As the Crown pursued an expansionist foreign policy in the thirteenth and fourteenth centuries, so its traditional sources of income were unable to meet the costs of its wars. The three Edwards thus resorted to borrowing money from native and alien creditors to finance the defence of the kingdom. When the Italian banks collapsed in the 1340s, Edward III turned to his subjects for state loans to fund the Hundred Years War. These loans were a substitute form of parliamentary taxation, which the Crown requested from its subjects when the realm was under attack. By basing its pleas on necessitas, the Crown imposed an obligation upon the subject to meet the royal request. State loans were advanced with the subject’s full consent; of a value in accordance to their standing in society; and interest-free. This paper traces the origins of state loans from the clergy; explores when and why they became a regular demand; how they were negotiated and repaid; and reveals the identities of the Crown’s main ecclesiastical creditors. In financial terms, state loans were a minor source of Crown revenue. Their combined value equated to around 10% of the total royal expenditure on the defence of the kingdom during the reign of Edward III, and even less under his father. When viewed in isolation, the clergy lent around £50,000 between 1307 and 1377, a sum equivalent to 1-2% of the total costs of the military campaigns. But to judge clerical loans simply in terms of their negligible monetary value fundamentally misinterprets their significance, which can be measured by their impact on the political relationship between the Crown and the clergy. State loans afforded ecclesiastics the opportunity of wielding greater political influence; acquiring new charters; resolving grievances; and protecting the interests of their abbey. For many ecclesiastics, the short-term financial risks associated with lending were substantially outweighed by these potential rewards.

I

Upon his succession, Edward II inherited an expensive war with Scotland. A decade of conflict had left the Crown heavily in debt, overstretched royal administration, and created political tension over taxation. The king compounded these difficulties by his association with Piers Gaveston. Against the backdrop of an impending civil war, the king’s rule in Scotland was disintegrating at an alarming pace. To reverse Bruce’s ascendency, Edward II marched north with an army in 1310, but achieved little. Upon his return to London, the king succumbed to political pressure by implementing the Ordinances, a series of baronial grievances intended to reform the governance of the realm. The Ordinances stipulated that: Edward II was prohibited from leading military campaigns without parliamentary support; all royal grants of land were subject to the
Ordainers’ approval; customs duties were to be paid into the Exchequer; and Gaveston was sent into exile. The Ordainers imposed financial restrictions upon the king by prohibiting purveyance, thus limiting the Crown’s ability to maintain its armies. The Ordinances stated that ‘all prises shall be abolished’ and officials found guilty ‘shall be taken to the nearest jail of the king, and the common law shall be enforced against him as against a robber’.

The Ordainers’ curtailment of purveyance forced Edward II to experiment with state loans to subsidize the Scottish war. State loans were initially envisaged as a means of revising purveyance as commissioners delivered letters to 331 ecclesiastics in 1310 asking for loans of victuals. William Greenfield, archbishop of York, was requested to lend 100 quarters each of wheat, malt, beans and peas, 200 quarters of oats, forty cows, and 100 sheep. Buckenham Priory lent six quarters of wheat, ten quarters of malt and oats, ten sheep, and two cows. The king acknowledged receipt of loans from the abbeys of Cirencester, Gloucester, and Tewkesbury. But the bishop of Salisbury, the Dean and Chapter of Winchester, and ten religious houses refused to lend victuals. Letters were dispatched to reluctant creditors in which Edward II stated that he was ‘much astonished to find that the abbot excuses himself in a matter that so touches the honour of the king; wherefore the king earnestly prays him to think of the dishonour and damage that his Scotch enemies inflict upon him… and that he will freely lend the king of his victuals’. An incensed Edward II wrote a letter to the prior of Merton ordering him to pay 20 marks because ‘he sent certain excuses for not lending a sum of victuals… which excuses the king considers insufficient’. The fragmentary source material implies that the king’s new policy of clerical loans was far from an immediate success.

Edward II’s rule in Scotland reached a crisis point in 1314 when the Scots defeated the English at Bannockburn. In response to this new nadir, Edward II borrowed £6,867 from the clergy after he informed them how the Scots had ‘inhumanly plundered and burned very many churches… not sparing in any way the Church or parsons’. But the clergy’s belated support could do little to prevent the Scots from raiding northern England. Edward II wrote to abbeys for loans totaling £9,460 in 1315 to defend the north. But if the king believed that the clergy were more acquiescent towards his pleas for credit, then he was to be mistaken. The clergy instead exploited Edward II’s weakened authority by issuing an ultimatum: they would provide neither loans nor taxation until he confirmed the Ordinances; revoked all grants of land contrary to the reforms; made peace with the barons; used the income raised by the clerical tenth for the defence of the north; permitted churchmen to collect the subsidy; and investigated officials who violated ecclesiastical rights. Whether or not Edward II received many loans in 1315 is doubtful. Instead, the clergy granted a tenth worth £12,600; but in return, the king resolved yet more grievances by issuing a statute, Articuli Cleri. This addressed clerical fears surrounding the Crown’s interference with ecclesiastical property; the relief of religious houses burdened by pensions; and royal encroachments into excommunication, ecclesiastical elections, and sanctuary. With Edward II facing a civil war and disaster in Scotland, the clergy used his difficulties to ensure that he resolved their grievances.
Edward II also asked clergymen for loans because they provided only three subsidies between 1307 and 1315. The king was attracted to state loans because they could be negotiated without either seeking Convocation’s approval or agreeing to clerical gravamina. But the Church’s victory over the king in 1315-16 was a defining moment. Clerical demands meant that loans were no longer a viable option for the king to secure money from the Church without political humiliation. The Church’s defence of its interests resulted in only three clerical subsidies between 1316 and 1326. Furthermore, the events of 1315-16 persuaded the king to abandon his policy of clerical loans. Edward II’s experimentation with, and abandonment of, state loans was a sign of his political weakness, financial desperation, and deteriorating relationship with the Church.

Edward III initiated his first large-scale borrowing campaign in 1346-7 when he raised around £11,000 for the Crecy-Calais expedition. Only fifteen clergymen lent £1,350, half of which was from William Edington, bishop of Winchester. The Crown issued another request for clerical loans in 1347 to finance the siege of Calais, but borrowed a tepid £2,000. Overall, Edward III spent £200,000 on the Crecy-Calais campaign, with the clerical loans amounting to £3,350 (1.5%) of the total cost. After almost a decade of peace, the Hundred Years War resumed in 1369 when Charles V declared war on England. Between 1369 and 1381, the Crown spent around £1,000,000 on the war. Commissioners were instructed to raise loans amounting to £83,000 in 1370, but received around £40,000. The clergy lent £11,400, their largest credit contribution between 1307 and 1377. This was comprised of two extraordinary loans from William Wykeham, bishop of Winchester and Thomas Hatfield, bishop of Durham. Whilst the value of these contributions had increased since the Crecy-Calais campaign, the total cost of the war had also escalated significantly. The importance of state loans had simply increased in line with the rising costs of the conflict, thus illustrating that credit from the Church still comprised around 1% of the total expenditure on war in the 1370s.

II

Assignments from the customs or taxation were the most reliable means of repayment in the fourteenth century. Once they paid their loan, ecclesiastics received tallies recording their contribution and terms of repayment. Tallies in hand, creditors travelled to a customs location where they presented them to the officials, who subsequently repaid their loan. This system was efficient until the 1370s when its fundamental weakness was exposed: a dependence upon the wool trade. The king’s ability to reimburse his creditors was at risk when the wool trade declined in the late fourteenth century. Around 35,000-40,000 sacks of wool were exported per annum during the 1350s, but the expanding domestic cloth industry weakened the wool trade resulting in a decline in exports to 25,000-30,000 sacks per annum in the 1370s. Edward III’s failure to repay many state loans forced the Commons to petition the
Crown in 1376 claiming that ‘whereas they lent great sums of money; these are not yet paid… and they are greatly impoverished’.

Whilst public-spiritedness persuaded many clergymen to provide credit, others knew that loans afforded them an opportunity to acquire political rewards. Greater political influence may explain why William Edington, bishop of Winchester, lent £2,611. That Edington advanced the majority of this sum before 1356 may have been a factor in Edward III’s decision to promote the bishop to chancellor in the same year. Yet state loans enabled ecclesiastics to re-establish themselves in government. Thomas Brantingham of Exeter resigned as treasurer in 1371, but he re-emerged onto the political scene in 1377 when Richard II reinstated the bishop to his former role. Brantingham’s desire to strengthen his position may have persuaded him to lend £533 in 1377, only four months after his appointment. Bishops viewed loans as a means to secure elevation to a more prestigious episcopal see. Simon Sudbury of London was promoted to the archiepiscopal see of Canterbury in 1375, only five years after lending £133. This loan was not the decisive factor in Sudbury’s promotion, but it enabled him to retain royal favour.

Involvement in the Crown’s credit operations contained risk, but abbots were aware that the benefits for their abbey included the acquisition of charters and the resolution of grievances. Only a few days after borrowing jewels from Reading Abbey in 1338, Edward III issued a charter to the monks ‘in consideration of the aid made to the king by the said convent out of their jewels’. Ramsey Abbey also acquired a charter in 1338, days after lending jewels. Rufford Abbey lent £12 in 1347 and was rewarded with a charter a month later. Edward III issued a charter to Tavistock Abbey in 1348, less than two months after the abbot lent £13. A charter was granted to Battle Abbey in February 1348 following the abbot’s loan the previous summer. Edward III also rewarded his ecclesiastical creditors with grants or licenses. Blyburgh Priory lent 50s in 1347 and received two grants six days later. The loans of wool from Westminster Abbey in 1347 enabled the monks to acquire a royal pardon ‘in respect of escapes of felons, thieves or other prisoners in their custody’. Edward III permitted the Dean and Chapter of St Mary’s Lincoln to hold a market and fair on their manor at Navenby in 1348, only three months after they provided a loan.

Parliamentary records reveal that ecclesiastics often petitioned the Crown in the months after advancing loans. State loans oiled the wheels of the petitioning process, enabling clergymen to resolve their institutions’ grievances. The abbeys of Dorley, Glastonbury, St Albans, Nuttele, and Worksop Priory petitioned the king at the 1348 Parliament for exemption from contributing to the aid to knight the Prince of Wales. That these abbeys provided loans in 1346-7 may have persuaded the king to excuse them from paying to knight his son. St Osyth’s Abbey submitted a petition to the same Parliament after lending £12 in 1347. The abbot claimed that a local lord had deceitfully acquired a charter granting him lordship over the abbey’s manor at Stowmarket. Both parties were summoned to Westminster where justices concluded that the manor belonged to the monks. As these clergymen were successful, so their gamble that a temporary financial loss in the form of a loan was a price worth paying
if it afforded them greater political gravitas to secure their institutions’ interests proved correct.

III

From as early as the twelfth century, the townsmen of Bury St Edmunds, Abingdon, and St Albans were in a struggle with their monastic lords over greater rights of self-government. But these abbeys were some of the Crown’s leading ecclesiastical creditors. It is thus conceivable that they provided loans in order to retain the Crown’s support in their disputes. Yet this cannot have escaped the townsmen’s attention as they were approached for credit. It is equally plausible that a rivalry occurred in monastic boroughs where both parties attempted to secure royal support by contributing larger loans than their opponent.

Countless tussles took place between the monks and townsmen of Bury St Edmunds, with one incident occurring in 1364 when the residents petitioned Edward III claiming that the abbot refused to acknowledge that they were exempt from paying toll. Having received royal confirmation of this privilege, the townsmen presented another petition, albeit an unsuccessful one, three years later to elect an alderman. This resurgent threat must have raised fears for the abbot concerning his rule over the borough, forcing him to strengthen his ties with the Crown. State loans became a competition between the monks and townsmen, both of whom realised that their wealth was a useful weapon in the dispute. When Edward III issued a plea for credit in 1370, the townsmen lent £100, some four weeks before the abbot provided £37. Upon learning that the townsmen had advanced a greater sum, the monks immediately provided another loan worth £161. State loans became an aspect of the struggle at Bury St Edmunds as both parties exploited the Crown’s perilous financial situation by lending larger amounts than their rival in order to obtain royal support in their dispute.

The origins of a dispute between St Mary’s Abbey and York can be traced to 1275 when the civic elite complained that ‘Bootham is a suburb of the city and that the abbot … had usurped liberties belonging to them’. Edward I dealt them a seemingly fatal blow by stating that Bootham ‘was the abbot’s borough’. Yet disturbances broke out in 1312 when the mayor was accused of forcing monastic servants to pay toll. This challenge to monastic lordship occurred when Edward II requested loans to finance the Scottish War. The abbot’s decision to lend £300 in 1314 was as much influenced by his desire to preserve his control over Bootham, as it was to protect the north from Scottish raids. Edward III established a commission in 1354 to resolve the problem, but it delivered an unexpected outcome when ‘it was agreed that Bootham should remain forever in the jurisdiction of the mayor’. The city’s acquisition of Bootham was not based on a watertight legal claim, but instead on Edward III’s need to tap into its wealth to fund the Hundred Years War. In addition to providing taxation and wool, York merchants forwarded loans in 1347 (£450) and 1351 (£585), whilst St Mary’s Abbey only lent £36. Aware of the strains on royal finances, the civic elite rose in Crown favour by advancing two loans, both of which the abbey was unable to
match. Edward III’s abandonment of a century of royal support for St Mary’s Abbey was largely due to York’s role in financing the Hundred Years War.

The fourteenth century was a period in which the crown experimented with state loans as an alternative policy to generate additional income. Traditionally, the crown had maintained a centralized financial policy based on borrowing from continental banks. But events both at home and abroad forced it to explore an alternative decentralized strategy. In response to the Ordinances, Edward II approached his subjects for loans to finance the Scottish war. The king laid the foundations for Edward III to transform state loans into a regular royal demand upon the clergy during periods of national crises. With the intensification of the Hundred Years War and the collapse of the Italian banks, Edward III revived his father’s policy to generate income for the defence of the kingdom. Edward III’s pleas were received with mixed success as he only borrowed £11,000 (1346-7), £6,500 (1351), and £20,000 (1356) from his subjects, although he received around £150,000 in the 1370s. But from 1334-77, the king raised around £774,000 in taxation, as well as £435,000 in clerical and papal subsidies. The profits from the customs fluctuated, but in general, Edward III accumulated around £70,000 per annum from taxation on trade. When these sums are compared with the value of the state loans, it confirms that the latter were a supplementary form of income.

Edward III’s reliance upon state loans enabled ecclesiastics to protect the interests of their abbey. Acquiring new charters, resolving grievances, and maintaining the Crown’s support in disputes with townsmen were potential rewards for those abbeys willing to provide loans. Ecclesiastics balanced these incentives against the immediate risk, primarily the prospect of repayment. Whilst some decided that involvement in the Crown’s credit operations was too much of a gamble and excused themselves by pleading poverty, many ecclesiastics, however, came to the conclusion that state loans were a short-term, limited, and carefully calculated risk, but one with potentially lucrative rewards in the long-term.