

CIGAR BOX BULLETIN

Retired Men's Association of Greenwich, Inc.
37 Lafayette Place, Greenwich, CT 06830



www.greenwichrma.org

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SCRIBE: JOE ANGLAND

"The greater damage for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it." – Michelangelo

President **JOE MANCINELLI** opened the meeting, and **ARNOLD GORDON** led the members in the Pledge of Allegiance. With **JIM SANTORA** accompanying on the piano, **JERRY SCHWENDEMAN** led members in singing "Yankee Doodle Boy," "Those Were the Days," and "Put on a Happy Face."

ANNOUNCEMENTS

JOE MANCINELLI reminded members that their \$100 annual dues were payable now. A check made out to the RMA can be handed or mailed to **JEFF JUNKER**. On **JOE's** recommendation the RMA's proposed budget, which had been posted for the past two weeks, was unanimously approved.

Corresponding Secretary **ARNOLD GORDON** began with a story about the origins of the Pledge of Allegiance. It was first composed by Captain George Thatcher Balch, a Union Army Officer during the Civil War and later a teacher of patriotism in New York City schools. The text used today was largely devised in 1892 by Francis Bellamy, a socialist minister, and was not formally adopted by Congress as the official pledge until 50 years later. The most recent alteration of its wording came on Flag Day in 1954, when the words "under God" were added. **ARNOLD** explained that in the phrase "... one nation under God,

indivisible....” there is no comma after “nation,” as pointed out by Chuck Standard to our group many years ago. Therefore, when reciting it, no pause!

ARNOLD then mentioned that concerns are arising about the new virus on the block, the African-derived monkeypox. Contrary to some beliefs, the disease is not a sexually transmitted infection. As of now, it has been seen in 30 countries, including the U.S. There seem to be two different genetic strains. Much is still unknown about the virus, but there is no need to lose any sleep about it at this time. Here are links to two articles with lots of details about the new virus:

[Article from CDC](#)

[Article from MedialNewsToday](#)

ARNOLD raised the topic in order to point out that next week’s speaker, Jim Knox, curator of education at the Beardsley Zoo in Bridgeport and a science adviser to the Bruce Museum, will return to the RMA in person to tell us about “Zoonotic Diseases: What We Need to Know to Keep Ourselves and Our Animals Safe.” A zoonotic disease is one transmitted from animals to people, such as West Nile, Zika, coronaviruses, and most recently, monkeypox. It will be an important presentation and all are urged to attend or watch on Zoom.

Changing roles, **ARNOLD** then became jokester for the week. In typical fashion, he began with some word play: If lawyers can be debarred and clergymen defrocked, shouldn’t it follow that electricians can be delighted, musicians denoted, models deposed, tree surgeons debarked, and dry cleaners depressed? He then told a tender tale related to him by a bagpiper about what was intended to be a graveside service for a homeless man but devolved into a homage to plumbing.

BOB PHILLIPS previewed the presentation by today’s speaker, Larry Kantor, an economist who will address the state of the U.S. economy, with a particular focus on the problem of inflation. The title of today’s presentation is “Inflation Changes Everything: Implications for the Economy and Financial Markets.”

DON ROTZIEN noted that because of inclement weather the ROMEO luncheon planned for tomorrow has been rescheduled for 1:00 p.m. on Thursday, June 16, at Greenwich Point, at

the tables behind the second concession stand. Bring your own lunch. If you don't have a beach pass, tell the guard that you are with the RMA, which should allow your admittance.

JIM SANTORA noted that last week's food drive (which he and **TONY FitzPATRICK** organized) collected \$1,000 in checks and ten baskets of food and essential items for Neighbor-to-Neighbor.

PETER TUNLEY reported that there were 102 outside volunteer hours from 13 members and 36 inside volunteer hours from 11 members.

RUSS HARDEN reported that there would be a memorial service for **JAN MEYER** (whom he had eulogized at a prior meeting) this Saturday at 11:00 am at the First Congregational Church in Old Greenwich.

PETER STERN reported that 90 members were in attendance, including 13 by Zoom. In addition, Paul Barbian was present as a guest of **DAVID MICHONSKI**, and Seth Brauer was present as a guest of **BOB SAMUELS**. **PETER** acknowledged the following birthdays:

GEORGE	DIPPY	88
BOB	MORGAN	86
MICHAEL	AMBROSINO	77

PETER noted that we had two returnees: **TOM HEALY** from Salt Lake City and **LEE LUNDY** from Oregon. He also noted that Francesca & **ARNOLD GORDON** recently celebrated their 58th wedding anniversary.

ARTHUR STAMPLEMAN announced that the RMA tour of the PepsiCo Sculpture Garden would be on Thursday, June 23. All 30 spaces have been spoken for. Email **DON CONWAY** (spiderduck4@gmail.com) if you want to get on the waitlist or if you have signed up and want to cancel. Those attending must bring the PepsiCo waiver form they should have received.

MIKE HAYDEN brought to the attention of members a book written by Allen B. Ballard, a teammate of his on Kenyon's undefeated 1950 football team, entitled *Keep on Moving*. The book provides a helpful analysis of technology for those with mobility challenges, such as recumbent trikes, mobile scooters, and electric bikes.

FUN AND GAMES

Pickleball: **PAT MacCARTHY** reminded members that pickleball is played, weather permitting, on Monday and Thursday mornings from 10:00 a.m. to noon at Christiano Field. Last week we had the best turnout since the early Fall, with 12 members participating. **PAT** advised that there are extra racquets available and urged members to try out the sport, suggesting that they email him (pmaccarthy415@gmail.com) if they want to be added to the list or receive a free lesson. He ended his presentation with an impressive pickleball volley.

Golf: **MIKE RYAN** reported that we had 16 players on a beautiful morning. **GRAN BURGESS** won all three contested holes. Well done **GRAN!** **CHARLIE ADAMS**, however, had the day's best score with an 83, followed by **GRAN** (94), **MIKE SMITH** (96), and **RICHARD BARTHOLOMEW** (98) and **RON MURRAY** (98). **MIKE RYAN** will be captain next week, followed by **JIM SANTORA** the following two weeks.

Walkers and Talkers: **TAD LARRABEE** reported that last Thursday the group visited the Weinberg Nature Center in Scarsdale and walked extensively through the adjacent Saxon Woods preserve, including stretches of the old Leatherstocking Trail from colonial times. The weather cooperated by limiting the rain and the trees were their umbrella. Please let **TAD** know if you want to be on the group email list. They explore many different areas within a half hour drive, and they usually walk about 2 ½ to 4 miles if the terrain is comfortable. The pace is relaxed and they walk for about two hours.



The Walkers also sit, from time to time

Tennis: **JOHN KNIGHT** announced that outdoor tennis will commence this Friday, June 10, from 11:00 a.m. to 1:00 p.m. at the Bruce Park tennis courts. Please respond to johnknight7@gmail.com if you would like to participate. Some players have expressed the desire to play from 10-12. Please indicate your preference. Also please confirm your availability to play on Fridays throughout the summer.

Bridge: **RON MURRAY** reported that the top scorers among this week's eight players were **JOHN FEBLES** (2820), **CHARLEY LAND** (2230), and **TONY COCCHI** (1800). Newcomers are welcome, regardless of skill level!

Hearts: **JACK SWEGER** reported that this week **CHARLIE GRAVES** won two games and **DON CONWAY** and **JOHN STANKUNAS** won one each. **JOHN KNIGHT** and **PETER BERG** each shot the moon once. Next week's captain will be **JOHN KNIGHT**.

TODAY'S SPEAKER

BOB PHILLIPS introduced today's speaker, Larry Kantor, an operating partner at Atlas Merchant Capital and former managing director and global head of research at Barclays. Prior to working at Barclays, Dr. Kantor held positions in academia, at the Federal Reserve Board, and at other financial institutions. He received his PhD and MA in economics from

Ohio State University. This was Dr. Kantor's seventh appearance before the RMA. He has been coming each June to share his views on the U.S. and world economy. The title of today's presentation is "Inflation Changes Everything: Implications for the Economy and Financial Markets."

Dr. Kantor began by emphasizing that he would look at the issues from a strictly economic perspective, in contrast to through the type of political lens that is often employed today in discussing economic issues. He then previewed his conclusion, noting that our current inflation problem would be difficult to deal with, likely being abated only by a recession of some degree. He noted that the underlying economic fundamentals were strong – e.g., a historically low unemployment rate and high demand for goods and services. Indeed, it is the strength of those fundamentals that suggests that dealing with inflation will be difficult, because low unemployment tends to push up wages and surging demand will create upward price pressure even if supply dislocations attributable to the Ukraine war and Covid are resolved.

Dr. Kantor noted that the largest source of the inflation problem was the Covid relief efforts which pushed an enormous amount of money into the economy in a short period of time. He observed that this did not necessarily mean that it was wrong to inject that amount of Covid relief, as addressing the short-term needs of individuals and businesses may have made it worth paying the price of inflation in the longer-term. But that price is being paid. Economics is called the dismal science in part because of its admonition that "there is no free lunch," and that principle applies to Covid relief efforts.

The Covid relief effort dwarfed the effort to support the economy following the last major financial crisis, the recession of 2008. The infusion of cash following the 2008 recession was about \$700 billion compared to the roughly \$5 trillion of Covid relief (about \$3 trillion during the Trump administration and \$2 trillion since Biden took office). To compound the situation, the Covid funds were injected into the economy in a shorter period of time than the recession relief funds.

The magnitude and speed of the Covid relief efforts proved to be more than can be readily controlled through ordinary monetary and fiscal policy. On the monetary end, interest rates had already hovered around zero, leaving little opportunity for the Fed to use its traditional inflation-fighting tool of decreasing interest rates. It did employ quantitative easing (QE), which basically involved its buying bonds on the open market. But, because it

did not anticipate the severity of inflationary pressures, the Fed was a bit slow in implementing QE, permitting inflation to build momentum.

It was the enhancement of demand resulting from the cash infusion, rather than problems with the supply chain, that accounted for most of the inflationary pressure. This is evident from the fact that after a sharp but brief decline in output in the first several months of the pandemic, both U.S. production and the amount of goods we imported soared well past their pre-pandemic levels.

Even without additional Covid relief, several factors suggest that the excess demand that is driving up prices will not abate readily. As noted, business fundamentals remain strong. Thus, profits remain high, and spending by businesses will keep demand high. Household wealth, meanwhile, is at record levels, leaving consumers positioned to spend at a high rate. Moreover, it does not appear that debt is overextended, meaning that consumers and businesses will likely not have to cut back spending for fear of being unable to repay debt.

Several factors that have kept prices low over recent decades are reversing themselves or at least abating. The fall of communism created low-cost suppliers to the U.S. like China and Vietnam, and that source of cost reduction has largely run its course. Costs decreased in recent decades because of just-in-time-inventory practices, but companies now appear inclined to maintain higher inventories (thus increasing their carrying costs) for fear of unexpected shortages arising from pandemics, war, or political instability. Similarly, concerns about autocratic or unstable governments may reduce the extent to which U.S. manufacturers will reduce costs by locating plants in low-cost countries. Finally, there has been a movement away from free trade, which had contributed to lower costs.

Dr. Kantor opined that the solution to the inflation problem would likely require a dampening of the demand created by Covid relief efforts and that such a decline in demand normally meant the economy would fall into a recession. While one hears discussions of achieving a “soft landing” when trying to combat inflation, that goal is more realistic when the aim is simply to curb the acceleration of inflation, rather than decrease the level of inflation which is the objective now given that it has already reached a significant level.

The market now appears to anticipate that the federal funds rate (basically, the rate that banks charge each other for short-term loans), which had been hovering near zero at the

outset of the pandemic and has increased to about 0.75%, will rise to about 2.5% later this year and 3.5% by the middle of next year because of inflation.

Dr. Kantor believes that higher interest rates and efforts to combat inflation will lead to a recession, although not necessarily a long-lasting one. Given the strength of underlying business fundamentals, stock prices might rise notwithstanding the slowdown in economic growth, but a decline in stock prices is also plausible if interest rates increase sharply.

Dr. Kantor concluded by answering a number of questions from RMA members. In response to a question about a recommendation he had made in a prior year, he reiterated that he believed it better to invest in index funds and similar ETFs rather than picking individual stocks. He noted that a decision to pick an individual stock is effectively a decision that you know more about the company or market than the experts at financial institutions who study the markets full time, because those institutions trade stocks so that they wind up priced at what the institutions believe they are worth.

With respect to cryptocurrencies, Dr. Kantor characterized them – especially those not tethered to the dollar or another stable currency – as purely speculative investments rather than as a real substitute for fiat currencies like the dollar. They account for a miniscule share of commerce, and given their wild fluctuations in value it is unlikely that this will change.

For those interested in seeing the full presentation, go to the RMA website and click on the video at <https://vimeo.com/user9053619/videos>.

IMPORTANT REMINDERS

TO CBB CONTRIBUTORS: Scribe for the next meeting, on June 15, will be →**BOB SHULLMAN**←. Please send a copy of any remarks you want included in the CBB to bob.shullman@gmail.com.

ALL MEMBERS: Do not forget to report all your inside and outside volunteer hours to **JOHN FEBLES** at jfebles13@gmail.com.

ALL MEMBERS are reminded that in addition to streaming on the Internet, RMA speakers are normally shown on the local public access TV channels, Verizon FIOS channel 24 and Optimum (Cablevision) channel 79.



ALL MEMBERS: Volunteers are needed to assist with audio, video and Zoom at our meetings. Please see **HORST TEBBE** if you can assist in this critical need.

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 Visit our website at <https://greenwichrma.org>

RMA 2022 CALENDAR

Weekly Repetitive Activities*			
Day	Time	Activity	Contact
Mondays	8:45 am	QiGong and Tai Chi Workout	Will Morrison – wdmorrison@gmail.com
Mondays	10:00 am	Pickleball at Christiano Park	Pat MacCarthy – pmacCarthy415@gmail.com Mark Geimer – mark.geimer@gmail.com
Tuesdays	Various tee times	RMA Golf, the Griff Golf Course, Greenwich	Mike Ryan – ryantomac@netscape.net
Tuesdays	10:00 to 11:00 am	Platform (paddle) tennis at Loughlin Field, Cos Cob	John Dean - Jhdeanco@gmail.com
Wednesdays	9:45 to 10:30 am	RMA Weekly Meeting	Horst Tebbe – onehorst@optimum.net or Len Carusi at lencarusi@gmail.com
Wednesdays	1:00 pm	Hearts	Bob Shullman – bob.shullman@gmail.com
Wednesdays	12:30 pm	Bridge	Andre Mazurek - Mazurek.a.j@gmail.com
Thursdays	9:00 am	RMA Walking	Tad Larrabee - tadlarra@optonline.net
Thursdays	10:00 am	Pickleball at Christiano Park	Pat MacCarthy – pmacCarthy415@gmail.com Mark Geimer – mark.geimer@gmail.com

Friday	11:00	Outdoor Tennis, Bruce Park	John Knight - johnknight7@gmail.com
Friday	1:30-3:00 pm	Indoor Tennis (resumes in fall)	Andy Holmes - Andyholmes56@gmail.com

*Day & time of some events may vary; check with contact