

Cathay Newsletter October 2008

www.cathayradio.org

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Treasurer: Vince Chinn, *W6EE*

Mission: The Cathay Amateur Radio Club is basically an active social club of Ham Radio Operators and their spouses

Monday Night Net Time: 9PM PST Frequency: 146.67MHz -600KHz PL85.4 and 442.70 +5MHz PL 173.8 The repeaters are linked. The Monday night net is the best way to find out the latest club news. All check-ins are welcome.

Message from the President: *Edison Fong, WB6IQN*

Here we are in October. We don't have any official events planned for the Cathay Radio Club in October because it is a busy month for ham radio. With the DeAnza Flea Market and Pacificon, October is a ham radio month. Also, the AIDS Walk of San Jose occurs on the same weekend as Pacificon and members of the Cathay Radio Club provide communications for this event. Don't forget to set your calendars for November 8 for the field trip to the Computer History Museum in Mountain View.

In this newsletter we have pictures from the fantastic September picnic. I wrote up an interesting article on the performance of stocks at hi tech companies compared to bonds. Again, if you have suggestions for the club or have a good meeting place, please email me. Remaining events for the year:

November - Computer History Museum tour - Mountain View. – November 8

December – Christmas Party in Sunnyvale – tentatively set for Saturday, December 13

Hey, don't forget to check into the Monday night net. 9PM (2100 local). This checks out the repeater and also provides for the latest announcements.

If you have not yet renewed your membership, please send a \$15.00 check for your 2008 membership renewal to CARC, c/o Bill Chin KC6POF, 43 Norwood Ave, Daly City, CA 94015.

Annual Picnic Summary

We had a great attendance for the picnic Sept 13 at National Semiconductor. Fifty-nine people signed the log sheet. With kids and visitors, we had over 60 people. Howard *N6MNV* tells me we went through 90 burgers and hotdogs. I ordered 30lbs. of lasagna and it was almost all gone. The tables were filled with desserts of all types and healthy salads. I want to thank everyone that helped out including Howard *N6MNV* and Jackie *KG6YSR* for the barbecue, Inho *KI6NHO* for the drinks, Ron *KI6AZB* for the plates and forks, Sheldon *KD6MNZ* for drinks, and Hetty *WB6SHU* for the salad. Most of the food was finished up so if an empty serving table is any indication of success, we had a successful picnic. Frank Inami *W6GSR* donated some great ARRL books. George *W6BUR* won the FT817. He left a happy camper. Over the last 17 years George never won the grand prize and all of a sudden in the last two years, he has won two grand prizes. So for some of you that have not won in a long time (like myself) there is still hope.

I saw some new faces and I welcome them. From memory; Norman Noble *WB6YSL*, Peter Chow *AF6DS*, Gerry Horn *K6TXD*, Rob Busse *N9CFC*, Don Shannon, Thiele and Roy Jacobs to name a few.

So what is the formula for bringing all these people? Was it the great company? The great food? The unprecedented FT817ND all mode, all band transceiver? Hey, maybe it was just me hassling them on the phone to come. Whatever it was, it was a success. We had retirees, we had men and women, we had new hams, old hams, kids, etc. We had world renowned Prof. George Vendelin. He is the co-inventor of the DMOS transistor which is used in almost all high performance cellular base stations and even many ham rigs. He was one of my graduate advisors and we have written several papers and a book together. We even had the former Mayor of Sunnyvale Dean Chu. Remember, if you missed this year, you are just early for the next picnic. Mark your calendars. Here are some of the raffle prize winners:

Yaesu FT817ND - *George Chong W6BUR*, Altec Lansing AC33 speakers - *David Chan KF6FPO*, 400 watt UPS - *Frank Imai W6GSR*, GP4 Shortwave Radio - *David Kimita KN6OE*, Radio Shack portable solder pencil - *Mullin See*, Wagan flashlight and emergency tire pump - *David Kamita KN6OE*, 2 Meter Mag Mount antenna - *John Tim W6QNT*, Journey Edge tool - *Inho KI6NHO*, ARRL Handbook - *George Griffin NT6G*, ARRL Antenna Handbook - *Norman Noble WB6YSL* - Mag LED focusing light - *Howard Louie N6MNV*.



Here was the food line. Over 60 people.



Over \$1000 worth of raffle prizes.



Young potential Hams?



Happy campers Judy and David *KF6FPO*.
Winners of the Altec Lansing speakers.



George *NR6I* and Jeannie.



George *W6BUR* Grand Prize winner for
the Yaesu FT817ND.

Pacificon - San Ramon California October 17-19 2008

Pacificon is coming October 17-19 in San Ramon. This is just a lovely area with great weather in the Fall and great restaurants. The Marriott is a first class hotel with a great workout room and swimming pool. At \$90 a night with all the amenities, it's a bargain. See below for reservations.

Don't miss the opportunity to see all the latest in ham radio and related electronic equipment on display and for sale with special convention prices. See the latest in QRP, LED lights, antennas, etc. The Exhibit Hall will be open from 9:00 am to 5:00 pm Saturday and 9:00 am to 1:00 pm Sunday. Go to www.pacificon.org for more information. A bunch of the Cathay Group always shows up and we have a great time. The swap meet is also a great experience. The sessions are great. The registration price is an absolute bargain, \$20.00 (\$15 if you order on line).

The Exhibit Hall is totally filled as **all 2008 vendor booths have been sold out!** Again this year there will be a great variety of Exhibitors with lots of exciting ham equipment. See the 2008 list of exhibitors and schedule at: www.pacificon.org.

Driving Instructions:

Take Highway 680 to Bollinger Canyon Road exit in San Ramon.

Go east on Bolinger Canyon Road.

Make first Left on Sunset.

Make second left on Bishop Drive. Hotel is on left

GPS coordinates of Marriott Hotel: N 37° 45.75' W 121° 57.85'

Hotel Reservations:

If you need hotel accommodations, make your hotel reservations by October 1st and ask for the special PACIFICON 2008 room rate of \$90 per night. Call the Marriott reservations desk at 1-800-228-9290 for reservations. To insure availability reserve early. Special arrangements have been made with the hotel to make sure that parking in the hotel parking lot will be free for all Pacificon attendees.

Radio Talk-In Frequency:

Talk-in (all weekend) will be on W6CX - 147.06 + PL100Hz

Maps to the San Ramon Marriott

2600 Bishop Drive, San Ramon, CA



Economics 101 *Ed Fong WB6IQN*

Here comes another econ lesson. I'm writing this just after the worst crash since 1987. The data below does not reflect what happened the week of September 15 to September 19. That's an entirely different subject matter. The data is more long term starting with the year 2000. I thought I would take some of the best well known companies in the Silicon Valley and see whether share holders have gotten a good return. I don't think anyone would object to my choices of **Cisco**, **Intel**, **Oracle** and **National Semiconductor**. Cisco is the largest hardware based communications company in the world. They basically dominate the hardware that goes into the internet producing high speed routers and servers. Their routers and servers are second to none. Next, take **Intel**. They are the largest semiconductor company in the world. They were the inventors of the microprocessor and own about 85% of the PC market. Then there is **Oracle**, the undisputed leader in professional database management. This company is ruthless when it comes to the competition. Larry Ellison clearly has a good grasp on this company. Last is **National Semiconductor**, the company I work for which makes high value analog semiconductors.

So how did these companies do in the last 8 years. They all did well, VERY WELL. All were consistently very profitable. But look at their stock. Cisco -64%, Intel -69%, Oracle - 49%. National Semiconductor did the best by breaking even. These are the darlings of Wall Street and it is these companies that are used as the benchmarks for the hi tech industry.

So what happen? I don't think anybody knows. When you turn on the radio or TV, these are the companies you hear constantly being quoted. But if you would have invested in them for the last 8 years, they would have been terrible investments. I believe this is how Wall Street and large investors make their money. They want you to constantly trade stocks. Without the trades, they make no money. Whether the trades are with stocks or mutual funds are irrelevant, these companies survive on trades. They buy low and you buy high. Wall Street would not be pushing these stocks and mutual funds if they were not making money.

So let's compare these stocks with good old government bonds. Bonds usually pay a steady rate and do not fluctuate more than 5% in principle (at least until recently). More about this later. They are considered a relatively safe investment. They fluctuate but usually very small compared to stocks. This is shown in the graph below. The graph shows a typical bond paying out at 5.5% return.. At the end of 8 years, principle plus interest gives you +153%. If you are in a 35% tax bracket living in California, this is the equivalent of about a 9% annual return pretaxed. Over an 8 year period, an equivalent taxable investment would have compounded to +182.8%.

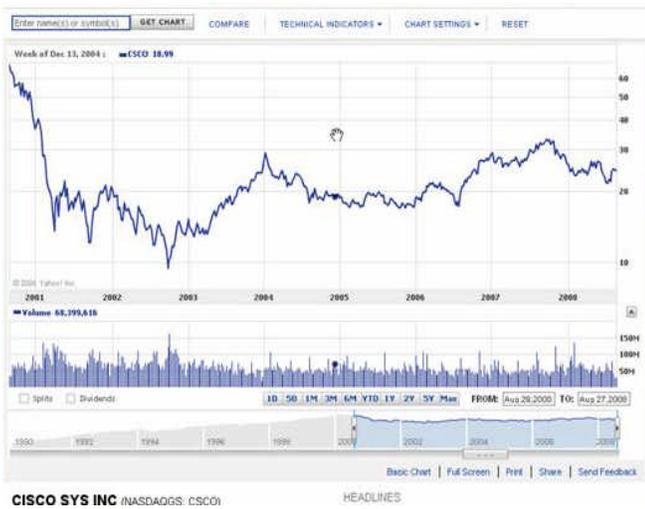
Government bonds certainly look attractive and should be included in any diversified portfolio, but are they safe? Like everything else, the answer is never simple. We use to think of them as very safe. Instruments like EE Bonds, I Bonds, Muni Bonds, Treasuries were always thought of as safe investments. But everything is relative. Look at what has happened in the government bond market lately. Values have dropped by as much as 15%. This drives up the interest rate. That is why some muni bonds are yielding 6%+ TAX FREE. An example is PIMCO (PCK) 6.3% or Van Kampen (VCV) 6.6%. When the price goes down, the equivalent yield goes up since bonds of this type pay off in "dollars per share". So if the share price goes down, the equivalent yield goes up.

What makes the price of the bond go down? In the past, if the stock market was down, bonds went up because investors seek the safe haven of bonds. The reverse is also true, as the stock market goes up, bond prices go down because people take their money out of bonds and put it into the stock market. So when the demand for bonds goes down, so does the price. This model worked for years until recently. Let's see why.

Prior to the 1980's the US was clearly the dominant economic world power. Economists could model the US as a "almost closed system". If the stock market was up, bonds were down and visa versa. Today, this is no longer true. We live in a global world with an interlink economy. Starting at about the year 2000, our trade deficit began to dramatically turn for the worst. However, with a strong dollar, it was tolerable. The US was spending billions on imports. Most of these imports came from China, Japan and Korea. When all these "dollars" went overseas, they became rather worthless because there was so much of it. In time, this devalued the dollar. The exporting countries do not like this either. They make all these goods to export to the US and we pay them in devalued dollars. These exporting countries have more dollars than they know what to do with. To prompt up the dollar, they must somehow return it to the US. Unfortunately, we have nothing, or very little to sell them. So these countries turn to buying our US

bonds. The US Treasury and municipal bonds typically offer 5-7% with various conditions. At some point, these countries would need to turn this money into tangible goods and that is where the problem lies. The US no longer manufactures goods. It has business headquarters, it owns intellectual property (IP), it can sell military equipment, and it can continue to issue debt. It clearly does not have enough IP or military equipment to make up for the annual \$62.2 billion deficit.

At some point foreign countries such as China and Japan will stop or at least slow down in the purchase of US debt. When that happens, the value of the new bond issues and outstanding bonds will drop because there are no longer buyers. This is what we are now experiencing. So maybe this is a good time to buy.



Cisco for the last 8 years. -64%



Intel for the last 8 years. -69%



Oracle for the last 8 years . -49%



National Semi for the last 8 years. 0%



The above shows a 5.5% return for a tax free bond. The 9% is the equivalent taxable return.

EARN YOUR RADIO LICENSE IN ONE DAY!

Sunday, November 16, 2008

8:45AM SHARP! - 3:00PM

San Francisco County Fair Building Hall of Flowers – Rec Room
9th Avenue and Lincoln Way

There will be a General cram for Techs same place & time.

Ample free parking. Great lunch restaurants nearby.

Bring 2 IDs (one with picture), a couple of pens and
\$20 cash for Technician study materials, tips, and test **OR**
\$40 cash for General study materials, lecture, and test **OR**
\$14 cash for testing only (general, extra, Morse tests available too)

8:45AM Checkin for study. Don't be early or late. Dropins OK.

If you want test only (no preparation onsite) come at 1:30PM.

8:50 Beginners' tips, donuts 9:00 Self-study starts, coffee

1:30 Exams begin

No advance preparation needed for beginners, we do it all in 6 hours. General exam class begins 9:05AM (if you are already licensed or have already mastered the Technician exam material).

Questions? **hamcrams.com** Next test date: January?, 2009

Passing this test will get you a ham radio license from the FCC good for 10 years. You will be able to use:

- local repeaters for Bay Area communication
- Echolink for Internet-based radio
- satellite and moon-bounce
- international shortwave frequencies for global communication!

Come and join the great world-wide community of ham radio.