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Office of the Chair

**Remarks by Chair Lina M. Khan  
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We chose to promote competition, and that choice to bring antitrust lawsuits against IBM and AT&T ended up fostering waves of innovation—including the personal computer, the telecommunications revolution, and the logic chip. The national champions protected by Japan and Europe, meanwhile, fell behind and are long-forgotten. In the U.S., we bet on competition and that made all the difference.

Imagine a different world, where today’s giants never had a chance to get their start and innovate, because policymakers decided that it was more important to protect IBM and AT&T from competition and allowed them to maintain their monopolies. Even when monopolies do innovate, they will often prioritize protecting their existing market position. Famously, an engineer at Kodak invented the first portable digital camera in the 70s—but Kodak didn’t rush it to market in part because it didn’t want to cannibalize its existing sales.<sup>13</sup> More generally, significant research shows that while monopolies may help deliver marginal innovations, breakthrough and paradigm-shifting innovations have historically come from disruptive outsiders. It is our commitment to free and fair competition that

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Second, reporting suggests that Boeing executives began to start viewing their knowledgeable workforce as a cost, not an asset, with tragic outcomes. As put by one preeminent business commentator in 2000, “Boeing has always been less a business than an association of engineers devoted to building amazing flying machines.”<sup>16</sup> This corporation’s engineers “designed the B-52 in a single weekend.”<sup>17</sup> But the new post-merger Boeing decimated its workforce, offshored production, and demanded wage concessions.<sup>18</sup>

Third is the risk that Boeing effectively became too big to fail and a point of leverage for countries seeking to influence U.S. policymaking.

Relying on a national champion creates supply chain weakness and taxpayer liabilities, but it also creates geopolitical vulnerabilities that can be exploited both by global partners and rivals. As it was buying McDonnell Douglas, Boeing held a board meeting in Beijing and lobbied Congress to end the annual review of China’s trading rights so that it could sell more planes.<sup>19</sup> The Chinese government would order Boeing planes contingent upon certain U.S. policies, like whether the U.S. held off on sending warships into the Strait of Taiwan, or whether the U.S. lifted bans on the export of certain technologies.

National champions are still corporations first. They have earnings calls, shareholders, and quarterly profit targets. When policymakers in Washington decide to back a single monopoly, their objectives are but one concern among many for that corporation’s senior executives. As then-Exxon CEO Lee Raymond said, “I’m not a U.S. company and I don’t make decisions based on what’s good for the U.S.”<sup>20</sup>

These days, the “national champions” argument often gets made in the context of our dominant tech firms. We often hear that pursuing antitrust cases against or regulating these firms

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<sup>16</sup> Jerry Useem, *Boeing VS. Boeing America's Export Champion Is Going Head-To-Head With A Company Even Tougher Than Airbus: Itself.*, FORTUNE (Oct. 2, 2000), [https://archive.fortune.com/magazines/fortune/fortune\\_archive/2000/10/02/288426/index.htm](https://archive.fortune.com/magazines/fortune/fortune_archive/2000/10/02/288426/index.htm) [[https://web.archive.org/web/20220709011718/https://archive.fortune.com/magazines/fortune/fortune\\_archive/2000/10/02/288426/index.htm](https://web.archive.org/web/20220709011718/https://archive.fortune.com/magazines/fortune/fortune_archive/2000/10/02/288426/index.htm)].

<sup>17</sup> *Id.*

<sup>18</sup> For instance, following a prolonged strike at its unionized plants in Washington state, Boeing announced in 2009 that it would assemble its new 787 Dreamliner aircraft in a new non-union plant in South Carolina. See Kathy Lohr, *Union Workers Cry Foul Over New S.C. Boeing Plant*, NPR (June 9, 2011), <https://www.npr.org/2011/06/09/137081954/union-workers-cry-foul-over-new-s-c-boeing-plant>. During the COVID-19 pandemic, Boeing would close its Dreamliner production line in Washington, concentrating all 787





Thankfully, over the last few years we have seen significant progress across government in ensuring that we are centering everyday Americans in our policy decisions. From trade to industrial policy to competition, this administration has learned from past experiences and adopted new paradigms.<sup>24</sup> A common throughline across these approaches is a commitment to revisiting old assumptions and updating our thinking in light of real-life experience and evidence.

Fighting back against the challenges we face is about more than enforcing the antitrust laws. But by promoting fair competition, by showing the American people that we will fight for their right to enjoy free, meaningful lives outside the grip of monopolists, we can help rebuild not just people’s confidence in the economy, but also a belief in American government, and its leadership both at home and abroad.

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<sup>24</sup> Brian Deese, Director, Nat’l Econ. Council, Remarks at the White House on Executing a Modern American Industrial Strategy (Oct. 13, 2022) (transcript available at <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/10/13/remarks-on-executing-a-modern-american-industrial-strategy-by-nec-director-brian-deese/>) (“Thanks to President Biden’s leadership, we’re embarking on a new chapter—and making the most significant public investments in decades in America’s industrial capacity... There’s a strong animating vision that unifies these laws: a modern American industrial strategy. Here’s what a modern American industrial strategy does. It identifies areas where relying on private industry, on its own, will not mobilize the investment necessary to achieve our core economic and national security interests. It then uses public investment to spur private investment and innovation. It means that—rather than accepting as fate that the individualized decisions of those looking only at their private bottom lines will put us behind in key sectors—we engage in strategic investment in those areas that will form the backbone of our economy’s growth over the coming decades, areas where we need to expand the nation’s productive capacity.”); Ambassador Katherine Tai, Remarks at the Roosevelt Institute’s Progressive Industrial

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