

**Opening Statement**  
**JEC Hearing on “A Second Gilded Age: How**  
**Concentrated Corporate Power Undermines Shared**  
**Prosperity”**  
**Wednesday, June 14<sup>th</sup>, 2021, 2:30 p.m. ET**  
**Remote**

---

From our earliest days, it has been businesses—both large and small—that have been the backbone of our country. As Calvin Coolidge once put it, “The chief business of the American people is business.”

From colonial farmers, to pioneering homesteaders, to merchants, craftsmen, and professionals, American entrepreneurs have sought to build a better life for themselves and achieve the American dream. For centuries, innovative Americans have come together through commerce and competition to improve life for themselves, their families, and their communities.

It is no surprise, then, that American businesses are a source of local and national pride. They are often more than place to work; they add vitality into our neighborhoods, towns, cities, and communities.

Businesses are also the heartbeat of our economy. Small businesses in particular represent half of all private sector jobs in the U.S., nearly half the U.S. GDP, and account for two out of every three new jobs created in the U.S. today.

Over the years, we have seen the rise of many big businesses, and today we are again witnessing the increasing market power of a few large firms. Of course, this raises important questions. Many people are concerned that the largeness of certain enterprises makes them inherently dangerous to small businesses, to consumers, and to workers.

However, the fact is, big is not always bad—but neither is it always good. And we should not be forced to pretend that it is one way or the other. To imply that we should support or defend a business simply based on its size is unserious and meant to move the conversation away from a firm's specific conduct.

The rise of some highly visible large firms is oftentimes a product of their greater market-based innovations. The prospect of gaining a larger market share incentivizes competition that leads to better products and services at lower prices. Market share won through competition should be celebrated, not punished.

Changing technology and increasing investment in software, processes, and R&D may also be an important factor. In industries where these investments are protected by patents, policy has explicitly created government-granted monopolies. We allow this because the prospect of collecting monopoly profits acts as an incentive for firms to innovate and invest in new ideas.

In other areas, new investments are associated with higher productivity gains—especially in the high-tech and consumer sectors—suggesting that these businesses have gained greater efficiencies through market competition.

But there are other factors behind industry concentration that could indeed be cause for concern and deserve our attention.

For instance, government regulations impose huge, stifling barriers to new business creation and protect existing firms from competition. From 2010 to 2020, the U.S. government imposed an average of 365 new regulations each year, affecting everything from how farmers make their livings, to which employees small business owners

are legally allowed to hire, to how many workers they can afford to pay.

These regulations impose tremendous costs on American businesses, workers, and taxpayers, costing an average of \$81 billion per year and requiring 77 million hours of paperwork annually. This burden disproportionately falls on small businesses and start-ups. In fact, there is plenty of evidence showing that regulatory accumulation reduces the number of small businesses relative to larger ones.

In this regard, federal, state, and local regulations are locking out small businesses from competing and thus further entrenching big businesses. Reducing regulatory requirements on American businesses would help foster more market competition.

Antitrust enforcement has also been declining for decades. Some monopolies are indeed bad, and those that rise through anticompetitive and exclusionary conduct—and not through competition on the merits—stand in the way of free markets and degrade the options available to consumers.

A proper response in this regard is to modernize antitrust laws to find the right balance between over-enforcement

and under-enforcement. That is exactly why I've introduced the Tougher Enforcement Against Monopolists, or TEAM Act, which would preserve free market competition by codifying the consumer welfare standard and strengthening enforcement against companies that engage in anti-competitive behavior.

Other efforts, like the administration's recent executive order on competition, unfortunately miss the mark by overstepping the president's authority and massively expanding federal regulatory power.

Whatever action we take, we ought to remember that big businesses are not necessarily harmful if workers continue to find well-paying jobs, and consumers continue to benefit from high-quality, diverse, and low-cost goods and services.

The beauty of our free market economy is that whatever your cause or your career, your success depends on your service. The way to look out for yourself is to look out for those around you. The way to get ahead is to help other people do the same, and to put your God-given talents and efforts to work in the service of your neighbor. In the process of earning money and building wealth, individuals can add value to other people's lives.

In all of our efforts going forward, we ought to ensure that businesses both large and small are able to keep doing just that, and I am hopeful that today's hearing will aid us in achieving this goal.

Thank you.