

Editorial

BITCOINS

What Are Bitcoins?

As technology continues to advance at a rapid rate, so too has finance. Today, the world is looking for new ways to invest their money and transact business. The bitcoin has become a leading indicator of that desire and can be used to buy articles, pay accounts or transfer funds. A cryptocurrency (e.g. a bitcoin) is not tied to any country or economy. Instead, it's 100 percent decentralized and powered by math using complex algorithms that run on powerful computers.

The computers are housed in huge warehouses, called "Farms", which take up areas as big as a football pitch under one roof. The electricity required to run a farm is immense, not only to run the thousands of processors but, mainly, to run the required cooling system. Miners of bitcoins and other cryptocurrencies could require up to 140 terawatt-hours of electricity in 2018, about 0.6% of the global total (SA produces about 240 terawatt-hours),

A key element to the success of bitcoin technology is ensuring its accuracy and the methodical release of additional currency over time. Mining accomplishes both tasks as miners discover and obtain bitcoins by completing specific very complicated tasks.

Mining

Bitcoin mining is the process by which transactions are verified and by adding transaction records to the public ledger, known as the block chain, and also the means through which new bitcoin are released. The mining process involves compiling recent transactions into blocks and trying to solve a computationally difficult puzzle.

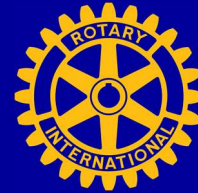
When a "block" of transactions is created, bitcoin miners initiate a process that confirms its accuracy. They take this block and apply a mathematical formula, turning that initial sequence into something much shorter. The outcome is a more compact sequence and truncated patterns of letters and numbers that is also called a "hash."

Each new block is produced using the hash of the block before it. This is one way the accuracy of the block is confirmed. This process creates a "wax seal," which says this block and the one before it is accurate. Let's say you decided to tamper with the block. If so, everyone would know instantly because of this process – and it would be spotted as a fake.

Miners are not trying to verify only a single transaction – they are working to verify many. All transactions are locked into boxes with a virtual lock. Miners are running software to locate the "key" that opens that lock. Once the computer finds it, the box is opened, the transaction is verified, and the miner receives 12.5 bitcoins.

WYNPRESS

The Rotary Club of Wynberg



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**Barry Cleveland, Lina Howard,
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January Rotary Theme
Vocational Service Month

Wynberg Rotary meet every
Thursday, 6 for 6.30pm,
Palm House, Wynberg.

For more information about our
club, like us on Facebook or visit
our website:

Wynbergrotary.org.za

However, completing these tasks is not easy. It's like finding a needle in a haystack. In fact, the estimated number of attempts to find the correct key is about 1.7 billion, and a bitcoin reward is given out about every 10 minutes. Key to success is having the right tools in place. To speed up the process miners use computer graphic cards and the demand is so great that the cost of the cards has escalated enormously.

The Future

In 2017 bitcoin's value rose from about \$1,000 to as much as \$19,000, often with swings of thousands of dollars a day. (On 22/01/18, it is traded at about \$10,861.) Bitcoin's popularity has also made its network much slower and sent transaction fees spiralling. In late December, sellers had to choose between waiting hours and sometimes days for their transactions to go through or paying an average \$55 fee to jump the line. (In mid-2016 such fees topped out at about 15¢.) That's made bitcoin impractical for everyday transactions, such as \$3 cups of coffee. Anyway, who would use it for a transaction when it could double in value in a few days?

Because only 21 million bitcoins will ever be issued, there's a case to be made that the currency is simply evolving from a transaction network to digital gold. However, unlike gold, there is no intrinsic value. They can't be made into a ring or a statue. At the end of the day, it is bitcoin's use in commerce that should drive its price and then it will also compete with all the other cryptocurrencies. Many commentators believe, like Warren Buffet, that the bitcoin value has created a bubble that will burst soon and leave many unhappy investors.

Submitted by Hugh Maunder



Bitcoin Farm

Minutes

18 January 2018

Compiled by Hugh Maunder

Attendance

19 members present

Visitors

Geila Wills (Guest Speaker) and her little 'friend' Lexi Tendai Bonga

From the President's Chair

Pres. Rob welcomed all members present, and especially our two guests. He then detailed a number of future events.

Fellowship/Members' Moments

Hugh's son, Mark, finished his first marathon in 5 hours and 20 minutes. Barry's mother has recently had her 96th birthday. Monique's daughter has just graduated with a BA degree. Candice's 2-year-old daughter has just started school but has not yet decided what degree she will study for in the future. String and Barbara's wedding anniversary on the 20th Jan.

Slots

Justin: Thanked the members who had helped sort the books for the library to be delivered to Southfield School.
Biffy: 1. The 7 surviving trees had been collected from GreenPop and she will try to keep them alive. The Club's idea is to plant half Spekboom seedlings and half indigenous trees at Fairmont before 20 April 2018. The GreenPop requirement of a min of R11 000 for their services was turned down.
2. Spinach orders: Only received from Alan and Stephanie. Anyone else?
3. German visitors: Next week Benedikt and Katja Schröder from Munich will be visiting us. Lovely folk who Biffy spent the day with in Khayelitsha.
4. Kirstenbosch Rotary Club: Concert in a Convent Garden – 4 Feb. Keela will circulate the notice.
5. Wynberg Rotaract Kiddies Camp is on 26-28 January at Glen Cairn. They have requested our help on Sat 27 Jan from about 12pm onwards to make and serve popcorn and candy floss after lunch. We need do nothing but bring aprons as it is a messy job. Biffy needs about 6 to 8 helpers please.
6. Long term exchange student Jheanelle Garriques is in Cape Town. Biffy will invite her to a meeting and to speak to us.
Are: Donations recently received from Norway for our school projects amount to R607 000

Guest Speaker



Geila Wills, currently a DG of Lions International, was refused membership of a Lions club when she first applied. It was some years after the courts had instructed Rotary to admit women members, so she decided to form a women's club of Lions International.

The main topic of her presentation was that there was great similarity in the social objectives of Rotary and Lions and clubs in the same area should combine in some of their programmes.

Stephen introduced and thanked Geila her for her presentation.

President's Sweetie Pie

went to Stephen for all the work he has done on redrafting the constitution

Swindle

Are drew the wrong card (aah shame!) and Monique won R20 for attending

Duty Roster	January	February		
	25	1	8	15
Sergeant	Hovstad	Jackson	Overbosch	Schreiber
Wynpress Editorial	Gowdy	Hovstad	Howard	Jackson
Wynpress Minutes	Howard	Van Niekerk	Cleveland	Bredenkamp
Door Duty	O'Driscoll	Overbosch	Schonegevel J	Schonegevel R
Grace	Barnard	Bayes	Bredenkamp	Gowdy
Loyal Toast	James	Maunder	Munday	O'Driscoll
International Toast	Bayes	Bredenkamp	Danckwerts	Cleveland
Speaker Intro and Thanks	Maunder	O'Driscoll	Overbosch	Schonegevel J
Entertainment for the month		Schonegevel R, Hovstad, Howard, James, Maunder		

Dates To Diarise

25 January	Noeline de Goede of the Kay Mason Foundation, which supports deserving young pupils in their high school years in greater Cape Town, will talk about the organization's work and overall vision
1 February	The Long Term Exchange Student from Belgium, Vincent Vermeersch, currently hosted by WRC, will tell us about his programme. PLUS our STEP student, Liam Lotz will report back on his recent visit to Germany
8 February	Warren Witte, who has a PhD in Marine Conservation and is a drone pilot, will tell us about his ambition to use drones for ocean monitoring, and will show us a video of his current work
15 February	TBC: Visit by our Interact Clubs
22 February	TBC: A talk about Bitcoins



**ROTARY:
MAKING A
DIFFERENCE**

Tailpiece

Some wry definitions and ironic quips

- Indecision is the key to flexibility
- There is absolutely no substitute for a genuine lack of preparation
- Happiness is merely the remission of pain
- Nostalgia isn't what it used to be
- The facts, although interesting, are irrelevant
- The careful application of terror is also a form of communication
- Someone who thinks logically is a nice contrast to the real world
- Everything should be made as simple as possible, but no simpler
- I have seen the truth and it makes no sense
- Suicide is the most sincere form of self-criticism
- If you think there is good in everybody, you haven't met everybody
- All things being equal, dirty people use more soap
- If you can smile when things go wrong, you have someone in mind to blame
- Not one shred of evidence supports the notion that life is serious
- One seventh of your life is spent on Monday
- By the time you make ends meet, they move the ends
- Never wrestle a pig. You both get dirty and the pig likes it
- This is as bad as it can get, but don't count on it
- The trouble with life is: you're half way through it before you realise it's a do-it-yourself thing
- The two most common elements in the universe are hydrogen and stupidity
- It has recently been discovered that research causes cancer in rats
- It may be that your sole purpose in life is to serve as a warning to others
- Vital papers will demonstrate their vitality by moving to where you can't find them

