

# Larry Ellison's Golden Age

Profiteers of the Warfare State

by Justin Raimondo



Earl Kelsey

Larry Ellison has an idea. The relentlessly self-promoting CEO of Oracle Corp., a Silicon Valley software company famous for its ability to grab government contracts, envisions post-September 11 America as a country where everyone walks around with a “smart card.” Days after the terrorist attacks, the opportunistic Ellison was all over the media claiming that “We need a national ID card with our photograph and thumbprint digitized and embedded in the ID card.”

Naturally, it would all be backed up by an Oracle database. And, of course, he will do it for free—at least until the first inevitable “upgrade.”

The only way to protect ourselves from terrorists is to “ensure that all the information in myriad government databases was integrated into a single national file,” says Ellison. Oh, and we should not worry about the government intruding where it is not supposed to, because privacy is so *pre-September 11*: “Well, this privacy you’re concerned about is largely an illusion,” Ellison told news anchor Hank Plante of San Francisco’s KPIX-TV shortly after September 11. “All you have to give up is your illusions, not any of your privacy. Right now, you can go onto the Internet and get a credit report about your neighbor and find out where your neighbor works, how much they [*sic*] earn and if they [*sic*] had a late mortgage payment and tons of other information.”

We are all serfs now, anyway, so why not wear the slave collar and be done with it? It is an interesting argument to make, and oddly compelling—but not to real Americans, who never were serfs and never will be.

We have been so busy worrying about Big Brother snooping,

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says Ellison, that “we’ve made it impossible for the government to protect us.” That’s right: It is *our* fault that the FBI obstructed its own terror investigation and failed to detect a terrorist plot more than five years in the making. Besides, all this anxiety about such archaic abstractions as “liberty” and “privacy” is rather dated. “Two hundred years ago, Thomas Jefferson warned us that our liberties were at risk unless we exercised ‘eternal vigilance,’” writes Ellison in the *War Street Journal*—but “Jefferson lived in an age of aristocrats and monarchs.”

We, on the other hand, live in an age of yuppies and demagogues, when such old-fashioned niceties as individual liberty and the right to be left alone have long since ceased to exist. Welcome to the new world, the world according to Larry Ellison; and please, put on your slave bracelet—it is for your own protection.

These entrepreneurs of terror, who profit from the pandemic of spreading fear, are a species apart, one which has adapted to the post-September 11 atmosphere quite well, thriving like maggots fattening on a corpse. *GovExec.com*’s “Tech Insider” page, which “looks at how business gets done in the federal technology market,” noted on February 1, 2002, that the fear market is *hot*:

Players big and small in the federal technology game have their knives out and are carving up a brand new market: homeland security. The Sept. 11 terrorist attacks have spurred the biggest push yet toward a vision of seamless, electronically integrated government that tech firms have spent years pitching to federal agencies. With agencies finally willing to act, it’s feeding time for companies.

At the public trough, many snouts compete for a larger share of the swill:

In the four months since the attacks, dozens of technology companies have tried to sell themselves as the answer to the government's security prayers. Suddenly, projects like a multi-million dollar database integration effort for the entire federal law enforcement community, explosive detection equipment for luggage screening at every U.S. airport and new surveillance technologies for the domestic war on terrorism are all possible, and they're all business.

In the wake of the terrorist attacks, many Americans turned to religion for consolation. Our governing elites, however, turned to technology—or, rather, to a faith in technology that approximates religion. Their faith, however, may be shaken by the first major “software glitch” in the system: They fail to recognize that software is no substitute for the kind of *human* intelligence that our law-enforcement agencies so lack. If what Colleen Rowley says is true—if, indeed, top FBI officials obstructed the pre-September 11 antiterrorism investigation—then a “database integration effort” is irrelevant.

These crony capitalists, however, are still swarming like vultures after a fresh kill, according to *GovExec.com*: “Between the slew of daylong security seminars hosted at the Washington offices of top technology contractors and the endless stream of association- and consultant-sponsored breakfast training sessions on how to sell to the government, corporate marketing, sales and acquisition teams are working overtime.” And, of course, Larry Ellison's Oracle is right up there on top:

Some, like Oracle, the leading seller of database software to the government, stepped onstage early. In the days after Sept. 11, Oracle CEO Larry Ellison put the company that built its business on the public sector smack in the middle of the homeland security agenda by calling for the creation of a national identification card and offering to help build the data system behind it. Ellison has been pushing the security mantra for years and now appears more ready than ever to make the vision a reality. Meanwhile, company officials remain focused on making sure the technology to do the job will actually work.

The last brick of the World Trade Center had not even hit the ground before Ellison was out there making his sales pitch. He is a fine example of good old-fashioned American entrepreneurial spirit—deformed beyond recognition by the disease of military socialism.

The oracular Ellison and his fellow crony-capitalists are pushing the concept of “E-government,” which *GovExec.com* describes as “the long-vaunted recipe for making government act more like a business.” While it is unlikely that any sort of software can convert an engine of coercion into something more “user-friendly,” Ellisonian “E-government” may succeed in making business act more like government. In an era when the only significant growth is in the size and cost of government, and the federal bureaucracy is the only expanding market, successful entrepreneurs will have to adapt to the new rules or perish. Instead of correcting the inefficiencies of government, these firms will encourage and replicate them—or lose their only customer. (Ellison, himself, is a total creature of the state. Oracle's first major customer was the CIA. In a deal that launched the company in 1977, cofounders Ellison and Robert Miner talked the CIA into letting them revive a lapsed \$50,000 contract to build a special database program.)

This is “capitalism” in our nightmarish age: a hideous and even

repulsive system of cronyism ruled by sleazeball CEOs and their pet politicians. For the ultimate example of crony capitalism, check out In-Q-Tel, the CIA's venture-capital fund. Its mission: to “identify and invest in cutting edge information technology solutions that serve US national security interests.” Its website ([www.in-q-tel.org](http://www.in-q-tel.org)) describes In-Q-Tel as “a hybrid between public and private-sector business models,” and it surely is that—the crony-capitalist version of the Cold War-era Congress of Cultural Freedom. (The CCF was a CIA project through which certain neoconservative intellectuals—Irving Kristol among them—became the beneficiaries of U.S. government largesse.) Since intellectuals no longer matter that much—all of them have been bought off, anyway—it is time for the entrepreneurs to have their turn.

Chartered in February 1999, In-Q-Tel focuses on the internet and, after September 11, began moving rapidly into “blogger” technology: the software that allows users without programming skills to set up and run websites on their own. In-Q-Tel's latest project is Traction Software, Inc., which describes itself as a leader in next Generation Enterprise Weblog software, delivering interoperable, inexpensive, rapidly-deployable, open and easy-to-use tools for groups and teams to communicate.” Of course, the proliferation of “weblogs” or “blogs”—personal online journals—was already a booming phenomenon before the terrorist attacks, but they gave rise to many more: The whole “warblogging” phenomenon has demonstrated that they are excellent tools for spreading rumors, smearing people, and casting the memes of war far and wide. Now, the government wants to get in on the act—that is, if they have not been in on it all along.

But In-Q-Tel and Oracle are small fry compared to the big oil and construction companies that stand to profit most from the “War on Terrorism.” If this war becomes increasingly focused on a strategy of Middle Eastern conquest rather than defending American territory against terrorist attacks, the real profiteers will reap the riches of empire. Richard Perle and the Pentagon's Defense Policy Advisory Board have floated a plan to seize the oilfields of Saudi Arabia, under the pretext of “fighting terrorism.” Rumor has it that, in the event of a U.S. invasion of Iraq, the U.S. government is planning to seize the kingdom's airports—and, as the succession to the Saudi throne becomes an issue, there are even intimations of a U.S.-led coup against Crown Prince Abdullah, whose subservience to American and British oil giants has been judged insufficient.

A war of conquest in the Middle East would be crony capitalism in action. The beneficiaries would be the oil companies who, denied access to the rich oil and natural-gas fields of the region on terms they deem acceptable, will gain untold wealth—at gunpoint. It is the equivalent of a stick-up, on an international scale.

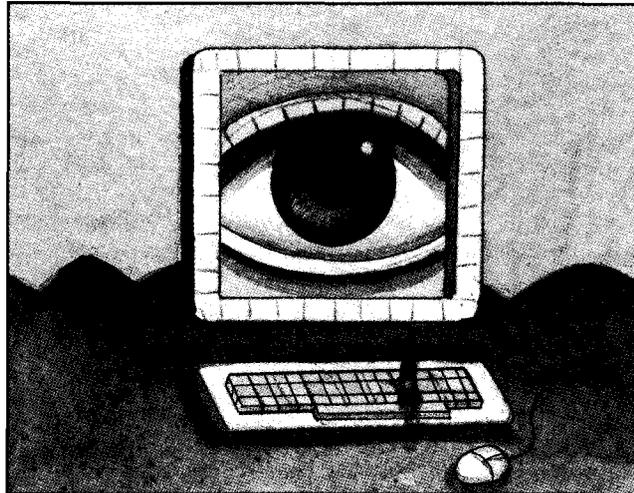
The War on Terrorism has ushered in the apotheosis of what Murray N. Rothbard called the “Welfare-Warfare State.” Under this rubric, our crony capitalists and their politician friends will profit, while the rest of us are fleeced, taxed into penury in the name of “national security,” and enslaved in the name of the fight for “freedom.”

In-Q-Tel head honcho Gilman Louie jets between Washington, D.C., and Silicon Valley, meeting with lobbyists, politicians, and government administrators. “The fun part is going into [CIA headquarters at] Langley and talking to national security people and giving them tools to get their jobs done,” he says. Yes, some people are having fun: For Gilman Louie, Larry Ellison, and the profiteers of the Warfare State, these dark days are a Golden Age. ◀

# “Outside the Box, but Never Outside of the Constitution”

A Defense of “Ordered Liberty”

by Stephen B. Presser



Is the Ashcroft Justice Department busily engaged in shredding the Constitution under the cover of September 11? We are, the President tells us, at war, and in war, we are often told, the first casualty is civil liberties. Some feared that this was the case when Attorney General John Ashcroft, in July, unveiled his TIPS plan (“Terrorism Information & Prevention System”). TIPS was designed, as *Business Week’s* Jane Black explained, to use “your cable guy, meter reader, even your postman to voluntarily [*sic*] report any and all suspicious information about you to a new, central FBI database” — the better to ferret out future Muhammad Attas.

Enlisting these service personnel was thought to be a way to conduct household searches without obtaining a warrant, thus making what celebrated Boston “civil-liberties lawyer” Harvey Silverglate called “an end run around the Fourth Amendment.” The horror generated by TIPS was instantaneous and virtually universal, and, within a scant few weeks, the program appeared dead when Congress prohibited any “national snitching programs” (as *Slate* reporter Dalia Lithwick called them) in the draft of the as-yet-unpassed Homeland Security bill. The ACLU had been predictably shrill; legislative counsel Rachel King warned that “Law enforcement may end up chasing information based on uninformed citizens who have their own biases or may be prejudiced.” At a Senate hearing, Sen. Orrin Hatch (R-UT) said that “We don’t want to see a 1984 Orwellian-type situation here where neighbors are reporting on

neighbors.” Woody Harrelson, the Hollywood actor most noted for his portrayal of what London’s *Daily Mirror* called “the dim barman” in *Cheers*, said that “The war against terrorism is terrorism. The whole thing is just bullsh-t.”

Eternal vigilance, the cliché has it, is the price of liberty, and congressional vigilance may have saved us from TIPS, but was this too little, too late? In the wake of September 11, with almost no dissent (the House vote was 356-66, the Senate vote, 98-1), Congress passed, and the President signed, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (“USA PATRIOT Act.”) Its chief architect was U.S. Assistant Attorney General Viet D. Dinh, a former prominent member of the Federalist Society, former law professor at Georgetown, and former clerk for Supreme Court Justice Sandra Day O’Connor (and a possible future first Asian-American appointment to the U.S. Supreme Court under a Republican president). The PATRIOT Act, Mr. Dinh explained in a speech to the District of Columbia Bar Association, was no more than a simple means of preserving the “ordered liberty” beloved of Edmund Burke, by “updating the law to reflect new technologies.” Al Qaeda and Osama bin Laden, Mr. Dinh noted, were taking advantage of modern means and so should the Justice Department, since “Knowing what we now know about al-Qaida, it is easy to see that its radical, extremist ideology is incompatible with, and an offense to, ordered liberty.” “Al-Qaida seeks to subjugate women; we work for their liberation,” Mr. Dinh told the Washington lawyers. “Al-Qaida seeks to deny choice; we celebrate the marketplace of ideas. Al-Qaida seeks to suppress speech, we welcome open discussion.”

Accordingly, for the first time, the USA PATRIOT Act per-

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