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In ancient Rome, in a time before the emperors, Rome had a republican form of government. During this time, only those who had property could serve in the army. This requirement ensured that soldiers would have an interest in the survival of the government. These soldiers would be unlikely to try to topple the government because the government protected their right to own property. However, over time Rome needed an increasingly large army, and there were not enough property owners to field an army of the size required. Eventually, Rome changed the rule and recruited soldiers that did not have their own land. These soldiers had nothing at stake in the survival of the Republic because they did not look for the Republic to protect their land. Instead, the soldiers looked to their generals to give them land. The soldier's outlook changed from loyalty to the state to loyalty to the general. Julius Caesar was the first general to take advantage of the soldier's reliance on him. He tried to become dictator for life and the Republic ended. This change in the incentives faced by a large group of people led to the fall of the Roman Republic. In current times, if the proposals that are being suggested by some of the current candidates for President are enacted, our citizens will face a change in incentives, much like the Romans did, but our result may be economic stagnation.

In the last two hundred years, Americans have enjoyed unprecedented economic growth. We expect the standard of living for an average family to double every 35 years. The main cause of our economic growth has been our reliance on free markets. In a free market, individuals, not governments, make most economic decisions. With a free market, if a person wants to become rich, he can come up with a new product, or develop a cheaper way to make an existing product. The person is only seeking the betterment of his own condition. However, the unintended result of his pursuit is that he has created a wealthier society, and we have new products that consumers can enjoy. Also, when these entrepreneurs find ways of producing existing goods at a lower cost, consumers feel wealthier since their pay checks can buy more goods and services.

Some candidates for the Democratic nomination are putting forth proposals that take the decision making authority away from individuals and that give it to government agencies. For example, Bernie Sanders calls for the federal government to pay for the healthcare of all citizens. In this case, the government would decide what procedures get covered and who gets what treatment. Hillary Clinton also proposes to expand the government's role in healthcare. She wants the government to set limits on a patient's out of pocket costs as well as limits on what drug companies can charge for their medicine.

When the government makes an economic decision, the incentives of individuals change. Now when individuals want to become rich, they have to win a political battle. Often people can become rich by using the government's powers to regulate and to tax in order to transfer wealth away from one group and toward themselves. Government involvement in the US economy has always led to these transfers. For instance, U.S. sugar growers are protected from foreign competition by a network of quotas and tariffs that have resulted in US consumers paying twice the world price for sugar. Of course, this policy hurts the U.S. economy. Consumers are poorer because they have to pay higher prices for sugar, leaving them less money for other goods. U.S. food manufacturers are at a competitive disadvantage because they have pay artificially high prices for sugar. Most likely, some of these manufacturers will move their operations out of the U.S. to avoid paying such high prices for sugar. Other firms change their business plans because of the high sugar prices. Coke and Pepsi do not even use sugar in their drinks. They have found it cheaper to extract sugar from corn to produce high fructose corn syrup. In Mexico, however, Coke and Pepsi do use sugar because in that country these companies can pay the world price of sugar. The sugar policies help U.S. sugar producers. However, this gain is less than the cost of high sugar prices and the value of lost jobs in the food manufacturing businesses. The policy exists because sugar producers are more successful at lobbying government than those who are hurt by the policies.

The sugar industry is a small part of the U.S. economy. There are enough other markets that the government pretty much leaves alone that the U.S. has been able to see steadily increasing wealth. However, health care is a large industry and if the government controls an industry of this size, the American experience will change. As the government directs a larger portion of the economy, more people will find the manipulation of the political process as a means to wealth, and fewer people will try to get rich through innovation.

In ancient Rome, the incentives of the soldiers changed when people without property were allowed to serve in the military. This change in incentives led to the downfall of the Republic. In modern times, if Bernie Sanders or Hillary Clinton are successful in increasing the government's control over a very large industry, people will be much more likely to try to manipulate the government to get a transfer of wealth, and much less likely to create new wealth through inventions and innovations. The American experience of doubling our standard of living every 35 years is in grave danger and it is at risk of being replaced by an era of economic stagnation.

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