

"Fortune Attends the Brave"
A Brief History of Lotteries in Maryland

What do the British Museum in London, the Opera House in Sydney, Australia, Baltimore City's Washington Monument, and City Hall in Annapolis have in common? The same thing that each shares with a surprising number of churches, roads, and public buildings all over Maryland - all were built, at least partially, with money raised by a lottery.

Lotteries have been around at least since Old Testament times when the drawing of lots was a way of distributing property. They were still being used to distribute property in 1791 when John Thomas Boucher proposed a scheme to dispose of his 17 lots in Georgetown and the new District of Columbia and in 1792 when Archibald Chisholm, an Annapolis cabinetmaker, advertised a lottery for three houses he owned in Annapolis, 24 mahogany or walnut tables, three desks, eight bedsteads, two backgammon tables, two firescreens, a wardrobe, a bookcase, and 62 chairs.

Private lotteries were not uncommon in late eighteenth century Maryland, but they were not as popular as the public ones. Since the sixteenth century, public lotteries have raised money for worthy causes. They were well-known in England by the time of Queen Elizabeth I and came to America with the first English settlers, when the Virginia Company secured financing for the Jamestown colony by holding a series of lotteries.

Eighteenth century lotteries sometimes used slogans to attract adventurers. "Fortune Attends the Brave" announced a Maryland lottery in the Annapolis Maryland Gazette on September 4, 1766. The Maryland Liberty Lottery, initiated and managed by the Lower House of the General Assembly to raise money for a special agent to represent them in England, proclaimed "LIFE without LIBERTY is worse than DEATH" almost a decade before Patrick Henry (Maryland Gazette, 11 December 1766)

In most of the early Maryland lotteries, all the money received from ticket sales was paid out again as prizes, with a deduction of 15% on each prize to benefit the cause. When Annapolitans decided in 1763 that they needed an Assembly Room for balls, concerts, and other entertainments, they held a lottery to raise the \$2,400 necessary to build one. With twelve of the town's leading citizens as managers, 4,000 tickets were offered at \$4.00 each with prizes from \$500 to \$8 and just about a one out of three chance of winning something. The Assembly Rooms served their purpose well into the nineteenth century, accommodating such figures as George Washington and Henry Harford at cards and dancing and providing a setting for lectures, exhibits, and cultural events until the building assumed its present role as City Hall after the Civil War.

Lotteries proved a successful means of raising money for civic

improvements such as "securing" or "cleaning" the dock, a regular need in both Annapolis and Baltimore, and building or repairing roads and canals. Lotteries built roads across the mountains of Virginia, repaired the streets of Baltimore City, purchased fire engines for Frederick and Annapolis, and helped to finance the early years of the Revolutionary War. They were well-suited for the funding of specific public works and had none of the unpleasant political ramifications of taxes.

In addition to the income from the usual 15% deduction on prizes, there was always the chance that not all prizes would be collected. Most advertisements included a notice to the effect those tickets "not demanded within Six Months will be deemed as generously given for the Emolument" of the city or group sponsoring the lottery. During the eighteenth century, most lotteries offered odds of about two and a half to one. The prizes might not be large, but the participant had a reasonable chance of at least doubling of his ticket cost.

The success of a lottery depended not only upon its attraction to the gaming spirit, but also upon the worthiness of its cause. Churches and schools were particularly successful in their bids for support. At one time or another, almost every religious denomination turned to lotteries to finance a new church, a rectory, or repairs to church-owned buildings. Their advertisements in the local papers usually detail the benefits of a adventurer's altruism. When the German Reformed Church in Baltimore advertised a lottery to buy a set of church bells in 1789, it pointed out that, "The benefit that will result to the Town (not only for their Congregational Meetings, but also in case of Fire, etc.) from a Set of Bells on this elevated Situation, must be obvious to every one." (Maryland Journal and Baltimore Advertiser, 20 January 1789) Baltimore Presbyterians, hoping to buy land for their first church in that city in 1761, appealed to "our Fellow Christians" for their generosity "to assist and encourage us in compleating a small lottery at a time when the Benevolence of our Countrymen is so well tried in this Way." (Maryland Gazette, 7 July 1761)

Episcopal parishes in almost every county turned to lotteries after Maryland's first State Constitution of 1776 denied them further government support. The parishioners of St. Anne's in Annapolis, whose church had been torn down before the Revolution and who had been meeting in the theatre and elsewhere in town since then, complained in 1790 that, "The humiliating idea of depending always upon favour, and often upon accident, for a place and opportunity to return public thanks to the Great Author of our being, must affect a mind of the least sensibility". Even, they said, should we adults not need a church, the children deserve one. Thus they reasoned that the proposed lottery would influence "the welfare and peace of society" as well as "give room for a probable hope (as far as matters of this kind will warrant it) of promoting" the private interest of the adventurers. (Maryland Gazette, 15 April 1790) Presumably the

citizens of Annapolis responded positively to these inducements; the second St. Anne's Church in Annapolis was consecrated by the new Bishop of Maryland, the Rt. Rev. Thomas John Claggett, on November 24, 1792.

Probably the most ambitious church lottery in Maryland was the one begun in 1804 to raise money to build the Catholic Cathedral, now the Basilica, in Baltimore City. Offering \$210,000 in prizes (with the usual deduction), the lottery managers, headed by Bishop John Carroll, advertised that half and third shares in the ten dollar tickets could be purchased in order to make the prizes more available to the public.

Following examples set by Harvard, Yale, Dartmouth, and William and Mary, Maryland schools ranging from Washington College to the Anne Arundel County Orphan School to the College of Medicine (now the University of Maryland Medical School), the Patapsco Female Institute in Ellicott City, and academies all across the state benefited from lotteries to fund construction or upkeep or an endowment. The mechanics of the Washington College Lottery were typical of the period. Ten thousand lottery tickets were printed in 1784 and offered to the public at \$4.00 each. The grand prize was set at \$4,000, with 186 major prizes of decreasing value and another 3,000 prizes of \$8.00. Each ticket entitled "the Bearer to such Prize as may be drawn against its Number, if demanded in Nine Months after the drawing is finished, subject to a deduction of Fifteen per Cent." (Fred W. Dumschott, Washington College, Chestertown, 1980, p.19) At the drawing, held in a public place with the managers and many of the adventurers present, the numbered ticket stubs would be placed in a revolving drum or basket. A piece of paper for each prize (plus the requisite number of blanks) would be placed in another drum. Someone, possibly a small child, would choose a slip of paper from each drum. The number, matched with either a blank or a prize, was then announced, posted, and usually published in the local newspaper. Since each ticket had to be selected individually, most drawings took place over several days. Sometimes, by paying out many small prizes early on, the managers encouraged adventurers to continue purchasing tickets throughout the drawing in order to get another shot at the bigger prizes.

By the late 1790s, lottery fever swept Maryland. And, as the population increased and fewer managers were well-known community leaders, lottery fraud increased. The Maryland General Assembly began to regulate the lottery system in 1792 by requiring that all lottery schemes obtain legislative approval. Thereafter, with few exceptions, lotteries had a civic purpose: canals, churches, roads, and market houses were acceptable beneficiaries, personal profit schemes were not.

The next twenty-five years marked the peak years of lotteries in Maryland. During this time the schemes became more and more complex, the prizes given (and the amounts raised) grew larger and larger. Businesses such as "Allen's Truly Lucky Office"

or "Waite's Fortunate Lottery Office" were formed to provide professional management and ticket sales for both local and out-of-state ventures. The best known of these companies was Cohen's Lottery and Exchange Office in Baltimore City, predecessor of the Jacob I. Cohen Jr. and Brothers Banking House. Cohen's published its own weekly newspaper of lottery and financial news, Cohen's Gazette and Lottery Register, and patented a system by which some winning tickets could be chosen by number instead of actual drawing, thus saving time and adding to the immediacy of prize excitement.

Caught up itself in the possibilities of the lottery for financial gain, the legislature stepped in again in 1817 to regulate, and profit by, the lottery craze. Chapter 154 of the Laws of 1817 (passed 9 February 1818) added a five per cent surtax to the prizes of all lotteries and created a three-man salaried commission to approve, oversee, and police all lottery schemes. The act also provided for the termination of current public schemes and the establishment of a state-run lottery. The 5% sur-tax on State Lottery prizes would accrue to the general expenses of government, but the other deduction would go toward canals and roads, improving navigation on Maryland waters, and "the promotion of education, literature, arts and sciences" under the direction of the legislature.

The State Lottery began in 1822 and added only about \$7500 to the State Treasury in 1823. By 1826, it brought in over \$25,000, which, added to the incomes from the general 5% lottery surtax and a new license fee paid by ticket dealers, meant that lotteries produced almost \$29,000 - 14.8% of the total revenue of the State that year.

There were still a few large public lotteries operating during the 1820s with schemes totalling over \$2,000,000. Among the beneficiaries were the College of Medicine, the University of Maryland, and the Washington Monument in Baltimore City. The University and Monument lotteries were finally taken up by the state and retired, the state agreeing to pay the beneficiaries an annual sum from the proceeds of the State Lottery until their allowed amounts were met.

Even as lotteries attracted almost \$1,250,000 in capital in Maryland drawings in 1825, increasing numbers of people became convinced that this form of gambling had a less than admirable influence upon some of its devotees. State supervision and regulation notwithstanding, fraud continued to be a part of some lottery schemes, and crimes were allegedly committed by the poor to obtain money for tickets. Leaders of religious organizations that had previously benefited from lottery money now publicly questioned its morality.

In his opening address to the General Assembly in 1832, Governor George Howard mentioned the anti-lottery sentiment in other states and suggested that Maryland join them in abolishing the

system altogether. As the governor recognized and the Lottery Commission confirmed to a legislative committee that session, there was no point in one state's prohibiting lotteries if others did not. Besides, said the Lottery Commission, "it is known, that in every community, disposition to risk money in games of chance does exist," and since it is impossible to restrain this disposition, "it then becomes the part of wisdom, so to direct this propensity, as to do the least possible harm to the subjects of it, and . . . to turn it to their advantage" by using the money for education and public works. It was not true, said the Commission, that the poor were being exploited by the lottery. In fact, in those days before income taxes, it was "the wealthy, dashing, monied men, from many of whom the state gets nothing in any other way (who are) the greatest dealers; next to these are the substantial citizens of the middle class." (The Commissioners of Lotteries to the Honorable the Chairman of the Committee on Lotteries, 26 January 1833, Public Documents, 1832, MdHR M59)

Pressure to prohibit lotteries increased after Pennsylvania's abolition law in 1833, and pleas by other states to make the law nationwide grew stronger. In 1834 and 1835 the Maryland legislature passed and confirmed an amendment to the State Constitution banning further lotteries "after the expiration of existing lottery grants" (Laws of 1834, Chapter 219; Laws of 1835, Chapter 9). However, demonstrating its continued ambivalence between lottery morality and lottery income, the legislature continued to approve new lottery bills on the basis that "existing grants" had not yet expired. The official State Lottery ended after another Constitutional amendment in 1841, but other lotteries were approved and drawn throughout the 1840s.

The Constitution of 1851 finally decided the issue by stating in Article III, Section 37 that "no lottery grant shall ever hereafter be authorized by the Legislature." Subsequent constitutions have maintained that language. Other states joined the anti-lottery bandwagon, and in 1868, the U.S. Congress denied lotteries the use of the mails, thus restricting interstate ticket sales. When the enormously successful and corrupt "Louisiana Lottery" closed in the late 1890s, public lotteries left the American scene for over 60 years.

New Hampshire instituted the first modern state lottery in 1963. Nine years later, the Maryland legislature proposed adding to the Constitutional prohibition of lotteries the words "unless it be a lottery to be operated by and for the benefit of the State." With approval by Maryland voters, the new Maryland State Lottery opened in 1973 - a 20th century game with roots that go back over 400 years.

Both the Maryland Historical Society and the Maryland State Archives have samples of 18th or 19th century lottery tickets in their collections. Laws and Public Documents relating to lotteries are housed at the Maryland State Archives.