



...AND FOR DESSERT HUMBLE APPLE PIE

GARETH POWELL, amid bytes, between bites and ready to concede that he has lost a bet, provides updates on the Apple II and the likelihood of a cheap Macintosh. In both cases the news is positive.

The Sydney Morning Herald – Computers - May 21, 1990 [OCR text]

ABOUT two years ago I spoke at an Apple II users meeting in Sydney and said that thought that Apple would split the Apple II division away from the Macintosh and hive it off in the same way that it did its software publishing department. This, at about that time, was metamorphised into Claris. An Apple executive in the audience who plainly hailed from the north of England and had a voice that would shatter brass stood up at the end and told me that I was talking a load of old cobblers. A full and frank discussion ensued which ended with me betting that I would do something buy him a lunch, a beer, do penance if it did not happen within five years. It is now starting to become apparent that very probably he was right and I was wrong.

Scarlett is the excellent magazine of the Big Red Computer Club and Richard Glasson of Cranbrook School, to whom my sincere thanks, has sent me a copy of an article from the latest issue. This article is written by Joe Kohn who was present at a meeting held by Apple for the reptiles of the press at the Meridian Hotel in San Francisco on April 11. The title of the meeting was, modestly, *The Secrets of our Success*. I was not invited to attend this meeting, he said, pettily, although, in fact, I would have flown to San Francisco for the occasion and I would have gladly bought my own air ticket and paid for my own accommodation. It seems to have been very important. No doubt the publicity machine of Apple Australia will eventually get around to sending out a full account of this meeting. No doubt.

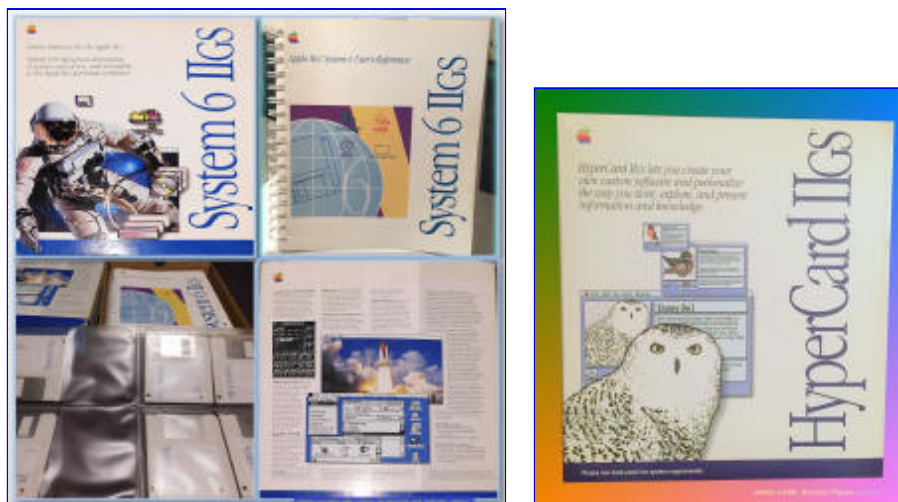
According to Joe Kohn, 30 Apple heavies spoke very openly about the future of the Apple II. The three key characters appear to have been Dr Bernard Gifford, Apple vice president of education; Craig Elliot, manager of the user group program; Brodie Keast, director of CPU product marketing. At the meeting, the following fascinating facts emerged:

- * Apple is developing a new Rom (read only memory) chip for the Apple IIe and the Apple IIc.
- * A new, accelerated IIGS is being developed.
- * Apple is working on a version of HyperCard for the Apple II.
- * IIGS System Software V 6.0 will be released in the near future.
- * Apple is developing a bridge machine that will run both Macintosh and Apple software.
- * 30 per cent of Apple's income comes from the educational market.
- * The separate Apple division has been reinstated with Donald Casey, an ex-IBM engineer, at the head.
- * Apple is firmly committed to producing the Apple II line for years-to come.

Joe Kohn cornered Brodie Keast after the meeting and told him that most users of the Apple II would like Apple to spin off the machine into a separate company like Claris. The reason being the lack of apparent support from Apple. This was precisely the point that I had made at the Apple II users meeting. Brodie Keast replied that this will never happen and that Apple will continue to produce and support the machine for years to come. He said that the major reason would be that producing the Apple II separately would require separate and expensive manufacturing facilities and that alone would make it unfeasible. That explanation does not stand up to scrutiny. I have seen Apple clones built on a table in a back room in Hong Kong. Millions were built in Taiwan and not a few in West Germany. All of those facilities still exist although they are now being used for legal PC clones.

Joe Kohn ends his article by writing: "Like many in the Apple community, I am deeply concerned about the discernible neglect of the Apple II for the past several years. Although I am still quite concerned, the *Secrets of our Success* luncheon provided a lot of insight ... I felt greatly relieved and optimistic about the future of the Apple II. Let us hope the words can be successfully translated into actions."

Unless the assembled luminaries of Apple were telling little porkies or are being severely misled by even more senior management it does seem that the Apple II will continue to be produced by Apple. If those promises are, indeed, translated into actions we must furiously think about starting an Apple II column in these pages. Personal note to Frank Revill, Apple II and peripheral marketing manager at Apple. Will you let me know what I said I would do. Lunch? Dinner? Whatever? I may be Welsh but I do not like welshing on bets.



See also → ['System 6: The Future is Here' - The Apple II Guide \(1992 Apple Computer\)](#).

[Introducing HyperCard IIGS 1.1 - The Apple II Guide \(1992 Apple Computer\)](#).

[Hypermedia - An Overview / HyperStudio 3.0 - The Apple II Guide \(1992 Apple Computer\)](#).

[Sound beginning for a well-spoken 'pizza box' - launch of Mac LC, Classic & IIsi with Steve Wozniak & John Sculley - Sydney Morning Herald \(October 1990\)](#)

[Apple's Guide to Classroom Computing - in-depth advertising insert / Glossy 8 page ad for Mac Classic, LC & IIsi in education / File Transfer: Apple II to Mac And Back - inCider/A+ \(March 1991\)](#) [130MB PDF file]



The cheap Mac: now it's when rather than if

The Sydney Morning Herald – Computers - May 21, 1990 [OCR text]

THE question before the house is: will Apple produce a cheap, entry-level Macintosh? Sure. When? Who knows. I am told that a poster showing me as a wanted man appeared in several Macintosh dealerships after I reported that John Sculley, the ex-Pepsi-Cola man who now heads Apple, had promised a Macintosh for under \$US1,000. He later amended that to under \$US 1,500. It was felt by the dealers that I was adversely affecting sales by encouraging customers to wait for this ultra-cheap Macintosh. Although flattered at the thought of being immortalised on a poster, my own feeling is that any complaints should have been sent to Sculley. I was merely reporting precisely what he had said.

Now Sculley has confirmed what was reported earlier about a cheap Mac. He told the Apple's Worldwide Developers Conference that lower-cost machines are under development at Apple Computer. He emphasised the company's willingness to lower profit margins on less costly products. To personal as well as business users this will come as good news, indeed. He also said that "all future modular Macs will have sound input/output". Which sounds suspiciously as though future Macs will have a built-in microphone with a sound system not unlike Farallon's MacRecorder which is sold here by NetComm. Sculley also said that he would be personally heading up the research and development effort at Apple for the next two years.

On the one hand, this kills the rumour that he was considering moving from Apple to FF and PN - fresh fields and pastures new. On the other hand, as, on his own admission, he knows sod-all about the technicalities of computing, it is a bit of a worry. Confirmation of these moves comes from another source. Industry analyst Stewart Alsop, who is the editor and publisher of PC Letter The Insider's Guide to the Personal Computer Industry has a track record of getting it wrong nearly as often as me. But he writes well, has impeccable contacts and loves a good stir. Speaking to New York City's Big Apple Users' Group (BAUG), he said that he felt that Apple would, in the next year, be rather dramatically changing its direction in the marketing of computer systems. He said: "Jean-Louis Gasse's emphasis was to make better, not cheaper systems. Hence the Macintosh progressed in almost a straight line from the Macintosh Plus to the Macintosh IIx."

John Sculley, who is now taking direct charge of Apple's product development - a move that has Apple insiders referring to him as 'Jean Sculee' - is stressing a much broader base of systems with emphasis on the low-cost units units that can be sold to the educational markets in the \$US800 to \$US 1,800 price range and to businesses from \$US2,500 to \$US3,500.

"Sculley is insisting, however, that all models of the Macintosh introduced will be able to run all versions of the system software, if enough memory is purchased." He added that both Sculley and Michael Spindler, Apple's new chief operating officer, have been stressing Apple's need to sell more Macintoshes - a need that "has Apple committing to both reduce its prices and its own profit margins". "These commitments are, of course, applauded by both dealers and developers alike."

There is now speculation among other industry commentators in the US that a low-priced Macintosh may be announced at the August Mac Expo. The rumours - and there is no industry that can create rumours as quickly as computing - suggest that there may be a low-cost colour modular Mac priced at something under \$3,000 in this country, which will use the onboard video chip first used in the Mac IIci. Rumour, ever a lying jade, again suggests that there will be a three-chip version of the Mac SE with a hard disk built in for about \$1,500. Understand most clearly that these are rumours and rumours only. Indeed, very probably wild rumours. My guess is that Apple will definitely introduce a low-end machine. That its target price will, indeed, be around the \$1,500 mark. But that we will not see it this year.



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At the core is 'play the price'

by **STEVE GOLD**

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THERE'S a party going on in the computer garden and it's called "play the price". The current exponents of this mystic art will be familiar to most computer users - Apple Computer. "Play the price" involves pitting the wits of computer marketing people against the brains of the computer buyer. At stake are large quantities of cash in the form of profits. Pre-dating the computer scene by more than 100 years in the UK

was Sir Rowland Hill. Hill reasoned that, instead of having lots of differential and fragmented prices for mail, a one-pence flat-rate charge would encourage many hundreds of times more people to post letters. In the event, when the penny post arrived, Hill was proved right, and income poured into the Post Office in the UK. Whilst profits on a per-letter basis were way down, the overall volume of business more than compensated for the lost profits in the pre-penny post era. Since then, business people have attempted to achieve a pricing situation mid-way between these two extremes. A price not too high to dissuade customers from buying the goods or service, and not too low as to mean that profits are being given away.

Since the Apple Macintosh was first introduced in the mid-1980s, critics of the machine have commented on how expensive it is. Even today, the machine is still widely accepted as over-priced alongside the competition, mostly from the PC industry. But the machine continues to do quite nicely for Apple by selling well and generating lots of high-margin profits for the company. Customers don't complain as, after all, they want the machine for its productivity.

Now Apple is facing problems. In the Far East, a number of clone manufacturers are quietly producing clones of the Mac minus the Bios chipsets for sale to knowledgeable buyers. In the US, similar concerns are producing Mac clones at a rate of several dozen a week. Until quite recently, Apple took a "grin and bear it" attitude towards the Mac clone makers. The numbers involved were insignificant but they were growing. Today, Apple is in the middle of a lawsuit against a group of entrepreneurs in Taiwan who developed a Mac clone called the Jonathon, produced by a company called Akkord Technology. At the same time, senior Apple executives are quietly admitting that the time of high profits from the Apple Mac hardware industry is now drawing to a close, and that prices are likely to fall.

Even John Sculley, Apple's chief executive officer, speaking at the company's worldwide developer's conference in San Jose, California, during mid-May, admitted that the time is now ripe for a low-cost Macintosh. Speaking at the conference, Sculley revealed that Apple is developing a range of low-cost Macs, all costing under \$US2,000, for shipment during the fourth quarter of this year. To keep the high-end user base from buying up large quantities of the low-end Macs, Apple is also making its high-end Macs, i.e. those based around the Motorola 68030 microprocessor, more attractive by introducing a new operating system System 7.0 and a range of hardware innovations that the low-end machines are unlikely to feature.

Even the best-laid plans, however, can go wrong, as Apple executives at the San Jose conferences revealed that the System 7.0 software originally billed to ship this summer will not now be released until much later this year. Sources close to Apple US suggest that the delay in shipment to end-users could mean a wait until the fourth quarter, by which time the low-cost Macs will be shipping to dealers to sell. Because, of this, user interest in the high-end (and expensive) Macs is likely to dwindle in favour of the low-price Macs. In the longer term, Apple may have lost out on its high profit margins by allowing users to buy cheaper Macs.

At the same time, experts predict that the Far Eastern clone manufacturers will move in quickly to satisfy interest in the budget Macs. With or without the threat of legal action from Apple, these companies will release their clone systems. The exception to this pricing fiasco seems to be the Mac portable. This highly-priced machine will be difficult for the clone manufacturers to copy effectively, despite its relatively high price.

There is an alternative to a Mac portable, however. It's called the Atari ST Stacy laptop. Pricing in at just \$US1,500 (\$A 1,950), the seven-kilo Stacy portable is based on the same low-power 68000 Motorola microprocessor as the Mac Portable but runs at a slower clock speed of 8 MHz. It comes with 1 Mb of Ram, a backlit supertwist LCD screen, a trackerball and a 3.5-inch floppy drive. Configurations of up to 4Mb of Ram and a 40Mb hard disk are also available. The Atari ST is, however, incompatible with the Apple Mac, due to its use of a different operating system and specific differences between the hardware of the two machines. Dave Small of "Gadgets by Small" in California has the answer to the compatibility problem - the Spectre GCR cartridge costing \$US295. This little cartridge accepts the Apple Mac Bios Rom chips, which must be purchased separately for copyright reasons, and contains a set of proprietary software on chips that allow the Atari ST to emulate the Apple Mac sufficiently well to run most Mac software. Small wonder then, that at a series of Atari shows in the US earlier this year, Atari chief Jack Tramiel was heard to say that the Stacy ST laptop and Spectre GCR was probably the best budget Mac laptop available on the market!

The Stacy ST laptop should soon appear in Australasia. The intelligent computer buyer would do well to consider buying a Stacy ST laptop from their local Atari dealer and a Spectre GCR cartridge from Gadgets by Small in California and get themselves a cheap Mac laptop emulation system for a fraction of the price that

Apple will ever charge! Further details: Gadgets By Small, 40 West Littleton Boulevard, Suite 210, Littleton, Colorado, US 80120, tel 303 791 6098.

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