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 up to 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 Conceelhos 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 Communidades. 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 producer of salt in the territory as the British agents who enjoyed extensive powers as per the provisions of the Treaty used cohesive 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 up to 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-pan. 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 up to 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. Inspite of being an agricultural economy, Goa was invariably short of the supplies of rice and other necessaries, 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, liquour, 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 liquour industry of Portuguese India, because of the British monopoly over the local salt industry and the British Ab-kari system for the local liquour 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 of 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 salt pans 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 con-
tributed 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 pe-
riod. 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 tradi-
tional technique of production, Goa would have produced large quantities of salt, al-
though 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
Merces 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 Merces 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 Chinchininim 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. 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 22,663 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. 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. 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. 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. 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.

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 up to 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 up to 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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