Ecclesia on Biblical Banking Principles with a focus upon Fractional Reserve Banking

Preamble

We the ecclesia of the Statesmen Project, in order apply God's eternal principles, limit boundary violations, empower legitimate economic stewardship do hereby declare that all banking falls under the jurisdiction of the business sphere, without incursion from the civil sphere through the establishment of currency or banking monopolies. We affirm lending is a legitimate business practice only when liabilities are asset-based, as opposed to Fractional Reserve Banking*, which reserves only a fraction of deposit liabilities*. We declare the civil sphere must exercise its God-appointed mandate to enforce justice, without prejudice, when banking practices result in any form of theft including Fractional Reserve Banking*. Therefore, we do decree and affirm the following resolution pertaining to Fractional Reserve Banking* effective immediately.
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Section 1: Short Title

Biblical Resolution Concerning Fractional Reserve Banking

Section 5: Definitions

(Words followed by an * are defined below)

(a) Banking – the business of accepting and safeguarding money owned by depositors as well as offering other services related to the deposited funds such as money transfers, facilitating loans, providing safe deposit boxes, and other such services

(b) Barter – exchange of goods or services for other goods or services without using money or a monetary medium such as a credit card

(c) Bear false witness – lie about someone to get him unjustly punished, or to destroy his reputation, thus altering his earned reward (Ex. 20:17)

(d) Bridge of trust – the measure of what pressures and challenges mutual relationships can withstand and remain intact. The “bridge of trust” determines the “load limit” of importance or size that can cross over between two or more parties

(e) Breach of contract – a violation of any of the agreed-upon terms and conditions of a binding contract; a broken promise to do or provide something

(f) Business – an organization or entity which buys and sells commodities, products, or services as an occupation, profession or trade

(g) Coercion – the use of express or implied threats of violence or reprisal or other intimidating behavior that puts a person in immediate fear of the consequences in order to compel that person to act against his or her will Coercing – compelling by force, intimidation, or authority, especially without regard for individual desire or volition (I Kings 21:8-10)

(h) Covet – lust conceived to fraudulently dispossess the inheritance of one's neighbor (Ahab and Naboth, 1 Kings 21)

(i) Cultivation process – the improving or training someone or something as in the production of food by preparing the land to grow crops or socialization through training and education to develop one's mind or manners

(j) Currency – something (such as coins, treasury notes, and banknotes) that is in circulation as a medium of exchange

(k) Depositories – institutions that accept currency deposits and provides financial services to personal and business customers

(l) Depositors – persons or companies that place money in a depository or bank
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(m) Dominion mandate – God’s commission to mankind, who was created in the image of God and given dominion over the created order, to take responsibility to manage the earth and to make the earth fruitful

(n) Economic engineering – introduction into the market of artificial indicators by bureaucrats in an attempt to bend the market in the way they deem beneficial or expedient or in keeping with their ideologies

(o) Exchange units – (often referred to as medium of exchange) market recognized currency or coins that are representative of the value of things traded

(p) Fractional Reserve Banking – the practice whereby a bank accepts deposits and makes loans or investments, but is required to hold reserves equal to only a fraction of its deposit liabilities. Fractional-reserve banking is the current form of banking practiced in most countries worldwide

(q) Fraud – deception practiced to induce another to give up possession of property or surrender a right

(r) Jurisdiction – Latin *jus* meaning law and *dico* meaning to say; the one with the authoritative or binding word

(s) Liabilities – Financial obligations of banks that they must eventually pay, such as deposits and loans from the Federal Reserve

(t) Liquid assets – valuables that can be converted into cash in a short time, with little or no loss in value. Cash is the most liquid asset. Other liquid assets include items such as accounts receivable, demand and time deposits, gilt edged securities and sometimes precious metals

(u) Money – an agreement within a community to use an object to facilitate the exchange of value between individuals

(v) Monetizing the debt – when the Federal Reserve converts debt instruments into cash or credit, which is normally done by purchasing government bonds directly via an open market purchase rather than through primary dealer banks; practice by which the Federal Reserve lowers interest rates by becoming an active buyer in the market, creating a false market demand for the bonds; a by-product of this operation is that the Federal Reserve directly provides the Federal government with cash to spend on its programs

(w) Power of the sword – the civil realm’s authority to use punitive or economic sanctions

(x) Plunder – forceful seizing of the products of another person’s labor

(y) Quantitative Easing (or QE) – Central Banks create money out of nothing and use it to provide capital to banks, purchase assets from them such as mortgage backed securities, and purchase government securities. These policies are enacted to keep the banking system solvent by improving their balance sheets, and to lower short term interest rates
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(aa) Receipts of deposits - documents proving or acknowledging the amount that someone has paid into a bank

(bb) Result-based – measurable and accountable evidence of the reality or truth of axioms and corollaries of belief systems

(cc) Service-based industry – business in which the product is the skills of the owner rather than a physical, tangible product

(dd) Service-based power – the use of both authority and power to enhance the value, skill-sets, resource-base and capacities of those related to and under the authority of those exercising that power. Empowerment of others through relational (client/business owner) leverage

(ee) Spheres – those realms of diversified and specialized areas of labor through which men cooperate to fulfill the Dominion Mandate and which, for the purpose of the Ecclesia Convocation will be identified as religion, family, education, civil government, media, arts and entertainment, and business

(ff) Tender – any unit recognized for payment of public or private debt

(gg) Theft – stealing; the felonious taking and removing of personal property with intent to deprive the rightful owner of it

(hh) Weights and measures (market established) – measuring units or value units established in the usual course of trade between buyers and sellers free to bargain, and which can be substantiated from sources independent of the manufacturer or the supplier

(ii) Weights and measures (unjust) – a type of theft in which measurements are purposefully altered to deceive buyers into thinking they are getting more than they are actually receiving.

Section 10: The Ten Commandments Framework as concerning Fractional Reserve Banking

Ex. 20:3, Commandment #1: “Thou shall have no other gods before me”
Ex. 20:4, Commandment #2: “Thou shall not make unto thee any graven image”
Ex. 20:15, Commandment #8: “Thou shall not steal”
Ex. 20:16, Commandment #9: “Thou shall not bear false witness against thy neighbor”
Ex. 20:17, Commandment #10: “Thou shall not covet”
Section 15: Cooperation of the Spheres

In the execution of the Dominion Mandate*, humanity diversifies and specializes into spheres* of cultural activity. Each sphere* derives its authority and limitations from Scripture. The primary spheres* that have governance in the issue of Fractional Reserve Banking* are civil, business, and family. The preeminent responsibility rests upon business. Currency units are commodities that can be, themselves, exchanged on the market or can be used to purchase other commodities; thus currency must be subject to market sovereignty, customer sovereignty, and legal contractual exchange just like any other commodity. However, in current banking practices, the civil jurisdiction* has supplanted the business jurisdiction*. The civil is not granted the right to usurp control of the market, not mandated to build a banking monopoly, nor authorized to print or produce state-sanctioned currency units. Businesses are granted the God-appointed jurisdiction*, through entrepreneurial endeavors, to build and operate banking services. Families are responsible to train up their children with a biblical worldview for responsible stewardship of their gifts to be applied in the marketplace and for responsible stewardship of family wealth.

Section 20: Duties, Powers, and Limitations

(a) CIVIL GOVERNMENT

The Duties of Civil

The civil realm is appointed by God to ensure the free exercise of biblically-defined personal liberties*, provide legal protection of private property; and safeguard just weights and measures*. (Rom. 13:1-7; Lev.19:35,36; Deut. 25:13-16)

The civil is authorized to enforce the rule of law through biblically-sanctioned policing powers against who practice:

1. Fractional Reserve Banking*

2. Counterfeiting of receipts of deposits* or currencies (Prov. 11:1)

3. Monopolization over banking or the issuance of currencies (Lev. 19:11-13; Isl. 5:8; Micah 2:2)
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4. Fraudulent business practices concerning contractual exchange of monies, goods or services (Gen. 30:28 -31:13 Laban and Jacob Is.1: 21-23)

The Powers of Civil

The civil realm is granted by God limited authorization concerning the control, use, dispensing, and banking of currencies or monies, which include the following:

1. The power to tax for legitimate government expenses (Rom. 13:6,7)

2. The authority to determine the type of currency by which taxes must be paid (I Sam. 8:14-15; I Ki. 10:14; II Ki. 15:19; 23:33; II Chron. 27:5; 25:6)

3. The duty to dispense funds for legitimate government expenses (Gen. 41:39-49)

4. The authorization to hold in reserve, or to bank surplus income derived from taxation (Gen. 41:55-57)

The civil realm may borrow within the biblical limitation of seven-year debt cycle (Deut. 28:12).

The civil has the power of establishing and maintaining judicial bodies to prosecute and punish the law breakers. (Ex. 18:13-26; Rom. 13:1-4)

The Limitations of Civil

Because banking is a function of the marketplace and outside of the jurisdiction of the civil government, the civil may not:

1. Debase or inflate the currency (Prov. 11:1; Is. 21-23)

2. Set standards for weights and measures* (Lev. 19:35, 36)

3. Issue currency or print money*

4. Nationalize banking thus creating a monopoly (Lev. 19:11-13; Isl. 5:8; Micah 2:2)

5. Set the terms of loans, interest rates, or investments

6. Practice or legitimize Fraction Reserve Banking*
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(b) BUSINESS

The Duties of Business

The duty of business is to operate within organized systems of men’s labors, time, assets and intellectual property for the production, distribution, and consumption of goods and services and to function through the methods by which those commodities are exchanged as an outworking of the dominion mandate* (Ps. 128:2; Jn. 4:38).

The business sphere has the duty to maintain the integrity of market-established weights and measures.

As a service-based industry*, the business of banking must:

1. Protect the depositors’ assets from malfeasance by sound business practices and effective security measures

2. Safeguard, through service-based power*, the biblical law of “love thy neighbor as thyself” (Lev. 19:18; Mt. 19:19; Mark 12:31; Rom. 13:9; Gal. 4:14; James 2:8)

3. Honor the terms of contracts (Mt. 5:37; James 5:12; Ps. 15:4)

The Power of Business

The Business realm has the power to practice the business of banking*, which includes:

1. Owning and operating depositories*

2. Receiving deposits of recognized exchange units* Gen. 41:47-57)

3. Issuing receipts of deposit*

4. Setting and charging fees for services rendered (Deut. 25:4; I Cor. 9:7-9)

Business of banking has the power to set contractual terms and conditions with a depositor which may include:

1. Safe-keeping of 100% of all deposits on reserve that are payable upon demand
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2. Facilitating loans between the depositor and a borrower whereby the depositor forfeits any other use of the deposited funds for the duration of the loan

The Limitations of Business

Because all business or marketplace activity is based upon the free-will, voluntary exchange of goods and services, contracts are written to outline the terms of exchange. Contracts are promises that define required ethics and expected outcomes. Banking may not present fraudulent contracts or falsify their result-based* performance records by:

1. Practicing Fractional Reserve Banking* (Ex. 20:15; Ex. 22:26-27)

2. Changing the terms of contracts for the duration of the contract (Num. 30:1-2’ Mt. 5:31; James 5:12; Gen. 30:28 – 31:13)

3. Violating the free will of the depositor or the borrower

4. Breaking Commandments 9 or 10 through fraudulent or covetous economic practices (Ex. 20:16,17)

5. Speculating in investments or generating loans from deposited funds without the consent of the depositor (I Cor. 4:2; Col. 3:23; Mt. 25:2021; I Pet 4:10)

(c) FAMILY

Economics and business flows from the jurisdiction of the family. Children are the heritage of the Lord and the fruit of the womb is His reward (Ps. 127:3). God appoints family units for procreation, commissions parents to train up the child in the way he should go (Pr. 22:6; Pr. 3:1-4), and requires families to fund the child’s preparation for adult responsibility and business activity. All business endeavors are worked by people who comprise family units and all earnings return to people who comprise family units. Banking is a service which aids individual and family stewardship.

The Duties of Family

The family unit is the main building block of society for the execution of the dominion mandate* through:
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1. Discovering and unlocking the earth’s potential through creativity and the cultivation process* (Gen. 1:27-31)

2. Diversifying and specializing to produce goods and services (Ex. 31:1-11)

3. Developing sustainable systems of trade to enhance the quality of life for the maximum number of citizens (Gen. 41:25-57)

A family, which is comprised of individuals who live in a covenant unit, has the duty to steward personal portfolios and family assets through:

1. Practicing sound work ethics and thrift (Pr. 3:6-10; Pr. 6:6-11)

2. Avoiding excessive debt (Rom. 13:1-8; Deut. 28:43-44)

3. Protecting assets through the principles of Godly banking and investments (Mt. 25:14-30)

4. Utilizing assets for charitable giving (Pr. 3:27; Is. 58:6-10; Ps. 37:22)

The Power of Family

The power of the family is derived from God in the original creation prototype found in Gen. 1:26-28 and Gen. 2:21-24 and is supported throughout the entire Word of God. Individuals and families may:

1. Choose personal vocations and negotiate the terms of labor (Gen. 29:15-26; Gen. 30:15-43; Gen. 31:3-18)

2. Administate family-accumulated wealth through free volition (Gen. 33:1-20; Ex. 22:25; II Cor. 8:12-16)

3. Enter into free will banking and investment contracts, including the determination by both parties in the contract of interest rates, banking fees and other terms without civil interference

4. Safeguard liquid assets* in depositories of choice (Is. 62:6)

5. Barter* or trade using mutually agreed upon exchange units, currencies or commodities
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The Limitations of Family

Families are empowered to administrate their asset base but forbidden to interfere with another family’s assets through:

1. Stealing, which encompasses fraud*, plunder*, theft*, use of unjust weights and measures*, coercion*, breach of contract*, or by any other means confiscate those assets that belong to one’s neighbor (Commandment 8; ex. 20:15; Lev. 19:11; Luke 18:20; Mark 10:19; Mt. 19:18)

2. Bearing false witness* and thus changing the reward one’s neighbor is due (Commandment 9; Ex. 20:16; Pr. 24:27-29; I Kings 21:2-19)

3. Coveting* the inheritance of one’s neighbor (Commandment 10; Ex. 20:17; I Kings 21:2-19)

Section 25: Applicability

The principles contained within this Resolution apply specifically to the civil, business, and family spheres* and, in general, to organizations or individuals who interact with those spheres in the field of Fractional Reserve Banking.

Section 30: Sanctions

(a) CIVIL

Negative Sanctions

1. The civil realm that trespasses into the business* sphere* to engage in banking practices or establish a monopoly over banking:
   ● Violates Commandments 8, 9 and 10 that deal with lawful usage of a neighbor's properties, which incurs God's judgement (Ex. 20:15-17)
   ● Introduces unfair competition into the marketplace of banking due to the civil realm’s punitive powers, thus disincentivising entrepreneurs and suppressing productivity (Neh. 5:4-5)
   ● Invades personal liberties when setting and enforcing prime interest rates, which may temporarily minimize risk and guarantee a set reward, but strips citizens of personal responsibility leading toward a master/slave society
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2. The civil realm that legislates to itself exclusive authority to establish currency, produce the exchange units and determine the set values of the units:
   - Brands the civil's image upon all marketplace exchanges, asserting claimant lordship of earthly assets represented by the currency, directly opposes God's Lordship over all the earth, and breaks Commandment 1, thus incurring God's jealousy (Ex:20:3-4; Mt. 22:20-21)
   - Practices economic engineering* through currency manipulation in an attempt to minimize the effects of God's regulating sanctions of inflationary and deflationary cycles, thus engaging in rebellion against God and in manipulation of the wealth of the citizenry (Luke 18:20; Mark 10:19; Mt. 19:18)

3. The civil realm that violates the two main biblical pillars of lending by practicing Fractional Reserve Banking*:
   - Seeks to build the wealth of society on the shifting sands of non-asset backed lending (Pillar #1) thus ensuring eventual banking and economic collapse (Mt. 7:24-27)
   - Abandons God's principles of economic accountability between the borrower and the lender (Pillar #2) thus leading to a society that fails to uphold financial covenants, seeks to escape from fiscal culpability, and ultimately destroys the bridge of trust* in banking (Deut. 15:7-8)

4. The civil realm that does not fulfill its duty to punish marketplace usage of unjust weights and measures:
   - Encourages lawlessness by failing to enforce penalties against fraudulent economic practices thus promoting a thieving society (Rom. 13:1-7)
   - Abandons its God-appointed mandate to execute justice thus incurring God's justice against the lawless civil realm and the trespassing society (Rom. 13:1-7)

Positive Sanctions

1. When the civil sphere abides within its God-appointed boundaries, allows the marketplace to be free from civil intervention, and does not engage in the business of banking, the nation shall:
   - Enjoy fiscal opportunity and liberty (Deut. 28:3-6)
   - Experience growth in its Gross Domestic Product (GDP) (Deut. 28:8, 11)
   - Avoid inflation and increased cost of goods due to market manipulations and economic engineering* imposed by the civil realm (Deut. 28:8, 11)
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- Decrease its national debt (Deut. 28:12-13)
- Become a banking hub for other nations (Deut. 28:12-13)

2. When the civil sphere provides prosecutorial justice for contract violations in an unbiased manner for all its citizens, the nation shall:
   - Restore faith and trust in the marketplace and private entrepreneurship
   - Have an increased measure of righteousness and holy deeds in neighbor-to-neighbor interactions (Deut. 28:9-10)

3. When the civil sphere deals justly and biblically with it fiscal policies, the nation will:
   - Experience economic stability that will have an impact upon other nations and will promote that nation to international prominence in both business and banking practices (Deut. 28:12-13)
   - Have longevity upon the land both in its ability to occupy its territory without fear of foreign invasion and in its ability to remain free of fiscal indebtedness, thus servitude, to foreign creditors (Ex. 20:12; Deut. 4:23-26; II Chron. 6:31; Prov. 22:7)

(b) BUSINESS

Negative Sanctions

1. Banking practiced as a marketplace business must uphold free-will contracts made between the bank or depository and the depositor as well as the lendee and the lender or:
   - Run the risk of their deeds coming to public exposure, censorship, loss of revenue, and loss of public trust (Lk. 12:13; Esther 7:1-6)
   - Incur prosecution from the civil authority (Rom. 13:1-7)

2. Banking practiced as a marketplace business may not engage in fraud or theft by changing values of deposits while under contracted terms or through any form of Fractional Reserve Banking* or:
   - Be subject to lawsuits for breach of contract and incur restitution penalties (Ex.22:1, 3-6, 14)
   - Invite God’s disciplines for breaking Commandments 9 and 10 (Ex.20:16-17)
   - Introduce unrest and instability into the market, thus producing fiscal harm to individuals, business, or even the broader social construct
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**Positive Sanctions**

1. Privatized reserve banking that upholds contracts, provides safe and secure practices for depositing and transferring funds, or serves clienteles in borrowing and lending:
   - Produces more free will choices and individual liberties in banking
   - Limits the possibility of a run on the banks and thus loss of deposited funds
   - Fosters localism thus minimizing potential for waste, fraud, and mismanagement
   - Limits marketplace and monetary manipulations which result from civil interference and centralized banking monopolies
   - Facilitates cooperation between parties unknown to one another to work together in fulfilling the Dominion Mandate* (Gen.1:26-28)
   - Provides for sustainable prosperity for the maximum amount of people
   - Builds the bridge of trust* between parties engaging in monetary transactions (Phil. 2:3-5)

**Negative Sanctions**

1. Because the family is the main agency for stewardship of assets and wealth, negative sanctions will be meted out if:
   - The family fails to train up their heirs to steward multi-generational wealth, they may lose that wealth due to a prodigal (I Sam. 3:11-18; I Sam. 4:10-18; I Sam. 13:8-14; I Sam. 31: 1-13; I Sam. 8:1-22)
   - The family fails to apply biblical principles of money management or apply a good work ethic, they may come to poverty (Pr. 11:24-28; Pr. 13:11-18; Pr. 23:21-25; Pr. 28:19-22)
   - The family fails to honor God through tithes, alms, charity, and applying wealth to advance Christ’s kingdom, they may incur the judgment of God (Mal. 2:1-9; Mal. 3:7-12; Mt. 23: 13-33)

1. Because families work in unity with other families through the business realm to buy and sell commodities and services, the currency and the means of financial exchanges used in these cooperative labors must remain under the free-will stewardship of families or:
   - Family free-will choices are supplanted by civil mandates resulting in loss of liberty and loss of assets (I Sam. 8:10-18)
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- Family-accumulated assets are placed in jeopardy when placed in non-asset backed depositories
- The family becomes the victim of theft when the civil realm practices quantitative easing*, printing of non-asset backed currency, monetizing the debt*, controlling of interest rates, or Fractional Reserve Banking as these tactics are theft that offers no hope for justice or restitution because the civil realm will not prosecute itself

Positive Sanctions

1. Families that fulfill God’s mandate to train their heirs may:
   - Reap the benefit of multi-generational accumulation of wealth and influence (Gen. 17:19; Gen. 18:16-19)
   - Anticipate advancements in their influence to become culture-shapers and kingdom-advancers (Gen. 25:5; Gen. 27:22-29)

2. Families that practice biblical stewardship of their earnings and assets may receive:
   - Protection and blessing promised to those who activate the covenant through the tithe (Ma. 3:10-12)
   - Reward from God for charitable deeds (Pr. 19:17)
   - Economic increase and blessings (Deut. 28:1-14)