Many observers dismiss, or at least question, the market?s rise since around 2013 as mere ?multiple expansion.? That means the prices of stocks have risen disproportionately to underlying earnings, and either prices must decline or earnings must catch up in order to return to some normal or historically average PE multiple. In a recent [blog post,] serving as the latest installment of *[?stockbroker economics,?]* Barry Ritholtz argues that all bull markets involve multiple expansion. *(We accept Andrew Smithers? definition of stockbroker economics ? 1. All news is good news. 2. It?s always a good time to buy stocks.)* Using a chart from Mark Lehmann at UBS, Ritholtz asserts that all bull markets consist of rising PE multiples. The chart also shows PE rising overall in recent decades. The implication *(it?s not really a fully formed argument)* is that those who distrust the market rally of recent years as mere multiple expansion don?t realize that all bull markets involve multiple expansion. **There?s multiple expansion and there?s multiple expansion** It seems reasonable and not that surprising that all bull markets involve multiple expansion. But what would make Rittholtz?s post more complete is if it asked what kind of expansion is reasonable and what kind isn?t. For example, using the Shiller version of the market multiple, is the PE moving from single digits, or from 10 to 20? Or is it moving from 20 to 30? Or is it moving to 44 as it did in the late 1990s? Investors should want to know that, but Ritholtz doesn?t mention it. Perhaps Ritholtz thinks all prices are *?random walks?* and that nobody can say what is a reasonable price to pay for stocks and what isn?t. But he doesn?t say that, and the reader is left wondering what he thinks about that important question. Does the market get prices right, and deliver inflation-beating returns to long term investors over, say, every 10-year period? We don?t know from reading the post. What about the upward trend of PE ratios from the 1980s? Is that justified or not? It is possible to comment or make an argument about that. After all, investors like Rob Arnott and Jeremy Grantham, who organize the portfolios they manage around valuation have implied recently that it might be too rigid to treat historical averages as immutable. But we don?t know what Ritholtz thinks. All we know is that Ritholtz doesn?t make an argument. He only gestures in this direction. When reading Ritholtz?s post, one is reminded of the ancient Greek philosopher, Cratylus, who thought language was inadequate to describe reality. Appropriately, Cratylus wound up moving his finger instead of speaking. I don't know what Cratylus would say -- or motion -- about a Shiller PE of 32. Cratylus was a student of Heraclitus who thought the world was always in flux and that nobody could "walk into the same river twice." According to Aristotle, Cratylus said you can't even walk into it once. Maybe there's a new normal, or even an ever-changing normal, for stock multiples, but advisors should think hard if they're going to bet on that with clients' money. If you think your advisor isn't assessing risks adequately, please click the link above to schedule an appointment and tell us which article drove you the link.