



Written by [Alex Newman](#) on May 29, 2012

China Buys Hollywood Influence with Takeover of Top U.S. Cinema Chain

A massive China-based conglomerate headed by a member of the nation's ruling Communist Party announced last week the largest ever corporate takeover of an American firm by a Chinese company, sparking concerns among analysts about the tyrannical regime's projection of "soft power." For more than \$2.5 billion, the Dalian Wanda Group agreed to purchase U.S.-based AMC Entertainment Holdings — one of the world's top movie-theater chains — to create what will become the biggest cinema operator on earth after the merger.



Critics of the deal expressed alarm over the influence the deal is expected to give China's totalitarian rulers within the U.S. and international film industry. As the second-largest movie-theater chain in America, Kansas City-based AMC owns or operates hundreds of cinemas in more than 30 U.S. states and at least five other nations. It is also the world's largest operator of I-MAX and 3D screens.

As such, the firm wields a great deal of sway when it comes to what movies will be produced and shown. And for critics of the Chinese regime, the purchase signals a troubling trend. Some analysts worry that, among other problems, it may contribute to increasing fears among media and entertainment executives, resulting in even more self-censorship of the dictatorship's crimes. Others expressed concerns about the potential spread of communist Chinese propaganda.

A re-make of the hit film *Red Dawn* that replaced Soviet troops invading America with communist Chinese invaders, for example, was put on hold last year when MGM got nervous — after the movie had already been filmed. The company [decided](#) to replace the marauding villains with communist North Koreans instead, presumably to avoid angering Beijing. And that was more than a year before the AMC takeover announcement.

With China's latest acquisition, such situations will become far more prevalent, according to analysts. AMC theaters "will be powerful outlets for subtle propaganda," [noted](#) Bob Hall for Economy in Crisis, a non-profit working to raise awareness about the ongoing destruction of America's industrial base. Citing recent statements by Chinese "President" Hu Jintao, Hall also explained that the regime's expanding state-controlled "cultural industry" would play an increasingly crucial role in social and economic development.

In purely economic terms, the AMC deal should be troubling to Americans as well, according to Hall. "The movie industry is one of our country's most successful manufacturers and exporters — a true creator of wealth. Now China can control and eventually own it," he wrote, saying the establishment press had largely missed the important points in the takeover story. "In any case, I would no sooner buy a Chinese movie ticket than I would any other Chinese product. For the sake of our country and the



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future of its children, please boycott AMC theaters.”

Most news reports so far have referred to Wanda as a “private company” run by billionaire [Wang Jianlin](#), a former officer in the so-called “People’s Liberation Army” and a high-ranking member of the Chinese Communist Party (CCP). Jianlin, one of the richest men in China, even served as a deputy to the highly significant 17th National Congress of the Communist Party of China. And he is still active in the regime’s most important “advisory” body.

Despite Jianlin’s company being widely touted as “privately owned,” however, Bloomberg Businessweek [reported](#) that in reality, “Dalian Wanda Group Corporation Ltd. operates as a subsidiary of China National United Oil Corporation Co., Ltd.” That entity, known as “ChinaOil,” in turn, is owned and controlled directly by the communist regime through two other massive state companies — the China National Petroleum Corporation (CNPC) and Sinochem Corporation.

Of course, top Chinese propaganda officials [celebrated](#) the AMC deal, too. Meanwhile, according to the *New York Times*, much of the cash needed to complete the unprecedented takeover was [provided](#) by the Chinese dictatorship’s state-owned and -controlled megabanks, which have recently started to expand in the United States as well. In fact, earlier this month, the Federal Reserve actually [approved the first ever takeover of an American bank by the communist regime](#).

The controversial central bank deals also [gave a green light](#) to other financial institutions owned and operated by the communist rulers in Beijing to expand their operations from Chicago to New York and California. And that is just the beginning of the regime’s expansion into the U.S. banking sector, according to analysts.

Similarly, the AMC purchase marks the start of what Wanda executives and Chinese officials hope will be an aggressive expansion into Western markets. “The deal is a concrete step forward by Wanda in implementing its internationalization strategy,” the company said in a press release about the takeover posted on its website. An article in the state-run propaganda outlet “*People’s Daily*,” meanwhile, [touted](#) aspirations of “exporting the culture” and the regime’s “Going Global” strategy.

“This acquisition will help make Wanda a truly global cinema owner, with theaters and technology that enhance the movie-going experience for audiences in the world’s two largest movie markets,” Jianlin, the communist president of the company, said in a press release about the deal. “Wanda has a deep commitment to investing in the entertainment business and is already the largest in this sector in China, with more than US\$1.6 billion invested in cultural and entertainment activities since 2005.”

For years, China’s enormous and powerful state-backed companies have been scouring the globe gobbling up natural resources — particularly in Africa and Latin America. But while that continues apace, the regime’s appetite is increasingly shifting toward Western businesses as well — and in just about every conceivable field, ranging from computers and technology to banks, agriculture, and automobiles. The dictatorship’s propaganda outlets including TV channels and newspapers are expanding abroad quickly, too.

The controversial movie theater deal must still be approved by government regulators, but virtually every analyst expects a green light soon. Both companies promised that the American managers of AMC would still be in charge of day-to-day operations — including the selection of films that will be played — and that headquarters will remain in Missouri. According to executives, there are no plans right now to show Communist Chinese propaganda pieces in American theaters.

Wanda vowed to inject around \$500 million into AMC, which lost money for several years in a row until



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2012, in an effort to restore consistent profitability. The Chinese company also took over AMC's debts while allowing major U.S. firms like Bain Capital and JPMorgan to sell their ownership in the struggling enterprise. But with suspicion of the Chinese dictatorship's tentacles growing stronger, and [calls](#) for [boycotting](#) AMC beginning to [emerge](#) already, the future of the formerly quintessential American business remains uncertain.

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Photos: (Left) AMC corporate headquarters in Kansas City; (right) AMC theater at Easton Town Center in Columbus, Ohio



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