

“Geography of international credit and commercial interest rates in Premodern Europe” 導讀

1. What is the main questions raised in the paper?

Interest rates in premodern society are surely exist, but we know little about them. The author tried to recover them from historical materials and interpreted the data with economic meanings.

2. Why should we care about it?

Interest rates and international credit are important factors in economic activities. Without the knowing of them, we cannot explain historical economic activities well.

3. What is the author's answer?

In terms of geography of international credit, the interest rates interpreted from historical materials state the same conclusion with the result of history trend: Northern Italian cities remained their dominant economic power in 17<sup>th</sup>. The shadow interest rate in 18<sup>th</sup> century Amsterdam was close to those paid by the public debt. The risk premium only existed when financial crises occurred.

4. How did the author get there?

Since there is no available data for interest rate until 19<sup>th</sup> century, it is hard for economists to recover the data from historical materials. The author used exchange rates to imply the commercial interest rates because the international credit system was built on the base of bills of exchanges.