

The return of the entrepreneurs

In the late 1970s, as the U.S. economy stagnated and inflation soared, libertarians and neoconservatives saw an opportunity to transform economic policy. Largely under President Reagan, Congress cut taxes and regulations that had hampered growth. That spurred competition, corporate takeovers, tech startups and globalization as other nations followed and production fanned out around the world. Crest Industries owner Harry Rasmussen, a local inventor of telephone devices, would make his biggest gamble: a new telephone. Amid these changing times, Crest would discover how powerful global competition could be. Now, as computers and the Internet fuel globalization, they offer Rasmussen one more shot at success.

A changing world economy ...

1980
President Reagan is elected, immediately begins work on tax cuts and further deregulation.

Apple Computer goes public at \$22 a share, creating a raft of new millionaires.

1981
Federal air traffic controllers strike to demand pay increase and shorter work-week. Reagan fires more than 11,000.

Microsoft's MS-DOS operating system is made available on IBM personal computers.

1982
TCP/IP set as standard for early Internet known as ARPANET.

1983
Margaret Thatcher easily wins second term as Britain's prime minister, promoting policies similar to Reagan's.



Margaret Thatcher

1984
World's largest company, **AT&T**, is broken up into seven regional "Baby Bells" in landmark antitrust case, largely ending Bell System's regulated monopoly.

Apple launches the **Macintosh**. Superbowl TV ad uses Orwellian "1984" theme to suggest Apple will smash Big Brother - a dig at IBM.

A local inventor's story ...

1982
Crest patents a new style of two-line telephone, anticipating the AT&T breakup.



1983
Crest's annual sales peak at more than \$8 million, driven largely by phone sales.



After layoffs, Crest moves to smaller factory space in Pacific, Wash.

Apple Computer's manufacturing plant in Milpitas, Calif., producing Macintosh computers, 1984.



1985
Microsoft launches its first Windows software with a graphical user interface.

1986
Microsoft goes public at \$21 a share.

1989
Berlin Wall falls Nov. 9; Communist governments quickly fall in Poland, Czechoslovakia, Hungary, Romania and Bulgaria.



1990
Monetary union between **East and West Germany**.

1991
Tim Berners-Lee develops World Wide Web.



Tim Berners-Lee

1992
Bill Clinton elected nation's 42nd president, after running as a "New Democrat."



Bill Clinton

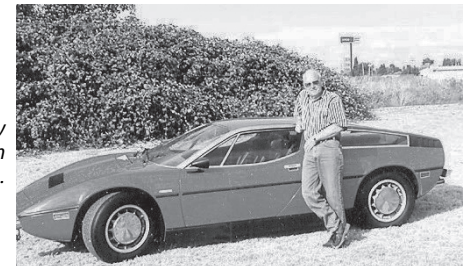
1994
North American Free Trade Area takes effect, liberalizing the flow of goods, services and investment among the U.S., Canada and Mexico.

1990
Looking for a new product, **Rasmussen** tinkers with encryption, which he thinks will be needed to secure fax and computer data.

1992
Rasmussen develops a virtual "one-time pad." His system creates encryption keys from among an astronomical number of possibilities and changes keys with every character in a transmission.

1993-96
Rasmussen sells fax and PC encryption devices, allowing highly secure transmission. His invention is denied an export license, sharply limiting its sales.

Harry Rasmussen in 1989.



A Thai protester calls for the ouster of Prime Minister Chavalit Yongchaiyudh in October 1997.

1995
World Trade Organization established as a formal institution.

1997
A currency-investment scare in Thailand snowballs into an **Asian financial crisis**, showing how connected and vulnerable the global economy has become.



Euro launches

1999
European Union launches the **euro**, a common currency for 11 nations.

Judge **Thomas Penfield Jackson** rules Microsoft abused its monopoly power.

Protesters mar the **WTO** ministerial meeting in Seattle, raising awareness about the effects of global trade.



Thomas Penfield Jackson



2000
Dot-com bubble begins to burst after Nasdaq stock index peaks.

2001
U.S. **recession** begins.

2003
Rasmussen completes an encryption system for Microsoft Internet Messenger. Plans to sell subscriptions on the Web for \$24.99 a year.

2004
Rasmussen closes down his phone-jack production lines, tears apart his old factory machines for scrap.