ever owned it to take it. The delegate was apparently so in awe of Washington that he never dared to claim it.

It is good to emphasize, too, as Brookhiser does, that Washington was a man of ideas as well as of action. I remember how impressed I was when I noticed Washington's library. He had nearly a thousand volumes—not in Jefferson's league, but then whose was? Not only was he familiar with the well-traveled ideas of his time, he was given to asking those about him for their opinions and understanding, such as the need to restrain government lest it trample individual rights. He listened and learned much. There was a balance to his ideas that set him apart from most thinkers.

The weakest section of the book is the one dealing with "The Founding Father." That Washington was *father* of his country is a metaphor which captures some of the truth and much of my feelings about the matter. He did indeed tenaciously lead the country through the war which effected our separation from Britain and independence of her. He chaired the Constitutional Convention that produced the document on which our union stands. And he piloted us safely through the perilous and tenuous early years of the Republic. But the metaphor will not bear close and extensive analysis; it falls from so much weight.

But the whole is a worthy testament to the greatness of Washington. Anyone who is inclined with so many in this misbegotten age to believe that Washington is just a dead white male who kept slaves should read of his principled refusal to sell any of his slaves "down the river," and the provisions he made for freeing those who were able to earn their own keep, and providing a fund to take care of those too old or infirm to provide for themselves. He was a man of his time, as all of us tend to be even in ways of which we are not aware, but he was much better than many of his contemporaries. □

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The Flat Tax: Freedom, Fairness, Jobs, and Growth

by Daniel Mitchell

Regnery Publishing, Inc. • 1996 • 62 pages • $3.95 paperback

Reviewed by William H. Peterson

Mounting taxes push the Tax Foundation's "Tax Freedom Day" out to May 6, a day when presumably John Q. Taxpayer stops working for government—federal, state, and local—and at last starts working for himself. But fiscal expert Grover Norquist and his Washington-based Americans for Tax Reform figure the truer Cost of Government Day occurs on July 3 by taking into account hidden taxes via deficit spending and regulatory burdens. Thus the estimated total cost of government in 1995 came to almost $3.3 trillion, including $720 billion in federal regulatory costs. This means working Americans have to toil 52 percent of the year for government.

If this strikes you as a sign of trouble on the tax front, you're right.

Beyond the flat taxers are those who would bravely dump the income tax for a national sales tax. These advocates see solid advantages; no withholding deductions; no more tedious bookkeeping, including filing away receipts and canceled checks; no more IRS audits, penalties, interest charges, levies, liens, threats, and seizures; no more deadly April 15 and quarterly tax deadlines; no more hits on savings and investment—on capital formation, the very sinew of economic growth and job creation. And, hear this, no IRS, period.

In his hard-hitting brief for a flat tax, Heritage Foundation analyst Daniel Mitchell takes note that 12,609 special interests are officially registered to lobby in Washington. Assume three support persons behind each lobbyist, and you have an army of 50,000 pulling strings and making deals—

many seeking special loopholes in the 14,000-page U.S. Internal Tax Code and rulings. So understandably members of the tax-writing House Ways and Means Committee get big PAC contributions, and Ways and Means and Senate Finance memberships are seen as plum assignments.

Dan Mitchell sees the flat tax as a way to end such "soft" political corruption and favoritism—simply cut out myriad tax deductions, preferences, loopholes, credits, and exemptions altogether.

That proposed cut takes guts and a lot of flak. Take the scare tactic used against the flat tax because it would eliminate deductions on home mortgages, supposedly forcing middle-income taxes up and house prices down. But this is *static* analysis, argues Mr. Mitchell. He holds the flat tax wipe-out of capital gains taxes, death taxes, and double taxation of corporate income will spur economic growth, cut interest rates, and boost housing prices by some 50 percent in five years after passage of a flat tax.

Another scare tactic is the alleged hit of flat-tax nondeductibility on contributions to churches, charities, universities, and think-tanks (such as FEE), cutting off their lifeline. Mitchell rebuts again with economic growth, noting that when people make more they give more. His chart shows how closely individual giving and personal income track each other over the years. Says Jack Kemp in the preface: "Only a pro-growth tax code can restore America's confidence at home and her greatness abroad."

Fine words to be sure but the catch here in this otherwise sharp Mitchell minibook is the paucity of argument for privatization, disentitilization, and deregulation of the economy—for greatly chopping down the size of the federal behemoth. Taxes are a drag on growth but the killer is the huge bite—around 42 percent—that government takes out of national income, let alone out of our civil liberties. □

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The Anatomy of an International Monetary Regime: The Classical Gold Standard 1880–1914

by Giulio M. Gallarotti

Oxford University Press • 1995 • 347 pages • $49.95

Reviewed by Raymond J. Keating

Monetary policy today is guided by little more than government fiat—by the calculations, often mistaken economic theories, and whims of central bankers or, even worse, politicians. Under such a regime, inflation of three or four percent annually has come to be viewed as a stellar monetary performance. However, under a more sound monetary system—i.e., a gold standard—such increases in the general price level would be seen as wildly inflationary.

Over the years, the operations and impact of the gold standard have been subject to a variety of gross misconceptions and misrepresentations. With *The Anatomy of an International Monetary Regime: The Classical Gold Standard 1880–1914*, Giulio M. Gallarotti makes a valuable contribution to the understanding of the impact and operations of the gold standard.

Gallarotti debunks numerous myths. Among them, contrary to much of the prevailing literature on the classical gold standard, one government or central bank did not come to dominate international monetary relations during the classical gold era. Close monetary cooperation between national governments turned out to be the rare exception rather than the rule. In addition, contrary to the long-accepted gold model, the transfer of gold to clear international payments was actually a last resort.

The author shows the gold standard, in reality, to be diffuse and market driven. At the outset, Gallarotti observes: "Outcomes under the classical gold standard were principally conditioned by market processes throughout the period: i.e., outcomes were primarily the resultants of private transactions in the markets for goods and money. Unlike the international monetary regimes