Is Boston Becoming a Branch-Plant Town?

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A decade ago, Boston appeared to be emerging as a headquarters city for a large number of world-class enterprises. Notwithstanding the recovery from the early-1990s recession, and a thriving entrepreneurial economy of business acorns, Boston today seems on its way to becoming largely a branch-plant town. None of the 1980s Massachusetts Miracle saplings or the more recent acorns have grown into mighty corporate oaks headquartered here. This article discusses the risks of having our current prosperity increasingly based on branch plants acquired or established by firms centered elsewhere. Its concern is based on the proposition that having big-business corporate headquarters here does matter, not only for long-term economic success and stability, but also for the vitality and funding of our cultural, art, philanthropic, and community service activities.

When I moved back to the Boston area in the early 1980s, part of the excitement for a then-still-youngish professor of international business and finance returning to the hub of the universe after a dozen years in Europe was being close to the headquarters action of the seemingly world-class firms then emerging — DEC, Wang, Data General, Apollo, Prime, Lotus, Foxboro, Fidelity, State Street, BayBanks — not to mention those institutions already "emerged" — Raytheon, Polaroid, Gillette, Stride-Rite, Dennison, Sheraton, the First National Bank of Boston, and the Bank of New England. There was also a myriad of small or already medium-size high-tech and other firms in the farm team, like ChipCom, BBN, Powersoft, Wellfleet Communications, GCA, Thinking Machines, Kendall Square, and Au Bon Pain, just waiting to burst upon the world scene. Acorns aplenty, whether or not nurtured by Arthur D. Little's eponymous park, just waiting to grow into mighty oaks.

Not only did Massachusetts have its own headquarters team, but the Boston region was attracting some non-U.S. multinationals as a site for their Stateside or North American regional headquarters. NEC, Bull, and Scitex looked to be the leading edge of a coming wave.

Some of these firms are still going strong; quite a few others clearly are not. Some are no longer around, or they survive, usually only partially, as divisions of the larger firms that have absorbed them. In the event, a forest of mighty, world-class, locally headquartered oaks is not what has emerged in the Massachusetts economy. Only two Massachusetts companies (Raytheon and Digital Equipment Corporation [DEC]) were on the 1995 Fortune Global 500 list, which includes both manufacturing and service companies. Switzerland, the country from which I returned, which coincidentally has

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roughly the same population as Massachusetts, has sixteen on that list. Only two Massachusetts companies, Gillette and Fleet Financial, are on the 1996 *Wall Street Journal* 100 Biggest U.S. Companies by Market Value list.[1] Of the eighteen Massachusetts companies in the 1989 Fortune U.S. 500 Industrials, no fewer than seven have subsequently disappeared by merger, takeover, or bankruptcy. And industrials were not the only disappearing companies once headquartered here: "Jordan Marsh is now Macy's. Mergers eliminated other familiar names like Shawmut and BayBank. The Boston Company is owned by Pittsburgh-based Mellon Bank Co. There's no more New England Telephone, only Nynex, soon to become [and now is] part of Bell Atlantic. *The Boston Globe* is now owned by the New York Times Co."[2]

Moreover, in spite of the near-euphoric mood currently setting in about the state of the Massachusetts economy, the survival prospects for still others of "our" larger, locally headquartered firms are perhaps even more questionable than in past. After earning the dubious distinction of being on the *Wall Street Journal*'s list of 10 Worst Performing Stocks for the past one, five, and ten years, DEC may yet be sliced and diced. (On January 26, 1998, the sale of DEC to Compaq of Houston was announced.) Fleet Financial, once the great consolidator of regional banking, itself has become the subject of takeover rumors after recent financial underperformance. Even presumably impregnable State Street appears to be a tempting target for the Bank of New York.

Indeed, banking and financial services constitutes the next cluster of the Massachusetts economy on the list of most likely takeovers, consolidations, and mergers — and possible headquarters removal. The political dams preventing absorption of Massachusetts banks by more-global, more-nimble, more-efficient, and lower-cost (read bigger — banking has become a scale game) competitors will soon break down with the arrival of full interstate banking. Insurance is also an activity that hardly seems immune to the threat of consolidation, and a shakeout in a mutual fund industry in which there are more funds competing than there are stocks listed on the New York Stock Exchange is but a matter of time and stock market fortune. Even without a stock market correction, Boston's concentration of high-overhead, star-system active management funds makes it vulnerable to the competition of no-load, index-fund competitors based elsewhere.

After considerable uncertainty, Raytheon appears to have emerged as a survivor/acquirer as the musical chairs stop in the defense restructuring game, although shareholder suits and antitrust queries concerning its recent spate of acquisitions could still cast doubt on that outcome. Although Gillette is currently the one unqualified Massachusetts global-large-enterprise success story, it is worth recalling that even Gillette had a near-death experience in the not-too-distant past.

The propensity of locally headquartered institutions to underachieve, fail, or be taken over is also no longer confined to firms. The controversy over the (possibly temporary — or aborted) "rescue" of nonprofit Tufts–New England Medical Center from the clutches of Columbia/HCA, a giant for-profit hospital management firm headquartered in Nashville (*Nashville?*), Tennessee, has highlighted the existence of a high-cost Massachusetts health care system ripe for rationalization at the hands of outsiders. Cigna, headquartered in Philadelphia, has acquired Healthsource of New Hampshire, a move that will bring its HMO membership to nearly 6.5 million, and the number of its total HMO-plus-indemnity customer base to over 12 million in twenty-nine states.[3] Whether, and how, Massachusetts not-for-profit HMOs can hold out against the scale and access to capital markets of such rivals remains to be seen. The U.S. health care management system revolution is increasingly being led — or pushed — by employers, governments, and organizations that see insurance, care, and hospital management as economic activities rather than as callings, and the leaders in this cost revolution are not headquartered in Boston.

Could even the very bastion of Massachusetts's identity and success, its universities, someday come under competitive and takeover threat? Could the ever escalating costs and ever rising tuition fees someday call forth real competition? Could the revolution in technology promote such an unthinkable revolution? Could "our" students ever become so crass as to succumb to the blandishments of upstarts like the University of Phoenix and its *Wall Street Journal* advertisements for an "online MBA," or to those of the other 971 "cyberschools" in the 1997 *Distance Learning* guide?[4]

Even without such seemingly remote risks, there are worries enough at hand.

Route 128 versus Silicon Valley and Beyond

The most obvious and current problem is on Route 128. It is also one of the most worrying, since high technology is one of the key base industries by which Massachusetts earns its keep in the world via exports to other regions and countries and on which a whole service-economy edifice of real estate, legal services, construction, medical services, and state and local government rests.

Whether or not Silicon Valley has won the high-tech race can be debated. The pessimistic view of Route 128 presented by AnnaLee Saxenian in her 1994 *Regional Advantage: Culture and Competition in Silicon Valley and Route 128* may or may not be too stark.[5] The purported openness of Silicon Valley's commercial, market-oriented culture versus Route 128's more closed, vertically integrated, Pentagon-dependent firms has — thankfully — not led to the disappearance of Massachusetts high tech. Indeed, Boston high-tech boosters can and do point to the flourishing existence of some 2,000 software firms in Massachusetts, although most are very small and very new, to a considerable amount of venture activity, and to some continuing successes in computing and communications hardware. What is, however, incontrovertible is the fact that Route 128 is not the equal of its former self. Many of the great hopes of the 1980s have fizzled or failed, not just in the realm of minicomputers and not just because of the end of the cold war. One looks with some nostalgia at the listing of "up and comers" in the Porter-Monitor report on the competitive advantage of Massachusetts.[6] Names such as Thinking Machines, Kendall Square, and Symbolics resound like those of ancient cities, long disappeared.

Moreover, when Silicon Valley, or Seattle, has not simply defeated Massachusetts high-tech firms, it has taken them over. Sometimes these are called mergers, but it is curious how frequently such "mergers" are followed by the rise to top management positions of people based in places like San Jose. Apollo has become part of Hewlett Packard, ChipCom was acquired by 3Com, Cisco (under the direction of a Wang alumnus) has acquired a series of Route 128 high-tech hopes, and Wellfleet, Powersoft, and now Cascade have been "merged."

Even within firms' divisions, somewhat hidden from public view, a tectonic shift toward California and the West has sometimes been discernible. Japan's NEC used to view Boxborough as its center of U.S. personal computer operations; now a "merger" of these into California's Packard Bell has displaced much of its activity — and personnel — westward.

Why Worry? Does It Matter?

Of course, one possible response to this litany of the inability of Massachusetts to spawn big businesses with large stock market values is: Who needs large firms anyway? Small is beautiful. Emerging entrepreneurship is the wave of the future. True, the early nineties recession was scary, but we now have a very low unemployment rate, total nonagricultural employment has finally recovered to its previous 1988 peak,[7] real estate values and rentals are rising, and confidence is high. True, venture capitalists pour more money into California, but Massachusetts is still the number two recipient of venture dollars in the nation. Moreover, we have the mother of all creators of enterprise, MIT — celebrated as godparent to the creation over the past half century of 4,000 currently active enterprises, 1,065 of which have headquarters in Massachusetts.[8] If commonwealth firms are conspicuous by their (near) absence from the lists of the largest, Massachusetts companies are well represented in the small and medium-size enterprise scoreboards of *Forbes, Inc. Magazine,* and *Business Week,* albeit with one notable weak spot that is perhaps the consumer-marketing obverse of the state's strength in MIT-spawned producer technology. In *Entrepreneur*'s list of 100 Fastest Growing Franchises, only one Massachusetts firm is to be found: Dunkin' Donuts, now British owned.

To the question "Who needs large firms anyway?" can be appended another, to wit: "Who needs headquarters?" Boston's own former labor secretary, Robert Reich, stirred this controversy a number of years ago in the context of the (then) feared disappearance of corporate headquarters in the United States as a result of the (then) feared conquest of U.S. industry by foreign firms, especially the (then) invincible Japanese. In his much commented upon article, "Who Is Us?" in the *Harvard Business Review* of January–February 1990, Reich asserted that Americans should not worry about whether or not American firms were headquartered in the United States, since what was really important was whether jobs and technological know-how were located in — or transferred to — America. Whether companies were identified as American or Japanese or Swiss or whatever was irrelevant because footloose, anational multinational corporations run by supranational cosmopolitans would locate activities around the world wherever those activities were most productive or efficient, regardless of nationality of ownership, management, or headquarters location. Thus, while one might reasonably worry about the quality of the American labor force, or worker education, or economic infrastructure, neither sleep nor sympathy (nor public policy, aka subsidies or tax breaks) should be lost on American companies or their headquarters personnel or headquarters locations.

Of course, people *do* worry about whether "their" firms have a large or small volume of sales, or a large or small total value in the marketplace, or whether a Gillette, DEC, Bank of New England, Shawmut ("They were more concerned with local customer service"), Blue Cross, or Tufts–New England Medical Center is taken out of town, or out of existence. They worry so much that Raytheon and Fidelity can obtain special tax breaks in return for not leaving town, and they worry so much that they try to use the political process to subvert the notion that the United States is a single economy and to obtain special government protection for competitively threatened banks, nonprofits, electric and telephone utilities, and whatever else seems more "us" than "them."

Headquarters location, in the real world, still defines an essential part of who is us versus who is them. On a national level, the Reichian vision of the unimportance of headquarters in a world of footloose multinationals quickly gave way to the promotion of U.S. businesses by Ron Brown and Laura Tyson. Somehow, Texas Instruments, Boeing, General Motors, Ford, Chrysler, and Caterpillar did look more like America than did Nippon Electric, Airbus, Toyota, and Komatsu. Locally, whether State Street will report to New York or Tufts–New England to Nashville is treated as news, precisely because something seems to threaten us — namely, them. And the Wang of the time of The Doctor is still missed. Somehow neither the people of Lowell nor the aficionados of the arts in Boston can feign indifference to that firm's demise.

Still, while simple fear of change, or of foreigners, or of New Yorkers, or of non-New Englanders, or of for-profits or of multinationals may be lampoonable offenses, both self-serving and intellectually challenged, there is significance lurking behind the passion. There is, in fact, good reason for citizens of a city or region that has high aspirations to care about whether there are large firms and organizations headquartered there. The core of the reason has to do with wealth creation. Headquarters is where the money tends to be. And, although the Puritan tradition would have Boston not be too blatant about it, being the Athens of America, let alone the hub of the universe, takes money.

One lesson of many centuries of history is that great art, great architecture, great public works, and great institutions are built on great fortunes. In today's world, great fortunes are built on great business institutions, which in turn are built on scale and scope, according to the title of the seminal work on the roots of long-term enterprise success and failure by Harvard Business School's Alfred Chandler.[9] It is no accident that Seattle's opera is flourishing while Boston's has become next to nonexistent. There are many Microsoft and Boeing millionaires to finance it. A whale is a whale, and an assemblage of minnows does not a whale make.

As products and services inevitably mature and spread to mass markets, and to global markets, scale, or size, is necessary to achieve the lowest-cost competitive positions that are the enduring barriers to competitive entry. These in turn permit high profit margins, high wages and salaries, high stock prices — and wealth. Invention, entrepreneurship, and flourishing small companies are a wonderful start, but if there are no, or exceedingly few, second acts, prosperity based on such a potentially evanescent base is fragile and unstable. As Chandler and others have shown, U.S., German, and Japanese firms led the world in achieving corporate scale and scope, first within national boundaries, then globally. This rise and development of large enterprise enabled these nations to become the wealthiest economies of the world. In contrast, much of the decline in Britain's industrial position came from an inability or unwillingness of small and medium-size enterprises to make the capital, management, and psychological commitments to become truly world class and world scale.

Moreover, in the modern world, initial success in building big business arguably begets more success later. The underdog-beats-big-baddie myth — David upsets Goliath, tiny mammals replace big dinosaurs, Apple vanquishes IBM, and so on — is so deeply entrenched in our culture and consciousness that we hardly notice that, more often than not, it is the Apples, not the IBMs, that become the endangered species. Established firms, at least those with alert management, have learning, cost, distribution, and brand-name advantages with which they can "preempt the market by dispersing their models along quality space," to cite Joanna Stavins in her study "Firm Strategies in the Personal Computer Market: Are Established Brands Better Off?"[10] Chandler found that in recent history, it is Goliath that has usually bested David in pharmaceuticals, chemicals, and computers, and noted that "the ability of large established firms to use learned routines and integrated capabilities to enter related product markets helps to explain a significant change in the ways in which major new industries are coming to be created. Established firms in recent years have played a greater role in the creation of new industries than entrepreneurial start-ups because the time and cost of commercializing technologically complex new products and processes is *not* in invention or research. It is in development — in the long and complex course required to produce goods in large enough quantity and with high enough quality to be purchased by a substantial number of customers in national and global markets."[11] Such words may ring in our ears as more local Lotuses, and biotech startups, and hospitals, and HMOs, and financial service boutiques disappear into, or on account of, big business competitors headquartered elsewhere.

Furthermore, to become world-scale in the global market, it is a distinct advantage for firms to have already become large at home: it is large firms, dominant and competitive in home markets, that can afford the often sizable overheads and investments involved in seeking out foreign markets, conducting lengthy negotiations with prospective partners and agents, overcoming distance, language, and cultural barriers, and adapting to unfamiliar mores. Boston small business may be doing well locally, but it has almost totally missed some key international opportunities. A case in point: between 1991 and 1995, the Philippines moved from turtle to tiger in Asia. The turnaround in that country's economy presented a major international opportunity. Some firms seized it: exports of California companies to Manila trebled. However, exports from Massachusetts, already tiny, declined.[12] Another: following the fall of the Berlin Wall, hopes were high that Massachusetts environmental firms would clean up, and clean up in, East Germany, Poland, Russia, and elsewhere in the ecological wasteland left by communist misrule. Alas, they have been bypassed by those countries and their new governments, which have sought out *large* American and European environmental services and waste management firms (not headquartered in Massachusetts) with broad systems, and financial and management capabilities.[13] Moreover, as is often the case with small and medium-size firms in many industries, it was not every Massachusetts environmental firm that even wanted to be bothered with the cultural and currency complexities of doing business outside the United States.

Hosting Big Business Is Good, Housing Its Headquarters Better

Many states and localities implicitly acknowledge the wealth-creation effects of big businesses through their assiduous efforts to court large enterprises to locate factories, distribution centers, R&D laboratories, and the like in "their" region. Indeed, the rise of the new South and the Sun Belt is intimately bound up with a redrawing of the U.S. big business map. The success of Charlotte, North Carolina-based Nucor in many southern locations, the Research Triangle's attraction of major facilities from Canada's Nortel and Britain's Glaxo-Wellcome, BMW's location of its gleaming plant in South Carolina, Motorola's branch-plants in Phoenix, Intel in New Mexico, and Mercedes's new factory in Alabama, are but a few of many examples.

Whole countries have sometimes adopted basing their prosperity on welcoming "others'" firms. The post–World War II prosperity of Belgium is in large measure a testimonial to the benefits of hosting the branch-plant activities of companies headquartered elsewhere. The demonstrations and protests triggered by the sudden closing of a plant by France's Renault suggest, however, the potential instability of such an economic development strategy. When the going gets tough for firms, the periphery somehow seems to be downsized before the headquarters center. (Does anyone remember GM Framingham?)

If plants, distribution centers, and the occasional lab can bring jobs and tax revenues to a region, having companies locate their headquarters there is even better, especially if, as for Boston and Massachusetts, high costs of energy, transport, housing, and labor limit or preclude any major success in the industrial hospitality business. Moreover, it is at headquarters where the highest-skill, highest-income, and highest-tax-base jobs are and will remain.

Headquarters business and organizational functions are extremely resistant to decentralization and geographic dispersion. Like it or not, research and development, information gathering and information technology, financing and financial management, accounting and control systems, logistics and purchasing, not to mention corporate legal, governmental affairs, and human resources functions, and more, all have central roles to play in the hub connecting the spokes of any sizable organization. In spite of much talk of decentralization and internationalization in the business literature, R&D, for example, remains largely a headquarters activity. One study of the world's largest industrial enterprises found that 44 percent of parent companies reported that they had no overseas R&D expenditure, and another 13 percent reported that overseas R&D accounted for less than 5 percent of their total R&D expenditure.[14]

All these functions are subject to the need for an agglomeration of critical mass and for rapid face-to-face communication among people. All the marvels of modern telecommunications, fax machines, aviation, inter- and intranets have not and will not change the fact that many more jobs in such activities are found at places that are recognizable as headquarters than in branches, subsidiaries, factories, and service centers.

A disproportionate number of headquarters hub jobs require high skills, which mean high pay, high taxes paid by the people who work in headquarters hubs, and, not least, high contributions to the community. It is not an accident that the Bank of Boston has been particularly involved in inner-city education and community development. It's not just that it hires here, but its managers have to live and walk on the streets here or nearby. When Wang and DEC were successful, they could embark on inner-city initiatives that were later unsustainable. Before "power shifted . . . to out-of-towners," Boston had the Vault, the coordinating committee consisting largely of CEOs of firms headquartered here, which took on missions of business social responsibility and even political compromise in order to "make the city work."[15]

Headquarters cities also tend to be where firms'owners are concentrated; owners are not just founders, but include their families and descendants, and managers and employees who earn or take equity in their firm. And owners are the sources of fortunes needed to endow and invigorate a region's cultural life. Boston got a Wang Center just in the nick of time. Could it not use a few more such endowments?

What Should Be Done?

First and foremost, managers of firms and other economic organizations who care about Boston and Massachusetts — and there are many who would rather live here than in Silicon Valley or New York — should bestir themselves even, and perhaps especially, if they are managing successful enterprises. Managers, consultants, business scholars, and gurus alike might ponder the phenomenon of the tendency of smaller, successful Massachusetts firms hardly ever to make it into the league of world scale, scope, and global headquarters. (Indeed, it is one of the ironies of our situation that few states are as well populated by business management experts, much of whose expertise is supposed to help acorns grow into oaks, as the commonwealth.)

Of course, one cause of aborted business trajectories is hardly new. Not long ago I had the occasion to ask Ken Olsen an undiplomatic question following a talk he gave at the Colonial Inn in Concord: "What is your diagnosis of what caused DEC to stumble?" His answer rings all too true: "Too much past success." The ancient Greeks called it hubris. Despite the chastening of the recession, and especially because of the recovery, a little too much of it still hovers around Boston. The attitude seems to be "Since we have been at it so long, 'our way' of doing medicine, or banking, or mutual funds (which we invented, after all), or high-tech, or indeed education, must be the right way to do it." When I hear such sentiments, I am too often reminded of the maps of the world that used to be sold in Harvard Square when I was an undergraduate in the 1960s: the parody Mercator projection with Cambridge, Boston, the Cape and Islands, Maine, New York, and sometimes the Grand Tour parts of Europe, portrayed very large, and the rest of the United States of America, and the world, pictured very small.

Managing and making it in Massachusetts in the next century will require more than a federally financed tunnel to the twenty-first century. It will require a transcontinental (California is our main competitor, and not just in high-tech) and transnational vision.

A Public Policy Response?

One thing the Massachusetts economy does not need, but is in the process of acquiring, is a public policy and a political climate of institutional protectionism whose aim is to keep out New York bankers, Tennessee hospital managers, Canadian electricity providers, and whoever. Alas, the lesson of investment protectionism the world over is that, at best, it provides a short-term defense of the status quo and, at worst, leads managements to compound past inertia with yet new inefficiencies made possible by the new administrative and regulatory barriers to competition. Creating barriers behind which local institutions can continue current or create new inefficiencies increases the probability that their demise will only be more painful in the future than it would be today.

Not only do governmental barriers to competition breed inefficiencies, but Massachusetts protectionism also stores up the prospect of future retaliation. New York can surely be as creative at finding reasons why BankBoston or Fleet or State Street itself could someday be denied an acquisition target there as the commonwealth is in protecting State Street from "foreign" predations. Worse, building a wall around one's garden shuts one in, just as, or more effectively than, it shuts others out. Indeed, the demise of the Bank of New England was almost certainly partially the result of earlier attempts to "ring fence" the home team. Protecting New England banking from outsiders encouraged New England banks to put all their eggs in one regional basket, with the disastrous results that are only too well known.

What public policy *can* do is to keep us from becoming Taxachusetts again, to make the commonwealth hospitable to enterprises of all sizes and from all origins, to get rid of the kind of regulation that keeps our electric costs at four times the kilowatt-hour rate of electricity delivered at the Canadian border, and to make, and then keep, our communications and transport infrastructure world class.

Public officials also need to communicate and to persuade the public that such steps are useful and necessary. They must also establish more open processes to ensure that they do not end up in the kind of unproductive political stalemates in which our region seems to specialize. To take but one example: headquarters managers must fly a great deal, and getting to Logan Airport is less than a joy for many. Hanscom use and expansion would be part of a solution to the problem, but community mistrust of Massport is at such a level that this bottleneck to world-business expansion appears destined to become far worse before it gets better.

An all-out effort to improve education, and to link it to the modern, technological business world would be in order. Too much of the Massachusetts education establishment seems wedded to 'sixties dogma about the desirability of "Resisting the Corporate Agenda in Higher Education" (the title of a recent teachers union conference) rather than to recognizing the real problem, which is that Massachusetts has too few truly giant corporations and too few students prepared to make their way in a capitalist world.

In addition, public officials might exercise leadership by attempting to inspire the Massachusetts polity with a desire for true economic excellence. This might take political courage. In Communist China, leaders can actually go around saying things like "To get rich is glorious." Here, such a statement would likely be the butt of media ridicule and qualify its maker to be disinvited from speaking engagements at noted universities. Can one imagine politicians actually saying kind words about big business and wanting their headquarters here, and not only about entrepreneurial start-ups? This could end up going well against the grain of the commonwealth's already abundant antibusiness, populist attitudes, attitudes which political leaders reinforce not only directly by their attacks on "profits" (as if the state did not get a slice of those evil profits, with which it then pays politicians' and bureaucrats' and teachers' and professors' salaries), but indirectly by their stoking popular cynicism toward "capitalism" via expedient, but ultimately market-perverting, corporate-welfare tax breaks and protections from takeovers for specific firms and institutions. Promoting Boston as a headquarters city, and Massachusetts as a headquarters state, is not the same thing as reflexive favoritism toward whatever wheel squeaks loudest.

Indeed, there is little that is more embarrassing to those who wish a flourishing of business and wealth creation in the commonwealth than the spectacle of what Theodore Forstmann has called the "statist businessman" lobbying government for subsidies for his own firm and for penalties and regulations for competitors.[16] Such sowing of the political process to "game" the market will reap the whirlwind of a more-than-understandable future backlash against "greedy, self-interested business," even when the main victims of corporate welfare may be other competing businesses. Perhaps a modest proposal is in order: a most favored nation, or company or organization (for nonprofits can play this game as well) clause which, every time a tax break or a subsidy is handed out to a company out of fear that it, too, might disappear from Massachusetts, would ensure that equivalent benefits were made available to all other businesses and institutions in the state.

The most important task of the managers of commonwealth businesses and other economic organizations is not to go hat in hand to government for protection from outsiders but to demonstrate the dynamism and success of their enterprises. To modify slightly a famous statement by a former governor of the commonwealth, the business of business ought to be business. Ultimately, whether Boston becomes a branch-plant town depends on the vision and action of Massachusetts managers.

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