

A SUMMARY BIOGRAPHICAL SKETCH OF
SIR RICHARD STONE (1913-1991)



This note is intended as a guide to the catalogue of Sir Richard Stone's papers deposited in the Library of the University of Milano-Bicocca.

John Richard Nicholas Stone deserves a special place among contemporary economists for the distinctive blend of theory and application in his approach to economic analysis. Born in London on 30 August 1913, the son of a barrister, Richard Stone went up to Cambridge in 1931, reading first law and then economics, in which he was supervised by Richard Kahn. As an undergraduate he became, at Keynes' invitation, a member of the Political Economy Club. More particularly, however, it was the influence of Colin Clark, the eminent economist and statistician who was then teaching statistics at Cambridge, that was to leave a significant mark on Stone's professional formation by confirming his belief in the importance of measurement. This would, much later, provide the main motivation for the award of the Nobel prize to Stone.

After taking his degree, he got a job with a firm of Lloyd's underwriters, but he spent his spare time, in collaboration with his first wife, compiling estimates of industrial production for a little monthly called *Trends*, which had previously been run by Colin Clark. On the strength of this early work, at the outset of the war in September 1939 Stone was asked to join the Ministry of Economic Warfare. In the following year he was transferred to the Central Economic Information Service of the Offices of the War Cabinet to help James Meade in the preparation of a survey of Britain's economic situation. The outcome of their joint work, which was much encouraged by Keynes, was the first British national accounts. These estimates were presented to Parliament with the Budget of April 1941 (1) and were followed by a number of papers setting out the authors' ideas.(2) Meade did not pursue the subject, but Stone did,(3) and by the early 1950s his reputation was well established as the father of the System of National Accounts. The System was adopted by the OEEC (later OECD) (4) and the UN (5) and has come to acquire universal acceptance.

When the war was over, Stone returned to Cambridge to become the first Director of the newly established Department of Applied Economics, created within the Faculty of Economics and Politics at the instigation of Keynes. Under Stone, the Department gained worldwide reputation and attracted a number of first-rate economists. During his Cambridge years, Stone combined research with teaching and his main fields of interest, apart from national accounting, were the analysis of consumer demand, (6)(7) the great macroeconomic model of the British economy known as the Cambridge Growth Project,(8)(9) and the construction of a system of socio-demographic accounts which he conceived as a twin to his system of economic accounts, with the movements of individuals from one state to another taking the place of the flows of goods and services. (10)(11) He was the leading applied economist in Cambridge and his influence on and contribution to the development of econometric analysis through the post-war years has been immense.

Stone was knighted in 1978 and received the Nobel Prize in 1984. Soon after, in 1980, he retired from the University. He died in Cambridge on 6 December 1991. His third wife, Giovanna née Saffi, was, since their marriage in 1960, his partner in much of his later work.

Select Bibliography of Sir Richard Stone's Works

(1) UK Treasury. An Analysis of the Sources of War Finance and an Estimate of the National Income and Expenditure in 1938 and 1940, Cmd. 6261, HMSO, London, 1941.

(2) Meade, J.E. and Richard Stone. 'The construction of tables of national income, expenditure, savings and investment', *The Economic Journal*, vol. LI, nos. 202-3, 1941, pp. 216-31.

(3) Stone, Richard. 'Definition and measurement of national income and related totals', appendix to *Measurement of National Income and Construction of Social Accounts*, UN, Geneva, 1947.

(4) Organisation for European Economic Cooperation. *A Standardised System of National Accounts*, OEEC, Paris, 1952.

(5) UN Statistical Office. *A System of National Accounts and Supporting Tables*, Studies in Methods, series F, no. 2, UN, New York, 1953.

(6) Stone, Richard. 'Linear expenditure systems and demand analysis: an application to the pattern of British demand', *The Economic Journal*, vol. LXIV, no. 255, 1954, pp. 511-27; also in *The Structural Interdependence of the Economy*, (T. Barna ed.), Wiley, New York; Giuffrè, Milan, 1955.

(7) Stone, Richard. *The Measurement of Consumers' Expenditure and Behaviour in the United Kingdom, 1920-1938*, vol. I (with D.A. Rowe and others), Cambridge University Press, 1954.

(8) Stone, Richard. *A Computable Model of Economic Growth* (with Alan Brown), no. 1 in *A Programme for Growth*, Chapman and Hall, London, 1962.

(9) Stone, Richard. *The Model and its Environment*, no. 5 in *A Programme for Growth*, Chapman & Hall, London, 1964 (expanded version of a paper entitled 'The analysis of economic systems presented at the 7th Study Week of the Pontifical Academy of Sciences, Rome, 1963; in *Pontificiae Academiae Scientiarum Scripta Varia*, no. 28, 1965).

(10) Stone, Richard. *Demographic Accounting and Model-building*, OECD, Paris, 1971.

(11) UN Statistical Office. *Towards a System of Social and Demographic Statistics*, Studies in Method, series F, no. 18, UN, New York, 1975.

For further biographical information the following items are suggested:

* Stone, John Richard Nicholas, article by A. Deaton in *The New Palgrave. A Dictionary of Economics*, London: Macmillan, 1987.

* Richard Stone "An Autobiographical Sketch", in *Richard Stone Some British Empiricists in the Social Sciences, 1650-1900, Raffaele Mattioli Lectures*, Cambridge University Press, 1997, pp. 429-40. Reprinted from the volume of the Nobel Foundation *Les prix Nobel 1984*, Stockholm: Almqvist & Wiksell International, 1985, pp. 257-62, with a Postscript by Giovanna Stone.

* M. Hashem Pesaran and G.C. Harcourt "Life and Work of John Richard Nicholas Stone 1913-1991", The Economic Journal, CX, February 2000, pp. F146-65.

La nota biografica è stata redatta dal Prof. Pier Luigi Porta