

New computer chip expected to lower prices

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Last week's announcement of a new integrated computer processor by National Semiconductor means that computers will very likely sell for less than \$500 in the near future. An April 6 news release from the company states that the new processor, commonly called a "chip," will substantially lower prices for new computers while improving their performance.

The new chip is more powerful because it integrates several functions that are presently done by a number of separate chips in a personal computer, including communications, graphics and memory control. Its overall speed is expected to be greater than 300 megahertz, as fast as today's newest computers.

A National Semiconductor executive stated that brand name computer manufacturers will be able to produce computers that retail for \$499 in 1999, while discount computer manufacturers may be selling machines for as little as \$299.

The introduction of this new technology is expected to result in a major growth in the sale of entry-level computers, i.e., machines purchased by first-time buyers. The use of the computer, and consequently the Internet, is expected to expand rapidly in the next several years as this chip is mass produced.



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