

Red Stars Over Hollywood

Chinese investment in U.S. movies isn't a security threat.



Jack Ma (L), chairman and chief executive of Alibaba Group gestures to Steven Spielberg, film director and chairman of Amblin Partners during an event to announce partnership between Alibaba Pictures Group Limited and Amblin Partners, in Beijing, China.

Chinese billionaires are aggressively buying assets and influence in Hollywood, from Wang Jianlin's purchase of AMC theaters and Legendary studios to Jack Ma's announcement earlier this month of a partnership between his Alibaba Pictures and Steven Spielberg's Amblin Partners. Such deals enjoy enthusiastic support from the Chinese government. Do they also threaten U.S. national security?

At least 16 Members of Congress believe they might. The bipartisan group says that recent deals feed "growing concerns about China's efforts to censor topics and exert propaganda

controls on American media.” The lawmakers asked the Government Accountability Office to begin a review of the Committee on Foreign Investment in the United States (Cfius), the federal body responsible for ensuring that business deals don’t undermine security.

This could be a useful exercise, but here’s hoping it concludes that, **for all the challenges of trade with China, U.S. regulators shouldn’t intrude into how movies get made. Broadening the definition of national security to include “media and ‘soft power’ institutions,” as the lawmakers propose in their letter, would politicize investment** in a huge swath of the economy.

Concerns about China’s quest for **media influence** are understandable. No authoritarian regime has ever had as much power to broadcast its narrative and silence or buy off its critics world-wide, including in the U.S. and other open societies.

But China’s power over Hollywood derives less from its billionaires’ checkbooks than from the allure of its **box office, which will soon overtake the U.S. as the world’s largest.** Chinese censors tightly control access to this market, allowing in only 34 foreign films a year, so Hollywood studios compete to curry favor by dumping Chinese for North Korean villains (as in “Red Dawn”), including Chinese product placements (“Iron Man”), and having China save the day (“The Martian”).

Lamentable as this kowtow is, the box-office math makes it no mystery. The math also shows why using Cfius to limit Chinese investment in Hollywood would do little to curb Beijing’s clout, even as it would send the wrong message about U.S. openness to investment and **impinge on free expression by placing regulators in control of movie financing.**

The movie business is a competitive market with none of the immediate security risks of defense contractors or power-plant operators. Americans bothered by a filmmaker’s approach to China can take their entertainment dollars elsewhere and fund independent projects that don’t toe Beijing’s line. The answer to China’s Hollywood power play is more competition, not more government control over media.