

HUBRIS, ATE, NEMESIS: Pride, Ascent, Fall

THE CYCLE OF HUBRIS, ATIS, NEMESIS, AND TISIS

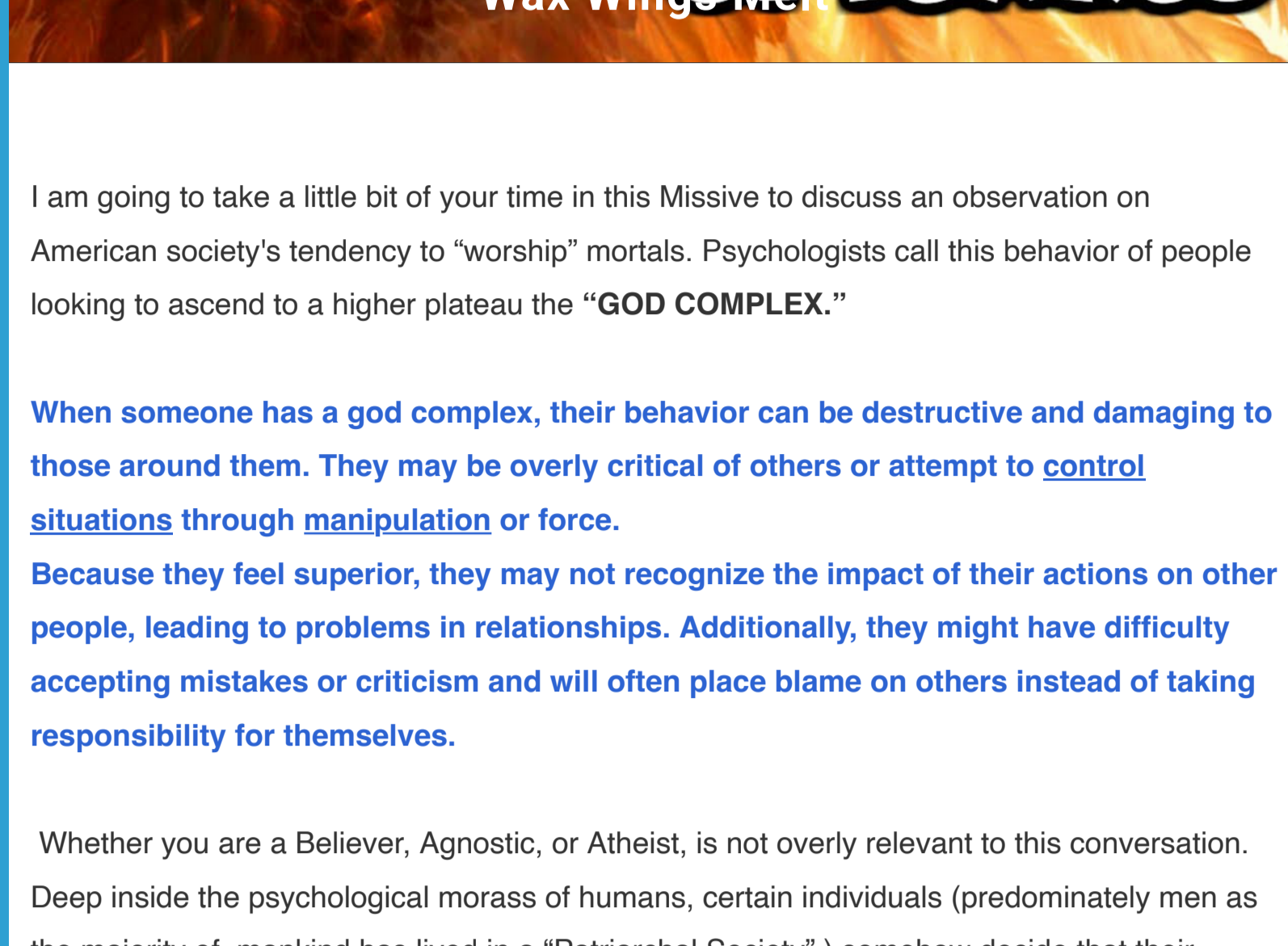
The ancient Greeks believed that Hubris inevitably triggered a series of responses from the divine world, creating a cycle that would bring about the downfall of the offender. Here's how the process was understood:

Hubris: The initial offense. It could be political, military, or personal arrogance—an act that disrupted the balance of society or nature. The person committing Hubris might, for instance, defy the gods or disregard moral laws.

Atis (Ate): Once Hubris was committed, the gods—often led by Zeus—would send Atis upon the transgressor. Atis was a state of mental blindness or delusion, where the offender continued on their reckless path without seeing the danger ahead. Their ability to reason was clouded, leading to further errors and sins.

Nemesis: After a series of offenses, the person's fate was sealed. Nemesis, the goddess of divine retribution, would exact vengeance on the individual, acting as a balancing force in response to their arrogance. The punishment was not arbitrary but proportional to the offense.

Tisis: The final stage of the cycle was Tisis, or destruction. This was the point of no return, where the individual faced total ruin—whether it be through death, exile, or another catastrophic end. The lesson was clear: no mortal could challenge the natural and divine order without severe consequences.

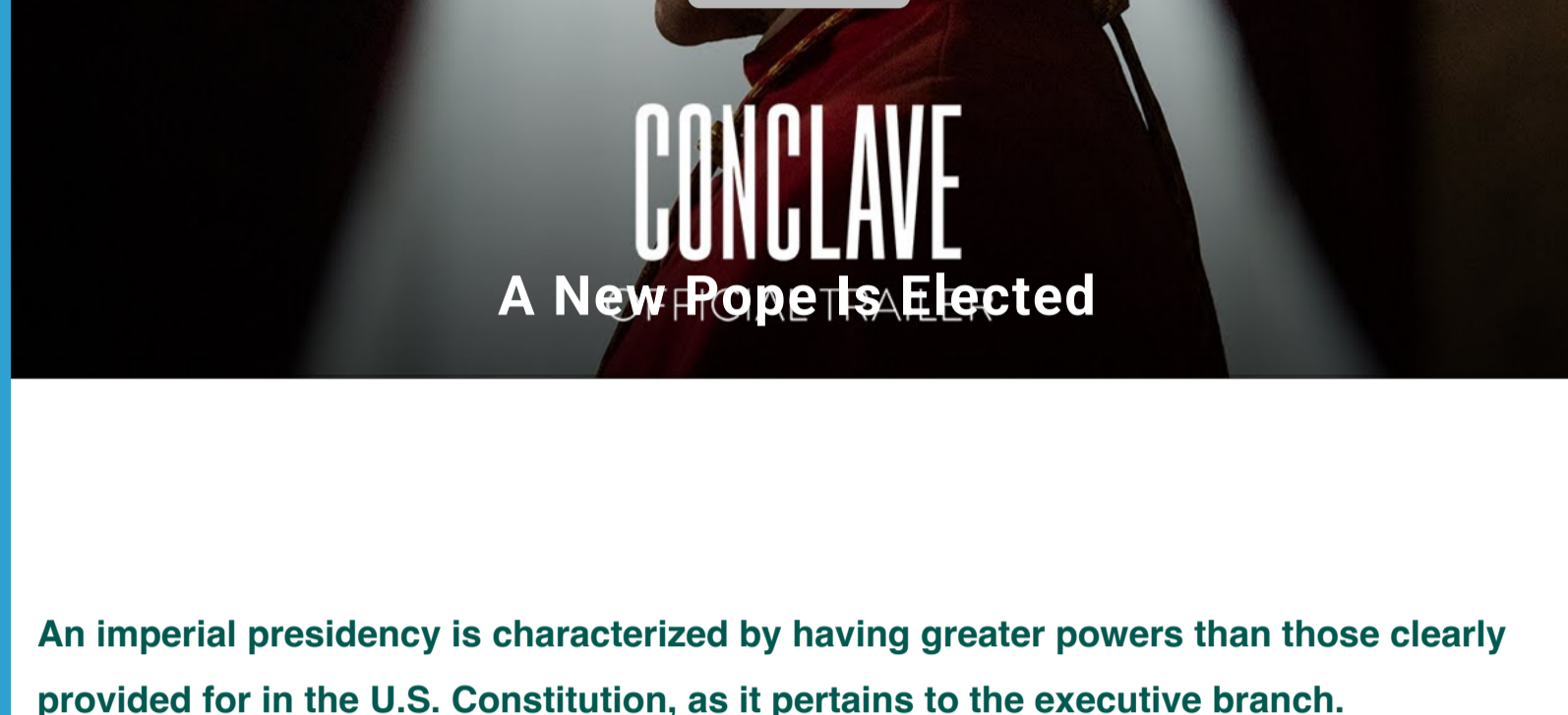


I am going to take a little bit of your time in this Missive to discuss an observation on American society's tendency to "worship" mortals. Psychologists call this behavior of people looking to ascend to a higher plateau the "GOD COMPLEX."

When someone has a god complex, their behavior can be destructive and damaging to those around them. They may be overly critical of others or attempt to control situations through manipulation or force.

Because they feel superior, they may not recognize the impact of their actions on other people, leading to problems in relationships. Additionally, they might have difficulty accepting mistakes or criticism and will often place blame on others instead of taking responsibility for themselves.

Whether you are a Believer, Agnostic, or Atheist, is not overly relevant to this conversation. Deep inside the psychological morass of humans, certain individuals (predominately men as the majority of mankind has lived in a "Patriarchal Society") somehow decide that their existence is holier than others. Let me be the last to cast aspersions (Yeah, Flight) upon a cadre of present-day Financial Masters of the Unwinverse, Political Hacks, Technology Bros., Media Charlatans, Religious Rasputins, and Morality Police who believe, in their heart of hearts, that they occupy a higher ground than us "MERE MORTALS." A Northwestern University friend of mine, (subsequently a "Big Foot" in healthcare at the World Bank) would utter a phrase when we would get into heated discussion of human behavior. Don Gerardo (his name has been changed to protect the innocent) would opine "Who Am I To Legislate Morality?" Certainly, not your humble narrator. On that thread, we recently watched the Oscar-nominated film "Conclave" about the College of Cardinals of the Roman Catholic Church selecting a new Pope. Though far from being a student of Roman Catholicism (my Jewish upbringing seemed to have missed catechism classes), it was fascinating to watch a bunch of "supposedly" celibate old men (120 to be exact with simple 2/3 majority required) decide (via political wrangling and devious machinations) who would become the next Holiest of Holy. Nuns were allowed to provide the essential domestic/administrative services, however their role was "To Be Seen, But Not Heard." Actually, the meeting of the Cardinals was not so different (minus the celibacy and a smattering of females) from our esteemed sclerotic U.S. Senate. I look around and see these "Holier Than Thou" pieces of flesh and bone dictating our collective morality and never cease to wonder "WHO IN THE HELL MADE THEM GOD?"



An Imperial presidency is characterized by having greater powers than those clearly provided for in the U.S. Constitution, as it pertains to the executive branch.

Origin of "Imperial Presidency"

The historian Arthur Schlesinger popularized the term with a book, *Imperial Presidency*, published in 1973. Schlesinger's book focused on what he saw as the abuses of the Nixon administration, and called on Congress to impeach the president for going so far beyond the bounds of his constitutional powers.

Schlesinger argued that, with the end of World War I and the onset of the Cold War, the United States had turned into the most powerful nation on earth.

By extension, the US president had become a kind of elected world emperor. More specifically, Schlesinger complained that Nixon was abusing war powers which should have been reserved for Congress

ince 1973, the term "imperial presidency" has been applied pretty routinely to many administrations, both Republican and Democrat.

n 2001, for example, the *Cato Institute* summed up President Clinton's tenure by calling him an imperial president.

The group argued that Clinton had been "Nixonian" in his foreign policy, and that he had completely bypassed Congress in his bombing of the Balkans and in his threats to invade Haiti:

As President Clinton's tenure ends, pundits are trying to define the "Clinton Legacy." Many have focused on the Lewinsky scandal and impeachment, but Clinton may find his legacy in a less sordid but no less shameful aspect of his presidency: his abuse of executive authority in foreign affairs.

Undeclared wars and contempt for constitutional limits on presidential power mark Clinton's foreign policy.

Future historians may well remember Clinton as the man who ensured that the "Imperial Presidency" would not vanish with the end of the Cold War."

A few years later, the *New York Times* was applying roughly the same language to the George W. Bush administration:

The war is hardly the only area where the Bush administration is trying to expand its powers beyond all legal justification. But the danger of an imperial presidency is particularly great when a president takes the nation to war, something the founders understood well. In the looming showdown, the founders and the Constitution are firmly on Congress's side.

President Obama's critics also accused him of abusing executive powers, especially when it came to immigration, relations with Iran, and natural gas. (His critics on the left complained about his allegedly illegal use of drone strikes, too.)

As it happens, Donald Trump was the first president in recent memory to not face accusations of being "too strong."

Still, Trump's critics complain that, even when the president is in a weak position, he may be misusing the powers of the presidency.

At least, that's what one op-ed in the *New York Times* suggested:

The president may seem weak, but the presidency remains strong. Mr. Trump has illustrated that even a feeble commander in chief can impose his will on the nation if he lacks any sense of restraint or respect for political norms and guardrails.

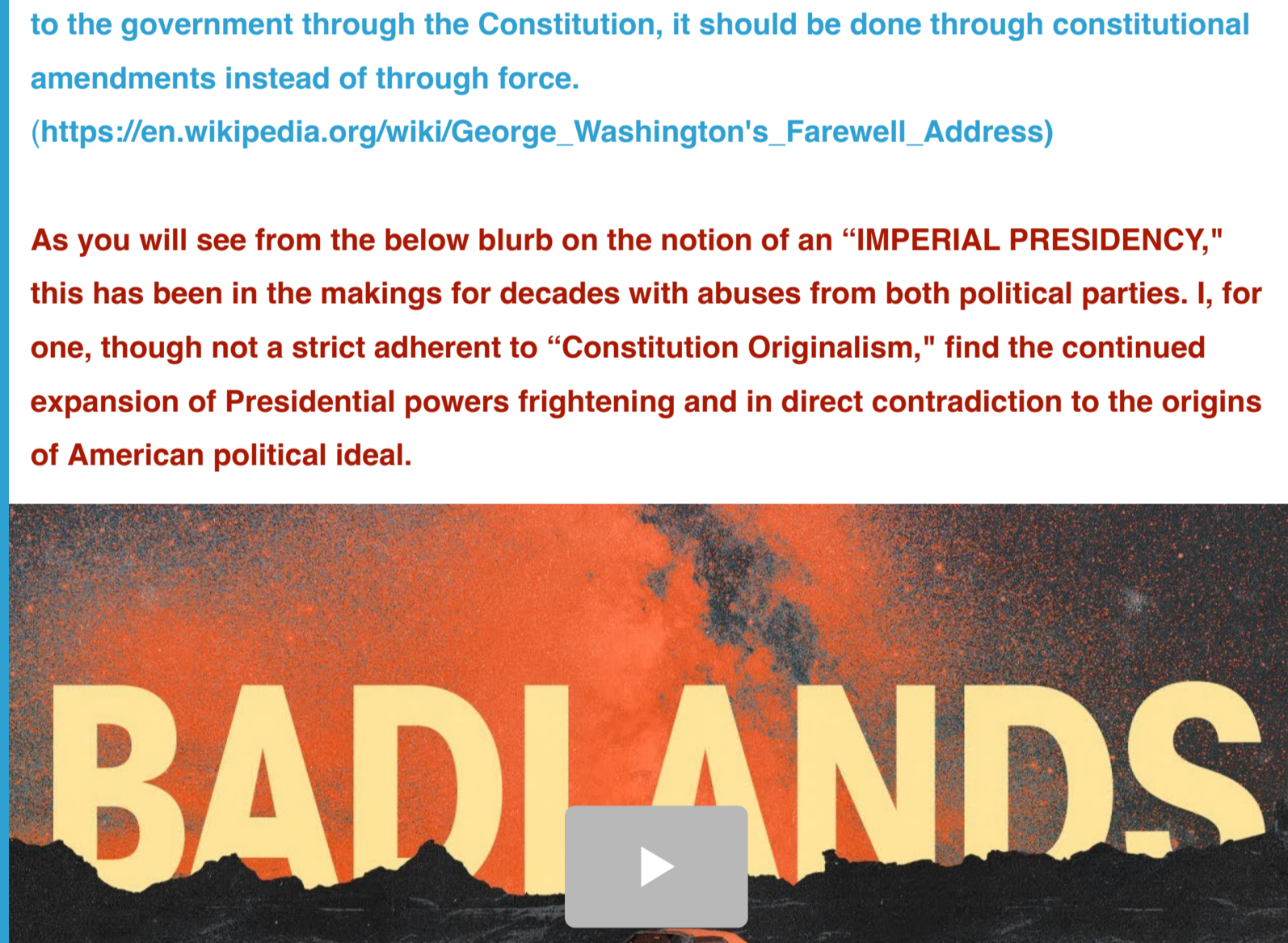
True, Mr. Trump has not been able to run roughshod over Congress or ignore the constraints of the federal courts. But he has been able to inflict extensive damage on our political institutions and public culture. <https://politicaldictionary.com/words/imperial-presidency/>

The American Revolution was founded to rid the 13 colonies of an oppressive, tyrannical King. George Washington stepped down from his presidency when he could have continued in that role. He had no desire to be looked upon as a "King" and abhorred the concept of a ruling class. His comments in his farewell address should be heeded if one is paying attention (and who isn't) to the attempt by the Executive Branch to usurp the power of the Legislative/Judicial branches.

Washington continues his defense of the Constitution by stating that the system of checks and balances and separation of powers within it are important means of preventing a single person or group from seizing control of the country. He advises the American people that, if they believe that it is necessary to modify the powers granted to the government through the Constitution, it should be done through constitutional amendments instead of through force.

(https://en.wikipedia.org/wiki/George_Washington's_Farewell_Address)

As you will see from the below blurb on the notion of an "IMPERIAL PRESIDENCY," this has been in the makings for decades with abuses from both political parties. I, for one, though not a strict adherent to "Constitution Originalism," find the continued expansion of Presidential powers frightening and in direct contradiction to the origins of American political ideal.



I subscribe to a newsletter (paulsonperspectives@substack.com) where Jim Paulson provides incisive commentary about the economy, interest rates, stock market, U.S. dollar and other pearls of wisdom. He is fond of charts (And you know that I LOVE CHARTS) to look back at the past and attempt to foresee the future. We all understand that soothsaying is a treacherous way to make a living when money is concerned. Nonetheless, Paulson really gets down to the "Nitty Gritty" on all things financial. I found one of his recent Perspectives timely with the droning about Recession and Bear Markets amongst the economists and investment gurus. I urge you to "Take A Peek" see what your take is.

Less Bear Markets!

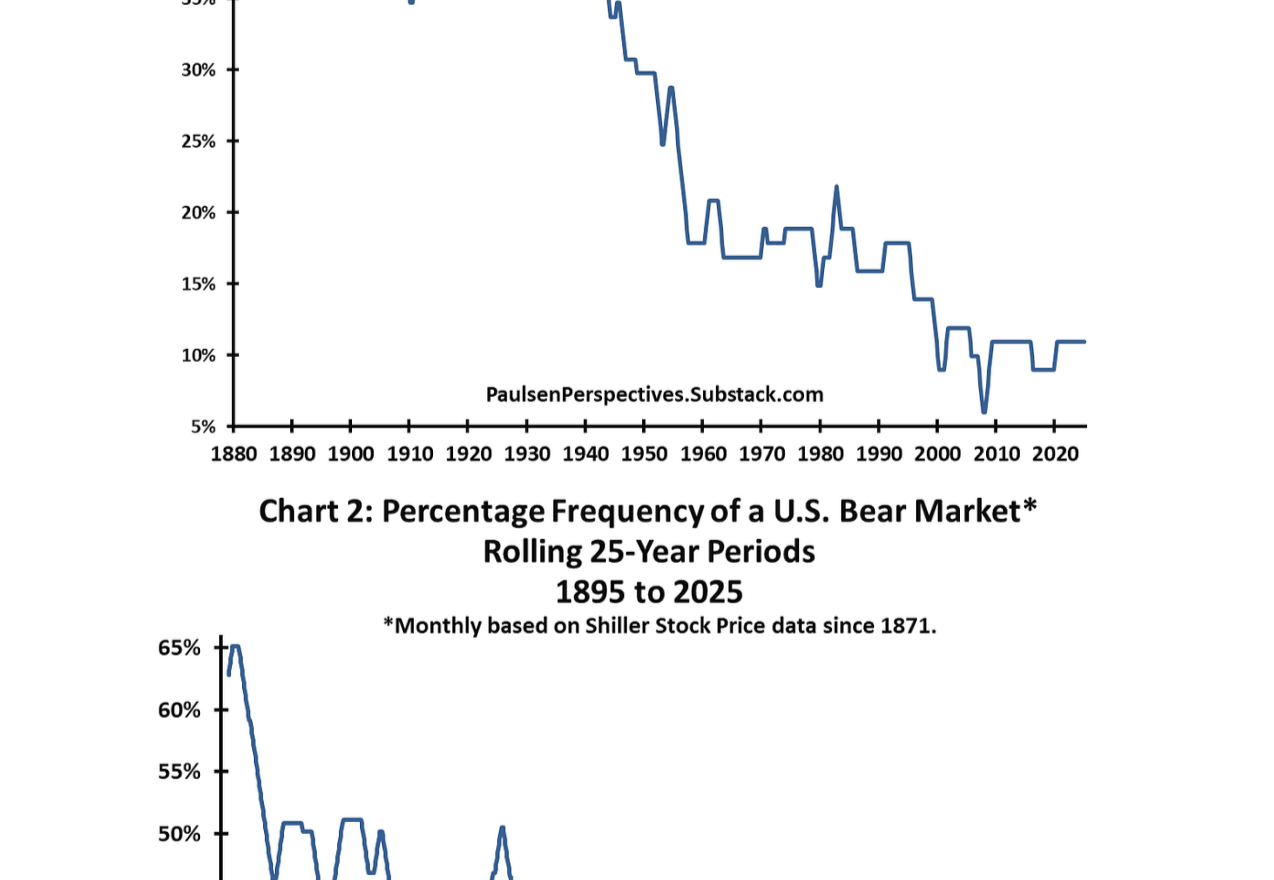
The stock market can and has suffered bear markets without the U.S. entering a recession (2022 was the most recent example), but generally the two are joined at the hip. Moreover, bear markets during ongoing economic expansions tend to be shorter and shallower compared to recession-linked bear markets.

As demonstrated in chart 1, between 1854 to 1940 the U.S. economy was in recession nearly 45% of the time. Imagine investing in the stock market when the economy suffered a recession about every two years! Market timing must have been extremely popular, and the "buy & hold" strategy was probably futile. After the Great Depression, however, recession frequency declined by one-half between 1940 to 1960, dropping from about 40% to about 20%. Then after stabilizing between 15% to 20% until the middle-1990s, recession risk dropped meaningfully again to only about 10%.

As chart 2 highlights, significantly reducing the frequency of recessions has also substantially reduced the occurrence of bear markets. This chart looks very similar to chart 1. Between 1871 to 1940, the U.S. stock market was in a bear market almost 49% of the time while the economy was in recession nearly 43% of the time. By contrast, during the last 25 years, the economy has only experienced a recession about 11% of the time while bear markets have been in play only about 15% to 20% of the time.

Perhaps unsurprisingly, much lower recession risk has been associated with considerably less stock market risk. Prior to 1940, the U.S. experienced recessions and bear markets nearly every other year. In the last quarter century, recessions have occurred only about once every ten years while bear markets about once every seven years. Based on this dramatic downward shift in the frequency of bear markets, whatever the conventional average portfolio allocation toward stocks was in 1940, today's average allocation should probably be much higher.

Bottom line? For long-term investors, extended economic expansions and less frequent recessions make today's stock market risk profile probably less than at any time in U.S. history!

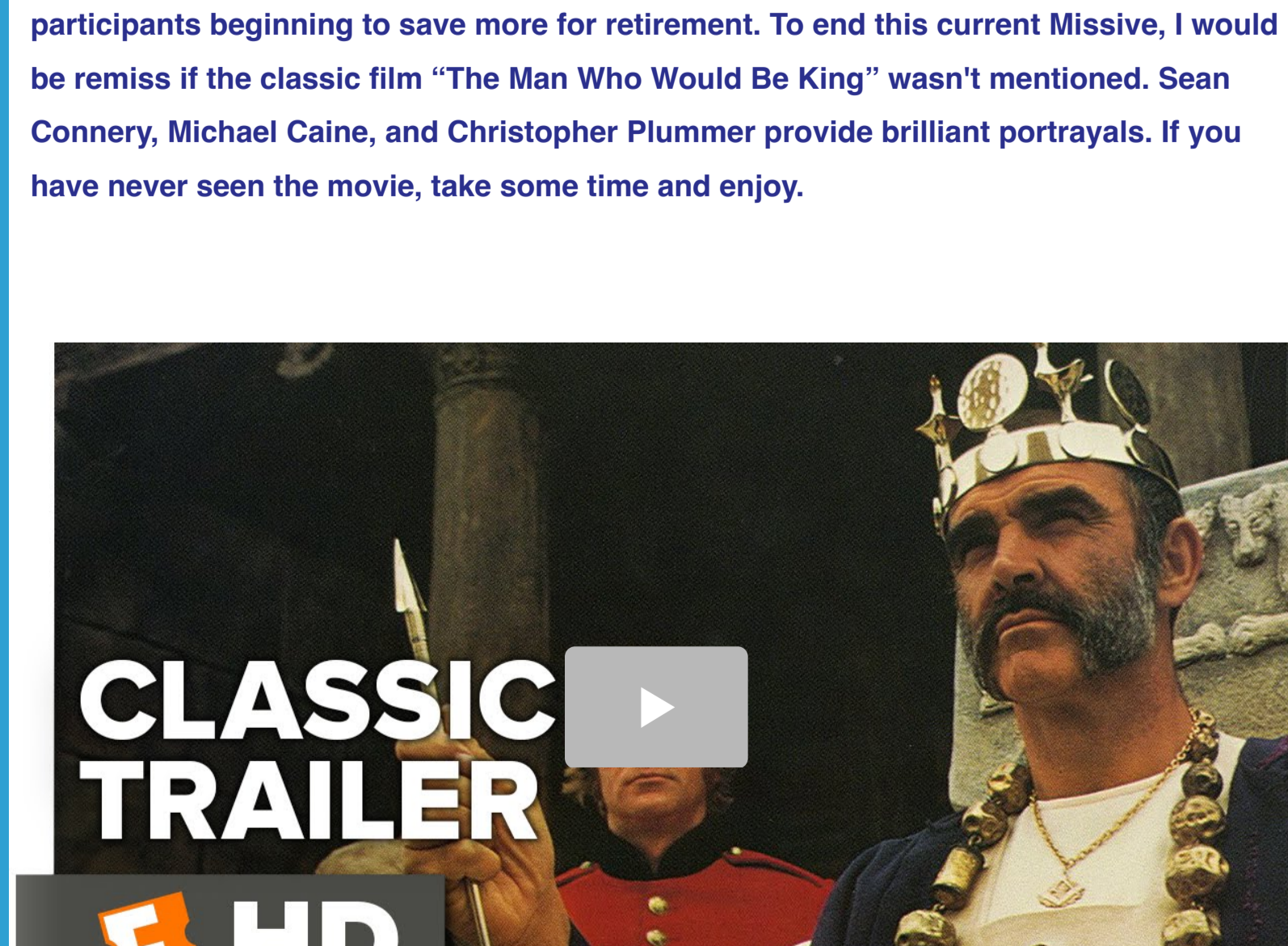


The golden years grind – Nearly 50 years after the introduction of 401(k) plans, 50% of private-sector workers are now using them to save for retirement, and around 70% have access to the plans. A decade ago, only 60% had access and 43% were contributing. Despite the pickup in adoption, about 40% of workers aren't saving enough to maintain their lifestyle throughout retirement. (Source: *The Wall Street Journal*)

We, at The Prizant Group, find the above numbers troubling. Knowing full well that entitlement under 500 employees have a 26% retirement plan adoption rate, seeing the 50% participation rate and 40% of those participants NOT saving enough; we come to the unsurprising conclusion of systematic failure. Say what you want about stock market returns, ability to manage your own retirement money and the beneficence (Questionable) of American employers; the retirement plan system AINT WORKING. I wish there were easy fixes. As the cost of living continues to increase exponentially, my learned opinion is the numbers will get worse. I have little (if any) hope of Congressional support for the next four years. With cuts to Medicaid/Medicare/SNAP on the table in the 2025 tax legislation to replace the Tax Cuts and Jobs Act of 2017, I firmly doubt that Congress will be looking to provide further benefits for the masses.

SECURE 2.0 with it's start-up tax credits (very generous), automatic enrollment/escalation, and increased plan flexibility has done a nice job (Unexpected) of creating new plans in the small employee sector.

Ultimately, the "Proof In The Pudding" will be seeing greater plan adoption by employers with <100 employees, increased participation by lower paid workers, and participants beginning to save more for retirement. To end this current Missive, I would be remiss if the classic film "The Man Who Would Be King" wasn't mentioned. Sean Connery, Michael Caine, and Christopher Plummer provide brilliant portrayals. If you have never seen the movie, take some time and enjoy.



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