

The Tragedy of CP

By [Keith Riler](#)

A terrible disease of potentially epidemic proportion has descended upon our country. *Ceteris Paribus*, a once-rare malady, has already stricken all of our left-leaning policymakers and, based on the [results](#) of the last presidential election, may imperil another 67 million people. Our thoughts go out to the already infected, but we must rescue those still healthy but at risk.

Like most debilitating diseases, *Ceteris Paribus* results when normal behaviors go awry. [Ceteris Paribus](#) ("CP"), loosely translated "other things being equal" or "holding all else constant," can be employed positively and normally in the sciences, particularly social sciences like economics.

For example, entry-level macroeconomic classes use CP (in small, safe amounts) to make simple the complexity of the real world. This exercise in oversimplification establishes a framework in which the relationship of two variables can be studied, modeled, and projected by still-naïve students.

Fortunately, most people outgrow their exposure to CP by transitioning from academia to the real world, where they encounter the critical For Profit (or Loss) Feedback Loop (the "FPLFL"). Exposure to the FPLFL is critical, because the threat of economic loss is one of the few things that can overcome the vanity resulting from years of erroneous academic affirmation. Unfortunately, those who never escape academia or those who move from academia directly into policymaking, never stopping in the real world, develop potentially incurable CP.

Without FPLFL exposure, a CP patient can come up with all sorts of crazy ideas and affirmations, making worse an already dire situation. A recent Paul Krugman article demonstrates this well. In [the article](#), Krugman claimed that the difference between the ideas of those stricken with CP and the ideas of the healthy was not "about pragmatic issues, about which policies work best." On the contrary, as we all know, beneficial effectiveness is precisely the difference between having CP and being healthy.

The classic CP symptom is the abandonment of one's God-given logic and reason to a naïve exercise of oversimplification, which exercise always produces predictable and damaging consequences (the poor CP patient often refers to these results as "unintended" consequences).

Consider the following short sample of outcomes resulting from CP naïveté and the numerous variables that (predictably) refuse to remain constant:

- Legislation requiring increased auto mileage reduced the cost of driving and [doubled miles driven](#), leaving oil imports unaffected;

- The same legislation requiring increased auto mileage resulted in lighter cars and [increased traffic deaths](#), specifically an additional [7,700 deaths per gained mile per gallon](#);
- Welfare policies prescribing greater welfare payments for single mothers with [more children](#) resulted in an [increase in out-of-wedlock births](#);
- ObamaCare's requiring [numerous costly additions](#) to [health insurance policies](#) and [capping insurance rates](#) resulted in insurance companies' dropping [coverage and beneficiaries](#);
- The Illinois legislature's raising state [income taxes](#) 67% resulted in [surrounding states' courting](#) Illinois businesses and a likely contraction of the Illinois tax base; and
- Finally, in a still developing but particularly sad example, a group of critically ill CP patients at the East Anglia Research Unit apparently ignored the sun and clouds in an attempt to explain temperature changes. These poor patients went to [all lengths of fraud](#) to perpetuate their delusion. If asked, any healthy person would have certainly cautioned against assuming away the sun.

Obviously, CP has left a swath of ruin and destruction in its wake. It is noble but sad that some CP patients see their problem and self-medicate, always making things worse. Without fail, these patients double down and try to force their underlying assumption by restricting freedoms in order "to make all else constant." The Dodd-Frank legislation is a perfect example of this misguided naïveté.

Late-stage CP patients Chris Dodd and Barney Frank once naïvely hoped that all citizens might own their own homes and promoted the Community Reinvestment Act and Fannie Mae, thus [establishing mortgage loan offloading vehicles](#) and supercharging the home loan markets. Predictably, this resulted in an explosion in the number and type of mortgage loans, including higher-cost mortgages (interest only, alt-a, and subprime), and in credit losses, leading to many home foreclosures.

As if that were not enough, Dodd and Frank recently doubled down in an attempt to restrict banks from making any more risky or higher-cost loans. As usual, all else has not remained constant, and new alternative [hard money and payday lenders](#) are stepping in and providing necessary credit at even higher costs.

Like snake oil and leeches of yore, the Dodd-Frank type prescription is ineffective, and it often exacerbates the originally targeted problem (consider the [shortages](#) that always result from [price controls](#)).

Freedom is a serious irritant to those with CP, but the elimination of freedom is never a good idea. The only proven vaccine is education, and the only possible cure is alignment.

For the 67 million at risk, education is the key and the best avenues for such education are already in place -- [American Thinker](#), [National Review](#), [The Heritage Foundation](#) and,

[The Cato Institute](#) are great examples. Please support these great institutions any way you can, including reading, referring, participating, subscribing, joining, or contributing.

For the already sick, the more draconian protocol of alignment may be the only option. We must bring the real world to those who have never bothered to visit. For these late-stage cases, only the shocking potential of real economic loss ("Enhanced FPLFL Exposure") can reverse years of damage from the disease. Although not yet FDA-approved and still experimental, the Prosperity Index protocol offers the greatest hope of containing the CP scourge.

In Prosperity Index trials, a CP patient's compensation (whether the patient is a president, governor, congressman, attorney general, or journalist) is indexed to the Prosperity Index (an aggregate cocktail of unemployment, inflation, and loan default measures). When the Prosperity Index declines, so will the CP patient's compensation, thus eliminating the entitlement-producing effects of years of non-volatile compensation growth. The trials can be tailored to the patient's stage of sickness by applying a sensitivity factor to the Prosperity Index, ranging in magnification from 0.5 to 5.0. For example, the East Anglia patients or Barney Frank might require a 5x factor, meaning that their compensation would vary 5x more than the Prosperity Index. This protocol has proven to be a very persuasive treatment.

Please join me in fighting this terrible disease. Extreme charity will be necessary, but we all have a stake in this. Thank you.