



# Frontiers, to Farms, to Factories: The Economic and Social Development of Vermont from 1791 to 1991

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By SAMUEL A. McREYNOLDS

**F**rom frontier to farms to factories to financial investments, the economic and social development of Vermont has had as many peaks and valleys as the state's terrain. The history of these changes is no less uneven.<sup>1</sup> It is not my intent to assess the history of these contours in a few pages. This would not do justice to the Vermont experience. Instead, my more modest goal is to note a few peaks and valleys in the economic and social history of Vermont. More sim-

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SAMUEL A. McREYNOLDS, associate professor of sociology and chair of the Sociology Department at the University of New England, has done extensive work on Land Reform in Central America and on development issues in rural areas. His article "Eugenics and Rural Development: The Vermont Commission on Country Life's Program for the Future," appeared in *Agricultural History* 71 (1997).

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ply, this article will briefly explore recent trends in Vermont historiography with a focus on selected under-examined or under-analyzed issues.

Specifically, I emphasize three areas in this paper: explorations of trends in demographics, histories of social deviance, and the changing face of Vermont due to globalization. There are no particular events, patterns, or ideas that tie these three subjects together. They arise from my interest and training in history and rural sociology and my work in Vermont communities. These concepts are not without commonality, however. They portray sides of Vermont that are not represented by personality or power. Vermont historiography, like most historiography, focuses more on the individual via biography and genealogy, or issues of policy or political struggle. Topics of social or economic history fill in behind the headlines and the more visible historical elements and events.

#### DEMOGRAPHIC TRENDS

It has been said that only demographers can take age and sex and make them boring. This may explain why historians generally avoid them. Indeed, it has been nearly a decade since *Vermont History* published an article that explicitly dealt with population, and one has to go back two decades further to find an article that explores the methodological role of demographics in historical research.<sup>2</sup> Obviously, there is need for greater attention to the demographic histories of Vermont. In particular, I stress the need for a greater understanding of the social context of historical actions. Knowing key demographic data such as age distribution, educational attainment, and migration enables us to lay a stronger social foundation that helps us understand the political development of the state. Demographics are also important because historically they have been the basis for concerns about social deviance. That is, we pay attention to demographics when they seem to paint a negative picture.

We are fortunate that Vermont's demographics have gotten attention from the very beginning of the state's history. With the appearance of the first demographic data, Vermont was barely Vermont. It was a scattering of outposts east of New York and west of New Hampshire. The first census of the region was taken in 1771 when it was enumerated as part of New York. At that time the territory contained only 4,669 individuals, and that included two additional counties that were later placed with New York.<sup>3</sup> Of these early residents, over 51 percent were under sixteen years of age. Only nineteen individuals were identified as "negros." By 1780, the population had risen over tenfold to 47,620 in less than a decade.

Changes in populations have also been at the core of social concerns since the beginning. Initially, the major concern was rapid growth. However, as early as the 1820s some areas were experiencing population decline; others would reach their peak by the Civil War. For the past 150 years, the primary concern has been how to retain or attract population, not restrict its growth. A major problem with population loss, of course, was economics. Typically, a decline in population means a decline in economic fortune. Vermont was no exception. While some scholars have looked at the shifting nature of populations as a loss,<sup>4</sup> others have seen it as a readjustment.<sup>5</sup> Most certainly, both characterizations are accurate. Regardless of how one interprets it, the reality is that population losses were severe. Vermont, more than any other New England state, lost population. Some headed to Boston, many others moved out west. Vermont not only lost population, but its young people were the most eager to move. In a list of 335 emigrants going west from Vermont in the late 1820s, for example, 258 were under thirty years of age and 170 of them were under twenty-five.<sup>6</sup> At the latter part of this era, the census of 1870 showed as many Vermonters outside the state as within. While many men died for Vermont and the Union, an even greater number left Vermont, never to return. Significantly, many of them continued to be from younger cohorts. Examining the 20-24-year-old cohort shows a radical drop from the previous and subsequent censuses. And even with the shortage of men, the divorce rate was 1 in 18 in 1870 and on the rise.

In the postbellum era, however, a counterbalance to the population outflows was building: immigrants from Europe were coming to Vermont. By the end of the century, the foreign born population provided almost all of the state's growth. In particular, Irish, Italian, and French-Canadian émigrés played a significant role in the growth and development of many Vermont cities and towns. Most of these new Vermonters, however, did not settle on the farms. Fewer than ten percent of farmers were foreign born and a very small share of these were French-Canadians. Instead, the French-Canadians and Italians settled in the larger towns. The Italians, in particular were drawn to those with quarry or manufacturing work.

As the century progressed many people perceived the decline of "the good old Vermont stock" and its replacement with foreigners as a foreboding trend for the state. A wide range of factors contributed to the decline of Vermont's population during the nineteenth century. The decline of agriculture and small industry, both under pressure from market competition, was significant. Culture was another cause frequently cited, and one that would be repeated into the next century.<sup>7</sup>

As the century turned, concern over Vermont's demographic decline continued. The reality, however, seemed to be different than the assumptions, primarily due to the rising fortunes of milk. The flow of milk from Vermont meant the inflow of dollars in return. Milk quickly rose to the head of the economic contributor list and more farmers concentrated on dairy production.

Increasing revenues allowed farmers to challenge the isolation of earlier eras. With milk money they could, for example, purchase cars. As of 1930, nearly two thirds of all Vermont farms had a car, the highest percentage in New England. This new technology gave farmers a new sense of freedom. The telephone gave them a sense of connection. As of 1930, 61 percent of Vermont farms had phones compared to only 34 percent of farmers nationally. Similarly, the arrival of the mail through rural free delivery strengthened the connection of farmer to the outside universe. Equally important, 30 percent of Vermont farms had electricity by 1930.<sup>8</sup>

#### HISTORIES OF SOCIAL DEVIANCE

Despite its quaint villages and pristine countryside Vermont has housed a darker reality, or at least the perception of one. We have seen hints of this undercurrent throughout the demographic exploration of the state's history. Not all folks have been convinced that life in Vermont was rosy. In fact, until the 1930s, a dominant view was that the state was still in decline.<sup>9</sup> The loss of the "good old Vermont stock" was lamented frequently.<sup>10</sup>

While some literature in recent years has addressed the less normative aspects of Vermont's social and cultural history, it has focused more on the political than social dimensions of deviance.<sup>11</sup> In general, historical work in the area has been minimal. In Vermont, "the non-normative" have been defined as the poor and ethnic minorities, in particular the French Canadians. Despite some work on these populations, much needs to be done.<sup>12</sup> There also has been next to no historical research on crime rates and the criminal population. Each of these gaps is important to cover if we are to gain a fuller understanding of society in Vermont.

The one exception to the neglect of social deviance has been eugenics. The story of formal efforts to reform the stock of Vermont has been richly studied from a number of perspectives. The focus of these works has been the Vermont Commission on Country Life (VCCL), which attempted to study all areas of Vermont's social, economic, and political life and to recommend a program for the future.

One of the first to draw attention to the impact of the VCCL was

Richard Judd in 1979.<sup>13</sup> In 1985, Hal Barron examined the country life movement nationally and its impacts on rural change.<sup>14</sup> Kevin Dann has explored the connections of the Eugenics Survey to the VCCL.<sup>15</sup> I then made the connection of the VCCL to national policies and programs of rural development.<sup>16</sup> In 1999, Nancy Gallagher, came out with her comprehensive book, *Breeding Better Vermonters*, in which she explores the relationship of biology to the history of progressive politics and social reform in New England. Finally, on a separate but related topic, Hal Goldman has looked social exclusivity and leadership.<sup>17</sup> The sum of this work is one of the most impressive arrays of social research in Vermont history. It stands out as an exemplary body of work that has made a valuable contribution to our understanding of the state.

#### VERMONT IN A GLOBAL GRIP

Finally, there is a great need to address the role and status of Vermont in the expanding grip of globalization. A limiting factor in examining the impact of globalization is the obsession with the question of the unique versus the universal character of Vermont's history. Is Vermont's history unique, as Frank Bryan and John McClaghry argue in their *Vermont Papers*,<sup>18</sup> or does Vermont share more historical similarities to other states, particularly those of the region? In these days of globalization and expanding American empire, the answer would seem obvious. My perspective is that we need to draw greater attention to the connections to external forces. Work in this area is growing, but more needs to be done.

While the impacts of globalization extend back to the very origins of the colonies, the coming of the railroads was among the first and most consequential developments bringing most Vermonters into direct contact with the world beyond their town and state borders. Railroads were a dominant motif in the state's history for over a hundred years. As Tom Bassett argues, the railroad had a profound influence on assisting the development of Vermont.<sup>19</sup> This influence has been noted in the works of numerous histories including those by Robert W. Jones and Robert C. Jones who, between them, have written five books on Vermont railroads in general as well as on specific lines.<sup>20</sup> Recently, Giro R. Patalano published a memoir of his years working on the railroad in Bellows Falls.<sup>21</sup> Also noted is Harold Meeks's useful summary of the history of the railroads in *Time and Change in Vermont*.<sup>22</sup>

The history of the railroads has a bleaker side as well: the stories of villages that, once prosperous, went into decline when the railroad bypassed them or located its tracks several towns away. Long after they had paid off their war debt many small towns owed heavily for monies

they had committed for railroad development, and many individuals lost land and money to unscrupulous railroad owners.<sup>23</sup> These problems had profound impacts on the social and economic development of the affected communities. This side of the story is less well told. As with today's tales of globalization, more attention must be paid to the impacts on the common citizen, the small town.

For example, despite the positive economic impact of the railroad on communities, its presence or absence often had a negative impact on populations.<sup>24</sup> Between 1850 and 1880 over half of Vermont's towns lost population. Over two dozen lost population in every census from 1830 to 1870. Several have never returned to the population they had during this era.<sup>25</sup> The majority of towns that lost population in every enumeration during these four decades were the localities that had not been touched by the railroad. On the other hand, of the 56 percent of Vermont towns that reached their peak population in this era, all had access or close access to the railroad.

The extractive industries were another major connection to the global market. The beginning of the rise of the marble industry roughly coincided with the rise of the railroad. By 1853, marble fever was epidemic in Rutland County. Within a decade over 1,200 men were employed in the industry.<sup>26</sup>

The forest products industry was also important. While no single activity (Christmas trees, wood for milling, wood for burning) constituted a gold mine, it provided the farmer a means of clearing his land and getting paid for it. The small scale and eclectic nature of how rural Vermonters profited from their forests resembles the practices of Central American *campesinos* more than American farmers.

Other, nonextractive industries flourished in this era, too. Fairbanks Scales was one of many newer industries, although it was the largest. By 1860, 46 woolen mills in the state hired over 2,000 workers; nearly 60 percent were female. Indeed, the growth rate of industry in Vermont was among the fastest of all states in the country.<sup>27</sup>

Manufacturing in general was on the rise in the twentieth century. A study in 1929 noted that one third of all workers were engaged in manufacturing, slightly more than in agriculture.<sup>28</sup> Indeed, the 1929 summary paints a very rosy picture for manufacturing in the state. Here are two interesting statistics that demonstrate the ability of globalization to reach even the smaller Vermont communities. Of these manufacturers, 80 percent were located in communities with fewer than 2,500 people and over 75 percent shipped their products outside of New England.

With the expansion of extractive industries and manufacturing came unions. In 1930, there were over 1,500 workers in the Barre area

alone.<sup>29</sup> Many of these workers were Italians who came to work in the granite, marble, and slate industries.<sup>30</sup>

By today's standards, the most important crop of the era was tourists. This became the critical cash crop for many people. Not only did hotel and restaurant owners and workers benefit, but farmers, stores, and a whole host of other economic units took advantage of this new resource. Tourists also became Vermonters, at least seasonal ones. Some bought property and paid taxes on second homes. In 1929, second home owners from out of state owned over \$20 million in taxable property. As with the rise of extractive industries and manufacturing, the expansion of tourism was dependent on factors well beyond the boundaries of the state.

#### POST WORLD WAR II TO THE END OF THE CENTURY

The postwar world has seen many economic incarnations and pretenders to the economic throne in Vermont. Dairy has been a steady but declining industry. Agriculture is no longer number one in the state. Through the 1970s and 1980s high technology was thought to be the heir apparent. The arrival of IBM, then Digital, and other companies pointed to a Silicon Valley of the east. Somewhere along the way, however, the dream crumbled in market battles and economic setbacks that originated well beyond the borders of the state.

Increasingly, globalization is the theme. Financial markets are more centralized on a global scale and manufacturing within the state is under constant pressure from external forces. Ownership of the state's businesses is increasingly internationalized. A good example of the influence of external forces is investment income. New and important contributors to the Vermont economy today are dividend and interest payments. Vermont households in 1997 received more than 21 cents out of every dollar of income from these sources.<sup>31</sup> This figure was the third largest among all states. Florida was first, which is no surprise, given the number of retirees and elderly in the state. Wyoming was second, which again was no surprise, because it is the home of Dick Cheney and other wealthy investors. Vermont economist Jeffrey Carr has noted that this reliance on unearned income is a problem for the state. "When things are going well in financial markets, we do very well. When the stock market takes a powder, that can adversely affect our personal-income-tax receipts."<sup>32</sup>

Other factors contribute to the state's economy and will shape its future outlook, but no single area is dominant and none presently look like they are going to be expanding. These include high technology, higher education, communication, Vermont products, and forest products.

Finally, I note that Vermont continues to show a similar but changing demographic makeup. For example, while still among the whitest states, it has been surpassed by Maine in this category. While median household income is lower than the national median, the percent of persons living below the poverty level and of children living in poverty are noticeably less than the national figures. And the home ownership rate is among the highest in the nation.<sup>33</sup>

#### WHAT IS THE FUTURE FOR VERMONT'S ECONOMIC AND SOCIAL DEVELOPMENT AND HOW DO WE DOCUMENT IT?

Today, Vermont's economy is increasingly dependent on markets and other economies. Tourism and recreation remain key contributors to the Vermont economy. Depending on estimates they account for 15 to 40 percent of all economic activity. As the national or global economies falter, tourism is one of the first sectors to decline. But by trying to expand the tourist and recreation season into a year round affair, the state has tried to even out swings in the economic cycles.

Closely connected to the theme of globalization is centralization. This includes the centralization of political power. A centralized system may facilitate the external influences that are affecting Vermont. One can argue that local control, as envisioned by Frank Bryan and John McClaughry, has long since disappeared, and as Joe Sherman notes, the state has been highly centralized for a long time.<sup>34</sup> As Gregory Sanford contends, "Vermont is the vanguard of centralized government."<sup>35</sup>

While the traditional economic powerhouses of tourism and recreation will probably continue to expand, the dairy industry is in a very precarious position that will get worse before it gets better if it improves at all. Regardless of the area noted, most new employment will continue to be in the service sector. That means lower pay and the absence of unions. While unionization has not been particularly strong in Vermont, it is likely to be even weaker in the future.

What does the future hold for business? As a result of the expansion and power of markets, Vermont's business future is like the distant eddies of a rock hitting the water. There may not be an immediate splash in the state, but a wave is coming. The prognostication of business development in Vermont is clouded by the current market problems and the fallout from the various corporate failures and scandals of 2002. The problem is further exacerbated by the precipitous decline in dairy prices and price support. A most cautious assumption is that small business will be the primary mode of operation in Vermont in the twenty-first century.

So, where is Vermont going? The answer is that as historians, we are not expected to know. Given the growing global forces that affect the

state it is difficult to specify exactly what will happen. I can say that I believe whatever happens will continue to push Vermont toward greater integration into and conformity with world markets and behaviors. The uniqueness of Vermont will not derive from what it does economically or socially but from how it responds to these universal forces. The challenge to historians will be to recognize these forces and interpret them.

## NOTES

<sup>1</sup> Harold Fisher Wilson, *The Hill Country of Northern New England: Its Social and Economic History, 1790–1930* (New York: Columbia University Press, 1936). See also: Percy Wells Bidwell, *Rural Economy in New England at the Beginning of the Nineteenth Century* (New Haven, Conn., 1916) and David Ludlum, *Social Ferment in Vermont, 1791–1850* (New York: Columbia University Press, 1939). For more contemporary perspectives see William J. Gilmore-Lehne, “Reflections on Three Classics of Vermont History,” *Vermont History*, 59 (1991): 227–247 and Joe Sherman, *Fast Lane on a Dirt Road: Vermont Transformed, 1945–1990* (Woodstock, Vt.: Countryman Press, 1992), 33.

<sup>2</sup> Luisa Spencer Finberg, “The Press and the Pulpit: Nativist Voices in Burlington and Middlebury, 1853–1860,” *Vermont History*, 61 (1993): 156–175. We have to go to 1968 to find an article that explicitly deals with how to utilize demographics in history: Holman Drew Jordan, Jr. “The Value of Census Data in the Writing of Vermont Town History,” *Vermont History*, 36 (1968): 19–25.

<sup>3</sup> U.S. Department of Commerce, U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970* (Washington, D.C.: Government Printing Office, 1972), 1171.

<sup>4</sup> Thomas D.S. Bassett, *The Growing Edge: Vermont Villages, 1820–1860* (Montpelier: Vermont Historical Society, 1992), 52.

<sup>5</sup> Wilson, *Hill Country*, 46; Thurston M. Adams, *Prices Paid by Farmers for Goods and Services and Received by Them for Farm Products*, Vermont Agricultural Experiment Station Bulletin 507 (Burlington: University of Vermont, 1944), 23.

<sup>6</sup> Lewis Stillwell, “Migration from Vermont,” *Vermont Historical Society Proceedings* (Montpelier: Vermont Historical Society, 1937), 17.

<sup>7</sup> Vermont Commission on Country Life, *Rural Vermont: A Program for the Future* (Burlington, Vt.: Burlington Free Press, 1931).

<sup>8</sup> Wilson, *Hill Country*, 48.

<sup>9</sup> Samuel A. McReynolds, “Eugenics and Rural Development: The Vermont Commission on Country Life’s Program for the Future,” *Agricultural History* 71 (1997): 300–329.

<sup>10</sup> VCCL, *Rural Vermont*.

<sup>11</sup> Thomas L. Altherr, “A Convention of ‘Moral Lunatics’”: The Rutland, Vermont, Free Convention of 1858,” *Vermont History* 69 (Supplement, 2001): 90–104.

<sup>12</sup> Steven R. Hoffbeck, “‘Remember the Poor’ (Galatians 2:10): Poor Farms in Vermont,” *Vermont History*, 57 (1989): 226–240. On the French-Canadians see: Betsy Beattie, “Community-Building in Uncertain Times: The French Canadians of Burlington and Colchester, 1850–1860,” *Vermont History*, 57 (1989): 84–102.

<sup>13</sup> Richard M. Judd, *The New Deal in Vermont: Its Impact and Aftermath* (New York: Garland Publishing, 1979).

<sup>14</sup> Hal S. Barron, *Those Who Stayed Behind: Rural Society in Nineteenth-Century New England* (New York: Cambridge University Press, 1984).

<sup>15</sup> Kevin Dann, “From Degeneration to Regeneration, The Eugenics Survey of Vermont, 1925–1936,” *Vermont History*, 59 (1991): 7.

<sup>16</sup> McReynolds, “Eugenics.”

<sup>17</sup> Nancy L. Gallagher, *Breeding Better Vermonters: The Eugenics Movement in the Green Mountain State* (Hanover, N.H.: University Press of New England, 1999). Hal Goldman, “A Desirable Class of People”: The Leadership of the Green Mountain Club and Social Exclusivity, 1920–1936,” *Vermont History*, 65 (1997): 131–152.

<sup>18</sup> Frank Bryan and John McClaughry, *The Vermont Papers: Recreating the Past* (Chelsea, Vt.: Chelsea Green Publishing, 1989).

<sup>19</sup> Bassett, *The Growing Edge*, 52.

<sup>20</sup> Robert W. Jones, *Green Mountain Rails: Vermont’s Colorful Trains* (Los Angeles: Pine Tree, 1994). Robert C. Jones, *The Railroads of Vermont*. 2 vols. (Shelburne, Vt.: New England Press, 1993).

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<sup>21</sup> Giro R. Patalano, *Behind the Iron Horse: The People Who Made the Trains Run in the Bellows Falls, Vermont, Area (1941–1980)* (Montpelier: Vermont Historical Society, 1997).

<sup>22</sup> Harold Meeks, *Time and Change in Vermont: A Human Geography* (Chester, Conn.: The Globe Pequot Press, 1986).

<sup>23</sup> Gregory Sanford, Vermont state archivist, Personal conversation with the author, April 16, 2002.

<sup>24</sup> U.S. Department of Commerce, *Historical Statistics*, 1145.

<sup>25</sup> Thomas Arnold, *Two Hundred Years of Population in Vermont Towns* (Burlington, Vt.: University of Vermont, Center for Rural Studies, 1986).

<sup>26</sup> Bassett, *The Growing Edge*, 61.

<sup>27</sup> U.S. Department of Commerce, *Census of Manufacturing 1931*, Vol. 1 (Washington, D.C.: U.S. Department of Commerce, 1933–1934) 634.

<sup>28</sup> U.S. Department of Commerce, *Summary Report of Industrial Survey* (Washington, D.C.: Department of Commerce, 1929).

<sup>29</sup> Richard Hathaway, “The Granite Workers of Barre, 1840–1940,” in Michael Sherman and Jennie Versteeg, eds. *We Vermonters: Perspectives on the Past* (Montpelier: Vermont Historical Society, 1992), 225–238.

<sup>30</sup> Wilson, *Hill Country*, 163.

<sup>31</sup> Caleb Solomon and Shirley Leung, “Vermont’s Life Style Lures People with Lots of Green,” *Wall Street Journal*, 29 July 1998, 7.

<sup>32</sup> *Ibid.*

<sup>33</sup> [Http://quickfacts.census.gov/qfd/states/500000.html](http://quickfacts.census.gov/qfd/states/500000.html)

<sup>34</sup> Sherman, *Fast Lane*, 34.

<sup>35</sup> Sanford, personal conversation, April 16, 2002.