

Elizabeth I and the **Great Debasement**

Help the Queen
tackle England's
currency troubles





Think of 3 important
qualities a good
monarch should have



**London,
1560**

People have lost confidence in England's coins.

Everyday business has ground to a halt.

Complaints have even reached Queen Elizabeth I herself.



Your task

You are an adviser to Elizabeth I.

The Queen knows there are problems with the country's coins. She would like you to investigate further.



Your report should give the Queen:

A description of the problem and your analysis of what has caused it



Money, mints & the monarch

Taxes are raised by Parliament only when they are needed for something specific, such as a war.

People value coins because they are made of precious metal. A coin made of a mix of silver and cheaper metals is less valuable as it contains less precious silver.

The monarch pays for the expense of running the country.

The monarch decides how pure the country's coins should be.



By September 1560,
Elizabeth I decided
faith in England's
coins was entirely lost.
**Make your
case to
the Queen**
It was time to act.



Your task

You are an adviser to Elizabeth I.

The Queen wants to tackle the problem of England's debased currency.



Your job:

Advise Elizabeth I on how to deal with each of the following problems...



Problem 1

People have lost faith in England's currency.

Debased coins circulating in England have led to high prices and damaged the monarchy's reputation.

Making new coins will be expensive and the queen is short of money.

In the past, people have hoarded newly minted coins and continued to spend the 'bad' ones.

A debased currency

Which plan might best fix what Elizabeth I decided: the problem?

A Get a loan from Antwerp to make new coins of pure gold and silver and put them into circulation.

B Call in all old, debased coins and melt them down. Re-make them into new, purer coins.

C Make the spending of debased coins illegal.



Problem 2

To plan for a recoinage, the queen must estimate the proportion of the country's coins that need melting down.

The decision to call in all the old, debased coins is likely to cause widespread anxiety with the public.

People will worry a government proclamation may cause the money in their possession to lose value overnight.

Action is required urgently.

What percentage of the currency is debased?

~~What Elizabeth should do:~~

A Order clerks to go through the Mint's records to estimate the total amount of debased coins produced since Henry VIII.

B Risk upsetting people with a quick and open public inquiry.

C Quietly send someone to examine the range of different coins encountered by a butcher, or a similar tradesmen, who deal with a wide range of people.



Problem 3

Estimates suggest a quarter of the nation's coins are debased, worth around £1.2 million.

To replace them with new, purer coins, all old coins need to be called into the Mint to be melted down.

People will be reluctant to trade in their debased coins for new coins as they are expecting to lose money.

Persuading people to turn in their old coins

What Elizabeth should do:

A Ensure people don't lose money. Give them a new pure coin in exchange for the same coin in debased condition.

B Expect people to take a loss on their coins, but offer to pay the costs of minting the new coins.

C Expect people to take a loss on their debased coins, and also cover the minting costs of their new coins.



Problem 4

The price of bulk silver

Instead of bringing their old coins to the Mint to exchange them, some people are melting down the debased coins or taking them abroad.

People can get a higher price for the coins as bulk silver than they can from Elizabeth I at the Mint.

What Elizabeth I should do:

A Make it a felony to melt coins down or carry them out of the country.

B Offer rewards that lead to the arrest of people who are melting down coins for the silver.

C Raise the price offered at the Mint for old coins so it is more than the rate for bulk silver.



Problem 5

Minting new coins for an entire country

The Queen's decision and proclamation means a great deal of work for the Mint at the Tower.

The longer the work takes, the less willing people will be to accept the losses that come with exchanging their debased currency.

What Elizabeth should do:

A Hire extra workers, build more workshops and expand the Mint within the Tower.

B Visit the Mint personally to monitor progress.

C As new coins are made at the Tower, send some to different areas of the country to be distributed.



Problem 6

Protecting the future

Elizabeth I and her Mint have successfully withdrawn England's badly debased coins and replaced them with newly minted coins of precious metal.

Faith has been restored in England's coins both at home and abroad. Business is beginning to expand and the economy is improving thanks in part to the Queen's efforts.

Elizabeth I is considering taking further action to ensure her hard work isn't reversed in future.

What Elizabeth should do:

A Open more mints around the country to make it easier for people to get coins.

B Make penalties more severe for anyone convicted of tampering with coins.

C Require merchants to have special permission before they are allowed to take coins out of the country.



Give Elizabeth I marks out of 10 on her handling of the currency crisis.

Explain the grade you have given her.