

= Flowing Hair dollar =

The Flowing Hair dollar was the first dollar coin issued by the United States federal government . The coin was minted in 1794 and 1795 ; its size and weight were based on the Spanish dollar , which was popular in trade throughout the Americas .

In 1791 , following a study by Alexander Hamilton , Congress passed a joint resolution calling for the establishment of a national mint . Later that year , in his third State of the Union address , President George Washington urged Congress to provide for a mint , which was officially authorized by the Coinage Act of 1792 . Despite the authorization , silver and gold coins were not struck until 1794 . The Flowing Hair dollar , designed by Robert Scot , was initially produced in 1794 , and again in 1795 . In October 1795 the design was replaced by the Draped Bust dollar .

On January 24 , 2013 , a specimen striking from the 1794 production sold for \$ 10 @, @ 016 @, @ 875 , the highest price ever paid for a coin .

= = Background = =

Beginning in the 1780s , a number of prominent Americans called for the establishment of a central mint to supply the United States with official coinage ; all such proposals failed due in large part to lack of funds and opposition from individuals and groups who preferred that coins be struck by the individual states . Since there were no federal coins issued , the needs of the states were fulfilled by a variety of domestic and foreign coins and tokens , including Spanish eight @-@ real coins (popularly known as Spanish dollars or pieces of eight) .

In 1789 , the United States Constitution , which granted Congress the power " to coin Money , regulate the Value thereof , and of foreign Coin , and fix the Standard of Weights and Measures " , was ratified and came into force . The following year , Congress began deliberating on the state of the nation 's monetary system and coinage . On January 28 , 1791 , Treasury Secretary Alexander Hamilton presented a report to Congress detailing the findings of a study he had conducted on the monetary system and the potential of a United States mint . As part of his study , Hamilton had a series of assay tests of Spanish dollars performed , as that was the coin upon which the United States monetary system would be based . After viewing the results , the secretary recommended that the silver content of the United States dollar be based on the average silver content of the reales tested . Hamilton 's recommendation was that the dollar should contain 371 @. @ 25 grains of silver and have a gross weight of 416 grains , the balance being copper . On March 3 , 1791 , after reviewing Hamilton 's report , Congress passed a joint resolution authorizing a federal mint ; the resolution , however , gave no specifics or appropriations .

= = Establishment of the Mint = = =

In his third annual address to Congress , later known as the State of the Union address , delivered on October 25 , 1791 , in Philadelphia , President George Washington urged members of Congress to put the joint resolution approved earlier that year into immediate effect :

The disorders in the existing currency , and especially the scarcity of small change , a scarcity so peculiarly distressing to the poorer classes , strongly recommend the carrying into immediate effect the resolution already entered into concerning the establishment of a mint . Measures have been taken pursuant to that resolution for procuring some of the most necessary artists , together with the requisite apparatus .

In response , the Senate appointed a committee chaired by Robert Morris to draft the necessary specifications and legislation that would officially create a federal mint and coinage . The committee presented a bill before Congress on December 21 , 1791 , which stated in part that the new dollar coin (which was to form the basis of the United States monetary system) should contain 371 grains of silver and a total weight of 416 grains , as Hamilton had earlier recommended . The new silver coins were to be struck in an alloy containing 1 @, @ 485 parts out of 1 @, @ 664 (about 89 @. @ 24 percent) fine silver , with the remainder copper , intended to equal the silver in Spanish dollars .

However , an assay of the Spanish dollars was in error ? they were in fact 65 / 72 silver (about 90 @. @ 28 percent) with the remainder copper .

One provision in Morris ' legislation called for President Washington to be depicted on the obverse side of every coin struck by the new mint . The bill passed the Senate after debate , but it was altered in the House of Representatives to instead call for the head of an allegorical figure representing Liberty to appear . Upon returning to the Senate , the upper house insisted on its version of the design provision . The House rejected the provision for the second time and passed another version of the bill , after which the Senate concurred . The law , known as the Coinage Act of 1792 , was signed into law on April 2 , 1792 , by President Washington . The Act provided for the creation of the United States Mint , and appropriated money to meet the cost of construction of an appropriate facility , and for salaries for employees and officials . The denominations sanctioned under the Act were half cents , cents , half dimes , dimes , quarter dollars , half dollars , dollars , quarter eagles , half eagles and eagles . On July 31 , 1792 , the foundation stone of the Philadelphia Mint was laid by newly appointed Mint Director David Rittenhouse . Machinery and personnel began occupying the new building by September 1792 , and production began on cents in February 1793 . In the first year of production at the Mint , only copper coins were minted , as the prospective assayer could not raise the required \$ 10 @, @ 000 surety to officially assume the position ; the 1792 Coinage Act stated that both the chief coiner and assayer were to " become bound to the United States of America , with one or more sureties to the satisfaction of the Secretary of the Treasury , in the sum of ten thousand dollars " . Later that year , Secretary of State Thomas Jefferson appealed to Congress that the amount of the bonds be lowered . On March 3 , 1794 , Congress lowered the bonds to \$ 5 @, @ 000 and \$ 1 @, @ 000 for chief coiner and assayer , respectively .

= = Production = =

= = = Design creation = = =

Early in 1794 , engraver Robert Scot began preparing designs for the silver dollar . Scot 's initial design depicted a bust of Liberty , while his reverse featured an eagle , both required by the 1792 Coinage Act . Scot 's design closely followed his design for the cent , but with the Phrygian cap removed . Government officials later instructed Scot to include a wreath around the eagle and to move the denomination from the reverse face to the edge of the coin . After receiving approval , Scot began engraving the hubs for the new silver dollar . Extra care was taken during the engraving of this denomination , because the dollar would be the largest American coin , and would thus receive the most scrutiny from foreign nations . The lettering was executed by Frederick Geiger , who had worked as a typographer for various books and newspapers . After the dies were created , several copper test pieces were struck . Officials decided to add fifteen stars around the periphery , representing the fifteen states that had ratified the Constitution to that point , to the right @-@ facing Liberty on the obverse .

= = = Minting = = =

Now that mintage of the silver denominations could begin , the Mint began seeking depositors to bring in silver and gold bullion to be coined . After receiving several deposits , assayer Albion Cox notified Rittenhouse of his beliefs that the .892 standard approved for silver coinage was difficult to produce and that it would darken if put into circulation . Instead , Cox recommended that the purity be modified to .900 fine , but also that the weight be kept at 416 grains . This meant that the new alloy was contrary to statute and that all depositors would be overcharged for their silver bullion deposits , as there was a higher silver content in the coins than was allowed by the Coinage Act of 1792 . The Mint 's action cost suppliers of silver about one percent of their deposit ; the largest depositor , John Vaughan , reckoned his loss at \$ 2 @, @ 260 . Congress approved his petition for

reimbursement in 1800 , after several delays .

Before the coins could be struck , the edge lettering and devices had to be impressed on the edge of the planchets . This action was performed with a device known as the Castaing machine ; the machine stamped the edge with the words " Hundred Cents One Dollar or Unit " along with ornamentation . As production was inexact , many planchets intended for silver dollars were overweight . This was remedied by filing the face of the planchets ; for this reason , the coins vary in weight more dramatically than later issues , which were minted with more precise equipment .

The first silver dollars were struck on October 15 , 1794 . The silver used for the 1794 dollar coins came from part of a large quantity of French billon coins deposited by the Bank of Maryland ; as they were of a lower fineness than required , refining was necessary . In total , 1 @, @ 758 acceptable silver dollars were produced in 1794 . Those which were deemed unsuitable for circulation were either melted or restruck in 1795 . The 1 @, @ 758 coins that were officially delivered by Chief Coiner Henry Voight , though acceptable , struck poorly due to the press that was used during early production at the Mint , which was a man @-@ powered screw press intended for use on coins no larger than a half dollar .

All acceptable 1794 dollars were paid to Rittenhouse . In an attempt to help circulate the coins , Rittenhouse spent many of the new coins and traded them for foreign coins to market the new products of the Mint . Others were distributed to VIPs and distinguished visitors to the Mint . After the initial production , Rittenhouse ordered all dollar coin production to end until Mint personnel could build a more powerful press that would be capable of better striking the coins . The New Hampshire Gazette wrote of the new dollar coins on December 2 , 1794 @, @

Some of the new dollars now coining at the Mint of the United States have found their way to this town . A correspondent put one in into the editor 's hands yesterday . Its weight is equal to that of a Spanish dollar , but the metal appears finer ... The tout ensemble (entire design) has a pleasing effect to a connoisseur , but the touches of the [en] graver are too delicate , and there is a want of that boldness of execution which is necessary to durability and currency .

The new coinage press was completed in early 1795 , and the first group of dollars , totalling 3 @, @ 810 coins , was delivered on May 6 . The coins struck on May 8 may have borne a 1794 date . A number of 1795 dollars (along with one 1794 issue) are known to have been struck with a silver plug set into the center , measuring approximately 8 millimetres (0 @. @ 31 in) . It is believed that this was done to correct the weight of underweight planchets . The total mintage for the second and final year of production is estimated at 160 @, @ 295 . In total , 203 @, @ 033 silver dollars were struck in 1795 , but it is unknown exactly how many of those were of the Flowing Hair type , as the Draped Bust dollar succeeded it in October 1795 ; the Draped Bust dollar was designed by portraitist Gilbert Stuart at the behest of Rittenhouse 's successor as Mint Director , Henry DeSaussure .

= = Collecting = =

Throughout its history , the 1794 dollar has widely been considered one of the rarest and most valuable of all United States coins . In a September 1880 issue of The Coin Journal , the author noted that a good quality specimen of the 1794 dollar was valued at fifty dollars . In the early 1990s , numismatic historian Jack Collins estimated the surviving number of the coins to be between 120 and 130 . In 2013 , the finest known example , which was among the earliest coins struck and was prepared with special care , was sold at auction for \$ 10 @, @ 016 @, @ 875 , the highest selling price of any coin in history . The dollar was graded Specimen @-@ 66 by the Professional Coin Grading Service , noting the special conditions under which it was struck . The coin , which had previously been owned by Colonel E.H.R. Green , was sold by Stack 's Bowers Galleries in a public auction in January 2013 . It was previously sold in 2010 for what was then a record sum of \$ 7 @. @ 85 million , to the Cardinal Collection Educational Foundation . Steven Contursi , a former owner of the coin , said that it was a " national treasure " and that he was proud to have been its " custodian " from 2003 until its sale in 2010 . Martin Logies , representative of the foundation that purchased the coin , said that of all the rarities he had seen , he believed that one was the " single most important

of all " .