

Jerry A Mecham



October 25, 2018

**To the Royal Commission**

**Re the Royal Commission Inquiry into the misconduct of Banking and the Finacial Industry**

First of all greetings to the Commission and thank you for your work.

To cut to the point.

**As to Banks:** We need the likes of Glass Steigel Act in this nation to separate Deposit Savings Banks from Investment Banks. At the moment they are running riot.

**As to Financial Managers**

In the Building Industry: Similar to banks, Builders are allowed to take money from one contract to pay out monies needed for other building contracts. Many are going broke at this time only to come back to clients to say 'We don't have the money to complete your building project . -It has been allocated to other building projects.'

**As to Brokers:** They can't be trusted. Many are the publications, movies and documentaries on the subject which I will list later. Brokers typically are not bright as documented in the publications that I will present. -Why should such 'bad boy opportunists' be playing with other people's money? -We need regulations to control this mess.

When President Reagan cut the control regulations in the US to banks, financial institutions and the like of the Building Industry, it all went bad. We need control for sake of survival.

-The common thread of excesses: Lack of Gov controls , access to other people's money and abuse of such privilege.

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To introduce myself.

I'm a dual national between the US and Australia, with parentage on both sides.

I've graduated from University 3 times now: Architecture, Grad Dip in Business, Teaching.

I completed Australian Economic Theory twice: The Leaving Certificate in 1969 and also during the Grad Dip in Business in 1993 at Curtin Uni, WA.

I am a patriot as well. My favourite public holiday is ANZAC day.

My savings at the [REDACTED] earns only 0.7% -down from 5.4% many years back. I've taken the problem of low interest offered by my bank for my savings. I wasn't happy with the options offered to me for investment.

I know banks can lend out my money out through means of multiplication up to 100 times yet pay me in return a mere 0.7%. Through the [REDACTED] there is a stock investment that can yield

up to 10%/anum. The Bank likely does well on credit cards. But the Bank pays me chicken feed. Being paid chicken feed forces people like myself to go back to the bank and if they have something that can bring me a hire rate of return. But when I asked certain questions I found that neither the returns were guaranteed nor getting the money bank once I invested. I could achieve 5% on one investment, but up to 10% on a higher risk package. But which ever I choose, there are no guarantees and it will cost \$3000 for the package. And so I left the bank considering how low rate of return will influence customers towards taking risks, the sort of risk that the bank wishes to maneuver a client towards.

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 Our dollar is on the open market. Our banks seem to be on the stock exchange as well. To examine this matter we need but Google: "Banks on the Stock Exchange".

**Some Big Questions:**

- What is protecting our savings from wild investment expansionism and potential loss?
- Why didn't the Australian Government learn from the US collapse in 2008? - for the banks here have been allowed to run into the same thing.

Banks are no longer fiduciary organisations. They self interested, and allowed to be so and worse, access OUR SAVINGS -and our Gov allows banks to get away with it.

This last year beginning in March I became exposed to films on TV which led me deeper into the topic of Banks, financial organisations, etc. *'The Wolf of Wall Street'*, *'The Big Short'*, *'Capitalism -a Love Affair'* by Michael Moore, *'ENRON'*, *'the Rise and Fall of Alan Bond'*, and the *biography of Richard Branson*.

The common thread in all of these is the greed of man: These thrive on opportunism and with it non-regulated opportunity to access to other people's monies and then to re-invest them. Such is what my Bank, the [REDACTED] seems to be able to do, and such is what other banks, and financial institutions are doing.

Shares in Superannuation packages are not guaranteed either, no matter what former Prime Minister Paul Keating asserts.

If Australia is to survive this current global crisis, we need to act swiftly.  
 I for one hope that the Royal Commission does us well amidst this for we desparately need your help.

Thank you for your attention.

-Jerry Mecham