Fed survey gives hope our ship will come in

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A rising tide lifts all boats, as the old saw goes, and some new economic figures bear that out. A Federal Reserve survey from 1998, in the midst of the big boom, to 2001, after the recession had begun, shows that the expanding economy unleashed by the Reagan-era tax cuts benefitted Americans from top to bottom.

Incomes increased double digits at almost every level. The poorest 10 percent of Americans saw their incomes jump 14.4 percent. The survey also reveals that more than half of all Americans owned stock. And the growth in household debt was outpaced by the increase in household net worth.

Of course, the rich got richer. The top 10 percent watched income soar 19.3 percent during these transitionary years from rampaging boom to mild bust. But if the rich profited more from the go-go stock market, they also suffered more when it sagged with the bursting of the tech bubble and the 9/11 attacks.

The market setback settling more on the rich is one reason why consumer spending continued to surge long after stocks skidded. So while some of the paper gains from the heady days on Wall and LaSalle streets were illusionary, real economic progress for Americans in general was the major legacy of the '90s prosperity.

Now, it's hard to be cheery given the blue economic news we hear most every day. But the No.1 constant of the economy is change. Yet most of us forget that our present prospects, no matter how happy or disheartening, come at a point on a business cycle. The newly rich riding the crest of the tech tsunami crowed that profit-loss statements didn't matter any more. They were wrong. The captains of capital now obsessing over gloomy spreadsheets can find no cause to make new investments. They're wrong too.

To turn a cliche on its head: What goes down must come up. Let's take guidance from Diane Swonk, chief economist of Bank One: The 2003 economy "will be resilient, maybe even brilliant, and may blow the top off in 2004."

With red ink flooding state government, Gov. Blagojevich is thinking of placing a bet on gambling. Several bets seem to be appealing. First off, raise the limit of 1,200 gaming positions for each casino. Indiana and Missouri boats permit many more positions. More slots equals more gamblers equals more revenues. Since it doesn't mean more casinos, the governor can reasonably argue that he's not expanding gambling.

Adding a casino in Chicago would be an expansion, but a fair one. The state's largest city shouldn't be dealt out of the game by a state government raking in its jackpot from casinos and a winning hand of lottery games. If Mayor Daley wants one, Blagojevich should help Chicago get a casino.

Let's not forget the revoked Emerald license, mired in legal and bankruptcy maneuvering. If Blagojevich wants maximum return from this license, it should be in Rosemont. Now that idea won't go down well with the many foes of Mayor Donald Stephens, who they've never been able to persuade a jury should be in jail, but the economics make Rosemont the most lucrative potential gambling site outside of Chicago.

Saddam Hussein and his supporters at home and abroad have been claiming Iraq has no weapons of mass destruction to reveal. Except when evidence is found, when the reaction becomes, "Oh, weapons . . ." *those*

The United States, trying to avoid war, wants to interview Iraqi scientists. Saddam instead is responding by further delays and intimidating the scientists.

"We know from multiple sources that Saddam has ordered that any scientist who cooperates during interviews will be killed, as well as their families,'' said Deputy Defense Secretary Paul Wolfowitz. Saddam's threat is not an idle one, coming from a man capable of the ruthlessness he has already perpetrated. Time is running out. The one certainty is that those weapons will go. The only question is how.

''Whether Iraq's weapons of mass terror will be dismantled voluntarily, or whether it will have to be done by force, is not up to us,'' said Wolfowitz. "The decision rests entirely with Saddam Hussein.'' For now.