

[INTRO MUSIC]

Lizzie Peabody: This is Sidedoor, a podcast from the Smithsonian with support from PRX. I'm Lizzie Peabody.

Howard Scott Warshaw: I'm part of a crowd of some 4 or 500 people, waiting to get into a dump.

Lizzie Peabody: This is Howard Scott Warshaw. And on April 26, 2014, he was part of an unusual scene. Something like a wildly out-of-place tailgate party. People lined up with folding chairs, sun hats, beverages... in the middle of the New Mexico desert.

Howard Scott Warshaw: It was a hot day. I mean, it was hot, but there was no dessert. It was just desert.

Lizzie Peabody: Oh yeah, Howard has real thing for puns.

Howard Scott Warshaw: And they open up and here we go. And we're all rushing into the dump and there's a lot of excitement. You know, we're on a mission to uncover, uh, the truth or not of a very popular urban myth.

Lizzie Peabody: The legend goes like this: Once upon a time, in a land called Silicon Valley, an American tech company invented video games that enchanted children and brought billions of dollars flowing through its doors. The company was called Atari. Atari made many good games, until one day, in 1982, it made a bad one. A really bad one. A game so bad it has been called "the worst video game of all time."

Lizzie Peabody: The video game was, "E.T.: The Extraterrestrial." According to the myth, it was so bad, it put Atari out of business. And to hide its shame, Atari buried the unsold game cartridges in the middle of the desert, where they would never, ever be found.

Lizzie Peabody: Did you believe that the myth was true? Did you believe that there were games buried in the desert?

Howard Scott Warshaw: I never believed that. Why would a company that's strapped financially and is really failing and having a lot of trouble staying afloat, why would they spend extra money to go into the desert and bury, uh, something that supposedly is so worthless? They want to throw it away? That doesn't make any sense at all, right? I mean, that's just nonsense.

Lizzie Peabody: So, Howard was a skeptic. But others in the crowd...

Howard Scott Warshaw: I think they believed it and they were there because they wanted to see it. They wanted to see it come up out of the ground. So, there was that... so, there was a ground swell of excitement, you might say.

Lizzie Peabody: Ugh. So, Howard and the rest of the expectant crowd gather around the dump, which is now a dig site. Hundreds of video gamers are there, wearing all their favorite E.T. gear. There are reporters, and even a documentary film crew. The dig begins.

Howard Scott Warshaw: There's these huge machines that are super loud and they have these giant claws and all this, you know, excavating equipment. And super drills. And just, just giant stuff. And there's loud machinery. There's all these piles of dirt that had been brought up, with garbage in them and detritus. Cause it was a dump that has, you know, decades of dump.

Lizzie Peabody: After six hours of digging, through three decades worth of trash...

Howard Scott Warshaw: Out comes an E.T. cartridge. A kind of crushed, very damaged E.T. cartridge.

[MUSIC BREAK]

Lizzie Peabody: In the end, the excavation team unearthed a total of 1,178 Atari game cartridges. Enough to confirm that Atari had actually buried its games in a giant desert pit.

Lizzie Peabody: So, this time on Sidedoor, we explore just how those games wound up in the desert and why popular history blames a tiny pixelated alien for bringing down one of the most influential video game companies of all time.

[BREAK]

Lizzie Peabody: If you're enjoying Sidedoor, here's another show we think you might like. It's called, "The Ted Interview" and it's hosted by Chris Anderson, the head of Ted. Each episode dives deeper into the ideas of the most compelling Ted speakers: here's Susan Kane on why we should design our society with introverts in mind, New York Times columnist, David Brooks, on living a life that is more meaningful, Amanda Palmer on how creatives can actually get paid, and a lot more. Check out, "The Ted Interview," wherever you listen.

[MUSIC BREAK]

Lizzie Peabody: Long ago, before there was PlayStation, or XBox, or even Nintendo, there was Atari.

Arthur Daemmrich: It is undoubtedly part of, kind of, American cultural landscape. If you grew up in the 1980s, you'd recognize that symbol immediately. I'm of that generation myself.

Lizzie Peabody: This is Arthur Daemmrich. He's the Director of the Lemelson Center for the Study of Invention and Innovation, in the Smithsonian's National Museum of American History. He explained that long ago, there was really only one kind of video game: arcade games.

[MUSIC BREAK]

Lizzie Peabody: To play them, you had to put on pants, leave your house, and go to a shopping mall, bowling alley, or bar. And in the late 1970s, Atari was the first company to create a smash-hit arcade game - called Pong! They realized pretty quickly that they were onto something.

Arthur Daemmrich: There's amazing stories in the early days of the restaurant and bar owners calling them up and saying, 'the machine's broken,' and they go in and it's not broken at all. It's just completely jammed up with quarters and they suddenly realize, oh my God!

Lizzie Peabody: Because they're so popular!

Arthur Daemmrich: Yes, yes.

Lizzie Peabody: So many people were going out to bars just to play these games. Atari wondered: what if they made a game that people played at home? At this time, most people didn't have personal computers. Television was king. And Atari saw an opportunity. So, in 1977...

[Ad: Attention shoppers]

Arthur Daemmrich: Atari appears with a game set that any kid can use, and it really transforms the home playing video game market.

Lizzie Peabody: So, what did you need to have at home in order to play an Atari game?

Arthur Daemmrich: A television.

Lizzie Peabody: That's it?

Arthur Daemmrich: That's right.

Lizzie Peabody: All of a sudden, TV, which had always been passive entertainment, became interactive.

Lizzie Peabody: That's pretty cool. (laughter).

Arthur Daemmrich: It's very cool. And no one had seen it before. The first sort of demos of video games to play at home. Um, people were utterly confused by what it was.

Lizzie Peabody: Well, adults may have been confused, but kids got it immediately. Because, for such cutting-edge technology, Atari was easy to use. There was a simple console that plugged into your TV and it was controlled by a joystick with a single red button. On this foundation, Atari built entire digital worlds on screen.

[SFX GAME AUDIO]

Lizzie Peabody: And for \$199, plus \$20 per game cartridge, you could have those worlds in your own home.

[SFX Atari Audio Commercial]

Lizzie Peabody: Atari took off. They brought the excitement of the arcade into the suburban living room, and to do it, they hired the world's best programmers.

Arthur Daemmrich: These guys were geniuses at figuring out how to make interesting games, and make them fun.

Lizzie Peabody: Many of these "genius" programmers were young men, right out of college. And one of them was Howard Scott Warshaw, our friend from the desert. And he was pretty good at his job.

Howard Scott Warshaw: I was pretty good at my job. My first game that I did for Atari was, uh, Yar's Revenge.

[SFX GAME AUDIO]

Howard Scott Warshaw: That was the first game I think that actually had a pause mode.

Lizzie Peabody: Whoa, huh.

Howard Scott Warshaw: Ah, it was the first full screen explosion. It was a more elaborate use of sound than people have seen before. There was an incredible amount of color. I wanted a frenetic action game that demanded attention. That would grab someone right by their cognitive elements and not release them.

Howard Scott Warshaw: That's what I was trying to do with Yar's Revenge.

Lizzie Peabody: Wow.

[SFX Yar's Revenge Audio]

Lizzie Peabody: Yar's Revenge transformed Howard into what fans called a "Game God."

[SFX GAME AUDIO]

Lizzie Peabody: Even though Atari didn't credit its programmers publicly, fans would sleuth out the minds behind their favorite games. The growing community of American gamers was that passionate.

Lizzie Peabody: It was the Golden Age of Atari. By 1980, Atari was the fastest growing company in the history of the United States, commanding 75% of the home videogame market and bringing in more than \$2 billion a year. They produced their OWN games, but they also licensed their name to outside game developers, slapping the Atari label on all kinds of third-party games. No other company could keep up.

Lizzie Peabody: In 1981, Atari conquered Hollywood.

[MUSIC BREAK]

Lizzie Peabody: Howard spent eight months working on, "Raiders of the Lost Ark: the Video Game," strutting around Atari HQ with a fedora and a whip, the Daniel Day Lewis of Game Goddery. The game sold well, so when Steven Spielberg made another blockbuster, "E.T. The-Extraterrestrial" in the summer of 1982, it was a no-brainer. Of course, Atari would make, "E.T. The Video Game." Here's how Howard remembers it.

Howard Scott Warshaw: We're hanging out in my office. And then a call came in and it was the CEO of Atari, who actually never calls me. (laughs) He's basically my boss's boss's boss's boss's boss.

Lizzie Peabody: The CEO of Atari calls 25-year-old Howard and says, "We want you to make, "E.T. The Video Game. And, we need it done by September 1st."

Howard Scott Warshaw: Now this is July 27th. So that leaves five weeks and a half-day to do the game.

Lizzie Peabody: Five weeks. And a half of a day. To give you a sense of how insane this is, video games at the time took six to eight months to create. And this guy is saying, "Howard, we need for you to create a game for the highest grossing blockbuster film of the year in just 20 percent of the time it usually takes. You can do that, right?"

Howard Scott Warshaw: And I said to him, "Absolutely, I can!"

Lizzie Peabody: Did it ever occur to you that it might not be possible? I mean, was there a part of you that acknowledged that like, this might be impossible?

Howard Scott Warshaw: To be perfectly honest, I don't think it ever occurred to me that it couldn't be done.

Lizzie Peabody: So, Howard got to work.

[SFX Game Audio]

Lizzie Peabody: And he worked.

[SFX Game Audio]

Lizzie Peabody: And he worked.

Howard Scott Warshaw: Oh, it was brutal. It was grueling! I had a development system moved into my home, so that no matter where I was, I was no more than two minutes away at any point in time from actually sitting down and doing something on the game.

Lizzie Peabody: And even when he wasn't sitting down. Eating, driving, showering... he was working in his head. And when he was asleep, still working.

Howard Scott Warshaw: I thought, you know, what I need to do is turn sleep into an asset. I would work until I ran into a problem. And then I would go to sleep.

Lizzie Peabody: Hmm.

Howard Scott Warshaw: And I would think, okay, maybe if I can just sleep and come up with something. If I can literally dream up a solution. I thought that would be kind of cool, and there were sometimes where that happened.

Lizzie Peabody: So, Howard, all this sounds crazy. Why did they even ask you to do this?

Howard Scott Warshaw: It's a really good question. Right? Why would you put someone through something like this?

Lizzie Peabody: Right.

Howard Scott Warshaw: And well, you know, if you were to ask the executives, they would say... "Huh?" (laughs)

Lizzie Peabody: So, they didn't even know what they were asking of you?

Howard Scott Warshaw: No. They had no concept. The management at Atari was completely disconnected from production.

Lizzie Peabody: According to management, "E.T. The Video Game" needed to be in stores by Christmas, or they'd lose millions of dollars in potential holiday revenue. But Atari and Spielberg had taken so long nailing down a licensing agreement that by the time they finally did get pen to paper, there was almost no time left to make the game.

Howard Scott Warshaw: That never, like, occurred to anyone. This was a case of people believing they could do nothing wrong. And myself included. Everybody at Atari thought, you know, we're on top, no one can touch us, we can do anything.

[MUSIC: John Williams Theme]

Lizzie Peabody: And honestly, it seemed like they could. Against all odds, Howard delivered "E.T. The Video Game" in just five weeks.

[MUSIC: E.T. Video game theme]

Howard Scott Warshaw: I was a hero. There was a huge company meeting, which you know, they called me up onstage and was like..."Hey"

Lizzie Peabody: Really?

Howard Scott Warshaw: "Howard came through!" Oh Yeah!

Lizzie Peabody: Steven Spielberg himself called Howard a "certifiable genius." And by Christmastime, five million cartridges of the much-anticipated "E.T. The Video Game" stocked the shelves of stores nationwide. So, mission accomplished, right?

[SFX Game Audio]

Lizzie Peabody: Well, not exactly. More on that, after the break.

[BREAK]

Lizzie Peabody: Here's where we are. It's December 1982. Steven Spielberg's soon-to-be classic movie, "E.T. The Extra-Terrestrial" is out in theaters. And Atari, the American video game titan, just released the thing every kid was waiting for, "E.T. The Video Game."

[SFX Movie Announcer]

Lizzie Peabody: Howard Scott Warshaw, Atari's star programmer, created the game in only five weeks. Spielberg is happy. Atari leadership is happy. Howard is happy. Guess who is not happy?

Jason Orfanon: eight-year-old Jason, Christmas morning...thoroughly disappointed.

Lizzie Peabody: This is a man that Sidedoor does not like to disappoint.

Jason Orfanon: My name is Jason Orfanon, I'm the Executive Producer of Sidedoor, aka: your boss.

Lizzie Peabody: Thanks for the reminder.

Jason Orfanon: Justin, can I please have like a Latte or something? Um, perhaps some aromatherapy?

Lizzie Peabody: We brought Jason into the studio because he has some personal history with E.T.

Jason Orfanon: When E.T., the movie, came out, I was eight and E.T. was everything. I mean, there were stuffed animals for E.T. I had a ton of them you know. I learned how to draw E.T. that was a big deal So, ET was a huge part of the summer of 1982.

Lizzie Peabody: Jason was also into Atari. He played every day after school. -And when he started seeing ads for "E.T. The Video Game," he had really high hopes.

Jason Orfanon: Oh my God! I can play the movie! I was going to ride my bike in the game and maybe fly through the air. You know, maybe I was...

Lizzie Peabody: On Christmas morning, there it was under the tree: "E.T. The Video Game!"

Jason Orfanon: Ran up to my room, opened up the box, pulled the game out, stuck it into the Atari, turned it on. There's E.T. on that first screen. It's super exciting.

[SFX Game Audio]

Jason Orfanon: It plays a little song that's, you know, the song that's kind of like the E.T. song, but not quite. Started playing the game.

[SFX Game Audio]

Jason Orfanon: And that's when I realized that something was wrong. The game was nothing like the movie.

Lizzie Peabody: The objective of the game is for E.T. to collect pieces of a phone so that he can, of course, phone home.

[Voice of ET: "ET Phone Home"]

Jason Orfanon: I never finished the game. It was so incredibly hard and confusing.

Lizzie Peabody: It doesn't sound that hard. And Jason is older and wiser now, so we decided to play it.

Lizzie Peabody: Okay, let's do it.

Jason Orfanon: Oh no. I'm nervous. I'm super nervous.

Lizzie Peabody: (Laughs)

[SFX Game Audio]

Lizzie Peabody: OK. Are you ready?

Lizzie Peabody: Alright, there you go.

[E.T. Video game music]

Jason Orfanon: Alright. E.T. is landing in his tiny little spaceship and now he's in this, what looks like a forest?

Lizzie Peabody: It didn't go so well.

Jason Orfanon: Oh my God. All right. There's a government man coming after me. And he's...Like, what is he doing? He's just sort of bumping into me. Nothing happens.

Lizzie Peabody: Oh!

Jason Orfanon: Hmmmm...

Lizzie Peabody: In the game, it's hard to figure out where you're supposed to be going. And as you try to navigate the game world, you keep falling into these pits that are everywhere.

[SFX Game Audio]

Jason Orfanon: Alright, I'm in a pit. This is the worst part of the game.

Lizzie Peabody: And there are random characters trying to get you.

Jason Orfanon: I'm out... Now who's that guy? But... Ugh.

Lizzie Peabody: And you might be thinking, 'Hey! what would Howard say about you talking smack about his game?' But, he agrees.

[SFX: Game Audio]

Howard Scott Warshaw: E.T. commits the ultimate video game sin: to disorient the user. And you have to understand the difference between frustration and disorientation, right? Frustration in a video game is essential. Right? A video game must frustrate a user, but you should never disorient them.

Lizzie Peabody: Howard says that frustration ultimately creates satisfaction. It's a huge motivator in a good game, to get better, faster, stronger. Disorientation on the other hand, is just...

[SFX Game Audio]

Jason Orfanon: Hmmph. I'm in a pit. I fell in another pit.

Lizzie Peabody: Terrible.

[MUSIC BREAK]

Lizzie Peabody: But back in the winter of 1982, Howard thought everything was peachy. Because E.T. the extra-terrible game, was selling pretty well. But, as soon as the young Jason Orfanons of the world started playing it, word got out and sales virtually stopped, leaving unsold E.T. games clogging the shelves of stores. And by early 1983, Howard started to hear rumblings.

Howard Scott Warshaw: People from other parts of the company, you know, suits as we would call them, would come walking by engineering sometimes, and people would look at me and go, 'you know, Howard, you really came through for us. We don't blame you.'

Lizzie Peabody: Oooo.

Howard Scott Warshaw: And, I'm thinking, 'That's nice.' (Laughs) What are you talking about? I didn't know what was happening out there.

Lizzie Peabody: What was happening out there: millions of unsold games, coming back to Atari. Games they'd banked on selling. Atari sold them to a distributor, who placed them in stores. But...

Arthur Daemmrich: The distributor had the full right of return.

Lizzie Peabody: Oh. So, they could return their stock to Atari?

Arthur Daemmrich: Right. So, all the ones that they didn't sell, the stores gave back to the distributor and the distributor then returns to Atari as unsold product.

Lizzie Peabody: Okay...

Arthur Daemmrich: And so, they went belly up.

[SFX]

Lizzie Peabody: Wow.

[SFX]

Lizzie Peabody: E.T. was a big liability, but its very creation spoke to an even bigger problem for Atari: the company had made a habit of prioritizing money over quality.

Lizzie Peabody: Remember how, in an attempt to get more games on the market, Atari let outside companies make them? Well, a lot of those third-party games were bad too.

Arthur Daemmrich: And so, Atari's name gets associated with some really bad games that nobody really likes and that aren't selling well.

Lizzie Peabody: What's more, by 1983, programmers had reached the Atari console's limits for memory and graphics. All of the games kinda started to look the same, and gamers got bored. People stopped buying consoles. Atari was in big trouble.

Arthur Daemmrich: So, when Atari went down 1983 and '84, um, the entire video game industry tanks in the United States. But, it basically wiped out sales of home game sets.

Lizzie Peabody: The history books call it, "The Video Game Crash of 1983." American video game sales dropped by over 90% from 1982 to 1986. No new game systems were introduced, and hardly any new games were created at all, until the late '80s. That's when Japanese game companies Nintendo and Sega brought their consoles, and their famous characters, to the United States. But It would be nearly two decades before another American-made console would return to the market in any significant way, with Microsoft's XBox in 2001.

Arthur Daemmrich: So, there's no question that when you have an economic downturn, you have a catastrophe, a natural disaster, there's an effort to put a face on it. An individual story on it.

Howard Scott Warshaw: You have to have a face, right? E.T. became the face of the fall of the video game industry because it was very identifiable. And I became the butt behind that face.

Lizzie Peabody: (laughs)

Lizzie Peabody: On September 26, 1983, much like the character in the game, E.T. fell into its own pit in Alamogordo, NM. Not for any symbolic reason, but because dumping laws were lax

there, and Atari needed a cheap way to dispose of its 14 truckloads of unsold game cartridges. "E.T. The Video Game" was steamrolled, covered in cement, and largely forgotten.

Lizzie Peabody: Until 2014, when those cartridges were exhumed, and one of them found a home here in Washington D.C., at the National Museum of American History.

Lizzie Peabody: So, it's kind of crunched, it looks cracked. Like, if you tried to play this, it probably wouldn't go well.

Drew Robarge: We have not tried it, for obvious reasons. (Laughs)

Lizzie Peabody: (Laughs) Right.

Lizzie Peabody: Smithsonian Museum Specialist, Drew Robarge, took E.T. out of the collections to show it to me.

Lizzie Peabody: But, it still has dust on it. It still has like, sort of like white, crusty...

Drew Robarge: Yes.

Lizzie Peabody: Is that a rock or... what do you think? Is that just gunk?

Drew Robarge: Um, I think it's just gunk. You know, this was in with tons of other stuff, you know, plastic parts, you know, paper and instruction manuals, boxes. All this kind of stuff.

Lizzie Peabody: Drew's role doesn't usually involve collecting objects. But, he's a gamer himself.

Drew Robarge: I joke that I was born with a controller in my hand.

Lizzie Peabody: (Laughs)

Drew Robarge: Umm...

Lizzie Peabody: When he heard that a film crew applied for a permit to dig up the fabled Atari gravesite, he wanted to make sure the museum secured a cartridge. Because "E.T. The Video Game" tells the story of something bigger than its own dirt-crust case. It's about the rise and fall of the company that pioneered video gaming in America; and although it's not very old, it hints at the digital revolution that followed. It's a piece of American history.

Drew Robarge: Uh, I was just afraid that if I didn't act now, like, probably nobody else would have realized the significance of it. So, I felt... it was like, I had to do something. If not, the opportunity might've been lost.

[SFX: Gaming Music]

Lizzie Peabody: Howard Scott Warshaw left Atari in 1984 and eventually became a therapist. But he recognizes his role in Atari's story. And on that day in the desert, when E.T. was pulled from the ground.

Howard Scott Warshaw: I looked around. I thought, 'This is awesome. This so awesome.' Because, something that I did, you know, a few thousand lines of code that I had written over 30 years ago is still generating all this excitement. In that moment, I felt a tremendous sense of satisfaction in that I had really created something that meant something to a lot of people. And that meant something to me.

Lizzie Peabody: While Atari never regained video game supremacy, the culture it created endures, in the fans who bow down before their game gods, and stand for hours in the desert to see an old piece of plastic dredged from a dump; a game cartridge now preserved in the Smithsonian's collections. Once worthless, now priceless.

[SFX: Gaming Music]

Lizzie Peabody: You've been listening to Sidedoor, a podcast from the Smithsonian with support from PRX.

Lizzie Peabody: "E.T. The Video Game" isn't currently on display at the National Museum of American History, but you can find photos of the cartridge, as well as a bunch of zany fun facts I ran into about videogaming, in our newsletter. Subscribe at SI.edu/Sidedoor. That's SI.edu/Sidedoor.

Lizzie Peabody: Sidedoor is made possible with help from listeners like you. Your generous support helps make all the amazing work you hear about at the Smithsonian, possible.

Lizzie Peabody: Our podcast team is Justin O'Neill, Jason Orfanon, Ellen Rolfes, Caitlin Shaffer, Jess Sadeq, Lara Koch, and Greg Fisk. Extra support comes from John Barth and Genevieve Sponsler. Our show is mixed by Tarek Fouda. Our theme song and other episode music are by Breakmaster Cylinder.

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Lizzie Peabody: I'm your host, Lizzie Peabody. Thanks for listening.

[MUSIC OUT]