

# The Stockman's Need for Longtime Credit for Range Development<sup>1</sup>

R. B. PECK

*Ranch Consultant and Owner,  
Western Ranching Services, Dalhart, Texas*

**T**IME has run out on our present approach to conservation at the rancher level. We are facing a crisis in range development—a crisis in which the momentum of progress made in the past fifteen years is in danger of falling off into lethargy and indifference. One of the direct factors in creating this situation is the pitiful absence of adequate rancher credit for range development.

How we—as grass men supposedly skilled in establishment—have allowed this problem to sneak up on us with such force and apparent suddenness is a CLASSIC of shortsightedness. It is as though we had been rehearsing a play before a few for these many years, to finally face an opening night where the vast audience didn't have the price of admission!

Our programming, based on need, is of 50-year duration. Our proposals, based on an outmoded concept of demonstration financing, will take the rancher 500 years to accomplish. He has every tool at his command—except money. And our recommendations are not bankable!

We must realize now that the rancher, big or little, does not have a tap he can turn and just let the money flow out into range improvement. Any money he diverts into range work only cripples or ties up his normal operating credit. There is not one rancher in a hundred who can afford to do what we suggest and keep a decent looking

balance sheet—unless he has that well-known Texas Hybrid Vigor obtained by crossing oil and white-faces! And contrary to public opinion and present conditions, there are too few of them.

Why should the colleges and hundreds of range graduates be concerned with this problem? If the ranching industry could obtain sufficient credit to attack its range problems on the full-scale front that is needed—our range schools would scarcely be able to supply the demand for trained range men for private employ.

Only when government is compelled to compete with private channels for the employment of these young men can we consider that range management has become a full-fledged professional field.

Why should you be concerned with this problem? If you are a public employee, how long do you suppose your services will be needed if your efforts are insulated from the very people you are hired to help? Insulated by the incapacity of the rancher to apply a program. How can you continue to show visible accomplishment, unless this bottleneck of rancher credit is opened up?

Your consideration is requested of a program giving long-term credit to the rancher for range development.

It is proposed that:

1. A direct loan program be set up, using private investment money, to make available adequate funds needed by the rancher in range development.

2. Loans be made on a longtime

basis—10, 15, 20 years—in which to repay at a low rate of interest.

3. The program is supported by government loan insurance.

4. The private funds for loans are channelled through and administered by the local banks.

5. Feasibility and specifications are controlled through existing range agencies.

Now briefly, let us examine the highlights of this proposal.

1. The rancher would be enabled to plan ahead his entire program of range development. His livestock and management program could then be adapted to give him a stable outlook toward an expanded and more economical production.

2. The attraction of private money into this type of program is believed to be the most important single item needed to break this bottleneck of pent-up activity. Any form of direct government subsidy or loan large enough to cover the suggested program would be impractical from the standpoint of administration by a government agency.

3. This type of program is practical largely because the rancher is the type of individual that he is. We have a range development program which is streamlined to the need, and as sound as any banker can expect a government-insured loan to be. There will be the usual individual failures, but not any more frequently than in any other capital risk investment.

4. Let's analyze by comparison the amount of increased progress we would obtain under this program: Remember the old feed and seed loans? Made more or less indiscriminately, they were about as risky a loan as can be imagined. Yet more than 80 percent of these loans were repaid. As a sound businessman how much better risk would you say the average rancher was?

Now, assuming that a range development loan *was* as risky as one

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of these feed-seed loans, if the 254 million dollars of conservation payments made last year had been applied as loss insurance by the government against possible losses, 1 $\frac{1}{3}$  BILLION dollars of conservation would have been the result. How puny it makes our present efforts appear!

5. Another advantage would be the invoking of the old adage: 'A practice which will not pay for itself is not good conservation.'

6. This loan program would not only be the means of releasing

tremendous energy but would place the rancher in an important role in conservation. This is appropriate, because the individual initiative of the rancher has never failed in a job which was based on practical means and profitable benefits.

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The growth of our nation demands that the West's potentials be developed and restored. If the rancher cannot provide himself with the financial means to accomplish this job on time and on a

morally sound self-respecting basis, then at some future time there will likely arise a political "emergency" in which abrupt action with too little forethought will involve him in a program from which his own self-determination and initiative has been taken.

A vigorous course of action in the establishment of longtime private credit for ranchers should be undertaken in the interests of conservation of forage and soil resources.