June 3, 1987

Professor Jeremy Greenwood
Professor Zvi Hercowitz
Professor Greg Huffman
University of Western Ontario
London, ON N6A 5C2
Canada

Dear Jeremy, Zvi and Greg:

We have read your "Investment, Capacity Utilization, and the Real Business Cycle," with considerable interest. We think it is an interesting paper that will prove stimulating to future theoretical and empirical research. Accordingly we would like to encourage you to submit it to the JME. To that end, we will waive the standard JME submission fee and guarantee that you will receive an editorial response within one month of submission, provided that the submission is no later than July 1, 1987.

In terms of ultimate publication, which is likely, one possibility would be to include it in the upcoming JME special issue on Real Business Cycles (scheduled for publication in January 1988), which includes papers from last summer's Lisbon conference (by Singleton, Kydland-Prescott, G. Hansen-Sargent, King-Plosser-Rebelo, Townsend, Christiano and Stockman).

Let me know what you think. If you have questions, do not hesitate to contact one of us.

Best wishes,

Robert G. King
Charles I. Plosser

RGK/CIP/sln
June 19, 1987

Professor Jeremy Greenwood  
Professor Zvi Hercovitz  
Professor Greg Huffman  
University of Western Ontario  
London, ON  N6A 5C2  
CANADA

Dear Jeremy, Zvi and Greg:

After much delay we have to make some commitment to completing the preparations for the real business cycle volume. While some of you have been prompt in submitting your papers, others have not. It is imperative that we have a paper from you no later than August 1, 1987, that can be sent to a referee. You have already received comments from us suggesting possible revisions. It is now important that this process be completed.

Our schedule is that by September 1st we will return referee reports to each of you and by October 15th we must have final revisions to go to press.

We apologize for the delay, but we feel that the issue will be a good one and we look forward to your contribution. Thank you for your participation and cooperation.

Sincerely,

[Signature]

Robert G. King

[Signature]

Charles I. Plosser

RGK/CIP/sln

P.S. We intend to hold ourselves to these same tough standards and will be sending you our manuscript for your comments no later than July 15th. We encourage you to send your revised paper to the other participants as well.