

Directors Guild and IATSE more than happy to hand Hollywood over to the oligarchs

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The Directors Guild of America (DGA) and International Alliance of Theatrical Stage Employees (IATSE) have intervened in the antitrust battle over Paramount Skydance's proposed \$111 billion acquisition of Warner Bros. Discovery, urging California Attorney General Rob Bonta to abandon the state-led legal challenge and negotiate a settlement allowing the merger to proceed. Their letter marks an escalation in the struggle over Hollywood's future and betrayal of the workers they claim to represent.

The two entertainment unions argue that prolonged litigation creates uncertainty and that binding commitments, including separate studio operations, a 45-day theatrical window and 30 theatrical films annually, could preserve employment and competition under a single corporate parent. They are asking Bonta to turn the antitrust case into negotiations over the terms of surrender.

On the other hand, the Writers Guild of America (WGA), SAG-AFTRA (the performers' union) and Teamsters have issued statements warning that the Paramount-Warner merger threatens employment, wages, residuals, union jobs and the diversity of content. Liberal and "left" commentators present these statements as evidence that "labor" is resisting. The latter, in fact, comprise a public relations exercise by bureaucracies whose record demonstrates class collaboration, not class struggle. They are designed to create the appearance of resistance while doing nothing to organize it.

The DGA and IATSE have a long record of collaboration with the studios. In June 2023, while the Writers Guild was in the second month of its strike, the DGA announced a tentative agreement with the AMPTP (Alliance of Motion Picture and Television Producers), helping isolate the writers and signaling that directors could be relied upon to maintain labor discipline. In 2021, IATSE declared a contract ratified even though a majority of members had voted against it. In 2024, it rushed another sellout agreement through, releasing the contract only four days before voting and suppressing meaningful discussion.

But the WGA, SAG-AFTRA and Teamsters leaderships are no less compromised and discredited. After the 148-day 2023 writers' strike, the WGA bureaucracy shut down the fight behind closed doors before members could vote on the tentative agreement and then presented the sellout as a "historic

victory." In 2026, it announced another tentative agreement a month before contract expiration without seeking strike authorization, accepting sub-inflation wage increases, healthcare givebacks and AI provisions allowing studios to use writers' work to train models without individual opt-out rights. The four-year contract locks in labor peace through 2030 as AI restructuring intensifies. The studios wanted a runway for the technological liquidation of creative labor, and the WGA bureaucracy delivered it.

SAG-AFTRA followed the same pattern. Its 2023 deal sanctioned digital replication of performers under "negotiated conditions," including individual contracts that can pressure actors to surrender rights to obtain work. The union ended the strike before ratification and in 2024 signed an agreement with Replica Studios facilitating digital voice replicas. Its 2026 contract was approved with only a 19.25-percent member turnout. Just 12 percent of members now earn enough to qualify for benefits.

The Teamsters are no different. During the 2023 writers' strike, their bureaucracy ordered members not to join WGA picket lines, preventing solidarity at a decisive moment. That leadership now postures as an opponent of the Paramount merger. It has no greater interest in mobilizing workers against the studios today than it did then.

What unites all five bureaucracies is more important than their tactical differences. Their officials' material interests, careers and social connections are bound up with the corporations and capitalist parties, not the rank and file. WGA West Executive Director Ellen Stutzman earns approximately \$682,692 annually; assistant executive directors earn between \$399,000 and \$468,000. In 2023, then-Executive Director David Young received more than \$1 million. These officials do not share workers' precarious conditions. They constitute a distinct social layer living off their members' labor while suppressing struggle.

The WGA, SAG-AFTRA and Teamsters statements are substitutes for action, designed to manage rank-and-file anger while directing it toward regulators, the Democratic Party and corporate management. None calls for independent worker mobilization or challenges finance capital. The WGA's opposition is a lobbying position, compatible with its

continuing collaboration with the studios.

In other words, different blocs of unions line up with different sections of the ruling class. None of them has a strategy for breaking the stranglehold of the oligarchies over economic and cultural life, the source of all the miseries imposed on workers.

These organizations cannot and will not organize action across entertainment unions and build an independent political movement against the oligarchy. They will not break with the Democratic Party, in the first place, whose Telecommunications Act of 1996 dismantled ownership restrictions and helped unleash today's concentration. They are an integral gear in the capitalist machinery.

The deal's finances make clear what is at stake. Paramount Skydance is financing the acquisition with \$54 billion to \$57.5 billion in bridge loans from major banks, while Larry Ellison has guaranteed up to \$45.7 billion in equity from his Oracle holdings. The combined company will carry roughly \$90 billion in debt. Paramount CEO David Ellison has pledged to extract \$6 billion annually in "cost synergies."

"Cost synergies" is finance capital's euphemism for mass layoffs. Redundancies will be targeted across the corporation: the merger of CBS News and CNN threatens cuts in journalism; integrating Max and Paramount+ threatens engineering, design and back-office jobs; theatrical marketing and global distribution will face consolidation and downsizing. Other conglomerates will necessarily follow suit with similar competitive action. Tens of thousands of jobs are at stake. DGA and IATSE officials know this and are proceeding anyway.

Their safeguards are a fig leaf. Separate studio operations can be maintained in name while common ownership coordinates investment, distribution, marketing and production decisions behind closed doors. A 45-day theatrical window can be renegotiated or circumvented once public attention fades. A promise to release 30 films says nothing about working conditions or creative freedom.

The unions are asking workers to trust David Ellison, heir to a multibillion-dollar fortune, a Trump ally and architect of a debt-laden, AI-driven corporate empire. This is a new stage in the fusion of Silicon Valley, the Pentagon and Hollywood.

Oracle, the foundation of the Ellison fortune, was built through an early CIA contract and now provides cloud and AI infrastructure to the Department of Defense and all 17 US intelligence agencies. Through the \$9 billion Joint Warfighting Cloud Capability contract, Oracle systems are embedded in 21st-century warfare, including battlefield analytics, autonomous decision-making and global surveillance.

The resulting conglomerate would control CBS News and CNN, two of the three major American television news networks, alongside Paramount Pictures, Warner Bros., HBO and a vast streaming, cable and publishing portfolio. Larry Ellison, a longtime Trump donor, would exercise ultimate authority over this information empire and has reportedly discussed with White House officials which CNN anchors

should be fired for insufficient loyalty to the administration.

The implications for democratic culture are profound. A corporate structure deeply integrated with the national security state and tied to the White House would have extraordinary power over news, films, historical narratives and permitted political perspectives. Consolidation will accelerate homogenization, constrain investigative journalism and align coverage more closely with official policy, including the US-backed genocide in Gaza and expanding war against Iran, in which Ellison's corporate partners in Saudi Arabia, Qatar and the United Arab Emirates are implicated.

The consequences are global. Paramount and Warner Bros. are distribution machines whose combined power will enable the conglomerate to dictate terms worldwide. Independent filmmakers, smaller production companies and dissenting artists will face greater barriers to audiences. The diversity of cinema, already under assault from algorithmic homogenization, will be further constricted.

David Ellison has explicitly argued that massive scale is necessary to compete with Amazon and Apple. His "AI-native" studio, backed by Oracle's infrastructure, is designed to automate decision-making across development, preproduction and post-production. Writers, actors, directors and craftspeople face being reduced to low-paid "AI supervisors," editing machine-generated material instead of creating original work.

The DGA and IATSE are helping construct a global cultural choke point. Their letter gives political cover to a transaction that threatens workers and independent voices from Latin America to Southeast Asia, the Middle East and sub-Saharan Africa. Workers internationally have a stake in this fight.

The DGA-IATSE letter marks the degeneration of Hollywood's union machinery. The empty statements of the WGA, SAG-AFTRA and Teamsters are no less damning. Together they demonstrate that the union bureaucracy is not a flawed but reformable instrument. Its interests, including salaries, careers and ties to management and the Democratic Party, are fundamentally opposed to those of the rank and file.

Artistic freedom, democratic rights and truthful reporting cannot be entrusted to billionaires, regulators or union bureaucracies tied to corporate management. They require political struggle against capitalism. The union apparatus has chosen its side. The rank and file must choose theirs.



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