

INVESTMENT BONDS, THEIR ISSUE AND THEIR PLACE IN FINANCE

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Investment bonds, their issue and their place in finance by Frederick Lownhaupt

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FREDERICK LOWNHAUPT

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INVESTMENT BONDS

THEIR ISSUE AND THEIR PLACE IN FINANCE

A BOOK FOR STUDENTS, INVESTORS, AND
PRACTICAL FINANCIERS

BY

FREDERICK LOWNHAUPT

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PREFACE.

SOME months past a prominent banker of this city delivered an address touching largely on Investment Bonds, in the course of which he was requested to mention a work devoted entirely to that subject. The reply was that he knew of no book of this nature and he believed that none existed; and a review of current financial literature confirmed this belief. That incident, together with numerous similar inquiries that have come to the attention of the author, is responsible for the present volume.

Nearly every other branch of finance has received an adequate measure of attention. There are for instance, fully a score of good works on the various aspects of banking and on kindred subjects. It is a singular fact, however, that Investment Bonds, taken as a separate subject, have had scant consideration. The published information at present available on the subject is scarcely more than passing mention in some financial works, one or two small volumes which are little else than reference works, and the advertising pamphlets of banking houses. This material is so scattered as to preclude the possibility of obtaining from it any satisfactory amount of trustworthy information. Only a few, comparatively, such as those whose daily association with this branch of finance affords them opportunity for its study, are in a position to learn of its many phases.

There is indeed a highly technical side to the subject, especially in the mathematics involved, yet there

are many plain facts fundamental to an understanding of the matter that may be expressed in untechnical language and readily understood.

It is essential to any one concerned, whether as a student in the investigation of financial science, as an investor in the determination of the value of a security as an investment, or as an employee in an endeavor to become equipped for greater efficiency, that these facts be known.

The contents of this book have been developed with reference to two principal ideas, that of the relation of the bond to its issuing corporation, and the general investment aspect of the instrument. These central ideas have been developed to treat of classification of issuing corporations and specific issues; process of issue and the practices of negotiation; market, in its extent and general conditions; interest, in its definition, methods, and times of payment; security, in its relationship to various types; default and its effects; reorganization and how accomplished, etc., together with other important features.

Obviously, it is difficult to treat comprehensively such a broad subject within so limited a space; and it is equally difficult to arrange the vast amount of material to the best advantage.

It is the hope of the author, however, that this volume will, in a measure, fill a recognized need.

Acknowledgment is hereby made of the assistance received from friends by criticism and suggestion, and to the investment house of H. H. Copeland & Son for access to their files, documents, statistics, etc.

F. L.

NEW YORK CITY.
September 1, 1908.

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