

Those Unexpected Instant ROI Discoveries

Submitted by Judy Blackman

My First ROI Discovery

Recently during one of my monthly visits to Colonial Acre Coins in Kitchener, I was able to procure some unusual items ("unusual" anything, always interests me). I purchased two mint cased 1982 Poland unc 1000 Zlotych Polska Rzeczpospolita Ludowa polished silver coins for only \$3.50 each. My interest was because they have Pope John Paul II on them, and I like Papal currency. In researching the history further, I discovered they may be a little rarer than I had thought, so I checked them out on the internet and lo and behold opening bids were U.S. \$9.99 and as of May 21st, 2008, they had already reached U.S. \$61 and the bid had not yet closed. So my $\$3.50 \times 2 = \7.00 investment seems to have a market value of at least U.S. \$122 combined total, quite a return! So why might these be important collectibles? Let's review Poland's history (most of this I was able to get directly from the mint in Poland):



Until December 31, 1944, the bank had a monopoly for printing currency, with gold reserves of 40% or higher. The dividend could not exceed 8% of income. In the event of a higher income, the state treasury had the right to 50% to 66% of it. Prior to the invasion of Poland in 1939, all the gold reserves were evacuated from Poland to Paris, then to London and on to Canada. The Bank continued to function in exile, as the central bank of the Polish Government in Exile, and financed most of the Polish armed forces. In 1946 the remaining prewar gold reserves were returned to Poland's new communist authorities, while the Bank of Poland itself was closed down and finally in 1952 absorbed by the newly-created Polish National Bank.

The latter was one of two banks allowed to operate in Poland's postwar planned economy. It had a monopoly for currency, credits and accumulation of savings. The other bank, *PKO Bank Polski*, was responsible for private accounts. After the fall of the communist system in 1989, the market economy was reintroduced and the *NBP* limited its functions to currency control and supervision of other, privately-controlled banks.

World War Two (1939-1945)

During the Second World War Poland was divided again. The Russians introduced their own currency in the part of Poland that was under their control. Many people were arrested and sent to the USSR. Their property was confiscated. There was collectivisation of agriculture and supply shortage. The Nazis wanted to make the part of Poland they occupied uniform both when it comes to politics and economy. They confiscated the land and took over Polish factories. Poland suffered the heaviest losses in the world. Six million of Polish citizens lost their lives. Factories, farms, and transport machines were devastated.

Development and decay of Socialist Realism (1944/45-1984)

1. Political transformations and the change of state boundary (1944/45-1946)

As a result of international agreements the state boundary changed. Poland gained quite a big territory which had belonged to Germany. These lands were devastated to a large extent. They were inhabited mostly by the Germans. Industrial production gradually increased. There were obligatory supplies of materials used in agriculture. New zloty was introduced. In 1945 the National Bank of Poland was created. In 1944 an agrarian reform was carried out. This reform brought about serious changes in the political, social, and economic situation of the country. The management of factories

was handed over to workmen's committees, and industry was nationalized. This resulted in a change of the distribution of property. Capitalism and exploitation of people it promotes were severely criticized. The results of the presidential election in 1947 were falsified, and a Communist, Boleslaw Bierut became president.

2. Implementation of programmes the aim of which was to rebuild economy (1947-1949)

In 1945 the Central Office for Planning was created, and it drew up a programme to rebuild the country's economy. The three-year programme was created. Its aim was to improve the standard of life in Poland, remove the damage done during the war, and increase industrial and agriculture production so that it would be bigger than before the war. Having solidified their power, the Communists started to transform the political and economic system in Poland, modelling it on the USSR. An increase in employment resulted in a rise in industrial production. The authorities started to limit private trade by means of administrative measures.

3. Creating the bases of Communism (1950-1955)

Poland submitted to the political and military domination of the USSR. The authorities aimed at the intensification of industrial production and created a new programme, the six-year programme. It aimed at fast development of industry and transforming individual farms into collective ones. The heavy industry developed, and especially shipbuilding, car industry, the metallurgic, and plastics industry. In the period during which the six-year programme was being implemented living standards in Poland deteriorated. There was a constant shortage of supplies and ration cards for food were used.

4. Attempts to create Poland's own form of Communism (1956-1975)

The inefficiency of Soviet economy and society's dissatisfaction with it led to changes in the Party's policy. After Stalin's death workers and intellectual elites started to show their feelings openly. After the strikes in 1965 Wladyslaw Gomolka became the first secretary. This resulted in changes in economic policy – the Party's interference with economy was weakened, there were more supplies, and the collectivization of agriculture was abandoned. However, the improvement of the situation was very short-lived. The transformations were stopped in 1957. Economic stagnation was more and more evident. In 1970 prices rose drastically. Society reacted to this by taking strike action in the coast. The strike was quelled. Wladyslaw Gomolka was demoted and Edward Gierek became the first secretary. What followed was an economic revival – the situation in agriculture improved, workers' salaries rose, and consumption (of e.g. meat) increased. The authorities decided to speed up the process of industrialisation.



5. Decay of the Communist system (1976-1989)

The first symptoms of an economic crisis were visible in 1976. After prices went up workers went out on strikes and organized manifestations. The changes that followed were only temporary. The international trade deficit increased. Debts were incurred abroad. There was a crisis in agriculture. In 1980 the prices of meat rose unexpectedly, which dissatisfaction among society. The workers of the Gdansk Harbour took strike action under the leadership of Lech Walesa. The Solidarity (Solidarnosc) movement started. In 1981 the situation was really bad. There were no goods in shops. Wojciech Jaruzelski became Prime Minister. On 13 December 1981 he declared that Poland was in state of war. Young and educated people started to leave the country. In 1989, under the pressure of Polish society, the Communists agreed upon the talks with the opposition (the talks of the 'Round Table') and upon a free (partly) election, which they lost. A new government was created and it started a reform aiming at free-market economy.

V. Development of free-market economy (1990-2005)

The transformations which started in 1989 led to the development of free-market economy based on free competition. In order to be successful the whole transformation required privatization and the development of small and medium companies. The process of privatization and restructuring has been very difficult and time-consuming. There are still many big state-owned companies which need to be privatized, mainly in the metallurgic, chemical, mining and engineering industry, as well as in transport, and the energy and gas sectors. During the last decade of the 20th century the private sector developed substantially in Poland, and in 2000, 70.4 % of GDP was achieved by this sector. Since 1995 Polish economy has been developing quite fast, and the increase rate has equalled 4.4% in the last decade. In 2001, the development was slower. However this was true not only about Poland but about the whole world. Between 1995 and

2002 GDP increased, and in 2002 it equalled 772 248 million zloty. While GDB decreased in the building sector, the processing industry, and the mining industry, it rose in the transport and communication sectors. In recent years, more and more foreign investors have come to Poland. In 2002, 65 114.6 million USD has been invested in Poland. The majority of foreign investors come from France, the USA, and Germany. Despite the dynamic development of some sectors, there are still many problems that have to be faced. The biggest problem is unemployment (2002: 18.1%) and budget deficit. However, on the whole, there are plenty of opportunities for foreign investors in Poland.

My Second ROI Discovery

The other discovery also came in its own jeweller's case and is beautiful. The case is from Matthias Heinrich Jeweller & Goldsmith Sallstr./Ecke Lutherstraße 59, 3000 Hanover 1 hat viele Zder aus Th. And it's a 1977 50 Spielbank (German for Casino) Bad Pyrmont (name of Casino) in Hanover Germany. It's a Special chip / medallion the casino had made up. One of the Bad Pyrmont Casino theatres in Hanover closed in 1998 but I believe the other still operates. Since mostly my father and grandfather only swore at me in German and Polish growing up, I have much difficulty making out some of the information I was able to find on this as it's all in German, and my electronic converter was unsuccessful. I was able to find on the internet where one of these (a more current year) went for U.S. \$45. Now I paid \$7.50 for this, and of course I didn't even know if it was a coin or not at the time. I will likely research this further, and for those who collect tokens and medallions, you may see it show up in an upcoming club auction. Below are photos from Bad Pyrmont, however, my medallion is actually very bright, proof-like, new in the original case, uncirculated, and may be polished silver.

