Introduction

The New York State Lottery (now a component of the State Gaming Commission) in 1991 moved its offices fifteen miles west from downtown Albany in the Empire State Plaza to its present location in downtown Schenectady. The State Lottery currently bills itself as the largest and most profitable in the nation. It is only fitting that the Lottery would be relocated to Schenectady because in the first half of the nineteenth century, the State’s largest lottery was based in Schenectady and operated for the benefit of Union College. Not only was the lottery conducted for the benefit of Union College, it was governed by Union College president Dr. Eliphalet Nott who became known as the “superintendent of lotteries” and the “lottery king of America.” The planning, execution and management of these lotteries were for the most part in Dr. Nott’s hands. The lottery-related controversies involving Union College and Dr. Nott lasted for nearly half a century.

Union College was for the first half of the nineteenth century the almost complete domain of its president, Eliphalet Nott. Nott served as the college’s president for sixty-two years from 1804–1866. During his lifetime, Dr. Nott was widely considered to be one of the most important educators and citizens in the nation. Union was the second college established in the State (Only Columbia which opened in 1754 preceded Union in New York State) and in 1795 became the first school to be chartered by the State Board of Regents. Nott was the fourth president of

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4 In its obituary of Nott, the Christian Advocate wrote, “He has scarcely less than any contemporary impressed his own character upon that of his age and country, and his influence will live on indefinitely,” “Rev. Eliphalet Nott,” Christian Advocate, Feb. 8, 1866. The New York Tribune noted, “But in his kind, he was a master, the like of whom we shall not see again. His life was his best logic, adding grace to his own persuasions and fortifying his neighbor’s creed by its purity and benevolence.” “Death of the Rev. President Nott,” New York Tribune, Jan. 30, 1866; “His services in the cause of education have been equaled by few. His influence upon the young men of this country is beyond estimation.” Eliphalet Nott, D. D., LL. D., American Educational Monthly, March 1866; “For more than half a century, he was preeminent as a clergyman, as an educator of young men, and as temperance advocate.” Spillan supra note 2. See also “Obituary Eliphalet Nott, D. D., LL. D., New York Times, Jan. 30, 1866.
5 See Ch. 55, L. 1795.
Union, and when he arrived at Union, he found the school’s financial condition to be in precarious shape. “Nine years had elapsed without any perceptible improvement in the condition or prospects of the college; on the contrary, its pecuniary resources had been expended; it possessed no means, except an edifice partly completed, and a few books.” There certainly was no way to build a modern college or campus. In 1804, the whole expenses were a little short of $4,000 a year, and the income from all sources failed to reach even this moderate sum. Nott’s plan was to build a modern campus and attract numerous students. In 1804, when Nott assumed the presidency of the college, only fifteen students graduated from Union College. That required massive moneys that the school certainly lacked.

II The First Union College State Lottery

Nott’s solution was to go to the legislature for assistance. “He had come to see the state government as his financial partner in education.” Rather than directed appropriations from the legislature, Nott negotiated for a lottery to benefit Union College. In 1805, the State legislature responded with a bill to authorize Union College to be the beneficiary of the four separate lotteries which would grant Union $80,000. The law was entitled, “An act for the endowment of Union College.” Out of this amount, $35,000 was to be used to erect new buildings for the students and a similar amount for faculty salary endowments. The remaining $10,000 was to be split equally between the establishment and maintenance of a classical library at the school and the defrayment of the expenses of indigent students.

The quid pro quo for the lottery grant, however, was that the school technically became under State control. The number of trustees was reduced to twenty-one from twenty-four, and eleven State officials became ex officio members of the Union College board. Further, the board of regents was given the power to fill the vacancies on the Union College board.

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7 Cornelius Van Santvoord, Memoirs of Eliphalet Nott, For Sixty-Two Years President of Union College 137 (1876).
8 Franklin Benjamin Hough, Historical and Statistical Record of the University of the State of New York: During the Century from 1784 to 1884 at 168 (1885).
9 Hislop, supra note 1 at 144. Union College had received gifts and loans from the State after its creation in 1795. In 1795 Union College was granted $1,500 “as a free and voluntary gift on the part of the people of this state to be by them applied to the purchase of an apparatus of the instruments and machines for illustrating lectures in astronomy, geography, and natural philosophy and the residue, if any, to be applied to the purchase of such books for the use of the said college as the trustees may think proper.” Elsie Garland Hobson, Educational Legislation and Administration in the State of New York, 1777-1850 at 146 (1918), quoting Ch. 76, L. 1795. Union College received other small donations from the State in the years before 1805. Paul Joseph Scudiere, A Historical Survey of State Financial Support of Private Higher Education in New York 35-36 (1975).
10 Ch. 62, L. 1805 passed Mar. 30, 1805.
11 Id.
13 Id. Scudiere believes that “the action was more political and philosophical than personal. In effect the Democratic-Republicans were attempting to balance the Federalist dominated Columbia College with its own institution.” Scudiere, supra note 9 at 39.
14 See Scudiere, supra note 9 at 38.
It took years for the lottery managers to actually operate the Union College lottery. In the interim, to help out the school, the State would loan Union College the potential lottery proceeds. While various estimates have been given for what Union College eventually received from the lottery, it is likely that Union ended up receiving $76,000 of the $80,000 that had been earmarked from the lottery. Nott used the proceeds of the lottery to complete the existing Union College building and to build adjacent dormitories.

Given Nott’s ambitious nature and lofty goals, Union College grew larger and stronger. The enrollment at the school grew considerably. By 1813, forty-five students graduated, tripling the number of graduates from Nott’s first year on campus. Nott saw that he needed a new and bigger campus for his growing student body. He sold Union’s existing campus (which was located in what is now known as the Stockade Historic District in Schenectady) to the city of Schenectady. The cost of the new campus and the buildings would certainly exceed the proceeds from the 1805 lottery which had largely been used to improve the existing campus. Union would need more funding from the State.

III The Second Union College Lottery

Nott went back to work lobbying State government for more aid. Nott requested this assistance in 1814, in the midst of the War of 1812. State government was in no position that year to provide significant donations to any colleges. So Nott again proposed a lottery. This requested lottery would provide Union College with $200,000 of lottery proceeds, up from the $80,000 approved in 1805. The request was broken down to include $100,000 for buildings, $50,000 for talented but indigent students, $20,000 for apparatus and the library, and $30,000 to cancel debts already contracted. The College petitioned the legislature in early 1814 in the midst of the War of 1812 noting that the trustees had no means of their own to pay for the campus. The college trustees asked to “spread their wants before your honorable body, praying that you will grant such relief as may appear expedient. And the Trustees do this with a grateful rememberance [sic] of past favor, and confident that a liberal and enlightened legislature will not hesitate to cooperate with those who are struggling to improve the condition of a seminary in which so many of the youth of their own state are to be educated and with whose glory of the republic is so intimately connected.”

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15 In People v. Gilbert, 18 Johns. 227 (Supreme Court 1827), the State sued one of the managers of the Union College lottery for selling tickets in an unauthorized manner.
16 See “Union College,” The Schenectady Cabinet, Jan. 17, 1854. See also Spencer supra note 6 at 25. Under Ch. 72, L. 1806, the State lent the college $15,000. See also Ch. 53, L. 1810 authorizing a payment of $10,000 to the Bank of Albany to pay for funds borrowed by the Union College trustees.
17 Somers, supra note 12 at 462.
18 Hough, supra note 8.
19 Somers, supra note 12 at 790.
20 Van Santvoord, supra note 7 at 141.
21 Scudiere, supra note 9 at 40.
22 Hislop, supra note 1 at 155.
23 Id.
The task to obtain the lottery relief for Union College seem daunting, but Nott’s lobbying abilities were especially effective. He basically logrolled his bill from the legislature. He brought on newly formed Hamilton College which would receive $40,000 from the lottery. Lottery funds in the amount of $30,000 would be provided to the endowment of the college of physicians and surgeons. The Asbury African Church was to receive $4,000. The New York Historical Society was to receive $12,000.24

That left Columbia, New York State’s most significant college. “To shut out Columbia from the lottery bounty would have been to lose the gamble at once.”25 So Nott, worried about another potential lottery grantee, arranged for some minor lands in New York City to be transferred from the State to Columbia. The lands constituted the Hosack botanical garden in Manhattan. This was a 20-acre property in the middle of Manhattan Island, far away from what was in 1814 the center of the city of New York. The Columbia representatives were not thrilled with the arrangement.26 Yet in the long run, Columbia was the runaway winner of the lottery legislation. The property received from the lottery act by Columbia eventually became the land on which Rockefeller Center was constructed.

At the beginning of the twentieth century, long before the construction of Rockefeller Center could have been contemplated, it was said, “Thus, solely through the influence of the president of Union, Columbia received that magnificent property which to-day forms its principal endowment. The botanical garden granted to Columbia comprised 20 acres located between Fifth and Sixth avenues, Forty-seventh and Fifty-first streets, in New York City, then 3 miles out of town, but now the center of the wealth and population of the metropolis.”27 In 1985, Columbia sold the property to the Rockefeller Group for $400 million.28 At the time of the sale, Columbia University president Michael Sovern commented, “My own feeling is that it was fobbed off on us in 1814” and “was a white elephant until after the Civil War.”29

The “Literature Lottery,” as it was called in the bill, ended up being passed easily by the legislature.30 The session laws for the legislation contain the unique note, “No bill before the legislature excited greater interest and attention than this act. Much credit is due to the unwearied exertions of the able and eloquent president of Union College in procuring its passage.”

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24 The lottery revenues for the Historical Society were provided for in a different statute than the provision for the other beneficiaries. The lottery authorization for the historical society was contained in Ch. 200, L. 1814.

25 Hislop, supra note 1 at 159.

26 Id. at 159–160. The property received by Columbia may have been worth $6,000 to $7,000. Somers, supra note 12 at 462. The Columbia Daily Spectator noted that the gift of the botanical gardens to Columbia “didn’t please the trustees and there was talk of rejecting the gift.” “Lottery Share Gave CU Financial Start,” Columbia Daily Spectator, January 11, 1954. See also Robert R. Siroty, “Radio City Lease Up for Extension,” Columbia Daily Spectator March 13, 1953.


29 Id.

30 Ch. 120, L. 1814.
A quarter century later, the historian Jabez Hammond wrote, “The Rev. Dr. Nott the president of Union College, was, I have no doubt, the individual who devised this grand scheme for the liberal and permanent endowment of the institution over which he presided. Certainly it is owing to his indefatigable exertions, and matchless skill and address that a majority in favor of the bill was obtained in both houses. His ingenuity in explaining away and warding of objections; his skill in combining different and apparently conflicting interests; and, above all, his profound knowledge of the human heart, and that discernment which enabled him, as it were, intuitively to discover the peculiar propensity and character of the mind of each individual whom he addressed, together with his tact in adopting that mode of address best suited to each, rendered him almost irresistible, and, I believe, ultimately secured the success of the great measure which he advocated.”

IV Lotteries Fall from Grace

One might have thought that given Union College’s prior experience with the 1805 lottery, it would have been a relatively simple matter for Union to obtain the $200,000 in promised revenues. After all, nobody knew how to play the Albany lobbying game as well as Eliphalet Nott. That did not happen. Instead, Union College and Dr. Nott ended up in a melodrama that played out over the next four decades.

The Literature Lottery could not be undertaken until all the previously authorized State lotteries had been drawn.32 “The managers of these lotteries, appointed under the act, were remiss in their duties, and heavy losses were sustained in the sale of tickets.”33 This process took years, and the Literature Lottery could not be undertaken until the 1820s.

Most importantly, the State and the nation’s appetite for lotteries had changed considerably. Lotteries were commonly used in the eighteenth and early nineteenth century to finance numerous government-related projects such as assisting schools, building roads, building fortifications, improving navigation, building courthouses, building lighthouses, building jails and even assisting the hemp industry.34 Indeed, “a public lottery system had become thoroughly entrenched as a part of our social and financial policy, and had been the subject of frequent legislative regulation.”35

31 Jabez D. Hammond, The History Of Political Parties in the State Of New York: From the Ratification of the Federal Constitution to December, 1840 at 373–374 (1845). Even in 1885, it was said to be of “immense value.” Hough, supra note 8 at 125. In an address given to the Union College alumni, New York Governor Benjamin Odell in 1901 stated, “Dr. Nott seems to have been able to secure whatever he asked.” Public Papers of Governor Odell 290 (1901). Governor Odell also acknowledged that the Columbia botanical garden was “probably its most valuable asset and greatest source of income.” Id. at 289.
32 Ch. 120, L. 1814, § XVI.
33 Spencer, supra note 6 at 26-27.
35 Id. at 43. The United States Supreme Court in Stone v. Mississippi, 101 US 814, 818 (1879) noted, “We are aware that formerly, when the sources of public revenue were fewer than now, they were used in some or all of the States,
Nonetheless, by the second decade of the eighteenth century, the tide had turned against lotteries. Many of the lottery operations had been tarnished by fraud and corruption. The moral climate of the entire nation changed, and the operation of lotteries became regarded as sinful. Lotteries largely vanished from America. By 1850, the United States Supreme Court in an opinion by Justice Grier could say, “Experience has shown that the common forms of gambling are comparatively innocuous when placed in contrast with the wide-spread pestilence of lotteries. The former are confined to a few persons and places, but the latter infests the whole community; it enters every dwelling; it reaches every class; it preys upon the hard earnings of the poor; it plunders the ignorant and simple.”

In 1819, an Assembly committee investigating corruption in the operation of lotteries concluded, “The foundation of the lottery system is so radically vicious, that your committee feels convinced, that under no system of regulation that can be devised, will it be possible for this Legislature to adopt it as an efficacious source of revenue, and at the same time divest it of all the evils of which it has hitherto proved so baneful a cause.” New York State, in response, passed strict laws limiting all future lotteries. All lotteries not authorized by the legislature were deemed to be a “common and public nuisance.” The law placed limitations on the managers of the lotteries and gave the state comptroller authority to oversee the operations of the authorized lotteries.

The 1821 State Constitutional Convention went even further than the 1819 law and permanently barred the State from enacting future lotteries. “Those in favor of the abolition of all lotteries by constitutional provision could justly point to the State’s inconsistency in condemning as “pernicious,” “evil” and “detrimental” private lotteries and at the same time authorizing public ones.” They argued “moreover, that it should be prohibited in the Constitution itself rather than left to the discretion of the Legislature in order to prevent the possible yielding by the Legislature to a future seductive influence and to prohibit by a paramount law the creation or continuance of a species of speculation which was considered demoralizing in its influence and ruinous in its tendencies.”

and even in the District of Columbia, to raise money for the erection of public buildings, making public improvements, and not unfrequently for educational and religious purposes.”

36 Phalen v. Commonwealth of Virginia, 49 U.S. 163, 168 (1850). Nearly three decades later, in Stone v. Mississippi, supra at note 35, the court would add, “Happily, under the influence of restrictive legislation, the evils are not so apparent now: but we very much fear that with the same opportunities of indulgence the same results would be manifested. If lotteries are to be tolerated at all, it is no doubt better that they should be regulated by law, so that the people may be protected as far as possible against the inherent vices of the system; but that they are demoralizing in their effects, no matter how carefully regulated, cannot admit of a doubt.” See also Champion v. Ames, 188 U.S. 321, 328 (1903) finding that the lottery “has become offensive to the entire people of the nation. It is a kind of traffic which no one can be entitled to pursue as of right.”


38 Id.

39 Id.

40 Id.

41 New York State Constitutional Convention Committee, supra note 34 at 418.

42 Id.
The argument at the Convention was that the lotteries were uniquely harmful, and there were no legitimate reasons for the legislature to ever authorize a lottery. Delegate John Duerr argued that “in the present state of that science, almost regarded as elementary, that the plan of raising a revenue from lotteries aught [sic] not to be adopted by a wise and moral government, since of all taxes, it was the most unjust and unequal in its mode of imposition and collection, and the most pernicious in its operation. He believed that the evils of lotteries were inseparable from the system, and not to be remedied by any regulations or restrictions that could be devised.\textsuperscript{43}

Those opposed to banning lotteries in the Constitution argued that lotteries were a form of voluntary taxation, had helped worthy causes, were not inherently immoral or criminal, and should properly be a subject of legislative regulation.\textsuperscript{44} The opponents also argued that a ban on lotteries in New York State would be ineffective because New Yorkers could continue to buy lottery tickets brought into New York from other states. While there was considerable opposition to placing the ban on lotteries in the Constitution, the ban passed by a vote of 67 to 45.

The new Article VII, Section 2 of the Constitution, as passed by the convention and approved by the voters, read, “No lottery shall hereafter be authorized in this State; and the Legislature shall pass laws to prevent the sale of all lottery tickets within this State except in lotteries already provided for by law.” Thus under the terms of the Constitution, no more lotteries could be approved by the State of New York, but lotteries that had been previously authorized (such as the Literature Lottery) could move ahead.\textsuperscript{45}

The anti-lottery provision in the new Constitution was not a hindrance to Dr. Nott. The provision required further legislative action to put the provision into full effect, and it gave Nott an opportunity to place himself in charge of the Literature Lottery.

At the 1822 legislative session, Nott was able to persuade the legislature to let him—rather than the state—be responsible for the operation of the Literature Lottery.\textsuperscript{46} “Nott’s plan for breaking the deadlock in the lottery system met with little resistance.”\textsuperscript{47} As part of the act to limit the continuation of lotteries, the State was removed from its responsibility for operating the lottery, thereby freeing the State from the hazards of future lottery losses. Instead, the legislature found that the educational institutions had been materially harmed by the delay in implementing the Literature Lottery. To help the institutions, the legislature believed that the “lottery might be managed with greater economy and less hazard, by the institutions interested in its success, than it has hitherto been, or can hereafter be, by the state: And whereas all that could be thus saved, by greater economy in the management of said lottery, would go to diminish the loss of said institutions: And, Whereas all that could be just saved by greater economy in the management of said lottery, would go to diminish the loss of said institutions.”\textsuperscript{48}

\textsuperscript{44} Id. See most especially the views of Chancellor Kent and Chief Justice Spencer at 568.
\textsuperscript{45} See Hammond, \textit{supra} note 31 at 929.
\textsuperscript{46} Ch. 163, L. 1822.
\textsuperscript{48} Ch. 163, \textit{supra} note 46.
Accordingly, the legislature authorized the institutions benefitted by the 1814 legislation to “assume the supervision and direction of said lottery, and for the conducting the same.”\(^49\) Once the benefitted institutions accepted the plan or took a payment in lieu of receiving lottery receipts, they would assume the operation of the Lottery.

Nott wasted little time. Before the bill was passed, he entered into verbal agreements to pay off the other grantees of the lottery, Hamilton College, the college of physicians and surgeons, the Asbury African Church, and the New York Historical Society. These organizations all agreed to sell their shares of the proceeds to Union College at a discount.\(^50\) Nott and Union College’s treasurer, Henry Yates, pledged their personal credit in buying out the other grantees, and Union College was able to buy out the other beneficiaries.\(^51\)

At the annual Union College annual meeting of 1822, the trustees gave Nott unlimited authority to operate the lottery.\(^52\) The board gave Nott “unlimited authority to supervise the management of the lottery, now the college’s chief asset.”\(^53\) He became the superintendent of the Literature Lottery.

At nearly the same time, Nott used the changes made in the State’s judicial system as a result of the 1821 Constitutional Convention to remove the State of New York from having de jure control over the Union College board. “When the state reduced the size of the New York State Supreme Court from five judges to three…, Nott saw an opportunity to regain the College’s independence.”\(^54\) Nott argued that this reduction in the number of judges improperly reduced the number of members of the Union board of trustees. This arguably impaired the state’s contract with Union College and violated the contact clause of the federal constitution.\(^55\) Rather than litigating the issue with Union, the legislature passed a law changing the membership of the Union College board of trustees in accordance with Nott’s desires. In legislation named as “an act relative to the City of Schenectady,”\(^56\) the lieutenant governor and the governor replaced the two erstwhile Supreme Court judges as ex officio members of the Union College board, and the board was given the right to fill vacancies, a right which had previously been bestowed on the board of regents. Nott was able to keep the Union College board from being controlled by the State and more significantly away from the board of regents.\(^57\)

V Running the Literature Lottery

\(^{49}\) Id.
\(^{50}\) Hislop, supra note 1 at 194.
\(^{51}\) Andrew Van Vranken Raymond, 1 Union University, Its History, Influence, Characteristics and Equipment 235 (1907).
\(^{52}\) Somers, supra note 12 at 462. See also Ross, supra note 37 at 35.
\(^{53}\) Hislop, supra note 1 at 195.
\(^{54}\) Somers, supra note 12 at 745. For a general overview of this situation, see the materials contained in “The Whole of the Documentary Evidence,” Annals of Beneficence, Oct. 31, 1823.
\(^{55}\) The college’s argument can be seen at Documents of the Assembly of the State of New York, No. 213 (1849).
\(^{56}\) Ch. 36, L.1823.
\(^{57}\) “The revised state constitution of 1846 removed five ex officio members from Union’s board (the chancellor, the supreme court justices, and the surveyor-general) and authorized the board to replace them with appointed members, thus ending the state majority and changing the balance to fifteen appointed members and six ex officio members.” Somers, supra note 12 at 745.
Once having been given the go-ahead by the Union College board, Nott moved quickly on his lottery plan. He quickly entered into an agreement with the firm of Yates and McIntyre to manage the lottery. The agreement was reached within five days after the Union College trustees had authorized Nott to run the lottery.

Yates and McIntyre could hardly have been a more politically connected business firm. The firm had started in the lottery business in 1821.\(^{58}\) John B. Yates was a former United States Congressman who was active in New York State politics.\(^{59}\) One of his brothers, Henry Yates, was a State Senator, and also the treasurer of Union College. Another brother, Joseph Yates, would subsequently serve as governor of New York State from 1823–1824.\(^{60}\) Archibald McIntyre was not only a former State Assemblyman, but he had served as the New York State Comptroller for fifteen years.\(^{61}\) One of the duties of the Comptroller was to supervise the State’s lotteries.\(^{62}\)

Under the operation of the lottery, the managers and the institutions benefitted by the lottery were to share 15% of the gross sales. The rest was returned to the individuals who had purchased winning tickets. Lottery managers commonly received 5% of the sales with the institution to receive 10%.\(^{63}\) The Literature Lottery had a different distribution formula. Union College was to receive 8.75% of sales. Yates and McIntyre would receive 4% of sales. Dr. Nott would receive 2.25% of sales to be placed in a “President’s Fund.” Dr. Nott did not advise the Union College trustees of the existence of the President’s Fund and the potential monetary benefits he stood to gain from the operation of the President’s Fund.\(^{64}\)

“One on February 4, 1823, the comptroller certified that the time limit for the lottery was eleven years and that the total amount of tickets to be drawn was $4,492,800.”\(^{65}\) The amount due to the grantee institutions would be $322,256.\(^{66}\) Under the contract, Yates and McIntyre were to pay Union College approximately $276,000 which was the present value of the $322,256.\(^{67}\)

Drawings of the Literature Lottery began in May of 1823. Initially, the drawings were quite successful.\(^{68}\) Yates and McIntyre had inaugurated the Vannini system of lotteries which allowed lottery drawings to be completed within fifteen minutes instead of the old system of lotteries.

\(^{58}\) Aitken, supra note 47 at 36.
\(^{59}\) He had been helpful in 1814 in persuading the legislature to authorize the Literature Lottery. Hislop, supra note 1 at 275.
\(^{60}\) Aitken, supra note 47 at 38.
\(^{61}\) Id.
\(^{62}\) “Archibald McIntyre probably knew as much about the lottery business as any man in New York State at this time.” Id. at 40.
\(^{63}\) Id. at 37.
\(^{64}\) Somers, supra note 1 at 463.
\(^{65}\) Aitken, supra note 47 at 42.
\(^{66}\) Spencer, supra note 6 at 29.
\(^{67}\) Id. at 31.
\(^{68}\) Hislop supra note 1 at 276.
which could take weeks or months to complete.\textsuperscript{69} The good times for the Literature Lottery, however, did not last.

The initial problems came from the speculations of Messrs. Yates and McIntyre. They invested heavily in the Welland Canal Company which would connect Lake Erie to Lake Ontario. They invested hundreds of thousands of dollars into the company only to see the stock of the company drop significantly in value. “Handicapped by unexpected engineering difficulties, by chronic lack of funds, and by inexperienced management, the Welland Canal Company, for all its fair prospects, proved very different from the profitable venture that Yates had anticipated. The shares rapidly depreciated to a nominal value.”\textsuperscript{70} Financial times also were bad starting in 1825 resulting in less public interest in lottery sales. Yates and McIntyre had lost their working capital. They called on Eliphalet Nott to help them out.

In January of 1826, Yates and McIntire advised Nott that “they had no reasonable prospect of being able to make their contractual payments nor to pay the prizes in the lottery.”\textsuperscript{71} Nott then pledged the college’s lands and building in return for a loan of $100,000 from William James.\textsuperscript{72} James was a highly successful Albany land speculator, investor, and developer.\textsuperscript{73} He was one of the wealthiest men in New York State.

In addition to this loan, Henry Yates, the treasurer of Union College, moved to New York to help supervise the lottery in person. Yates continued as the college treasurer but unbeknownst to Nott, became a partner in the firm of Yates and McIntosh.

In order to improve their financial positions, Yates and McIntosh sought legislative permission to take control over the two remaining State lotteries, the Fever Hospital Lottery\textsuperscript{74} and the Albany Land Lottery.\textsuperscript{75}

The legislature passed a bill that would allow private interests to take over the Albany Land Lottery and the Fever Hospital Lottery and to mix the prizes and tickets for these lotteries with the ongoing lottery, Union’s Literature Lottery.\textsuperscript{76} Thus, there was no requirement that the Literature Lottery would need to be completed before sales for the other two lotteries could start. The consent of the literary institutions that were interested in the Literature Lottery had to be obtained by the managers of the newly merged lotteries.\textsuperscript{77} In short, Yates and McIntyre would need Nott’s approval to conduct the additional lotteries.

\textsuperscript{69} Id. at 196–197. See Joseph Vannini, Palmer Canfield & William Grattan, \textit{An Explanation of a Lottery, on Mathematical Principles: Being an Improvement on the European Plan} (1822).
\textsuperscript{70} Aitken, \textit{supra} note 47 at 45.
\textsuperscript{71} Id. at 47.
\textsuperscript{72} Aitken claims that Nott acted within his rights in pledging the school’s assets, but Nott did not advise the trustees of his decision. Id. at 48.
\textsuperscript{73} James had also provided backing to Dr. Nott to buy out the other institutional lottery awardees. Hislop, \textit{supra} note 1, at 291 and Somers, \textit{supra} note 12 at 415. James was the grandfather of the novelist Henry James and the philosopher and psychologist William James.
\textsuperscript{74} It was intended to help construct a hospital in New York City to treat yellow fever victims. See Ch. 82, L. 1823.
\textsuperscript{75} See Ch. 232, L. 1820.
\textsuperscript{76} Ch. 186, L. 1826.
\textsuperscript{77} Id.
Nott did agree to the conduct of the additional lotteries, but in return, his President’s Fund would receive 6.31% rather than 2.31% of the sales of the combined lotteries. The Union College share of the consolidated lotteries ended on November 10, 1827, and a settlement with the college was reached in 1828 with the college receiving promissory notes for the amount still due of $137,383.

Nott’s involvement with Yates and McIntyre continued. “Nott, in fact, could hardly afford to wash his hands of the business. He had become responsible for large sums of money which he had borrowed to aid Yates and McIntyre, and these debts had to be paid. Further, if Yates and McIntyre were to go bankrupt, he might as well tear up the notes which the college had received.” Unfortunately for all parties involved, lottery sales continued to decrease, and Nott was called on to provide financial help to Yates and McIntosh.

VI The Lottery Partners Battle Each Other

Finally in 1832, the rocky relationship between Nott and Yates and McIntosh came to an end. Henry Yates on April 27, 1832, wrote Dr. Nott advising him that “it will be necessary for you to make up your mind, not to draw any money from here.” This was followed by a letter from the firm to Nott (again with Henry Yates as one of the signees) that Nott’s calculations for the lottery had failed, and all payments from the firm to Nott would cease. His putative payments would be handed over instead to the original partners, John B. Yates and Archibald McIntyre, to compensate them for losses which, it was alleged, they had suffered in the first years of the lotteries.

Dr. Nott, besides first learning that his college treasurer was now a partner of the firm that was refusing to pay him, demanded his continued compensation. He went to the State Comptroller, Silas Wright, to help enforce his rights. Wright advised Yates and McIntosh to adhere to the contract with Nott.

They did not, and the stage was struck for a legal battle. Dr. Nott sued first. He sued Yates and McIntosh in chancery court for his proceeds. Unfortunately, Nott named the Union College board as a co-plaintiff without informing the board members. Yates and McIntosh countered that

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78 Aitken, supra note 47, at 50-51. See generally Reply of the Trustees of Union College, to Charges Brought Before the Assembly of New York, March 19, 1850; and before the Senate, on the 12th of April, 1851, by the Hon. J. W. Beekman, Appendix K (1853).
79 Id. at 50.
80 Id. at 50 and 56.
81 Id. at 51. Somers, supra note 12 at 464. Hislop remarks that Yates and McIntosh “had secured in the Doctor, so they then thought a continuing source of short term capital without which the firm would have collapsed and an unofficial partner whose influence with legislators, growing numbers of them his former pupils, was beyond price.” Hislop, supra note 1 at 311.
82 Hislop, supra note 1 at 311.
83 Id. at 311-312.
84 Aitken, supra note 47 at 54.
85 As Comptroller, Wright was an ex officio member of the Union College board.
86 Hislop, supra note 1 at 314.
the contract did not involve the board as it was simply a contract between them and with Nott for personal services. The court dismissed Dr. Nott’s suit.

Yates and McIntosh then sued the Union College trustees and Nott in chancery court claiming that the school had been overpaid and that Nott had enriched himself at the expense of the college. The issues of college treasurer Henry Yates acting against the interest of his college was raised by the supporters of the college.

Finally, with prospects of unending litigation, the personal involvement of the State officials who served as Union College trustees, and the death of John B. Yates in 1836, the parties in 1837 reached a tri-partite agreement. Union College would pay back $94,477 to Yates and McIntyre. Yates and McIntyre would pay Nott $150,000 over a ten-year period rather than the $300,000 that Nott had demanded. It seems likely according to New York Secretary of State (and future Governor) John Dix that Dr. Nott “surrendered his own judgment to the earnest wish expressed by Mr. Flagg, Governor Marcy, Mr. Wright and myself to put an end to what we believed would prove an unpleasant and protracted controversy.”

In total, Union College received $512,867 from the Literature Lottery. This actually was nearly $50,000 more than “the original grant with compound interest.” One economics professor gives high grades to Yates and McIntyre. “That Yates and McIntyre, in a period of declining demand, were able to conduct their lotteries, raise the capital that they contracted to raise, and finance a well-nigh bankrupt corporation in another country, reflects considerable credit both on their managerial ability and on the skill with which they exploited academic ambitions.” It is unlikely that Eliphalet Nott would have agreed with the professor’s opinion.

The President’s Fund likely accumulated $451,000 from Yates and McIntosh. Most of this came from Dr. Nott’s share of lottery sales, but he also received funds for helping to arrange loans to keep Yates and McIntosh afloat.

VII The Legislature Battles Union College
Union College and Eliphalet Nott might reasonably have believed that the 1837 settlement with Yates and McIntosh would have brought an end to the lottery issues. Yet, twelve years later all the issues returned, this time in a protracted battle between Union College, Dr. Nott, and certain members of the State legislature.

Not surprisingly, it was the Yates family that was the cause of the school’s woes. Erstwhile Union College treasurer Henry Yates was probably the lead instigator in the fight against Union College. Henry Yates from his lottery endeavors may have been one of the wealthiest people in New York State outside of New York City.

The Yates family antagonism was fueled by the issues involving Professor John Austin Yates, a professor of Oriental Literature at Union. John Austin Yates was the nephew of both Henry Yates and John B. Yates. He became a professor at Union in 1827, but in the 1848–1849 term, Professor Yates’ position was abolished. While Dr. Nott may not have been behind the firing of Professor Yates, he did nothing to prevent it. Yates, however, held Dr. Nott responsible for his termination and went to the State Assembly’s committee on colleges, academies and common schools to complain about Union’s finances in 1849.

The forces opposing Union College and Dr. Nott found a champion in Assemblyman James W. Beekman. Beekman, who descended from a wealthy and prestigious old Dutch family, began a four-year campaign against Union and Dr. Nott. In this campaign, he was aided by the Albany Daily Knickerbocker which would write of Union College, “In our opinion the whole management has been for years as rotten as oranges three for a cent.”

In this fight, Union College was eventually aided significantly by the work in 1853 of its attorney John Canfield Spencer. At various times in his career, Spencer, a graduate of Union College, had been the State Assembly Speaker, a member of the State Senate, Secretary to the Governor and New York Secretary of State. At the federal level, he served as the Secretary of War and the Secretary of the Treasury. He was nominated on two occasions to the United States Supreme Court, but he was not confirmed by the Senate.

On March 12, 1849, Robert Pruyn, the chairman of the committee on colleges, academies and common schools, introduced a resolution to force Union College to produce a report on its property and fiscal condition over the past ten years. That resolution was approved by the full Assembly.

100 Hislop, supra note 1 at 446. Somers, supra note 12 at 803.
101 Id. at 498.
102 Somers, supra note 12 at 804.
103 Hislop, supra note 1 at 445. Professor Yates died of cholera later in 1849.
104 Id. at 447 and 482.
106 Id. at 607. Hislop, supra note 1 at 447.
108 In the 1830s, Spencer served as one of the attorneys for Yates and McIntire in its litigation with Union College and Dr. Nott.
On March 25, 1849, Assemblyman Beekman proposed an amendment to the resolution calling on Union College to report its fiscal condition over the past twenty-five years.\textsuperscript{110} This amendment was approved by the Assembly, and it would give the Assembly the full picture of how the Literature Lottery impacted Union College.

The college submitted its report on April 5.\textsuperscript{111} It did not resolve any issues, and the Assembly on April 14, on the motion of Assemblyman Pruyn, established a select committee to examine the financial condition of Union College. The committee had the power to send for persons and papers and was to report to the next session of the legislature.\textsuperscript{112} The members of the committee interviewed Union College personnel and held hearings in 1849 on the financial transactions and condition of the college,\textsuperscript{113} but did not issue its report until March of 1850.

The majority report, issued by four of the five members of the committee (including Assemblyman Beekman), was sharply critical of Union College and Dr. Nott finding “that the financial condition of Union College is unsound and improper.”\textsuperscript{114} The committee found “many cases of wrong management”\textsuperscript{115} and felt its “duty to call attention to the injudicious and unsafe investment of the funds of the college.”\textsuperscript{116} President Nott “did use the funds of said college as his own, interchangeably as occasions did arise.”\textsuperscript{117}

Assemblyman Pruyn issued his own dissenting report. He disagreed with the conclusion of the majority about the soundness of the college’s finance and stated, “No one can examine the history of these complicated and immense operations without being satisfied that Union College owes all it has derived from them to its president.”\textsuperscript{118} No further action was taken in the 1850 session of the Assembly regarding Union College. The college would eventually claim that the failure of the Assembly to take further action was due to its refutation of the majority report’s charges. “To the charges in the report of Mr. Beekman, the treasurer of Union College replied, and in so satisfactory a manner, that the Assembly refused to take any further notice of the charges contained therein.”\textsuperscript{119}

In the meantime, James Beekman was elected in 1850 as a member of the Senate. He became the chairman of the committee on literature and continued his campaign against Union College management. He initially requested that the Attorney General and the State Comptroller report

\textsuperscript{110} Id. at 957. See also “Legislature of New York,” Albany Evening Journal, Mar. 21, 1849.
\textsuperscript{111} Id. at 1300. See Documents of the Assembly of the State of New York, No. 213 (1849).
\textsuperscript{112} Id. at 1496.
\textsuperscript{113} Hislop, supra note 1 at 450–453.
\textsuperscript{114} Documents of the Assembly of the State of New York, No. 146 (1850). See also “Affairs of Union College,” New York Enquirer, Mar. 26, 1850.
\textsuperscript{115} Id.
\textsuperscript{116} Id.
\textsuperscript{117} Id.
\textsuperscript{118} Id., Document No. 147. Union College’s annual report, which includes its own defense to the majority report of the select committee, is contained in Assembly Document No. 190 of 1850.
\textsuperscript{119} “Union College,” Schenectady Cabinet, Mar. 29, 1853. See also Document No. 41, supra note 55.
on the financial condition of Union College. The State Comptroller initially reported he was unable to perform the task.

Instead Senator Beekman’s committee issued a report that was highly critical of Union College and echoed much of the criticism that had been issued by the majority report of the Assembly’s select committee in 1850. The committee reported that the Assembly report was “fully sustained by the facts of the case,” and it adopted the finding of the assembly report “that the financial condition of Union College is unsound and improper.”

The report called for “legislative investigation in a thorough manner, as a warning to future financial presidents of learned institutions, and for the purpose of preserving, so far as possible, what may remain of the intended benefactions of former Legislatures.”

Based on the report, the Senate established a committee composed of the Comptroller, the Attorney General, and a member of the board of regents to “employ a skillful accountant” and “examine into the pecuniary affairs of Union College.”

Later in the session, the advocates for Union College were able to amend the terms of the committee to investigate Union College. Two additional members of the board of regents were added to the committee. The committee was ordered to reexamine previous proceedings involving the college and to personally visit the college and to investigate five specific claims, two of which involved Dr. Nott’s dealings with any college or lottery funds. Accountant Levinus Vanderheyden was hired to review Union’s finances.

The investigation by Vanderheyden continued through 1852 with Senator Beekman certain that it would prove his contention that Union College’s finances has been badly managed under the Nott regime.

Even before the report was released, there were major arguments within the Senate about the propriety of the publication of the report. One senator claimed that the printing of the report would “work an outrageous injustice.” Senator Beekman argued to the contrary that “the trustees were guilty of misapplication of funds as far back as when the literature lottery was in existence.”

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120 Journal of the Senate of the State of New York 123 (1851).

121 Id. at 162. See also Documents of the Senate of the State of New York, No. 26 (1851).

122 Id. at 526.

123 Documents of the Senate of the State of New York, No. 71 (1851).

124 Id.

125 Id.


127 Id. at 807–808.


The report was released on March 4, 1853. With two dissents, a majority of the committee simply presented a short statistical summary of the school’s finances. The basic gist of the numbers was that “Eliphalet Nott had taken $885,789.62 of Union College funds for his own use.” The dissent largely argued the good faith of Dr. Nott, the fact that the moneys earned by Dr. Nott were due to his private efforts, and that the process utilized by Vanderheyden did not give the college any realistic opportunity to rebut any of the claims made against the school. It was an ex parte report.

Debates continued on the Union College issue in the Senate throughout much of March of 1853. Beekman continued to rail against the college management. He believed that $800,000 raised by the college through the lottery should have been used on students. Beekman contended that ‘the end and aim of the trustees of Union College was concealment and delay – concealment and delay always the first and last resource of the guilty.” He gave “one of the most astonishing expositions ever made.” The *Albany Daily Star Register* claimed that Beekman’s assertion that Union College “‘was a rotten institution’ was now proved by the testimony of its own books.”

Union College fought back, now securing the services of John Canfield Spencer. Advocates for the college in the Senate fired back at Beekman with Senator William Henry Van Schoonhoven calling Beekman’s charges “vile slanders.” The Senate determined to establish another committee which would this time allow the Union College representatives an opportunity to contest and question the evidence against them. Senator Beekman attempted to require Union College to post a bond of $500,000 before the committee would be authorized to meet, but that resolution was defeated overwhelmingly by the Senate. In place of that resolution, Beekman moved to make it the duty of the attorney general to take legal action against the trustees and/or president of Union College who may be guilty of improper conduct. That motion was agreed to by the Senate, and the Senate appointed a three-member committee chaired by Senator John Vanderbilt to review the evidence against Union College and Dr. Nott.

The committee began hearings in August of 1853. The hearings were dominated by Spencer who was able to establish the “‘malignity’ of the Doctor’s accusers, and then to prove that the

131 *Journal of the Senate of the State of New York* 261 (1853).
132 *Documents of the Senate* No. 41, supra note 55.
133 Hislop, *supra* note 1 at 480. See also Eliphalet Nott, “Miscellany,” *New York Observer and Chroniclet*, Apr. 21, 1853. The same article by Dr. Nott is in the *Albany Argus* of Mar. 22, 1853.
136 *Id.*
138 Hislop, *supra* note 1 at 471.
139 Much of the Union College argument can be found in the report of the dissenting members of the committee in Document No. 41, *supra* note 55.
140 Hislop, *supra* note 1 at 473.
141 *Senate Journal, supra* note 131 at 406–407.
142 *Id.* at 407.
143 *Id.* at 408.
evidence they brought against him was deliberately perverted to serve the malignity.”

He claimed that Vanderheyden’s bookkeeping methods were unintelligible and that the accountant lacked credibility. Finally, he announced that Dr. Nott would give to Union College $600,000 plus the land owned by Nott adjacent to the East River in parts of Queens, Brooklyn and Manhattan. The point of this was to show that Dr. Nott had always planned to grant Union College all of his earnings from the lottery. On top of that, Dr. Nott still enjoyed considerable respect for his fifty years of service to Union College, and Senator Beekman declined to run for reelection. “At the end of his senatorial term, he withdrew from politics, and never could be induced to re-enter the field.”

The committee issued its report on December 30, 1853. It was a unanimous victory for Union College and Dr. Nott. It found that the six hundred thousand dollar donation to the college by Dr. Nott “explains the design and object of Dr. Nott in all the somewhat complicated transactions that have occasioned the investigation in which we have been engaged.” The committee praised nearly all the work and deeds of Dr. Nott. The committee concluded its report by stating, “In our judgment not only the great prosperity of Union College but its very existence during periods of great calamity, are owing almost exclusively to his life-long efforts, sacrifices and hazards in its behalf. He has been and is a public benefactor in promoting the great cause of education, on which our institution, our property, our security and our liberty depend.”

The $600,000 was transferred by Dr. Nott to the college later in January of 1854 as part of the Nott Trust Fund.

The committee report was seen as complete vindication for Dr. Nott. The Albany Evening Journal wrote, “The report unravels minutely and carefully, the long series of accounts, which, while naturally of a complicated character, have been rendered still more intricate either by misapprehensions, or by a persevering desire to destroy the reputation of Dr. Nott. All the moneys derived from the State during the last half century are accounted for.”

The New York Times took note of the $600,000 to be given from Dr. Nott to Union College and stated the only motive of his persecutors was to “blacken his character, torture the last years of his long, useful and honored life, and throw a cloud of suspicion upon his integrity in after ages.

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144 Hislop, supra note 1 at 483. See also Spencer supra note 6 at 13–18.
145 Id. at 484–485.
146 Id. at 491.
147 Edward F. DeLancey, Memoir of James William Beekman 14 (1877).
148 Documents of the Senate of the State of New York No. 5 (1854).
149 Id.
150 Id.
152 “The Affairs of Union College,” Albany Evening Journal, Jan. 14, 1854. Even eighty years later, the term “complete vindication” would be used to describe the result of the Vanderbilt committee’s report. See “James Symposium Casts Light on Early College Era,” Schenectady Gazette, Jan. 23, 1933.
153 Id.
His own conscious purity of purpose will foil the most malignant part of their object, and the noble friendship of John C. Spencer has defeated the rest."154

One criticism of Dr. Nott after his exoneration was found in the *New York Tribune*, which stated “In the case of the Union College Lottery, there was not merely an acceptance of the fruits of the unhallowed gain, but the evils necessarily incident to the lottery were immeasurably increased by the unprecedented activity with which the lottery was managed”155

Yet, viewed in later years, Dr. Nott does not appear as the innocent party. The basic finding is that John Canfield Spencer believed that Dr. Nott was largely guilty of the charges. Jonathan Pearson, who served for decades in the Union College administration and was the acting treasurer of the college in the early 1850s, wrote that Spencer had taken Dr. Nott aside and told him, “Sir, you have not a shadow of right to that property. Your title to it is not worth a straw.”156 Spencer had decided that Vanderheyden’s basic charges were “essentially correct,”157 and that Dr. Nott’s chance for prevailing depended on his transferring his properties to the college.

It is no surprise that Dr. Nott’s legacy comes with a large asterisk. Despite his long service to Union College and his many innovations and leadership in collegiate education, his work—especially his work with the lottery—“led him sometimes to accomplish his purposes by indirect means that laid him open to the accusation of double-dealing.”158

VIII Conclusion: The Lottery’s Effect on Union College

The income from the lottery has to be regarded as a savior for Union College. Without the lottery money, the school’s survival would have been questionable. The school received $76,000 from the first lottery authorized in 1805. From the Literature Lottery, it received $512,000.159 The school also received what was supposed to be $600,000 from Dr. Nott’s properties in January of 1854 based on his gift/repayment of debt to Union from his President’s Fund. The property in what came to be known as the Nott Trust Fund was land by the East River in Queens County in areas known as Hunter’s Point and Greenpoint.160 Much of the property was in the Queens County municipality of Long Island City. That property was sold for $1.1 million in 1898.161 The *Brooklyn Daily Star* claimed that the college lacked the funds to develop the property and needed to sell the property for its own financial needs.162 In explaining the sale of the property, Union

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154 “Union College and Dr. Nott,” *New York Times*, Jan, 7, 1854.
157 Hislop, *supra* note 1 at 49.
159 Somers, *supra* note 12 at 464.
160 *Id.* at 524. Ch, 385. L, 1860 established a Union College trust for these lands.
162 “Mr. Harroun’s Views,” *Brooklyn Daily Star*, July 14, 1898. The value of the property likely rose due to consolidation of the five boroughs into the city of New York in 1898. Nearly all the Union College lands were in the city of Long Island City in Queens County. Long Island City had taxed the Union College properties extremely
College president Andrew Van Vranken Raymond wrote that the sale “saved the College from imminent peril and disaster…. That income is quite inadequate to meet the current outlay, and it is no longer possible to permit encroachments upon capital under the guise of drafts upon unearned increment.”

Besides the sale for $1.1 million, the college did earn significant income from the property before the 1898 sale. One likely extremely optimistic estimate was that the income could have been perhaps as much as $100,000 in some years.

So Union College’s revenue from the two lotteries directly was $588,000. Adding in $600,000 from the Nott Trust Fund transfer in 1854 would increase Union College’s lottery revenue to a total of $1.188 million.

If you substitute the 1898 sales date of the Nott Trust Fund property for the 1854 transfer date, the gross revenue would increase to $1.688 million. On top of that, if you estimated income of approximately $250,000 from the trust properties from 1854–1898, you would have Union College receiving $1.938 million in gross revenue from the lottery.

Utilizing the calculator for determining the consumer price index for the nineteenth century as developed by the Federal Reserve Bank of Minneapolis, one can determine what Union College lottery revenue would mean in 2017 dollars. Crediting the $76,000 from the first lottery in 1814 would yield $887 thousand. Crediting the $512,000 from the Literature Lottery to the year 1830 would yield $11.766 million. The $600,000 from the Nott Trust in 1854 would yield $16.342 million. In 2017 dollars, Union College would have received $29 million from the lottery.

If, however, you value the Nott Trust Fund at its $1.1 million sale in 1898 (rather than the $600,000 figure from 1854), and if you add in revenue from the Fund properties based on $10,000 per year for the 44 years of Union College ownership from 1854-1898, the total

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heavily, and Union College was able to obtain considerable relief from this taxation by legislation in Ch. 973, L. 1895. After the consolidation, the municipality of Long Island City ceased to exist.

163 Somers, supra note 12 at 403.
164 Id. at 524. The Union College newspaper could write in 1893, “The popular idea that Union College is located at Schenectady, is not entirely true. The brains of the college are there, no doubt, but the hands are in New York city and the feet are firmly planted on the soil of Long Island City whence like Antaeus of old, Union College receives its real strength and chief support.” “The New College Treasurer,” The Concordiensis, March 1, 1893. In fact, the office of the treasurer of Union College was moved from Schenectady to Long Island City in 1886. See Benjamin A. McDonald, “Reminiscences of a Veteran Long Island City Reporter,” Queens Daily Star, July 30, 1921.
165 Id. at 402. Nonetheless, the government of Long Island City was especially antagonistic to the development of the Union College properties and likely severely limited Union’s potential revenue from its holdings. See “Union College Land Sold,” supra note 161. See also “Reminiscences of a Veteran Long Island City Reporter,” supra note 164. The president of Union College in 1887 noted of the Hunter’s Point land, “It is burdened by a debt and taxation that exceeds $300,000. The improved property suffers from that encumbrance and yet is worth a great deal more than that sum. Our unencumbered property there consists of 1,400 vacant lots. We have to pay taxes on that, the interest on our debts and support our establishment here.” “Alumni Day, The Concordiensis, June 20, 1887.
167 There was significant deflation between 1814 and 1830.
168 This number was determined by using the year 1876, the midway point from the college acquiring the trust property in 1854 and selling it in 1898 as the basis for determining the 2017 equivalents.
receipts by the college from the lottery in 2017 dollars would be $55.12 million.169 No matter how you evaluate the revenues, Union College received somewhere from $29 million to over $55 million in 2017 dollars from the two lotteries.

Union, however, was not in Columbia’s league. Columbia clearly benefitted to the tune of well in excess of $2 billion in 2017 dollars from the 1814 legislation,170 but Union was hardly the unlucky loser of the 1814 lottery. Union received considerable benefits (albeit some extremely adverse publicity) from the lottery. Receiving $1.18 million from a lottery in the first half of the nineteenth century was not chump change, in an era when the college was receiving less than $10,000 per year from tuition171 and when the total expenses of the college were less than $22,000.172 Union was not the Wile E. Coyote of 1814.

Thanks in no small part to the lottery, the successes for Union College were remarkable. From 1820 to 1850, it was considered among the Big Three of American colleges, with Yale and Harvard.173 By 1823, there were 234 students enrolled in the school,174 reaching a high point of 325 in 1859.175 Union may never have been the largest school in the nation in terms of total student body, but it was generally second to Yale in size.176 From 1820 to 1851, Union graduated more students than Harvard in all but two years. For eleven of those years, starting in 1820 and ending in 1849, Union graduated more students than any other school in the nation.177 In 1830, Union graduated 96 students compared to 71 for Yale, 48 at Harvard and 20 at Princeton.178 By 1839, Union was “potentially the wealthiest college in America.”179 Not until the Civil War was  

169 The $1.1 million sale in 1898, would be valued at $32.357 million, and the revenue stream would be valued at $10.11 million. They would replace the $600,000 transfer in 1854.
172 Id.
173 Hislop, supra note 1, at 399.
174 The Whole of the Documentary Evidence, supra note 54.
175 Somers, supra note 12, at 263.
176 In the 1818-1819 school year, Union had only about 15-20 students less than Yale. Id. at 265
177 Id.
178 Id. at 514.
179 Hislop, supra note 1 at 398.
Union’s position as one of the Big Three challenged.\textsuperscript{180} Up to the Civil War, Union was certainly the largest college in New York State.\textsuperscript{181}

After Dr. Nott’s death in 1866, Union College fell on hard times in the last third of the nineteenth century. Enrollment decreased significantly at times, and there were several efforts made to relocate Union College from Schenectady to Albany. It is likely that the revenues attributable to the lottery –which included revenues from Union’s property in Long Island City - provided a cushion that kept Union College alive and in Schenectady throughout the nineteenth century.

For fifty years, lottery politics dominated Union College and Schenectady. The city was the site of the major longest running lottery melodrama in New York State, if not the entire nation. It is more than appropriate that the State Lottery should be headquartered in Schenectady. Schenectady is where much of the lottery politics originated and where it is today.

\textsuperscript{180} Id. at 230.

\textsuperscript{181} Hough, supra note 8 at 107 [viewing 1863 statistics].