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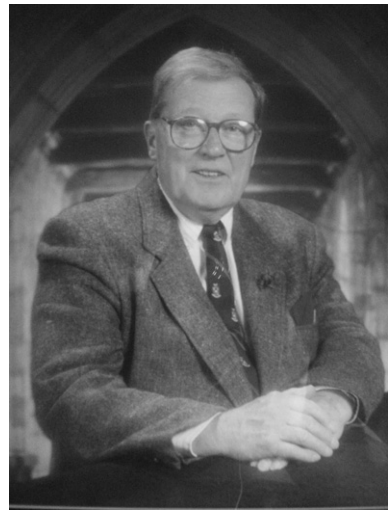
THOMAS KENNETH RYMES (1932–2011): IN MEMORIAM



Thomas Rymes—TK to friends and colleagues—had a disclaimer beside the publication list on his curriculum vitae: "Those marked with an asterisk I consider to be worth reading." It is an utterly characteristic statement: direct, honest, and self-deprecating. After all, how many academics would suggest, even by implication, any of their work is *not* worth reading?

One of the first asterisked publications on the list is *On the Concepts of Capital and Technical Change* (Rymes, 1971). The book was based on Rymes's doctoral thesis at McGill University, directed by John C. (Jack) Weldon. It came to fruition during a year spent at Cambridge University, working with Joan Robinson. While in England, Rymes found himself at the centre of the Cambridge Capital Controversy (see Harcourt, 1972; Cohen and Harcourt, 2003). The preface to *On the Concepts* captures the spirit of those times:

> I came to believe that a new economics, based on Ricardo and Keynes, is being founded there—a new economics which is different from the neoclassical tradition. It was an exciting experience to become aware of new thoughts percolating all around and to see whole new questions emerging.

Rymes's position on the nature of capital came down on the side of Cambridge, England, as opposed to Cambridge, Massachusetts. Like Joan Robinson, he argued that capital must be seen as a heterogeneous commodity; he drew a clear distinction between primary or non-produced capital goods, and intermediate, or produced goods (Durand, 1996).

The Rymes understanding of capital is distilled in his first publication in the *Review of Income and Wealth*, "The Measurement of Capital and Total Factor

Productivity in the Context of the Cambridge Theory of Capital" (Rymes, 1972). In the paper, Rymes argues (p. 108) that:

> [P]roper measures of technical change must take into account the fact that in technically progressive economies, such capital goods themselves are being produced with ever-increasing efficiency.

In the paper, Rymes builds a measure of total factor productivity that incorporates the "essential non-primary intermediateness" (p. 79) of capital inputs, and challenges the neo-classical Hicks–Meade–Solow concepts of technical change.

The work of Rymes and others triggered a vigorous academic debate. In another of his seven *Review of Income and Wealth* articles, Rymes (1983) critiqued and synthesized the emerging approaches to total factor productivity measurement, such as Hulten (1975, 1979), Peterson (1979), and Pasinetti (1980); papers that drew from, built upon, and sometimes challenged Rymes's earlier work (Pasinetti came to Carleton as a visiting professor for a semester to work with Rymes).

Rymes's 1983 article is still worth reading for its conceptual exploration of what technological progress really means. Rymes stressed that capital is a reproducible input, consisting of heterogeneous capital goods produced using labor and waiting. Because of this heterogeneity, measures of capital are not independent of factor prices. He emphasized that an industry that uses reproducible inputs produced in other industries that experience technical progress is itself experiencing technical progress since it is "using labor and waiting, directly and *indirectly* more efficiently than before" (Rymes, 1983, p. 310). Sir Roy Harrod and Joan Robinson had proposed measures of technical change that would take account of such indirect effects (see Rymes, 1989, in a memorial volume on Robinson). Rymes's Carleton colleague L. M. Read (in the Department of Religious Studies) offered suggestions on how to make such measures operational (see Read, 1968, with commentary by Rymes). Using Canadian data, Rymes (1971) and Cas and Rymes (1991) attempted to take proper account of these indirect effects by means of an inter-industry Sraffa–Leontief framework. Rymes (1983) provides the theoretical justification and overview for those two books. Geoff Harcourt's history of *Some Cambridge Controversies in the Theory of Capital* drew attention to the contribution made by Rymes's 1971 book on technical progress and his 1968 commentary on Read (Harcourt, 1972, pp. 86, 239).

The influence of Rymes's thinking on capital and productivity measurement can be seen in academic scholarship such as the work of E. N. Wolff (1985), John M. Gowdy and Jack L. Miller (1990), Miller and Gowdy (1992), and René Durand (1996, 2005). As important, but less readily observed, was Rymes's practical and policy influence. Rymes's first employment, after finishing his MA in Economics at McGill University, was with the Central Research and Development Staff at what was then the Dominion Bureau of Statistics (now Statistics Canada). Rymes held this position for five years, before joining the Department of Economics at Carleton University in 1967. While at the Bureau, he completed a two-volume, 871-page treatise entitled *Fixed Capital Flows and Stocks, Manufacturing, Canada, 1926–1960* (Rymes, 1967). The fundamental understanding of the nature of capital

and of practical measurement issues that Rymes gained while undertaking this exercise is part of what gives his academic scholarship, richness, depth, and a firm grounding in reality.

Rymes's collaboration with Statistics Canada was ongoing and fruitful. He undertook a number of consultancies for the agency, advising on the development of the country's national income accounting framework and issues in Consumer Price Index measurement, and found in this work intellectual inspiration (Rymes, 1979a). Through the NBER and, most especially, the International Association of Research in Income and Wealth, Rymes became an active participant in the international measurement community, serving on the *Review of Income and Wealth*'s editorial board from 1974 to 1979, and then again from 1989 to 2006. In his middle age, Rymes discovered a particular affinity for things Australian, and forged connections with the Australian Bureau of Statistics.

People who knew Rymes through his work on productivity measurement knew that he was passionate about the subject. They might not know he had another intellectual passion, an academic second career as a historian of thought, which complemented his involvement as an outspoken Keynesian in contemporary debates about monetary policy and central banking.

One of his most important intellectual contributions was locating, gathering together, and editing half-century old, hand-written lecture notes taken by students of John Maynard Keynes. The resulting volume, *Keynes's Lectures, 1932–35: Notes of a Representative Student*, "transcribed, edited, and constructed by Thomas K. Rymes" (Rymes, 1989), recalls, with sympathy and honesty, a time when "Keynes seemed to be shedding light on a dark and disturbing economic nightmare."

Keynes's lectures were not ordinary course material: upon returning to Cambridge from the wartime Treasury and the Versailles Peace Conference in 1919, Keynes gave up his paid lectureship, and thereafter gave only one series of eight lectures each year, on the subject of whatever book he was writing at the time. The four sets of lectures in the Michaelmas terms from 1932 to 1935, from "The Monetary Theory of Production" (Keynes's previous set of lectures had been on "The Pure Theory of Money") to "The General Theory of Unemployment" and then "The General Theory of Employment—The Theory of Output as a Whole," were annual drafts of what became Keynes's *General Theory of Employment, Interest and Money* (Keynes, 1936), the work that founded modern macroeconomics as a distinct discipline (see also Dimand, 1988, which owed much to Rymes's compilation of the lecture notes). Two Canadian students, just out of the University of Toronto, attended over several years and kept their notes: Lorie Tarshis for all four years, and Robert Bryce (the future Clerk of the Privy Council and Deputy Minister of Finance) from 1932 to 1934, after which Bryce carried to Harvard the Keynesian message of hope that government management of aggregate demand could end the mass unemployment of the Great Depression without overthrowing capitalism. Rymes was able to supplement these with shorter sets of notes by seven other note-takers. From these notes, he constructed a vivid, clear, and exciting account of the evolution of Keynes's thought in the years leading to *The General Theory*.

In addition to his reconstruction of Keynes's lectures, Rymes wrote extensively on Keynes's analysis of the banking system (e.g. Rymes, 1998) and on the

Keynesian theory of the functions and responsibilities of a democratically-accountable central bank (e.g. Rymes, 1995–96, 2004). Appropriately Rymes, together with Colin Rogers, wrote the chapter on "Keynes's Monetary Theory of Value and Modern Banking" in the Harcourt and Riach *"Second Edition" of The General Theory* (Rogers and Rymes, 1997). Rymes insisted that central banks affect real variables such as output and inflation, and so should not be concerned only about the costs of inflation. In his Harold A. Innis Lecture on "Money, Efficiency, and Knowledge," Rymes (1979b, p. 583) stressed that "The fundamental insight of the Coasean view of institutional forms is that price systems, as but one set of ways in which economic activity is coordinated, are neither free nor costless. . . . In a costless and therefore complete price system, it is impossible for such institutional forms as intrinsically worthless fiat money or 'firms' or 'governments' to exist." If the price system is costly, rational expectations are not sufficient to render discretionary monetary policy neutral and ineffective. Central banks have real effects.

Rymes was, as he put it, an "unreconstructed Keynesian," and had little time for "anecdotal tautology and economic determinism" (Rymes, 1979b). He had a sign in his office, asking the question, "Will it promote economic growth?" Although Rymes was deeply concerned with ethics and sustainability, he had a macroeconomist's view on the matter: for people to have a decent life, they need rewarding work. A strong economy creates good jobs. As he puts it at the start of his 1991 volume with Alexandra Cas on productivity measurement (Cas and Rymes, 1991, p. 1):

> The study of economic growth focuses primarily on capital accumulation and advances in productivity. These fundamental forces determine how much the real income of people increases over time, and an understanding of such increases is the basic motivation behind the study of economic growth.

Rymes was a passionate intellectual, and passionate about intellectual life. In the words of another McGill economist, if Rymes was founding a university, he would have begun with a smoking room, then a reading room, books and library. For him, the best part of the university was intellectual debate. He believed in having people around with a variety of divergent views, and deplored credentialism. He was a strong supporter of Carleton University, where—with the exception of sabbatical visits—he spent his entire academic life. He stood up to those who would have paved the campus over—after a vigorous battle with various senior administrators, he was successful in having a "temporary" parking lot alongside the Rideau River converted back into green space.

TK Rymes's last years were difficult ones. He and his wife Betsy cared for their son, John, during his battle with ALS, even though TK himself was struggling with Parkinson's disease at the time. But though Parkinson's limited TK's mobility, he faced it with the same courage that he brought to his intellectual life.

In the Preface to *On the Concepts*, Rymes describes the reaction of his supervisor, J. C. Weldon, to the idea of a thesis on "the problem of capital": "He warned me that my labors might prove bankrupt." Yet

"It was (is?) a risk that was fun to take up and I appreciate fully the freedom . . ."

FRANCES WOOLLEY AND ROBERT W. DIMAND

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