



ELIZABETH WARREN
U.S. SENATOR FOR MASSACHUSETTS

At Hearing, Warren Pushes for Stronger Antitrust Laws to Protect Economy, Consumers, Workers, and Data Privacy

Warren: “By promoting competitive markets for consumers and workers, we can foster a stronger American economy and a stronger American democracy.”

[Opening Remarks Here](#)

Washington, D.C. - Today, chairing a hearing of the Senate Finance Subcommittee on Fiscal Responsibility and Economic Growth, United States Senator Elizabeth Warren (D-Mass.) delivered remarks on the effects of increased consolidation and anticompetitive behavior in the technology sector, which give large corporations the ability to hike up prices for American consumers and hold down wages, benefits, and working conditions for workers – key factors driving inflation in the rebounding economy.

[Watch the live hearing HERE](#)

Transcript: *Promoting Competition, Growth, and Privacy Protection in the Technology Sector*
U.S. Senate Committee on Finance Subcommittee on Fiscal Responsibility and Economic Growth
Remarks from U.S. Senator Elizabeth Warren
Tuesday, December 7, 2021

Senator Elizabeth Warren: This hearing will come to order.

Good morning, and welcome to today’s hearing of the Subcommittee on Fiscal Responsibility and Economic Growth. I’m pleased to be working with Ranking Member Cassidy on this hearing on Promoting Competition, Growth, and Privacy Protection in the Technology Sector. Senator Cassidy will be joining us remotely. We’re going to do a mixed hearing with some people in person and some people remote.

Under President Biden’s leadership, the American economy is rebounding. The unemployment rate has dropped from a pandemic height of 14.8 percent in April 2020 to 4.6 percent [today](#). [5.6 million jobs](#) have been added since President Biden’s inauguration – more than was added during the first 10 months of any administration since we’ve been keeping records. Child poverty is projected to plummet by more than [40 percent](#) thanks to the American Rescue Plan.

All of this has occurred despite an ongoing pandemic that has plagued us for nearly two years. Families have tried to adapt, and those changes have echoed throughout our economy. Demand has [shifted](#) as people have consumed fewer services while buying more durable goods like exercise equipment and home appliances. The economy has recovered more [quickly](#) than many businesses projected and all of this is [contributing](#) to unexpected bottlenecks in our supply chains and sporadic shortages in warehouses.

And these factors contribute to price increases for many consumer goods. But they are not the only reasons prices have gone up.

Sure, giant companies will raise prices when they have to. But they will also raise prices when they can get away with it. And how do we know this? Because when companies are simply passing along increases in their costs, then profit margins should stay the same. But when companies see a chance to gouge consumers, particularly while everyone is talking about inflation, then those companies raise their prices beyond what's needed to cover their increased costs.

Right now prices are up at the [pump](#), at the [supermarket](#), and online. At the same time, energy [companies](#), grocery companies, and online [retailers](#) are reporting record profits. That's not simply a pandemic issue. It's not simply some inevitable economic force of nature. It's greed—and in some cases, it is flatly illegal.

One reason for this price gouging is that fewer and fewer markets in America are truly competitive. When several businesses are competing for customers, companies can't use a pandemic or a supply chain kink to pad their own profits. In a competitive market, the margin above costs stays steady, even in troubled times. But in a market dominated by one or two giants, price gouging is much easier.

For generations, policymakers and regulators under both Democrats and Republicans promoted free-market competition. But starting in the [1970s](#), our government changed course. For decades now regulators and courts have looked the other way even as one sector after another has become dominated by one or two giants. They rubber-stamp merger after merger without regard to the consequences, and when small businesses got wiped out and startups were smothered or bought out, they just didn't care.

Today, as a result of increasing consolidation across industries, bigger and bigger corporations have more and more power to charge their customers any price they want. They also wield more and more power to under-invest in things like supply chain resiliency, and more and more power to hold down wages and benefits for workers.

And it's getting worse. Earlier this month, Federal Trade Commission Chair Lina Khan [noted](#) that by September of this year, our antitrust agencies had already received more merger filings than any other year in the previous decade. In fact, they are on track in 2021 to receive a [70% increase](#) above average filings in recent years.

Giant [corporations](#) are taking advantage of this global crisis to gobble up struggling small businesses and to increase their power through predatory mergers. I [introduced](#) my *Pandemic Anti-Monopoly Act* last year to slow down this trend and to protect workers and small businesses and families from being squeezed even more by harmful mergers during this crisis, and I will reintroduce it this year because the need is clear.

The effects of limited competition in our technology sector are particularly severe, and that is why I'm interested in exploring today's hearing. Limited competition in tech is having spillover effects across our entire economy. Anticompetitive [practices](#) in the semiconductor industry have [exacerbated](#) supply-chain issues. Big Tech firms have used their dominance to [inflate prices](#) throughout the online retail market and to subject their workers to [inhumane](#)

[conditions](#) during the pandemic. And as Ranking Member Cassidy has rightly highlighted in his own work, tech firms [collect and exploit](#) sensitive personal information -- often threatening [national security](#), harming our emotional [health](#), and [discriminating](#) against vulnerable groups.

It doesn't have to be like this. With stronger antitrust laws and robust enforcement, we can ensure that our economy works for American families, not just for the wealthiest corporations. Congress could provide better tools to the FTC and the Department of Justice to investigate anticompetitive mergers and break up the companies that have held our economy down. We could also make it easier for the agencies to reject such mergers in the first place. By promoting competitive markets for consumers and workers, we can foster a stronger American economy and a stronger American democracy.

So I look forward to discussing these issues today. I appreciate all of our witnesses who are joining us and I look forward to hearing about your insights and experiences.

Next, I'm going to turn to the Ranking Member Cassidy, for your opening remarks. Senator Cassidy?

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