

Coins

– HISTORY OF THE POLISH ZLOTY – 10 zł Coin from 1932



face value	10 zł
metal	925/1000 Ag
finish	proof
diameter	32.00 mm
weight	14.14 g
mintage	61,000 pcs

Obverse: On the left-hand side at the top, an image of the Eagle established as the emblem of the Republic of Poland. Above, a semicircular inscription, RZECZPOSPOLITA POLSKA. On the right-hand side an image of the obverse of the 10 zł coin from 1932. Above, on the right-hand side, the notation of the year of issue, 2006. In the background a stylised image of the front office of the seat of the National Bank of Poland at Bielańska street. At the bottom, an inscription, 10 ZŁ. Under the Eagle's left leg, the mint's mark, $\frac{m}{w}$.

Reverse: On the right-hand side the image of the reverse of the 10 zł coin from 1932. At the bottom, on the left-hand side, stylised images of four peacock feathers. At the top, on the left-hand side, an inscription, DZIEJE ZŁOTEGO (History of the Polish Zloty).

Coin designer: *Andrzej Nowakowski*



face value	2 zł
metal	CuAl5Zn5Sn1 alloy
finish	standard
diameter	27.00 mm
weight	8.15 g
mintage	1,000,000 pcs

Obverse: An image of the Eagle established as the emblem of the Republic of Poland, on the sides of the Eagle the notation of the year of issue, 20-06, under the Eagle an inscription, ZŁ 2 ZŁ, on the rim an inscription, RZECZPOSPOLITA POLSKA, preceded and followed by six pearls. Under the Eagle's left leg, the mint's mark, $\frac{m}{w}$.

Reverse: On the right-hand side an image of the reverse of the 10 zł coin from 1932. In the background a stylised image of a willow twig. At the top a semicircular inscription, DZIEJE ZŁOTEGO (History of the Polish Zloty).

On the edge: An inscription, NBP, eight times repeated, every second one inverted 180 degrees, separated by stars.

Obverse designer: *Ewa Tyc-Karpińska*

Reverse designer: *Andrzej Nowakowski*



Coins struck by the Mint of Poland plc. in Warsaw.

Printed by NBP Printing Office

On 29 March 2006 the National Bank of Poland is putting into circulation coins of the „History of the Polish Zloty” series. The coins, presenting the 10 zł coin from 1932, are of the following face values:

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

The issue of collector coins of the „History of the Polish Zloty” series, which was started in 2004 and continued throughout 2005, interested great many collectors. Now a next offer is addressed to them – coins with an image of the interesting ten-zloty coin from the interwar period.

In the course of many centuries, money users became used to the fact that they handled coins made of precious metal, gold or silver. It was equally important for gold or silver to come in adequate amount in accordance with the face value of the coin. When after the Swedish deluge copper szelags and Polish zloties with small amount of silver entered the circulation in the Polish-Lithuanian Commonwealth, the indignation was great and general. Few understood then that our treasury was empty and silver simply scarce. Later, the paper money became more and more widespread, though it was always greeted with distrust, and the recipient usually gained a little confidence only after spotting that the banknote carried an inscription guaranteeing the possibility of its unlimited exchange for gold coins. In the Polish state restored after the period of partitions paper Polish marks entered the circulation. The inscription they held inspired hope for the future: „The Polish state takes upon itself the responsibility for the exchange of the present bill for the future Polish currency...”.

Hope apart, life is life and takes its own rapid course. Due to the needs of the state and the economy, the necessity appeared of huge issues of Polish marks. This led to an accelerating increase in prices exceeding several dozen per cent a month, i.e. to hyperinflation. Polish marks were becoming useless as money of circulation. They were exchanged for zloties in 1924 and the zloty was assigned the value of 0.290322 g of pure gold. The very name of the

currency and its gold parity, equal to the golden Swiss frank, gave confidence. Just in case, also silver coins were struck, which placated the need for the shine of precious metal. Admittedly, in 1925 some gold coins were struck, but they did not enter the circulation.

Economic difficulties, which occurred after the currency reform of 1924, brought a change of the ambitious parity. Since autumn 1927, taking into account the market reality, the value of zloty was lowered to 0.1687914 g of pure gold, i.e. by 42%. The link of zloty to gold still carried a lot of psychological weight. The Bank of Poland, which was the issuer understood it perfectly well, and in the report for 1929 we read: „The purpose of gold in the issuing Bank consists above all in instilling and maintaining in the society a belief that the national currency is good and that it can and should be trusted.”

Gold, covering in part the money circulation was being amassed in bank treasuries. On the daily basis the user could please the eye with the shine of silver coins. In 1924 when the zloty entered the circulation, it was assumed to be equivalent to 3.75 g of pure silver. In 1927 when gold parity was lowered, the amount of silver was lowered as well to 2.7 g of pure silver per zloty. At the end of 1932 once again the amount of silver in one zloty was decreased to 1.65 g of pure silver. This means that within eight years the silver coin lost 56% of the precious metal content. Also the purchasing power of the coin – in line with the turbulent times, which saw the Polish economy move through various stages of development – underwent dramatic changes. By way of example, in 1924, one zloty would buy what today costs about 5 zloties. Then came another inflation. Prices rose and in 1928 the purchasing power of 1 zloty dropped to about 3.50 zloties in present prices. Since 1929, in the period of the Great Depression, there was a decline in production, consumption and investment. A deep deflation took place. Prices dropped, sometimes even several dozen per cent. The most dramatic year in this respect was the 1933, but the drop in prices continued until 1936. At that time one zloty had the purchasing power of today's 7.50 zloties. Till the outbreak of the Second World War there were no major price

changes. The subsequent low inflation brought the purchasing power of 1 zloty down to about present 7 zloties. The functioning of the zloty since 1924 to 1939 is a fascinating topic, particularly for the successive generations of economists. It allows one to learn about rather complicated interrelationships between the economy and money and to draw conclusions, which are very practical also from the present and future economic perspective.

It seems that this particular period in the history of the Polish zloty already enjoys considerable popularity among the growing circle of collectors. The silver coins – 43 circulation coins and 45 commemorative ones – constitute a rather interesting set. One of the most interesting among them is the coin made according to the design by Antoni Madeyski (awarded a prize in a contest in 1925 already) with an image of the profile of a woman's head in a scarf and with a wreath, against the background of corn ears radially arranged. This coin of the face value of 10 zloties and containing 16.5 g of pure silver was struck in the amount of 12.5 m pieces. Initially, in 1932, the London mint struck 6 m pieces (when on a short notice a specified amount of coins had to be put into circulation, it was common practice to commission foreign mints for this task). The remaining part of the mintage was struck, however, in the mint of Warsaw – 3.1 m pieces in 1932 just as the first batch and 3.4 m pieces the following year. The coin had a big purchasing power. In 1932 it was equivalent to 54 zloties of today. Afterwards, due to a deepening deflation, the purchasing power of the ten-zloty coin kept rising, in 1936 reaching the equivalent of 75 zloties of today. The coin remained in circulation till the outbreak of the Second World War.

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All coins issued by the NBP are legal tender in Poland.