

MARCH 13, 1980

Most of the Shortgrass operators last week were bound to have done their banking through the drive-in windows. Out in the country I suspect that what banking was done was through the mails. With interest rising faster than a tote board counts, the last place I'd have looked for a herder was at the bank. In particular, one who had a loan at that bank.

Even without money going up, the drouth was slowing our appetite for bank visiting. As you surly know, the members of the dead wool set and the hollow horn fraternity aren't considered casual users of borrowed money. We are the boys that lend the thrill and challenge to the banking world. Our paper ranks somewhere in the line of aerial skydivers and underwater welding concerns. We are the hombres that take the drudgery out of bank keeping and keep down boredom in the channels of finance.

As a side note, the most phenomenal back flip ever completed off a circus net was caused by a young bank clerk poking a rancher's file in front of her boss without warning. I think that some of the highest blood pressure readings and most severe jolts to the coronary artery were started by one of our crew. For sure, we've seasoned and educated many a banker. Sometimes we're a dreadnaught to the jugs, but I think behind the scenes they appreciate the action.

The prime rate changing five times that week was gloomy. I didn't have a rate book at the ranch that went high enough to stay up with the increases. Our old books stopped at the teens. But from the looks of my grandfather's pencil scratches, that wild old five percent he paid must have caused him plenty of care.

Perhaps the big mistake began when livestock was accepted as collateral. Maybe if we'd been limited to borrowing on things like sugar or coffee, maybe the habit of owning cattle and sheep never would have developed. Greed must have prompted the first lenders to finance the flocks. I doubt if it was good judgment, because I think even back then the most successful kings and queens stayed in bees and honey and left cattle and sheep to the peasants. I know that's the way it sounded in the fairytales, anyway.

One thing that's ridiculous about the money market today is the way banks and their customers continue to put a false value on the commodity. As hollow as the dollar has become, it looks like loaning money should be as painless as, say, giving advice or handing out free road information.

Gloom-spreading financial writers point out that at the present inflation rate, a dollar zeroes out every five years. We have several old ponies here at the ranch that are still mighty useful at 12 years of age. I certainly wouldn't think of charging or paying a big rate of interest on a saddle horse. I suppose that if one of my neighbors was desperate enough to want to borrow a horse, and he'd promise not to let a wet Mexican ride him, I wouldn't require a lot of paper work or a bunch of interest on the deal.

So if that's right, and a dollar will last five years and a horse 15 years, money ought to be loaned at about one-third the expense of horses. Show me a horse trader that charges interest and requires subordinations galore for every banker in town.

It looks as if the die has cut a pretty deep print. A March rain would save the day. I sure am curious to know what they are saying at the banks, but like I started out telling you, I am not curious enough to have a look.

