

Paramount–Warner merger signals new alliance of Silicon Valley, the Pentagon and Hollywood

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On February 27, Paramount Skydance finalized a \$111 billion merger to acquire 100 percent of Warner Bros. Discovery (WBD) for \$31 per share in cash. The deal unites two of Hollywood’s historic studios and their global news and streaming divisions under a single corporate structure dominated by finance capital.

This marks a new stage in the restructuring of the US and international media landscape, concentrating enormous cultural (or anti-cultural) and informational power in the hands of a narrow layer of billionaires tied to Silicon Valley and the American state.

The transaction concludes a bitter, multi-year bidding war. In late 2025, Netflix appeared poised to take over WBD with an offer estimated to be worth between \$72 and \$83 billion. But Netflix sought only the most profitable components (Warner Bros. studios, the Burbank lot and HBO/Max), while excluding cable networks and CNN, which it regarded as declining assets burdened by debt.

Paramount Skydance, by contrast, insisted on a full buyout. Its leadership argued that only massive scale could compete with tech behemoths such as Amazon and Apple. Treating the acquisition as existential, Paramount raised its bid to \$31 per share, above Netflix’s \$27.75 offer. Netflix ultimately withdrew, citing the needs of financial self-discipline and Warner’s \$33.5 billion debt burden. Paramount then secured shareholder approval with aggressive incentives, including reimbursement of Netflix’s \$2.8 billion breakup fee and a record \$7 billion regulatory termination fee should antitrust approval fail.

The merger relies heavily on debt and the financial backing of billionaire Larry Ellison and his family. Paramount secured between \$54 and \$57.5 billion in bridge loans from major banks, while Ellison reportedly guaranteed up to \$45.7 billion in equity, leveraging his holdings in Oracle. The combined entity will carry approximately \$90 billion in debt.

Such staggering leverage has immediate consequences. Chief executive David Ellison (son of Larry Ellison) has pledged to extract \$6 billion annually in “cost synergies.” In plain language, this means mass layoffs, intensified workloads and the slashing of production budgets. Thousands—and potentially tens of thousands—of jobs across film, television, news and streaming are at risk.

Redundancies will be targeted systematically. The merger of CBS News and CNN signals deep cuts in broadcast journalism. Production teams, technical crews and administrative staff

performing similar functions are expected to be consolidated or eliminated. In streaming, integrating Max and Paramount+ into a single technology infrastructure will wipe out engineering, design and back-office positions. Theatrical marketing and global distribution divisions face closures and international downsizing. Studio lots and real estate in Burbank, New York and London are likely to be consolidated.

Employees describe a climate of fear and demoralization, particularly in light of Warner Bros.’ strong 2025 box office results. Yet past experience demonstrates that immediate profitability offers no protection under monopoly capitalism. Previous Warner mergers promised “synergies” and instead delivered austerity.

The impact extends beyond immediate job losses. Industry observers, including Netflix co-CEO Ted Sarandos, warn that debt pressures will force deep production cuts. The Writers Guild of America has condemned the merger as a blow to writers, arguing that reducing the number of major buyers of scripted content will depress wages and narrow creative opportunities. Other entertainment industry unions, including SAG-AFTRA and IATSE, have ineffectually raised alarms over residuals, job security and technological displacement.

Central to the new corporation’s strategy is the transformation of the studio into what executives call an “AI-native” enterprise. Backed by Oracle’s data and cloud infrastructure, David Ellison is advancing so-called “Agentic AI” systems designed to automate complex decision-making across development, preproduction and post-production. New executives are being hired to oversee end-to-end AI workflows aimed at accelerating output and cutting costs.

For writers and other creative workers, this signals structural displacement. Repeatable tasks like script coverage, story drafting, editing and visual effects processing are prime targets for automation. While the recent contracts negotiated by the Writers Guild and SAG-AFTRA were promoted as establishing “guardrails” on the use of artificial intelligence, in reality they failed to provide any meaningful protection.

The agreements left studios broad latitude to deploy AI tools throughout the production process, while offering only limited provisions that can be easily circumvented. The contracts effectively sanctioned the expansion of AI within the industry under full corporate control.

Amid immense debt burdens and relentless cost-cutting pressures, the economic incentives for studios to downgrade highly skilled writers and performers into lower-paid “AI supervisors” or editors are enormous.

The merger also underscores the growing fusion of media, technology and state power, in what might be described as a modern Military-Industrial-Media Complex. Ellison’s Oracle, founded on an early CIA contract, now provides cloud computing and artificial intelligence infrastructure to major corporations and national security agencies.

This infrastructure now forms the backbone of global defense through massive initiatives like the \$9 billion Joint Warfighting Cloud Capability (JWCC) contract, which integrates Oracle’s “air-gapped” National Security Regions across the Department of Defense and all 17 US government intelligence agencies. “Air-gapped” refers to computers or networks physically isolated from unsecured, public networks to ensure maximum secrecy.

By deploying ruggedized [equipment engineered to withstand harsh conditions], portable cloud nodes to the “tactical edge” [remote, austere or disconnected environments] and partnering with firms like Palantir, Oracle enables real-time, AI-driven battlefield analytics and autonomous decision-making. This role extends to the “Five Eyes” alliance and NATO, where the company’s sovereign cloud environments and “agentic AI” workflows have transitioned Oracle from a mere software provider to an essential, high-stakes architect of 21st-century warfare and global surveillance.

The political implications are profound. Larry Ellison is a longtime ally and donor to Donald Trump, who has repeatedly attacked CNN as hostile to his administration. It is a common contention that the White House favored Paramount’s bid precisely because Ellison would be amenable to reshaping CNN’s editorial direction. The deal also involves investment from sovereign wealth funds in Saudi Arabia, Qatar and the United Arab Emirates, all accomplices in the conflicts taking place in the Middle East, from the Gaza genocide to the criminal assault on Iran.

With Oracle already managing sensitive data infrastructure, including TikTok’s US operations, Ellison’s expanding media footprint consolidates control over both information distribution and AI development. Content is increasingly treated not as journalism or art but as data: raw material within broader geopolitical and economic competition.

The harsh reality is that much of the news dissemination in the US will be dominated by those *directly and criminally involved*, politically and economically, in the various conspiracies of the American ruling elite, including the Gaza genocide and the ongoing war of extermination against Iran.

In Washington, the merger has exposed divisions within the political establishment. The Trump administration is widely viewed as sympathetic to the deal. Leading Democrats have issued warnings about excessive consolidation. Senator Elizabeth Warren has called it an “antitrust disaster,” arguing that it will raise prices and concentrate media control in the hands of Trump-aligned billionaires. Senator Cory Booker has demanded scrutiny from the Department of Justice and the Federal Trade Commission, urging

David Ellison to testify regarding potential editorial changes at CNN. California Attorney General Rob Bonta and European regulators have also signaled close review.

None of the Democrats offer the slightest challenge to the underlying framework of corporate media ownership. Their concerns center on competition, pricing and regulatory procedure *and* the further politically dangerous discrediting of the entire media apparatus, not on the fundamental incompatibility between democratic culture and monopoly control of information.

The broader implications for cultural life are immense. The consolidation of two of the largest studios, now essentially part of a military-CIA complex, significantly reduces diversity of production and narrows the range of perspectives available to audiences. Independent filmmakers, smaller production companies and dissenting artists will face even greater barriers to distribution. The concentration of news divisions under a single technology-driven hierarchy threatens further homogenization of political coverage.

As geopolitical tensions escalate and the war in Iran expands into a regional conflagration, the American public will confront a largely unified narrative shaped by corporate and state interests. Oppositional or even critical voices will be marginalized, investigative journalism constrained and programming aligned more closely with official policy.

The unions representing entertainment workers express anxiety about job losses and AI displacement. But they are centrally responsible for facilitating the current situation. Their strategy remains confined to appeals to regulators and corporate management. None calls into question the dominance of finance capital or the subordination of culture to shareholder value. Certainly, none calls for the independent mobilization of workers against capitalism.

The Paramount Skydance–Warner Bros. Discovery merger is a stage in the broader transformation of capitalism, in which media, technology and state power converge under the control of a financial oligarchy. For entertainment workers and the broader working class, the essential issue is not which corporation prevails in a bidding war but the social control of information and culture. The conglomerates’ stranglehold must be broken.

The defense of democratic rights, artistic freedom and truthful reporting cannot be entrusted to billionaires, regulators or union bureaucracies tied to corporate management. It requires the independent mobilization of workers across industries against capitalism and the subordination of society to profit.



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