

Citizens Electoral Council of Australia



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Independent Political Party

23rd of August 2013

Two-faced Joe Hockey lied about the GFC, is lying now about your deposits

Joe Hockey, the politician leading the denials that Cyprus-style “bail-in” legislation to seize deposits is planned for Australia, is a liar, who the CEC has caught out misleading the public on a matter of the most serious financial consequence.

The CEC’s very latest *New Citizen*¹ newspaper includes documentary evidence that in 2007, in virtually the same breath as he assured a constituent that there *definitely would not* be a financial crisis, Hockey used information from his well-connected banker wife to tip off a mate that a huge financial crash was coming.

[Please go online to view the document that captured Hockey’s lie: <http://cecaust.com.au/bail-in/joe-hockey-liar.html>]

On 21 August 2007, a year before the global financial crisis erupted in September 2008, Hockey replied to a letter from a CEC member who is a constituent in his electorate of North Sydney, “I however disagree vehemently with your analysis that the world is facing a collapse of the financial markets. The last few days have indicated that the financial markets, with the support of central banking institutions, are able to meet the demands that have been placed on them.”

However, a 19 May 2013 puff-piece in Sydney’s *The Sunday Telegraph*², promoting Hockey and his wife Melissa Babbage as a “power couple”, reveals that when Hockey wrote this 2007 letter, *he must have known it wasn’t true*.

The Sunday Telegraph piece reports that “a year before the global financial crisis hit”, i.e. the very time Hockey was writing that there would not be a financial collapse, Hockey called Channel 7 television host David Koch with the urgent news that his wife Melissa—the then-head of global finance for the world’s biggest derivatives trader Deutsche Bank—was selling off the family’s investments in preparation for a financial crash.

Koch recounted to *The Sunday Telegraph* that Hockey phoned him and said, “Melissa, she is selling everything. I’ve convinced her to keep the house, but she reckons we’re heading for the biggest global economic event since the Great Depression.”

The Evidence of a Bail-In Law Planned for Australia



Koch told the story to praise Babbage as “an absolute guru”; Hockey confirmed the story to *The Sunday Telegraph*, saying, “She saw it coming. It’s true.”

Why would Joe Hockey “vehemently” tell a member of the public that there would not be a crisis, when he was taking personal steps to protect his own family and friends from just such a crisis?

Hockey’s two-faced dealing with his constituent in 2007 exposes him as worse than a fraud, actually as a disinformation agent for the bankrupt and corrupt banking system which is desperate to get bail-in enacted before the next phase of the global financial crisis erupts.

So if your MP tells you that Joe Hockey reassured him/her that there is no plan to legislate Cyprus-style bail-in powers to seize Australians’ deposits, you can take that alone as proof—there is!

If Hockey becomes Treasurer, he will be the minister who signs off on the bail-in legislation that is in train in Australia.

To stop the bail-in law in its tracks, join the CEC’s nationwide mobilisation.

For more information please go online:

- to view the documentary evidence of bail-in: <http://cecaust.com.au/bail-in/>
- to download the *New Citizen* as a pdf file: http://cecaust.com.au/main.asp?sub=pubs&id=NC_07_10.html
- to order a free copy, and extra copies to distribute: http://cecaust.com.au/main.asp?id=free_new_citizen_cv7n10.html
- to sign the CEC petition for a Glass-Steagall banking separation: <http://cecaust.com.au/Glass-Steagall/>

Footnotes

1 http://cecaust.com.au/main.asp?sub=pubs&id=NC_07_10.html

2 <http://www.dailytelegraph.com.au/news/shadow-treasurer-joe-hockey-and-wife-melissa-babbage-are-a-true-power-couple/story-fni0cx4q-1226646152478>

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21st of August 2013

Why is CommBank still hiding its derivatives bets?

For the second year in a row CBA is hiding its true financial position from the Australian public.

The bank's 2013 Annual Report, like its 2012 edition, fails to disclose the multi-trillion-dollar face value of its betting in off-balance-sheet derivatives. CBA happily discloses "fair value", because it is a much smaller figure, but deliberately omits "face value", even though that is the amount for which the bank is obligated when something goes wrong.

Derivatives are the risky financial bets, called by Warren Buffett "financial weapons of mass destruction", which triggered the melt-down of the global financial system that started in 2008.

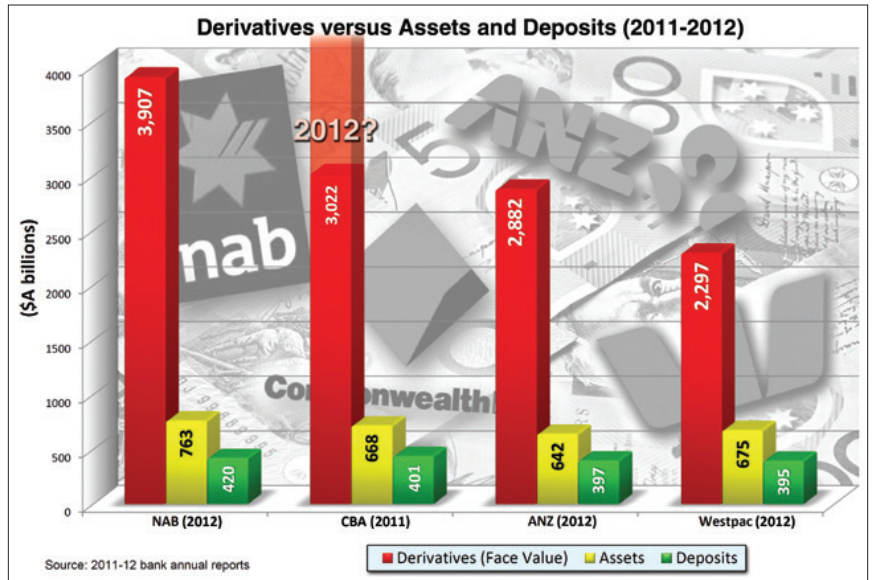
Collectively Australia's banks have become even more addicted to derivatives gambling since the GFC, increasing their total exposure from \$13 trillion in 2008, to \$21.5 trillion as of the latest measurement by the Reserve Bank. This amount completely dwarfs the nation's entire annual income, measured in gross domestic product, of \$1.4 trillion.

The big four banks account for the majority of the derivatives betting, and, until it starting hiding its position in 2012, CBA accounted for the majority of the growth in derivatives exposure.

CBA's decision to hide its derivatives just as it announces record profits is highly suspicious, and brings those profits into question. The short history of derivatives shows them to have been, more often than not, an instrument for fraud.

Former Morgan Stanley derivatives trader Frank Partnoy in his 1997 exposé of derivatives, *FIASCO: Blood in the Water on Wall Street*, insisted that derivatives are sold to cover up losses and to make losses appear to be gains for short periods of time. Partnoy's admission has been borne out in numerous cases, including the 1995 collapse of the British Barings Bank; the 2001 bankruptcy of U.S. energy giant Enron after years of using derivatives to cover its losses; and the 2008 Lehman Brothers-triggered meltdown of the \$1,400 trillion global derivatives bubble that bankrupted not only Wall Street and the City of London, but entire nations, especially in Europe.

The CEC has exposed that international banking authorities



The derivatives exposure of Australia's big four banks, contrasted to Assets and Deposits, as disclosed in their 2012 Annual Reports. The one exception is CBA, which stopped disclosing its derivatives exposure after its 2011 Annual Report. The CEC asks the question: What is CBA hiding?

are working with Australia's Reserve Bank, Treasury and banking regulator APRA on hush-hush, Cyprus-style legislation to "bail in" a failing Australian bank by seizing its depositors' funds. CBA's insistence on hiding its multi-trillion-dollar exposure to toxic derivatives points to why they might be in such a hurry. (Please go online for a visual presentation of the evidence of bail-in: <http://cecaust.com.au/bail-in/>)

The only way to protect the Australian people from the catastrophic financial crisis towards which Australia's increasingly reckless banks are hurtling, is to split up the big four banks according to the principles of the U.S. *Glass-Steagall Act*. The banks that hold the people's deposits must be kept separated from banks that engage in risky speculation, so that when the gamblers lose their shirts, the depositors don't lose their money.

The CEC is leading the fight to stop the bail-in law that would steal deposits, and to force the Parliament to protect deposits by enacting *Glass-Steagall* instead.

Call 1800 636 432 to join the fight!

ORDER FREE NC

For a free copy of the CEC's *New Citizen* which contains the definitive proof that bail-in is coming to Australia.

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New Citizen "Bail-in" – the British Crown's Plot for Global Genocide, call toll-free 1800 636 432, or send this coupon to:

CEC, PO Box 376, Coburg, Victoria, 3058
 and please leave ALL your details.



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