

Portrait of a modern-day plutocrat: Larry Ellison, CEO of Oracle

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Earlier this month, the data firm Equilar published its list of the highest paid CEOs for 2013. The report paints a picture of vast inequality, with extraordinary sums being paid to a tiny layer of the population. Pay for the top-earning 100 CEOs in the US increased by 9 percent last year, to \$13.9 million a piece.

Topping the list was Larry Ellison, the CEO of Oracle Corporation, a man who exemplifies the social character of the ruling class and its manner of wealth accumulation.

Ellison's total compensation for 2013 was \$78.4 million, almost all of it in stock options. For the eight years that Equilar has tracked executive compensation, Ellison's cumulative pay was \$582 million, almost \$83 million more than the runner-up, Tim Cook of Apple. His pay in 2013 was more than double that of the runner-up for that year, CEO Bob Iger of Walt Disney Company, paid \$34.3 million.

Ellison's pay was actually down \$18 million from its high in 2012, perhaps a reflection of the slowing performance of Oracle's stock. Ellison's wealth consists largely of real estate, and his fortunes have been amassed primarily through the medium of the stock market—a practice that has become pervasive among the ruling class since the 1980s, and vastly accelerated by the policies of the Federal Reserve.

Indeed, Ellison is one of the intended beneficiaries of the Obama administration's policy since the 2008 crash, which has consisted of making available an unlimited stream of cash to the financial system. The stock market has soared as a result, even as pay for the vast majority of the population has stagnated or declined, and unemployment remains at catastrophic levels.

Oracle Corp. is a developer of business software, such as supply chain management and enterprise

resource planning, founded by Ellison and Bob Miner. One of the famed Silicon Valley startups, the company is now a tech giant, with revenues second only to Microsoft in the world of software development.

Ellison runs his company as something of a despot, even over its shareholders. Though Ellison himself owns only about a quarter of the company's stock, their votes to roll back his pay package in two consecutive years were offered as nothing more than nonbinding suggestions, and promptly ignored.

Nominal management of the company has catapulted Ellison up the ranks of the super-rich. He is now the fifth-wealthiest person in the world, with a personal net-worth of about \$50 billion. Ellison is a personification of the obscenity of contemporary capital accumulation, the object of a fawning media and his fellow aristocrats. A *New York Times* feature on the CEO recently proclaimed, "It is good to be the king. It is even better to be Larry Ellison." In this they have surely not exaggerated.

Oracle's CEO is well-known for his egomaniacal and costly pet projects. His recent sponsorship of the America's Cup race in San Francisco at a cost of \$100 million is a small expense compared with some of his previous undertakings, such as spending \$250 million to buy up a third of Malibu.

In 2004 he commissioned a gargantuan custom "superyacht" for \$377 million, and his 2012 purchase of the sixth-largest island in the Hawaiian chain, Lanai, was paid for with between \$500 million and \$600 million—cash. He continues to make changes and "develop" the island as a "model for environmentally sound living."

Frugal in his own way, Ellison managed to cheat San Mateo County out of \$3 million of property taxes by arguing that one of his mansions, an imitation of a

Japanese Shogun estate, was “functionally obsolete” and worth hundreds of millions less than he paid for it. As a result, the public school system lost some \$1.4 million in tax dollars.

Like many billionaires of his type, he gives freely to both political parties, including some of the most influential figures at the national level, such as Democratic Party House Majority Whip Kevin McCarthy and former Senator, now Secretary of State in the Obama administration, John Kerry.

Breaking down Ellison’s pay on the assumption of a 40-hour workweek means that the CEO makes more in an hour (\$37,692.31) than a typical worker is likely to in a year—paying the much lower capital gains tax rate on almost all of it.

The tragedy of this spectacle hardly needs to be pointed out, when 12.5 percent of the globe’s population sits on the cusp of starvation. In the United States, Ellison’s home, a third of Americans experienced “poverty” in its narrow official definition between 2009 and 2011.

In a period when the most basic forms of assistance to the working class—food stamps, unemployment insurance, education, health care, nurturing of culture—are being systematically dismantled to free up resources for the accumulation of capital by the aristocracy of finance, the likes of Oracle Corp.’s “king” are the incarnation of reaction all down the line.

In the early years of Oracle, possessing a fortune several orders of magnitude smaller than today, Ellison invited the company’s co-founder Bob Miner to come along with him for a joyride on a hired fighter jet. Miner wrote back, perhaps more prophetically than he intended, “You obviously have far more money than you should. It’s things like this that caused the French Revolution.”

What goes for Ellison goes for the social layer of which he is a particular expression. Drunk on wealth, their relationship to society as a whole is fundamentally parasitic. They sit atop a social power keg—not unlike the aristocracy of the *ancien regime*. And similar causes produce similar effects.



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