat, had introduced technical improvements in the process of salt extraction, Goan salt industry was following the same age old methods of production. To add to this, the salt producers were exhibiting carelessness and neglect of the salt pans in different ways. The salt producers could not control the rate of evaporation of brine resulting into the crystallization of other salts like calcium, magnesium and potassium

along with sodium chloride, making the latter a product mixed with impurities. The quality of the production of salt suffered on account of the failure of the producers to undertake proper cleaning, hardening and preparation of the floors of the salt-pans. This resulted into the mixture of muck with the crystals of salt, leading to the production of an impure salt. Goan salt was carrying insolubles often upto 5%. The government of Portuguese India was equally responsible for this sorry state of affairs, as it did not evince any interest in the development of the salt industry or maintenance of the standards of production. The deterioration of the standard of production leading to the production of low quality salt, reduced, to a great extent, the competitive power of the Goan salt industry. The Goan salt could not compete the salt produced in British India and, then, in the Indian Union, which was of superior quality. The low quality salt was also responsible for the failure of the local government to secure new markets for the Goan salt throughout the 20th century, particularly, subsequent to the restrictions imposed on Portuguese Indian salt in 1894 and, then, during the economic blockade after 1954. If one studies the approach of the Portuguese government towards the solution of the woes of the salt industry in Goa, one notices the fact that the Portuguese government, throughout the 19th and 20th centuries, was always carrying the impression that the problems of the salt industry were basically the problems of marketing of the produce. Accordingly, the government, instead of improving the methods of production of salt and modernising the production operations, concentrated more on the measures to increase the salt exports or secure new markets for the local salt, abroad. Fiscal measures like reducing the export duty on salt, exempting salt from the payment of this duty, imposing heavy import duty on the import of salt or totally banning salt imports into Portuguese India were adopted by the Portuguese Indian government. No measure to improve the process of production of salt was pursued by the Government. Another obstacle to the growth of the industry was the scale of production which was smaller as compared to the salt works in many parts of India. Goan salt works were too small (small units of 5 to 8 acres of land) and crudely laid out. The decline of the salt industry was the result of one more factor. The industry was totally indifferent towards the production of different types and grades of salt

which could have secured wider markets for the Goan salt. It is pertinent to note that even with a long tradition of salt production, Goa did not have a single refinery.

Although the economic blockade by India brought about substantial decline in the production and exports of salt from Goa, the low quality salt produced by it had led to the loss of the competitiveness of this salt in the Indian market, long before the imposition of the blockade. This is proved by the downward trend in the quantities of salt exports during the 20th century. The quantity of the salt exports during 1954 was 51% of the quantity exported during 1929. Between 1948 (the second year of the abolition of the salt duty in India) and 1954 (the year when blockade was imposed) the quantity of salt exports decreased by 45.5%. The loss of the competitiveness of the Goan salt reflected in the decline of the production of salt even before the economic blockade. One of the important indicators of the decline of the salt industry in Goa was the size of the total area under salt pans in 1960. It was 410.6026 hectares, which was just 0.42% of the total combined area under rice fields, coconut trees, cashew trees and saltpans in Goa.

1.5 THE STATE OF THE GOAN ECONOMY DURING THE 19TH AND 20TH CENTURIES UNDER THE PORTUGUESE RULE

Although the external trade and commerce of Goa reached the zenith of their prosperity in the 16th century, the economy of Portuguese India was a decadent economy throughout the period of the Portuguese rule including the 16th century. The decadence of the economy was the result of the totally backward agriculture and manufacturing sector. The economic position of the territory deteriorated when the Portuguese trade and commerce in the east underwent a sharp decline from the 17th century onwards. Obsessed with trade and commerce, the Portuguese never realised that trade and commerce do not develop by themselves, but they require a strong base of agriculture and manufacturing industry. Although agriculture was a predominant sector of Goa, the Portuguese neglected it. As a result, when long distance trade channels and trade in spices dwindled into insignificance, Goa could not offer much to the outside world, as its export trade was limited to a few locally produced commodities like salt, coconuts, arecanuts, salted fish, liquours etc. The volume of trade in

these commodities was also comparatively small. In spite of being an agricultural economy, Goa was invariably short of the supplies of rice and other necessities, necessitating large imports of foodgrains and other essential goods from the mainland India. During the period of decadence in the 17th and 18th centuries, Goa-based coastal trade and the inland trade prevented the Goan economy from plunging into total extinction. However, the lack of adequate means of livelihood for the people led to the migration of the people to lands outside the territory of Goa. The measures adopted in the last quarter of the 18th century to give a boost to agriculture in Goa brought marginal benefits to this sector. Similarly, during the same period and, then, in the first few decades of the 19th century, Goa-based long distance channel of the sea-borne trade and coastal trade revived the external trade of Goa. But the economy remained decadent, characterised by trade deficits, large imports of rice and other necessities, and migration of a sizable population. In the second half of the 19th century, with the closure of long-distance trade channels, the external trade of Goa became restricted to the coastal trade and inland trade with British India and the composition of trade became confined only to the locally produced goods comprising of coconuts, arecanuts, salt, salted fish, liquor, etc. Portuguese India's fate was now closely linked to Bombay. In the 19th century, the backwardness of agriculture, the total absence of manufacturing industry and decline in trade reflected in a low standard of living of the population. Eighty per cent of the people were poor in Goa. The Anglo-Portuguese Treaty of 1878 ensured free movement of trade between the two territories and led to the establishment of a railway link between Goa and the hinterland of British India, but it acted as a curse to the salt industry and liquor industry of Portuguese India, because of the British monopoly over the local salt industry and the British Abkari system for the local liquor industry, brought about by the provisions of the Treaty. The Treaty removed the territory from its isolation but not from its decadence. As the facts reveal, the Treaty benefitted British India in several respects. The development of the Mormugao port and the railway link failed to attract trade to the Mormugao port. As a result, in the 20th century, the port continued to be a transit port for Bombay and failed to earn adequate returns even to cover up the interest rate obliga-

tions towards the British railway company. As agriculture remained backward with outdated methods of production and lack of infrastructure, and modern manufacturing industries were conspicuous by their absence, the economy of Goa continued to be decadent. Lack of the spirit of enterprise among Goans, total absence of infrastructure and inadequate finance for the industries and absence of concrete measures on the part of the Portuguese government to develop agriculture and industries were, inter alia, important factors contributing to the decadence of the Portuguese Indian economy. The efforts of the Portuguese India government to set up an industrial town in Mormugao to give a new life to that port, by creating in 1919 an Improvements Trust for Mormugao failed and the Trust had to be wound up in 1934.

The decadence of the Portuguese Indian economy in the 20th century is reflected in the increasing migration of the local people to British India and other countries. It is also indicated by the quantum of the import and export trade, their composition and the amount of the trade deficit. From 1904 to 1928, while the value of import trade and export trade increased by 208% and 173%, respectively, the trade deficit increased by 224%. The percentage of the export trade to the import trade was never above 40%. In 1928 it was just 27%. The import trade was mostly composed of foodgrains, other necessaries and industrial goods, and the export trade of a limited number of agro-based commodities like coconuts, arecanuts, salt, cashewnuts, other fruits and certain other commodities. The incapacity of the Goan agriculture to meet the consumption requirements of the people which indicated the decadence of this sector, necessitated large import of rice and other necessaries. The percentage of the rice imports to the total imports was never less than 20% and for many years it was more than 30%. The percentage of the value of rice imports to the total export trade was, for most of the years, more than 80%. There were some years when this percentage was more than 100%, implying that the value of rice imports was more than the value of the total export trade of the territory.

The period 1929-1938 witnessed a further deterioration in the external trade of Portuguese India, thanks to the economic crisis brought about by the Great Depression. The economic crisis led to the continuous decline in the prices of the goods pro-

duced in Portuguese India. They were about 35 to 45% of the prices ruling in the period 1918-1928. This led to the fall in production of these goods in the territory. The position of the majority of the people except of those who belonged to the fixed income groups became miserable. While the value of the import trade decreased by 17.5%, the decrease in the export trade was equal to 51%. Although the trade deficit decreased by 3%, between 1929 and 1938, the deterioration in the external trade position is conveyed by two facts. Firstly, the percentage of the export trade to the import trade decreased from 31% to 18%, and, secondly, the decrease in the export trade was more than that in the import trade. During the Second World War period, the value of both import trade and export trade increased, the latter increasing by 229% and the former by 110%, between 1939 and 1945. The percentage of the exports to the imports also increased from 20.4% to 32%. However, the trade deficit increased by 79%. In the post-war period, from 1946 to 1950 both import trade and export trade increased, but the trade deficit increased by 204% and the percentage of the exports to the imports decreased from 22.6% to 12.2%. From 1950 to 1954, one notices improvement in the trade deficit position of Portuguese India as it decreased by 70% and the percentage of the export trade to the import trade increased from 12% in 1950 to 72.6% in 1954. This was the result of the spurt in the mineral ore exports from Goa. During all these years in the first half of the 20th century remittances of the emigrants balanced the trade deficit of Portuguese India. One more phenomenon is visible during the latter period. The percentage share of India in the import and export trade of Portuguese India kept a downward trend throughout the 20th century, which implied that the dependence of Portuguese Indian external trade on India declined, to a large extent, even before the imposition of the blockade. The Indian economic blockade which was intensified in 1955 led to the complete isolation of the territory from the mainland India, causing inconveniences and hardships to the local people. But the blockade did not serve the purpose of bringing about the downfall of the Goan economy, mainly because of the prosperity brought in by the buoyancy in the external trade sector on account of the spurt in the mineral ore exports. From 1955 to 1961, the value of the import trade increased by 70.5% and that of the export trade by 256%.

In 1960, for the first time in the history of Portuguese India, balance of trade became positive. The percentage of the exports to the imports increased from 46% in 1955 to 96.2% in 1961. The share of the value of the exports of nine traditional commodities in the total export trade decreased to a dismally low level of 1.8% and that of the mineral ore increased to 95.4%. The spurt in the mineral ore exports, quick measures adopted by the Portuguese government to ensure the supplies of consumer and other goods from all over the world and to provide markets for some locally produced export goods in different countries, and measures to undertake development projects in the territory, neutralised to a great extent, the adverse effects of the blockade. But these measures failed to effect a permanent change in the economic structure of Goa. Lower prices of the consumer goods, rise in the wage rates and artificial hike in the salaries of the government servants brought in the semblance of prosperity, but the structure of the Portuguese Indian economy continued to be backward as in the past. One of the indicators of the backwardness of the economy was the composition of the import and export trade of the territory. Even during the period of the prosperity in external trade, the composition of the external trade was that of an underdeveloped economy. Portuguese India was importing industrial goods, finished consumer goods and foodgrains, and its exports were mostly consisting of primary goods, the largest share being of the mineral ore.

1.6 PRESENT STATE OF THE SALT INDUSTRY IN GOA

The decadence of the salt industry in Goa during the Portuguese rule has direct bearing on the present state of this industry in the territory. The present position of the Goan salt industry can be traced to all the factors which brought about the downfall of this industry during the Portuguese rule. Even 37 years after the liberation of the territory, there has been no change in the methods of production in the salt industry. Except for the use of pumps to suck water out of the brine, the process of production has remained the same as what was witnessed some 50 years back. The same neglect of the saltpans and indifference towards the development of the industry on the part of the salt producers is visible even today. On account of the lack of proper care in the preparation of the floors of the salt pans and, also, in the control of the rate

of evaporation of the brine, salt produced in Goa contains impurities, which has contributed to the loss of the competitive power of the Goan salt in the markets of India. Even the production conditions of the Goan salt have not changed over this long period. Salt works in Goa are too small. The average area covered by them was a few decades back, between 5 to 8 acres. Salt season in Goa lasts for 4 to 5 months, unlike in other parts of the country. As the salt pans in Goa are deep and on soft ground, the preparation of the salt beds take a long time, unlike in other parts of the country, where salt pans are on hard ground. If the salt producers had taken minimum care of the salt pans by shedding their callousness, even within the parameters of the traditional technique of production, Goa would have produced large quantities of salt, although this may not have been of high quality. Thus, outdated methods of production and other production conditions have led to the lower productivity in the present salt industry of Goa. The process of the accumulation of silt at the mouth of the rivers on the banks of which salt pans are situated, had, in fact, started during the Portuguese rule, but, now, this problem has become serious in many salt producing areas, leading to the reduction in the flow of sea water into the salt pans. A large number of salt works are now flooded with sea water on account of the breaches in the embankments. The flooding of the salt pans on account of these breaches has led to the soil erosion and sedimentation in the area. In spite of this menace to the salt works, no adequate measures are taken to renovate the embankments. Many salt pans at Santa Cruz and Mercês in Goa Island, Chinchinim in Salsete, Agarwaddo in Pernem and, also, in some other places, are submerged under sea water. While in Chinchinim the salt pans are found flooded for many years, thanks to the illegal pisciculture in this area, in Agarwaddo, the breakdown of the bunds and service gates has led to the destruction of a large number of salt pans on account of the flooding of these salt pans with water. Sea pollution caused by iron ore carrying barges and trawlers have affected salt-producing areas like Bhati and Mercês in Goa Island.¹ In the 19th century Bhati was one of the most renowned salt producing villages in Goa. Most of the lands in this village were being used for salt cultivation. For the last many years, the area under salt pans in this village had decreased. In addition to the inhibiting forces listed

above, the Goan salt industry is affected by a number of other unfavourable factors which are virtually taking the industry to the brink of extinction. As pisciculture has become more profitable than agriculture and salt cultivation, many salt-works in Goa, particularly salt pans in Chinchinim and other areas in Salsete are now used for pisciculture. The real estate development in Goa, particularly in the outskirts of Panaji, has led to the reclamation of land under saltpans resulting into the destruction of the salt-works in the area. To take just one example, salt pans near Patto side of the Mandovi river have disappeared, thanks to the real estate development in that area. The present government-owned Kadamba bus-stand at Panaji stands on the land which covered once upon a time a large number of saltpans.² Another factor which has struck a mortal blow to the traditional salt industry of Goa is the competition of the superior quality salt produced by modern salt-works from Bombay, Gujarat and other regions. This has led to a substantial fall in the demand for the Goan salt even within the territory of Goa. The propaganda that, as salt produced in Goa is not iodised, its consumption by human beings is harmful to their health, and the restrictions which the Goa government had imposed, for some time, on locally produced salt on this account, are other two factors which have further deteriorated the position of the local salt industry. On account of its inferior quality, Goan salt is now used mainly for the purpose of manure and fish curing. The Goan salt industry is also affected, for the last many decades, by the increasing outflow of the skilled salt pan workers from this traditional occupation for better prospects in other occupations within and outside Goa. As a result, Goa which was, once upon a time well known for its skilled salt workers, a large part of them belonging to the community of Mithgaudas, has now to depend on the salt workers from Gokarna (Karnataka) and its neighbouring areas, who migrate into Goa during the salt producing season and return to their native places after the season is over. The decadence in which the salt industry of Goa is finding itself is the result of one more factor which was in operation even during the Portuguese rule. It is the total indifference towards the salt industry, of all governments which came to power during the post-liberation period. In fact, the government in the post-liberation Goa has surpassed the Portuguese government in the matter of its apa-

thy for the salt industry. No measures were taken by the local government to prevent the destruction of the salt pans on account of the factors listed above. The government totally failed to adopt positive measures to lift the industry from its decadence. Like the Portuguese government, the government of Goa did not provide any assistance to the salt works owners to improve the technique of production of salt and upgrade the quality of salt.

All the factors mentioned above are operating to the detriment of the interests of the local salt industry and are virtually taking the industry to the brink of extinction. The production of salt in Goa was 22663 tonnes in 1891, the last year of the Treaty of 1878. Including two other districts - Daman and Diu it was 10,700 tonnes in 1970. In 1986, it decreased to 3,900 tonnes. The present production of salt in Goa may be less than 3,000 tonnes. The number of salt producing villages which was 36 in 1876 has now come down to less than 10.³ The number of salt-works which was 386 in 1876 was about 100 in 1991. The number must have decreased further over the last eight years, as a result of the continuation of the same inhibiting factors mentioned hereinabove. Increasing urbanisation, making Goa a city-state of India, is also contributing to the process of the decadence of this industry.

1.7 SUGGESTIONS

Despite being an ideal place for the growth of the salt industry on account of its vast coastline and innumerable creeks with large flat lands adjacent to them, salinity of sea water, winds and soil conditions favourable to salt production, warm climate for being a tropical region and higher humidity in the air, Goa is experiencing a continuous decline in the salt industry since the Portuguese period. The causes discussed above focus the fact that human factor is at the bottom of all the ills, the salt industry is suffering from. The favourable position of Goa, in all respects, for the growth of salt industry, had been highlighted a few years after liberation by the survey-team of the "Central Salt and Marine Chemicals Research Institute" of Bhavnagar which had stated in its report that the growth of the salt industry in Goa would meet the requirements of all the adjoining areas and will, also, facilitate the setting up of salt based chemical industries.⁴ The survey-team of the National Council of Applied

Research, New Delhi had also made valuable suggestions in its report published in 1964. All these valuable suggestions have fallen on deaf ears and, as a result, the salt industry in Goa is marching towards extinction. Heroic efforts are now required to lift the industry from its decadence. The first and foremost requirement for the revival and development of the industry is the positive role of the state government which can be a reality if the government sheds its apathy towards the salt industry. Two types of measures are required in this respect - protective measures and development measures. Under the former, the government should protect the existing saltworks - both active and idle, from existing and potential inhibiting forces. The government should, in the first instance, prohibit the use of the lands under salt-works for the purpose of real estate development or any other purpose including pisciculture. The government should help the salt farmers whose saltpans are submerged under water due to the breaches in the embankments, to flush out water from the saltpans and renovate the embankments, so as to restore the saltpans to their original position. In order to protect the salt-works from the accumulation of the silt at the mouths of the rivers, steps should be initiated for the dredging of the river beds. The sea pollution which affects the production and quality of salt should also be taken care of, by the government by taking preventive and punitive measures against this menace. As the lack of proper care of the saltpans by the salt farmers has been one of the causes of lower productivity and inferior quality of salt, training courses and demonstrations of proper care of salt farms should be conducted by the government for the benefit of salt farmers. Facilities in the form of subsidies and loans at concessional rates will provide adequate incentive to the salt-farmers to take up salt-farming.

It should be realised by all the people concerned about the future of the salt industry in Goa that the main cause of the decadence in the salt industry is the outdated technique of production adopted by the Goan salt farmers. This basic problem can be solved only if the government intervenes to help the salt producers to introduce modern methods of production, so as to upgrade the quality of salt. The government should devise and implement its development measures in this direction. The salt farmers should be encouraged to mechanize various processes like preparation of the

floors of the salt pans, pumping, filtering, storing etc. and ensure the quality control in the industry. They should be given all assistance to manufacture different grades of salt. Salt works in Goa cover too small an area, an average area being between 5 and 8 acres. As a result, the saltworks do not derive the economies of scale and, thus, average costs increase. This problem can be tackled if the existing salt-works are integrated under cooperative salt farming societies and new salt-works covering large areas are started in those places where conditions for salt production are favourable. The government should take adequate steps in this direction and encourage even joint stock companies to set up modern salt works on the same lines as existing in Gujarat. Such modern salt works should undertake the method whereby the feeding water can be directly taken from the sea. This will enable the salt-works to obtain the same quantity of salt with lesser quantity of water to be evaporated, leading, thus, to the economy in the production of salt. The government should also see the feasibility of starting modern salt producing plants with the latest technology, using artificial evaporation of the brine and dispensing with solar evaporation. Even in the context of the present traditional method of solar evaporation, a salt refinery is essential for the growth of the salt industry. The Government should take immediate measures to set up a salt refinery to enable the industry to produce different grades of salt. The method of solar evaporation can be more efficient and productive if the government encourages bigger salt beds for concentrating the brine and for crystallisation. Alberto da V. Lobo, an authority on Goan salt industry had proposed, in 1967, a three-stage development plan for promoting the salt industry and other sea water-based chemicals industries, which envisaged the setting up of modern salt works and plants producing caustic soda, sodium carbonate, chlorine gas, hydrochloric acid etc. His suggestion to set up a Salt and Chemical Corporation in Goa to assist, supervise and control all sea-based chemicals industries right from extraction to marketing stages requires urgent attention from the government.⁵ The Goan salt industry can be revived only by way of modernisation of its operations and in association with the development of other sea-based chemicals industries. The development of salt works adopting modern and latest technological methods and the setting up of industrial units extracting calcium

potassium, magnesium chlorides and sulphates from sea water on the same modern lines, will give a boost to the growth of chemicals industry and other industries using the above products as raw materials. Infrastructural facilities in the form of the Corporation, proposed as above, and other institutional assistance can bring about great transformation in this decaying industry. The formation of salt farmers service cooperative societies in different salt producing talukas to enable the salt farmers to avail of common benefit services will also infuse new life in the salt works of Goa.

As per the article 246 of the Seventh Schedule of the Indian Constitution, only the Parliament is empowered to enact laws relating to salt production in the country.⁶ This provision, does not, however, prevent the state governments from taking measures to provide financial and other support to the salt industry in their states. The Goa government's indifferent attitude towards the local salt industry is clearly seen in its policy measure to take shelter under the above-mentioned article 246 and deny any assistance to the salt farmers in Goa. Even though the decadent state of the traditional salt industry was brought to the notice of the state government by the local activist groups, nothing has been done so far, in this respect. On the contrary, in July 1995, the government managed to defeat in Goa Vidhansabha (Legislative Assembly) a resolution tabled by one of the members, demanding government assistance to the salt industry in Goa. This apathetic attitude of the local government is at the root of the present state of the Goan salt industry.⁷

The outdated methods of production and the neglect of the salt-works by the salt farmers are the basic problems of the local salt industry and their solutions lie in the government playing a dynamic role in the upliftment of this industry. This is the conclusion, not only of this brief assessment of the present state of the salt industry of Goa, but also of the exhaustive study of the salt industry and salt trade of Goa during the 19th and 20th centuries, under the Portuguese rule.

The present study was an attempt to focus the state of one of the oldest industries of Goa upto the end of the Portuguese rule in Goa. Although the present state of this industry was touched upon in this chapter, briefly, the purpose of this exercise was to highlight the fact that the decadence of the salt industry during the Portuguese

rule has direct bearing on the present state of the industry which is slowly marching towards extinction. The present researcher hopes that his study of the Goan salt industry and salt trade upto the end of the Portuguese rule will stimulate studies on the Goan salt industry in the post-liberation period. The present study made an attempt to provide a broad outline of the state of the Goan economy in the 19th and 20th centuries, while focusing its main area. It is hoped that this will stimulate historical and analytical studies on other issues and aspects relating to the Goan economy.

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7. Ibid., The resolution which was tabled by Mrs. Victoria Fernandes demanded that the Goa Government should give protection and assistance to the Goan salt industry on priority basis.

APPENDIX
Important Provisions of the Treaty of 1878

Art.1. There shall be reciprocal freedom of commerce, navigation and transit between the Indian dominions of the High Contracting Parties.

Such freedom of commerce, navigation and transit shall not extend to contraband of war, or to articles of which the exportation or importation is prohibited by this Treaty, or by any law not inconsistent therewith, now or for the future in force in the Indian dominions of either party.

Art.2. The subjects of each of the High Contracting Parties shall be entitled to enter into and to travel and reside in the Indian Dominions of the other; to hire and own lands and houses therein; to open warehouses and wholesale and otherwise to trade with perfect freedom therein.

The subjects of each of the High Contracting Parties availing Themselves of the above permission shall enjoy in the Indian dominions of the other, in respect of commercial and industrial pursuit, all privileges, immunities, and other advantages which are or may be accorded to the subjects of the other and shall not be liable to any general, special, or local imposts whatever, except those which are or may be imposed on such subjects; but they shall be in all respects amenable to the general law and statutes in force in such dominions.

Art.3. The ports, harbours, roadsteads, basins, creeks, and rivers in the Indian dominions of each of the High Contracting Parties shall be open to the commerce and navigation of the subjects of the other, on the same conditions as those on which they are open to the subjects of the party in whose dominions they are.

The coasting and carrying trade between one port and another in the Indian dominions, of each of the High Contracting Parties shall be open to the vessels of the other, without any restriction except such as is or may be imposed upon national vessels.

No vessels of either of the High Contracting Parties shall be subjected by the other to any harbour or navigation dues of any description whatsoever, or to any regulations for stationing, loading, unloading, or otherwise, to which national vessels are not equally subject, or shall be denied any privilege which is accorded to such vessels.

The High Contracting Parties reserve to themselves respectively the right of retaining, increasing, modifying, and abolishing the dues and charges on navigation in their respective Indian dominions, and of establishing new dues and charges of a like nature.

Art.8. In order to ensure that the complete freedom of intercourse between their respective Indian dominions, which it is the desire of the High Contracting Parties to provide, shall produce beneficial results, without prejudice to the financial interests of either, it is hereby agreed that there shall be a Customs Union between the said dominions on the following terms:

The laws and regulations relating to the levy of Customs duties on goods exported or imported by sea, and the administration of the Department of Customs, shall be uniform throughout the said dominions, insofar as the High Contracting Parties, acting in concert, may deem practicable after taking into consideration any special circumstances which may exist in the case of the dominions of either of them.

The tariff of Customs duties to be levied on goods exported or imported by sea shall, except as hereinafter provided be uniform throughout the said dominions.

The Tariff annexed to this Treaty shall come into force upon the same date as the Treaty itself.

Art.12. His Most Faithful Majesty engages to grant to Her Britannic Majesty's Government of Bombay, for the period during which this Treaty may remain in force, the exclusive privilege of regulating or undertaking the manufacture and sale of salt in Portuguese India under the following conditions:

(a) The proprietor or tenants of salt-works may, under the direction of the Agents of the said Government, and subject to conditions mutually agreed upon between them, continue to manufacture salt on their own account, or manufacture salt on account of the said Agents, or farm out their salt-works to them.

(b) If the said proprietors or tenants cannot arrive at a voluntary agreement with the said Agents, the Government of Portuguese India will take such measures as may be necessary to let the said salt-works in farm to, and under the direction or administration of the said Agents, so that the said Agents may be able to cause salt to be made there in such manner as they may decide most suitable: provided that when, on the expiration of the farm the said proprietors obtain possession of the salt-works, they shall be entitled to compensation for damage (if any) resulting thereto from the farm, but shall not be liable to payment of compensation for improvements which may have been effected therein.

(c) The Agents shall have the right to use the land adjacent to all salt-works for the purpose of transporting or depositing salt or other operations connected with the manufacture, provided that they do not interfere with the cultivation of the same. The proprietors or tenants of the said land, on their part, shall have the right to derive from the salt-works the same advantages, in respect of the cultivation of rice or other crops, as they have enjoyed, hitherto, provided that they do not interfere with the manufacture of salt. The relations in this matter between the said proprietors or tenants and the said Agents shall be determined by special rules made by the Government of Portuguese India.

(d) The Government of Portuguese India will cause the suppression of any salt-works which, in the opinion of the said Agents, may be difficult to superintend or guard, or cannot be worked with profit.

(e) The Government of Portuguese India will secure to the said Agents the acquisitions, at a fair and reasonable price, of all the salt existing, or in course of manufacture, in Portuguese India at the time this Treaty comes into force: provided that if the said Agents do not wish to purchase the whole of the said salt, the owners thereof shall have the right of selling it locally or of exporting it under the same conditions as hitherto.

(f) His Most Faithful Majesty will prohibit the manufacture and sale of salt, the collection of salt, spontaneously produced, and the transit and exportation thereof both by sea and land, by any persons not delegated in this behalf by the said Agents, or who have not obtained from the said Agents a permit in due form, and He will adopt in Portuguese India the procedure and penalties in force in British India for the repression of smuggling and contraband practices in respect of salt, with such modifications as the Portuguese Indian system of legislation and administration or the diversity of circumstances, may necessitate.

(g) In order to ensure the effective exercise of the privilege granted by this Article, His Most Faithful Majesty invests the said Agents with the right:

(1) To enter and inspect at any time any salt-work, or any warehouses or premises used for storing salt, or any vessel which has been or is proposed to be laden with salt.

(2) To search all persons, animals, carriages, vessels, goods and packages in or upon which they have reason to believe that contraband salt is concealed or likely to be concealed.

(3) To arrest any person found in the act of smuggling or prohibited practices, and any accomplice present, provided that such person or accomplice shall be immediately handed over to an officer appointed under paragraph (6) of this clause, or the nearest revenue or police station, or to the administrative authority of the parish.

(4) To seize any salt which they may have reason to believe to be contraband, and any animals, carriages or vessels used in transporting it, or in or upon which it may be found, and all goods and packages in or among which it may be contained or concealed; provided that every thing so seized shall be retained in provisional custody pending orders for the disposal thereof by competent Portuguese authority, to whom the seizure and the circumstances thereof shall be reported.

(5) To obtain from the competent local Portuguese authority, on written application, orders for the arrest of any person whom such authority may have reason to believe to have been guilty of smuggling or contraband practices, and the search of any house, building, premises, or vessel in which contraband salt is concealed or suspected to be concealed.

(6) For the purpose of cooperating with the said Agents in the proceedings contemplated under the preceding paragraphs (1) to (5) inclusive, and of repressing smuggling and contraband practices in respect of salt, His Most Faithful Majesty engages to appoint such number of Officers as he may from time to time deem fit, to reside at or near the several salt-works. The said Officers shall, when called upon by the said Agents, be legally bound to assist them in their proceedings aforesaid, and the said Agents shall, except as otherwise permitted in paragraph (3), hand over to them all persons arrested and property seized, for delivery to the charge of higher Portuguese authority, or for provisional custody, as the case may be.

(7) It is to be understood that the said Agents will be subject in every respect to the laws of Portuguese India and will be responsible in accordance with those laws for all abuses that may be committed by them, as also for all acts done on their requisition by the Officers referred to in the last preceding paragraph.

(h) In consideration of the preceding stipulations of this Article, Her Britannic Majesty engages to pay just compensation to the proprietors of salt-works which have been let in farm to the said Agents or suppressed, under the provisions of clauses (b) or (d) of this Article.

The compensation shall be awarded by a Joint Commission, and shall be either in the form of annual payment, or in some other form if the two parties interested prefer it. With respect to the amount, the commission shall take specially into consideration:

(1) The average annual proceeds of the salt-works during a series of years, up to ten if ascertainable.

(2) The average price of salt in the locality, and (excluding duty) in the neighbouring districts of British India, during the preceding ten years.

(3) The damage (if any) caused to the proprietors by the suppression of their salt-works, or by deprivation of the free use of them with respect to other cultivation, or with respect to the exercise of other vested rights of property.

But with regard to salt-works which have been suppressed, the Commission shall make a deduction for the proceeds (if any) which the proprietors may gain from the lands if otherwise employed.

The commission shall add to the sum determined on the above principles fifteen per cent on the amount thereof. The total shall be the compensation awarded by the Commission to the proprietors.

The compensation so awarded shall be paid to the proprietors, who shall be responsible for the satisfaction of all just claims of other persons connected with the salt-works.

Provided always, that if the proprietors are dissatisfied with the award of the Commission, they shall be at liberty to have recourse to the ordinary procedure for expropriation established by the local law of Portugal. The amount of compensation so awarded to them by any local tribunal, whether more or less than that awarded by the Commission, shall alone be paid to them accordingly. But in the event of such amount being in excess of the amount awarded by the Commission, the difference shall be defrayed by the Government of Portuguese India.

(i) Her Britannic Majesty engages also:

(1) To deliver to the Government of Portuguese India, at the price of manufacture in those possessions respectively, the quantity of salt necessary for the domestic use and consumption of the various Portuguese possessions in India.

This quantity shall be calculated annually at the rate of 14lbs. per head of the ascertained population.

It is understood that His Most Faithful Majesty reserves to himself the right of causing the said quantity of salt to be sold to consumers at whatever price he may think proper.

(2) To sell to cultivators at a fair and reasonable price, and free of all duty, such quantity of inferior salt or salt spontaneously produced as they may bona-fide require for the cultivation of coconut tree, or for such other cultivation that may need this kind of manure.

(3) To supply the markets of Portuguese India, under conditions similar to those which may be from time to time in force in the neighbouring British Indian districts, with the quantity of salt which the trade may require.

(4) To provide salt necessary for the fish-salting trade, under the most favourable conditions, from time to time accorded to the same industry in British India.

(j) All differences arising with regard to the price of salt under the preceding clauses (e) and (i) shall be determined by a Joint Commission, or in such other manner as may be mutually agreed upon by the Government of Portuguese India and Bombay.

Art.13. His Most Faithful Majesty engages to take such measures as may be necessary to insure that the system of excise on spirituous liquors, including toddy whether in its fermented or unfermented state, sanctioned by law in the Presidency of Bombay, shall be introduced into, and effectually maintained in Portuguese India. The rates of excise duty levied accordingly in the several Indian possessions of His Faithful Majesty shall not, except insofar as may be mutually agreed upon between the Governments of Portuguese India and Bombay, be less than those levied for the time being in the adjoining British districts.

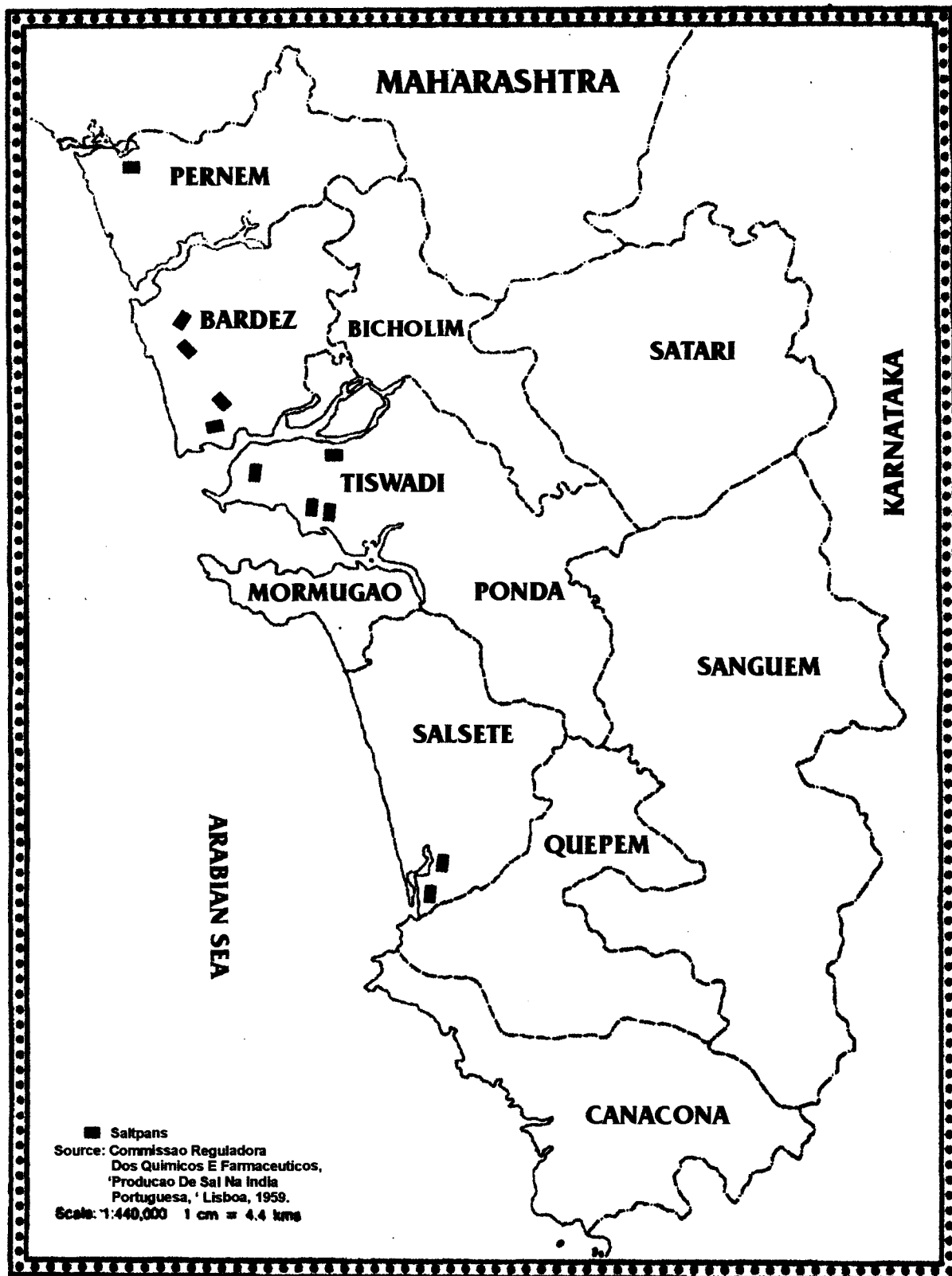
The Government of Bombay shall render cordial assistance to the Government of Portuguese India for the accomplishment of this end, by affording full information to Portuguese Officers who may be deputed to study the British system, or otherwise, as may be in accordance with the wishes of the said Government.



SALT IN INDIA
MAP SHOWING SALT PRODUCING CENTRES

Source: 'The Salt Industry in India' by S.C. Aggarwal, New Delhi, Controller of Publications, 1976.

SALT - WORKS IN GOA



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