CAHIER 8658

The Uneasy History of Lotteries

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December 1986

This research was made possible by a grant of the Social Sciences and Humanities Research Council of Canada and a grant from the Ecole des Hautes Etudes Commerciales.

Cette étude a été publiée grâce à une subvention du fonds F.C.A.R. pour l'aide et le soutien à la recherche. Ce cahier a également été publié par le Centre de recherche et développement en économique (publication #3786) et à l'Ecole des Hautes Etudes Commerciales.
ABSTRACT

While the present popularity of lotteries and the ferocious attacks they are the object of would induce one to think they are a novelty, lotteries already existed at the dawn of history. In this paper, we will give a brief historical survey of games of chance, with special emphasis on lotteries. This survey serves as a background for forthcoming studies where we examine why they were frequently popular and, at the same time, the object of the scorn of a number of would-be reformers.

Key-words: lottery - history

RÉSUMÉ

La popularité présente des loteries et les attaques féroces dont elles sont l'objet pousseraient à croire qu'il s'agit là d'une invention nouvelle et non de quelque chose qui existe depuis l'aube des temps. Dans ce papier, nous survolons l'histoire des jeux de chance et surtout des loteries, ce qui nous servira, dans de prochaines études, à examiner pourquoi elles sont à la fois l'objet de l'engagement populaire et de la condamnation de certains réformateurs.

Mots-clés: loterie - histoire
Already, Thomas Jefferson called the lottery: "a wonderful thing: it lays taxation only on the willing". While the present popularity of lotteries and the ferocious attacks they are the object of would induce one to think they are a novelty, lotteries already existed at the dawn of history. In this paper, we will give a brief historical survey of games of chance, with special emphasis on lotteries. This survey serves as a background for forthcoming studies where we examine why they were frequently popular and, at the same time, the object of the scorn of a number of would-be reformers.

1. GAMES OF CHANCE, OR SOMETHING ELSE?

Neither lotteries nor games of chance are recent inventions. While no evidence survives concerning the games of our preliterate ancestors, one may infer that they did play, just as primitive tribes all over the world did when the West came first in contact with them.

Caillous (1958, p. 231), in his treatise on games of chance, reports that in the Cameroon and in Gabon there is an ancient dice game, Abbia, which had to be eventually regulated because people were wagering their wives, while chiefs were wagering their chiefdoms to the point that wars were caused by such acts. Sumner and Keller (1927) also give a flavor of the increased intensity of gambling among primitive people: among the Tsimshians "many men pass their time gambling... Some men play until they have lost all their property", whereas the Polynesians "will risk everything, including their arm and leg bones after death", and the Hudson Bay Eskimo gambling "is carried on to such a degree... that even their own lives are staked upon the issue of the game" (Vol. 3, pp. 2069-2070).

While there is little doubt about the meaning of such recent gambling, as documented by the aforementioned writers, there is much doubt about the original meaning of these acts, that we now interpret as
"games of chance". The lesson from the evidence presented next is simple: not only must one make separate analysis of time-consuming, entertaining games of chance played among friends, and others where large prizes are paid out, but also one must be especially skeptical of studies pointing out that already in ancient times or in primitive societies people played, and as evidence they mention, for example, the dices found in Egyptian tombs. As pointed out next, initially the uses of such dices had nothing to do with games of chance, although later, of course, they became related.

The Casting of Lots

The word "lot"'s origin is the teutonic root "kleut", which meant the pebble that was cast to decide disputes, division of property and so forth. This is also the source of the Italian word "lotteria" and the French "loterie" which, eventually, came to mean a game of chance. To this day, however, both in Dutch and in English, the word "lot" has broader meanings: it refers not only to a lottery ticket but also to a man's destiny. We shall see next not only that these two uses of the same word are not accidental, but also that it is misleading to even refer to the ancient custom of casting lots in histories of games of chance.

A careful perusal of the Bible reveals that drawing lots was one of the ways by which God's will was supposed to be revealed. One instance of such lot casting is described in Exodus 28:30, where the High Priest Aaron is ordered to wear lots when going "before the Lord":

And in the breastpiece of judgement you shall put the Urim and the Thummim, and they shall be upon Aaron's heart, when he goes in before the Lord; thus Aaron shall bear the judgement of the people of Israel upon his heart before the Lord continually.

While nobody today knows what exactly the "Urim and Thummim" were (although Huizinga (1944) mentions that the word "urim" has affinities
with a root that means casting lots, shooting as well as justice, law "Yore", meaning "shoot", and "thorah", referring to "law"), one interpretation is that they were two dice, one used for a positive and the other for a negative answer (Kassuto, 1963). The Urim and the Thummim were to be used to determine God's will by the leaders only and solely on issues of public interest, like finding the guilty party of a crime, choosing a king or a priest, or determining God's will before starting a battle, or a war (Kassuto, 1963). For example, Joshua, after succeeding Moses is given this order:

he shall stand before Eleazar the priest, who shall inquire for him by the judgement of the Urim before the Lord; at his word they shall go out, and at his word they shall come in, both he and ... the whole congregation" (Leviticus 27: 20-21).2

whereas Saul, when looking for the one who disobeyed his order of fasting until evening says:

If this guilt is in me or in Jonathan my son, O, Lord, God of Israel, give Urim; but if this guilt is in thy people Israel, give Thummim (I Samuel 14:41).

In Joshua 7:13, lots are used by Aaron to find out who, in defiance of God's wishes, took the sacramental objects, and, in Leviticus 16:10, Aaron is ordered to cast a lot between two goats to chose the sacrificial one. Leaders and important office-holders were also selected by drawing lots: Saul was thus selected by Samuel to be king of Israel (I Samuel 10) although the drawing of lots only confirmed the feeling of Samuel, who had already anointed Saul. Eleazar, Ithamar and their sons, the heirs of Aaron the High Priest divided the priestly duties by lots among them (I Chronicles 24) and in the New Testament it is said that Zechariah, John's father, is assigned duties by lot "according to the custom of the priesthood" (Luke 1) (even in the New Testament, the disciplines chose Matthias from their midst by drawing straws to take over the ministry that Jesus had attributed to Judas (Acts 1)).3
Lots were also used to determine both the members of an important group, like the inhabitants of Jerusalem, "the holy city", after the first exile to Babylon (Nehemiah 11:1) and the first soldiers to attack the rebel tribe of Benjamin (Judges 20:12)⁴, and to divide either land or other form of wealth among the various claimants. In Numbers 26, for example, one finds that

The Lord said to Moses (...) the land shall be divided by lots; according to the name of the tribes of their father they shall inherit. Their inheritance shall be divided according to lot...

a custom also found in Mesopotamia and among Palestinian Arabs (see Encyclopedia Judaica, Lots).

Note, however, that in all the instances described above, where lots have been used, their use is related to decision making, to making up one's mind, and has nothing to do with games of chance: the situation is not repeated, nor are any monetary prizes involved, nor is the decision a matter of entertainment. Such lot casting has been common to many societies, as we shall see next, and their practice not only re-emphasizes this interpretation, but provides additional insights.

According to Huizinga (1944, p. 79), lot casting was also used in pre-Islamic Arabia to determine guilt. The Qur'an refers to the use of lots (sahama) in the case of Yunus (Jonah) who lost and was thrown in the sea (3:44/39). But such use of lots does not detract from the wide Qur'anic injunction against gambling:

O believers! Wine, maysir, sacrificial stones, and divining arrows are an abomination wrought by Satan. Thus avoid it! Perhaps you may prosper. Satan just wants to cause hostility and hatred to occur among you in wine and maysir and to bar you from the remembrance of God and prayers (5: 90-91/92-93).

They will ask you about wine and maysir. Say in both is a great sin as well as some uses for people. Their sin is greater than their usefulness (2: 219/216).
("Maysir" was a pre-Islamic game of chance with mainly charitable goals.) Later commentators attributed this interdiction to the fact that gambling was so widespread in pre-Islamic Arabia that "mean... used to gamble their women folk and property... (this) used to engender hostility and hatred among them." The Qur'anic injunction was believed to be so broad that it made suspect even the practice of lot-casting in legal proceedings, although the Jonah case and some prophetic traditions argued for their adoption in such cases as manumission, divorces, inheritances and so forth. Still, a known medieval commentator had to warn people not to confuse the use of lots with gambling (Rosenthal, 1975, pp. 33-34). The Muslim prohibition against gambling seems thus to be due to the same reason as found among other ancient people, namely, that while casting lots can be used for making up one's mind in cases of judgements or for ritual and political purposes (and thus the act could be carried out only by judges or priests), casting lots for other purposes is sacrilege. The practice was thus linked with the belief that fate was not capricious, and the casting of lots will reveal, in cases the judges could not arrive at the truth, the divine will.

A similar relationship between lot casting and divine will is found in ancient Greece. In Greek mythology, the gods cast lots to divide the universe among them: Zeus got the sky, Poseidon the seas and Hades, the loser, the underworld. In the Iliad, Zeus used a sacred balance to decide whether the Trojans or the Greeks will win the battle (Book VIII) and whether Hector or Achilles will die (Book XXII). Even more revealing is the way in which it is decided who will throw the first blow, Paris or Menelaus in their duel in the third book: Hector puts lots in his helmet and casts them -- that is the way to determine man's fate and the wishes of the Gods.

It is also useful to recall that the customs of many societies show a relationship among fighting, games of chance, and beliefs (religious in particular), and that the word "play" had its origin in the spheres of ethics, law and religion. For example, Huizinga (1944) points
out that the word "play", the German "pflegen" and the Dutch "plegen" are derived from a combination of the Old English "plegan", and the Old Frisian "plega", and that their meaning was "to vouch or stand guarantee for, to take a risk, to expose oneself to danger" (p. 39). He also notes that "with many peoples dice-playing forms part of their religious practices... In the Mahābhārata, the world itself is conceived as a game of dice which Siva plays with his Queen... The main action of the Mahābhārata hinges on the game of dice which King Yudhistira plays with the Kauravas... (and) a whole chapter (of it is devoted) to the creation of the dicing-hall-sabha" (p. 57). Indeed, Huizinga notes that, in archaic language, Divine Will, destiny and chance were equivalent concepts, and "Fate" may be known by eliciting some pronouncement from it. An oracular decision of this kind is arrived at by trying out the uncertain prospects of success. You draw sticks, or cast stones, or pick between the pages of the Holy Book, and the oracle will respond. Huizinga points out that the root of the Greek word Dikē (δίκη), meaning "justice", is Ἰκόμιον, which means to cast or to throw, a relationship also found in Hebrew, as already noted. Also, on the greek coins, the figure of Dikē, the goddess of justice sometimes blends with the figure of Nemesis (vengeance) and with that of Tyche, the goddess of fortune (p. 94) -- originally they may have represented the same idea. And, as among the ancient Hebrews and later-day Islam, in ancient Greece too, lots were drawn to divide an inheritance, and some magistrates were also selected by drawing lots.\(^\text{10}\) This last custom is also found in ancient Rome, where priests too were chosen by this method.\(^\text{11}\)

This method of making decisions -- casting lots, throwing dices -- have thus nothing to do with games of chance, but with a belief in a spiritual power that was supposed to determine people's fate. In this sense, therefore, there was not even an element of chance perceived when the priests casted the dices. They were used to make final decisions in unique events concerning divisions of wealth, engagement in battles, and the divinity was perceived to control the throw of the dice.
How were some of these decisions made in later ages? By no means were they made on firmer basis, although within the newer systems of beliefs they may have been perceived as such. Recall that for centuries astrology was used for forecasting by monarchs and governments. In England, from the time of Elisabeth to that of William and Mary, judicial astrology was in high repute.\textsuperscript{12} In the time of Charles I the most learned, the most noble and the most conspicuous characters did not hesitate to openly consult astrologers. In every town and village astrologers -- just like priests in earlier times -- were quite busy to cast nativities, prognosticate happy or unhappy marriages, predict whether a journey would be prosperous and suggest the right times for setting up enterprises, whether a cobbler's shop or the marching of an army.\textsuperscript{13} Can one say that this method of making up one's mind -- by the position of the stars -- is any different from the ancient one when it was made up with the help of the dice? The answer is negative. Moreover, as long as people believe in the Divine Power who controls the throw of the dice (thrown by priests), or in the Divine Power who determines the position of stars (examined by astrologers), not only that there seems to be no difference between them, but decisions made within such systems of beliefs will not be perceived as involving chance at all. The fact that to us such decisions seem to be a matter of chance, is irrelevant. Future generations will perceive, maybe, decisions to follow recommendations of some Wall Street gurus or some social scientists, or decisions based on some Freudian interpretation of dreams, as being just like decisions based on the throw of the dice, however scientific they may seem to some of us today.

In conclusion: while dice were used in antiquity, their use was unrelated to games of chance, and it is thus a mistake to even mention the facts described here in histories of games of chance. The mistake may be due to a fact historians have frequently noted, that people fail to change their vocabulary every time they change their custom. Some historians failed to examine this change and just looked at the fact that dice existed. But while we have used dice since antiquity, their current
use, related to games of chance, has nothing to do with their original one, related to a religious-legal practice.

2. LOTTERIES IN HISTORY

The history of lotteries, presented next, already reveals some broad regularities that will be dissected and discussed in details in the next chapters. The story reveals that they were perceived to play a few distinct roles: to entertain, to give a chance, however tiny, to the poor to get rich, to fill the state coffers when the rulers were hard-pressed by sudden expenditures, and to substitute for the role of undeveloped or non-existent financial institutions. At the same time, they have been regularly attacked on the grounds that the poor are suffering when given the opportunity to play.

The Greeks believed that Palamedes invented the dice and played with his fellow soldiers to relieve boredom during the siege of Troy. In Greece and Rome, gambling was popular and laws were passed to limit the bets. Ashton (1898, p. 6) notes that the name for a gambler in Rome was aleator, which had a negative connotation, and that in order to prohibit excessive gambling, money lost at play could not be legally recovered by the winner whereas money already lost and paid out could be legally recovered by the loser. Games in Rome were part of the entertainment business: at the Circus, the emperors were throwing numbered pieces of parchment and the "winning" numbers represented a claim on prizes which could be privileges or goods like precious vases or horses. Heavy betting also took place at the chariot races, and a number of gaming establishment have been excavated showing how popular games were among the Roman population. At parties, the custom of gifts being distributed to guests by way of a lottery (each guest receiving a free ticket) was very popular and spread to all Italy. The Roman emperors did not miss the contribution that lotteries could make to the state coffers: both Augustus and Nero made regular use of lotteries to
finance their building programs (Rubner, 1966, p. 14) and lotteries were
the means by which Rome was rebuilt after Nero burnt it (Baker, 1958).
Tacitus's Germania reports of the ancient Germans who "... are so
reckless in their anxiety to win, however often they lose, that when
everything else is gone they will stake their personal liberty on a last
decisive throw. A loser willingly discharges his debt by becoming a
slave" (p. 121). The same love of gambling is noted by Caesar when
describing the people of Gaul.

The Roman custom of distributing gifts to one's guest in the guise
of lotteries was the precursor of the first medieval lotteries: merchants
in Italy, Germany and England discovered that they could gain a higher
profit if they auctionned off their goods as "prizes" in lottery
drawings.\textsuperscript{18} Lotteries existed in Flanders in the fifteenth century,
their earnings being earmarked for public works like the building of
poor-houses or of ports. The first recorded use of lotteries to raise
public revenues was in the town of Sluis (Holland) in 1434 to raise funds
to strengthen the town's fortifications.\textsuperscript{19} The French town of l'Ecluse
held a lottery in 1444 for the same purpose (Kinsey, 1960, p. 13).

Even betting on the outcome of elections was already known: in
1520 they were betting on the outcome of the elections to the Great
Council of Genoa.\textsuperscript{20} The first money lottery in Western Europe can be
traced to Florence in 1530 and was an instant hit (Blanche, 1950).
Venice went even further: it created the first government monopoly of
lotteries which yielded considerable revenues to the Republic's
coffers.\textsuperscript{21} Florence, Milan, Turin and Rome all adopted the lotto
game.\textsuperscript{22}

Nor were lotteries confined to Italy or Flanders. The German town
of Augsburg had a lottery in 1470 and the German state of Onasbruck
organised a state lottery in 1521.\textsuperscript{23} By the end of the seventeenth
century lotteries were widespread in the German states.
In spite of the already mentioned lottery in the town of l'Ecluse, lotteries really took roots in France only after being introduced by the courtiers of Catherine of Medicis who brought with them the lotto game. King Francis the 1st of France immediately saw its potential for generating revenues and proceeded to issue the first letters patents for a "loterie" in 1539 in exchange for an annual right of 2 000 livres.\textsuperscript{24} In the same century, the proceeds of a lottery financed the building of a Parisian church, Saint Sulpice, and it is estimated that more than half of the Parisian churches were restored by such funding between the years 1714 and 1729.\textsuperscript{25} Also in the 16th century, lotteries were also used to build the Military School of Paris and to endow the foundlings hospital.\textsuperscript{26} Lotteries were so successful in France that they became an important French fiscal instrument, especially when the people already burdened by an excessive amount of taxation refused to pay extra taxes\textsuperscript{27} (Necker estimated that public lotteries cost the people 4 millions livres a year).\textsuperscript{28} In 1776, all public lotteries were consolidated in the Loterie Royale, modeled on the very successful Lottery of the Roman States sponsored by the Pope (which helped to build and maintain Rome's public monuments and also helped to create the museums of the Vatican),\textsuperscript{29} and all private lotteries were outlawed. The reasons for these actions given in the act were to prevent French players to play in foreign lotteries which were more attractive, thus losing foreign exchange. But one wonders if there was not another, more important reason lurking behind this act; namely, to augment the receipts the treasury was getting from the lotteries, in the face of a deficit in the kingdom's budget of 37 million livres.\textsuperscript{30} If this was the real goal, it was attained: this new lottery became a great success and a major support for the (chronically insolvent) French treasury.

It even survived the French revolution: whereas all lotteries were abolished by the revolutionary government in 1793 on the grounds that they exploit the poor,\textsuperscript{31} the government reversed its decision a few years later and, in 1799, the lotteries were reborn under the name of "loterie nationale". The reason was simple: deprived of their
lotteries, people played the foreign ones illegally. As a result the French government was not only losing revenues, but foreign currency as well.32

With the coming to power of Napoléon Bonaparte, the "loterie nationale" became "loterie impériale" and, as befits its new title, helped finance his very imperial projects and wars.33 The lottery survived both the fall of the Emperor and the restoration of the king and was finally abolished in 1836 (although lotteries to promote the arts or for charity purposes were still authorized, and frequently the municipal governments of Paris, Lyon, Marseilles sold premium bonds, bonds where part of all the accumulated interest was pooled together and allocated by lots). It is useful to note that the same legislature which abolished the lotteries created popular savings banks, in the hope that the poor who previously gambled would now start saving.34

The English proved themselves no less inured to the charms of lotteries than the French. Queen Elizabeth chartered a lottery which was drawn in 1569 and offered a variety of prizes in goods as well as money.35 This first lottery was not a great success, in spite of its official advertising.36 Another one was drawn in 1569 and in 1612 the Virginia company in London used lotteries to finance its settlements. This lottery was heavily promoted with advertising in the guise of songs. So successful was this venture that the Virginia company resorted to lotteries in the following years. But while cities and towns were at first very happy with the lottery, they began soon to complain that "the excitement of lottery had demoralized business and industry", and, in 1621, Parliament halted lotteries until "we shall be more fully informed of the inconveniences and evils (of lotteries) ... and may ordaine due remedy to the same..." (as quoted by Ezell, 1960, p. 8). But private lotteries still flourished, although they were looked upon with suspicion by some members of the public who argued that "the meaner sort of people are diverted from their work" (as quoted by Ashton, 1893, p. 40).
Nevertheless, some lotteries were used to finance public works: lotteries in 1627, 1631 and 1689 were granted in order to assure the supply of water of London (Ashton, 1898, p. 225), and monopoly privileges for promoting lotteries were given by the King to his courtiers. 1694 saw the return of the state lottery in an unusual guise: in order to replenish the Exchequer, depleted by the French war expenses, the state sponsored a lottery whose tickets were state bonds which were to be repayed sixteen years hence. The interest rate that would be paid above a minimum of 10 percent (a rather low rate for this period), was drawn in a lottery. 37 This lottery was a great success and its formula was used repeatedly by the state in the following years, until 1769.

1699 saw the first efforts of the 17th century to ban lotteries. The reason given by the preamble of the act was that they

(have)... most unjustly and fraudulently got... great sums of money from the children and servant of several gentlemen, traders and merchants... to the utter ruin and impoverishment of many families (as quoted by Ezell, 1960, p. 9).

This ban did not last: from 1709 to 1826, the British government authorized annual lotteries as a means of financing the Exchequer, and private lotteries were used to raffle goods, as was done by medieval merchants. 38 Private lotteries were outlawed in 1721 but publicly sponsored ones continued to flourish: both Westminster bridge and the purchase of some famous private libraries were thus financed by the government (Ashton, 1898, p. 230). At the same time, the practice of "insurance", related to the government lotteries, began to appear: this practice consisted of placing a low-cost bet with the agent selling lottery tickets, on whether a specific number would be drawn in the next drawing of the lottery. If the guess was right, the bettor received the amount for which he was "insured"; if it was wrong, he lost his bet. This practice was common as the following extract of a 1780 letter of Horace Walpole shows:
... The reigning (fashion) amongst the quality, is to go, after the opera, to the lottery offices, where their ladyships bet with the keepers. You chose any number you please; if it does not come up next day, you pay five guineas; if it does, receive fourty ... (as quoted by Ashton, 1898, p. 234).

This practice of insurance led to abuses: it gave incentives for rigging the drawing of the lottery and such rigging did indeed occur a number of times in 1775 (Ashton, 1898, pp. 231-232). Moreover it was seen as pernicious as it induced the poorer elements of society to gamble. When the lottery was drawn, all those who had "insured", absented themselves from their work, to the great detriment of productivity, and almost caused riots in the neighborhood of the drawings.49

These occurrences seem to be at the origin of a growing opposition to lotteries, again perceived as exploitative and unjust, in Sir William Petty's words: "a tax upon unfortunate self-conceited fools" (Ezell, 1960, p. 1). Each year, the passage of the Lottery Act (enabling the lottery for this year) became the occasion of severe criticisms of lotteries.40 In 1808, a committee of the House of Commons was appointed to inquire into the evils consequences of lotteries and the remedies that could be found by regulating them. Its final report, full of horror stories of people whose downfall the lottery had proved to be concluded by saying that "the foundation of the lottery system is so... vicious... that under no... regulations... will it be possible ... (to) divest it of all ... evils" (Ashton, 1893, p. 161). In 1823, in the Lottery Act, provisions were made to end the practice, after a last drawing in 1826. This epitaph was written in that occasion:

In Memory of
THE STATE OF LOTTERY,
the last of a long line
whose origin en England commenced
in the year 1569,
which, after a series of tedious complaints
Expired
on the
18th day of October 1826.
During a period of 257 years, the family
flourished under the powerful protection
of the
British Parliament;
The Minister of the day continuing to
give them his support for the improvement
of the revenue.
As they increased, it was found that
continuance corrupted the morals,
and encouraged a spirit
of Speculation and Gambling among the lower
classes of the people...
(as quoted in Ashton, 1898, p. 239-240).

Note that the reason given is to protect the poor.

This marks the end of the lotteries in England until the present
times except for the promotion of the arts and some other special
purposes; in 1836 also the advertising of foreign lotteries was
prohibited.41

Some similar regularities can be detected in the history of
lotteries in Poland.42 Introduced by an Italian around 1748, the lotto
game soon attracted the attention of the Polish diet who in 1768
established a system of state concessions to the private lotteries' promoters in order to increase the state's revenues. To this first
lottery another -- the class lottery -- was joined in 1808, whose tickets
were much more expensive.43 As in other European countries, calls were
heard during the 19th century to abolish lotteries on the grounds that it
exploits the poor. This opinion led indeed to its abolishment in 1840,
because, the law states, "its bad influence on the moral character of the
poor" (Handelsman, 1933, p. 54). But the class lottery, whose ticket
was too expensive for the poor to buy, continued undeterred until 1915
when the war ended it. At the end of the war, the new Polish Republic
resurrected the state lottery.
Lotteries in the New World

Lotteries came to the New World as an import from the Old. We have seen how the Virginia company financed the early settlers with the help of lotteries. Lotteries were also used to sell property: they substituted an undeveloped banking system. In order to dispose of an expensive property, people sold tickets to a lottery of which the property was the prize. Thomas Jefferson explains its rationale:

An article of property, insusceptible of division at all, or not without great diminution of its worth, is sometimes of so large a value as that no purchaser can be found ... The lottery is here a salutary instrument for disposing of it, where men run small risks for a chance of obtaining a high prize (as quoted in Ezell, p. 13).

This was especially true in the case of an owner having a pressing need of money.

Just like their medieval predecessors, merchants also used the lottery to advertise and sell their goods (like many continue to do today). In addition to this and the peculiar practice of selling property, ordinary lotteries existed with the customary monetary prizes. These lotteries did not come without their detractors: the Quakers of Pennsylvania were the first group whose objections to lottery succeeded in having (largely unsuccessful) laws passed against them. Once again some were afraid of excesses caused among the poorer elements of society by excessive gambling. This led to the prohibition of unlicensed lotteries:

The ostensible reason most governments cited for banning unlicensed lotteries was the harmful effect upon the lower classes. These games appealed ... to the poor ... (who)... neglected their less exciting pursuits (Ezell, 1960, p. 20).

Yet this concern did not induce the Colonial governments to outlaw lotteries, since they could not renounce such a method to raise taxes. One must remember that the fiscal needs of the American Colonies were large: they waged wars against both the Indians and the French, but the
population resisted increased taxes (Ezell, 1960, p. 28). The strapped
governments turned to lotteries to provide the needed funds: Lotteries
financed the protection of the sea coast against the French (1744,
Massachusetts), paid for the fortifications of New York City in 1746.
They also helped to build colleges at Yale, Harvard, Princeton and the
future University of Pennsylvania, as well as the construction of
churches too (1765 in Pennsylvania). The popularity of lotteries to
finance public works was such that it became suspect to both the British
administrators of the colonies and the British government, so that they
called for their abolition. A circular sent to the colonial governors in
1768 forbade them to license further lotteries:

Whereas a Practice hath ... prevailed ... in America for
passing laws for raising money by instituting public
lotteries; ... such practice doth 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 ... (Ezell,
1960, p. 49).

This banning came in spite of the fact that at home in England, lotteries
were still allowed to flourish during this period.

This action somewhat stymied colonial lotteries but the days of
English rule were numbered and, during the Independance war, lotteries
were again one of the means by which a hard-pressed Continental Congress
hoped to finance its war expenses, establishing the "United States
Lottery". The first drawing was successful, the following less so.

Lotteries flourished in the Independant United States as they had
in Colonial America. The people were still wary of taxes (they had,
after all, just waged a war in order not to pay them), so lotteries were
used to finance public projects on both the State and the Federal level.
They were also used to finance County and Municipal buildings, repair
streets, ensure the water supplies of cities, and build roads, canals and
bridges.
In order to give an example of the importance of lotteries, the Boston Mercantile Journal estimated that in 1832 approximately 420 lotteries were drawn in eight states (New York, Virginia, Connecticut, Rhode Island, Pennsylvania, Delaware, North Carolina and Maryland); the tickets sold in these lotteries brought a gross revenue of 66 million dollars, more than five times the expenses of the federal government in this year (Blanche, 1949, p. 78).

As lottery activities expanded, there occurred a number of changes in their character. A group of middlemen, the ticket brokers and lottery contractors, developed. Contractors took over the management of lotteries and hired brokers to sell the tickets. The brokers bought large blocks of tickets at discount and resold them.

These networks of lottery contractors and tickets brokers provided the framework for modern investment banking and stock brokerage service: what they did was to tap people's savings to finance big public works projects. However, they also provided opportunities for fraud and abuses which were seized by some unscrupulous operators.

While lotteries were so widely used, there were always critics. But their voices during the 18th century were not heeded. The main social argument against lotteries was always that it attracted poor people's resources and energy which they could have used more productively elsewhere. This argument was reinforced by the popularity of the "insurance", already seen in the British context, which enabled poor people, who could not afford to buy a whole ticket, to participate in lotteries.45 This system not only provided more opportunities for the poor to gamble but also provided more opportunities for fraud. Fuelled by some well-publicized scandals46 and the realization that the middlemen were retaining the lion share of the profits, the anti-lottery movement gained influence: Pennsylvania became the first state to abolish lotteries in 1833, followed by Massachusetts in the same year.47 Several other states quickly joined them and, by the beginning of the
Civil War all but Delaware, Kentucky and Missouri had similar laws on their books. The Civil War and its consequences on the Southern States finances brought a revival of lotteries but, in 1868, the Congress forbade any sale of lottery tickets by mail and, by 1878, all states, except Louisiana, had prohibited lotteries. In Louisiana, the lottery started in 1868 helped in the reconstruction. A private firm was given a monopoly for selling them against a fixed annual fee paid to the State.

But its very success, insured by the fact that it attracted customers from all the United States (who violated the federal law against sales of tickets by mail) created the seeds of its own destruction: outraged by this violation of its laws, Congress strengthened them. In 1892, the charter of the company was not renewed when an anti-lottery ticket, elected by a finally fed up Louisiana electorate, threw out the monopolist owners who had until then bribed officials and manipulated elections in order to ensure the continued operations of the lotteries. This was the end of the legal lottery in the United States until present times.

The colonies of the North did not escape the lure of lotteries. While Quebec's authorities prohibited all games of chance, they allowed issuing some lotteries in order to dispose of some property (like in the U.S.) or to raise money either for charitable purposes or public projects. Like in the U.S., the reason for their appearance is either to substitute for an undeveloped banking system or for a non-existent administration and bureaucracy which could collect taxes when suddenly needed.

The first Quebec legal lotteries were severely regulated: they had to be evaluated by experts and the organisers had to obtain an authorization from the government for every game. The British conquest of 1760 did not spell the end of the lottery which was, as we have seen, already well-entrenched in England and in the Southern Colonies. With the War of Independence in the United States, lotteries were used by the
British Governor to distribute land to the loyalist soldiers and immigrants fleeing from the new United States (Labrosse, 1985, p. 54 ff.). Like everywhere else, revenues from lotteries were also used for public works: the new prison built in Montreal in 1783 was financed by a lottery, and it should be noted that revenues from American lotteries were used to finance some important projects in Canada: the Welland Canal between the Ontario and Erie lakes was financed by an American lottery (Labrosse, 1985, p. 69).

Nevertheless, there were no signs in the Canadian Provinces of the same "lottomania" which existed in the United States: while the period of the 1812 war with the United States saw a veritable "lottomania" south of the border, few signs of lotteries were found in Canada. This does not mean that there was no gambling in the Canadian provinces: in 1817, the assembly of Lower Canada passed a law outlawing gambling. The reason given for this law was to prevent lower class people like workers and servants to ruin themselves (Labrosse, 1985, p. 64).

One form of lottery which continued to flourish in Lower Canada during this period is the raffle, especially for charitable purposes. Canadians who wanted to participate in lotteries could also buy tickets in American lotteries which were very popular. But the 1840s saw the beginning of the progressive disappearance of these lotteries as one American state after the other outlawed them. Seeing a good profit opportunity, local promoters of lotteries appeared and the years 1845 to 1856 saw the appearance of private lotteries in Canada (Labrosse, 1985, pp. 76-79). But, again as in other countries, fraud brought the government's attention to this sector, and, in 1856, a law was passed outlawing lotteries and foridding the selling of foreign lottery tickets. This was the end of legal lottery in the whole of Canada, except Quebec, until recently. In Quebec under pressures from the Church, this law was amended to permit lotteries for charitable purposes in which the prizes were objects (but not money). In 1890, the Provincial government created a provincial lottery with cash prizes. At
the same time, private lotteries flourished, using loopholes in the amended law. But, in 1892, the Federal Government amended its criminal code to outlaw lotteries. This development spelt the end of lotteries also in Quebec until recently.

2. THE REBIRTH OF LOTTERIES

Thus, as we have seen, lotteries were outlawed in France, England, the United States, Canada. Belgium outlawed them in 1836 and Sweden in 1841. In Sweden, however, the lotteries were reintroduced in 1897 and pari mutuel bettings on soccer games were legalized in the 1930s. Also, a few lotteries survived during the 19th century: the Spanish lottery, founded in 1703 in order to build the Madrid hospital, was never outlawed. In 1769, Spain created the lottery of New Spain which, later renamed as the lottery of Mexico, continued unabated until our days. Portugal had a lottery since 1783, when a Royal Charter created the "Santa Casa Da Misericordia", an institution charged to collect money for charitable purposes, lotteries among them. Italy never outlawed lotteries either and as we have seen above, the Pope sponsored a very successful lottery in the Papal states. Germany has had lotteries since the Middle Ages and, in spite of call for abolition during the nineteenth century, the German states continued to promote lotteries for fiscal purposes as did the Netherlands.

The trend changes with World War I, when, among other consequences, governments were left with empty coffers and huge debts. In order to attract subscribers to state loans, the governments of Austria, Belgium, France, Germany and Italy used the interest lottery loans (which have not been used previous to the war, except in Austria). It was also the burden left by the conflict which spurred France to reintroduce the lottery in 1933 in order to pay the pensions of the war's veterans. Belgium introduced a National Lottery the following year.
In 1967, facing mass defections and a Catholic population, the opposition from the Anglo-Protestant establishment deserted the topping. In 1972, the mayor of Montréal, Camille Houde, began to lobby for the establishment of a lottery in Quebec and by the astronomical of a lottery in order to deal with the accumulated but in 1972, the mayor of Montreal's, Camille Houde, began to lobby for the outlawing of lotteries. In 1993, lotteries were outlawed in Canada. After the correlation between governments' decision to outlaw lotteries.

Although during the depression of 1929, New Hampshire became the first state to introduce the state lottery, soon followed by New York in 1966. Since then, each election sees a spike of legalization as each administration introduced a lottery. Only in 1969, New Hampshire became the first state to introduce state lotteries. The United States considered propositions for introducing lotteries, they have subsequently legalized in 1969. Although heavily taxed and regulated, other forms of betting, including lotteries as well as casinos, were similar to those introduced in France, Germany and Italy earlier. All bonds whose interest payment was the object of a lottery (somewhat introduced a lottery in the form of premium bonds, i.e., by the lower classes. Only in 1996, the Macmillan Government财税 betting act of 1906, whose aviation bond was to authorize all betting the 1820's, all categories of gambling were eventually restricted by the following the outlawing of all but a restricted category of lotteries in Lottery in England, there had been discussion about introducing a permanent lottery (Lauden, 1989, p. 19).

The Irish Sweepstake has its origin at the end of World War I too.
after Expo 67, Jean Drapeau, the mayor of Montreal, decided to create a "voluntary tax", which was a lottery under a disguise. In spite of Drapeau's and Montreal's best efforts, this "voluntary tax" was dubbed a "lottery" by the courts, which abolished it. But lotteries were finally legalized in 1970. Since then all Canadian provinces have introduced lotteries, and they have prospered ever since.

CONCLUSION

This brief history of lotteries only serves as an introduction to forthcoming studies, when we explain the reasons for the changing attitudes toward lotteries and games of chance.
FOOTNOTES


2 This was interpreted to mean that contrary to Moses, who could directly consult God, Joshua had to go through the priest and the lot casting procedure to know what God's wishes were (see Kassuto, 1963).

3 These examples were originally quoted in Lorenz (1985).

4 That the practice of choosing somebody for a special purpose by drawing lots remained in the practices of the Jews may be seen from two cases reported by Josephus Flavius in his Jewish War: first, when Josephus, a general of the Jews who rebelled against Rome, was defeated by the Romans he took refuge in the city of Jotapata. The town was besieged by Vespasian and the defenders, despairing of their fate if captured, decided to commit mass suicide, against Josephus' most earnest wishes. Failing to convince them, he decided to "stake his life on one last throw", and he convinced the others to "draw lots and kill each other in turn" as suicide is abhorrent to God, the last two men killing each other. But either by luck or trickery, Josephus was one of the two last men who remained and convinced the other to surrender (pp. 202-203). The second similar case reported by Josephus, who by now had become a transfuge, is the case of the mass suicide committed by the defenders of Masada. The rebellion having been brutally quelled in all of Judea and Jerusalem having been destroyed, the last rebellious Jews made a stand in the formidable fortress of Masada on the Dead sea. Being besieged by the Romans and foresighting their eventual defeat, they decided to kill themselves instead of falling into the hands of their enemies. Each man killed his family then they drew lots among the men to choose ten who killed the other defenders. The ten remaining men drew lots among them to choose one who killed the nine others then killed himself (Chapter 23). These two examples show that lot casting was still used by the Jews of the first century A.D. to choose people for an important task or mission.

5 See Rosenthal (1975), Chapter 3.


9 This legend is reported in Rouse (1957), p. 16.

Suetonius in his life of Augustus mentions that he created categories of magistrates who were chosen by lots (Life of Augustus XXIX). Moreover, the Vestals virgins were chosen by lots among the patrician girls of likely age.

See Mackay (1980).

See Mackay (1980).

These details are given by Bolen (1976).

See Coste (1933) and Rubner (1966), p. 15. Coste and Ezell (1960) both mention an even weirder lottery conceived by the emperor Heliogabalus: in the drawing of his lottery at the circus he gave equal odds to win a gold vase or six flies!

Ashton (1898) pp. 6-8. Even the emperors were gamblers. Suetonius mentions that Augustus was a great gambler all his life, quoting even letters of August on the subject. He also mentions that Nero lost fabulous sums of money with dice games.

See Blanche (1950).


The form this betting took is at the source of the modern "numbers" games: five senatorial candidates were chosen at random from a pre-determined list of aspirants. People bet on the ones who would be selected. From this developed the game of lotto by substituting numbers from 1 to 90 in place of the names. This is still a standard system used (Smith, 1952; Labrosse, 1985, p. 15).


Coste (1933), p. 83.


Leonnet (1963), p. 15.

Leonnet (1963), p. 15.

See Labrosse, 1985, for a good review of French lotteries.

Coste (1933) gives a list of the public projects which were financed by lotteries in France: the Parisian general hospital in 1660; the
buying of fire pumps for Paris in 1701; the relief of Lyon's poor in 1699; an hospital in Amiens and a school in Angers (p. 23).

29 The Lottery of the Roman States was founded in 1732 by the Pope in order to help build and maintain Rome's public monuments. It was this lottery which helped to create the museums of the Vatican. Moreover, the Pope's involvement with a lottery may have convinced the very Catholic Louis the Sixteenth that lottery were a legitimate means of raising money (Leonnet, 1963, pp. 17-18).


31 Coste (1933) quotes Chaumette, the accuser for the department of Seine which called the state lottery: "a scourge invented by despotism to quiet the people by giving them a false hope". Mirabeau during the debate at the National Assembly sent an open letter to his fellow members accusing the ones which were in favor of a lottery to support a "tax whose proceeds stem from folly or despair" (Leonnet, 1963, p. 37).

32 The argument presented at the Council of the Five Hundred (the then Parliament) sounds almost modern: "Of all kinds of contribution, no other has less detractors and more supporters than the lottery ... All other taxes must be paid whether one wants it or not. One is free not to contribute to the lottery..." (as reported in Handelsman, 1933, p. 18). The partisans of its continued suppression did also use modern arguments: "Ask this desolated mother whose children die of hunger; she will tell you: my husband was addicted to the lottery and we are left without resources. Ask this firm why it is bankrupt, the lottery is the cause" (as reported in Leonnet, 1963, p. 42).

33 Leonnet (1963), pp. 49 ff.

34 Henriquet (1921), p. 23.


36 Ashton (1893), pp. 20 ff; Woodhall (1964).

37 The details on this lottery are given in Woodhall (1964).

38 To give an idea how widely used were lotteries, Ashton (1898, p. 229) shows that, in a randomly picked issue of the paper The Tattler of 1710, no less than six lotteries are mentioned, some with prizes of money and some with prizes of merchandises.

39 These details are taken from Woodhall (1964).

40 For instance, in 1818, a member said that on the Tomb of the Chancellor of the Exchequer of this time should be written: "Here lies ... (the) ... once Chancellor of the Exchequer; patron of Bible
Societies, ... an encourager of Saving's banks - a supporter of lotteries!" (Ashton, 1898, p. 238).

These details on English lotteries are taken from Ezell (1960) and Blanche (1930).

The details of the history of Polish lotteries are taken from Handelsman's very good book (1933).

In this type of lottery, a predetermined number of tickets are sold in advance. The price of these tickets is high, but must be paid in several installments. Each time an installment is paid, there is a lottery drawing, and each buyer of a ticket must prove he has paid each of the previous installments before being allowed to pay the current installment. If he wins, a player cannot participate in the following drawings.

All the details on the history of lottery in early America are taken from Ezell's (1960) book.

An investigation of the lottery in New York in 1818 found "insurance" damming because it "entices women, children, apprentices, Negroes, and the poorest" (Ezell, 1960, pp. 189-190).

The most famous of these was the Baldwin libel case: Baldwin, the editor of the journal Republican Chronicle in New York, published in September 1818 a series of articles in which he accused the lottery of rigging the results, so that insurers (who bet against a number being drawn) lost heavily. The directors of the lottery sued Baldwin for libel and the resulting trial (in which Baldwin was acquitted) unveiled all the opportunities for cheating which were used to rig the lottery (Ezell, 1960, pp. 188 ff.).

It is noteworthy that the spur under which the Massachusetts legislature acted was the suicide of a 35 years old bookkeeper and treasurer of a large Boston Mercantile house who had gambled away all his property and embezzled $18 000 of his employer's money in lotteries (Ezell, 1960, p. 211).

The details on the history of Canadian lotteries are taken from Labrosse's excellent book (1985).

The Church first had an amendment passed that permitted raffles of unsold objects whose value was no more than $50. But with the passage of the British North American Act in 1867, Quebec had its own assembly which, under the powerful pressure of the Catholic Church, passed a new law giving the right to raffle objects of higher value for charitable or educational purposes (Labrosse, 1985, p. 83).


For a story of the Spanish lottery, see Altabella (1962).
This history of Canadian lotteries is taken from Labrosse (1985).

The system worked as follow: people were urged to pay a "voluntary tax" to the city of Montreal in units of $2; each month, there would be a drawing among the bulletins of those who paid the tax, and the winner would win silver bars as prizes. The biggest prize had a value of $150,000. In order to keep up the fiction that this was not a lottery, the winner was asked a "skill question". But this question was so easy that hardly anybody ever failed it.

See Brenner and Brenner (1986a,b).
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