

A SIMPLIFIED GLOSSARY OF AGRICULTURAL ECONOMICS TERMS AND  
CONCEPTS FREQUENTLY USED IN PERIODICALS READ BY KANSANS  
WITH A DISCUSSION OF THE NEED FOR SUCH A GLOSSARY

by

ROBERT RUSSELL JONES

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## FOREWORD

The modern American economy is an expansive mechanism of numerous components, each with its manifold facets and countless ramifications. So colossal and complex a system requires of the citizen substantial resources of education and knowledge for responsible and intelligent participation. Economics concerns us all. It plays a dominant role in our affairs, affecting our lives at every hour. All of us alike, workers and managers, producers and consumers, businessmen and investors, need to be equipped to function effectively in this economic society. The purposes of economic education may properly be to provide the individual with such a grasp of basic concepts and principles as will enable him to understand, appreciate, and seek to improve that economy the benefits of which he shares, to vote intelligently on economic questions, and to use his knowledge for his own and for social good. From a purely selfish point of view, everyone should seek a respectable competence in economic information and skills. On the other hand, society can ill afford to neglect the provision of effective economic education, which is indispensable for protecting our political and economic liberty.

--Council for Advancement of  
Secondary Education (2)

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## INTRODUCTION

### Reading Ease Levels in Kansas

It has been established by Dr. Rudolph Flesch (4) and others (6) doing research in reading ease, that the average person reads to understand easily and clearly on a level one year less than the number of grades completed in school. Naturally there are many exceptions. This statement refers only to the average, and is valid only for large reader groups. For some adults, experience and regular reading boost their reading ease level beyond that of the last grade completed. At the same time, the fact that a reader may have established a certain reading level does not mean he will search out material at that level. Actually, adults pick material about two reading grade levels lower when they have a choice. Studies show a high degree of consistency here.

The Kansas median of grades completed is 10.2 for persons 25 years old and older(10). This suggests a reading-ease level of the ninth grade. However, on the same basis, the population of half of the state has a reading-ease level below the ninth grade and the 40 lowest counties have a reading-ease level below the eighth grade! A publication intended for general use in Kansas would have to be written on a seventh grade level to be fully and easily understood, not by everyone, but merely by the average man in nearly half the counties! (See Table 1.)

Table 1. School years completed by Kansas residents 25 years old and older by counties. Source: City-County Data Book, 1956. (10)

Area	Grade Completed	Reading Ease Level
State Median	10.2	9th
Average of Top 22 Counties	11.2	10th
Average of Bottom 13 Counties	8.8	below 8th
The 40 lowest counties (all minimum 8th grade reading level or lower)	8.9	below 8th
Average Southeastern (20) counties	9.2	8th
Average Northeastern (23) counties	9.8	below 9th
Average North-Central (16) counties	9.3	8th
Average Northwestern (17) counties	9.4	mid 8th
Average Southwestern (14) counties	10.5	mid 9th
Average South-Central (15) counties	10.4	mid 9th
Average Northern half (56 counties)	9.5	mid 8th
Average Southern half (49 counties)	10.0	9th
Average Eastern third (43 counties)	9.5	mid 8th
Average Central third (31 counties)	9.8	below 9th
Average Western third (31 counties)	9.9	9th

### To Hobble the Writer

It is often said that publications should always be written so that all intended readers can understand all terms on first reading. To hold to this for scientific publications on even the most elementary level might be to hobble writer and editor until the meaning is lost. Inspiration may be destroyed, the slightly-better-educated reader insulted or bored, and the educational process halted or reversed.

There are the technically trained and the grade-school-level readers, the determined and the easily discouraged, the really interested and the casual readers. Of most importance, there is in these groups a large classification of readers who sincerely

want to understand a given article. These are the ones who are not reading it merely because of a bright cover, though this may have first caught their eye. They are not reading for entertainment, alone, but for edification. These readers, it is maintained, will make an effort to comprehend, will use aids to understanding, and will persevere at the task.

Few adults give up "I saw a cat. It was white. It had a bell." because of reading difficulty. Yet this is not popular adult reading. When learning is possible for an individual in a given situation, occasional difficult words cannot be considered unyielding barricades in the path to understanding.

#### Economese and the Editor

Economists talking of economics do not speak English or American as these languages are taught in our schools outside of departments of economics. The economist has learned to think and communicate in "economese" and would likely be nearly as hard pressed to communicate in seventh-grade American as he would be in Latin or Esperanto.

The entire concept of a gigantic operation such as the Federal Communications Commission can be conveyed in the term "FCC," or General Motors as "GM," with all the advantages of brevity. Why should not all the meaning and implications that go to make "parity" as the economist uses it be condensed for all readers into the six letters, p-a-r-i-t-y?

While such an abbreviation serves both, this is much more nearly an essential for the person reading on the seventh-grade level than for the scientist whose grasp of economic theory allows him to define on impulse (in economesse) the finest nuances of difficult concepts. Where a lengthy and involved sentence could, if necessary, serve for the scientist, it would more often than not, only confuse the average reader.

It has been recognized by such organizations and individuals of national stature as the Sloan Foundation and Dean Edward W. Barrett of the Columbia University Graduate School of Journalism that today in the United States there is a critical shortage of writers able to bridge the gap between the scientist and the layman. Such is true in Kansas and applies equally to the gap between the university agricultural economist and the average farmer.

Often the writer who is neither fellow to the layman nor to the scientist adds only confusion to a subject by his efforts. Both scientist and writer find it difficult, if not impossible, to communicate on a seventh-grade level without "writing down." This, as suggested before, may so damage the learning process through defective communication as to halt or reverse education and development. There are many ramifications to this situation, almost all of them bad.

The scientist writing to a seventh-grade-reading-level-audience frequently learns to his dismay that he does not know the language and has said something he does not mean. Again, the scientist's best effort at simplification often is too complex for his intended readers.



To date, the practice has been to have middlemen who translate the utterances of the scientist into seventh-grade American. This translation often is seen by one or more editors and reviewers. The final product is returned to the scientist for his blessing and he doesn't recognize it. The curriculum that made his academic accomplishment possible made a thorough knowledge of English (or American) impossible.

So with work-dimmed eyes this scientist-Isaac squints uncertainly at this thing he is told is his offspring. With little alternative he grants it his blessing--and it may be Esau and it may be Jacob--but too often, to the reader, it is only an unattractive mess of pottage.

#### To Each, His Own (Language)

So the scientist writes in his own language. When the economist writes, he must write in terms he fully understands. Yet one can hardly send the curious to Webster's Unabridged dictionary (11) to learn of an economist's parity, for Webster says:

Parity--1. The quality or condition of being equal or equivalent; a like state or degree; equality; close analogy; as parity of reasoning; naval parity. 2. Specif.: a. obs. Evenness (as opposed to oddness) in numbers. b. Equality in purchasing power between different kinds of money at a given ratio, as between gold and silver coins of a fixed weight and fineness. c. Equivalence in a foreign currency.

In the addenda section of the same dictionary appears:

Parity - Econ. Balance between the prices received by the farmer for his products and the prices he has to pay for the labor and for equipment, for necessities and for comforts. In computing the farmer's purchasing power



such a balance is generally assumed for a certain legislatively stipulated base period, as that from 1910 through 1914 in the U.S.

Can one rely on a textbook to provide the uninitiated with a usable definition? Larson (7) defines parity in his text as:

"... that price that had purchasing power equal to that existing in the base period, August 1909 to July 1914, for all the products except tobacco. Although the formula was revised several times later, the same general idea of equality of per unit purchasing power continued, even through the Agricultural Act of 1949. The 1949 Act changed the formula by substituting a moving base price for the 1910-14 base period--introduced in the Agricultural Act of 1948."

These are obviously inadequate for this purpose.

Nor is the scientist the only one who has been accused of writing over the heads of his intended audience. Flesch (4) says:

Some people say the trouble is that newspaper language is too highbrow. There's a lot in that. Consider that good old expression free enterprise, used in hundreds of editorials every day. When the Gallup poll asked people what it meant, only 30 percent had any clear idea. The others couldn't define it or thought it meant freedom to put over a fast one in a business deal.

The council for Advancement of Secondary Education lists as one of three important criteria for "economic literacy," the "Ability to read with comprehension the more thoughtful parts of the newspapers and magazines of the day as a result of familiarity with the economic terms commonly used in the press (2)."

The farmer is probably more concerned with "marketing margins" than any other person, including the "consumer." Most farmers are either "tenants" or "landlords" and thus must know about "rent" and "leasing." These are typical of terms for which many other

individuals in "the economy" have less direct need. Certainly there are many people who "pay" "rent" in our society. But they are seldom as concerned as is the farmer with such details as the sharing of "costs," "work," and "profits" from an "enterprise" through a "leasing" system.

A study of usage of economic terms and concepts (2) has shown that of 51 general economics terms used most frequently in general magazines, 32 appear high on the frequency list of newspapers and a somewhat different 32 rank high in company publications. Only 20 of the same most-common terms rank high in farm publications. This may be taken as an indication of problems, or difficulty, involved in any cross-reference between daily and popular language and agricultural economics writings.

#### Needed: A Glossary

Definitions included in this work were evaluated by agricultural economics faculty members. It was not rare for four persons to rate a definition as fully adequate for this work while a fifth graded it wholly inadequate. In a few cases, definitions included were those provided by faculty members in lectures to classes attended by the author. Some of these were severely marked down. In yet other cases, definitions were rated adequate by staff members into whose specialty fields they fell, but rated down by all other faculty members evaluating them.

Generally, agreement was about 80 percent. Cases of disagreement among staff members were sufficient in number and degree,

however, to emphasize the lack of standardized definitions, meaning, and usage in some areas of this field.

A list of definitions can serve several purposes. It can serve to extend one's vocabulary and provide a means of interpersonal communication. This purpose is similar to that for any list of words with their dictionary meanings. A list of definitions can also serve to introduce scientific concepts and thereby become particularly useful to science. When definitions perform this function, scientific words take on characteristics that distinguish them from everyday language.

Since agricultural economics can be considered an empirical science, the objectives of empirical science become the general objectives of agricultural economics. Empirical science has two major objectives: (1) To describe particular phenomena in the world of our experience, and (2) to establish general principles by means of which phenomena can be explained and predicted. The explanatory and predictive principles are stated in generalizations and theories. In the initial stages of a scientific inquiry these generalizations and theories are stated in the vocabulary of everyday language. However, as the study progresses, a more abstract and specialized technical terminology is developed.

Thus it becomes clear that there is need for a glossary of agricultural economics terms for use by laymen. It is time to come down from the ivory tower and share our concepts with the masses, including the seventh-grade-level readers.

### About the Glossary

The glossary is an attempt to define those economic terms and concepts used in agricultural economics reports, publications, the press, and other communications going to Kansas residents, only when standard dictionary definitions may not be fully adequate. Common usage has been the criterion for the definitions. This in no way implies a legal interpretation.

Terms defined in the glossary are from many sources. Basically the work of Bostian and Kearl (1) was used. A study similar to theirs, but on a greatly reduced scale, showed the validity of their work for Kansas readers (Appendix I). To this list of 385 economic concepts were added others. From these were removed those deemed to be easily understood by seventh-grade-level readers, obvious of meaning or application, well-known, too rare to deserve attention in a work of this nature, or meaningless when out of context (Appendix II).

As in the Bostian-Kearl work (1), an empirical definition was applied: "Any word or combination of words which has a special or particular meaning when used in an agricultural economics context."

### To Set a Standard

Maurice R. Haag of Oklahoma State University and formerly an editor of Agronomy Journal uses an illustration of overlapping circles to show the problems of writing for an individual, or well defined group. Haag draws a circle and says, "This circle contains

what you know." He draws an overlapping circle, "This is what another person knows, and (he points to the football-shaped common area) this is what you know in common." A circle is added, overlapping each of the first circles. The common area for three persons is smaller. With each addition, the common area is reduced.

This same thing may be said of vocabulary. Two people with vocabularies of 10,000 words will not own exactly an identical 10,000 words. For four people in this range, even fewer words would be known in common. Therefore, it is not deemed desirable to assume that all Kansans reading on a seventh-grade level would know identical word lists. Rather it is assumed that some fraction of the average vocabulary will be held in common.

Kennedy (5) quoted several estimates of average vocabulary. One of these is Lewis M. Terman's calculation that the average adult vocabulary is 11,700 words. No work was found concerning the number or fraction of words which would be common in a group of average vocabularies. An arbitrary decision was made, then, that 6,000 words would be common to a random cross-section of adults with average vocabularies.

To obtain these 6,000 words, Thorndike's "Teacher's Word Book of 20,000 Words" (9) was used. This book lists the 20,000 most common words in 279 sources from which 10 million words were tabulated.

If one assumed that an average person builds his vocabulary by learning words roughly in their order of frequency of use, he would be doomed to some error. However, there are merits to this

assumption. Lacking any other measure of common vocabulary, this assumption has been made and its demerits are admitted. Some of this is discussed below.

Both Thorndike's (9) work and that of Eastian and Kearl (1) are based on frequency of word use. This, it must be admitted, could be considered a reflection of the vocabularies of authors and editors. It must also be considered, however, that Thorndike's sources were popular writings including selections from children's reading (*Black Beauty*, *Treasure Island*, *Little Women*, etc.), standard literature (*Bible*, *Shakespeare*, *Milton*, etc.), trade publications, newspapers, and correspondence; and that Eastian and Kearl worked with farm publications. These are all works which have met either a test of time or popularity, or both. The words used in these can be considered to be, generally, the words of their readers.

#### Words to Define Words

All definitions in the glossary of this thesis have been expressed in words taken from Thorndike's 6,000 most common words (9), with the following exceptions. These exceptions are considered to be indicative of weaknesses in the assumption that "the most common words are the best known words" or that "a person learns roughly according to frequency of use."

According to Thorndike (9), *season* is one of the 1,000 most common English words. *Seasonal* is among the 16,000 most common. Yet the al ending is a standard and frequently-used means of forming an adjective. Doubtless the adult with *season* in his vocabulary,



also understands, and probably uses, seasonal. Bear (support) is in the most common 500, but bearing (supporting) only in the most common 8,000; owner is in the first 2,000, but ownership appears in the 10,000 category.

With this line of reasoning, a very few such combinations were allowed to intrude in the definitions, so long as the base of the word was in the 6,000 range, and only when no substitute was deemed adequate.

At times a certain meaning was needed for definition and no adequate synonym could be found in the 6,000-word range. In such cases, the substitute deemed best was used with the better word (the one not in the first 6,000) listed after it in parentheses, in a kind of apposition.

#### Additional Work Needed

This glossary is not intended to replace anyone's desk dictionary. It has been prepared only to supplement standard dictionaries, and as an aid to lay readers of agricultural economics writings.

Occasionally a word is defined herein when the dictionary definition could serve as well or better. These few instances were allowed for the benefit of cross reference in the definitions.

More often, only the agricultural economics definition or connotation will appear in this glossary while the dictionary may define another or many other connotations for the same word.



This material includes aspects of works by Bostian and Kearl and by Thorndike. Their results have been tested. The definition portion of this work has not been tested. Additional time and money being available, such testing could be done on an empirical basis, comparing the results of pre-testing and post-testing of groups using the glossary.

The definitions in this work have been criticized by agricultural economics faculty members and revised when necessary. Each definition was rated by at least five professional agricultural economists at Kansas State University on a scale of one through seven. One was defined as fully adequate and seven as completely inadequate. Definitions with an average rating worse than two were reworked in whatever ways were necessary to improve the ratings.

#### How This Work May Be Used

The need for such work as this has been established. The value of this work remains to be established. The uses for this work are seen as several:

1. A glossary of Agricultural economics terms presented in a manner understandable by the average person with his seventh-grade reading ease level. This could be made available to the public as a small pamphlet or handbook. Such a pamphlet or handbook could be

- A. distributed, independent of other publications, by extension workers for reference material for laymen, or

B. distributed with copies of bulletins and circulars written by agricultural economists as an aid to study of the publications.

2. A glossary for use by teachers in high schools.

3. A source of definitions for authors who may want to include a glossary of certain words with an article or publication intended for lay readers.

## THE GLOSSARY

Underlined words in glossary definitions are defined elsewhere in the glossary.

## A.

Accrue - 1. to come (to a person), but also by use, to go (to a person) as "the interest continued to accrue to him each year."  
2. to grow, as from accrual of interest.

Acreage allotment - the number of acres of a farm which may, when area is the base of control, be planted to a crop that is subject to production controls without violating regulations, losing price support, or drawing penalties. (The wheat allotment for this farm is 18 acres.)

Acreage Reserve - See soil bank.

Asset - an item of value owned. (His purebred herd is his main asset.)

## B.

Bank (v) - to deposit, as in a savings bank or in the so-called "soil bank," which means the acreage reserve and conservation reserve plans. (He will bank his wheat land.) (n) - 1. an institution for conducting financial activities, as a savings bank, or other. 2. short for the acreage reserve or conservation reserve plans, called the "soil bank."

Base Period - 1. a time span used in making indexes in statistics.

The base period is often chosen as one of "normal" conditions.

If the base period for a commodity price index were 1945-49, the average price for the commodity during the 1945-49 period would be considered 100 percent of normal. (See also index.)

2. a time span used in calculating payments, allotments (as acreage allotments), etc.

Bear Market - a market situation in which demand is small in relation to supply with a resulting tendency for prices to decline. (See also bull market, and supply and demand.)

Black Market - illegal trade; usually applied to trade in items rationed, forbidden, or under price control, or when trade is forbidden as the black market in gold or certain medicines; usually not applied to illegal trade of liquor or narcotics. (In 1954 Salk vaccine was rationed, but some people bought it on the black market.)

Bonds - legal papers used in financing procedures. A bond constitutes a pledge to pay an amount of money. A bond is an interest-bearing paper or certificate. A firm or government agency may choose to issue bonds to raise capital. (The county voted bonds for a new hospital.)

Boycott (n) - a withholding of trade, either as buyer or seller, or withholding of personal attention as one who attends or supports through attendance (as at a program or meeting).  
(v) - to boycott. (Many midwest farmers are in favor of a boycott of X company because it buys Argentine beef.)

Brannan Plan - part of former Secretary of Agriculture (1948 - 1953) Charles F. Brannan's farm program. Plan included price supports based on a high percent of parity and made in the form of direct payments to producers.

Bull Market - a market situation in which demand exceeds supply with the resulting tendency for prices to rise. (Recent heavy demand for slaughter steers has caused a bull market in all cattle classes.) (See also bear market, supply and demand.)

Business - an enterprise involving buying and selling; usually not applied to one-man or one-family operations, and until recently rarely applied to farming at all, but now more common for large agricultural operations. A general term, "farm business" or "the farm business" refers mainly to the commercial side of farming.

Buyer's Market - a situation in which supply at a stated price is so ample relative to demand that the buyer is able to influence price to his advantage by refusing to buy at the offering price. The opposite of a seller's market. (There has been a buyer's market for lawn mowers this fall. Next spring we will have a seller's market.)

Buying Power - See purchasing power.

C.

Capital - 1. one of the factors of production. 2. the wealth or worth of an individual or firm at a given time. 3. persons

able to influence distribution of land and labor with their wealth (Capital as distinct from Labor). 4. in some cases, simply: money.

Capital Gain - an increase in the value (or in the relative value) of an economic good while it is owned by a person or firm. A capital gain is often taxable under special portions of U.S. tax laws. The increase in value is treated as a form of income for such tax purposes. (The house was purchased in 1950 for \$10,000 and sold in 1955 for \$20,000. Much of the additional \$10,000 was subject to tax as capital gain.)

Checks - controls; payments

Closed Shop - a situation where an employee must hold membership in good standing in a certain union in order to obtain and/or keep his job. ("Right-to-work" legislation outlaws the closed shop.)

Collective Bargaining - the action of a unified group as a union or cooperative using the strength of combination to obtain advantage when seeking to set contract terms, wages, prices, etc., with an individual, firm, or other group. (For many years Labor has used collective bargaining to get wage increases.)

Commission - a payment to a salesman or agent for doing business or arranging a business deal for another. Often a standard percentage of the amount or value of the deal. (The real estate dealer gets a \$500 commission for selling the farm.)

Commodity - an economic good, something of value (wheat, corn, cattle, etc.), but usually distinct from the factors of production: land, labor, or capital.

Compete - to attempt to obtain something which is sought at the same time by one or more others when all cannot be satisfied. (Tractor dealers during a buyer's market compete for the farmer's tractor dollar.)

Competition - 1. a situation in which more than one person has goods or services to offer at a given time and place, or wants certain goods or services which are offered by another, and time, quality, supply, or other reasons make equal attention to these persons by buyer or seller impractical with the result that these persons contest for the opportunity to buy or sell. 2. the actions of these persons to market or obtain such goods or services. 3. any situation in which persons or things compete, as needs and opportunities compete for the farmer's dollar.

Conservation Reserve - See soil bank.

Contract (n) - in addition to the usual legal meanings, this word has come to mean in U.S. agriculture an agreement to operate within some form of vertical farm integration or contract farming. (v) - the act of agreeing to take part in some form of a vertically integrated farm operation. (He is producing broilers on contract. He may contract to raise hogs, too.)

Cooperative - an association (most often of farmers or agriculturists) to gain advantage by (a) increased buying power or selling



volume or both, (b) reduced marketing costs, (c) the services of a buying or marketing expert, (d) eliminating the middle-man, or (e) other schemes; or any combination of these.

Usually this is done with business methods, but can be informal.

Corn Belt - that area of the central U. S. where corn is the chief crop.

Corn-Hog Ratio - See hog-corn ratio.

Cost (n) - the expenditure in labor, money, or other economic value necessary to obtain a good or a goal.

Cost of Living - popular name for the U. S. Bureau of Labor Statistics' Consumer Price Index (see also index); the expenses met by an individual or family in maintaining a certain standard of living, or "keeping up" with its social group as to quantity and quality of both necessities and luxuries. (An increase in the price of meat last month caused a small increase in the cost of living.)

Contract Farming - See integration.

Credit - trust, especially as to loans or time purchases.

Credit Policy - the attitude of a bank, loan organization or, especially, the Federal Reserve Board, toward credit loans, and installment buying. This attitude is reflected in interest rates and loan limits, as to size and payment period. (Fear of inflation has brought a "tight" credit policy.)

Credit Rating - an index to ability to buy on time (installment buying) or to borrow, usually based on past action or demon-

strated ability. (To borrow from a bank, a person usually must have a good credit rating.)

Crop Insurance - guarantee that a planting will produce at least a given yield or income or the insurer will pay the owner for the difference. (Insurance may be for protection against loss due to a single happening, as hail damage, or may include other coverage.)

Crop Reporting Service - a division of U.S.D.A. which reports crop conditions and makes estimates of crop yield based on these reports.

#### D.

Deal (n) - a business agreement, as an agreement to buy, sell, rent, etc. (v) - 1. to make such an agreement. 2. to act as trader, as one who deals in a commodity. (We closed a deal. We will deal for the car.)

Dealer - one who deals, a business man (as a tractor dealer).

Demand (n) - the quantity a buyer or buyers will purchase or contract for at a given price and time. (Demand for hogs is increasing.)

Depression - a low spot in economic activity; reduced trade, marketing, sales, etc. (In the early 1930's the U. S. suffered a severe depression.) (See also Recession.)

Discount (v) - 1. to reduce in price or in estimate of value. 2. to sell at a discount. (n) - the amount that is discounted. (We will discount this tractor \$200. It is a last

year's model with a 10 percent price discount.)

Distribution - 1. one of the principal studies of economics; the manner in which things, i.e., land or wealth, are divided at a given time. 2. the routing or process leading to delivery. (Distribution is affected by demand.)

### E.

Economic - 1. by use, the descriptive (adjective) form of economics. 2. implying value or worth. (This will bring economic security. An economic good.)

Economic Good - an object of value or worth to which it is possible to hold title. (A pound of cheese is an economic good; a landscape (view) usually is not.)

Economics - the science of production, distribution, and consumption of land, labor, and capital, and the conditions that affect these. (Economics courses prepare a student to meet many of the problems of today's farm business.)

Economist - 1. one who studies the laws and effects of the science of economics. 2. one who evaluates alternative ways of solving economic problems, using economic theory as a basis for his evaluations. (There are economists serving as advisers to the President and to executives of most major businesses.)

Economy, the - a general, broad term, popularly applied to the business and/or financial aspects of a geographical, political, or other unit under discussion, as "the U.S. economy," "this town's economy." (The farmer's economic position has de-

generated in recent years as compared with other segments of our economy.--Sen. Symington.)

Equity - 1. fairness, equality. 2. the portion which has been invested, or has been paid in payments for an item mortgaged or purchased on installments when the total debt (mortgage or purchase price) has not been paid. 3. a court in addition to those of common and statute law to provide equity (fairness) in certain cases not covered by such law. (He went to Equity court to get payment for his equity in the tractor since they had not signed a legal sale contract.)

#### F.

Factors of Production - Land, Labor, and Capital. (Those items involved in production may be classified as land, labor, or capital.)

Farm Enterprise - 1. an agricultural operation, a farm business. 2. in farm management an enterprise is usually considered as only part of the farm business. (This farm has two main enterprises, wheat and cattle. It has one minor enterprise, poultry.)

Farm Management - 1. decision-making for a farm enterprise. Implied is the idea that the decisions reflect training or study as opposed to blindly traditional or unplanned operation (see also management). 2. associations, usually attached to the Federal Extension Service, which stress farm management.

Farm Program - generally, the government's policies and actions in

regard to agriculture. (The Republicans are critical of the President's farm program.)

Federal Land Bank - a government lending agency. Not to be confused with the conservation reserve, popularly called the "soil bank." (The Federal Land Bank operates without use of government funds.)

Finance (n) - that business operation or activity concerned with funding (providing funds) or paying. (v) - 1. to do the funding or paying. 2. to loan money toward a specific purchase with the borrower repaying in installments (as to finance a tractor). 3. to loan or give money to support a business venture. (He works in the finance office. The bank financed my truck.)

Fiscal Policy - money policy or policy of finance. (The Federal Reserve Board actions influence all fiscal policy in the U.S.)

Fiscal Year- 1. the 12-month period from one budget start to the next in the federal government, beginning each July 1; from one annual tax reporting period to the next for many firms; usually July 1 to June 30 when it is not the same as the calendar year. The fiscal year in any firm is a period of 12 months starting at a date chosen, usually for convenience, by the firm, and covers 12 months' business.

Food Stamp Plan - a system for distribution of surplus commodities, especially food, to needy persons by giving them stamps exchangeable in retail stores for those selected commodities. Food stamps also have been used by some firms for part of

stored. The principal draws interest. If, after a given period, the commodity owner does not redeem the commodity by repaying the loan with interest or renewing if possible, the government takes title to the stored commodity and the loan becomes a sale. This is commonly used in price support operations. (Wheat will usually be placed under government loan when cash prices are below the loan rate.) 2. any loan made by the government.

Government Supplies - stocks of commodities held by the government after purchase in price support or stock-piling programs.

Grades - classes or groups based on size, weight, quality, etc.

(Grade A eggs, commercial beef, No. 2 yellow corn.)

Guaranteed Annual Wage - a goal of persons who feel that workers, especially in highly seasonal fields (such as employees of a fruit cannery, or farm labor) should be provided a degree of economic security (or stability). It would be the least annual earnings to be expected by such workers, regardless of demand by their employer for their labor or services, or of the market for their product, during that year. (United Auto Workers have long sought a guaranteed annual wage.)

H.

Handouts - contributions; by usage, also, scornful label for some government programs. (Food stamp plans have often been called handouts. So has the soil bank.)

Hog-Corn Ratio - the number of bushels of corn a person could buy

with the money from the sale of 100 pounds of hogs. When corn sells for \$1 a bushel and hogs for \$12 a hundred pounds, then the ratio is 12/1 or 12. It is also 12 when corn sells for \$1.50 and hogs for \$18. Twelve is about the long-time average for the hog-corn ratio. The ratio is referred to as favorable when it is higher than 13 and as unfavorable when below 11.

Horizontal Integration - a system for extending ownership and control by uniting or integrating related operations. Horizontal integration is a combination of units on the same level of production. This could be such a case as when a group of grocers unites to own another grocery. (When the combination includes successive stages it is called vertical integration.) (Many cooperatives include most or all elements of horizontal integration.)

# I.

Income - increase or gain generally resulting from labor, investment or management or as a result of ownership, but possibly coming from other sources, as a gift. In a narrow sense, income is money received by a person or firm; more broadly it is anything received (as crop yield, etc.). Gross income is total income. Net income is what remains after taxes, costs, expenses, etc., which may be charged directly to the activity or activities which brought in the gross income, have been paid. (The farmer's net income was \$250 last month. This in-



cluded \$96 cleared on six steers sold, \$104 clear from doing custom plowing and \$50 clear from milk money. This came from a gross income of \$1,560 for the month.)

Index - an indicator. Often index numbers are combined to form an index. Index numbers are a specialized type of average expressed in percent with the average for a base period set equal to 100 percent. Averages which show increases above the level of the base period give readings of more than 100 percent. Decreases below the base give readings below 100 percent. (Greatly simplified: If eggs sold for 25 cents a dozen in the base period, and now sell for 30 cents, the increase is 20 percent. The current index then is 120. Eggs at 20 cents would be at 80 on the index.)

Industry - a broad term to describe the processing or manufacturing firms as the auto industry, the steel industry, the flour industry; or all or a group of these, as simply "industry." (Industry generally reacted to the election by scheduling increased production, but the coal industry, already at peak production, planned to cut back.)

Inflation - 1. a relatively higher price level. The condition is generally caused by an increase in the amount of money in circulation relative to available goods and services (resulting in higher prices and less valuable money (devalued currency)). 2. the period in which inflation occurs. (During periods of inflation, wages tend to rise because costs are up and money value down. Often the hardest hit are those who

have retired on savings or a fixed income and find that they cannot buy their necessities from an amount that once was enough.) (See also purchasing power, and wage-price spiral.)

Installment Buying - purchasing done with or without a portion of the price paid at the time of purchase and with the balance to be paid later, usually in a number of monthly payments (or installments). (Buy this truck for \$99 down and only \$54 monthly for 36 months.)

Installments - See installment buying.

Integration - a system for extending ownership and/or control over related units in production, marketing, and/or distribution. See also vertical integration and horizontal integration.

Interest - 1. a rate of payment for use (especially of money). 2. such a payment. 3. a share or part ownership (as an interest in a tractor owned on shares). 4. groups interested in a certain subject (as "the wheat interests," "the live-stock interests," etc.). (You can borrow money at 8 percent interest. The interest would be \$8 per \$100 borrowed. With the money you borrow you can buy an interest in his tractor.)

Investment - an amount or quantity laid out in a venture (labor applied to a project, cash expended on raw materials, etc.). (My investment was 16 hours of hard work, \$20 for lumber, and a couple of good ideas.)

L.

Labor (n) - 1. the product or service of the laborer as distinguished from that of the capitalist. It is one of the factors

of production. 2. used also to mean all laborers, or the labor force, or organized labor. (We pay out \$10,000 a month for skilled labor. Labor is pushing for new wage boosts.)

Loan - See government loan.

Loss - the shortage when returns are smaller than expenditures. A net loss occurs when losses exceed gains. (We took a loss on our wheat this year.)

#### M.

Management - 1. the organization, planning, and operation of a business, enterprise, or undertaking. 2. the persons responsible for decisions governing such an enterprise. 3. by use, all persons involved in management. (Management is meeting with labor to talk about a new wage contract.)

Margin - See marketing margin.

Market (n) - 1. a specific place where selling is done. 2. prospective buyers for an economic good. 3. generally, loosely, the portion of business wherein buying and selling occur, especially for a given product (hog market, Kansas City market). 4. also, loosely, demand. (v) - to place a product or economic good on the market; to offer for sale. (There is a strong cattle market. I will market my steers.)

Marketing Margin - difference between prices farmers receive for raw agricultural products and prices paid by consumers at retail; sometimes called spread, but this use is discouraged by some writers unless it is intended to imply a gap in the

pricing system, or padded prices. (The marketing margin frequently includes so much processing that it is larger than the price paid to the farmer.)

Marketing Order - See marketing quota.

Marketing Program - a plan of operation, usually state or federal, intended to make marketing easier or to lessen surpluses.

Marketing Quotas - goals or upper or lower limits on quantity to be marketed in a given period by an individual, firm, or region. This most often is used in reference to federal regulations. Quotas can also be established by individuals, firms, or groups. An example is a milk marketing order where producers establish a quota within government regulations and under federal supervision.

Middleman - an individual and/or firm handling a product between producer and consumer and normally levying a fee or charge for the services, as the processor, wholesaler, dealer, etc. (Middlemen are chiefly responsible for the size of a marketing margin.)

Milkshed - the area supplying milk to a community (as the New York milkshed).

Mortgage (v) - to pledge land, real estate, or goods against repayment of a loan or debt. (n) - such an agreement. (He mortgaged his farm to get money to pay the doctor. The mortgage is for \$5,000.)

N.

National Debt - Fiscal indebtedness of the federal government (as

opposed to total debt of individuals, firms, local government, etc., known as private debt, commercial debt, public debt, etc.). The national debt increases when federal spending exceeds federal income. (In 1958 the national debt was near 280 billion dollars.)

National Income - total annual income of the citizens of a nation.

National Wealth - 1. a nation's assets. 2. the assets of its citizens. 3. a nation's net wealth which is: Total assets less total liabilities.

Note - a pledge or agreement to pay or repay, often without security other than the signature of the borrower (in contrast to a mortgage). (Sometimes called a promissory note because notes are often little more than a promise to pay and often include the word "promise.")

P.

Packer - an individual or firm that buys, slaughters and processes livestock, and sells processed livestock products. (Broad packer demand pushed prices upward.)

Parity - 1. equality. 2. any of a number of formulas or plans established by law with the intent of providing a standard by which it would be possible to set up a parity price for specific crops.

Parity Index - an index made from prices paid by farmers for items used in family living plus items used in production and including interest, taxes, and farm wages. (See also parity ratio.)

Parity Price - the result of an A is to B as C is to D relationship. Parity price in the United States is (A) that market price for an agricultural product which bears the same relation to (B) the price the producer pays for a product or group of products as existed between (C) the price of the given agricultural product and (D) the price of the purchased product or products during a specified earlier period. (If a bushel of wheat could be sold for enough to buy a hat in the base period, the parity price for a bushel of wheat today would be the same as the price of a hat today.) (See also percent of parity.)

Parity Ratio - the relation between the index of prices received by farmers and the parity index. The index of prices received is divided by the parity index to obtain the parity ratio. (When the parity ratio is below 100, farmers have to pay relatively more of their income for goods and services they buy than was the case in the base period.)

Payment - that which is paid. (See also production payments.)

Percent - 1. per hundred. 2. a measure of parts of a whole unit. 3. a means of indicating relationship. (Twenty-five percent or 25 parts per hundred or one-fourth or one in four all are the same. One hundred percent equals 100/100 or 1 to 1 or a complete unit. When more than 100 percent (or 100%) is used it means that an item is larger than that to which it is being compared. That is, 125% of parity is  $1\frac{1}{4}$  times the size of parity.)



Percent of Parity - price supports are generally based on a percent of parity though other bases are not rare. (Typical price guarantees have been for 75 or 90 percent of parity.)

Picket (v) - to walk or stand in front of a place, or near where a person (a dignitary or official) will appear, in order to advocate a cause or call attention to a need, as pickets (n) who walk before a store which they claim to be unfair to labor. (Pickets lined the parade route holding signs reading, "Go home, Butcher of Budapest." The union placed pickets around the factory with the result that no other union men entered the plant.)

Planned Economy - an economic policy with definite goals and limits, usually with controls and regulations, frequently involving government control of the factors of production.

Point Four - a program of assistance to under-developed nations.

It was developed as result of the fourth proposal in a series made by President Truman (in his inaugural) in 1949, hence Point Four. It has been known in operation as Economic Cooperation Administration, International Cooperation Administration, Technical Cooperation Mission, and by other titles. (The Point Four program has sent many highly-trained Americans to India to help that nation develop its agriculture.)

Price (n) - a valuation, usually in money, placed on goods or products by the seller as a requirement to sale or exchange (often cited when the sale has been completed as in "wheat today sold for the following prices . . .") (v) - 1. to set a price. 2. to ask a price quotation.



Price Controls - regulations limiting price changes, maximums or minimums. (During World War II price controls were placed on almost all goods bought and sold in the U.S.)

Price Index - See index and cost of living.

Price Support - a guaranteed bottom (minimum) price, often used as a means of encouraging production of basic and other commodities. The government guarantees that the price will not fall below the minimum, regardless of demand. A price support places no limit on the upper range of prices as may price controls.

Processor - one who treats or changes a material or commodity as in making flour from wheat or preparing meat from a carcass.

Production - 1. making a good or product. 2. causing value to exist, increasing an object or product's value, or making goods or products more useful to a consumer, as by harvesting, shipping, or storing, etc. (Those items involved in production are land, labor, and capital, and are called the factors of production.)

Production Controls - limits on production. (Such controls in agriculture may limit quantity of a commodity that may be planted, harvested, or marketed as determined by area planted, area harvested, or by quantity to be marketed.)

Production Payments - payments to growers for crops or for growing crops which might not otherwise be raised; also called incentive payments; subsidies.

Profits - returns in excess of expenses. (Broken down by many word combinations such as: net profits, those after all forms

of cost are deducted; gross profits, those after immediate expenses are deducted, but still including such items as overhead, taxes, and others.)

Prosperity - 1. state of financial or material well-being. 2. the result of an increase in financial or material well-being to a level which is higher than average for the period. (Prosperity in 1860 supplied a lower standard of living than did prosperity in 1960.)

Purchasing power - buying strength (or potential) expressed in reference to quantity, quality, or economic level which may be attained; ability to interest sellers, often through volume or price. (Purchasing power is usually stated as relative to some other (person or group's) purchasing power or the purchasing power of another period: In 1940 the dollar had purchasing power equal to \$2.75 in 1939 (hence "purchasing power of the dollar").)

R.

Rationing - controlled and limited distribution of a good in short supply, by government, manufacturer, or seller. (This may be done as "one to a customer," "only by doctor's order," "for expectant mothers and infants," or other standard, often with ration books and stamps issued to approved consumers as proof of their right to buy, own, and/or consume.) (Tires and gasoline were rationed during World War II.)

Real Estate - land, or houses and land, or buildings and land.

Receipts - income or returns. (Generally used in reference to payment from other persons.)

Recession - by usage, a slight depression, a moderate reduction in economic activity. (Industrial production dropped and unemployment climbed during the recession.)

Rent (n) - 1. economists reserve the term, rent, for: payment for the use of land. 2. generally, it is used to mean: payment made on anything rented. (v) - 1. to hire (a good, especially land, real estate, or equipment). 2. to let out for hire. (He rented the combine from a dealer who has machinery to rent.)

Returns - that which is recovered from an investment, and except in case of a loss, including the value of the investment itself. (The returns on the corn were 75 bushels per acre.)

### 8.

Secondary Boycott - a boycott by a group not directly in conflict with the object of the boycott, but in sympathy with a group, firm, or individual which is. (The union truckers refused to haul milk to the dairy while the plant workers were on strike; the truckers were exercising a secondary boycott in support of the plant workers.)

Sell - to surrender or agree to surrender ownership for a price paid or to be paid.

Seller's Market - a situation in which supply at an offered price is so short relative to demand that a seller is able to influence price to his advantage by refusing to sell at the

offered price. (An auction is a seller's market until all but the successful bidder have been forced out.) (See also buyer's market.)

Sharecropper - 1. one who works or harvests on shares. 2. a tenant farmer who pays his rent with a portion of the crops he raises. (Sharecroppers are in many ways similar to middle-western tenant farmers who farm on shares.)

Social Security - a term usually used in reference to coverage and benefits of the Federal Social Security Act of 1935 as amended. (Originally it provided several types of assistance including old age insurance for industrial workers. In 1939 it was broadened to provide benefits for dependents and survivors. In 1950 some farm workers were made eligible for this insurance. Beginning in 1955 self-employed farmers and additional hired farm workers were included.)

Soil Bank - a plan, started in years of huge crop surpluses, to withdraw some farm land from production, care for it, and hold it in a so-called "bank"; the acreage reserve program, the conservation reserve. (Farmers received payments for acres in the soil bank, but held title to the land and cared for it.)

Spread - see marketing margin.

Standard of Living - the level of living and working conditions, purchasing power, comfort, convenience, services, etc., as to quantity and quality, either for an individual or for a group (as the "American standard of living").

Statistics - a statistic is a result (an answer or summary) obtained (computed) from a sample or set of figures or readings. Statistics is a group of these. (You report figures when you say Joe earned \$10 and Tom earned \$20. These are not statistics. The average of Joe's and Tom's earnings is \$15. This is one form of simple statistic.)

Stocks - 1. supplies of a commodity. 2. shares or holdings in a firm (as in a corporation or a cooperative). (Ownership of a share of stock or of stocks often entitles the owner to a voice in management of the firm and a share (or portion) of the profits. Stocks may be interest-bearing or, more often, non-interest-bearing. Value varies roughly according to earning power or expected earning power.)

Subsidy - a payment granted, as by the government to a producer to induce production when market price might not do so. (Tung nut producers were subsidized until by 1958 this once-foreign crop had become a U. S. surplus.)

Supply (n) - 1. the quantity available. 2. the quantity or quantities a seller will offer at given prices at a given time. 3. supply is also used less exactly as a broad term to describe the total quantity in existence, regardless of whether available for sale. (The supply of the new hybrid seed corn will be enough for this year's planting.)

Supply and Demand - the theory (or economic law) which states that supply and demand will react together to control a market that is free of other controls, determining the price of a

good and the quantity exchanged for that price. (As demand increases, price increases in a seller's market with the result that producers increase output to take advantage of the higher prices until demand is satisfied; when supply exceeds demand prices drop as each producer competes for sales in a buyer's market and producers facing possible losses reduce or stop production.)

Surplus - excess beyond the quantity for which there is demand or is expected to be demand at a given price, time, and area. (A surplus of farm labor in June becomes a shortage when wheat harvest begins.)

#### T.

Tenant - 1. one who dwells (lives) on real estate which he does not own. 2. one who has a right of use of real estate which he does not own but does not necessarily dwell on it.

Tenant Farmer- a farmer who is provided a residence for himself and his family as part of his hire, generally residing on the land he works.

Trade (v) - 1. to do business. 2. to exchange. (n) - a collective term as "the cattle trade," "the grain trade." (We trade at the supermarket. He seems to trade cars every year.)

Trend - a tendency, an average of the movements or changes made (as by a price), usually over a longer period of time than a day, week, or month. (There has been an upward trend in automobile prices since 1940.)



Two-Price - a system for pricing a commodity according to its use or market. (This could apply in the case of a grain which might sell for one price to food processors and for another price for use as livestock feed, although quality might be the same in each sale. Or, it might have one price for U.S. and another for export.)

## V.

Value - 1. worth, desirability. 2. by use, the worth of an item or commodity; often its market price or exchange rate. (His loyalty has value beyond any price. The land has real value. This is a \$3 value.)

Vertical Integration - an extension of control and/or ownership to successive steps in production, processing, or marketing. (The farm portion is often called contract farming. In contract farming a farmer transfers all or part of the management decision-making task to the integrator in return for a reduction of price-and-market risk. Much variety is possible. All management and ownership may be transferred, or only part.) Vertical integration also may tie together all the forms and processes involved in supplier-dealer-marketer chain, or any two or more within the chain. Any of the firms may be the integrator. Such integration may be achieved through ownership or contract arrangement. (A supermarket chain may contract for production of feed which it supplies to a hog producer and contract with him to feed pigs which the chain pro-



vides. These are delivered to the supermarket's packing plant and sold by the chain stores. This is vertical integration because it unites successive steps in production under one contractor who assumes all risks, absorbs all loss, and makes all management decisions.)

W.

Wage Controls - limits on wages as to upper or lower ranges, change or amount of change. (In war time some wages were "frozen" at certain levels by application of wage controls.)

Wage-Price Spiral - the cause and effect situation in which an increase in prices may cause workers to seek higher wages to keep their purchasing power the same; if higher wages are granted, the cost of production will be increased; the producer may then attempt another boost in prices; this would reduce workers' purchasing power and start a new round with wages and prices increasing (spiraling higher) on each round.

Wages - 1. payment for work done by labor. (Usually an hourly basis is used to determine wages (as distinct from salaries which are based on weekly, monthly, or yearly rate).)

2. occasionally: returns.

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## APPENDIX I

## Background of the Basic List

The starting point for this glossary was the list of economic terms and concepts developed by Bostian and Kearl at Wisconsin (1). Their work was done on a large scale covering a period of 5 years of farm publications.

Few terms today are unique to any part of the United States. It was assumed that the Bostian-Kearl work could be used as a basis for this glossary with full intellectual integrity. However, it was believed desirable to test the assumption.

A check, therefore, was made to establish whether terminology and usage reported by Bostian and Kearl had changed significantly from 1954 (the most recent of the Bostian-Kearl data) to 1959, or otherwise differed from those common to Kansas. The Bostian-Kearl work was a study of a cross section of American farm publications. The author's study was made on Kansas farm publications as follows.

A questionnaire was sent to leading agricultural and publication workers, asking them to list the principal publications carrying agricultural economics information to Kansas. Respondents listed the following publications, showing a large extent of agreement in their choices: Weekly Star Farmer, Kansas Farmer, Successful Farming, Cappers Farmer, and Farm Journal. Random selection was made to obtain three recent copies from each publication listed. One copy of each other publication listed by respondents was added to this list even though it might have received only one vote.

These copies were then read and the agricultural economics terms and concepts recorded and tabulated after the style of Bostian and Kearl (1).

The rank order of the Bostian-Kearl list was compared with the author's list using Spearman's rank correlation coefficient ( $\rho = 1 - \frac{6 \sum D^2}{N(N^2-1)}$ ) according to Croxton and Cowden (3). Only the most common terms were used for this calculation due to problems of ranking which appear in the portion of the list where several terms may have the same, or very near to the same, rank (i.e., having been found in approximately the same number of articles). Where a clear-cut decision of rank was obvious, the rank order correlation was found to be .873. This is substantially better than the minimum figure needed to indicate significance at the 1% level (8).

Using a larger portion of each list also meant introduction of such problems as the appearance on the author's list of words (such as (agricultural) integration) which have recently come into widespread usage, and were not on the Bostian-Kearl list at all. Correlation of the top ten percent of the author's list with the same number from the top of the Bostian-Kearl list was .776. (Even with the introduced problems, mentioned above, this is statistically significant at the 1% level.) (8).

It must be remembered that the top ten percent of such lists as these will contain well over ten percent of the "real" economic terms in current use. The lower 20 to 30 percent is heavily loaded with non-economic terms and concepts appearing in economic context,

as rural free delivery, creditor nation, Wall Street, health insurance, etc.

Results of these correlations suggest that the Bostian-Kearl list would be a highly reliable guide to Kansas usage of agricultural economics terms.

The Bostian-Kearl list has been supplemented with terms which have gained in usage since 1954 or are used more frequently in Kansas. It is now suggested that the list of terms, based on the Bostian-Kearl work and supplemented by the author, includes virtually all important agricultural economics terms and concepts in use in Kansas publications at the end of 1958.



## APPENDIX II

## List of Terms and Concepts Not Defined

This appendix contains a list of 256 words and concepts (consisting almost exclusively of items from the Bostian-Kearl work) (1) classed as not needed for agricultural economics glossary on basis of being easily understood, satisfactorily defined in a standard desk dictionary, obvious of meaning, too rare to deserve attention, or meaningless when out of context.

AAA	Bankrupt
ACP	Bargain
ADA	Barter
ASC	Better Business Bureau
Account	Bill
Acreage	Blacklist
Advertising	Bonus
Agricultural area	Borrow
Agricultural equality	Broke
Amortize	Budget
Annuity	Budget Bureau
Appraisal	Bureau of Agricultural Economics
Appropriation	Bureau of Animal Industry
Assess	Bureau of Internal Revenue
Assessment	Bureau of Reclamation
Balance of trade	Buy
Bank Loans	CCC

Capitalism	Deed
Cash	Defense spending
Chain Stores	Deficit
Chamber of Commerce	Democracy
Charges	Depreciation
Cheap	Devaluation
Collateral	Dictatorship
Colonialism	Dividend
Commercial bank	Domestic market
Commercial farm	Drought
Communism	Dumping
Company	Duties
Comptroller	ECA
Co-signer	Earn
Consumer	Economic stability
Consumer buying	Embargo
Consumer income	Employ
Cooperative payment program	Employee
Corporation	Employer
Creditor nation	Employment
Crop	Erosion control
Culling	Ever-normal granary
Currency	Expanding economy
DHIA	Export
Debt	Extension Service
Debtor nation	FCA
Deduction	FCC

FHA	Good will
Fair Deal	Government bonds
Fair trade laws	Government capital
Family farm	Government penalties
Farm act	Government relief
Farm bill	Government spending
Farm Bureau	Government storage
Farm organizations	Grower
Fascism	Health insurance
Federal aid	Hedge
Federal land	Hiring
Federal Power Commission	Housewife
Federal Reserve System	Imports
Feedlots	Indebted
Feudalism	Indemnity
Finance company	Indemnity payments
Financial statement	Injunction
Food and Drug Administration	Insurance
Foreclose	International trade
Foreign aid	Inventory
Foreign commerce	Job
Franchise	Jurisdictional dispute
Fraud	Labor law
Free trade	Labor leaders
Fringe benefits	Labor unions
Funds	Laissez faire
Gold standard	Land resources

Lease	Necessities
Lend	Net profit
Liabilities	New Deal
Lien	Operator
Liquidation	Overhead
Loan company	Own
Local autonomy	PMA
Luxury	Par value
Man Hours	Partnership
Manpower	Pay check
Manufacture	Pay rolls
Market competition	Personal income
Marshall plan	Personal savings
Mass production	Population shift
Mechanization	Premiums
Merchandizing	Pressure groups
Middle of the road program	Principal
Migratory labor	Proprietor
Minimum wage	Prosperity
Money	Public utilities
Monopoly	REA
National budget	RFC
National Dairy Council	Reclamation law
National Farmers Union	Refund
National Grange	Rent control
National Milk Producers Fed-	Resources
eration	Restricted market

Riparian rights	Strike
Rural free delivery	TVA
SCS	Tabulation
SEC	Taft-Hartley act
Salary	Tariff
Saving	Tax collector
School lunch program	Taxes
Seal	Tax management
Securities	Tax refunds
Self-sufficiency	Tax returns
Shares	Thrift
Ship	Toll road
Shipment	Trade association
Shop ticket	Transportation
Shortage	Trust
Socialism	USDA
Socialized agriculture	USDL (labor)
Socio-economic	USIS (immigration)
Soil conservation	Unemployment
Speculate	Underwriting
Spending	Union labor
Standby controls	Vending
Statism	Wall Street
Statistics	Water code
Stockholder	Water conservation
Stockyards	Water districts
Storage	Water rights

Watershed

Welfare

Welfare state

Wholesaler

Worker

Workmen's compensation

World trade

Yield

A SIMPLIFIED GLOSSARY OF AGRICULTURAL ECONOMICS TERMS AND  
CONCEPTS FREQUENTLY USED IN PERIODICALS READ BY KANSANS  
WITH A DISCUSSION OF THE NEED FOR SUCH A GLOSSARY

by

ROBERT RUSSELL JONES

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ABSTRACT OF A THESIS

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The median reading ease level for persons 25 years old and older in Kansas is below the eighth grade in 40 counties. Thus, any work intended for general distribution to adults in Kansas would have to be written on a seventh-grade reading ease level to be easily understood. For a scientist to write English on this level might be much more difficult than writing in German or French. When it comes to writing on a seventh grade reading ease level, it will be found by many scientists, that they do not know the "language."

The practice of having editors and special writers prepare the scientist's material for public consumption is

1. Prone to creation of errors not easily recognized by scientist or writer,
2. Inefficient, and
3. Insulting to the intended reader.

The average reader will attempt to plumb the depths of material that interests him. However, if he goes to a standard dictionary for aid when reading scientific writings he will often be disappointed, for semi-technical terms are seldom defined. Those which are defined, it has been found, are not always defined in all scientific concepts.

The person asking the professional economist for help will find that there is diversity of thought in the profession concerning meanings for some terms and concepts.

The foregoing reasons make it clear that writings on scientific subjects could be made easier for scientists to prepare and

for readers to understand if some aid were available to bridge the gap between the scientist's language and that of the layman. A glossary of frequently used terms and concepts would do this.

To illustrate how this might be done in accordance with this hypothesis, a glossary of common terms and concepts from agricultural economics was prepared and constitutes a major portion of the thesis. The glossary is an attempt to define those economic terms and concepts used in agricultural economics reports, publications, the press, and other communications going to Kansas residents, only when standard dictionary definitions may not be fully adequate.

Terms in the glossary are from many sources. Basically, the work of Bostian and Kearl (University of Wisconsin, 1955) was used. Their list of 385 commonly-used terms and concepts was found to be suitable for use in this work. A study similar to theirs, but on a small scale produced a list which correlated at a level substantially higher (higher degree of correlation) than the 1% level. To their list of terms and concepts were added others. From these were removed those terms and concepts deemed to be easily understood by a person reading on a seventh grade level, obvious of meaning or application, well-known, too rare to deserve attention in a work of this nature, or meaningless when out of context.

All definitions were composed from words in the most common 6,000 English words as listed by Thorndike in his Teacher's Word Book of 20,000 Words. The definitions were criticized by agricul-

tural economics faculty members and revised when necessary. Each definition was rated by at least five professional agricultural economists at Kansas State University.

A few selected definitions from the glossary will serve as examples. Underlined words are defined elsewhere in the glossary.  
Base Period - 1. a time span used in making indexes in statistics.

The base period is often chosen as one of "normal" conditions. If the base period for a commodity price index were 1945-49, the average price for the commodity during the 1945-49 period would be considered 100 percent of normal. (See also index.) 2. a time span used in calculating payments, allotments (as acreage allotments), etc.

Buyer's Market - a situation in which supply at a stated price is so ample relative to demand that the buyer is able to influence price to his advantage by refusing to buy at the offering price. The opposite of a seller's market. (There has been a buyer's market for lawn mowers this fall. Next spring we will have a seller's market.)

Free Enterprise - an economic system with freedom of entry into business and withdrawal from business. This system includes motivation (incentive) provided by possibilities of profit and loss. (Free enterprise is not limited to democracy. Under British Socialism free enterprise is allowed only in medium and small business enterprises. The large businesses (as railroads) are owned by the British government. In Russian Communism, almost no free enterprise exists, although

there is some for selected small businesses. Generally, the Russian government owns all businesses including sources of raw materials, markets, and retail outlets.)

Processor- one who treats or changes a material or commodity as in making flour from wheat or preparing meat from a carcass.

Production Payments - payments to growers for crops or for growing crops which might not otherwise be raised; also called incentive payments; subsidies.

Recession - by usage, a slight depression, a moderate reduction in economic activity. (Industrial production dropped and unemployment climbed during the recession.)