

June 8, 2011 4:00 A.M.

EDA and the Cookie Monsters

It is poetic that the Commerce Department's Economic Development Administration (EDA), a slush fund for subsidizing politically connected [businesses](#) and rewarding influential political bosses, once was run by a man named Swindle. But even former EDA chief Orson Swindle eventually came around to the point of view that the program is useless, or perhaps worse than useless, describing it as a "congressional cookie jar." Congressional Democrats now want to put \$200 million worth of extra cookies in that jar every year. Forget the donkey, the new Democratic mascot is the Cookie Monster.

EDA currently is funded at \$300 million a year, and studies by government analysts, including those employed by the EDA itself, suggest that practically every penny of that \$300 million is wasted. If you are Harry Reid, the obvious answer to \$300 million in waste is upping the ante to \$500 million in waste, which is precisely what a bill being taken up by the Senate would do.

EDA, a creature of Lyndon B. Johnson's "Great Society," is basically a permanent stimulus act in miniature, ladling out taxpayers' dollars by the million in the name of job creation, economic development, competitiveness, etc. It is not very effective and may in fact be destructive, as has been documented year after year after year. The Cato Institute has compiled a [long list of the EDA's follies](#): In 1986, an EDA study of the EDA found no long-term benefit to communities that received its grants. In a maneuver that will be familiar to those who studied Pres. Barack Obama's stimulus program, in the same year EDA claimed that one of its projects had created 5,834 new jobs, but the Commerce Department took a second look and put the number at a maximum of 83. In 1999, the Government Accountability Office found that EDA was grossly exaggerating the impact of its efforts, and documented that the great majority of EDA's money was spent on its own administrative costs. A 2004 study of EDA's grants to Indian-reservation projects found that 77 percent were helping to prop up money-losing enterprises. Wisconsin Sen. William Proxmire, a Democrat, once blew a head gasket when he discovered that EDA [funds](#) were being used to build a 100-foot-tall replica of the Great Pyramid at Giza, along with an 800-foot-long model of the Great Wall of China, at a planned roadside attraction in Indiana.

The greatest salesman in the world, they say, is the fellow who can sell ice cubes to Eskimos. In the 1960s, the EDA's predecessor organization was subsidizing Eskimos' purchases of iceboxes in which to store it.

This is an agency that should be disbanded and its managers fired. Its method of operation is indistinguishable from the hated congressional "earmark," with one important exception: Congressmen have to vote for earmarks, and can be held accountable for those votes. EDA, an insulated bureaucratic fiefdom, has no such accountability.

Republicans, led by Oklahoma Sens. James Inhofe and Sen. Tom Coburn, are lining up against the bill. Opposing them are Democrats led by California's Sen. Barbara Boxer and backed by the AFL-CIO. The best outcome would be disbanding EDA. The second-best would be at least stopping the Democrats from pouring another \$200 million down its maw. The third possible outcome is plainly unacceptable: At \$3.83 trillion in 2011 and counting, Barack Obama and Harry Reid have their hands deep enough in the cookie jar.