

**Statement of the Honorable Jerrold Nadler, Chair,  
Committee on the Judiciary**

**Hearing on “Reviving Competition, Part 6: Rebuilding America’s  
Economic Leadership and Combating Corporate Profiteering”**

**Tuesday, May 17, 2022 at 1:00 p.m.  
Room 2141 of the Rayburn House Office Building**

Thank you, Mr. Chairman, for holding today’s important hearing on promoting competition, rebuilding America’s economic leadership, and combating corporate profiteering.

Our attention to this topic is timely. The United States is currently experiencing the most significant increase in inflation since the 1970s. Consumers are paying exorbitantly high prices for goods and services. And supply chain problems have left products in short supply, or unavailable altogether.

At the same time, nearly two-thirds of U.S. publicly traded corporations have reported increased profit margins. In March, Bloomberg reported that 2021 was the best year for corporate profits since 1950.

In short, corporations are making windfall profits while consumers are paying extraordinarily high prices for goods and services.

How did we get here? Decades of unchecked consolidation and lax antitrust enforcement have left many sectors of the economy highly consolidated. A 2019 study published in the Review of Finance found that 75% of U.S. industries have grown more concentrated since the late-1990s.

Meanwhile, dominant firms have been able to increase their prices because there is insufficient market competition. As Federal Reserve Chair Jerome Powell explained to a Senate panel last year, businesses are raising prices “because they can.”

The fragility of our supply chains also stems from a lack of competition. As the American Antitrust Institute has explained, supply chains are routinely subject to demand shocks. However, supply chains with vigorous competition at multiple levels of the chain are much more likely to be resilient. Decades of unchecked consolidation have left our supply chains vulnerable, and we are suffering the consequences.

The real-world impact of these problems is stark. Quite simply, corporate concentration is bad for Americans. Consumers are paying higher prices and getting less for their dollar. Low and middle-income families, seniors on fixed incomes, and students are particularly hard hit by high prices.

In many states, parents cannot find baby formula. When they can, they find prices that are nearly 20% higher than a year ago.

While some of the roots of inflation are a direct byproduct of Putin's war in Ukraine and its effects on gas and energy prices, others reflect longstanding structural forces in the economy. Dominant businesses are exercising their power to earn record profits, while most Americans are paying more and getting less. This is nothing short of corporate profiteering.

Today's hearing is an important opportunity to identify the competition problems facing our economy, as well as to identify meaningful solutions.

I applaud the work that the Biden-Harris Administration has taken to ease the inflationary pressures and supply chain bottlenecks that are plaguing our economy, and for taking critical actions to remedy America's consolidation problem. As the President noted last week, tackling inflation is his "top domestic priority."

For example, the Administration has worked to reduce shipping backlogs by negotiating for the ports in Los Angeles and Long Beach to operate 24 hours a day, 7 days a week.

And last week, President Biden announced that the USDA is working closely with state governments to eliminate red tape and make it easier for vulnerable families to buy baby formula. The President has also called on the Federal Trade Commission to crack down on price gouging and illegal conduct in the markets for baby formula and gasoline.

I encourage the Administration also to consider using the Defense Production Act to ramp up production of necessary supplies and to prohibit hoarding for the purpose of profiteering.

Congress must also bring all of its tools to bear to tackle this crisis. From strengthening our antitrust laws to combatting price gouging, we cannot stand by as American families suffer.

With that in mind, I was proud to join Congresswoman Jan Schakowsky in introducing the “Price Gouging Prevention Act.” This important legislation would prohibit the practice of price gouging during all abnormal market disruptions—including the current pandemic—by authorizing the Federal Trade Commission and state attorneys general to enforce a federal ban against unconscionably excessive price increases, regardless of a seller's position in a supply chain.

I look forward to hearing what our distinguished panel of witnesses have to say on this critically important topic, I thank the Chairman for holding today’s hearing, and I yield back the balance of my time.