LITTLE AND BIG

Dear Linux Magazine Reader,

Joe Casad, Editor in Chief

In the July, 2008 issue, I wrote about the announcement from Microsoft that they were keeping Windows XP around past its planned retirement date, in large part to fend off the challenge posed by a new class of ulta low-cost PCs (ULPC) that was emerging in the market. Particularly popular was a hot-selling little Linux mini known as the ASUS Eee PC. At the time, surging sales of the Eee PC had the potential to threaten Microsoft's market share, and they decided to keep XP around to hold a place in the ultra-light market.

At the time, I wrote, "You have to credit Microsoft for being smart enough to notice that they need to adapt. But whenever they make this kind of a correction to ward off a threat, they give up a little more control. This move lends credibility to the low-cost computer movement, virtually ensuring its survival. And though they have temporarily checked the pace of Linux adoption by offering XP to ULPC vendors at a deeply discounted price, in the long run, the quantity of free Linux applications, and the reduced need for malware tools, offers significant advantages to Linux in the ultra-light market."

As we all suspected, this huge and sudden route correction from Microsoft followed their standard practice of using market power to overwhelm an uncertain situation and snuff out disruptive technologies. Since then, they have virtually co-opted the Eee PC. Many US electronics outlets don't even carry the Linux version anymore. If you click on the "Learn More" link for any of the models at the EEE PC models at the ASUS site, you will see a little note at the top of the screen that says, "ASUS recommends Windows © for everyday computing." (Do you think they got any help with that wording?)

Many consider the Eee PC assimilation a dark chapter and a serious setback for the Linux community, but take heart, Linux users, because the battle is not the war. As I mentioned in my previous column, this short-term Microsoft victory came at the expense of some long-term control. To avoid the problem of XP competing with Vista, this netbook-ready XP edition was explicitly licensed only for systems with very limited hardware. You weren't supposed to use it on computers that had more than 1GB of memory, faster than a 1GHz processor, or bigger than a 10.2 inch screen.

Fast forward to now. The Dell Inspiron 15n portable is not an ultra-mini at all but an ordinary PC notebook with 2.16 GHz, 2GM memory, and a 15.6 inch screen, yet it is selling for the very mini US$299. In other words, you can get this standard-scale laptop for a mini laptop price. Onboard the Inspiron 15n is Ubuntu 8.10.

Although the 15n's bargain price might be due to many extraneous factors, including overstock and economy-induced sales issues, this simple example illustrates how precarious Microsoft's arbitrary licensing arrangements are in today's competitive market. The reality is that, instead of selling Linux minis for just under the price of Windows minis (a situation that Microsoft probably fully expected), Dell is instead plowing the Linux cost savings into expanding the hardware. In short, you can get a 15-inch Linux system for the cost of a 10-inch Windows system.

The line between a mini and a standard laptop thus appears unexpectedly fuzzy, and Microsoft's artificial hardware limitations on the XP rehash look quite futile in the tide of the changing times. Now Redmond must either give up market share for these larger laptops (which will appeal to them even less than giving up market share on smaller laptops), or they can give up the arbitrary hardware limitations for XP minis, which will put XP back into competition with Vista, or they can lower the price of Windows Vista to make it more competitive in the new round of pricing. Whatever the choice, the reality is the same: despite the ease with which they fended off the Eee PC threat, Microsoft finds itself on the same shifting sands we're all on.

Joe