



**July 1, 2003**

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**Web Site:** [www.NewYorkCityRotary.org](http://www.NewYorkCityRotary.org)  
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**Luncheons: Tuesdays, 12:15 – 1:30 p.m.**  
**The Princeton Club – 15 W. 43<sup>rd</sup> Street**

# TRANSITION DAY



Silvio has understood how to best combine tradition with innovation - the results have been truly impressive. Silvio has increased membership with the addition of no less than 50 new members, many of which have in return already sponsored new members.

He has followed up on his promise of having more fellowship with great International Days and events such as the Kitano Fellowship evening and the Cornell Club Jazz event. The general atmosphere of the weekly luncheons has become more relaxed and participation to the luncheons has increased.

Furthermore, the International Breakfast has been a tremendous success, thanks to the great work of the International Service Division headed by Sylvan Barnet and Giorgio Balestrieri. "Rotary After Hours", arranged by Membership Co-Chair David Del Monte, has also been a big sensation.

But, most importantly, the many great speakers that Larry Parks, Chair of Programs, has once again organized for this fine club, has been a real triumph. Not only were the topics interesting but in many cases they gave our club visibility and good publicity.

President Silvio understood that the dialogue between the Foundation and the club was imperative for the realization of many grants and projects. He worked closely with the outstanding Chair of the Foundation, Morton Eydenberg, which led to the approval of \$100,000 for the eradication of Polio Plus and to the financial support of many more good causes.

Silvio Amori has built a basis from which the incoming President Greg Lynch can build on and has created great momentum in membership development.

This will be a day on which we look back proudly on a year with lots of accomplishments and look ahead to 2003-2004 and Greg Lynch's year. It is also a day on which we feel saddened that the term of a great President of the Rotary Club of New York, Club Number 6, comes to an end.

## **MEMBERSHIP PROPOSALS**

*The Board of Directors has approved the following applicants. Any written objections must be received at the Club office by June 30<sup>TH</sup>.*

**Liberio Romano** President  
**Company:** Itmas, Inc.  
**Suggested Classification:** Infrastructure Services  
**Sponsors:** Silvio Amori  
Raffaello Gherardini

**Denise Scotto** Legal Serice Provider  
**Company:** Self employed  
**Suggested Classification:** International Advocacy  
**Sponsors:** Zehra Basaran  
Silvio Amori

## **MARK YOUR CALENDAR**

**JULY 1<sup>ST</sup> – TRANSITION DAY**

**JULY 8<sup>TH</sup> – PRESIDENT’S DAY**

**JULY 15<sup>TH</sup> – JACK SELWAY**  
**Founder History of New York Website**

**JULY 22<sup>ND</sup> – DAVID DINKINS**  
**Former Mayor of New York City**

**JULY 29<sup>TH</sup> – FELLOWSHIP DAY**

**AUGUST 5<sup>TH</sup> – JAMES ROGERS**  
**Author, Investor**

**AUGUST 12<sup>TH</sup> – Stan Meltzer, Esq.**

**AUGUST 19<sup>TH</sup> – DG’S DAY**

**AUGUST 26<sup>TH</sup> – JOHN STEELE GORDON - Author**

## **HAPPY BIRTHDAY**



**JACK HAIKALA** JUNE 29<sup>TH</sup>  
**ALLISON ALESSI** JUNE 30<sup>TH</sup>  
**KEMAL PEKER** JULY 1<sup>ST</sup>  
**DAVID SERKO** JULY 3<sup>RD</sup>  
**HELMUTH FISCHER** JULY 9<sup>TH</sup>

## **REPORTER OF THE WEEK – JUNE 24, 2003**

On a beautifully warm sunny summer day, our club was lead into the national anthem by Allison Alessi accompanied by David Dingle. Tom McKinnon gave a graceful invocation. Berhard Fabricius introduced 9 visiting Rotarians from 7 countries and 2 states.

President Silvio inducted two new members: Sandra Navidi and Alessio Cioni.

Larry Parks introduced Dr. Stephen Kagann, the Chief Economist of the State of New York, who studies and works with the financial affairs of government at all levels.

Dr. Kagann spoke to our club two years ago, with more optimistic news than he delivered this visit.

Dr. Kagann gave us some statistics to quantify his concerns:

NYC Health Services from 1965 – 2002 are up 173.8%  
NYC Social Services in same time period are up 546.0%  
NYC private employment down 2.1%  
NYC population up 3.1%  
NYC Health & Social Services in 1990's recession:  
Dec '87 – Nov '92: Real Private Sector: down 15.5%  
NYC Health & Social Services up 19.6%  
NYC Health & Social Services in current recession:  
Jan 2001 – May 2003: Real Private Sector: down 9.2%  
NYC Health & Social Services up 5.8%

Changes in tax laws means a married couple with \$150,000 income and now earns \$150,001 must pay an additional \$611 in state and city taxes.

Every year from 1950 to late 1990's, NYC was in relative and absolute decline. In 1997 to 2000 the NYC economy was performing the best since 1950! Between 1950 and 1996, NYC underperformed the nation on both the up and down swings. In 1998 – 2000 NYC grew private jobs faster than the nation.

Sept 11 was an economic disaster equivalent to the earthquake in Kobe, Japan. Research has been done that finds pre-existing economic tendencies are magnified in the aftermath of disaster. Therefore NYC's large financial companies will probably leave NYC because of the tax burden and the lack of incentives - like eliminating the commercial real estate taxes that are now present.

In January 2002 new Mayor Bloomberg confirmed the negative impact of raising taxes, but taxes went up (cigarette taxes, income taxes and Property taxes), negatively impacting economic growth.

Up to 2003, the state took a hard line: tax increases already on the books would not be cancelled, no new taxes, or job-killing taxes. \$1 billion equals 45,000 private sector jobs, which equals 15,000 government workers, school workers, social workers, healthcare workers – you lose 45,000 and gain 15,000. So the result in these billions in new taxes will be hundreds of thousands of jobs lost to other parts of the nation. We will recover but the NYC recovery will be muted. That's the bad news....

Good news is that the national economy will recover...the federal policy is taxes are out, spending is in. President Bush's tax cuts have done three things: reduce nominal rates which means more dollars stay in New York, changed capital gains & dividends, which means more revenues and higher incomes.

Recovery in the stock market is good for the USA and NYS and NJ and CT!

President Silvio thanked Dr. Kagann, reminded us that next week is his last as president, and encouraged everyone to show up to wish him well.

LILLIAN COURY - ROTARIAN