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Taking a Little off the Top: How Henry VIII and Edward VI Destroyed the Value of England's Currency

ABSTRACT: Throughout the Tudor era, the Crown turned to debasement of the currency — the replacement of the gold or silver content of coins with a base metal — as a non-parliamentary method of raising revenue. Tudor kings and queens used debasement to tax their subjects without the consent of the people that is guaranteed in English common law. The heaviest period of debasement occurred from 1542 to 1551 during the reigns of Henry and Edward. Throughout this period, England also experienced the greatest increase in prices. From 1485 to 1603, agricultural prices increased by 338% and industrial goods increased by 131%. Contemporaries began commenting on the high prices in the late 1540s and the Crown, needing a scapegoat, blamed the wealthiest members of society. But it was the Crown that made life more difficult for its subjects by contributing to price increases through its policy of debasement.

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Many economic historians have studied the price increases of sixteenth-century England. A consensus has emerged that focuses more on population increases and harvest failures than on the Crown's policy of debasement. John Munro argues that harvest fluctuations had more of an effect on the lives of everyday people than the debasement of the coinage.¹ However, while it is true that population increases and agricultural disasters played a significant role in England's

1 John H. Munro, "Debasement of the Coinage and its Effects on Exchange Rates and the Economy" in *Money in the Pre-Industrial World* edited by John H. Munro, (London: Pickering & Chatto, 2012), 68.

price rise, the most rapid increase in prices occurred when King Henry VIII and later his son King Edward VI turned to debasement to fund wars. Elizabeth reestablished the value of the coinage early in her reign but later turned to debasement as a means to pay for her European campaigns. The result of the Tudors' policy of debasement was a rough century in which real purchasing power for English subjects decreased and hardships were the standard not the exception.

I.

The story of King Henry VIII and his six wives is well-known. It is equally well-known that Henry's tumultuous personal life dramatically influenced his policies. The decision to separate from the Catholic Church can be attributed to Henry's desire to divorce his first wife Katherine of Aragorn. Less studied is the effect that Henry's fifth wife, Catherine Howard, had on policy. Henry and Catherine were married in July of 1540, the marriage proved to be short lived. Catherine had an affair with Henry's courtier Thomas Culpepper and by 1541 rumors of her infidelity spread through the Court. Initially, Henry refused to believe the accusations against Catherine. Only believing the accusations when evidence of her adultery was presented to him, Henry asked for a sword so that he might kill Catherine but soon after dissolved into tears and complained of having "such ill-condition wives."² In short, the king was distraught and his manhood had now been directly challenged. According to historian John Guy, "with his ego in this fragile state, Henry resolved to restore his 'honour' in a war against France."³ Thus Catherine's betrayal contributed to Henry's decision to invade France.

France and Spain had withdrawn their ambassadors to England in 1539 in response to Pope Paul II's excommunication of Henry and for once were allied together against England. Yet the truce between the Spanish and the French did not last and by the summer of 1541 — when Catherine was discovered to have cheated on Henry — the two nations were once again at odds.⁴ Henry and Charles I of Spain agreed to a treaty in 1543 and had plans drawn up for a joint invasion of France in the summer of 1544.⁵ The decision to go to war came easy to Henry who had always fantasized about restoring the glory that Henry V had won for England at the Battle of Agincourt and restoring his ancient, and preposterous, claim to the French throne.⁶ The decisions about how to finance the war,

2 David Starkey, *The Reign of Henry VIII: Personalities and Politics* (London: George Phillip, 1985), 128; Karen Lindsey, *Divorced, Beheaded, Survived: A Feminist Reinterpretation of the Wives of Henry VIII* (New York: Addison-Wesley, 1995), 175.

3 John Guy, *Tudor England* (New York: Oxford University Press, 1988), 190.

4 Guy, 184.

5 J.J. Scarisbrick, *Henry VIII* (New York: University of California Press, 1968), 434; Guy, 190.

6 Scarisbrick, 54, 135.

however, proved more elusive. Direct taxation had to be approved through parliament and was therefore not at the top of Henry's options. Henry had considerable lands that he had acquired from the dissolution of the monasteries, an amount totaling £120,000 a year.⁷ These rents would have provided the Crown with financial independence for many years had Henry not gone to war. Needing to finance his war, however, Henry sold off the lands for the market value of twenty years of rent. As a result, Henry raised a substantial amount of money in the short term to pay for the war.⁸ But the king still needed to raise more revenue and in 1542 he turned to debasement of the coinage as a means to make up the difference.

While Henry ordered for the coinage to be recalled and debasement to proceed in 1542, the coins did not all flow in immediately. The Crown led in the debasement by devaluing the coins in its possession. Individuals reminted their own coins because by doing so they could pay less "real money" for their debts — including their taxes.⁹ Demand to remint coins was so great that the government opened six new mints.¹⁰ Henry received a total of £363,000 from the debasement of the coinage. While this was a substantial amount of revenue, it was not enough on its own to pay for the war, which cost £2,134,784. Further revenues to pay for the war included £656,245 from taxation, £799,310 from the sale of ex-religious lands, £270,000 from forced domestic loans, and £100,000 from loans from Antwerp.¹¹ The cost of the war put serious financial stress on the Crown.

If funding the war had seemed difficult, the fighting itself did not go much better. The plan that Charles and Henry had agreed on was never carried out. The two never marched on Paris; instead Charles negotiated a separate peace with Francis I of France and left Henry to besiege the town of Boulogne in the fall of 1544. After nearly two months the fortress town surrendered.¹² Shortly thereafter, Henry came to understand that without Charles' help there was no way he could defeat the French. Realizing the war was over, he returned to England. In the Treaty of Ardres, the French conceded Boulogne to the English until 1554 when France would pay £600,000 in exchange for the town. Furthermore, Henry received £35,000 per year and the French would use their leverage to bring the Scottish into a new peace treaty with England.¹³

Although on paper it might appear that Henry had won the war and restored his masculinity, the war had bankrupted the Crown and the effects of debasement

7 Alison Weir, *The Six Wives of Henry VIII* (New York: Grove Weidenfeld, 1991), 393.

8 Starkey, 135.

9 J. D. Gould, *The Great Debasement: Currency and the Economy in Mid-Tudor England* (New York: Oxford University Press, 1970), 20.

10 Gould, 3.

11 Guy, 192.

12 Guy, 191; Scarisbrick, 448.

13 Guy, 192.

were being felt by the English population. The debasement of the coinage, which helped finance the war against France, devalued the currency and raised prices. In 1550, an Englishman explained why prices had risen: “By occasion of the warre at Boloine the coyne of Englande was first impaired by Kyng Henry, and from that tyme continually to this day was corrupted and made worse and worse.”¹⁴ While some contemporaries directly linked the rise in prices to the debasement of the coinage, those who did were certainly in the minority. Most people simply realized that prices had increased and that making their daily bread had become harder.

II.

In 1348, the Black Plague broke out in England. The plague killed around 60% of the English population.¹⁵ As a result, wages soared and prices declined. It took over a century for England to regain its population. By the early sixteenth century, the demography was beginning to catch up with England and the expanding population was pushing prices up and wages down. Some economic historians, such as Geoffrey Maynard, have argued that the growing population in England was more important to the rise in prices than debasement.¹⁶ This argument is built around the idea that the agricultural sector of the economy was unable to expand its output to meet the demand of an expanding population. These historians explain that agricultural prices increased more rapidly than did industrial prices. This, they explain, is due to the inelasticity of foodstuffs, and the far greater demand that was present for agricultural commodities.¹⁷ One criticism of the population argument is that the thirteenth and eighteenth centuries both saw more rapid population increase than the sixteenth century and prices did not drastically increase.¹⁸ Furthermore, if the demand for foodstuffs was so great then there should have been ample incentive for the demand to be met — unless there was an outside force preventing the demand from being filled. In which case that force, and not population growth, would be the cause of price increases.

14 “Evil Effects of the Debasement of the Coinage noted in Contemporary Chronicles, 1550” in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 186.

15 Ole Jørgen Benedictow, *The Black Death 1346-1353: The Complete History* (New York: Boydell Press, 2004), 383.

16 R.B. Outhwaite, *Inflation in Tudor and Early Stuart England: Second Edition* (London: Macmillan Press, 1982), 43.

17 R.B. Outhwaite, *Inflation in Tudor and Early Stuart England: Second Edition* (London: Macmillan Press, 1982), 43; Keith Wrightson, *Earthly Necessities: Economic Lives in Early Modern Britain* (London: Yale University Press, 2000), 129.

18 Outhwaite, 49.

Prices increased throughout the Tudor era indicating that the large increase in population did play a role in the price increase. From 1501 to 1530, prices for foodstuffs increased by 50%, while industrial products saw a 12% increase.¹⁹ During the first third of the century, prices rose without any major debasement of the coinage. Furthermore, agricultural prices increased more rapidly than industrial prices. The population argument therefore makes sense for the first third of the century when a surge in population would have rendered an increased number of young people without land — who would need to consume foodstuffs but perhaps would have little need for industrial items. It is also possible that there was price stickiness in the production of food due to an economic environment where taking a risk might mean starvation. Additionally, conventional Christian doctrine identified the pursuit of wealth as illegitimate; such pursuits were “tainted with the sins of covetousness and avarice.”²⁰ Also, restrictions existed that controlled the number of people who could supply a market, there were no economies of scale, there was very little specialization, and most farmers embraced conservative planting practices that focused on controlling risk instead of maximizing production.²¹

Those who emphasize population growth as the major cause of the increase in prices deny that the debasement of the coinage by Henry — and later by Somerset during Edward’s reign — had a great effect on prices. Between the years of 1542 and 1551, the heaviest years of debasement, the money supply more than doubled.²² The only way in which doubling the money supply would not have a dramatic impact on prices would be if the velocity of the currency somehow decreased. There is little evidence that velocity decreased as a result of the debasement, in fact the debasement increased it by encouraging silver, which had a higher velocity than gold, to flow into England — where it was overvalued.²³ The debasement of gold and silver was not done evenly and “although both metals suffered in the great debasement following 1542, silver suffered much more than gold, with the result that the ratio dropped from 12.3 to 1 in 1541 to a ridiculous 5 to 1 by 1546, a ration which grossly undervalued gold.” Contemporary observers noted the flood of silver into the country. William Lane wrote to Cecil in 1551 and complained that “the lyke of thys myscheffe hapnyd here in ynglo[n]d in the monthes of June, Julij, and awguste laste, in the wyche 3 monthes was caryyd owte of ynglond not so lyttyll as a hundarthe thousand powndes of gold; and yette dyd there sylvar cume in to the land as faste.”²⁴ Gold flows out of the

19 Outhwaite, 12.

20 Wrightson, 57.

21 Wrightson, 56-57.

22 Gould, 83.

23 Outhwaite, 56.

24 “William Lane to Cecil on the Coinage and other matters, 18 Jan, 1551.” in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 183.

country were so extreme that the Crown passed the *Act Against the Exportation of Gold and Silver* in 1553. The legislation asserted that “the Golde and Sylver of the Coygne of this Realme hathe and daily ys and been carried and conveighed into France” and established “that no person sholde carrye or make to be carried out of this Realme or Wales from no part of the same, anye maner of money of the coigne of this Realme... upon peine of Felonye.”²⁵ It is clear that the amount of silver in circulation increased in England during the time of debasement. Therefore, it is unlikely that the debasement of the coinage was accompanied by any decline in the velocity of the currency.

The thirty year price index from 1531 to 1560 demonstrates that prices during the debasement increased much more uniformly than from 1501 to 1530. The price of foodstuffs increased by 96% and the price of industrial products increased by 69%.²⁶ When prices increase because of devaluation of the currency, they tend to rise across the economic spectrum (with some consideration for the elasticity of demand). The increase in all goods during this time indicates that something beyond population was driving prices up. Some economic historians have claimed that because there was a delay between the debasement and the upward rise in prices that debasement must not have caused the increase in prices. This view does not take into account that while the standards were altered by Henry in 1542, the debased coins did not go into wide circulation until 1544-1545.²⁷ Therefore, there would have been a lag between the enactment of debasement as a policy and the increase of prices. Furthermore, the greatest factor that was altered between the 1501-1530 index and the 1531-1560 index was the debasement of the coinage. The debasement of the coinage played a pivotal role in the drastic increase in prices between the death of Henry and the coronation of Elizabeth I.

III.

While Henry started the debasement process in 1542, the policy was continued during Edward's reign. Edward took the throne when he was only nine. As a result, a regency council was established to govern until Edward came of age. The head of the council was Edward Seymour — Edward VI's uncle. Seymour, who had been the Earl of Hertford during Henry's reign, awarded himself a new title and became the Duke of Somerset. Somerset's major obsession was the conquest of Scotland and the unification of the English and Scottish thrones through

25 “Act Against the Exportation of Gold and Silver 1553” in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 178.

26 Outhwaite, 12.

27 Outhwaite, 46.

the marriage of young Edward to Mary Stuart. Somerset invaded Scotland in September of 1547, just seven months after the death of Henry. He failed to implement an effective blockade and in the summer of 1548 the French sent six thousand troops with artillery to Scotland.²⁸ As a result, the war was extended and the price of the campaign increased.

When the war was finally over, it totaled £580,393. Somerset's invasion of Scotland cost an extraordinary amount of money and almost forced the French to declare war on England.²⁹ The campaign ultimately failed to achieve Somerset's goals and he withdrew his forces from Scotland in 1549. In order to finance the conflict, Somerset turned to debasement. Since Henry had debased the currency, rents had increased by 77% per cent.³⁰ Common people felt the impact of the devaluation of the currency and some began to form explanations for their hardship.

Complaints about the rising price of goods and rent became commonplace. A merchant responding to complaints about the increase in his prices complained that the cost of all textiles had risen "and all other kynde of clothe made within this Realme is lykewyse raysed at suche lyke pryces, And the pryces notwithstandinge, the sayde clothe was never so yll and falsely made."³¹ Pamphleteers and preachers such as Hugh Latimer and Robert Crowley blamed enclosures for the rise of food prices claiming those that raised sheep for the European clothing market were "men without conscience... cormorants, greedy gulls, Yea, men that would eat up men women and children."³² There was a growing sense that the rich land holders were exploiting the poor by raising sheep instead of planting foodstuffs. One social commentator questioned how "seing ther is at this present so maney Shepe within the realme, howe chanche it, that woll is now doble the price that it was at within this vij years."³³ There was deep suspicion of the wealthy and many believed that enclosures were to blame for the increase in prices.

Widespread frustration with high prices put pressure on the Crown to take action. In June of 1548, Somerset decided to enforce existing legislation against enclosures. He established a commission to travel across England to implement the law. The head of the commission explained that his goal was "to remove the self-love that is in many men, to take away the inordinate desire for riches... to

28 Guy, 199, 201-202.

29 Chris Skidmore, *Edward VI: The Lost King of England* (New York: St. Martin's Press, 2007), 109-110.

30 Skidmore, 91.

31 "Rise in the Prices of Cloth Goods, 1551." in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 191-192.

32 Skidmore, 91.

33 "Policies to Reduce this Realme of Englande Unto A Prosperous Wealth and Estate" in *Tudor Economic Papers*, vol. 3. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 320.

expel and quench the insatiable thirst of ungodly greediness wherewith they be diseased, and to plant brotherly love among us.”³⁴ According to historian Chris Skidmore, Somerset understood what he was doing: “he was the first politician to realize the full value of popularity, which he ostentatiously used to supplement his quasi-regal authority.”³⁵ Unfortunately for Somerset, his attack on enclosures created deep animosity among many at Court. Many of those who made up the government were the wealthy land owners that Somerset’s policy attacked. Others in Somerset’s service questioned if enclosures had led to high prices and rents.

Sir Thomas Smith was forced to retire from his secretary duties in 1549, due to his insistence that the debasement of the coinage was the major reason for high prices. Smith had presented Somerset with a vigorous financial policy that he believed would solve many of England’s economic problems. At the heart of Smith’s program was his opposition to debasement and in the summer of 1549, he was forced to leave London and settle down in his country home. From there he wrote *A Discourse of the Commonweal of This Realm of England*. According to Mary Dewar — the historian who identified Smith as the author of the work — the central thesis of Smith’s work is “that the social distress and widespread economic dislocation were directly related to the debasement of the coinage.”³⁶ *Discourse* consisted of the imaginary conversations of five characters, each representing a different socio-economic section of England. Four of the characters complain about the poor economic conditions and the Doctor analyzes their complaints and provides explanations. In one exchange, the Knight says to the Doctor: “Then you think plainly that this alteration of the coin is the chief and principal cause of this universal dearth?” The Doctor responds that “experience and proof does make more plain; for even with the alteration of the coin began this dearth, and as the coin appeared so rose the pace of things withal.”³⁷ Smith, speaking through the Doctor, conveys to readers what he could not get through to Somerset: that the Crown, through debasement, was responsible for the enduring decline of the English economy.

Around the same time that Smith fell out of favor, Somerset himself began a political descent. In June of 1549, the council pleaded with Somerset to end the parliamentary session and reestablish order in the country. Somerset’s policy towards enclosures had emboldened those who wanted to see more equality and fairness in society. John Hales, a member of Parliament, added to the council’s anxiety by passing the *Act for the Relief*, which established a poll tax for

34 Skidmore, 92.

35 Skidmore, 93.

36 Mary Dewar, “The Authorship of the ‘Discourse of the Commonweal’” *The Economic History Review*, January 1 1966, 389-390.

37 Sir Thomas Smith, *A Discourse of the Commonweal of This Realm of England*. Ed. Mary Dewar (Charlottesville: The University Press of Virginia, 1969), 101.

each sheep owned. After this act became law, Somerset attempted to reassure the nobility — who were livid with the *Act for the Relief* — that his administration still held their interests at heart. He did so by pardoning enclosure offenders from the previous year. After a couple weeks, however, Somerset doubled down and reestablished his tone of condemnation of the wealthy for their greed. The court preacher Hugh Latimer, whose sermons condemned enclosures and had influenced Somerset's policies, spoke with Edward VI in the summer. He complained that there was no discipline in England and that Edward's subjects "be without all order."³⁸ Riots broke out across England in the late spring of 1549. While the riots had multiple causes — religious, economic, and social grievances all played a role — some who protested pointed to Somerset's own policies believing that it was lawful for them to destroy the gentry's property and redistribute the wealth.³⁹ Edward, in his chronicle, blamed enclosures for the uprisings.⁴⁰ Regardless of what inspired the uprising, the council determined that Somerset was to blame and by October Somerset had been removed as Lord Protector and imprisoned.⁴¹

John Dudley, the Earl of Warwick and later the Duke of Northumberland, took control of the government and imprisoned Somerset. Northumberland's first goal was to restore England's finances. He sold Crown lands, raised taxes, and melted confiscated church gold into coins. Northumberland also turned to debasement. He raised over £100,000 by devaluing the currency. Furthermore, Northumberland employed the talents of Sir Thomas Gresham, who was able to manipulate the exchange rates between England and Flanders — as a result England was repaid over £240,000. In 1552, Cecil convinced Northumberland that he needed to reestablish confidence in the currency. Northumberland agreed to a slight recoinage and as a result prices began to stop their ascent.⁴²

Somerset went on trial in 1552. Edward asserted that Somerset had committed crimes against him and charged that he had entered "into rash wars in mine youth... enriching himself of my treasure, following his own opinion, and doing all by his own authority."⁴³ Somerset was not put on trial for any crimes until after 1551 when he was accused of planning the death of Northumberland. During the trial Seymour (now striped of his titles) admitted to talking "with some of his familiars and friends about finding means to abase Northumberland, but not to kill him."⁴⁴ Somerset returned to the Tower after being found guilty. On January 22, 1552 Somerset was executed.⁴⁵ Edward began to play a more active role in the

38 Skidmore, 112-113.

39 Guy, 208-209; Skidmore, 113.

40 Jennifer Loach, *Edward VI* (New Haven: Yale University Press, 1999), 85.

41 Judith M. Richards, *Mary Tudor* (New York: Routledge, 2008), 96-97.

42 Guy, 217.

43 Loach, 91.

44 Skidmore, 218.

45 Guy, 215.

affairs of government in 1552, but in the winter of 1553 he fell ill with pneumonia. The young king, on the verge of taking the reins of his kingdom, died that July.⁴⁶

IV.

Although Northumberland had issued a recoinage, the monetary base had not been returned to what it was prior to Henry's debasement in 1542.⁴⁷ As a result, when Queen Mary I took the throne prices remained high. Mary's reign began in economic turmoil. She inherited a debt "of more than four times the expected annual surplus in royal revenue."⁴⁸ Furthermore, Mary was thirty-seven when she came to the throne and she was Catholic. Mary's primary objectives were to get married, have a child, and roll back as many of Edward's protestant reforms as possible. Mary's marriage to Phillip of Spain brought her into conflict with the French and as a result her debt problem magnified. She achieved much of the needed revenue by raising taxes in 1555 and 1558, but like Henry and Edward before her she could not resist debasement. Mary's debasement raised £58,000 and ensured that prices would continue to rise.⁴⁹ Mary died in November of 1558 and her younger sister Elizabeth I, Henry's daughter with Anne Boleyn, became queen.

As soon as Elizabeth took the throne, there were calls for her to restore the value of the coinage. Sir Thomas Gresham wrote a letter to the queen explaining that in order to "restore this your reallme" you should "bringe your basse money into fine of xi ounces fine, and so gowld after the ratte." Gresham also suggested that Elizabeth stop granting licenses to nobles, not to incur debt, and to keep up the Crown's credit.⁵⁰ Elizabeth — or perhaps her council — took Gresham's advice to heart and decided that the coinage should be reformed to the standard that was in place prior to Henry's reign. The Crown realized that this policy would hurt debtors and those who had long term contracts that set prices. As a result, Elizabeth decreed that all debts and rents must be adjusted to the new standard.⁵¹ In an official memorandum, Elizabeth concluded, after questioning

46 Richards, 108; Diarmaid MacCulloch, *The Later Reformation in England, 1547-1603* (New York: Palgrave, 2001) 17.

47 Northumberland was executed for treason in 1553 — he had endorsed an elaborate plot endorsed by Edward to place Lady Jane Grey on the throne (who was also married to his son) instead of Mary.

48 Richards, 122.

49 Guy, 240-241.

50 "Gresham to Queen Elizabeth on the Fall of the Exchange, 1558" in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 149.

51 "Memorandum on the Reasons Moving Queen Elizabeth to Reform the Coinage, 1559" in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 194-195.

why the country was in economic decline, “that the greatest and almost the only cause thereof hath proceeded by the inhauncementes of the coigne in the tyme of her father and brother, and that the only remedy thereof is to reduce the monies to the auncient standard.”⁵² The official proclamation announcing a reform of the coinage echoed Gresham and Elizabeth’s conclusion that “nothyng is so grievous, ne likely to disturbe and decaye the state and good order of this Realme, as the suffraunce of the base monies.”⁵³ Elizabeth’s message to the country was clear: Henry, Edward, and especially Mary had run the country into the ground but she would restore England. While the country was experiencing hard times, Elizabeth played up the image of herself as England’s savior. Nonetheless, her policy of recoinage was effective. Confidence in the currency was restored and prices began to stabilize.⁵⁴ During the first ten years of Elizabeth’s reign, the price of foodstuffs decreased for the first time in the sixteenth century. From 1561 to 1570, agricultural prices decreased by 5% and industrial products increased by only 17%. During the 1550s both agricultural and industrial products had increased by around 45%.⁵⁵ Elizabeth’s policy of recoinage was successful in slowing the increase in prices.

Elizabeth was successful in controlling price increases for the first thirty years of her reign. While agricultural prices increased by 91%, industrial products only increased in price by 12%. While agricultural price increases mimicked the increases that occurred during the debasement period (the thirty year index from 1531-1560), industrial price increases returned to the rate of increase experienced from 1501 to 1530.⁵⁶ Overall, the recoinage decreased the monetary base from £1,580,904 in 1560 to £1,391,325 in 1562, a 12% decrease in the monetary base. The monetary base in 1562, however, was still 64% above the 1542 monetary base.⁵⁷ Though Elizabeth had taken a step towards reestablishing the currency, she did not return England to its pre-debasement monetary base.

Elizabeth’s success in restoring the value of England’s currency, however, came to an end when she became involved in European wars. The defense of England from the Spanish Armada and England’s campaign in the Netherland’s

52 “Memorandum on the Reasons Moving Queen Elizabeth to Reform the Coinage, 1559” in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 193.

53 “Proclamation Announcing a Reform of the Coinage by Queen Elizabeth, 27 September 1560” in *Tudor Economic Papers*, vol. 2. ed. R.H. Tawney and Eileen Power (New York: Longmans & Green, 1924), 196.

54 Wrightson, 119.

55 Outhwaite, 12. The parity in the percentage of price increase during the 1550s supports the claim that price increases that are due to inflationary monetary policies should increase prices in all sectors at roughly the same rate.

56 Outhwaite, 12.

57 Gould, 82-83.

cost £1,580,781.⁵⁸ Elizabeth debased the coinage in the 1590s as a means to pay for her military conflicts. While Elizabeth deserves some credit for restoring confidence in the English coinage early in her reign, she was also a pragmatic ruler who embraced debasement when she was desperate for funds.

V.

Throughout the Tudor era, the Crown turned to debasement as a non-parliamentary means to raise revenue. In reality it was a way for Tudor kings and queens to tax their subjects without the English people's consent (through Parliament) — which is guaranteed in English common law. From 1485 to 1603, agricultural prices increased by 338% and industrial goods increased by 131%.⁵⁹ The heaviest period of debasement occurred from 1542 to 1551 during the reigns of Henry and Edward. Throughout the period of greatest debasement, England also experienced the greatest increase in prices — this is no coincidence. Debasement of the coinage had a significant effect on the price of goods in England. Contemporaries began commenting on the high prices in the late 1540s and the Crown, needing a scapegoat, blamed the wealthiest members of society.

The story of debasement in Tudor England has been replicated throughout history. Governments who desire to wage wars that the populace would be unwilling to pay for increase the money supply. This increase in the money supply depreciates savings, raises prices, and imposes a de facto tax increase on the entire country. During the sixteenth century, the English people suffered incredible increases in the price of food, industrial items, and rent. Common people found it incredibly difficult to just get by under the reign of the Tudors. Population increases undoubtedly played a role in the overall price increases during the century. But the Crown made life more difficult for its subjects by contributing to the price increases through the policy of debasement.

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⁵⁸ Christopher Haigh, *Elizabeth I* (New York: Longman, 1998), 138.

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