



## MEETING TIME AND LOCATION

Thursday, November 9, 2006, network at 6:30, dinner (optional) at 7:00 PM, presentation at 8:00 PM.

Denny's Restaurant  
3315 N. Scottsdale Rd.  
Scottsdale, AZ

## PRESIDENT'S MESSAGE

by Vaughn Treude

Back when we started this group, we had a member who liked to stir up controversy. One of his complaints was that certain people held positions as officers too long; he felt they should be limited to two terms. I agree with him on this, and I intend to step down as from my job as president at the end of this year. Therefore we need someone to take my place. It's not that's too difficult, but it can be a little time-consuming, if you want to do it right. I'm the first to admit I haven't always been organized enough to provide effective leadership.

If you're so inclined, being president of PACN could be a networking opportunity. You could focus on having programs and speakers on the local high-tech situation and possible consulting opportunities. We

might consider doing a community-type project to raise our profile as a group and possibly bring us business in the long run. I'd be happy to participate – I just don't have the time or leadership skills to initiate that sort of thing. I'm sure this could be a good fit for somebody in our group.

In a larger sense, that's what it's all about - taking initiative, which is something we're increasingly being forced to do. I've been listening to the gloomy economic predictions – yes, the Dow is up and gas prices are down (for now) but where those jobs that are supposedly being created? And outsourcing continues. Large corporations are abandoning America at a rapidly increasing pace, and I say to them, good riddance. They can sell their Indian software to the Chinese.

It's true that the playing field is not at all level, and I don't expect the government to fix that. I've seen Senator Byron Dorgan's book "*Take This Job and Ship It*", and while I'm no protectionist, there is some eye-opening stuff in there. One thing that particularly angers me is the tax advantages enjoyed by companies who outsource. Is the government trying to make it even harder for us to compete with third-world workers? Are they unable to find enough foreign engineers willing to be indentured servants in the H1B program?

One thing that's already happening, and will continue, is the slide in the value of the dollar. When a worker in Indonesia makes 10 cents a day, it's not that he's starving, it's just that his currency is valued lower than ours. The dollar has been artificially high because of its use as a reserve currency and for international trade, but that's ending with the advent of the Euro. The Chinese and Japanese have been propping it up by buying billions of our debt, but they can't do that forever. Maybe soon we'll be exchanging our dollars one-for-one with pesos.

When that happens, Chinese goods will no longer be cheap, and we'll have to start manufacturing here again. That will take time, given the fact that we've squandered our industrial base. But there are areas in engineering, particularly software, that don't take a lot of investment to get going. I predict a bright future for alternative energy sources and energy conservation, and we will be looking back longingly at the days of \$3 gas. We will need to service and recycle existing computers for a while, because foreign-made hardware will be expensive. We'll get by, as long as we don't let government try to "save" us the way it saved our grandparents in the 1930's, when Hoover's and Roosevelt's foolish policies prolonged the Great Depression far beyond its natural lifespan.

That's enough ranting for now. See you at Denny's on the evening of the ninth. Bruce Johnson will be speaking about Critical Challenges – and I'm sure the political and economic situation will give him plenty to talk about!

Vaughn Treude

The Advisor, November 2006

## **EDITOR'S MESSAGE**

**by Clark Jones**

Unfortunately, my trip to Japan fell through, as did my "plan B", which was a trip to the west coast of Australia. Steph said that Japan, or at least the part she's in, is "a lot of walking", and I just don't get along well with "a lot of walking". The event that would have prompted my trip to Oz is scheduled for earlier than usual this year, so it made it too tight to get to Perth. (I had hoped to take the India-Pacific train from Sydney to Perth – that is a trip that I do plan on taking sometime.)

I have a couple of thoughts on Vaughn's message. The first is that there are several examples of industries that had good reason to go overseas. The first that comes to mind is the steel industry. The unions kept making more and more demands for better pay and benefits, while the management kept giving in, and not insisting on updating their facilities and processes. Many other countries, notably Japan, had to rebuild their steel mills from the ground up after World War II, and so weren't saddled with obsolete technologies.

The second example is that back in the early days of IC production, Fairchild had significant problems finding enough workers willing to sit and stare through microscopes several hours a day. As an experiment, they tried setting up a small operation on the Navajo reservation, where there was (and still is, for that matter) extreme unemployment. About the time the facility got up and running, some hot-heads started demonstrating against it because it

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“wasn't employing everyone”, or some equally silly complaint. After a few months of these problems, Fairchild literally walked away from the plant, abandoning all of the equipment inside. (As far as I know, it's still sitting there, some three and a half decades later.) Instead, they went to third-world nations, paid wages two or three times the local “going rate” (which was still a tiny fraction of what they paid Americans to do the same job), and got lots of folks willing to do the tedious work. Admittedly, today the work that was once done by an operator staring through a binocular microscope is now almost always done by a machine, but the assembly plants are still overseas.

I think that a lot of our problems are due to the attitude that people have that society “owes them something”.

There's an old saying that “it's an ill wind indeed that blows no good” (or, put differently, “every cloud has a silver lining”). Concerning the fact that we have lost a lot of our manufacturing capability, if we do end up having to rebuild it, at least we'll have the advantage of getting all-new technology.

Off on a different tangent, I have been putting together a web page on my solar power installation. It's not really “ready for prime-time” yet, but if you ask me at the meeting, I'll give you the web address for it. (I have to talk to “Level 2” support at Cox about a problem that seems to be on their end.)

See you all Thursday!

Clark Jones

### Contact Info

Editor: Clark Jones (480)641-7801 [cjPACNeditor@cox.net](mailto:cjPACNeditor@cox.net)

#### Executive Board

|                                |                  |               |  |
|--------------------------------|------------------|---------------|--|
| President:                     | Vaughn Treude    | (602)750-3662 | <a href="mailto:vaughn@nakota-software.com">vaughn@nakota-software.com</a> |
| Vice President:                | C. Bruce Johnson | (480)759-2826 | <a href="mailto:bruce.johnson@ieee.org">bruce.johnson@ieee.org</a>         |
| Secretary:                     | Eli Kawam        | (480)706-8561 | <a href="mailto:elikawam@mindspring.com">elikawam@mindspring.com</a>       |
| Marketing:                     | Ron Sprague      | (480)962-8183 | <a href="mailto:r.sprague@ieee.org">r.sprague@ieee.org</a>                 |
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| Member at Large/<br>Webmaster: | Paul Everett     | (480)706-4753 | <a href="mailto:peverett@ieee.org">peverett@ieee.org</a>                   |
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PACN Website: <http://www.ieeepacn.com>

## **IEEE Phoenix Area Consultants Network November Meeting: Critical Challenges**

**Date:** Thursday, November 9th, 2006

**Time:** Networking begins at 6:30 pm

Dinner begins at 7:00 pm

Program starts at 8:00 pm

**Place:** Denny's Restaurant

3315 N. Scottsdale Rd. (at Osborn)

Scottsdale, Arizona 85251

**Abstract:** Bruce Johnson, principal of the Johnson Scientific Group, will talk about critical challenges confronting engineers and society in the 21<sup>st</sup> Century.

## **EEE Phoenix Area Consultants Network December Meeting: Annual Business Meeting**

**Date:** Thursday, December 14, 2006

**Time:** Networking begins at 6:30 pm

Dinner begins at 7:00 pm

Program starts at 8:00 pm

**Abstract:** In December we hold our annual business meetings, in which we elect officers for the following year, and discuss the priorities and future activities of the group. Non-members are welcome, especially those interested in consulting in the technical fields.

## **IEEE Phoenix Area Consultants Network January Meeting: Do-It-Yourself Publishing**

**Date:** Thursday, January 11<sup>th</sup>, 2007

**Time:** Networking begins at 6:30 pm

Dinner begins at 7:00 pm

Program starts at 8:00 pm

**Abstract:** Alan Korwin, the author of numerous books, including the popular *Arizona Gun Owner's Guide*, will speak on the ins and outs of self-publishing.

