

FORECAST ERROR: SUPPLEMENT 1: THE HISTORY OF POLITICAL BETTING

"Bet or be silent." [0401a]

should have made him a more successful general. Follow bets on the number of people present at the Pantheon one night (the Opera House which was built in 1772 and burnt in 1792), on the validity of marriages performed by a person not a clergyman, on Lord Carlisle's going to Ireland as Lord Lieutenant, on who would get the garter, on skill in shooting, on deaths and marriages and the average weight of sheep, and on the fate of the Perreau brothers, who were executed for forgery. A more famous forger, Dr. Dodd, who forged Lord Chesterfield's name and whose great influence nearly rescued him, is the subject of another. A curious sort of bet which often occurs is, that such and such a famous man, presumably obnoxious to the wagerer, will be hanged before somebody else—obviously a means of expressing dislike.

"Almacks, March 6. 1776.

"Mr. C. Turner betts Mr. E. Fawkener 90 gs. that Ld. North falls by the hands of Justice before Mr. Hancock president of the Continental Congress to be determined in three years from the date hereof."

"Mr. W. Hanger betts Mr. Fox fifty guineas Mr. Fox has the gout before Mr. Hanger."

That was in 1779, but it is gratifying to remember that Fox made up for the ravages of Brooks's by a few weeks' shooting every year. Sheridan was elected to Brooks's on November 2d, 1780, after prolonged opposition by the Duke of Queensberry and George Selwyn; and on March 2d, 1781, appears his first bet—about a certain murderer's confessing. Selwyn—I jump about, I know, but a minute system is impossible—appears only once in the book, and then the bet was disputed.

"Mr. Selwyn betts Mr. FitzPatrick 5 gs. that he is Surveyor of Crown Lands this day 12 months.

"Dec. 27th 1783."

"A Bubble Bett Mr. Selwyn betted that he was Surveyor only

A March 6th 1776 bet in Almack's Gentlemen's club (later Brooks') that Lord North would "fall by the hands of justice" before "Mr Hancock". Lord North was the Prime Minister of Great Britain during the American War of Independence, and John Hancock was a signatory of the Declaration of Independence. The bet was on who would be hung first...

1. PREAMBLE

The scheduled article of the “Forecast Error” series for 2019 covered political betting, and it proceeded as normal: read up on the history, interview experts, gather sources and write. But it rapidly became obvious that the history element was taking on a life of its own. The previous article on political opinion polls only went back to the 1930’s, but the political betting history just kept going back and back: 19th, 18th, 17th... 12th century? The Crusades?

The history was overwhelming the article.

Thankfully, the solution was obvious. The editor of Significance suggested that the history be spun off into its own article and a more truncated section installed in its place. We agreed, and the spinoff article covered nineteenth century Victorian repression, Regency libertines, the Restoration, the Puritans, all the way back to Richard the Lionheart. Its centuries-long course has matched the evolution of the law, the class struggle and the country itself. It covers wars, famines, religion, Chief Justices, and a teenager who became Prime Minister. It became the history of us all...

2. HISTORY

Human gambling is as old as recorded human history, and one may point to examples in Pharonic Egypt[0405a], Imperial Rome[0405a], Greek mythology[0405a], the Mahabharata [0405a], the Bible[0405a] which allows gambling, and the Qur’an[0405a] which doesn’t. But this article isn’t discussing gambling generally, it’s discussing political betting in the UK. So where to start?

Before 1541: Angevin Empire, Lordship of Ireland, Kingdom of England, Kingdom of Scotland, Principality of Wales

Let’s start with the Medieval kings. King Richard I of England and King Philip II of France commanded a Crusade army and in 1190 they issued an edict that prohibited “*any person in the army, beneath the degree of knight, from play- ing at any sort of game for money : knights and clergymen might play for money, but none of them were permitted to lose more than twenty shillings in one whole day and night, under a penalty of one hundred shillings, to be paid to the archbishops in the army.*”[0405b] King Richard II of England enacted a statute in 1388 that directed laborers and serving men to secure bows and arrows and “*to leave tennis, football, coits,dice, casting of stone kaileg, and other such importune games,*” so that they could practice their archery. [0427m][0405a][0405c][see 12 Rich 2, ch6 1388]. And in 1477, King Edward IV of England decreed the Unlawful Games Act 1477[0405c][see 17 Edw 4, ch3 1477], which forbade the playing of certain common games in public houses.

The stage was set for the next millennium: gambling was not illegal per se[0427m] and certain forms of gambling within limits would be allowed as a private matter between individuals of rank, but any expansion beyond that tight remit would be discouraged.

1541-1707: Kingdom of England, Kingdom of Scotland, Kingdom of Ireland, Interregnum

But for historians of gambling, the most often quoted[0405a] piece of gambling legislation after the Medieval period is the Unlawful Games Act 1541. King Henry VIII of England was concerned that the population were neglecting their archery practice in favour of games such as bowls, tennis, cards and dice[0402e]. To rectify this and ensure military preparedness the Unlawful Games Act 1541 prohibited the keeping of any “*...common house, alley, or place of bowling, coyting, cloyshedayls, half-bowl, tennis,*

dicing table, or carding, or any other manner of game...". This prohibition applied to the Kingdom of England, which included what would become modern-day Wales, and Ireland[0402e] via the Kingdom of Ireland. A year later Henry would try to complete the set by invading Scotland, but failed. But in 1621 James VI of Scotland via the Parliament of Scotland passed an Act "Anent playing at cardes and dyce and horse races"[0427l][0427k], which in modern English states that "...no man shall play at cards nor dice in any common house, town hostelry or cooks' houses..."[0427l] and that any winnings "over the sum of 100 merks within the space of 24 hours, or to gain at wagers upon horse races any sum over the said sum of 100 merks" would be forfeit to the kirk.[0427l]

During the 17th century, the rise of the Puritans inhibited gambling, with the Second Protectorate Parliament during the Interregnum (1649-1660) passing the 1657 "Act for punishing such Persons as live at high rates and have no Estates, Profession, or Calling answerable thereunto"[0405c][0427c]. This Act decreed that anybody who won a bet "...shall forfeit double the sum or value so won or gained;..."[0405c][0427c] This Act did not survive past the Interregnum but one of its provisions was that gambling debts "...shall be utterly void and of none effect."[0405c][0427c] This voiding of gambling debts is a theme that will become apparent later.

In 1660 the monarchy was restored and backdated to the regicide of Charles I in 1649, and all Interregnum law was "apparently eliminated"[0405c]. The new king, Charles II of England, Scotland and Ireland, had a passion for gambling which became a recognized entertainment of the court, and the English aristocracy began to indulge.[0405c] In this Restoration era gambling was public and large in scale.[0427d] People bet on bowls, cricket, tennis, wrestling, and bear-baiting and cock-fighting were restored.[0427d] But even in this libertine time dissolute scions had to be prevented from gambling away their inheritance and the Gaming Act 1664 "An Act against deceitful disorderly and excessive Gaming" [0427d][0427a][0427b][see 16 Cha 2, ch7 1663?] was introduced, making gambling debts of £100 unenforceable.[0405a][0427d][0427e]

1707-1801: Parliament of Great Britain and Parliament of Ireland

Queen Anne, being the niece of King Charles II, the Queen of Ireland and the first monarch of the 1707 unified Great Britain shared her uncle's passion for gambling[0405c] and during the 18th century betting and political betting were acknowledged habits of the gentlemen of means in Great Britain[0401a] and in Ireland[0401a]. Gambling was further curtailed for the lower classes via acts such as the Lotteries and Gaming-Tables Act (Ireland) 1707[0402e][see 6 Anne, ch17], the Gaming Act 1710[0518r][see 9 Ann, ch19], the Gaming and Lotteries Act 1712[0402e][see 11 Anne, ch5 & ch6] and the Gaming Acts of 1738[see 12 George 2, ch28] and 1739[0402e][see 13 George 2, ch8], with the latter titling itself an act "for the more effectual preventing of excessive and deceitful gaming", but for the upper classes gambling continued.

Gentleman's clubs such as Cavendish's, Almack's (founded 1764[0427i], later Brooks'), Boodle's, and White's in London, Daly's in Dublin[0403b][0704g][0702j], colleges such as Oxford's All Souls and Magdalen, and Cambridge's Gonville and Caius, and coffeehouses such as Lloyd's took bets and newspapers reported on them.[0405c][0401a] Such political bets included the life of John Wilkes, the fate of the Tea Act, the Stamp Act, the American Revolution, the Anglo-Dutch War, the election of the King of Poland, elections to the British Parliament (even in Ireland)[0401a], whether King George II would be killed during the 1743 battle against the French at Dettingen (4/1 against[0512d] – he survived) and other politics of the times.[0401a][0512d]

White's maintained a betting book – a literal book – from 1743 onwards, and political wagers made up a significant percentage of those bets, especially on the longevity of politicians.[0412b] The earliest political entry was on 12 February 1745,[0412b] and reads:

“Ld Leicester betts Ld Montfort One hundred Guineas that Six or more Peers of the British Parliament including Minors, Catholics, Bishops and Sixteen Scotch Peers Die between the Twenty ninth of April 1745 and the Twenty ninth of April 1746 inclusive; and one hundred guineas on each of the Four following Years on the same event.”

A later bet[0412b] similarly reads:

“A Mr Jeffreys ‘betts Mr Stephen Jansen Fifty Guineas that thirteen Members of Parliament don’t Die from the first of Jany 1744/45 to the first of Jany 1745/6...exclusive of what may be killed in battle.”

But this increasing prurience in the lives of others began to cause concern. In “Hayes v Jacques” (1777[0402b]), “Da Costa v Jones” (1777-1778, 2 Cowper 7 29 735–6, see [0402c]) and “Roebuck v Hammerton” (1778, 2 Cowper 7 29 737, see [0402c]), bets on whether the Chevalier D’Eon was a man or a woman were taken to court to enforce payment. The Gaming Act of 1710 had made bets over £10 unenforceable[0402c][0518r] but bets under that amount were still enforced[0402c] and case law such as “Andrews v Hearne” (c1673[0402a] or 1661[0402b]), which had upheld a bet on whether Charles II would return from exile[0402a], had established that wagers were justiciable, and so the bets on D’Eon’s gender were enforced. But those bets were to the detriment of an uninvolved third party made between two people with no interest in the matter, and this sat uneasily with Chief Justice Lord Mansfield.[0402g] So in 1778 he and three other judges revisited “Da Costa v Jones”[0402b][0402g] and voided[0402g] it on the principle that although wagers were *prima facie* enforceable, they could be voided if contrary to statute, public policy or morality[0402b].

Some years later that principle was further established when Lord Mansfield sat on “Allen v Hearn” (1785) and voided a bet on the outcome of a parliamentary constituency election. He reasoned that[0402b]

“One of the principal foundations of this constitution depends on the proper exercise of this franchise, that the election of members of parliament should be free and particularly every voter should be free from pecuniary influence in giving his vote”

1801-1920’s: Parliament of the United Kingdom of GB&I

1801-1874

By the end of the 18th and turn of the 19th century, a gambling boom had developed[0411a], with more than 400 betting shops operating in London alone[0411a]. Political betting continued in Ireland on acts of Parliament relating to Ireland but tailed off after 1830[0401a]. The history of Whites’ with its betting book records[0428a] that:

“There does not seem to have been much doubt at White’s as to the escape of Napoleon from the disasters of the Russian campaign. The odds of ten to one are given in half-a-dozen or more wagers, that he would return alive to Paris after the reverse to the French arms at Moscow. Brummell, Sir H. Mildmay, Lord Hinchinbrook and others who gave the odds, were the winning

parties to these bets...Members were much puzzled to make up their minds as to the effect of the battle of Leipsic, and the entry of the Allies into French territory in the early months of 1814. Sir George Talbot, who throughout the war took a decidedly John Bull view of the struggle, was a confirmed believer in the ultimate success of the Allies. He gives odds that Napoleon's reverses would end in his disappearance from the head of the French Government. Another member, Mr, Brodrick, bets in January that " Buonaparte will not be alive this day three weeks."[0428c]

Oxford All-Souls College ran a book from 1815 to 1873 and of its 654 bets, 27 were on foreign politics and 100 domestic politics. [0427h] Examples included:

"Oram recorded that...Stopford betting Peel £1 in 1849 that 'if Louis Napoleon is made Emperor of France within two years from this date, he will have been assassinated within ten years from the same date'. In 1852 Deedes bets Pechell three pounds to two that 'war will be declared and hostilities commenced between Russia and Turkey before the 14th of next July.'"[0427h]

Under the patronage of the Prince Regent (later King George IV of the United Kingdom of Great Britain and Ireland) the first two decades of the nineteenth century saw more gentlemen's clubs created, with Crockfords' established in 1828.[0427i] But betting remained a class issue: the upper and middle classes demonstrated their wealth with extravagant bets in the gentlemen's clubs, but the working class bet as an escape from their industrial jobs.[0411a] Terminology developed: upper-class establishments like the gentlemen's clubs of St. James had become known as "gold and silver hells" and those frequented by the lower classes were known as "copper hells". [0427i][0405a], Gambling expanded to events like endurance racing, time races, house building, coin tosses, pub games, nine pins, cock fighting, dog baiting, bear knuckle boxing and foot races.[0411a]

Its expansion generated a backlash, with the middle class complaining that gambling ruined men and their families, allowed for the overt mixing of the social classes, encouraged drunkenness, debauchery and immorality, and made events unpleasant by the people attracted to them.[0411a][0405a] In 1828 an association was set up in Doncaster for the "Suppression of Gambling Houses and Gaming Tables". [0427j][0405a] and from 1830 anti-gambling groups started to appear, publishing anti-gambling literature that highlighted betting frauds and losses.[0411a] Motives ranged from a desire to protect the working classes from gambling, to a desire to protect gambling from the working class.[0405a]

The British government increasingly attempted to limit gambling, especially among the working classes[0401a] and following the reports[0402a] from the various[0402d] Select Committees on Gaming in 1844, the Gaming Act of 1845 was enacted and made wagers void and nonjusticiable by saying that *"...all Contracts or Agreements, whether by Parole or in Writing, by way of gaming or wagering, shall be null and void; and that no Suit shall be brought or maintained in any Court of Law or Equity for recovering any Sum of Money or valuable Thing alleged to be won upon any Wager..."*[0427g].

But gambling continued – pubs in Ireland worked around the legislation by minting tokens - and in 1853 the Attorney General Alexander Cockburn introduced a bill for the suppression of betting houses, remarking that *"...the evils which had arisen from the introduction of these establishments were perfectly notorious and acknowledged upon all hands..."*[0427f][0427n] The 1853 Betting Houses Act proscribed them[0402e][0401a] and the Gaming Houses Act 1854 provided means to identify and penalize them.[0402e] The Prevention of Gaming (Scotland) Act (1869) stated that those caught with *"professional implements"* could be imprisoned.[0410a], and the Betting Act 1874[37 & 38 Vict., c. 15 1874] extended the proscription of betting houses to Scotland[0427k]

The themes that had underpinned gambling for so many years had reached their logical conclusion. Gambling debts, having been whittled away, were finally made entirely void. And the exemptions to private clubs[0401a] in the 1853 Act maintained the class distinction: the copper hells would not continue but the gold and silver hells would. Fifteen years after 1853 the Oxford All-Souls College book could still record bets like:

"In April 1868 Colchester bets Robards 5/- that Mr Disraeli is not drunk again before the end of the year "[0427h][0412b]

1874-1906

But it didn't turn out like that.

In reality gambling in Great Britain continue to grow in the 1880's[0427n]. The predecessors of the betting shop called "list-houses" and the bookmakers simply decamped to Scotland (until 1875), France and Holland[0405a], or became credit houses who advertised via the press[0427n] such as Valentine and Wrights (1860's), Topping and Topping (1860's), Shepherd and Son (1876), William Vincent (1886), Arthur Magnus (1870's) and Tom Gibbons (~1886) [0427n], or simply moved to the streets of Great Britain. Towns and villages had bookmakers who set the odds, stumped up the cash, and ran a network of agents and runners.[0410a], laying off large bets to other bookies.[0410a] On losing an election, the politician Sir Frederick Milner wrote in 1888 the following:

"I propose to introduce to the notice of your readers a cause to account for my defeat which, while original, forms a larger factor in deciding many elections than people are generally aware of...This was neither more nor less than the fact that my opponent had been backed for a considerable sum of money before I appeared in the district. I believe odds of as much as 4 to 1 were laid on his winning the contest...I have come across several of the electors, who have admitted that they liked me and my principles far better than my opponent's, but who said that they could not vote for me because they had their money on the other way."[0428e]

The British industrial working class had become more prosperous, and despite little education and capital could still study form, make a prediction, and "*back up their considered opinion with a small investment which carried a measure of hope*".[0427n] By 1905 one estimate suggested that gambling had reached £50 million, and that there were about 20,000 bookmakers.[0428a]

Faced with such unsuppressed betting, another backlash ensued and by the 1890s the National Anti-Gambling League was formed with the intent of banning bookmaking at racecourses and suppressing street betting.[0405a]. Scotland had been given additional powers for dealing with betting shops and street betting in the Burgh Police (Scotland) Acts of 1892 and 1903[0427k] and the NAGL wanted Parliament to clamp down. The House of Lords moved[0428b] for a Select Committee to examine "*the increase of public betting among all classes, and...checking the abuses occasioned thereby*"[0428b], and the House of Lords Select Committee on Betting (sessions 1901 and 1902) was set up.[0428c] It declined to act against betting on horse-racing but did result in the Street Betting Act 1906 which outlawed all street betting.[0405a] And just like before, it didn't work. The numbers of arrests increased but the numbers betting remained the same.[0405a]

Meanwhile on the other side of the Irish Sea in Ireland, the population had fallen considerably after the famines and the creation of a diaspora, and reports of political betting after 1890 focused on elections in the United States and Canada.[0401a]

1906-1924

The attempted eradication of street betting was accompanied in England by the rise of majorities dealing in the London Stock Exchange and the existence of insurance betting in Lloyds.[0401a] The London Stock Exchange had started trading in instruments which became known as “majorities”, sometimes capitalized as “Majorities”. These instruments were bets between two people: if the government majority after the election was over a certain threshold then the seller would pay the buyer a sum, if it was under then vice-versa. [0401a] These instruments were tradable with a buy and sell price and the traders used the language of a futures market: bulls, bears, puts, calls. The Majorities market is believed to have existed in 1906 and proceeded steadily thru the 1910 elections, the 1918 and 1922 elections, although records are only available for the December 1910 election [0401a].

Table H1: the Dec 1910 election, 670 seats. Majority of ruling group before election (RGBF)

Bookie	Date	Predicted Majority	Actual Majority	MAE (1-party)	WIN
LSE/RGBFmaj	08/12/1910	130	122	1.19%	1

The RGBF (Liberals supported by the Irish Parliamentary Party) won a majority

But the politics of the time were chaotic: woman’s suffrage had become an issue, World War One had cancelled the putative 1915 UK General Election, and the 1918-1921 Irish War of Independence resulted in the Irish Free State separating from the UK, with only Northern Ireland and Great Britain continuing to send MPs to the UK Parliament. The December 1923 election would not be easy to predict. Despite this over £100,000[0401a] in 1923 prices was waged on the election and the resultant middle prices predicted a small majority for the Conservatives[0401a].

Table H2: the 1923 election, 615 seats. Majority of ruling group before election (RGBF)

Bookie	Date	Predicted Majority	Actual Majority	MAE (1-party)	WIN
LSE/RGBFmaj	06/12/1923	34	-99	21.63%	0

The RGBF (Conservative) lost. New Government formed by Labour with Liberal support

But the election resulted in a hung parliament and the now-minority Conservative administration under Stanley Baldwin was succeeded by a minority Labour administration under Ramsay MacDonald. Faced for the first time with a negative majority, disputes arose in the majorities market about the size of the sums to be paid, but losers ended up paying the full amount.[0401a]

1920’s-1972: Parliament of the United Kingdom of GB&NI, Parliament of NI (1921-1972)

1926-1933

The minority Labour administration under Ramsay MacDonald did not last and another UK General Election was held in October 1924, which resulted in Baldwin regaining power in a majority Conservative administration. By the time of the next election in May 1929 the popular press had started covering the majorities markets, with daily prices published in the Daily Mail and Daily Express.[0401a] The politics were not settled: unemployment was rising, people remembered the 1926 general strike and women now had the same voting rights as men. The Conservatives had a plurality of votes but Labour had a plurality of seats and Ramsay MacDonald again formed a minority Labour administration.

Table H3: the 1924 election, 615 seats. Number of Labour seats

Bookie	Date	#Lab	Actual #Lab	MAE (1-party)	WIN
LSE/#LabSeats	29/10/1924	182.5	151	5.12%	0

The RGBF (Labour) lost. New Government formed by Conservatives

Table H4: the 1929 election, 615 seats. Number of Labour, Conservative and Liberal seats

Bookie	Date	#Lab	#Con	#Oth	Act #Lab	Act #Con	Act #Lib	MAE (3pf)	WIN
LSE/#Seats	29/05/1929	245	272	97 Lib, 1 oth	287	260	59 Lib, 9 oth	13.66%	0

The RGBF (Conservative) lost. New Government formed by Labour with Liberal support

By 1931 things had become more unsettled as the Great Depression took hold. Ramsey MacDonald had replaced his minority Labour administration with a crossparty National Government made up of Conservatives and various flavours of Liberals and Labour. Unemployment was rising, the UK left the gold standard and an election was called for October 1931. The majorities market was buoyant with *"Over a Million (Pounds Sterling) Won and Lost in the City"*[0401a] and the traders waited for the results.

Table H5: the 1931 election, 615 seats. Majority of ruling group before election (RGBF)

Bookie	Date	Predicted Majority	Actual majority	MAE (1-party)	WIN
LSE/RGBFmaj	27/10/1931	201	493	47.48%	1

The RGBF (National Government) won an enormous majority

The October 1931 election was a slaughter, with the Conservatives winning 470 out of 615 seats against the comprehensively split Liberal and Labour parties. Baldwin formed a second National Government of 554 out of 615 seats, made up of independents, Liberals, Liberal Nationals and National Labour as well as Conservatives. This caused a curious problem: the new National Government majority of 493 was so large that those who had bet against the National Government were at risk of losing considerable sums.[0401a] On 7 November 1931 the Economist[0409a] pointed out that:

"...unexpected risks can lurk in political speculations, which cannot allow adequately for anything in the nature of a landslide. Stock Exchange men are accustomed to run hazards, and they are tolerably familiar with risk speculations. It is generally agreed, however, that the transactions in 'Majorities' are beyond the bounds of reasonable speculation, and are liable to be fraught with real danger to a good many people who cannot afford such losses as have arisen in the present instance.... This is the kind of gambling against which the Stock Exchange Committee have always set a resolute face in the past..."[0409a]

On 20 January 1932 one broker sought to use the courts to enforce settlement. A Mr W.A.Bignell owed £1,325 to a Mr Gover Wyn Elias on a Majorities contract.[0409a] Elias got tired of waiting and went to court. Bignell's lawyer pointed out that the Gaming Act 1845 pertained and Justice McCardle voided the suit on the basis that Majorities contracts were betting debts and hence were void under the Act.[0409a] The Stock Exchange believed that election betting had given it a reputation as a gambling institution and in 1933 it modified Stock Exchange Rule 93 to read "A member shall not deal in prospective dividends or 'Majorities'"[0409a]

1933-1945

Majorities betting continued but did not receive the coverage of previous years. Newspapers had moved to other election indicators and moved the Majorities off the front page[0409a], ceasing coverage

altogether by 1945.[0409a] Such City bets that continued were *sotto voce* or charitable, such as the sweepstakes run by London brokers in the autumn 1940 Battle of Britain on how many German planes would be shot down, the profits from which went to building Spitfires.[0401a] A similar bet was reco

But private betting still took place. The Magdalen College, Oxford Betting Book records that a bet was made on 17 August 1940 that:

"...Dr Griffiths bets Dr Rollin one pint of beer that 150 or more German aeroplanes will be brought down over the country on Saturday August 17th 1940. Paid by Dr Griffiths 17.8.1940. Above bet renewed for Sunday August 18th 1940. Paid by Dr Rollin..."[0505d]

Private betting was not limited to the colleges and clubs. In 1886 a commission agent called Schwind placed bets on horses trained by his business partner, a horse trainer called Pennington. In 1902 they were joined by Arthur Bendir and started betting on other horses as well, becoming a bookmaker. Bendir named this new company after the stables where Pennington worked: Ladbroke Hall. The new "Ladbrokes" moved to Mayfair in 1913 after brief spells in the Strand and Hanover Square and became an exclusive bookmaker for the upper classes. This model continued successfully from 1913 to the outbreak of WWII in 1939[0403a]

For public betting, the constraints remained. In 1932 the Royal Commission on Lotteries and Betting 1932-3 (final report Cmd.4341) was set up to consider problems relating to lotteries and pool betting[0405a]. But during its deliberations the failure of existing anti-betting legislation became apparent[0405a]. The Commission did not see legalising betting shops as the solution[0405a] and the resultant Betting and Lotteries Act 1934 simply imposed restrictions on lotteries and racecourses[0506a] instead. But the influence of the NAGL had waned and the 1906 act was inconsistently enforced, so street betting came up again during the debates on the Bill: as the Bishop of Winchester said in the Lords in 1934 "*Street betting is illegal, and it is practised in almost every street.*"[0506a] Previously Labour MPs had been influenced by the anti-gambling sentiments of the Nonconformists and the Free Churches,[0506b] but many of them had lost their seats in 1931 and the remainder were less anti-gambling.[0506b] During the debates they noted the class nature of existing gambling legislation and espoused sentiments like this:

"...The evils of gambling are only discovered when working men start gambling, then it becomes a moral offence...The other people can gamble with impunity. Those who put a shilling on a horse are heading for Dartmoor but those who put thousands of pounds down are not gambling at all; they are acting in a businesslike way...There ought not to be one law for the rich and another for the poor which is the case today..."[0506c]

1945-1960

After World War II, Ladbrokes hit difficult times. Its business model was outdated and clients dwindling, so it was sold in 1956 for £100,000 to Mark Stein and his nephew Cyril.[0403a]. Public election betting in Great Britain was little reported[0401a] during this period, with few quotes appeared in the newspapers for the 1945 and 1950 UK General Elections.[0401a] The Economist stated that "*it is curious that in a nation devoted to gambling as the British, so little opportunity should nowadays be taken of a general election, the most sporting of all events*".[0401a]

The Economist was being naïve: the British public was still street gambling, just not publicly. Public gambling took place legally on-course for horse or greyhound racing, and off-course via telephone

betting,[0505a] the football pools since 1923[0403a] and postal betting since the 1930's[0505b]. But these were not universally available and many people could not attend on-course, nor obtain credit to bet off-course. So for many people their gambling needs, including betting on general elections and party leadership battles[0505d] had to be met by illegal shops, forced underground by the 1906 Act and connected to their clients by a network of roving go-betweens known as "runners" [0404a]. Notable runners in World War I included the teenagers William Hill[0505b] and Joe Coral[0505b], and in the Fifties teenagers such as Fred Done[0404a] and future Prime Minister John Major[0505c]. John McCririck characterizes this period as

"... the Dark Ages, when the only legal bets were made on the racecourse, or the phone. Street betting had been rampant and everyone knew it. Bookies' runners ferried bets between punters and bookmakers, collecting in pubs and clubs (commonly in the urinals), and on street corners..."[0505a]

Private and public betting on political events had reached a nadir. But things were about to change.

1960-1972

Following World War II the Royal Commission on "Lotteries, Betting and Gaming"[0519c][0519d] was set up on 1949[0519c][0411a] under the chairmanship of the former Conservative Minister Henry Willink.[0519c] It is sometimes referred to as the Royal Commission on "Betting, Lotteries and Gaming"[0519c][0519j] (see Cmd. 8190), and it reported in 1951.[0519d][0519j] The times were austere and the Government believed that properly-regulated gambling could provide much-needed tax income, so they wanted to see what the post-war population thought about gambling.[0411a] Surprisingly the population were more relaxed than their late-nineteenth-century counterparts.[0411a] A similar Committee for Northern Ireland had been set up in 1945. It was referred to as the Northern Ireland "Betting Laws Committee"[0519c] or sometimes the "Betting Laws and Practices Committee"[0519g] or the "Betting Laws Committee on Lottery, Betting and Gaming Laws"[0416a] and was initially chaired by Major Samuel Houghton[0519c] or Houghton[0519g][0519f][0519e][0519n], the MP for Antrim. It reported in 1947[0519e][0517f] and recommended the licensing of betting shops in Northern Ireland.[0519c]

The Commission and Committee had their effects. The Commission[0506f] resulted in the Betting and Gaming Act 1960 after several years' delay. The Committee resulted in the Betting and Lotteries Act (NI) 1957[0402e]. The Acts provided for the licencing of betting shops in Northern Ireland[0519h] and Great Britain. This legalization of high-street gambling reversed the trend of several centuries and allowed the lower classes to gamble.

In Northern Ireland the Summary Jurisdiction (Bookmakers' Certificates) Rules (Northern Ireland), 1958[0519o] laid down the licence procedure to open a betting shop and they began to open legally in Northern Ireland in 1958.[0519p] In Great Britain the Betting and Gaming Act came into effect on 1 January 1961 and first allowed gambling for small sums in games of skill such as bridge.[0506f] In October 1960 licensing committees were set up to consider applications from bookmakers from March and April 1961[0506f]. Illegal on-street bookmakers and legal off-course telephone/post bookmakers both recognized the value of being on the high-street[0505a] and promptly applied. Those who could raise the capital required to set up premises, pay staff and "go straight"[0505a] were issued with licences and permits from the Racecourse Betting Control Board[0506f] that would allow them to open high-street betting shops from 1 May 1961.[0506f] After 1 May 1961 betting shops opened at a rate of 100 a week.[0506f] and after six months approx. 10,000 betting shops had been opened[0506f][0505a]

Betting on political events now became trivially easy. Punters had placed bets on the 1963 successor to the suddenly deceased Hugh Gaitskell for the leadership of the Labour Party[0505d]. In prior years Ladbrokes had run private election books[0702b] on British[0702b] and American[0702b] elections for its upper-class clients[0401a] in Debretts[0506d][0702f] and Buckingham Palace[0506d] but in 1962[0506d] it opened public betting shops and its general manager Ron Pollard[0506d] decided to proffer public election odds[0401a][0506d][0506e] on the October 1963 replacement for the resigning Prime Minister Harold Macmillan. The book had Rab Butler 5/4; Lord Hailsham at 7/4; Reginald Maudling 6/1; and Alec Douglas-Home 16/1.[0412b] The book was dubbed the “Tory Leadership Stakes”[0506d][0506e] and Pollard attained a degree of media fame[0506d] and said:

“...We are,” [said Pollard], “businessmen who deal in credit transactions. The only contract we require is a gentleman’s word of honor. On that word alone we accept, by telephone, bets of £1,000 at a time. One hears terrible stories about bookmaking - gang warfare and such-like. Dear me. Of course, nothing like that has ever touched us...”[0702b]

In 1964 there was a UK General Election and a US Presidential election. The bookmakers William Hill overcame the reluctance of its founder (also William Hill) to offer an election book on the 1964 UK General Election.[0401a] and placed an advert on page 20 of the Daily Express of 9 October 1964[0412a]: 1/2 Labour; 6/4 Conservatives, 25/1 no overall majority.[0412a] By 12 October it was 2/7 Labour, 5/2 Conservatives, 25/1 no overall majority.[0412a] At the time William Hill had not opened any betting shops and was still an off-course bookmaker to private clients aged 21 or over, accepting bets by post or telephone.[0412a] The number was Waterloo 1411 ext 8 to open an account.[0412a]

Ladbrokes also offered on the 1964 UK General Election.[0506d] Ladbrokes was badly exposed on the 1964 election[0702f] and would have lost £1.5 million had the Tories won, a source of suicidal[0506d] worry to Pollard because Ladbrokes simply did not have the money.[0506d] But the risk paid off.

Table H6: 1964 election. Latest available odds before polls closed 10pm 1964-10-15

Bookie	Date	Lab	Con	P(Lab)	P(Con)	MAE(raw)	MAE(2pf)	WIN
CL/win	15/10/1964 00:00	_4/11	_2/1	0.733	0.333	0.300	0.312	1
LK/win	15/10/1964 12:00	_4/11	_7/4	0.733	0.364	0.316	0.332	1
WH/win	12/10/1964 12:00	_2/7	_5/2	0.778	0.286	0.254	0.269	1

Lab won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. “Win” same as “most seats”

In 1965 UK bookmakers offered odds on the 1965 West German federal election[0401a] and by 1966 William Hill took the plunge and opened high-street betting shops[0505a]. That same year Ladbrokes floated for £1,000,000,[0403a] ten times what the Steins had paid for it.

Table H7: 1966 election. Latest available odds before polls closed 10pm 1966-03-31

Bookie	Date	Lab	Con	P(Lab)	P(Con)	MAE(raw)	MAE(2pf)	WIN
LK/win	31/03/1966 00:00	_1/66	_20/1	0.985	0.048	0.031	0.046	1
WH/win	31/03/1966 00:00	_1/25	_12/1	0.962	0.077	0.058	0.074	1

Lab won. LK=Ladbrokes, WH=WilliamHill. “Win” same as “most seats”

The Labour Party under Prime Minister Harold Wilson was a strong favorite for the UK General Election on 18 June 1970 but lost. The election was contemporaneous with the 1970 football World Cup and folklore[0505d][0704e] and Wilson himself[0512i] blamed the surprise loss on England’s defeat by West Germany on 14 June.

Table H8: 1970 election. Latest available odds before polls closed 10pm 1970-06-18

Bookie	Date	Lab	Con	P(Lab)	P(Con)	MAE(raw)	MAE(2pf)	WIN
LK/win	18/06/1970 00:00	_1/10	_9/2	0.909	0.182	0.864	0.833	0
WH/win	18/06/1970 00:00	_1/10	_4/1	0.909	0.200	0.855	0.820	0

Con won. LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

By 1972 UK bookmakers were offering odds on the 1972 US Presidential election [0401a]

1972-1997: Parliament of the United Kingdom of Great Britain and Northern Ireland, Northern Ireland Assembly (briefly)

1972-1997

In 1972 the Parliament of Northern Ireland was suspended and the responsibility for civil administration for Northern Ireland passed to the Government of the United Kingdom with brief exceptions for the 1973-1974 Northern Ireland Assembly. The politics of the times were troubled, with the 1970's seeing four UK Prime Ministers, four General Elections, and four referenda on Scotland, Wales, Northern Ireland and Europe. It was a fertile time for political betting.

In 1973 Clement Freud of the Liberal Party stood for election as MP for the Isle of Ely. He noted his odds of 33/1 and placed several bets, bringing the odds down to 8/1. [0412b] This generated publicity (the Daily Telegraph noted that "*the clever money seems to be going on Freud*" [0412b]) which in turn helped him to get elected and earn a return of £50,000 for an unknown profit [0412b] Freud went on to place bets on four Liberals in the 1979 General Election and obtained a six-figure return. [0412b]

Table H9: Feb 1974 election. Latest available odds before polls closed 10pm 1974-02-28

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
CL/win	15/02/1974 00:00	_13/8	_1/2	_200/1	0.381	0.667	0.005	0.430	0.425	0
LK/win	28/02/1974 21:59	_7/2	_1/5	_100/1	0.222	0.833	0.010	0.540	0.528	0
WH/win	21/02/1974 00:00	_7/4	_4/9	_40/1	0.364	0.692	0.024	0.451	0.442	0

Hung Parliament, Lab ms. CL=Coral, LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

Table H10: Oct 1974 election. Latest available odds before polls closed 10pm 1974-10-10

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
CL/win	10/10/1974 00:00	_2/7	_11/4	_66/1	0.778	0.267	0.015	0.168	0.177	1
LK/win	10/10/1974 00:00	_1/4	_3/1	_100/1	0.800	0.250	0.010	0.153	0.163	1
WH/win	10/10/1974 21:59	_1/4	_3/1	_50/1	0.800	0.250	0.020	0.157	0.168	1

Lab won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

Table H11: 1979 election. Latest available odds before polls closed 10pm 1979-05-03

Bookie	Date	Lab	Con	P(Lab)	P(Con)	MAE(raw)	MAE (2pf)	WIN
CL/win	03/05/1979 00:00	_5/2	_3/10	0.286	0.769	0.258	0.271	1
LK/win	03/05/1979 00:00	_3/1	_1/4	0.250	0.800	0.225	0.238	1
WH/win	28/04/1979 00:00	_9/4	_1/3	0.308	0.750	0.279	0.291	1

Con won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

Graham Sharpe joined William Hill in 1972 [0512b] [0512d] or 1973 [0505a] as a "board-man" [0505a], then moved up the ladder to settler, shop manager and eventually PR and media [0505a], finishing as Media Relations Manager. Sharpe had noted Ron Pollard's political betting at Ladbrokes and wished to

expand that market in William Hill to generate similar publicity.[0512b] He teamed up with Screaming Lord Such who founded the Official Monster Raving Loony Party in 1983[0512b]

In the 1983 Bermondsey by-election Freud placed bets on the Liberal party candidate Simon Hughes. The campaign was bitter and a byword for the homophobia of the times, with the homosexuality of the Labour candidate Peter Tatchell under forthright discussion. Bermondsey was a Labour stronghold so canvassing started with Hughes at 16/1. Freud started betting with £60 at 16/1, then £100 at 5/1, then £400 at 7/4 and £600 at 5/6.[0412b] Hughes won the election & Freud won his bets.

In the 60's betting shops were forced to adopt a dour presentation,[0505a], with odds on the walls and an audio commentary by the Exchange Telegraph Company[0404a], sometimes known as "Extel"[0505A] The Betting, Gaming and Lotteries (Amendment) Act 1984[0519q] was brought in to enable the constraints to be loosened and by 1986[0404a] regulation was relaxed. Shops could now have seats, television screens, two betting machines, soft drinks, refreshments and hot drinks from a machine and remain open on evenings and Sundays[0404a][0505a] The Act applied to Great Britain but not Northern Ireland, so in 1985 gambling in Northern Ireland was covered under the Betting, Gaming, Lotteries & Amusements (NI) Order 1985[0408a][0519b][0519k]. This will become important later.

Four firms dominated the High Street in the 80's: William Hill, Ladbrokes, Coral and Mecca.[0505a] Increasingly normalized, they matching the tenor of the times by becoming the subject of mergers and takeovers.[0505a] Ladbrokes tied up with Hilton Hotels[0505a]. William Hill was bought by Grand Metropolitan in 1988, was merged with Mecca[0505a][0512c] and then purchased by Brent Walker in 1989[0505a][0512c] and then purchased by Nomura (via Grand Bookmaking Company Limited) in 1997[0505a][0512c]

By 1985 the spread betting firm IG Index were offering spreads on the 1987 election.[0704k] IG Index was founded by Stuart Wheeler[0704g] in 1974 to trade gold prices as an index (it stands for "Investors Gold Index") but later expanded into elections. A similar path was trod by City trader Compton Hellyer who founded[0704g] spread betting firm Sporting Index in 1992 and found out that offering spreads on the 1992 General Election[0702e] was popular. We will deal with spread betting in another article.

Table H12: 1983 election. Latest available odds before polls closed 10pm 1983-06-09

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
CL/win	04/06/1983 00:00	_5/1	_1/8	_50/1	0.167	0.889	0.020	0.099	0.116	1
LK/win	04/06/1983 00:00	_5/1	_1/8	_50/1	0.167	0.889	0.020	0.099	0.116	1
WH/win	04/06/1983 00:00	_5/1	_1/8	_50/1	0.167	0.889	0.020	0.099	0.116	1

Con won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

Table H13: 1987 election. Latest available odds before polls closed 10pm 1987-06-11

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
CL/win	11/06/1987 00:00	_11/2	_2/9	_250/1	0.154	0.818	0.004	0.113	0.108	1
LK/win	11/06/1987 00:00	_6/1	_2/17	_500/1	0.143	0.895	0.002	0.083	0.093	1
WH/win	11/06/1987 00:00	_6/1	_1/9	_500/1	0.143	0.900	0.002	0.082	0.092	1

Con won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats"

Table H14: 1992 election. Latest available odds before polls closed 10pm 1992-04-09

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
LK/win	09/04/1992 00:00	_4/5	_4/5	_500/1	0.556	0.556	0.002	0.334	0.334	0
WH/win	09/04/1992 00:00	_5/6	_5/6	_500/1*	0.545	0.545	0.002	0.334	0.334	0

Con won. LK=Ladbrokes, WH=WilliamHill. "Win" same as "most seats" . * = imputed

1997-present: Parliament of the United Kingdom of Great Britain and Northern Ireland, Northern Ireland Assembly, Scottish Parliament, Welsh Assembly

1997-2007

Following the Labour landslide in the 1997 UK General Election and the Good Friday Agreement between the United Kingdom and the Republic of Ireland in 1998, referendums were held in Northern Ireland, Scotland and Wales. After the dust had settled, some powers had been devolved to Wales, Scotland and Northern Ireland and new Assemblies and Parliaments set up to reflect the will of their electorates.

New forms of online gambling were emerging with the rise of the online sportsbook and online exchanges. An online sportsbook was launched as part of sporting-life.com on 8 July 1998, as a partnership between the Mirror Group and Press Association. It became BetOnline.co.uk in September 1998.[0518v] In 2000 Denise Coates bought the domain bet365.com from eBay for £10,000 and took out a loan against Provincial Racing (Coates's Stoke family firm consisting of 49 UK licensed betting shops) and expanded the online business.[0518v]

Online exchanges also began to appear. In 2000 Betfair Exchange was launched by Andrew Black and Edward Wray[0518c]. It was competing at the time with Global Betting Exchange (launched 1999[0518b][0518f] or 2000[0518e], later as BETDAQ in 2000[0518f]) and Flutter, but went on to dominate the betting exchange industry,[0518d] with many competitors failing.[0407a] Flutter was bought out by Betfair Exchange in 2002[0518d].

The Blair Government recognised that existing legislation, the Gaming Act 1968 and other associated legislation, did not adequately deal with the modern gambling market and the British Gambling Review started in 1999.[0402f] The Gambling Review Body was chaired by Sir Alan Budd and in July 2001 it submitted the Gambling Review Report (inevitably christened "The Budd Report") to the Department for Culture, Media and Sport for publication[0512g] It recommended that gambling legislation be codified into a single Act, that a Gaming Commission be set up to regulate all gambling (except for spread betting which would remain under the Financial Services Authority) and licence individuals and companies, with premises licenced by local authorities.[0512g] It also proposed a framework for Internet gambling by creating a category of "on-line gaming" and bringing it under the Gaming Commission[0512g]. But its most revolutionary recommendation was that gambling debts should not be void but instead be legally enforceable[0512g], reversing centuries of legal trends.

By the late 1990's bookmakers had started to move to other jurisdictions with lower taxes, such as Malta[0411a] and Gibraltar.[0505a] One of the first was Victor Chandler (later BetVictor).[0505a][0411a] This threatened wholesale avoidance of betting duty so in April 2001 Chancellor Gordon Brown in his Budget announced that GPD (General Betting Duty, a betting tax based on a proportion of betting stakes), would be replaced by GPT (Gross Profits Tax based on the net revenue of bookmakers) The tax rates for GPT were 15% for fixed-odds bookmakers, 10% for sports spread bookmakers and 3% for financial spread bookmakers.[0512h]

In 2004 odds were proffered on the 2004 US Presidential Election and in March that year[0512a] Mike Smithson, journalist and former Liberal Democrat councillor, founded PoliticalBetting.com, an online forum for discussion that publishes articles on politics and occasionally betting. In 2007 he published

“The Political Punter: how to make money betting on politics”, [0505d] which relates the story of a colleague asking him to place a bet of £500 that the Liberal Democrat candidate would win the North Norfolk constituency in the 2005 UK General Election. It also pointed out that Smithson had bet on David Cameron at 5/1 [0505d] to win the 2005 Conservative Party leadership election, and idly wondered whether the £50 at 50/1 he had bet in May 2005 [0505d] on the Democratic senator from Illinois winning the 2008 US Presidential Election would bear fruit. The Liberal Democrat Norman Lamb won the North Norfolk constituency, Cameron won the leadership, the Democratic senator from Illinois Barack Obama won the Presidency, and Smithson won his bets and never looked back.

The Budd Report resulted in the Gambling Act 2005, which provided a definition of “gambling” [0518l] and obtained Royal Assent on 7 April 2005. Under it wagers would remain void only until 2007 [0402a] when the Gambling Commission came into existence on 1 September 2007 [0402f]. The 2005 Act generally extended to England, Scotland and Wales but Sections 43 (chain gift schemes), 331 (foreign gambling) and 340 (foreign betting) applied also to Northern Ireland. [0402g]

In the runup to the 2005 UK General Election Smithson wrote daily articles for the “Daily Telegraph” on the betting prices on the result and the Commons seat spreads from the spread betting firms [0505d]

2006 saw the most betting activity not on the 2006 US Congress Midterm elections nor the 2006 election for the leadership of the Liberal Democrats but the 2006 Italian General Election. [0505d] The two leading Italian participants were Silvio Berlusconi and Romano Prodi and Smithson speculates that the visibility of the participants and the tightness of the race influenced this. [0505d]

Table H15: 1997 election. Latest available odds before polls closed 10pm 1997-05-01

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
LK/win	24/04/1997 00:00	_1/7	_4/1	_800/1*	0.875	0.200	0.001	0.109	0.125	1
WH/win	11/04/1997 00:00	_1/6	_7/2	_250/1	0.857	0.222	0.004	0.123	0.139	1

Lab won. LK=Ladbrokes, WH=WilliamHill. “Win” same as “most seats”. * = imputed

Table H16: 2001 election. Latest available odds before polls closed 10pm 2001-06-07

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
CL/win	31/05/2001 00:00	_1/100	_16/1	_500/1	0.990	0.059	0.002	0.024	0.039	1
LK/win	04/06/2001 00:00	_1/50	_12/1	_300/1	0.980	0.077	0.003	0.033	0.050	1
WH/win	04/06/2001 00:00	_1/100	_16/1	_300/1	0.990	0.059	0.003	0.024	0.039	1

Lab won. CL=Coral, LK=Ladbrokes, WH=WilliamHill. “Win” same as “most seats”

Table H17: 2005 election. Latest available odds before polls closed 10pm 2005-05-05

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
LK/win	05/05/2005 00:00	_1/33	_10/1	_150/1	0.971	0.091	0.007	0.042	0.061	1

Lab won. LK=Ladbrokes. “Win” same as “most seats”

Betfair floated on the London Stock Exchange on October 22nd 2010, [0518d] and moved some functions to Gibraltar [0518d] in 2011 [0518o] following similar moves by Ladbrokes and William Hill. [0518o]

Table H18: 2010 election. Latest available odds on most seats before polls closed 10pm 2010-05-06

Bookie	Date	Lab	Con	Lib	P(Lab)	P(Con)	P(Lib)	MAE(raw)	MAE(3pf)	WIN
LK/win	27/04/2010 00:00	_4/1	_1/6	_16/1	0.200	0.857	0.059	0.134	0.155	1
WH/win	04/05/2010 00:00	_13/2	_1/12	_16/1	0.133	0.923	0.059	0.090	0.115	1
BF/win	12/04/2010 00:00	_11/2	_2/11	_219/1	0.154	0.846	0.005	0.104	0.105	1

Con most seats. BF=Betfair, LK=Ladbrokes, WH=WilliamHill. “Win” same as “most seats”

Table H19: 2010 election. Latest available odds on overall maj before polls closed 10pm 2010-05-06

Bookie	Date	Lab	Con	Oth	P(Lab)	P(Con)	P(Oth)	MAE(raw)	MAE (3pf)	WIN
LK/om	06/05/2010 00:00	_25/1	_5/4	Lib _66/1, Nom _4/6	0.038	0.444	0.615	0.289	0.293	1
WH/om	04/05/2010 00:00	_20/1	_5/6	Lib _40/1, Nom _5/6	0.048	0.545	0.570	0.341	0.340	1
BF/om	06/05/2010 00:00	_49/1	_7/5	Lib _409/1, Nom _4/5	0.020	0.417	0.558	0.293	0.293	1

Hung Parliament. BF=Betfair, LK=Ladbrokes, WH=WilliamHill.

2011-DATE

The Gambling Act 2005 had attempted to cope with betting duty avoidance but was unsuccessful, with betting companies based outside the UK working around the legislation. To eliminate that workaround the Gambling (Licensing and Advertising) Bill was introduced in 2013 to establish regulation on a “point of consumption” basis: all operators selling into the British market, regardless of location, would need a Gambling Commission licence to transact with British consumers. [0518g][0403a]

The resultant Gambling (Licensing and Advertising) Act 2014 received Royal Assent on 14th May 2014 and commenced on 1st November 2014.[0508g]. It applied to England, Wales, Scotland and – following a Legislative Consent Motion of the Northern Ireland Assembly on 17th June 2013 - Northern Ireland.[0518h][0518i]

But overall the Betting, Gaming, Lotteries and Amusements (NI) Order 1985 still pertained in Northern Ireland[0519b]. A department of the Northern Ireland Executive called the Department for Social Development (later the Department of Communities), had issued a consultation[0519a] on possible changes[0519a] in 2011[0519m] and put forward proposals in 2013,[0519i] but no action was taken.[0519l]

BETDAQ was bought by Ladbrokes in 2013.[0518f] and Betfair announced a merger with PaddyPower on 8 September 2015 that was completed on 2 February 2016[0407a] The betting exchange model had worked well but Betfair were losing[0518d] money on unmatched wagers (money posted to the exchange that was never matched). Up to 30% of Betfair’s wagers were unmatched and these losses forced Betfair to open a fixed-odds book or “sportsbook” in 2012 to compensate.[0518d] Ladbrokes and Coral merged in November 2016[0518p] and the resultant Ladbrokes Coral Group PLC was acquired by GVC on 28 March 2018.[0518q]

In 2016 the Gambling Commission issued a discussion paper[0518n] on virtual currencies, eSports & social Gaming. As of 2019, social gaming (gambling for a prize unconvertible to money or money’s worth) remains unregulated & spread betting & binary options in financial markets are regulated by the FCA[0518n].

Table H20: 2015 election. Latest available odds on most seats before polls closed 10pm 2015-05-07

Bookie	Date	Lab	Con	Oth	P(Lab)	P(Con)	P(Oth)	MAE(raw)	MAE (3pf)	WIN
BF/ms	06/05/2015 01:06	_7/2	_2/9	Lib _949/1, AOP _807/1	0.222	0.818	0.002	0.135	0.144	1
CL/ms	06/05/2015 01:06	_4/1	_1/6	Lib _1000/1, UKI _250/1, GRE _1000/1	0.200	0.857	0.006	0.116	0.129	1
LK/ms	06/05/2015 01:06	_7/2	_1/5	Lib _500/1, UKI _250/1, GRE _1000/1	0.222	0.833	0.007	0.132	0.144	1
WH/ms	06/05/2015 01:06	_7/2	_1/5	Lib _1000/1, UKI _200/1	0.222	0.833	0.006	0.132	0.143	1

Con most seats. BF=Betfair, CL=Coral, LK=Ladbrokes, WH=WilliamHill.

Table H21: 2015 election. Latest available odds overall maj before polls closed 10pm 2015-05-07

Date	Tstamp	LAB	CON	OTH	P(Lab)	P(Con)	P(Oth)	MAE(raw)	MAE (3pf)	WIN
BF/om	07/05/2015 01:41	_113/1	_76/5*	NOM _1/16*, AOP _949/1*	0.009	0.062	0.942	0.630	0.626	0
CL/om	06/05/2015 00:47	_40/1*	_7/1*	NOM _1/16*, LD _1000/1, UKI _250/1*	0.024	0.125	0.946	0.615	0.591	0
LK/om	06/05/2015 23:59	_33/1*	_10/1	NOM _1/16, LD _750/1*, GRE _1000/1*, UKI _250/1*	0.029	0.091	0.947	0.629	0.610	0
WH/om	07/05/2015 01:51	_40/1*	_10/1*	NOM _1/20, LD _500/1*, UKI _200/1*	0.024	0.091	0.959	0.631	0.610	0

Con overall maj. BF=Betfair, CL=Coral, LK=Ladbrokes, WH=WilliamHill. * = imputed

Table H22: 2017 election. Latest available odds on most seats before polls closed 10pm 2017-06-08

Bookie	Date	Lab	Con	Oth	P(Lab)	P(Con)	P(Oth)	MAE(raw)	MAE (3pf)	WIN
BF/ms	07/06/2017 23:59	_88/5	_1/20	Lib _949/1, AOP _949/1	0.054	0.952	0.002	0.034	0.037	1
CL/ms	07/06/2017 23:59	_8/1	_1/20	Lib _500/1, UKI _1000/1, GRE _1000/1	0.111	0.952	0.004	0.054	0.072	1
LK/ms	07/06/2017 23:59	_8/1	_1/20	Lib _500/1, UKI _1000/1, GRE _1000/1	0.111	0.952	0.004	0.054	0.072	1
WH/ms	07/06/2017 23:59	_8/1	_1/20	Lib _500/1, UKI _1000/1, GRE _1000/1	0.111	0.952	0.004	0.054	0.072	1

Con most seats. BF=Betfair, CL=Coral, LK=Ladbrokes, WH=WilliamHill.

Table H23: 2017 election. Latest available odds overall maj before polls closed 10pm 2017-06-08

Date	Tstamp	LAB	CON	OTH	P(Lab)	P(Con)	P(Oth)	MAE(raw)	MAE (3pf)	WIN
BF/om	07/06/2017 23:59	_29/1	_1/7	NOM _41/5, AOP _949/1	0.033	0.875	0.110	0.600	0.595	0
CL/om	07/06/2017 23:59	_16/1	_1/6	NOM _5/1, LD _500/1, GRE _1000/1, UKI _1000/1	0.059	0.857	0.171	0.582	0.562	0
LK/om	07/06/2017 23:59	_16/1	_1/6	NOM _11/2, LD _500/1, GRE _1000/1, UKI _1000/2	0.059	0.857	0.158	0.586	0.569	0
WH/om	07/06/2017 23:59	_8/1	_1/6	NOM _11/2, LD _250/1, UKI _500/1	0.111	0.857	0.160	0.603	0.572	0

Hung Parliament. BF=Betfair, CL=Coral, LK=Ladbrokes, WH=WilliamHill.

3. SUMMARY

Gambling in the United Kingdom is a mirror of the United Kingdom: it is the history of religion, the class system, unification of and wars between the various kingdoms. The mediaeval period set down the principles of gambling legislation for the next millennium: gambling was not illegal within limits between individuals of rank, but any expansion beyond that would be discouraged. Religion and class would influence legislation and wealth would be kept within the classes by voiding gambling debts above a certain amount, preventing dissolute scions from gambling away their inheritance.

As time wore on and the class system eroded, gambling marched with it. The United Kingdom evolved from a group of mediaeval kingdoms thru a globe-spanning Imperium to a 21st century Westphalian state. Gambling was progressively legalized down thru the classes, from the nobility, to upper classes, to the professional middle class, and finally to the working class.

Political betting also evolved. It was initially verbal agreements between individuals on wars and kings, but the rise of the Club and College books meant that the records survive to this day. When the Majorities market arose in the late nineteenth century, bets became financial instruments that could be analysed. The rise of high-street betting and newspaper coverage meant that odds could be tracked over time, and academic analysis became possible. The growth of online betting, internet archives and aggregators made data available to data scientists and citizen journalists.

4. AFTERWORD

When you study history you walk with the dead. Any pleasure derived from reading the histories of the people involved in gambling is leavened by the knowledge of their eventual death, sometimes emphasised by the fact that one is reading their obituaries. This is what happened to our *dramatis personae*.

William Murray, 1st Earl of Mansfield, the great reforming judge of the 18th century, died in his sleep and in great wealth on 20 March 1793, aged 88 at his estate at Kenwood House and is buried in Westminster Abbey. The Chevalier D'Eon, whose gender was the subject of much prurient speculation, died in poverty in London on 21 May 1810 at the age of 81. The politician Sir Frederick Milner, so upset at people betting against him, eventually succeeded in being elected to the Bassetlaw constituency where he served for 16 years until his defeat at the 1906 general election. He died a member of the Privy Council in June 1931 at the age of 81. Cyril Stein took Ladbrokes to extraordinary success and devoted his later life to philanthropy in Israel, dying on 15 February 2011 aged 82, survived by his wife and three children. Ron Pollard, who was suicidally worried over the 1964 election but saw his daring rewarded when Wilson won a wafer-thin majority, died aged 89 on June 10 2015, also survived by his wife and three children. Tony Barlow, who introduced our article and won so much in 1979, bought a house, did it up, had a fifth child, and died on July 18 2016 at the age of 85, survived by his wife, children and grandchildren[0417b][0416e].

John Major, the Brixton teenager and bookie's runner, became Prime Minister and Companion of Honour. Now retired, he lives with his wife Norma and writes books and follows cricket. Graham Sharpe, now grayer and older but still hearty, retired from William Hill in April 1997. He devotes his time to collecting psychedelic records and following racing, and tweets under @sharpangle. He has ambitions to write a history of political betting, to which the author hopes this article will help. Matthew Shaddick, who tweets as @shadsy, remains at Ladbrokes and can still be seen at election times, explicating the odds.

As history marched, gambling marched with it. But throughout it all gambling odds remained. They are a simple thing and in these Internet days of prediction indices and spread betting they may be seen as old-fashioned, but they are easily comprehensible to all, especially during elections.

Which is why, at each election, a bookmaker will get up, put on their Sunday best, and walk to College Green near the Houses of Parliament and set up a chalkboard. They will adopt their best stance and pose for a photograph, pointing in an authoritative manner at the numbers chalked upon it. Those numbers will represent considerable sums of money, the livelihood of the bookmaker and the consensus of thousands of gamblers expressed in a small group of fractions understandable to all, and the reason why this article exists: the odds.

5. NOTES AND CAVEATS

Notes and caveats on historical dates

This article covers the period from the twelfth century to the present day. Which is a problem when it comes to dates, because over that period we have changed from the Julian calendar where the last day of the year is March 24th, to the Gregorian calendar where the last day of the year is December 31st. Even worse, the changes didn't happen at the same time: in England the day after December 31st 1599 was January 1st 1599, but in Scotland the day after December 31st 1599 was January 1st 1600. [0630a]

Some documents solve this by double dating: for example, “February 1st 1699/1700” where “1699” refers to the year which began on March 25th 1699 and “1700” to the year which began on January 1st 1700.[0630a] This situation continued, when Scotland, England, Ireland and Wales formally adopted the Gregorian calendar in 1752 and Wednesday 2 September 1752 was followed by Thursday 14 September 1752 with no days 3 to 13 in between.[0630a].

Another dating convention was “in the year X of monarch Y”: for example, the “Unlawful Games Act 1477” is also referred to as “17 Edw 4, ch3 1477”, meaning the seventeenth year of the reign of Edward IV [0405b]

Notes and caveats on newspaper dates

This article makes extensive use of the British Newspaper Archive to extract odds as they were published in newspapers of the day. But newspapers may publish text from a central pool and different numbers may publish the same text on different days. This may lead to an error of one day in the odds described. Also, newspapers used to use the convention of “bookmakers last night reported that”, because odds were gotten before the papers went to press. This may introduce an error of some hours between quotation time and the time the papers were published. To prevent errors being compounded, we have taken the day of publication of the odds as the date of the odds.

Notes and caveats on books versus odds

Many of the calculations in this article use a book – the set of all odds on a given election offered by a bookie at a given moment – as the basic unit of gambling, not an odds. Additionally, the odds will have the overround removed so that the total probability of the book adds up to one. Similar calculations on an individual odds with its overround intact may yield different results.

Notes and caveats on the 1992 General Election

Coral insist[0814a] that they made the Conservatives the favourites for the 1992 General Election. This claim may be entirely true. But the British Newspaper Archive makes no mention of it, and contemporaneous newspaper reports state instead that that Labour were favorites with the big bookmakers up to the last day,[0712z] then more money came in on election day[0712z][0712y] and the lead changed hands[0712z] before ending up as a dead heat.[0712z] So although Coral’s claim may be true, without a contemporaneous timestamped source we cannot use it.

6. OTHER

For the references and appendices and other notes and caveats, please see the accompanying article “Forecast Error: Supplement 2: Betting References”