

Paramount-Warner merger: Democrats and union bureaucrats clear the way for a corporate takeover

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On Wednesday, U.S. District Judge Araceli Martínez-Olguín approved a five-year settlement that removes the principal legal obstacle to Paramount's \$111 billion acquisition of Warner Bros. Discovery. Last week California Attorney General Rob Bonta and Paramount Skydance CEO David Ellison announced a settlement, the result of which unites two of the six remaining major Hollywood studios under the Ellison family fortune with an \$82 billion debt attached.

According to the conditions of the settlement, the new Paramount must release at least 30 theatrical films annually for the first two years and 32 annually for the following three, spend an additional \$1.5 billion in five years on US film and television production, preserve the Paramount lot on Melrose Avenue and Warner Bros.' Burbank studio, and establish a \$47.5 million fund for workers displaced by the merger. It must also create a board supposedly charged with protecting the editorial independence of CBS News and CNN.

Bonta falsely presented this as a series of safeguards to "protects workers, jobs, and Hollywood," and that the deal "puts workers' needs, concerns, and futures first." In reality, his complicity serves to concentrate vast cultural and productive resources into a single corporation.

The 30-film requirement does nothing to prevent Paramount from consolidating departments, eliminating overlapping positions, outsourcing work and intensifying speedup. Similarly, the additional \$1.5 billion in US production sets a spending floor, but does not stop layoffs, speedups and restructuring.

Then there is the \$47.5 million worker fund. Workers' displacement is accepted as an inevitable consequence of the merger, and the fund is grossly insufficient to support thousands of workers who will lose jobs. The August analysis commissioned by Los Angeles County estimated that more than 10,000 job-years could be at risk with this merger.

The preservation of the Melrose and Burbank lots guarantees the protection of buildings as real estate investments, not jobs. Finally, Paramount's directors remain fully in charge of appointing and removing CBS News and CNN editorial board members, raising obvious questions about information control.

Bonta's statement that "this settlement is not a vote of support for this merger" does nothing to settle the anger among tens of thousands of entertainment industry workers who understand the implications.

Moreover, Paramount sought a \$1.88 billion court-ordered bond from the 12 states and the Writers Guild of America to cover merger-related costs if their antitrust litigation delays the transaction and ultimately fails, a legal form of blackmail and a procedural delay that changes nothing.

On September 24, Senator Cory Booker and the Block the Merger coalition filed objections to the merger and judge Martínez-Olguín declined to immediately approve the settlement, demanding further responses.

Paramount pressed for approval and announced a proposed \$7.5 billion secured loan, saying it intends to raise roughly \$44.4 billion more in secured debt to fund the acquisition.

Booker and other Democratic politicians never posed any real threat to the merger. They did expose the danger of CBS News and CNN under Ellison's control, but in no way challenge private ownership and the domination of society by profit. In other words, anything and everything for the oligarchs.

One revealing episode was the threat by Paramount to move its headquarters and operations out of California, with Texas and Tennessee as possible destinations. Immediately, Governor Gavin Newsom, Los Angeles Mayor Karen Bass and former Attorney General Xavier Becerra pressed Bonta toward a settlement. Newsom pushed for a deal in the name of "protecting California's film industry," meaning protecting the profits and presence of a corporate giant whose owners just held the state hostage.

Newsom falsely postures as a scourge of corporate power, but he has bent over backwards to grant special tax advantages for the conglomerates, producing the grotesque spectacle of Trump and his supposed Democratic opponents basically orchestrating a large operation of corporate welfare through tax credit programs at both federal and state level. It must be reminded that Democrats built this corporate Leviathan. The Telecommunications Act of 1996, signed by Bill Clinton, dismantled ownership restrictions and helped unleash today's concentration.

On September 22, dozens of Hollywood workers rallied outside Paramount Studios, organized by the Block the Merger coalition, carrying fake gravestones marked "RIP local business," "RIP crew call" and "RIP creativity." There is no doubt deep opposition among workers who understand that the agreement cannot protect employment or offset the consequences of combining two major studios. This is happening while all the major entertainment companies are undergoing surgical layoffs and AI has not even been systematically unleashed yet.

Paramount has told Wall Street it intends to extract more than \$6 billion in savings from the combined company. That means eliminating jobs and consolidating operations. The workers understand that production commitments are no guarantee: separate studio operations can remain intact on paper while common ownership coordinates investment, distribution, real estate and layoffs behind closed doors.

The notion that giant film studios and conglomerates will be bound by various "guarantees" on paper is farcical. This is an industry notorious for fraudulent bookkeeping, out-and-out swindling and every imaginative means, legal and illegal, of cheating its artists.

Los Angeles County's own analysis estimates that approximately 10,360 job-years in film and television could be lost, alongside \$1.26 billion in wages.

The human cost is already visible. The county report estimates that 52,016 California film and television jobs have disappeared since 2022, nearly all of them in Los Angeles County.

Similar numbers are confirmed by the Bureau of Labor Statistics: motion picture and sound recording employment in Los Angeles County peaked at a monthly 161,100 in February 2022 and averaged 149,800 across that year. Through July 2026 the monthly average is 99,400, a fall of 50,400 jobs, or 33.6 percent, in four years. The preceding year, 2025, was the lowest full year since 1993; 2026 so far is lower still.

According to the editors guild, hundreds of union editors have not worked a single union day in three years. The merger threatens to deepen a contraction already driven by declining production, outsourcing and corporate

consolidation. All this in the context of an unprecedented economic and political crisis in the US.

The workers' opposition stands in sharp contrast to the union bureaucracy. On September 21, Teamsters General President Sean O'Brien issued a statement supporting the settlement and thanking Bonta for his "hard work to bring together the unions, employers, and other interested parties to craft a deal that protects American jobs." In other words, he endorsed the agreement that cleared the path for a merger threatening thousands of jobs.

Nor was the Teamsters leadership alone. The Directors Guild of America and IATSE had already intervened in the antitrust case, urging Bonta to negotiate a settlement. They are asking workers to trust billionaire David Ellison, the architect of a debt-laden corporate empire: nothing more exposes the degeneration of Hollywood's union machinery into an instrument for policing workers on behalf of the studios.

The WGA and SAG-AFTRA leaderships are no less compromised. They direct workers toward regulators and the Democratic Party, the very forces that paved the way to this merger. Whatever the tactical differences, the bureaucracies stopped workers from organizing independently against the merger. None challenges the domination of the industry by finance capital.

The merger and the corporate stranglehold more generally can be fought only by workers themselves, through independent rank-and-file committees, against the studios, the state, the Democratic Party and the union bureaucracy. This is not a local Hollywood struggle. The combined company will be a global distribution machine and will dictate terms to independent filmmakers and dissenting artists throughout the globe.

The genuine defense of creative workers, artistic freedom and truthful reporting requires taking the studios and networks out of private hands and placing them under public ownership and democratic control, a task that can be accomplished only through the independent political mobilization of the working class, in the United States and internationally, against capitalism itself.



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