

HOUSE JOINT RESOLUTION 143

By Miller

A RESOLUTION relative to monopolies.

WHEREAS, Article I, Section 22, of the Tennessee Constitution provides: "That perpetuities and monopolies are contrary to the genius of a free State, and shall not be allowed."; and

WHEREAS, additionally, the U.S. government has long restricted monopolies via the Sherman Antitrust Act, the Clayton Act, the Federal Trade Commission, and numerous other laws, regulations, and agencies; and

WHEREAS, it is a well-established economic tenet that monopolies restrict free trade and prevent the market from setting prices, thus resulting in limited supplies, inflation, and price-fixing while reducing consumer choice; and

WHEREAS, the heinous practice of price-fixing occurs when monopolies are the lone providers of certain goods and services for which there is inelastic demand, e.g. gasoline; and

WHEREAS, not only can monopolies raise prices, they can also provide inferior products with impunity, e.g. grocery stores in urban markets where there are few or no alternatives; and

WHEREAS, monopolies also inhibit innovation, as they have no incentive to provide new and improved products; a 2017 study by the National Bureau of Economic Research found that U.S. businesses have invested less than expected since 2000 due to a decline in competition; and

WHEREAS, since they can set any prices they want, monopolies raise costs for consumers via cost-push inflation, e.g. OPEC; and

WHEREAS, in today's society, virtual monopolies in information technology, electronic commerce, internet access and portals, and social media threaten our freedom of choice and our privacy; and

WHEREAS, monopolies are harmful to both the economy and the consumer in a free-market society, and the State of Tennessee's constitutional prohibition against monopolies is prudent and necessary for the protection of our citizens; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED ELEVENTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that this legislative body recognizes the judiciousness of Article I, Section 22, of the Tennessee Constitution prohibiting monopolies and emphasizes to businesses and the public alike that monopolies are not allowed in Tennessee.