

Joseph Oller

Inventor of the “Pari Mutuel” System Of Wagering

This is a summary of the biography of Oller “L’Homme de la belle époque” by Ferran Canymeres, Les Editions Universelles, Paris, 1946. This work has not been translated into English. Here we concentrate on the Pari Mutuel side of Oller’s story.

Joseph Oller was a leading entertainment impresario and entrepreneur in Paris during the last decades of the 19th century and the start of the 20th century – the “Belle Époque.” For all of his life was he exceptionally active and creative in conceiving of new business ventures. He was the founder of many music halls, dance theatres, and other distractions, including the famous Folies Bergere. He was also involved with horse racing and betting on horse races, including the invention and early operation of the “pari mutuel” system. In the Belle Epoque the entertainment industry moved around Oller - he was known by everybody, and was acquainted with everybody important in society.

Oller was born in the Catalan town of Terrassa, near Barcellona in Spain. His family had been in the business of manufacturing fabrics since the time of his grandfather, of the same name (b. 1789.) Joseph’s father Francois (b. 1814) was somewhat of a playboy and uncomfortable in the family business. In 1839 he moved to Paris to take part in the textile factory of his cousin. Joseph was born 10 Feb 1839 just after his father left Spain. Joseph and his mother Marie-Therese joined Francois in Paris in 1841. The family was then based permanently in Paris where Joseph’s brothers Alexandre and Jean were born. (Marie-Therese died in Paris in 1874. Francois remarried and moved to Madrid in 1875, but died in Paris in 1904.)

Francois Oller was very successful in business in Paris. Joseph worked for his father. Because Joseph was raised in Paris (and the family was Catalan) his Spanish was not well developed. At the age of 17 his father sent him to Bilbao for the purpose of improving his Spanish. (This wasn’t the most successful of plans as the main language in Bilbao was Basque!) However, while in Bilbao Joseph attended cock-fights which was a sport involving heavy betting. In witnessing disputes over bets Joseph is reputed to have designed his “pari mutuel” system.

During the 1860s horse racing developed as a very popular entertainment in Paris, with a number of racecourses placed around the city. Joseph was

a regular attendee. The main form of betting for the wealthy was by direct wagers between individuals. However, for the smaller gamblers the blind pool was popular at the racecourses. With a pool there was one ticket for each horse, the matching of horse and ticket number being chosen at random. The winner took the whole pool, after deduction of a commission. Oller saw a business opportunity for “off course” betting and in 1865 opened an office in Blvd. Magenta selling pools with tickets of from 2 to 100 francs. On 5 March 1865 Oller took his operation on a wagon out to the race meeting at “Champ de la Marche.” This was the start of a colorful tradition of large mobile gambling offices, brightly painted, being taken from course to course.

In 1867 Oller changed from pool gambling to his pari-mutuel system where the gambler has to pick the winning horse. He was apparently concerned that the pool approach was a pure game of chance, which was illegal in France. With pari-mutuel the punter uses knowledge of the horse’s form in choosing the horse to back, so, presumably, is a game where skill and knowledge play a part. Pari mutuel was an instant commercial success. Oller opened larger premises in the Blvd d’Italiens where punters could bet on races in all of France and also England. To encourage the customers he published a “form” magazine titled “Bulletin des Courses.” 1867 was a buoyant year in Paris with many visitors coming to see the great exhibition – the influx contributed to the success and growth of horse-race gambling.

Oller was taking 10% commission (reduced to 5% on a day with large turnover) so began to make his fortune. In 1869 he married at London to Carmen Caello, a Peruvian. Despite the good times there was trouble ahead. Authorities attempted to crack down on gambling but were initially unsuccessful when on 6 June 1869 the “Cour de Cassation” ruled that pool gambling was illegal but pari mutual was not a game of chance. But continued success was interrupted by a series of events that caused great disruption in Paris, the Prussian war and the Paris Commune. Oller moved away from Paris to London for a while but returned when conditions returned to normal.

His gambling business grew in success. He applied technology for mechanically printing tickets. By 1873 he was turning over 5 million francs annually. His success led to him being charged with illegal gambling. He tried to sidestep the process by proposing publicly the state control of pari mutuel with a gambling tax and return of profit to the racing industry. However, he was brought to trial in 1875 and he was

found guilty with pari mutuel betting declared illegal. Oller was sentenced to 18 days prison – the low point of his life.

Although his pari mutual business was closed completely Oller bounced back. He converted his betting outlet to a theatre and café. He then found success in a succession of other entertainment ventures that grew in size and grandeur. By 1885 he had opened a fashionable swimming pool and bathing establishment, the Piscine Rochechouart. This was followed in 1886 by Le Nouveau Cirque which hosted circus shows in Winter but converted to a swimming pool in summer.

But he continued to be involved in operating race courses so was in a good position to return to gambling when conditions changed. Although horse race gambling was illegal, bookmakers were rampant. To crack down on the practice, betting on horses was banned at racecourses! This immediately led to a decline in the horse racing sport. To compensate, in 1887 the government authorized racing clubs to operate “Totalisators” as in Germany, Italy and Austria. This was merely a controlled implementation of Oller’s own pari mutuel system. The totalisators were entirely operated by hand with “odds” written on blackboards. Oller participated in the operation of on-course totalisators. He invented and patented machines for issuing tickets that counted the number issued - “les Billets compteurs.”

Despite pari mutuel being authorized at racetracks, bookies still flourished. In 1890 bookmaking was definitely and finally banned. The legal status of pari mutuel was firmly established in law on 2 June 1891. The racing clubs of Paris assigned to Joseph Oller the organization of the pari mutuel in Paris. The commission was shared in much same way that Oller had envisaged earlier. In 1908 the scheme was for an overhead of 8% with 2% tax, 1% for the thoroughbred industry and 4% for the club which included the operating cost and management profit – later the overhead was increased to 22%. The pari mutuel in Paris had a huge turnover, by 1908 294 million francs. Oller benefited from both the operation of the pari mutuel and supplying its needs, in particular printing of tickets.

On the entertainment side, Oller opened further amusements. The Montagnes Russes was an amusement park that he moved from London. Then there was the big one, the Moulin Rouge. In 1892 he started his own amusement park “Le Jardin de Paris”, and in 1893, the Olympia music hall with a waxworks in the basement.

Oller lived in a house next to his Jardin de Paris. His success was interrupted by WW1 during which he gave his printery to the state. His wife died in Oct 1919. He retired to an apartment in Paris, spending winters on the Cote d'Azur. He died 19 April 1922 and was buried in Pere Lachaise cemetery. On his grave is inscribed: "Son intelligence égalait son coeur"