

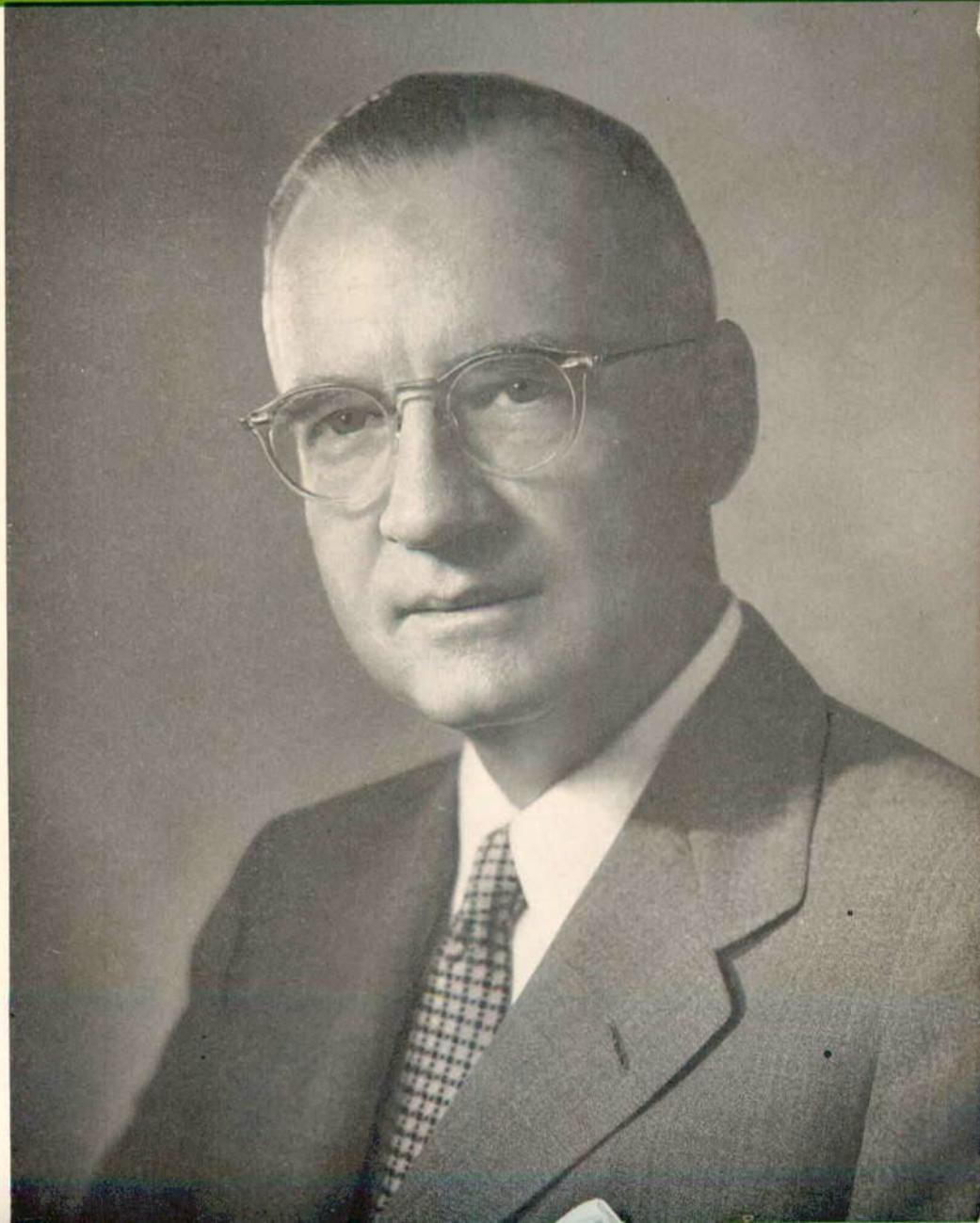
[Click for Table of Contents](#)

1935—ANNIVERSARY EDITION—1955

Oasis

AUGUST 1955

Marion B. Folsom,
Secretary
Department of Health,
Education,
and
Welfare



Our First Claimant

By Ray Bender as told to Phil O'Brien

When a Vermonter is in a particularly expansive mood he talks about the Connecticut River joining his State with New Hampshire. As a rule, however, to most true Vermonters the Connecticut River separates Vermont from New Hampshire, because Vermont to the native-born is a world in itself. Not a commercialized, hectic, grasping, pushing and shoving world-but a serene, quietly progressive rusticity with the development of the spiritual having a high place of importance in the measure of things. In such an atmosphere making one word serve where three or four would not be excessive becomes a virtue that transcends the concept of frugality.

Such is the first impression of Miss Ida Fuller of Ludlow, a kindly, likable, practical, and placid woman, whose ability to derive deep satisfaction from simple, wholesome living has eased her through life gracefully and leaves her much younger than her 81 years.

Into every well-ordered life Chance now and then intrudes to insert a grain of irritant which may or may not develop into a pearl. To Miss Fuller notoriety came in

the guise of a social security check numbered 00-000-001, in the amount of \$22.54, in February 1940, marking this tranquil person as the very first monthly beneficiary under the Old-Age and Survivors Insurance Program.

"I do recall the day I went 'downstreet,' " Ida replies to our question, "and boarded the train at Ludlow with a Rutland ticket in my purse. It wasn't that I expected anything mind you," she continued, "but I knew that I'd been paying for something called Social Security and I wanted to ask the people in Rutland about it."

That day was in November 1939, just a few weeks after Ida had retired from her job as legal secretary to the firm of Stickney, Sargent & Skeels in Ludlow. As luck would have it, Ida arrived at the Rutland Field Office the same day as the newly created OA-CI applications. When she departed she left behind what for us was a historic document-the first completed monthly insurance claim to be paid.

Now, 188 months and 187 checks later, Miss Fuller pays tribute to the efficiency of the organization that has never missed sending the checks and was never late in sending one.

"I think that Social Security is a wonderful thing for the people," she remarked, as she rocked back and forth, looking out with alert, light blue eyes over the lawn from her porch. "With my income from some bank stock and the rental from the apartment, Social Security gives me all I need."

Perhaps Chance had parlayed two events to make Miss Fuller the First Lady of Social Security. She had started teaching school back in 1893 after leaving the Black River Academy where Calvin Coolidge had been a fellow student. Her decision to abandon the teaching profession and to seek secretarial training at the Pernin School in Boston set her forth in 1905 in an employment that was covered 32 years later under the Social Security Program.

Even though she had given up teaching school professionally, she said to us, "I can't remember when I wasn't teaching Sunday School. It must be the best part of 65 years. The good Lord, a contented, useful life and the good Vermont air can keep one going a long, long time."



Miss Ida Fuller

Looking Back Twenty Years

A Review of Program Highlights

This is the condensed version of the article, "Old-Age and Survivors Insurance After Twenty Years," which is appearing in the August issue of the Social Security Bulletin.

The old-age and survivors insurance program was created to provide monthly benefits upon retirement for the Nation's working population. These benefits, financed by the worker's contributions and those of his employer, were to be related to his past earnings and to provide a significant replacement of previous income. There was later added a provision for the payment of benefits to surviving members of the worker's family upon his death.

The purpose of the program is to provide protection against economic insecurity for the worker and his family when the earnings upon which they have depended for support are cut off by his retirement or death.

This basic purpose was reaffirmed by President Eisenhower in his social security message of January 1954. The President pointed out that the old-age and survivors insurance system had been developed in response to the need "arising from the complexities of our modern society * * * The system is not intended as a substitute for private savings, pension plans, and insurance protection. It is, rather, intended as the foundation upon which these other forms of protection can be soundly built. Thus, the individual's own work, his planning and his thrift will bring him a higher standard of living upon his retirement, or his family a higher standard of living in the event of his death, than would otherwise be the case. Hence the system both encourages thrift and self-reliance, and helps to prevent destitution in our national life."

The old-age and survivors insurance system, established by Congress in 1935, has moved toward its goal by relatively rapid stages when the years are viewed against the backdrop of a nation's history. A scant 10 years after the program's adoption, Arthur J. Altmeyer, then the Chairman of the Social Security Board, observed that "Probably never before in a corresponding period of time has legislation done so much to establish a ground work

The Field-Then and Now

Houston, Texas **by Fred C. Rogers**

Though memorable events are photographed in my mind, I, nevertheless, stumble over words to use in a story covering the past 20 years, not under, but with social security. "Rather than a long-drawn out chronological history," said the Editor, "we're attempting to highlight the interesting changes 20 years have brought. Give us about 1,000 words on Houston, then and now."

By "then," I had completed my assignment with Colonel McCormick's Field Organization Committee in Washington and the first basic training course was behind me.

Social Security was by "then" approved in the momentous Supreme Court decision on May 24, 1937, by a vote of 7 to 2, though about this time, 1 writer expressed the sentiments of a large segment of the Nation's population when he said that the Social Security Act was "not an assured success."

John G. Winant was Chairman of the Social Security Board. Arthur J. Altmeyer, soon to become Chairman, and Vincent M. Miles were the other Members of the Board. John Corson was our bureau chief. In his letter of resignation later, Governor Winant, Ambassador to England during the war years, recalled that the Social Security Act in its inception was "viewed as a nonpartisan, humanitarian measure," and that three times as many Republicans in Congress voted for it as voted against it." He said he had never held the Act was without fault, and that he had "assumed and even hoped that time and experience might dictate many important changes."

By "then" an assignment as acting information-service representative in our regional office, at that time located in San Antonio, Tex., was finished and the first field office in the United States was opened at Austin, Tex., in October 1936.

Home at last. The Houston field office was opened for business on December 14, 1936. Two days later in New Rochelle, N. Y., according to the press, "John D. Sweeney, Jr., 23, a Princeton graduate, shipping clerk and Republican, was the first man in the United States to receive a social security registration card. His name came out first in a drawing lot."

At about this same time, new Ford v-8s were being advertised at base price of \$480 and up at the Dearborn plant. On December 11, King Edward VII signed a warrant of abdication and the next day Britain proclaimed George VI as king "and mourned Edward as if he were dead." Loin steak was selling at the meat markets for 19 cents a pound that week. You were not reimbursed for travel to and from Washington. You paid for your own living expenses while there, whether for 3 weeks or 6 months.

Two weeks after the Houston office was opened, on January 1, 1937, wage earners and employers began making social security tax contributions on all wages earned. Five and a half years later, old-age and survivors insurance payments in the Houston area were being made to 1,450 persons at the rate of \$24,980 a year. Today, monthly payments are being made to over 30,000 beneficiaries at the rate of over 1 1/2 million dollars per month in the 7 counties now served by the Houston District Office.

"Then" the manager was the only

employee in the office. In December 1947, 11 years later, there were 26.

Here are a few more memories:

The long-winded "essay" type of weekly reports.

How the Regional Office compiled weekly statistics on each office showing the number of OA-702s typed "per person per day."

The delinquent employer program-how we checked the yellow pages in the telephone directory and the city directory against our EIN files in an effort to find employers who were not reporting. We found plenty.

How we plugged a new radio program, "Pleasantdale Folks."

By October 31, 1937, a grand total of 29,000 claims had been certified for payment by the Bureau of Old-Age Insurance.

At the close of the same year, Joe Fay had received the astounding total of 36.5 million applications for employee account numbers and his shop was swamped with almost 15,000 requests for wage statements. I distinctly remember that three of these were from the Houston office.

Portland, Oreg. **by Jim Peebles**

When we took over enumeration, in July 1937, from the Post Office Department, we had a staff of three, which included Carl D. Monroe, now District Manager at Pasadena, Calif., plus some 30 temporary typists. We were mailing out about 3,000 A/N cards a day. It was easy to get the typists on duty but not so easy to get urgently needed additional office equipment.

We borrowed chairs from the Chamber of Commerce. Carl Mon-

Seven old-time managers recall the early years

roe and I trucked these by hand the 2 blocks through the business center and he passed them through an office window to my wife.

Our need of office equipment was so pathetic that we contrived a way to evoke the sympathy of our Central Office people. The old movie camera did the trick. We might have exaggerated the primitiveness of our office equipment, but not long after we had shown our movie at the first Regional Managers Conference-where, of course, we had no idea the chairman of the Board would be in attendance-our requisition for a hand-operated envelope machine was filled.

In such a local setting the major initial jobs of enumeration and employer reporting were accomplished so creditably that our Regional Representative, never satisfied, developed a plan whereby we could do better. Mr. Tallman's idea was to have the Tax Collector send the district office copies of his letters to employees who had submitted incomplete returns. The late Charles Beach and Roger McCulloch worked out this innovation with the cooperation of Roy Wade, now Chief of Collections, I. R. S., Los Angeles. And thus, the "Collector's letter" procedure was born.

Coverage questions were formidable. The original law excluded "agricultural labor" from covered employment, but the term was not defined in the law. The NRA in dealing with this question of agricultural labor found that there were about 50 different definitions employed by federal agencies.

The sound maturing of our program (Oregon now ranks sixth in the country in OASI beneficiaries per 1,000 population 65 aged and over) is gratifying. Gratifying too during the growth of our staff from 3 to 53

are the half dozen promotions of men who have worked with us to offices of their own.

Philadelphia by Joe Skorup

I entered on duty in Washington, June 15, 1936 and came to the Philadelphia RO in August, 1936 as an ARR.

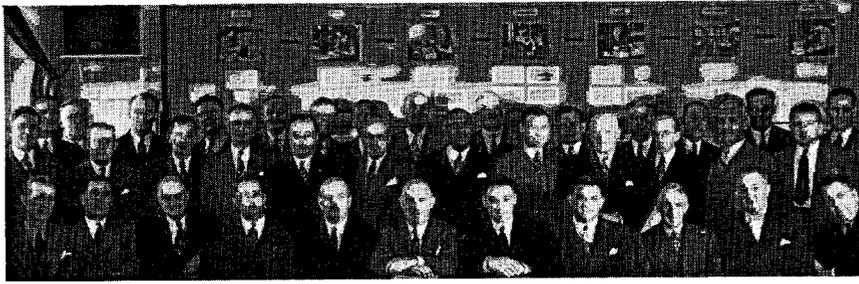
I spent considerable time in the field getting bids for field offices in the eastern part of Pennsylvania and northern New Jersey while Mike Shortley covered the western part of Pennsylvania looking for space. We didn't open many at first.

I recall opening the field office in Harrisburg with one stenographer; a boy who operated a stenotype machine. In those days, the manager did everything; opened the mail and answered it himself; typed social security cards; used packing cases for furniture until desks and chairs were received, opened crates and cases and counted and checked supplies against requisitions.

Mike Reap was Manager in Scranton. No one in the field knew much about claims at that time. As Assistant Regional Representative I would go out to the field after arranging meetings of Managers of the nearby offices. On my first such trip to the

(Continued on page 12)





Conference of Field Office Managers, November 13-26, 1946. L. to r. (seated): T. A. McDonald, J. S. Fehr, E. H. Dunaway, C. S. Hoover, E. C. Lupton, J. L. Fay, H. F. McKenna, L. Zawatzky, C. F. Beach, T. Hughes, F. J. McDonald. Standing, first row, l. to r.: C. W. Legeman, J. Morrison, P. Elder, R. H. Hendrick, L. E. Holt, N. F. Conger, J. E. Stamps, H. A. McNary, J. T. Phelan, J. E. Peebles, V. Sadd, J. S. Futterman. Standing, second row, l. to r.: G. W. Duey, T. M. Galbreath, W. H. Nixon, J. G. Hunsaker, K. A. Albrecht, E. H. Amos, R. E. Austin, A. S. McClellan, C. A. Edson, F. N. Adcock, J. J. Skorup, Jr., F. C. Rogers, J. H. Johnson, L. Shield.

(Continued from page 11)

Scranton field office to meet with Mike and other nearby office Managers, I found they expected me to answer a multitude of technical questions on claims. Our Claims Manual at that time was about the size of our present OASI-35. I didn't have the answers, nor did anyone else in the Regional Office. Mike was disappointed with me but thanked me for coming as they had not seen anyone from the Regional Office in a long time.

Alex Fleisher was our Regional Representative. In the early years, the field offices were not permitted to send what they thought were completed claims direct to Washington for adjudication. They were all sent to the Regional Office where they were examined for accuracy and completeness. Alex was good at it; he appeared to glance at a page of the application and okay it. I had to do it the hard way: check each item against the check list. Alex would review 3 to my 1. As a field office would reduce its percentage of errors and omissions to a reasonable level, Alex would "graduate" the field office and permit it to forward claims direct to Washington for adjudication and certification.

Enumeration was the big job in 1937. We in Philadelphia had a day and night shift-a regular factory production setup. One of our old-timers recalls that our enumeration force was 12 employees in July 1937

when we took over from the Post Office. A new employee had reported to the field office and had been in the field office for about one day without the staff having been told what his job was. The girl at the account number counter was very busy and asked if he could type. When he said "yes" she gave him a batch of account number cards to type and kept him busy at it. A couple of days later, he dictated a letter signed with his name and title, "Assistant Manager."

Later, we had a weekly report problem. Each field office had a claims control clerk. She maintained a set of 5 x 8 cards on which was posted data about the claim. Each card had a little metal flag, position of which indicated various items. Almost every action necessitated a change in the position of the flag. Every Saturday morning, because of the weekly report, several hundred flags had to have their positions changed. If a flag fell off, as they often did, or was moved to a wrong position, the report wouldn't balance. By the time the report was ready (12:59 1/2 P. M. Saturday) the control clerk was barely able to stagger home.

Mike Shortley was the first field office manager in Philadelphia and his service area was Philadelphia and four nearby counties.

The Philadelphia field office had 2 assistant managers at that time, 1 in charge of claims and the other in charge of enumeration and account

numbers. I recall a few of the old-timers around here in 1936 and 1937 were Herbert Gruber, H. Conrad Hoover: Munsey Gleaton, and Bob Fraker, now Regional Representative in Region II-B.

"Personnel Assistant" was the title of our present Field Representative job and it was a Grade 3 at \$1,620 PA. As the neophytes came from Washington, to fill these jobs, they first reported to the Regional Offices and were then assigned temporarily to Mike Shortley to tramp the streets with lists of missing numbers. Now many of these original personnel assistants are District Managers; some have become Regional Representatives or are Assistant Regional Representatives or are making policy in Baltimore.

Among our original field men were Ford Blumenthal, now Assistant Manager in New York; Peter Paul Sokas, Claims Policy; George Hoke, Manager at York, Pa., and Binghamton, N. Y., now in the potato chip business in Texas with George Rawson.

In 1936, 1937, and 1938--those were the days--never a dull moment--by golly it hasn't changed a bit from the time I joined up June 15, 1936. From last August 1954 to the present, it has been hectic. If the public isn't breathing down your neck, then Regional Office is, or Central Office is asking for reports due not later than yesterday. It was fun; I can say it now and I'm not sorry I had a part in it.

**Miami, Fla.
by W. B. Weaver**

There were 6 employees on duty in the Miami Field Office when I arrived on August 8, 1938. Space was cheap in those days and we had plenty of room in which to expand. Our Miami service area first extended from Titusville to Key West--a distance of some 370 miles and running clear across the state from the Atlantic to the Gulf. It was not unusual to be out over a week end.

Managers had an annual conference-usually in Birmingham, Ala., the Regional Office city-where we were enlightened by John Corson, Oscar Pogge, Charley Beach, Ewe11 Bartlett, and the other Central Office staff. Press releases and radio scripts were mostly written by the Informational service representative in Regional Offices. "Loss of benefits" was a familiar theme all through the early years. We made regular reports for a long time showing how much had been lost by claimants who didn't file soon enough after they quit working (they only had a month to take action then before they starting losing benefits).

Another chore which all field offices handled was the "collector's letters." Some 26 percent of all account numbers were omitted from the returns filed in Florida in the first filing period, ending in July 1937. As soon as this became known we started running down "missing numbers." Officers were judged then by their "purity ratio," which meant-how many of those missing numbers were they able to track down? Those who did the leg work were managers, assistant managers, and field assistants. Many were former DAO Baltimore employees who found they preferred working with people rather than paper.

During 1937 and 1938 we had central office experts at training classes for us and our claims clerks (CAF-2 at that time). John Sanders, Jim Murray, and T. Sylvertis Wilcher were early trainers in the complexities of "Theories of descent and distribution" which enlightened us about who could file a claim for one of those small lump sums we paid them.

Visits to the Claims Divisions in Washington, just before the Area Offices were created, were a happy experience for groups of managers. Many of us treasure the group pictures, always taken at such meetings during the early years, showing us sitting beside Hugh McKenna, Pink Lupton, Charley Beach and the Director.

Francis McDonald was lecturing us back in 1938 during one of my visits. I was sitting back with my hands over my eyes concentrating (not on OASI) when he barked "Bill Weaver, what about that?" Fortunately for me the last few words he had spoken were still fresh in my mind so I was able to comment sensibly. Francis said, "D -, I thought you were asleep!"

Then we reached the postwar era. Many of those doing war work began to retire. I remember the thrill we experienced in Miami the week end-



July 1937. Carl D. Monroe passes borrowed furniture through office window to Mrs. Jim Peebles.

ing January 9, 1948, when for the first time we took in over 100 claims. We had just been made a Class I office, too. We thought we were busy then but along came September 1950 and we knew we would never be busier. Nobody had told us about 1954.

Miami has been a training office (as so many of the larger ones have) for rising managerial talent. Del Webb, Manager at St. Petersburg, Fla.; Mell D. Eadie at Daytona Beach; Walt Kehoe at Tallahassee; and John Carey at Panama City, Fla.,

all had early field office training here.

We often wish we had kept a guest book listing all the visitors we have had from other district offices. Many of our 49 staff members dropped in as visitors, got sand in their shoes on Miami Beach, and in a few months transferred here to hold down a unit in the claims section or to be a receptionist or steno.

St. Louis, Mo. by Tom Gaukel

Frank Bane, at the recent Conference on Aging, at Ann Arbor, recalled his early experience in drafting the original Social Security Law and some of the problems encountered in its early administration. Mr. Bane who is the Executive Director of the Council of State Governments at Chicago was the Executive Director of the Social Security Board in 1936.

His remarks prompted me to take another look at a group picture taken at a regional meeting of field managers in former Region IX, on November 19, 1937, confirming Mr. Bane's description of the modest start in both program and organization. The picture shows only 20 managers present, who were outnumbered by central and regional office personnel. The group included Ed. McDonald, then Regional Director; Jack Wrenn, Executive Assistant; and Howard Dunn, Regional Representative. Mrs. Ova Stuart, then Manager of the Fort Smith, Ark., office was the only woman in the group. The picture brought to mind many happy associations and occasions through the years.

It is difficult now to visualize this small beginning compared with the present 52 district offices, with about 750 employees in Region VI.

My most prized museum piece, next to the picture, is a tattered four-page Information Leaflet (I. S. C. 9, "Security in Your Old Age"), directed to employees in industrial and business establishments. It explains that the initial very limited program:

"Will, beginning Nov. 24, 1936, give

(Continued on page 21)

The DAO

Wage Record

By

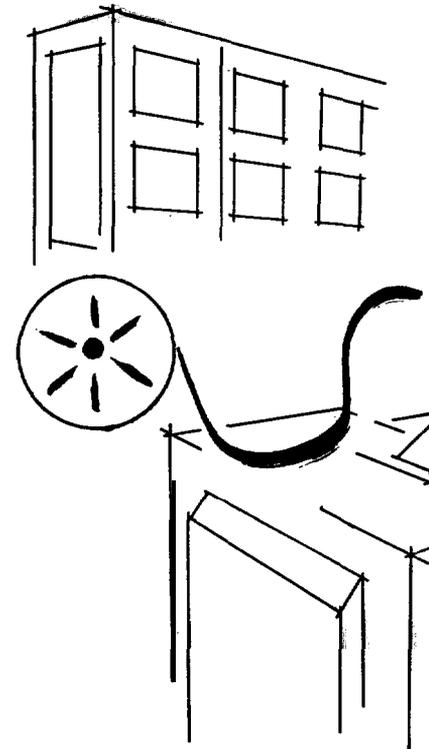
Herman Bye

NO story of Social Security's first 20 years would be complete without a look at all that all-important "Wage Record." A large part of OASI's operations are devoted to setting up the wage record and maintaining it, for it is the wage record on which we must depend to arrive at the benefit amount.

The passage of the Social Security Act in 1935, calling for benefits based on the wages earned by individuals in covered employment, created the tremendous task of setting up a system of individual wage records for the millions of wage earners covered by the program. Glossing over, for the moment, the related, but no less difficult problems of registration of wage earners and employers, establishment of account number systems for positive identification and of methods for reporting wages and paying contributions, we propose in this article to talk about the "Wage Record" in its narrowest sense, the actual individual account of earnings.

In analyzing the earnings records needs, the Committee on Old Age Benefits Equipment, Records and Methods, which had been set up to do the planning for the registration, establishment and records operations, developed a statement which included among the desired results (a) a current cumulative record of the earnings of each individual during his working life, (b) a rapid method of furnishing periodic wage statements to individuals, and (c) a method for quick certification of cumulative earnings and calculation of benefit payments.

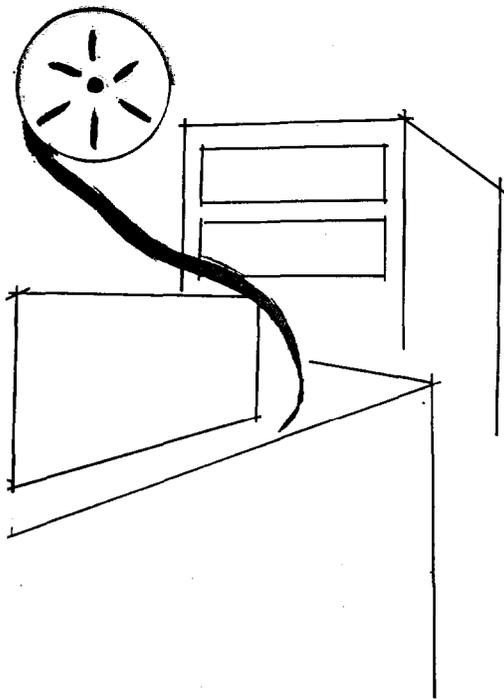
All manufacturers of business equipment were asked to submit proposals for accomplishing the desired results and after considerable study the Committee recommended the adoption of the punch card electric accounting method



Wage Reco

submitted by the International Business Machines Corporation. It was decided that the wage record for each individual would be kept on an individual ledger sheet to which information would be posted by means of punch card accounting equipment.

The big task of heading the individual ledger sheets with the names and account numbers of the wage earners gave rise to one of the special inventions and devices which have been developed over the years to meet our recordkeeping needs. The ledger sheets to be headed were in continuous form, with perforated strips on each side to permit rapid feeding and accurate placement of the heading information. Before the ledger sheets could be filed for future posting operations, they had to be separated and the perforated strips removed from both sides. "A simple task" you may say-but think of doing that manually for all the 33 million ledger sheets which were in the original group to be established. The task was started manually but before it was finished, two Bureau employees had developed a machine which simultaneously stripped the sides, separated the ledger sheets and stacked them for filing. A manufacturer agreed to produce these machines for Bureau use and they were used until the elimination of individual ledger sheets which is described later in this article.



essing of the future?

Well now we have the ledger sheets in file; reports of earnings are being received and processed; and the time for posting these earnings to the individual ledgers has arrived. The first posting machine was an adaptation of the IBM numerical tabulating machine to which a special device was added for the feeding of individual ledger sheets. The posting machine operator had to feed each ledger sheet individually, compare the account number on the ledger sheet with the account number on the earnings card (the serial number was made visible on a special indication on the machine), push the start button which would cause the machine to post until the account number changed, and then repeat the process.

By collaboration between members of the Bureau staff and the manufacturers' staff—with many of the basic ideas actually originating in the Bureau—many improvements were made in the original posting operation. Automatic ledger feeding devices were installed. Methods were developed for punching the account number in the ledger sheet and mechanically comparing it with the account number punched in the earnings cards. This eliminated the hand feeding and the visual comparison previously made by the operator. Newer, faster tabulating machines were introduced, and the whole process was made as accurate, rapid, and automatic as the equipment then available could make it.

Its History lies in the future

Although the ledger wage record was about the best that could be developed with the equipment on the market at the time, it was apparent from the beginning that eventually the Bureau would be faced with some rather serious problems. The ledger sheets provided space for only 12 years of earnings (less in cases where individuals worked for several employers). The problems involved in posting and referring to the wage record when the accounts would all have two or more ledger sheets were such that early thought was given to the possibility of developing some kind of a continuous earnings record which would eliminate the "second ledger sheet" problem. In addition, the 1939 Amendments introduced such new concepts as "quarters of coverage" and "increment years," as well as new formulas for computing benefits. Due to these changes, the ledger sheet no longer reflected all the detail needed for certifying a wage record and computing benefits.

The DAO methods staff, after considerable study, devised a plan which successfully met both of these problems. This plan required what amounted to practically a new machine for the posting operation. This machine was constructed according to specifications by the IBM company, and met all operating tests in a highly successful manner. The essentials of this plan, which is still in operation today, were as follows.

All the ledger sheets would be microfilmed (photographed) and the microfilm file set up with a separate roll of film for each 1,000 series of accounts. Each year, instead of posting the current wage items to an individual ledger sheet, a machine lists the items on a continuous listing. The listings are microfilmed, separated by 1,000 series of accounts, and spliced onto the rolls of film for each 1,000 series—thus the entire wage history for each 1,000 series is on the same roll of film. However, something new was added which was not possible with the old equipment. As the earnings are listed each year, the posting machine analyzes them for quarters of coverage and increment years, punches the results of this into the balance forward summary card and prints it on the listing. In addition, the summary cards and the listings carry the annual earnings totals for the current year and the three previous complete years, as well as the to-date earnings and the earnings since 1950 (because of the "new start" pro-

(Continued on page 18)



Frances Whitley displays the present method of setting up wage records. That's a microfilm tape she's holding.

visions of the 1950 Amendments). Wage statements are prepared mechanically. References to the detailed earnings record are made to the microfilm.

All of this, of course, required the development of new types of microfilming equipment in addition to the new posting machines. Many of the new developments were made specially to meet DAO needs and have required continued close collaboration between DAO methods staff and the equipment manufacturers. For the ledger sheet job special duplex microfilm cameras were installed which would photograph both sides of the ledger sheet simultaneously and place the images side by side on the same film. Improved types of microfilm readers were obtained for the Certification Section to facilitate rapid reference to the earnings record. To meet the need for prints of the detailed earnings record in certain types of cases, special microprinters (cameras) were constructed to DAO specifications. These cameras can make a continuous print of the earnings record for an individual account even though each year's earnings for the account is widely separated on the film.

The introduction of this continuous listing-microfilm method of maintaining the records was a considerable improvement over the old ledger sheet method and resulted in substantial economies. It did not, however, diminish

the continuing search for improved and more economical methods of performing the ever growing recordkeeping. When the cloak of wartime secrecy was lifted from the science of electronics, it was apparent that electronic computers showed great promise for eventual development of improved recordkeeping methods. The first use of these computers was for scientific problems where their great speed of computation enabled scientists to perform in minutes what previously would have required months of arduous work. Bureau staff members have followed the development of this equipment with close interest since the first information became available in 1946.

It is only more recently, however, that developments have reached the stage of showing real promise for the DAO recordkeeping job. The National Bureau of Standards made a study in 1951 and 1952 of the possible application of electronic equipment to DAO operations and their report, dated September 1953, although indicating some real possibility of using the equipment for statistical work, says that there are some difficult problems to overcome before it is economical to perform the recordkeeping job electronically. Progress has been rapid, however, and equipment is now being developed (perhaps almost ready) which we believe can be used for the recordkeeping operations.

The 1954 Amendments spurred the Bureau's efforts to obtain satisfactory electronic equipment. The "drop-out" provisions made it necessary to retain annual earnings for computation purposes for more than the four years currently in the summary cards. This can not be done after July 1956, without introducing a trailer card and greatly increasing the posting and claims cost. To meet this problem, the DAO methods staff has worked out an electronic program for the posting operation which appears to be more economical than the punch card operation would be after 1956. The plan, briefly, is as follows:

(a) The basic wage data for each account, including each year's annual earnings since 1950, will be on magnetic tape.

(b) New earnings items will be processed in punch card form until they reach posting. At that point, they will be converted to magnetic tape and the posting operation will be performed on electronic equipment.

(c) Without going into detail about the electronic process, we will list the end products of the posting operation as follows:

1. A new to-date summary tape-including the additional year's earnings.

2. A second tape in which the data for each account has been analyzed for dropout and other factors affecting computation. From this tape a balance forward card will be prepared for use during the year for claims and wage statements.

(Continued on page 26)



A Fabulous History

O *NCE upon a time an owl lived in a tree
Next to a district office of social security.
And he decided animals needed an insurance
plan
Similar to the one that had been devised by man.
So into the district office flew this wise old bird
And memorized the Claims Manual, word by word.
That devoted owl worked tirelessly,
And established a milestone in animal history.
Because of his dedication and untiring endurance,
There came into being Beasts' Old Age and Survivors'
Insurance.*

*Almost at once the owl enlarged his staff,
By hiring a cat, mouse, and a giraffe.
The claims load was immediately so great
That they scarcely had time to adjudicate.
In poured 65-year-old animals from the zoo;
Some even remembered their 1954 form W-Z.
A few had personal records of their 1955 wages
Which they had carefully kept inside their cages.*

*The animals came from far and wide.
They all waited their turn side by side.
A pool was provided for fish, like the whale and the
shark,
Until the place resembled Noah's Ark.
A widowed Alaskan brown bear,
Who came to the DO with three cubs in a carriage,
Was told by a claims representative who interviewed
her there
That she would have to submit proof of marriage.
Birth certificates were a requirement the DO could
not waive,
But these were hard to obtain as the cubs were born
in a cave.*

*Such were some of the difficulties the beasts had to
overcome
Because no records of any kind had been kept by some.*

*A dependent husband, a bull,
Came with his wife, Mrs. Holstein, a cow.
Of the finest milk she had produced the full
And her SEI was the maximum the law would allow.*

*There was an old race horse whose speed had once
been fabled.
But he spent his latter years pastured and stabled.
He was told if he could win another u-ace,
A 1954 Work Recomputation might be made in his
case.*

*To relate all that did take place
Or the development required in every case,
Would be an impossible thing to do.
It would take a day and a night and another night too.*

*Milk-wagon horse, rooster, organ-grinder's monkey,
honey-producing bee,
All were treated indiscriminately.
Everyone was equal under the law.
This was one thing to which the old owl saw.*

*And if you pay a beast in your employ
Fifty dollars in a quarter,
You should pay two percent for that beast.
And if you don't, you ought'er!*

Minna J. Hyatt
Philadelphia (Downtown)



(Continued from page 13)

about 26 million working people something to live on when they are old and have stopped working.”

“Set up Social Security accounts for eligible workers and send checks to retired workers after they have reached age 65 and met a few simple requirements of the law.”

Instructions were received on Oct. 6, 1936, that the St. Louis field office would open on Oct. 15. (Branch offices were to be opened later but plans were changed and five district offices now serve the million and one-half residents of the St. Louis metropolitan area.) About 800 square feet of space was obtained in the New Federal Building and the office opened with three clerical employees. It has now grown to a staff of 35 requiring 3,668 square feet of space. The Clayton office, opened in October 1937 with a staff of 4 and 450 square feet of space, now has 30 employees and 2,362 square feet of space. The Southside office, opened in November 1939 with a staff of three and 500 square feet of space, now has 24 employees and occupies 2,600 square feet.

The opening of the office brought a virtual flood of questions with little but a copy of the law available for use in answering them. Explaining the 1954 amendments and other earlier changes with the advance preparations and material made available was simple compared with those early days. Gradually, a pattern of questions was recorded, the official answers obtained, and information supplied, usually on mimeographed question and answer sheets.

In St. Louis early problems of missing account numbers were aggravated because of the large number of central offices of retail chains, some with over 1,000 retail stores where the sales-minded managers did not report store employees' account numbers. While this continues as a problem today, it's only a trickle in comparison.

Lump-sum payments on the wage records of workers who died or retired

before paying taxes or “premiums” for 5 years (the law from Jan. 1, 1937, to 1939), constituted our next big workload. This brought no special problems as the law was definite, the procedure simple and we had excellent cooperation from employers and funeral directors. However, the small checks in amounts from \$1.00 to \$20.00 did not produce much enthusiasm for the early program. Some of them were reproduced in newspapers with notices that the payees were framing them as souvenirs.

Early 1940 brought the first influx of monthly benefit applications. Much preparation, planning and training went into this effort. Training was given the field staffs at the regional office. The claims considered complex then, but simple by present standards, were developed mostly by clerk-typists in Grades 2 and 3.

In those days, claims personnel were very error-conscious and hesitated to deviate from the inadequate claims manual. The more adventurous used the “trial and error” method and if the central office approved, we then had a precedent case to follow.

How many of you remember the interviewing booths which were first considered so necessary for privacy and then discarded when the unified claims program was initiated? One of our later uses was for such privacy as to permit an applicant to remove several pair of trousers to reach the pocket containing his social security card or to check the number tattooed on his anatomy.

After the 1939 amendments the field organization was strengthened by the assignment of new personnel trained in the central office. A staff member recalls that when she transferred from DAO to the St. Louis Office on July 5, 1939, there were 16 employees. The present staff of 35 includes 5 of these original 16.

The year 1942 found the office expanding and moving to new and larger quarters in the Old Post Office Building located in the center of downtown St. Louis.

There is much more that could be reported by one who has spent a third of his working life in 1 job and in 1 location but space is limited. Suffice to say that each day has brought new and interesting developments. It has been a privilege to work with an organization which at times has done the impossible, and to have had a part in a program which has grown so substantially through the years and has almost come of age.

**Orlando, Fla.
by Paul K. Weaver**

The Orlando District Office was opened July 11, 1937—at least that is the official date, but my recollection is that I was answering a lot of questions even while unpacking a roomful of desks and stationery.

Our first recruit was a stenographer-typist. For awhile we bundled up the SS-5's and sent them to Tampa for issuing, but early in August we commenced to type our own account number, and what a job that was. It bore no resemblance whatever to the present click, click, click-staple, and hand over the card. At that time the job consisted not only of typing the name on the account number card, but also of copying on the left-hand portion in duplicate, practically all the personal data on the SS-5. The typing of the data on the left-hand portion had to be checked by 2 people—1 reading aloud to the other.

Before the end of the year we had another stenographer and a claims clerk, and early in 1938 (bless the day) an assistant manager, whom we promptly lost to Central Office. He was the only assistant manager this office has ever had. I have taken a lot of ribbing from other District managers in Florida over my bouts with the Classification System. Starting with 13 counties reaching from Gulf to Ocean, the Orlando area has been gradually whittled down to 5 counties as new offices were opened.

Although OASI does not date back as far as the citrus industry, there is a close parallel between the two in

their very rapid growths. Beginning with the 1939 amendments, questions of coverage became the major stumbling blocks in claims development. It became necessary to define the various operations in the citrus packing houses and to determine the coverage of each. Section 209 (e) 4 of the Act was the featured article in the daily diet of the claims assistant.

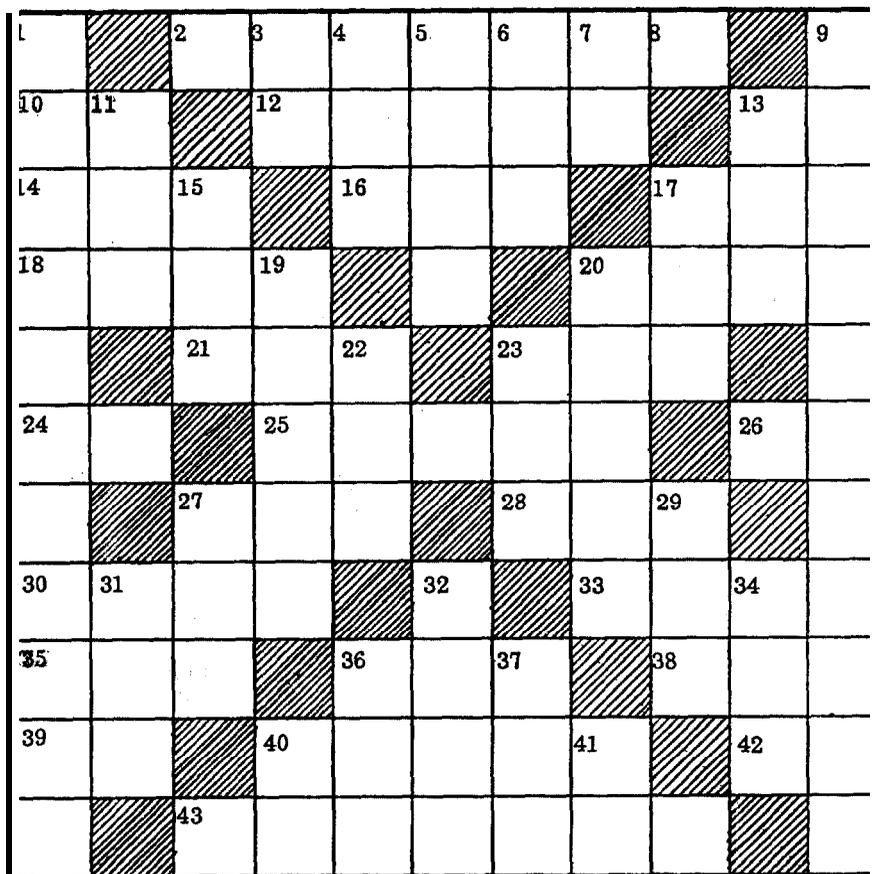
In the meantime, the citrus fruit business had expanded beyond the packing and shipping of the raw fruit. The juice plant, which at first used only grapefruit, soon branched into oranges and tangerines, and more recently the concentrate plants have grown to such an extent that they now use approximately 60 percent of the entire crop of oranges. Here is the cradle of the citrus concentrate. The process was initiated and perfected at what is now the Minute Maid plant at Plymouth, Fla. We have witnessed its growth from a small pilot plant to a giant in the industry.

It should not be inferred that Florida's growth is due primarily to the citrus industry. That is not the case. The tourists are Florida's first crop and it is in those areas that the District Offices have experienced the greatest growth. There are four offices in Florida-Miami, Jacksonville, St. Petersburg, and Tampa-having a greater workload than Orlando.

Our claims output in 1937, from August through December, was 38. In 1938 the word got around and 284 claims were completed that year. These were the old lump sum claims based on the original 1935 Act. January 1940 ushered in the first of the monthly benefit type of claims. In that year we completed 545 monthly benefit claims. Output for the first 6 months of 1955 was 1,978, exclusive of recomputations and disability freeze cases.

From 2 employees at opening date and 4 employees a little later, the Orlando office has outgrown its quarters 3 times. Our latest move was on May 14, 1955, when our staff of 15

(Continued on page 30)



ACROSS

- 2. Protected against loss
- 10. News service (abbr.)
- 12. Faux pas (colloq.)
- 13. One of ten
- 14. Federal bookkeepers
- 16. Back talk (slang)
- 17. Reference for wage matters (abbr.)
- 18. Field of learning (abbr.)
- 20. Fellow
- 21. Our colleagues on Rush St.
- 23. Work at
- 24. One of six
- 25. Madam or Mrs. Secretary
- 26. Needed for backlogs (abbr.)
- 27. Marine call for help
- 28. Assist
- 30. Time for lunch
- 33. Germinated grain
- 35. Sea-bird
- 36. --profit organization
- 38. Federal retirement protection (abbr.)
- 39. Concerning
- 40. Erases
- 42. One of over 500
- 43. He was helped by the '50 Amendments

DOWN

- 1. Mainstay of the S. S. program (plur.)
- 3. Note well (abbr.)
- 4. That lucky old sun
- 5. One
- 6. Agent (abbr.)
- 7. Wage earner-s boss (abbr.)
- 9. DAO are experts at this
- 11. This is handy for jotting notes
- 13. Law for railroad workers (abbr.)
- 15. Pronoun
- 17. Child's favorite question
- 19. Sing popular tunes with emotion
- 20. What the record-keeping is for
- 22. Where you get proof of age (ab.)
- 23. School civic association (abbr.)
- 27. Male progeny
- 29. Accountants for millions (abbr.)
- 31. Raw mineral
- 32. Game or sport
- 34. Youngster
- 36. Man's nickname
- 37. Never used before
- 40. 501 (Roman)
- 41. Trade or business (abbr.)

WORKING TOGETHER

Twenty years ago, Internal Revenue
and OASI were teamed together
by the Social Security Act

When the original Social Security Act was approved, August 14, 1935, there was launched, perhaps unwittingly, what probably was the greatest exercise in interdepartmental cooperation in the experience of our Government. Now, almost 20 years later, it might be interesting to look back at how it all began and how it has developed.

It began with the base plan for what was then called "Federal Old-Age Benefits." The idea, which has now matured into an accepted part of our American system, was to collect contributions at a set percentage of wages from employers and employees and deposit them in a fund from which wage-related benefits would be paid to the worker in his old age. What sounds almost trite now in 1955 presented in 1935 a very dubious problem in constitutional law. In 1935 it was thought to be fairly well settled that the Congress could not impose a tax and earmark it for specific expenditure in advance. No, all taxes collected must go into the general fund and only by appropriation can Congress authorize expenditure for a designated purpose. Then how could contributions be collected to be later paid in benefits? It took a measure of legal ingenuity to figure out that one.

Taxes were one part

As enacted, the Social Security Act of 1935, in its Title VIII, "Taxes with Respect to Employment" imposed an income tax on employees and an ex-

A long-time practitioner in the art of day-to-day inter-agency cooperation reviews the record.

BY PERRIN LOWREY

cise tax on employers at a set percentage of "wages" paid for "employment." These taxes were to be "collected by the Bureau of Internal Revenue" and "paid into the Treasury of the United States as internal revenue collections."

We were the other part

Back over in Title II, "Federal Old-Age Benefits" there was authorization for Congress to appropriate "an amount sufficient as an annual premium to provide for payments required under this title" to an "Old-Age Reserve Account." From this account the Social Security Board was authorized to pay benefits at a set percentage of "wages" received for "employment." The only statutory tie-in between titles II and VIII was to be found in the fact that the definition of "wages" and "employment" was the same in both titles.

So there were taxes to be collected by Internal Revenue and benefits to be paid by Social Security, completely independent of each other as a matter of law but as a matter of plan

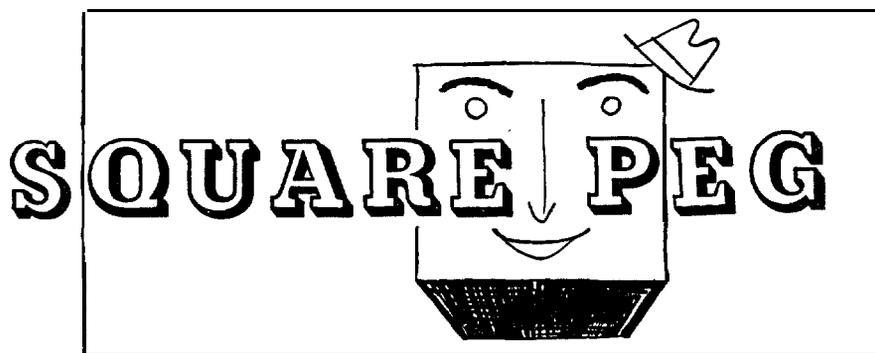
to be merged as a unified system of insurance.

Here the administrators moved in and Congress wished them well. Benefits were to be paid related to the wages on which taxes were paid, so there must be a record of those wages; a lifetime wage record for every covered employee! To establish and maintain such records currently and accurately would have been a staggering task for a unified administrative agency, but here the law put two agencies in the picture.

Only the President had authority over both agencies and only in the President's immediate office were to be found common staff services. Clearly, in an organization the size of the Government the situation pointed to interagency cooperation with an unprecedented degree of intimacy. Two staffs under separate lines of authority and with different conditioning and emphasis had to be merged as a single staff. This called for close personal daily contact on a continuing basis from top to bottom. Remarkably it was done. The IRS collections-DAO report processing operations require the interchange of hundreds of tons of paper with closely timed continuity.

It does work

A slowdown on one side may mean idle hands and machines on the other while a speedup on one may present the other with storage problems. This graphic generality illustrates the necessity of close coordination in in-



Not Quite Twenty

In the course of compiling reminiscences for this issue we happened to run across a little fellow whose every expression bespoke neglect and discomfort. He's been doing his all for the Bureau for lo these 6 months since he joined us, and he was just beginning to feel like a veteran when suddenly he was hit with all this talk about "ledger posting," "increment year," and "Social Security Board." Badly shaken in confidence he retreated to his little cubicle, and he hasn't emerged since.

In order to fetch him from his lair and also to pay homage to the many other faithful but geologically recent additions to the Bureau's staff, we have composed this column of less ancient history. It's the least we could do for the younger set.

Do you all remember way back when there was no disability program? Those were indeed the dark ages. The fifth floor of the Miller Building echoed to the traffic of the B & O Railroad rather than the cool murmur of an approved "freeze."

Can you imagine district offices in those days? No visits to disabled persons in hospitals; no masks from under which to conduct interviews. Surely all this was long ago.

Then there were the ripe old days when a "drop-out" was the latest screwy curve designed to haunt Ted Williams and had absolutely nothing to do with OASI. There was also a time when you had to determine whether or not domestics worked 24 days in a quarter for the same employer, and they used to hold farm

conventions and not include a flock of social security speech makers on the program.

The Birmingham Treasury Disbursing Office once wrote OASI benefit checks. Remember ?

And field trainees used to come into the Central Office for three weeks' exposure to Francis McDonald and Co. Ah, those were the good old days.

Some of us oldsters can remember back to when DAO was only processing 94 percent of their requests for earnings records in 5 days.

A rather large proportion of corridor conversation in the Central Office was once devoted to speculations concerning a move to Washington. Honest it was.

There once was a time when we had no Bureau movies, when a claims authorizer was a mere adjudication reviewer, and a district was a field office.

There was no such combination of letters as BWEP in the English language when the mother tongue was first invented, but that was in an era when man was less ingenious, woman less beautiful, and the pace of daily living slow enough to permit a man to say "broadening work experience program" without missing his street car.

Also, fellow employees, you will note each year how much younger the secretaries seem. Do not be deluded. You are growing old.

And finally there was a time way back where there would have been no organ to remind you of these memories. For, once upon a time, dear readers, there was no OASIS.

Fan Mail

And from Ben Wilson, AO chief, Kansas City, a touch of pathos:

"I am writing jest a few lines to let you all know how I apreshate the Great help you all exstended to me we ben a law biding siderson all my life. I havent give the country in which I live a minute troubel. we lived heare in Columbia CO all my life I will be 74 years ole August 24th 55. Ive all wais paid my tax every since I was 21 years ole Ive ben working all my life trying to make an onest living. But I dont feal like working so much but I have a little light job. Ive been wondring if I would get some help form some saurs. I thank you all so much for the wonderful help you all have rended me and my wife. I will never forget the great help you all have did for me. it means so much to me. I hope you all will receive the Good Bessin from on high So I remain yours respectful"

[S] claimant
Magnolia, Ark.

Wage Record

(Continued from page 18)

3. A tape containing the statistical data needed for the Bureau's 1 percent statistical tabulations.

4. A current detail tape for use in preparing annual earnings listings for bringing up to date the microfilmed earnings records.

5. A balance forward tape for temporary storage for records protection purposes.

Current plans are to install the equipment in the spring of 1956 and to put the new posting operation in full effect in July 1956. In DAO's Posting Section, which will be the section most affected by this change, some of the personnel will be trained on the new operations and others will be transferred to other sections and other operations. No one will lose by the change, and perhaps many will gain because of the increase in higher paid jobs in the electronic operations.

Editorial

If in reading these pages you conclude that we have left out much that was memorable in the past 20 years, we can only agree with you, for we did it on purpose.

In August 1952, our predecessor publication did a handsome profile of the Bureau's first 15 years starting with 1937. Justice was fully done then to the Washington and Baltimore people who did the early planning, and who are still in positions of leadership. A complete history appeared the same month in *the Social Security Bulletin*. This month, too, the Bulletin will print a formal history we have only touched upon in OASIS.

Rather than copy what has been done so well, we have tried instead to evoke some memories of the past and to give some background for the exciting events of today and tomorrow. We have leaned heavily on oldtimers in the field to sketch in the startling changes they have witnessed in their own offices, as each wave of program growth reached out across the country.

Actually, the complete history of OASI has never been written and probably never will be. For words alone can never recapture the moments of individual satisfaction in problems met and solved, the spirit of unity that carried us together through periods of stress, and the sense of dedication to high endeavor which permeated OASI from the beginning and which pulses with equal strength throughout the Bureau today.

Copies of the magazine will be sent to retired employees on request. We have no current address records so must depend on former supervisors and associates to supply us with this information.

COVER

Twenty years ago Marion B. Folsom was an outstanding member of the Advisory Council to the original Committee on Economic Security which drafted the 1935 Act. He has contributed to every legislative consideration of the program since. And this month, quite fittingly, he takes over direction of the Department in which the Social Security program operates.



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CONTENTS

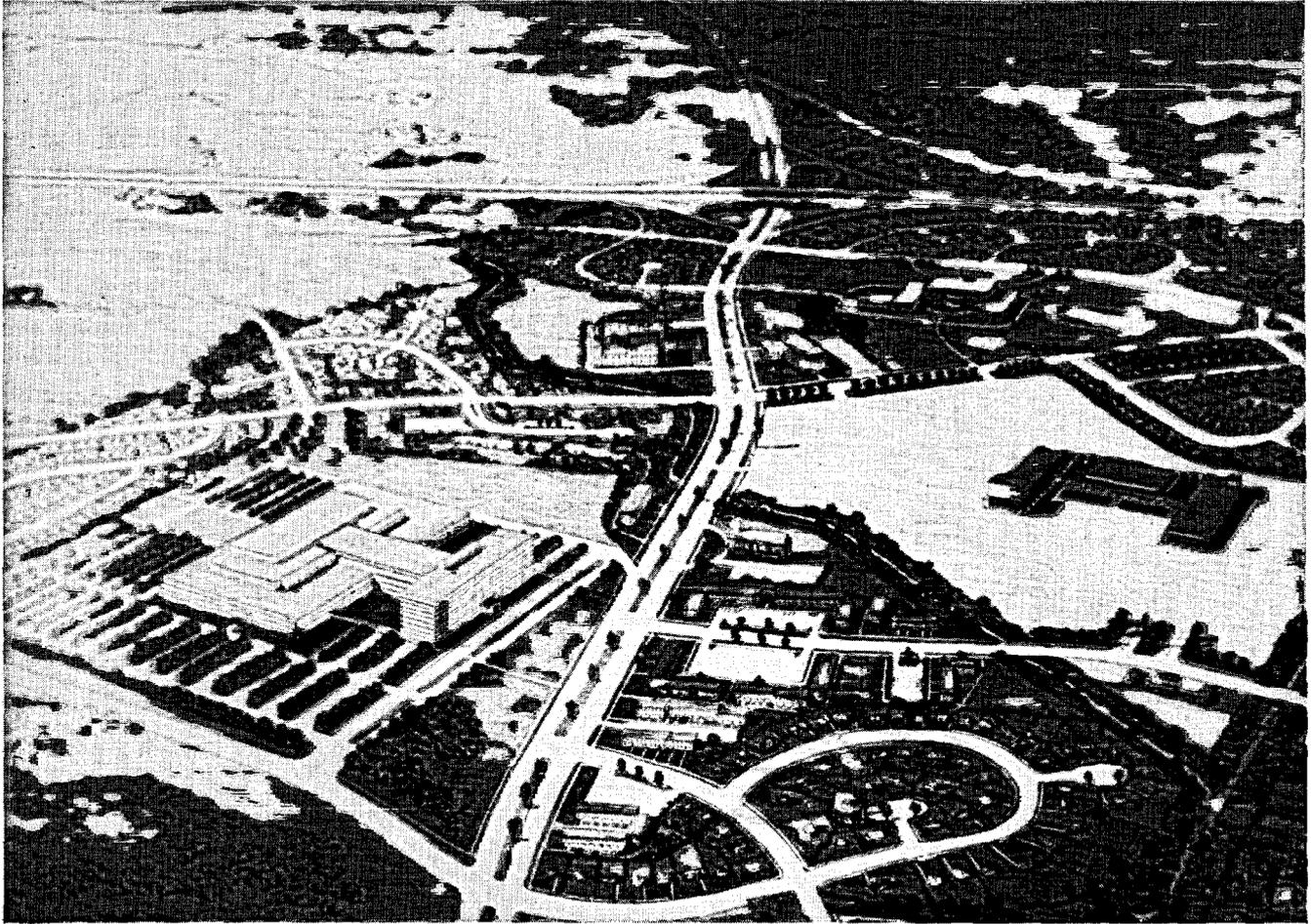
	Page
Birmingham Takes On Check Writing	4
Our First Claimant	7
Looking Back Twenty Years	8
The Field-Then and Now	10
The DAO Wage Record	16
A Fabulous History	19
Second Generation	20
They're Changing Jobs	23
Working Together	24
Square Peg	26
The interview I'll Never Forget	27
Disaster Story	28

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Dream of the Future

This is the way the long dreamed of OASI building in Woodlawn, western suburb of Baltimore, will look when roads, trees, new houses, and a school have been built around it. Right now the position on the left where the artist has sketched the future home of OASI is a peaceful bit of countryside. The property was acquired for us by GSA on July 6, 1955, at a cost of \$130,500. The front part of the building will be

nine stories high. Behind it is the four-story main building designed to house DAO. Air-conditioning, praise be, is included in the plans. Architect's drawings are in preparation and we hope to break ground in the late summer of 1956. If that date is met, all the scattered units of OASI in Baltimore should be at the new location in 1958.