
Royal Securities Corporation, Limited

property on which the investment is based. This is especially true of industrial bonds. Not only does the real property of the company increase in value, but the general assets usually increase as well. The earnings to which investors must look to meet the interest payments increase with prosperity. All these conditions increase the demand for the bonds of the particular industry. Increased demand for anything—eggs or bonds—means increased prices.

Real estate mortgages do not hold out such attractions. Owing to their short duration, they do not appreciate. On the other hand, the income from mortgages never fluctuates. This is probably the strongest argument the "mortgage" investor has. Bonds, if purchased at high prices, yield less income than when purchased at lower prices. It is our business to find bonds for our customers that will not only yield a good income, but have a reasonable appreciation in market price.

To bring out the decided advantages bonds have over mortgages, we have worked out in parallel the same arguments applied to each.