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Professor Hyman Minsky
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St. Louis, Missouri 63130

Dear Hyman:

It was good to talk with you yesterday. As I said, we want to publish your paper in the NJEB if you will make some changes as suggested by the readers. A copy of the manuscript containing some editorial comments and suggested changes is enclosed. Relevant comments from three readers are listed below:

- 1-- Among my specific criticisms are: (1) the "impossibility" of the present title; (2) dubious introduction relating to Keynes's General Theory as background; (3) failure to separate the introduction from the substance of the paper (which probably begins in the middle of p. 3); (4) failure to spell out as clearly, and as briefly, as possible the "financial instability hypothesis"; (5) the notion that we have had only one ("the") credit crunch--see p. 4; (6) misuse of the notion of "crisis," which is a turning point or deciding event in the course of something else--see p. 4; (7) repetitious or unnecessarily involved statements--see, e.g., pp. 8 and 9; (8) failure to explain why a bank "normally engages in speculative finance"--see p. 10. There are other criticisms indicated on the copy of the manuscript. In short, this essay needs considerable overhauling before it meets the standards of NJEB.
- 2-- The article rambles. What is the central point the author wishes to make? Keynes was misinterpreted by everyone? What, explicitly, is the "financial instability hypothesis"? Whatever it is, is it supposed to tell us something about Keynes or about recent U.S. history, or both?
- 3-- This is an unusual interpretation of Keynes, but I believe it is basically correct. This article should be expanded to treat the topic more completely.

Major changes needed, as I see it, are for a more suitable--or less awkward--title (perhaps, "The Financial Instability Hypothesis: An Interpretation of Keynes"); an introductory section, and a more precise

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explanation of the financial instability hypothesis. Keep in mind that we aim at a broad spectrum of readers with varying degrees of sophistication and understanding with respect to economic analysis and policy.

If you could have a revised copy in our hands before the Thanksgiving break we'll get it in our winter issue (out in February). Otherwise, it will appear in the spring issue. Best wishes. .

Sincerely



Wallace C. Peterson, Chairman
Board of Editors

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