New Hampshire

New Hampshire has been the most extreme example of boom-and-bust over the past decade or so. From 1979 to 1988, it was New England's most rapidly growing state, rising from fifth to third largest in the six-state area. While it still holds the rank of third, its proportion of jobs lost during the 1989-1992 period was greater than any other state in the nation, except Massachusetts. Dominant industries include forestry products, computers and other electronics, and recreational services.

New Hampshire's distinctive trademark is that of low-tax state. This development strategy has generally served the state well in the past as smaller firms from Massachusetts' high-tech complex have moved northward to reduce costs.

Vermont

Vermont's economy is New England's smallest, accounting for less than 4 percent of the region's output. Agriculture, especially dairy farming, is an important part of the state's economy, as are the forestry-related industries (especially furniture and paper production), and recreational services. Electronics manufacturing also plays a key role in the state's performance, through a few large producers dominate this industry.

Vermont has been one of the nation's greatest beneficiaries of the Canadian Free Trade Agreement, which was signed in 1990 and will be implemented in steps over the course of a decade. During the early 1990s, increased trade and investment flows served as a vital lifeline for the state's economy. Looking ahead, they will certainly provide opportunities for growth.

An article in The Boston Globe had these observations on New England's economy:

> What will it take to reinvigorate the down-at-the-heel Northeast? What will recovery look like? We are talking about a true sea change, the comeback from the worst slump since the Depression.
>
> New England will never be the same. The 1990s recovery is not going to look like anything we've seen, and certainly not like the 1980s boom. Full recovery-regaining the 570,000 jobs we've lost over the last three years probably won't come until 1997-98. For most of New England, future economic success is going to depend on the Yankee ingenuity of small-scale entrepreneurs.