Appendix A

Definition of Social Insurance Developed by the Committee on Social Insurance Terminology of the Commission on Insurance Terminology of the American Risk and Insurance Association

A device for the pooling of risks by their transfer to an organization, usually governmental, that is required by law to provide pecuniary or service benefits to or on behalf of covered persons upon the occurrence of certain predesignated losses under all of the following conditions:

1. Coverage is compulsory by law in virtually all instances.
2. Except during a transition period following its introduction, eligibility for benefits is derived, in fact or in effect, from contributions having been made to the program by or in respect of the claimant or the person as to whom the claimant is a dependent; there is no requirement that the individual demonstrate inadequate financial resources, although a dependency status may need to be established.
3. The method for determining the benefits is prescribed by law.
4. The benefits for any individual are not usually directly related to contributions made by or in respect of him but instead usually redistribute income to favor certain groups such as those with low former wages or a large number of dependents.
5. There is a definite plan for financing the benefits that is designed to be adequate in terms of long-range considerations.
6. The cost is borne primarily by contributions which are usually made by covered persons, their employers, or both.
7. The plan is administered or at least supervised by the government.
8. The plan is not established by the government solely for its present or former employees.

Appendix B

Views on Individual Equity and Social Adequacy

Because of its voluntary nature, then, private insurance must be built on principles which assure the greatest practicable degree of equity between the various classes insured. Not only would the very nature of the case make it basically unfair to have one homogeneous group of insured designedly pay for part of the costs of providing insurance for another group for which the actuarial measure of the risk is quite different, but such a practice would lead to a cessation of insurance soon after the former group came to understand that it could save money by being treated as an independent, financially self-contained unit.

Social insurance, on the other hand, is of vastly different character and is generally assigned a considerably different function. It aims primarily at providing society with some protection against one or more major hazards which are sufficiently widespread throughout the population and far-reaching in effect to become "social" in scope and complexion. Usually these risks are not many in number. Yet, if not guarded against through some organized means, they produce large dependency problems that take their toll in terms not only of financial but of human values as well.

Directed against a dependency problem, social insurance is generally compulsory—not voluntary—giving the individual for whom it is intended no choice as to membership. Nor can he as a rule select the kind and amount of protection or the price to be paid for it. All this is specified in the plan, and little, if any, latitude is left for individual treatment. Indeed, social insurance views society as a whole and deals with the individual only insofar as he constitutes one small element of that whole. Consistent with this philosophy, its first objective in the matter of benefits should, therefore, be that those covered by it will, so far as possible, be assured of that minimum income which in most

cases will prevent their becoming a charge on society. Not until this is accomplished should financial resources (whatever, if anything, may remain of them) be considered as available to provide individual differentiation aiming at equity.

Private insurance, then, is adapted to the individual's need for, and his ability to afford, protection against one or more of a large variety of risks. Social insurance, on the other hand, is molded to society's need for a minimum of protection against one or more of a limited number of recognized social hazards. The minimum may be considered as that income which society feels is necessary and economically practicable for the subsistence of individuals comprising it. These payments, it is held, must be met in one form or another anyway, and social insurance endeavors to organize the budgeting therefor and dispensing thereof through systematic governmental processes. Hence, just as considerations of equity of benefits form a natural and vital part of operating private insurance, so should considerations of adequacy of benefits control the pattern of social insurance. Likewise, as private insurance would collapse if it stressed considerations of adequacy more than those of equity, so will social insurance fail to remain undisturbed if considerations of equity are allowed to predominate over those of adequacy. . . .

The foregoing need not necessarily imply that all considerations of equity should be discarded from a social insurance plan; rather, the point is that, of the two principles, adequacy is the more essential and less dispensable.
Appendix C

Presidential Statement upon Signing the Social Security Act, August 14, 1935

Today a hope of many years' standing is in large part fulfilled. The civilization of the past hundred years, with its startling industrial changes, has tended more and more to make life insecure. Young people have come to wonder what would be their lot when they came to old age. The man with a job has wondered how long the job would last.

This social security measure gives at least some protection to 30 million of our citizens who will reap direct benefits through unemployment compensation, through old-age pensions, and through increased services for the protection of children and the prevention of ill health.

We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

This law, too, represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness.

I congratulate all of you ladies and gentlemen, all of you in the Congress, in the executive departments, and all of you who come

from private life, and I thank you for your splendid efforts in behalf of this sound, needed, and patriotic legislation.

If the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this bill, the session would be regarded as historic for all time.
Appendix D

Reporting and Promulgation Dates Specified by Law for the Old-Age, Survivors, and Disability Insurance and Medicare Programs

A. OASDI program
   1. Trustees Report—on or before April 1.
   2. Automatic benefit increase (for December)—on or before October 30 to Congress; November 14, publish in Federal Register.
   3. Increase of 2½ percent in CPI since most recent quarter which triggered an automatic increase or in which occurred an ad hoc increase—within five days of publication of first CPI to do so.
   4. Revised PIA and MFB formulas applicable to cohorts of a particular year—on or before preceding October 30.¹
   5. Average annual wage for purposes of indexing earnings records of cohorts of a particular year (such average wage being for the second preceding year)—on or before preceding October 30.¹
   6. Automatic increase in earnings base for particular year—on or before preceding October 30.
   7. Automatic increase in exempt amount under earnings test—on or before preceding October 30.¹
   8. Earnings required for quarter of coverage for particular year—on or before preceding October 30.¹

B. Medicare program.
   1. HI and SMI Trustees Report—on or before April 1.
   2. HI inpatient hospital deductible for particular year—during September 1–15.

¹ Although the law specifies a date for these items that is one or two days later, all of them can be determined on October 30, because of the date specified for item 6 whose determination is based on item 5.
3. HI voluntary premium rate—during preceding September.
4. Automatic increase in earnings base for HI for particular year—on or before preceding October 30.
5. SMI premium rate for next calendar year (for years after 1995)—during preceding September.
Appendix E

Funding Ratios as OASDI and Medicare Triggering Devices

The provisions involving triggering devices in the OASDI and HI programs as a result of the 1983 Act are as follows:

1. Prohibition against making interfund loans between the OASDI Trust Funds and the HI Trust Fund (possible only through 1987) when the balance in the lending fund was relatively low.
2. Mandatory repayment to the HI Trust Fund of any outstanding loans held by the OASDI Trust Funds (which must have been done—and was done—by 1990) when their balances were relatively sizable—and vice versa.
3. Submission of reports by the Boards of Trustees of the OASI, DI, HI, and SMI Trust Funds whenever any of their fund balances are too low; in such cases, the Trustees are to recommend statutory remedies and to specify the extent to which benefits must be reduced or payroll taxes increased, or both.
4. Basing the automatic cost-of-living adjustment for OASDI benefits for December of a particular year on the lower of (a) the increase in wages (from the second preceding calendar year to the preceding calendar year) or (b) the CPI increase (from the third quarter of the preceding year to the third quarter of the current year) whenever the trust-fund ratio is low.

In all instances, the triggering is based on trust-fund ratios that, in general, relate annual outgo to the trust-fund balance. In practice, the triggering mechanism is slightly different for each of the four provisions. Table E-1 lists their pertinent features for OASDI; Table E-2 lists these for the two Medicare funds.

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1. This material, in slightly different form, was contained in an article by the author in *The Actuary* (the newsletter of the Society of Actuaries), March 1984.
<table>
<thead>
<tr>
<th>Item</th>
<th>Purpose of Fund Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined name in Social Security Act</td>
<td>Prohibition against Making Loans to HI Trust Fund</td>
</tr>
<tr>
<td>Section of act</td>
<td>Mandatory Repayment of Loan from HI Trust Fund</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Report on Fund Balance Being Inadequate</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Triggering of “Lesser of Wage or Price Increases” for COLA*</td>
</tr>
<tr>
<td>Fund balance</td>
<td>OASDI trust-fund ratio</td>
</tr>
<tr>
<td>Fund balance</td>
<td>OASDI trust-fund ratio</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Sec. 1817(j)(5)</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Sec. 201(1)(3)(B)</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Sec. 709</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Sec. 215(i)(1)(F)</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets, minus loans from HI Trust Fund (as of end of second preceding month)</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets, minus loans from HI Trust Fund</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets</td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets</td>
</tr>
<tr>
<td>Outgo base</td>
<td>Estimated total outgo for month (including RR transfer), minus loan repayments, minus any interfund transfer</td>
</tr>
<tr>
<td>Outgo base</td>
<td>Estimated total outgo in next year (including RR transfer), minus loan repayments, minus any interfund transfer</td>
</tr>
<tr>
<td>Outgo base</td>
<td>Same as preceding column</td>
</tr>
<tr>
<td>Outgo base</td>
<td>Same as preceding column</td>
</tr>
<tr>
<td>Trigger point (fund balance as percentage of outgo base)</td>
<td>10%</td>
</tr>
<tr>
<td>Trigger point (fund balance as percentage of outgo base)</td>
<td>15%</td>
</tr>
<tr>
<td>Trigger point (fund balance as percentage of outgo base)</td>
<td>20%</td>
</tr>
<tr>
<td>Trigger point (fund balance as percentage of outgo base)</td>
<td>15.0% for 1984-88 COLAs; 20.0% thereafter</td>
</tr>
</tbody>
</table>

* Also applies to triggering of the catch-up provision which occurs when the trust-fund ratio exceeds 82.0 percent.

1 For the December 1984 COLA only, estimated assets at end of the year, plus advance tax transfers for January 1985, are used (rather than actual assets at beginning of the year, as is done for all later years), and the loans from the HI Trust Fund are not subtracted out. Note that this determination is to be made in late September or October of each year (i.e., after the CPI for the third quarter is known); by then, the "actual" fund balance will be known (except for the December 1984 determination, for which a good estimate of the balance on December 31, 1984, can be made), while the year's outgo can be quite accurately estimated.

2 Presumably, advance tax transfers for January and income-tax-on-benefits transfers for January-March will also be included.

Descriptive notes for this table are printed below Table E.2.
### Table E.2. Characteristics and Operation of Prescribed Medicare Trust-Fund Ratios

<table>
<thead>
<tr>
<th>Purpose of Fund Ratio</th>
<th>Prohibition against</th>
<th>Mandatory Repayment of Loan</th>
<th>Report on Fund Balance Being Inadequate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined name in Social Security Act</td>
<td>HI Trust Fund ratio</td>
<td>HI Trust Fund ratio</td>
<td>Balance ratio</td>
</tr>
<tr>
<td>Section of act</td>
<td>Sec.201(1)(5)(B) Monthly</td>
<td>Sec.1817(j)(3)</td>
<td>Sec.709 End of year Beginning of year</td>
</tr>
<tr>
<td>Periodicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance</td>
<td>Total assets, minus loans from OASDI Trust Funds (as of end of second preceding month)</td>
<td>Total assets</td>
<td>Total assets, minus loans from OASDI Trust Funds†</td>
</tr>
<tr>
<td>Outgo base</td>
<td>12 times estimated outgo for month (including RR transfer), minus repayment of loans and interest thereon</td>
<td>Estimated total outgo in next year (including RR transfer), minus repayment of loans</td>
<td>Same as preceding column</td>
</tr>
<tr>
<td>Trigger point (fund balance as percentage of outgo base)</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Applies to both HI and SMI Trust Funds.
†Presumably, advance tax transfers for January will also be included.

Notes applicable to both Table E.1 and Table E.2:
1. All references to fund balance and outgo in Table E.1 are for the OASI and DI Trust Funds combined.
2. All references to years are to calendar years.
3. "Loans" include principal and any accrued interest.
4. "Total assets" includes loans to other trust funds, and also proceeds of loans from other trust funds.
5. "RR Transfer" refers to payment to the Railroad Retirement Account under the applicable financial-interchange provisions (payments in the opposite direction during the period being subtracted, but not so as to reduce the results below zero, and with the OASDI Trust Funds being considered as a single fund).
6. "Interfund transfer" in Table E.1 means transfer, in either direction, between the OASI and DI Trust Funds.
7. "Advance tax transfers" (Table E.1) means transfer to the OASDI Trust Funds of estimated payroll taxes to be collected in that month from the self-employed and from all employers (and employees) other than state and local governments until 1987 (not applicable to HI at any time and to OASDI after 1990).
8. "Income-tax-on-benefits" transfers (Table E.1) means transfer to the OASDI Trust Funds, at the beginning of each quarter, of estimated accrued income taxes on benefits to be paid in that quarter.
Appendix F

Summary of Recommendations of the Social Security Technical Panel to the 1991 Advisory Council on Social Security

EVALUATION OF TRUST FUND SOUNDNESS AND PRESENTATION OF RESULTS
Seventy-five years is an appropriate period over which to evaluate the soundness of the system.

A contingency reserve equal to at least 100 percent of annual expenditures should be built and maintained throughout the 75-year projection period.

A summary measure of actuarial balance should continue to be used and should:

- Continue to be based on the present-value method of summarizing income and cost rates; and
- Be modified to include the cost of building and maintaining a contingency reserve equal to 100 percent of annual expenditures throughout the projection period.

The Panel recommends that the Trustees Report highlight four additional measures of the system's financial well-being:

- The year in which the trust funds are projected to exhaust their reserves, as well as the first year in which the reserves fall below a fund ratio of 50 percent.
- The amount of any tax or benefit changes needed to bring the system back into long-range actuarial balance.
- The amount of transfers to and from federal general revenues needed as special Treasury obligations are purchased and redeemed.

The size of any difference between the cost rate and the income rate in the 75th year of the projection period, which is a measure of ultimate balance in the system.

A short-range test of the soundness of the OASDI system is necessary. The Panel recommends a test that applies to the first 10 years of the projection period and indicates whether the system:

- Has a contingency reserve or fund ratio at the beginning of each year of more than 50 percent, or
- Is projected to achieve a fund ratio of more than 50 percent within 5 years and remain at or above that level, and
- Has revenues sufficient to pay benefits in each month at the beginning of that month.

A long-range test of trust fund solvency is also needed. It should cover the 75-year projection period and should:

- Summarize actuarial balances for all valuation periods up to 75 years including both the beginning trust fund balance and the cost of building and maintaining a contingency reserve equal to 100 percent of annual expenditures throughout the 75-year period.
- Apply a tolerance level for an actuarial deficit of 5 percent of the summarized cost rate over the full 75-year period and grading uniformly to zero at the beginning of the first projection period.
- Use a present-value calculation.

The projection set now labeled “alternative II-A” that is based on federal budget assumptions should be eliminated and the remaining three sets should be labeled “low cost,” “best estimate,” and “high cost.”

ASSUMPTIONS
The Panel recommends that the ultimate best-estimate (II-B) real wage growth assumption be decreased from 1.3 to 1.0 percent and that the low- and high-cost projection assumptions be set at 0.4 and 1.6 percent, respectively. [Author’s note: the latter two figures should be reversed.]

The Panel recommends an increase in the ultimate best-estimate (II-B) inflation rate from 4.0 to 5.0 percent and increases in the low- and high-cost assumptions to 3.0 and 7.0 percent, respectively.

The Panel recommends an increase in the ultimate best-estimate (II-B) real interest rate assumption from 2.0 to 2.8 percent and an increase in the low-cost rate from 3.0 to 3.3 percent. The Panel recommends no change in the high-cost assumption of 1.5 percent.
The Panel makes no suggestions for changing the level of the mortality assumptions. It does, however, suggest an assumption of continued increase for several years beyond 1990 in deaths from the Acquired Immune Deficiency Syndrome (AIDS) in the low-cost projections.

The Panel recognizes the uncertainty of future fertility trends. A majority of the Panel considers the ultimate total fertility rate of 1.9 as appropriate for the best-estimate assumption, but would also consider 1.8 reasonable. The Panel recommends that the ultimate fertility rate for the high-cost projection be reduced from 1.6 to 1.4, in light of current experience of certain developed countries.

The Panel recommends a net increase of 150,000 in the number of immigrants assumed in the low-cost projections.

The Panel suggests that consideration be given to using separate first marriage and remarriage rates.

The Panel makes no recommendation for changing the present retirement rate assumptions.

The Panel makes no recommendation for changing the present disability assumptions.

**PROJECTION METHODOLOGY**

The Panel recommends that additional resources be allocated to an indepth analysis of the projection methodology.

**OTHER POLICY ISSUES**

Because of the complexity inherent in the OASDI system of taxes and benefits, changes in that system generally should be considered primarily on their own merit, rather than in the context of short-range budget debates.

The current investment policy for the OASI and DI trust funds seems reasonable.

The current statutory basis for an actuarial opinion should be continued and the statement of opinion should remain in the Trustees Report.

The automatic stabilizer in current law is of limited effectiveness. Further analysis of the role of stabilizers should be done.

A group with appropriate expertise should be convened to review technical and communications issues related to SSA's Personal Earnings and Benefit Estimate Statements.

SSA should explore ways to communicate financial information about the system to the general public in a more understandable way.

A new technical panel should be convened within the next 4 to 8 years.
Appendix G

Summary of Recommendations of the Health Technical Panel to the 1991 Advisory Council on Social Security

Measures of the Financial Status of Medicare

HOSPITAL INSURANCE
The Panel recommends a test of the short-run soundness of HI that requires a 100 percent trust fund ratio throughout the first 10 years of the projection period.

The Panel believes a test of long-range balance similar to that recommended for OASDI could usefully be applied to HI, particularly at a time when the HI system is closer to being in balance than it is now.

The Panel concludes that both the present value method and the HI method of calculating the HI actuarial balance have value and should be reported. It further concludes that the controversy over the methods used to calculate the actuarial balance has deflected attention away from the far more important issue; namely, how to deal with the huge long-range financial deficit in HI.

The Panel recommends that the Trustees Report clearly portray the magnitude of the imbalance in the HI program over the 75-year period by showing the projected deficit as a percent of the projected cost.

The Panel believes that the following measures should be highlighted for HI.

1. The year in which the trust funds are projected to exhaust their reserves, as well as the first year in which the reserves fall below a fund ratio of 100 percent.
2. The size of any difference between the cost rate and the income rate in the 75th year of the projection period, which is a measure of ultimate imbalance in the system.
3. The amount of any tax or benefit changes needed to balance income and outgo over the long-range period.

The Panel recommends that the following specific measure of SMI costs be portrayed over the long-term period.

1. Total SMI costs as a percent of gross national product (GNP) and as a percent of HI taxable payroll.
2. SMI premiums as a share of the average OASDI benefit paid to the elderly.
3. SMI costs net of estimated premium income as a share of GNP and as a share of HI taxable payroll.

MEASURES FOR HI AND SMI COMBINED
The Panel recommends that:

- the HI Trustees Report include projections of the combined costs of HI and SMI over the 75-year projection period; and
- the OASDI Trustees Report supplement projections of OASDI and HI as a percent of GNP, with projections of OASDI, HI, and SMI as a share of GNP over the 75-year period.
Appendix H

Presidential Statement upon Signing the Social Security Amendments of 1983, April 20, 1983

But it is especially fitting that so many of us from so many different backgrounds, young and old, the working and the retired, Democrat and Republican, should come together for the signing of this landmark legislation. This bill demonstrates for all time our nation's ironclad commitment to Social Security. It assures the elderly that America will always keep the promises made in troubled times a half a century ago. It assures those who are still working that they, too, have a pact with the future. From this day forward, they have our pledge that they will get their fair share of benefits when they retire.

And this bill assures us of one more thing that is equally important. It's a clear and dramatic demonstration that our system can still work when men and women of good will join together to make it work.

Just a few months ago, there was legitimate alarm that Social Security would soon run out of money. On both sides of the political aisle, there were dark suspicions that opponents from the other party were more interested in playing politics than in solving the problem.

But in the eleventh hour, a distinguished bipartisan commission appointed by House Speaker O'Neill, by Senate Majority Leader Baker and by me began to find a solution that could be enacted into law. Political leaders of both parties set aside their passions and joined in that search. The result of these labors in the Commission and the Congress are now before us, ready to be signed into law, a monument to the spirit of compassion and commitment that unites us as a people.

Today, all of us can look each other square in the eye and say, "We kept our promises. We promised that we would protect the financial integrity of Social Security. We have. We promised that we would protect beneficiaries against any loss in current benefits. We have. And we promised to attend to the needs of those still working, not only

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those Americans nearing retirement, but young people just entering
the labor force. And we've done that, too."

None of us here today would pretend that this bill is perfect. Each
of us had to compromise one way or another. But the essence of bi­
partisanship is to give up a little in order to get a lot. And, my fellow
Americans, I think we've gotten a very great deal.

A tumultuous debate about Social Security has raged for more than
two decades in this country; but there has been one point that has
won universal agreement: The Social Security system must be pre­
served. And rescuing the system has meant reexamining its original
intent, purposes and practical limits.

The amendments embodied in this legislation recognize that Social
Security cannot do as much for us as we might have hoped when the
trust funds were overflowing. Time and again, benefits were in­
creased far beyond the taxes and wages that were supposed to sup­
port them. In this compromise we have struck the best possible
balance between the taxes we pay and the benefits paid back. Any
more in taxes would be an unfair burden on working Americans and
could seriously weaken our economy. Any less would threaten the
commitment already made to this generation of retirees and to their
children.

We're entering an age when average Americans will live longer and
live more productive lives. And these amendments adjust to that
progress.

The changes in this legislation will allow Social Security to age as
gracefully as all of us hope to do ourselves, without becoming an over­
whelming burden on generations still to come. So today we see an
issue that once divided and frightened so many people now uniting
us. Our elderly need no longer fear that the checks they depend
on will be stopped or reduced. These amendments protect them. Ameri­
cans of middle age need no longer worry whether their career-long
investment will pay off. These amendments guarantee it. And younger
people can feel confident that Social Security will still be around when
they need it to cushion their retirement.

These amendments reaffirm the commitment of our government
to the performance and stability of Social Security. It was nearly
50 years ago when, under the leadership of Franklin Delano Rosevelt,
the American people reached a great turning point, setting up the
Social Security System. FDR spoke then of an era of startling indus­
trial changes that tended more and more to make life insecure. It was
his belief that the System can furnish only a base upon which each
one of our citizens may build his individual security through his own
individual efforts. Today we reaffirm Franklin Roosevelt's commit­
ment that Social Security must always provide a secure and stable base so that older Americans may live in dignity.

And now before I sign this legislation, may I pause for a moment and recognize just a few of the people here who have done so much to make this moment possible. There are so many deserving people here today—leaders of the Congress, all members of the Ways and Means and Finance Committees, and members of the Commission, up in front here, but it would be impossible to recognize them all. But, first, can I ask members of the Commission to stand so that we can recognize them and their Chairman, Alan Greenspan.
Selected Bibliography

Key to abbreviations: HEW (HHS) denotes U.S. Department of Health, Education, and Welfare (now Department of Health and Human Services); SSA denotes Social Security Administration; GAO denotes U.S. General Accounting Office; GPO denotes U.S. Government Printing Office; AEI denotes American Enterprise Institute for Public Policy Research. For more extensive bibliographies, see the pamphlet Annotated Readings in Social Security listed under HEW and the paper listed under Nancy Davenport.

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(Note, however, that a number of minor factual errors and omissions are present in this monumental, comprehensive paper.)


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Y

Young persons, money's worth under OASDI. See OASDI, money's worth analyses
This book was set in Baskerville and Eras typefaces. Baskerville was designed by John Baskerville at his private press in Birmingham, England, in the eighteenth century. The first typeface to depart from oldstyle typeface design, Baskerville has more variation between thick and thin strokes. In an effort to insure that the thick and thin strokes of his typeface reproduced well on paper, John Baskerville developed the first wove paper, the surface of which was much smoother than the laid paper of the time. The development of wove paper was partly responsible for the introduction of typefaces classified as modern, which have even more contrast between thick and thin strokes.

Eras was designed in 1969 by Studio Hollenstein in Paris for the Wagner Typefoundry. A contemporary script-like version of a sans-serif typeface, the letters of Eras have a monotone stroke and are slightly inclined.

Printed on acid-free paper.