

firms Gary Burke, president of the Santa Clara County Manufacturing Group.

"The real question we face is what happens in the future. We have such an outstanding infrastructure here," Burke says, which makes the valley "an ideal place" from which to stage an assault on the burgeoning new market for video computers. The problems that loom over the industry, he says, are largely the result of past successes. Shortages of land, housing costs, traffic congestion and "a whole slew of environmental regulations" are leading many local industry leaders to look elsewhere to be competitive, Burke says.

Burke points out that, unlike other localities, Silicon Valley does not need to attract new businesses as much as it needs to hold on to the ones already here. The number of jobs lost here last year, Burke calculates, is roughly equivalent to the number of jobs transferred elsewhere. "Those jobs didn't disappear," Burke says. "They moved."

Burke, and others, lament the housing shortage, which still plagues Silicon Valley and remains particularly acute in and near Stanford and Palo Alto.

Packard, unlike Burke, believes (according to his *Times Tribune* comments) that there's no real hope for a local manufacturing renaissance.

With a declining manufacturing base and virtually no leadership from local government on economic growth issues, it's an open question whether Silicon Valley can regain its composure and reclaim its mantle of technological leadership. While there has been some progress on transportation issues, local legislators, for the most part, are preoccupied with financial deficits and social service cutbacks.

When D'Addio's friends wryly suggest that he disguise Videonics as a Japanese company to enhance its prospects, D'Addio can only grimace.

"Has it come to that?" he asks. "Have we stooped to that level? Are we just going to give up?" ■