

# The Banknotes of Hyderabad and the Salvage of the S.S. Egypt

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On May 20, 1922, at 7:00 pm, the *S.S. Egypt*, a 7,941-ton liner, 500 feet long and 55 feet in the beam, having left Tilbury wharves in London with 44 passengers and 294 crew on board, was travelling in calm waters off the west coast of Brittany, about 30 miles from Point du Raz, in fog which reduced visibility to almost zero. The sound of a siren suddenly dispelled the still and unreal atmosphere. Within moments the prow of the French cargo boat *Seine*, strengthened as an ice breaker, parted the water next to the *S.S. Egypt* and rammed deeply into the left side of the liner. Within just 20 minutes, the passenger ship sank some 400 feet below the surface of the Atlantic Ocean.

The *S.S. Egypt*, launched in the British shipyard in Greenock in 1897, belonged to the Peninsular and Oriental Steam Navigation Company (P&O). The wreck claimed 88 lives: 17 passengers and 71 members of the crew. The survivors boarded the *Seine* and were taken to Brest. While relatives and friends of the victims were grieving over their losses, the insurance companies which had issued policies to the *S.S. Egypt's* owner, undersigned by Lloyd's of London and three other insurance companies for smaller shares, were dismayed because the ship was carrying a real treasure. On board, destined to the Government of India and worth about £1,059,879 in 1922, were 1,089 gold bars, 1,229 silver bars and 165,979 gold pounds – totalling about 5.5 tons of gold and 43 tons of silver. The cargo also contained – although not insured – a large batch of banknotes in pieces of 5, 10 and 100 rupees that the Nizam of Hyderabad had commissioned from printers Waterlow & Sons.



The British P&O vessel *S.S. Egypt*.

After the wreck of the British vessel and the loss of the entire insured cargo, the insurance companies paid the entire amount due and thus became owners of the sunken treasure. They came to an agreement with some marine salvage companies which began a series of attempts to recover the treasure of the *S.S. Egypt* without success. In May 1923 the Gothenburg Towing & Salvage Co., with a vessel captained by Hedbäck, began to search for the wreck and on June 6 its coordinates were determined. The position was named Hedbäck's Point and identified on marine charts but not marked with buoys in the water. During the summer of the same year a Swedish salvage company tried to find the wreck by using a specialized boat called *Fritiof* and two tug boats but after a few months it abandoned the job. In autumn 1925, the French company Union d'Enterprises Sous-Marine made an

attempt but with little success. Finally, a trawler rented by the French Syndicate, along with the boats *Pelican* and *Irose* with German deep sea divers on board, tried in vain to find the elusive Hedbäck's Point.

Eventually, on August 30 1928, the pool of insurance companies called Union Assurance Company Limited, strongly supported by Lloyd's of London, entered into an agreement with the Marine Salvage Company (So.Ri.Ma), the Italian company in charge of the salvage of the cargo on the *S.S. Egypt*. The contract contained a clause demonstrating how the Lloyd's saw the future development of the mission: the salvage would be carried out by the So.Ri.Ma. "...only by means of its own strength, under its own direction, taking all responsibility for any risks and expenses." Also the division of any salvaged cargo was part of this pessimistic, perhaps realistic, point of view: 62.5 % to the So.Ri.Ma. and 37.5 % to the insurance companies.

So.Ri.Ma. was founded in 1926 in Genoa by Comm. Giovanni Quaglia who owned a small salvage fleet: the *Artiglio*, the *Rostro*, the *Raffio*, the *Arpione*, the *Rastrello* and the *Rampino*. The



5 rupees of Hyderabad (1920). Front. Recovered from the wreck of the *S. S. Egypt* by the *Artiglio* in 1932.



5 rupees of Hyderabad (1920). Back. Recovered from the wreck of the *S. S. Egypt* by the *Artiglio* in 1932.

Genoese company had built a fairly good reputation in retrieving such valuable raw materials from wrecks, such as zinc, copper, aluminium, molybdenum, tungsten, chromium minerals, steel, manganese, wool, tallow and also precious materials like ivory. So.Ri.Ma. ships carried on board deep sea divers from Viareggio, considered the best in the field, led by Alberto Gianni.

Alberto Gianni came from the Darsena di Viareggio, the workers' heart of the town, where the famous Marine of Viareggio used to develop marine experts such as carpenters, caulkers, rope-makers, sawyers and where sailors and deep sea divers used to get ready to face the sea and its depths. Alberto Gianni was not only a great deep sea diver and a leader but a real innovator. The deep sea diver's job, having reached a wreck, consisted of working with pliers on the tips of the arms of his diving suit, with limited movement. Nevertheless, Gianni was convinced that the deep sea diver was in charge of providing guidance, via telephone, to lead the recovery bucket to the right place talking from the "exploration tower" – a device that he invented. Previously, copper and waxed diving suits were used, then Neufeldt & Kuhnke rigid suits from Kiel. Working with the diving tower led to better results with the least waste of time.

Among the other equipment Gianni invented was the decompression chamber, a device used to remove the nitrogen from the diver's blood after a long immersion. This device, once perfected, would later become the current-day hyperbaric chamber which would abolish the long compensation practice the diver had to go through hanging from the salvage ship and would decrease the number of acroembolism cases. Alberto Gianni never patented his inventions because he believed in the diver's right to use them without paying any royalties.

Lloyd's paid out on the policy on the S.S. *Egypt*, confident that the chance of salvaging the treasure was really small. The So.Ri.Ma. believed otherwise. In June 1929 the two boats, *Artiglio* and *Rostro*, started the research in an area 10 miles by 6 miles, including the point where the S.S. *Egypt* was located when it sent an SOS, an alignment with Capo Raz and the nearby island of Ushant and a spot where baggage from the liner was found. Captain Hedbäck was on board of the *Artiglio* as an advisor, willing to find again the point where he believed he had detected the wreck of the British vessel in 1923. The venture was tested both man and technology. During the search, on June 26, 1929, diver Aristide Franceschini from Viareggio broke the world diving record at that time, reaching a depth of 446 feet.



The *Artiglio*, salvage ship of Italy's So.Ri.Ma.

The search was performed by raking the seabed with a trawling cable about 6,500 feet long pulled by the boats, ballasted at each end with 4 tons and lifted up by 18 torpedo-shaped floats with some flaps astern to hold the course, and kept the cable 24



10 rupees of Hyderabad (1920). Front. Recovered from the wreck of the S. S. *Egypt* by the *Artiglio* in 1932.



10 rupees of Hyderabad (1920). Back. Recovered from the wreck of the S. S. *Egypt* by the *Artiglio* in 1932.

feet above the seabed in order to get entangled only with higher objects. Each time the cable came across an obstacle, the deep sea divers went down to check it out. In autumn 1929, the salvage ships, after several unsuccessful attempts due to the bad sea and weather conditions in the area, stopped their activities and the divers from Viareggio went home.

During the first days of June 1930, the search began again for the S.S. *Egypt* through a systematic survey of an area of about 80 square miles. Three ships were used: the *Rostro*, the *Raffio* and the *Artiglio*. Captain Le Barzic, commander of the *Seine*, the boat which in 1922 had rammed the S.S. *Egypt*, was among the party. On August 30, 1930, having come across several high rocks and two other wrecks, Alberto Gianni at last spotted the S.S. *Egypt*, thanks to the identification of a winch of a particular type. The wreck was about 400 feet below the sea level at this exact position: 48 degrees 07'45" North latitude and 5 degrees 30'30" West longitude.

At the beginning of September, diver Alberto Bergellini retrieved a small safe from the bridge. Inside there were only a few records, namely some folders of the Foreign Office full of letters and papers which were immediately returned to the British Foreign Office. In the winter the searchers were given a break, and the ships of the So.Ri.Ma. were sent to work in shallower waters and with lighter currents.

The *Artiglio* was sent to work on the *Florence H.*, a 9,000 ton boat full of munitions which had sunk in 1917 off the village of Quiberon in Brittany after an explosion on board. In order to dismantle the wreck some small charges were used but on December 7, 1930 the last one primed the 150 tons of munitions left on the wreck; this, with a frightening roar, produced a water





100 rupees of Hyderabad (1920). Front. Recovered from the wreck of the S.S. Egypt by the Artiglio in 1932.



100 rupees of Hyderabad (1920). Back. Recovered from the wreck of the S.S. Egypt by the Artiglio in 1932.

column about 900 feet high which, assuming the shape of an enormous mushroom, crashed on the sea generating a crater of about 1.000 feet depth which immediately swallowed the *Artiglio* and the majority of the crew members. Only seven of them managed to survive. Twelve people died and among them the best divers in the world: Alberto Gianni, Aristide Franceschini and Alberto Bergellini.

Nevertheless, work on the *S.S. Egypt* did not stop. The So.Ri. Ma. bought in Bordeaux an old tub – the *Maurétaine* – 350 tons, once used to transport fish from the Grand Banks of Newfoundland. The ship was brought to Saint-Nazaire to become a salvage ship and fitted with equipment recovered from the wreck of the *Artiglio*. On May 4 the new *Artiglio* – formally *Artiglio II*, although both crew and Captain Quaglia superstitiously preferred using the original name – set out towards Brest. The new explorers, followers of Alberto Gianni's school, were: the chief diver Mario Raffaelli and divers Raffaello Mancini, Fortunato Sodini and Giovanni Lenci.

On June 6, 1931 the *Artiglio* located the wreck of the *S.S. Egypt* and started cutting away the superstructure, the four bridges, the entrance stairs and the corresponding supports to gain access to Bullion Room, the room of the treasure. In May 1932, after making a gash into the wreck 98 ft 52 ft wide and 32 ft deep by using about 12,100 pounds of TNT and special buckets created for the occasion, unexpected goods which had been preserved inside the Bullion Room under water for ten years were brought up to the *Artiglio*: gaudy coloured silk cloth, hunting rifles with their cartridges destined to Mohinder Bahadur Singh, Maharajah of Patjala, which carried on the butt a gold plate with

his initials M.B.S. with a princely crown on top and, finally, beautiful banknotes of 5, 10 and 100 rupees commissioned by the Nawab of Hyderabad from the Waterlow & Sons factory in London. These banknotes had not been issued and had no monetary value as the signature of the Governor of the Bank of Hyderabad did not appear on them.



Hyderabad bills recovered from the wreck of the S. S. Egypt drying on the Artiglio.

On June 22, 1932, the bucket came out of the sea pouring out salty water and bringing back to the surface, pieces of wood and paper and the first two gold bars. Four years had passed since the agreement between Giovanni Quaglia's So.Ri.Ma. and the insurance companies. Many vicissitudes and dangers had been faced. Men had died. What had appeared at first impossible and had fascinated newspaper readers worldwide had a happy ending thanks to the persistence and the high professionalism of the legendary deep sea divers from Viareggio.

Six days later the *Artiglio* set out to Plymouth carrying the first load of gold. The salvage activities would go on until 1939 and during the following expeditions the boat would bring to Plymouth about 7 tons of gold and 40 tons of silver, much more than expected.



100 rupees of Hyderabad (1920). Front. Recovered from the wreck of the S.S. Egypt by the Artiglio in 1932, signed by the chief deep sea diver Mario Raffaelli.

Now returning to the wonderful, although unissued, banknotes of Hyderabad – the City of Pearls – a city-state in continental India, founded in 1591 by sultan Muhammad Quli Qutb Shah on the banks of the Musi river, captured in 1687 by the great Mughal emperor Aurangzeb and subsequently administered by viceroys of the Mughal government. In 1724 viceroy Asaf Jan I – making the most of the decline of the Mughal empire – declared the independence of the town and became “Nizam of Hyderabad,” leader and governor of the kingdom (Nizam-ul-Mulk). This was the beginning of the dynasty of the nizams of Hyderabad, which brought great improvements among Islamic traditions. In 1948, one year after the independence of India from Great Britain, after an economic blockade and heavy political pressure, the Army finally managed to bring Hyderabad into the Indian Union.

Meanwhile, many of the banknotes found on the *S.S. Egypt* were distributed as souvenirs among visitors of the *Artiglio* while others were sold for charity purposes. These bills are still available on the numismatic market, although with difficulty, and come with different stampings and variants. Some of the most common are:

- 1) Bills with dark-blue ink stamping on the front or back, with an inscription within a rectangular frame: “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 *S.S. Egypt* sunk off Ushant on May 20th 1922 in a depth of 400 feet.”
- 2) Bills with linear dark blue ink stamping: “ - So.Ri. Ma. - Società Ricuperi Marittimi”, often followed by a handwritten signature.
- 3) Bills with a fake signature of the Governor.
- 4) Bills with a rectangular black ink stamp in Italian: “... recuperato dall’*Artiglio*...” (recovered from the *Artiglio*).

Not long after their recovery, some banknotes with the fake signature entered the banks of Hyderabad as authentic currency. The Maharaja offered £750 in order to recover and destroy the bills but the So.Ri.Ma. refused the offer. A dispute then started in these terms: as long as the bills were kept 400 ft below sea level no problem existed but, once recovered and introduced in some way in the market, without the Governor’s signature or with a fake

signature, the bills represented a danger to the monetary integrity of the State of Hyderabad. Furthermore, residents of Hyderabad used to divide the bills into two halves in order to give them half of their value, using only the properly signed half and putting into circulation these authorized rupees. On May 9, 1935 the Court of Genoa agreed that the Maharaja could collect all the bills kept by the So.Ri.Ma. by paying the equivalent of 150.000 liras.

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### Test Your Knowledge – Answers

These are the answers to the quiz on page 30

1. The ‘Banka e Shqiperise’ is the current note issuing authority in Albania. (The previous issuing authority was ‘Banka e Shtetit Shqiptar’.)
2. Stephen the Great is found on many banknotes issued in Moldova, both as the principal illustration and as a watermark. He is also known as Prince Stephen of Moldova, Stephen III of Moldova and Stephen the Great and Holy.
3. The principal unit of currency in Croatia is the ‘kuna’.
4. *Iris* by Korin Ogata appears on the back of Japan’s ¥5000 issued in 2004 (No. 105).
5. Snakes are depicted on the notes issued in Aruba, Brazil and Portugal.
6. The ‘Banco Atlantida’ issued banknotes in Honduras from 1913 to 1919.
7. The ‘Chainbreaker’ or Freedom statue appears on the back of all banknotes issued in Zambia from 1986 to the present.
8. Banknotes issued by the ‘Banque de Madagascar et des Comores’ circulated in the Comoros as well as Madagascar.
9. The polymer \$10 note issued in Australia in 1988 commemorates 200 years of European settlement in Australia; i.e. dated from the landing of the First Fleet from Great Britain.
10. Waterlow and Sons, the British security printing company, is usually abbreviated to ‘W&S.’



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