

# We The People Foundation For Constitutional Education, Inc.

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**FOR IMMEDIATE RELEASE:**

September 24, 2008

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## **Federal Lawsuit Filed to Block Bank Bailout**

### **U.S. Lacks Constitutional Authority to Use Public Funds for Private Purposes**

**Queensbury, NY** -- One week following the 221st anniversary of the signing of the U.S. Constitution, WTP Chairman and constitutional activist Robert Schulz today filed a federal lawsuit in United States District Court in Albany seeking to halt the execution of the emergency bailout of the banking system by the United States Government and the Federal Reserve.

The lawsuit asserts that the commitment of public funds and credit for the direct benefit of privately owned banks in order to mitigate their private investment losses is an *ultra vires* action by the United States Government and Federal Reserve, i.e., beyond the limited legal authority granted by the Constitution. The lawsuit asks for a "show cause" hearing demanding that the Government produce evidence of its legal authority to commit public funds for such a purpose, as well as emergency and permanent injunctions halting the bailout program.

The lawsuit argues that Congress lacks any Constitutional authority to grant the Executive any legal authority to directly *participate* in commerce as a buyer or seller of private property and that Congress also lacks any authority to utilize public (taxpayer) funds for definitively private, i.e., *non-public* purposes.

Schulz believes that, "Beyond the moral hazard and dangerous precedent to be established by this legislation, it is of vital importance that the American people recognize that the present financial crisis is not the result of ineffective regulatory oversight or defective government policy but rather a direct and predictable result of decades of constitutional violations by the Federal Government. Through a long-standing program of disinformation and collusion with the Federal Reserve and Wall Street financial elite, the United States Federal Government has denied the public access to vital information about the secretive operations of the privately owned and operated Federal Reserve System and its monopoly control of America's monetary system."

"This monopoly control of our currency by a private banking cartel is the root cause of the increasingly distorted, volatile and damaging economic conditions experienced in the U.S. and abroad. America's fiat currency is produced from thin air and manipulated by the Federal Reserve for the benefit of its private owners, major Wall Street institutions and to enable the numerous unconstitutional activities of the Federal Government. Beyond this, the Fed's vast operations are substantively beyond accountability to the taxpayers or the Congress. These abuses of the Constitution have taken our financial system to edge of the abyss. The chickens have come home to roost."

Since 2002, the We The People Foundation and its supporters have tried, thus far unsuccessfully, to get the Government to respond to a number of First Amendment Petitions for Redress of violations of the Constitution, including the Federal Reserve System's violation of the money clauses of the Constitution. Had the Government honored the Constitution and its obligation to respond to the citizens' Petitions for Redress, many of the nation's current financial and monetary problems could have been avoided.