

The Colonial Public Lottery

A Beacon
of Light for
New Yorkers

Illustration of the lighthouse at Sandy Hook,
which was funded by a public lottery.

By Julia Bricklin

IN MID-NOVEMBER 1763, William Johnson found out his lectures on the uses of lightning at the Province Arms were going to be interrupted. The last tickets for the Publick Light-House Lottery had been sold, and New York colonists were much more interested in improving their lot than tampering with “liquid fire.” On November 14, people of all walks of life jammed the Province Arms on the Broadway. They cheered or groaned every time one impartial schoolboy pulled a numbered scroll from a wooden box, while another pulled an accompanying prize amount, or merely a blank, which meant no prize would accompany that number.

Lotteries were nothing new to New York, or the rest of Britain’s North American colonies, but the Sandy Hook light-house fundraiser was significant for two reasons. The enormity of it—three drawings over roughly three years—required newspapers, colonial managers and royal administrators to work more closely together than ever before. Also, its success was one of the main catalysts for Britain to later rescind permission for colonies to hold their own lotteries. Revolutionaries cited this directive as an example of British suppression of the colonies’ economic independence.

In 1761, colonial New York was reeling from damage and lost export income due to the French and Indian War. It was futile for New York to look to the Crown for help with any basic infrastructure needs, such as bridges and dams, or institutions, like colleges and churches. Although Britain gained significant territory in the New World from the conflict, the British expected the colonies to help shoulder the crushing debt (by 1763, upwards of £122 million plus interest) through a series of taxes. In fact, New York had already employed lotteries to deal with some of the effects of war, such as one to reimburse the City of Albany in 1758, and one to arm the poor in Richmond County.

In his article “Public Lotteries in Colonial New York,” Samuel K. Anderson explains that the normal expenses of colonial government were usually met by a system of duties on imports, especially on wines and distilled liquors, slaves

and European goods. These duties were kept relatively low owing to the political strength of the New York City merchants and their allies in the great manors of the Hudson River Valley. Moreover, farming counties resisted the legislature’s attempts to levy property taxes to raise colonial armies in times of war; these counties felt they bore a disproportionate share of the burden. In order to avoid the bitterness sure to accompany a new tax, the legislature instead introduced the first New York public lottery in 1745, with others to follow about once a year for the next two decades.

These public lotteries were very different from private ones, which had proliferated throughout all of the colonies since the mid-1600s. Private raffles were a way for individuals to raise cash in return for land, homes, livestock, guns, silver—even wives and slaves. New York’s colonial legislature passed a somewhat toothless act in 1721 banning the disposition of property by private lottery due to the “pernicious consequence to merchants, shopkeepers and traders,” because raffles could inflate the worth of the goods well beyond their intrinsic value. The government carefully avoided regulating money prizes at this time.

According to lottery historian John Ezell, to understand why the colonial governments began licensing lotteries instead of abolishing them, it is necessary to remember that the people as a whole favored lotteries and had no moral objection to them. With protection against fraud, people felt it was their own affair if they risked their money. This feeling was particularly strong when the undertaking was linked with an enterprise for public good. Colonial officials sanctioned certain lotteries to raise cash, to avoid new, unpopular taxes.

Edmund Andros, colonial governor of New York, saw the need for a lighthouse at Sandy Hook as early as 1680. He suggested to Governor Philip Carteret of New Jersey that “sea marks for shipping,” such as a lighthouse, be placed on the sand barrier, in an attempt to dispel the bay’s moniker “Graveyard of Ships.” In the 1750s, northern New Jersey colonists began maintaining a simple fire beacon on the Navesink Highlands, on a pole

about 100 feet high. This crude lantern is thought to have used lighted kegs of oil at night, hoisted up before the sun set. Allegedly, the glow could be seen as far away as New York City, but this system did little to prevent shipwrecks, which increased exponentially as commerce grew after the war ended. In fact, “wrecking” became a full-fledged business along the New Jersey coastline, whereby people with no claim to the goods or ships would salvage what they could from sunken vessels and re-sell the cargo, wood and metals.

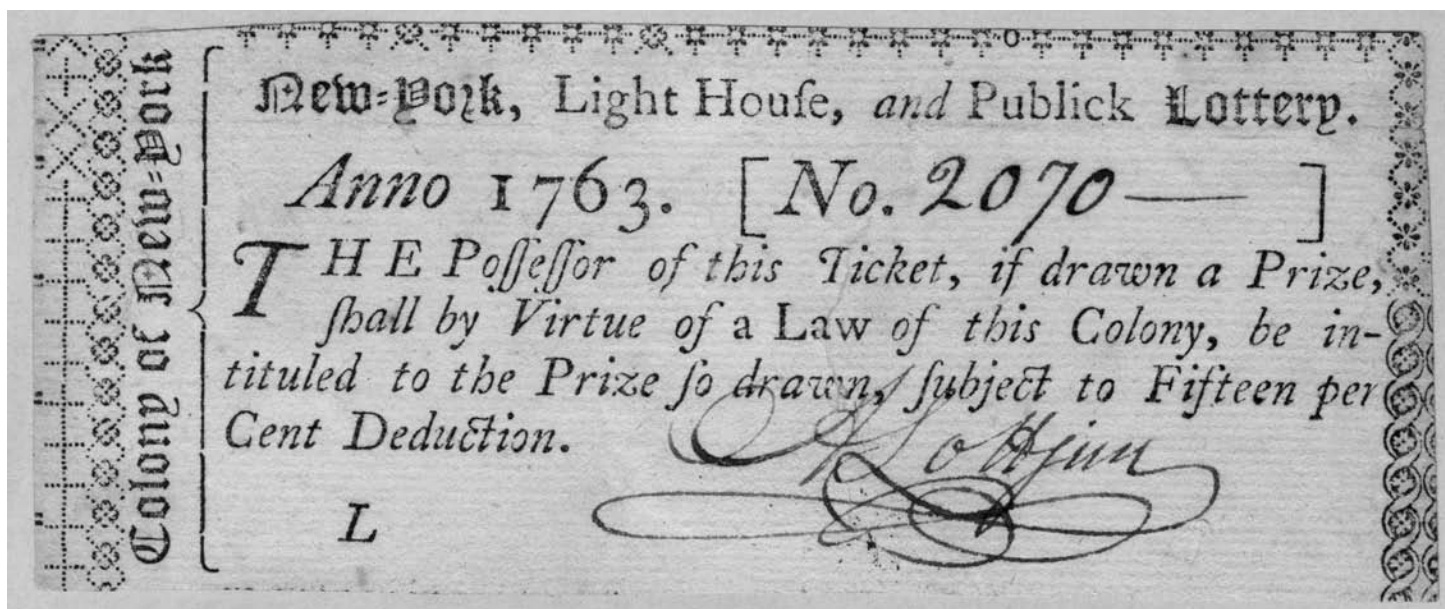
By 1761, the wealthiest shipping merchants of New York colony had had enough. In the first few months of the year alone, the merchants lost approximately £20,000 to shipwrecks. Forty-three gentlemen, including Philip Livingston, William Bayard, Leonard Lispenard and John Cruger, petitioned the colonial assembly to approve a lottery to raise funds for a “proper Light-House.” In May, the colonial legislature did so, and the *New-York Mercury* announced:

SCHEME OF A LOTTERY, By Virtue of an Act of the Colony of New-York...for raising the Sum of 3000 Pounds to be applied for and towards purchasing so much of Sandy-Hook as shall be necessary... As the publick must be convinc’d of the Utility of a Light-House upon Sandy-Hook, it is hoped that all who have the safety of Navigation at Heart, on which the Prosperity of this Province greatly depends, will become cheerful Adventurers to promote so laudable an Undertaking.

At the time, the term “scheme” simply meant a written plan for a lottery.

The architects of this lottery decided it would consist of 10,000 tickets, of which 1,684 would be drawn for money prizes and 8,316 would correlate with blank slips of paper. This plan would garner £20,000, although 15% would be deducted from each prize to raise £3,000. The cost was 40 shillings each, about \$380 in today’s dollars. Indeed, people could and often did split both the cost and prize of a particular ticket, similar to the practice of groups buying large quantities of Powerball tickets today.

Though £3,000 was an enormous sum



Colony of New York public lottery ticket, dated 1763.

at the time, it was by no means the largest attempted in that era. In 1746, New York's provincial government passed an act allowing for the sale of 15,000 tickets at £1, 10 shillings each, for the purpose of fortifying New York City against French and Indian encroachments. After New Jersey's interim governor, John Hamilton, announced the foundation of the College of New Jersey (now Princeton University) in 1746, New York's assembly quickly advertised a lottery to raise £15,000 for King's College, now Columbia University.

The college lotteries set some precedent for solving problems associated with use of funds collected for public works and institutions. For example, in 1756, the assembly passed an act that allowed it to redirect any extra monies from public lotteries to other public causes. Conversely, monies collected from certain taxes could be added to lottery surplus, to allow for bigger purchasing and investment power. By the time of the Sandy Hook lottery, many "best practices" used by all the colonies for raffles had become institutions in New York, such as clipping or marking tickets so they would be more difficult to counterfeit. Of course, counterfeiting tickets was, and had been for some time, punishable by "death, without the benefit of clergy."

Before any public lottery could be announced, colonial legislatures had to appoint managers to oversee it and its operations. These managers were typically gentlemen who held previous government positions of trust, and enjoyed high standing within the community. Their duties included printing and delivering tickets, designating a place to sell them, overseeing the lottery drawing and any other necessary activities.

Neal Millikan, in her book *Lotteries in Colonial America*, explains that lotteries took the role of manager very seriously. Managers were required to take oaths and enter into bonds in which they promised to justly execute their role or pay a high monetary penalty. Sometimes, managers received no remuneration for their efforts. For example, a lottery established by the colony of Rhode Island during the French and Indian War noted that its managers would receive "Nothing for their Trouble."

This was not the case with Sandy Hook. For the first installment, in 1761, the assembly hired Anthony Ten Eyck, Theodorus Van Wyck, Abraham Lott, Jr. and Dirck Brinckerhoff as "fit persons" to sell tickets and administer the lottery. For the 1763 drawing, it hired Lott again, along with Christopher Smith. Assembly minutes report that £400 was allocated for

the managers for the second installment.

It is likely any manager associated with Sandy Hook earned between £75 and £100. Despite this healthy stipend, it is unlikely that Lott, Smith, Ten Eyck and their colleagues felt as though this was anything but a job to remain in the good graces of the legislature. They all earned significantly more money for various Assembly positions, and all had vast landholdings. Lott, and possibly the others, also had a healthy side business translating Old Dutch records into English for the Crown.

One of the major tasks for the managers was to advertise deadlines. In May 1761, the Sandy Hook managers placed advertisements in the *New York Mercury* and *New York Gazette*, which said in part that the drawing would commence on November 2. Similar advertisements appeared almost on a weekly basis throughout the summer, until August 10, when the *Gazette* announced:

The Managers of the New-York Lottery For building a Light-House Upon Sandy-Hook, Hereby inform the Publick, That contrary to the Practice of former Lotteries, which used to fill principally towards the End of the Time limited for drawing; the present is so far filled, that instead of its

being drawn on the second Tuesday in November next...that the same will be filled so as to be drawn some time in the Month of September next...

The managers urged “those who have as yet not become Adventurers in the said Lottery” to hurry up and buy their tickets, before they were all gone. In most previous public lotteries of any significant size, managers were compelled to return all monies if all tickets were not sold within six months of advertisement. In this instance, the managers’ “hurry, we are selling out” gamble paid off. By the end of September, all tickets had been sold, and the drawing was held from September 28–30 at City Hall. John Aberdeen, steward to General Amherst, held ticket 4759, which drew a prize of £1,000.

Unfortunately, £3,000 was not enough to complete Sandy Hook. On May 10, 1762, lottery managers paid Robert and Esek Hartshorne, owners of the land spit, £750 in return for four acres on which to build the house. It is not clear where the remainder of the money went, and why it was insufficient. Regardless, a bill was passed in December permitting two successive lotteries of the same size for the same purpose under essentially the same supervision. In January of 1763, the managers by way of the *Gazette* and the *Mercury* implored residents to purchase tickets, even if they had already done so before, to help finish the lighthouse, and to defray government costs.

The proceeds from the second and third drawings, held in spring and fall of 1763 and totaling £6,000 more, appear to have been considerably more than enough to complete the lighthouse, notes Anderson. The accounts of Lott, who became treasurer of the colony from 1767 to 1776, reveal a remainder attached to the lottery that represents more than half of the receipts, even after managers’ fees and other costs were removed. This amount remained in the treasury until 1772, when it was applied to other expenses of government.

The lighthouse lottery was the last successful one in New York, before Britain rescinded the right of its colonial assemblies to license these fundraisers in 1769.

The last one in New York was the Hemp Lottery, an attempt to close a gap in balance of trade between Great Britain and northern colonies by encouraging the production of this raw, versatile crop that could be traded for British goods in lieu of coined money that was in short supply in New York. After many delays, it was finally held in May 1765, but as the lieutenant governor noted, it did not have “its intended effect,” and scant amounts were paid to hemp farmers. Most of the money was diverted to the quartering of troops stationed in the colonies prior to 1775.

The Crown and British Parliament passed a slew of acts and instructions related to lotteries between the end of the French and Indian War in 1763 and the beginning of the Revolutionary War. One of these was the 1764 Currency Act, the wording of which was a precursor in many ways to the 1769 lottery instructions. It forbade the colonies to issue paper money, in order to protect the pound sterling for mercantilists. This left little to offer in terms of lottery prizes, except foodstuffs — not enough to entice people to let go of their scarce pounds. Britain hoped to capitalize on the gaming proclivities of the British subjects in America by issuing the 1769 instructions and forcing American colonists who wanted to become adventurers to buy English State Lottery tickets. As Millikan notes, this plan backfired. Not even 100 tickets were sold in the colonies.

The Crown claimed that lotteries distracted people from their “proper callings and occupations,” and that they were rife with fraud and abuse. This was partially true, but Britain’s hostility to “colonial schemes” during these post-war years was motivated more by the desire to tighten political and economic control over its overseas possessions. While there is no “smoking gun” to connect the lighthouse lottery to Britain’s 1769 extinguishment of public lotteries, its scale and success is most certainly a primary reason New York’s provincial government authorized no more lotteries between 1764 and the Revolution. Millikan notes that complaints against the King in the Declaration of Independence have ties to royal lottery interference: “He has forbidden his

Governors to pass Laws of immediate and pressing importance,” and refused assent to laws that were “most wholesome and necessary” for the public good.

Today, Sandy Hook is the oldest working beacon and is maintained by the National Park Service. Since June 1764, when it was first lighted, it has served as a reminder that New Yorkers were capable of building an infrastructure suitable to their immediate needs and future prosperity, without being dependent on a country thousands of miles across the ocean. \$

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