

# The Louisiana Lottery

# Lottery

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## The Bourbon Democrats

The Louisiana Bourbons believed their background, education, and success meant they should lead the government. They wanted to continue their way of life and did not accept the need for change. These powerful men continued their prewar beliefs in states' rights and in their superiority to the former slaves. They were accused of looking to the past yet not learning from it.

The Louisiana Bourbons did not create a new political party but built their power within the Democratic Party. As a result, the Democratic Party became the party of whites in the South.

Whites held political power by controlling the votes of the blacks. They made economic or physical threats. An employer told his workers how to vote. If they refused, they could and did lose their jobs. They were also threatened with violence.

If necessary, the actual votes were simply ignored to give the Democrats the victory. The Returning Board was no longer around to check the votes; it had been eliminated when the Republicans lost power.

The first Democratic governor after Reconstruction was Francis T. Nicholls, elected in 1877. This former Confederate officer believed those in power should work for the good of all. Even an African American newspaper said he tried to be just and impartial, but other politicians thought he was too generous toward blacks.

Nicholls had high ideals and was not afraid to take a stand. He criticized some of the wealthy Bourbons in his party for not paying their property taxes. Then, Nicholls challenged the Louisiana Lottery, a private company that had operated in Louisiana since 1868. He believed this corrupt group should be shut down, but he was no match for the powerful lottery. There were more lottery supporters than opponents in the legislature.

## The Louisiana Lottery

In 1868, the state had granted a 25-year charter (permission to operate) to the Louisiana Lottery Company. The Louisiana Lottery was a private company set up to make money for the company instead of the state. In fact, the only benefit the state received was a small payment of about \$40,000 a year for the charity hospitals. This was less than 1 percent of the income the lottery made. It usually brought in more than \$20 million a year and kept at least half of that as profit. During that same period, the average worker made \$2 a day.

The lottery drawings were probably not rigged. Cheating seemed unnecessary because the company was making so much money. To appeal to the public, two old Confederate generals supervised the drawings. Advertisements announced that honest "orphan boys" drew the winners.

During Reconstruction, the lottery company became very powerful. It gained political influence over the radical Republicans and later the Democrats by contributing large sums of money to elected officials. Opponents called the money "bribes" rather than campaign contributions.

The lottery controlled the Reconstruction government so completely that a top lottery official became the state treasurer. E. A. Burke was broke when he arrived in New Orleans after the war and took a \$1-a-day job. He claimed to be a former Confederate army major, but his critics claimed that he had actually been a Yankee spy. Burke is sometimes called the "ultimate carpbagger."

At the same time Burke served as state treasurer, he expanded his In-Section 1 Political Control 383 At the time, the Louisiana Lottery Company was the largest in the country, and its tickets were sold nationwide. Lagniappe Lagniappe influence on the state as the managing editor of the New Orleans Times, a newspaper owned by the lottery. This paper later merged with another, increasing its political strength.

## The Constitution of 1879

Lottery officials pushed for a convention to write a new state constitution. They wanted the lottery to be protected by the state constitution.

In the new 1879 constitution, the lottery charter was renewed. Lottery supporters also used the new constitution to reduce the governor's term by one year. This punished Governor Nicholls for fighting the lottery by ending his term early.

The writers of the constitution of 1879 intended to change the radical Republican direction of the state government and return to home rule in Louisiana. But they did not take the right to vote away from the African Americans because they feared the reaction of Congress. They were also afraid that if they did, their workers might leave the state. But some of the rights that had been put into place by the constitution of 1868 were removed. For example, the equal rights amendment was not included in the 1879 constitution. To separate black and white students, Southern University was established as a black college.

Other constitutional changes were made to please those in power. The property tax was lowered, and more restrictions were placed on borrowing money for state improvements. The powers of the governor were increased while those of the legislature were decreased. Separate public school systems were established for both races, but they were not well funded.

## The End of the Lottery

In 1888, Francis T. Nicholls returned as the governor. He still strongly opposed the lottery and its hold on the state. More and more people agreed with Governor Nicholls's opposition to the lottery.

In 1889, a scandal involving the lottery was uncovered. E. A. Burke was accused of stealing more than a million dollars of state funds while he was the state treasurer. He fled to Central America, and the money was never recovered. Burke had already established business ties in Honduras and operated a mail-order lottery from there.

Despite the scandal, the Louisiana Lottery expected to continue to operate. In fact, in 1890, it offered to give the state \$1.25 million a year if the legislature extended its charter. The legislature voted to ask the people to renew the lottery in the 1892 election. Governor Nicholls refused to sign the bill saying, "At no time and under no circumstances will I permit one of my hands to aid in degrading what the other was lost in seeking to uphold . . . the honor of my native state." (Nicholls had lost one hand and one foot in a Civil War battle.)

The 1892 campaign for governor centered on lottery supporters and opponents. In the election, the voters chose Murphy J. Foster as governor. Foster had campaigned against the lottery as a "polluting monster" and promised to remove this corruption. The voters also rejected the amendment to renew the lottery's charter. The Louisiana Lottery Company finally ceased its operations in the state in 1893.

Using the sources above answer the following questions.

1. Who are the Bourbon Democrats?

2. How did the Bourbon Democrats stay in power?

3. Who was the first person to challenge the Louisiana Lottery and why?

4. What was the Louisiana Lottery and why did people want it to be shut down?

5. What impact did E.A. Burke have on the Louisiana Lottery?

6. What was the impact of the 1879 Constitution?

7. Why was Francis T. Nichols against the Louisiana Lottery?

8. How did the Louisiana Lottery ultimately end?

**INDEPENDENT PRACTICE**

9. Describe the Relationship between the Louisiana Lottery, Bourbon Democrats, and Francis T. Nichols.

10. Describe the impact the Louisiana Lottery had on the state.