

Bill Gates' Open Letter to Computer Hobbyists

Two surprising things are apparent, however, 1) Most of these "users" never bought BASIC (less than 10% of all Altair owners have bought BASIC), and 2) The amount of royalties we have received from sales to hobbyists makes the time spent on Altair BASIC worth less than \$2 an hour." - Bill Gates



MICROSOFT

February 1976 - Bill Gates writes a strongly worded letter to the computer hobbyist community expressing the injustice Microsoft was experiencing. This injustice was created by Altair BASIC being copied and not purchased. Gates addresses this free exchange of software as "theft". He explains that since so few copies of BASIC were legitimately purchased; the amount royalties Microsoft received did not make it worth the time spent programming. Furthermore, Gates threatens the community by questioning whether it would be worth it for Microsoft to release future software's to the hobbyists.

This community's reaction to this letter was enormous. Many disagreed with Gates' argument and felt that software should be bundled with hardware. Others realized the cost associated with software development.

April 1976 - Jim Warren, editor of Dr. Dobbs Journal responded by pointing out the success of Tiny BASIC. Tiny BASIC was a simplified version of BASIC with its code published free for copy. He enforces this by stating "When software is free, or so inexpensive that it's easier to pay for it than to duplicate it, then it won't be "stolen"."

Bill Gates has his "Second and Final Letter" published. This was an effort to respond to the reaction received from his first letter and to "avoid an endless dialogue" with the hobbyist community.