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Don't Blame Us

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From Taxachusetts to the Massachusetts Miracle

In late November 1982, newly reelected governor Michael Dukakis addressed the Massachusetts High Technology Council (MHTC) at its annual meeting at a Newton hotel abutting the Route 128 highway. The presidents of the major high-tech firms in the Route 128 area had formed the MHTC in 1977 to fight the policies that had earned the state the reputation of “Taxachusetts.” In 1980, the organization had served as one of the driving forces in passing the ballot initiative Proposition 2½, which had placed Massachusetts beside California as a front-runner in the nation’s tax revolt. Howard Foley, president of the MHTC, introduced Dukakis by declaring, “He wants our industry to prosper in Massachusetts” and is determined to “make Proposition 2½ work.” Dukakis used the opportunity to thank the executives. “Your help has been invaluable,” he exclaimed, and “just the beginning of a strong and productive relationship” to position Massachusetts as “the leading edge of a world economy based on knowledge.”¹ The event solidified a partnership that would contribute to the rebounding of the state’s economy in the 1980s, later dubbed the “Massachusetts Miracle,” and to the rejuvenation of Dukakis’s political career.

Dukakis’s decisive defeat in the 1988 presidential race further cemented an inextricable association between the liberal iconoclasm of Massachusetts and decline of the Democratic Party established after the 1972 presidential election. Since that moment, the label “Massachusetts liberal” has proven to be one of the most perennial of political pejoratives. The time line embedded in the label, nevertheless, creates a direct link between the 1972 and 1988 elections that overemphasizes the decline of the Democratic Party and the Republican Party’s political rise.² Tracing the change in the state’s reputation from Taxachusetts into the Massachusetts Miracle and Dukakis’s political career over the period from 1974 to 1988 counters those assumptions, and instead illuminates the growing centrality of high-tech growth and engineers and other knowledge-based professionals in the priorities of the Democratic Party in Massachusetts and nationally. The debates in boardrooms and town meetings along the Route 128 corridor surrounding the pocketbook concerns of low tax rates and high quality of life over the 1970s,

moreover, underscore the inextricable relationship between public policy and the political agenda of suburban knowledge professionals. This set of issues brings into sharp focus how the combined legacy of New Deal consumer-oriented policies and Cold War defense spending priorities shaped the political culture of the Route 128 suburbs and the ideology of many of its residents even as both the New Deal order and Cold War came to an end.

While Silicon Valley has received a great deal of attention as the locus of the new tech economy in the 1970s and the dawn of the “wired workers” constituency, Route 128, which served as the epicenter of the minicomputer revolution, also played a central role in fusing the rise of the Information Age to the changing fortunes of the Democratic Party. The relationships forged between the MHTC and Dukakis show that the political mobilization of business interests to stimulate economic growth and shape tax policy did not just occur on the Right and the Republicans but influenced and reinvigorated the Democratic Party as well in the 1970s and 1980s.³

Dukakis’s efforts to harness and fuel high-tech development illustrate how the Democratic Party responded and adapted to the economic recession of the 1970s and Reagan revolution of the 1980s. His agenda of private sector business growth, low taxes, and market-oriented solutions explicitly recast the Democratic Party’s long-standing approach to economic development, welfare, and organized labor. Dukakis’s approach accentuated and reinvigorated the technocratic dimensions of liberalism, and extended and refined many of the ideas and goals first articulated by George McGovern in his 1972 bid, though with an even more pronounced probusiness and private sector bent. Dukakis stood at the forefront of a group of politicians known as the Watergate babies and later Atari Democrats, such as Gary Hart, Jerry Brown and Paul Tsongas, who all represented suburban districts, and focused on government reform and stimulating private sector economic growth especially high-tech industry. This reform- and issue-oriented cohort offered an alternative middle ground between the urban ethnic old guard of the Democratic Party and progressive constituencies, like the Rainbow Coalition, advocating for social equality and economic justice. In Massachusetts, Dukakis in particular pioneered many policies including public-private partnerships, a balanced budget, a welfare-to-work program, environmental protection, and transportation initiatives as well as support for reproductive rights and other liberal causes that combined a technocratic ethos, business-oriented reform, and quality-of-life issues.

Although this platform might not have propelled Dukakis to the White House in 1988, it did directly influence the New Democrats, the Democratic Leadership Council (DLC), and the agenda that Bill Clinton ran on and later implemented as president in the 1990s. The emphasis stimulating Route 128 style growth was crucial to the Democratic Party’s competitive-



Figure 10.1 The cartoon “At Least I Know Who My Running Mate Would Be” appeared in the Massachusetts High Technology Council’s newsletter in early 1987 as Michael Dukakis was contemplating a run for the presidency. It suggested that his running mate would be a computer, and that Dukakis would run on the slogan “Duke and Tech in ’88.” The cartoon highlighted the centrality of the tech industry to Dukakis and the Democratic Party’s agenda in the 1980s, and depicted the close relationship that Dukakis had developed with the consortium of tech firms over the course of his political career. Cartoon by Glenn Foden, courtesy of Glenn Foden. *Source: Mass High Tech*, January 19–February 1, 1987.

ness, particularly in presidential elections as it appealed directly to suburban professionals throughout the country. This private sector and tech-oriented agenda, however, did not resolve the fundamental tensions between blue- and white-collar workers within the Democratic electoral coalition at the state and national levels. The party’s concentration on high-tech growth, knowledge-based professionals, low taxes, and welfare reform also resulted

in a set of policies that continued, and exacerbated, forms of economic and racial inequality throughout metropolitan Boston and the nation.

“Mike Dukakis Should Be Governor”

Dukakis’s biography encapsulated many of the facets of suburban liberal politics. A forty-year-old, first-generation Greek American son of an obstetrician, Dukakis had grown up in a gracious colonial house in Brookline and graduated from Brookline High School, where his classmates voted him “most brilliant.”⁴ He returned to Brookline after attending Swarthmore and Harvard Law School, and joined his local fair housing committee. Dukakis launched his political career as one of Brookline’s state representatives, serving as a key ally to suburban liberal activists in the quest for passage of laws related to METCO, environmental protection, improved mass transit, and women’s equality.⁵ But he experienced his greatest legislative accomplishments through less sensational issues such as insurance reform and changing the structure of state government. During his tenure at the State House, Dukakis cultivated an image as a socially liberal technocrat and frugal reformer who refused to toe the party line and consciously set himself apart from the powerful ethnic Democratic machine that dominated the legislature. He, like many young suburban Democrats, expressed frustration with the tenor of the state party, and in the early 1960s orchestrated the creation of the short-lived reform organization the Commonwealth Organization of Democrats to challenge the urban ethnic old guard.⁶

The goal of changing the direction of the state Democratic Party coupled with problems of unemployment, inflation, and high taxes set the tone for the political battles of the subsequent decade, but especially established the backdrop for Dukakis’s gubernatorial campaign in 1974. Dukakis made revitalizing the state’s economy the centerpiece of his platform. Many of his ideas paralleled those of McGovern, who during his 1972 bid for the presidency had emphasized the importance of private sector growth in converting the talent and resources of state’s technology sectors away from their dependency on the Pentagon. In announcing his own candidacy for governor two years later, Dukakis discussed his plans to “aggressively” recruit new businesses into the high-tech sector, and develop new forms of mass transit and environmental protection. He stressed that the state’s pool of professionals “with unique and technological skill” would offer the best “magnet” for new industries.⁷ Dukakis’s agenda intrigued many professionals along Route 128, where the levels of unemployment had reached an all-time high.

The *Boston Globe* interpreted Dukakis’s success in the gubernatorial primary as the official passing of “mantle of the Democratic Party” from the “working class three decker neighborhoods” to “the more affluent and sin-

gle family homes of suburban Massachusetts.”⁸ Even his campaign slogan “Mike Dukakis Should Be Governor” reflected the confidence and competitive, meritocratic ethos of postindustrial professionals. Dukakis’s success in the general election still depended heavily on the support of the party’s traditional constituencies. On most issues, Dukakis staked out a position further to the right than his opponent, Republican governor Francis Sargent, losing him the votes of many minority and progressive constituencies that maintained their support for the incumbent.⁹ Instead, he gained the votes of those blue-collar workers hardest hit by the economic downturn with bold promises to close the deficit, balance the state budget, reduce the unemployment rate to the national average, and deliver better social services at lower costs.¹⁰ Dukakis’s running mate, Thomas P. O’Neill III, further buffeted his support among dyed-in-the-wool Democrats. O’Neill’s father, Tip, curried significant influence among party regulars and contributed that to the campaign. Dukakis did not reject this assistance, despite his long critique of patronage and party politics. Dukakis won the November election with his best showing in the cities most affected by inflation and unemployment.¹¹

Dukakis’s victory brought him in concert with a group of politicians including California governor Brown, Colorado senator Hart, and Massachusetts congressman Tsongas that in 1974 gave the Democratic Party its greatest midterm triumph in decades.¹² Known as the Watergate babies, the members of this cohort had all earned reputations as issue-oriented, reform-minded politicians from suburban and heavily white districts. These politicians shared a desire to distance themselves from the “old politics” of the New Deal regulars and offer a new era of leadership for the Democratic Party and country.¹³ Dukakis and the other Watergate babies quickly discovered that it was far easier to pledge reform than to implement recovery.

On the campaign trail, Dukakis had promised to “introduce the idea of productivity and efficiency goals and standards into state government,” and pledged to cut the budget by \$150 million and implement no new taxes once in office.¹⁴ But confronted with a deficit of \$500 million, in the fall of 1975 he instituted a 7.5 percent across-the-board increase to the income and sales taxes, amounting to the single-largest hike in state history. He did uphold his promise to make cuts to a wide range of social programs. The METCO program represented just one by-product of this action. The state’s welfare program faced the most dramatic and symbolically significant cuts. In his boldest move, which anticipated Clinton’s welfare reform by almost two decades, Dukakis eliminated employable persons under forty years old from General Relief, the part of the welfare system entirely financed by state funds. In order to be eligible for the program, a recipient had to have a family income that fell 20 to 30 percent below the national poverty line. It was difficult to imagine the surplus of employment opportunities for the over

fifteen thousand welfare clients who fell into this category given the state's endemic unemployment problems.¹⁵ Critics declared that these cutbacks placed undue hardship on those least able to handle them.¹⁶ In a further testament to the direction of his welfare policy, after his first secretary of human services resigned in protest, Dukakis appointed a replacement with a background in finance not social policy.

Dukakis saw welfare reform as a site to demonstrate his technocratic and market-oriented approach to social issues. He introduced an initiative called the Work Experience Program (WEP) as a way to simultaneously reduce the state's soaring unemployment rate and welfare rolls.¹⁷ The idea of workfare had become synonymous with the harsh initiative that Reagan instituted while governor of California, but Dukakis sought to make the idea more palatable and turn himself into a national spokesperson for it.¹⁸ Targeted at men, WEP made as a condition of welfare payment performing basic maintenance duties such as painting guardrails, "roadside and brush clearing," and "litter pick up." The recipients also had to undergo employment and personal counseling and conduct job hunts under state supervision.¹⁹ The idea met with controversy in many interlocking circles in Massachusetts, but piqued the interest of Jimmy Carter, who acknowledged Dukakis's leading position in "helping solve the welfare problem," and credited the Massachusetts governor with having a major role in shaping Carter's own Program for Better Jobs and Income.²⁰ The Massachusetts legislature eventually passed a much more limited version of the WEP proposal, and the law made little impact on the state's rates of welfare or unemployment. Yet WEP and Dukakis's advocacy helped implant a new attitude into the national discussion about the best way to help the poor, which would later return in the welfare agenda of Massachusetts and the Democratic Party in the 1980s and beyond. Rather than an issue created by southern New Democrats of the DLC, welfare reform emerged from the same political culture of New England liberalism that produced pioneering civil rights, environmental politics, and antiwar activism.²¹

Dukakis more explicitly aimed to dispel the stereotype of New England's political culture as "anti-industry" by stimulating the growth of the high-tech sector. In the late 1970s, Massachusetts companies Digital Equipment, Data General, and Wang Computers led the remaking of Route 128 into the epicenter of minicomputer innovation, which ushered in the end of the area's downturn and start of the Information Age. In order to prove that "Massachusetts means business," the Dukakis administration established a combination of tax incentives as well as the Massachusetts Technology Development Corporation and Massachusetts Industrial Financing Agency to launch new companies and help older ones make the transition to commercial markets.²² This stimulus contributed to the rise of the minicomputers industry from the ashes of closed R & D labs along Route 128.²³ In just two

years, the Bay State added four hundred companies and over two hundred thousand jobs, with the majority of new growth occurring in the high-tech sector.²⁴ Employment in engineering and scientific instrument firms expanded by more than 70 percent, computer programming increased by 65 percent, and the construction of office machines and computers rose by 43 percent between the end of 1976 and 1978.²⁵ These new job opportunities greatly reduced the white-collar unemployment epidemic in the Route 128 area and enhanced approval for Dukakis's policies. A poll in March 1978 found that 56 percent of those Massachusetts residents surveyed rated Dukakis's performance as good or excellent, and he had high hopes of winning a second term.²⁶

Taxachusetts

The passage of property-tax limitation measure Proposition 13 in California significantly altered the parameters of the impending Massachusetts gubernatorial race. The initiative, which passed by a two-to-one margin in June 1978, required California municipalities to limit property tax rates to 1 percent of the assessed value, restricted future assessment to 2 percent a year, and mandated a two-thirds majority by the legislature to increase state taxes and a similar fraction of voters to approve any new local levies. The law led to an immediate reduction in revenues by more than seven billion dollars. California went from being far above to far below the national average in property taxes. Proposition 13, however, quickly became important less for its direct effect on the tax revenue in the Golden State than for signifying public resentment against the burden of taxes throughout the nation.²⁷

Immediately following the passage of Proposition 13, Massachusetts residents and politicians anticipated that the state would become one of the key sites for the national debate around taxes. When Howard Jarvis, "the father of proposition 13," came to visit Massachusetts in the fall of 1978, he told a crowd of seven hundred at Newton North High School, "I never thought I'd find a state where property taxes are worse than California, but I have and you are here."²⁸ Observers suggested that if a measure identical to Proposition 13 passed in Massachusetts, it would look as though Californians got cheated, since a 1 percent limit would slash Massachusetts' property taxes statewide by 77 percent.²⁹ State fiscal experts warned that such cuts would either create a loss in basic services or new burdens on the state government. Experts pointed to the fact that California in the late 1970s had a large state budget surplus that could cover the loss in local revenue, while Massachusetts still hovered near bankruptcy.³⁰ A tax-cutting measure would have the greatest impact on deindustrialized cities where the per capita property values were lower and thereby the tax rates were particularly

high.³¹ Further indicating the potential divisiveness of the issue, polls revealed that while three out of four Massachusetts voters supported a 45 percent reduction in property taxes, the respondents differed about which basic municipal services to cut.³²

The passage of Proposition 13 put the issue of taxes and Edward King's candidacy in the spotlight of the 1978 Democratic gubernatorial primary. King, an Irish American Catholic, former professional football player, and executive director of the Massachusetts Port Authority, had never before held elected office.³³ To overcome this lack of experience, he adopted a strategy that one aide later explained as putting "all the hate groups in one pot and let it boil."³⁴ King consciously fed on the wounds and divisions of the busing crisis, and used his staunchly pro-life position to gain the support of the well-organized antiabortion movement. Yet it was King's fiscally conservative stance that truly put the proverbial fire under his campaign.

King seized the opportunity of Proposition 13 to stake out a place in the election, declaring his support for the implementation of a similar type of reform in Massachusetts. Dukakis had said of Proposition 13, "Massachusetts voters are too smart to fall for such a simplistic proposal," to which King retorted that this was the classic response of a "limousine liberal." King pledged to reduce property taxes by five hundred million dollars if elected.³⁵ In the September Democratic primary, King received 51 percent of the vote to Dukakis's 42 percent. Cambridge mayor Barbara Ackermann, who had earned the support of the progressive wing of the party frustrated by Dukakis's cuts to social services, finished third.

The electoral upset exposed the long-standing divide within the state's Democratic Party. King did the best in blue-collar, traditionally Catholic communities, while Dukakis had decisively won college-educated professionals and strongly carried Route 128 suburbs like Concord, Lexington, Newton, and Wellesley.³⁶ One observer characterized the divide as between "the older pork-chop, brass-collar" constituency and liberals who were "suburban and privileged, anti-growth, pro-abortion, anti-highway and environmentalist."³⁷ Dukakis himself cautioned against reading the results as a sign that traditional "backlash" voters had gained control of the Democratic Party, or state or national politics.³⁸ More important, the primary served as a bellwether of the national sense of despair about the economic and political climate. King was most successful in the cities and towns with the highest property tax rates and those that would be most devastated by the passage of a law like Proposition 13.³⁹ Extrapolating the meaning of these statistics, pollster Patrick Caddell concluded that support for antitax, anti-government candidates constituted "a safety valve" that allowed voters to express frustration about a range of issues.⁴⁰ Exit interviews supported this interpretation. Theresa Flynn, a nurse from the North End neighborhood of Boston, spoke for many Massachusetts residents when she said Dukakis

“didn’t do enough for the little man. I can see why the state is called Taxachusetts.”⁴¹ King’s promise to ease the economic burden of people like Flynn led him to victory in the general election, although not in the Route 128 suburbs where voters mainly supported his liberal Republican opponent.⁴² It soon became clear that the issue of tax relief and King’s overall agenda had a group of supporters with much deeper pockets than Flynn.

The MHTC and Its “People-Oriented” Tax Politics

The struggle over tax policy in Massachusetts revealed the increasing political clout of high-tech industry executives led by the MHTC in shaping the directives of state politics and would have a direct impact on the battle. The council had grown from conversations between Data General head Edson de Castro and Analog Devices founder Ray Stata, who had served together on a state task force about capital formation appointed by Dukakis while he was still governor. After experiencing a rift with Dukakis over the task force’s recommendations, de Castro and Stata invited fellow leaders from thirty-eight electronics and R & D firms to form the MHTC. De Castro and Stata saw the group as means to address their belief that the problem impeding economic growth in the state was not the supply of capital “but the cost of doing business in Massachusetts.”⁴³ The organization had quickly grown by 1980 to include eight-nine firms that collectively employed around 140,000 people.

The MHTC deviated from the traditional view that the “high cost of business” in the Northeast derived from its high union wages and corporate taxes. None of the founding companies of the MHTC were unionized, and Massachusetts actually had lower production wages than other major computer manufacturing states in the 1970s.⁴⁴ The MHTC instead argued that the high cost of living, especially taxes, put Massachusetts’ “home-grown companies” at a “distinct disadvantage for recruiting” the “well trained highly skilled engineers and managers who are short supply everywhere.”⁴⁵ Technology workers, especially electrical engineers, had a particularly high rate of turnover, and MHTC members believed the difficulty of securing this element of the workforce created an even higher impediment to business than corporate taxes or union wages. Characterizing its vision and agenda as “people-oriented” ones, the MHTC’s concerns overlapped in some respects with groups like the Association of Technical Professionals (ATP), but rather than focusing on unemployment, the MHTC sought to address the sudden problem of an abundance of new job opportunities.⁴⁶

The MHTC’s core principles and agenda rested on the personal experiences of its founders supplemented by notions of supply-side economic theory, which had become increasingly popular the late 1970s, especially in

business circles. Supply-side advocates suggested that heavy taxation impeded productivity, entrepreneurship, investment, and overall private sector economic growth.⁴⁷ Massachusetts had the nation's third-highest per capita income, but the MHTC concluded that since state and local taxes took an average of 17.8 percent of personal income, the state was much less attractive than states with which it competed, especially those concentrated in the Sunbelt, which boasted far lower percentages.⁴⁸ "We offer a guy a job and the first thing you hear is taxes," bemoaned Herbert Roth, the president of a Waltham-based electronics company.⁴⁹ Some companies, including Data General, had already moved part or all of their operations out of the state, particularly to North Carolina, which held out to workers a 20 percent cost-of-living difference through a combination of taxes, insurance, food, and lower home-heating prices.⁵⁰ De Castro described his "reluctance" about building a new facility in the Research Triangle, stating that a company of course "always likes to stay close to home." "This is not our choice," de Castro maintained, "but that of the potential employees we are trying to recruit."⁵¹ One industry expert empathized, noting, "The electrical engineer is the linchpin of these industries and they have to go where the engineers want to live."⁵²

The MHTC's purported people-oriented tax agenda demonstrated the increasing clout of corporate leaders to dictate a policy agenda in state politics on behalf of their employees. The antitax pro-Sunbelt archetypal engineer that the MHTC frequently invoked, nevertheless, did not uniformly describe the worldview of the people who worked at its companies. As Tracy Kidder portrayed in *The Soul of a New Machine*, when Data General decided to move one of its big minicomputer projects to North Carolina, many of its employees refused to relocate and felt in competition with those who had left. "I thought North Carolina sucked," one engineer candidly exclaimed. It was "not a place where I want to bring up my wife and family." He instead decided to stay put in his gray colonial house in Framingham.⁵³ In other Route 128 suburbs like Framingham where many engineers lived, Dukakis had outpolled King by 22 percentage points in the 1978 Democratic primary, and these communities had likewise supported King's moderate Republican opponent in the general election. In a deviation from the MHTC's campaign, Paula Leventman, who conducted interviews with professionals at the Route 128 firms in the late 1970s, found that the majority were skeptical of solutions similar to Proposition 13 because they recognized that the maintenance of many municipal services, such as quality public schools, parks, and other amenities that made their suburbs desirable places to live, depended on taxes. Such attitudes failed to slow the momentum of the MHTC and its antitax agenda.⁵⁴

In just a matter of months, the MHTC developed a dominant presence in state politics.⁵⁵ Although the MHTC had not offered an official endorse-

ment in the 1978 election, King received strong support from several of its members, especially after he promised to lower taxes to a level comparable to competing states.⁵⁶ Almost immediately upon King taking office, the MHTC convinced him to sign an agreement called the “Social Contract,” establishing that the member firms would help create 150,000 new jobs in Massachusetts in exchange for King’s promise to reduce property and income taxes.⁵⁷ The MHTC sought to fortify this agreement by urging member employees that their state representatives must “hear from the payers of taxes,” providing them with form letters to support the increasingly symbiotic policies of the MHTC and King administration.⁵⁸

The MHTC wanted aggregate reductions in the tax burden, and told state legislators that it “made little difference whether taxes are reduced through lower property or income taxes.”⁵⁹ With momentum already galvanized in the aftermath of Proposition 13, the MHTC decided that focusing on property taxes offered a more politically expedient route. Between 1978 and 1980, the state legislature received more than twenty-five major proposals for tax relief from groups across the political spectrum.⁶⁰ The proposal of the grassroots group Citizens for Limited Taxation (CLT) to place a tax limit on the state ballot in 1980 emerged as the plan with the most staying power.⁶¹ The measure shared many of Proposition 13’s features, but in addition to a 2.5 percent limit on the assessed value of property, it allowed tenants to deduct 50 percent of their rent from their state income and called for a reduction in the automobile excise tax.⁶² Local officials immediately spoke out against the measure with warnings about the devastating effects of such a proposal on the ability to adequately manage municipal governments, especially in populous, low-income areas.⁶³ Robert Coard, executive director of a Boston antipoverty agency, succinctly predicted, “Wealthy suburban communities will be minimally affected. Urban areas will be devastated.”⁶⁴ Officials from many affluent suburbs offered an alternative prediction, issuing sober assessments about employee layoffs and the decline of municipal services.⁶⁵ State officials and politicians chimed in, calling Proposition 2½ “irresponsible” and potentially “disastrous.”⁶⁶

The mounting opposition helped proponents of the measure fashion a populist-laden campaign as the underdogs, which would prove pivotal to their eventual success. The CLT led this effort. Edward F. King (no relation to Governor King), a seasoned lobbyist for business organizations, had started the CLT with several close friends, and the group had grown in strength over the 1970s. Still, it remained a self-described “low-budget,” “grassroots” organization that operated out of a small office run by volunteers.⁶⁷ Executive director Barbara Anderson, a Marblehead housewife turned outspoken antitax crusader, served as the public face of the organization and its Proposition 2½ campaign. While many suburban women became politically active after reading Betty Friedan, Ayn Rand was the

catalyst for Anderson's awakening.⁶⁸ In 1978, Anderson decided to switch her hobby from teaching swimming at a local pool to volunteering at the CLT. She had ascended to the post of executive director in 1980 just in time to lead the fight for the ballot initiative and earn the reputation as the "Mother of Proposition 2½." Anderson's image as a suburban mom enhanced the homeowner-driven portrait of the campaign she led. "The way I see it, she's a housewife who raised a family and woke up one morning just fed up with what's going on," one erstwhile supporter later declared.⁶⁹

Throughout this campaign, Anderson and the CLT adopted arguments about homeowner and taxpayer rights similar to those that Jarvis and his allies had used in California, never turning down an opportunity to draw a reference to the Boston Tea Party or the Lexington Minutemen. In its literature, the CLT frequently discussed how "homeowners need protection," particularly against the "special interest groups."⁷⁰ At the same time, these rallying cries downplayed the role of "special interests" in the CLT's own campaign. The group would often tout the fact its donations came "from individual taxpayers, who sometimes sen[t] in \$2 in crumpled envelopes."⁷¹ In truth, only 54 percent of the contributions came from individuals; the rest was from the coffers of several business interests, especially in the high-tech field.

The CLT forged a partnership with MHTC members, which proved essential to the success of Proposition 2½. The consortium gave over \$240,000 to finance the CLT campaign, but this contribution did not end the extent of the high-tech community's involvement. In the fall of 1980, Foley, MHTC president, established Concerned Citizens for Lower Taxes in order to circumvent campaign tax law and raise additional funds. In the span of two months, Concerned Citizens for Lower Taxes raised \$269,085, with the vast majority coming from the firms that comprised the MHTC, including a \$16,000 check from Data General, and \$12,000 each from GenRad, Tera-dyne, Prime Computer, and Computervision.⁷² Foley also hired the political consulting firm Dresner, Morris, and Tortorello, led by Dick Morris, who later became one of Clinton's most trusted advisers. The consultants urged the campaign architects to downplay the links to business and "conservative limited government concept" because "it just won't wash that way in liberal Mass. Sell it instead as a liberal compassionate measure."⁷³

Political scientist Daniel Smith would later characterize the Proposition 2½ campaign as "faux populist" because of the influential, but invisible role of the high-tech executives.⁷⁴ While Anderson later admitted that Proposition 2½ would not have passed without the money raised by the MHTC and the advertisements it sponsored, she also countered accusations that she merely operated as a "populist front" for the political agenda of the high-tech industry, calling her relationship with the MHTC "symbiotic."⁷⁵ The MHTC's advertisements and the CLT's grassroots energy worked in tandem

to capitalize on voter confusion about Proposition 2½. Polls showed that Bay State residents supported the measure primarily because they believed that taxes were “too high,” and not because they necessarily wanted fewer services or a smaller state government.⁷⁶ Likewise, while the majority of Bay State voters endorsed the proposition, they remained confused as to exactly its purpose and consequences.⁷⁷ The CLT thus began to emphasize the somewhat-deceptive idea that Proposition 2½ was the last chance voters had to alter the tax system. Many citizens recognized flaws in the measure, but believed it offered what Newton resident Arthur Adelman saw as “the lifetime chance for us taxpayers to assert ourselves.”⁷⁸ This typical sentiment played a central role in raising widespread support for Proposition 2½ in a matter of months.

Proposition 2½ and the Suburbs

The suburbs surrounding Route 128 served as a major battleground over Proposition 2½, and the debate it engendered in 1980 exposed not only the divide between the personal and professional priorities of many scientists and engineers but also the individualist and consumerist ethos of suburban residents. Similar to the Vietnam era, when many Route 128 engineers opposed the war despite the fact that their livelihood depended on defense spending, so too did their personal opinions of Proposition 2½ put them at odds with their employers’ agenda. Several professionals shared the criticism of one academic from Wellesley that the measure represented a “poorly worded” and “haphazard approach to much needed tax reform.”⁷⁹ In line with their commitment to rationality, these professionals believed both that Proposition 2½ appeared deceptively simple and there was no quick fix to resolving the issues of tax reform.⁸⁰

Issues of school financing became a central part of this debate, exposing many of features and fault lines of Proposition 2½ and suburban fiscal politics more broadly. Public education had been one of the primary reasons that many engineers and other professionals commonly cited for moving to places like Newton or Lexington. Education also constituted the most substantial part of the local budgets, and many proponents saw Proposition 2½ as a way to rein in growing educational costs. Arthur Masucco, a resident of the Route 128 suburb of Natick who worked as a consultant for a Boston-based engineering firm and paid \$1,828 per year in property taxes, found it frustrating that \$14 million of the \$20 million of his town’s revenue went to the public schools.⁸¹ Even though his own children benefited from this education, Masucco contended that individual parents, not all taxpayers, should finance such “special” services as violin, extra reading instruction, tennis, cross-country skiing, or football. Others proponents suggested that

the measure could help do away with METCO and instead focus on “traditional education.”⁸² These suggestions, rooted in notions of freedom of choice, touched off fierce disagreements at PTA and school board meetings about what programs were essential or extraneous.

Many parents adopted a language and attitude to oppose Proposition 2½ similar to that which their neighbors had used to support it. The president of the Newton PTA, Bonnie Armor, stressed that defeat of the proposition would “preserve the educational system which has made Newton a desirable place to live.”⁸³ Echoing the arguments that proponents adopted to support participation in METCO, the building of affordable housing, and a more gender-neutral curriculum, Lexington superintendent John Lawson warned that Proposition 2½ “would create a lower than average school system for an above average student population.” Lawson dubbed such an outcome “a tragedy.”⁸⁴ Despite such invocations of disadvantage, rarely did those suburbanites, either those for or against the measure, discuss the ways in which Proposition 2½ might affect children in Boston’s public schools, who just a few years early had stood at the center of the violent battle over mandatory desegregation and continued to struggle with its fallout.⁸⁵

In the November election, Proposition 2½ won by a 59 to 41 percent margin, achieving its greatest success in the state’s middle-class suburban communities and urban districts where homeowners felt most squeezed by property taxes.⁸⁶ The debate over Proposition 2½ had overshadowed the 1980 presidential race, but in the end Reagan won by a narrow victory in Massachusetts. Reagan’s assurance of reducing federal taxes and the size of the government enticed many of the same voters who welcomed the cuts promised by Proposition 2½. Reagan received his largest gains in the middle-class suburbs of the North and South Shores, consistent with national voting patterns.⁸⁷ The vote was far closer in the Route 128 suburbs in part due to the third party candidacy of John Anderson, who was quite popular with independent voters in these communities.⁸⁸ Anderson ended up winning 15 percent of the Massachusetts electorate, which was a significantly greater share than his national showing. The MHTC would later intimate to Reagan “either we have you to thank or perhaps you have us” for the “coincidence” of Proposition 2½ passing the same year that he carried the state.⁸⁹ Yet this claim was not entirely true. Several of the urban precincts in Boston that favored Proposition 2½ did not extend their support to Reagan, while his opponent, President Carter, received almost the same number of votes in Boston among white working-class voters as had Proposition 2½.⁹⁰

The more affluent Route 128 communities remained squarely divided over Proposition 2½. In Lexington the measure won by fewer than four hundred votes, while it failed to pass by a similarly narrow margin in Brookline, Lincoln, and Newton.⁹¹ The results often highlighted an occupational divide

Table 10.1 Percentages Voting for Proposition 2½ and the Presidential Race, 1980

	Proposition 2½		Presidential race	
	Yes	No	Reagan	Carter
Concord	57%	39%	41%	35%
Lincoln	45%	52%	37%	31%
Lexington	49%	47%	40%	37%
Newton	47%	48%	35%	45%
Brookline	37%	56%	30%	50%
Boston	50%	38%	32%	52%
State total	56%	40%	41.20%	41.05%

as people in upper-managerial positions such as company executives, CEOs, and business owners voted for the measure, while knowledge professionals did not.⁹² In fact, college-educated professionals joined low-income minorities and public service employees as the constituencies that were least likely to support the measure. These results illustrate that the “people-oriented” agenda of the MHTC leaders in the case of Proposition 2½ trumped the political desires and choices of many of their employees. It also showed the limits of suburban professionals’ ability to influence large-scale policy.

Education, however, proved one sphere where engineers and other suburban residents with means did have the ability to exercise their individual choice. Many professionals in the Route 128 area responded to Proposition 2½ by choosing to take their children out of local public school systems. In the weeks immediately following the 1980 election, Boston-area private and parochial schools received a flood of inquiries and a record number of new applications primarily from upper-middle-class parents from Boston,

Cambridge, and the Route 128 suburbs.⁹³ Reflecting the attitude of many middle-class residents, Laurence Auros explained that such a change would create a “financial burden” for him, but he could not deprive his daughter of “a good sound education.”⁹⁴ The Cambridge school superintendent empathized with people like Auros, insisting, “You can’t blame parents for considering the private sector especially when I’m forced to make massive cuts in aesthetic subject areas.”⁹⁵ The thousands of individual decisions had powerful consequences on racial and class composition and quality of schools throughout metropolitan Boston. The *Boston Globe* called this pattern of departure the “single most chilling result” of Proposition 2½.⁹⁶ Many officials warned that this trend would not simply remove many of the brightest and most dedicated students. It would also remove their parents, who often played a crucial role in lobbying for quality public education, and cause great harm to students without the resources to enroll in private schools. Few, if any, parents publicly voiced concern about the impact of their decision on other people’s children.

The direct warnings by officials about drastic looming cuts in municipal services, especially education, produced panic in cities and suburbs across the state.⁹⁷ Many residents began to regret their vote and implored the state legislature to compensate for the revenue loss.⁹⁸ Even King’s secretary of economic affairs and MHTC member George Kariotis dubbed it “a disaster,” and declared that “the biggest irony is that it’s not going to provide tax relief” in the towns where “these high tech engineers all live, like Weston, Lincoln, Wellesley.”⁹⁹ The MHTC called on the state to “carry the load” by “squeeze[ing] 4% out of its budget without starving the poor, emasculating public higher education or laying off state troopers.”¹⁰⁰ The Massachusetts legislature approved such a measure, which offered some relief to municipalities, but it did not permanently assuage the anxiety of residents and budget choices of local officials.

The implementation of Proposition 2½ magnified the socioeconomic inequality embedded in the geography of Massachusetts. During its first year of implementation, Proposition 2½ led to a \$311 million reduction in property taxes statewide, but the Revenue Department noted it had an “extremely diverse” effect on communities commensurate with existing patterns of wealth and privilege. The greatest impact fell on lower-middle-class, working-class, and low-income urban areas.¹⁰¹ In the years immediately after the law passed, affluent suburbs such as Lexington, Weston, and Wellesley endured some minor hardships, like fewer library hours, book purchases, streetlights, and trash collection days, while urban locales such as Boston and Somerville made major cuts to police and fire service, and the city of Quincy laid off 294 teachers.¹⁰²

The override provision contained in Proposition 2½ further contributed to the pattern of spatial inequality. In the weeks after the 1980 election, Du-

kakis's hometown of Brookline led the fight to allow municipalities to avoid full compliance with the measure. "Many people moved to Brookline for its high level of services and want to maintain that standard," stated Juan Cofield, the leader of this campaign.¹⁰³ The reaction led the legislature to modify the law to enable the voters of a city or town to approve an override to Proposition 2½ through an election.¹⁰⁴ Indeed, since 1980, many municipalities used overrides to finance the construction of new schools, fire stations, and recreation facilities, purchase conservation land, or increase education funding. The proposals created discord in many towns, often pitting residents against one another in fights over fiscal priorities. But more significantly, the override mechanism proved an easier device to invoke in smaller communities, while virtually impossible in larger municipalities with no budget surplus and few residents willing to spend money on items such as a new school building or conservation land. The provision thus had the unintended consequence of enhancing the disparities in municipal services and privileges between smaller suburbs and larger cities. In spite of these divisions, most scholars have concluded of Proposition 2½ that "neither its costs nor its benefits have been as great as predicted."¹⁰⁵ Bay State residents and officials for the most part learned how to adjust to the law and forms of metropolitan inequity it has engendered.¹⁰⁶ Yet the same was not true for King. By the early 1980s, the public had grown increasingly dissatisfied with his tenure, which paved the way for Dukakis to resume his political career and platform of economic growth.

Rematch

Amid the uncertainty created by the implementation of Proposition 2½, Dukakis decided to run to reclaim his old job as governor, but updated his message to fit the new political climate of the state and nation at the dawn of the Reagan era.¹⁰⁷ During his four years in office, King implemented the socially conservative, probusiness policy on which he campaigned.¹⁰⁸ His positions on abortion, welfare, and the economy had earned him the reputation as Reagan's "favorite governor" and "favorite Democrat."¹⁰⁹ King proudly embraced those labels, disillusioning the state's Democratic loyalists. A series of scandals and charges of corruption involving the members of his administration also led many to question his leadership. With these negative factors mounting against King, Dukakis launched a campaign to retake the governorship.

The 1982 gubernatorial primary, like the one four years earlier, highlighted the divisions between the two sides of the Democratic Party, with lower- and middle-income white ethnics concentrated in the older cities on one side and suburban liberal professionals on the other.¹¹⁰ The King

campaign strategy focused on intensifying this cleavage in order to appeal to blue-collar white voters.¹¹¹ Relying on antiliberal stereotypes, a King aide called the contest the difference between the “Chablis-and-brie-crowd and Joe Six Pack.”¹¹² Dukakis made competence and integrity the overriding themes of his campaign in order to contrast the King administration’s scandals and corruption charges. But he focused on projecting this image without the self-righteousness that had plagued him throughout his first term.¹¹³

Dukakis had spent the time out of office teaching at Harvard’s Kennedy School of Government, where he was exposed to a clique of academics touting government’s role in stimulating growth in the private sector, especially in the high-tech industry. During his campaign, he made overtures to the leaders of the high-tech sector, promising to “spearhead a new era of investment” of state money in smaller- and medium-size growth companies, and make Massachusetts an “attractive place to do business.”¹¹⁴ Dukakis also pledged to crack down on crime and drunk driving and enhance environmental protection, energy conservation, and support for women’s “right to choose.”¹¹⁵ This platform mobilized a huge turnout for Dukakis among what observers deemed the “high-tech,” “free-choice” Democrats who lived in the suburbs.¹¹⁶ King spent two million dollars on a series of television, radio, and print advertisements that criticized Dukakis as the prototypical ineffectual liberal, yet such depictions failed to rattle Dukakis or deter his supporters.¹¹⁷ Dukakis’s retooled image and strategy led him to a win by a decisive margin of more than eighty thousand votes in the September Democratic primary, followed by an easy victory in the November general election.¹¹⁸ Dukakis stated that the win gave “him something one rarely gets in American politics—a second chance.”¹¹⁹ During his “second chance” as governor, Dukakis refashioned a brand of liberal politics and Democratic leadership that culminated in his presidential bid in 1988.

The Massachusetts Miracle

During his second round in the State House, Dukakis made economic development his primary area of focus, riding on and increasing the wave of the Commonwealth’s rebounding high-tech industry. He became “a born-again business booster,” working aggressively to improve Massachusetts’ reputation, and transform it into the “vanguard” and “very model of the high-tech state.”¹²⁰ By the time Dukakis secured his reelection, the state’s high-tech industry was at the height of its boom. The turnaround confirmed that within the new rules of the postindustrial economy, knowledge, expertise, and the heavy concentration of research institutions once again represented Massachusetts’ most valuable resources.¹²¹ The rapid rebounding also made

Route 128 a model for other parts of the country trying to stage similar transitions from industrial to service-oriented economies.¹²²

The MHTC continued to play a key role in this transformation and the political support it earned. As MHTC member and president of the Millipore Corporation Dee D'Arbeloff framed it, politicians from both sides of the aisle had gone from asking "what's high tech?" to "what does high tech want?"¹²³ Fulfilling that observation, in January 1983 Reagan toured Millipore's Bedford facility and delivered an address to MHTC members. The president praised the organization for its "vision" and "taking action," and promised to be "something of an apostle for your success story here."¹²⁴ In his address to the MHTC after winning the 1982 race, Dukakis took an equally complimentary and cooperative view of the organization. Repairing the rift with the leaders of the high-tech community that had led to the MHTC's formation, Dukakis told the audience, "No one has done more to create jobs than you have—as individuals, as companies, as a vital industry." He maintained that it would be essential to a "good business climate" for "the business community and the state government to talk to each other, listen to each other's problems, and work together to solve important problems."¹²⁵ He fulfilled that model during his second term.

Dukakis adopted a set of policies that bolstered the growth of the high-tech industry to the state's and his own advantage. He also relied heavily on the ideas of trusted advisers like Harvard and MIT economists Robert Reich, Lester Thurow, and Lawrence Summers, and Harvard management guru Rosabeth Moss Kanter, who convinced him that "the key to successful economic revitalization [lay] in specific investment strategies that link public investment with private opportunities."¹²⁶ With this maxim of "public-private partnerships" in mind, the Dukakis administration worked to broker deals between high-tech companies and Boston-based venture capital firms. The creation of these partnerships led to the surge of new software, data processing, and computer manufacturing corporations in the state.¹²⁷ The Dukakis administration also drew heavily on the work of MIT economist David Birch, whose influential article "The Job Generation Process" had demonstrated that independent businesses with fifty or fewer employees created 52 percent of all new jobs, and 80 percent of all new job growth occurred in companies that were four years old or younger.¹²⁸ These ideas echoed the argument of tech executive and activist Arthur Obermayer, who since the early 1970s had stressed to McGovern and other politicians that small firms should be the priority of the party's economic development platform.

Despite the new attention directed at small businesses, many of the state's larger companies like Digital, Wang Computer, and Raytheon also became part of the new focus on public-private relationships. Massachusetts companies also managed to jockey Reagan's prodefense position to gain

myriad contracts from the Pentagon to make software and hardware for military weapons. Raytheon received \$2.3 billion in government contracts in 1985 alone. Overall, the economic growth generated 50,000 new businesses and 160,000 jobs in two years. By 1985, Massachusetts had the highest percentage of workers in the service sector of any state in the country, lowest unemployment rate of any industrial state, and greatest average per capita income in the nation.¹²⁹

Dukakis joined a group of Democratic politicians involved in shifting the party's economic priorities over the 1980s toward high-tech growth. Called by many either neoliberal or Atari Democrats, this group represented the maturation of the so-called Watergate babies, and included Senators Bill Bradley, Christopher Dodd, Al Gore, Hart, and Tsongas.¹³⁰ Although often liberal on foreign policy, rights issues, and especially the environment, the group eschewed the party's traditional focus on full employment and adequate housing as the favored means to create social equality, and instead concentrated on stimulating entrepreneurship and private sector growth.¹³¹ Tsongas, perhaps the most quintessential Atari Democrat, had launched his career from a congressional district that included both his hometown of Lowell and Route 128 suburbs like Lexington. He had long derived his success from his combination of working-class ethnic roots, socially liberal defense of abortion rights, affirmative action, and the environment, and an emphasis on using market incentives and high-tech growth to solve economic and social problems.¹³²

The focus on expanding the high-tech sector had clear advantages for changing the fortunes of the economy as well as the agenda of Dukakis and the Democratic Party. This form of development, however, produced an economically and geographically uneven distribution that privileged middle-class professionals and enhanced structural inequities. High-tech industry primarily created jobs for scientists, engineers, computer programmers, and data analysts that paid well, but these opportunities demanded a high level of expertise, experience, and training and were nonunionized.¹³³ Throughout the 1980s, the MHTC continued to include not one unionized firm in its over one-hundred-member consortium.¹³⁴ The manufacturing jobs that did exist at both large and small computer companies were not just nonunion but low-wage with little long-term security. Moreover, the focus on creating jobs in high-tech companies and related service sector businesses made employment overly dependent on the boom-bust cycles of the postindustrial economy, and therefore provided even greater job insecurity and uncertainty for workers at all levels. The high overall numbers in Massachusetts actually masked the fact that in the state's predominantly minority and low-income neighborhoods, the unemployment rate continued to hover at 31 percent in the mid-1980s, while the Massachusetts manufacturing sector continued its rapid decline, losing fifty-five thousand jobs

between 1980 and 1987.¹³⁵ In the 1980s, furthermore, many high-tech firms shifted construction of their headquarters and plants to I-495, a semicircular highway thirty miles from downtown Boston where land was cheaper and more abundant than the famed Route 128 highway.¹³⁶ Population migration quickly followed suit as large shopping centers and subdivisions joined the industrial parks, rapidly transforming the former farming communities along this corridor and making I-495 a national symbol of exurban sprawl.¹³⁷ The area between I-495 and Route 128 gained 124,700 residents, accounting for nearly 40 percent of the state's growth in the 1990s.¹³⁸ Few residents of color joined in the I-495 migration, and thus the area remained about 93 percent white.

The Dukakis administration tried to offset the consequences of such uneven growth through its economic development and job-training programs. Updating his older planning agenda, Dukakis actively encouraged industrial growth beyond Route 128 and throughout the state, helping start-ups to establish corporate headquarters and factories in older deindustrialized mill communities like Lowell, Springfield, and Taunton.¹³⁹ The Dukakis administration contended that rerouting development away from Route 128 and toward economically distressed cities would also reduce the problems of rapid growth, traffic, and soaring home prices, which threatened the environment and quality of life of the suburban residents who lived along the highway.¹⁴⁰ Like many Atari Democrats, Dukakis argued that with proper planning, environmentalism and growth could be complementary.¹⁴¹

Dukakis used his technocratic approach to make the relationship between unions and companies more compatible. In order to secure the endorsements of the state's labor leaders in the 1982 election, he had promised to promote a measure requiring advance notification of any plant closings—an idea to which the business community had been hostile. Dukakis created a commission of leaders from the business, labor, government, and academic sectors to help broker a compromise. The process led to the creation of the Mature Industries Act, passed in 1984, which abandoned the demands for mandatory notification of plant closings, and instead created a “voluntary” “social contract” that “encouraged,” but did not require, companies to give employees at least a ninety-day notice of any plant closing. Under the law, displaced workers also received ninety days of continued health coverage, reemployment assistance and training, and state benefits if the company went bankrupt. Although it was “voluntary,” companies that refused to comply could not gain access to certain forms of state financing.¹⁴² The compromise both provided companies access to state funding incentives and gave state protections to workers. The “social contract” ultimately worked better in theory than practice, but it showed how Dukakis sought to help industry and labor adapt to economic change and served as the model for a similar policy eventually implemented at the federal level at the decade's end.¹⁴³

Dukakis's revised welfare program further demonstrated his effort to adapt the traditional Democratic approach to bedrock social issues to fit the times. Dukakis recast the unpopular workfare program from his earlier time in the governor's seat into a new program called Employment and Training Choices (ET) launched 1983. The word "choices" in the title, Dukakis and Rosabeth Moss Kanter later explained, indicated its emphasis on "self-motivated client participation."¹⁴⁴ Participants voluntarily enrolled in the program and received a wide "menu" of options intended to fit the "the needs of each person," including education, training, and work opportunities in the private sector at companies such as Wang, Raytheon, and AVCO.¹⁴⁵ The program also provided subsidies and vouchers for child care and transportation, and supplemental health insurance along with a "sales pitch" about the benefits of work.¹⁴⁶ In its first four years of operation, the program placed thirty-eight thousand former welfare recipients in entry-level private sector jobs, with high enough wages that 86 percent remained off welfare for more than a year and saved the state hundreds of millions of dollars. By 1985, ET had a waiting list of sixteen thousand welfare recipients trying to get a spot and the Dukakis administration claimed it as the major factor in the 50 percent reduction of the state's welfare rolls.¹⁴⁷

ET proved popular for some of the reasons that had long contributed to the success of programs like METCO. Participants appreciated the flexibility and voluntary dimensions of the program and the tangible opportunities and education it provided. Many middle-class taxpayers concurrently touted the initiative as a "wise investment," and supported the ways in which it not just saved money but also promoted individual advancement and lessened welfare dependency.¹⁴⁸ Private industries also favored the program because it helped industry with its personnel needs. Like METCO, ET endured criticism for the fact that took the "cream of the crop," privileging those people most excited and ready to work. The program also represented the pitfalls of an economic recovery agenda based on high technology and a welfare program connected to service sector jobs. The volatility of the high-tech industry could not provide a stable source of jobs for ET graduates, and thus the program operated most successfully in times of economic boom when there was a surplus of employment opportunities.

ET earned a great deal of national attention, nevertheless, as an innovative and effective approach to welfare reform. Some observers noted that elements of the approach were not entirely new, but praised the administration for understanding how to package and promote them in a market-oriented, meritocratic language of success that appealed to a wide range of interests. Liberal writer Robert Kuttner declared that ET combined the "conservative premise" that "most people ought to be working rather than living on the dole" with "the good-government premise that an efficient, well-managed program is good for both recipients and taxpayers."¹⁴⁹ David Osborne ob-

served that in doing so, the Dukakis administration successfully “altered the national debate around welfare reform.”¹⁵⁰ Dukakis declared in August 1987 that of all his accomplishments as governor, he was proudest of ET.¹⁵¹ He boasted how the program helped “mothers and their children” become “self-sufficient, get an opportunity to move up, to lift themselves out of poverty,” and gain “the dignity and confidence that comes” with “working and earning at a good job.”¹⁵² The Personal Responsibility and Work Opportunity Reconciliation Act signed by Clinton in 1996 embodied a similar notion that work and individual self-sufficiency offered the best solution to the problem of welfare dependency and the premise of combining liberal and conservative ideas in order to successfully diffuse Republican opposition.

Dukakis’s fiscal policy similarly served as a model of the Democratic Party’s new approach to economic concerns as it adapted to the political realities of the 1980s, especially the tax cut ethos of the Reagan administration. On returning to office, Dukakis reneged on his earlier opposition to tax limitation laws like Proposition 2½, publicly stating that “there was no doubt that taxes were too high” in Massachusetts during the 1970s.¹⁵³ Dukakis sought not to revise but work within the boundaries established by Proposition 2½ and the broader resistance to taxes among both Bay State voters and the high-tech companies. His fiscal policy managed to keep property tax rates low by replacing the revenue lost with increased state aid to cities and towns. The Dukakis administration generated the money to carry out this program through a crackdown on tax evasion called the REAP program, which yielded \$900 million in three years.¹⁵⁴ By 1985, the state tax rate had fallen below the national average and Massachusetts had a budget surplus. Dukakis agreed to the MHTC’s request to repeal the 7.5 percent surcharge on income taxes that he had imposed a decade earlier. The next year, Dukakis oversaw a \$64 million tax cut, the largest such reduction in state history, bolstering both his approval ratings and image as an effective reformer.¹⁵⁵ Dukakis’s spate of public-private partnerships and focus on investment earned notice as a model for how Democratic governors could successfully create economic success and maintain social programs in the face of the Reagan administration’s “new federalism,” which brought significant cutbacks in funding from Washington.¹⁵⁶

The state of Massachusetts did benefit from key forms of federal funds, not just for defense, but for public works as well, due in part to the power of the state congressional delegation, especially Speaker of the House O’Neill. Dukakis and O’Neill had never had a particularly close bond, but during the 1980s, they worked together on the effort to secure federal funds for the state, especially for the megaproject the Central Artery/Tunnel Project, otherwise known as the “Big Dig.” Dukakis and O’Neill had both played parts in the drama surrounding the Inner Belt dating back to the 1960s. During his first term, Dukakis had appointed Fred Salvucci as secretary of

transportation. Salvucci had extracted from the Boston Transportation Planning Review a plan for moving the Central Artery highway and adding a new tunnel as a means to relieve congestion and get rid of the large highway structure that cut off downtown from the waterfront. The plan had originally created skepticism. Although perhaps initially counterintuitive, Salvucci believed that the plan supplied the means to fix earlier problems of urban renewal and to limit sprawl by reducing traffic problems and increasing ingrowth within the city.¹⁵⁷ During the King administration, the plans laid dormant, but when Salvucci returned to the State House, he convinced Dukakis that it would be integral to his larger economic development goals to make Boston “the hub of an expanding New England economy.”¹⁵⁸ O’Neill also recognized the project’s potential. Shortly before retiring from Congress in 1986, the speaker had worked with other members of the state’s congressional delegation to secure the initial \$3.1 billion in funding for project. Eventually costing more than \$12 billion, the “Big Dig” became the most expensive public works project in American history. The controversial project’s promise to economically and aesthetically change Boston and improve the quality of life of residents by funneling new money into the state economy and creating new construction jobs combined the various facets of the Democratic agenda.¹⁵⁹

Members of the Dukakis administration frequently labeled this wide range of programs as the Massachusetts Miracle, overemphasizing the governor’s singular role in the turnaround. The efforts both glossed over other significant factors that had contributed to the state’s economic recovery and obscured persistent forms of inequality. Yet it was difficult to ignore Dukakis’s impressive record. In 1986, the National Governors’ Association anointed Dukakis “most effective governor in America,” beating out Clinton and Mario Cuomo. Many people recognized him as the Democratic Party’s “economic development policy expert,” and he and the state had settled squarely into the national spotlight as, according to *Time*, “the pacesetter for the nation’s transition to a high tech service oriented economy.”¹⁶⁰ The praise he garnered inspired Dukakis to launch a bid for the presidency in 1988.

Competence, Not Ideology

Massachusetts liberal is the more memorable label to emerge from the 1988 presidential race, but it was the Massachusetts Miracle that led Dukakis to the front of a crowded field of Democratic candidates seeking the party’s nomination. Dukakis made his successful revival of the state’s economy and political structure the centerpiece of his presidential campaign.¹⁶¹ During the first year of the campaign, he primarily promoted his record as governor. He suggested that he would run the nation in much the same way as he had the state

of Massachusetts, stressing the growth of the high-tech sector through public-private partnerships. *Time* noted that he often appeared to be running for "Governor of the United States," and another observer dubbed him the Honda Civic of leaders: "Compact, efficient, reliable, short on style, but long on utility."¹⁶² His remark during his convention address that "this election isn't about ideology. It's about competence" encapsulated his emphasis on rationality, meritocratic ability, and his forward-thinking ethos.¹⁶³ The very same values had long pervaded the political culture of the Route 128 suburbs.

Dukakis's style did not energize the more progressive wings of the party or many minority voters who supported Jesse Jackson as their candidate, but it did help earn him the support of other critical constituencies. Dukakis's political ideology, which one observer described as "at once a social liberal and fiscal moderate, proenvironment and pro-growth, an advocate of the poor and a friend of business," combined many of the facets that Democratic Party strategists recognized as crucial to capturing the two major groups of swing voters.¹⁶⁴ In order to connect with and win back "Reagan Democrats," Dukakis began highlighting his Greek ethnicity and first-generation immigrant narrative of upward mobility.¹⁶⁵ Yet many party regulars remained dubious of Dukakis's claims of ethnic authenticity and even circulated buttons declaring "I knew Dukakis before he was Greek."¹⁶⁶ His former lieutenant governor, Thomas O'Neill III, remarked, "Ethnics come from working-class city neighborhoods; Michael is from a suburb. Ethnics deal with constituents who need a job or a favor; Michael has always been an issues-oriented politician."¹⁶⁷

Dukakis's suburban origins and issue-oriented style actually served as a major asset with the other constituency that many strategists recognized as key to his and the Democratic Party's success in the general election. Political consultant and Dukakis adviser Hank Morris saw Dukakis's upbringing and ethos as important in galvanizing postindustrial suburban professionals in battleground states such as California, Illinois, and New York.¹⁶⁸ Suburban professionals responded favorably to Dukakis's record about quality-of-life issues like traffic and air pollution, unregulated commercial growth and sprawl, declining schools, and rising drug and crime problems. Morris urged the campaign to further underscore that "he is the first presidential nominee to grow up in the suburbs and to stay there, commuting to work and mowing the lawn and knowing the concerns of suburbanites."¹⁶⁹ Taking the advice to heart, Dukakis made frequent references to his 1963 Sears snowblower as an emblem of his suburban sensibility and frugality.¹⁷⁰

Dukakis's emphasis on stimulating high-tech growth based on the Route 128 model proved most important in enlisting him a following among both white-collar professionals in the metropolitan areas of the Sunbelt, West, and Northeast and blue-collar voters in the Midwest and elsewhere.¹⁷¹ Dukakis's record on labor issues, especially his plant closing initiative, even-



Figure 10.2 Michael Dukakis trimming hedges outside his Brookline home on Sunday, July 31, 1988, at the height of the presidential race. The Dukakis campaign used such images both to accentuate Dukakis's suburban roots in order to appeal to suburban voters and emphasize his lack of pretension and frugality, so that even at the height of campaign season, he opted to do his own yard work. Photo by Susan Walsh. Courtesy of Associated Press Images. © 1988 The Associated Press.

tually earned him the official endorsement of the AFL-CIO, which had experienced a sharp decline in membership and political power during the 1980s.¹⁷² Like McGovern, Dukakis's ability to unify suburban professionals and blue-collar workers under the same electoral umbrella did not mean that these two groups necessarily saw eye to eye on economic matters, or shared or even understood the economic interests of the other. In his influential 1991 memoir, *Which Side Are You On?*, suburban-bred and Harvard-educated labor lawyer Thomas Geoghegan observed how "shocking it would have been" if Dukakis "had stood up in Brookline and said to his supporters 'workers have a right to organize.'" Geoghegan imagined most people in the room would have "looked absolutely blank" and asked, "Michael, what the hell are you talking about?" Geoghegan contended that the democratizing demands and goals of organized labor were "incomprehensible" to Dukakis's liberal friends and former classmates, since they were "middle-class Emersonian individualists" who had "more in common with the Reagan right" than the average union member, even though both might have supported a Democratic candidate.¹⁷³ This tension would continue to plague the relationship between labor and the Democratic Party, but in the short run, Dukakis confronted a greater challenge.

Massachusetts Liberal

By the conclusion of the July 1988 Democratic National Convention, Dukakis enjoyed a seventeen-point lead in the polls over his Republican opponent George H. W. Bush.¹⁷⁴ In response to this gap, Bush and his campaign manager, Lee Atwater, borrowed and adapted the template established by previous conservative politicians to discredit Dukakis. Bush's forces transformed Dukakis's reputation as a technocrat into a sign of his elitism and depicted him as the quintessential Massachusetts liberal "out of step with the mainstream America on most social issues." The Bush campaign adopted a set of keywords including "Massachusetts," "Harvard," "George McGovern," "Ted Kennedy," "Taxachusetts," and eventually simply the infamous abbreviation the "L-word" to associate with Dukakis negative ideas about both the Bay State and left-leaning politics.¹⁷⁵ It mattered little that Bush's accusations did not mesh with Dukakis's fiscally moderate record or that he had actually supported the more centrist Edmund Muskie over McGovern in the 1972 democratic primary. The effectiveness of these messages showed the continuing vibrancy of "Massachusetts" and "liberal" as pejoratives.¹⁷⁶ Bush increasingly turned to social issues such as school prayer, gun control, and the death penalty to lure voters. He declared that there was a "wide chasm" on the "questions of values between me and the liberal governor whom I'm running against."¹⁷⁷

The attack culminated with the infamous campaign advertisement "The Revolving Door," which aired in the fall of 1988. It told the story of Willie Horton, an African American convicted murderer from Massachusetts who raped a white woman during a prison furlough. Written by Roger Ailes and Larry McCarthy, the script concluded by stating "Weekend Prison Passes: Dukakis on Crime" as the screen focused on Horton's mug shot. McCarthy later proudly dubbed the advertisement "every suburban mother's greatest fear."¹⁷⁸ "The Revolving Door" portrayed an incomplete version of Dukakis's crime record, which he had long touted as a means to gain the support of the very same constituency that the intimidating image of Horton aimed to scare. Since his first campaign, Dukakis had consciously presented himself as tough on crime. Throughout his time in office, he had been a strong proponent for mandatory minimum sentencing, especially in drug cases, and significantly cut back on the number of sentencing commutations over the course of his three terms.¹⁷⁹ The furlough program had begun under Sargent, and Dukakis had restricted it to make first-degree murderers ineligible.¹⁸⁰

The Dukakis campaign proved unable to muster a meaningful response, and the "Willie Horton" moment served as the turning point in the 1988 presidential race. During the fall, Bush came from behind to lead in nearly every poll.¹⁸¹ In the November election, Dukakis managed to win the professionals nationally and, for the first time, in San Mateo and Santa Clara

counties, which sat at the forefront of the high-tech industry. Yet Bush won a decisive 54 percent of the popular vote overall, swept the southern states and most of the West with the exception of Oregon and Washington, and handily won white, working-class voters.¹⁸² For many, the election results proved that the Bay State still stood so far out of the mainstream that the labels Massachusetts and liberalism held enough power to sink the fortunes of state candidates at the national level.¹⁸³

Dukakis's sound defeat sent a particular disheartening message to Massachusetts residents, especially self-identified liberals, since Bush's success largely lay in mobilizing the nation's resentments specifically against them. William Schneider, a political analyst, asserted that the election "proved most of the country does not want to be Massachusetts."¹⁸⁴ The identity of Massachusetts, particularly the residents of the Route 128 suburbs, had long rested on the ways in which the state's liberal credentials made it distinctive and different from the rest of the country. The commitment to this ideal relied on a consistent denial of the structures and political trends that actually made the state and its suburban residents representative and in line with the rest of the nation. Thus, when Dukakis aimed to show that he and the state represented larger economic, political, and social processes and forces, it proved difficult to transcend the boundaries and power of the exceptionalist ideology of the Massachusetts liberal label promoted by liberal residents and their critics.

Seeking to move the Democratic Party more toward the ideological center and the South following the 1988 election, the New Democrats who founded the DLC also adopted the label and narrative of Dukakis as a Massachusetts liberal.¹⁸⁵ This revisionist account was key to DLC members' effort to remake the image of the party. Yet it overlooked Dukakis's success with the suburban voters and postindustrial professionals who DLC strategists saw as central to the viability of the party. It also overlooked the linkages between Dukakis's record and philosophy and the DLC's own vision.¹⁸⁶ The DLC's proposal of "a new governing agenda that expands opportunity, rewards responsibility and fosters community" largely through "economic growth in the free markets," expanding international trade and investment, entrepreneurship, civilian-oriented R & D, and nonunionized, service-oriented employment virtually recapitulated the components of Dukakis's gubernatorial record and campaign platform.¹⁸⁷

When the DLC's leader and favored son Clinton ran alongside fellow southerner and notable Atari Democrat Gore, the campaign created an advertisement deeming them "a new generation of Democrats" who "don't think the way the old Democratic Party did. They've called for an end to welfare as we know it," and "they've rejected the old tax-and-spend politics."¹⁸⁸ The advertisement marked a clear effort to distance Clinton from Dukakis.

It was, in fact, Clinton who delivered the nominating speech for Dukakis at the 1988 Democratic National Convention, and he used similar language as the later campaign advertisement. Clinton praised his longtime friend and fellow governor as “the kind of man who plays it straight,” and had “made the hard decisions: to balance budgets, create jobs, fight crime and drug abuse, move people from welfare to work.”¹⁸⁹ When Clinton took office just over four years later, he brought many of Dukakis’s advisers, including Summers and Reich, to serve in his cabinet. Although he did so with a southern drawl and populist charisma, Clinton implemented many of the core components of Dukakis’s vision such as balancing the budget, welfare to work, and public-private partnerships aimed to help Americans make the transition to a high-tech, service-based economy.¹⁹⁰

Dukakis’s legacy was not exclusive to the Democratic Party but had a bipartisan reach. The series of four consecutive Republican governors who succeeded him in Massachusetts after he retired in 1990 also adopted key facets of his platform and governing style. In the early 1990s, William Weld promoted a governing philosophy labeled “Volvo Republicanism,” or “libertarian liberalism,” that combined fiscal restraint and social moderation. While serving as Massachusetts governor, Mitt Romney similarly extended Dukakis’s ideas of public-private partnerships, business development, and market-oriented approaches to economic and social policy, making him popular with the crucial constituency of “suburban commuter voters” and leading him to contemplate his own presidential bid.¹⁹¹ Two pieces of policy, passed during Romney’s tenure, came to set the terms of political and social debate across the nation, as Massachusetts became the first state to legalize gay marriage in 2003 and two years later adopted the first state-mandated health care system. Both of these state policies aligned with the priorities of Dukakis and the suburban knowledge professionals in the Route 128 suburbs.

The policy platform of Dukakis and the Route 128 suburbs that he represented clearly had a more lasting influence on national political developments than the term Massachusetts liberal might indicate. Although Democrat John Kerry and Republican Romney did not win, their respective presidential bids underscored that Massachusetts continued to play a central role in national politics. Each of these campaigns embodied not the divergence of Massachusetts and the nation and liberal and conservative politics since the 1970s but their increasing convergence.¹⁹² The narrative of the Massachusetts liberal has widely obscured that the real transformation of the Democratic Party and national politics has not been a geographic shift away from the Northeast toward the Sunbelt but rather a power shift away from urban ethnics and labor unions to suburban knowledge professionals and high-tech corporations.

