

# THE HISTORY OF THE UNITED STATES SILVER DOLLAR

By Richard Giedroyc

The silver dollar was a natural denomination to be adopted by the fledgling United States.

The tradition of the so-called "crown" size coin dates from the late 15th century when significant silver finds in Germany and central Europe were struck into 'talers'. The word 'taler' has been translated into many languages where the crown size silver coin has been used. Among these translations are 'daler', 'daalder' and dollar. The word 'dollar' is not unique to the United States, nor was it first used here. James VI of Scotland struck a 30-shilling coin between 1567 and 1571 generally called the Sword Dollar due to his depiction on the obverse holding a sword. The Double Merk of 1578 is called the Thistle Dollar. Charles II of England (1660-1685) struck a dollar denomination coin for Scotland. Fractional denominations were in half, quarter, eighth and sixteenth dollar denominations. Spain issued crown size silver coins in the denomination of 8 reales. Spanish colonial American Mints struck silver mined in Central and South America into 8 reales and smaller denominations, most of the coins shipped back to Spain. The 8-reales coins not exported to Spain were used in local commerce in the New World, some of them eventually arriving in the English colonies along the Atlantic coast.

In the 13 original colonies the 8-reales coin was popularly referred to as a milled dollar. Considering the Royal Mint did not provide the necessary coins needed for local commerce the American colonies used any foreign specie available. The Spanish milled dollar was typically what was available. It was so popular that the coin was finally formally demonetized through an act of Congress in 1857. The tradition of the fractions of the dollar which was initiated during the reign of Charles II became popular. Although smaller or fractional denomination Spanish colonial American coins were sometimes available, many of the 8-reales coins were cut into pie shaped halves, quarters, eighths and sixteenths to make change. These are the famous "pieces of eight" of romantic literature.

The United States settled on a decimal currency system rather than the cumbersome pound sterling system of Great Britain or the awkward denomination system based on the silver 8 reales and gold 8 escudos of Spain. Within the American colonies Maryland was the first to issue paper money in dollar denominations in 1766. In 1775 the Continental Congress printed paper money again in the dollar denomination.

The tradition of the U.S. dollar denomination coin was born with the pewter, brass and silver composition 1776 Continental dollar coin varieties. These coins are generally accepted to have been patterns rather than circulation coins, but they paved the way for the tradition of a dollar denomination coin.

Thomas Jefferson was among the proponents for a silver dollar coin as early as 1785. These were difficult economic times for the young country. The Spanish 8-reales coin filled the need in the absence of a U.S. Mint and federally issued currency.

When Secretary of the Treasury Alexander Hamilton presented Congress with a report on a Mint and a monetary system, a dollar coin with the approximate weight and purity of the Spanish milled dollar was taken into serious consideration. The very first statute of the Mint Act of April 2, 1792, authorized striking of silver dollar denomination coins. Our federal coinage actually begins in 1792 with what could be argued to be patterns, regular production of some denominations commencing during 1793.

## **The first U.S. Silver Dollars were struck in 1794**

The silver dollar denomination was delayed until 1794, in part due to a problem in requisitioning the necessary silver. Secretary of State Jefferson rather than Secretary of the Treasury Alexander Hamilton had initially been placed in charge of the Mint. Since this caused a personal problem between the two men, Hamilton did not cooperate in the necessary requisitions for bullion for striking these coins.

It isn't known for certain, but it appears the dies for the Flowing Hair silver dollar of 1794 to 1795 may have been made as late as September 1794. Mint Engraver Robert Scot designed the initial U.S. silver coins, including the Flowing Hair silver dollar. No one knows for certain, but Scot may have used Engraver Joseph Wright's eagle design from the 1792 pattern quarter dollar coin for the eagle on the reverse of the first silver dollar coin. The initial silver dollar coins are struck of 26.96 grams of .8924 fine silver alloyed with copper. The diameter is about 39 to 40 millimeters with a lettered edge reading HUNDRED CENTS ONE DOLLAR OR UNIT. The Spanish colonial American 8-reales coin beginning in 1772 has a weight of 27.07 grams of .903 fine silver. With this in mind and the fact Congress ruled the 8 reales was to circulate on par with the new dollar coin, the silver dollar coin would in reality circulate at a discount to the so-called Spanish milled dollar or would fail to be accepted in commerce at all.

The 1794 and 1795 Flowing Hair silver dollars are known for adjustment marks, usually found along the rim. Denticles are occasionally pushed up in places due to the edge lettering machine. The quality of the some of the planchets used was inferior. All of these qualities should be observed when considering a purchase or sale of this coin type. There was difficulty in striking these first silver dollars to a presentable quality. Look for a weakly struck obverse at about 6 o'clock with corresponding weakness on the reverse at the same point. The press used to produce these coins was actually meant for half dollar production. The dies were cut into shallow relief to accommodate striking, but this did not always succeed.

A new silver dollar press was constructed, but this wasn't ready until 1795. Rejected silver dollar coins dated 1794 are known as the host planchets for 1795 strikes. The date is not established for certain, but it appears the Flowing Hair design was replaced with that of the Draped Bust with Small Eagle reverse around September 1795, ending this first silver dollar series as a two-year type coin.

Milford Henry Bolender's book "The United States Early Silver Dollars from 1794 to 1803" should be referenced regarding the many varieties of these first two dates in the silver dollar field.

## **New Draped Bust design introduced in 1795**

The Draped Bust silver dollar coin design begins in 1795 and continues through 1803 with two distinct reverse types (the 1804 Draped Bust, Heraldic Eagle silver dollar is a separate entity and is discussed elsewhere).

The reasons for the change in designs midway through 1795 are not known, but there were some political situations that may have encouraged a change in designs to send a message in much the same way Spanish colonial American 8-Reales or milled dollar coins were changed from a pillars and hemispheres design to that depicting the Spanish king to indicate a coinage reform had taken place. The standard being used to strike US silver coinage was actually illegal. Although the silver dollar couldn't compete on par with the Spanish milled dollar due to the lower weight and purity of the silver in the dollar, according to law the silver dollar was actually supposed to be even lighter. Following the letter of the law, the dollar struck by the United States was supposed to be of 371.25 grains of silver

rather than 374.4 grains to which it had been struck in 1794 and early 1795. If the law was followed properly, this conformed to a ratio of 15 to 1 for silver to gold. In fact the ratio was 15.13 to 1. It appears Secretary of State Thomas Jefferson, who was in charge of the Mint, and President George Washington both learned of this impropriety in the fall of 1795, perhaps about the time the Flowing Hair silver dollar production stopped. David Rittenhouse, the initial director of the Mint, left his post June 30, 1795 due to ill health. A Washington colleague, Henry William DeSaussure, replaced him in July. DeSaussure was informed of the problem with the weight of the silver dollar and all other silver coins in regard to what was stipulated in the law. DeSaussure did not correct the oversight, but instead continued the silver purity and weight of U.S. silver dollars as in 1794 and early 1795. DeSaussure did, however, take steps to redesign all the silver denominations. It is possible DeSaussure was displeased with the design and the production problems of the early coins. The design change of 1795 may have been for this reason, but nothing is known for certain. If the design change was meant to indicate a reform of the weight of the coins, why didn't he correct the problem? The new Draped Bust obverse was based on a drawing of Mrs. William Bingham (nee Ann Willing) by artist Gilbert Stuart, the design given to Mint Engraver Robert Scot. Local Philadelphia artist John Eckstein was paid \$30 to design the Small Eagle reverse (in 1795, a Philadelphia artisan made \$9.96 for a six-day work week). Production of the newly designed silver dollar commenced in October 1795

DeSaussure did not remain as Mint director for long. He resigned following political infighting with Congress, which considered the Mint too costly and wanted to close it in favor of having our coins struck elsewhere. DeSaussure may have made some statement through the new design introduced during his tenure, but it was Elias Boudinot who would be Mint director when the coins were produced. Adjustment marks continue to appear on some specimens of silver dollars throughout the Draped Bust series, but the coins are, in general, superior strikes to those of the previous Flowing Hair silver dollar design.

All Draped Bust, Small Eagle silver dollars are tough to find and desirable. There are two major varieties of the 1795 coins. The mintage is modest at 42,738, a low mintage even for that time.

### **Bullion deposits increase**

The amount of bullion deposited with the Mint and the priority of the Mint director to strike minor denomination silver coins during 1796 led to an increased but still reasonably low mintage figure of 72,920 silver dollars. It should be realized the Royal Mint in Great Britain was ignoring small change coins almost entirely at the same time, resulting in the first of several rounds of the many merchant tokens to be found. Boudinot may have been aware of this and may have wanted to avoid such a situation in the United States. There are more varieties of the 1796 than 1795 dollar coin to be collected.

The mintage of 1797 was ridiculously low for all silver coin denominations. There were only 7,776 silver dollars struck that year. A lack of silver bullion being deposited at the Mint can be blamed for the situation. Philadelphia merchant John Vaughn was a large depositor of silver with the Mint. He didn't help the situation when during 1796 he learned of the illegal weight standard used to strike the coins and demanded about \$2,300 in bullion coins for which he believed he had been shorted through this practice. His demand was not satisfied until 1800 after Congress intervened in the dispute. In the meantime, publicity surrounding the dispute affected the amounts of silver being deposited with the Mint.

Despite the very low mintage of the 1797 silver dollar, there are a number of major die varieties caused by the positioning of the stars on the obverse on different dies. It is also understood the 1797-dated silver dollars may in fact have been struck outside the calendar year. This was not uncommon at this time (The 2000 Sacagawea dollar coin began production in November 1999, yet all are dated 2000). In November 1797, the Bank of

North America delivered about \$30,000 worth of French silver coins to the Mint with the stipulation the silver be coined into silver dollars and returned to the bank. Although this meant the general public might not benefit from 1798 and 1799 production of silver dollars from this silver, the mintage figures would increase accordingly.

The mintage of 327,536 silver dollar coins in 1798 is dramatic compared to earlier production figures. In 1799 the only silver denomination struck at the U.S. Mint was the silver dollar, with a mintage of 423,515 pieces. As with the earlier issues, it isn't clear if the coins struck for a particular year carry that date on the obverse. Mint reports typically reflect the number of coins shipped rather than the number of coins produced. The 1798 Draped Bust, Small Eagle coin is more difficult to find than is the 1798 Draped Bust, Heraldic Eagle silver dollar. The reason for the change from the Small Eagle to the Heraldic Eagle during 1798 is not documented; however the gold \$2.50 quarter eagle of 1796 began with this Heraldic Eagle reverse. The reverse of the silver denominations was changed following this improvement on the new gold denomination, but not all at once. The change may have been enacted to the silver dollar to make the coinage more consistent in appearance. The change may have been an important propaganda move considering European coins of the time depict heraldic reverses. No change in weight or purity accompanied the change in this reverse design, although silver U.S. coins were still technically struck to the wrong weight.

The Mint had problems during 1798 and 1799. Hygiene in Philadelphia was inferior to what we expect today. Yellow Fever raged in the city during the summer of both years, shutting down the Mint and sending all citizens that could afford to leave to head for the country while the poorer inhabitants were forced to stay and face the plague. Considering the confusion surrounding the disease and the inconsistent periods during the summer when the Mint was open it shouldn't come as a surprise that dies were taken at random to be used in coining machines rather than in the usual orderly manner. Trying to follow die progressions and die matches can be difficult for this reason, as dies were sometimes taken out of turn for use in striking coins.

There are numerous minor 1798 silver dollar varieties to collect.

In 1799 the first overdate, 1798/9 is found in the dollar coin series. There are at least 11 obverse and 17 reverse dies used in at least 23 different variety combinations for the 1799 dollars. Silver deposited with the Mint from sources other than the Bank of North America improved in 1800, resulting in a substantial number of dollar coins being struck. The American economy was in a downturn, however the Mint was under no obligation to send the silver dollar coins to a single depositor. At least 16 varieties of the 1800 silver dollar exist, perhaps the most interesting being the reverse with the misspelling AMERICAI. The dollar denomination was the only silver coin struck at the Mint between 1798 and 1800. The reasons aren't entirely clear, but the sluggish American economy probably had a lot to do with it. The public and Congress began making greater demands on the Mint into the early part of the 19th century. Congress sometimes blamed the Mint unfairly for things it couldn't control such as the amount of gold and silver it received as deposits. Producing small change silver coins was a problem for the Mint because most silver depositors demanded silver dollars in return for their metal.

Production of 1801 silver dollars dropped simply because the amount of silver received declined.

The mintage of 1802 was even smaller, the Mint director trying to encourage bankers to order smaller denomination silver coins with little success. The dies for striking silver dollars improved dramatically in 1800. So did the quality control as the number of varieties to be collected declines significantly at this time.

The 1803 issue improved from 1802 due to more silver deposited at the Mint, however the Mint director favored producing half dollars where possible. No silver dollars were delivered from the Mint between the end of June and Dec. 12. The Yellow Fever may have been a factor during part of this time, but the Mint director's change in preferences was also a factor. Boudinot did allow silver dollar production to resume in December 1803 and continue through March 27, 1804. All coins struck during this period are dated 1803, with a possibility existing of some coins being struck with even earlier dates. It is important to understand no silver dollar coins dated 1804 were struck at this time. The massive export of silver dollars during the early 19th century finally led to the decision to stop production of the denomination. No further silver dollar coins would be struck until the 1830s.



[Flowing Hair Type](#)

[\(1794-1795\)](#)

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[Draped Bust Type](#)

[\(1795-1804\)](#)

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[Seated Liberty Type](#)

[\(1840-1873\)](#)

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Trade Dollar

(1873-1885)

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[Morgan Type](#)

[\(1878-1921\)](#)

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[Peace Type \(1921-1935\)](#)

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