

*Is the system conducted on a basis that is fair to clients and to retailers?*

As conducted by a few firms in its present limited application, particularly in the South Island, it imposes no great hardship on clients or on traders.

*Does the system act disadvantageously to the genuine cash buyer?*

Generally, Yes. Very little recognition, we regret to say, is given by traders to those tendering cash. The evidence stresses most markedly that those possessing cash orders receive on the whole equal treatment to those paying actual money. Of 147 traders approached on the question as to whether a cash customer was allowed any discount, 74 answered No, 33 answered Yes (they did not state the amount of the discount), 5 gave  $2\frac{1}{2}$  per cent., 6  $3\frac{3}{4}$  per cent., and 29 5 per cent. This in effect shows that over 50 per cent. of the traders consulted did not allow any discount for cash, whereas to cash-order firms a discount of  $12\frac{1}{2}$  per cent. was generally given.

*If the system became more general would it increase the cost of living?*

Emphatically, Yes. The consensus of thoughtful opinion supported this view, and traders who warmly support the system were of the opinion that if over 5 per cent. or 10 per cent. of the turnover were done in cash orders, prices would need to be revised upward.

*Are the methods of securing business by the cash-order traders open to question?*

Despite the conflict of evidence on this point we are of opinion that the methods practised by the majority of those issuing cash orders are most undesirable, particularly in the collection of instalments at people's homes, at the doors of factories and offices, and the securing of custom by canvassing, and the signing of the orders by housewives surreptitiously. In this connection we had evidence from a reliable witness employed as a collector on behalf of one of the companies stating that his visits to make the collections had to be made very discreetly and secretly. The instalment cards were hidden in secret corners apparently out of sight of husbands and other occupants of the house. He was promised a definite round of two hundred customers providing he could, within a fortnight, increase the clientele to five hundred by canvassing.

Another undesirable feature, and one to be strongly condemned, is the issue of booklets or pamphlets often cleverly illustrated and worded so as to appeal to the more ignorant and careless sections of the community. Reliable evidence was given that in several cases where there was delay in payment of instalments housewives were threatened by the collectors that the transactions would be divulged to their husbands. In one instance a woman had taken out two orders practically at the same time, each of £5, from two separate cash-order companies, and had given a false name in one instance. On finding difficulty in meeting the payments each had threatened disclosure to her husband. She then appealed in great distress to a friend, who paid up both balances due, and produced the receipts for our inspection.

*Does the system encourage extravagant buying?*

The system certainly has that tendency, but the weight of evidence shows that those possessing the orders were discriminating buyers. In cases, however, where the full order was not expended the balance of the money was frequently wasted on goods other than necessities.

*Is it desirable that the system should be controlled by legislation?*

We believe that control by the State is necessary, and are further of the opinion that in the public interest legislation is necessary, and that proper control can only be made fully effective by law. Unfortunately the system has burst the narrow limits where little or no harm could have been done to the general public, and it is now necessary to discipline it in such a way as to put it on a fair basis. With this end in view we have to recommend that the Government favourably consider the following proposals:—

- (1) That the charge to clients should not exceed 6d. in the pound sterling.
- (2) That the trade and cash discounts allowed by retailers accepting the orders should not exceed 10 per cent.
- (3) That canvassing for orders should be prohibited.
- (4) That no mail-order propaganda be allowed.
- (5) That the cash orders be open to any firm willing to accept them, and not limited to one firm or individual.
- (6) That all orders should be issuable from a registered office only.
- (7) That no orders shall be issued to persons under the age of twenty-one, or to married women without the consent in writing of their husbands.
- (8) That no order be issued to any person who has not completed payment of any previous order.