

Collector Coins



face value	10 zł
metal	925/1000 Ag
finish	proof
diameter	32.00 mm
weight	14.14 g
mintage	55,000 pcs

Obverse: Image of the Eagle established as the state emblem of the Republic of Poland, top right-hand side. An inscription: 10 / ZŁ and the notation of the year of issue: 2004, on the right under the Eagle. Semi-circumscription: RZECZPOSPOLITA POLSKA (Republic of Poland), above and on the right-hand side. Portrait of Władysław Grabski on the left-hand side, and semi-circumscription: WŁADYSŁAW GRABSKI below. Image of the obverse of the 1924 one-złoty coin in the bottom centre. The Mint's mark: $\frac{m}{w}$ under the Eagle's left claw.

Reverse: Image of the reverse of the 1924 one-złoty coin. Semi-circumscription: DZIEJE ZŁOTEGO above, on a background of stylised five-pointed stars.

Coin designer: Andrzej Nowakowski



face value	2 zł
metal	CuAl5Zn5Sn1 alloy
finish	standard
diameter	27.00 mm
weight	8.15 g
mintage	800,000 pcs

Obverse: Image of the Eagle established as the state Emblem of the Republic of Poland, notation of the year of issue: 20-04 on the Eagle's sides, under the Eagle the inscription: ZŁ 2 ZŁ, on the rim the inscription: RZECZPOSPOLITA POLSKA [Republic of Poland] preceded and completed with six pearls. The Mint's mark: $\frac{m}{w}$ under the Eagle's left claw.

Reverse: Image of the reverse of the 1924 one-złoty coin. Semi-circumscription: DZIEJE ZŁOTEGO above, on a background of stylised five-pointed stars.

On the edge: The inscription: NBP repeated eight times, every second one inverted 180°, separated by starlets.

Obverse designer: Ewa Tyc-Karpińska

Reverse designer: Andrzej Nowakowski



Coins struck by the State Mint in Warsaw.

Printed by NBP Printing Office

Design: DECORUM

– The History of the Złoty –

On April 21, 2004, the National Bank of Poland is putting into circulation collector coins from The History of the Złoty series, of the following face values:

- 10 zł – struck in silver, in proof finish,
- 2 zł – struck in standard finish, in CuAl5Zn5Sn1 alloy, i.e. Nordic Gold.

They are the first in a new series, the purpose of which is to show the successive stages in Poland's monetary history and the operations of the złoty.

2004 marks the eightieth anniversary of the passing by Sejm of Władysław Grabski's Currency Reform Bill, the launching of Bank Polski SA, and the introduction of the złoty as the currency of the Republic of Poland.

The beginnings of Poland's currency, the złoty, go far back into history. In the second half of the 15th century a new settlement unit appeared in Poland, the Polish złoty, equivalent to 30 groszes. It was used in commercial transactions, financial operations, and everyday payments. The Polish złoty became a unit of currency in 1663, when a 30-grosz coin, equivalent to one złoty and known as a tymf after the name of a mint lessee, was minted. The first złoty banknotes were issued in 1794 during the Kościuszko Insurrection against the Russian partitioning forces. Since 1828 Bank Polski, Poland's first issuing bank, instituted the regular issue of the Polish złoty. The power of tradition was so great that Poles used the złoty in settling transactions until the end of the post-partition period; it was equivalent to 15 Russian kopecks.

After the restoration of Poland's independence in November 1918, Polish State took over from the German occupational administration a monetary institution called Polska Krajowa Kasa Pożyczkowa [PKKP], and adopted the Polish mark issued by PKKP as Poland's legal tender. Already in December 1918 a decision to establish new Bank Polski was announced. The new currency's name proved somewhat problematic. Voices were raised in favour of innovative names, like piast, szczerbiec, polon, or lech. The debate was resolved in February 1919 by an act of Sejm, which made the złoty the statutory name of the Polish currency. Tradition won the day.

Meanwhile the Polish mark, which was still in circulation, reflected all the financial and economic problems the new state was experiencing. In October 1919 Władysław Grabski was appointed Minister of the Treasury. He held this office until November 1920. For one month, in the summer of 1920, he was Prime Minister and Treasury Minister at the same time. Grabski

experienced the effects of the weakness of the new state and its economy. Within his term of office the debt of the Treasury went up thirteenfold, the money in circulation increased eleven times, and the dollar exchange rate against Polish currency rose eightfold. Grabski's attempt to introduce tax indexation failed, and so he stepped down. However, in January 1923 he was back in the government as Minister of the Treasury. By July State Treasury's debt had quadrupled. The money in circulation quadrupled too, while the dollar exchange rate went up nearly sixfold. Grabski's policy, the aim of which was to curb the galloping inflation failed to win support, and he resigned again. Hyperinflation was imminent. In the second half of 1923 the State Treasury's debt went up at an astronomical rate of 37 times, money in circulation increased by 35 times, and the dollar exchange rate surged over 60 times.

In mid-December 1923 Władysław Grabski was again appointed Prime Minister, head of the Second Republic's eleventh government. He retained his office as Minister of the Treasury, its thirteenth head within just over 5 years. He introduced a slight amendment to his anti-inflationary policy. His aim was to achieve budgetary equilibrium, increase taxation revenues from the propertied classes, and avoid taking out foreign loans, as he was afraid of the risk of political consequences. Hyperinflation urged to act. On 11th January 1924 Sejm promptly passed an Act on the State Treasury repair and currency reform. In a short time, armed with the appropriate plenipotentiary powers, Grabski's government launched the reform. The new currency was the złoty, with parity equal to the Swiss gold frank. The new issuing bank, Bank Polski SA, predecessor of the NBP, commenced its operations on 28th April 1924, exchanging Polish marks for złoty at a rate of 1,800,000 marks to 1 złoty. It looked like an outright success, a model example of victory in the fight against the hyperinflation rampant after the World War I not only in Poland but also Germany, Russia, Austria, and Hungary.

But life proved exceptionally stringent for Władysław Grabski, his currency reform, and the złoty. A poor harvest in 1924 (with cereals down by one-third) and economic crisis (steel production down by 40%) made for a disastrous situation. In mid-1925 the Polish balance of payments and of international trade deteriorated in consequence of a political conflict with Germany in connection with commercial exchange between the two countries. All of these factors had a detrimental effect on the budget, which tried to save the situation by issuing more money, with a subsequent return of inflation. By mid-1925 the disturbed balance of payments, budget, and money in circulation had upset the exchange rate for the złoty, which lost about 20% to the US dollar. When currency intervention failed,

Bank Polski abandoned efforts to protect the złoty, fearing a reduction of its currency reserves. The clash of opinion between the Bank and the Government, which called for further interventionary measures, ended in November 1925 with Prime Minister Grabski's dismissal. Later, the "founding father of złoty" would write that the Bank lost its nerve in the face of adversity. But he added self-critically that he could not carry out his task because his actions were too firm and one-sided, and his judgements too optimistic.

An outstanding politician and economist, advocate of a strong and sound currency, Władysław Grabski, founding father of the złoty, resigned his office. The złoty continued to serve the Second Republic. The full collection of złoty issues for the two decades between the World Wars comprises 271 notes and coins, of which 34 notes and 92 coins were in circulation as legal tender. The coins we are now issuing present a 1924 silver złoty. In Polish numismatic history this coin is known as the "girl's head". Its circulation version weighed 5 g and contained 3.75 g of pure silver. Its purchasing value today would be about 5 złoty – aptly symbolic for the birth of the modern złoty, which has already a history of 80 years.

Dr. Grzegorz Wójtowicz

All collector coins are legal tender in Poland.