

# Opinions

## OUR VIEW

### Mayo Clinic's growth is good news for Rochester and state

The old saying was that what's good for Mayo Clinic is good for Rochester.

But Mayo has become so large and important that we can now say what's good for Mayo Clinic is good for Minnesota. The Clinic, after all, is the state's largest private employer.

In that regard, the report that Mayo's revenue jumped 19 percent in 2017 is the definition of good news for the entire state.

According to the financial forms Mayo filed with the IRS, revenue in 2017 increased by \$6.14 billion, or 19 percent. That resulted in an operating margin of 5 percent, better than other medical institutions in the state, and comparable to major medical centers nationwide.

We can go on and on about the

details of the financial figures, but collectively they add up to this: Mayo Clinic is not only healthy, it is growing. As we said, that's good for Rochester and Minnesota. Mayo continues to be an enormous economic engine — and it is expanding.

But growth, as we've all found out in recent years, comes with major challenges. City, state, regional and Mayo officials are attempting to ease and solve some of those issues, in large part under the Destination Medical Center umbrella.

One health care expert, Daniel P. McLaughlin, of St. Thomas University, said Mayo's growth report validates the Destination Medical Center strategy. That's great as far as it goes. But the community is still left with the challenges of that growth: housing and transportation, recruit-

**ON THURSDAY:** Deer don't respect state borders, so federal government should play a role in fighting CWD.

ing workforce, retaining workforce, and a providing a host of services, including schools, parks and attractions.

Mayo Clinic has a role to play in solving or at least easing those issues. But Destination Medical Center, contrary to what some believe, does not exist merely to serve the clinic — it needs to be a region-wide effort to be successful.

The alternative to growth, of course, is stagnation. With Mayo Clinic in the vanguard, stagnation does not appear to be an issue.



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Mayo Clinic filed its annual 990 financial forms with the IRS, showing a 19 percent increase in revenue in 2017.



### He who primaries can be primaried

Republicans and Democrats both battle over party doctrine and control.

The difference with the Democrats is that their discontents often don't stop fighting after the results are in. They continue the hostilities rather than unite in common cause with fellow Democrats whom they disdainfully call "the establishment."



FROMA HARROP

Case in point is the campaign by Democratic "rebels" against efforts to return Nancy Pelosi to the House speaker's chair. Of course, any Democrat is perfectly within his or her rights to want

a new head of party. Speakers get elected, not crowned.

But the problem with the anti-Pelosi faction, led by Rep. Seth Moulton of Massachusetts, isn't the desire for changed leadership. It's that the insurgents have absolutely no one to replace Pelosi with. Thus, they have interrupted the Democrats' ascension to power with pointless acrimony.

Moulton did back Rep. Marcia Fudge of Ohio as a replacement. Thing is, Fudge never volunteered for the job. She danced with the idea. After a face-to-face chat with Pelosi, Fudge quickly dropped it. That gave the rebellion an air of mere posturing — creating a nuisance at a pivotal time for Democrats and the nation.

Many Democrats are getting tired of the chronic complaining by some progressives. They see American institutions in code-red crisis. They want the left to swallow some of its differences in the interests of restoring norms. And they see the left-wing attacks against Pelosi as parroting the right-wing ones.

They've also lost patience with Democrats in the Problem Solvers Caucus. The group ostensibly promotes bipartisanship, but its Republican members vote overwhelmingly along the Trump party line. The caucus says it won't back Pelosi until certain demands are met.

Democrats are now threatening to primary members of both groups in 2020. But the greatest anger seems to be directed at champions of the aggressive left who think it their duty to smite centrist Democrats.

Moulton must have been surprised at a recent town hall meeting when his own voters went on the attack. Many fumed at his speech about how the party needs younger leaders, obviously referring to 78-year-old Pelosi. He then grumbled that he doesn't want to reinstall "the same status quo leadership we've had since 2006."



J. Scott Applewhite / Associated Press

**Rep. Seth Moulton D-Mass., is questioned by reporters about his opposition to House Minority Leader Nancy Pelosi, D-Calif., becoming the speaker of the House when the Democrats take the majority in the 116th Congress in January.**

Constituents have accused him of ageism — an ageism perceived to single out women. He has asserted, "The majority of Democrats want this change." Oh? When was that vote taken?

"For those asking," tweeted a National Republican Congressional Committee spokesman, "Moulton IS NOT on our payroll."

Bitter memories remain fresh at the scorched-earth campaign against Hillary Clinton by Bernie Sanders and his "bros." His being 75 was apparently not a disqualifier for Sanders' ardent supporters.

Again, there's nothing wrong with challenging an incumbent in a primary. Alexandria Ocasio-Cortez did and won her race against a powerful New York Democrat fair and square.

But as soon as Ocasio-Cortez made the big headlines, she announced plans to help defeat not Republicans but "establishment" Democrats in other parts of the country. She immediately sent staff to Delaware to back an insurgent running against a perfectly respectable Democrat, Sen. Tom Carper. That her mission failed was a bit of luck for Democrats. (To her credit, she didn't join the anti-Pelosi rebels.)

She and Sanders then embarked on a roadshow endorsing left-wingers in regions that don't cotton to left-wingers. Fortunately for Democrats, their candidates mostly lost the primaries. That is why Michigan will soon have a Democratic governor and eastern Kansas is sending a new Democrat to Congress.

The passionate left should stop ignoring that Democrats just flipped at least 39 House seats under the current leadership. Pelosi is obviously doing something right. Heretic hunting season is over. And do be mindful: He or she who primaries can also be primaried.

Froma Harrop is a columnist for Creators Syndicate.

### Debunking the recession myth

There's an old saying that Wall Street economists have predicted eight of the last two recessions.

The bears in the economics profession keep getting paid a lot of money misreading the nation's economic weather vanes — whether it was the power and durability of the Reagan expansion in the 1980s, the ferocious bull market of the late 1990s, the after-effects of the 9/11 attacks, or most recently the phenomenal revival of growth in President Donald Trump's first years in office.

Most of Wall Street's top economic gurus thought Trump would crash the stock market and the world economy, and here we are with near 4 percent growth over the past six months and a prediction for the year of close to 3.5 percent. That's not a crash. A stopped clock is right twice a day, but the Keynesians on Wall Street are hardly any better than that.

All of this is to say the recent frightening claims by Goldman Sachs chief economist Jan Hatzius and other scribes that the economy is likely to slide into recession or a serious skid next year with growth of 1.6 percent to 1.8 percent — half our current pace — should be greeted with a collective yawn.

Sure, the economy may slip into a recession by 2020. Who knows? The growth rate is cooling down from its blistering 4 percent pace of late. But the late people investors or employers should be listening to are the professional pessimists. Most of these forecasters are relying on a purely Keynesian analysis of the economy and are basing their gloom on the idea of the "sugar high" of the tax cuts and government spending hikes wearing off next year.

Just listen to this illogic from the Goldman Sachs report: "tighter financial conditions and a fading fiscal stimulus" from the Trump tax law and \$300 billion of new spending will be "key drivers of the deceleration."

No. Any move to reduce government spending is a positive for the economy. This is why Trump should veto every spending bill headed his way between now and the 2020 election. In the 1990s, the economy boomed and the stock market soared even as government spending fell by 3.5 percentage points of GDP, the biggest amount since the end of World War II.

The tax cuts aren't primarily consumer-demand focused. The intention and effect of these tax cuts has been to incentivize American businesses to invest, build and hire by increasing their after-tax rates of return on domestic expansions. One impact has been that the United States is sucking capital in



Manuel Balce Ceneta / Associated Press

National Economic Council Director Larry Kudlow discusses trade relations with China during a news conference Tuesday in Washington.



STEPHEN MOORE

from the rest of the world, as reflected in the strength of the dollar.

This effect doesn't "wear off," it is still picking up steam. The United States is simply a better place to invest in today than it was two years ago.

Equally flawed is the idea that the economic recovery has been going on for a decade and is now running out of gas. No, the boom began on Nov. 8, 2016, not in 2009. The recovery was anemic in the Obama years.

One reason Art Laffer, Larry Kudlow and I were so confident in our predictions to candidate Donald Trump that we could get four or five years of 3 percent to 4 percent growth was that the recovery from the Great Recession was so flat. We were running \$2 trillion a year below trend from a normal recovery. There is still a lot of juice left in this economy.

Business investment is up about 7 percent — notwithstanding the slowdown since August. Admittedly, the trends in the housing sector are worrisome — thanks in no small part to the Fed rate hikes.

Trump is right that the Fed made a major error in its last go-around. The stock market sell-off dates back to the Fed rate hike announcements earlier this fall. The Fed was worried that the economy was growing too quickly at 4 percent. In the 1980s, we had quarters of 8 percent growth and years of above 5 percent growth. This corresponded with lower inflation. For the umpteenth time, Jerome Powell: Growth doesn't cause inflation. Increased output reduces prices.

If there is anything good

to come of the stock sell-off of recent weeks, it is that the Fed is now much less likely to stay on its path of ill-advised interest-rate hike destruction in 2019.

The other big concern is the trade talks with China. This is the unavoidable confrontation with a rogue nation, whose behavior economically, financially and militarily is hostile to the security and economic well-being of the United States.

Beijing's abusive trade practices and theft of U.S. intellectual property (\$300 billion stolen per year), are intolerable. In the short term, the trade dispute is bad for growth, bad for consumers and bad for stocks. But if/when Trump prevails and gets the concessions from China, the market upside is gigantic.

There are a hundred reasons to be optimistic. Oil prices are likely to remain moderate, with gas prices below \$3 a gallon, which is a giant tax cut for American consumers and industries. Construction and manufacturing are as strong as they've been in decades. The tax cuts don't start to expire until 2024 — five years from now. Trump is likely to score more trade victories in the months ahead, thus isolating China and putting more pressure on President Xi Jinping to make a deal.

The deregulation agenda under Trump is likely to accelerate in 2019 and 2020 as the one lever the Executive Branch has to clear roadblocks to growth. Wages are rising now for the lowest-income Americans, as The Wall Street Journal recently reported. That should keep consumer spending at a healthy clip.

Trump chief economist Larry Kudlow says that "a recession is so far in the distance I can't see it." Nor can I. The only ones who can see it are the Trump haters who want it to happen.

Stephen Moore is a columnist for Creators Syndicate.

IF IT MATTERS TO YOU, IT MATTERS TO US

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