

Good Morning Everybody! That was one hell of an introduction.

We gotta go on the road together man. I'm flying to Ohio tonight will you come and introduce me there? Alright

So I am really excited to be here. And I think this should be one of the rooms that is just overwhelmingly packed because the issues that we are talking about today affect life in a way most Americans don't understand. And they affect trends, that to me, are the most insidious, right now in our country, for reasons I'll explain.

But I just want to thank Barry Lynn as well, the whole Open Markets team – what you're doing is incredible, it is urgent, it is needed. And this conversation has to be a part of the national conversation. And if I have my way, I'm going to make this a part of the national conversation.

See you all get it-- you understand that the root of so many of the challenges we're facing in America right now-- from the stifling of innovation, the stifling of entrepreneurship, wage stagnation, income inequality—all of this is deepening and disturbing because of the incredible concentration of economic and political power in this country. Our very ideals are at stake.

Now I live in Newark, New Jersey, and when I go home I see the evidence of the incredible growth. I am proud of what we have accomplished in that city-- the billions of dollars in new investments and projects that have created thousands of jobs for our residents; new hotels, new office towers, new residential high rises, and a population that in 60 years is growing again. I see a city of workers and producers that is still working in proud ways to recover from the great recession a decade ago. They are making progress, we are making progress.

But the problem is I also see the evidence of the challenges these workers and small businesses continue to face—challenges not only in Newark, but in places all across our country.

I see small businesses and entrepreneurs struggling to compete against *massive* multinational corporations.

Folks are working hard, some working more than full time, putting in extra shifts when they can, but they are still coming up short. They still find themselves with more month at the end of their money than money at the end of their month. I see folks in my community who see this crisis, the crisis that everyone in America should know about and be talking about.

The crisis of unchecked corporate consolidation and corporate concentration—it's seen in

everything from tech to our food systems, which is being aided and abetted by lax and narrowly focused federal competition policy—and this is leaving millions of Americans falling further and further behind even though they are working harder and harder.

And that's why I'm glad to see that you all are focusing on this and "the right to compete" -- because that's the question. It's the question we need to be answering.

Who has the right to compete in America? Is it just a handful of special interests and large consolidated corporations? Or is it a nation of freedom? Where everybody can compete?

Or are we going to be a country that is true to its founding ideals of liberty and freedom— the ideal that this is the nation that if you work hard you can get ahead. That if you've got a special talent or special skill, or you have that grit, this nation is for you, you can make it big.

So many of us can trace our family histories to these ideals, to that common heritage. That this is a nation of innovation and entrepreneurship. In so many ways I, and most likely you, are here today because of that American tradition.

My dad for example was born poor in the segregated South. When he didn't have any family to take care of him, he was taken in and raised by another family, he used to say "boy I was poor, born poor," in fact he would heckle me and say "I couldn't afford to be poor Cory I was just po, P O I couldn't afford the other two letters."

But here is this family, when he could have been destitute in this nation, a family took him in. Who was the family? They were running a successful black funeral home. Now if you all know segregated towns, that was really as my father would say "tall cotton." It was a good place it was a black owned small businesses that was a critical anchor in the community, in a rural mountain community and, importantly, it was a driver of economic security and independence. A book written by John Sibley Butler, Black Entrepreneurialism, shows about the multiplier effect of black entrepreneurs in communities in this had, especially in a time of crushing segregation

Now today, generations later, Black-owned businesses, unfortunately, like entrepreneurs of all types and small businesses nationally, they are being pushed out or swallowed up by corporate consolidation on an incredible scale, a stunning scale. As big national chains and corporations are taking over these sectors. Those black-owned funeral home proprietors, like the one that took in my Dad in are falling by the wayside.

The trade group representing black funeral home directors has seen its membership decline by *40 percent* over the last 20 years alone. And the same story can be told for black banks and black insurance companies and black retailers and so on—this history, this heritage we have of entrepreneurialism is being crushed. Once the bedrock of communities and the drivers of economic security, the multiplier effect with jobs and the like in so many towns it's now disappearing.

But it's not just getting harder to *sustain* small businesses, which should strike us all with concern—it's also getting harder to *start* new businesses in America. The nation of entrepreneurialism and innovation, we are now stifling the ability of entrepreneurs to start.

It is no coincidence that after the most sustained period of merger activity in American corporate history, entrepreneurship has reached a 40-year low, with the rate of new company formation now half of what it was in just 1980.

Meanwhile, entrepreneurship itself is growing more geographically concentrated-- look at this, from 2010 to 2014, just five metro areas—New York, Miami, Los Angeles, Houston, and Dallas—just 5 areas produced more new businesses than the rest of the country combined.

And the consequences of that are rippling through our entire economy-- the same forces of unchecked corporate concentration are crowding out independent businesses, they're also though are squeezing small farmers and growers, and hollowing out rural America.

Today just a small number of giant companies control every single link of the American food chain. After decades of consolidation, four firms, just four firms, in almost every sector in the food and ag economy have acquired abusive levels of market power, and U.S. farmers and ranchers no longer compete in open and fair markets.

The farmer's share of every retail dollar has plummeted from 41 percent in 1950--41 percent of every dollar we pay for tomatoes or pork, in 1950 41% was going to small farmers -and now it's less than 15 percent today and small family farmers are being driven to bankruptcy at alarming, in fact.

Many of those that have survived have had no choice but to become so-called "contract growers" for massive, vertically integrated multinational corporations.

Under the contract grower model, the integrator --such as Tyson or Smithfield – owns the animals, and the farmers get paid to raise them on their property.

But the farmers have to absorb all the costs and all the risks, and are forced to accept whatever price the corporate integrator pays--today, 71 percent of contract poultry growers who depend on the income from their poultry contracts live at or below the federal poverty level, often with massive amounts of debt. For those folks, the notion that you can make a living for you and your family running your own enterprise--a small farm--is merely an illusion.

Equally troubling, the wealth that used to circulate in these communities is now being driven and transferred to far away shareholders of these massive multinational corporations.

I've seen this firsthand as I've traveled through the Mid-West --I've sat around kitchen tables hearing painful story after painful story about how ranchers now only have one buyer for their cattle and therefore can't even negotiate a price like they could a generation ago.

I've heard from contract growers who have told me how they feel trapped because of all the debt they have incurred, and how they fear retaliation if they speak out. And anecdotal stories about how they're being completely closed out of markets because they stand up and tell their truth.

These farmers, these Americans, these guardians of our heritage--like the startups crowded out by big tech platforms and the funeral home operators swallowed up by national chains—these farmers are being denied a fair chance to compete in the marketplace.

But this type of unchecked consolidation and concentration isn't just driving entrepreneurs and family farmers out of business-- it's working families that are getting hit as well, keeping wages down even as folks, in this generation of American are working harder and harder. Harder than their parents, but making lower wages.

Somebody growing up in my dad's generation, this is the shift, from my father's generation to mine. If you were growing up in my dad's generation, 90 percent of those folks growing up in that generation did better than their parents; now for millennials today, they have just a 50-50 shot of doing better than the generation before. That's the American Dream that every generation of Americans does better, well we're losing that.

As corporate profits approach an 85 year high, big multinational corporations, like Smithfields in our country, a Chinese-owned corporation, their profits are at an 85 year high. While workers' wages are stuck at a 60 year low.

Workers like my neighbor, I have a friend, named Natasha, she works 40 hours a week at IHOP making a server's minimum wage, she tries catch extra shifts whenever she can, she makes \$2.13 an hour, plus tips. Natasha is a mother of three incredible boys, I just went out to the movies with them, and she's raising them on her own. She keeps a tight budget, and even though she works full time serving other folks food, she is forced to rely on food stamps to put food on her own table.

You see, foundational to our free market has always been this idea that if you work hard, and you're good at your job, you can get ahead. If you're good at what you do, you can actually move across the labor market. You could bargain for better wages. You can get better value.

But we're seeing massive companies like IHOP limit the mobility of folks like Natasha through the overuse of non-competes and so-called no-poaching clauses. Clauses that are designed to protect high-level trade secrets are now being used by massive corporations to keep wages down and keep labor from competing. Folks working as waitresses and home health aides and janitors and mechanics are being limited in their freedom to compete.

As many as 30 million American workers, 30 million--18 percent of the labor force, are currently covered by non-compete clauses. One in seven workers making under \$40,000 a year reports having signed one.

And 58 percent of the country's largest franchisors employed some form of no-poaching agreement-- which effectively freezes the pay of low-income workers. Unlike non-competes, these agreements are often forged between large corporate franchisors and their franchisees-- and are usually unknown to the workers themselves.

In sector after sector, our economy's open markets have now been replaced by just a few giant corporations, to the benefit of the few and detriment of the freedom of many--wages stagnant, innovation diminished, and entrepreneurship stifled.

Ultimately, the way forward for addressing increasing concentration of corporate power gets back to the fundamental question: *who gets to compete in America?*

Wise leaders in our country have answered this question before.

Teddy Roosevelt, FDR, Thurgood Marshall, great leaders have had the ability to recognize that government safeguards are needed to protect the right to compete for all Americans, to

protect our freedom—against those in powerful positions to try constrain freedom and limit opportunity.

But for too long, our antitrust agencies have focused solely on whether a merger or acquisition will be good for only one thing—low consumer prices.

That narrow approach is not only misguided, but also a blatant departure from past legislative intent. In 1890, the year of passage of the Sherman Antitrust Act, one senator “lamented that if large-scale industry were allowed to grow unchecked, it would ‘crush out all small men, all small capitalists, all small enterprises.’” Senator John Sherman described his bill as I quote “a bill of rights, a charter of liberty.”

There is little question that despite having a clear mandate to promote competition across our country, our antitrust agencies have done too little to register additional forms of anticompetitive harm, including harm to wages, innovation, product quality, and diversity of information.

We are about freedom. And we need to be looking at more than just the impact on consumers when proposed new mergers are considered. We need to be looking to the effects on competition on wages and on startups trying to enter the market.

But simply stopping new mergers is not enough. The Department of Justice and the FTC need to do a comprehensive review of the mergers that have already been approved and determine how the promises and predictions that were made at the time actually played out for our nation, and take aggressive action when it’s needed because our very liberty is at stake.

That’s why I’ve been working hard to advance legislation to target corporate concentration and anti-competitive prices:

For example, I am proud of the Opportunity Zones program, which I wrote with my colleague Tim Scott, and was passed into law last year it will democratize capital by getting private investments off sidelines, out of the slowly 5 concentrated cities, metro areas that are succeeding and get private investment into distressed communities across this country. And since it’s been passed into law, I’ve been pushing Treasury on rule-making to ensure that small businesses and entrepreneurs reap the benefits of this great legislation.

This past summer, also I went out and met with farmers to get their input, and I introduced a bill that would halt large mergers in the food system for 18 months. This bill would also set up a

commission to study how to strengthen antitrust oversight, strengthen that oversight of the farm sector and food sectors and publish recommended improvements to merger enforcement and antitrust rules.

And earlier this year, I introduced a bill to prohibit companies from using those so-called “no poaching” clauses in franchise agreements. And since it’s introduction, we have engaged directly with companies, with their trade associations, and with state attorney generals.

And I’m proud as a result of our efforts, more than two dozen major franchises--from H&R Block to Jiffy Lube to another company with a great name, Jersey Mikes--have agreed to drop no-poaching language from their franchise agreements, providing more options for low wage workers to negotiate for better pay.

And so, I am someone who believes in the free market—and I’m going to say that again, I believe in the free, fair market. A free market that means freedom for small businesses, for workers for families, for all of us to be able to compete in this country again. Not the stifling, choking constraint that has led to so many of the ills we complain about--stagnant wages, income disparities.

I was raised by parents who tried to instill in me this understanding that the personal ethics of self-reliance, hey, and rugged individualism needed to be bound together in that other great American ethic-- that our greatest achievements in this country have always been the result of collective struggle, of shared sacrifice, of a commitment to each other. And I’ve learned this truth again and again in Newark, New Jersey where I see this enduring commitment made in real time in small, personal acts of grace made from one American to another.

These are the ideals that led us as a country to invest in the long term in this nation, in things like infrastructure and technology, and allowed us to out-innovate and out-research our international peers. Because we know genius is equally distributed, and the fairer you make the market, the more that genius will thrive. Whether that’s genius in Manhattan or Silicon Valley, or the genius in Camden or Newark, or East St. Louis.

These are the ideals that meant that every generation of American could work and struggle and sacrifice and do better than the ones before.

These are the ideals that made this nation a place of great wealth and a place of great opportunity for everyone.

And I've seen when we've evidenced these ideals--these commitments in tangible ways, in federal policies that when we invest in people, in the fundamental dignity of people, when we invest together in things like Medicare and Medicaid or Social Security, when we make investment in the genius of Americans like the GI Bill and Pell Grants. When we make investments like this, we all thrive.

And very critically, we once evidenced in this country the commitment in purposefully ensuring that our free market remained free for all-- for entrepreneurs, innovators, small businesses, workers and consumers.

Every generation now needs to be vigilant in maintaining that free and open access to the marketplace. That's what helped sustain the small businesses, the community anchors that supported people like my father in an earlier generation.

And that's what can propel innovative small businesses tomorrow—*if* we can keep that commitment.

And so all of you in this room have been sounding the alarm on these issues for many years. It's time that elected leaders heed your urgent call. It's a time that we return to the ideals of our founding. It's time that we work together to reclaim that robust American freedom. It's time that for our markets and for individuals, we reclaim the call from one of our great ancestors who said this must be a nation when we work every single day to be free at last, free at last. Thank God Almighty, may we be free at last.

Thank you everyone.

