Commercial Credit offers business loans for starters

Business conditions in the greater Baltimore area are measured by various indicators all of which go together in making general forecasts of how business is expected to react over the next three, six or 12-month periods.

One of the stronger barometers in making these forecasts is the amount and type of borrowing currently being anticipated or undertaken by small or large business concerns.

According to a spokesman for Commercial Credit Business Loans which specializes in making business loans, business conditions in the greater Baltimore area are healthy and should remain this way well into 1974.

* * *

CCBL is a subsidiary of Commercial Credit Company, the $3.5-billion finance firm headquartered in Baltimore.

The reasonings behind this Commercial Credit prediction are based on two types of business loans which the firm now is making, and its loan forecasts over the next several months: CCBL's loans are primarily made on the borrower's accounts receivable and on the borrower's inventory. Both types of business loans are increasing in the number of accounts and in the amount of money being borrowed.

* * *

TYPES OF BUSINESS LOANS

Accounts receivable loans are made to businesses and industries which have filled orders from their customers, but are awaiting payments. Such payments may be delayed following shipment from 60 to 90 days or longer which often leaves the business short of operating capital.

* * *

To fill the void, a loan is obtained, using the accounts receivable as collateral. Obviously these businesses have a high assurance that their customers will make these payments, and thus will use their accounts receivable as collateral. This fact in itself bolsters the projected business strength in the Baltimore area.

Inventory loans are made to businesses which anticipate sales of their products in the near future.

* * *

Seasonal demands by customers or delayed shipping dates, may require storing these finished goods for future delivery making it necessary for the manufacturer to obtain his temporary working capital through a loan. The fact that there is a good probability that these inventories will be used to fill future orders not only justifies the lender to make a business loan, but is evidence of a continuingly strong business climate. According to the Commercial Credit Business Loans specialist, inventory levels are building up throughout the country as well as in Baltimore.

Commercial Credit's business loans are tailored to meet a firm's current and future needs. Accounts receivable loans, for example, may be revolving — a business can increase or decrease the amount it is borrowing, depending on its current need, or the loan may be self liquidating, which permits the businessman to retire his loan earlier than anticipated.

* * *

A source for these business loans is necessary for a healthy business climate and Commercial Credit's subsidiary, Commercial Credit Business Loans, Inc., helps the nation's economy by making loans to businesses from regional offices throughout the country.

Another good barometer of an area's — or even a nation's — economy are the economic forecasts prepared by large financial institutions like Commercial Credit Company. Commercial Credit's Director of Economic Studies recently reported that Baltimore's economy is generally in line with the rest of the country.

* * *

Nationally, the economy has increased to the point that it moved into the second quarter in an unusually strong position. Therefore, most economic forecasts for 1973 have been revised upward with projected increases in the Gross National Product for this year now ranging between $124 and $131-billion.

Doubts are becoming more prevalent, however, that the government's stabilization policy will successfully control the economy so that it will be channelled into an acceptable rate of growth. Such controls are intended to avoid further inflationary pressures on the one hand and excessive unemployment on the other.

* * *

ECONOMIC GROWTH

The strong first quarter increase in consumer spending has strengthened business capital spending plans and has set the foundation for a period of strong growth. The chances of slowing this growth without bringing about an unplanned inventory build-up and subsequent production cutback have diminished. But the course of consumer spending and the government's task in bringing about effective monetary policy are crucial factors in the economic outlook.

* * *

A gradual slowing in economic growth still appears to be the course for the near future with the rate of inflation for 1973 estimated at about 4.3 per cent. The increasing inflation rate for the year largely stems from price increases that already have occurred or known to be taking place. Real economic growth should be about 6.5 per cent in 1973, close to the constant dollar rate of growth for 1972.

* * *

In summary, economic growth and the increases in prices during 1973 will be more rapid than is comfortable or desirable from the viewpoint of economic policy, but the increases at this point are still tolerable and need not, in themselves, produce a downturn in the economy.

NEW HIGH INTEREST RATE
ON PASSBOOK SAVINGS
EFFECTIVE JULY 1, 1973

5¼%
PER ANNUM

COMPOUNDED DAILY
PAID QUARTERLY

5.39%
EFFECTIVE ANNUAL YIELD

Fairview Federal
SAVINGS AND LOAN ASSOCIATION

. . . for great providers like you

2013 Frederick Avenue (Near Payson Street)
Mon.–Fri. 9:00 a.m. – 2:00 p.m.
Friday Eve 6:00 p.m. – 8:00 p.m.
PHONE: 233-3484

Maurice Ward, Misses Yvonne Mobley and Deborah Freeman load the computer during their Commercial Credit Co. data process training class for High School seniors.

USF and G 77 years old

Organized in 1896 by John R. Bland and a group of local businessmen with a $25,000 capital investment, Baltimore's USF and G Company has grown in size and stature. It now stands among the top ten property/casualty insurance companies in the country. The company's assets total more than $1.8 billion.

According to chairman of the board and President Williford Gragg, the key to USF and G's outstanding success is due to two factors. "First, through the company's 60 branch offices, we have been able to maintain a small-company type relationship with our agents. Second, our agents themselves and an important key to our success. These agents are independent local businessmen who sell our insurance policies to their clients. These 6,500 agents are the most professional and conscientious in the industry."

* * *

Since the company relies on its agents rather than on a company sales force to do the actual selling of policies, most company time at both the branch and home office level is spent developing, rating (which means calculating the proper premium rate for a policy), processing and evaluating the company's policies and services.

The company writes all major lines of insurance including automobile, fire, homeowners, workmen's compensation, health, casualty, surety and fidelity bonds, accident, liability and marine insurance. Life insurance is written through Fidelity and Guaranty Life and Thomas Jefferson Life (New York State).

In addition to the more traditional types of policies and coverages, USF and G underwriters, the men who develop the policies, use tables developed by the actuarial department to set suitable premium rates, and decide whether a client is a "good risk," work to keep abreast of changing markets. Currently under study is a campaign to reach the youthful market, shied away from by many companies because of a potential risk factor.

* * *

The challenge of researching, developing, servicing and evaluating old and new types of insurance means that the home office literally teems with fascinating job possibilities.

If you tend to think of insurance as dull, consider that the 1,300 men and women of the home office have career chances in safety engineering, advertising, underwriting, personnel, data processing, printing, accounting, computer programming, investment management, education and law. In addition, a large number of special secretarial, clerical and statistical skills provide necessary support functions.

* * *

Besides offering a variety of career possibilities, USF and G will soon offer its home office employees the city's most up-to-date physical environment. Almost every Baltimorean has watched with interest as the new corporate headquarters has grown to its present 40 stories.

The building, estimated to cost $55 million, will be Baltimore's tallest. According to Executive Vice President Karl Doerre, move in should be sometime before the end of the year. This is a hopeful start for the Inner Harbor Development project.

Company officials like to think of their new building as a symbol of the company's loyalty to Baltimore and its people. The company has long supported community cultural and charitable organizations, including the United Fund and the Baltimore Symphony.

Each year the USF and G also sponsors two National Achievement Scholarship awards. This year's recipients were Hiram L. Bullock (Polytechnic Institute) and Franklin M. Lee (Northwestern High).

In 1896, the year of its founding, the company wrote $9,762 worth of premiums. Last year, it collected over $333,000 in premium payments and paid out in claims over one-half billion dollars. With this kind of growth behind it, the company seems more than ready to meet the challenge of America's future.

TRADERS
Computes
Dividends On Your
Dividends Every Day

Dividends compounded every day and paid on the last days to February, May, August and November on All Accounts — Passbook and Certificates.

Deposits received by the 10th of the month on passbook accounts earn dividends for the entire month if left on deposit 'til the end of the quarter—effective annual yield 5.13%.

Accounts insured by the Federal Savings and Loan Insurance Corporation, an Agency of the U.S. Government.

TRADERS
Savings and Loan Association
109 W. Lexington Street • 727-3443

One hour free parking at any member parking lot of Downtown Park and Shop

PROTECTION
• FOR YOU • YOUR FAMILY • YOUR BUSINESS
SAVINGS
• FOR RETIREMENT • EMERGENCIES • EDUCATION
THINK OF IT. . .

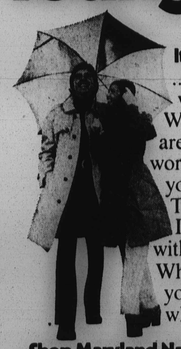
A Life Insurance Policy contract is the one vehicle that guarantees both elements of a good investment, whether you live too long or die too soon.
Either way the Life Insurance Contract is there to do what you want it to do.
Why not inquire about our 10 payment LIFE SPECIAL! A plan which requires premium payments for only 10 years. After that no further payments due-regardless of how long you live.

Call Today:

MUTUAL BENEFIT SOCIETY
407 W. FRANKLIN STREET
685-0624

SOUTHERN LIFE INSURANCE COMPANY
1841 PENN. AVENUE
752-2604

Young money.



It's a hassle when you want some money ...and you think a big bank will tell you you're too young. Well, your odds at our place are terrific! Because if you've been working, *we* think you're on your way.

That's why we have Young Money. It's money you can borrow from us without a lot of questions being asked. Why do we have it? Because we think you should be able to live a little while you're young.

Shop Maryland National Banks where there's all kinds of money. Do it. While you're young!

Copyright by Maryland National Bank 1973

Meet the future face to face.

What's there to look forward to . . . for the young of America? How about a cleaner, healthier environment. Safer, more livable cities. More good employment opportunities . . . higher standards of living for all who care enough to prepare enough.

America needs more people with good educations . . . and so does USF&G . . . to fill positions of responsibility. These positions will be filled by young men and women of many backgrounds . . . different races, religions, national origins . . . at our new home office in Baltimore and our many field offices throughout the United States.

Rising 40 stories tall in the exciting new Inner Harbor Development area, this building represents a long-term commitment to the future of Baltimore. And the future of USF&G. And the young of America who must meet *their* future face to face.

THE USF&G COMPANIES
Baltimore, Maryland. Casualty/Fire/Marine/Multi-line/Life/Health/Group Insurance/Fidelity/Surety Bonds.

An equal opportunity employer.

Bank of Baltimore, poor man's bank

On Jan. 1, 1818, a group of Baltimore's most distinguished citizens met at the Indian Queen Hotel Baltimore and Hanover Sts., to discuss plans for a savings bank, to be modeled on those recently established in Philadelphia and Boston.

The project proceeded apace; in February, a board of 25 directors was elected and the Savings Bank of Baltimore opened for business on March 16, 1818.

The new undertaking was a mutual savings bank, an institution new to Baltimore in motivation, purpose and structure. Its motivation was philanthronic rather than profit-seeking, representing an effort on the part of the well-to-do and responsible elements of Baltimore society to benefit the less fortunate.

Its purpose was to establish a safe depository for the small savings of the worthy poor and to encourage their sobriety, industry and economy by prudent investment of their funds and the payment to them of such interest as might be earned thereon.

The new bank opened for business in one room donated by the Phoenix Fire Insurance Company in its offices at 100 block Market St. (now Baltimore St.) The only salaried employee was a secretary, who was paid $150 per year.

Deposits the first day totalled $170 by nine depositors, a caterer, a tavern keeper, two tailors, a barber, a clerk, a school master and a housewife.

The bank received a corporate charter from the State Legislature during the December of 1818 session.

Security was quickly established as the guiding investment principle for the bank. Its first investment in 1819 was in the United States Government bonds and in 1822 when the bank began to make loans, directors required that it be secured by stocks and bonds of value of 50 to 100 per cent in excess of the loans.

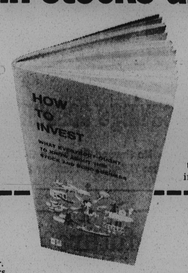
With the passage of time, the bank's investments became more diversified, security holdings increased and loans were made predominantly to individuals rather than business.

The bank was founded by community leaders, and has consistently drawn on this class for corporations and directors. The original members include Fielding Lucas, founder of Lucas Brothers; Jesse Hunt and Jacob Small, both mayors of Baltimore; Moses Shepard, founder of the Shepard-Pratt Hospital.

Others are William Patterson, father of Betsy Patterson; Gerald T. Hopkins, uncle and business sponsor of Johns Hopkins; Alexander Brown, founder of America's oldest investment banking house; Isaac McKim, of Clipper Ship fame and several members of the Carroll and Ellicott families.

Johns Hopkins, founder of University Hospital became a corporator of the bank in 1865 and Enoch Pratt, whose name is associated with two world fame institutions, the Enoch Pratt Free Library and the Shepard-Pratt Hospital was a director from 1867 until his death in 1896. Robert Garrett founder of the firm Robert Garrett and Sons, and one of the founders of the Baltimore Ohio Railroad, was director from 1836-47.

Merrill Lynch tells how to invest in stocks and bonds.



Learn who should consider investing in stocks and bonds, along with the why, when, where and how in this new 48-page booklet. Includes sections on: How to determine your investment objectives. How to rate stocks and bonds. How to time buying and selling. Free from Merrill Lynch.

Please send me your free booklet
"How To Invest"

Mr.
Mrs.
Miss _____ (please print)
Address _____
City _____ State _____ Zip _____
Home Phone _____ Office Phone _____
Merrill Lynch customers: Please give name and office address of Account Executive.

MERRILL LYNCH, PIERCE, FENNER & SMITH INC
25 So. Charles St., Baltimore, Md. 21201 • Telephone 547-5000

Arlington, best hope for home ownership

With an asset of nearly $43 million Arlington Federal offers residents of Baltimore some of the best services. Not only does it serve as loanns bank but takes money for savings purposes.

It was established in 1887 and charted in 1935. Since then Arlington serves not less than 15,000 customers a year.

Harry E. Karr, 55, is the president since 1960 and currently the institution employs about 25 persons.

It has three branches, one at downtown Baltimore on Charles and Lexington; one at Hillendale Shopping Center and the other at the Garrison Forest Plaza.

Announcing New Higher Interest Rates:

Interest Rate		Effective Annual Yield of
5¼%	Regular Savings Accounts Compounded Daily, Credited Quarterly Day of Deposit to Day of Withdrawal Minimum balance to earn interest $5	5.39
6¼%	Investment Savings Accounts $5,000 or more* 1-year Term Compounded and Credited Quarterly	6.40
6½%	Savings Accounts Investment $10,000 or more* 2-year Term Compounded and Credited Quarterly	6.66
6¾%	Investment Savings Accounts $10,000 or more* 3-year Term Compounded and Credited Quarterly	6.92
7%	Certificates of Deposit $20,000 or more* 4-year Term Compounded and Credited Quarterly	7.18

EFFECTIVE RETROACTIVE TO JULY 1, 1973**
Existing accounts receive higher rates automatically.

Your family's best friend just got even friendlier. Now our Regular Savings Accounts pay a big, big 5¼%, compounded every day, from day of deposit to day of withdrawal. That's the highest bank interest on Regular Savings Accounts allowed by law.

Our Investment Savings Accounts pay even higher interest—from 6¼% one-year accounts that yield 6.40, all the way up to 4-year 7% accounts that yield 7.18.

New higher rates are effective July 1, 1973 and apply to Regular Savings Accounts as well as existing Investment Savings Accounts maturing after July 31, 1973.

Depositors who now have Investment Savings Accounts will be offered the new higher rates on their present accounts, and will receive a letter stating the terms of the new accounts.

No need to close your existing Investment Savings Account, and no penalties to pay. All depositors with existing Regular and Investment Savings Accounts earn the new higher rates automatically.

*minimum amounts subject to change after July 31, 1973
**Except Investment Savings Accounts and Certificates of Deposit maturing in July, 1973.

THE savings bank OF BALTIMORE
Member FDIC
Main Office: Charles and Baltimore Sts. and 17 other convenient locations

For 60 years, Commercial Credit has been providing a wide variety of financial services to businesses and individuals. We congratulate the Afro-American on their first "Money Market" supplement, and for bringing this important information to the black community of Baltimore.

Commercial Credit

Donald S. Jones
Chairman and
Chief Executive Officer

John M. Sheehan
President