

TWENTY THOUSAND RUPEES UNDER THE SEA

John E. Sandrock

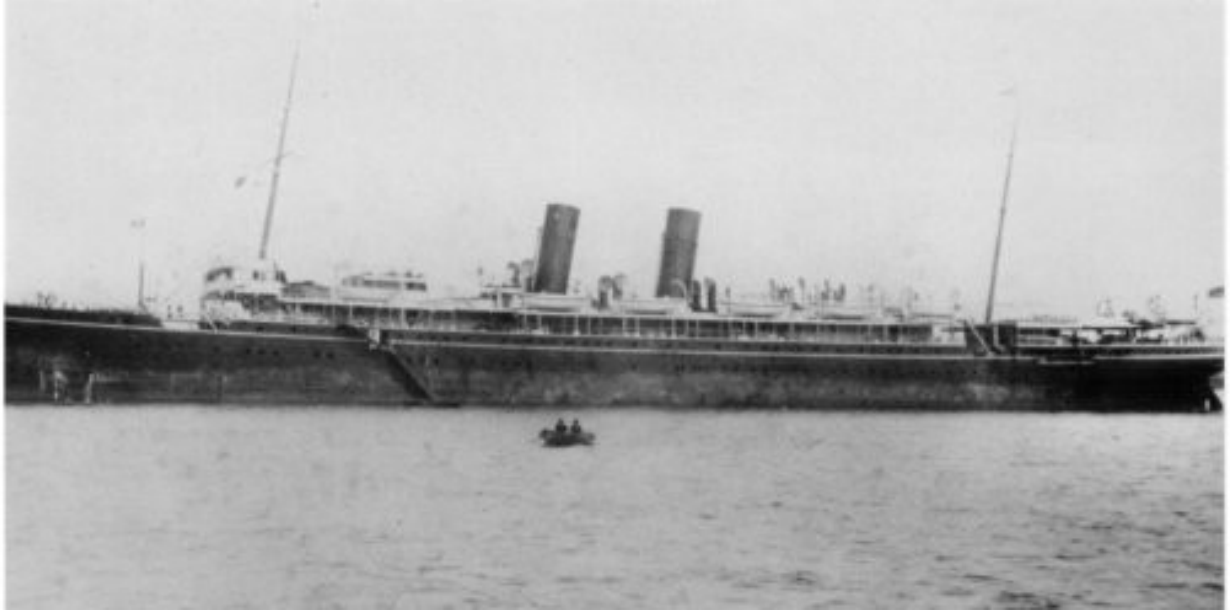
Some years ago several very interesting banknotes of the Indian state of Hyderabad came into my possession. Dated 1918, these notes were in denominations of five, ten and one hundred rupees. Although quite scarce in their own right, they struck me immediately as having an unusual story to tell, as they all had been overprinted with a remarkable rectangular hand stamp, which bore the inscription:

“This note is of no monetary value. It was recovered in June 1932 by the Italian salvage vessel *Artiglio* from the bullion room of the liner *Egypt* sunk off Ushant on May 20, 1922 in a depth of 400 feet.”

This simple statement refers to a feat, which was, up to that time, without parallel in the history of marine salvage. It is a story of sunken treasure and daring salvage work in the face of much adversity. Ultimately, over £ 1,000,000 in gold and silver was recovered from four hundred feet of water, an unheard of depth for salvage operations of the day.

To spin this yarn, one must go back to May 19, 1922 when the British Peninsula and Occidental steamship company liner *Egypt* left her Tilbury dock in London on what was to be her last voyage. When she slipped down the Thames bound for Bombay, she had aboard only forty-four passengers, a comfortable figure for her 291 man crew! However, most of her passengers were to have joined the ship in Marseilles, *Egypt's* only stop en route to India. Safely secured in her bullion room, five decks below, was a tremendous treasure of £ 1,054,000 in gold and silver bars and coins – about ten tons of silver and five tons of gold.

The *Egypt* had made the run from London to Bombay many times, having been regularly assigned to the Indian service of the company. She was also old – in fact the oldest liner in P&O service at the time. *Egypt* was built as a 8,000 ton vessel at Greenock on the Clyde in Scotland in 1897 and had been in service for over twenty-five years, a long time in oceanic passenger competition. At first all went well as *Egypt* slipped down the English Channel and rounded the tip of



The steamship *Egypt*, a Peninsular and Occidental liner, sank off the French coast in May 1922 carrying over £ 1,000,000 in gold and silver 400 feet to the ocean floor – a recovery depth never before attempted by salvagers.

Brittany. By 7 P.M. on 20 May *Egypt* had reached a point about twenty-five miles southwest of the Ile d'Ouessant (Isle of Ushant) off the northwestern tip of France.

She was steaming on a south-south-westerly course along the great ocean trade route which crosses the Bay of Biscay from the island of Ushant to Cape Finisterre in Spain. Not a breath of wind was stirring. The sea was glassy calm and shrouded in thick fog through which it was impossible to see more than twenty or thirty yards. The *Egypt* crept through the fog at fifteen knots sounding her foghorn at three minute intervals. Occasionally, the passengers and crew could hear the faint sound of other foghorns in the distance.

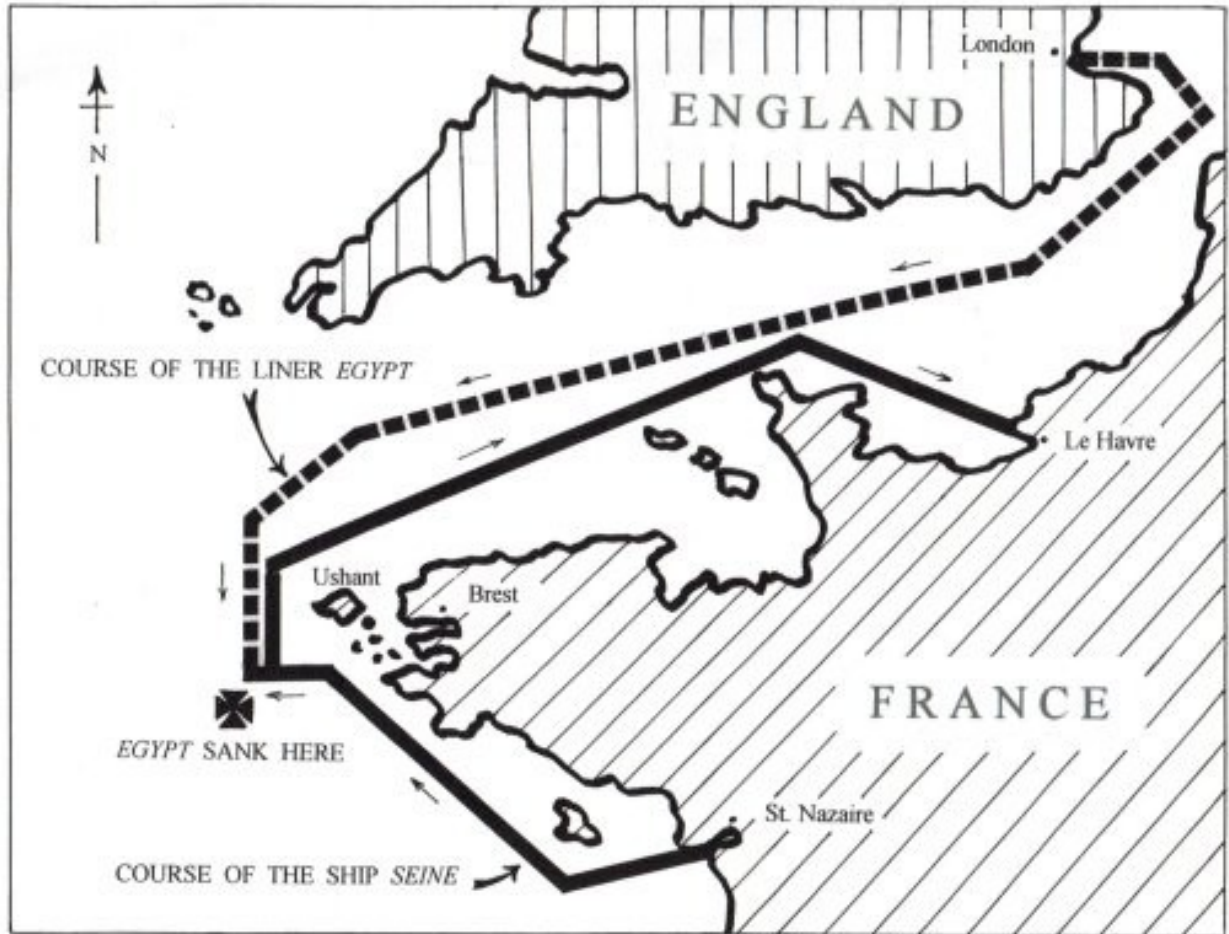
Leaving the *Egypt* for a moment, let's turn our attention to the other participant in this tragedy. Earlier that day, the large French cargo steamer *Seine* cleared the port of St. Nazaire carrying a shipload of lumber bound for Le Harve on the Channel coast. Seeing the fog condition develop, and being thoroughly familiar with the area, Captain Le Barzic of the *Seine* decided about 6 P.M. to change course sharply to the northwest in order to give the Isle of Ushant a wide berth in the fog. Thus, the *Seine* departed from her accustomed coastal route and was approaching the Ushant-Cape Finisterre trade route at right angles – an unusual situation.

Back on the *Egypt*, a few minutes past seven o'clock, a foghorn was heard off the port bow some distance away. *Egypt* replied to it. *Egypt's* captain had taken the precaution of posting a lookout ahead. He was not expecting another ship to cross his course at right angles as no regular trade route ran in that direction. The captain, hearing the *Seine's* foghorn on the port beam, concluded that the ship was steaming on a course parallel to *Egypt's*, and that all danger of collision was already past. The next blast of the strange foghorn, however, was nearer. *Egypt* held steadily on her course thinking the other ship was steaming past heading north. Suddenly, out of the thick fog loomed the bow of a large cargo ship, which was already upon them. It was too late to alter course to avoid collision! The *Seine* struck *Egypt* a death blow on the port side amidships between her funnels. The *Seine*, a frequent visitor to northern waters, had been equipped with a reinforced bow modified for icebreaking. She crushed the *Egypt's* hull plates as though they had been made of matchsticks. *Egypt's* side was torn open and the sea rushed in. The two ships did not lock together, but instead were carried apart by their own momentum. In a few moments they were swallowed up in the fog and had lost sight of one another. *Egypt's* radio operator, who was to go down with the ship, immediately commenced sending out the SOS distress call. Happily, although it was not known by the crew until later, the SOS signals were picked up by wireless stations on Ushant and at Pointe du Raz, thus enabling a fix of the approximate location of the disaster to be made.

Captain Le Barzic in the *Seine* succeeded in locating the *Egypt* once more before she sank, but within twenty minutes of being rammed, *Egypt* turned on her side and slipped beneath the waves heading for the bottom of the sea 400 feet below. Boats were lowered immediately to search for survivors. The crews worked feverishly for three hours but could locate only twenty-nine passengers and 210 of *Egypt's* crew in the dense fog. Ninety-six lives were lost. Later, when settling insurance claims, Lloyd's representatives paid them all in their entirety, since at 400 feet the ship lay at twice the depth of any previously successful salvage operation, and hence, salvage was considered impossible!

Almost immediately after the sinking of the *Egypt* salvage firms around the world pondered the possibility of raising its treasure. All considered the task impossible and beyond the state of the art – all but one. The Italian firm of Gianni and Company had been experimenting successfully with new pressure diving equipment recently developed. This rig, known as the “diving shell”,

consisted of a metal cylinder equipped with windows into which a man was secured and serviced by both air and telephone lines. The shell was capable of withstanding tremendous pressure as it was lowered to the vicinity of a wreck for

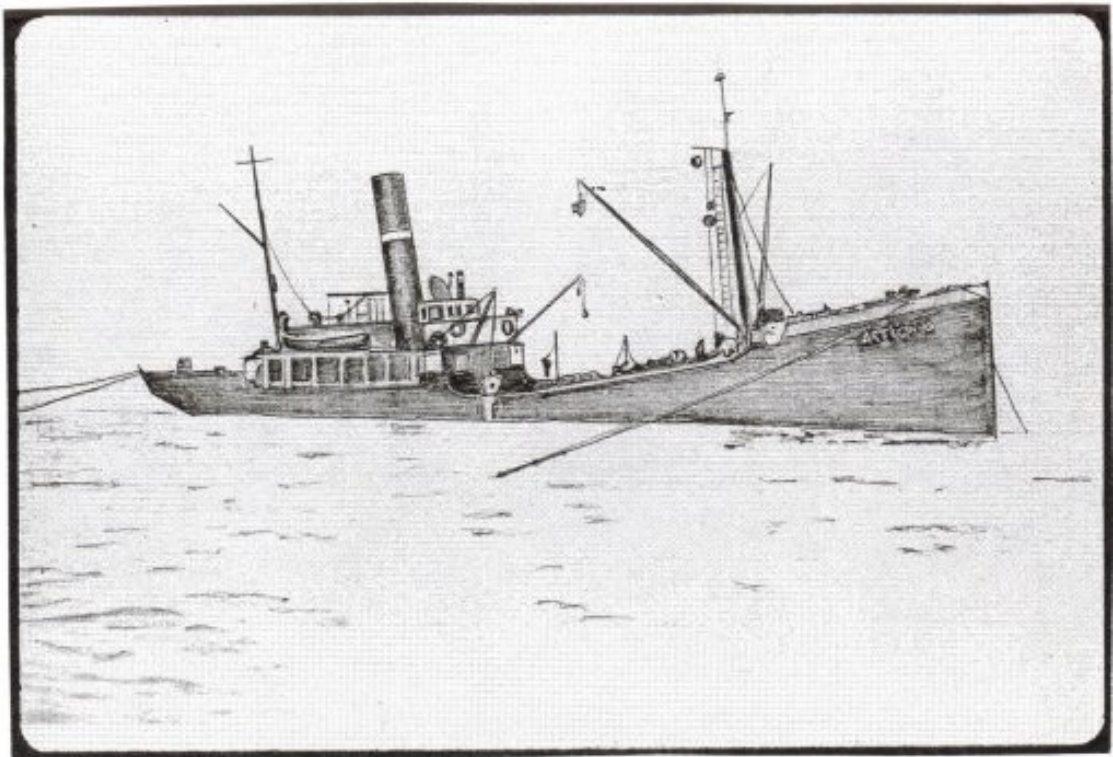


The Egypt went down off the island of Ushant while en-route London to Bombay after colliding in dense fog with the French coastal freighter *Seine*.

observation. Used in conjunction with the diving shell were divers wearing conventional suits of very rigid construction containing arms equipped with pincer devices like pliers. These suits were extremely awkward but effective at great depths. They were connected by hoses to a compressor on the salvage ship through which air was pumped down to the divers below. Together these devices lessened the chance a diver would contract the extremely dangerous and often fatal “bends” when decompressing while surfacing after a dive. Armed with this new technology Gianni and Company, in 1928, decided to try for *Egypt’s* gold.

The first problem was to locate the area of the wreck. This was approximately known due to the SOS signals which had been received. Gianni also hired the ex-captain of the *Seine* to obtain the benefit of his first hand knowledge. Ultimately, a search area was charted using such known inputs as the cross bearings on the SOS distress signals and the *Egypt's* course and speed as reference points. Buoys were laid down to mark off the area to be searched. When all was ready an area had been laid out in the form of a rhomboid, which was five miles by eight miles on a side! Once the buoys were in place it was necessary to assign a suitable salvage vessel to the task.

For this the firm selected the little steam trawler *Artiglio*. She was a ship of three hundred tons originally built in 1906 at Hull in England for the North Sea fishing fleet. The *Artiglio* had an interesting and colorful past, having served during World War I as the fleet minesweeper *Macbeth*. It was after World War I that she was purchased by the Italian salvage firm and renamed *Artiglio*. Her exploits were many, the most famous up to this point being the salvage of the Belgian steamer *Elizabethville* in 1925.



The Italian salvage vessel Artiglio was herself destined to join Egypt on the bottom of the Bay of Biscay before the treasure could be recovered.

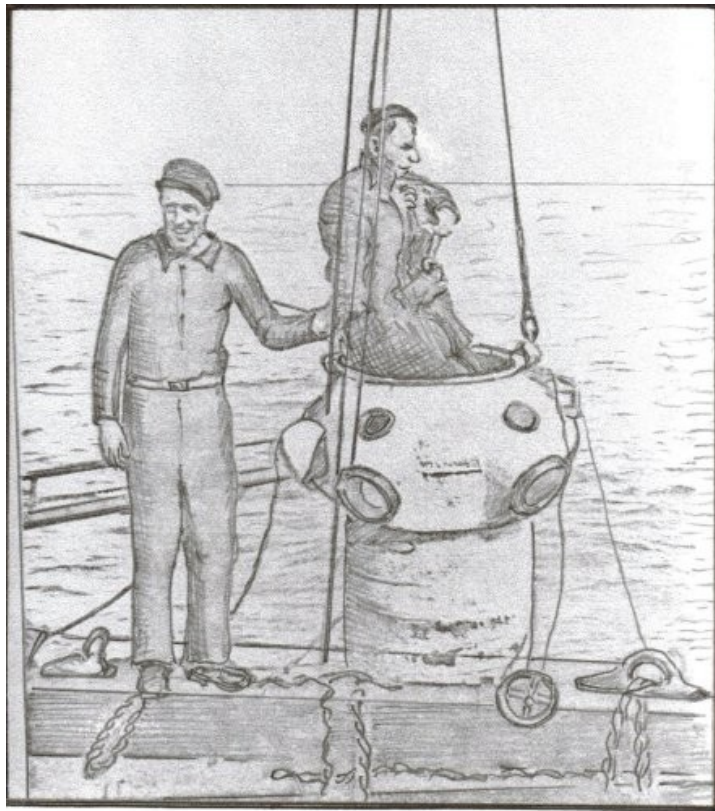
The summer of 1929 was spent dragging the search area for the *Egypt*. For this operation *Artiglio* had a sturdy little consort, the *Rostro*. The two ships spent six months dragging the area by cable, working through the search area from north to south. Each time a pass was made, new buoys would be laid down to mark the area already swept. The work proceeded slowly and with great uncertainty. This was due in large part to the vicissitudes of the weather, which often interrupted operations. The weather in the Bay of Biscay at times was so bad that work was impossible. *Artiglio* would then run for Brest where she would lay up awaiting the passing of the storm. On average, it was only possible to get in ten working days per month. Meanwhile all was not lost as much useful experience was gained by the crew despite the futility of their search.

On one such trip into Brest *Artiglio* picked up new electric detection gear which used a galvanometer to locate wrecks. The idea was to steam over the suspected area until the needle on the dial of the galvanometer jumped off center, indicating the salvage vessel had passed over a strong electro-magnetic field. The idea had proven successful when tested against the known wreck of the British ship *Drummond Castle* which had run onto the rocks at Pierres Vertes during a heavy fog. Finally, after six months of fruitless searching and only half the search area covered, *Artiglio* broke off all operations due to the foul winter weather.

Operations were resumed in early 1930. Three months of hard work developed some excitement but no reward! Unexpectedly, the wrecks of two other ships were discovered in the search area. One was that of a Spanish orange ship and the second the old French battleship *Furieux*. In each instance divers were sent down only to report their disappointment. Then in August the cable struck again. A grappling device known as the "grab" was lowered, and this time a piece of twisted steel wreckage containing a cylinder of the type used to lower lifeboats was brought up. Divers were again sent down to confirm the find. The wreck of the *Egypt* had finally been located! She lay upright on the seabed in position 48° 07' 45" N and 5° 30' 30" W.

The next task the divers faced was to reconnoiter the ships hull to locate the bullion room. Once located, a plan had to be devised to blast holes in the superstructure and deck plates until the room was sufficiently bared for salvage of its contents. On one of the first dives a search was made for the captain's cabin. In it the captain's safe was found intact. Since the safe could be removed without much difficulty, Gianni and Company immediately decided to concentrate on this find as a likely source for a quick return on their investment. To this point £ 60,000 had been spent on the venture - so far without financial return. In

this operation the safe was unbolted from the deck and moved by brute force to an accessible position on the hurricane deck. The grab was then lowered while the diver maneuvered its pincer-like jaws around the safe. With a signal from below the jaws tightened their grip around the safe, the cable pulled taut, and the winches slowly commenced pulling the safe 400 feet to the surface. As the grab broke free of the water, there was the captain's safe balanced delicately between its



Divers man the diving shell used to reconnoiter the wreck once snagged by *Artiglio's* cable. Many false encounters with the wreckage of other ships were made before the *Egypt* was finally located.

jaws, as a lump of sugar held between tongs. Only the tension of the scissor-like jaws kept the precious cargo from slipping back to the ocean floor. Once secured upon the deck of *Artiglio* the safe was opened amid great expectation to reveal – another disappointment. The safes sole contents were the remains of a sodden British Foreign Office bag crammed with letters in sealed envelopes stamped “secret” and, ironically, the key to *Egypt's* bullion room! One can well imagine the crews disappointment and the exchange of salty expletives which took place upon the discovery!

The crew of the *Artiglio* worked over the *Egypt* throughout the fall of 1930 until winter weather forced them to retreat to Brest for a well deserved rest. Upon returning to duty in December the company decided to contract the ship to the financially promising job of removing the wreck of the American steamship *Florence* to ease some of their financial difficulties. The *Florence* lay in shallow water off Belle-Ile channel at the entrance to St. Nazaire and posed a great threat to navigation. She was a 9,000 ton munitions ship which had been sunk by a German U-boat at the height of the 1917 submarine campaign while on a run from New York to St. Nazaire. Since the ship was loaded with munitions she was considered extremely dangerous to work on. Nevertheless, it was decided to use explosives to make the work of clearing the obstruction easier. In the beginning *Artiglio* would send down divers to set the explosive charges and then retreat the safe distance of two miles each time a charge was blown. This procedure represented a fearful loss of time. As pressure to complete the job built in expectation of an early return to *Egypt* in the spring, the distance was shortened first to one mile and finally to a mere 300 yards. It was while working virtually over the wreck of the *Florence* that her entire cargo of munitions detonated in a thunderous explosion, enveloping *Artiglio* in a mountain of water from which she never recovered. *Artiglio's* back was broken. She sank on the spot taking most of her brave crew with her.

It wasn't until the spring of 1931 that the necessary reorganization had taken place and a new vessel found so that salvage operations on *Egypt* might resume. Since the Gianni and Company fortunes went down with *Artiglio*, a new company had to be formed to take over. The Italian firm, known as Societa Ricuperi Marittimi de Genoa (Sorima), came forth and accepted the challenge. A suitable vessel was found in the *Mauretaine*, an ex-Newfoundland fish carrier which was presently laid up without work. She was promptly renamed *Artiglio II* by her crew. Contact with *Egypt* was reestablished on 23 May 1931. Throughout the remainder of that year *Artiglio II* concentrated its efforts on clearing a path to the bullion room. This proved to be a formidable task considering the treasure lay deep down in the ship. This meant cutting through the steel plates of six decks in order to open up a direct line for the removal of the gold and silver bullion. Most of this heavy work was completed before treacherous weather again forced the little salvage vessel to retreat to port for the winter.

The spring of 1932 found the dauntless little *Artiglio II* again swinging on her buoy over the wreck of *Egypt*. This time success was close at hand, for after only twenty-six days the last barrier was cut away and the bullion room entered on 13 June, 1932.

What a sight confronted the divers! The bullion room seemed about to burst with its vast contents. Silver ingots were stowed loose on the floor covering the entire room with row upon row and layer upon layer of bars - like so many bricks in a brickyard. The gold bars were tightly packed in wooden boxes stacked upon the silver. Bags containing 100,000 British gold sovereigns were stowed on top of the ingots. The bags containing many of these coins had broken open spilling their contents throughout the bullion room. When work on the wreck was finally suspended in 1935, over 10,000 of these gold sovereigns still remained scattered throughout the wreck.



British gold sovereign dated 1911, of the type recovered from the wreck of the liner *Egypt*, sunk off the Ile d'Ouessant on May 20, 1922.

So there it was at last! Now the only problem was how to get it all to the surface safely. With such intense wealth at hand (over \$300 million in United States depression dollars) was it any coincidence that the Italian navy should happen upon the scene to make their presence felt, having deviated from their summer training cruise from the Mediterranean to the Baltic?

Since the gold bullion boxes were intact, their salvage was comparatively easy and the work proceeded smoothly throughout the summer. Not so with the gold sovereigns. Picking up the scattered coins proved more difficult. To overcome this the recovery team developed an innovative solution. A long metal tube equipped with a glass opening was lowered over the coins. The glass plate covering the opening was then exploded upon the divers signal, causing water and coins to rush into the tube due to its atmospheric pressure having been maintained. An automatic trap in the device kept the coins from falling back out. On the first day the tube was employed over 6,000 gold sovereigns were recovered.

Eventually *Egypt's* treasure was adjudicated between Lloyd's underwriters and Sorima and most of the sovereigns returned to circulation. A few coins were held aside, however, to be presented in leather souvenir cases with appropriate inscription to be presented to officials and favored clients. The few sovereigns that have survived are in uncirculated condition and bear the date "1912". One such presentation coin was auctioned as recently as 1980.

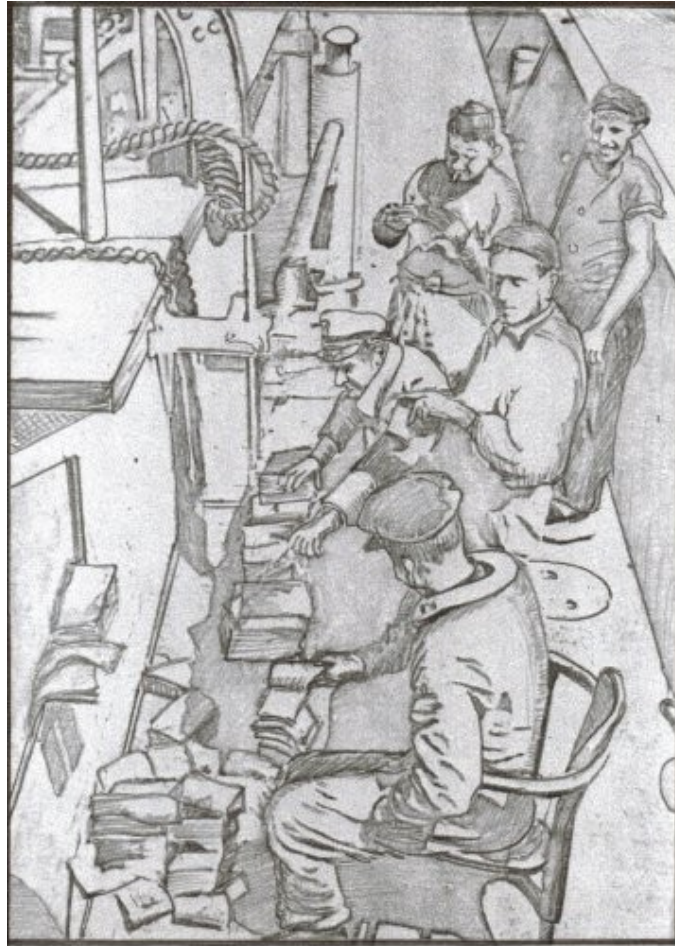
The procedure for recovering the silver and gold bars was simplicity itself. Upon lowering the grappling device through the openings in the six decks, the divers loaded silver ingots and gold boxes into its jaws, taking care not to overload the mechanism. The grab was equipped with an outer shell, which was swung into place and closed around the ingots and coins to prevent loss. Only then was the signal passed to the surface to commence the long haul to *Artiglio II's* deck.

On one such maneuver something new and unexpected appeared. When the grappling rig spilled its contents upon the deck, out fell several bundles of thin paper, sodden and covered by mud – these were banknotes! This was a complete surprise as the bullion manifest did not mention them and they had not been calculated into the estimate of *Egypt's* treasure. The first bundle to come up contained 10,000 rupees in one hundred rupee notes. Although the inscriptions on the notes were in Urdu and other native dialects, it was possible to properly ascribe them at once because the background work on them was made up of the miniscule words "The Government of His Exalted Highness the Nizam of Hyderabad" in English, printed in endless succession. After being dipped in clear water, the notes were spread out on deck to dry in the sun. It wasn't long before the colors returned to reveal their high quality of workmanship and design. This was a remarkable demonstration of good paper and print, almost impervious to destruction; having spent ten years, three months and three days laying sodden on the ocean floor!

Almost every successive trip brought with it more banknotes. More 100 rupee notes were recovered, but now 10 and 5 rupee notes also appeared. At times almost all available space was given over to the drying of notes until *Artiglio II* resembled the sorting room of a post office. As it was assumed that the notes had financial value, they were carefully stowed away in boxes when dry, to be counted later. Eventually, the face value of the notes recovered exceeded 1,000,000 Hyderabad rupees. It wasn't until much later that the crew discovered to their immense disappointment that the notes were worthless.

It was the practice of the Hyderabad Finance Ministry, when ordering notes from the printer, to have them completed in every respect except one - the signature

of the Finance Minister of His Highness' government was intentionally omitted, to be added later upon arrival in India. Because of this strategy the notes had not yet become legal tender and were thus only paper stock awaiting issue. As it happened, upon learning of the sinking of *Egypt*, the Nizam's Minister of Finance lost no time in negotiating an order for replacement notes with the London firm of Waterlow and Sons. One might ask why these notes were in the bullion room in the first



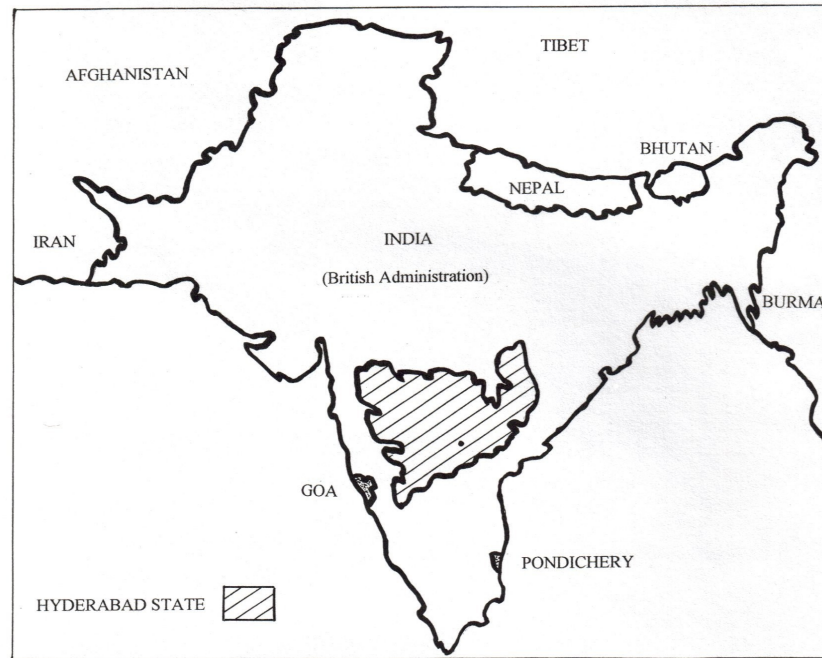
Sorting out bank notes to dry on the deck of the *Artiglio II*

place, if they had no value? As it was later discovered that other valuables, including cases of sporting guns, were stowed there, it was concluded they had found there way there for general safekeeping.

Inasmuch as the use of Hyderabad currency was discontinued in 1953 with the advent of Indian independence, these coins and notes now properly belong to numismatic history. I will conclude this account with a short summary of

Hyderabad paper currency issues together with a description of the three notes which prompted this research.

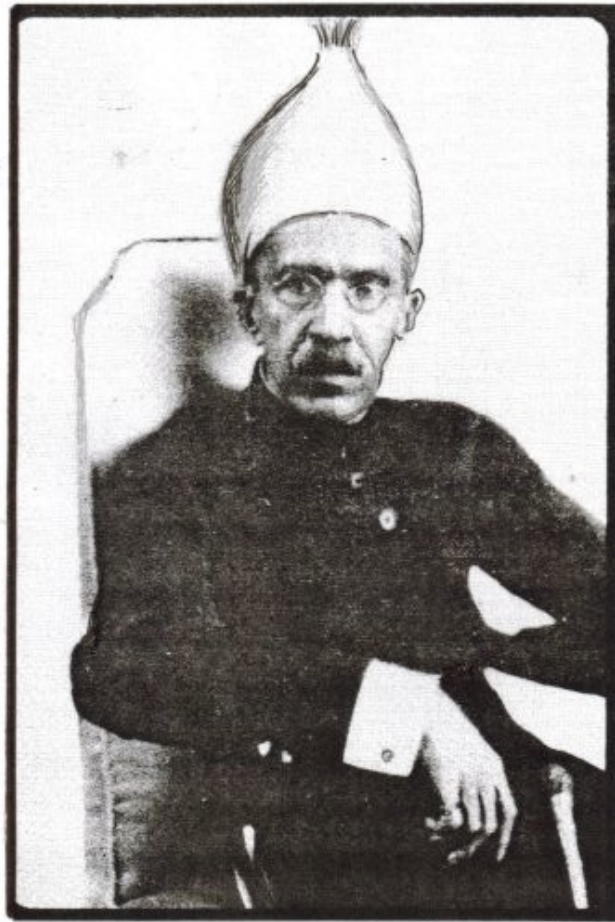
The semi-autonomous land of Hyderabad occupied an area of 83,000 square miles in the mountainous section of southern India. In 1768 Nizam Ali Khan accepted British suzerainty over his dominions. After remaining faithful to the



The princely state of Hyderabad, situated in the mountains of southern India, became a vassal state of the British in 1768. This arrangement ended in 1947 with Indian independence.

British during the Indian mutiny in 1860 Hyderabad was granted its independent status, although the British reserved the right to intervene in the event of unrest. His Exalted Highness the Nizam ruled over a population of seventeen million subjects. Nawab Sir Mir Osman Ali Khan Bahadur Asaf Jah VII was the seventh and last Nizam of Hyderabad. His reign commenced in 1911 and ended in 1947 with Indian independence. He died in 1967.

It was under Asaf Jah VII's reign that all Hyderabad paper notes were issued. In 1918 a paper currency act was passed and soon after notes of one, ten and one hundred rupees entered circulation. The one rupee paper note being printed in black proved unpopular with the superstitious natives and was withdrawn after circulating only one year. During the following year, 1919, a replacement one



Nawab Sir Mir Osman Ali Khan Bahadur Asaf Jah VII, the seventh, and last, Nizam of Hyderabad.

rupee note was issued, this time multicolored, together with higher denominations. It was the five, ten and one hundred rupees of this issue that were recovered from the wreck of the liner *Egypt*. One thousand rupee notes were introduced in 1926. P.B. Chenoy, a former minister to Hyderabad, states in his article "Rare Coins of Hyderabad State" that one and five rupee banknotes also appeared in 1936, having been printed by the local firms of Nasik Security Press and the Nizam's Central Jail Press. George Sten in his *Encyclopedia of World Paper Money* lists a 1938 issue of 5, 10, 100 and 1000 rupee notes, and finally, in 1943, an emergency issue of 1 and 10 rupee notes appeared, necessitated by a wartime shortage of silver for coinage.



The 1918 issue 1 rupee bank notes circulated for less than a year. They proved to be extremely unpopular with the superstitious inhabitants, who refused to accept them because of their black color. A printing change was thus necessitated. As a result, the black 1 rupee notes have become numismatic rarities.

The notes recovered from *Egypt* were printed by the London firm of Waterlow and Sons from very high quality line engraved plates. Their superior workmanship prompted the skipper of *Artiglio II* to call them “wonderful pieces of work” and to carry one in his note case on all occasions.

These notes all bear the Urdu inscription “His Exalted Highness Government of Hyderabad” at the top of the obverse and read from right to left. The denomination is given in the central rosette as so many rupees of Osmani currency in Urdu and in surrounding panels in Kanarese, Telegu and Marathi. The lower right hand panel was reserved for the English denomination stated in Osmani Sikkey rupees (O.S. Rs. Five, etc.). Above the lower right border is found the inscription “On behalf of H.E.H. the Nizam’s Government”. The opposing blank space was reserved for the signature of the Finance Minister which was to have been added at the mint in Hyderabad prior to issue. The practice of overprinting the signature later was abandoned and from 1925 forward Waterlow and Sons delivered all notes fully executed. Other distinguishing features common to these notes include the Nizam’s coat of arms and the date expressed in Arabic as 1331 (1918). The term “Osmania Sikkey” has an interesting derivation. The Urdu “sikka” means “struck”, “stamped”, or “impressed” and is a word applied to coinage. During the

final two reigns, Hyderabad currency was known after the name of the Nizam. Thus during the seventh reign of Nawab Mir Osman Ali Khan, currency was called Osmania Sikki: literally, “struck during the reign of Osman”.

The Hyderabad arms are equally interesting. The principal device is a banner appearing within an ornamental frame. The banner bears a crescent and five pointed star. The upper portion of the device is superimposed by a shield upon which is depicted a “kulcha”, or loaf of bread. The shield and banner are surmounted by the Nizam’s crown upon which the ruler’s motto “God is Great” appears. The kulcha has a special significance. Legend has it that in 1707 Asaf Jah, seeing the corruption and disintegration of the Mughal Empire, left the court and traveled to Deccan to save the southern province from falling into enemy hands. Being tired and hungry while upon the road, Asaf Jah camped at a place frequented by a wali, or saint, much respected by the local people for his ability to predict the future. Seeing the traveler hungry, he offered him some kulchas tied in a yellow cloth. Asaf Jah ate seven of the small oven baked loaves, returning the rest to the saint while thanking him for his kind act. The saint, it is said, blessed him and predicted that Asaf Jah would establish a dynasty of seven rulers in the southern provinces - a reference to the seven loaves of bread he had consumed. In remembrance of this Asaf Jah’s successors adopted the kulcha as their crest and the color yellow for the Hyderabad flag.

The reverses of all three notes are interesting when viewed from the perspective of their detailed workmanship. They are truly fine examples of the engravers art. All three notes carry the microscopic inscription “The Government of His Exalted Highness the Nizam of Hyderabad” in the background. The reverse of the five rupee note is deserving of particular note, however, as it bears the likeness of five silver rupee coins of the type used in 1918. The coins depicted are the one rupee of the seventh Nizam arranged in a circular fashion with the Arabic figure “5” at their center. Only the reverse of the coin is shown. The coin design consists of a representation of the “Char Minar”, a 180 foot high mosque with four imposing minarets which stands at the center of the old city of Hyderabad. The edifice was built in 1591 and predates the cities founding. The letter “ain” representing the name of the sultan’s cycle year appears within the base arch. This coin carries the Arabic date 1337, which in the Farsi manner of reckoning time equates to 1918/1919. The words “Asah Jah” are found between the minarets, “Nizam-ul-Mulk” to the right and “Bahadur” to the left of the coin. This entire device is surrounded by a Grecian border.



The 5 rupee treasury note of Hyderabad was hand stamped by the salvagers to commemorate their successful salvage operation. The reverse of the note contains a vignette of five Hyderabad silver rupees arranged about the Arabic numeral "five". Note the water damage which occurred after having been submerged on the ocean floor for over ten years.



Hyderabad 100 rupee note of 1918 recovered in 1922 from the wreck of the liner *Egypt*. This large bank note, measuring 142 x 224mm, was the product of the printing firm Waterlow and Sons in London



Hyderabad coat-of-arms bearing a crescent with five pointed star; a shield depicting the “kulcha”, a loaf of bread, all surrounded by the Nizam's crown. This detail was taken from the Hyderabad 100 rupee note.



Detail from the reverse of the 5 rupee bank note showing a Hyderabad 1 rupee silver coin dated AH 1337 (1918) depicting the ancient Char Minar mosque.

So ends the story of the sinking of the *Egypt* and the tremendous salvage undertaking, which resulted in the recovery of a fortune. When the final reckoning was made, the seven year salvage effort netted 97.4 percent of the silver ingots, 98.5 percent of the gold bars and 90.9 percent of the sovereigns - and as an accidental byproduct helped preserve a little bit of numismatic history!



British India 5 pound note of the period.

Postscript

Twenty Thousand Rupees Under the Sea was originally presented in the form of a slide presentation by the author in June 1974 at the Convention of International Numismatics in Los Angeles, California.