Sun Microsystems Says Xerox to Use New Chip Design

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Sun Microsystems Inc. said Xerox Corp. agreed to utilize its design for a new microprocessor chip in word-processing and publishing products. The announcement by the Sunnyvale, Calif.-based concern marks another step away from hardware development by Xerox, an office-equipment and financial services concern based in Stamford, Conn. After an initial push into the personal-computers business, Xerox basically withdrew from the business a year ago and is now saying it will rely on others to design the core of future computer products and to manufacture at least parts of them.

Xerox, which does about $500 million of workstation business a year, also agreed to use a new version of Unix operating system software that Sun and AT&T are developing. One of the problems in the workstation market has been that there has been a confusing number of versions of Unix, the base level of software used on the systems, and the Xerox decision will help the Sun-AT&T version gain acceptance.

Sun and Xerox said they plan to swap various systems and some network-related technology. In addition, Xerox may buy or manufacture some Sun parts, workstations and file servers, which help manage networks.

Xerox said it will continue to sell its existing line of workstations until the products based on the Sun architecture appear in two or three years. The company also said it will help customers make existing software run on the new systems.

Xerox said it is switching to the Sun chip because it will allow for enormous speed gains in the hardware, with little or no increase in manufacturing cost.

Consumer Prices in Singapore

SINGAPORE—Consumer prices in Singapore increased 0.9% during September from a year earlier but declined 0.1% from August, the Statistics Department said.