

Web Odds Poor for U.N. Resolution

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As the Bush administration continues its efforts to rally support from U.N. Security Council members for a second resolution authorizing use of force against Iraq, online traders are giving the measure only the slimmest odds of passing.

At the online betting exchange [TradeSports.com](#), traders betting on whether the Security Council will approve the resolution give such a measure only an 11 percent chance of passing by the end of the month, and a 21 percent likelihood of gaining approval by the end of June.

The odds are down substantially from early February, about two weeks after betting began, when odds of a second resolution passing by March surpassed 60 percent. But in the intervening weeks, political reality interfered. France's disclosure this week that it is willing to veto a resolution authorizing war pushed the options to all-time lows.

John Delaney, TradeSports CEO and founder, says the trading odds simply reflect current events.

"A picture paints a thousand words," he said, looking at the two-month chart. "This obviously reduces the chance of it passing."

Bets on the outcome of the U.N. vote are one of two types of "contracts" tied to the Iraq conflict that TradeSports is offering. The other contract -- the second most actively traded contract on the exchange -- lets traders bet on how long Saddam Hussein is likely to remain leader of Iraq.

Despite low odds on the chance of a second resolution passing, traders are quite confident about the prospect of Saddam's near-term ouster. According to current odds, Saddam has about an 87 percent chance of being kicked out of office by the end of June.

Justin Wolfers, a Stanford University economics professor who has studied political betting exchanges, says the odds indicate that the United Nations is "decreasingly relevant" to traders assessing the probability of war.

Although political bets aren't where TradeSports makes most of its money, Delaney, a former investment banker who launched the site last year, says they're a growing part of the business. In addition to the Iraq-related wagers, the site offers contracts tied to the

date of Osama bin Laden's possible capture, the Homeland Security Department's alert level, and the outcome of elections in the United States and Germany.

So far, the Iraq-related contracts have drawn traders from more than 20 countries, with most of the money coming from the United States, according to Delaney. About \$350,000 has been wagered on the most heavily traded contract, which assesses Saddam's likelihood of remaining in power at the end of March.

In comparison, more than \$600,000 has been wagered on the most active contract, a bet on whether the University of Arizona will win the NCAA men's basketball championships. For both political and sporting events, traders pay a \$0.04 commission for each \$10 contract they buy or sell. Odds are set by traders and are not predetermined by TradeSports.

TradeSports, out of Dublin, Ireland, is one of several sites that provide trading on political events. Others include William Hill, a bookmaker based in England, and the [Iowa Electronic Markets](#), a nonprofit educational organization that runs a financial market to predict outcomes of U.S. elections.

Although the dollar sums wagered in electronic markets are minuscule in comparison to the volumes traded on traditional financial markets, Wolfers believes they are telling indicators of political events. Unlike political pundits, he says, traders put their money where their mouths are.

"In the financial markets, political posturing will put you at nothing but a loss," he said.