

# Dallas sets scene for next chapter

*By 'Our Man in the States, Chris Rowley*

According to research firm Infocorp, market share by dollar value for the US microcomputer market this June was: IBM PC 25 per cent, PC XT 14 per cent (IBM total 39 per cent); Apple IIe 10 per cent, Mac 11 per cent, IIc 7 per cent (Apple total 28 per cent); Compaq 10 per cent; the remaining 23 per cent split by Commodore, Tandy, Kaypro and everybody else. This was the last month before AT&T's entry into the market, something that may change everything.

Figures indicate Apple's developments of the Macintosh and the IIc have kept them in the game. The decline of Tandy, much predicted, continues unabated, as the Fort Worth company struggles with its image and its inbuilt dilemma - is it a micro company with a sideline in electronics stores? The indications are that although TRS micros and software now account for 35 per cent of Tandy's business, the company's future will lie in retailing a mix of electronic goods in the 6,000 stores rather than in micro manufacture.

The figures must have brought home to IBM just how poorly conceived PCjr was in its original form. While Apple's IIc has been carving a market niche the jr has gathered dust on store shelves.

Confirmation of that was provided this week by the closing of Junior magazine, launched with fanfares just six months ago to capitalise on what was expected to be IBM's triumphant advance into the American home.

Of course IBM could always improve jr, and cut prices, and make friends with the micro retailers again. Unlike some enormous corporations that never seem able to profit by learning from their mistakes, IBM has demonstrated flexibility and shrewdness over the years. So having made retailers miserable by loading them up with double orders of unsellable jrs and then by slashing prices and profits on the range of IBM micros by 23 per cent, Big Blue turned round and invited 2,000 retailers and software developers to a three-day third birthday party for the PC, which was held in Dallas a week before the Republican coo-

vention (no figures on how many IBM retailers stayed on because they were Republican delegates).

Of course the carefully orchestrated festivities, while unusual for IBM, were the perfect backdrop for the unveiling of the IBM PC AT and the improvements to the jr, starting with the replacement for the horrible chiclets keyboard.

Simply put, the PC AT stunned the industry, primarily because of the \$4,000 to \$6,000 price tag on a range of machines that will have 512k RAM, two floppies and that 20Mb hard disk. Because the AT uses the 80286 chip it will run about twice as fast as the old PC and the Xenix operating system offers multi-user capabilities for up to three other IBM PCs, XTs or jrs. IBM positioned itself very well for this by buying 15 per cent of Intel and licensing the right to manufacture the 80286. Such vertical production control, after all, is what Jack Tramiel used at Commodore to annihilate opposition. Some analysts saw the new IBM micros as a powerful counterstrike to AT&T's recent bunches. Others noted the slot for an LAN card and IBM's announcement of local area network systems that will allow up to 1,000 PCs to exchange information and share printers, etc. Can AT&T really compete?

**Meanwhile, in Santa Clare., California, an interesting law suit was initiated by Jack Tramiel. He charged the Amiga Corporation with fraud in the matter of development of three custom VI SI chips originally intended for Atari as part of a \$500,000 deal that provided crucial cash for Amiga. Then, just days before Tramiel look over Atari, Amiga cancelled the deal, returned the money, and told Atari the chips didn't work.**

**However the new Atari Corp believes the chips do work and are going to be the basis of a new computer for Commodore that he released next year.**

**Irving Gould, Commodore chairman on vacation in Bermuda, declined to comment on the Atari suit, but admits that (Commodore is expecting to buy Amiga.**