**Economics of English Towns and trade in the Middle Ages**

The **economics of English towns and trade in the Middle Ages** is the [economic history](https://en.wikipedia.org/wiki/Economic_history) of [English](https://en.wikipedia.org/wiki/England) towns and trade from the [Norman invasion](https://en.wikipedia.org/wiki/Norman_conquest_of_England) in 1066, to the death of [Henry VII](https://en.wikipedia.org/wiki/Henry_VII_of_England) in 1509. Although England's economy was fundamentally agricultural throughout the period, even before the invasion the market economy was important to producers. Norman institutions, including [serfdom](https://en.wikipedia.org/wiki/Serfs), were superimposed on a mature network of well established towns involved in international trade. Over the next five centuries the English economy would at first grow and then suffer an acute crisis, resulting in significant political and economic change. Despite economic dislocation in urban areas, including shifts in the holders of wealth and the location of these economies, the economic output of towns developed and intensified over the period. By the end of the period, England would have a weak early modern government overseeing an economy involving a thriving community of indigenous English merchants and corporations.

Invasion and the early Norman period (1066-1100)

[William the Conqueror](https://en.wikipedia.org/wiki/William_the_Conqueror) invaded England in 1066, defeating the Anglo-Saxon King [Harold Godwinson](https://en.wikipedia.org/wiki/Harold_Godwinson) at the [Battle of Hastings](https://en.wikipedia.org/wiki/Battle_of_Hastings) and placing the country under [Norman rule](https://en.wikipedia.org/wiki/Norman_conquest_of_England). This campaign was followed by fierce military operations known as the [Harrying of the North](https://en.wikipedia.org/wiki/Harrying_of_the_North) between 1069–70, extending Norman authority across the north of England. William's system of government was broadly [feudal](https://en.wikipedia.org/wiki/Feudal) in that the right to possess land was linked to service to the king, but in many other ways the invasion did little to alter the nature of the English economy.[[1]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-1) Most of the damage done in the invasion was in the north and the west of England, some of it still recorded as "wasteland" in 1086.[[2]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Cantor_1982a,_p.18-2) Many of the key features of the English trading and financial system remained in place in the decades immediately after the conquest.[[2]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Cantor_1982a,_p.18-2)

**Trade, manufacturing and the towns**

Although primarily rural, England had a number of old, economically important towns in 1066.[[3]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP162166-3) A large amount of trade came through the Eastern towns, including [London](https://en.wikipedia.org/wiki/London), [York](https://en.wikipedia.org/wiki/York), [Winchester](https://en.wikipedia.org/wiki/Winchester), [Lincoln](https://en.wikipedia.org/wiki/Lincoln%2C_Lincolnshire), [Norwich](https://en.wikipedia.org/wiki/Norwich), [Ipswich](https://en.wikipedia.org/wiki/Ipswich) and [Thetford](https://en.wikipedia.org/wiki/Thetford).[[3]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP162166-3) Much of this trade was with [France](https://en.wikipedia.org/wiki/France), the [Low Countries](https://en.wikipedia.org/wiki/Low_Countries) and [Germany](https://en.wikipedia.org/wiki/Germany), but the North-East of England traded with partners as far away as [Sweden](https://en.wikipedia.org/wiki/Sweden).[[4]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-4) Cloth was already being imported to England before the invasion through the [mercery](https://en.wikipedia.org/wiki/Mercery%22%20%5Co%20%22Mercery) trade.[[5]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-5)

Some towns, such as York, suffered from Norman sacking during William's northern campaigns.[[6]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-DouglasP313-6) Other towns saw the widespread demolition of houses to make room for new [motte and bailey](https://en.wikipedia.org/wiki/Motte_and_bailey%22%20%5Co%20%22Motte%20and%20bailey) fortifications, as was the case in Lincoln.[[6]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-DouglasP313-6) The Norman invasion also brought significant economic changes with the arrival of the first [Jews](https://en.wikipedia.org/wiki/Jews) to English cities.[[7]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-7) William I brought over wealthy Jews from the [Rouen](https://en.wikipedia.org/wiki/Rouen) community in Normandy to settle in London, apparently to carry out financial services for the crown.[[8]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-8) In the years immediately after the invasion, a lot of wealth was drawn out of England in various ways by the Norman rulers and reinvested in Normandy, making William immensely wealthy as an individual ruler.[[9]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-9)

The [minting](https://en.wikipedia.org/wiki/Mint_%28coin%29) of coins was decentralised in the Saxon period; every borough was mandated to have a mint and therefore a centre for trading in bullion.[[10]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP162-10) Nonetheless, there was strict royal control over these [moneyers](https://en.wikipedia.org/wiki/Moneyer%22%20%5Co%20%22Moneyer) and coin [dies](https://en.wikipedia.org/wiki/Die_%28manufacturing%29) could only be made in London.[[10]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP162-10) William retained this arrangement and also maintained a high coin standard, which led to the use of the term *sterling* for Norman silver coins.[[10]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP162-10)

**Governance and taxation**

William I inherited the Anglo-Saxon system in which the king drew his revenues from a mixture of customs; profits from re-minting coinage; fines; profits from his own [demesne](https://en.wikipedia.org/wiki/Demesne) lands, and the system of English land-based taxation called the [geld](https://en.wikipedia.org/wiki/Danegeld).[[11]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-11) William reaffirmed this system, enforcing collection of the geld through his new system of sheriffs and increasing the taxes on trade.[[12]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-12) William was also famous for commissioning the [Domesday Book](https://en.wikipedia.org/wiki/Domesday_Book%22%20%5Co%20%22Domesday%20Book) in 1086, a vast document which attempted to record the economic condition of his new kingdom.

Mid-medieval growth (1100-1290)

The 12th and 13th centuries were a period of huge economic growth in England. The population of England rose from around one and a half million in 1086 to around four or five million in 1300, stimulating increased agricultural outputs and the export of raw materials to Europe.[[13]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-13) In contrast to the previous two centuries, England was relatively secure from invasion. Except for the years of [the Anarchy](https://en.wikipedia.org/wiki/The_Anarchy), most military conflicts either had only localised economic impact or proved only temporarily disruptive. English economic thinking remained conservative, seeing the economy as consisting of three groups: the *ordines*, those who fought, or the nobility; *laboratores*, those who worked, in particular the peasantry; and *oratores*, those who prayed, or the clerics.[[14]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-14) Trade and merchants played little part in this model and were frequently vilified at the start of the period, although increasingly tolerated towards the end of the 13th century.[[15]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-15)

**Trade, manufacturing and the towns**

**Growth of English towns**

After the end of [the Anarchy](https://en.wikipedia.org/wiki/The_Anarchy), the number of small towns in England began to increase sharply.[[16]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-16) By 1297 a hundred and twenty new towns had established and in 1350, by when the expansion had effectively ceased, there were around 500 towns in England.[[17]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettBaileyPounds-17) Many of these new towns were [centrally planned](https://en.wikipedia.org/wiki/Planned_community) - [Richard I](https://en.wikipedia.org/wiki/Richard_I_of_England) created [Portsmouth](https://en.wikipedia.org/wiki/Portsmouth), [John](https://en.wikipedia.org/wiki/John_I_of_England) founded [Liverpool](https://en.wikipedia.org/wiki/Liverpool), with [Harwich](https://en.wikipedia.org/wiki/Harwich), [Stony Stratford](https://en.wikipedia.org/wiki/Stony_Stratford), [Dunstable](https://en.wikipedia.org/wiki/Dunstable), [Royston](https://en.wikipedia.org/wiki/Royston%2C_Hertfordshire), [Baldock](https://en.wikipedia.org/wiki/Baldock), [Wokingham](https://en.wikipedia.org/wiki/Wokingham), [Maidenhead](https://en.wikipedia.org/wiki/Maidenhead) and [Reigate](https://en.wikipedia.org/wiki/Reigate) following under successive monarchs.[[18]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-18) The new towns were usually located with access to trade routes, rather than defence, in mind.[[19]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-AstillPP48-19) The streets were laid out to make access to the town's market convenient.[[19]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-AstillPP48-19) A growing percentage of England's population lived in urban areas; estimates suggest that this rose from around 5.5% in 1086 to up to 10% in 1377.[[20]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-PoundsP80-20)

London held a special status within the English economy. The nobility purchased and consumed many luxury goods and services in the capital, and as early as the 1170s the London markets were providing exotic products such as spices, [incense](https://en.wikipedia.org/wiki/Incense), [palm oil](https://en.wikipedia.org/wiki/Palm_oil), gems, silks, furs and foreign weapons.[[21]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-21) London was also an important hub for industrial activity; it had many blacksmiths making a wide range of goods, including decorative ironwork and early [clocks](https://en.wikipedia.org/wiki/Clock).[[22]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-22) [Pewter-working](https://en.wikipedia.org/wiki/Pewter), using English tin and lead, was also widespread in London during the period.[[23]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-23) The provincial towns also had a substantial number of trades by the end of the 13th century - a large town like [Coventry](https://en.wikipedia.org/wiki/Coventry), for example, contained over three hundred different specialist occupations, and a smaller town such as [Durham](https://en.wikipedia.org/wiki/Durham%2C_England) could support some sixty different professions.[[24]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-BaileyP51-24) The increasing wealth of the nobility and the church was reflected in the widespread building of [cathedrals](https://en.wikipedia.org/wiki/Cathedral) and other prestigious buildings in the larger towns, in turn making use of lead from English mines for roofing.[[25]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-25)

Land transport remained much more expensive than river or sea transport during the period.[[26]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-26) Many towns in this period, including [York](https://en.wikipedia.org/wiki/York), [Exeter](https://en.wikipedia.org/wiki/Exeter) and [Lincoln](https://en.wikipedia.org/wiki/Lincoln%2C_Lincolnshire), were linked to the oceans by navigable rivers and could act as seaports, with [Bristol](https://en.wikipedia.org/wiki/Bristol)'s port coming to dominate the lucrative trade in wine with [Gascony](https://en.wikipedia.org/wiki/Gascony) by the 13th century, but shipbuilding generally remained on a modest scale and economically unimportant to England at this time.[[27]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-27) Transport remained very costly in comparison to the overall price of products.[[28]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HODGETTP109-28) By the 13th century, groups of common carriers ran carting businesses, with carting brokers existing in London to link traders and carters.[[29]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-BartlettHodgettP363-29) These used the four major land routes crossing England: [Ermine Street](https://en.wikipedia.org/wiki/Ermine_Street), the [Fosse Way](https://en.wikipedia.org/wiki/Fosse_Way), [Icknield Street](https://en.wikipedia.org/wiki/Icknield_Street%22%20%5Co%20%22Icknield%20Street) and [Watling Street](https://en.wikipedia.org/wiki/Watling_Street%22%20%5Co%20%22Watling%20Street).[[29]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-BartlettHodgettP363-29) A large number of bridges were built during the 12th century to improve the trade network.[[30]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-30)

In the 13th century, England was still primarily supplying raw materials for export to Europe, rather than finished or processed goods.[[31]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP147-31) There were some exceptions, such as very high quality cloths from [Stamford](https://en.wikipedia.org/wiki/Stamford%2C_Lincolnshire) and Lincoln, including the famous "Lincoln Scarlet" dyed cloth.[[31]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP147-31) Despite royal efforts to encourage it, barely any English cloth was being exported by 1347.[[32]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-RamsayPxxxi-32)

**Expansion of the money supply**

.There was a gradual reduction in the number of locations allowed to mint coins in England; under [Henry II](https://en.wikipedia.org/wiki/Henry_II_of_England), only 30 boroughs were still able to use their own moneyers and the tightening of controls continued throughout the 13th century.[[33]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-33) By the reign of [Edward I](https://en.wikipedia.org/wiki/Edward_I_of_England) there were only nine mints outside London and the king created a new official called the [Master of the Mint](https://en.wikipedia.org/wiki/Master_of_the_Mint) to oversee these and the thirty furnaces operating in London to meet the supply for new coins.[[34]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-34) The amount of money in circulation hugely increased in this period; before the Norman invasion there had been around £50,000 in circulation as coin, but by 1311 this had risen to more than £1m.[[35]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-35) The physical implication of this growth was that coins had to be manufactured in large numbers, being moved in barrels and sacks to be stored in local treasuries for royal use as the king travelled.[[36]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-36) During the 13th Century, nominal wages fluctuated, but the overall trend was flat. As a result of the increase in money supply, prices in general increased significantly over the course of the century. As a result of the price inflation, real wages - one of the stickiest of prices - declined steadily.

**Rise of the guilds**

The first English [guilds](https://en.wikipedia.org/wiki/Guilds) emerged during the early 12th century.[[37]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Ramsay,_p.xx-37) These guilds were fraternities of craftsmen that set out to manage their local affairs including "prices, workmanship, the welfare of its workers and the suppression of interlopers and sharp practices".[[38]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-38) Amongst these early guilds were the "guilds merchants", who ran the local markets in towns and represented the merchant community in discussions with the crown.[[37]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Ramsay,_p.xx-37) Other early guilds included the "craft guilds", representing specific trades. By 1130 there were major [weavers](https://en.wikipedia.org/wiki/Weaving)' guilds in six English towns, as well as a [fullers](https://en.wikipedia.org/wiki/Fulling) guild in [Winchester](https://en.wikipedia.org/wiki/Winchester).[[39]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-39) Over the coming decades more guilds were created, often becoming increasingly involved in both local and national politics, although the guilds merchants were largely replaced by official groups established by new royal charters.[[40]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-40)

The craft guilds required relatively stable markets and a relative equality of income and opportunity amongst their members to function effectively.[[41]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-MyersP69-41) By the 14th century these conditions were increasingly uncommon.[[41]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-MyersP69-41) The first strains were seen in London, where the old guild system began to collapse - more trade was being conducted at a national level, making it hard for craftsmen to both manufacture goods and trade in them, and there were growing disparities in incomes between the richer and poor craftsmen.[[41]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-MyersP69-41) As a result, under [Edward III](https://en.wikipedia.org/wiki/Edward_III_of_England) many guilds became companies or [livery companies](https://en.wikipedia.org/wiki/Livery_company), chartered companies focusing on trade and finance (the management of large amounts of money), leaving the guild structures to represent the interests of the smaller, poorer manufacturers.[[42]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-42)

**Merchants and the development of the charter fairs**

The period also saw the development of [charter fairs](https://en.wikipedia.org/wiki/Charter_fair) in England, which reached their heyday in the 13th century.[[43]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-43) From the 12th century onwards, many English towns acquired a charter from the Crown allowing them to hold an annual fair, usually serving a regional or local customer base and lasting for two or three days.[[44]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-DanzigerGillinghamReyersonP65-44) The practice increased in the next century and over 2,200 charters were issued to markets and fairs by English kings between 1200 and 1270.[[44]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-DanzigerGillinghamReyersonP65-44) Fairs grew in popularity as the international wool trade increased: the fairs allowed English wool producers and ports on the east coast to engage with visiting foreign merchants, circumnavigating those English merchants in London keen to make a profit as middlemen.[[45]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Danziger_and_Gillingham,_p.65-45) At the same time, wealthy [magnate](https://en.wikipedia.org/wiki/Magnate) consumers in England began to use the new fairs as a way to buy goods like [spices](https://en.wikipedia.org/wiki/Spices), [wax](https://en.wikipedia.org/wiki/Wax), preserved fish and foreign cloth in bulk from the international merchants at the fairs, again bypassing the usual London merchants.[[46]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-46)

Some fairs grew into major international events, falling into a set sequence during the economic year, with the [Stamford](https://en.wikipedia.org/wiki/Stamford%2C_Lincolnshire) fair in Lent, [St Ives](https://en.wikipedia.org/wiki/St_Ives%2C_Cambridgeshire)' in Easter, [Boston](https://en.wikipedia.org/wiki/Boston%2C_Lincolnshire)'s in July, [Winchester](https://en.wikipedia.org/wiki/Winchester)'s in September and [Northampton](https://en.wikipedia.org/wiki/Northampton)'s in November, with the many smaller fairs falling in-between.[[47]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-47) Although not as large as the famous [Champagne fairs](https://en.wikipedia.org/wiki/Champagne_fairs) in France, these English "great fairs" were still huge events; St Ives' Great Fair, for example, drew merchants from [Flanders](https://en.wikipedia.org/wiki/Flanders), [Brabant](https://en.wikipedia.org/wiki/Duchy_of_Brabant), [Norway](https://en.wikipedia.org/wiki/Norway), [Germany](https://en.wikipedia.org/wiki/Holy_Roman_Empire) and [France](https://en.wikipedia.org/wiki/Medieval_France) for a four-week event each year, turning the normally small town into "a major commercial emporium".[[45]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Danziger_and_Gillingham,_p.65-45)

The structure of the fairs reflected the importance of foreign merchants in the English economy and by 1273 only one third of the English wool trade was actually controlled by English merchants.[[48]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP148-48) Between 1280-1320 the trade was primarily dominated by Italian merchants, but by the early 14th century German merchants had begun to present serious competition to the Italians.[[48]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP148-48) The Germans formed a self-governing alliance of merchants in London called the "[Hanse of the Steelyard](https://en.wikipedia.org/wiki/Merchants_of_the_Steelyard%22%20%5Co%20%22Merchants%20of%20the%20Steelyard)" - the eventual [Hanseatic League](https://en.wikipedia.org/wiki/Hanseatic_League) - and their role was confirmed under the Great Charter of 1303, which exempted them from paying the customary tolls for foreign merchants.[[49]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-49)[[nb 1]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-50) One response to this was the creation of the [Company of the Staple](https://en.wikipedia.org/wiki/Merchants_of_the_Staple), a group of merchants established in English-held [Calais](https://en.wikipedia.org/wiki/Calais) in 1314 with royal approval, who were granted a monopoly on wool sales to Europe.[[50]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-51)

**Jewish contribution to the English economy**

The Jewish community in England continued to provide essential money lending and banking services that were otherwise banned by the [usury](https://en.wikipedia.org/wiki/Usury) laws, and grew in the 12th century by Jewish immigrants fleeing the fighting around [Rouen](https://en.wikipedia.org/wiki/Rouen).[[51]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-52) The Jewish community spread beyond London to eleven major English cities, primarily the major trading hubs in the east of England with functioning mints, all with suitable castles for protection of the often persecuted Jewish minority.[[52]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-53) By the time of [the Anarchy](https://en.wikipedia.org/wiki/The_Anarchy) and the reign of [Stephen](https://en.wikipedia.org/wiki/King_Stephen_I_of_England), the communities were flourishing and providing financial loans to the king.[[53]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-54)

Under Henry II, the Jewish financial community continued to grow richer still.[[54]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Stenton,_pp193-4-55) All major towns had Jewish centres and even smaller towns, such as Windsor, saw visits travelling Jewish merchants.[[55]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-56) Henry II used the Jewish community as "instruments for the collection of money for the Crown", and placed them under royal protection.[[56]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-57) The Jewish community at [York](https://en.wikipedia.org/wiki/York) lent extensively to fund the [Cistercian](https://en.wikipedia.org/wiki/Cistercian) order's acquisition of land and prospered considerably.[[57]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-58) Some Jewish merchants grew extremely wealthy, [Aaron of Lincoln](https://en.wikipedia.org/wiki/Aaron_of_Lincoln) so much that upon his death a special royal department had to be established to unpick his financial holdings and affairs.[[58]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP200-59)

By the end of Henry's reign the king ceased to borrow from the Jewish community and instead turned to an aggressive campaign of [tallage](https://en.wikipedia.org/wiki/Tallage%22%20%5Co%20%22Tallage) taxation and fines.[[59]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-60) Financial and anti-Semite violence grew under Richard I. After the [massacre of the York community](https://en.wikipedia.org/wiki/York_Castle) in which numerous financial records were destroyed, seven towns were nominated to separately store Jewish bonds and money records and this arrangement ultimately evolved into the [Exchequer of the Jews](https://en.wikipedia.org/wiki/Exchequer_of_the_Jews).[[60]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-61) After an initially peaceful start to [John](https://en.wikipedia.org/wiki/King_John_I_of_England)'s reign, the king again began to extort money from the Jewish community, imprisoning the wealthier members, including [Isaac of Norwich](https://en.wikipedia.org/wiki/Isaac_of_Norwich), until a huge, new taillage was paid.[[61]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-62) During the [Baron's War](https://en.wikipedia.org/wiki/First_Barons%27_War) of 1215-7, the Jews were subjected to fresh anti-Semitic attacks.[[58]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-StentonP200-59) [Henry III](https://en.wikipedia.org/wiki/Henry_III_of_England) restored some order and Jewish money-lending became sufficiently successful again to allow fresh taxation.[[62]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-63) The Jewish community became poorer towards the end of the century and was finally expelled from England in 1290 by Edward I, being largely replaced by foreign merchants.[[54]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-Stenton,_pp193-4-55)

**Governance and taxation**

During the 12th century the Norman kings attempted to formalise the feudal governance system initially created after the invasion. After the invasion the king had enjoyed combination of income from his own demesne lands, the Anglo-Saxon geld tax and fines. Successive kings found that they needed additional revenues, especially in order to pay for [mercenary](https://en.wikipedia.org/wiki/Mercenary) forces.[[63]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-LawlerLawlerP6-64) One way of doing this was to exploit the feudal system, and kings adopted the French [feudal aid](https://en.wikipedia.org/wiki/Feudal_aid) model, a levy of money imposed on feudal subordinates when necessary; another method was to exploit the [scutage](https://en.wikipedia.org/wiki/Scutage%22%20%5Co%20%22Scutage) system, in which feudal military service could be transmuted to a cash payment to the king.[[63]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-LawlerLawlerP6-64) Taxation was also an option, although the old geld tax was increasingly ineffective due to an increasing number of exemptions. Instead a succession of kings created alternative land taxes, such as the [tallage](https://en.wikipedia.org/wiki/Tallage%22%20%5Co%20%22Tallage) and [carucage](https://en.wikipedia.org/wiki/Carucage%22%20%5Co%20%22Carucage) taxes. These were increasingly unpopular and, along with the feudal charges, were condemned and constrained in the [Magna Carta](https://en.wikipedia.org/wiki/Magna_Carta) of 1215. As part of the formalisation of the royal finances, Henry I created the [Chancellor of the Exchequer](https://en.wikipedia.org/wiki/Chancellor_of_the_Exchequer), a post which would lead to the maintenance of the [Pipe rolls](https://en.wikipedia.org/wiki/Pipe_rolls), a set of royal financial records of lasting significance to historians in tracking both royal finances and medieval prices.[[64]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-65)

Royal revenue streams still proved insufficient and from the middle of the 13th century there was a shift away from the earlier land based tax system towards one based on a mixture of indirect and direct taxation.[[65]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP203-66) At the same time [Henry III of England](https://en.wikipedia.org/wiki/Henry_III_of_England) had introduced the practice of consulting with leading nobles on tax issues, leading to the system of the [English parliament](https://en.wikipedia.org/wiki/Parliament_of_England) agreeing on new taxes when required. In 1275, the "Great and Ancient Custom" began to tax woollen products and hides, with the Great Charter of 1303 imposing additional levies on foreign merchants in England, with the [poundage](https://en.wikipedia.org/wiki/Poundage) tax introduced in 1347.[[65]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-HodgettP203-66) In 1340, the discredited tallage tax system was finally abolished by Edward III.[[66]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-67)

In the English towns the [burgage](https://en.wikipedia.org/wiki/Burgage%22%20%5Co%20%22Burgage) tenure for urban properties was established early on in the medieval period, being based primarily on tenants paying cash rents rather than providing labour services.[[67]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-68) Further development of a set of taxes that could be raised by the towns, including [murage](https://en.wikipedia.org/wiki/Murage%22%20%5Co%20%22Murage) for walls, [pavage](https://en.wikipedia.org/wiki/Pavage%22%20%5Co%20%22Pavage) for streets or [pontage](https://en.wikipedia.org/wiki/Pontage%22%20%5Co%20%22Pontage), a temporary tax for the repair of bridges.[[68]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-69) Combined with the *[lex mercatoria](https://en.wikipedia.org/wiki/Lex_mercatoria%22%20%5Co%20%22Lex%20mercatoria)*, which was a set of codes and customary practices governing trading, provided a reasonable basis for the economic governance of the towns.[[69]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-70)

The 12th century also saw a concerted attempt to curtail the remaining rights of unfree peasant workers and to set out their labour rents more explicitly in the form of the English Common Law.[[70]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-71) This process resulted in the Magna Carta explicitly authorising feudal landowners to settle law cases concerning feudal labour and fines through their own manorial courts rather than through the royal courts.[[71]](https://en.wikipedia.org/wiki/Economics_of_English_towns_and_trade_in_the_Middle_Ages#cite_note-72)