



ST. MARY THE VIRGIN

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Sovereign Military Order of the Temple of Jerusalem

# Financing the Crusades

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## INTRODUCTION



## Financing the Crusades

**W**estern Europe never wholly succumbed to those disruptive force that threatened it with a moneyless economy. At the end of the eleventh century, money was common, but not a cheap commodity. In the succeeding centuries the supply of money increased and money consequently cheapened; credit instruments were developed and banking practices – including those by the Templars – established. During the first two crusades, the scarcity of money made it rise in value as the crusaders competed with one another to obtain it by selling goods.

When Urban II issued his call for the First Crusade, he recognized specifically that his crusaders would have to collect the money necessary for their expenses. Then and later there were some who took the vows but could not themselves find the money to pay the costs of their journey. In the financing of the crusades Innocent III saw the key to their success or failure:

*“If the money be not wanting, the men will not be wanting.”*



## Economy of England

The medieval English saw their economy as comprising three groups – the clergy, who prayed; the knights, who fought; and the peasants, who worked the land involved in international trade. Over the next five centuries the economy would at first grow and then suffer an acute crisis, resulting in significant political and economic change. The 12th and 13th centuries saw a huge development of the English economy. This was partially driven by the growth in the population from around 1.5 million in 1086 to between 4 and 5 million in 1300. The descendants of the Jewish financiers who had first come to England with William the Conqueror played a significant role in the growing economy, along with the new Cistercian and Augustinian religious orders that came to become major players in the wool trade of the north. Economic growth began to falter by the end of the 13th century, owing to a combination of over-population, land shortages and depleted soils.

# Problems of Financing the Crusades

Initially, individual crusaders mustered the funds for the arms and supplies necessary for themselves and their dependents, together with cash for their journey and sustenance on campaign. If insufficient funds were forthcoming from debt collection and loans or gifts from lords, allies, or relations, crusaders from the landowning classes often donated, sold, or mortgaged produce from land, livestock or forests, rights and revenues, or, as a last resort, property in exchange for cash or gifts of equipment. These transactions often took the form of a settlement of long-standing disputes over land, combining financial transactions with the confirmation of legal rights and the promise of spiritual benefits regarded as essential for crusaders to depart in peace. Crusaders also turned to moneylenders for loans, leading popes to grant crusaders a temporary moratorium on paying the principal of their debts, exemption from payment of interest, and freedom from taxes and tolls. Intended to aid crusaders in fulfilling their vows, these financial privileges in effect often ruined their credit rating, so that individuals occasionally waived them to obtain loans. These provisos could also threaten the income of rulers who relied on taxation of Jewish and Christian usurers for income crucial for fulfilling their own crusade vows or ensuring the safety of the realm.

Although the hordes of noncombatants who accompanied many crusading armies may have hoped to join the entourage of a lord or knight or to subsidize their meager financial resources by foraging or plunder, the latter proved negligible in offsetting the often ruinous costs of a crusading expedition. Many noblemen, prelates, and kings, including Richard I of England and Louis IX of France, sought to keep crusade armies from dissolving by retaining at their own expense fighters who had run short of cash; in surviving records, these impecunious crusaders and waged knights are often almost indistinguishable from professional mercenaries. Fleets from England and Italy and crusading contingents from urban areas organized themselves after corporate models familiar to them from domestic confraternities and communal governments, forming sworn associations whose members shared the financial burden of the expedition. Affluent prelates and magnates contributed to communally organized and disbursed funds for needy crusaders, while formal agreements regarding the division of deceased crusaders' mobile possessions were often drawn up to ensure the equitable redistribution of resources within the crusading army rather than their bequest to relatives back home. Armies often also adopted elaborate rules for the partitioning of spoils, which were frequently put into a common pool and dispensed in payments scaled according to each category of crusader within the camp.

While a lack of material resources or military reverses could create a unified atmosphere characterized by penitential rituals and the perceived necessity of divine aid for success, infusions of booty or aid from home, which should in theory have bolstered an army's defensive and offensive capabilities, could render it liable to paralysis by debauchery or dissension over the partitioning or theft of resources.

# Origins of Crusade

## Taxation



### Peter of Capua

**Pierre de Capuano** (died August 1242) was a member of an Amalfitan family.

After a being a teacher at the University of Paris, he was employed by Pope Innocent III as legate. He made trips to Poland and Bohemia in 1197, bringing decision of introducing celibacy. He also served as legate to France from 1198. He made a truce between Richard I of England and Philip II of France, in December 1198. During Peter's meeting with Richard and William Marshal, the northerners found Peter's appearance and obsequious style of diplomacy to be repellent. Peter did succeed in convincing Richard to agree to a conditional five-year truce, but when he persisted in asking that Richard also release Philip of Dreux. Richard lost his temper and threatened to castrate Peter. Peter then took part in the Fourth Crusade. While in Constantinople he acquired relics, including the purported body of St. Andrew, which he brought in the end to Amalfi.

The changing nature of crusading, including the shift from overland to overseas routes to the Holy Land, reinforced endeavors by organizers to whittle down the numbers of noncombatant crusaders. Crusade finances also evolved in response to the hard lessons learned with each expedition, leading to attempts by kings and popes to create a system of legal privileges and finances to aid individuals in fulfilling their vows. Kings and noblemen also laid imposts (known as tallages) on

Jews, townsmen, and peasants, and levied feudal aids from their secular and ecclesiastical vassals to finance their crusades. Such contributions soon evolved into formal taxes. In 1166, Louis

**TALLAGE** or talliage may have signified at first any tax, but became in England and France a land use or land tenure tax. Later in England it was further limited to assessments by the crown upon cities, boroughs, and royal domains. In effect, tallage was a land tax.

VII of France and Henry II of England declared a five-year royal tax on the property and revenues of all laypersons and ecclesiastics in France and England. The fruits of this and of a three-year tax levied in 1185 upon incomes, bequests, and movable possessions were destined directly for the Holy Land. A similar tax intended to subsidize crusade preparations was levied in the same regions in 1188: the Saladin Tithe, as it became known, claimed a tenth of all income and movables from all except crusaders, who were entitled to receive the moneys paid by their non-crusading vassals.

Although occasional secular taxes were imposed throughout the thirteenth century, their contributions to the crusading movement were dwarfed by the papacy's taxation of the church. The first universal clerical income tax was instituted by Pope Innocent III in 1199, who asked ecclesiastics and communes to contribute a set number of warriors or a corresponding sum of money to the Fourth Crusade (1202-1204). The papal legate Peter Capuano persuaded the French clergy to agree to contribute one-thirtieth of their annual income, provided that no precedent was set for future taxation, a sum that Innocent soon reduced to one-fortieth in the face of concerted resistance. Collection proved problematic, particularly from monastic orders claiming exemption from taxation, including the Cistercians, who eventually agreed to a reduced "voluntary" contribution.


Innocent III learned from this episode and sought formal clerical approval for a triennial twentieth for the Fifth Crusade (1217-1221); it was imposed during the Fourth Lateran Council (1215) upon all ecclesiastics, with the exception of certain religious orders. Enforced by the penalty of excommunication for fraud or nonpayment, it set the pattern for future regular levies on clerical income in aid of the crusading movement, varying from a tenth to a hundredth.

# Collection and Use of Taxes

These taxes were aided by enormous leaps in the sophistication and extension of ecclesiastical, papal, and royal accounting and administration. The precise method, however, of collection and disbursement to crusaders, the military orders, or settlers fighting in contested regions seems to have varied considerably. In England, royal agents collaborated with members of the military orders expert in the international transfer of funds and with local clergymen in the collection of the Saladin Tithe of 1188, and bishops were initially responsible for the evaluation and collection of the ecclesiastical income tax. The collection of clerical income taxes was often resisted or delayed, and its expenditure frequently shifted. For example, during the Fifth Crusade, the money collected from income tax, alms, and redemptions of vows by cash payments seems initially to have funded local contingents of crusaders departing for the Holy Land; yet as the campaign wore on, collection became increasingly centralized, and it was often diverted, in response to appeals for money, to the crusaders before Damietta.

The availability of funding directly affected those able to participate in the crusade. Poor or middling persons who took the cross hoping for subsidy

from these sources could find themselves forced to redeem their vows when, as increasingly occurred, these sources of funding were granted to noblemen to organize and fund crusading contingents, and these noblemen were not minded to subsidize the participation of devout but untrained pilgrims. In response to pleas from local clergymen entrusted with gathering these moneys and to letters from crusaders, Honorius III appointed papal legates in England, Spain, Germany, Hungary, and Italy to increase the efficacy of their collection and transfer to the needy. The need to collect, store, transport, and efficiently disburse the money amassed for the crusades partly drove advancements in effective record keeping, currency exchange, transferal of funds, and banking. The military orders' expertise in these matters was often utilized by individual crusaders, secular governments, and the Curia. In the later Middle Ages, Italian bankers served a similar function, transferring crusade revenues from local depositories or the Templar houses in London and Paris to the papal Camera or the crusade front, or advancing money in expectation of revenues yet to be collected.



**DAMIETTA** Regarded as the “key to all Egypt,” *Damietta* became the initial target of the Fifth Crusade (1217-1221). Another siege of Damietta would occur in the seventh crusade in 1249.



## Camera

The Apostolic Camera, formerly known as the Papal Treasury, is an office in the Roman Curia. Since the middle of the 12th century the Papal chamberlain was a regular member of the Curia, entrusted with the financial management of the papal court. At that early period the income of the papal treasury came chiefly from many kinds of census, dues, and tributes paid in from the territory subject to the Pope, and from churches and monasteries immediately dependent on him. In the 13th century the Apostolic Camera entered on a new phase of development. The collection of the crusade taxes, regularly assessed after the time of Innocent III (1198-1216), imposed new duties on the papal treasury, to which were committed both the collection and distribution of these assessments. Moreover, during the course of this century the system of payment in kind was transformed into the monetary system, a process considerably influenced by the administration of the papal finances. The *servitia communia* of bishops and abbots were regulated at fixed sums. The income regularly yielded by them to the Curia is by no means small. To these were to be added the annates, taken in the narrower sense, especially the great universal reservations made since the time of Clement V and John XXII, the extraordinary subsidies, moreover, levied since the end of the thirteenth century, the census, and other assessments. The duties of the Apostolic Camera were thus constantly enlarged. For the collection of all these moneys it employed henceforth a great number of agents known as collectors.

Experiments with centralizing tax collection via papally appointed legates and collectors continued throughout the thirteenth century. However, the process of centralization was by no means inevitable, nor was it originally intended to enrich the papacy. Self-evaluation and collection by local clergymen and agents posed problems of efficiency, potential diversion, and lack of disinterestedness. Yet because papal collectors were often also entrusted with amassing the papal census or Peter's pence, or funds were diverted from local crusaders to those in greater need, clergymen and crusaders often accused the papacy and its collectors of attempting to profit from the crusading movement. Papal collectors countered with accusations of local obstructionism, while Innocent III and his successors stressed that the Curia was paying a tenth and more of its own revenues in support of various crusades. Yet the impression that crusade taxes were being diverted to Rome was fatally reinforced when Pope Gregory IX and his successors instituted clerical income taxes for the anti-Staufen struggle and granted levies initially intended for the Holy Land to papal allies, including Henry III of England, sparking enormous protest.

Popes continued to struggle with enormous logistical problems, including keeping assessments impartial and up-to-date, balancing impartiality and local knowledge in the appointment of local clergy or papal agents as collectors, circumventing tax evasion, efficiently transporting revenues to where they were most needed, and also keeping accurate accounts to prove that the money was actually spent on the crusade and to counteract suspicions of embezzlement or diversion to other projects. By 1274, Pope Gregory X divided Europe into twenty-six collectorates with agents for each and provided detailed guidelines for the income taxes' assessment, collection, and transport, a system that, by the pontificate of Boniface VIII (1294-1303), provided the means for collecting moneys essential for the crusading movement and the papacy's survival against various political enemies. Yet, although attempts at centralization from the mid-thirteenth to mid-fourteenth centuries eventually led to greater control of collection by the papal Camera and the levying of new taxes over wider areas, it also resulted in mounting clerical resistance to crusade taxation and increasing demands for control over taxation by secular authorities whose own administrations were expanding. The French clergy deplored the relentless grant of crusade tenths throughout the thirteenth century, while English ecclesiastics protested against the levying of taxes for the papal-imperial struggle, which appeared merely to swell papal coffers. Although local resistance could only delay collection, it threatened good relations between the papacy and regional churches. Similarly, when, from the pontificate of Boniface VIII onward, crusade taxes were commonly transferred to the papal Camera, rulers felt threatened to see precious resources go to pay for foreign projects such as papal wars; their resistance contributed to a gradual loss of papal control over the tenths in France and England in the late thirteenth to early fourteenth centuries.

Despite the problems associated with the clerical income tax, including outdated valuations, slow and costly collection, and the tendency of the papacy to extract rights for clergymen from rulers in return for granting its proceeds to secular magnates, it provided a large and often quantifiable proportion of the funding for many crusades, including those of Louis IX of France. The custom of donating the tenth, vow redemptions, and other funds from a certain region to lay rulers who possessed the resources to organize a crusade also led eventually to the secular taxation of the clergy. As the crusades became increasingly intertwined with dynastic and national policies, rulers tended to spend money raised for the crusade on other more pressing projects, particularly if political considerations or a crisis led to the



## The Friars

Throughout the thirteenth century the task of preaching the cross included the collection of financial subsidies in aid of the crusades. After Innocent III's Quia major the redemption of crusade vows for money and the collection of voluntary donations, normally referred to as subsidia or obventiones, in return for partial indulgences were regular features of all thirteenth-century crusading bulls. As the century progressed, other means of raising money for the crusade became important, too. Preachers were also made responsible for the collection of testamentary legacies, referred to as legata or deputata, and the seizure of unlawfully acquired money. The borderline between subsidies and vow redemptions was often fluid. If people were willing to pay enough money, they probably took the cross and redeemed it afterwards for a plenary indulgence. Any payment of money in aid of the crusade in return for an indulgence had to be handled by crusade preachers or papal collectors because all crusading indulgences could only be granted by those who were authorized by the pope. The mendicant friars certainly collected subsidies for the crusade from the very beginning of their appointment as crusade preachers. The earliest letters of 1234 which commissioned the friars to preach the cross to the Holy Land stipulated that they should also collect donations. These were to be deposited in churches or other religious establishments, and the pope informed about the amount, the provenance and the whereabouts of the money at the end of each year.

cancellation of a planned general departure. The failure of past crusades or planned expeditions led to increasing resentment of new taxation, while the inability to obtain sufficient funding through levies spelled the demise of many a projected expedition. Nevertheless, even after the fall of Acre to the Mamlûks (1291), strategic difficulties, rising costs, and repeated delays and diversions led some to lose hope for the recovery of the Holy Land, the collaboration of lay officials remained essential for the success of preaching tours, which used church taxes and the sale of plenary indulgences to finance crusades fought by professional soldiers in Italy, the Iberian Peninsula, and Northern Africa, as well as expeditions against the Turks and Hussites.

## Other Sources of Funding: Donations, Alms, Redemptions, and Confiscations

Other sources of funding included gifts and legacies (including the diversion of indistinct bequests), the confiscation of the possessions of convicted heretics or rebels, donations deposited in chests placed in local churches, alms collected by crusade preachers, and the redemption of crusading vows, including those adopted voluntarily or imposed by secular and ecclesiastical courts as a penalty for serious sins or crimes. Grave qualms arose concerning some of these categories, especially when donations to the crusade were substituted for penances or for criminal sentences; Innocent III warned bishops to avoid the appearance of extortion or bribery and to ensure that payments were scaled to the seriousness of the offense and the penitent's means. Kings and noblemen also often exacted heavy tallages from towns and Jews to offset the extraordinary expenses incurred by participation in the crusading movement. Eventually, although not without hesitation and criticism, the incomes of vacant benefices and dubiously acquired possessions that could not be restored to the victims of the original crime (including money confiscated from Christian and Jewish moneylenders and the property of heretics and rebels) were also used for crusade projects.

Innocent III also sought to enable the financial participation of those unable to take the full crusading vow by ordering wooden chests or trunks to be installed in every church conducting the special liturgies organized in support of the crusade. He specified that those who gave alms would receive an indulgence proportionate to

their devotion and the financial sacrifice their offering represented, while those who funded substitutes would receive the plenary indulgence. In a similar fashion, many urban confraternities

**MITE BOX** The origin of the *mite box* is very old. In 2 Kings 12:9, the priest Jehoiada bored a hole in the lid of a chest and placed it near the first altar, however this was to fund maintenance rather than alms.

and guilds financed by annual contributions helped to subsidize members who wished to participate in a crusade, while remissions of sin were offered to prelates, secular rulers, and communities who funded contingents of warriors from the late twelfth century onward. Although Innocent III and those he appointed to preach

the crusade also encouraged all to take the cross without prior examination (perhaps intending that the fit but impoverished would be subsidized by the alms of the faithful), the reaction of military leaders who feared being burdened with hordes of noncombatants meant that the vows of many were eventually commuted to monetary donations. This led to confusion between the plenary indulgence earned by the full crusade vow and the partial indulgences granted for almsgiving. Groups of crusaders unable to fulfill their vows were soon urged to band together to send a substitute in their stead, while several Tuscan communes declared hearth taxes during the Fifth Crusade or supported a communal contingent of fighters. Those who contributed to these efforts or paid crusade taxes were often rewarded with partial indulgences.

Innocent III has been labeled a prescient innovator who encouraged indiscriminate taking of the cross in order to convert the devotion of the militarily unfit into financial support for the crusade through vow redemptions. However, it seems that this was not his original intent, but only gradually became a general policy under pressure from military leaders in charge of the crusade, who sought to restrict crusading to salaried warriors by forcing noncombatants, who they felt consumed limited resources and undermined discipline, to redeem their vows. This policy met with only partial success in the mid to late thirteenth centuries; the masses' desire for personal participation persisted, despite criticism by the chronicler Matthew Paris of the attempts of papally appointed mendicant preachers to immediately redeem the vows of the impecunious or unfit whom they deliberately encouraged to take the cross during preaching campaigns. Originally voluntary, redemption could become forced when the clerical taxes, alms, legacies, and redemptions derived from a given region were handed over to a local magnate unwilling to subsidize the devout faithful. It was only with the loss of the Holy Land in 1291, however, that the outright sale of indulgences was used by the papacy and secular rulers to finance armies made up of hired mercenaries or career soldiers.

## Future Impact

The crusade was the most expensive adventure of medieval chivalry, often financially ruinous to the individual crusaders. Collective and corporative methods of financing the crusades were imperative. Burghers, princes, and popes made use of such methods almost from the beginning, their individual resources being insufficient for the kind of expeditions they desired. The general taxation that reached a climax in the Saladin Tithe offered hope that a satisfactory financial structure might be created for the great enterprise. But the Saladin Tithe had no real successors. It was the model for taxation by princes for secular purposes; it became the model for taxation of the clergy by popes who found other uses for the money. The Holy Land continued to depend on armies essentially supported by private means, which were not sufficient, and the failure to develop sufficiently fast and far social methods of financing the crusades must be considered a factor in the loss of the Holy Land.

Like all wars, the crusades were unproductive economically but had significant economic effects through their financing. Not only did the crusades taxes provide a model for later taxation on income and wealth, but also the borrowing and lending necessary for most of the crusaders stimulated credit formation and the

development of credit institutions and instruments. Indeed, the money economy as a whole must have been stimulated by these great enterprises that took so much money. The transformation of gold and silver altar ornaments into coin for crusaders may have helped to heighten the inflation that occurred during the crusades, especially in the later twelfth century. The sale of land to finance crusades most assuredly helped to make the market in real estate that was bringing about a new social order in the age of the crusades. The [principal beneficiaries of all these financial transactions were the bourgeoisie, who loaned the money, bought the land, sold the provisions, furnished the transportation, and generally benefitted by the financial activity of the crusades.

The peasantry who went on the crusades may have sacrificed everything but their souls but as a class, they must have gained very materially through the greater demand for their products and the greater supply of land on the market. Those members of the lay nobility who used up their savings, or sold or pledged their lands, may sometimes have been heavy losers because of the crusades, but as a whole the nobility probably lost economic power only relatively to the gains of the burghers and peasants. It was most certainly the clergy, and especially the monasteries, who were the chief losers, as repeatedly they were forced to share their wealth with the crusaders either by loans without interest or by direct taxes.

In essence, the crusades redistributed some of Europe's wealth out of the hands of the clergy and nobles into those of the bourgeoisie and peasantry.

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