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## **Richard Stone [Ideological Profiles of the Economics Laureates]**

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### **Abstract**

Richard Stone is among the 71 individuals who were awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel between 1969 and 2012. This ideological profile is part of the project called “The Ideological Migration of the Economics Laureates,” which fills [the September 2013 issue of \*Econ Journal Watch\*](#).

### **Keywords**

Classical liberalism, economists, Nobel Prize in economics, ideology, ideological migration, intellectual biography.

### **JEL classification**

A11, A13, B2, B3

### **Link to this document**

[http://econjwatch.org/file\\_download/779/StoneIPEL.pdf](http://econjwatch.org/file_download/779/StoneIPEL.pdf)

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## Richard Stone

by Daniel B. Klein and Ryan Daza

London-born John Richard Nicholas Stone (1913–1991) followed his mother’s footsteps in attending Cambridge, and initially planned to follow his father’s footsteps and go into law. Halfway through his undergraduate studies, however, Stone was inspired by the Great Depression to seek solutions in the study of economics (Stone 1985). Stone eventually developed a technocratic view of economic policy (Johansen 1985, 5; Wolfe 1968, 428).

At Cambridge, Stone learned statistics, modeling, and measurement from Colin Clark (Deaton 2008). During World War II, Stone worked at the Central Economic Information Service of the Offices of the War Cabinet on national accounting with James Meade. John Maynard Keynes, then working at the Treasury, recommended their work, which was then published in 1941 as a

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government white paper. Stone went on to become Keynes's assistant during the war, preparing national income and expenditure estimates.

After the war, Stone became the first director of the Department of Applied Economics at Cambridge. He remained at Cambridge until his retirement in 1980 (Stone 1985).

Stone won the economics Nobel in 1984 for his work on national accounts, specifically his integration of double-entry bookkeeping (Royal Swedish Academy of Sciences 1984).

Having worked on national income accounting from his early career onward, Stone took a pragmatic approach to economic policy, seeking primarily to make the economy "function more in accordance with contemporary social ideals" (Stone 1951). Leif Johansen (1985, 4-5) summarizes those ideals as including "stabilization of economic activity, equalization of income distribution and different forms of intervention in the competitive mechanism wherever necessary in order to ensure a more planned development of society." Stone (1951) rejected both laissez-faire and totalitarianism, holding high hopes that national measurement methods would advance economic organization.

In a review of two volumes in the Stone-edited series *A Programme for Growth*, John N. Wolfe wrote:

In a controversial but illuminating passage, Stone makes clear his view of the advantages and the shortcomings of laissez-faire. It offers the advantage of self regulation by means of decentralization of decision making. The objection to it is that it works "with limited values and limited information: the values of the market place and the information provided by current prices and by the prices on a small number of forward markets." (Wolfe 1968, 428)

Stone also recognized failures of intervention, specifically unintended consequences. He believed, however, that more accurate measurement and modeling could ameliorate the negative results of hands-on planning. In Wolfe's words, "Stone continues with the technocratic assertion that the issues before us should not be considered in terms of collectivism versus private ownership, but rather in terms of good planning versus bad planning.... [Stone saw] his role as providing a machine for coherent planning of the economy as a whole" (Wolfe 1968, 428).

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## Jan Tinbergen

by Daniel B. Klein and Ryan Daza

Born in the Netherlands, Jan Tinbergen (1903–1994) became involved early with social-democratic movements. Tinbergen became a member of the Social Democratic Workers Party (SDAP) in 1922, and he was active in the League of Social-Democratic Student Clubs (SDSC), founding a department of the SDSC in Leiden (Boumans 2003). As he moved into economic modeling, the motivation toward equality stayed with him. In an interview later in life, he said that he had great sympathy for the underdog and continued to advocate “democratic socialism” (Tinbergen 1992, 277; see also Tinbergen and Fischer 1987; Terhal 1988, 264).

After graduating in 1929 with a doctorate in Physics from Leyden University, Tinbergen worked studying business cycles for the Dutch Central Bureau of Statistics. He remained there for 16 years, with a two-year stint at the League of Nations from 1936–38. Tinbergen went on to become director of the Netherlands Central Planning Bureau from 1945 to 1955 (Lindbeck 1992). A trip to India in 1951 impressed Tinbergen with the need for research in economic development