

Remarks By President Biden At Signing Of An Executive Order Promoting Competition In The American Economy



President Joe Biden signing the Executive Order. July 09, 2021.

THE PRESIDENT: Hello, everyone. They have a Cabinet meeting. (Laughter.) Please — please be seated. Thank you. Well, it is not “good morning,” which my remarks say here, but — (laughter) — good afternoon. We’re in the midst of a historic economic recovery. And because our successful vaccination program strategy has been working and the immediate relief through the American Rescue Plan has brought back our economy from the worst economic crisis in nearly a century, America is now on track. We’re now on track for the highest economic growth in 40 years and among the highest growth records on record.

We designed our economic strategy to be durable through the ups and downs that come with recovery. And there are ups and downs.

That’s why the American Rescue Plan was designed to help people not just all at once, but over the course of a full year so we could continue supporting families, small businesses, state and local budgets to help them weather those ups and downs.

And now that the economy is back on track, we’re making progress on the second phase of our strategy: ensuring long-term growth.

That’s what my Build Back Better agenda, including my Americans Family Plan and the bipartisan infrastructure agreement we reached last month — that’s what they’re all about: long term. But to keep our country moving, we have to take another step as well — and I know you’re all tired of hearing me during the campaign and since I’m elected President talk about it — and that’s bringing fair competition back to the economy.

That’s why today I’m going to be signing shortly an executive order promoting competition to lower prices — to increase wages, and to take another critical step toward an economy that works for everybody.

The heart of American capitalism is a simple idea: open and fair competition — that means that if your companies want to win your business, they have to go out and they have to up their game; better prices and services; new ideas and products.

That competition keeps the economy moving and keeps it growing. Fair competition is why capitalism has been the world’s greatest force for prosperity and growth.

By the same token, “competitive economy” means companies must do all they do to do — everything they do to compete for workers: offering higher wages, more flexible hours,better benefits.

But what we’ve seen over the past few decades is less competition and more concentration that holds our economy back. We see it in big agriculture, in big tech, in big pharma. The list goes on.

Rather than competing for consumers, they are consuming their competitors. Rather than competing for workers, they’re finding ways to gain the upper hand on labor. And too often, the government has actually made it harder for new companies to break in and compete.

Look at what that means for family budgets. Take prescription drugs: Just a handful of companies control the market for many vital medicines, giving them leverage over everyone else to charge whatever they want. As a result, Americans pay two and a half times more for prescription drugs than in any other leading country. And nearly one in four Americans struggles to afford their medication.

Another example: hearing aids. Right now, if you need a hearing aid, you can’t just walk into a pharmacy and pick one up over the counter. You have to get it from a doctor or a specialist. Not only does that make getting hearing aids inconvenient, it makes them considerably more expensive, and it makes it harder for new companies to compete, innovate, and sell hearing aids at lower prices.

As a result, a pair — a pair of hearing aids can cost thousands of dollars. That’s a big reason why just one in seven Americans with hearing loss actually use a hearing aid.

Another example: Internet services. There are more than 65 million Americans who live in a place with only one high-speed Internet provider. Research shows, when you have unlimited Internet operation, you pay up to five times more on average than families in places with more choices. That’s what a lack of competition does: it raises the prices you pay.

And it’s not just consumers getting hurt. Big Agriculture is putting a squeeze on farmers. Small and family farms, first-time farmers — like veterans coming home and Black and Latino and Indigenous farmers — they’re seeing price hikes for seed, lopsided contracts, shrinking profits, and growing debt.

Lack of competition hurts workers as well. In many communities, there are only a handful of employers left competing for workers. Think of company towns across Appalachia and other parts of the country where one big corporation runs the show.

When corporations have that kind of leverage over workers, it pushes down advertised wages by up to 17 percent. And as competition decreases, businesses don't feel the pressure to innovate or invest in their workforce. That hurts working families and it hurts our economy.

All told, between rising prices and lowering wages, lack of competition costs the median American household $5,000 a year.

Now, look, I'm a proud capitalist. I spent most of my career representing the corporate state of Delaware. I know America can't succeed unless American business succeeds.

But let me be very clear: Capitalism without competition isn't capitalism; it's exploitation. Without healthy competition, big players can change and charge whatever they want and treat you however they want. And for too many Americans, that means accepting a bad deal for things that can't go — you can't go without.

So, we know we've got a problem — a major problem. But we also have an incredible opportunity. We can bring back more competition to more of the country, helping entrepreneurs and small businesses

get in the game, helping workers get a better deal, helping families save money every month. The good news is: We've done it before.

In the early 1900s, President Teddy Roosevelt saw an economy dominated by giants like Standard Oil and JP Morgan's railroads. He took them on, and he won. And he gave the little guy a fighting chance.

Decades later, during the Great Depression, his cousin Franklin Roosevelt saw a wave of corporate mergers that wiped out scores of small businesses, crushing competition and innovation. So he ramped up antitrust enforcement eightfold in just two years, saving families billions in today's dollars and helping to set the course for sustained economic growth after World War Two.

He also called for an economic bill of rights, including, quote, "the right of every businessman, large and small, to trade in an atmosphere of freedom from unfair

competition and domination by monopolies.” End of quote.

Between them, the two Roosevelts established an American tradition — an antitrust tradition. It is how we ensure that our economy isn’t about people working for capitalism; it’s about capitalism working for people.

But, over time, we’ve lost the fundamental American idea that true capitalism depends on fair and open competition. Forty years ago, we chose the wrong path, in my view, following the misguided philosophy of people like Robert Bork, and pulled back on enforcing laws to promote competition.

We’re now 40 years into the experiment of letting giant corporations accumulate more and more power. And where – what have we gotten from it? Less growth, weakened investment, fewer small businesses. Too many Americans who feel left behind. Too many people who are poorer than their parents.

I believe the experiment failed. We have to get back to an economy that grows from the bottom up and the middle out.

The executive order I’m soon going to be signing commits the federal government to full and aggressive enforcement of our antitrust laws. No more tolerance for abusive actions by monopolies. No more bad mergers that lead to mass layoffs, higher prices, fewer options for workers and consumers alike.

My executive order includes 72 specific actions. I expect the federal agencies — and they know this — to help restore competition so that we have lower prices, higher wages, more money, more options, and more convenience for the American people.

Today, I want to focus on three specific actions: First, the FDA — the Food and Drug Administration — are going to work with states and Tribes to safely import prescription drugs from Canada. That’s just one of many actions in the executive order that will lower prescription drug prices.

Second, the FDA is going to issue rules so that hearing aids can be sold over the counter. That’s something the last administration was supposed to have done but didn’t do. We’re going to get it done. After these rules go into effect, a pair of hearing aids can cost hundreds of dollars, not thousands. And you’ll be able to pick them up at your local drugstore.

Third, we’re going to improve competition for workers. I’ve talked a lot about non-

compete agreements — contracts that say you can't take another job in your field, even if you get a better deal. I made a speech — I was just reminiscing with my staff — back in 2018, at the Brookings Institution, where I talked about the non-compete clauses that were just — I found — to be absolutely ridiculous, but how prevalent they were throughout industries.

At least one in three businesses require their workers to sign a non-compete agreement. These aren't just high-paid executives or scientists who hold secret formulas for Coca-Cola so Pepsi can't get their hands on it.

A recent study found one in five workers without a college education is subject to non-compete agreements. They're construction workers, hotel workers, disproportionately women and women of color.

Think of the 26-year-old employee at a company. She's a star worker, but she isn't being treated right. She's underpaid, passed over for promotions. A competitor across the street knows and wants to bring her in at a higher wage, but she can't do it. Her company threatens legal action over a non-compete clause she had to sign in order to get hired in the first place. She can't afford a lawyer for help, so she's locked in.

Imagine if you're in her shoes. You'd feel powerless, disrespected, bullied, trapped. That's not right. Workers should be free to take a better job if someone offers it.

If your employer wants to keep you, he or she should have to make it worth your while to stay. That's the kind of competition that leads to better wages and greater dignity of work.

Look, I'm not going to go into it now, but I used to talk about, you know, there's non-compete clauses of people running the machines that lay down asphalt. If, in fact, you get offered a job and you have a — you know, you're in Arkansas doing it, a lot of — a specific example is you can't take a job in west Texas to do it. What in the hell does that have to do with anything? (Laughter.) No, I'm serious. Or there were clauses in McDonald's contracts: You can't leave Burger King to go to McDonald's. Come on. Is there a trade secret about what's inside that patty?(Laughter.) No, but I'm serious.

You all — I don't know if you do know; I didn't know it until five years ago — the incredible number of noncompete clauses for ordinary people who — it was done for

one reason: to keep wages low. Period. Look, my executive order calls on the FTC to ban or limit non-compete agreements. Let workers chose who they want to work for.

I'm also calling on the FTC to do away with certain occupational licensing requirements. You realize, if you want to braid hair and you move from one state to another, sometimes you have to do a six-month apprenticeship, even though you've been in the business for a long, long time? What the hell — what's that all about?

Military families, for example, they're often on the move between states with each new assignment. So you have a woman in the military, her husband is following her, or vice versa. Guess what? If you have — if you're a plumber, you have to get a different license when you move from Delaware to Missouri.

Look, it can't be a significant burden to get a new license in a new home state. That burden can't be around anymore. It takes time and it takes money. It takes a toll on a family's income while you're waiting. We should remove that barrier, providing more mobility, more opportunity, higher wages for families on the move.

This is something that my wife, Jill, has worked on together with Michelle Obama through the Joining Forces initiative for the military. We're going to keep that moving. We're going to get it done in an executive order.

Let me close with this: Competition works. We know it works. We've seen it works when it exists. Fair competition is was what made America the wealthiest, most innovative nation in history. That's why people come here to invent things and start new businesses.

In the competition against China and other nations of the 21st century, let's show that American democracy and the American people can truly outcompete anyone. Because I know that just given half a chance, the American people will never, ever, ever let their country down. Imagine if we give everyone a full and fair chance. That's what this is all about. That's what I'm about to do.

So I'd like to invite the Cabinet members up here. I'd like to — and the Attorney General is here — Attorney General Garland. Xavier — Mr. Secretary, you can come up too. I've been watching on television; you've been really good. (Laughter.) Gina Raimondo. Also, Pete Buttigieg. And the chair of the FCC [FTC], Lian [sic] — excuse me, Lina Khan, Acting Chair of the FTC. And Director of the National Economic

Council.

Am I leaving anybody out? Anyway, come on up. This may be the first Cabinet meeting we've had. Okay. "Promoting Competition in the American Economy."

First pen. (Laughter.) Second pen. Third. Fourth. (Laughter.) Fifth.

I'm wondering how Barack did this with a shorter name. (Laughter.) (The executive order is signed.) Thank you. Thank you, everyone. (Applause.) Q Mr. President, how did President Putin respond to your call today, sir? THE PRESIDENT: Well, I made it very clear to him that — that the United States expects, when a ransomware operation is coming from his soil, even though it's not — not sponsored by the state, we expect them to act if we give them enough information to act on who that is. And, secondly, that we have set up a means of communications now, on a regular basis, to be able to communicate to one another when each of us thinks something is happening in another country that affects the home country. And so, it went well. I'm optimistic. Q You said, three weeks ago, there would be consequences. Will there be, sir? THE PRESIDENT: Yes.