

Citizens Electoral Council of Australia



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Federally Registered Political Party

20th January, 2009

Isherwood demands Australian “Pecora Commission” to investigate financial crimes

Citizens Electoral Council National Secretary Craig Isherwood today called for the establishment of an Australian “Pecora Commission” to investigate corruption and possible criminal activity in the Australian financial system.

The Pecora Commission was a 1933-1934 United States Senate investigation of the leading banks and financiers on Wall Street, led by New York Public Prosecutor Ferdinand Pecora, which led to jail sentences for some of the leading bankers, and paved the way for President Franklin D. Roosevelt’s far-reaching bank regulation laws.

“Australia urgently needs our own Pecora Commission, to expose the financial crimes, and bring to justice the financial criminals who have bankrupted our financial system, and ruined millions of people,” Mr Isherwood said.

“It should be a National Independent Inquiry, with far-reaching powers to compel witnesses, subpoena documents and recommend prosecutions, of which I expect there would be many.”

Mr Isherwood said this Independent Inquiry should investigate:

- The speculative activities of Australia’s major trading banks, specifically the more than \$13 trillion in derivatives contracts they hold off-balance-sheet, as well as their extensive use of “conduits” or special investment vehicles (SIVs) to enhance their balance sheets.
- The billions of dollars in “black” money that the banks are known to deal in, according to Australian Federal Police sources, and any bank involvement in drug money laundering.
- The activities of foreign banks and financial institutions in Australia, such as Lehman Brothers, and its subsidiary Grange Securities, which induced hundreds of Australian institutional investors among local government councils, schools, unions, charities and churches to invest billions of dollars into the derivatives product called collateralised debt obligations (CDOs). How did these operations come into being, who protected them, and why did the regulatory and ratings systems fail so spectacularly?
- Hedge funds and private equity funds, the banks that use them as fronts, the financial as well as political intention of their investment schemes, their involvement in short-selling operations and whether

that includes any insider trading, or manipulation of markets, such as that of the oil price which netted one Australian hedge fund manager \$1 billion in one month in 2008.

“Special attention should be given by this Independent Inquiry to the interface between banking/financial circles, and the politicians who have championed the policies from which these circles have profited,” Mr Isherwood insisted.

“The most egregious example is Macquarie Bank, which put up its own executives to write and implement Australia’s deregulation, privatisation and competition “reforms”, has raked in billions from the resulting government contracts, privatisations and concessions, and employs a pantheon of former politicians and high-level bureaucrats like former NSW Premier Bob Carr, former Victorian Treasurer Alan Stockdale, former PM Paul Keating’s sister, former PM John Howard’s brother, and cabinet members of both the Keating and Howard governments.

“The financial interests and relationships of all of the major architects of deregulation deserve to be probed, including the Prime Minister who started deregulation, Bob Hawke, who has since amassed an estimated \$50 million fortune in property investments; Paul Keating, who now chairs the multinational privatisation parasite Lazard Carnegie Wylie; former Victorian Premier Jeff Kennett, whose government privatised more public assets more quickly than anyone else in the world, through cosy deals with Macquarie Bank and CS First Boston; John Howard and Peter Costello, whose government finished selling the Commonwealth Bank, sold Telstra and further deregulated the private banks, and former NSW Premier Morris Iemma, who continued his predecessor Bob Carr’s policy of enriching Macquarie Bank via public-private partnerships (PPPs), and showed he was prepared to destroy his state and his own party in order to ram through the privatisation of the NSW electricity system, for the sole benefit of banks like Macquarie and Keating’s Lazard Carnegie Wylie.

“Australians have tolerated real corruption at the highest financial and political levels for too long, and the resulting globalist policies have destroyed our once-proud industrial economy, and bankrupted family farmers, small businesses, homeowners, pensioners, superannuants and retirees.”

Mr Isherwood concluded, “Before we can recover, we have to clean house.”

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Mobilise for an Australian Pecora Commission!

The 1933-34 Pecora Commission was a critical element in showing the enraged U.S. population—who had blamed their financial losses on the wiles of the market place or bad decisions—who the real culprits of the Great Depression were—the Wall Street banks. The political heat that was brought to bear on leaders at all levels of government, induced many of them to support Franklin Roosevelt's banking reforms, which laid the foundation for the New Deal and economic recovery. Similarly, today, people have no sense of who is to

blame for the loss of their lifesavings, investments, or hundreds of thousands of dollars of their superannuation. We need to focus that justified rage onto the politicians who created the possibility for the looting, pyramid scams, Ponzi schemes and the collapse of companies from Centro to ABC Learning Centres, the rip-offs of Grange Securities to Storm Financial, not to mention everything else which is about to go if we don't act soon. So we need you to do two things:

(1) Sign the call for an Australian Pecora Commission, collect as many other signatures as you can and fax it to your federal Member of Parliament. (<http://www.aph.gov.au/house/members/mi-state.asp>)
(2) Mobilise everybody you know to do the same. Finally, if you are not already a member join CEC at www.cecaust.com.au. You will receive the upcoming *New Citizen* with a feature on the Pecora hearings, and subsequent editions over the membership period.

Investigate the Australian Banking System!

We the undersigned demand the establishment of an Australian "Pecora Commission" to investigate corruption and possible criminal activities of leading figures and institutions in the Australian banking and financial system, and their accomplices in leadership positions in state and federal governments, which have bankrupted our nation's financial system.

Like the 1933-1934 Pecora Commission in the United States, which exposed and purged the corruption at the highest levels of banking and finance on Wall Street, and paved the way for Franklin D. Roosevelt's far-reaching banking regulations, an Australian investigation of corruption and criminality at the

highest levels of finance and politics is a prerequisite to any serious program for economic recovery.

The proposed Australian investigation should be a national commission with powers to compel witnesses, subpoena documents and recommend prosecutions, and be charged to investigate, among other things: any influence brought to bear on politicians to deregulate the banking system; the banking activities post-deregulation, in the areas of derivatives speculation, hedge funds, and equity funds, which have netted the banks enormous profits but brought our financial system to its current collapse; any money laundering and taking of "black" money

deposits that are the proceeds of organised crime; and market manipulation, such as oil price gouging; and foreign banks.

Such a proposed Commission is necessary to clean up the corrupt or criminal manipulations of the financial system by powerful vested interests, under the cover of deregulation, privatisation and globalisation, and thereby bring integrity to the financial system, deliver justice to the Australian people who have lost their jobs, homes, and retirement savings due to these globalist policies, and re-orient the Australian financial system, through regulation, to serving the common good.

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