of the New Deal were not nearly as great as is sometimes suggested. In a 1992 study, *What Ended the Great Depression?*, economic historian Christina Romer summarized the view of many economists when she wrote that “fiscal policy contributed almost nothing to the recovery from the Great Depression.” Large cuts in taxes or increases in government spending might have helped, as Keynesian theory predicts, but in the 1930s they were not really tried to any significant degree.

According to Romer, “Nearly all the observed recovery of the U.S. economy prior to 1942 was due to monetary expansion.” That expansion in turn had several causes, including the decision of the Roosevelt Administration to devalue the dollar. Most important, however, was political instability in Europe, which led to an inflow of gold to the U.S., as people sought a safe haven for their funds on this side of the Atlantic.

Armed with this bit of history, what should Japanese policymakers do now? The answer is simple: Cut taxes and print money. Better yet, combine the operations. Why not print up some 100,000 yen notes, and stick one in the pocket of every Japanese citizen? Some people might put the money under their mattress—the Japanese are notoriously thrifty, after all—but some will surely spend it and provide the stimulus to aggregate demand that is so sorely needed.

Fortunately the Japanese government is starting to head in this Keynesian direction, but it has not moved nearly fast enough. In his recent book, *Restoring Japan’s Economic Growth*, economist Adam Posen argues that a large part of the prob-

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lem has been a discrepancy between words and deeds. Over the past decade Tokyo has announced several large fiscal expansions, but by the time those expansions were enacted, they were less than half as large as was promised.

Like the U.S. during the 1930s, Japan has been reluctant to follow Keynesian advice. As Posen puts it, Japanese policymakers were given the opportunity to fight the last war, and they have chosen to adopt the strategy that lost.

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*Adam Posen is an economics professor at Harvard and the author of *Principles of Economics*.***

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GREAT QUESTIONS OF OUR AGE

What Hidden Meanings Are Embedded in Your Social Security Number?

Is the government using Social Security numbers like bar codes? Are there secret formulas in those nine digits to mark Americans by religion, race, gender, and other personal stuff, like dogcatcher person? If people read into the number, what can they decode?

Nothing juicy, we’re relieved to report. The first three numbers just show the state in which the card was issued. They sweep from New England, where numbers start with 001, to the 500s out west. Thus, New Yorkers get 050 to 134; Alaskans get 574.

Beyond that, you can learn only a few things about someone from his number. If, for example, someone gives you a number that starts above 728, you can tell that he’s a liar—those numbers haven’t been assigned yet. And if someone’s number has 666 in it, you know he doesn’t take the Book of Revelation literally. That’s because the Social Security Administration will let people trade in a number containing 666 if they object to it. “We will, upon request, upon having documentation that there is religious conviction involved, reassign them a number,” says agency spokesman John Toffler. But there are limits to the SSA’s flexibility. If you complain that the number clusters on your card add up to 6-6-6, or that your card contains 999, which looks devilish upside down, the government will tell you to go to hell. So to speak.

Since states are denoted by three digits, it begs us to ask: Which bears the Mark of the Beast? It appears the devil would have gone down to Georgia, but when the agency handed out numbers to growing states, it gave Louisiana 659-665, skipped 666, and then gave Georgia 667-675.

When will we run out of numbers? Never. Not in our lifetime,” Toffler says. “We have a billion combinations.” Since 1936 the SSA has issued 383 million numbers. At the current rate of six million a year, it won’t run out until 2101. When that day comes, the SSA hasn’t decided whether it’ll add a digit or recycle dead people’s numbers, but it has plenty of time to figure it out. Assuming, of course, there will still be Social Security in 2101.

—Carol Vanzant