

Classic Silicon Valley: 1976

Homebrew Computer Club

 Hobbyists meeting in Menlo Park and at SLAC



- Steve Wozniak and Steve Jobs
- The Apple I (to sell to friends)





Neighbors; introduced by a friend

Classic Silicon Valley: 1976

- Wozniak-Jobs partnership
 - called it "Apple Computer Company"
 - Started in a garage in Los Altos
 - Now has largest stock market capitalization
 - Most valuable brand in the world

How could this happen?
Why in the SF Bay Area?



Before 1900



ind Foothilis, Santa Clara Valley, Cal.

"Valley of the Heart's Delight"

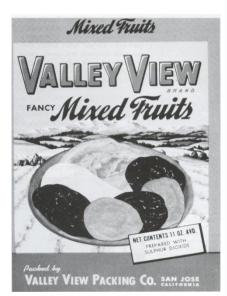
Before 1900

This was more typical ...





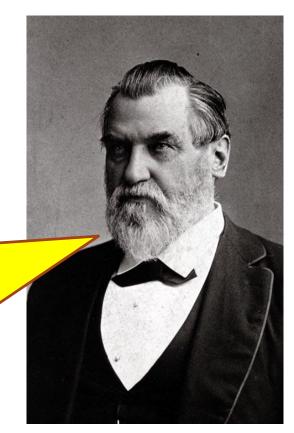




Late 1880's Prediction

"Some day you will see Palo Alto blooming with nearly all the flowers of the earth and the fruit and shade trees of every zone.... In the future we shall can this fruit and send it all over the globe in exchange for wealth ..."

... but soon technology was to overtake agriculture.



Senator Leland Stanford

Let's Go Back ...

Federal Telegraph

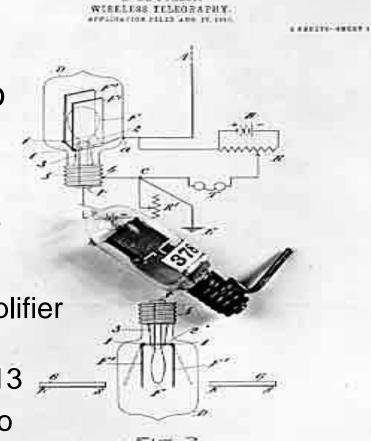
Formed in 1909 in Palo Alto
 (by Cyril Elwell, a Stanford grad)

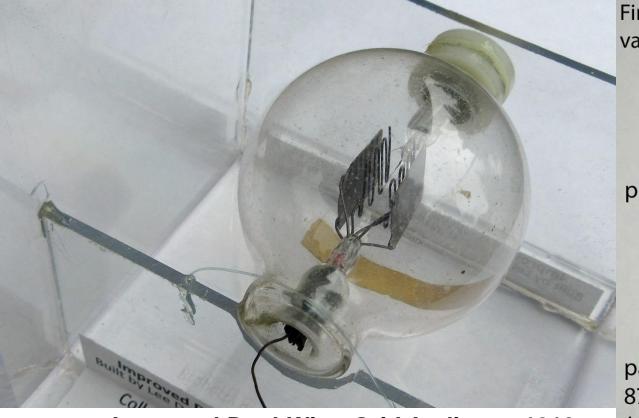
Lee de Forest invented the audion in 1907

Invented/patented oscillator, amplifier circuits while working at Federal
 Telegraph in Palo Alto, 1911-1913

Pioneered continuous-wave radio

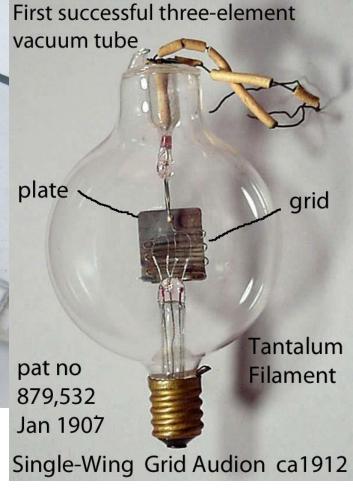
Improved triode





Improved Dual-Wing Grid Audion ca1913

Built by Lee De Forest at Federal Telegraph, Palo Alto Collection of Leonard Fuller, Chief Engineer, Federal Telegraph (1912-1919) Property of Clark Canham, San Jose



Federal Telegraph

- Poulsen Arc Transmitter, 1909
 - Demonstrated sending CW, voice
- Raised funds from "angel investors", including David Starr Jordan, Stanford's president (plus Marx, Branner)
- Demonstrated communication from
 S.F. to Honolulu in 1912
- First venture capital
- -Stanford's Involvement





Federal Telegraph

 By 1920s: three high-power stations that covered much of Pacific Ocean

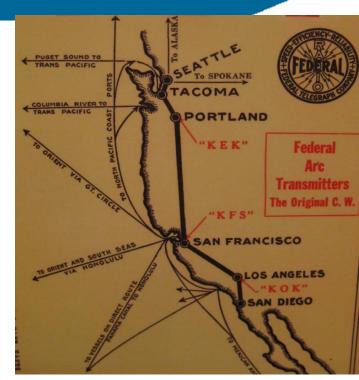
In support of maritime shipping companies

California Historical Plaque

in Palo Alto



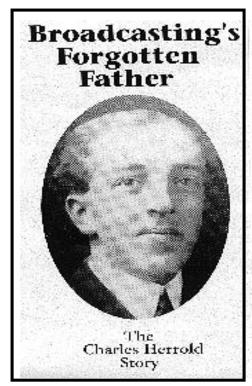






Let's Go Back ...

- 1st regular commercial radio broadcast
 - Charles "Doc" Herrold
 - Early Stanford engineering student
 - Started a San Jose school near SJSU to teach radio arts (1909)
 - First Commercial broadcast, San Jose,
 1909 voice and music: "San Jose Calling"
 - FN, then SJN, then KQW, becomes KCBS
 740 AM, 106.9 FM (also founded KLIV)



Example: Early Roots of Entrepreneurial Technology

Otis Moorhead

- Early Stanford engineering grad
- Testing tubes, 1919
- Radio amateur & vacuum tube entrepreneur
- Established Moorhead Laboratories
 - In San Francisco in 1917
- Manufactured "bootleg" receiving tubes for radios
- A patent-infringement lawsuit put him out of business in the early 1920s.

Defining Events

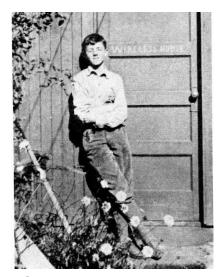
- Independent private wealth, from California gold rush
- Titanic Sinking in 1912
- World War I
 - Importance of technology



- US Navy "push" for ship-to-shore, other communications modes
- **Economics**: desire to replace expensive telegraph lines, undersea cables with the new "wireless" technology
- Brought frenzy of activity, funds to S.F. Bay Area

We Now Follow Three Pioneers

- William Eitel
- Jack McCullough
- Charles Litton
- Bay Area families with a strong history of entrepreneurship
- Born/raised here



Charles Litton, 11, Outside his "Wireless House"; two 100' towers

William Eitel

- Took shop classes at Los Gatos High School
- Worked in his father's quarry
 - ass't blacksmith, machine operator
- Visited shops of Hall-Scott Motor Car Co.
 - Operation of Complex machinery

William Eitel, W6UF 1908 - 1989



Bill Eitel in 1941 (Photo courtesy of Dave Atkins, W6VX)

Jack McCullough, Charles Litton

- Attended California School of Mechanical Arts Now Lick-Wilmerding High School, San Francisco (private)
- Opened in 1895; free education for boys, girls
- One of the best West Coast technical high schools
 - Rigorous training in the mechanical trades
 - Gained "a realistic 'feel' of materials and processes" [Litton]

Jack McCullough, W6CHE 1908 - 1989

Jack McCullough, Charles Litton

- McCullough continued at a local junior college
- Litton enrolled in Stanford Engineering School:
 - Classes with strong practical flavor
 - Got BS in 1924
 - Grad work in communication engineering
 - Small department (3 instructors)
 - Took Stanford's first course on communication engineering fundamentals

Eitel, Litton, and McCullough

Introduced to amateur "ham" radio through their families and friends in 1910's, '20's

Ham Radio in the SF Bay Area

- Isolated; maritime orientation; major seaport
- Shipping companies needed radio operators
- Over 1,200 licensed amateurs
 - 10 percent of US total (a bubble)

Ham Radio in SF Bay Area

- Active center of radio production in the 1910s, '20s
- Electronics firms:
 - Remler made radio sets ("Radio Elmer" spelled backwards)
 - Magnavox leading manufacturer of loudspeakers
 - Heintz and Kaufman Designed custom radio equipment
 - Federal Telegraph Produced radio transmitters in the 1910s
 - up to 1,000,000-watt transmitters in 1919.
 - Radio parts available to local hobbyists
 - Jobs for radio amateurs

Ham Radio Subculture

- Camaraderie and intense sociability
 - A way to make friends
 - Communicating "over the air" and face to face
- Egalitarianism and a democratic ideology
 - little heed to distinctions of class, education
 - Santa Clara County radio club, which Eitel chaired in the mid 1920s, had "farm boys, Stanford students, Federal Telegraph technicians, and retired executives"

Ham Radio Subculture

- Representatives of grass roots hobbyists
 - In contrast to large companies, monopolies
- Interest in extending radio technology
 - Built personal reputations: innovating new circuitry;
 clever transmitters; contacts with faraway lands
- Mix of competitiveness and collaboration

A lot like Home Brew Computer Club, and today's Silicon Valley ...

Another Pioneer: Young Fred Terman

- San Bernardino, Glendale, then Stanford
- Herbert Hoover rented across the street;
 HH Jr; also Roland Marx, George Branner, Jack Franklin

HH Jr: "All three of us [Fred, Jack] were neighbors, and upon pushing the key of one of our imposing contraptions, would holler out the window to see if it had been received on the other side of the street."

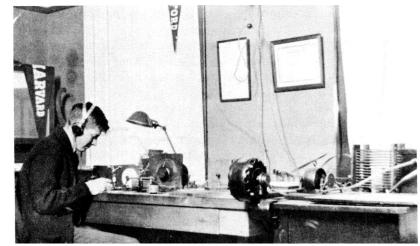


Herbert Hoover, Jr, ca 1923

Young Fred Terman

"If you saw a 90 foot pole sticking up somewhere, you'd go and knock on the door and get acquainted with him."

Hung out at Federal Telegraph (a few blocks away), then worked there one summer



Fred Terman at 17, with his Ham radio

Following our Entrepreneurs ...

- Eitel, Litton, McCullough, ham friends
 - Experimented with vacuum tubes
 - Built their own parts, equipment
- Made notable contributions
 - 1924: Litton and the Stanford radio club made
 first radio contact with Australia, New Zealand
 - 1928: Eitel pioneered **10-meter waves** (30 MHz)
 - transcontinental communication

The Tube Business

- General Electric, Westinghouse, AT&T
 - All East Coast companies
 - Developed hi-power transmitting tubes in early 1920s
 - Difficulties in producing consistent, reliable ones
 - Required precise machining, glass blowing (Pyrex)
 - Exotic materials, sophisticated sealing techniques

Following our Entrepreneurs ...

- Litton got local job through a ham friend:
 - Research at Federal Telegraph
 - Leonard Fuller (Stanford's first Engineering PhD, 1919) had served as Chief Engineer
 - Built up to 60 engineers
 - Became sole supplier of radios to IT&T
- Eitel got local job through ham friend:
 - Mechanic at Heintz and Kaufman Inc
 - Heintz was a ham -- focus on HF radio equipment
 - Recruited McCullough a year later



Federal Telegraph, at Perham home, 916 Emerson St, Palo Alto (1912)

The Tube Business in the '20s

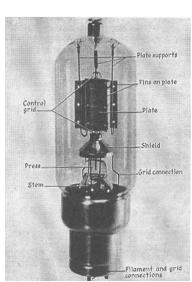
- Could not buy transmitting tubes on open market
 - Navy and GE set up RCA to ensure US dominance
 - Took over non-US companies: Telefunken, Marconi ...
 - RCA, GE, Western Electric, and Westinghouse
 - Exclusive cross-licensing of 2000 radio patents
 - Sole producers/distributors of power-grid tubes
 - Refused sale to Bay Area firms
 - Seen as threats to RCA, USA control
- So both companies needed to develop triodes
 - Litton, Eitel headed their tube shops

Tube Shops' Challenge

- Design around ~250 RCA patents
 - Enormously difficult task
- Hired locally (many were hams)
 - Eitel, Litton collaborated with each other (novel!)
 - Based on friendships over the years
- Worked closely with patent attorneys

Tube Shops' Challenges

- Heintz, Eitel, and McCullough engineered a rugged new power tube:
 - New materials, manufacturing methods
 - Tube's plates of tantalum (avoid patents)
 - New shock-resistant seals
 - Create higher vacuums (better reliability)
- More reliable, longer life than RCA's tubes
- Didn't infringe RCA's patents

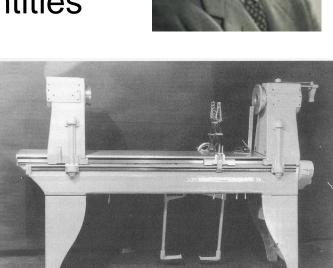


Heintz and Kauffman 354 Power Triode Tube

Tube Shops' Challenge

- Litton invented the glass lathe
 - For assembly, glass blowing, and sealing
 - Make complex tubes in large quantities
 - High repeatability, precision
- Built tube shop on parents' property







The US Depression

- Formed Eitel-McCullough Inc (Eimac)
 - To build high-power, high-frequency tubes
- Financing:
 - Harrison: real-estate agent in San Bruno
 - Preddey: ran movie theaters in SF
 - Eitel and McCullough brought their know-how
 - Ownership, profits to be shared





Precursor to today's Menlo Park Venture-Capital Firms

The US Depression

- Litton, Eitel, McCullough cooperated closely
 - Litton helped set up Eimac vacuum tube shop
 - Gave castings, engineering blueprints for lathe
 - Freely exchanged technical, commercial information
 - This reduced risks, for the two small tube-related businesses

Like Jobs & Wozniak, Homebrew Computer Club

The US Depression

- 1936: Frederick Terman asked Litton to join Stanford EE dept as lecturer
 - Shared knowledge with staff, students
 - Sperry \$1000 Litton klystron grant: let Terman bring Packard to campus for grad studies
 - with Litton, Hewlett, others
- Formed Hewlett-Packard

Demonstrates University/Industry cooperation



Threats to Peace

- Growing threats from Japan and Germany
 - President Roosevelt rebuilt the Army, Navy
 - New electronic system: RAdio Detection
 And Ranging (radar)
- US NRL needed high-voltage highfrequency transmitting tubes for radar

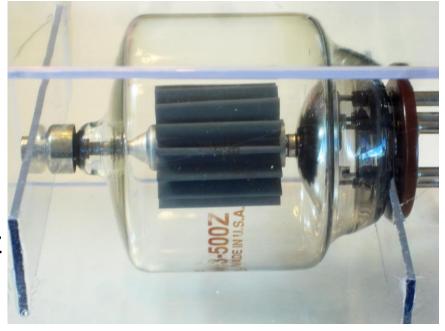


Eimac 50T

- Only Eimac's tube (the 50T) worked well at the high voltages and frequencies (200 MHz) needed
- First order of 10,000 tubes in 1940 (3,000,000 during war)!

Tubes for Hams

- Transmitting Tube:
 - Eimac 3-500Z
 - Designed in 1968
 - 3000 volts; up to 110 MHz
 - Forced-air cooled
 - Full legal power (using 2)



Courtesy of Mike Yamamoto

This one: built in Oct. 1980. Handle carefully!

The Klystron

- Russell and Sigurd Varian
- They worried about Germany
 - Hoped to use microwaves to detect planes
 - 1937: Moved to Stanford's labs to work with Hansen
 - developed the klystron in 1937
 - Used Litton's free advice
 - Used Hansen's theoretical assistance

Rus and Sig, boys in Palo Alto







The Klystron - PA Times, Jan. 30, 1939

WO ANNIVERSARIES



Meanwhile.

cross the At-

antic, Adolph

itler celebrates

ne sixth anni-

ersary of Nazi

accession to

going on the

air with a

warning to

other nations

to keep hands

off Germany's

a threat that

she must have

celenies, a de-

nunciation of

a defense of

the policies

which bave

raised a storm

of protest

among demo-

eratic nation

of the world.

olshevism, and

development

nower by

For Franklin Delano Roosevelt it was a birthday-his 57thand the occasion for a

nation-wide rally in behalf of a great bumanitarian movement. the campaign against infantile paralysis. Dinies poured into the White House from

individuals in every part of the nation while movie and stage stars gathered in Washington and other cities for birthday balls



BALLI ALATEN TIMES

47th Year-No. 25

PALO ALTO, CALIFORNIA, MONDAY EVENING, JANUARY 30, 1939

5c copy-75c month \$7.00 year in advance

Denies Plan NEW STANFORD RADIO INVENTION The styling of the go in the styling of **Other Lands**

Anniversary Address Is Denunciation Of Bolshevism

By LOUIS P. LOCHNER BERLIN, Jan. 30 (AP) - Adolf Hitler raised Germany's claim for colonies today and warned western p wers against "interfering in matters concerning us

Germany needs colonies for economic assistance, he told the Reichstag on the occasion of the sixth anniversary of the Nazi

rise to power. "If others do not believe this It does not matter and does not impair our rights," he continued

He disclaimed any idea that Germany needed colonies "to set up armies there."

State Official

Tells of Plan

Widen 101

"I need not assure you that in the future also we shall tolerate no attempts at interference in matters concerning us alone with the purpose of preventing natural and sensible solutions. Hitler ridiculed any idea that Nazi Germany was out to attack or divide up North or South

Ultra Short Wave Transmission

IIV JULIUS L. JACOBS

An invention so breath-taking in its possibilities, that it may alter the future radio development of aeronautics, as well as telephone, telegraph, and televigion communication, was annonneed today by Dr. Ray Lyman Wilbur, president of Stan-

ford University. Born in the brain of a Pan-American Airways pilot as he flew the Latin-America runs, the invention was developed and perfected in the physics department of Stanford Univer-The university holds the patent on the amazing new apmaraius, which has harnessed the forces of ultra-short-wave radio transmission. These same patent rights have been turned over to the Sperry Gyroscope Corporation, which will make passible the commercial developgient and production of the new

discovery in radio technique. By a \$25,000 gift to the Stanphysics department last the gyroscope people made s possible for the inventors to Definite assurance that the improve the working model,



By Grand Jury

Six Killed In Blizzard

CHICAGO, Jan. 30 (P) - A paralyzing blizzard whipped ment across the southern Great Lakes states and the Ohio valley today, burying Chicago under one of the heaviest snowfalls on rec-

Forecaster C. A. Donnel said if the storm continued all day the city might have snow totaling more than the existing record of 19.2 inches in March, 1930. The fall was one foot by noon.

Six deaths were recorded in the storm area. Among them was Samuel F. Manning, 60, general secretary of the Chicago board of health, who apparently died of over-exertion.

There were three elevated train collisions in Chicago in which 50 persons were injured. In each instance a heavily loadhed train crashed into the rear

The storm was the worst in Meeting in closed session with northern and central Illinois, the Santa Clara County Board northern Indiana and southern this morning the Michigan but spread northeast-

RUSSELL VARIAN

Prison Farm Recommended

The Klystron

- Sperry (NY) invested, got exclusive rights
 - Bought lathes, welders, pumps from Litton
- Litton made klystrons for IT&T, for France
 - Transformed klystron from lab to production
 - Continuous-wave klystrons, VHF/radar triodes

SF Bay Area/Stanford was microwave hotbed

Wartime Expansion

- Progressive Approach to business
 - Egalitarian relations within, between companies
- Managerial techniques to thwart unions, keep employees happy, productive
 - Profit-sharing, tuition, cafeteria, medical clinics
 - "HP Way" philosophy

Similar to Hewlett-Packard, Fairchild, Intel, Tandem ...

Post-War Realignment

RCA, others focused on TV, broadcast (NBC) EIMAC 4-250A power tetrode



- Eimac developed new line of better tubes
 - Power tetrodes for high frequencies (4-150A, 4-250A)
- FCC's surprise shift of **FM radio** to VHF (88-108 MHz)
 - RCA, others' transmit tubes wouldn't work at VHF
 - RCA copied Eimac's tubes, which did work

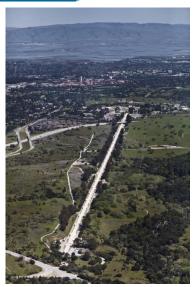
Reversal of Fortunes

- In 1947, Eimac sued RCA and GE
 - alleging patent infringement
 - GE, RCA lost lawsuit, halted production
 - Eimac transformed them into its own sales force and distribution network
 - Let them buy Eimac products and resell them under their own names

The "Big Dog" was now Silicon Valley!

Charles Litton After the War

- Focus on higher-power klystrons
 - For physics research, linear accelerators
 - Scaled from 30 kilowatts to 30 megawatts
 - Transformed Stanford into a major player
 - 2-mile-long linear accelerator: physics research;
 cancer treatment today uses the Litton klystron
 - Developed "Recipe" to build a firm:
 little initial capital; R&D contracts or a new idea;
 engineering teams, a product line; go into production



Varian Associates

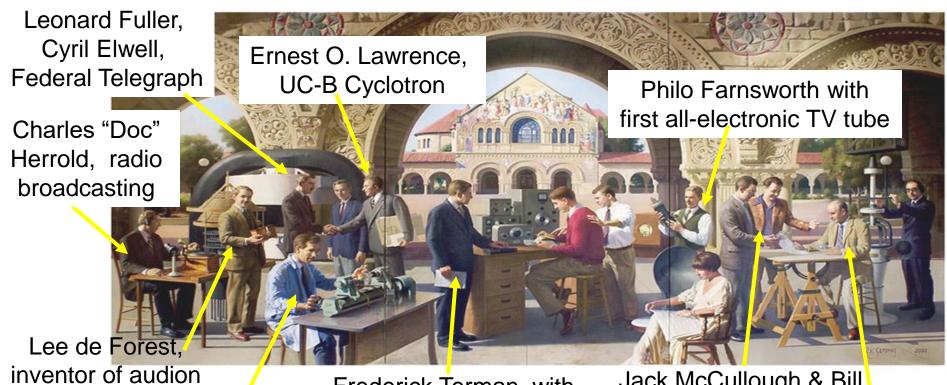
- 1948: Sold microwave measurement instrument plans to H-P for \$20,000
- Enabled Hewlett-Packard to enlarge its product line, increase revenues in 1950s
- Santa Rosa, Santa Clara divisions became Agilent (largest IPO in history), now Keysight



David Packard and Bill Hewlett







Charles Litton, inventor of the glass tube lathe

Hewlett and Packard to start a company; client was Walt Disney, for Fantasia

Frederick Terman, with

schematic, encourages

Jack McCullough & Bill

Eitel, cutting-edge

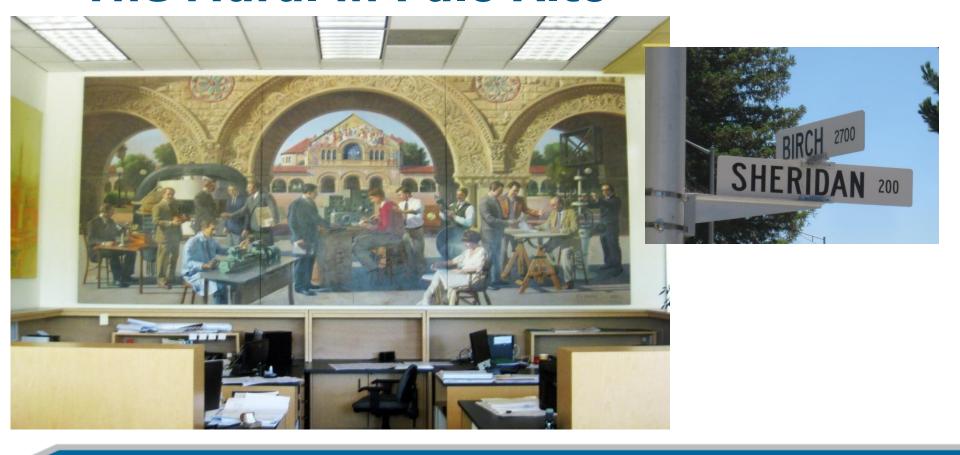
Eimac vacuum tubes

Ralph Heintz, short

wave radio pioneer

Robert Semans, 9' x 18' 3-panel mural; Court House Plaza, Palo Alto, 2002

The Mural in Palo Alto



Fast Forward to 1950's

- William Shockley Raised in Palo Alto; went to Caltech, MIT
- Invented transistor while at Bell Labs



Bill Shockley, 8, in front of home in Palo Alto

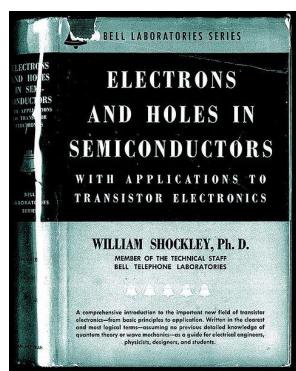
Developed to replace vacuum tubes



1948: William Shockley (seated), John Bardeen, and Walter Brattain

Fast Forward to 1950's

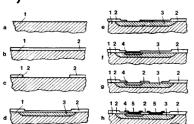
- William Shockley left the East Coast, returned to Caltech
 - Funding from Arnold Beckman
 - His mother, graduate of Stanford, lived in Palo Alto
 - 1955: Shockley Transistor, Mt View
 - "Traitorous 8" left him in 1957 to form Fairchild, with first real venture capital funding

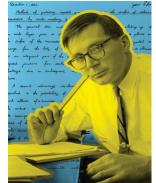


The Planar Process

- Developed by Dr. Jean Hoerni at Fairchild, 1959
- Required a special infrastructure:
 - High-vacuum technology
 - Precise furnaces
 - Glass/quartz capability and machinists
 - Ultra-pure gasses/water
- Process control; continuous improvement

Built on top of all of the capabilities developed here during the '20's, 30's, '40's





The Planar Process

It all happened here ...

At original Fairchild Semiconductor plant on Charleston Road, Palo Alto



The Planar Process

Isaac Asimov said this was

"the most important moment since man emerged as a life form"

... perhaps with a bit of exaggeration.



At the end ... (1960's)

- Situation had changed dramatically
- Peninsula, Valley were major electronics centers
- Dev't, production of tubes, Semiconductors, ICs
 - Half of the microwave tubes
 - In every advanced weapons, space system
 - In a wide range of industrial goods (broadcast, TV, microwave ovens)

Why?

SV was central to the US defense effort and to the US manufacturing economy

Silicon Valley Business Climate

- East's large, vertically integrated firms
 - Focus: *protecting* current products, markets
 - Slow to adjust to technology, market changes
- SV: highly fragmented, decentralized structure
 - Specialized firms, nimble/flexible, engineering-driven
 - Dense regional **network** of small & medium-size firms that support each other; draw from common work force
 - California (since 1870s) doesn't enforce non-compete clauses
 - Adapt more rapidly to change -- thrived in the new environment

Silicon Valley Uniqueness

- Practices, skills, and competencies:
 - Developed over 100+ years
 - Communities of hobbyists; collaboration/sharing
 - Analog → digital → SW → biotech → mobile
 - → Big Data → Deep Learning → VR → self-driving ...
 - Large number of cutting-edge entrepreneurs
 - Supported by Engineers and venture capitalists
 - Local universities, research, development
 - Supporting industries; Role models, expectations

Special Culture of Innovation

The '40's and '50's

















The '60's









(intel)



frog design

The '70's





ComputerLand®



















Genentech







The '80's

































The '90's and beyond



























The PHP Company





Informatica

Information Security





















Major companies have moved here ...



















Biotech ... Stanford Recombinant DNA

Genentech

(1976)













svapse































Where is "Silicon Valley"?

"A map of **Silicon Valley** in 2013, which originally just included the Santa Clara Valley from Gilroy to Palo Alto. Today it is a metaphysical space stretching from San Jose to San Francisco and Berkeley." A History of Silicon Valley, p. 264

580 Richmond Muir Woods Sausalito San Francisco Pacifica . Pacific Ocean Hayward Half Moon San Mate Redwood City Fremon ilicon Valle Milpitas Los Gatos Santa

Where is VC funding? (Spring 2014)



How Different are We?

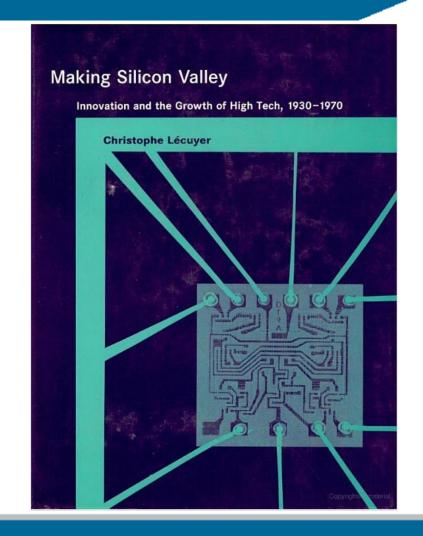
"In Silicon Valley, great 'collaborators' are prized; in Washington, DC, they are hanged. When they say 'collaborator', they mean 'traitor'; here [SV], they mean 'colleague'."

Thomas Friedman, NY Times, Jan 13, 2013

- It's our attitude in Silicon Valley: "Failure is a feature, not a bug." "Move Fast, Break Things" Tech start-up Failure Rate – typically 9 in 10 (in SV: 8 in 10)
- "The future is already here it's just not very evenly distributed." William Gibson

Get the book!

Learn MUCH more about those early days ...

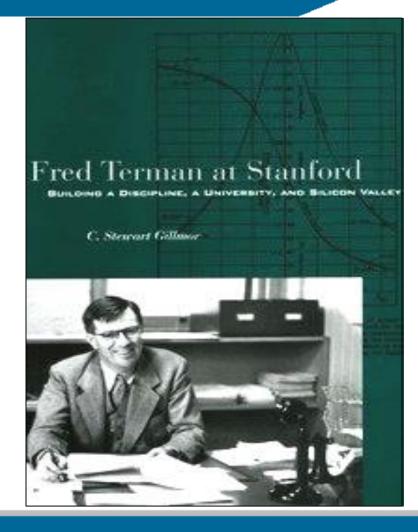


More about that period ...

Fred Terman at Stanford:

Building a Discipline,
a University, and Silicon Valley
by Stewart Gillmor

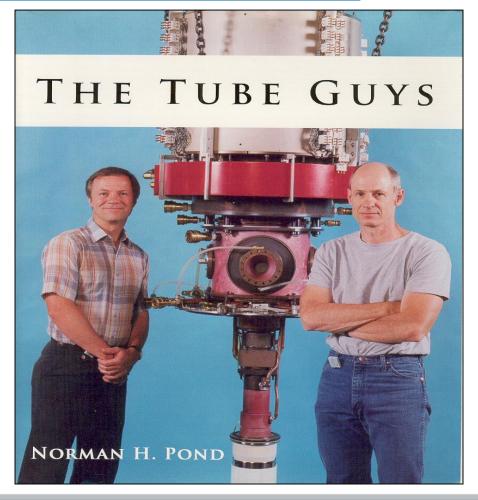
2004, ISBN 978-0804749145



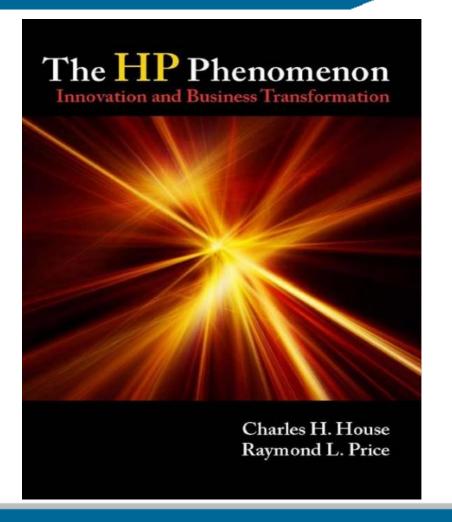
Another fun book

Norm Pond was president of Varian Associates (Sigurd and Russell's company), then formed Intevac and is CEO

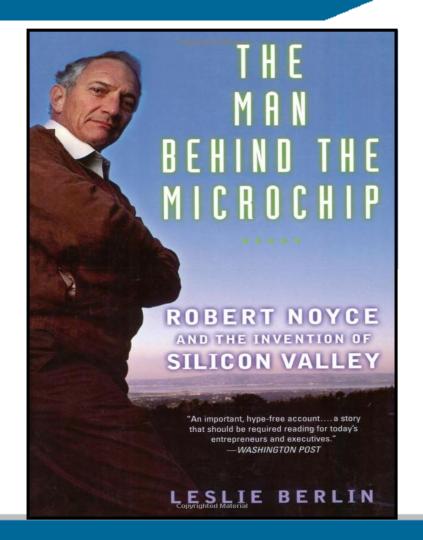
> 2008, ISBN 978-0-9816923-0-2 www.russcochran.com



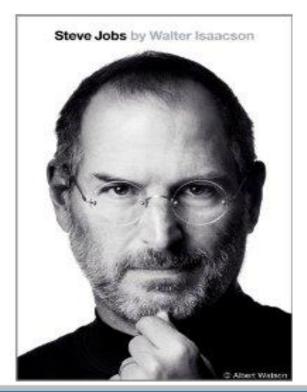
To understand how H-P was a product of Silicon Valley, and shaped its culture through a number of re-inventions (1930s, up **through 2009)**

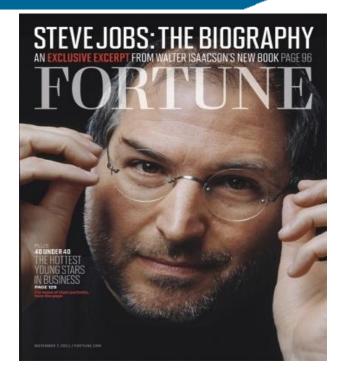


I also recommend Leslie Berlin's recent book on Bob Noyce



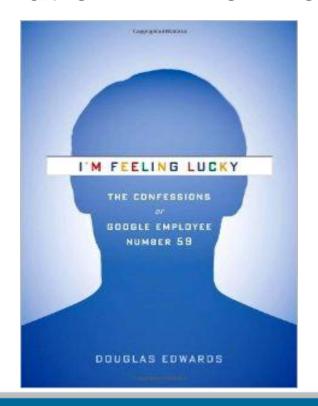
For another view of Silicon Valley

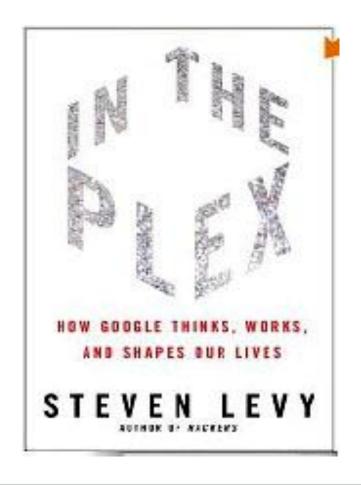






For a view of another Innovation Environment





On Netflix Streaming:

2011 video, 85 minutes (SXSW Best Documentary)

Covers funding and startup of Apple, Intel, Cisco, Tandem, Genentech, with views from the key funders (Rock, Perkins ...) and entrepreneurs (Moore, Learner, Treybig ...)



Reviewing the Good Ol' Days ... how hams created this hub of technology development ...

Download the slides and reading list (6 MB) at: www.pwesling.com/docs/1902-wesling.pdf

For other Silicon Valley Technology History Talks/Interviews:

www.SiliconValleyHistory.com

p.wesling@ieee.org

QUESTIONS and STORIES?

- · Where you worked; who you knew
- What you recall from the mid-20th century
- Digging into more of the details