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## Lotteries

Small groups of papers relative to lotteries have been found in many of the collections of business records which have come to the Society and to Baker Library. The items include account sheets, letters, lottery tickets, and broadsides advertising lotteries. When brought together they offer some interesting information on the subject.

At one time money raised through lotteries formed an appreciable portion of the revenue in many countries. This was true in spite of the fact that it is, beyond question, the most costly form of taxation. Professor Channing, in his History of the United States, estimates that, in general, out of the money paid to lotteries, one-half went to the managers, one-third to the buyers of tickets in the form of prizes, and the remaining one-sixth went to the beneficiary. This type of tax had only one virtue. It was cheerfully paid.

From the beginning, lotteries played a part in the history of the colonies. In 1612, the Virginia Company of London was given power to erect a lottery, which might continue for the period of one year, to raise funds for the new colony. After the establishment of the colonies lotteries continued to flourish. They were organized to provide money for the erection of public buildings, to aid colleges, to construct roads and canals, to build churches, etc. Faneuil Hall was erected by the aid of lotteries when rebuilt after burning in 1761. At least four different lotteries were held for the benefit of Harvard College, and countless others might be cited.

At the outbreak of the revolution, lotteries were used as a means of raising much needed funds for carrying on the war. On the


Lottery Advertisement, 1822
broadsides advertising the Massachusetts State Lottery for 1779, the provisions for the payment of prizes were as follows:

All Prizes of Fifty Dollars and upwards will be paid in Treasurer's Notes for the amount of such Prizes, bearing Date the last Day of Drawing said Lottery, and payable on the First Day of January 1783, with Interest at Six per Cent. per Annum. All Prizes of Fifteen Dollars will be paid in Current Money. Prizes not demanded within Twelve Months after they are drawn, will not be paid, but will be deemed as generously given for the Purpose aforesaid and will be applied accordingly.

From an account sheet, found among the papers of Loammi Baldwin, it appears, if the account be complete, that this lottery brought to Massachusetts, in the form of prizes, $\$ 40,635$ out of a total of $\$ 840,000$ paid in prizes.

In 1793, when the national capital was being founded at Washington, funds were running low and a lottery was authorized for the purpose of raising money to continue the work. The illustration on the opposite page - the reproduction of an advertisement sent out by Tyler's of Washington in 1822 - might indicate that similar lotteries continued to that date. However, the exact purpose of this lottery is not stated in the advertisement. The following information, printed inside the folded sheet, shows something of the sales technique and further reflects the general state of the currency throughout the country.

## SIX AND A HALF TICKETS FOR $\$ 100$.

## Washington City

September 18th, 1822.
Sir:
As tickets in the Grand National Lottery, Fifth Class, are now selling at Twenty-five Dollars each, and as the Lottery will not be completed before the 20th of October, and having a considerable number of tickets on hand, it induces me to offer them low to companies before the next drawing. Having purchased my tickets on such terms that I can sell them as low or lower than any other person in the United States, therefore, if you will form a company and send me fifty dollars, I will return you three and a quarter undrawn tickets, or, if you will send me one hundred dollars in United States, Virginia, South Carolina, District of Columbia, Baltimore, Philadelphia, New York, Boston, Albany, Troy, Vermont, or Connecticut Bank Notes, I will return you six and a half undrawn tickets in said Lottery.

As the next drawing does not take place until the 9th of October, if the order should be received on or before the morning of the drawing, the tick-
ets will be deposited in the post office before the drawing takes place; and if the order should be received after the next drawing, if the high prizes come out on that day, the money will be returned.

> I am, very respectfully, Your obedient servant, B. O. Tyler.
N. B. If the $\$ 100,000$ does not come out the next drawing, tickets will rise to $\$ 50$.

Even in the early colonial period the evils of lotteries were recognized. In 1719 the general court of Massachusetts passed a resolution pronouncing all private lotteries to be a "common and public nuisance." Other colonies expressed a similar attitude. But in spite of this, lotteries continued to flourish. Professor Channing says it was not until the multiplication of stocks and bonds provided an outlet for speculative desire that it was possible to eliminate lotteries. Organized efforts to suppress them became prevalent in the 1830 's. In 1833 Massachusetts passed an act which prohibited the sale of lottery tickets. Other states followed slowly. It was 1890 before Congress passed an act forbidding the use of mails for lotteries.

Maryland passed a law totally abolishing lotteries in 1839, but the Maryland Consolidated Lotteries continued to operate until the expiration of their grants in 1859. A portion of an advertisement by one of its agents shows that they were working against a growing public opinion, however:

We continue the list of fortunate results of drawings, by inserting copy from the register of prizes distributed since the issue of the last circular. The Capital Prize in Class 22, May 2d, was sent to a correspondent in Boston, Mass., $\$ 19,000$ in a package of whole tickets $-\$ 74$ was the risk paid on the package. Those opposed to Lotteries may sneer at them and call it gambling if they please, but we would remind all such that the purchase of a Lottery Ticket in the Maryland Lotteries is a legal transaction; those therefore who purchase in the Legal Lotteries of Maryland, engage in a fair and legitimate transaction - and a fortune made in drawing a prize in the Consolidated Lotteries of Maryland, is just as honorably acquired as if a merchant realise the same amount by a speculation in a cargo of sugar, tea or coffee. $\$ 40,000$, Class 13, May 6, another splendid prize, sold to a correspondent in Cincinnati, Ohio, in a package of whole tickets - this is the second large prize sold to the same correspondent. $\$ 20,000$, Class 24, May 16, sold in Virginia. \$9,000, Class 150, May 24, sold in Pennsylvania. $\$ 5,000$, Class 153 , package wholes, cost $\$ 15$, sold in Indiana. $\$ 30,000$,

Class 8, May 31 - this great prize was sold to a correspondent in New York, in a package of tickets - risk paid $\$ 140$. For June, we open with a splendid prize sold to a correspondent in Missouri - $\$ 20,000$, June I, Class 27, sold to A. B. L. and cashed by draft on St. Louis for net amount, $\$ 17,000 . \$ 10,000$, Class 160, June 5, sold to North Carolina. $\$ 25,000$, Class 27, June 6, was sold to a correspondent in Maine. Class i64, June 9, capital prize $\$ 7,500$, sold in a package of whole tickets to Rochester, New York. J. Q. N., of Boston, is the fortunate holder of the capital prize of $\$ 25,000$, drawn June 27 th. Although we are authorized by the party drawing the prize to publish the name in full, we decline doing so, it being against our rules; in no instance are names ever published. Four of the Capital Prizes in the $\$$ Lotteries, $\$ 5,000, \$ 4,00, \$ 5,000, \$ 5,000$, have been sold and paid since the issue of our June circular - all sold in packages. A prize of $\$ 10,000$, June 28 th, was sold in a package of wholes, to a correspondent in Illinois. Three large prizes of $\$ 5,000, \$ 4,000, \$ 5,000$, sent to correspondents in Massachusetts since the issue of the last circular. $\$ 30,000$, August 9th, sold to Boston.
$\$ 70,000$, the grand capital prize, Class W, drawn September 30, 1854, was sold to a correspondent in the State of New York.

Orders for tickets in the Lotteries advertised in this Circular respectfully solicited. Let those who have drawn blanks not despair, but try us, and Prizes will follow. Please address all orders to

> Colvin and Co.,

Box 838 P. O., Baltimore, Md.
R. A. Spofford, in a paper entitled Lotteries in American History, published in 1892 , refers to Louisiana as the last refuge of the lottery system in the United States. Though the state constitution of 1845 prohibited all lotteries and sales of lottery tickets in the state, a depleted treasury in 1864 argued for anything which would provide revenue. Consequently the Louisiana State Lottery was chartered a monopoly, in 1868 , in return for the payment of $\$ 40,000$ a year to the state treasury. This lottery company was so prosperous that, in 1890, when public opinion was pretty well set against lotteries, even in Louisiana, it offered the legislature one-half million dollars a year for the extension of its franchise. Later it increased its offer to one million. Even this offer was unsuccessful and the company turned its attention to Spanish-American countries less hostile to that form of gambling.

