The National Bureau of Economic Research has devoted itself largely to studies of income. Beginning with a concept which included savings as income, it has, in its latest publication* felt compelled to add a new brand of income, called "current income."

> "This method treats individual income as composed of two parts: 1. Current income, and 2. Gains or losses in the value of property owned."†
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> "For many purposes, current income is a more useful concept than that of total income, which includes gains or losses in the value of the property owned. Current income is the better gauge of the scale of living, and hence of apparent immediate prosperity or distress. Except among those mainly engaged in speculative activities, the term 'good times' signifies a large current income, and 'hard times' is another way of saying that current income is low. Moreover current income is a much more stable quantity than is inventory gain or loss, and, because of the character of the available data, can be measured with greater accuracy.
>
> "But there are good reasons for approximating as closely as possible gains or losses in the value of property owned, and for giving these approximations a place in the income account. The case is most obvious with reference to readily saleable property held for gain, like securities. That such property is subject to continual and wide fluctuations in price, that any holder can and that many holders do shift their holdings from time to time, and that the gains or losses resulting from these transactions may be counted income, is clear. But just how these items are best treated in the income accounts, is a difficult problem.
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> "We know that investors differ widely in the management of their holdings. Some investors keep systematic accounts, watch market quotations, and endeavor to profit by them. Others pay no attention to current fluctuations, but hold securities once bought for long terms of years, and think only of the dividends or interest received. Still others, perhaps the majority, fall between these extremes. But that is the extent of our knowledge. What proportions of the property owned are treated in these various ways we do not know. Hence, it is impossible to devise a method of treating inventory losses and gains on the property of individuals which will reflect accurately the reckoning of all investors.
>
> "Under those circumstances, we face the necessity of choosing between two alternatives neither of which is unobjectionable. We must neglect entirely a very substantial source of loss and gain to individuals, or we must adopt some method of treatment which by its very uniformity of application will give artificial-seeming results. On the whole, the latter alternative seems preferable."‡

This passage indicates that experience with statistics has shown the necessity, or wisdom, of at least separately recording "current income" and savings. This "current income" is sub-

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* *Income in the Various States*, by Maurice Leven, 1925.
† Leven p. 28.
‡ Leven, *Income in the Various States*, pp. 28-29.