

## **ABSTRACT**

MILLIKAN, NEAL ELIZABETH. "A Taxation Upon All the Fools in Creation:" Lotteries in the British North American Empire. (Under the direction of Holly Brewer.)

The purpose of this work is to explore lotteries in England and the American colonies in the seventeenth and eighteenth centuries. From the founding of the Jamestown colony to the financing of the American Revolution, lotteries played a role in the economic life of the colonies. Lotteries had been used in England since 1569, and colonists brought this unique form of obtaining revenue with them to America. Colonists saw lotteries as a part of British life, and as an important means of raising revenue for public and private projects.

This work examines the impact that lotteries had on the colonies, the types of lotteries that colonial governments and private citizens established, and how the colonists and the crown reacted to the lotteries. These lotteries played an important role in colonial economies, and the crown regulated the lotteries in an attempt to control the colonists and keep the mercantilist relationship in check. The crown sporadically sought to regulate lotteries during the colonial period, and in 1769 issued royal instructions requiring pre-approval for all lotteries, in an effort to suppress lotteries in the colonies. This work focuses on the lotteries held by the Virginia Company in England to aid the Jamestown Colony, the various types of public and private lotteries held in the colonies, the crown's decision to suppress colonial lotteries and the impetus behind this decision, and the 1776 United States Lottery held to help finance the Revolutionary War.

**“A TAXATION UPON ALL THE FOOLS IN CREATION:” LOTTERIES IN THE  
BRITISH NORTH AMERICAN EMPIRE**

By  
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## **DEDICATION**

In honor of my parents, Dean and Rachel Millikan, and my sister Anna, who have encouraged and supported me in all my endeavors – academic and otherwise.

## **BIOGRAPHY**

Neal Elizabeth Millikan grew up in Asheboro, North Carolina, and graduated from Asheboro High School in 1997. She attended Converse College in Spartanburg, South Carolina, where she received a Milliken academic scholarship and played soccer. Neal majored in History and Political Science, and wrote her senior thesis on women in Randolph County, North Carolina during World War II, for which she received a grant from the South Carolina Independent Colleges and Universities Consortium to conduct and transcribe oral interviews. She graduated with honors from Converse in May of 2001, the recipient of the Nathaniel Magruder History Award.

Neal graduated from North Carolina State University with a Masters of Arts in Public History in May of 2003, and will earn a second Masters in History at North Carolina State University in August of 2004. While a student at State, Neal has worked at the North Carolina State Archives in the Iconographics section, and has had the opportunity to coach a soccer team in Fuquay-Varina. She also received a scholarship from The Colonial Dames of America, and joined the Phi Alpha Theta Honor Society. She will begin work on a doctorate in American History in the fall of 2004 at the University of South Carolina.

## **ACKNOWLEDGEMENTS**

Thank you to the Triangle Early American History Seminar, for allowing me to present an earlier copy of this paper to the group, and for offering me valuable suggestions on my thesis. And a special thank you to Dr. Holly Brewer, who reacquainted me with the rich field of Early American History, who serendipitously introduced me to the topic of colonial lotteries, and who shared in my excitement for this subject and supported me throughout this project.

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## Introduction

In 1807, after antislavery advocates persuaded Parliament to outlaw slave trading by British subjects, William Wilberforce jokingly asked his fellow lobbyist Henry Thornton what they should work to abolish next. “The lottery, I think,” was the reply Wilberforce received from his friend.<sup>1</sup> This quote by Thornton shows the significant position lotteries had long held in British society: a mainstay of economic development, utilized by both the government and private individuals to raise money for a variety of causes, although certainly not viewed favorably by all members of British society. The quote also shows how perceptions of lotteries changed from being an accepted means of raising revenue in the seventeenth and eighteenth centuries, to an economic practice linked to gaming and other forms of vice in reform-era England.

In seventeenth and eighteenth century England, lotteries played a role in the empire-building of the nation by providing both the national government and private joint-stock companies with the necessary funding to finance wars fought, among other things, over the right to claim territory and to promote colonization in the New World. And when British colonists came to America, they brought lotteries with them as a proven means of funding economic development. From the founding of the Jamestown Colony through the Revolutionary War, lotteries played a pivotal role in the development of colonial America, subsidizing the construction of churches and schools, financing internal improvements, and providing land owners and merchants with an effective means of disposing of large tracts of property and other expensive goods.

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<sup>1</sup> James Raven, “The Abolition of the English State Lotteries,” *The Historical Journal* Vol. 34, No. 2 (June, 1991), 376; Mark C. Herman, “Antislavery Movement,” in Gerald Newman, ed., *Britain in the Hanoverian Age, 1714-1837* (New York: Garland Publishing, 1997), 21.

For colonists, lotteries represented an opportunity to improve one's economic standing in the community – for a small investment in the price of a ticket, a colonist could possibly win a large sum of money, plot of land, or gain valuable metal wares and jewelry. In the American colonies where conspicuous consumption was coupled with a more fluid movement into the upper echelons of society, these prizes helped colonists improve their social standing in a way that would have been less possible for their counterparts in England. Initially, the crown and colonial governments granted colonists free reign to establish public and private lotteries.

Yet these lotteries, so instrumental to the economic foundations of early America, also played a role in furthering the rift between England and its American colonies in the 1760s. The royal instructions sent to colonial governors in 1769 to curtail lottery activity in the colonies served a twofold purpose: it was a means of reaffirming economic control over colonial activity, and it was a way of promoting the sale of English State Lottery tickets among the American colonists. And like the 1764 Currency Act that limited the availability of paper money in the colonies, the 1769 royal lottery instructions became another addition to a list of growing grievances between the colonists and Great Britain, that, while not on the same par with the Stamp Act or Townshend Duties, still disrupted the economic life of the colonies and hampered colonists' ability to utilize lotteries as a means of raising revenue as they had done in the past. These instructions came to represent another measure enacted by the crown to reassert control over the colonies, which colonists viewed as an unwelcome increase in Great Britain's control.

And over time, perceptions of the lottery became linked with the vices of gaming, which led to a decline in lotteries in Great Britain in the 1820s, and with fraud in several

states, which led to a prohibition on lotteries in America in the 1890s. Initially viewed as an economic predilection of the wealthy and influential, over time as stockjobbers became involved in selling shares in tickets to lower-class participants, lotteries changed from being viewed as an economic hobby of the elite to a practice utilized by less wealthy adventurers who often wagered their income in one share of a lottery ticket. This fact was especially true after 1769, when the State Lottery changed from being an annuity lottery, in which ticket holders were promised a return on their investment, to a revenue lottery, which was truly a hit-or-miss venture depending on the drawing of the lottery ticket with a corresponding blank or prize. And in America too, while the majority of colonists seemed to have accepted lotteries as a form of raising revenue, dissent still emerged periodically from religious groups and individuals who questioned the fiscal soundness of the lotteries. In both countries, lotteries reached their nadir in the nineteenth century, only to reemerge again in the twentieth century as governments decided to reintroduce a practice that had centuries before helped to buttress the coffers of the nations.

## Early English Lotteries

Lotteries had been an integral part of British financial life, and most colonists did not see American lotteries as detrimental to their young society. English State Lotteries in the eighteenth century helped to pay off state loans, reduce the national debt, and after 1769, directly raise revenue by not attaching lottery tickets to annuities that had to be paid back to adventurers (lottery ticket buyers) at a later date.<sup>2</sup> The first lottery held in England occurred in 1567 during the reign of Queen Elizabeth I. The monarch instituted the Elizabethan Lottery to help defray the costs of internal improvements, including the development of harbors. However, the drawing of this initial English lottery was postponed several times, and was not very successful, since it failed to sell many tickets. But after this 1567 lottery, the Crown granted charters for several other private and public lotteries throughout the seventeenth century. The first English State Lottery, held in 1694, helped to raise part of the funds required by the government for that year.<sup>3</sup>

The 1694 State Lottery, initiated by William III, was called the “Million Lottery” because the lottery sponsors hoped to raise £1million quickly to help defray expenses from the war with France. Unlike the Elizabethan State Lottery, the Million Lottery was a great success, and after 1694 England utilized State Lotteries to help defray the costs of government. By the middle of the eighteenth century, British public and private lotteries had become regular occurrences.<sup>4</sup> The scheme of the lottery initially raised a million pounds

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<sup>2</sup> Raven, “The Abolition of the English State Lotteries,” 371.

<sup>3</sup> *The Lottery Display'd, or the Adventurer's Guide; Shewing the Origin, Nature, and Management of the State Lottery* (London: A. Caldwell and Co., 1771), Goldsmiths'-Kress Library of Economic Literature; no. 10790, 5-7.

<sup>4</sup> C. L'estrange Ewen, *Lotteries and Sweepstakes: An Historical, Legal, and Ethical Survey of Their Introduction, Suppression, and Re-Establishment in the British Isles* (London: Heath Cranton, Limited, 1932), 29.

from the sale of tickets, and would pay back adventurers annuities equaling slightly more than the cost of their ticket over sixteen years, with the winners of “prize” tickets receiving even greater annuities during that time period.<sup>5</sup> Thus, an adventurer would eventually receive a small return on their initial investment in a lottery ticket from the government over a period of time. This scheme for annuity lotteries would remain a constant in English State Lotteries until 1769, when the State Lottery changed to being a revenue lottery. A truly hit-or-miss scheme in which no annuities were attached to the tickets, in a revenue lottery an adventurer could only receive a cash prize or incentive in the form of a winning ticket.

William III probably brought the idea for initiating state lotteries to England with him from the Netherlands. The Dutch held regular lotteries, often running several lotteries concurrently. By the 1730s, British lottery advocates claimed that the lack of regular lotteries in England caused many citizens to purchase tickets for the Dutch Lotteries, thus taking money out of England. One lottery promoter, when advocating that a lottery be established for building a bridge over the Thames at Westminster, for example, contended: “There being at this very time no less than three Dutch lotteries on foot, which it is apprehended do in a great Measure spend upon the too great Inclination which has always appear’d amongst the good people of this Island to run headlong into such Methods of Gaming” should prompt Parliament to establish a rivalry lottery in England. The author further noted that with the love of gaming among the citizenry, it made sense for Britain to offer their own lottery in competition with the Dutch lotteries, since “very few British

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<sup>5</sup> Robert Woodhall, “The British State Lotteries,” *History Today* Vol. XIV, No. 7 (July 1964), 499.

Subjects would incline to trust the Money they could spare in that Way to a foreign Chance”<sup>6</sup> when given the opportunity to become adventurers in their own country.

Although the cost of lottery tickets in the eighteenth century usually ran between £5 and £10, Britons from all economic strata could participate, as adventurers with meager incomes would purchase shares in tickets from stockjobbers. The lower classes of English society could also participate in the lotteries by “renting” a ticket for a day or an hour. State lottery drawings usually lasted several days, with a certain number of tickets drawn each day. Stockjobbers would initially purchase large numbers of lottery tickets, and allow adventurers to buy (for a small fee) permanent shares of a ticket, or rent out (for an even smaller fee) a ticket for a short period of time, a practice known as “horsing” or “riding” a ticket. The large number of stockjobbers in eighteenth century Britain shows that many less-affluent Britons readily became adventurers. Encouraged by the knowledge that if their ticket was drawn during the period of their “ride,” and came up a winner, these short-term adventurers hoped to realize a great profit from their small investment.<sup>7</sup> This practice by stockjobbers allowed Britons of varying economic conditions to all participate in the lotteries, no doubt spreading the lottery fever in the nation. By dividing tickets into shares, a larger portion of the population, which had been previously prevented from buying a whole lottery ticket, could now become adventurers; and by “horsing” (or renting) a ticket, even more Britons joined the ranks of adventurers, if only for a few hours.

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<sup>6</sup> *Some Reasons for a small lottery at this time, for the publick uses herein after-mentioned* (1736), Goldsmiths'-Kress Library of Economic Literature; no. 7417.

<sup>7</sup> Edgar V. Roberts, “Fielding’s Ballad Opera *The Lottery* and the English State Lottery of 1731,” *Huntington Library Quarterly* Vol. 27, Part I (1963), 47-48.

## Lotteries of the Virginia Company of London, 1613-1621

One of the earliest lotteries established for colonial America dealt with the colonization of Virginia. As part of its third charter in 1612, King James I authorized the Virginia Company of London to organize lotteries to benefit the young North American colony at Jamestown. The Virginia Company quickly used this authorization to establish several lotteries in cities throughout England to help support the Virginia colony. The Company also used the lottery as a means of finding new potential members for their business venture, offering membership to any adventurer who bought a ticket and waived their winnings back to the Company.<sup>8</sup> So vital were these lotteries to the continued existence of the early colony that Captain John Smith referred to them in 1621 as “the reall and substantiall food” by which Virginia had grown and flourished.<sup>9</sup>

This third charter gave the Virginia Company permission to run lotteries in London and other towns throughout England to help defray the debts of the Company and cover the costs of sending new colonists and supplies to Jamestown. Clause sixteen of the royal charter noted, “And for the more effectual advancing of the said plantation, we do... give and grant unto the said treasurer and company full power and authority, free leave, liberty, and license, to set forth, erect, and publish, one or more lottery or lotteries....”<sup>10</sup> And clause seventeen declared that the Virginia Company lotteries “shall and may be opened and held, within our city of London, or in any other city or town or elsewhere, within this realm of

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<sup>8</sup>John Ezell, “The Lottery in Colonial America,” *William and Mary Quarterly*, 3rd Series, Vol. 5, Issue 2 (April, 1948), 186.

<sup>9</sup>Captain John Smith, as quoted in Susan M. Kingsbury, ed., *The Records of the Virginia Company of London*, I (Washington: United States Government Printing Office, 1906), 451.

<sup>10</sup>“Third Charter Granted to the Virginia Company,” as quoted in Ewen, *Lotteries and Sweepstakes*, 70.

England, with such prizes, articles, conditions, and limitations, as to them, the said treasurer and company, in their discretion shall seem convenient.”<sup>11</sup>

Soon after obtaining its new charter, the Virginia Company began to develop a strategy for organizing and running the lotteries. The lotteries established to benefit the Virginia Company consisted of standing and running lotteries. Standing lotteries, held in London, were conducted over several months, and lucky adventurers received prizes in the form of silver plates, spoons, and money. In order to expedite the lottery process, the Virginia Company constructed a “Lotterie House” at the west end of St. Paul’s Churchyard in London to provide a location from which to conduct the lottery activities of the Company. The “Lotterie House” also became the site where the standing lotteries in London were drawn, and where lottery winners came to receive their prizes.<sup>12</sup> Clearly the fact that the Virginia Company established the Lotterie House in the churchyard shows the lack of vice the church saw in the lottery, and its willingness to aid the Virginia Company in what it believed was a noble economic pursuit.

The charter also called for the Virginia Company to be aided in the establishment of its lotteries throughout England by the leaders in the towns and villages where the lotteries would be held. Clause nineteen of the charter noted, “...we will and command all mayors, justices of the peace, sheriffs, bailiffs, constables, and other officers and loving subjects, whatsoever, that, in no wise, they hinder or delay the progress and proceedings of the said lottery or lotteries, but be therein touching the premises, aiding and assisting, by all honest,

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<sup>11</sup> “Third Charter Granted to the Virginia Company,” as quoted in Ewen, *Lotteries and Sweepstakes*, 71.

<sup>12</sup> Robert C. Johnson, “The Lotteries of the Virginia Company, 1612-1621,” *The Virginia Magazine of History and Biography*, Vol. 74, No. 3 (1966), 261-265.

good, and lawful means and endeavors.”<sup>13</sup> With the support of the monarchy, the Virginia Company thus believed that it had found the key to achieving its financial independence – the running of lotteries.

In 1612, Robert Johnson, a prominent member of the Virginia Company writing to gain monetary support for the colony of Virginia, implored his readers to become adventurers in the Virginia Company lotteries. The five-year-old colony had yet to show a profit, and many investors soon became unwilling to put more money into the venture. A lottery seemed to be the only way the Company could raise the necessary funds to send more ships with men and supplies to Virginia. Johnson noted that “no man being compelled to adventure lots further then his owne liking” would be doing a great service to England, “though all his lots come blanke.” Johnson went on to enumerate the ways in which having a prosperous colony in the New World would help put England on par with Spain and provide “employment for our multitude of people.” “If his mind be upright,” Robert Johnson insisted, adventurers in the Virginia Company lottery would be “content in this, that his money goeth to a public work, wherein he has his part of benefit.”<sup>14</sup>

While trying to gain support for the running lotteries throughout England, the Virginia Company treasurer, Edwyn Sandys, often sent letters to mayors of the towns where the lotteries would be held, imploring the leaders of the city to support the lottery because of the worthy cause for which the lotteries were being held. In a letter to the Mayor of Sandwich, Sandys wrote that the Virginia Company requested him “to pray your furtherance towards the furthering of a Lotterie lately granted...by his Majestie.” Sandys also asked the

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<sup>13</sup> “Third Charter Granted to the Virginia Company,” as quoted in Ewen, *Lotteries and Sweepstakes*, 71.

<sup>14</sup> Robert Johnson, *The New Life of Virginea*, London, 1612, Reprint (New York: Da Capo Press, 1971).

Mayor and his fellow leaders to support the lottery because of the positive purpose for which it was established. "...Presuming greatly of your affectionate rediness to aid and advance so worthie an enterprise tending so greatly to the enlargement of the Christian truth, the honor of our nation, and the benefit of the English people, as by God's assistance the sequel in short time will be manifest."<sup>15</sup> Sandys realized that the running lotteries would only be successful if these lotteries had the support of the local town leaders.

The Virginia Company, itself a business venture, also appealed to other groups of tradesmen and guilds in London and other towns to participate in the lotteries. Sir Thomas Smyth, another member of the Virginia Company, approached the livery companies and grocers to support the lotteries. The grocers agreed to spend £62 on lottery tickets, and authorized the wardens of the company to purchase the tickets "with the Comen Goodes of this House and that the benefit happening shall be whollye employed to the use of this House and Company."<sup>16</sup> And in 1614, the merchant tailors also agreed to purchase lottery tickets with the funds of their organization. "That the some of Fifty pounds shalbe put into the Lottery, out of the stock of this howse, and what prizes or other proffitt soever may growe or come thereby to be truly aunswered agayne to the use of the howse..."<sup>17</sup> With these appeals to London merchant and tradesmen groups, the Virginia Company hoped to utilize the fiscal resources of a financially viable portion of the London population. And by phrasing these appeals in the pretext of one established business interest helping their fellow businessmen in the New World, the Virginia Company raised substantial sums of money for the lotteries from these groups in London.

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<sup>15</sup> "Edwyn Sandys to the Mayor and Jurates of Sandwich, April 8, 1612," as quoted in Ewen, *Lotteries and Sweepstakes*, 72.

<sup>16</sup> "The Grocer's Court, held April 19, 1612," as quoted in Ewen, *Lotteries and Sweepstakes*, 72.

<sup>17</sup> "Records of the Merchant Taylors, May 6, 1614," as quoted in Ewen, *Lotteries and Sweepstakes*, 77.

Along with the letters sent to towns throughout England and prospective adventurers among merchants in London, the Virginia Company also published a series of broadsides. These broadsides - paper advertisements posted in towns and villages where the running lotteries would occur - helped attract the general public to become adventurers in the lotteries. One such broadside, published in 1613, appealed to the patriotism and Christian charity of prospective adventurers. In order to help support “the aduenturers to Virginia in their zeale to that memorable worke, the plantation of that country with an English Colonie, for the establishing of the Gospell there, and the Honour of our King and country,” the Virginia Company’s broadside hoped “that the inhabitants of this honourable Citie aduentering euen but small summes of money, would haue soon supplied so little a summe appointed to so good a worke...” The broadside went on to tell the citizens about the works of the Virginia Company in Jamestown, and how the purchase of lottery tickets by the citizens would help further this worthy cause. “Wee doe therefore signifie, that a moneth past, we sent away a ship thither with her competent number of good men and munition, and doe purpose continually to supply them toe the utmost of our means. The rather for that wee haue information from them, that they are now able to subsist of themselues, and want only more able laboring men, and conuenient clothing for them. In consideration whereof, we do certifie all men, that we do purpose (God willing) to begin the drawing of the Lotterie the 10 day of May next.”<sup>18</sup>

Another broadside began with a phrase declaring the positive moral and economic aspects of colonization. This broadside proclaimed the English attributes that the Virginia Company, and thus all that became adventurers in one of its lotteries, would bring to the New

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<sup>18</sup> “Proclamation Concerning the Lottery for Virginia, 1613” in *Three Proclamations Concerning the Lottery for Virginia, 1613-1621* (Providence, Rhode Island: John Carter Brown Library, 1907).

World. “Whereas, at the humble suit and request of sundry our louing and well disposed subjects, intending to deduce a Colony, and to make a plantation in Virginia, wee, for the inlarging of Our Gouvernment, increase of Nauigation and Trade, and especially for the reducing of the savage and barbarous people of those parts to the Christian faith...”<sup>19</sup> By pointing out how the colonization efforts in Virginia would both bring greatness to England and promote the spread of Christianity, the Virginia Company believed they had created a marketing strategy that would appeal to a broad portion of the English population.

While most of the broadsides concerning the Virginia Company lotteries only consisted of written words on the page, the broadside declaring the drawing of the Great Standing Lottery in England was extremely ornate (see figure 1). Perhaps in an attempt to drum up last minute ticket sales before the drawing, the Company created a large broadside, which included the scheme of the lottery (the list of prizes) and detailed illustrations at the top of the document. These illustrations pictured a gentleman dressed in fine clothes in the middle of the drawing, sitting between two lottery ticket containers. At this time, lotteries were drawn by using two containers – one held the numbered tickets, while the other corresponding container held the prize and blank tickets. For each numbered ticket drawn, a corresponding prize or blank would be drawn from the other container. Above the man were pictures of some of the prizes – money and metal wares. Flanking either side of the man were the seal of King James and the colony of Virginia, and on the side of each seal stood

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<sup>19</sup> “Proclamation Concerning the Lottery for Virginia, 1620,” in *Three Proclamations Concerning the Lottery for Virginia*.

A Declaration for the certaine time of drawing the great standing Lottery.

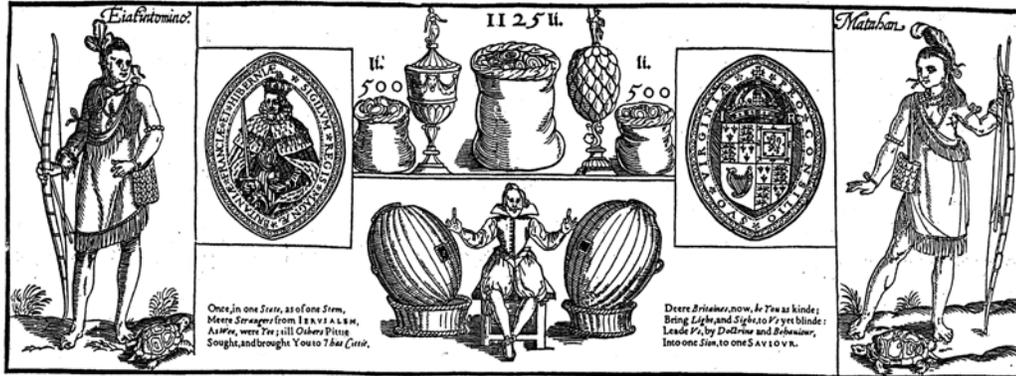


Figure 1

"A Declaration for the Certaine Time of Drawing the Great Standing Lottery, 1615,"  
in *Three Proclamations Concerning the Lottery for Virginia, 1613-1621*  
(Providence, Rhode Island: John Carter Brown Library, 1907).

two Native American men, portrayed with bows and arrows and headdresses. This top portion of the broadside also included a passage, presumably spoken by the two Indians, imploring Englishmen who read the broadside to become adventurers: “Once, in one State, as of one Stem, Meere Strangers from Jerusalem, As wee, were yee; till others pittie sought, and brought you to that cittie. Deere Brittaines, now, be you as kinde; Bring light, and sight, to us yet blinde; Leade us, by Doctrine and Behauior, Into one Sion, to one Saviour.”<sup>20</sup> This plea by the figures of the Native Americans to aid in the proselytization efforts of the colonists among the Native Americans in broadsides and letters produced by the Virginia Company allowed the Company, which had been established to reap a financial profit, to also appeal to the religious sensibilities of prospective adventurers in its marketing strategy.

The Virginia Company, probably in an effort to increase ticket sales and convince adventurers of the honesty of their lottery scheme, advertised the managers of this standing lottery as being “knightes, gentlemen & marchantes” - individuals in whom the adventurers could have confidence. The Company realized that the success of this lottery depended heavily on the ability of the managers to sell the requisite number of tickets for the lottery to turn a profit. These managers not only sought out individual adventurers, but also pressed merchants, tradesmen’s groups, and churches in London to invest money in the standing lottery.<sup>21</sup> Yet the lottery tickets sold slowly, and the Virginia Company postponed the lottery at least once before the drawing finally occurred. This first standing lottery for the colony did not produce the desired results for the Virginia Company, but the Company soon made economic headway with a series of running lotteries.<sup>22</sup>

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<sup>20</sup> “A Declaration for the Certain Time of Drawing the Great Standing Lottery, 1615,” in *Three Proclamations Concerning the Lottery for Virginia*.

<sup>21</sup> Johnson, “The Lotteries of the Virginia Company, 1612-1621,” 261-265.

<sup>22</sup> Johnson, “The Lotteries of the Virginia Company, 1612-1621,” 270.

Running lotteries, which moved from city to city throughout England, proved to be extremely beneficial to the Company. From 1616 to 1621, agents of the Virginia Company traveled around England, usually heralded by letters of introduction from the Company, and set up their lottery in a church or other public building in the cities and towns. These running lotteries produced the profits the Virginia Company so desperately needed.<sup>23</sup> Unlike the standing lottery, a running lottery did not culminate with one large drawing after all the tickets had been sold; instead, it allowed each adventurer to immediately know the outcome of the ticket's success or failure. These lotteries operated by having an adventurer purchase a ticket that consisted of a small piece of paper rolled into a ball and sealed. After buying their sealed ticket, the adventurer would unroll the ball to see if their paper contained the term "prize" or "blank."

This type of lottery proved immensely popular and successful throughout England: tickets were inexpensive, adventurers immediately knew the results of their ticket, and the instant gratification for subscribers attracted potential adventurers to buy tickets while watching others engage in the lottery.<sup>24</sup> And unlike in London, where most lotteries originated and were subsequently conducted, the residents of the outlying cities and towns enjoyed the novelty of running lotteries as a rare public attraction that quickly captivated the populace.<sup>25</sup> By 1621, the Virginia Company estimated that the total income to the company from five years of conducting running lotteries throughout England and standing lotteries in London amounted to £29,000.<sup>26</sup>

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<sup>23</sup> Johnson, "The 'Running Lotteries' of the Virginia Company," *The Virginia Magazine of History and Biography* Vol. 68, No. 2, (1960), 156.

<sup>24</sup> Johnson, "The Lotteries of the Virginia Company, 1612-1621," 282.

<sup>25</sup> Johnson, "The Lotteries of the Virginia Company, 1612-1621," 286.

<sup>26</sup> Johnson, "The Lotteries of the Virginia Company, 1612-1621," 287.

Even with these earliest lotteries for the colonies, King James I granted authority to the Virginia Company to raise funds via these means at the personal discretion of the monarch. The king made sure that the Virginia Company did not forget who had authorized its lottery. By “the especial grace and favour, by virtue of our prerogative royal, and by the assent and consent of the Lords and others of our privy council,” James I granted “unto the said treasurer and company” the right to organize lotteries. Realizing that the colony of Virginia needed to remain closely tied to and controlled by the crown, the king sought to establish some form of control over these lotteries so that the Virginia Company, and thus the colony itself, would remain dependent on him for survival. The monarch and the Privy Council assented to the lotteries under the pretense that “the said lottery or lotteries to continue and be further kept, during our will and pleasure only, and not otherwise.”<sup>27</sup>

By 1620, the lotteries that the Virginia Company established throughout England began to encounter resistance from portions of the population. Many Londoners had grown tired of the constant pleas for purchasing lottery tickets made by the Virginia Company, and several towns where the running lotteries were held noted that the wrong sort of persons – notably lower class workers – were becoming adventurers. While the Virginia Company had worked diligently in sending out letters of introductions to make sure that wealthy and prominent citizens in towns where the running lotteries occurred bought tickets, the lottery excitement quickly spread to all strata of society, and this fact upset many towns where the citizens believed the “the Common sort [had been] greatly cozened,” and should not be participating in what they viewed as an upper class recreation.<sup>28</sup> King James, who had

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<sup>27</sup> William Waller Hening, ed., *The Statutes at Large, Being a Collection of all the Laws of Virginia From the First Session of the Legislature, in the Year 1619* (New York: R. & W. & G. Bartow, 1823), 1:108.

<sup>28</sup> “Commons Debates 1621,” V, 489, as quoted in Johnson, “The ‘Running Lotteries’ of the Virginia Company,” 160.

allowed the Virginia Company to hold the lotteries via royal charter, even voiced his opposition to the lotteries. When told about the growing resistance to the running lotteries by an emissary from the House of Commons, King James I replied that “he never liked the lotterie; he ever suspected it would prove hurtfull and distastefull,” and only agreed to allow the lotteries initially because he believed “the plantation [Virginia] could not subsist without it.”<sup>29</sup> On March 8, 1621, the King issued a proclamation that all running and standing lotteries erected by the Virginia Company must cease within six month’s time.<sup>30</sup>

With this proclamation, King James I acted on his royal prerogative, since he knew that the third charter of the Virginia Company stipulated that the lotteries could continue only as long as it pleased the monarch. The proclamation prohibiting the lotteries noted:

“...although Wee in granting the sayd License, had Our eye fixed upon a religious and Princely end designe, yet the sayd Lotteries, hauing now for a long time been put in use, doe daily decline to more and more inconuenience, to the hinderance of multitudes of Our Subjects.” James went on to note that because it was the duty of the monarch to uphold the general welfare of his subjects, he decided “to suspend the further execution of the saide Lotteries.”<sup>31</sup> Although the suspension left open the possibility of establishing further lotteries later, the Virginia Company never again utilized this form of earning revenue.

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<sup>29</sup> “Commons Debates 1621,” V, 14, as quoted in Johnson, “The ‘Running Lotteries’ of the Virginia Company,” 160.

<sup>30</sup> “By the King,” in *Three Proclamations Concerning the Lottery for Virginia*.

<sup>31</sup> “Proclamation to Virginia Company Prohibiting Lottery, March 8, 1621,” in Kingsbury, ed., *The Records of the Virginia Company of London*, Volume III (Washington: United States Government Printing Office, 1933), 434-435.

## Eighteenth Century British Lotteries and Satirists

In the eighteenth century Britain produced four different kinds of lotteries: one type of private lottery and three versions of public lotteries. The private lotteries allowed individuals or societies to establish a lottery without government authority. The three types of public lotteries consisted of those authorized by the crown for public work or charity, those authorized by Act of Parliament for public works, and the State Lottery, also authorized by Parliament, the profits from which were “applied to the Purposes of Government.”<sup>32</sup> This last type of public lottery, the State lottery, proved important in the late eighteenth century in terms of the crown trying to extract another form of income from the American colonists by suppressing colonial lotteries in favor of the State Lottery.

Lotteries were such a prominent part of British popular culture that they eventually became fodder for such lampoonists as Henry Fielding and William Hogarth. First produced for the stage in 1732, Fielding’s play *The Lottery* called attention to lottery mania in London, and how this frenzy effected a group of adventurers “willing to be in Fortune’s way” – all hoping to purchase a winning ticket. The opening lines of the play, spoken by Mr. Stocks, himself a stockjobber, sum up Fielding’s indictment of English lotteries.

“A Lottery is a taxation  
Upon all the fools in creation;  
And Heaven be praised  
It is easily raised,  
Credulity’s always in fashion:  
For Folly’s a fund  
Will never lose ground,  
While fools are so rife in the nation.”

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<sup>32</sup> *The Lottery Display’d*, 5-7.

Indeed in Fielding's play, one of the main characters, Chloe, is buying a ticket in the hopes of improving her position in society. After she purchases her ticket, she lists all the items she hopes to buy with her winnings, including "one of the best houses in town," a coach with six footmen, fine clothing, and jewelry. Chloe planned to spend the rest of her earnings on diversions – "cards, plays, and masquerades." This list speaks to the conspicuous consumption so prevalent in eighteenth century British society – part of the desire to raise one's status in society. This outlook of wagering the cost of a ticket in the hopes of receiving an immense sum in return is a common theme in all lotteries, and surely must have been a sentiment felt on both sides of the Atlantic.<sup>33</sup>

Fielding's satirical play, while having a happy ending, still highlighted what the author perceived to be the inherent evil in the State Lottery – the stockjobbers. For Fielding, the lotteries themselves were not as reprehensible as the jobbers, who bought tickets at face value and then marked up the price as they resold shares in the tickets, making huge profits off the hopes of poor adventurers personally unable to afford an entire ticket. And like the Mr. Stocks in Fielding's play, these avaricious stockjobbers willingly took money from lower class adventurers, and when an adventurer was lucky enough to "horse" a winning ticket, the jobbers would then extract a portion of the winnings as a commission.<sup>34</sup>

William Hogarth's print, *The Humours of the Lottery* (see figure 2), published in 1724, portrayed a lottery being drawn on a stage (at that time the State Lotteries were drawn on the stage of the Opera House) with different characters personifying traits of lottery managers, receivers, and adventurers. In this print, "National Credit" sits on a pedestal supported by "Justice," while by the A and B wheels "Fortune" draws the blanks and prizes

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<sup>33</sup> Henry Fielding, "The Lottery" in *The Complete Works of Henry Fielding, Volume I* (New York: Barnes and Noble, 1967), 269- 270, 276.

<sup>34</sup> Roberts, "Fielding's Ballad Opera *The Lottery* (1732) and the English State Lottery of 1731," 47.



as “Wantonness” draws the numbers. The audience below the stage consists of “Suspense,” standing between “Hope” and “Fear,” surrounded by “Good Luck,” “Fame,” “Misfortune,” and “Despair.” Such a work showed the amount of weight placed on State Lotteries, and level of excitement and anticipation that such lotteries created among subscribers. Hogarth’s print criticized the government’s practice of raising money via lotteries by placing “Britannia,” seated on the stage between two cornucopias, as the figure of a woman in the midst of the lottery frenzy unsure of what to make of the activity around her.<sup>35</sup>

Even while satirists like Fielding and Hogarth poked fun at lotteries in an attempt to raise social awareness about the ills that they perceived arose from the practice, upper class Britons did not seem fazed by such vituperative works, continuing with their tradition of gaming, which now included lotteries along with activities like playing cards and racing. Aristocratic gaming in Britain, also known as “noble play,” had been a common practice among wealthy and titled Britons in the late seventeenth and early eighteenth century, and it was only natural that early colonists should carry this tradition of gaming with them to the New World. Gaming venues became the new arena in which the code of aristocratic honor could be performed, via “deep play” – games of chance played for high stakes. The transplanting of deep play to the American colonies was probably best played out in the Chesapeake region, where fortunes were regularly wagered in high-stakes contests that measured the mettle of the contestants. In both British and colonial forums, willing players tested their courage by allowing fate to control their wins or losses by the roll of a die, the turn of a card, or the drawing of a lottery ticket.<sup>36</sup>

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<sup>35</sup> William Hogarth, “The Humours of the Lottery,” in Ronald Paulson’s *Hogarth: His Life, Art, and Times* (New Haven: Yale University Press, 1971), 122.

<sup>36</sup> Phyllis Deutsch, “Moral Trespass in Georgian London: Gaming, Gender, and Electoral Politics in the Age of George III,” *The Historical Journal* Volume 39, No. 3 (1996), 638.

## Public and Private Lotteries in Colonial America

Groups in America, eager to capitalize on the lottery enthusiasm among the colonists, established colonial lotteries for several purposes. Both public and private lotteries became regular occurrences in colonial America. Public lotteries included ventures sanctioned by the governments and legislatures of colonies for community projects, such as infrastructure improvements to build bridges and improve navigation, as well as to build churches, schools, and other endeavors necessary for the growth and development of communities. Private lotteries referred to ventures conducted by private individuals or groups for personal benefit, such as to sell off large parcels of land deemed too expensive for individual consumers, or to raise money to pay off debts or sell other items.<sup>37</sup> Broadside advertising the lotteries appeared throughout the colonies, and many lotteries were also advertised in newspapers to gain publicity and inform prospective adventurers as to the lotteries' schemes.

In Britain it had been normal for churches to become adventurers in lotteries, using church funds to buy tickets in the hopes of winning money, land, or items that could increase the wealth of the church through a small investment in the cost of a ticket.<sup>38</sup> Recognizing that increased taxation was never popular, colonial legislatures utilized lotteries as an "easier" revenue source in colonial America, in terms of winning public approval and gaining the necessary monetary resources. Quakers in Britain and America continually opposed all forms of gaming, and disliked lotteries because they believed that particular form of diversion did not improve the mind or morals of its participants.<sup>39</sup> But while the Quakers who governed Pennsylvania protested lotteries and any other form of gaming, several other

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<sup>37</sup> Ezell, "The Lottery in Colonial America," 188.

<sup>38</sup> Ezell, "The Lottery in Colonial America," 186.

<sup>39</sup> Ezell, "The Lottery in Colonial America," 188.

religious groups in that colony and throughout the other British colonies embraced lotteries as a way of building churches, raising funds for denominational projects, and propagating their cause. And the lack of ready cash among colonists did not deter colonial lottery ventures, as many adventurers paid for tickets with produce or other forms of currency.<sup>40</sup>

Colonial lotteries were created and carried out by three groups of people: managers, receivers, and adventurers. Usually, the colonial legislature (if a public lottery) or a church or other group (if a private lottery) selected a group of managers or directors, men of good reputation within a community, to oversee the lottery and its operations. This group of men became the controlling force in the lottery, and their duties included printing and delivering tickets, overseeing the drawing of the lots, and any other necessary activities in order to ensure the lottery ran smoothly. Public lotteries took the role of manager very seriously, and required these men to take oaths that they would work to ensure a fair lottery for all adventurers. Managers also entered into bonds, in which they promised to justly execute their role or pay a high monetary penalty.

Managers appointed receivers to sell tickets to adventurers and retain the money they collected and take care of the books in which they recorded adventurers' names. When an adventurer bought a ticket from a receiver, it became the responsibility of the receiver to give the adventurer one copy of their ticket, and to get the adventurer to put his name or mark in the ticket books on the other copies of the ticket which the receiver kept. The receivers would return the books with the signatures of the adventurers to the managers of the lottery before the drawing date. When the receivers returned the books, one copy of each ticket would be removed from the books to be placed in a box that would constitute the tickets utilized in the drawing. After all the necessary tickets had been removed from the books and

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<sup>40</sup> Ezell, "The Lottery in Colonial America," 192.

placed in a box, the box would be locked until the time of the actual drawing. The other set of the ticket copies would remain on the books in case of complaints or mistakes brought forth by the adventurers.

The managers then created another set of tickets on which the prize amounts were printed, and then added enough blanks to equal the amount of tickets in box A. Then the prize tickets and blanks would be placed in a sealed box labeled B. Managers announced the drawing dates for colonial lotteries far in advance (usually not more than a year after the start of the lottery), and these events usually occurred outdoors or in public meeting places. Colonial lotteries could be all day events because each ticket bought by an adventurer would be pulled with a corresponding prize ticket so that all purchased tickets were pulled, not just winning tickets. After one ticket was drawn from box A and box B, the tickets were shown to the crowds gathered to watch the drawing of the lottery. And often managers required a set amount of time, from a few seconds to a minute, to lapse between drawings. The funds required for the recipients of the public or private lottery would be gained by taking ten to fifteen percent of the amount of each prize to go to the lottery's original cause. So even though an adventurer might have drawn a ticket for £500, the adventurer would actually receive less than £500 when he collected his prize from the lottery managers.<sup>41</sup> Thus, a percentage of the winnings went back to the original source of the lottery.

Not all colonists favored the use of lotteries by private and public sources as a means of raising money. Produced in 1758, David James Dove's pamphlet entitled "The Lottery: A Dialogue" centered on a conversation between "Thomas Trueman" and "Humphrey

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<sup>41</sup> Hening, *The Statutes at Large*, 6:454-461; Photostat of broadside, "Scheme of a Lottery, New-Castle," (1772), Early American imprints. First series; no. 42356; Photostat of advertisement broadside, "New York Province College Lottery, New York," (1748), Early American imprints. First series; no. 6207; Photostat of broadside, "The United States Lottery, Philadelphia," (1776), Early American imprints. First series; no. 43204.

Dupe,” and mentioned the negative aspects of colonial lotteries. It might not be a coincidence that this anti-lottery publication came from the colony of Pennsylvania, where Quakers tried to have colonial lotteries abolished on several different occasions, but all with no effect.<sup>42</sup> In Dove’s critique, the two characters, Trueman and Dupe, discussed the merits and shortcomings of lotteries, with Trueman, a lottery opponent, trying to persuade Dupe of the evils of the lottery. Trueman refers to lotteries as often being “pursued by bad Means,” with corrupt managers and receivers altering drawings for personal gain.<sup>43</sup> Trueman declared, “Let, therefore, the Conditions of a Lottery be ever so specious; let the Number of Blanks and Prizes be ever so craftily proportion’d...or the End of the Project is defeated.”<sup>44</sup> While it is unclear how many colonists read Dove’s work, it could not have had a large impact within the colonies since anti-lottery legislation usually originated in Britain, not in the colonies.

Most colonists did not object to colonial lotteries. Managers took this lack of opposition into consideration when they called on would-be adventurers to purchase tickets to both win prizes and show their support for the lottery’s cause. When New York initiated a public lottery in 1743 for “Founding a College for the Advancement of Learning within this Colony,” they employed this tactic in their broadside advertisement to attract potential adventurers. The College Lottery advertisement noted, “As such a laudable Design will greatly tend to the Welfare and Reputation of this colony; it is expected the Inhabitants will readily be excited to become Adventurers.”<sup>45</sup> The German Charitable Society also employed this mode of advertising in their 1773 broadside promoting their lottery scheme,

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<sup>42</sup> Ezell, “The Lottery in Colonial America,” 188-189.

<sup>43</sup> David James Dove, “The Lottery: A Dialogue,” Germantown, Pennsylvania: Printed by Christopher Sower, (1758), Early American imprints. First series; no. 8114, 10.

<sup>44</sup> Dove, “The Lottery: A Dialogue,” 10-11.

<sup>45</sup> Photostat of advertisement broadside, “New York Province College Lottery,” 1748.

“...expecting that not only the Natives of GERMANY, who themselves have once been Strangers in this Country, but also other Persons who think that the Importation of GERMANS is much for the Good of this Colony, will give proper Encouragement to this Lottery...”<sup>46</sup>

Lotteries, far from being seen as a purely base form of gambling, often appeared as honorable endeavors in the colonies. Colonial legislatures often used lotteries to raise funds. During the French and Indian War, several colonies turned to lotteries as a means of securing funds necessary to carry out the war and to improve infrastructure. In May of 1755, Virginia decided that a lottery, being “the most easy and effectual method,” could be used by the government to raise funds for the protection of the colony.<sup>47</sup> This lottery, sanctioned by an Act of Assembly, sought to raise £6,875 “for the further Protection of his Majesty’s Subjects against the Insults and Incroachments of the French...” This type of lottery also appealed to the altruism and patriotism of the adventurers. The lottery proclaimed that the owners of fortunate tickets who forfeit their winnings “will be deemed as generously given for the Use of the Country, and be applied accordingly.” Prominent colonists such as Charles Carter, Peyton Randolph, Landon Carter, and Carter Burwell acted as managers for the lottery, and agreed to sell the lottery tickets at their homes.<sup>48</sup>

Land became another commodity often disposed of through lotteries. The practice of establishing public and private lotteries to raise money or sell off land and other valuable items had been commonplace in Great Britain, and this was certainly another British custom that the colonists carried with them to the American colonies. Purchasing land required a

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<sup>46</sup> Photostat of broadside, “The German Charitable Society’s Lottery, On Petty’s Island, in Two Classes,” (1773), Early American imprints. First series; no. 12939.

<sup>47</sup> “An Act for raising the sum of six thousand pounds, by a Lottery, for the further protection of his majesty’s subjects, against the insults and incroachments of the French,” Hening, *Statutes at Large*, 6:453.

<sup>48</sup> “Scheme of a Lottery,” *Virginia Gazette*, September 5, 1755.

large amount of money that many colonists did not have – but buying a lottery ticket for 20 shillings or so in the hope of possibly gaining land was much more economically feasible. This method of buying and selling land benefited both the buyers and the sellers. Buyers would make a relatively small investment in the hopes of receiving a large return. And sellers, primarily interested in getting rid of their property and making a profit, did not care whether this transaction occurred via a direct sale, auction, or lottery.

In 1756, in order to pay off his debts, William Byrd III decided to disburse some of his lands through a lottery. The receivers of Byrd's lottery sold tickets to both colonial and British adventurers. Although Byrd could have cleared some of his debts from the execution of a successful lottery, by 1781 receivers were still trying to settle up the unresolved lottery. One reason Byrd's lottery lasted for over twenty years stemmed from the fact that many British adventurers did not want to buy colonial lottery tickets, preferring instead to place their money in lotteries that originated in Britain. Byrd's lottery, which hoped to sell 10,000 tickets, was the largest private lottery advertised in the *Virginia Gazette* in the 1760s. Unlike large-scale lotteries that Byrd had been mimicking in Britain, it was difficult to find 10,000 adventurers in Virginia and the surrounding colonies willing and able to purchase a £5 lottery ticket.<sup>49</sup> Byrd's lottery also proved unsuccessful in settling Byrd's debts because the lottery managers sold many of the tickets to the lottery adventurers on credit. After the drawing of the lottery, many ticket holders whose numbers drew blanks refused to pay for their losing stakes.<sup>50</sup> In 1768, after the drawing of the lottery, both William Byrd and his lottery managers Peyton Randolph, Presly Thornton, John Page, and Charles Carter placed adjoining advertisements in the *Virginia Gazette*, obliging "those now indebted for tickets to make their

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<sup>49</sup> "A Scheme," *Virginia Gazette*, August 27, 1767.

<sup>50</sup> Elizabeth Longworth, "A Scheme of a Lottery: Taking a Chance for Public Good or Private Gain," *Colonial Williamsburg* (Winter 1990-91), 37.

payments,” and noting that “very little money having been received at the time of drawing Col. Byrd’s lottery” left Byrd in a worse financial situation than before the lottery.<sup>51</sup>

Twenty-five years after the Byrd lottery began, the Virginia government authorized Charles Carter, the surviving trustee of the original managers of the Byrd lottery, “to convey lots and lands, held under Byrd’s lottery.”<sup>52</sup>

In 1759, Governor Arthur Dobbs approved a lottery bill in the colony of North Carolina for helping to finish the construction of churches in Wilmington and Brunswick. When he wrote to the Board of Trade in England about his decision to approve the bill, Dobbs noted that “the like Bills are always passed in the Northern Provinces, and we can’t get Vestries here that will lay on any Taxes to build Churches.”<sup>53</sup> To Dobbs, it seemed that the only way to finish the churches would be to raise the funds through a lottery, as the idea of raising taxes would not have been a viable option. And some altruistic adventurers even promised to offset the deficit when their fellow colonists failed to purchase all the tickets for lotteries. The Connecticut General Assembly noted that in the case of a May 1760 lottery for repairing the streets of Hartford, “a number of the inhabitants...bound themselves to risque the tickets that shall remain undisposed of at the time appointed for drawing said lottery.”<sup>54</sup> In 1772 in Philadelphia, Presbyterians hoped to raise “the Sum of Two Thousand Two Hundred and Fifty Pounds, towards purchasing a LOT of GROUND, and erecting a PRESBYTERIAN CHURCH.” The Presbyterians and other groups who used lotteries in order to further their religious causes noted that “the very advantageous Scheme of the

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<sup>51</sup> “Advertisements,” *Virginia Gazette*, November 10, 1768;

<sup>52</sup> “An act to secure to persons who derive titles to lots, lands or tenements under the lottery, or under a deed of trust of the late William Byrd, esquire, a fee simple estate therein,” Hening, *Statutes at Large*, 10:446-447.

<sup>53</sup> “Governor Dobbs to the Board of Trade, May 18, 1759,” in William L. Saunders, ed., *The Colonial Records of North Carolina* (Raleigh: Josephus Daniels, Printer to the State, 1890), 6:32.

<sup>54</sup> Charles J. Hoadly, ed., *The Public Records of the Colony of Connecticut From May, 1757, to March, 1762, Inclusive* (Hartford, Connecticut: Press of the Case, Lockwood, and Brainard Company, 1880), 411.

Lottery” allowed them to reduce the number of colonists who “have not an Opportunity of attending the public Worship of GOD, without great difficulty.”<sup>55</sup>

Even business owners utilized lotteries to unload merchandise they would be unable to sell otherwise. Sarah Pitt, owner of the millinery store in Williamsburg, held two lotteries in 1767, which she advertised through the *Virginia Gazette*. Her first lottery was so successful that she began another lottery almost immediately after the drawing of the initial one. “The subscriber being encouraged by many adventurers drawn in her lottery on Monday last, proposes another on the following scheme:” 300 tickets at 20 shillings each, with 97 tickets being prizes and 203 being blanks. The main prize in the second Pitt lottery was a sixteen-year old slave girl named Doll, described as a seamstress who “can be recognized for her honesty,” and her eleven-month old son.<sup>56</sup> The other prizes in the lottery were bundles of goods from her store, a fitting choice of prizes since the profits from the lottery went towards her business.<sup>57</sup>

George Washington acted as one of the managers in the Mountain Road Lottery of 1768. The lottery, organized to aid in the development of the Hot Springs and Warm Springs region of Virginia, hoped to help establish a road to the area. The goal of the unsuccessful venture was to build a road to the springs where bathhouses and other buildings would be constructed to entertain visitors who would visit the springs, although the drawing for the lottery never occurred. The existing road to the region was passable only via horseback, and many of the invalids that he hoped would visit the springs would need to be transported by wagon. Washington himself was an adventurer in lotteries both in England and in the colonies, and bought tickets as presents for other people. Washington also tried to sell tickets

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<sup>55</sup> Photostat of a Broadside, “Scheme of a Lottery, New-Castle,” 1772.

<sup>56</sup> “Advertisements,” *Virginia Gazette*, December 10, 1767.

<sup>57</sup> Longworth, “A Scheme of a Lottery,” 34.

for the colonial lotteries where he served as manager in England by sending tickets with colonists he knew were going to England. He often sent letters to these individuals inquiring how well the tickets for colonial lotteries were selling.<sup>58</sup>

During the decade of the 1760s, the *Virginia Gazette* witnessed a spate of lottery advertisements. There was a two-fold reason behind this frenzy of lottery activity. The 1764 Currency Act and the subsequent shortage in paper money resulted in many planters failing to pay off their debts to London merchants who called in their loans in the mid-1760s. The planters, after the Currency Act, could not easily acquire the ready cash necessary to pay off their creditors. Since no one else in Virginia had the ready cash to buy a plantation, lotteries were utilized to help these planters recoup some of their debts.<sup>59</sup> Also, with the 1769 royal instructions concerning lotteries, many Virginians sought to advertise in the *Virginia Gazette* in an attempt to quickly sell their tickets to meet the lottery drawing deadlines established by the instructions. While there were a few public lotteries also advertised during this time in the *Virginia Gazette*, the majority of lottery advertisements in the 1760s were for private lotteries.

Many of these schemes advertised by planters in the *Virginia Gazette* began with a statement from the individual or group establishing the lottery, explaining the impetus for that particular lottery. In January 1768, William Dudley proposed “A SCHEME of a LOTTERY, for disposing of LOTS, LANDS, STOCKS, and HOUSEHOLD GOODS, to enable the subscriber to pay his debts, and provide for a large family, he having attempted to

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<sup>58</sup> W.W. Abbot and Dorothy Twohig, eds., *The Papers of George Washington, Colonial Series*, Volume 8: June 1767-December 1771 (Charlottesville, Virginia: University Press of Virginia, 1993), 54.

<sup>59</sup> T.H. Breen, *Tobacco Culture: The Mentality of the Great Tidewater Planters on the Eve of the Revolution* (Princeton: Princeton University Press, 1985), 169.

sell them for that purpose, but is disappointed by the scarcity of money.”<sup>60</sup> Such was also the case for the private lottery advertised in the *Virginia Gazette* in April 1768 by Clausel Clausel. “The subscriber would be willing to dispose of part of his estate by way of LOTTERY, to raise money to enable him to satisfy his creditors, it being impossible to sell at this time unless at a considerable loss; he therefore makes no doubt but his creditors will be content to wait until the drawing is finished.”<sup>61</sup> And Richard Graves, advertising his lottery in December 1768, also pointed out that he “found it impossible to do justice to his creditors without disposing of his estate, and very difficult to sell it for near its value.” Graves went on to note in his lottery advertisement that he “hopes to be countenanced and encouraged by the publick,” since Graves’ “misfortunes were not occasioned by any want of industry,” and that adventurers “will have the pleasure of affording some relief to a distressed, but deserving family.”<sup>62</sup> Dudley, Clausel, and Graves no doubt included these explanations of their lotteries in the advertisements in an attempt to appeal to the largesse of potential adventurers to ease their financial difficulties by purchasing a ticket in their lottery.

And while some of the lottery advertisements in the *Virginia Gazette* explained that a particular lottery was held for the purpose of recouping debts, many of the private lotteries during that time only listed the scheme of the lottery, not the reasons for holding the drawing. Perhaps lottery executors excluded such an explanation from advertisements in the *Virginia Gazette* in an attempt to salvage some dignity from what must have been an embarrassing and difficult financial situation. But the contents of one such scheme without such an introduction advertised by Bernard Moore in 1768 gave away the purpose of the lottery. The prizes in Moore’s lottery included several tracts of land, houses, a forge, a gristmill, forty

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<sup>60</sup> “A Scheme of a Lottery,” *Virginia Gazette*, January 14, 1768.

<sup>61</sup> “Advertisements,” *Virginia Gazette*, April 7, 1768.

<sup>62</sup> “Advertisements,” *Virginia Gazette*, December 8, 1768.

slaves, a team of horses, and a herd of cattle.<sup>63</sup> Clearly, Moore would not have been willing to part with such valuable commodities if he were not facing debt, bankruptcy, or some other financial predicament.

While examining the format, prizes, and monetary amounts involved in lottery advertisements from the *Virginia Gazette* in the 1760s, I found many similarities among these lotteries (see table 1). While the prizes in several lotteries held to alleviate debts consisted of land, other prizes such as slaves, horses, money, and farm equipment were also common. Some public lotteries derived a profit from taking out a percentage (usually around 15%) of the total ticket sales and applying it to the lottery cause. The majority of the private lotteries did not take out a strict percentage, instead relying on strong ticket sales and a large number of blanks to each prize to recoup the losses. The monetary totals elicited from the 1760s lottery advertisements ranged from £76 to £50,000. So many lotteries were advertised and held in the 1760s that in November 1768 John Howard decided to cancel his lottery, partly because he did not think his scheme could compete with the deluge of lotteries

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<sup>63</sup> “Scheme of a Lottery, for disposing of certain Lands, Slaves, and Stocks, belonging to the subscriber,” *Virginia Gazette*, December 11, 1768.

Table 1  
 Lotteries advertised in the *Virginia Gazette*, 1760s

Lottery Year	Public/Private	Location	Net Gain	Cost of Ticket	% Taken Out	Purpose of Lottery	Prizes	Drawing Date	No. of Tix	Lottery Name
1763	Private	Va.	150	10s	None		G		300	John Chambliss & Co.
1765		Md.	6000	15s	None		LG		8000	Land, Plate, and Goods
1766	Private	Va.	4000	£10	None		L	Ap. '68	400	Mann Page - Hanover
1766		Md.		\$2	None		L		8000	Maryland Lottery
1766	Private	Va.	76	5s	None		G		304	Joseph Calvert
1766	Private	Va.	1400	£5	None		LM		280	Joseph Calvert
1766	Private									Peter Warren
1767	Private	Va.	6700	£.20	None		LSA		335	Thomas Moore
1767	Private	Va.	50000	£5	None	Debts	L		10000	William Byrd
1767	Private	Va.	725	£5	None	Debts	LSAG	Mar '68	145	Harry Tompkins
1767	Private	Va.	545	20s	None		LA		545	Samuel Bressie
1767	Private	Va.	300	20s	None		SG		300	Sarah Pitt
1767	Private	Va.						Nov '67		Sarah Pitt
1768	Private		600	40s		Debts	LAG		300	Clausel Clausel
1768	Private	Va.	1000	£5			LSG		200	Lemuel Riddick
1768	Private	Va.	2000	£2	None	Hemp trd.	LG	Abandnd	1000	John Howard
1768	Private	Va.	850	£5	None	Debts	LG		170	William Dudley
1768	Private	Va.	18400	£10	None		LSAG		1840	Bernard Moore
1768	Private	Va.	1610	£5	None	Debts	LSAG		322	Richard Graves
1768	Private		1525	£5?	None	Debts	LSAG		305	Thomas Boswell
1768	Private	Va.	950	£5	None	Debts	LSAG		190	Benjamin Johnston
1768	Private	Va.	179	10s	None		G	Jun '68	358	James Hamilton
1768	Private	Va.	450	£5	None	Debts	LSAG		90	Richard Johnston
1768	Private	Va.	1300	£5	None		LM		260	George Jefferson
1768	Public	Va.	3000	20s	15%	Church	M		3000	Fredericksburg Lottery
1768	Private?	Va.	6000	20s	15%	Road	M		6000	Augusta Co. Springs
1768	Private	Va.	140	25s	None		MG		212	Samuel Daniel
1769	Private	Va.	2870	£5	None	Debts	LSG		574	William Bradley
1769	Private	Va.	1400	40s	None	Debts	LSGA		700	John Thompson
1769	Private	Va.	1380	£3	None	Debts	LGA		450	John Jones
1769	Public?				15%		M			Elizabeth City Lottery
1769	Private	Va.	1200	40s	None		LSMA		600	Josiah Sumner
1769	Private		120	25s			MG	Dec '68	96	Samuel Daniel
1769	Private	Va.	2805	£5	None		LSMA		561	John Graham
1769	Private	Va.					LSG	Aug '69		Richard Wood

Table 1  
Lotteries advertised in the *Virginia Gazette*, 1760s (Continued)

Prizes:        L = Land  
                  S = Slaves  
                  M = Money  
                  A = Animals  
                  G = Goods

appearing at the same time. “Considering the excessive number of lotteries of late set on foot, he [John Howard] has determined to drop his, being ashamed to be found among such an unreasonable number...”<sup>64</sup>

Lotteries, utilized throughout the colonial period in America for both public and private ventures, were also employed by the Continental Congress as a revenue-making scheme for the young nation. The 1776 United States Lottery enacted by the Congress to help cover the costs of the war with Great Britain also appealed to Americans’ altruism to support the cause of financing the fight for freedom. In a broadside for the lottery, Congress noted, “even the unsuccessful adventurer will have the pleasing reflection of having contributed, in a degree, to the great and glorious American cause.”<sup>65</sup>

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<sup>64</sup> “Advertisements,” *Virginia Gazette*, November 17, 1768.

<sup>65</sup> Photostat of broadside, “United States Lottery,” 1776.

## Early British Attempts to Regulate Colonial Lotteries

Britain initially supported the enactment of lotteries in early colonial America. But in 1712, the crown passed its earliest act curtailing colonial lotteries. The 1712 act did not prohibit or regulate colonial lotteries outright; it only prevented excessive numbers of lotteries. The 1712 statute proclaimed to be “An Act against deceitful, disorderly, and excessive Gaming.” The opening passage of the act noted that while a moderate amount of lotteries within a colony did no harm, “lawful Games and Exercises should not be otherwise used, than as innocent and moderate Recreations, and not as constant Trades or Callings to gain a Living or make unlawful Advantage thereby...”<sup>66</sup> This act speaks to the frequency of lotteries in colonial America, already so prevalent by 1712 that Britain began to regulate lottery activity in the colonies. The crown realized that in order for the mercantilist relationship between the colonies and Great Britain to remain effective, the colonists must continue to produce the goods that the mother country needed. Therefore, if, as the crown believed, the colonists were using lotteries not as “innocent and moderate Recreations,” but as “constant trades or callings,” the colonists would be unable to produce the goods needed by Britain if they were employed in running lotteries. And if the crown viewed excessive lotteries as detrimental to this relationship, it believed it could easily keep the mercantilist relationship in check via instructions to colonial governors curbing excessive lotteries in the colonies.

Although the Board of Trade and Plantations, the body which served as the liaison in England between the crown and the royal governors, often cited abuses of colonial lotteries

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<sup>66</sup> “An Act against deceitful, disorderly, and excessive Gaming,” *The First Laws of the State of South Carolina, Part One* (Wilmington, Delaware: Michael Glazier, Inc., 1981), 78.

as the cause for stricter lottery regulation, very few of these cases were documented or discussed among colonial legislatures before the Revolution. Early lotteries did not require colonial legislation to regulate them while towns remained small and adventurers knew personally each lottery's managers and receivers. But as colonies and towns grew, colonists were less acquainted with groups and individuals holding lotteries. And with an influx of colonists came a rise in the number of lotteries, and more opportunities for fraud.<sup>67</sup>

One such instance of lottery fraud occurred in the colony of Connecticut in the 1750s. The General Assembly of Connecticut noted in 1759 that a lottery authorized by the Assembly in 1757 had not been completed "at the time appointed by said managers for drawing said lottery." Two years after the proposed drawing date, "there [still] having been no account laid before this Assembly of the prizes drawn in said lottery," the Connecticut General Assembly appointed a committee to inquire about the delayed lottery. This committee had to determine if the lottery's original managers "paid into the hands of the Treasurer the whole of the money arising on the tickets sold by said managers,"<sup>68</sup> or if some managers absconded with adventurer's money. Thus, even public lotteries appropriated by colonial legislatures could be tainted by managerial or other scandals.

The number of fraudulent colonial lotteries might not have been as high as Britain believed, partly because of the strict punishments in place for offenders. The New York Province College Lottery in 1748 noted, "Such as forge or counterfeit any Ticket, or alter the Number, are thereof convicted, by the said Act are to suffer Death as in Cases of Felony."<sup>69</sup> And the broadside for the United States Lottery included a clause instructing the individual states to charge lottery defrauders as they saw fit. "Resolved, that it be recommended to the

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<sup>67</sup> Ezell, "The Lottery in Colonial America," 192.

<sup>68</sup> Hoadly, *The Public Records of the Colony of Connecticut*, 262.

<sup>69</sup> Photostat of advertisement broadside, "New York Province College Lottery," 1748.

legislatures of the United States respectively, to pass such laws as will most effectually tend to prevent the COUNTERFEITING or FORGING the TICKETS of the public lottery.”<sup>70</sup>

The schemes for many colonial lotteries imposed punishment of death as a means to curtail the number of possible lawbreakers. Still, some lotteries must have been tampered with for colonies to enact such legislation in the first place.

By the 1760s, Britain, as part of a widespread effort to regain control over colonial activity after decades of salutary neglect, began to revise its stance towards colonial lotteries, which the Board of Trade especially viewed as being detrimental to the colonies’ mercantilist relationship with Britain. In 1762, in an attempt to feasibly limit colonial lotteries in some form, the Board of Trade had passed “An Act for suppressing and preventing of Private Lotteries.” The act stated that managers, receivers, or adventurers in future private lotteries would forfeit proclamation money, and managers and receivers would “suffer a year’s imprisonment.”<sup>71</sup> This act, while restricting private lotteries in the colonies, did not prohibit colonial legislatures from still authorizing public lotteries for religious and civic groups and infrastructure improvement. At this point in the early 1760s, the crown and the Board of Trade only wanted to curb private lotteries, not all lotteries in the colonies.

A copy of the 1762 act sent to the governor of South Carolina noted that such lotteries “are highly prejudicial to the public, and to the trade of this Province, and tend to defraud his majesty’s subjects.”<sup>72</sup> The Board of Trade used this phrase to justify its suppression of private lotteries, showing that by initiating its decision to prevent this form of lottery, the Board was indeed acting in the colonists’ best interest by limiting the amount of private

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<sup>70</sup> Photostat of broadside, “United States Lottery,” 1776.

<sup>71</sup> “An Act for suppressing and preventing of Private Lotteries,” *The First Laws of the State of South Carolina, Part One*, 256-257.

<sup>72</sup> “An Act for suppressing and preventing of Private Lotteries,” *The First Laws of the State of South Carolina, Part One*, 256.

lotteries in the colonies, and thus limiting the ability for colonists to participate in these lotteries which would divert them from their regular duties to the colony and the king. While the Board of Trade sent similar acts to governors in several colonies, the legislation often proved unsuccessful, especially in areas where small-scale private lotteries for houses or property could be conducted without the knowledge of colonial officials. Another reason the Board of Trade began to produce stricter lottery legislation in the 1760s resulted from the amount of time it took for correspondence to travel between England and the colonies. A large amount of time lapsed between the passage of lottery legislation in the colonies, the notification to England of the colonial legislation, and a subsequent reply to the colonies. The Board of Trade, although informed about the lotteries the colonists decided to legislate, could not respond quickly enough to curtail the start of lotteries the crown deemed inappropriate. By suppressing private lotteries, the Board of Trade could avoid the formation of these lotteries.

Such a situation showing the problems created by the lapse in time between initiation of lottery legislation and official approval occurred in 1761 in North Carolina. In that year a bill passed the legislature to “Improve and Amend the Navigation of the New River in Onslow County to raise a fund by way of Lottery to defray the Expense thereof.”<sup>73</sup> When the Board of Trade became aware of the lottery bill, it wrote to Governor Dobbs that it had “observed with some concern” the effect the lottery would have on the colony.

“... in Our Opinion [lotteries] ought never to be countenanced or admitted into practice in the British Colonies, where the nature of the Constitution will not admit of those regulations and Checks, necessary to prevent fraud and abuse in a matter so peculiarly liable to them. But as the purpose for which the Act was passed has been carried into Execution and it has had its full Effect and Operation it would be useless and might be inconvenient to propose its repeal ...”<sup>74</sup>

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<sup>73</sup> Saunders, *The Colonial Records of North Carolina*, 6:645.

<sup>74</sup> Saunders, *The Colonial Records of North Carolina*, 6:703.

Although the passage of the lottery bill in the colony of North Carolina angered the crown, and thus the Board of Trade, the royal authorities prudently realized that after such a bill had been enacted there was little Britain could do to control it.

## The 1769 Royal Instructions to Colonial Governors Concerning Lotteries

In 1769, the crown's stance towards colonial lotteries became even more stringent and authoritarian with royal instructions that prohibited colonial governments from independently granting rights to any lotteries. The instructions stated,

“...it is therefore our will and pleasure that you do not give your assent to any act or acts for raising money by the institution of any public or private lotteries whatsoever until you shall have first transmitted unto us by one of our principal secretaries of state a draft or drafts of such act or acts and shall have received our directions thereupon.”<sup>75</sup>

After these instructions, the crown had to pre-approve all lotteries before they could be enacted within the colonies.

This 1769 change in the stance the crown took towards colonial lotteries can be explained in part by changes to the 1769 English State Lottery. As stated previously, State Lotteries had been a regular occurrence in England since 1694. But in 1769, the economic format for the State Lottery transformed from being an assured annuity proposition for adventurers to becoming to a truly hit-or-miss phenomenon with no annuities attached to the tickets, and these modifications precipitated the requirement of royal pre-approval for all colonial lotteries. On April 11, 1769, Parliament determined that the 1769 State Lottery would raise £780,000 by selling 60,000 lottery tickets. This was an increase of £180,000 from the 1768 State Lottery. Also, the lottery tickets would sell for £13 each, £3 more than the cost of the 1768 lottery tickets. Of the £780,000 raised, £600,000 were distributed in prizes from £20 to £20,000. Out of the remaining £180,000, after the payment of

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<sup>75</sup> “Royal Sanction Required for Lottery Acts.” Leonard Woods Labaree, ed., *Royal Instructions to British Colonial Governors, 1670-1776, Volume I* (New York: D. Appleton-Century Company, Inc., 1935), 200.

management expenses, the government was left with a net profit of £165,248.<sup>76</sup> The English State Lottery of 1769 also sought to raise more revenue than any previous state lottery since the 1690s, without the benefit to adventurers of a guaranteed annuity with their ticket. By issuing the 1769 lottery instructions and forcing American colonists who wanted to become lottery adventurers to buy English State Lottery tickets, Britain hoped to decrease the risk of holding an unprofitable lottery by capitalizing on the gaming proclivities of the British subjects in America to the exchequer's advantage.

Unlike previous joint-stock or annuity lotteries, the 1769 State Lottery ushered in a new era of revenue lotteries in Britain. These new revenue lotteries, known as "hit-or-miss" lotteries because there were no annuities attached to tickets, became a regular feature of English government finance and would remain in place until Parliament abolished the State Lotteries in 1826.<sup>77</sup> While it is unclear exactly where the idea for the revenue lottery originated, some sources point to then Prime Minister Grafton, Augustus Henry Fitzroy (also the first lord of the treasury), who it was said "brought into office with him, the gaming ideas of Newmarket – all or nothing was the plan."<sup>78</sup> The benefit of a revenue lottery over an annuity lottery was clear – annual revenue lotteries would provide Parliament with immediate income, interest-free, that could be used to reduce a portion of the nation's debt or to appropriate necessary expenditures.<sup>79</sup> But this change to the English State Lottery in 1769 did not come without controversy – Grafton's new lottery plan faced the possibility of failure. Unlike the previous joint-stock or annuity lotteries in which adventurers were

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<sup>76</sup> R.D. Richards, "The Lottery in English Government Finance," *Economic History* Vol. 3, Part 9 (1934), 69.

<sup>77</sup> Richards, "The Lottery in English Government Finance," 60.

<sup>78</sup> Raven, "The Abolition of English State Lotteries," 374; Joseph Albert Ernst, "The Currency Act Repeal Movement: A Study of Imperial Politics and Revolutionary Crisis, 1764-1767," *William and Mary Quarterly*, 3<sup>rd</sup> Series, Vol. 25, No. 2 (April, 1968), 195.

<sup>79</sup> Raven, "The Abolition of English State Lotteries," 379.

assured of an eventual return on their investment, this new “hit-or-miss” system did not hold out promises of guaranteed economic security. Removing the assured return (contained in earlier annuity or joint-stock lottery tickets) made the 1769 State Lottery a true economic risk, not an investment, for the adventurer.

Another difference between the 1769 English State Lottery and previous State Lotteries dealt with the payment of prizes. Before 1769, adventurers who purchased tickets in the State Lottery were in reality participating in a type of pension scheme established by the government, and the government treated these annuity lotteries as a public loan, distributing the “prizes” in the form of interest over several years. For instance, if an adventurer purchased a ten-pound ticket, the ticket would automatically be worth seven pounds and ten shillings worth of stock, the interest on which accrued at the rate of three percent per year. When an adventurer drew a “prize,” for anywhere from £10 to £20,000, the winner would receive a percentage of this prize amount each year.<sup>80</sup> Thus, even if an adventurer drew a blank, he or she would still receive the three percent interest on their stock for ten years. And at the end of that period, the adventurer would also redeem the stock for the seven pounds and ten shillings, thus eventually exceeding their initial investment in the price of a ticket. With this form of annuity lottery, where adventurers eventually received a small (or possibly large if they drew a “prize” ticket) return on the cost of their ticket, the government ended up repaying almost twice the amount of the initial sale of the lottery tickets in interest to adventurers.<sup>81</sup> But starting with the 1769 State Lottery, the lotteries no longer consisted of government loans but were instead simple gambles where an adventurer

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<sup>80</sup> Woodhall, “The British State Lotteries,” 499; Roberts, “Fielding’s Ballad Opera *The Lottery* and the English State Lottery of 1731,” 43; *Some Reasons for a small lottery at this time, for the publick uses herein after-mentioned* (1736), Goldsmiths'-Kress Library of Economic Literature; no. 7417.

<sup>81</sup> Roberts, “Fielding’s Ballad Opera *The Lottery* (1732) and the English State Lottery of 1731,” 42-43.

purchased a ticket and either won or lost depending on the drawing of prizes and blanks.<sup>82</sup>

Unlike former English State Lotteries, the 1769 prizes were paid out fully two or three months after the drawing in money, not in annuities that ran over several years.

On April 24, 1769, the Board of Trade, in reaction to the April 11<sup>th</sup> Parliamentary proceedings on the enactment of the new revenue lottery, decided to draft a letter to the King concerning lotteries in the American colonies. “The Board having taken notice, that a practice had of late prevailed of raising money in the colonies by lotteries, and it was appearing to their lordships, that such general practice was inexpedient and improper.” On May 2, the Lords of the Committee of Council for Plantation Affairs declared that the Board of Trade should prepare instructions for the colonial governors in America “for regulating their conduct in respect to Bills for raising money by way of lottery.” And on May 4, drafts of the instructions to the colonial governors concerning lotteries had been prepared via an Order in Council from the crown.<sup>83</sup> By the 1760s, State Lotteries had become a regular part of Parliamentary legislation for raising funds for government and for the crown, developing into a form of voluntary taxation, appealing to the national fondness for gaming while at the same time becoming a lucrative source of funding for government.<sup>84</sup> Also in 1769, Parliament earmarked £30,000 of the net profit from the lottery earnings “towards defraying the necessary expences of defending, protecting, and securing the British colonies and plantations in America.”<sup>85</sup> The Board of Trade, always working with the best interests of the crown in mind, decided that if approximately 20% of the English State Lottery earnings went

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<sup>82</sup> Woodhall, “The British State Lotteries,” 500.

<sup>83</sup> *Journal of the Commissioners for Trade and Plantations From January 1768 to December 1775* (London: Kraus-Thomson Organization Limited, 1969), 77, 89, 91.

<sup>84</sup> John Ashton, *A History of English Lotteries* (London: The Leadenhall Press, Ltd., 1893), 89.

<sup>85</sup> *The Lottery Display'd*, 37,40; *The Parliamentary History of England*, Volume XVI (London: T.C. Hansard, 1813), 627.

towards the colonies (and therefore that amount would not go towards any financial concerns in England or, for that matter, directly to the crown), the colonists should help defray the cost of protecting their colonies by buying English State Lottery tickets instead of buying colonial lottery tickets.

On June 30, 1769, the royal instructions concerning lotteries were distributed to the colonies of Georgia, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, South Carolina, and Virginia.<sup>86</sup> Although the wording of the lottery instructions note that “great frauds and abuses have been committed” via public and private lotteries in the American colonies, the timing of the sanction with the changes to the 1769 English State Lottery make the stated aims of the sanction questionable. While the Board of Trade and the crown certainly did not want to see colonists in America being defrauded, at the same time these two factions most certainly wanted colonists to purchase State Lottery tickets rather than to become subscribers in colonial lotteries. After the victory of the Seven Years War, England had gained new territories and incurred a large war debt. It seemed reasonable that colonists should help defray the high costs of defending the North American colonies by whatever means necessary – be it taxation on certain British products, as part of a scheme of “buy British first” – or a push for the purchase of State Lottery tickets.

These instructions effectively prohibited further public or private lotteries in the colonies by requiring all such actions to first receive royal approval. The crown wanted American colonists to buy English State Lottery tickets; so, the crown could simply disapprove all colonial lotteries, believing that the high rate of subscription for colonial lotteries would translate into increased sales of English State Lottery tickets in the colonies.

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<sup>86</sup> “Royal Sanction Required for Lottery Acts,” in Labaree, ed., *Royal Instructions to British Colonial Governors*, 200.

The crown decided that by limiting the number of colonial lotteries, which it also saw as a public nuisance, the crown could increase the amount of State Lottery tickets sold in the colonies. And because British lottery tickets were sold in the colonies before the 1769 royal lottery instructions, the crown and the Board of Trade thought that by limiting colonial lotteries, it could make British revenue lotteries even more successful with increased ticket sales in the colonies.<sup>87</sup>

Great Britain had also tried to suppress private lotteries at home during the eighteenth century, at least in part to bolster the official state lotteries. In 1745, Parliament passed an act to suppress private lotteries, hoping to give the government-run State Lotteries a monopoly in the country. The government realized the national passion for gambling, and wanted to capitalize on this enthusiasm by passing legislation that would encourage subscribers to become adventurers in the State Lotteries. But to citizens of Hanoverian England, lotteries were seen to be part of the larger sphere intermingling gaming and sport, and these laws proved difficult to enforce.<sup>88</sup> Like earlier legislation passed in 1693 to try and abolish private lotteries, the legislation only tended to hamper the activities of the lottery promoters, not necessarily the running of such ventures.<sup>89</sup>

In 1808, a House of Commons report on the prevalence of illegal private lotteries in England noted, “the ingenuity of Persons interested in breaking the Law... has hitherto always baffled the sagacity of the Legislature.”<sup>90</sup> If Parliament could not prevent private lotteries from occurring within England, to think that royal instructions could do so in the

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<sup>87</sup> Ezell, “The Lottery in Colonial America,” 189.

<sup>88</sup> Timothy J.L. Chandler, “Gambling,” in Newman, *Britain in the Hanoverian Age, 1714-1837*, 281.

<sup>89</sup> Woodhall, “The British State Lotteries,” 498.

<sup>90</sup> “Second Report from the Committee on the Laws Relating to Lotteries,” *House of Commons Reports* (1808), as quoted in Roberts, “Fielding’s Ballad Opera *The Lottery* (1732) and the English State Lottery of 1731,” 50.

colonies almost seems unreasonable. The gambling fever so rampant in Hanoverian England also infected the American colonists, who were further from the locus of power in London and more likely to continue with their set patterns of economic proclivities, dismissing the sanction as unenforceable.

The 1769 royal lottery instructions occurred during a relatively peaceful period in Anglo-American relations. The crises of the Stamp Act and Townshend Duties had abated, and the Boston Massacre had not yet occurred. But colonial lotteries represented opportunities for wealth and advancement for the colonists, and if the crown and the Board of Trade tried to enforce limitations on these activities, such a move would have prompted the colonists to try to evade such sanctions. One lottery adventurer's guide, published in 1771, before describing the method of lottery drawings, commented, "it is to be supposed there are few in London who have not seen it [the lottery drawing] performed."<sup>91</sup> This comment by the author of the tract speaks to the frequency of lotteries in Britain – an occurrence so commonplace it hardly required explanation. Because colonists believed that lotteries were a part of their Britishness, having Britain curb their ability to employ this form of economic endeavor in 1769 frustrated colonists in a way similar to the other reforms and restrictions that Great Britain placed on the colonies in the 1760s.

After the crown, with the help of the Board of Trade, introduced the 1769 royal instructions concerning lotteries, it fell to the colonial governors like William Tryon in North Carolina to regulate the lotteries. On July 14<sup>th</sup>, the crown wrote Tryon a letter instructing the governor not to assent to "any Act for raising money by the institution of any public or private lotteries" passed by the legislature. Tryon replied to the letter with a response on March 30<sup>th</sup>, 1770, in which he promised he would "strictly obey" the instructions. But Tryon

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<sup>91</sup> *The Lottery Display'd*, 12.

also noted in the letter: "...a difficulty arises to me in what manner I can check the practice in this province...of selling of property by private lotteries without the parties troubling themselves about the form necessary to procure the sanction of the Legislature..." While Tryon believed he could control some types of lotteries from occurring within the colony, he realized that in terms of private land lotteries, the situation became much more complex. North Carolina had "no law in this province that prevents such practices, and I have not the least hope that such a one can be obtained here."<sup>92</sup> Tryon willingly pointed to the fact that although he would work to carry out the royal instructions he had been given, many private lotteries constituted a form of economic activity outside the realm of British or colonial government control.

After 1769, the year of the royal instructions concerning lotteries, until the mid-1770s, there appears to have been a drop in the number of lotteries advertised in the *Virginia Gazette*, *Pennsylvania Gazette*, and *Boston Gazette*. It is still unclear whether lotteries ceased to be as prevalent during this time span due to the 1769 royal lottery instructions, or whether unsanctioned lotteries were still held, but not advertised in the newspapers. However, at least one colony, Virginia, mimicked the royal instructions by passing its own colonial act to suppress lottery activity in that colony.<sup>93</sup> Perhaps colonists decided it was better to continue with their lotteries in relative secrecy than to openly protest the sanction. And though a lack of advertising would have halted ticket sales to some extent, lotteries could have still continued throughout the colonies. After all, unlike with the Stamp Act, no agents appeared in the colonies to make sure unsanctioned lotteries did not occur. This duty was left to the royal governors – many of whom wrote to England that they were not

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<sup>92</sup> "Letter from Governor Tryon to Lord Hillsborough, March 30, 1770," Saunders, *The Colonial Records of North Carolina*, 8:185-186.

<sup>93</sup> "An Act for Preventing and Suppressing Private Lotteries," Hening, *Statutes At Large*, 8:353-354.

equipped to handle such a task, especially when the colonists themselves wanted to continue the lotteries, and the regulation of lotteries (especially private lotteries) proved to be next to impossible in the colonies.

If the colonists did continue to have lotteries, it would speak to both their Britishness and their desire to control their own economic destinies. The colonists had adapted British customs (like lotteries) to their new life in the colonies, and resented crown encroachment in this realm of voluntary taxation, believing it to be their right as British citizens to engage in the same economic outlets as their counterparts in Britain. And unlike the Stamp Act they had to actively protest in order to have it repealed, the American colonists could maneuver around the royal lottery instructions, which did not hamper them and their economic activity as invasively. The continuance of colonial lotteries could be viewed as a form of secret, though by no means passive, resistance.

By 1771, the crown turned to Governor Joseph Martin to curb public and private lotteries in the colony of North Carolina. In their instructions to Governor Martin, the Lords Commissioners for Trade and Plantations noted that North Carolina was not the only colony in which unapproved lotteries still occurred. In the letter, the commissioners focused on the fact that “in several of our Colonies and plantations in America,” legislatures had been regularly “passing laws for raising money by instituting public lotteries.” The letter went on to add, “the practice of allowing lotteries by Acts of Legislature hath been also extended to the enabling of private persons to set up such lotteries.”<sup>94</sup> Clearly, the 1769 royal instructions concerning lotteries were ignored by most colonial legislatures by 1771.

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<sup>94</sup> “Instructions to Josiah Martin, February 6, 1771, from the Lords Commissioners for Trade and Plantations,” Saunders, *The Colonial Records of North Carolina*, 8:515.

The 1771 letter pertaining to colonial lotteries pointed out that with lotteries, sometimes “great frauds and abuses have been committed.” The crown and the Board of Trade might have worried, to some degree, that illegal lotteries could hurt colonists who became adventurers in such schemes yet never received any winnings from fraudulent lotteries. But a larger concern stemmed from the fact that lotteries in America could prevent the colonists from sending to Britain the resources and profits that the mother country required from its colonies. The crown and the Board of Trade believed that widespread lottery speculation among colonists would harm the colonial financial structure.<sup>95</sup> To the crown, colonial lotteries posed a problem because these lotteries “tend to disengage those who become adventurers therein from that spirit of industry and attention to their proper callings and occupations on which the public welfare so greatly depends.”<sup>96</sup> The Board of Trade saw public and private lotteries as a thriving part of the colonial economy that could prove detrimental to the economic relationship between the colonies and Britain. Also, by maintaining control over lotteries in the colonies, the crown also maintained control over colonial legislatures’ decision-making capabilities. And by curtailing the activities of the colonial legislatures, Britain could also more directly control the colonists’ voluntary taxation in terms of public and private lotteries. Thus, the crown and the Board of Trade required the full effort and support of colonial governors to suppress the lotteries, both public and private, occurring within the colonies.

If colonies could gain a level of economic independence via lotteries, this type of economic endeavor would be seen as injurious to Great Britain. In 1769, the Board of Trade believed that unlike the Stamp Act and Townshend Duties passed by Parliament, lotteries

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<sup>95</sup> Ezell, “The Lottery in Colonial America,” 196.

<sup>96</sup> “Instructions to Josiah Martin, February 6, 1771,” Saunders, *The Colonial Records of North Carolina*, 8:515.

were controversial anyway – even in Great Britain – and to repeal them in the colonies would bring less protest (they thought) than outright taxation. And with the 1769 royal instructions, the crown could increase economic dependence among the colonies on Great Britain, while at the same time hopefully help to refill Britain’s coffers. Colonists in the 1760s must have taken offense at the crown and the Board of Trade’s actions in terms of limiting lotteries. The colonists viewed these lotteries as another way in which their own actions (here, specifically their mode of voluntary taxation) mimicked those of their counterparts in Great Britain. If adventurers in Great Britain had the right to participate in lotteries that originated in their own towns, why should adventurers in Boston or Charleston be denied this same right?

## **The 1764 Currency Act and the 1769 Royal Instructions Concerning Lotteries**

The 1769 royal lottery instructions occurred during a period of increased control over the American colonies by the crown and British Parliament via a slew of acts and instructions enacted between the end of the French and Indian War in 1763 and the beginning of the Revolutionary War. While many of these more well-known acts and instructions, such as the Stamp Act or Townshend Duties were loudly protested by the colonists, other, less well-known enactments like the Currency Act and the 1769 royal lottery instructions also played a part in alienating the American colonists from the locus of power in England and convincing the colonists that the crown and Parliament were working towards the best economic interests of those Englishmen in Britain, not those across the sea in the American colonies.

The 1764 Currency Act was similar in many ways to the 1769 royal lottery instructions. In 1764, Parliament responded to growing mercantile pressure with a law that forbade the colonies from making paper money legal tender for private sterling debts, and protected merchants from having to accept such paper unless they willingly chose to do so. This 1764 Currency Act stated, “WHEREAS great quantities of paper bills of credit have been created and issued in his Majesty's colonies or plantations in America...making and declaring such bills of credit to be legal tender in payment of money: and whereas such bills of credit have greatly depreciated in their value, by means whereof debts have been discharged with a much less value than was contracted for, to the great discouragement and

prejudice of the trade and commerce of his Majesty's subjects, by occasioning confusion in dealings, and lessening credit in the said colonies or plantations...”<sup>97</sup>

This law, which originated in Parliament, forbade the issue of additional legal-tender paper and the reissue of old notes as they came due.<sup>98</sup> But both laws curtailed colonial economic activity in favor of promoting the economic goals of the British government or merchants in London. And the Currency Act and the 1769 lottery instructions were both part of a larger conflict between England and the colonists over the issue of the continuing search for a viable source of American revenue.<sup>99</sup> In the specie-starved environment of the colonies, lottery tickets acted as an alternative form of currency. The Currency Act also directly affected lotteries, because managers had to accept other mediums of exchange besides specie to cover the costs of lottery tickets. The little hard currency remaining in the colonies often went back to Britain to help remedy the unfavorable balance of trade.<sup>100</sup> So lottery managers accepted produce and other goods in lieu of coins or paper currency from prospective adventurers. Lottery tickets also extended an adventurers’ credit via the utilization of their ticket as collateral to be paid at a later date (either immediately before or after the drawing), or that could be traded before the drawing occurred for other goods or services.

The Currency Act and the 1769 royal lottery instructions were also similar in that while both occurred during the tumultuous decade of the 1760s in Anglo-American relations, the historical ramifications of these two issues have tended to be ignored in favor of more

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<sup>97</sup> “Great Britain: Parliament, The Currency Act, April 19, 1764.” The Avalon Project at Yale Law School. [http://www.yale.edu/lawweb/avalon/amerrev/parliament/currency\\_act\\_1764.htm](http://www.yale.edu/lawweb/avalon/amerrev/parliament/currency_act_1764.htm). Accessed April 2, 2004.

<sup>98</sup> Ernst, “The Currency Act Repeal Movement: A Study of Imperial Politics and Revolutionary Crisis, 1764-1767,” 177.

<sup>99</sup> Ernst, “The Currency Act Repeal Movement: A Study of Imperial Politics and Revolutionary Crisis, 1764-1767,” 177.

<sup>100</sup> Jack P. Greene and Richard M. Jellison, “The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776,” *William and Mary Quarterly*, 3<sup>rd</sup> Series, Vol. 18, No. 4 (October, 1961), 490.

well-known and controversial issues, like the Stamp Act and the Townshend Duties. Thus, historians have not explored the impact on the Revolutionary crisis that the Currency Act and the 1769 royal lottery instructions might have had as thoroughly as better-known issues.<sup>101</sup> While not as widely protested as some of the more markedly disliked sanctions, the Currency Act, which limited the flow of paper money in the colonies, and the lottery sanction, which prevented the holding of lotteries in the colonies, also both negatively impacted the economic life of the colonies. Another similarity between the two acts is the impetus behind their occurrence. Both acts were the result of Englishmen in Great Britain believing that the actions of Englishmen in the colonies were either harming the economic life of Britain, or that the colonists' fiscal resources could be put to better use by supporting British, not colonial economic activities. The Currency Act occurred because British merchants feared colonial legislators would attempt to make laws allowing the payment of colonial debts via depreciated paper money.<sup>102</sup> And like the 1769 lottery instructions, the Currency Act passed at a time when the colonists were too upset over aspects of other legislation sent from Britain to respond with a strong opposition.<sup>103</sup>

Yet there was one striking difference between the Currency Act and the royal instructions concerning lotteries: colonists eventually began to protest the Currency Act in a way they never did for the lottery 1769 royal lottery instructions. This difference was in part due to the fact that the Currency Act was a Parliamentary act, while the lottery instructions came via a royal prerogative. The colonists eventually, after the repeal of the Stamp Act,

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<sup>101</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 485. Although Greene and Jellison's article deals primarily with the 1764 Currency Act, I believe that their findings and arguments towards this lesser-known sanction against colonial economic activity can also be applied to the 1769 Lottery Act.

<sup>102</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 486.

<sup>103</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 489.

made a full-scale assault upon the Currency Act.<sup>104</sup> Colonists complained to Parliament, to no avail, about the ill effects of the act on the colonial economies. With the lottery instructions, the colonists had no body from which they could seek redress. Although colonial governors wrote to the Board of Trade, citing the difficulties surrounding regulating the lottery sanction, this was as far as the outcry went. The colonists, who believed it was their right as Englishmen to address Parliament with their grievances, did not, in 1769, believe they could also address the king with their grievances in terms of the 1769 royal lottery instructions.

In his speech before Parliament in 1766, Benjamin Franklin singled out the Currency Act as one of the main causes for Americans' loss of respect for Parliament.<sup>105</sup> Although it is true that his speech predated the 1769 lottery instructions, it is hard to believe that Franklin would have used his forum in Parliament to speak against the King. The colonists, up to the eve of the Declaration of Independence, showed their anger to England in the form of protest against Parliamentary actions, not the royal prerogative. In November 1769, the Virginia Governor and General Assembly enacted their own law for preventing and suppressing private lotteries. "That from and after the first day of May next, no person or persons whatever, shall, on his own account, or that of another, either publicly or privately, set up, erect, make, exercise, keep open, shew, expose, or cause to be played at...any such lotteries..."<sup>106</sup> This colonial law, passed after the handing down of the royal prerogative on lotteries, merely echoed the sentiments of the crown. While the Virginia Assembly might have spoken out against such an order from Parliament, royal instructions concerning lotteries in 1769 received only their support, not their condemnation. The deference the

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<sup>104</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 491.

<sup>105</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 492.

<sup>106</sup> "An Act for Preventing and Suppressing Private Lotteries," Hening, *Statutes at Large*, 8:353-354.

colonists showed to the crown until the eve of the Revolution had not been employed towards Parliament during any period after the end of the French and Indian War in 1763.

The 1764 Currency Act and the 1769 royal instructions concerning lotteries were not the two most important issues in the conflict between the colonists and Great Britain. But these two acts still affected the colonists by both bringing economic hardship to the colonies at an inopportune time. And with the passage of both of these acts, colonists realized that for the crown and Parliament, the economic concerns at home - of the British merchants in London and the financial well being of the exchequer - far outweighed in importance the economic health of the colonies in far-off America.<sup>107</sup>

Colonial lotteries, while originally sanctioned by England for use in America, over time became a source of contention between the crown, which wanted to maintain control over colonial activities, and the colonists who wanted the freedom to pursue their own economic agendas. This change was reflected in the increased severity of lottery instructions from the crown to the colonial governors. By the eve of the Revolution, colonists could have used the 1769 royal instructions concerning lotteries as another example of England dominating the actions of American colonists.

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<sup>107</sup> Greene and Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," 518.

## The United States Lottery of 1776

The use of lotteries as a form of voluntary taxation in America carried over from the colonial period into the new nation. When the Continental Congress met on July 4, 1776 to adopt the Declaration of Independence, several clauses from that document echoed the injustice that the American colonists felt towards royal instructions like the 1769 directives concerning the lotteries, which they believed prohibited them from achieving economic solvency. Especially prescient to the lottery disallowance were colonists' general complaints against the King in the Declaration: "He has refused his Assent to Laws, the most wholesome and necessary for the public good. He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained: and when so suspended, he has utterly neglected to attend to them."<sup>108</sup>

When the Second Continental Congress met in 1775, one of the most pressing issues facing the group was how to finance the current war with Great Britain. This issue led to the initial revelation from many of the delegates that the idea of a nation-wide system of taxation to fund the war was anathema to them – wealthy men who realized that they would be footing most of the economic burden if such a tax was levied in the nation. On November 18, 1776, Congress adopted a national lottery in order to raise money for the campaign of 1777 and avoid emitting more paper money and further decreasing the value of Continental currency.<sup>109</sup>

On November 18, 1776, the journal of the Continental Congress noted that "Congress took into consideration the report of the Committee on the Lottery; Whereupon, *Resolved*,

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<sup>108</sup> *The Declaration of Independence* (Bedford, Massachusetts: Applewood Books, 1996), 5-6.

<sup>109</sup> "Lottery Tickets," in Paul H. Smith, ed., *Letters of Delegates to Congress, August 16-December 31, 1776*, Volume 5 (Washington, D.C.: Library of Congress, 1979), xxvii.

The scheme of the lottery be as follows, viz. That it consist of 100,000 tickets...”<sup>110</sup> The Congress also noted that the money received from carrying out the lottery “is to be applied for carrying on the most just and necessary war, in defence of the lives, liberties and property of the inhabitants of these United States...”<sup>111</sup> The Congress also determined that there would be seven lottery managers responsible for traveling through the thirteen states and selling lottery tickets, and “that the money, as fast as received by the managers for billets, be lodged in the continental treasury.”<sup>112</sup> And because these seven managers would not be able to adequately travel through the states selling tickets to the lottery, Congress also allowed the managers to appoint as many agents as necessary in each state to help them in disseminating the lottery tickets in a timely manner.<sup>113</sup>

The idea of using a national lottery to fund government activities was not new in 1776. In 1775, Congress asked Silas Deane to create a plan to deal with the threat of British vessels off the American coast. Deane took this limited order and broadened his proposal into a prepared list of the means through which Congress might establish a viable naval force.<sup>114</sup> Deane’s list, which included the costs to man and arm four ships for a three-month cruise, noted, “the American Exchequer may have no money to spare, for such an Adventure. That is not the Question. Is it Necessary, if so, let Us look for Ways, & Means.” The ways and means that Deane suggested included the utilization of a lottery to help fund the navy.

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<sup>110</sup> “Monday, November 18, 1776,” *Journals of the Continental Congress, 1774-1789*, Volume VI: 1776 (Washington: Government Printing Office, 1906), 959.

<sup>111</sup> “Monday, November 18, 1776,” *Journals of the Continental Congress, 1774-1789*, Volume VI: 1776, 960.

<sup>112</sup> “Monday, November 18, 1776,” *Journals of the Continental Congress, 1774-1789*, Volume VI: 1776, 961.

<sup>113</sup> “Friday, November 29, 1776,” *Journals of the Continental Congress, 1774-1789*, Volume VI: 1776, 993.

<sup>114</sup> Footnote 1 in Smith, ed., *Letters of Delegates to Congress, September-December 1775*, Volume 2 (Washington, D.C.: Library of Congress, 1977), 187.

Deane noted that in order to “render the payment certain without burthening the public it be, by Three annual Lotteries...”<sup>115</sup>

William Ellery sent a letter to Governor Nicholas Cooke of Rhode Island shortly after the passage of the congressional lottery. In the letter, Ellery conveyed his wishes for the new lottery:

“I hope the... State Lottery will be encouraged in the respective United States; for upon the Success thereof, very much depends the Supply of the Treasury in such a Manner as will check the Depretiation of the public Medium. Tickets will in a short Time be transmitted by the Managers of the Lottery to Agents appointed by them in the several States, and I think the lottery is so well calculated that with the Countenance which may be given to it by the States the Tickets will soon be purchased.”<sup>116</sup>

Ellery and many of his fellow delegates in Philadelphia had high hopes for the lottery, believing it would be the financial panacea to cure the ills created by the rapid depreciation of the Continental currency.

John Adams instructed his wife Abigail Adams to buy lottery tickets for each member of their family, hoping that fate would be kinder to his children than it had been to him.

“There is an united States Lottery abroad. I believe you had better buy a Tickett and make a Present of it to our four sweet ones, not forgetting the other sweet one. Let us try their Luck. I hope they will be more lucky than their Papa has ever been, or ever will be.”<sup>117</sup> Adams saw the purchasing of lottery tickets for his children not as a necessity, but more as a present, intended to hopefully bringing his children good fortune at a future date, and at the same time strengthen the economic fortunes of the young nation.

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<sup>115</sup> “Silas Deane’s Proposals for Establishing a Navy, October 16, 1775,” in Smith, ed., *Letters of Delegates to Congress, September-December 1775*, Volume 2, 187.

<sup>116</sup> “William Ellery to Nicholas Cooke, December 4, 1776,” in Smith, ed., *Letters of Delegates to Congress, August 16-December 31, 1776*, Volume 5 (Washington, D.C.: Library of Congress, 1979), 570.

<sup>117</sup> “John Adams to Abigail Adams, February 17, 1777,” in Smith, ed., *Letters of Delegates to Congress, January 1-April 30, 1777*, Volume 6 (Washington, D.C.: Library of Congress, 1980), 306.

Because many of the Congressmen realized the importance of the United States Lottery for funding the American cause in its battles against Britain, these Congressmen wrote letters from Philadelphia to their friends at home asking them to support the lottery managers and help them make the proper introductions in cities and towns, so that the lottery tickets might sell quickly. Writing in March 1777, John Adams asked James Warren to help lottery manager David Jackson with his introductions in Boston. “Dr. Jackson, by whom this will go, is a Manager of the State Lottery, and is bound to the New England States, to forward the Sale of the Ticketts. He wishes to be recommended to proper Persons for the Purpose. If you can assist him with your Advise you will do a public service.”<sup>118</sup> Adams considered it his duty as a Congressman to help forward the progress of the lottery, and called on his acquaintances at home to help him with this task.

William Ellery, a Continental Congress representative from Rhode Island, also sent a letter to acquaintances in his home state hoping to gain support for the lottery. Ellery wrote to Governor Nicholas Cooke, also alerting him that David Jackson would be in that area as well, and would require the assistance of Cooke and others to make the proper introductions in order to sell his tickets. Ellery wrote to Cooke, “I told him [Jackson] that your Honor was better acquainted with proper Persons than myself, and would readily point him to them. Agreeable to his Request I therefore Recommend him to your Notice and beg that you would advise to whom to apply.”<sup>119</sup> This Continental Congress Lottery was extremely financially important to the young nation in terms of subsidizing the war with Britain, and Congressmen wanted to make sure that lottery managers were introduced to influential people in a

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<sup>118</sup> “John Adams to James Warren, March 6, 1777,” in Smith, ed., *Letters of Delegates to Congress, January 1-April 30, 1777* Volume 6, 399.

<sup>119</sup> “William Ellery to Nicholas Cooke, March 6<sup>th</sup>, 1777,” in Paul H. Smith, ed., *Letters of Delegates to Congress, January 1-April 30, 1777* Volume 6, 400.

community who would both purchase tickets themselves, and set an example for others to do the same.

The 1776 Lottery proved to be popular among the members of Congress who passed the legislation, but not all the Congressmen agreed that a lottery was the proper means by which to raise money for the young nation. Writing to his fellow South Carolinian John Lewis Gervais in 1777, Henry Laurens hinted at his own apprehension towards the lottery. Laurens noted to Gervais, “Such as I have too often experienced, there are in the world, Men who though honest in their own transactions, will suffer the public stock to be squandered, misapplied, embezzled rather than lose appearances by a Manly opposition against certain characters...” Laurens noted his dislike of the lottery, or perhaps more correctly his dislike of “this painful topic” and the lottery’s effect on “public faith and public Credit.”<sup>120</sup>

The members of the Continental Congress who approved the lottery were themselves some of the more wealthy citizens of the young nation, and were not in favor of laying heavy taxes to cover the costs of the war – at least not until all other forms of revenue-earning had been exhausted. This common belief among so many of the delegates allowed them to enact the lottery – essentially a regressive tax on those willing to become adventurers - to help cover costs. Many delegates also extolled the virtues of the lottery in helping to alleviate other financial difficulties in the nation. William Ellery noted, “As a State Lottery is one of the Measures that Congress hath taken to put a Stop to the Torrent of Depretiation, I hope it will be countenanced and encouraged...”<sup>121</sup>

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<sup>120</sup> “Henry Laurens to John Lewis Gervais,” 18th October 1777, in Smith, ed., *Letters of Delegates to Congress, September 19, 1777-January 31, 1778*, Volume 8 (Washington, D.C.: Library of Congress, 1981), 141.

<sup>121</sup> “William Ellery to Nicholas Cooke, March 6<sup>th</sup>, 1777,” in Smith, ed., *Letters of Delegates to Congress, January 1-April 30, 1777* Volume 6, 400.

Yet the first economically independent American lottery faced challenges unknown to many colonial lotteries. The United States Lottery began in 1776 to raise funds to finance the war with Great Britain, and it struggled on until 1782. Managers of the lottery had to postpone the drawing date twice because receivers had a difficult time trying to locate adventurers for the 100,000 lottery tickets during a war. With a total population of approximately 2.5 million in 1775, this meant that one in every twenty-five people would have needed to purchase a lottery ticket!<sup>122</sup> The managers of this lottery found that trying to publicize and sell tickets throughout the new nation created large distribution problems, unlike those attempted by any previous public or private colonial lotteries.<sup>123</sup> But the fact that the Continental Congress initiated a lottery to help alleviate the financial difficulties of the young republic indicates the importance and prevalence of lotteries as an economic fixture on which Americans had continually relied from the founding of the colonies through the Revolutionary War.

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<sup>122</sup> Alan Taylor, *American Colonies: The Settling of North America* (New York: Penguin Books, 2001), 443.

<sup>123</sup> Lucius Wilmarding, "The United States Lottery," *The New York Historical Society Quarterly*, Vol. 47, No. 1 (January, 1963), 16-17.

## Conclusion

In 1826, Thomas Jefferson wanted to have a lottery to help pay off his debts. In an effort to bolster support for his lottery, Jefferson wrote an essay entitled *Thoughts on Lotteries*. In this work, Jefferson tackled the issue of immorality in games of chance, and whether such games were ever useful. “If we consider games of chance immoral; then every pursuit of human industry is immoral; for there is not a single one that is not subject to chance, not one wherein you do not risk a loss for the chance of some gain.” Jefferson noted that games of chance could be “useful on certain occasions, and injurious only when carried beyond their useful bounds.”<sup>124</sup> When lotteries were utilized for proper purposes, they could be a viable economic option. “Money is wanting for a useful undertaking, as a school, etc., for which a direct tax would be disapproved. It is raised therefore by a lottery, wherein the tax is laid on the willing only, that is to say, on those who can risk the price of a ticket without sensible injury for the possibility of a higher prize.”<sup>125</sup> Jefferson’s stance in favor of lotteries in this work was biased by the fact that he was trying to persuade the Virginia legislature to allow him to hold a lottery, but his essay highlighted many of the reasons given by public and private groups in colonial America to support lotteries as an economic tool to aid in community development and pay debts.

Thomas Jefferson succinctly described the utilization of lotteries by Virginia planters to liquidate their property when they found themselves in debt, and still be able to recoup their costs. “An article of property, insusceptible of division at all, or not without great diminution of its worth, is sometimes of so large value as that no purchaser can be found

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<sup>124</sup> “Thoughts on Lotteries, 1826,” in Andrew A. Lipscomb, ed., *The Writings of Thomas Jefferson*, Vol. 17 (Washington, D.C.: The Thomas Jefferson Memorial Association, 1903), 448-449.

<sup>125</sup> “Thoughts on Lotteries, 1826,” *The Writings of Thomas Jefferson*, 450.

while the owner owes debts, has no other means of payment, and his creditors no other chance of obtaining it but by its sale at a full and fair price. The lottery is here a salutary instrument for disposing of it, where many run small risks for the chance of obtaining a high prize.”<sup>126</sup> Jefferson touted the positive aspects of disposing of property in this way, for many plantations “had the whole been brought into the market at once, would have overdone the demand, would have sold at half or quarter the value, and sacrificed the creditors, half or three-fourths of whom would have lost their debts.”<sup>127</sup>

From 1769 until 1826, revenue lotteries remained a regular feature of British government finance. Lotteries continued to thrive in Great Britain, and five were held during the Revolutionary War to help cover the costs of fighting the conflict.<sup>128</sup> In 1783, William Pitt even proposed several lotteries to help reimburse American loyalists who had lost land and money in America during the war.<sup>129</sup> Lotteries experienced their nadir in Great Britain in the 1820s, and the last State Lottery was drawn in 1826. The end of the lottery as a means of providing the British State with necessary revenue in the nineteenth century occurred through a combination of social and economic forces acting against the lotteries.

Reformers such as William Wilberforce and Samuel Whitbread called for the abolition of the lottery as part of a general wave of social reform in Great Britain, which had earlier led to the abolition of the slave trade. While few in eighteenth century Britain worried about the negative economic impact of lotteries on the lower classes, in early nineteenth century reform-era Britain, this issue became an important topic. Along with slavery, lotteries represented a sphere in which the reform politicians could speak up for those who

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<sup>126</sup> “Thoughts on Lotteries, 1826,” *The Writings of Thomas Jefferson*, 450.

<sup>127</sup> “Thoughts on Lotteries, 1826,” *The Writings of Thomas Jefferson*, 450.

<sup>128</sup> Richards, “The Lottery in English Government Finance,” 68

<sup>129</sup> Raven, “The Abolition of English State Lotteries,” 379.

did not have a political voice. Also, these reform politicians perhaps viewed the moral ramifications of lotteries and slavery to be similar – both forms of vice that had a negative impact on British society. This group of religious-minded reformers viewed the abolition of the State Lottery as “another triumph of sound moral principle over fiscal policy,” allowing their paternalistic tendencies to once again protect the working class from a potent source of temptation and viciousness: state-sanctioned gambling via the State Lotteries.<sup>130</sup>

But the lotteries had also “run their course” by the 1820s, and the viability of this economic practice could not match the level of public interest that lotteries enjoyed in the seventeenth and eighteenth centuries. One reason for this waning of interest in the lotteries stemmed from the growth of the stock market as an alternative form of investing, as well as other economic options that had not been available to potential investors in earlier centuries. Also, an economic slump in Great Britain between 1819 and 1822 led to a decrease in lottery ticket sales, and subsequently decreased the total revenue brought in to the exchequer via the State Lotteries.<sup>131</sup> Economically, lotteries were no longer as economically viable as in earlier decades, and as the British economy matured, the need for lotteries as an economic medium decreased.

Great Britain also entered a new era in public policy in which private virtue became intertwined with the moral prerogative to rule. In this environment, notorious gamblers such as Charles James Fox, who for years had made their high-stakes gaming lifestyle the social norm among the upper class in London and among members of Parliament, lost their privileged position in British society. Fox’s personal financial mismanagement led the

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<sup>130</sup> *The Christian Observer*, June 1823, as quoted in Raven, “The Abolition of English State Lotteries,” 372, 376.

<sup>131</sup> Raven, “The Abolition of English State Lotteries,” 389.

British voting public to question his ability to adequately manage public funds.<sup>132</sup> In this period of social reform, aristocratic gamblers were viewed as indulgent individuals who relinquished reason to participate in games of chance. Many other candidates whose private gaming vices appeared to spill over into their ability to handle their public responsibilities were voted out of office. Such high-stakes gaming, now viewed as inappropriate social behavior by many of the social reformers (and voters) of the period, also led to the decline of the prevalence of social gaming (and thus lotteries) in British society.<sup>133</sup> And the gamblers themselves lost interest when the social exclusiveness of earlier lotteries ended with the large-scale introduction of stockjobbers to the State Lotteries. Early lotteries, which only had quality participants, transformed into events where the secondary gambling industry that developed around horsing or riding a ticket meant that now a larger percentage of the population had the financial means necessary to participate, although to varying degrees.<sup>134</sup>

In America too, the lottery appeared to have run its economic course, although the prohibition of lotteries in America occurred much later in the nineteenth century than in Great Britain. But the end of the first wave of American lotteries did not occur because of an overwhelming social desire to halt aristocratic gaming practices or protect the lower classes. In fact, in the colonies (and later the states) it appears that the lotteries had been much more open to all facets of society, men and women, to participate in this economic activity, both as adventurers and lottery establishers. The abolition of lotteries in the United States occurred under slightly different circumstances – the scandals surrounding late nineteenth century lotteries provoked lottery opponents to call for the end to what they viewed as an evil and

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<sup>132</sup> Deutsch, "Moral Trespass in Georgian London: Gaming, Gender, and Electoral Politics in the Age of George III," 637.

<sup>133</sup> Deutsch, "Moral Trespass in Georgian London: Gaming, Gender, and Electoral Politics in the Age of George III," 638.

<sup>134</sup> Raven, "The Abolition of English State Lotteries," 375.

fraudulent practice.<sup>135</sup> In earlier lotteries, everyone in the community knew each other; chances for fraud in lotteries were small. But as the nation grew and communities increased in size, the close connections between managers and adventurers ceased, and the chances for fraud in lotteries grew profoundly.

But even with a dishonorable exit in the nineteenth century, lotteries had still played an important economic role in the growth of the British empire and the founding of America. And in the twentieth and twenty-first centuries, lotteries have made an astounding comeback in both nations as citizens once again embraced this form of voluntary taxation to cover the costs of education and internal improvements – much as their forefathers had employed lotteries. Lotteries came back into vogue in America in the 1960s, about the time when the vices and fraud surrounding the lotteries of the 1890s were being lost to the historical memory, and when politicians were looking for a novel way to finance state economies. And while there is still opposition to lotteries today, this form of raising revenue will continue to be utilized by state governments until lotteries have once again run their course. It is fascinating to see how lotteries, although far from being uncontroversial today, have seemingly swung back into favor with the general public, and it will be equally interesting to see how this latest wave of lotteries will develop in Great Britain and America.

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<sup>135</sup> Longworth, “A Scheme of a Lottery,” 37.

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