



## The origins of state and government

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Tom G. Palmer, a senior fellow at the Cato Institute writes:

Many people believe that the state is responsible for everything. According to Cass Sunstein, a professor of law at Harvard University and administrator of the Office of Information and Regulatory Affairs, "Government is 'implicated' in everything people own. . . . If rich people have a great deal of money, it is because the government furnishes a system in which they are entitled to have and keep that money." That's the academic formulation of a concept that was restated recently in a popular form. "If you've been successful,

you didn't get there on your own. . . . If you were successful, somebody along the line gave you some help. . . . Somebody helped to create this unbelievable American system that we have that allowed you to thrive. Somebody invested in roads and bridges. If you've got a business—you didn't build that. Somebody else made that happen." That was Sunstein's boss, President Obama.

Even a charitable interpretation of the president's remarks shows that he doesn't understand the concept of marginal contribution to output, for example, of the value added by one additional hour of labor. He doesn't understand how wealth is produced.