One of the most disquieting features of the system in Sydney is the practice of canvassers from the cash-order trading companies going from house to house inducing womenfolk, when the husband or wage-earner is away from home, to purchase orders, and instances have occurred where young married women have been persuaded to buy orders from several companies with disastrous results to the home. The temptation to the canvasser is irresistible to suggest that the husband need never know the wife is borrowing, thus implanting the seeds of domestic deceit.

Victoria.—The cash-order trading system in Victoria has not been developed to the same extent as in New South Wales, but nevertheless has reached large proportions. It was stated in the Victorian Parliament that a few years ago there were seven cash-order firms in Victoria, and their business amounted to about £10,000 per annum. To-day there are seventy firms, and the volume of the cash-order business exceeds £1,000,000. The system has been severely criticized by the leading retailers' associations of the State. A private member introduced a Bill into the State Parliament with a view to placing restrictions on the system. Although the Bill passed its second reading, it has not been proceeded with pending action being taken by Government by way of inquiry—probably by a Commission. The object of the Bill was to license traders, and to compel them to enter into fidelity bonds to prohibit the issue of cash orders to persons under twenty-one years of age, and to married women without the consent of their husbands. There is strong objection in Melbourne, as in Sydney, amongst social workers to the method of house-to-house canvassing.

In the report issued by the Commonwealth Inter-State Commission on the system, dated 2nd July, 1919, the following summary is given:—

The operations of the cash-order companies grew in value from £30,795 in 1914 (11,164 orders) to £77,170 in 1917 (25,034 orders). The net profits of four companies equalled in 1927 35·15 per cent. on capital; whilst in another company working on small capital, and which for a period confined its operations to dental orders, the profits were in 1915 231·40 per cent. on capital; in 1916, 235·75 per cent.; and in 1917, 40·24 per cent. In 1917, however, but for the writing-off of a large sum, profits would have been 95·68 per cent. It may be mentioned that this company turned over its capital in 1915 and in 1916 no less than twenty-five times in each year, a fact to which the large profits are partly attributable.

In a police report issued in Victoria the following statement was made by the police: "Most of the distress warrants were the results of the extensive cash-order business. He [the police officer] was stationed at Hawthorn, and of the one thousand distress warrants executed six hundred were for cash-order debts. From two thousand to three thousand distress warrants were issued in Collingwood, ten thousand at Russell Street, and eight thousand at Burke Street West." The police officer said he had seen wedding presents seized and sold, pets taken from children, valuable dogs, poultry, and articles of every description taken by the police, whose heart was never in their job, all to satisfy these money grabbers.

These statements were made as arguments in support of the police objections to serving distress warrants. If the figures are correct—and the Commonwealth Inter-State Commission states that it has no doubt they are—then it shows what an enormous hold the system has obtained in Victoria.

When weekly payments fall into arrears the only procedure open to the cash-order company is to take legal action for recovery of debt. Failing satisfaction being secured by this method, a further legal remedy is invoked in securing a distress warrant for seizure of sufficient goods to satisfy the debt. The amount of the debt owing is considerably added to by solicitor's costs, Court fees, &c. The information that has been secured from Australian States reveals many cases where the legal procedure for recovery of debt incurred with cash-order companies has been carried to the utmost limit.

Queensland.—It is difficult to estimate the extent of the cash-order trading system in Brisbane, but there is sufficient evidence to show that it is encroaching to a great degree on the ordinary methods of trading. The cash-order trading system has been a subject of much controversy. In some cases agitation has been made for the abolition of the system; in other cases its continuance, subject to some review, is urged. No legislation dealing specifically with the system has been introduced into the State Parliament. The Board of Trade recommended that the matter was one that should be dealt with under the Moneylenders Act.

South Australia.—The cash-order system of trading is comparatively new to South Australia Efforts have been made by retailers' associations to secure restrictions on this form of trading.

Western Australia.—The cash-order trading system has failed to secure a footing. The retailers combined and were successful in inducing their members generally to refuse to accept cash orders.

8. Case for the Cash-order Traders.—The case for the cash-order traders was set out in concise form in a circular issued by the Auckland firms, and it is attached as an appendix (A) to this report. The chief points claimed in favour of the system are—

(1) That it is of distinct advantage to the poorer classes, particularly in times of illness and unemployment: