
the

Pay-It-Again Sam Plan

You must re-mem-ber this It's still the same old sto - ry

The image features two musical staves in blue. The left staff contains a melody of quarter notes and a bass line of eighth notes. The right staff contains a similar melody and bass line. The title 'Pay-It-Again Sam Plan' is written in a large, stylized, red font with a yellow outline, positioned between the two staves. Below each staff is a line of lyrics in blue text.



PAY-IT-AGAIN, SAM

Coming to your home shortly

Americans love it. We've always favored the crafty good-guy crook. Especially the Cagney or Bogart types who threw it right in our face while singing a patriotic song and doing a little slip-and-slide side step. Like Liberace, "look at all the rings you bought me." The audience laughs and clamors for more.

Send me your poor, your tired, your hungry. I'll put them to work someplace. Give them part of what they earn. Let them pitch in to the melting pot of justice and compassion for money. Build a nation free to contribute. Free to carry their share. Free to keep me on top where I can oversee everything and keep it all going.

These things don't come easy, you know. It takes effort to keep everyone free enough to find a mellow spot in a marshmallow world. To keep the wolves from your door. To keep the bad guys from taking advantage of your wife and children while you're out working day and night to make things better. Building your nest-egg. Paying your utilities, your mortgage and your credit cards. Doing your part. Sometimes, accepting less so others can have a little more.

Who cares if I get a bigger share of the pie? Don't I deserve it? Isn't that why you put me here? Gave me the task of being your leader. Dumped the caretaker's job on me. Made it impossible for me to play the money game like you do. Made me wrangle and connive for your welfare. So what if I end up with a life-long task and a little piece of beach on the Riviera. I've been willing to work hard and sacrifice. Who else is going to keep things going? I deserve it. I earned it. You need me.

So what if you pay a little extra. It's not going to kill you. There's still plenty to go around.

By the way, you remember all those boomer bonds I set aside for you? Securities willingly exchanged for all that surplus retirement, medical, and fuel money you contributed since about 1983. As you know, I used all that cash to protect and nurture you. I spent it where it had to be spent. But I set up trust funds in your name. Trusts filled with IOUs, accounting for every cent, plus interest. Fair annual interest, mind you, that's been piling up all this time, strengthening your social security. Good for you and your children.

Well, now it's time to start paying them off. Cash them in. It's time to ask for a raise, get another job, put the kids to work, or somehow earn enough to redeem these promissory notes of yours. Send larger checks. Borrow or do without something. It's time to pay the piper. You can't live high off the hog and I can't keep the wolves away from your door forever.

The double taxation involved with the rip-off of entitlement surpluses is the greatest untold story in America's Fourth Estate or by so-called watchdogs and investigative reporters, journalists, columnists and even establishment think tanks.

Congressmen are now [confessing](#) to the fact that they steal Social Security's excess revenue. Once vehemently denied, they now admit taking this excess money and spending it on other parts of their discretionary budget.

They have yet to admit that they also steal all entitlement excesses. They have yet to admit that they could make Medicare and possibly gas taxes into just as much of a slush fund as they have Social Security. But at least they are trying to mend their ways with ["lock-box" legislation](#) for the money Social Security does not require to meet its monthly commitments to the retired and disabled.

There is no longer any question about this theft, even though you seldom see or hear the verbatim confessions of the guilty. The Congressional Record is replete with these admissions. Most coming about in debates for various lock-box legislation such as H.R. 1259, passed in May of 1999 by a House majority of 416 to 12 votes, but stalled in the Senate for more than a year. A more recent example is H.R. 3859 passed in June of 2000 by a House majority of 420 to 2 votes, with 12 absent or not voting. [Neither bill truly locks-up](#) entitlement excesses or annual profits.

Still, most of these crafty pirates claim that when they steal Social Security surpluses they leave nonmarketable bonds behind in the Social Security Trust Fund to account for the money stolen. Most claim to "borrow" the money, leaving IOUs in the entitlement trust fund. Many will even claim that these bonds are an "investment" made in Social Security's future or that this shores up, strengthens or extends Social Security's longevity. They even claim to be following the law when they do this.

If a talking head or investigative reporter happens to touch lightly on this subject, politicians generally give a glib answer about how Treasury securities are the "safest investment in the world" and that's as far as it goes. The inquirer usually accepts this answer and goes on to another subject.

In truth, the only similarity between nonmarketable Treasury bonds and the securities sold investors on the open market is that the public pays them all off. They are all part of the national debt and they will all be paid from the general fund of income taxes collected annually. To think that the money to redeem these will come from somewhere else is pure fantasy.

Treasury securities of all types are the safest investment in the world for one reason and one reason only. That reason is that they are backed by every man, woman and child in the nation, now and in the future. That's what "backed by the full faith and credit of the United States" means, just as stated in the government ads. There isn't anyone else to pay these off. Eventually, it all comes out of your income taxes and, of course, corporate taxes where it's built into the price of products and services you buy.

In the case of Social Security and Medicare excesses, overpayments that every working person in the country contributes, this means that the very same people who contributed the excesses in the first place, their children or grandchildren, will also buy back these bonds, with interest. That's double taxation, plain and simple. You don't hear that mentioned on the evening news, do you? You don't find the great watchdogs pointing this out, do you? Do the various organizations for economic reform or establishment think-tanks mention this? It's the best kept secret in the world.

PUT ANOTHER WAY

What we have is a situation exactly the same as robbing your child's piggy bank and then stuffing a note inside. A note that says your child must replace the money you stole, plus interest. You might even promise to take it out of his or her allowance or the money he or she gets for mowing the yard or washing dishes. The child will then not get to go to the movies as often, buy as many of the games or whatever else children buy. Discretionary spending will be seriously impaired.

According to Washington insiders, Jesse James, Lex Luthor and Bonnie & Clyde would have been as innocent as newborn babes if they had just left notes behind. Notes telling their victims to replace the money themselves, with interest.

Nonmarketable bonds are the only promissory notes where no promise has ever been made by those responsible for their redemption. There is no contract between lender and borrower. The only reason these vouchers are nonmarketable, sometimes called "non-negotiable," is because the government hands them out like candy from Santa Claus and they would otherwise have a devastating effect on real marketable contracts sold legitimately.

When buying Treasury securities on the open market, investors walk in with their eyes wide open, knowing exactly what they're getting for the price, the annual interest they will receive and the maturity date. They can even wait for a discount rate.

On the other hand, hardly anyone knows that their representatives in government are issuing nonmarketable bonds to cover their own misdeeds. There are no maturity dates other than whenever a particular entitlement wants its money returned. And the interest rate is calculated yearly by the Treasury using a five year model of rates paid for long term securities previously sold on the open market. Does that sound like the same sort of deal as marketable bonds?

Worst of all, the rate of return on these nonmarketable bonds is more than a minus 100 percent. The money you paid once is gone, never to be seen again, spent on pork barrel ventures politicians could not otherwise afford. That theft brought your balance to zero.

Then, in an act only a malicious government could perform, your representatives handed you a debt in the form of a bond that you or your children must someday pay off. That makes your investment a whopping minus 100 percent.

On top of that, they then give you interest by yearly adding more debit bonds to your account. What a deal! You end up with more than a dollar debt for every dollar you contribute.

You would be better off if you just threw your money in the ocean. At least then you wouldn't owe anything.

And some nitwits are telling you that the stock market would be too risky a place to invest excess payments. Which would you rather have, risk or guaranteed debt?

And how much of a gamble is it really when during its worst period, during the Great Depression of the thirties, the stock market still paid a minimum of three percent annual return on investment. That sure sounds better than going in the hole to me.

Secondly, the law that politicians refer to when they claim that they must invest in these bogus bonds does not even mention nonmarketable or non-negotiable bonds. In fact, it doesn't even mention Treasury securities. Are we to assume that those drafting this law in 1935 did not know what Treasury securities were? Or that they were too illiterate to spell it out sweetly and succinctly?

The 1935 Social Security Act contains the following clause:

?It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.?

Any good lawyer would have a field day with this law. Note the use of the word "shall" in the phrase "It shall be the duty..." followed by the use of the word "may" in the very next sentence; i.e., "Such investment may..." You could also substitute the word "people" for "United States" since it means the same thing. Government's moral legitimacy is derived from the people.

Seems like the Treasurer has some leeway, doesn't it? Especially, in the last phrase following the word "or." Just as *we-the-people* insure banks through our government, this last phrase would seem to allow investment in hula-hoops "guaranteed as to both principal and interest by the United States." All we have to do is agree to back up the investments.(1)

At the very least, excess entitlement contributions could be invested in bank certificates of deposit, municipal bonds, home and business mortgages, gold or just simple interest. Certainly much more than politicians and bureaucrats would have us believe.

We are not talking about some minor amounts of money here. The sums involved in this rip-off are staggering. At the close of fiscal 1999, Social Security alone had more than \$864 billion tied up in these bogus bonds. Putting together all of the federal trust funds involved with nonmarketable bonds brings the total to more than \$2 trillion, 35 percent of the national debt.

What's more, every month that this isn't brought to a halt means another six and one-half billion or more added to the pile from excess FICA taxes alone. This is the true urgency in saving Social Security.

What do you suppose our Boston Tea Party forefathers would have done about this? And where is the first amendment protected American media? It's time to clean house, folks. And stop listening to propoganda from people who either don't know what they're talking about or are deliberately trying to deceive you.

