VOLUME 5

JOURNAL OF THE NUMISMATIC ASSOCIATION OF AUSTRALIA.

http://naa-online.com

ENGLISH HAMMERED COINAGE AND MEDIAEVAL TRADE

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In this paper I want to investigate the place of the humble English silver penny in the growth of England as a trading nation, in spite of its small size, modest population and natural resources, difficult position as a mere offshore island of Europe, and a climate which is literally not that hot.

Britain has been a trading nation since Roman times, and even before that there were exchanges of goods between people on both sides of the Channel, shown by the spread of Celtic coinage such as Armorican staters and various dynastic issues before Roman coins came into use. The Romans knew the country as a source of military supplies such as grain, hides, and iron, plus luxury goods such as gold from Wales, silver from the Mendip Hills in Somerset, hunting dogs (mostly wolfhounds from Ireland), and slaves, these last being captives taken in tribal battles. In return, the British took pottery, oil, manufactured goods such as glass, high technology in general, and eventually the world's first bureaucracy. When the Romans moved in they knew what they wanted, but by the time they moved out, their "imperial necessities" had virtually eliminated the small scale private trade of the past, which had to begin all over again.

A peasant in northern France in the early Middle Ages had soil and agricultural methods similar to those of southern England. If he worked the same hours as the Englishman, he still had one big advantage – a longer growing season. This gave him the chance to get more off the soil before the cold weather, reduced the amount of fodder he had to lay by for the winter, and he had less chance of losing his livestock before the spring grass came through. Farmers on the Continent should have had a big lead over those in England, enabling them to have better houses, more food, healthier children, more efficient armies. Why didn't they?

My answer is – largely because of the English penny. The silver penny was introduced by Offa, king of England from 757 to 796. He transformed the existing amateurish currency into a coinage acceptable throughout Europe. His penny was a weighty piece, solid and stable and elegantly designed. His moneyers produced some of the best coins ever minted in England and set the course of its currency for the next five centuries. The coins bore a very handsome portrait – the first attempts at portraits since Roman times – and beautiful arabesque patterns on the reverse. These first pennies weighed about 20 grains, or 1.3 grams.

Under the Roman Empire moneyers were only workmen in Imperial mints. The Government was responsible for production and distribution of salt, grains, metals, marble, and military uniforms, and though the moneyers did excellent work they were not independent. In barbaric times moneyers became either entrepreneurs or high Government officials, and because coins were scarce and credit hard to obtain their skills were highly valued.

Offa was one of the few early kings who were known as Bretwalda, an old title meaning warden, or guardian, of Britain – that is, not just one of the tiny kingdoms. Having walled off troublesome Wales with "Offa's Dyke", a system of earthworks along the whole frontier of Wales, he was then able to turn his attention to the currency. It was at this time that English coinage in its own right first gained favour with foreign buyers, because in the time of the Roman occupancy the British had no responsibility for their own coinage, and before and after the Roman Empire they managed with a few Celtic coins.

We know that Offa's government was active in cross-Channel trade, because Charlemagne used English cloth for his soldiers' uniforms, and wrote to Offa complaining of the quality of the cloth. The wool would have found a market easily, because the English climate has always encouraged good quality wool, but Offa had no balance of trade problems that we know of, and without a desirable currency he would have found it harder to buy his own requirements overseas and would have been obliged to take whatever the Carolingians could spare in barter.

Alfred, another undisputed Bretwalda, reigned from 871 to 899. By that time British coinage was on a firm footing, and Alfred continued this tradition. Like other Saxon kings, he kept the country's funds in a well guarded treasure house, the main store being at Winchester where his statue stands today. The pennies, together with jewels, gold and silver plate, were simply locked up in strong boxes. Edward the Confessor was another who kept the national treasure at Winchester, and this was still the case in the time of William Rufus, because when William was killed by an arrow while hunting in the New Forest some 200 years later, the first thing his successor did was rush to the store and physically take it over, possession being nine points of the law in those days too.

In Alfred's time there was active trade in several directions. Salt, spices, German wine, and luxury goods came from the Near East, fish and tall timber from Norway, while cloth, wool, grain, hides, linen, lead and iron were sold.

Otherwise Alfred was chiefly occupied with keeping out the Danes, but his grandson Athelstan contacted many overseas rulers in a friendly way and initiated what could only be described as England's first positive foreign policy, based on action rather than reaction. Their solid currency was beginning to play a part in attracting respect from other rulers.

To give an idea of monetary values at the time, King Alfred sent every bishopric in Wessex a copy of a religious book he had translated together with a costly gift in the form of a rock crystal pointer set with a large jewel. He told them each jewel was worth fifty mancuses; a mancus was a sum of gold worth 30 pence, and each mancus was also the average price of an ox, therefore one ox was worth 30 pence – and one of Alfred's pennies weighed 24 grains, or a "pennyweight". Alfred's measure continued as the official definition of a "pennyweight" until modern times, 24 grains or one-twentieth of an ounce Troy weight.

Athelstan listed the more important boroughs and how many moneyers each should have. London had eight in his reign, 18 under Henry II. The Domesday Book records that in Saxon times all moneyers had to go to London to get dies for coins to be struck and had to make a payment to the king when the pattern was changed.

Then came Ethelred the "Unready" and his almost annual ransom to the Danes. "Unrede" meant not unprepared but ill prepared, ill advised, lacking in knowledge. Who knows how the history of Europe would have changed if he had stood up to the Danes in the way Alfred did? Would we now be totally Scandinavian, or would we have resisted so stoutly that the Normans would not have dared to make the attempt, and we would stand now purest Celt, issuing coins with harps on?

The first Danegeld was paid to a band of entrepreneurs camped on the isle of Thanet and raiding Southampton, which was then a big trading port known as Hamwic. But that year the Danes also took up winter quarters in East Anglia, were supplied with horses, and the East Anglians made peace with them. However, the Danes had been around a long time. The first recorded raid on the English coast was near Dorchester in 789, where the invading fleet was actually met and welcomed by local officials who thought the visitors were coming to trade, according to the Anglo-Saxon Chronicle. This was almost 200 years before the first Danegeld and the heavy Viking raids, so trade must have been well established, the Scandinavians particularly looking for clothing, linen from Ireland for sails, hides for their shields and other uses, and grain.

The character of Viking invasions now changed so that they became a land force, and the archaeological record shows that in the next decade there was a five-fold increase in the number of coin hoards buried in the ground and never recovered by the owners. I should say that not every coin was full silver, some were made of base metal, but they were known and accepted as such and there was no deception.

In one year, 1012, as much as £48,000 was paid to the Danes. With silver pennies at the rate of 240 to the pound weight, this much would have taken about 430 of the old hundredweight sacks to carry away – 21 tons. This and the other years of the Danegeld took approximately a quarter of a million pounds of official payments of English silver, which came at that time from the Mendip Hills – not to mention untold amounts in private saving which were seized by parties of the invaders. One result of this massive transfer of funds and the impoverishment of England was that the Vikings were able to build more ships and fare faster, further and more often; another must have been the transfer of hundreds of workers to the silver mines where the precious metal was extracted from lead ore.

Some idea of the devastation caused by these payments comes from the fact that the revenue raised in a year from taxation by Edward II, nearly 400 years later in a time of inflation, amounted to an average of about £38,000, and this was considered so fierce that several years of it lead to the Peasants' Revolt!

We are still picking up evidence of transactions between Britain and Scandinavia in the coin shops of Stockholm and Oslo, also in the hammered coinage put out by the York Mint under the earlier Cnut, who ruled in York at about the same time that Alfred was organising Wessex. York under Viking rule was a busy manufacturing town, making metal and leather goods, both to supply the army and for export.

The Viking raids affected the economy not only by the simple transfer of bullion from England to Denmark. The largest Viking treasure hoard ever found, more than 7000 silver coins and pieces of broken silver weighing 40 kilograms, was originally buried in 903 Lancashire on the banks of the River Ribble at Cuerdale. The hoard, which was found by workmen in 1840, must have been the paychest for a band of fighting men from over the Irish Sea, for the coastal areas of Lancashire were over-run by Norsemen from their Irish settlements. Some of the money taken from the eastern part of England may well have returned to the west in the form of pay which would have been spent on local products such as food and clothing.

More big hoards have been found in Scandinavia, and I assume that the returning Vikings, laden with wages and loot, buried their winnings before returning for more, and it may be that the scale on which this money was withdrawn from circulation helped keep the northern countries from achieving their full potential in terms of trade. More private spending and less saving could have enriched their culture enough to fuel a technical take-off by mediaeval standards. A keynesian outlook, but it works with simple economies.

Pennies were issued by various small kings and archbishops in England, before Edgar, sixty years after Alfred's death, brought in uniform coinage across the whole country, and paved the way for the reformed coinage of the later Anglo-Saxon period. There was little to choose between some of the Viking issues and those of the archbishops or kings as far as artistic or even intrinsic worth was concerned, and the value of the coinage was apparently not lessened by these scattered mintings.

In the late Anglo-Saxon period most fortified towns had a mint, with a number of moneyers; also some royal manors and some church authorities had mints. 1000 years ago there were about 70 active mints, but the important thing is that there was strong central control. Coin types were changed at intervals, the government collecting fees for new dies, and there was periodic inspecting and demonetising of old types. This had the effect of ensuring the currency remained strong, and if cheap forgeries crept in they were soon detected, whereas on the continent the barons controlled their own coinage and did not take the same precautions to avoid loss of real value.

As an additional guarantee of quality, Aethelstan (925-939) brought in a law to ensure one standard coinage and no minting in unauthorised places, while if a moneyer was convicted of striking bad money, the guilty hand was cut off and set up on the smithy. The name of the moneyer began to appear on coins as a sign of quality like a modern trademark.

Even William the Conqueror made no changes to this honourable tradition, for the simple reason that his taxgatherer's mind could see the benefit of it. By 1087, the word "sterling" had appeared as a name for the English penny. It means "tough" or "strong" and seems to have been adopted because each type of William I penny was the same weight - not so in Anglo-Saxon times. The Domesday Book records two different weights before 1066, but after the Conquest all the moneyers used the higher weight until various monarchs were adjusting it for their own purposes, as I shall note.

Unfortunately during Henry I's reign, after 1100, quality deteriorated, metal was adulterated, forgeries were everywhere, and having let things go for almost a quarter of a century Henry then called the moneyers to Winchester at Christmas and took not only their hands but certain other parts not normally connected with the work of a smithy. The typical over-reaction of a frightened man, but the severe penalties, which were completely legal, show the importance of a steady reliable currency to the governments of the time. (There was also the consideration that unauthorised mintings would diminish government control.)

Minting was chaotic in Stephen's time, and the product was ugly under Henry II, but at least it was silver. John, at the beginning of the 13th century, also took a responsible attitude. In 1205 he issued new coinage because the evil activities of clippers had tended to reduce the weight. John declared that all money that lacked no more than 2/6d in the pound should stay current, but all below that standard was bored through and returned to the owners. In every borough or castle or market town the sheriff was to appoint four men to whom the owners could pay in the bored or clipped money, and these men placed it under seal in a box for the king's use. It was ultimately recoined into the new fat pennies. When he issued this new coinage he decreed it must be proper weight and fineness and all must have an outer circle so clipping could be seen. The number of mints dwindled at this time, and workmanship was not as fine as the late Saxon or early Norman - the coins were more production line types.

John realised the importance of trade, and in his efforts to put the country on a sound footing after it had paid for Richard's crusade and Richard's ransom, in addition to reforming the coinage he saw the possibility of a Merseyside port and founded Liverpool.

Unfortunately Richard I had used the country as a moneybox to finance his crusade. When he was captured and held to ransom, his subjects had to raise 100,000 marks for the Emperor of Germany and 50,000 for the Duke of Austria, making a total of £100,000 - more than £2 million today. However, the ransom was actually calculated on the basis of a wool levy of 50,000 sacks, equivalent to the fleeces of over 6 million sheep. Wool appeared to be a steady measure of value in preference to continental currencies. This amount of wool was in excess of the amount normally exported each year, so the country would have had a cruel choice to make had it actually paid in kind. If it handed over the wool it would have wrecked normal exports. But if it handed over the cash, that amount (at the rate of £5 a year for an average soldier's pay) would have paid 20,000 men for a year, crippling the defences. In fact, of course, the English war effort petered out anyway, either through lack of cash or lack of a leader or both.

The silver pennies were used to buy a surprising variety of goods. I used to believe that in the Middle Ages they ate only pure organic food and the only sweetening used was natural honey, but Henry II used to buy sugar, or "zucaro", at 9d a pound in 1176. It came from southern Spain and the nearby coast of northern Africa. Henry III spent freely on Christmas goodies, and in 1228 he was paying 10 marks (a high price) for a "stomachic and ginger and balsam". The point is that ginger in particular came from only one part of the world, the Far East, and the trade routes were well enough established for a regular supply to be available in England where it could be bought at the local market fairs, and it is well known that spices were used for many mediaeval uses ranging from a nice goblet of mulled ale to frantic preserving of meat before the winter.

Most countries experienced a chronic shortage of cash. In 1252, Genoa issued fine gold "genoins", and Florence followed a few months later with gold florins of the same weight. There was a rise in the price of silver, which went up to more than a tenth of the price of gold, and this made it harder for countries like England which had a solid silver currency, but the new gold coins did release silver for ordinary payments. The European merchants used foreign coins extensively, and particularly valued the English silver penny and the Byzantine and Muslim gold.

The use of precious metals was important, not only as currency but as a means of display which was a guarantee of solvency. There was an easy transition between church ornaments or a noble's dinner table to coin. The grandeur proclaimed a noble's or a merchant's state, proclaimed his credit, and was a reserve of capital, easily realisable.

There was a currency division between Latin Christendom and the Muslim and Byzantine world, which formed a silver bloc and a gold bloc respectively. The Christian world had multiple coinages based on silver, which served the needs of an agrarian community buying and selling agricultural products. Coins formed part of the baggage train of a king, packed in barrels and loaded on carts. But in time they came to need a coin of higher value than a penny.

Constantinople was the centre of the gold area. Western Europe had had gold coinage under the Romans, continued by the barbarians, but gone by the eleventh century. Then small silver coins were the only ones in circulation, until the middle of the 13th century when the gold coinages of the Italian cities appeared. The reason for this disappearance of gold was low productivity, so that money went to the Mediterranean ports and the sources of production in Africa and the East, also money was paid to Scandinavian pirates – really an imbalance of trade, because Rome was by now resting on its laurels and importing from the Empire, not manufacturing its own goods for exchange.

Much of the mediaeval coinage was melted down. Every year the English Treasury tested the fineness of the pennies with which the sheriff paid the debts he owed the king. From each account due, two pounds of counted pennies and some extra pence were taken, then 240 pennies were melted down to test the fineness. If there were any argument, they would test the other pound.

Henry III's coinage suffered from clipping, which would not have been so tempting had the coins been of baser metal. The remedy was of interest to collectors, the long cross penny issue, but it was not until 1279 in the time of Edward I that the central organisation took over from the individual moneyers and the name of the town appeared instead of that of a craftsman. Edward's reorganisation included minting halfpence and farthings in their own right instead of their being pieces clipped off pennies, also some experimental groats, and with central control the number of mints was reduced.

Under Edward II the second ordinance of the Staple was passed, setting up staple, or monopoly, towns for the wool trade in England, Ireland and Wales, and everyone was forced to use home made cloth except the king

and nobles. This was one of the most popular acts of government ever, as it protected and encouraged the wool industry.

In 1343/4 under Edward III there was an economic crisis which caused a new coinage to be ordered, including a gold currency. The silver coins were again .925 fine, and a few years later it was found that base foreign coins were flooding into the country, and severe penalties were introduced to keep out these imports which detracted from the real sterling coinage. Then Edward reduced the weight of the pennies and reintroduced groats at 72 grains each to equal four of the new light pennies. He meant this to be an international currency valid both in England and Flanders, but this idea was not a success.

Edward's son, the Black Prince, was governor of English territory in Aquitaine. He coined his own money in Bordeaux and nearby towns, 80 different coins in gold and silver being struck. At one mint, Saintonge, the profit from coining gold in 1362-3 was £698, two years later it had risen to over £2000, while the profit from silver fetched £14,000. It was reckoned that the profit from minting was four times the cost of manufacturing, and of course the moneyer made a living too. What an advantage to have control of the silver mines. At this time the pound of Guyenne, in the Aquitaine area, was convertible to English or French currency, and four Bordeaux pounds made up one pound sterling. There was an incredible variety of small currencies.

After the Black Death in 1348-9 the balance of population and supply of money was upset, trade was disrupted, and a price spiral began because of the shortage of labour. There were laws to fix wages and prices, and enforce rules about selling other than in the open market.

Flanders was crucial in Anglo-French rivalry. Its towns were leading 14th century commercial centres, and great wealth was generated by the weaving industry. Flanders was tied to England by wool, and Cascony by wine. We imported wine and other products from Bordeaux and sent back wool and cloth.

Meanwhile the French king was looking for money with which to wage war against England, and when he could raise no more through taxes he fell back on devaluing the coinage. A chonicler wrote, "In 1343, Philip of Valois made 15 deniers worth three". Again in 1351 France devalued. Coins were called in and reminted with lower proportions of gold and silver, and recirculated at the old face value, with the difference retained by the Treasury. Since coins in daily use were most affected, the system reduced the real wages of ordinary people while bankers and nobles, whose movable wealth was in large gold coins or gold and silver plate, were barely touched. Under Jean II, manipulations were so erratic that they upset all values. The Abbot of Tournai wrote a verse of sorts, "Money and currency are very strange things, They keep on going up and down, no one knows why, If you want to win you lose, however hard you try". There were 18 alterations to the currency in 1351, and 70 in the next 10 years.

It was Richard II who had to face the Peasants' Revolt. He was only 14 at the time, and in the last few years of his father's reign and Richard's first four years, there was unprecedented taxation including four poll-taxes raising as much as three groats at a time from everyone over 15. I wonder how many hoards were laid away at this time by people trying to persuade the tax collector that he couldn't get blood out of a stone. At this time the Flemings had not bought their usual amount of wool, possibly because of the perennial war, and English customs receipts were down. There were attacks on foreigners who were believed to be taking wealth out of the country, and evidence was given in the parliamentary enquiry after the revolt in June 1381, "that all the gold of England, being good and heavy, was gone beyond the sea, to the great profit of those who exported it".

In the early 15th century there were further balance of trade crises caused by export of English coins and import of base foreign currencies, a perfect example of the economist's maxim that bad money drives out good; and in 1412 Henry IV reduced the weight of the noble from 120 to 108 grains and the penny from 18 to 15 grains. It was a miserable little penny, "light coinage" was the politest thing you could say about it, but at least it was still a silver penny.

Under Edward IV, from 1461, the economy got more complicated. He spent about £2000 a year on clothes, linen, furs and fabrics for himself and his household – about the same as John 200 years earlier. Single items which have been documented include a cloth of gold jacket with satin and damask for £13.6.8d., a jacket with 5½ yards of gilt cloth for nearly £18, and a yard of velvet at 12/- the yard – an enormous price for those days, but then all those materials would have come from the near east, probably through Damascus.

Revenue under Henry VI had fallen to about £24,000 p.a. in the last five years of the reign, compared to about £90,000 under his predecessor Henry IV. Current charges and outstanding debts rose from £225,000 in 1433 to £372,000 in 1450. Wages were unpaid for years. The government borrowed at interest as high as 33%. Edward's first task therefore was to restore solvency and financial credibility. Taxes between 1461 and 1470 yielded £93,000 but this was mostly spent on defence. Edward took an average of £25,000 from customs dues which were badly affected by poor trade. About £30,000 came from the royal estates and he got "subsidies" from the clergy. Against that the royal household needed about £11-12,000 a year, plus as much again for wages and administration. £10,000 a year in peacetime went to keep up the garrison and fortress at Calais, and £50,000 more for other royal households.

It was therefore essential to boost trade and make some money from it. There was a chronic shortage of cash and bullion, so the government tried to ease this by forcing the English merchants known as the Company of the Staple to finance the Calais garrison from the customs revenue it collected, and make the Staple compel its foreign customers to pay for a large proportion of their purchases in cash. This was then brought back to the Calais mint and turned into coin of the realm.

The Staple controlled the high quality wool trade but there was opposition from lower grade wool in the north country which was allowed to be exported directly to the low Countries without customs. Normally there was a 35% duty on raw wool, paid by the exporters, and all English merchants paid a duty of 12d. in the pound, or 5%, on exports and imports, known as poundage; but some foreigners such as the Hanseatic League were exempt.

In 1463-5 parliament debated the drain of bullion from the country, and restricted credit for foreign wool buyers, requiring cash for all sales from the Calais Staple. At the same time they took the desperate step of devaluing the pound, which contradicted the policy of centuries, but made sense in view of the way sterling was vanishing across the Channel. This made goods 25% cheaper and brought money back into the country.

This devaluation was the most drastic change since bimetallism in 1343. The nominal value of the coins made from a pound of metal was increased by 25%, but without increasing the amount of alloy; so the face value of the gold noble rose from 6/8 to 8/4d, and a pound of silver now produced 450 pence instead of 360 (a penny was 12 grains, only half of Alfred's!)

Then in 1465 the government introduced new coinage based on the noble, or royal, valued at 10/-, and in the process they gained a minting charge which brought £17,500 profit in two years.

These measures, plus a £10,000 per annum payment from France as part of the peace settlement, put the reign out of financial danger. By the time Edward died the country was comparatively wealthy, and Henry VII carried on many of Edward IV's monetary policies.

Naturally there was steady trade with the nearest neighbour, Scotland. At first Scotland used English and other coins, but David of Scotland, a contemporary of Stephen, copied Stephen's coinage and issued his own. The entire legend was liable to be in reverse or split up into unmeaning segments. In 1356 Edward III proclaimed that because it fell short of the English money in weight and fineness, the Scottish money then being struck should not be current in England. Eleven years later a Scottish law ordered coinage to be "of as good and pure metal as the money now made in the Kingdom of England" but of reduced weight. However in 1390 the Scottish groat was only worth 2d. south of the border. These groats must have been the full-face issues of Robert, because the profile ones were near the English standard at the time. James I of Scotland (1406-37) considered that for a country to be wealthy there should be a good supply of coined money within it, and to achieve this for Scotland to be hindered the export of gold and silver by a tax of 40 pence on every pound taken out of the land (i.e. 17%).

With this brief survey I hope I have managed to convince you how closely mediaeval trade and coinage were intertwined, and how by studying one we can appreciate the other. It is a far more complex subject than these notes would indicate but I hope that food for thought has been provided.

PRELIMINARY READING LIST FOR MEDIAEVAL TRADE AND CURRENCY

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