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THE DISASTER OF SOCIAL SPENDING PROGRAMS

Although nations often experience dramatic changes in socio-economic direction and culture, contemporaneous observers usually do not pinpoint the precise moment of change. When we look back with the benefit of hindsight, it is easier to identify the particular events that marked or caused the shift.

Americans have been aware for the last two decades that we are paying higher taxes, spending more on social programs, but not making any progress toward solutions of the problems. Now comes a social-policy researcher who evaluates all those graphs and statistics and tells us what has really happened.

"Losing Ground" by Charles Murray (Basic Books, 1984) takes a scholarly look at U.S. social policies of the last three decades and conclusively proves by impressive data that our undeclared war on poverty was nearly won by the mid-1960s. Then Lyndon Johnson initiated the "War on Poverty" and the poor have been "losing ground" ever since.

The enormous expenditures of the 1960s and '70s for welfare, food stamps, job training, crime control, education and affirmative action resulted in reversing the progress we were previously making in reducing poverty, crime, ignorance and discrimination. The problems were not that the spending was inadequate, or that it was wasted by cheats; the spending actually made the problems far worse than they would have been in the absence of the spending.

Murray shows that "poverty," as a talked-about national problem, appeared out of nowhere in the mid-1960s. All of a sudden, it became the trendy item to discuss in liberal journals, which promoted the new and different notion that poverty was the fault of the system and the individual was not responsible.

Murray is a social scientist not a political scientist. He correctly identifies 1964 as the pivotal year when America radically changed its social policy by initiating expensive do-good programs that became do-harm programs for the poor and underprivileged. But Murray does not explain the politics of how the trendy liberal jargon became law so fast.

In November 1963, Lyndon Johnson suddenly and unexpectedly became President, facing an election less than 12 months away. Although a master politician, he had never been accepted socially by the Camelot crowd or intellectually by the liberals.

Johnson decided to out-liberal the liberals and assure his own reelection by inaugurating a "Great Society" based on specific spending programs for every identifiable group. He got the funds for these projects out of our strategic defense budget.

In those days, this devious diversion of monies away from defense and into social spending programs was called "reordering priorities." It was so easy; it didn't cost anything -- or so it appeared to those who looked at total budget figures.

LBJ's political feat was later described by Newsweek in an artful metaphor. The great defense budget of the Eisenhower and Kennedy Administrations was a "melon" which Johnson skillfully sliced up for domestic political purposes. By cooperating in this diversion of money from defense to domestic handouts, Secretary of Defense Robert McNamara became the most popular member of Johnson's Cabinet; who else could give his boss $2 to $12 billion a year to spend on vote-buying projects?

So, Lyndon Johnson initiated the spending programs that have been escalating ever since. For example, Johnson started the Food Stamp program with 424,000 participants in 1965. When he left office, the program served 2.2 million. By 1980, the number of participants had grown to 21.1 million.

The Food Stamp program was costly not only in money but in Americans' self-image. It made it respectable for the non-needy to receive welfare benefits. No longer is it a matter of personal pride to avoid accepting benefits you didn't work for.

Murray shows that the social spending programs started under LBJ were not only a colossal national blunder on pragmatic grounds, but they were just as wrong on moral grounds. It is wrong, he says, to take from the most industrious and most responsible poor in order to cater to the least industrious and least responsible poor. It is wrong to impose rules that make it rational for teenagers to behave in ways that destroy their future.

Murray concludes that real reforms in social policy will come not when stingy people force budget cuts, but when generous people stop kidding themselves about what is happening. "Billions for equal opportunity, but not one cent for equal outcome" is the powerful message of what could become the most influential book of the eighties.