

## Chapter 13

# The London and Paris Temples: A Comparative Analysis of their Financial Services for the Kings during the Thirteenth Century

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In 1235, King Henry III of England ordered payment of 200 pounds sterling from his treasury to the London Temple over a four-year period. In turn, the London Temple would pay 800 *livres tournois* to the Paris Temple, whose duty it was to transfer this amount to the count of La Marche over a five-year period. These transactions were ordered to comply with the terms of the truce signed between France and England, whereby the latter country would keep the island of Oléron, also claimed by the count of La Marche, in exchange for these payments. The king of England would assign certain royal revenues in pledge for these money transfers, and the English Templar Master and his brethren in France guaranteed that these sums would be paid to the count.<sup>1</sup>

This story illustrates the complex financial transactions in which the English and French Templars were involved to serve their sovereigns' needs. It is, however, only one example of the sophisticated methods used by the Order in its role as banker to both the kings of England and of France. This paper will elaborate on the main features of the English and French Templars' banking services, rendered to their respective crowns.

### France

In Paris, the Templars performed their activities in two churches within the city walls until a fortified castle complex, called Le Temple, was built outside the walls in

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<sup>1</sup> J.B. Williamson, *The History of the Temple, London, from the Institution of the Order of the Knights of the Temple to the Close of the Stuart Period* (London, 1924), p. 35; A. Sandys, 'The Financial and Administrative Importance of the London Temple in the Thirteenth Century', in *Essays in Medieval History Presented to Thomas Frederick Tout*, ed. A.G. Little and F.M. Powicke (Manchester, 1925), p. 155; L. Delisle, *Mémoire sur les opérations financières des templiers*, Mémoires de l'Institut National de France, Académie des Inscriptions et Belles-Lettres, 33 (Paris, 1889), p. 23; A. Forey, *The Military Orders: From the Twelfth to the Early Fourteenth Centuries* (Basingstoke, 1992), p. 116.

around 1265.<sup>2</sup> The tower of that castle, called the Donjon, where the Order's treasury was kept, served as a prison for the French royal family after the revolution, and it was demolished in 1810 on Napoleon's orders. Let us now examine the financial services rendered by the Paris Temple to the French crown.

### *Deposits and Money-Lending*

In France, Philip II decided, by the end of the twelfth century, that deposits of royal taxation should be held at the Paris Temple, a situation which endured for more than a century. The *baillis* and *sénéchaux* of the kingdom transferred to the Paris Temple any surplus they obtained from taxes collected, after expenses. The Temple therefore acted on the one hand as a tax depository. On the other hand, the Temple would satisfy all payments ordered by royal mandates on the king's money deposited with the Templars. Sometimes these payments exceeded the royal money deposited at the Temple; when this happened, the Templars acted as money-lenders to the king. This relationship, which probably constitutes the first current account in history, was kept up until the Templars' demise in 1307, except for a short period between 1295 and 1302 during which the treasury was transferred to the Louvre.

### *Financial Control: The Templar Treasurer*

From the end of the twelfth century, the Paris Temple began appointing treasurers, one of whom, Aymard, by 1202 had developed a very sophisticated state accounting system for Philip Augustus, after the latter decided to deposit the royal money with the Templars. This accounting system consolidated all the state revenues, not only those accruing to the Templar treasury; it also took into account the expenses incurred by the Temple in carrying out royal orders, as well as those incurred by the *baillis* and *sénéchaux*. From 1202 onwards, the Templar accounting system made France the first country to consolidate all royal revenues and expenses by way of improving the management of public finances. Proof of the merits of this accounting system is that it was imitated by other northern European countries during the thirteenth century, and it was retained by France, with only minor modifications, even after the Templars' demise.

The Templar treasurer performed his duties for the king in line with his office, and was appointed by the Order, not by the crown; although it is evident that the king either suggested or approved such appointments in the same way as he expected to have his own way in certain episcopal sees. Being the treasurer of the Paris Temple would also imply having a seat on the *camera compotorum*, which was the body in charge of managing the kingdom's finances, and on the Norman exchequer, whose task it was to collect the revenues generated by Normandy and to audit its accounts (indeed, the last Templar treasurer, Jean de Tour, was arrested during a session of the exchequer in October 1307).

To further strengthen the king's control over the Order, the Templar treasurer's role was supervised by three deputy treasurers, who were appointed directly by the

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<sup>2</sup> G. Piton, *Le Temple à Paris* (Paris, 1911), p. 32.

king, and who were public servants rather than members of the Order, and hence not subordinated to the Templar treasurer. Furthermore, all payments made by the Temple on behalf of the king would be provisional, becoming final only after the expense was read out by the Templar treasurer in the *camera*, who, after hearing it (*audire*, hence the term ‘auditing’) had to approve it. If approved, the word ‘*quittus*’ would be placed on the document, thereby creating a debtor account from the king in favour of the Order. A similar system was applied to income accrued by the Templar treasurer. This implies that the French Templar treasurer’s role was clearly that of an executor, never that of a director of public finances, a role assumed by the *camera compotorum*.

Furthermore, the Templar accounts were reported to the king three times a year. If the balance was in favour of the king, the Temple was acting as a depository for the crown; if in favour of the Order, it was acting as creditor.

### *Tax Collection and Auditing*

Sometimes, in addition to its passive role as trustee of royal income,<sup>3</sup> the Temple would itself collect extraordinary taxes on the king’s behalf.<sup>4</sup> For example, the Templars collected tithes from 1268 to 1273;<sup>5</sup> the eighth from the citizens of Paris; the tithe due by the Order of Cîteaux in 1289 (190,000 *livres tournois*);<sup>6</sup> and the taxes due by the province of Champagne in 1304 and 1305, both collected by Brother Raoul de Gisy.<sup>7</sup>

### *Money Transfers and Financial Guarantees*

The kings of France often employed the Paris Temple to pay for foreign transactions which were driven by diplomatic needs. As an example, the peace treaty documents between France and England in 1258 and 1259 established payments to be rendered at the Paris Temple.<sup>8</sup> The French Templars had held pledges for the monarch from as early as 1158.<sup>9</sup>

### *Financial Administration*

From Thierry Galeran (who was one of the principal advisers of Louis VII) to Arnoul de Wisemale (Templar preceptor of Reims, financial advisor to Philip IV,

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<sup>3</sup> L.L. Borrelli de Serres, *Recherches sur divers services publics du XIII au XVII siècle*, 3 vols (Paris, 1895–1909), 3, p. 245.

<sup>4</sup> BN, Lat. 12184, fol. 167.

<sup>5</sup> Borrelli, 3, p. 245.

<sup>6</sup> *Recueil des historiens des croisades* (Farnborough, 1967) (hereafter *REC*), 21, p. 532; Delisle, *Mémoire*, p. 55.

<sup>7</sup> Borrelli, 3, p. 248.

<sup>8</sup> *Documents Historiques*, 1: *Grands Rôles des Échiquiers de Normandie*, ed. A.L. Léchaudé d’Anisy (Caen, 1845), nos. 1201, 1209.

<sup>9</sup> *REC*, 13, p. 111.

and member of the *camera compotorum*<sup>10</sup>), a long list of Templars participated in public administration, even while the royal treasury was housed at the Louvre.<sup>11</sup> The Order's highly successful financial management in all likelihood played a central role in the Capetians' decision to seek the Templars' help in the state administration. Yet their presence was always on an individual basis – that is, appointed by the king. As stated, the public duties assigned to the Templar treasurer did not imply his designation by the king; he was chosen by the Order, which explains the pressures the king brought to bear on the Order when it was time to appoint a new treasurer.

## England

In London, the Templars performed their financial activities at a centre called the New Temple, whose marvellous Romanesque church remains today. The following are the tasks performed at this establishment.

### *Deposits and Money-Lending*

In England, the situation was different from that of France, since the English crown possessed not one, but two treasuries. The first and most important was called the exchequer, and was deposited at the Palace of Westminster. Its use by the king was subject to a complex system of authorizations by civil servants. The second treasury, called the wardrobe (*garderoba*),<sup>12</sup> was smaller than the exchequer (around one-third to a half its size in terms of revenue), and did not have a permanent headquarters, but moved with the king, who had more direct power to use it. In 1225, Henry III decided to use the New Temple as the permanent headquarters for his wardrobe treasury.<sup>13</sup> It remained at this location for sixty-six years, until Edward I decided to move it to the Tower of London in 1291.<sup>14</sup>

Henry III's decision to make the wardrobe permanent at the New Temple was aimed at increasing security by keeping the treasury in one place.<sup>15</sup> Furthermore, the English Templars could manage the treasury quickly, discretely and internationally, which explains why Henry III and his successors used it mainly for military and diplomatic purposes. With the wardrobe deposited at the New Temple, the English Templar treasurer was able to perform foreign exchange operations much more effectively than the exchequer, by using the Order's international network, as evidenced by the story at the start of this paper. English kings also used the wardrobe

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<sup>10</sup> M. Barber, *The New Knighthood. A History of the Order of the Temple* (Cambridge, 1993), p. 274.

<sup>11</sup> Borrelli, 3, p. 245.

<sup>12</sup> J.H. Ramsay, *A History of the Revenues of the Kings of England (1066–1399)* (Oxford, 1925), p. 184.

<sup>13</sup> Williamson, p. 32; T.W. Parker, *The Knights Templars in England* (Tucson, 1963), p. 81.

<sup>14</sup> Sandys, p. 149.

<sup>15</sup> E. Ferris, 'The Financial Relations of the Knights Templars to the English Crown', *American Historical Review*, 8 (1902), 5–8.

at the New Temple to deposit the crown jewels several times in the thirteenth century.<sup>16</sup> Furthermore, it is well known that the New Temple also served as a deposit for the citizens of London.<sup>17</sup>

Kings John, Henry III and Edward I would assign royal revenues such as tithes, twentieths, subsidies for the Holy Places, and taxes paid by Ireland<sup>18</sup> to their wardrobe treasury deposited at the New Temple. For instance, in 1232 a royal council held in Lambeth resolved to deposit at the Temple the fortieth levied on the income of clergymen and laymen,<sup>19</sup> and the patent rolls show how some war booties were held at the Temple.<sup>20</sup> In 1242, the king ordered the treasurer of the New Temple to receive 500 pounds sterling from the thirtieth to be paid by Lincolnshire, in order to finance his military expedition in Gascony.<sup>21</sup> Also, the taxes collected on the Jewish community in 1264 (763 pounds sterling) were deposited at the Temple.<sup>22</sup> To assign the funds deposited at the New Temple, the English king would send concise mandates to the Templar treasurer, stating how to use these sums.<sup>23</sup>

The Templars often lent money to the English kings, generally medium-sized sums with short maturities (one year at the most). The Order would normally ask for jewels or income on properties as collateral, and a penalty was established in case of late payment.<sup>24</sup> The Templars actively tried to recover these loans, even from the English king. In 1288, the Templar visitor of the province of England wrote to Edward I, asking him to pay back 4,000 marks which had been lent to him by the Order.<sup>25</sup>

### *Tax Collection and Auditing*

Templars first became royal tax collectors in 1184; and in 1188, it was decided as a policy to use committees of a Templar, a Hospitaller and a third person in charge of collecting the Saladin tithe. In the case of Bristol, this committee was also due to deposit the money collected at the New Temple.

The English kings commissioned the Templars to audit certain accounts. The Master of Ireland, together with the archbishop of Dublin, audited the accounts of the justiciar of Ireland in 1242, 1250 and 1281. In 1252, the English Master audited the accounts of Simon of Montfort in regard to his administration of the castle of Cusac, and this same Master, together with the Hospitaller Master, audited the accounts of

<sup>16</sup> Parker, p. 59.

<sup>17</sup> *Royal and Other Historical Letters Illustrative of the Reign of Henry III*, ed. W.W. Shirley, 2 vols (London, 1862–66), 1, p. 119, doc. CI (Royal Letters no. 354).

<sup>18</sup> Parker, pp. 59–60.

<sup>19</sup> Ramsay, pp. 287–8; Delisle, p. 39.

<sup>20</sup> Williamson, p. 34.

<sup>21</sup> *Ibid.*, p. 3.

<sup>22</sup> *Ibid.*, p. 34.

<sup>23</sup> *Rotuli Litterarum Clausarum*, ed. T.D. Hardy, 2 vols (London, 1833–44), 1.1 (1833).

<sup>24</sup> Parker, p. 66.

<sup>25</sup> BN, Nouvelles Acquisitions Latines 69, p. 108.

the treasurer of the exchequer in Dublin between 1252<sup>26</sup> and 1279.<sup>27</sup> The English Master was also employed to audit the accounts of the earl of Gloucester.

### *Money Transfers and Financial Guarantees*

There is evidence that Templars held royal funds, mainly in relation to the financial support of the crusader states, and therefore channelled through the London or Paris Temple, where money was centralized before being transferred to the East. In 1225, the bishop of Carlisle wrote to King Henry III concerning the Templars' role in transferring these funds to the East.<sup>28</sup> Yet, in 1241, the king ordered this money to be transferred directly to the earl of Cornwall in the East, through a Templar and a Hospitaller. Furthermore, diplomatic correspondence between the kings of France and England show that money owed by the king of France to Henry III was to be paid at the Paris Temple,<sup>29</sup> which means that either the king of England had a current account at the French Temple or there was automatic clearing between the Paris and London Temples. On the other hand, the New Temple accepted money or objects in pledge, which served as a guarantee of the fulfilment of a contractual obligation.

### *Credit Instruments*

In 1225, a letter of credit was drafted in favour of three English Templars in the king's diplomatic service, so that they could borrow up to 25 marks, which would later be honoured by the king.

### *Financial Administration*

The appointment in 1238 of Brother Godofredus as royal treasurer ('keeper') of the wardrobe gave him power to manage the income and expenses of this treasury; indeed, Godofredus managed to triple the revenues in just four years.<sup>30</sup> The English Master refused all responsibility on behalf of the Order after this appointment, which was made by the king. Two other treasurers of the London Temple, Hugh of Stockton (1229–42) and Robert of Sicklinghall (1245–60) were also named royal treasurers by Henry III, and Edward I appointed Richard of Herdewyk and Richard of Fetham, preceptor and treasurer of the New Temple respectively, to sit on the committee in charge of determining the adjustments necessary to withdraw the old money and mint new coinage in 1294.<sup>31</sup>

Only three treasurers of the New Temple were appointed royal treasurer in an entire century. Like their French colleagues, the English Templars were merely

<sup>26</sup> Shirley, 2, p. 91, doc. CCCCXCI.

<sup>27</sup> Parker, p. 80.

<sup>28</sup> Shirley, 1, p. 253, doc. CCXIII (Royal Letters no. 390).

<sup>29</sup> *Layettes du trésor des chartes*, ed. J. de Laborde, Archives Nationales, Inventaires et Documents, 1–5 (Paris, 1875), 3, nos. 4564, 4724.

<sup>30</sup> Parker, p. 81.

<sup>31</sup> Ferris, 6.

executors for the crown. The New Temple, therefore, was not entitled to act on behalf of the crown; it always followed the king's wishes, acting as wardrobe treasury. This is evidenced by royal mandates such as '*garderoba domini regis apud Novum Templum Londonie*', or '*de thesauro nostro in domo Novi Templi Londonie*'. The New Temple was never a third royal treasury, as some authors have asserted.

## **Conclusion**

We have shown how the monarchs actively used both the English and French Temples for their banking needs. Although there were slight differences between the services rendered by both branches of the Temple, common features are much more numerous. We have shown how neither the French Templars nor their English counterparts had any direct power in managing public finances; they acted merely as executors for the crown. This does not detract from the extraordinary sophistication of the banking services they rendered for their respective kings (even when those two kings were at war with each other), in a period when the administration lacked men and resources to perform these activities itself. It was not until the end of the thirteenth century that the powerful Italian banking houses were prepared to replace the Templars as royal bankers.

