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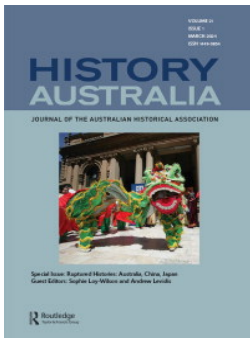
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'The poor man's overdraft': a longer history of Australian retail credit

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ABSTRACT

Most histories of Australian cultural life pin the start of consumer credit's popularity to the 1950s and the heady days of the early long boom. This article reveals the longer history of consumer credit in Australia. Middle-class Australians have long made use of forms of credit provided by retailers such as monthly accounts to supplement their incomes, take advantage of special offers, deal with unexpected expenses, or indulge impulsive desires. Those with more limited and less regular incomes, working-class families unable to secure credit from banks or department stores, also became enmeshed in credit culture, but through a different route. An early form of retail credit – the cash-order system – played a crucial role in preparing working-class consumers for the postwar boom in credit culture. Emerging at the beginning of the twentieth century, the cash-order system provided a bridge between older forms of working-class retail credit such as the tick and the slate, and modern forms such as the department store budget accounts that would become widely available after the Second World War.

KEYWORDS

Australia; retail credit; department stores; women; workers

With the appetite of Australian consumers for consumer credit showing little sign of abating, understanding when and how it came to captivate shoppers is an important undertaking.¹ Unravelling how Australians became entangled with consumer credit, including identifying points of acquiescence and resistance, can help in understanding its prevalence and the problems it can cause. Most histories of Australian cultural life pin the start of consumer credit's popularity to the 1950s and the heady days of the early long boom. This ignores the longer history of consumer credit in Australia. Middle-class Australians have long made use of forms of credit provided by retailers such as monthly accounts to supplement their incomes, take advantage of special

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¹'Australia's Rising Cost of Living Is Pushing People to Buy Now, Pay Later – But Debts Are Stacking Up', *Guardian*, 30 April 2023.

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offers, deal with unexpected expenses, or indulge impulsive desires.² Those with more limited and less regular incomes, working-class families unable to secure credit from banks or department stores, also became enmeshed in credit culture, but through a different route. One early form of retail credit – the cash-order system – played a crucial role in preparing working-class consumers for the postwar boom in credit culture. Emerging at the beginning of the twentieth century, the cash-order system provided a bridge between older forms of working-class retail credit such as the tick and the slate, and modern forms such as the department store budget accounts that would become widely available after the Second World War.

In 1941, a witness to a Board of Inquiry into the cash-order system explained its value. The cash order was ‘the poor man’s overdraft’, the witness said and constituted ‘a form of compulsory saving’ for those living on or near the basic wage.³ Consumers applied for a (for example) £5 cash order from a dedicated cash order company, paying a 5 shillings commission. They used this order to make a purchase at an approved retailer, and then repaid the issuer at the rate of 5s weekly for 20 weeks. The consumer paid £5 5s for £5 worth of goods at cash prices, had five months credit at the cost of 3 pence a week and avoided time-payment prices.⁴ The system enabled working-class families who lacked ready cash to buy items using a proxy for cash and thereby earn themselves a cash discount.⁵ Though the cash-order system was popular with cash-strapped Australian shoppers before the Second World War, many large retailers decried the scheme, arguing that it gave shoppers on limited incomes a false sense of prosperity, encouraging extravagance and economic waste. Underlying this critique was the reality that the system meant fewer shoppers signed up for the retailers’ in-house credit schemes, which undercut their profits. The 1941 inquiry was just one of several formal investigations set up under pressure from retail associations, to assess the cash order’s impact and determine its future.

This article traces the history of the cash-order system from its introduction in Australia in the late 1870s to its demise in the 1950s, as it was remodelled for a new, modern era of retail credit. Historians have examined emerging forms of credit in the early modern era. Craig Muldrew has argued that credit provided a ‘cultural currency’ of trust, which was used to transact most business until the late sixteenth century.⁶ Marieke de Goede has emphasised the links between morality, slavery and the new credit money of the sixteenth century, also revealing that the feminisation of credit

²The term ‘retail credit’ is used from here on to differentiate credit provided by retailers from other forms of consumer credit, such as mortgage and automobile loans.

³Cash Orders Defended. “The Poor Man’s Overdraft”, *Sydney Morning Herald*, 30 April 1941, 6, <http://nla.gov.au/nla.news-article17739176>.

⁴‘Clothes Without Cash’, *Age*, 18 January 1911, 11, <http://nla.gov.au/nla.news-article196183605>; ‘Luxuries Not Bought’, *Age*, 26 October 1921, 14, <http://nla.gov.au/nla.news-article204261616>; Catherine Alexander, ‘The Simple Bare Necessities: Scales and Paradoxes of Thrift on a London Public Housing Estate’, *Comparative Studies in Society and History* (2022): 1–32; ‘Trading Coupons Abolition Bill’, *Argus*, 1 November 1899, 5, <http://nla.gov.au/nla.news-article9036158>. See also ‘Cash Order Abolition Bill’, Victoria Legislative Assembly, 3 September 1913, 1109–23, <https://www.parliament.vic.gov.au/492eae/globalassets/hansard-historical-documents/sessional/1913/19130821-19130909-hansard-combined.pdf>.

⁵Paul Johnson, *Saving and Spending: The Working-Class Economy in Britain, 1870–1939* (Oxford: Oxford University Press, 1985), 151–53.

⁶Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (New York: Palgrave, 1998).

has a long history, its sexualised personification as a fickle woman linking back to the ancient goddess Fortuna, the ‘mistress of chance and luck’.⁷ With regards to the modern era, Louis Hyman has shown how credit could be used to stimulate a sluggish economy and explored the emergence of revolving credit (rather than fixed term) in the USA in the 1940s, which set the ground for the modern credit card.⁸ Further, Victoria de Grazia’s work on America’s impact on twentieth-century Europe has explored the gendered and class dimensions of consumer credit pointing out that it was considered ‘bad’ to use credit for everyday necessities, but that working-class families had little choice but to resort to credit for such items.⁹

Histories of Australian retail credit have been limited to brief discussions of the importance of another credit system – hire purchase – to the spread of consumer culture after the Second World War, usually in broader histories about Australian culture or the 1950s.¹⁰ A notable exception to this is Pierre de Eng’s survey of the growth of consumer credit in Australia during the twentieth century. Eng’s survey concentrates on how regulation of Australia’s financial market limited the provision of consumer credit to hire-purchase contracts for cars and household durables by finance companies but pays limited attention to other forms of retail credit: the charge or store account, for example, or the budget account and its forerunner, the cash order.¹¹

By focusing on the history of the cash-order system, the article responds to the historiography of retail credit in two ways. First, by extending the history of retail credit in Australia backwards to the beginning of the twentieth century, this article is influenced by the work of historians such as Jan Logemann, Lendol Calder and Rowena Olegario. Their work has revealed the long history of retail credit, showing that ‘modern’ forms of credit (that is credit introduced after the Second World War) evolved from earlier forms. In particular, Olegario has argued that this longer history challenges anxieties about present-day indebtedness. Paying attention to the longer history of retail credit in Australia encourages a more nuanced understanding of its place within Australian culture, showing how previous credit schemes were remodelled from the 1950s to suit new economic circumstances.

Second, by paying attention to the classed and gendered aspect of retail credit before the Second World War, the article picks up on the work of British historians who have

⁷Marieke de Goede, *Virtue, Fortune, and Faith: A Genealogy of Finance* (Minneapolis: University of Minnesota Press, 2005), 21–46.

⁸Louis Hyman, *Debtor Nation: The History of America in Red Ink* (Princeton, NJ: Princeton University Press, 2011), 10–16, 105, 117.

⁹Victoria de Grazia, *Irresistible Empire: America’s Advance Through Twentieth Century Europe* (Cambridge, MA: Belknap Press, 2005), 90, 174, 362, 444.

¹⁰Richard White, *Inventing Australia: Images and Identity, 1688–1980* (Sydney: Allen & Unwin, 1981), 164–65; Stella Lees and June Senyard, *The 1950s: How Australia Became a Modern Society, and Everyone Got a House and Car* (Melbourne: Hyland House, 1987), 53–73; Nicholas Brown, *Governing Prosperity: Social Change and Social Analysis in Australia in the 1950s* (Cambridge: 1995), 101–125; 4; John Murphy, *Imagining the Fifties: Private Sentiment and Political Culture in Menzies’ Australia* (Sydney: Pluto Press, 2000), 186–87; Judith Brett, *The Moral Middle Class: From Alfred Deakin to John Howard* (Cambridge University Press, 2003), 136–39; Matthew Bailey, ‘Retail Suburbanization, Modernization, and Growth in Sydney during Australia’s Postwar Boom’, *Journal of Urban History* (2021): 4–5; Greg Whitwell, *Making the Market: the Rise of Consumer Society* (Fitzroy, VIC: McPhee Gribble, 1989), 34. For a feminist perspective, see Beverley Kingston, *Basket, Bag and Trolley: A History of Shopping in Australia* (Oxford: Oxford University Press, 1994), 90, 114.

¹¹Pierre Van der Eng, ‘Consumer Credit in Australia During the Twentieth Century’, *Accounting, Business & Financial History* 18, no. 2 (2008): 243–65.

explored the way credit operated in working-class communities, emphasising the importance of neighbourhood networks, including the significance of women in these networks.¹² This study reveals the long history of retail credit in Australia as being connected to both gender and class. It shows resistance to the use of retail credit at all levels of society, with the exception of working-class women who would become the targets of anti-cash-order lobbyists and politicians in their unsuccessful attempts to abolish the cash-order scheme. Taking account of factors such as social class and gender roles emphasises the ways in which economic activity is embedded in cultural practice, both reflecting it and helping to shape it and opening new ways of thinking about how Australians became captured by retail credit.

Using the archives of a leading retailer, Coles–Myer, which are held at the University of Melbourne and the State Library of Victoria, as well as other archival material, parliamentary debates, advertisements in the mainstream press and newspaper coverage, this article reveals that Australian consumers' appetite for credit was not a post-Second World War phenomenon, as is usually assumed.¹³ Rather, the popularity of the cash-order system, especially amongst working-class families, was a significant staging post in the development of mass retail credit, linking small-scale credit with the modern phenomenon that emerged fully from the 1980s. It shows how department stores helped to normalise retail credit – despite strong ambivalence towards it – as one aspect of the steady but far from straightforward shift in Australian attitudes towards credit, as consumers moved from an ideology of thrift to an enthusiastic embrace of retail spending, with working-class shoppers no longer attracting moral condemnation for accessing credit. It also reveals the 'age of the cash-order' – the first half of the twentieth century – as a specific moment in the history of Australian capitalism. The conditions that supported this system were to change significantly after the Second World War as full employment and a more secure economic environment enabled workers to take advantage of credit facilities previously restricted to the middle-classes.

From thrift to consumer credit

Writing in 1880, Melbourne's *Herald* newspaper declared that 'Thrift ... should rest in every man's mind as the first of duties. It makes men, as it has made nations'.¹⁴ As in America, the use of credit in Australia was considered 'an economic sin' for much of the nineteenth century.¹⁵ Thrift – a synonym for saving – epitomised Victorian culture, reflecting the Protestant values that prevailed in Australia.¹⁶ Thrift

¹²Jan Logemann 'Americanization through Credit? Consumer Credit in Germany, 1860s–1960s', *The Business History Review* 85, no. 3, (2011): 529–50; Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit* (Princeton: Princeton University Press, 2001), 37; Rowena Olegario, *The Engine of Enterprise: Credit in America* (Cambridge, MA: Harvard University Press, 2016); Paul Johnson, *Saving and Spending: The Working-Class Economy in Britain 1870–1939* (Oxford: Clarendon Press, 1985); Avram Taylor, *Working Class Credit and Community* (Basingstoke: Palgrave Macmillan, 2002).

¹³White, *Inventing Australia*, 164–65; Lees and Senyard, *The 1950s*, 53–73; Graeme Davison, Tony Dingle and Seamus O'Hanlon, eds., *The Cream Brick Frontier: Histories of Australian Suburbia* (Melbourne: Monash Publications in History, 1995); Murphy, *Imagining the Fifties*, 186–87; Brett, *The Moral Middle Class*, 136–39.

¹⁴'Thrift', *Herald*, 2 January 1880, 2, <http://nla.gov.au/nla.news-article244746148>.

¹⁵John Watkins, 'Corporate Power and the Evolution of Consumer Credit', *Journal of Economic Issues* 34, no. 4 (2000): 912–13.

¹⁶The Archbishop of Canterbury on Thrift', *Ovens and Murray Advertiser*, 4 September 1880, 6; 'The Problem of Poverty?', *Tocsin*, 31 March 1904, 2, <http://nla.gov.au/nla.news-article201771024>.

played a central role in arguments resisting calls for workers' rights at the end of the nineteenth century. As the Victorian socialist leader Tom Tunnecliffe pointed out, capitalists used workers' supposed lack of thrift to explain poverty by arguing that people should save the shillings they spent on theatres and other amusements.¹⁷ Overall though, Australia's nascent labour press was as ambivalent about thrift as it was about other aspects of the new consumption, such as changing forms of luxury.¹⁸ On the one hand it was to be encouraged; on the other it was unfair that workers were expected to practice it when employers did not.¹⁹ As late as 1917, the *Socialist* argued forcibly against the value of thrift for the working classes. Thrift was not a national virtue; it clogged the wheels of industry, causing unemployment, want and suffering. The worker who was thrifty betrayed his own wife and children.²⁰ The labour movement's ambivalence towards thrift would remain unresolved, as retail credit grew in Australia.

This ambivalence in Australia reflected changing attitudes towards credit that were occurring elsewhere, including in America. Attitudes towards credit had started to change there by the 1890s, but it was not until the late 1920s that 'inhibitions against using consumer credit' collapsed.²¹ Writing of Britain, Catherine Alexander has warned against viewing changing attitudes to consumption in this period as a simple trajectory from consuming 'necessities' to 'decencies', then to 'luxuries', pointing out that different groups in diverse contexts experienced the shift from thrift to consumerism in distinct ways.²²

Although growth stalled with the onset of the Depression in 1929, the groundwork for new forms of consumer credit had been laid in the 1920s and was primed for expansion in the postwar era.²³ Australian retailers had long offered credit facilities to their regular customers, but these usually operated on a small scale, with retailers keeping a record of a customer's debt, a system known as buying 'on tick' (short for 'ticket') or 'on the slate' (based on the old custom of recording debts with chalk on a piece of slate).²⁴ As department stores developed, retailers sought safer, more scientific ways of extending and managing credit, and, as in many things retail, America led the way. In 1922, the Associated Retail Credit Men of New York City commissioned a guide to their members on the topic, emphasising that a properly run credit department was a source of customers' goodwill. The guide described two forms of retail credit. Deferred payment accounts – where the customer was given three to six months to pay the debt

¹⁷'The Problem of Poverty'.

¹⁸Jackie Dickenson, 'Luxury and the Australian Labour Press, 1890–1918', *Labour History* 124 (2023): 1–29.

¹⁹'Co-operative Coupons', *Tocsin*, 3 October 1901, 4, <http://nla.gov.au/nla.news-article197526340>; Elizabeth Morris, 'Woman's Point of View', *Tocsin*, 14 May 1903, 10, <http://nla.gov.au/nla.news-article197523617>; 'The Way of the Money-Lender', *Tocsin*, 22 September 1904, 8, <http://nla.gov.au/nla.news-article201769641>; 'Instruction in Citizenship', *Tocsin*, 11 January 1906, 7, <http://nla.gov.au/nla.news-article198213558>.

²⁰'Thrift', *Socialist*, 22 June 1917, 1, <http://nla.gov.au/nla.news-article240685161>. This seems to come from Marx's theory of underconsumption argument: 'The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society constituted their limit': Karl Marx, *Capital* Vol. III, Part V, Chapter 30, I, <https://www.marxists.org/archive/marx/works/1894-c3/ch30.htm>, accessed 30 April 2023.

²¹Watkins, 'Corporate Power and the Evolution of Consumer Credit', 912–13.

²²Alexander, 'The Simple Bare Necessities'.

²³D.F. Blankertz, 'Shopping Habits and Income: A Philadelphia Department Store Study', *The Journal of Marketing* 14, no. 4 (January 1950): 572–78.

²⁴Taylor, *Working Class Credit and Community*, 75, 82, 92, 95, 101.

and interest was charged – were suitable for furniture and rugs. Instalment accounts were better for sewing machines, phonographs, pianos, vacuum cleaners, and these items were priced higher on account than they were for cash sales.²⁵

Alexander has noted for Britain that a moral panic accompanied ‘the apparent slide from thriftiness into consumerist degeneracy’ fuelled by the expansion of credit which occurred across the first half of the twentieth century.²⁶ As a similar panic built about the growth of credit in Australia, retailers began to employ advertising techniques to reassure their customers that their credit facilities were safe to use.²⁷ Department stores led the move towards normalising retail credit in response to the economic downturn of the late 1920s and early 1930s.²⁸ Myer, for example, faced down resistance to credit by promoting their credit facilities as modern and transparent in a pamphlet entitled *Modern Credit and Home Furnishing*. This explained that Myer’s credit prices were no different from cash prices; that there was ‘no charge beyond the small fixed and straight-forward interest rate’. ‘These frank and attractive terms’, the pamphlet explained, ‘have gone far towards removing the old suspicion and doubt with which in the past Hire purchase methods were regarded ...’²⁹ Despite such attempts, the expansion of credit continued to concern many Australians, but one particular form would prove more concerning than others.

The cash-order system

Those unsettled by the expansion of credit were particularly concerned with the popular cash-order system, which operated separately from the store-run provision of time-payments and hire purchase outlined in the American retailers’ guide.³⁰ When cash orders were first brought to Australia is unclear, but it was likely to have been by a draper, as the system would be used predominantly for clothes.³¹ Two drapers claimed to have introduced the system. Edward Arnold, a drapery located in Oxford Street, Sydney, claimed to have begun to use cash orders in the 1850s, but William Buckingham, an English-born draper, explained in a 1920s newspaper report that he had brought the cash order to Australia in 1878. ‘Anxious to meet the needs of the people’, Buckingham had found that the cash order was ‘of great assistance to housewives’ and he had built his extensive business on the system.³² His system had

²⁵Frederick W. Walter, ed., *The Retail Charge Account* (New York: Ronald Press, 1922), 9, 11, 28, 29.

²⁶Alexander, ‘The Simple Bare Necessities’.

²⁷The Myer Emporium (Chadstone) Pty Ltd, *Annual Credit Report for the Year Ended 31 July 1963*, 2, Records of Coles Myer Pty Ltd, State Library of Victoria, YMS 13468 (hereafter ‘Records of Coles Myer’), Box 1429, COMY11294.

²⁸Kingston, *Bag, Basket and Trolley*, 55.

²⁹*Modern Credit and Home Furnishing* (Melbourne: Myer Emporium, 1930?), 4–5, Records of Coles Myer, Box 4203, COMY 26009.

³⁰See J.C. Timms, *Time-Payment Trading and Accounts: Hire-Purchase, Instalment Sales, Cash Orders, Lay-Bys* (Melbourne: Sir Isaac Pitman & Sons, 1941), 12–13, 144–76.

³¹The ‘order’ had long been used for a range of financial transactions in Australia, including privately-issued ‘cheques’ and as the payment of wages to be used at a specific shopkeeper, S.J. Butlin, *Foundations of the Australian Monetary System 1788–1951* (Melbourne: Melbourne University Press), 124, 168, 254, 268–9, 288–90, 342, 371–8, 382, 552.

³²‘Edward Arnold’s Cash Order System’, *Labor Daily*, 23 August 1935, 13, <http://nla.gov.au/nla.news-article237486734>; Beverley Kingston, ‘Buckingham, Ashley James (1898–1962)’, *Australian Dictionary of Biography*, National Centre of Biography, Australian National University, <https://adb.anu.edu.au/biography/buckingham-ashley-james-9613/text16949>, accessed 13 January 2023.

evolved from the discount coupon system of trading he had observed in Britain: customers received coupons when they paid cash, which they could then redeem at the retailer whose advertisement featured on the coupon. Similar schemes became popular in Australia in the 1890s; organising companies included Sydney's Mutual Benefit Company and the Discount-for-Cash Company, and Melbourne's Co-operative Coupon Company.³³

Conceived as a substitution for existing credit schemes, rather than as an addition to them, the cash order was said to be 'simpler and more effective than Time-Payment and Money-lending'.³⁴ Supporters argued that the system was unique, as it brought together 'the advantages of cash-buying (by paying lower prices than charged on standard credit) with those of credit-buying (the relief to the cash-strapped of paying through instalments)'.³⁵ Besides New South Wales, the system had been operating for some time in New Zealand where it was used 'to very large extent' and in England, where it was known as 'check trading'.³⁶ Paul Johnson has explained how check trading worked for the companies that issued them and the retailers who agreed to accept them.³⁷ Independent companies sold 'checks' to the consumer on credit. The check (or cash order) could then be redeemed at certain associated stores, and the issuing company reimbursed the stores. Check or cash-order companies made their profits from the interest received on money held from customers' purchase of orders before that money was paid out to the trader: the longer it took the customer to use the cash order the more money the check or cash-order company made. They also redeemed orders at 10 to 15 per cent below their face value – in other words, the companies charged the retailers commission for supplying them with extra trade.³⁸ Johnson has shown how English working-class families used credit for crises: the common action of a family without funds of its own was to use someone else's money, to obtain credit.³⁹ Importantly, the cash order enabled working-class families 'in receipt of small regular incomes' to purchase necessary non-consumable goods 'with the minimum of burden and inconvenience', using a proxy for cash and thereby earning themselves a cash discount.⁴⁰ Despite (or perhaps because of) its usefulness to working families, the cash order would prove much less popular with other sections of consumer society.

The cash order: for and against

The moral panic around the cash order grew in Australia from about 1908 – perhaps influenced by the experiences of the land boom and crash in the 1890s – when the

³³'Only Had an Idea', *Daily Telegraph*, 16 March 1928, 6, <http://nla.gov.au/nla.news-article245430413>; 'The Discount-for-Cash Coupon', *Newsletter: An Australian Paper for Australian People*, 24 May 1902, <http://nla.gov.au/nla.news-article114726695>, 24 May 1902; <http://nla.gov.au/nla.news-article245430413>.

³⁴*The Cash Order System*, 16 pages, s. n. [S.l.: 1926?], National Library of Australia (NLA), RIL 2101, 1.

³⁵'Clothes Without Cash'; 'Luxuries Not Bought'; Alexander, 'The Simple Bare Necessities'; 'Trading Coupons Abolition Bill', *Argus*, 1 November 1899, 5, <https://trove.nla.gov.au/newspaper/article/9036158>.

³⁶*The Cash Order System*, NLA, RIL 2101, 5; 'Only Had an Idea'.

³⁷Johnson, *Saving and Spending*, 151; Eng, 'Consumer Credit in Australia During the Twentieth Century', 6.

³⁸Johnson, *Saving and Spending*, 151.

³⁹*Ibid.*, 142.

⁴⁰*The Cash Order System*, NLA, RIL 2101, 1; Johnson, *Saving and Spending*, 151–53.

scheme expanded out from New South Wales and into Victoria.⁴¹ Over the next 40 years, Australian state and federal governments held investigations into cash orders at regular intervals, sometimes as part of a broader inquiry into Australian monetary systems, sometimes concerned only with the cash-order system. These investigations were usually the result of pressure from retailer associations such as the Victorian Storekeepers and Traders' Association (VSTA), the Drapers' Association of Victoria (DAV) and the Victoria United Retailers' Council (VURC), whose members offered their own in-house credit facilities and believed the cash-order system threatened their profits (Table 1).⁴²

Opposition to the cash-order system in Victoria began almost immediately. In 1910, the DAV spoke up against it: 'In Sydney the system is gripping drapery houses like an octopus', one draper told *The Argus*. 'The system so far in Melbourne is not extensively followed', another observed, 'but if not checked it may become a great evil'. The key reason for opposition – one that would persist – was revealed in the

Table 1. Investigations into the cash-order system across the first half of the twentieth century.

1912–13	Victoria. Cash Orders Abolition Bill. Debate adjourned 15 October 1913. Did not proceed. ⁴³
1915–18	Inter-state Commission into Trade and Commerce. ⁴⁴
1921–22	Victoria. Cash Order System Abolition Bill. Did not proceed. ⁴⁵
1926	Queensland. Board of Trade inquiry into profiteering in the clothing trade included discussion of cash orders. ⁴⁶
1927	Victoria. Cash Orders Abolition Bill. Debate adjourned 10 November 1927. ⁴⁷
1936–37	Royal Commission into Monetary and Banking Systems. ⁴⁸
1939	NSW. Bill to amend Money-Lenders Act to include and regulate cash orders discussed in Cabinet but did not proceed. ⁴⁹
1941	Board of Inquiry under the National Security Regularities considered regulation of cash orders. ⁵⁰
1946	Queensland. Cash Orders Regulation Bill passed December 1946. ⁵¹

⁴¹'Clothes Without Cash'; 'Cash Order Plan', *Herald*, 30 April 1918, 8, <http://nla.gov.au/nla.news-article242513684>. For the 1890s depression, see Lionel Frost, 'Chapter 13: The Economy', in *The Cambridge History of Australia*, ed. Alison Batchford and Stuart Macintyre (Cambridge: Cambridge University Press, 2013), 338–40.

⁴²*The Cash Order System*, 5; 'Cash Order System', *Herald*, 4 September 1913, 8, <http://nla.gov.au/nla.news-article241538710>; 'Cash Orders', *Herald*, 6 September 1913, 12, <http://nla.gov.au/nla.news-article241530687>; 'Abolishing Cash Orders', *Argus*, 7 October 1921, 6, <http://nla.gov.au/nla.news-article4641618>; 'The Cash Order System', *Age*, 3 May 1918, 8, <http://nla.gov.au/nla.news-article155094398>; Harold Burston, 'Merits and Abuses of Cash-Orders', *Herald*, 21 September 1927, 12, <http://nla.gov.au/nla.news-article244193583>.

⁴³Victorian Legislative Assembly, 'Cash Order System Abolition Bill', 3 September 1913, 1109–23, <https://www.parliament.vic.gov.au/492eae/globalassets/hansard-historical-documents/sessional/1913/19130821-19130909-hansard-combined.pdf>; Victorian Legislative Assembly, 'Cash Order System Abolition Bill', 15 October 1913, 1904–1907, <https://www.parliament.vic.gov.au/492eae/globalassets/hansard-historical-documents/sessional/1913/19131008-19131022-hansard-combined.pdf>.

⁴⁴J.A. La Nauze, 'The Inter-State Commission', *The Australian Quarterly* 9, no. 1 (1937): 48–58.

⁴⁵'Abolishing Cash Orders', *Herald*, 12 October 1921, 8, <http://nla.gov.au/nla.news-article242632324>.

⁴⁶'Is There Profiteering in Clothing', *Worker*, 10 November 1926, 9, <http://nla.gov.au/nla.news-article71132940>.

⁴⁷Harry Thomson, 'Cash Orders', *News*, 22 October 1927, 4, <http://nla.gov.au/nla.news-article129227630>; 'Cash Orders Attacked', *Sun News-Pictorial*, 11 November 1927, 8, <http://nla.gov.au/nla.news-article275081702>.

⁴⁸'Royal Commission Appointed to Inquire into the Monetary and Banking Systems at Present in Operation in Australia', 1935–1937, Parliament of Australia, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22publications/tables/papers/HPP052016003213%22>.

⁴⁹'Cash Order Firms Are To Be State Controlled', *Sun*, 28 May 1939, 2, <http://nla.gov.au/nla.news-article230893612>.

⁵⁰Board of Inquiry Appointed to Inquire Into Hire Purchase and Cash Order Systems, Report on Cash Orders, 12 November 1941, <https://nla.gov.au/nla.obj-2579182763>.

⁵¹State of Queensland, Cash Order Regulation Acts, 1946 to 1959, https://digitalcollections.qut.edu.au/2375/1/qsr_cash_orders_regulation_acts_1946_to_1959_28Nov46.pdf.

title of the report: ‘Money for the Middleman’.⁵² The system, which was ‘as bad if not worse than coupons’ affected the profits of drapers by undercutting their prices.⁵³ The cash-order firms had lower overheads than drapers and so could offer larger discounts. ‘Who is to know whether the house which gives the 15 per cent discount does not add 15 per cent to the price of the goods’, another draper argued. ‘No draper that I know of makes the large net profit of 15 per cent. How can he possibly if he trades honestly allow a 15 per cent discount’.⁵⁴ Representatives from the cash-order companies immediately defended the system, arguing that it was an improvement on other credit systems and ‘a boon to the thrifty as well as the struggler’.⁵⁵ The system legitimised small credit without making the user pay excessively and the legitimate shopkeeper obtained extra trade without having to employ travellers who cost far more than 15 per cent.⁵⁶

Despite this defence, retailer associations continued to lobby the government to act on their concerns and, in July 1912, a bill to abolish the cash-order system was introduced into the Victorian Parliament.⁵⁷ Debate around the system’s merits and abuses continued well into 1913. On one hand, warnings against the middleman getting between the retailer and the customer were again advanced.⁵⁸ On the other hand, an *Age* reader recommended research into the operation of the scheme in England: the need for the cash order was not so great in Australia, he noted, but there were ‘undoubtedly many whose needs come all at once, whose positions do not warrant retailers in advancing credit, but who could under the cash-order system, have their payments spread over a period of months’.⁵⁹

Retailer associations that opposed the scheme came up with four key criticisms to argue for the abolition of the cash-order system and to obfuscate the real source of their opposition: that the schemes threatened the profits they earned by offering in-house credit. First, they argued that the system encouraged bad debts.⁶⁰ Underpinned by class anxiety, this claim emerged from a paternalistic middle-class impulse to regulate the economic life of working-class families. This impulse arose in part from the middle class’s need to assert its ostensible ‘virtues’ – for example, the capacity to save, not living beyond your means and paying your way in the world – in contrast to the ‘vices’ – for example, poor financial planning and wastefulness – of an

⁵²‘Money for the Middleman’, *Argus*, 21 June 1910, 6, <http://nla.gov.au/nla.news-article10865615>. See also ‘Cash Order System’, *Argus*, 30 June 1927, 18, <http://nla.gov.au/nla.news-article3863907>.

⁵³‘Money for the Middleman’.

⁵⁴*Ibid.*

⁵⁵H.W. Brook, ‘The Cash Order System’, *Argus*, 22 June 1910, 9, <http://nla.gov.au/nla.news-article3863907>; ‘Cash Order System Abolition Bill’, 15 October 1913, 1904–1905, Victorian Hansard 1913, vols. 133, 134, 135, https://www.parliament.vic.gov.au/497105/contentassets/915521b2d7c2451684ff675367844178/index_1913-14.pdf.

⁵⁶‘The Cash Order System’.

⁵⁷‘Cash Orders’, *Australasian*, 3 August 1912, 39, <http://nla.gov.au/nla.news-article143275417>; ‘State Cabinet’, *Age*, 20 August 1912, 9, <http://nla.gov.au/nla.news-article196263522>; ‘State Parliament’, *Age*, 4 September 1913, 9, <http://nla.gov.au/nla.news-article197486408>; Victorian Hansard 1913, vols. 133, 134, 135, ‘Cash Order System Abolition Bill’. First Reading, 29 July 1913, 456; Second Reading, 3 September 1913, 1109–23; Debate, 15 October 1913, 1904–1907.

⁵⁸‘Multiplying Middlemen’, *Age*, 22 September 1913, 10, <http://nla.gov.au/nla.news-article197487760>.

⁵⁹K.W. Jackson, ‘Cash Order System’, *Argus*, 12 August 1912, 4, <http://nla.gov.au/nla.news-article10495165>.

⁶⁰The director of Dimmey’s Model Store in Melbourne claimed that the cash order companies charged higher interest rates than ‘any business firm’ and led to many bad debts: ‘The Mysteries of Shopping: Do Cash Orders Help or Fine the Working Class’, *Geelong Advertiser*, 3 May 1918, <http://nla.gov.au/nla.news-article119695118>.

increasingly assertive working class.⁶¹ This moral position fed into anxieties about the working class's use of credit in general, and the cash-order system, in particular. In 1918, for example, it was suggested that cash-order agencies were encouraging returned soldiers or their dependents (presumably their wives, see below) who had received grants for furniture and tools of trade to run into debt, 'knowing that the articles could be distrained upon at the end of twelve months'.⁶²

Second, critics claimed that the cash-order system increased prices for customers. In 1921, a deputation from the VURC to the Victorian State Attorney-General argued that participating retailers passed on the costs of the system to customers to maintain their profit levels: customers paid higher prices, it was claimed, and so the cost of living rose.⁶³ Third, critics argued that the system was unfair, and that traders who were not on the lists of retailers where cash orders could be used were at a disadvantage compared with those on the lists.⁶⁴

Finally, they maintained that the system encouraged extravagance, especially amongst women and especially amongst working-class women who used cash orders to supplement their cash supply at times of shortage.⁶⁵ Given the gender stereotypes that operated in Australia in this period, it comes as no surprise that women consumers were accused of extravagance. Women were at the frontline of an emerging mass consumer society: conventionally they shopped for the family and many also managed the household budget.⁶⁶ In addition, masculinity had long been associated with 'manly independence', so that indebtedness, with the implication of a failure to support yourself and your family, was viewed or framed as implicitly 'feminine'.⁶⁷ At the 1921 Victorian investigation, critics offered the example of a woman buying a fur coat with a cash order to support their claim that cash orders were used 'exclusively to facilitate the purchase of luxuries by women': this story would persist in Victoria, becoming a type of urban myth to be used whenever cash orders were again under investigation.⁶⁸

Cash-order companies and supporters of the system defended it against these criticisms. On the charge of encouraging bad debts, Henry William Brook, the proprietor of the Brook Cash Order Company, defended his record in April 1918 at a

⁶¹Brett, *The Moral Middle Class*, 89–94.

⁶²'Cash Order Agencies', *Age*, 12 July 1918, 6, <http://nla.gov.au/nla.news-article155130751>.

⁶³'Cash Orders', 11 October 1921, 9, <http://nla.gov.au/nla.news-article204259871>; Burston, 'Merits and Abuses of Cash-Orders', 12; 'The Cash Order System', *Age*, 3 May 1918, 8, <http://nla.gov.au/nla.news-article155094398>.

⁶⁴'Cleric', 'Those Cash Orders', *Herald*, 18 October 1921, 4, <http://nla.gov.au/nla.news-article242636048>; 'Abolishing Cash Orders', *Argus*, 7 October 1921, 6, <http://nla.gov.au/nla.news-article4641618>.

⁶⁵'Cash Order System and the Workers', *Gippsland Mercury*, 3 May 1918, 3, <http://nla.gov.au/nla.news-article89105410>; 'Cash Order System: Favoured by Women', *Daily Standard*, 4 May 1918, 7, <http://nla.gov.au/nla.news-article179401681>.

⁶⁶Research into women consumers in Australia is limited, but the key works are Kingston, *Basket, Bag and Trolley*; Gail Reekie, 'Decently Dressed? Sexualising Consumerism and the Working Women's Wardrobe', *Labour History*, no. 61 (1991): 42–46; Anne Stephen, 'Selling Soap: Domestic Work and Consumerism in the Inter-war Years', *Labour History*, no. 61 (1991): 57–69; Judith Smart, 'Feminists, Food and the Fair Price: The Cost of Living Demonstrations in Melbourne, 1917', *Labour History* no. 50 (1986): 1–5; and Robert Crawford, *But Wait, There's More* (Melbourne: Melbourne University Press, 2010) 19, 152–53.

⁶⁷Matthew McCormack, *The Independent Man: Citizenship and Gender Politics in Georgian England* (Manchester: Manchester University Press, 2005), 3–6.

⁶⁸J.N. Williams, 'Cash Orders', *Age*, 11 October 1921, 9, <http://nla.gov.au/nla.news-article204259871>; J.N. Williams, 'Cash Order System', *Argus*, 18 October 1921, 4, <http://nla.gov.au/nla.news-article4635098>. For an example of this urban myth, see Victorian Legislative Council (VLC), Wages Attachment Bill, 12 October 1927, p.1872, <https://www.parliament.vic.gov.au/492eae/globalassets/hansard-historical-documents/sessional/1927/19271006-19271018-hansard-combined.pdf>.

hearing of the Melbourne session of the Inter-state Commission, which had been set up in 1912 to investigate interstate trade and commerce.⁶⁹ Brook had recovered just £10 by legal proceedings during the 10 years he had been in the business, he recalled, and his bad debts amounted to just 1 per cent. Drawing attention to the role of department stores in normalising retail credit, Brook also noted that: 'The better holders of cash orders were known to a firm like Myer's, the cheaper they could get their goods. Myer's turnover with [Brook] would amount to between £18,000 and £10,000 a year'. The average amount of a cash order was £4 and Brook's net profits, leaving out bad debts, was about 7.5 per cent. With between 2,000 and 3,000 customers on his books and about £75,000 worth of business done annually in Victoria under the cash order system, the public clearly found it useful.⁷⁰ William Buckingham agreed. When the issue of bad debts was raised with him, Buckingham admitted that the system had been abused at times 'by the few' but argued that this had been 'more than balanced by the many thousands' who had found it a boon.⁷¹

A representative of Read's department store in Prahran in Melbourne, dismissed the charge that the system encouraged women to purchase luxuries, arguing that there was almost a total absence of spending on luxuries; most cash orders were spent on Manchester and clothing.⁷² Working-class women supported this account. Annie Hayne told the Interstate Commission in 1918 that the system was of great benefit to the working classes: she had used the cash-order system to obtain clothes for one of her girls who were about to apply for a position in the city and who otherwise could not have been 'well clothed cheaply and at once'.⁷³ Sophie Downey used cash orders for household goods when 'money was scarce and credit unobtainable'. Mary Dalton explained how she had saved money by using the cash-order system: with a time-payments firm, she would have paid 'three or four times more interest'. 'The taking [abolition] of the cash order system would cause hardship', Dalton concluded.⁷⁴ By giving an account of their experiences with cash orders, these working-class women underlined the necessity of the system for obtaining household goods.

In 1926, the Queensland inquiry into profiteering in the clothing trade found that the system did not encourage extravagance, pointing out that this would not be in the interest of the 'Cash Order Office', which bore the risk of defaults on payments, not the trader. Moreover, the system was only available for non-consumable goods, enabling those 'in receipt of small regular incomes ... to make necessary purchases with the minimum of burden and inconvenience'.⁷⁵ Nevertheless, anxieties about women wasting money on luxuries rather than buying necessities remained and criticism of the system continued to flare up, especially in the tough economic circumstances that lay ahead.⁷⁶

⁶⁹La Nauze, 'The Inter-State Commission'.

⁷⁰'Cash Order' System', *Argus*, 1 May 1918, 6, <http://nla.gov.au/nla.news-article1656246>.

⁷¹'Only Had An Idea'.

⁷²'Luxuries Not Bought'; 'Cash Orders Controversy', *Herald*, 13 October 1921, 3, <http://nla.gov.au/nla.news-article242640241>.

⁷³'The Mysteries of Shopping?', *Geelong Advertiser*, 3 May 1918, 5, <http://nla.gov.au/nla.news-article119695118>. See Stephen Gageler, 'Chapter IV: The Inter-State Commission and the Regulation of Trade and Commerce under the Australian Constitution', *Public Law Review* 28 (2017): 205–18.

⁷⁴'The Mysteries of Shopping', *Geelong Advertiser*, 8 May 1918, <http://nla.gov.au/nla.news-article119695118>.

⁷⁵'Is There Profiteering in Clothing?'; *The Cash Order System*, NLA, RIL 2101, 1.

⁷⁶'Cash Orders', *Age*, 11 October 1921, 9, <http://nla.gov.au/nla.news-article204259871>.

The cash order and economic downturn

A recurring feature of Australia's discourse on credit, criticisms ebbed and flowed, tied specifically to the prevailing economic conditions: credit attracted more criticism during economic downturns, ironically exactly the circumstances in which workers might need access to it.⁷⁷ At the end of the 1920s, as the Australian economy began to contract, cash orders were reported to be 'growing into nearly every business', including dentists and opticians.⁷⁸ Supporters argued this was a good thing because it encouraged production: 'Advocates in America argued that the cash-order system permitted a steadier factory output'.⁷⁹ Governments across Australia launched inquiries into the retail trade, including into the credit systems retailers used. Retailers remained split over the business value and moral worth of cash orders, and familiar tropes were resurrected. At the 1926 Queensland inquiry, the draper A.C. Byerley explained that if he introduced cash orders into his business, prices would have to be increased 22½ per cent unless he did as other firms had done, and 'made the cash traders help carry the burden of this extravagant form of service, and at the same time receive not a fraction of such service'. Byerley declared that 'the day has come when every house must be put in order ... Let us put a stop to the extravagant orgy'.⁸⁰

Opponents pointed out that 'for its users it was a very expensive system, and the effect on the national economy of its undoubted contribution to extravagance had yet to be proved harmless'.⁸¹ At the Victorian Ad-Men's luncheon in September 1927, members debated the proposition 'Should the Cash Order System be Abolished?'; the affirmative case won.⁸² Meanwhile, there were more calls for legislation to curb money lenders including cash-order companies.⁸³ Newspapers carried reports of the social problems cash orders allegedly caused, particularly their impact on 'vulnerable' women: one young mother was said to have been 'easy prey for plausible, persuasive and persistent cash-order canvassers'.⁸⁴ During a debate in the Victorian Legislative Council on the Wages Attachment Bill, which aimed to set a level at which debt collectors could 'garnish' a working man's wage, J.H. Disney, an honorary minister in the Victorian Labour government, argued that the need for such a bill had 'become much greater during the last few years, more particularly since the cash order system has come into vogue'.⁸⁵ Action needed to be taken to stop women from purchasing cash orders behind their husbands' backs, accruing debt for which the husband was then responsible.

⁷⁷'Consumer Credit: Canada Suspends Regulations', *Herald*, 6 May 1952, 6, <https://trove.nla.gov.au/newspaper/article/244373607>.

⁷⁸'Cash Orders', *Warwick Daily News*, 28 March 1927, 4, <http://nla.gov.au/nla.news-article175710049>; 'Why Pay Cash?' *Age*, 1 November 1932, 4, <http://nla.gov.au/nla.news-article204296513>.

⁷⁹'Cash Orders', *Queensland Times*, 14 October 1927, 6, <http://nla.gov.au/nla.news-article117270090>.

⁸⁰*Ibid.*

⁸¹'Is There Profiteering in Clothing?'; 'Cash Orders', *Queensland Times*, 14 October 1927, 6, <http://nla.gov.au/nla.news-article117270090>.

⁸²'Debate on Cash Orders', *Herald*, 19 September 1927, 5, <http://nla.gov.au/nla.news-article244195188>.

⁸³'New Act to Curb Money-Lenders', *Herald*, 14 July 1927, 21, <http://nla.gov.au/nla.news-article243962570>.

⁸⁴'Social Problems', *Age*, 5 October 1927, 15, <http://nla.gov.au/nla.news-article205786132>.

⁸⁵It was practice in Victoria for members and former members to be appointed occasionally as honorary ministers, an unpaid position. See, for example, 'Mr Irvine an Honorary Minister', *Leader*, 13 February 1904, 23, <http://nla.gov.au/nla.news-article196662962>; 'Protecting Workers' Wages', *Herald*, 15 September 1927, 39, <http://nla.gov.au/nla.news-article244191560>; VLC, Wages Attachment Bill, 12 October 1927, p. 1872.

Disney repeated the urban myth of a woman using cash orders to buy a fur coat to illustrate his argument for better regulation of the cash-order system:

I believe that very much domestic unhappiness is brought about by women obtaining goods at prices greater than they can afford to pay. In many cases the husband has such a load put upon him, and gets so tired of it, that he leaves his wife and family, who are thrown as a burden on the State.⁸⁶

Anxieties about the irresponsible use of the cash-order system by women on limited incomes were fuelled by the activities of cash-order canvassers, roaming the suburbs, calling at homes when men were away at work, and it was assumed that women were vulnerable to their wiles. Later, moves would be made to ban canvassing in NSW.

Another problem emerged for critics: were cash orders a form of money lending or a legitimate business tool?⁸⁷ The link to money lending unsurprisingly led to the use of anti-Semitic stereotypes in arguments against cash orders and credit in general. Disney, for example, claimed not to oppose the cash-order system as long as it was conducted ‘in a proper manner’ by ‘respectable people’, but this did not include Jews, who Disney linked to money lending in an unpleasant and contrived ‘anecdote’ on the Hansard record:

Listen to the cash-order and time-payment people singing out! Only to-day, going down Brunswick-street, Fitzroy, I saw a glaring sign on a window, which read ‘Jacob Graball, money lender, cash orders a specialty’. Just imagine going to such a man for a cash order!⁸⁸

Again, the cash-order system was vigorously defended, especially by working women. In Melbourne in September 1927, the Labour Women’s Organising Committee Conference resolved that, as present-day society made no provision for sickness and unemployment, and the basic wage was insufficient to provide the necessary seasonal comforts for the people, the proposed abolition of the cash-order system would ‘entail serious hardship amongst a large section of the people’. ‘A Mother’ from the Melbourne inner suburb of Richmond wrote to the *Herald* to defend the system:

I think that cash orders are useful to the working class. I for one could not keep my little ones in warm clothing for the winter but for the cash orders and I have only to pay a shilling in the £. If my husband is not working, I have never been worried until he has been working again.⁸⁹

The class-based nature of earlier credit discourse began to moderate in this period. After noting the class and gender-based nature of much of the criticism, one commentator observed that the cash-order system was ‘merely’ one method of extending to the working class the ordinary credit facilities that had been increasingly enjoyed by other classes for many years. Credit might have been extended too easily but this was as much true for ‘the respectable overdraft’ and ‘the aristocratic mortgage’, as it was for ‘the plebeian cash order’. The cash-order system should not be made ‘the whipping boy’ for the whole of the credit system: it was not without significance that in 1926, after careful investigation, the Board of Trade inquiry in Queensland had reported in favour of the system.⁹⁰

⁸⁶VLC, Wages Attachment Bill, 12 October 1927, p. 1872.

⁸⁷Timms, *Time-payment Trading and Accounts*, 191–96.

⁸⁸VLC, Wages Attachment Bill, 12 October 1927, p. 1873.

⁸⁹‘A Word for Cash Orders’, *Herald*, 9 June 1927, 8, <http://nla.gov.au/nla.news-article243967517>.

⁹⁰Harry Thomson, ‘Cash Orders’, *News*, 22 October 1927, 4, <http://nla.gov.au/nla.news-article129227630>.

A deputation was charged with meeting the Victorian Attorney-General ‘to urge that an exhaustive investigation be made into the cash-order system, time payments, money lenders, and pawn-brokers’.⁹¹ The Member for Prahran in the Victorian parliament, Arthur Jackson, sought a Royal Commission into the issue. The Labour Premier rejected a Royal Commission but did instigate an enquiry.⁹²

The cash order and the Second World War

As Australia’s economy recovered in the mid-1930s, the cash-order system remained a topic of debate and concern. Retailers continued to demonstrate ambivalence, regularly speaking for and against the system. The Sydney store Edward Arnold defended cash orders, arguing that the system benefitted the consumer *and* the retailer. Cash-order purchases had been the means of thousands of poorer families being able to keep themselves well clothed and their homes well furnished. It enabled householders to spread the payment of goods over a convenient period and was now a regular method of merchandising that had been adopted by the greater part of the whole retail community. The firm’s recognition of the necessity of assisting people on small incomes to purchase things that they require was one of the strongest factors in building Edward Arnold’s business.⁹³ In contrast, on a visit to Australia in 1936, the British clothing magnate Montague Burton, declared the system to be an undesirable form of trading, alleging that on the issue of a £1 cash order, a trading firm would receive 18 shillings which meant that 15 per cent of the amount was involved in the collection of money from the consumer. A firm dealing with a cash-order organisation might show a loss on a year’s trading. Cash-order companies refused to comment on Burton’s allegations.⁹⁴ The 1937 Royal Commission into the banking system examined the links between credit and production and again exposed divergent views between retailers about the value of the cash-order system.⁹⁵ The same year, Queensland traders agreed not to deal with cash orders.⁹⁶ Workers were accused of assuming a higher standard of living than the Industrial Commission laid down, which helped the cash-order system flourish and increased the ‘profits of the low-wage financial dictators, viz., the Cash Order company shareholders’.⁹⁷

In May 1939, another inquiry began, this time in New South Wales. The Labour MLA George Booth raised the issue of cash orders in parliament, calling for canvassing to be

⁹¹Marion’, ‘Woman’s Ways’, *Worker*, 21 September 1927, 19, <http://nla.gov.au/nla.news-article71139095>.

⁹²‘Cash Orders and Moneylending’, *Herald*, 2 September 1927, 2, <http://nla.gov.au/nla.news-article244188590>; ‘State Parliament’, *Argus*, 9 September 1927, 6, <http://nla.gov.au/nla.news-article3878048>; ‘Opinions Differ’, *Labor Daily*, 9 September 1927, 1, <http://nla.gov.au/nla.news-article239819893>; ‘Merits and Abuses of Cash Orders’, *Herald*, 21 September 1927, 12, <http://nla.gov.au/nla.news-article244193583>; ‘Cash Order System’, *Age*, 10 October 1927, 13, <http://nla.gov.au/nla.news-article205779138>. The Money Lenders Bill was discussed in the Victorian Parliament across the fourth quarter of 1927, especially on 6, 8 and 15 September and 30 November 1927.

⁹³‘Edward Arnold’s Cash Order System’.

⁹⁴‘Cash Order Criticism’, *Daily Telegraph*, 3 November 1936, 2, <http://nla.gov.au/nla.news-article246967982>; ‘The Bible and Cash Orders’, *Age*, 23 April 1936, 11, <http://nla.gov.au/nla.news-article205256352>.

⁹⁵Royal Commission Appointed to Inquire into the Monetary and Banking Systems at Present in Operation in Australia’.

⁹⁶‘Sydney Cash Order Companies’, *Barrier Miner*, 24 December 1937, 5, <http://nla.gov.au/nla.news-article47960691>.

⁹⁷‘Cash Order Social Credit’, *Labor Daily*, 5 February 1937, 4, <http://nla.gov.au/nla.news-article237443619>. Victoria included cash orders in the Money-Lenders Act passed in December 1938: 3 Geo. VI, Act no. 4625, 22 December 1938, 790, https://classic.austlii.edu.au/au/legis/vic/hist_act/mla1938158.pdf.

banned because of the risk to husbands' pay packets of women at home being bamboozled by the canvasser to buy goods she could not afford.⁹⁸ The Bill went to Cabinet to discuss.⁹⁹ Discussion was still underway in December, with calls for cash orders to be covered by the Money-lending Act. This had implications for other forms of consumer credit. If cash orders were found not to be a form of money lending but a legitimate facility offered by businesses, then other forms of consumer credit might be subject to additional restrictions. Further discussion seems to have been overtaken by events: the escalating war followed by the Federal Government's desire to control unnecessary spending in wartime.

The increasing popularity of time payments, including cash orders and lay-bys, came under scrutiny in December 1941, when, in an attempt to restrain spending, the Federal Government set up a Board of Inquiry under the National Security (Inquiries) Regularities to investigate the cash-order system.¹⁰⁰ This was a sensitive topic: board members commented that witnesses from reputable companies seemed reluctant to give information. One witness in Sydney said retailers were frightened to appear because cash-order companies would end relations with them, and claimed that 'he was speaking for hundreds of retailers who were frightened to come'.¹⁰¹ Representatives from nine cash-order companies did give evidence to the inquiry when it visited Sydney.

Again, the focus was on working-class women misusing the system. Ormond Bisset from the Mutual Acceptance Co. Ltd. suggested that there should be some law to prevent wives taking out cash orders without their husband's written consent.¹⁰² Timms had recently raised the issue of 'Married Women's Liability', arguing that purchases must match a 'husband's station in life'.¹⁰³

Any trader who supplies luxuries to married women on credit, particularly where such goods are out of all proportion to her husband's apparent income would do well to pay special attention to this point. The Court does not look with favour upon such transactions and will protect the harassed husband from his wife's foolishness when goods have been extravagantly supplied without this knowledge and consent.¹⁰⁴

This anxiety about women's use of cash orders was part of the moral panic around wasteful luxury and extravagance, especially in wartime, but it became clear that cash orders were being used for necessities, particularly clothing. The greatest demand for cash orders, one witness said, was in the winter and early summer when they were obtained to purchase outfits for the coming season. An analysis of the cash orders issued in one period of 12 months showed that only 800 were used to obtain goods from jewellers and opticians, but 177,000 were presented in drapers and general outfitters, 22,500 at drapers' shops, 64,500 at men's and boy's outfitters, and 42,000 at boot shops.¹⁰⁵ Arguments about

⁹⁸George Booth, Questions and Answers. Cash Orders, NSW Legislative Assembly, 23 May 1939, 4474, <https://www.parliament.nsw.gov.au/hansard/Pages/home.aspx?date=14092023&s=1>.

⁹⁹Ibid.

¹⁰⁰A similar move set up a Luxury Board in 1917, during the First World War: Dickenson, 'Luxury and the Labour Press', 27.

¹⁰¹'Retailers and Cash Orders', *Age*, 1 May 1941, 4, <http://nla.gov.au/nla.news-article205145881>.

¹⁰²Cash Orders Defended. "The Poor Man's Overdraft"; 'Company Registered', *Age*, 7 March 1936, 27, <http://nla.gov.au/nla.news-article205272570>.

¹⁰³Timms, *Time-payment Trading and Accounts*, 45–7.

¹⁰⁴Ibid., 46.

¹⁰⁵Cash Orders Defended. "The Poor Man's Overdraft"; John Hind, 'Millions in Cash Orders', *The ABC Weekly* 3, no. 50 (13 December 1941), 10–11.

class inequalities were used to support the system: about 95 per cent of the users of cash orders were people on or near the basic-wage level.¹⁰⁶ One retailer argued that cash-order trading was essential for the lower wage group, but that it should be under proper control.

Cash-order companies were making up to 90 per cent profit a year and guaranteed 50 per cent. Some retailers increased the cost of goods when they saw cash orders in customers' hands. Another retailer said he thought prices would fall if cash orders were eliminated.¹⁰⁷ A team from Sydney University presented the results of research into cash orders and the hire purchase system. The team had interviewed 544 homes in fourteen municipalities and found that 95 per cent of cash orders were used for the purchase of clothing and household necessities, and that 75 per cent of hire purchase agreements covered furniture. In 73.7 per cent of the households visited, householders felt they could not get along without cash orders.¹⁰⁸ The inquiry moved on to Melbourne. Ben Chifley, a member of the board of inquiry and future Prime Minister, interviewed Jean Daly, who was representing Trades Hall Melbourne. Chifley raised the Labour women's resolution against the proposed legislation to abolish cash orders in 1927 and proposed that cash orders were a necessary form of credit for working-class women.¹⁰⁹ 'You consider cash orders are the best form of credit for the people who use them?', Chifley asked Daly. 'Not the best', she replied, 'but the only form'.¹¹⁰

The cash order and the department store

The department stores were ambivalent towards the cash-order system from the start. The reason behind this ambivalence was revealed by director of Dimmey's Model Store in Richmond, Melbourne in his evidence to the 1918 inquiry: cash orders competed with Dimmey's own credit systems, he explained, and removed opportunities for the firm to accumulate interest.¹¹¹ In 1927, the Myer Emporium secretary, Beresford Barry, told the Royal Commission that Myer had done business with almost all the cash-order companies, but the firm now dealt with just one company and had reduced the commission they charged to 10 per cent (from 15 per cent). Overall, Myer did not regard the cash-order system as desirable, as 'the fear existed that it might get beyond reasonable limits and prices would have to be raised to the public'.¹¹²

In other words, the cash-order system threatened to undercut the department stores' interest charges and, therefore, their profits. The city's leading department store remained ambivalent about cash orders: Myer's managing director Lee Neil explained that cash orders represented less than 5 per cent of his firm's total turnover. Although not in favour of the system as a general practice, Lee Neil believed it provided 'a definite service' and his firm exercised a very strict control over the volume of cash-order business transacted. There was

¹⁰⁶Cash Orders Defended'; 'The Poor Man's Overdraft'.

¹⁰⁷'Retailers and Cash Orders', *Age*, 1 May 1941, 4.

¹⁰⁸'Home Worth £400 Sold to Meet £36 Debt on Piano', *Age*, 10 July 1941, 6, <http://nla.gov.au/nla.news-article205171271>; Hind, 'Millions in Cash Orders', 11.

¹⁰⁹'Cash Orders and Loans', *Age*, 15 May 1941, 8, <http://nla.gov.au/nla.news-article205157520>.

¹¹⁰'Canvassing for Loans', *Argus*, 15 May 1941, 5, <http://nla.gov.au/nla.news-article8166611>.

¹¹¹'The Mysteries of Shopping'.

¹¹²'Cash Order System and the Workers'; 'Cash Order System', *Daily Standard*, 4 May 1918, 7, <http://nla.gov.au/nla.news-article179401681>.

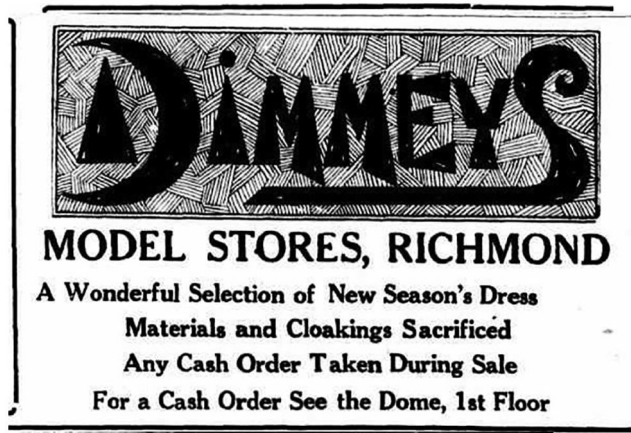


Figure 1. Some department stores set up their own cash-order companies.
Source: *Herald*, 31 March 1927, 30, <http://nla.gov.au/nla.news-article243607979>.

never any discrimination between charges made to customers who paid by cash and those using cash orders: the employee who served the customer was usually unaware until after the sale had been made that the goods were to be paid for in this manner. Reports concerning arrests and seizures made in connection with non-payment for cash orders had been exaggerated, in Lee Neil's view. Figures from the Economic Cash Buying Co. Pty. Ltd, the cash-order firm used and partly-owned by Myer, showed that over the past 18 months the percentage of summonses issued in connection with purchases from the store had been less than 1 per cent. If clients were found to be in straitened circumstances through sickness or unemployment, Myer withdrew the summons.¹¹³ In contrast, the manager of a large store that did not accept cash orders explained his objections to the scheme. It gave people on limited incomes a 'sense of false prosperity', he argued, and in bad economic times, when unemployment increased, the first people to be hard pressed were those with cash-order commitments: 'Those who are buying articles on time payment fear at most that the articles will be seized, but purchasers of cash orders have no such asset to cover their liabilities'.¹¹⁴

By 1941, many of Melbourne's cash-order companies had consolidated into the Victorian Shopping Service (VSS), 'a clearing house for nearly all cash orders'.¹¹⁵ At the same time, department stores had developed their own means of handling the cash-order quandary. Dimmey's Model Store had now opened its own cash-order company (Figure 1) and Myer offered its customers the convenience of the cash order, but only through its subsidiary company, the Economic Cash Buying Company. The Economic Cash Buying Company was positioned as an alternative to the Thrift Budget Accounts administered by rival department stores such as Snows.¹¹⁶ The staff journal helped train staff to inform

¹¹³'Cash Order System. Not Favoured by Traders: Prohibitive Legislation Desired', *Argus*, 30 June 1927, 18, <http://nla.gov.au/nla.news-article3863907>.

¹¹⁴*Ibid.*; 'Workers' Cash Order and Finance Co.', *Age*, 17 October 1933, 13, <http://nla.gov.au/nla.news-article205106629>.

¹¹⁵'Discounts and Cash Orders', *Age*, 13 May 1941, 8, <http://nla.gov.au/nla.news-article205154101>; 'Cash Orders and Loans', *Age*, 15 May 1941, 8, <http://nla.gov.au/nla.news-article205157520>.

¹¹⁶'Snows Unbeatable Offer', *Herald*, 5 December 1953, 29, <http://nla.gov.au/nla.news-article245038985>; 'Snows: How Much Do You Want?', *Sun-Herald*, 4 July 1954, 27, <http://nla.gov.au/nla.news-article12640439>; 'Snows Two Day Sale', *Herald*, 2 September 1954, 19, <http://nla.gov.au/nla.news-article248335291>.

customers of the existence and benefits of the cash order (or the 'Credit Order Coupon', as the infamous cash order was rebranded by Myer; they were a 'Store Currency Note' at the Canberra department store Young's and a 'deferred payment certificate' at Meagher's, also of Canberra). An article showed how 'Economic Cash Buying' could come 'to the rescue' of a customer who, though short of ready cash, wanted a frock to wear on the coming weekend: 'No Money Doesn't Necessarily Mean No Sale'. Staff should suggest to the customer that they pop around the corner to 'Myer's credit company', the Economic Cash Buying Company. There, 'comfortably seated' in a 'spacious hall', the customer could 'borrow coupons as money'.¹¹⁷ Credit Order Coupons came in books of up to £12 and could be used anywhere in the Store: 'We treat them just as cash and ring through the register'.¹¹⁸ Staff should assure the customer that the Economic Cash Buying Company was 'much better' than Thrift Accounts elsewhere: the interest charged was 'less than 9d. in the £, 3d. less than is charged for most Thrift Accounts'.¹¹⁹

The Economic Cash Buying Company provided credit facilities for Myer customers and financed car hire purchases.¹²⁰ Myer had part-owned Economic since the late 1920s and bought the company out after the death of its founder and managing director, Otto Neuendorf, in 1951.¹²¹ Speaking that year at Myer's annual meeting, the chairman Norman Myer said of Economic: 'we always feel that in addition to being a profitable undertaking, it serves a very useful purpose in the community by providing short-term credit to people who desire this particular form of accommodation'.¹²² In 1954, Myer formed Economic Holdings 'to acquire the capital of the Economic Cash Buying Company', then floated the new company, issuing 500,000 shares to the public.¹²³ The float appears to have been in anticipation of increased growth in consumer credit: noting that Economic had doubled its turnover in the last four years, Myer observed that 'demand for consumer credit was increasing'.¹²⁴ Arnot ('Harry') Tolley, the joint managing director of Myer Emporium Ltd., explained to the 1941 inquiry that Myer paid this company 7.5 per cent discount. The policy of the Myer Emporium was to keep prices down to the lowest level for its customers. The position of people who purchased cash orders was different from Myer's regular customers because they were unable to access regular credit and The Economic Cash Buying Co. gave these people a definite service.¹²⁵

The volume of cash-order trade fell off during the war, limited by the high level of employment and rising wages.¹²⁶ These conditions would consolidate in the coming

¹¹⁷'Economic Coupons Won This Customer', *Myer Store News* 12, no. 4 (June 1952): 14–15. Records of Coles Myer, Box 1725, COMY13495.

¹¹⁸'Economic Hire Purchase – And How to Deal With It', *Myer News*, March 1957, 3, Records of Coles Myer Box 2040, COMY15816; 'Economic Floats on 10% Basis: Myer's Credit Company', *Herald*, 29 September 1954, 6, <http://nla.gov.au/nla.news-article248337799>.

¹¹⁹'Economic Coupons Won This Customer'; 'The Cash Order System', *Age*, 14 May 1941, 14, <http://nla.gov.au/nla.news-article205162875>.

¹²⁰'Economic Floats on 10% Basis'.

¹²¹*Ibid*; 'Retail Profit Margins Smaller Today than Ever Before', *Age*, 9 November 1951, 7, <http://nla.gov.au/nla.news-article205663368>.

¹²²'Retail Profit Margins Smaller Today than Ever Before'.

¹²³'Highlights on 'Change: Economic's First Sale', *Herald*, 8 November 1954, 6, <http://nla.gov.au/nla.news-article243428818>.

¹²⁴'Economic Floats on 10% Basis'; 'Retail Profit Margins Smaller Today than Ever Before'; 'Highlights on 'Change'.

¹²⁵'Cash Orders Defended', *Argus*, 13 May 1941, 4, <http://nla.gov.au/nla.news-article8162381>.

¹²⁶'Cash Order Trade', *Sydney Morning Herald*, 23 March 1948, 6, <http://nla.gov.au/nla.news-article18065212>.



Figure 2. J.B. Young's department store cash order from before the introduction of decimal currency to Australia in 1966.

Source: Coles Myer, State Library of Victoria (SLV), Box 3353, COMY21851.

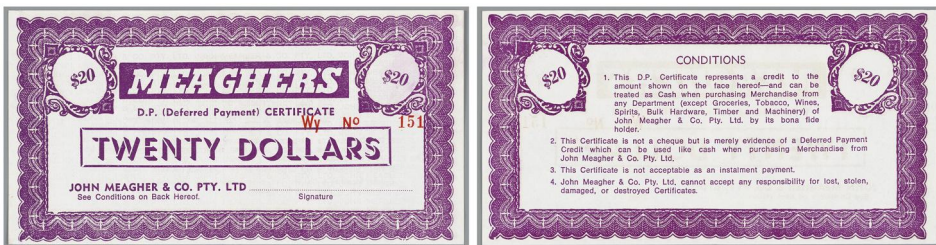


Figure 3. A Meagher's department store cash order from after 1966.

Source: Coles Myer, SLV, Box 3353, COMY21852.

decades, helping to change Australians' relationship to retail credit, seemingly irrevocably: a 1965 report observed that it was now 'customary for the public to live today off tomorrow's income ... Stores which offer better credit plans are gaining the customers' loyalty because they have declared themselves interested in securing it'.¹²⁷ Retailers adjusted their facilities accordingly. Myer reassessed its use of cash orders. In 1953, the retailer introduced the Permanent Budget Account (PBA), which offered the cash-strapped shopper similar facilities to the cash order. In 1959, Myer sold off the Economic Holdings Company and embarked on a new era of consumer credit. That said, Myer subsidiary companies such as the Canberra stores J.B. Young (Figure 2) and Meagher (Figure 3) continued to offer their versions of the cash order well into the 1970s.

Conclusion

The history of the cash order in Australia reveals a longer history of retail credit than is usually assumed. Australians' appetite for credit did not begin in the 1950s in the heady days of the early postwar boom. Middle-class Australians had long made use of available credit forms such as monthly accounts to supplement their incomes, take advantage of special offers, deal with unexpected expenses or indulge impulsive desires. For working-class Australians, the cash order provided a bridge between older forms of working-class consumer credit such as the tick and the slate, and modern forms such as the department store budget accounts that became widely available after the Second World War.

¹²⁷ Arthur Andersen & Co. Memorandum for General Manager, Mark Foy's Limited, 'Credit Management, Promotion and Organisation', 14 January 1965, 1, Records of Coles Myer, Box 334, COMY02255.

The history of the cash order also complicates the usual presentation of the extension of consumer credit in the twentieth century as inexorable. The availability of this particular form of consumer credit was by no means assured as it was repeatedly contested by retailer associations who lobbied governments to interfere in the forms of credit available and the types of people who could access them, in particular, to prevent working-class women from accessing them. Governments responded to this lobbying by holding frequent, but often half-hearted, inquiries at which working-class women testified to the necessity of this form of credit. In this way, the long history of retail credit in Australia is shown to have been both classed and gendered.

The retailer associations won the battle against the cash order: by the late 1950s, most of the cash-order companies had closed up shop. Cash orders survived, however: a few stores retained them well into the late 1970s, when they were supplanted by the introduction of the Bankcard. That said, most department stores evolved cash orders into 'modern' budget accounts, which were operated by the stores themselves, ensuring that the stores retained the associated profits. Future studies will trace the history of these department store budget accounts and the role they played in enabling Australian consumer activity, paying particular attention to whether the classed and gendered rhetoric around consumer credit continued after the Second World War.

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