

# From the editor

Chris Berg

The Babylonian Code of Hammurabi was not merely a list of laws and their applicable punishments; it also dictated a wide variety of labour market regulations and price controls.

'If a man hire a field-labourer, he shall give him eight gur of corn per annum'. Herdsmen were less valued, only receiving six gur of corn per annum. To hire a 60-ton boat for a day, a 'sixth part of a shekel of silver'. These measures so weakened the Babylonian economy that they helped bring down the empire.

*Forty Centuries of Wage and Price Controls* by Robert Schuettinger and Eamon Butler was published in 1979 by the Heritage Foundation, in part to illustrate the folly of the policies that were being enacted in the political and economic turmoil of the Nixon–Carter years.

Perhaps this is too harsh on Hammurabi. After all, he does look a touch like Father Christmas. And it is hard to blame the ancient world for not possessing the wisdom of Adam Smith, although Nixon and Carter should have. Hammurabi instituted his political economy in an era when there were no political economists—governing the first civilization was governing in a world bereft of theoretical and ideological justifications for policy.

By comparison, the twenty-first century is rich with both political theories, and historical examples to hang them by. There are a raft of scholarly justifications for any policy preference, no matter how clearly devoid of logic. For a good illustration of this, Mike Nahan's investigation of public service spending under the Carr Government (p7) shows the folly of governments adopting radical academic theories. (This *IPA Review* revives the 'Around the States' series, which will look at the issues facing the States, five years after the introduction of the GST.)

Even thousands of years after it was clear that the economic controls detailed in the Code of Hammurabi were self-destructive, governments practise the same flawed policies around the world. In this issue of the *IPA Review*, Erik Gartzke looks at the often-repeated claims of 'democratic peace', and finds them wanting (p12). He concludes



that, instead, economic freedom is correlated much more closely with peace. This makes sense. Economic freedom, with its immeasurable benefits for the work and leisure of citizens, eases political pressure on governments—pressure which so often manifests itself as internal or external violence.

Looking at Africa in this context is instructive. In the pre-colonial era, free trade and free enterprise flourished—price and wage controls had no place in the continent-wide trade routes that characterised inter-tribal relations. Socialism and government regulation don't exist in the African tradition. But nonetheless the continent has been cursed for more than a century with archaic price and wage controls. 'Trade not aid' is a slogan

often bandied about, but it is clear that economic freedom—policies enacted in the countries themselves—is the only solution to the African 'problem'.

The path to economic freedom is rocky. Thankfully, as Nicholas McGowen details in this issue, there is an optimistic case for Africa.

This December issue is full of provocative articles. Looking at the recent revival of Bill of Rights advocacy, Rohan D'Souza asks whether more laws make more freedom. David Tribe takes a long view of biotechnology in agriculture—taking the great transition slowly just isn't an option, let alone trying to reverse it, as much government policy seems to desire.

Alan Moran reminds us why football is an international game, and the AFL is stuck in Australia. Federalism continues to be a focus, as Gerard Boyce examines the distorted and dangerous workplace safety regimes around the country. And Daniel Mandel uncovers what Trafalgar means to the Anglosphere today.

I hope you enjoy the issue, and your holidays.

IPA

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## REVIEW

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