

An Early Example of “Sniping” in an Auction

Internet auctions are bedeviled by “sniping”—the practice of bidders deliberately waiting until the last moment to enter a bid, in the hope that it will then be too late for others to respond. As noted in Roth and Ockenfels (*A.E.R.*, September 2002), bids are submitted in the last 10 seconds before the deadline in more than 12 percent of eBay auctions, though most of these auctions last several days.

Under Charles II, the Admiralty auctioned ships by lighting a one-inch section of wax candle for each lot. Whoever bid highest before the candle went out won the prize. Samuel Pepys writes as follows in his diary for September 3, 1662:

After dinner, by water to the office; and there we met and sold the *Weymouth*, *Successe*, and *Fellowship* Hulke. Where pleasant to see how backward men are at first to bid; and yet when the candle is going out, how they bawl and dispute afterward who bid the most first.

And here I observed one man cunninger than the rest, that was sure to bid the last man and to carry it; and enquiring the reason, he told me that just as the flame goes out the smoke descends, which is a thing I never observed before, and by that he doth know the instant when to bid last—which is very pretty.

[Robert Latham and William Matthews, eds., *The Diary of Samuel Pepys*, 11 vols. (Berkeley: University of California Press, 1971)]

Suggested by Paul Klemperer

