



# HOWZAT!



## ROTARY CLUB OF NEWLANDS

“The club that appeals”



**President: Colin Burke**  
**Secretary: Lucian Pitt**



Be a gift to the world

Editor: Peter Ennis

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Rotary District 9350 website: [www.rotary9350.co.za](http://www.rotary9350.co.za)

22 February 2016

## WEEKLY UPDATE

P O Box 44735  
CLAREMONT  
7735

**MEETINGS:** Western Province Cricket Club Sports Centre, Ave De Mist, Rondebosch, every Monday at 18h00 for 18h15 (Except for first Monday of the Month which is a Partner’s Meeting, 18h30 for 19h00).

**ATTENDANCE:** Notice of apologies and guests and/or meal specifics to email Vanessa Rousseau at [rousseau@iafrica.com](mailto:rousseau@iafrica.com) and copy to Melinda Stapleton at [mjstapleton@webafrica.org.za](mailto:mjstapleton@webafrica.org.za) before 10h30 on Monday mornings please.

### Comment

*The Editor*

#### **Doing more with less: The economic lesson of Peak Paper**

*An interesting perspective by John Quiggin, professor of economics at the University of Queensland, Australia; especially when one thinks about the implications for our local South African economy*

For most of us, the industrial economy is a thing of the past. In the entire United States, large factories employ fewer than 2 million people. Even adding China to the picture does not change things much. And yet the conceptual categories of the 20th century still dominate our thinking. We remain fixated on the industrial model of economic growth, where ‘growth’ means ‘more of everything’, and we can express our rate of development in a single number. This model leads naturally to the conclusion that economic expansion must eventually run up against constraints on the availability of natural resources, such as trees to make paper.

And yet in 2013, despite positive growth overall, the world reached ‘Peak Paper’: global paper production and consumption reached its maximum, flattened out, and is now falling. A prediction that was over-hyped in the 20th century and then derided in the early 2000s – namely, the Paperless Office – is finally being realised. Growth continues, but paper is in retreat. Why did this seem so unlikely only a decade ago?

The problem is a standard assumption of macroeconomics – namely, that all sectors of the economy expand at a roughly equal rate. If this ‘fixed proportions’ assumption does not hold,

the theory used to construct GDP numbers ceases to work, and the concept of a 'rate of growth' is no longer meaningful. Until the end of the 20th century, these assumptions did in fact work reasonably well for paper, books and newspapers. The volume of information increased somewhat more rapidly than the economy as a whole, but not so rapidly as to undermine the notion of an overall rate of economic growth. The volume of printed matter grew steadily, to around a million new books every year, and the demand for paper for printing grew in line with demand for books.

In the 21st century, for reasons too obvious to state, these relationships have broken down. While the production and consumption of paper has slowed and declined, there has been an explosion in the production and distribution of information of all kinds. That includes digital versions of traditional publications, such as e-books and online newspapers, as well as new kinds of publications such as social media. In 2010, Eric Schmidt of Google estimated that 'Every 2 Days We Create As Much Information As We Did Up To 2003'. This claim has been the subject of some dispute, and is inevitably subject to definitional quibbles. However, it is about the right order of magnitude – and in any case, was out of date as soon as it was made. The study on which Schmidt drew estimated an annual growth rate of 50 per cent in the volume of information being generated. Extrapolating that growth rate to the present, the volume would now be around seven times as large.

This has implications reaching far beyond the confines of the paper industry. Information is now the primary engine of economic development, but we are still dealing with the intellectual legacy of the 19th and 20th centuries, when growth meant the ever-increasing use of fossil fuels to transform natural resources into goods and services of all kinds. In the 20th century, the dominant view was that this kind of growth could (and should) be carried on indefinitely. The dissenting view, epitomised by the report *The Limits to Growth* (1972) from the Club of Rome, held that the exhaustion of natural resources would bring growth to a catastrophic halt sometime in the 21st century.

A particularly influential version of the resource-based 'limits to growth' argument is that of Peak Oil. This claim begins the idea that the feasible rate at which oil can be extracted from a particular field or group of fields follows a bell-shaped curve, initially increasing, then reaching a peak (or, more realistically, a plateau), followed by an inevitable decline to zero. Extrapolating this idea to the world as a whole has led to the conclusion that its capacity to produce oil is about to reach its peak, if it has not already done so. And this is supposed to spell catastrophe. As many Peak Oil advocates would have you believe, when things start running out, the wheels necessarily come off the global economy.

The analogy with Peak Paper shows why these beliefs are false. In fact, the world reached Peak Oil in terms of consumption per person in 1979. In the developed countries, the decline in oil consumption per person has outpaced population growth with the result that total consumption is declining. The average person in a developed country now uses less oil than his parents did 40 years ago.

This remarkable change has attracted so little notice that it is worth trying to explain why. First, much of the reduction in energy use has taken the virtually invisible form of improvements in energy efficiency. Both industrial processes and household appliances use far less energy than they did in the past. Second, until fairly recently, the main substitutes for oil have been other fossil fuels such as coal and gas. It is only in the past 10 years that renewable energy sources, most notably wind and solar, have begun to play a substantial role, but this trend is now well-established.

Are these the only consumption peaks we can expect? Not at all. Peak Coal and Peak Steel have already arrived in the developed world. Coal consumption has fallen substantially in the US and Europe, and is set to fall even further. Until recently, the decline in fossil-fuel use in the developed world has been more than offset by rapid growth in developing countries. But even China – by some distance the planet's largest coal consumer – has changed course:

beginning with Beijing, it has begun closing down all the coal-fired power stations near major cities. In fact, China reached Peak Coal in 2013, at the same time as it reached Peak Paper.

The case of Peak Steel is even more interesting. Steel lasts a long time and can be recycled almost endlessly, but demand is finite. In developed countries, the stock of steel reached about eight tonnes per person decades ago, and has remained stable or declined slowly since then. With the stock of steel on a gently sloping plateau, the need for more can be met almost entirely by recycling scrap, rather than by burning coal to smelt iron ore in blast furnaces. The result has been described as a 'circular economy'. When it arrives, Peak Steel will have been reached.

Contrary to what Peak Oil alarmists claim, these developments do not imply a reduction in living standards or an end to the process of economic development. Rather, the information economy in which we are now living allows us to break the link between improving living standards and unsustainable growth. In the process, we have the chance to realise some of the most appealing aspects of the 'degrowth' idea proposed by the Club of Rome. The information economy allows us to abandon the 20th-century social model in which adults spend most of their days in an organised workplace. Instead, much of the value in the information economy is generated by informal interactions through various forms of social media. Combining this trend with steadily increasing productivity makes it possible to envisage a massive reduction in formal working hours, perhaps to the 15 hours a week envisaged by Keynes nearly a century ago.

On the other hand, the world of Peak Paper is not the kibbutz archipelago of localism and self-sufficiency envisioned by the Club of Rome. Rather it is one in which people interact in many and complex ways, largely unconstrained by location. Its full implications will be hard to discern, however, until we break with the mental categories of the 20th century, and develop new ways of thinking about the information society.

<https://aeon.co>

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## Previous Meeting

**Minutes of the meeting on 8 February 2016**

**Scribe: Mike Young**

Sergeant Bill opened the meeting

President Colin welcomed all the Rotarians and guests Lance Brown, Horst Doorrrer and Rami Sayed as well as guest speakers Marie Chevrrie and Lazney Trequesser.

The 4 way test was read by Paul Spiller

The Grace and Toast was read by Richard House

The Wine raffle was won by Menno de Wet

Paul Spiller introduced the speaker, Marie Chevrrie, who told us about her club in Burgundy and then about the Delft big band.

Billy Meyer thanked the speaker.

Supper was served.

The following spots were given:

Bill mentioned the Battle of Britain concert on 29th February.

Menno reminded us of the membership meeting on 29th Feb and District membership on 12th March at J P Duminy hall from 8:15 to 12:00

Lucian thanked Billy for looking after the secretarial duties in his absence and presented him with a gift in appreciation.

Andy called for an entrepreneurial meeting after the general meeting

Terry notified us about 3 meetings and reminded us to fill in personal details.

Colin started to raffle 3 day holiday in Oudtshoorn but put it off until a partners meeting. He then

Reminded us to register for Stellenbosch conference

There is a board meeting at 6 on Wednesday

Car rally on 22nd May

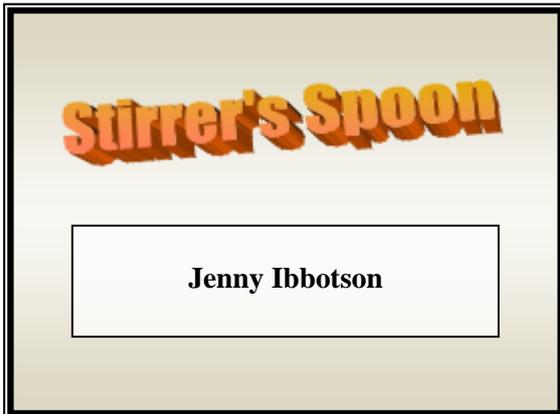
Thanked Jenna for decorating the tables.

Bill then collected happy rands and closed the meeting.



[www.facebook.com/newlandsrotary](http://www.facebook.com/newlandsrotary)

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[Newlands Rotary Club Runner Calendar](#)

#### FUTURE FIXTURES

Year Planner

Please advise the secretary promptly of any additions or changes

#### February 2016

Mon 22 Business

Sat 27 RI Economic conference

Mon 29 Membership evening

#### March 2016

Sun 6 Cape Town Cycle Tour

Mon 7 Partners – Cycle Tour Feedback

Mon 14 Ordinary

Mon 21 No meeting – Public Holiday

Mon 28 No meeting – Public Holiday

#### April 2016

Sun 3 Rotary Family Fund Day

Mon 4 Partners – Int & Voc evening

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**Happy  
Birthday**

27 February  
Pippa McLeod

22 February  
Vanessa Rousseau

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## Music Rooms Project

Members will recall that at a recent meeting John Winship discussed a proposal for the next Penbev CSI project for music rooms at the Steenberg High School. Here are some pics



View towards position of proposed new music rooms



View from proposed music rooms towards quad



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## UMPIRES AND SCORERS

DATE	22 February	29 February	7 March	14 March
MEETING	<b>Business</b>	<b>Membership Evening</b>	<b>Partners/War Stories</b>	<b>Ordinary</b>
SERGEANT	<b>Pippa McLeod</b>	<b>Jenna Monk</b>	<b>Nora See</b>	<b>Jenny Ibbotson</b>
4 WAY TEST/ OBJECT	Michael Walwyn	Rochelle Malherbe	Jenny Howard	Bill Holland
GRACE & TOAST	Brian Pickup	Christine Calothi	Lew Botha	Paul Spiller
ATTENDANCE	Richard Burnett	Melinda Stapleton	Johan Beukman	Menno de Wet
FELLOWSHIP	Regine le Roux	Graham Finlayson	Lucian Pitt	Daphne Lyell
MINUTES	Wybe Meinesz	Andy Ismay	Richard House	John Stephenson
COMMENT	Tony van der Lith	Shân Biesman-Simons	Graham Lowden	Bill Meyer
THANK SPEAKER				Janey Ball
INTRO SPEAKER				Michael Walwyn

**Invited  
GUEST SPEAKERS**

14 Mar **Anthony Galloway** – LEAP  
School update

If you cannot do your job on the day, please find someone who can do it instead of you, then contact the Sergeant on the day to update the roster. Please don't leave this until the Monday afternoon – let the Sergeant know in advance if you have not been able to arrange a swap. If you are going to be away for particular future meetings let Peter Ennis know.

**Comb over fail**



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## Rotary Club of Newlands Office Bearers

Colin Burke	President	colinburke@mweb.co.za
Lucian Pitt	Secretary	secretary@newlands.org.za
Peter Ennis	Treasurer	treasurer@newlands.org.za
Chris Beech	President Elect	chris@aaam.co.za
Brian Pickup	Community Service	brianp@automac.co.za
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Chris Beech	Membership	chris@aaam.co.za
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Regine le Roux	Public Relations	rotary@reputationmatters.co.za
Johan Beukman	Youth Service	jbeukman@netactive.co.za

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## Books for the World

For all educational school books and novels for age from early education to High school

**CONTACT: FRANCOISE NDAYIZIGIYE 0737317056**

**St Anthony's Catholic Church, Ndabeni Street, Langa**

