

This is why Henry was so keen to reorganise the financial administration, because he believed that a wealthy king was a healthy king, one that was better able to finance his way out of trouble. However, Henry was well aware that his determination to make the collection of revenue more efficient would encounter opposition from those who would be expected to pay.

Financial administration

In the first two years of his reign, Henry VII had neither the experience nor the time to continue the Yorkist practice of using the chamber (see pages 85-6) so the exchange resumed its control of royal finances. However, as early as 1487, Henry admitted that this might have been a mistake. In focusing so intensely on his own security, he had neglected to take adequate care of his estates and the consensus of contemporary opinion suggested that they had 'fallen into decay'. The accounts bear witness to this. In Edward IV's reign they had brought in between £20,000 and £25,000 per annum, but by 1486 this had declined to a fraction over £12,000.

From the end of 1487, Henry gradually began to restore the chamber system to its former position as the most important institution of financial administration. By the late 1490s it was once again at the heart of royal finance, responsible for an annual turnover in excess of £100,000. It dealt with the transfer of all revenue from the following:

- Crown lands
- profits of justice
- feudal dues
- French pension.

In fact, it dealt with all sources of income except custom duties and the accounts of the sheriffs (the officials responsible for the maintenance of law and order in the shires). These remained under the control of the Exchequer because their collection involved detailed information and a complex organisation of officers and records not available to the **Treasurer of the Chamber**. The Treasurer of the Chamber had become the chief financial officer of the Crown and during Henry's reign the post was held by two men only: Sir Thomas Lovell (1485-92) and Sir John Heron (1492-1521). They were two of Henry's most loyal and efficient servants and he worked very closely with them, checking the accounts himself and leaving his signature on them as proof of their accuracy.

The Privy Chamber

Arguably the most important development in the financial administration of the kingdom involved the king's Privy [private] Chamber. This was staffed by his personal household servants, who were entrusted with the task of overseeing the administration of the royal household as well as taking care of Henry's private expenditure. The chief officer of the Privy Chamber, the Groom

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of the Stool, became second in importance to the Treasurer of the Chamber, and lesser household officials, such as Gentlemen of the Bedchamber, rooms and ushers, found that new opportunities for promotion were open to them.

Financial personnel: Sir Reginald Bray (died 1503)

In order to ensure the smooth running of the Crown's financial administration Henry demanded loyalty, efficiency and integrity from the officials he put in charge. His most trusted adviser in financial matters was Sir Reginald Bray, the Chancellor of the Duchy of Lancaster. Bray's promotion was due to the recommendation of Henry's mother, Margaret, who he had served in her household. His efficiency and administrative skills were amply demonstrated during his time as Chancellor of the Duchy of Lancaster, a position that brought with it responsibility for running the richest and most important groups of royal estates in the country.

Bray had been responsible for successfully restoring the effective methods of estate management at the Duchy, which had been disrupted by the chaos caused by the Wars of the Roses. It was for this reason that Henry entrusted him with the task of introducing new methods of **auditing** the accounts. Although he held no formal office in either the Chamber or Exchequer – he was sometimes described as the 'under-treasurer of England' – Bray became the king's chief financial adviser. Bray was among a select group of royal officials and Henry regarded him as being as much a friend as a servant.

Bray did not work in isolation. He co-operated closely with both Lovell and Heron, and other household officials, making the system more efficient by holding frequent meetings to discuss and examine the Chamber accounts. According to Giovanni de Beulcho, an Italian merchant, Bray, who controls the king's treasure, was the only man who really had any influence over Henry. Bray's death in 1503 hit the king hard but he found in Sir Robert Southwell a worthy successor. Southwell had been one of the king's most efficient auditors and he was promoted by Bray to become his assistant. Like Bray, Southwell's talent lay in offering the king sound advice on financial matters and in devising new and more efficient methods of collecting and accounting for money paid into the royal treasury.

The financial resources of the Crown

Ordinary revenue was the regular annual income on which the Crown could rely to finance the costs of monarchy (see pages 83–4).

Crown lands Henry inherited all the lands which had belonged to the houses of York and Lancaster, including the Earldoms of Richmond, March and Warwick, the Duchy of Lancaster and the Principality

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of Wales. He also further enriched the Crown through **escheats** and attainders, but, unlike Edward IV, Henry did not grant a large proportion of them to his family and supporters; he thus retained the profits from them for himself.

Henry was clearly pursuing a different policy towards his landed estates from that of Edward IV. This was partly due to his personal circumstances. He was lucky in having few relatives who expected to benefit from his seizure of the crown. He had no brothers; his uncle, Jasper Tudor, died in 1495, and his elder son, Arthur, in 1502. This left only Prince Henry requiring financial and territorial support. Henry did not shower honours on his extended family, such as the Stanleys, or over-reward his friends and supporters. Consequently, on his death in 1509, the Crown lands were more extensive than those he had inherited in 1485. A combination of efficient management and good fortune meant that the annual income from Crown lands had increased from £29,000 (£14 million in today's money) in 1485 to £42,000 in 1509 (£20 million today).

Act of resumption

Henry was determined to restore the territorial wealth and strength of the Crown. In his very first parliament in 1486 he instructed its members to pass the act of resumption which recovered for the Crown all properties granted away as far back as 1455. This was a significant declaration by Henry because:

- it expressed his belief that the majority of Crown lands had been wrongly alienated as a result of the civil war
 - he was clearly, and legally, laying claim to substantial blocks of valuable territory
 - having stated his claim, he did not take back all the estates involved because he did not wish to antagonise the majority of noble families affected by the act.
- This last point is equally important because Henry knew that if he was to successfully consolidate the dynasty he must gain the support of the nobility by showing them he was prepared to compromise.

Customs duties

Henry considered the revenue derived from customs duties to be important enough for him to take a personal interest. For example:

- Within 18 months of his accession he introduced a system whereby merchants involved in shipping merchandise from one English port to another were required to produce a certificate from the first port as proof that duties had been paid.
- In 1496 he tried to reduce some of the privileges enjoyed by foreign merchants such as immunity from English customs duties paid on their goods.

Escheat
The system whereby, in the event of a landholder dying without heirs, his lands passed by right to the king.

Key term

Act of resumption:
1486

Key date

Key date
Office of Master of the King's Wards established: 1503

- The Book of Rates, the setting of tariffs of customs duties to be paid in London, was twice updated to take account of price inflation and increasing mercantile profits.
- Despite Henry's efforts, income from customs did not greatly increase. In fact, by the end of his reign the revenue collected from customs duties had been overtaken by that derived from Crown lands. Nevertheless, customs duties were still providing a third of the Crown's ordinary revenue. The average annual receipts were about £33,000 for the first 10 years of the reign and about £40,000 thereafter.

Feudal dues

Henry was determined to enforce these traditional rights to the full and to extract the maximum income possible from them. Initially the proceeds from wardship and marriage were small, amounting to only £350 in 1487, but after 1503 a special officer (the Master of the King's Wards) was appointed to supervise them, and by 1507 the annual income had risen to £6000.

Profits of justice

There is no doubt that Henry was rigorous, some have said ruthless, in his running of the judicial system. The income he derived from fines imposed on law-breakers, particularly for serious crimes such as murder, kidnap and arson, made a significant contribution to Henry's income. This policy attracted criticism because it looked as if the king was more concerned with financial gain than properly punishing the criminals. For example, even treason – a capital offence punishable by death – was sometimes commuted to life imprisonment and/or the imposition of a huge fine. Thus many of the rebels found guilty of participating in the Cornish rebellion of 1497 were fined rather than executed (see pages 117–18).

Another type of fine that the king used as punishment against opponents was that of attainder. For example, the attainder imposed on Sir William Stanley in 1495 resulted in the immediate confiscation of his total assets in cash and jewellery of £9000

Table 7.2: The number of attainders passed during the reigns of Edward IV, Richard III and Henry VII. Which king can be charged with the excessive use of attainders?

Attainders	Number
Passed by Edward IV	140
Reversed	42
Passed by Richard III	100
Reversed	1
Reversed by Henry VII directly after Bosworth	99
Passed by Henry VII	138
Reversed	46

Source: John Guy, *Tudor England*, Oxford University Press, 1988.

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followed by an annual fine of £1000 charged on the income from his estates. There was only one parliament during the reign which omitted to pass any attainders and the highest number in any session was 51.

Extraordinary revenue

Extraordinary revenue was money which came to the Crown on particular occasions and therefore with no regularity (see pages 84-5).

Parliamentary grants

Henry was cautious in his dealings with parliament. He wished to exploit parliament's capacity to raise huge sums of money but he did want to overburden MPs for fear of provoking disobedience and opposition. He therefore used parliament sparingly, asking for financial assistance on only three occasions:

- 1487 to pay for the battle of Stoke
- 1489 to go to war against the French
- 1496 to defend the throne against attack from the Scots and Perkin Warbeck.

Historians have accused Henry of cheating his subjects by raising money for wars that did not actually look place, as in 1496.

Certainly, Henry received the grant from parliament after the initial invasion of the Scots had failed to cross the border, but it could be argued that the money was still needed as the attack might have been renewed at any time. In the event, there was no further trouble from Scotland, but some of the money was used to suppress the Cornish rebellion the following year.

Loans and benevolences

Following precedents set by Edward IV, Henry turned increasingly to exploiting the system of loans and benevolences (see page 85). In times of crisis they proved a useful method of raising large sums quickly. Two such crises arose in 1491 and 1496:

- In 1491 Henry raised a **forced loan** when he intended to take his army across the Channel to protect Brittany from French aggression; this produced £48,500, a reasonable amount when compared with the sums yielded by direct taxation. Royal Commissioners were stringent in its collection.
- In 1496 the pretender Warbeck threatened to invade England at the head of a Scottish army. In order to raise and fund an army to defend the kingdom Henry appealed to his landholding subjects for financial support. This royal request, drawn up in the form of an agreement, was virtually impossible to decline because to do so in the face of war, rebellion or invasion was tantamount to committing treason. Henry was aware that such loans and benevolences were controversial and had the capacity to anger those from whom he requested money, mainly well-to-do merchants and landowners. With this in mind he seems to have asked for only modest sums,

Key term

Forced loan
Loans demanded by the Crown from the noble and gentry wealthy merchants. Those who failed to pay risked being labelled as disloyal.

Key term

Simony
The selling of Church appointments.

based, as far as possible, according to an individual's annual income. For example, Sir Henry Vernon of Haddon Hall, Derbyshire, who enjoyed an annual income of over £900, was expected to 'lend' the Crown the sum of £100. On the other hand, if the king's officers suspected someone of trying to avoid payment they were less than sympathetic. One lady, whose name is no longer legible on the contemporary account, offering only £5 of the £20 deemed appropriate for her to contribute, was threatened with being summoned before the king's council. There is no evidence of any resentment leading to rebellion, probably as most of the loans appear to have been repaid, partly in cash but mainly in the form of land or office. In truth, Henry had little choice but to repay them because those subjects who were owed money by the king were more likely to support a rival claimant to the throne.

Clerical taxes

Henry received quite substantial sums from the Church. On several occasions, usually when Parliament made a grant, the Convocations followed suit with their own contributions. In 1489 they voted £25,000 towards the cost of the French war. Henry also made money from **simony**, charging £300 for the Archdeacons of Buckingham on one occasion. Like many of his predecessors, the king kept bishoprics vacant for many months before making new appointments so that he could pocket the revenue in the meantime. Owing to a rash of deaths among the bishops in the final years of the reign, Henry received over £6000 per annum in this way. However, he did not exploit this method as much as some of his contemporaries in other countries such as France or Spain who often prolonged vacancies for years. Henry rarely left a diocese without a bishop for more than 12 months.

The French pension

The Treaty of Etaples of 1492 demonstrated Henry's skill in diplomacy. Threatening war on the French he nonetheless offered to discuss peace. It was a risky strategy that worked since the French wished to avoid war and they were not sure whether Henry was bluffing. In tough negotiations Henry forced the French into making concessions, the most important of which was the grant of a pension. It was a tactic used by Edward IV in 1475 when he negotiated the terms of the Treaty of Picquigny. Henry was promised £159,000 to compensate him for the cost of the war, a sum to be paid in annual amounts of about £5000, only half of what Edward IV managed to force from the French.

Bonds and recognisances

Henry also exploited another source of extraordinary revenue through bonds and recognisances. In general terms this was the practice of subjects paying a sum of money to the Crown as a guarantee of their future good behaviour. However, there was a subtle difference between the two:

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• Bonds were written obligations in which people promised to perform some specific task in the service of, or on behalf of, the king. If they failed to carry out the designated task they were subjected to a financial penalty. Bonds had long been used as a condition for the appointment of officials but in the later fifteenth century their use was extended to private individuals as a way of keeping the peace and ensuring loyalty to the Crown. For example, in 1491, 55 people were held liable for the good behaviour of Thomas, Marquis of Dorset. The list included nobles, bishops, knights and merchants, each pledging a sum ranging in size from £1000, demanded of the Earl of Kent, to £50, requested from Thomas Quadryng, a merchant.

• Recognisances were formal acknowledgements of actual debts and they became the normal way of ensuring payment of money owed to the Crown. Henry took a personal interest in such matters in that they were issued only on his explicit instructions. For example, in 1485 he demanded a recognisance of £10,000 from Viscount Beaumont of Powicke and a similar sum from the Earl of Westmorland as guarantees of their future loyalty.

Historians have long debated Henry's use of bonds and

others dispute this, claiming his only 'fault' was his efficiency in its enforcement and collection. In the first decade of his reign, 191

bonds were collected, rising to well over 200 in the later years of his reign. This is evident in the receipts from bonds, which rose from £3000 in 1493 to over £35,000 in 1505. Those who fell behind in these payments were pursued by the king's officials, particularly those from the Council Learned in the Law, which was made responsible for administering bonds and recognisances. The council became greatly feared because of the efficiency of two of its officials, Empson and Dudley, in hounding defaulters.

Professor Lander's research noted that during Henry's reign, 46 out of 62 noble families were at one time or another financially at his mercy: seven were under attainder, 36 were bound by recognisances or obligations, and three by other means. It is from such evidence that historians such as Caroline Rogers have concluded that 'Henry's main aim in using bonds and recognisances was to fill his coffers.' This led to his gaining a reputation for cynicism and greed, particularly in relation to the later years of the reign.

However, some historians such as Neville Williams have risen to Henry's defence by pointing to evidence that suggests his chief concern was to threaten financial ruin in order to maintain his subjects' loyalty rather than merely increasing his income. The evidence most commonly referred to concerns the experiences of Henry Percy, Earl of Northumberland. It seems that Henry intended to make the errant Percy pay only £2000 of the £10,000 he was originally made to promise. Therefore, one might argue that Henry policies of 'financial terror' and humiliation were designed to consolidate the dynasty and bolster his security.

Key question
How far did Henry achieve his aims
foreign affairs?

Ordinances
• Cl
• Cr
• Fe
• Pr

Instructions
• E
• C