

# **Triumph of Ancient Philosophy, Unanimously Agreeable Governance, Economic Policy and Constitution for Civilized Coexistence**

By

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Abstract: This paper presents rational and unanimously agreeable norms in (a) governance, (b) economic policy, (c) constitution and (d) religious and scientific beliefs for civilized coexistence. The basis of unanimous agreeability is that individuals do not prefer to have their wealth (including life) robbed, even surreptitiously. This preference is unanimous because even robbers do not want to be robbed. I argue that unanimously agreeable norms are necessary for civilized co-existence of humans and are consistent with the ancient philosophy (*Hindutva*), which originated in India more than 3000 years BC and is reflected in Gita<sup>2</sup>. Gita is considered by Courts of India as a philosophical document. The basic ethos of Gita is explicit and transparent: the state (King Dhristarastra) must not allow anyone (including privileged princes like Duryodhan) to take away others' (Pandavas') property even surreptitiously (through Sakuni's rigged game of Pashakhel). The modern constitution ordains freedom through rights to property, liberty and pursuit for happiness of individuals. But it has tacitly allowed establishment of a system (rules) of governance to facilitate surreptitious robbery. Individuals accumulate property like home and retirement savings with a hope to attain freedom, eventually, which they cannot achieve if they are robbed, even surreptitiously. The ancient philosophy of Gita prohibits robbery of any kind, and, thus, guarantees hope for individual freedom. The modern philosophy-underlying the established system (rules) tacitly allowed by constitution for surreptitious robbery-cannot, however, achieve individual freedom. Widespread or inclusive economic prosperity can be attained only if the constitution and rules of law are unanimously agreeable which will be consistent with ancient ethos but not modern philosophy.

# 1. Introduction

This paper argues (a) that the thrust of modern constitution, written in 1776 by American founding fathers and followed worldwide, is akin to the core ethos of the *ancient philosophy* known as *Hindutva*, (b) that the Anglo-American system (rules) of governance driven by *modern [economic] philosophy* transgresses constitution and is antithetic to *Hindutva*, and (c) that the ancient philosophy has triumphed over the modern economic philosophy.<sup>3</sup>

The ancient philosophy originated in India more than 3000 years BC and scripted as the ethos of Gita.<sup>4</sup> Gita is considered by the Courts of India as a philosophical document. The basic ethos of Gita is explicit and transparent: the state (King Dhristarastra) must not allow anyone (including privileged princes like Duryodhan) to take away others' (Pandavas') property even surreptitiously (through Sakuni's rigged game of Pashakhel). The modern constitution states its philosophy as individual freedom through rights to property, liberty and pursuit for happiness. The modern constitution has not, however, been scripted as explicitly as the ethos of Gita. If it were, no modern rule of law could pass to legally shield rampant surreptitious robbery of enterprising individuals and no economic depression would occur.<sup>5</sup> The modern philosophy drives these rules of law which are unconstitutional and antithetic to *Hindutva*. This paper argues how widespread or inclusive economic prosperity can be revived if unanimously agreeable norms presented here are explicitly adopted as new constitutional preambles and if all other constitutional articles, rules and policies are redrafted to conform to these new preambles.

The ethos of ancient philosophy of *Hindutva* is uniquely necessary for civilized coexistence of humans because inherent in this ethos is unanimous acceptability. *Hindutva* is, therefore, not some nondescript esoteric 'mythology' as painted by the contemporary pundits (modern philosophers) who have crafted the modern economic philosophy and rules of law. I argue below that *Hindutva* is antithetic to the modern philosophy.

Modern philosophy has been propagated as sacrosanct through elite academic literature including books and journals, promoted by top publishers and taught at the elite academy. The ulterior goal is to indoctrinate talented students to believe (in this academic religion) that they can be rich by worshipping, following and practicing the established unconstitutional system (rules) to facilitate surreptitious robbery of enterprising individuals. The shadow invisible hands of a few robber barons (known as Masters of the Universe) then rob the robbers periodically and share the loot with the elite academy and lawmakers who pass and strengthen laws to shield the robber barons.<sup>6</sup> The enterprising individuals thus impoverished have no option but to sacrifice their talented children to be hired/enslaved for pittance to enterprise for the robber barons. The system thus continued for centuries. After the author's research bared the shadow invisible hand (as human not some latent god), however, the mighty established system crashed in 2008 and the US Congressional Financial Crisis Inquiry Commission admitted in 2011 that the crash was manmade due to failure of established academic experts, Masters of the Universe and government regulators including the Federal Reserve, where the author was a financial economist for five years (1990-1995).

As someone imbued in the ancient philosophy since childhood and who became later a researcher in the modern system of governance to enhance American competitiveness as a financial economist at the Board of Governors of the Federal Reserve System during 1990-1995, I realized the existence of a distinct contradiction between modern and ancient philosophies. By the time I came to the Federal Reserve, an optimal bank foreclosure rule,<sup>7</sup> discovered in a paper coauthored with a colleague at New York University

and published in the Journal of Finance in 1989, was already adopted by the US Congress as an unprecedented new rule (which was later incorporated in the Federal Deposit Insurance Corporation Improvement Act of 1991) to avert frequent market crashes and banking losses to taxpayers. The bank foreclosure rule was unprecedented because until 1989, banks could foreclose households and businesses, whereas no law existed to foreclose banks. The foreclosure rule was based on a dynamic model of economic equilibrium. The bank foreclosure rule simply allows a bank to remain open only if the bank owners' equity capital is larger than an optimal percent of risky assets invested by the bank. As a Federal Reserve bank regulator, I found this new bank foreclosure rule being surreptitiously transgressed by top bank holding companies like Citicorp. I had then found that the surreptitious transgression of the bank foreclosure rule was piling enormous future losses to taxpayers, pension plans and mutual funds, while generating immense riskless profits for bank owners. I pointed out the bank holding companies' transgression of the bank foreclosure rule in heated presentations before top bank and Federal Reserve executives during my tenure at the Fed. The reluctance of these executives to follow optimal foreclosure rules prompted me to leave the Federal Reserve. It took many years after leaving the Federal Reserve to translate my complicated mathematical model of the economy<sup>8</sup> in plain English in a paper published and submitted to US Congress in March 2003 with a warning that vested interests would not permit adoption of safe central banking rules found in general equilibrium of my comprehensive model until taxpayers lost trillions of dollars.<sup>9</sup> The US Congress must have taken my warning seriously to ask the Federal Reserve to testify about safety and soundness of the banking and financial system and to convene experts to a conference on the topic in late 2003. I was invited to that conference. I did not attend the conference and requested the organizers to distribute my paper on safe banking. In 2003, the president of the American Economic Association had declared that the US financial system was invincible.

The looming financial crisis - discovered in selfless unfunded research and conveyed to US Congress in 2003 with a warning to enact my safe central banking proposal to avert the crisis preemptively - erupted uncontrollably in 2008 for exactly the same reasons as I had conveyed in plain English in 2003. The cause of the 2008 crisis found by the US Congress was transgression of the bank foreclosure law by bank holding companies, as pointed out by me during 1990-1995 when I was an economist at the Fed. The domino of the cascading fall in the financial markets in 2008 was caused by a rapidly unfolding panic and run in the uninsured money market funds and uninsured bank debts totaling more than \$12 trillion. To stem the domino of crashing markets, the US Congress was forced to adopt my safe-central banking policy, proposed since 2003, to guarantee the previously uninsured money market funds and bank debts, which primarily belonged to large enterprises like Apple, IBM, Intel, Microsoft, Cisco, Boeing that innovate, produce and employ talented people worldwide and form the backbone of the US economy. In 2008, the US Congress also adopted my 2003 proposal to have bank holding companies comply with the 1991 bank foreclosure rule on a consolidated basis. The BHCs had evaded the bank foreclosure rule till the crisis in 2008.<sup>10</sup>

Despite all the steps taken by the US Congress since 2008, the economic crisis due to the unconstitutional system of robbery has not been resolved at all. The US government and Federal Reserve have created \$14 trillion of new money since 2008. But those who have been robbed have become poorer. The degree of inequality between the ultra rich and the rest has risen unprecedentedly in USA and an estimated 94 million people are still looking for jobs. The same modern economic philosophers and their disciples are still ruling the roost as Masters of the Universe, rulers and government regulators shielded by a further fortified unconstitutional system of robbery with new acts like Housing Economic Recovery Act of 2008 and Dodd Frank Act of 2010.<sup>11</sup> The adversely affected enterprises and households have, however, recognized the manmade system of unconstitutional robbery driven by modern philosophy, thanks to a

widespread circulation of my research. Enterprises have as a result curtailed their risky investments to hoard surplus profits in massive unproductive offshore accounts and in US Treasuries. Households facing serious decline in their incomes due to severe underemployment have been curtailing their spending and consumption and increasing their savings in guaranteed bank deposits. This appears to be a natural movement of the economy towards safe central banking and efficiency in equilibrium as found in my research. It seems that the enterprises and households will not invest their reserves in risky projects and enterprising individuals will not revive their animal spirits until the unconstitutional system of robbery is repealed.

The principal reason for why the system of unconstitutional robbery is not yet repealed is that most lawmakers and their top political contributors are locked up in 'moral hazard,' which is an academic euphemism for blackmailing. The too-big-to-fail banks run by too-big-to-be-jailed bankers secretly manage and control the retirement accounts and trusts of political leaders for mutual sharing of the loot through the system. To enhance and preserve their personal wealth for luxurious retirement, lawmakers are intrinsically bound by the dictates of the TBTF and TBTJ bankers. Only the lawmakers (not others) in USA are allowed by law to trade securities whose prices are affected by the laws they legislate. Top hedge fund managers have invited me to invest my retirement accounts in their funds to earn abnormal return for my retirement. Once a top investment bank invited me to be its expert to testify for it before US Congress, Regulators and Courts. Accepting such offers would have made me too another impotent pundit controlled by moral hazard to spiel modern mythology for the unconstitutional system of robbery.

Someone with revulsion towards unconstitutional robbery and with the real world experience cited above was naturally driven by curiosity to discover the truth about fundamentally fair, efficient and stable rules needed to eliminate moral hazard in governance. Elimination of moral hazard from the system is necessary to liberate the lawmakers, pundits, government regulators and all other individuals. My initial curiosity then translated as a necessity for civilized coexistence of humans. It led me to a paper which was mimeographed by the Federal Reserve in 1991. This has been revised editorially as of 2013.<sup>12</sup> It proves that the current system of money and finance amounts to unconstitutional robbery of private and public wealth with instability and economic inefficiency. This paper found an alternative system which is constitutional, efficient and stable. This research was blocked by the self-serving academic experts leading the elite academy significantly funded by the Robber Barons (TBTF-TBTJ bankers). I was personally subjected to standard tactics of intimidation, lure and blackmailing. For example, I was threatened about being unemployed if I persisted on this research. I was also asked to invest in some of the same secret funds for my retirement and to testify before US Congress, Courts and Regulatory bodies as an expert in favor of a top investment bank for millions of dollars in fees. The McCarthyism tactics, however, emboldened me to continue translating my mathematical models to plain English for common people and their representatives by linking this research to ancient philosophy and modern constitution. I ultimately saw that the modern economic philosophy is antithetic to the ancient philosophy.

Experience led me to develop rational expectations that the Robber Barons and their proxies in the elite academy would not publish my research in the journals they promote to indoctrinate people on the system of robbery driven by modern philosophy. My only option was to distribute the selfless discoveries of my research on unconstitutionality, inefficiency and instability of the current system and on the necessity of a constitutional, efficient and stable system for civilized coexistence of humans to elected representatives of people worldwide and also to disseminate my findings through a non-profit website to people.

I ultimately demonstrated the immense relevance of my research in a paper published in 2013 in the Journal of Financial Transformation that claims to have 18 Nobel Laureates as authors.<sup>13</sup> This research shows that the Federal Reserve Act of 1913, the Acts that governs the Federal Deposit Insurance Corporation, the Security and Exchange Commission and by extension the Dodd-Frank Act of 2010 and Housing and Economic Recovery Act of 2008 are unconstitutional, economically inefficient and unstable. This paper also presents a system of money and finance which is constitutional, efficient and stable.

The modern (Anglo-American) philosophy in plain English is an unconstitutional system of surreptitious robbery that is legally shielded by various Acts passed by the U.S. Congress and its counterparts in other countries that have adopted the same system. This system (rules) of governance is dictated by a well-published economic model of moral hazard between principals and agents. This model has won Nobel Memorial Prizes in Economics. The theory behind this model presumes that citizens as principals of an economy are less informed than the agents managing the economy. This presumption within a narrow partial economic equilibrium model drives the modern Anglo-American philosophical paradigm: the agents within it are thus ordained by the crafters of the model to enjoy first-best status by subjecting principals to second-best sustenance. First-best efficiency of fundamental fairness does not obtain for both principals and agents within the narrow model used to justify the modern economic philosophy. The agents in the Anglo-American paradigm comprise the market makers of the economy known as Masters of the Universe (and their proxies in government): the famously known 13 Robber Barons that crafted the Federal Reserve Act of 1913 to have the Fed print money only for them before they become bankrupt. The number of Robber Barons has increased to 23 mega banks before 2008. After the financial crisis of 2008, Deutsche Bank of Germany withdrew from the Federal Reserve safety net. The Masters of Universe have been known as too-big-to-fail (TBTF) financial institutions which are run by too-big-to-be-jailed (TBTJ) bankers.

In contrast, I have a fundamentally fair comprehensive general equilibrium model of microeconomic behavior of households, corporations, government and markets to attain long-run sustainable policies for first-best status for both the principals and agents.<sup>14</sup> A restricted or narrow form of my model too yields the partial equilibrium outcome granting the first-best status for agents and second-best sustenance for principals. It is, thus, the dogmatically crafted unfairness within an economic model used by modern philosophers that shapes their ethos of ordaining privileged first-best status to a few cronies by subjugating the rest to second-best sustenance. This contrasts the fundamental fairness within my economic model that yields first-best efficient and fair rules of governance in equilibrium (for stability) for all, the principals (citizens) as well as the agents.

Fundamental fairness is the basis of unanimity discovered in my research: even the privileged agents, wont to treating principals unfairly based on narrow academic dogma, do not want to be treated unfairly. In other words, if a plebiscite is taken among all individuals in humanity everywhere on a simple question "do you want to be treated unfairly," the response will be a unanimous "NO." This makes my discovery on unanimity utterly paramount to humans to design rules for coexistence. This is perhaps why the US Financial Crisis Inquiry Commission and Congress did not accept the factually false testimonies of the agents - Masters of the Universe, the Federal Reserve and the established academic elite - that no one in the academy, government or industry saw the 2008 crisis coming. The agents also presented to the FCIC a book published by Oxford University Press authored by Yale Professor Gary Gorton which paints the 2008 economic catastrophe as a slap of the invisible hand (god). Their attempt was to suppress all my memos and papers submitted to the US Congress since 2003 and to bury all actions taken by Congress

following my memos such as seeking testimonies from regulators on safety and soundness of the banking system.

Despite their education in the elite academy and political funding from the Masters of Universe, the US Congress factually reported in 2011 that the 2008 crisis was due to failure of established academic experts, financial honchos and government regulators including the Federal Reserve and that the crisis was manmade (avoidable). The crisis could have been avoided if the first-best policy outcomes which I had presented to US Congress directly since 2003 were enacted preemptively. The Congress indeed adopted some of these policies during the crisis in 2008 to stem the cascading crash of financial markets when more than 12 trillion dollars was on the run due to panics that made the crisis worse than the Great Depression according to the Federal Reserve.

The above events and my personal experience therein show a glimpse of *triumph of the first-best efficient system (rules) governance* which:

- is driven by fundamental fairness for all,
- ordains unfairness for none,
- begets first-best status for all and
- is the essence of ancient philosophy of *Hindutva*.

The rest of the paper is organized as follows: Section 2 elaborates the character of modern philosophy as practiced in terms fortuitously spilled by a leading American politician, Hillary Clinton, in her presidential debate on October 13, 2015 stating that the 2008 financial crisis was caused by shadow banking. Clinton did not define shadow banking. This section offers a rational characterization of shadow banking to depict the core of modern economic philosophy that has caused periodic depressions in USA. Section 3 vividly describes the rising juggernaut of rationality in governance and the defeat of the antithetic forces of irrationality. Section 4 presents the failed attempt to assassinate the character of the enunciator of ancient philosophy, Krishna, by a top University of Chicago Professor, Wendy Doniger, in a book published by an elite Anglo-American publisher, Penguin Books-Random House. Section 5 concludes that the philosophical clash between ancient and modern ethos has ultimately made the ancient philosophy of *Hindutva* triumphant.

## **2. Shadow Banking, Shadow Academy and Shadow Governance**

In the Democratic debate on October 13, 2015, Mrs. Hillary Clinton asserted that the financial crisis of 2008 was caused by shadow banking as per advise of experts. She did not define shadow banking. This is a dangerous obfuscation of the factual finding of the Financial Crisis Inquiry Commission, published in 2011, that the financial crisis was caused by a failure of experts, financial honchos, and government regulators including the Federal Reserve.

To see dispassionately why introducing the jargon of "shadow banking" as the cause of 2008 financial crisis is dangerous for the future of the US economy, let's focus on the failed expertise/wisdom that caused the crisis. This failed expertise has guided the post-crisis US policies to revive the economy. What has the failed expertise produced in the 7 years following 2008? Unprecedentedly and alarmingly rising inequality, shrinking middle-class, 94 million people still searching for jobs, \$14 trillion of new Fed money printing and new government borrowing.

Introduction of the jargon of "shadow banking" is obviously motivated by the following:

- To obfuscate, if not erase, the factual findings of FCIC that the 2008 crisis was caused by a failure of the established expertise which is concocted and promoted by the elite academy and followed religiously by industry honchos and government regulators.
- To hoodwink enterprising American households that their political leaders have not embraced the established expertise before the crisis as well as afterwards.
- To spiel shadow banking as another form of invisible hand (god). "Invisible hand" was first concocted by the founder of modern economics, Adam Smith, in year 1776 when the US became independent. Smith presents a gospel that invisible hands emerge periodically to cause economic crises to take away the accumulated wealth of a vast majority of enterprising households. This gospel was revived by current established experts in a book published by the Oxford University Press, authored by a Yale finance professor and endorsed by established academics in the elite academy including Dr. Ben Bernanke, ex-Chairman of the Federal Reserve.<sup>15</sup>
- The gospel of shadow banking is being peddled by the failed experts to circumvent criticism that god (invisible hand) caused the 2008 crisis.<sup>16</sup>
- To propagate shadow banking as a more reasonable academic gospel - new avatar of "god" and "invisible hand" - that causes periodic illiquidity (spontaneously triggered by sunspot!) resulting in enormous decimation of wealth of the enterprising households to justify Federal Reserve's printing of oodles of new money and the government's reckless borrowing. This gospel of failed expertise obviously presumes that enterprising households are too naive, if not too stupid, to understand expert-proffered notions of "god," "invisible hand," "shadow banking," and "illiquidity." Indeed, an academic paper promoted by established academic experts presumes spontaneous (sunspot-triggered) illiquidity in the financial markets to 'justify' Federal deposit insurance, which is the basis of moral hazard to snatch away financial freedom of enterprising individuals and businesses. Such academic presumptions or gospels are thus promoted as public policy prescription! This academic paper was reprinted by in a Federal Reserve publication to rationalize the 2008 crisis.<sup>17</sup>
- After I warned about eroding American competitiveness and about recurrence of the Great Depression in a memo in January 2005 sent to President Bush<sup>18</sup> with copies to many important members of Congress including my then Senator Barack Obama of Illinois, Dr. Ben Bernanke was chosen to head the Federal Reserve despite the opposition from a glorified maestro of wealth creation in USA, Dr. Alan Greenspan. The most crucial factor for choosing Dr. Bernanke as the head the Fed was that he was the only economist who had a doctoral dissertation on the Great Depression. The crucial conclusion of this dissertation was that the GD could have been avoided if the Federal Reserve created sufficient credit to redress illiquidity. Most experts have praised Dr. Bernanke for practicing as Fed-chief what he had researched. This research had the philosophical backing of eminent deceased like Maynard Keynes, Milton Friedman and their followers known as Keynesians.<sup>19</sup>
- That the US can print oodles of money to revive the economy from every depression is the basis of hubris of established academic expertise underlying the proclamation that the American system

of banking and finance is invincible. In fact, the President of American Economic Association has openly talked about invincibility of US banking and finance in the wake of my submission to the US Congress in 2003 of a published paper that details how a looming economic crisis would unfold unless my safe banking policies were adopted. I had then warned that vested interests would not allow adoption of such policies until taxpayers lost trillions of dollars.<sup>20</sup>

- Academic hubris has led established experts to suppress competing selfless research that proves unconstitutionality, inefficiency and instability of the current system of governance. This system is prone to severe economic depression from which revival is impossible until it is completely replaced with a constitutional-efficient-stable system.<sup>21</sup> These research findings obtain in the most comprehensive general equilibrium model of micro-economic game theory (ever written in the literature) in which the optimal behavior of households, firms, government regulators and markets lead to equilibrium macro-economic policy. This research led me to warn about the onset of GD, the fallacy of the Keynesian philosophy and potential instability in society in more clear terms in my 2005 memo to President Bush and in several memos to him and Congressional leaders thereafter published in pro-prosperity.com.
- The failure to revive the US economy after printing oodles of money (to redress "illiquidity") proves once again that the moral-hazard prone unconstitutional-inefficient-unstable system of governance is the root cause of the ongoing modern form of Great Depression.

Ultimately, though, vested interests (the failed experts, industry honchos, government regulators and their political patrons) have failed to suppress research on constitutional-efficient-stable system of governance, despite their high decibel spiel of gospels of "illiquidity," "invisible hand," and "shadow banking." But their denial in accepting the reality and continued sway over governance has resulted in massive inefficiency in the economy:

- Rising public and private debt and deep inequality between the rich and the rest.
- Stagnant, if not declining, productivity is just a small indication of massive inefficiency. For example, say, 10000 economic experts suppressed the selfless research findings of paramount importance to the economy through the blind academic referring system controlled by shadow invisible hands. Each of these experts continues to earn at least five times of the pay of this researcher. Multiply the average annual income of a failed expert by 10000 and at least 30 years of their hubris-ridden punditry to see the gargantuan direct loss to the economy. Their talents could have been productively used in other endeavor. A silver lining of super efficiency in this example is the fact that a negligible amount of funds were needed to discover truths of immense significance to economy. My research was not driven by any pecuniary incentive or reward or publicity. It was driven by curiosity to find rules of governance of banks and financial markets that could avert the frequent banking failures and economic recessions since the first stock market crash I saw in USA in 1987. My ulterior motive obviously was and continues to be serving the enterprising individuals that prop society and my existence.
- The indirect loss due to suppression of selfless research challenging the established system of governance is trillions of dollars, as expected in my memo to Congress in 2003 and vetted by reality reported after the 2008 crisis emerged.
- Trillions of dollars waged on energy, food and emerging markets have been wiped out because depressed households with shrinking incomes, severe underemployment and fear of the future are consuming less, eating less and wasting less. The economy is naturally reaching the point of



affordable prices through deflation and efficiency by defying the diktat of shadow banking, invisible hands, shadow academy and shadow governance.

- Universities have laden their graduates with massive debt after emptying the students' parental savings by propagating a mythical hope of good jobs and economic prosperity with university degrees.
- Banks and trading houses as well as universities have piled up sumptuous facilities with the hope of continued backing by the unconstitutional system of robbery.

Endless jargons coined to obfuscate the root cause of the ongoing economic depression shows that the "shadow academy" is confounded about the excesses it has engineered in the economies around the world. Perhaps to present the academy as pro-poor, this year's Nobel Memorial Prize was awarded to someone for measuring poverty, although the winner has candidly expressed to a premier Indian television channel, [NDTV on October 16, 2016](#) that he did not know whether there existed a unanimously agreeable norm for measuring the degree of poverty! Why is the sudden obsession of the academy for poverty? Is it a gimmick to camouflage the reality that the prevailing academic wisdom is solely responsible for driving the vast majority of enterprising households to poverty as defined by a unanimously agreeable norm that I have presented in numerous memos and papers and a [book](#)<sup>22</sup> published in 2005 and scripted since 2002?

- I have presented unique, unanimously agreeable norms for measuring economic prosperity, poverty and richness: the level and rate of growth of household net-worth.
- A negative and declining net-worth indicates growing poorer and a positive, rising net-worth indicates turning richer.
- A vast majority of households with negative and declining net-worth harbingers economic depression.
- I have pleaded for institution of such net-worth measures in memos submitted to top political leaders. I have also presented these measures in a paper, entitled "Constitutional System of Money and Finance," which is published in 2013 in the Journal of Financial Transformation, which claims to have 18 Nobel Laureates as authors.
- Is there any political leader, industry honcho, regulator or academic expert who considers any other measure other than net-worth for gauging his/her own economic prosperity? No! Even my 'non-expert' students and poor village friends unanimously agree that net-worth is the only measure of their own well-being as well as of their true financial freedom. Negative net-worth is financial bondage.
- Why are the academic experts and political leaders then not instituting these unanimously agreeable norms for prosperity, poverty or richness? This is bewildering, especially, in democracies.
- It is mind-boggling to note how the academy awards a Nobel Memorial Prize in Economics for measurement of poverty to someone who publicly admits, correctly, that he has not developed any unanimously agreeable norm to measure poverty! The academy is obviously confounded.

## 2.1 Shadow Banking Defined

Incidentally, "shadow banking" can be precisely defined as short-selling or fictitious, unconstitutional creation of assets and their derivatives for selling to investors, mutual funds and pension plans to rob private wealth surreptitiously, as narrated in a published paper on [short-selling by privileged mega banks with power of market making and clearing](#).<sup>23</sup> Selling of a financial security that the seller does not own is

legal under the current system of governance. Unprivileged traders have to borrow the security (from brokers who can legally transfer the security temporarily from actual owners) to sell it for cash, but remain obligated to purchase the security back to return the same (to the brokers). The short-seller expects the price to fall and so sells the security ahead of time at a higher price than the lower expected price at which he purchases the security later for a profit. Robber barons are, however, privileged market-making traders who can artificially create unlimited numbers of shares of a security (as well as US Treasury security<sup>24</sup>) to sell the same for real cash as per law they have created and foisted on people. Here is my synopsis of what happened around the 2008 crisis due to privileged short-selling by robber barons:

- Robber baron short-sellers short-sold fictitiously created mortgage backed securities (backed by no loan) to MBS holders like Lehman Brothers and Bear Stearns. The artificially created MBS were not backed by real mortgage loans and were later called toxic.
- Robber barons used their allies heading the US Treasury Department and Federal Reserve to shut down many MBS holders to erase any trace for such robbery while booking profits by closing their short-positions without fulfilling the obligation of purchasing the short-sold MBS securities, i.e., without covering their short positions.
- The robber baron short-sellers have also planned the same game with respect to the largest US mortgage lending companies, Fannie Mae and Freddie Mac, but are finding it hard to consummate their robbery because they have not been able to sway the government to shut down the two large institutions that lend to the vast majority of enterprising households who comprise the core of American economy.<sup>25</sup>
- The firms like Lehman Brothers, Washington Mutual, Bear Stearns, Fannie Mae and Freddie Mac that bought toxic MBS from short-sellers have been falsely blamed as the shadow banks that bought worthless toxic MBS and deserved to be shut down. The actual perpetrators of shadow banking (the robber barons that artificially created and sold the toxic MBS) went scot free due to their sway with government regulators and policymakers. This is the game of unconstitutional robbery facilitated by law and government intervention followed by public speech to erase all traces of such robbery by the perpetrators of shadow banking.
- Dr. Ben Bernanke has stated that the toxic asset-riddled Lehman Brothers, for example, lacked the necessary collateral. His assertion is based on worthlessness of all those toxic MBS that LB had purchased from mega short-sellers like Goldman Sachs and JPMorgan. The mega short-sellers fictitiously created such assets with no real loans backing them and got them rated high by public rating agencies to attract buyers like LH, BS, WaMu, mutual funds and pension plans. The buyers of such toxic assets trusted the mega short-sellers because the latter seemed trustworthy due to backing by regulators.
- The Fed and Treasury rescued the short-sellers (the true underlying shadow banks) and let them go scot free with a new Dodd-Frank Act of 2010 making the short-sellers systemically important too-big-to fail institutions to be run by too-big-to-be-jailed bankers and with the SEC protected from lawsuits against its permission of short-selling.
- Here are some pertinent rhetorical questions:
  - Why did the Federal Reserve pump directly tens of billions of dollars to Goldman Sachs and indirectly many more billions via AIG, and make Goldman Sachs a bank holding company overnight to let it draw cheap Fed funds?
  - Why did the Fed and Treasury not force GS and JPM to cover their short positions?
  - Why did the Fed not extend the same credit facility to the victims of shadow banking?

- Wouldn't a fair treatment of all financial institutions have saved the victims of shadow banks like Lehman Brothers, Washington Mutual, Bear Stearns, etc. and restored trust in US banking, finance and governance? A fair policy-driven treatment could have perhaps hurt the robber barons and their allies in the government.
  - If shadow banking (short-selling) is the culprit behind the 2008 crisis, why did Dodd-Frank Act of 2010 have a new rule by which no one could sue SEC for its permission for short-selling?
- The robber barons armed with shadow banking laws and with de facto control over government have basically been eliminating those they rob while blaming the robbed for causing the crisis.

## 2.2 Shadow Academic Punditry Defined

*Shadow academy* can be defined as sophisticated suppression<sup>26</sup> of research discoveries that (a) can be adopted as law to avert surreptitious robbing, and (b) are, therefore, paramount to the vast majority of enterprising households:

- Elimination of rules that facilitate robbery, even surreptitiously, is necessary for restoration of constitutional fairness, economic efficiency and stability because the enterprising households are not too naive to know how they are being robbed.
- Robbery of hard-earned wealth of the enterprising households is economically inefficient and unsustainable because these households prop everyone including (a) the robbers, (b) the rulers that create the shield (rules of law) to facilitate such robbery, (c) the poor who depend on enterprises for employment and (d) even the failed academic experts, industry honchos and government regulators.

A vivid example of shadow academic punditry surfacing right now is the argument that a Recap-Release-Privatization of two home mortgage lenders, Fannie Mae and Freddie Mac, to end their conservatorship (Bloomberg News October, 19, 2015) would raise mortgage borrowing cost, hurt affordable housing and burden taxpayers. This punditry thus advocates continuance of government conservatorship and control of Fannie and Freddie with their profits usurped by the Treasury Department:

- This is specious shadow academic punditry.
- This punditry compares an infeasible disequilibrium policy (A) to Recap-Release-Privatize to end government control over the two home mortgage lenders with (B) continuance of unsustainable status quo and suppresses (C) **an efficient, fundamentally fair and feasible alternative policy to Recap-Release-Privatize-Regulate-and-Ban-Shadow-Banking** which attains in equilibrium within a comprehensive economic model of supply and demand for credit to ensure fair lending to **enterprising households** who truly prop the nation.<sup>27</sup>
- The status quo (B) is unsustainable because it eviscerates the financial wherewithal of the home mortgage lenders due to sweeping (robbing) of all their profits by the US Treasury Department.
- The profit-sweep (robbery) policy was enforced in August 2012, before my model on equilibrium between supply and demand for credits was circulated in April 2013. The government ordained such robbery, after confiscating and transferring the mortgage lenders' equities to robber barons in 2008, with a surreptitious agenda to eliminate the mortgage lenders dictated by those that have caused the 2008 crisis according to the Financial Crisis Inquiry Commission, namely, the TBTF banks run by TBTJ bankers, elite academic experts and regulators. The profits of Fannie and

Freddie stem from relatively higher interest rates paid by enterprising household borrowers than the cost of funds and operation of the lenders. Taking away these profits by the Treasury amounts to a significant transfer of wealth from enterprising households to creditors who would have otherwise paid higher taxes. The profit sweep (robbery) game was designed unilaterally by the mega creditors (robber barons) branded by the Treasury Department as 'market participants' to not only usurp the transferred wealth but also levy usurious interest rates on borrowers after Fannie and Freddie have been eliminated. This game unraveled after wide circulation of my model based on fundamental fairness and equilibrium in April 2013. The journals controlled by the elite academy that have published many papers based on presumed nonexistence of borrowers have, without review, returned my paper based on both borrowers and lenders, while embedded media pundits have been suppressing the existence of policy option C by not mentioning it in their published columns. The earliest published debate on pricing of credit dates back to 500 BC attributed to Saint Vashista, who has been described in British literature as a Hindu Lawmaker.

- The status quo (A) of government control of the mortgage lenders with financial disembowelment of their net-worth is fraught with enormous risk (to taxpayers, enterprising households and everyone they prop in the economy): (i) It encourages borrowing by relatively less creditworthy borrowers under Democratic government and (ii) sufficiently large mortgage lending fees levied on creditworthy borrowers to make mortgage lending by TBTF banks profitable and to facilitate eventual elimination of Fannie and Freddie to cause high interest rates under Republican control. Mortgage lending is not profitable for TBTF banks (as long as Fannie and Freddie operate) because they cannot generate sumptuous executive bonuses and political contributions from the thin return spread between lending rate and cost of funds that Fannie and Freddie can provide profitably. The surreptitious shenanigans to raise lending rates unsustainably that led to the financial catastrophe in 2008 are vividly illustrated in a published paper.<sup>28</sup> The status quo of government control over Fannie and Freddie by robbing their net-worth is unsustainable and risky for the economy.
- Continuance of government control over Fannie and Freddie thus entails enormous risk to economy, mortgage borrowers and taxpayers due to politics. This political risk has been omitted in Bloomberg News punditry. Why does this punditry not state that Democrats in control had pushed (for their constituents) risky affordable housing to relatively less creditworthy borrowers and the Republicans created the Federal Home Financing Agency in 2008 to raise mortgage lending fees to eventually eliminate Fannie and Freddie by transferring their mortgage business profitably (i.e., at enormous cost to creditworthy enterprising households) to the TBTF banks run by TBTJ bankers for privatization of profits and socialization of losses. **Genuine punditry** does not omit the political reality that bedevils the nation.
- The plain Recap-Release-Privatize policy (B) is infeasible because, without the government guarantee of Fannie and Freddie debt, privatized Fannie and Freddie will land in a fiasco on the day of release. Even the US private banks with government guarantees like deposit insurance, TBTF and TBTF protections are unable to increase their mortgage lending. The US policymakers first floated the idea of ending government guarantee of Fannie and Freddie debt on September 5, 2008. China and Russia had lent about \$1 trillion to Fannie and Freddie as of that time. The Chinese government publicly warned that if the US government did not honor its guarantee of Fannie and Freddie debt, it would be the end of the global financial system if not the end of the world. US government then buckled and fully repaid Fannie and Freddie debt by essentially increasing the dollar reserve accounts of China and Russia held at the Federal Reserve Bank of New York. The plain Recap-Release-Privatize strategy is unstable because privatization

of Fannie and Freddie profits with a tacit risk of their future rescue imposed on taxpayers will lead to eventual bailout (socialization of losses) like that done for TBTF and TBTJ private banks.

- This Bloomberg News **academic punditry is shadow** because it omits the most significant policy option for taxpayers, mortgage borrowers and lenders, namely, Recap-Release-Privatize-Regulate-Ban-Shadow-Banking which obtains in general economic equilibrium with in a model of borrowers and lenders. The elite academy has published several models that omit borrowers to empower invisible/shadow creditors (robber barons) to fix interest rates for borrowers to pay. Perhaps to maintain invincibility of the invisible-shadow hand, the elite academy does not want to even review my paper based on suppliers (lenders) and demanders (borrowers) of credit to determine interest rate (price of credit) in economic equilibrium.
- The only rationale of such shadow academic punditry as published in Bloomberg News on October 19, 2015 is to obfuscate the public about the shadow banking shenanigans of TBTF banks run by TBTJ bankers on elimination of Fannie and Freddie in order to erase all the traces of unconstitutional robbery. Such punditry does not seem to worry about enormous inefficiency and potential instability fostered by shadow punditry and shadow banking practices. It seems as if Duryodhan and his lieutenants are fighting till the end to not cede the properties surreptitiously usurped from the Pandavas of Mahabharat.

### 2.3 Shadow Governance Defined

*Shadow governance* can likewise be defined as the prevalent unconstitutional system of robbery which is economically inefficient and unstable.

In conclusion of this section, thus, shadow banking, shadow academy and shadow governance have badly imperiled the US economy. Unanimously agreeable principles for governance<sup>29</sup> and academic recognition of research discoveries<sup>30</sup> which, enacted as law, can obviate all the shadows are vital for revival of the economy everywhere.

## 3. The Juggernaut of Rationality in Governance and Defeat of Irrational Forces

Why are many Sahitya Academi awardees returning their awards by complaining that India is turning irrational (intolerant, fascist, etc.)? Why is there an apparent rise in angry outbursts of *Hindutva* (ancient Indian philosophy) proponents against 'secular' forces causing unwarranted violence?

The answer to both the questions is the same: profound discoveries of truth, expressed rationally in terms of modern economics and philosophy showing:<sup>31, 32</sup>

- A. That the goal of modern constitution, written by American founding fathers, is akin to that of the ancient Indian philosophy or *Hindutva*, namely, individual freedom.
- B. That proscription of robbery, even surreptitiously, is necessary for individual freedom.
- C. That the ***modern philosophy*** underlying the Anglo-American system (rules) of governance, established worldwide, has surreptitiously robbed and financially bonded the vast majority of enterprising individuals.
- D. That the ancient Indian philosophical thrust of Gita (*Hindutva*) explicitly proscribes all forms of robbery: the state (King Dhristarastra) must not allow anyone (including the privileged

Duryodhan) to take away others' (Pandavas') property even surreptitiously (through Sakuni's Pashakhel).

- E. That the modern constitution is not scripted as explicitly as the thrust of Gita. If the modern constitution were as explicit as Gita, no rules of law could be enacted, even democratically, to facilitate surreptitious robbery of private and public wealth through market shenanigans that have plunged the Western economies into financial depression.
- F. That the modern constitution should be as explicitly rephrased as *Hindutva* to preclude all forms of robbery to attain the unanimously desired goal of individual freedom.

Contemporary research, thus, shows that *Hindutva* is not *Mythology*, according to self-serving colonial and neo-colonial proponents of modern philosophy. The term 'mythology' is derived from Sanskrit to mean science of lies. The modern books and journals—published by the elite academy to indoctrinate enterprising individuals with a dogma that they can be prosperous by worshipping and following the established system (rules) of unconstitutional robbery—should rather be termed *Mythology* because it is a pure myth (lie) that enterprising individuals subjected to systemic robbery of their hard-earned wealth will be prosperous.<sup>33</sup>

Gita has been rationally accepted by Indian courts as a philosophical document.

The triumphant *Hindutva* (ancient Indian philosophy) is, therefore, being pursued vigorously in India now to supplant other irrational philosophies which had been imposed by vested interests to rob and snatch away wealth and dignity of enterprising individuals. This change is fast and furious.

The *Hindutva* proponents need not be angry and certainly not violent to avenge for the injustice and indignity meted by the self-serving forces of irrationality. It is, however, rational to show the door to the forces of irrationality who have unduly pervaded government and propagated an unconscionable myth that their system of robbery is rational. This is a very important rational step to establish rational governance needed to regain India's lost glory. Einstein has stated that repeating the same steps with an expectation of a different result is idiocy. Any expectation that the establishment powered by the same forces of irrationality will somehow turn rational is irrational.

Rationality of ancient Indian philosophy should be simultaneously propagated as the only unanimously agreeable ethos of India (indeed of the entire humanity) - unless someone proves otherwise - as opposed to the disparate disagreeable philosophies predicated on robbery. For example, academic journals should publish my papers submitted to them or prove irrationality in these seminal papers founded on unanimously agreeable rationale of fundamental fairness.

### **3.1 Triumph of Rationality in Governance**

*Hindutva* had been oppressed so far by the self-serving colonial and neo-colonial forces as idolatry driven by blind belief. Despite such oppression, Hindus have expected some Krishna or Rama to reappear to destroy the evil oppressing forces like the modern robber barons. Gita says that when evil forces multiply, some destroyer of such forces would reappear. This saying is rational since human genes carry attributes that demand fundamental fairness, that pursue at all odds to engender fundamental fairness, that give up on pursuits for fairness and that want to be unfairly privileged. Transformation of genes through birth is mathematically likely to produce genes in some human with attributes to pursue for establishing fundamental fairness (as in the ancient Indian philosophy) by eradicating the irrational forces. The

American founding fathers tried to establish fundamental fairness after winning their war of independence, but wrote an imperfect constitution which could be transgressed later through a surreptitious system of robbery.<sup>34</sup> Then emerged someone (that it is me is incidental) to discover the truth that the established system is unconstitutional, economically inefficient and unstable. This truth acts like "Sudarshan Chakra of Kaliyuga" because of its potency to destroy the heretofore established 'invincible' irrational forces of governance: through, e.g., adoption of new rules by US after catastrophic market crash in 2008 was found to be due to imperfect and delayed adoption of rational rules of governance proposed before the crash, change in government in India, etc.<sup>35</sup>

India is rising due to rationality in governance it boldly embraced since 2003. Citizens for Development triggered this process. CFD was formed primarily for eradication of the forces of irrationality subjugating the world. In early 2003, CFD formulated a strategy and communicated it to PM Vajpayee to not beg for friendship with USA and other Western powers. CFD's strategy appeared then 'crazy' and contrary to India's actions in the aftermath of Parliament attack. It was absolutely gloomy in India with troops at its western border waiting for acquiescence from West for a joint operation against Pakistan. NATO had virtually taken control over Pakistan and had shunned Indian friendship offer in the wake of World Trade Center bombing in 2001. If USA and by extension other Western nations now want a nuclear deal with Pakistan like the one with India, the West obviously would never help India weaken Pakistan. The West indeed orchestrated carving of a nation (Pakistan) out of British India to maintain its neo-colonial domination in the subcontinent out of its deep fear of a potentially united and strong South Asia that could not be confronted militarily.

The crux of CFD's rational strategy was Hindu-Muslim unity, social stability and economic efficiency and establishment of a smart city that would attract talents from all over the world, at least the non-resident Indians (the 'orphaned Hindus' according to a Harvard professor), to invest and feel safe to live in their motherland.

India has since 2003 turned into a juggernaut of rational governance. India may soon discard birth rights based on caste and class. Even the RSS has advised Hindus to embrace only the rational aspects of Sanatan Dharma.

The Indian stock market has sky-rocketed with BSE Index rising from 3000 in 2003 to 26000 now. Farmers have enriched enormously due to a rapid rise in the value of farmland. The size of Indian economy has risen 20-fold on a PPP basis. These are monumental outcomes of rationality in governance. Every country including perhaps Pakistan now wants India's friendship for survival. The chaos in India is how to enrich in a rapidly rising India, as opposed to the simmering anger in the developed world over rapid erosion of prosperity of the vast majority.

The purpose of this paper is not to list all aspects of rational governance strategies communicated by CFD with immense self-sacrifice in terms of facing the risk of retaliation from losing vested interests. The current PM Mr. Modi had vowed in 2003 (in the wake a CFD memo on a 'united, peaceful and prosperous India' to PM Vajpayee) to embrace a 'united, peaceful and prosperous' Gujarat. Gujarat has outpaced every industrialized country and every state in India in the rate of its economic growth. Gujarat did not have a single riot in the 12-year rule since 2003. The year 2003 is an epoch at least for India.

Any dispassionate analysis will conclude that Mr. Modi has risen as PM of India because of voters' correct belief that India had digressed from rational governance in the second UPA regime (when Dr.

Manmohan Singh effectively lost control) and that only Mr. Modi could restore India's path to rational governance. In fact, I had pleaded for Mr. Modi's nomination as BJP's PM candidate, when the party did not want to project its PM candidate and was somewhat averse towards a 'divisive' head.

I have seen everything Mr. Modi has done after becoming PM as consistent with rational governance of India advocated by CFD. He has established himself as a global leader capable of not only unifying Indians but also most of the world for rational governance in which India has already taken an unflinching leadership. I have communicated separately how Mr. Modi's international leadership potential may have unnerved neo-colonial forces reigning India so far.

### 3.2 Why *Hindutva* was destroyed in India and how to avert future threat?

- *Hindutva* is the ancient Indian philosophy or Sanatan Dharma.
- *Hindutva* was suppressed by the British. First, the British mangled the preachers of this Dharma who were primarily mendicant Brahmins. The British then created 'secularists' by training and bribing some of the same Brahmins to brain-wash masses about how the preachers of Sanatan Dharma were self-serving and oppressing the masses.
- The British obviously did not want a secular Indian sub-continent. They bribed Muslim Mullahs and Brahmin Priests to chant against each other's religion to enrage the masses to fight and kill each other. When the British came, India contributed 23% to global GDP. When they left India's contribution to global GDP was decimated to 1%.
- The British strategy engaged kings to loot productive subjects and distribute doles to the rest to keep people perpetually emaciated. The British would then easily collect the valuable loots of obedient kings and liquidate the disobedient ones. The masses rejoiced such colonial rule because it gave them food, and suppressed the suppressors (the kings) while the secularists on crumbs flowing from British preached to demolish Sanatan Dharma as irrational.
- That the British never wanted secularism in Indian subcontinent is obvious from the fact that they carved a new state based on religion (Pakistan) and dissected every community within India along the religious divide.
- The 'modern' British system of governance adopted in almost all parts of the world including in India is the same as their old one. It engages looters to keep looting the productive sections of a country while distributing doles to the deprived. It then engages robber barons shielded by an unconstitutional system of robbery to rob the looters periodically. In particular, this system anoints academic pundits to preach talented people to work hard and save their net savings in financial assets and engage trusted robbers (Masters of the Universe) to surreptitiously rob the savings. This system publishes scholarly tomes to paint such robbery as cyclical acts of invisible hands. Any academic researcher who dares to expose the system of robbery is subjected to McCarthyism. Families financially eviscerated by such robbery and brainwashed by established pundits have no option but to surrender their talented kids to serve the lords for printed fiat money. The system of sophisticated slavery (neo-colonialism) has continued unchallenged until it was bared in 2008 as unsustainable and inefficient thanks to a continual hurling of modern Sudarshan Chakras.
- The British and their counterparts practicing neocolonialism everywhere have now failed to suppress propagation of discoveries on (a) A Unifying Philosophy of Governance (Universal Religion and God)<sup>36</sup> and (b) Unanimously Agreeable Principle of Governance.<sup>37</sup> They have thus failed to permanently distort rationality and unanimous agreeability of the basic thrust of Sanatan Dharma or *Hindutva* or ancient Indian philosophy. No amount of ranting and raving by



neocolonial pundits can undo their epochal failure to perpetuate irrational governance. I will of course die, naturally or otherwise, but the triumph of unanimously agreeable principles of governance in the evolving world will remain indelible.

#### **4. Failure of Modern Philosophers Associated with Top Academy to Assassinate the Character of Ancient Philosopher, Krishna**

The previous sections show that the origin of modern constitution, scripted by the American founding fathers in 1776, is an imprecise form of the ancient philosophy of Hindutva founded by Krishna. The modern constitution does not proscribe surreptitious usurpation of public and private wealth, contrary to the explicit thrust of Gita. The modern constitution's imprecision has led to its transgression by numerous rules of law that drive the modern philosophy of robbing private and public wealth, nonchalantly. The modern philosophy is, therefore, antithetic to constitution as well as *Hindutva*. In an apparent effort to suppress this profound truth, the elite academy has concocted irrational discourse as scholarship designed to assassinate the character of the original author (Krishna) of fundamental fairness, which is intrinsic to ancient philosophy as well as modern constitution. For example, the University of Chicago's history professor Wendy Doniger's depiction of Lord Krishna, in a book published by Penguin Books-Random House, as an amoral sexual character reflects an attempt to (a) assassinate the character that proved fundamental fairness as necessary for civilized coexistence of humans and (b) to hide the utter failure of the elite academy to refute rationally that fundamental-constitutional fairness (scripted as Dharma in Gita) is singularly akin to first-best efficient governance to attain economic efficiency and stability within a contemporary mathematical general equilibrium model of the economy.

Wendy Doniger depicts Krishna as an immoral sexual character on the front cover of her book, now banned in India. Such depiction amounts to assassination of a character (Krishna) who has scripted a philosophy of fundamental fairness, namely, no one should be allowed to usurp (i.e., rob) others' wealth even surreptitiously. This philosophy of fundamental fairness is universally acceptable. This is why Krishna and his Gita are being revered. The Indian courts have lately proclaimed Gita as a philosophical document. This fundamental principle of fairness is the essence of modern constitution scripted by the founding fathers of America and adopted by all major democracies including India.

##### **4.1 An irrational discourse of ancient human history is not scholarship:**

1. Latest research based on extensive DNA mapping of people around the world shows that after popping in east Africa, humans migrated to India. The most significant truth established in this research is that India is the only nation that has all human forms (e.g., Caucasian, Mongoloid) spread around the world.
2. Humans must have cultured and struggled for survival against onslaught of violent animals and devilish co-species before emigrating worldwide from India.
3. The struggle for survival and coexistence must have led to discoveries of various systems of governance (called religion).<sup>38</sup> India is, therefore, known as the cradle of humanity with most forms of religious beliefs.
4. The idea of organized religion must have emigrated from India to give rise to new religions like Judaism, Christianity and Islam.<sup>39</sup>

5. One can rationally infer that ancient humans found procreation as necessary for survival of their species. This must be why sex symbols are abundant in ancient scripture and sculpture.
6. The philosophy of fundamental fairness presented as Dharma in Gita is vital for human coexistence even now. This philosophy has become the thrust of modern constitution because it is unanimously acceptable by all human souls (even robbers do not want to be robbed). Since a unanimously acceptable philosophy touches all souls, it is the “soul of all souls” or Paramatma or epistemic truth compatible with everyone’s conscience.
7. Depiction of Krishna, who gave humans such profound unanimously acceptable wisdom, as an immoral sexual creature (Hindu god) defies the idea of scholarship based on rationality.

#### **4.1 Strategy of Losers: Assassinate the character that inflicts losses on them**

Robbers follow a well-known strategy of assassinating a character who is very successful in blocking robbery, philosophically or otherwise. The established paradigm of governance (a form of religion) founded by the elite academy of economics and finance has been spearheaded by the University of Chicago. This paradigm is based on mythology (science of lies).<sup>40</sup> It crashed publicly in 2008. The U.S. Congress has blamed the authors of this paradigm (established experts in the elite academy) and their disciples for causing the manmade (avoidable) crash of the system, which has hobbled the economy and wiped out millions of jobs and trillions of dollars of wealth. This crash empirically validates the theoretical findings of research on first-best efficient governance (Constitutional Raj Dharma) mimeographed since 1991<sup>41</sup> that **the now-failed established system is:**

- Unstable and inefficient.
- Fundamentally unfair (irrational).
- Not acceptable unanimously.
- Designed to bestow privilege, power and wealth on a few guardians of the system by usurping (robbing) the produce and service of principals (citizens) of a society.
- Subjecting the principals (citizens) to second-best sustenance.

The elite academy has actually failed to offer any alternative system of governance which is stable, efficient and fundamentally fair. The elite academy has also failed to refute that an alternative system (rules) of governance exists. **The alternative system discovered in a general equilibrium model is:**

- First-best efficient, which means it begets first-best status for principals (citizens) of a society who persevere to produce and serve.<sup>42</sup>
- Economically stable and efficient.
- Fundamentally fair, obviating privilege for anyone.
- Unanimously acceptable.

One can call the first-best efficient system of governance Constitutional Raj Dharma (CRJ) because of its following attributes:

- CRJ attains fundamental fairness (rationality) mandated by the modern constitution.
- Fundamental fairness is akin to the ancient Indian ethos, the thrust of Gita of Krishna.
- CRJ is epistemic truth, which means it is unanimously acceptable.

- CRJ has been discovered in the most general math-econ model of general equilibrium, ever scripted in the literature, and is irrefutably robust.<sup>43</sup>
- No one including the elite academy has proved that CRJ could cause instability, inefficiency or fundamental unfairness.

#### 4.2 The elite academy has lost its game

- The elite academy uses narrow math-econ models to claim that no alternative system like CRJ exists. These claims have been proven to be false within the most general math-econ model developed since 1991. The narrow models are subsumed within the general equilibrium model.
- Using its false claims, the elite academy has established and promoted the now-failed second-best system of governance. The established system is designed to bestow first-best privilege, power and wealth on a few (including rulers) by subjugating the vast majority of principals to second-best economic sustenance.
- The elite academy has furiously suppressed the truths discovered by research on the alternative first-best efficient governance and (using its power in the academy and industry) destroyed the career of the author since he first mimeographed it in 1991 as a financial economist at the Board of Governors of the Federal Reserve System. The academy has, however, failed to refute these truths because it could not concoct a more general model to paint as false the truths discovered in research or to find errors in theorems and proofs on first-best efficient governance.
- Top journals established and controlled by the stalwarts in the elite academy have published many of my papers. They have, however, returned my CRJ papers without any review. This shows that they have been frightened to admit that the system of money and finance they established and promoted so far is unstable, inefficient and unconstitutional. The publishers, controlled by wealth looted through the established system of legalized robbery, have so far been swayed by the colluding academic stalwarts and robbers.
- The elite academy must be now in tatters, intellectually. My CRJ paper, “Constitutional System of Money and Finance,” has been published in 2013 in the Journal of Financial Intermediation, which claims to have 18 Nobel Laureates as its authors and top experts from the elite academy and financial industry as its editors.<sup>44</sup>
- The elite academy and ultra powerful cohorts must have now lost its battle against an Aam Admi from a poor Indian village. They have also lost their influence over government policies in the U.S., Europe and Japan. The situation has been so reversed now that a former Treasury Secretary, Hank Paulson, laments lately about politicians setting policies based on blog-sites (without naming pro-prosperity.com which is privately and discreetly visited by the bigwigs). Hank Paulson was Goldman Sachs CEO. He served as financial Czar of the Bush Administration with enormous power to have financial bazookas (authorized by the US Congress) in his pocket to blow when needed to subdue financial companies he did not like. He is an alumnus and currently a professor of the University of Chicago.

### 4.3 Summary of this section

The ancient Indian philosophy (akin to CRJ within a contemporary economic model) has triumphed, intellectually and practically in the real world. Now, no one can stop worldwide spread of CRJ. All attempts to dig dirt to paint CRJ author's character have failed. My Bhanjanagar Farmhouse has been raided. My writings have been checked for plagiarism. My computer was hacked by (as per data I have recorded) the proponents of the now-failed system of governance including the Cambridge University in early 2009. The hackers had set a rule in my email server to delete all my email correspondence with publishers including the Cambridge University Press whose editor had accepted but whose administrator had rejected to publish my book in 2003.

The stalwarts of the elite academy tried in vain to paint the 2008 financial catastrophe as an act of god (that no one saw coming) through a book authored by a Yale Professor and published by the Oxford University Press. They failed to define god rationally.<sup>45</sup> The U.S. Congress rejected the theory of god causing a crash of a human-designed economic system in 2011, consistent with my prior communication on an impending financial meltdown and on policy proposals to preemptively avert the crisis.

The elite academy has struggled to paint my model as driven by esoteric philosophy. But they have failed to do so. It is because I have transparently shaped within a general equilibrium math-econ model, "***Constitutional [fundamentally Fair] Capitalism for first-best efficient governance obtained in general equilibrium based on rational microeconomic analysis, devoid of parochial dogmas, politics or prejudice,***"<sup>46</sup> and proved that the existing narrow economic models are driven by biased dogmas to bestow privilege, power and wealth on a few by subjugating the vast majority to second-best sustenance. Honestly, my journey may be more thrilling than super Bollywood movies.

Krishna is not physically present to defend assassination of his character. ***I wish, however, that Penguin Books pursued its legal fight-rather than surrender in an out of court settlement-to prove scholarship based on rationality in Professor Wendy Doniger's book with no ulterior intention to assassinate the character (Krishna) whose philosophy is vital for human coexistence and survival and holds good in general equilibrium within a modern math-econ model of the economy for stability, efficiency and fundamental fairness.*** Note the remarkable coincidence of dates:

- A book authored by a Yale professor (Gary Gorton) on god causing the economic catastrophe published by the Oxford University Press came out almost when the economy crashed.
- The elite experts used Gorton's book to paint the crisis as an act of god without even defining god rationally in their testimonies before the Financial Crisis Inquiry Commission hearings in 2010.
- I wrote a rejoinder to the US Congress in March 2010 stating that the elite experts were lying.<sup>47</sup>
- A top investment bank contacted me in March 2010 to serve as its expert to testify before the US Congress, regulatory bodies and courts. It offered me whatever I asked as compensation. I then questioned why the bank was not approaching elite experts and withdrew by telling that my only value to the bank was a surrender of my integrity through testimony that truths discovered in my research and communicated to the US Congress were indeed false.

- The U.S. government indicted and fined Goldman Sachs \$500 million in April 2010 on the same sort of issues raised by my research. Major U.S. banks have since then paid billions of dollars in fines for fraud and are still on the hook for potentially criminal acts.
- The FCIC wrapped its investigation very fast to conclude in a report released in January 2011 that the 2008 crisis was manmade and caused by failure of the elite experts and their disciples heading the financial industry and government regulatory bodies.
- Penguin Books-Random House published a book in 2011 to denigrate Krishna (the author of the ancient human philosophy akin to CRJ) as an amoral character driven by sex.
- Hindustan Times reported that the U.S. had changed its policy towards Mr. Narendra Modi of BJP because of a reversed power balance in Washington D.C. almost at the same time as Penguin Books withdrew its book on denigration of Krishna.<sup>48</sup>

Incidentally, the foundation of the now-failed established economic paradigm was laid in a book authored by Adam Smith in 1776, the year of independence of USA. The U.S. became a capitalist economy based on this book, which Professor Gary Gorton of Yale reincarnated in a new book on slap of invisible hands published by Oxford University Press almost at the same time as the U.S. economy plunged into a crisis. The “invisible hand” has been transparently visible to the author of CRJ and this was known to the established experts since 1991. I am still alive to tell the truth.

## **5. Unanimously Agreeable Philosophy of Governance is Antithetic to the Common Underlying Ethos of Every Modern System of Governance**

This section argues that the common *underlying ethos* of every system of governance adopted by modern nations so far - be it *socialism, communism, libertarianism, laissez faire capitalism* or *Islamic system* - is usurpation of enterprising wealth creators. This ethos is very *antithetic* to my *unanimously agreeable philosophy governance* defined by a guarantee of the democratic government of *We the People* to not enact any law facilitating usurpation of private or public wealth, even surreptitiously.

*Socialist* and *communist* systems rely on a popular theme of equality to transfer wealth created by enterprising individuals to relatively indolent people including the rulers. More importantly, these systems stifle motivation and creativity of inherently talented and enterprising individuals and, therefore, retard production of globally competitive merchandise and service, leading to a decay in national competitiveness and decline in international value of national currency - which makes most people poorer. This is how the Soviet Union collapsed and China had to replace its cooperatives and communes, driven by equality in pay, with new profit making enterprises rewarding entrepreneurs. India too had to disband its socialist-mixed economy. The underlying philosophy of *Islamic System* is schizophrenic because it touts for equality advocated by Islam but tolerates authoritarian leaders enjoying nonpareil privilege.

Surreptitious systemic robbery of enterprising wealth creators underlying the Anglo-American system of governance of USA and Europe has been exposed by the financial catastrophe of 2008. The financial catastrophe of 2008 caused a massive loss in USA of about \$13 trillion of hard-earned wealth and 9 million of good paying jobs, while the government's borrowing and Federal Reserve's money printing has ballooned to \$24 trillion, those searching for jobs has reached 94 million and the number of families in foods stamps and poverty has sky-rocketed.

The financial catastrophe of 2008 publicly bared the Anglo-American system of robbery. The Financial Crisis Inquiry Commission of US Congress blamed the elite pundits of systemic robbery and their disciples heading the finance industry and government regulatory agencies for , for causing the 2008 crisis. That Anglo-American rules constituted a legalized system of robbery is supported by evidence that (i) none of those blamed by FCIC for causing the enormous crisis has been jailed and (ii) the too-big-to-fail banks paid more than \$100 billion in penalty for mortgage fraud.<sup>49</sup>

The ensuing economic malaise and simmering social unrest in USA, Europe, Japan, China and India have made it necessary for nations to embrace my unanimously agreeable rules of governance for efficiency, stability and ***fundamental fairness*** or constitutional capitalism.<sup>50</sup> The unanimously agreeable philosophy is now "at the epicenter of transformation of USA from its currently established system of robbery of enterprising wealth creators - which has been proved as inefficient, unstable, fundamentally unfair (unconstitutional) and unanimously disagreeable - to an antithetic system which is unanimously agreeable and which attains within a general dynamic equilibrium model as efficient, stable and fundamentally fair or constitutional."<sup>51 52</sup>

By ***fundamental fairness***, I do not mean government-ordained equality which has failed in every country that had practiced it.<sup>53</sup> My ***fundamental fairness*** is a guarantee by the government of ***We the People*** to not pass any rule that facilitates legalized robbery of individual or common wealth, with impunity. Such fundamental fairness is unanimously agreeable because even the robbers do not want to be robbed.

A system of governance formed with unanimously agreeable rules for such fundamental fairness is uniquely necessary to motivate inherently talented and enterprising individuals to innovate and produce their best by employing others and paying taxes to run a fundamentally fair government. Furthermore, wealth held under the custody of individual wealth creators-under a fundamentally fair system-minimizes (diversifies) the risk to aggregate national wealth. This contrasts systemic robbery which causes risky concentration of national wealth that can be easily looted or destroyed by intruders, invaders or terrorists. The unanimously agreeable system (e.g., the safe central banking rule) is, thus, attained in general equilibrium within a model in which the government provides service not-for-profit at the least possible cost.<sup>54</sup>

Despite unanimous disagreeability of systemic robbery, Robber Barons had succeeded, until they were publicly exposed due to failure of their system in 2008, by spreading a mythology that individual freedom could be attained only through ***small government that levies little taxes*** in

the name of *libertarian laissez faire capitalism*. Myth in Sanskrit means lie. Mythology connotes a science of lies. Epistemic lies are ultimately exposed and epistemic truths always prevail, eventually. The libertarian system based on epistemic myth was bound to fail. The true unanimously agreeable philosophy of governance, attained in a math-econ model of general equilibrium in 1991 and articulated and communicated in plain English to US Congress and Presidents during 2003-2007, exposed the myth about the pseudo unanimously agreeability of libertarian small government levying little taxes. The libertarian system has made governments worldwide grow (not shrink) by borrowing unsustainably to make up for the taxes surrendered.

The libertarian system failed because it is based on rewarding indolence and subservience (as opposed to efficiency and independence) in governance, academic-media punditry and wealth management. This system still persisted for centuries because it created leaders in government, academy, media and financial industry driven by the following mission:

1. To advocate and enact laws needed to perpetrate legalized robbery of enterprising wealth creators with impunity.
2. To keep quiet about transfer of robbed wealth to the custody of embedded Robber Barons.
3. To forever remain subservient to the Robber Barons to receive a share of the systemically robbed loot via private accounts held secret by law.
4. To demolish any political or intellectual challenge to the system.

The crux of all the existing systems of governance is *subsidies and quotas* (based on birth to certain caste, race or social status) which are (i) inefficient (making a nation uncompetitive), (ii) unstable (causing social unrest) and (iii) fundamentally unfair (unanimously disagreeable).<sup>55</sup> My unanimously agreeable philosophy of governance can be named constitutional capitalism, which eliminates all forms of subsidies and quotas. The opponents or targets of my philosophy are the seekers of subsidies and quotas in any form: (a) socialists and communists or (b) Robber Barons and their anointed leaders in government, industry, academy and media who are willing to surrender their own freedom, in lieu of a share of the systemically robbed wealth, to spread myth (lies) about the now-failed libertarian system to systemically rob and subjugate the enterprising wealth creators.<sup>56</sup> Socialism and communism have failed to make nations efficient and stable in the long-run. So has the libertarian system of privatizing profits and socializing losses.

The systemic robbery in the libertarian system of legalized robbery is facilitated by the following:

- Federal Deposit Insurance Corporation and Federal Reserve help Robber Barons (i) rob valuable assets of smaller banks and 'shadow' banks not protected by the FRA and (ii) get massive taxpayer funds in the name of 'rescuing' the smaller banks and 'shadow' banks.
- FDIC was created through Banking (Glass-Steagall) Act of 1933 to provide federal insurance of deposits held under the custody of 'private' banks. The federal deposit insurance provision of the law effectively blackmails *We the People* to create new money on the back of people for the 'private' banks whenever the latter default on repayment of deposits under their custody. This law thus facilitates a 'private' bank to rob insured deposits and then handover itself to the FDIC. The

FDIC then transfers the valuable assets of this bank to Robber Barons along with more taxpayer funds to the latter for 'rescuing' the failed bank. This makes the banks run by Robber Barons ever larger and too-big-to-fail with protection by the FRA-1913. Robber Barons in the process have become too-big-to-be-jailed.

- The Security and Exchange Act of 1934 permits Robber Barons to control Market Making and Clearing operations. This facilitates Robber Barons to see vividly on real-time the flow of orders for trades submitted by everyone else like pension plans, mutual funds, and individual investors. Robber Barons can then trade against the interest of everyone else in the market with massive cheap public funds. This guarantees Robber Barons to rob everyone else with impunity. They quickly privatize the profits and leave the corporate banking shells as wards of the public. The Security and Exchange Commission, created by this act, permits artificial creation and selling of securities not owned by the sellers. Due to their privilege to view short and long positions of every other investor/trader in the clearing house and real-time order flows, the Robber Barons thus have a legally guaranteed privilege to squeeze wealth with impunity from other short-sellers and shareholders..
- The Dodd-Frank Act of 2010 made the SEC's short-selling rule beyond judicial purview and made the TBTF banks systemically crucial (not subject to shut-down).
- The Housing Economic Recovery Act of 2008 facilitated a takeover of Fannie Mae and Freddie Mac (which were well-capitalized according to the Treasury Secretary) under conservatorship to use them as 'bad banks' to rob their equity as well as \$187 billion of taxpayer funds lent by Treasury to Fannie and Freddie to bail out insolvent TBTF banks. Fannie and Freddie were forced to buy worthless (toxic) mortgage assets from TBTF banks at par. The DOJ later charged TBTF banks more than \$100 billion in fine for mortgage fraud so committed.
- Robber Barons want to pass new law to shut down Fannie and Freddie to collect usurious interest rates from credit-worthy mortgage borrowers.

## 6. Conclusion

This paper has argued that the essence of modern constitution—to protect private property needed for individual freedom—is not as explicitly stated as the ancient Indian philosophy *Hindutva* scripted in Gita, namely, to not usurp others' wealth, even surreptitiously. The Unanimously agreeable system (rules) of governance presented in this paper is consistent with the ancient Indian philosophy, but antithetic to the ethos of every system of governance ever adopted by modern nations - be it *communism*, *socialism*, *libertarianism*, *laissez faire capitalism* or *Islamic system*.

The ethos underlying every system of governance adopted by modern nations thus far is surreptitious robbery of enterprising wealth creators with the loot shared by relatively indolent usurpers. Any form of surreptitious robbery of enterprising wealth creators is antithetic to my unanimously agreeable system (rules) of governance with a philosophy of fundamental fairness (constitutionality) which are attained within a rational math-econ model of general equilibrium. The unanimously agreeable system is not a dogmatic assertion. It is amenable to (a) rational rejection for unreasonableness of the axioms used in my model to attain unanimously agreeable rules of governance in general equilibrium, (b) finding errors in



my model or theorems and (c) argument about unreasonableness of my unanimously agreeable rules based on any other axioms or models. Stated for brevity, *my philosophy* connotes the rational general equilibrium results, not some dogma. This philosophy of fundamental fairness has been transgressed by every modern nation because of failure to script constitution explicitly to proscribe every form of robbery, privilege, subsidy or quota. This failure has led to financial bondage of a vast majority of enterprising individuals worldwide.

The only way to attain inclusive prosperity and freedom of enterprising individuals is (a) to mandate a new constitutional preamble of unanimously agreeable rationale of fundamental fairness to proscribe all forms of robbery, unfair privilege, subsidy or quota and (b) to shape all other articles of the constitution and rules of law conforming with this preamble. This new constitutional preamble is the essence of my unanimously agreeable philosophy of governance, which is akin to the thrust of Gita or the ancient Indian philosophy of *Hindutva*. This paper substantiates that unanimously agreeable philosophy and rules of governance have indeed triumphed in the real world because of their necessity for civilized coexistence of humanity.

## 7. Appendix of Endnotes and Citations

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# **Diktats of Unanimously Agreeable Governance and of Universally Acceptable Religious Beliefs Necessary for Civilized Coexistence**

By

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Abstract: This paper presents a unique unanimously agreeable rationale of fundamental fairness to enunciate unanimously agreeable rational diktats for governance, religious and scientific beliefs and tolerance necessary for civilized coexistence. Unanimous agreeability and rationality of fundamental fairness conform with the ancient philosophy of *Hindutva*. Gandhian socialism shaped by Mahatma Gandhi and Jawaharlal Nehru as well as the Anglo-American capitalism amount to surreptitious robbery and subjugation of enterprising individuals and hence antithetic to unanimously agreeable fundamental fairness and *Hindutva*. I argue that Gandhism cannot be unanimously agreeable rational definition of tolerance. Neither can Gandhism be the basis of unanimously agreeable rational definition of tolerance needed for civilized coexistence. Unanimously agreeable fundamental fairness akin to *Hindutva* is uniquely necessary for tolerance, civilized coexistence, individual prosperity and freedom.

# 1. Introduction

This paper presents unanimously agreeable norms or diktats for governance, ethos and beliefs for tolerance, civilized coexistence, individual prosperity and freedom. It presents a unifying philosophy or rationality for diverse religious and scientific beliefs and how all such beliefs conform with unanimously agreeable norms of governance and universal religion. The principal rational arguments of this paper are the following:

- Fundamental fairness is universally agreeable and rational.
- Unanimous agreeability and rationality of fundamental fairness conform with the ancient philosophy of *Hindutva*.
- Both Gandhian socialism shaped by Mahatma Gandhi and Jawaharlal Nehru and Anglo-American capitalism amount to surreptitious robbery and subjugation of enterprising individuals and hence are antithetic to unanimously agreeable fundamental fairness and *Hindutva*.
- Gandhism cannot be a unanimously agreeable rational definition of tolerance.
- Neither can Gandhism be the basis of unanimously agreeable rational definition of tolerance needed for civilized coexistence.
- Unanimously agreeable fundamental fairness, akin to *Hindutva*, is uniquely necessary for tolerance, civilized coexistence, individual prosperity and freedom.
- Either Gandhian socialism or Anglo-American capitalism or a mix cannot result in sustainable prosperity, freedom, tolerance and civilized coexistence.

The rest of the paper is organized as follows: Section 2 presents how human thinking (philosophy) has inherently revolved around unanimous agreeability. Section 3 presents how this thinking was shaped in ancient India as *Hindutva*. Section 4 defines tolerance based on unanimous agreeability and rationality. Section 5 concludes.

## 2. Unanimously Agreeable Norms or Diktats

The humanity was once captivated by Leon Walrus' theoretical idea of Benevolent Dictator (central planner) who could collect data on preferences and constraints of all individuals to make economic choices for the latter in order to attain first-best efficient level of production. Central planning was vigorously experimented in several countries after the crash of Laissez Faire Capitalism-unbridled robbery of private and public wealth-in USA and Europe led to World War II. Central planning could not attain efficiency because even inherently efficient individuals misrepresented their preferences to fetch more resources to produce less.

After World War II, the US and Europe experimented with Regulatory Capitalism by (i) giving freedom to individuals to create wealth, which attracted talents from all over the world and (ii) facilitating a few Robber Barons to usurp private wealth through surreptitious financial shenanigans. Regulatory Capitalism crashed in 2008. The US Congress-appointed Financial Crisis Inquiry Commission blamed the Regulators, Robber Barons and established academic experts for their failure to avert the manmade (avoidable) crisis.

## 2.1 Unexpected poll verdicts after the financial catastrophe of 2008

Unprecedented poll verdicts around the world since 2008 show a lurch towards a unique and unanimously agreeable diktat of No-subsidy Mantra in Governance<sup>2</sup> which seeks to disband subsidies based on privilege and social status. The unprivileged common people (comprising the rich, middle-class and poor) have realized since 2008 that the diktat of unanimously agreeable No-Subsidy Mantra in governance can beget an efficiently competitive economy and uproot the source of decreed privilege, i.e., legalized robbery of public and private wealth. This realization has resulted in election victories for any individual or party that pledges to uproot the established system of robbery or to undermine a winner who deviates from his pledge to change the system after rising to a position of privilege:

- For illustration, Mr. Barack Obama was an underdog in the 2008 US presidential polls. Then the market crashed, causing massive loss of private wealth. People responded positively to Mr. Obama's call for change of the established system. His party, however, lost in a Democratic senatorial bastion in Massachusetts in 2010, as soon as people observed Mr. Obama negotiate nontransparently backdoors with healthcare insurance companies and union leaders. The Massachusetts seat was retaken by a Democrat, Ms. Elizabeth Warren, for pledging to penalize Wall Street, the source of privilege.
- Mr. Narendra Modi in India rose to power from modest upbringing to become the Chief Minister of Gujarat. Mr. Modi was, however, vigorously opposed by the very sources of privilege in USA and India due to their fear that he would be dictatorially eliminate fundamentally unfair privilege. The Juggernaut undoing privilege everywhere, however, marched on. The privilege creators in USA had to "Modyfy" their views of India under Mr. Modi in November 2013. President Obama then removed the American ambassador in India and Mr. Modi appeared invincible as he won election after election.
- After occupying a position of privilege, Mr. Modi dilly-dallied on his pledges, hobnobbed with the same sources of privilege and, thus, appeared to retract from his positions. This led to a spectacular rise of a decimated Aam Admi Party headed by Mr. Arvind Kejriwal who pledged credibly to remain an unprivileged common man, even after winning the Delhi election resoundingly.
- Mr. Kejriwal's opponents have expressed fear that he is dictatorial, which is detrimental to democracy within AAP as well as India. If Mr. Kejriwal, however, becomes a "dictator," to follow the diktat of No-Subsidy Mantra in governance, he will be unanimously adored. We will then have super-democracy or Ram-Rajya with absolute support of most, if not all, voting for him in future polls.
- Mr. Kejriwal has not so far committed to the No-Subsidy Mantra in governance. His pledge to have a corruption-free rule is subsumed within the No-Subsidy Mantra in governance, but this is not enough for AAP to win elections for ever. USA and Europe too have had such corruption-free governance. Why did the American and European economies crash in 2008 with millions of good jobs lost and trillions of dollars of hard earned wealth wiped out? It is because of surreptitious usurpation of private wealth through laws, acts and policies of the government with the robbed wealth flowing to the privileged class.
- Thus, Mr. Kejriwal's or Mr. Modi's pledges for a corruption-free India will do nothing to stop the massive legalized robbery of private and public wealth by the privileged class through laws, policies, procedures adopted in parliament.

- India like China may see rapid economic growth as their wealth creators are lured to produce and serve with their animal instincts. But until the surreptitious system of robbery is repealed thoroughly, the economy (whether in rising India or China) will crash just like it has in USA, Europe and Japan.
- Indians have already detected the surreptitious system of robbery of their hard-earned wealth and have resorted to savings in gold and real-estate that they think could not be robbed. Continuance of this system will lead to severe manipulation of gold, real estate and currency (rupee/yuan) prices to shock Indians and Chinese (as badly as the Americans, Europeans and Japanese were), if they already have not been.

## **2.2 Congress Party of India can rise again by reviving its March Towards Unanimously Agreeable Governance**

A paramount test/implication of the No-Subsidy Mantra in Governance is to ban private funding (small or large) of elections and to let the public/government exchequer bear a candidate's election expenses up to a fixed sum plus a variable amount pegged to the number of votes received.

The only political leader ever to speak before an elected body of representatives anywhere in the world for public funding of elections is Mr. Rahul Gandhi of Indian Congress Party. Mr. Gandhi was even supported by the opposition leader in Indian Parliament, Mr. L.K. Advani. A tide of No-Subsidy Mantra thus surged.<sup>3</sup> But it ebbed with a rising Modi wave, founded with a hope that an individual with modest upbringing could transform India, akin to the hope underlying the Obama wave in USA in 2008. Mr. Modi has embraced the constitution as his religious script. He has, however, not expressed volition to repeal any existing law, act, policy, rule or procedure which facilitates surreptitious usurpation of public and private wealth. Any such volition would have led him to amend the constitutional preamble to stop all laws and policies that facilitate usurpation of public and private wealth, now and in future.

Lack of such volition on the part of Mr. Modi and his party must have led to a resounding Delhi poll verdict in favor of the Aam Admi Party by wiping out established parties like the BJP and Congress from the state. The AAP and its leader, Mr. Kejriwal, sounded sincere in their pledge for corruption free governance. Common people continue to dread corporate funding and takeover of established parties. The Delhi verdict shows that no charisma or wave can any longer countervail the thirst of people to eliminate subsidizes, especially, to corporations.

As the Modi government marched for undoing the system of privileges and Rastriya Swyamsevak Sangh issued a statement to rethink on quota policy, BJP's opponents united before the Bihar polls to tell voters how the RSS/BJP planned to eliminate quotas unless they voted for the anti-BJP coalition. The BJP-RSS failed to articulate:

- That quotas based on birth to certain castes, tribes or religion are fundamentally unfair and unanimously disagreeable.
- That the current quota system enriches and entrenches the privileged in power by essentially depriving/robbing the vast majority in each quota category and that this is fundamentally unfair.
- That quotas, if at all, should be based on poverty (economic status) as opposed to being birth to certain castes, tribes or religions, because even a perfect system of governance could make some



talented families poorer due to the natural law of large numbers making them unable to compete with relatively richer families.

- That the ulterior goal of quotas of uplifting poorer families can be accomplished uniformly fairly for all Indians irrespective of their birth to certain castes, classes or religions.

The BJP lost Bihar because of lack of clarity on quota policy while the united opponents succeeded in keeping the people polarized based on caste and religion. BJP lost by 7.9% difference in vote count to the allied opponents, which means a 4% tilt in its favor could have resulted in a win.

The issue that political leaders have to resolve now is whether they can survive by subsidizing their non-corporate constituents with largesse like free water and cheap electricity. Those producing water and electricity will not toil to subsidize voters. This issue maybe why AAP got barely above 50% of the vote in Delhi or the coalition in Bihar got 41.9% of the vote. The state-level winners will eventually lose their charm within their states, let alone become pan-Indian winners, if they rely on subsidizes for their constituents by penalizing the rest and by taxing the public exchequer.

This means that a vigorous revival of any losing party of India is still possible if the party can shed its past and credibly articulate the No-Subsidy Mantra as the only unanimously agreeable principle of governance available for sustainable welfare of people. This will enlighten people that not seeking doles from politicians is the only way to eliminate legalized privilege thriving from surreptitious robbery of their public and private wealth. The recent budget presented by the BJP reduced subsidies somewhat. But ex-PM Dr. Manmohan Singh has correctly criticized that this budget failed to take advantage of the current economic tailwind to cut deficit by further reduction of subsidies.

Being the only political leader to speak forcefully in the parliament for public funding of elections, Mr. Rahul Gandhi is the only credible leader who can pledge a stop in the flow of private funds to elections and political parties. He can, thus, be the only credible global political leader to champion the No-Subsidy Mantra in governance to be unanimously acceptable among people. People will not hold him responsible for lapses of erstwhile Congress leaders if he credibly pledges to repeal all laws and policies that now facilitate usurpation of public and private wealth and avers to amend the constitutional preamble to prevent enactment of any such law in future. By doing so, he will effectively convert the Indian National Congress to an “Unprivileged People’s Party,” which could attract even non-political individuals like me as members.

### **2.3 Dawn of A Unifying Philosophy to Attain Individual Freedom**

Humans pine for freedom. Fighting among various communities—based on nationality, privilege, race, skin color, class, caste or religious beliefs (including scientific and agnostic)—has, however, stifled individual freedom. Communal leaders have artificially created the divisions to command people within their communities. People remaining beholden to their communal leaders tend to provide free service and produce to the kith, kin and cronies of their leaders. The leaders devise ways and means of preserving the identities of their communities to enjoy free goods and services. The leaders, their kith, kin and cronies thus enjoy freedom through subjugation of people within each community. Communalism dilutes individual freedom. Individual freedom is antithetic to the mission of communal leaders.

Self-serving communal leaders foist moral hazard (blackmailing) tactics to keep individuals confined to their respective communities to provide free goods and service to the kith, kin and cronies of their leaders. The moral hazard of communal leaders include the following:

- Ostracizing individuals who advocate unity and deviation from communal norms.
- Punishing for blasphemy.
- Prosecuting for treason of individuals who transcend communalism to promote unity for individual freedom.
- Inducing people within a community to fight for their freedom from the shenanigans of other communities.
- Indoctrinating masses of people that they are inferior to a few anointed *Masters of Universe* (god's children) with the power to rob public and private wealth for first-best status by subjugating the rest (those robbed of their hard-earned wealth) to second-best sustenance..

Research shows that moral hazard stifles liberty<sup>4</sup> and supports the current unconstitutional, unstable and inefficient system of money and finance.<sup>5</sup> The only way for individuals to attain freedom from moral hazard shenanigans of their self-serving communal leaders is to (a) embrace a unified philosophically (or universalism)<sup>6</sup> and to (b) demand institution of unanimously agreeable No-Subsidy Mantra in Governance.<sup>7</sup> Individuals can then resolve moral hazard efficiently and, simultaneously, obviate alibis of communal leaders to prosecute or penalize any individual. Universalism is the only efficient antidote to subjugation through moral hazard shenanigans of communal leaders. Universalism is thus inherently desired by all humans longing for their freedom.

Common people have of late recognized how moral hazard stifles their freedom and how universalism can beget their liberty. The recent spate of reversals in poll verdicts worldwide and concurrent confrontation (violent and verbal) among communal leaders of all hues harbinger a triumph of universalism over communalism,

The unifying philosophy and the unanimously agreeable principle of governance for civilized coexistence of humans have been discovered (through decades of selfless research<sup>8</sup> since 1991) to beget individual freedom from surreptitious subjugation going on through the current system of money and finance. Established communal leaders have been, however, working overtime to block dissemination of such research discoveries. Their obvious mission is to perpetuate self interests by suppressing innate human longing for freedom through a commonly acceptable principles of governance and unified philosophy of coexistence. The self-serving leaders want to enjoy first-best status by keeping the vast majority of wealth creators financially (invisibly) bonded. Empirically, the kith, kin and cronies of communal leaders have become richer than the rest. The current unprecedented degree of inequality shows rampant financial bondage of the vast majority of people. This is unsustainable in equilibrium and will inevitably crash as people march towards financial freedom.<sup>9</sup>

Absolute knowledge<sup>10</sup> on universalism has been permeating rapidly, despite the efforts of self-serving leaders to suppress spread of such knowledge. Recent poll verdicts globally indicate that people are marching towards a moral hazard free system of money and finance for stability, fundamental fairness and efficient survival. This march will eventually undo the artificial divisions foisted on people by self-serving communal leaders of all hues. It is, therefore, prudent for self-serving communal leaders to give up their designs and facilitate a moral hazard free system of money and finance for coexistence of humans.

### **2.3 History of Subjugation and Prohibitive Cost of Obfuscation of Fundamental Truth paramount to Individual Freedom**

Even though the discovery of a moral hazard free system of coexistence is unprecedented, suppression of public dissemination of such discoveries by self-serving leaders is not:

- Ancient Indian texts describe how self-serving leaders (narrated as devils) frequently disturbed saints meditating to discover fundamentally fair rules for coexistence of humanity and how those (such as Krishna) that demolished the devils to establish fair rules for co-existence (such as Gita) were later revered as 'god.' The word 'god' stems from German *got* which appears to stem from Krishna's family name 'Goud.'
- The devilish genes did not obviously perish even after the humans carrying them were vanquished in the epic Mahabharat war, which was actually won by Krishna. These genes simply mutated to improvise newer systems of subjugation. They formed more sophisticated avenues that appeared to be unanimously acceptable and, hence, fundamentally fair. For instance, they established temples dedicated to Krishna—who was revered as a reincarnation of the almighty—to invoke people to offer their hard-earned produce for salvation and union with god after death.
- The Church formalized the ancient Indian temple guidelines of surrendering personal assets for salvation as a new system of tithe by which people offering one-tenth of their produce would reach god through Christianity. The late Pope John Paul has publicly stated that Christianity is the best path to reach god. People have eventually discovered, however, such rules of temples and churches as designs to rob their hard-earned wealth before death, just like the modern system of money and finance does.
- A new leader (Mohammed) emerged to exploit the emerging abhorrence of people to idolizing and worshipping human saviors like Krishna and Jesus as reincarnation or son of god. Mohammed claimed to be the prophet designated by the almighty god to script new rules (Sunnah, Sariat and Quoran) for governance of humanity. Mohammed was so confident about him being the only messenger of god designated to script how the humanity should be governed that he deemed anyone not accepting his scripts as infidels with no right to exist without conversion to Islam. Mohammed made his scripture sacrosanct, not amenable to amendment by evolving wisdom of humanity.
- Mohammed's wisdom that everyone is equal synchronized with the then emerging chorus against the worshippers of reincarnations and sons of god. Ironically, though, Mohammed made himself superior by making himself the sole prophet of god. He never substantiated his tryst with almighty god (his Allah). He never defined Allah rationally, but asked everyone to believe in his rendition of the message from Allah.
- Mohammad ushered an era of invasion to usurp others' hard earned wealth and to force people to accept Islam. The loot and mayhem of Mogul invaders in India and their forcible conversion of people to Mohammedan religion (Islam) does not prove superiority of the Islamic system of governance. It rather proves that Islam too became another system of usurpation of others' hard earned wealth.
- Mohammed's point that no one was superior to others perhaps shaped the idea of democracy with equal votes for every individual. Islam, however, did not become a superior religion. Most Islamic countries have abandoned Prophet's idea of equality to be ruled by monarchs.
- Humanity could not see rational rendition of god in any religion. Science being shaped rationally then engulfed human thinking. An Oxford University Professor and Nobel Prize winner, Bertrand Russell, has claimed that rationality of science triumphed over every religion and god. But Russell too failed to define god rationally. Comparing something rational (science) with another (god) not defined rationally is obviously incoherent and irrational. The system of

scientific beliefs cannot, therefore, be proclaimed to be superior to beliefs based on religion and god. The dogma that science is superior has helped establish a new system of beliefs, Academic Religion.

- Academic Religion has shaped the currently established second-best system of governance<sup>11</sup> of humanity. The Academic Religion has been shaped by erstwhile Christian missionaries like Oxford, Cambridge, Harvard and Yale after their transformation as elite universities. The elite universities have anointed themselves as the keepers of Academic Religion by ensuring that other universities followed the elite to be counted as propagators of superiority of Academic Religion.
- The epicenter of Academic Religion has been top gurus or experts designated to prepare disciples (students) to work hard and create wealth with inspiration from and dedication to the gurus as well as to a few specially chosen star students anointed as the Masters of the Universe (MoU). The MoU collaborate with lawmakers to enact laws supported by academic papers published in journals controlled by the gurus to facilitate surreptitious robbery of public and private wealth. The MoU then share the loot with the elite Academy as charitable donations and with the lawmakers as political contributions. Anyone in the academy who challenges the foundation of Academic Religion is ostracized and eventually eliminated from the academy.
- The Academic Religion like all other religions has crashed in 2008. The 2008 financial crash was worse than the Great Depression, according to the Federal Reserve Board. This crash involved a panic-driven run on \$7.8 trillion of previously uninsured bank debt and \$3.5 trillion in previously uninsured money market funds. It caused loss of trillions of dollars of hard-earned wealth and millions of good paying jobs.
- The Financial Crisis Inquiry Commission appointed by the US Congress has found in its report released in 2011 that the 2008 financial crash was caused by the failure of the established experts and Masters of the Universe, i.e., the guardians of the Academic Religion. The academy has indebted students with \$1.4 trillion of debt that they cannot easily repay. This debt does not count the loss of hard-earned savings of parents spent in training their children in Academic Religion which has failed according to the US Congress.
- The Academic Religion chooses a few to become the Masters of the Universe to enjoy first-best status by robbing hard-earned wealth of others and to share the loot with the elite academy and lawmakers to spread the punditry to the rest of humanity. This keeps the vast majority perpetually robbed of their hard-earned wealth so that they have no wherewithal to challenge the robbery in court or otherwise.
- The origin and spread of Academic Religion and associated system of robbery can be traced back to ancient India which founded the organized university education in Ratnagiri of Odisha (my birthplace that nurtured me for 22 years) and Nalanda and Taxila in Bihar:
  - Before the advent of organized education, the privileged Kings and princes were educated by Brahmin saints who meditated to discover new knowledge.
  - Being superior due to knowledge acquired from meditating saints, Kings wielded enormous power among their uneducated subjects and established a system of robbery of wealth created by the hard-working subjects. As mega robbers, kings appointed provincial lords who would loot private wealth through divisional collectors.
  - British merchants (Masters) discovered the ancient Indian system and improvised it through commercial enterprises called companies. Companies became repertoires of wealth in forms of debt and equity securities. Companies generated profits (allocated to debt and equity) by employing people at wages significantly lower than the prices of products and services sold to people.

- When unprivileged people got used to investing in the same companies to become rich, the privileged Masters devised financial market shenanigans to loot such investments.
- The Masters shared the loot with monarchs (rulers) who, during a depression caused by rampant looting, distributed food and cloth to the surreptitiously robbed and deprived wealth creators and energized fresh blood (youngsters) to create wealth to be looted again.
- The rulers ostensibly penalized the collectors (to please the public) while authorizing the latter to keep robbing the wealth creators surreptitiously. The collectors allowed to share such loot could not rise to speak against the rulers. Those that spoke or did not want to rob were shunted out of the system.
- Everyone has been, thus, allowed to rob others and no one dared to voice loud enough against an obviously unstable system. The system crashed on its own when wealth creators stopped persevering.
- This is how the once-wealthiest country in the world (India) turned indolent and idolatrous with perpetual prayers for reemergence of another savior to change the system.
- The usurping ‘foreign’ monarchs then turned inwards to turn their developed nations indolent.

## **2.4 Systemic crash of 2008 has paved the path towards fundamental fairness, efficiency and stability**

The lesson of the 2008 crash is that no one (including robbers) would like to be robbed and that systemic robbery causes indolence of wealth creators. For stability (equilibrium) and efficiency, if not fundamental fairness, therefore, the system of robbery will have to be dismantled. This epistemic truth (unanimously agreeable to all) has triumphed and will prevail, thanks to the selfless discoveries.

The course towards restoration of equilibrium (stability), fundamental fairness and efficiency is as follows: wealth creators will stop creating wealth for the robbers (i.e., avoid playing the game of robbers), demand a return of their surreptitiously stolen wealth, and pursue for dismantling of the system of robbery. The robbers will then have no wherewithal to challenge the public demand. This course has already started in numerous lawsuits against the US government.

The hubris of modern punditry/doctrine/academics-designed for robbery of public and private wealth-has ultimately turned out to be no different from the bygone religious dogmas about reaching heaven and god through a temple, a mosque, or a church.

## **2.4 Modern Academic Religion**

The **Academic Religion** is a design for send-best status of principals (citizens) that have the talents and skills to persevere and create globally competitive goods and services:

- The Academic Religion now gripping humanity has permitted only a select few to become rulers of states and chief executives of companies and academic institutions to enjoy first-best status with all kinds of privileges by subjecting the rest to second-best sustenance. Erstwhile religious missionaries have been converted to be temples (universities) for propagation of Academic

Religion to indoctrinate a selected group of people to serve as dedicated gendarmes of this religion.

- Ordinary people are driven by the lure of “achievements” of the selected few gendarmes without deciphering that most such achievements are based on wealth robbed from wealth creators. The embedded media publicizes the achievers and suppresses the truth about the loss to the vast majority. Cooperating academics are rewarded to suppress discoveries that this system of robbery is fundamentally unfair (unconstitutional), inefficient and unsustainable. Most academics have to cooperate for their survival. The researchers that expose the shenanigans of Academic Religion by discovering alternative systems to attain first-best efficient status of all principals (citizens), uniformly fairly, are purged from the academy with their research not published in the controlled elite academic journals to discredit them before public.
- Robber Barons ensure that they (a) periodically decimate any significant wealth accumulated by middle-rung self-made successful entrepreneurs (like the unprivileged hedge funds and money managers), (b) destroy career of any academic researcher that dares to expose the truth about instability, inefficiency and unconstitutionality of the fundamentally unfair second-best system in order to preemptively thwart potential challenge and (c) throw crumbs of the loot at the keepers of the system in the academy and government who continue to indoctrinate people to keep faith in this religion.

## 2.5 Lessons for Individuals

Every doctrine/punditry/sophistry designed to subjugate humanity has crashed eventually. The financial catastrophe of 2008 publicly bared the underlying instability of the punditry behind the current system of robbery. In fact, the Financial Crisis Inquiry Commission Report released in 2011 finds that the 2008 crisis was manmade (avoidable) due to a failure of established academic pundits in the industry, academy and government.

The pundits behind the current Academic Religion were fully aware of the instability of the established system since at least 1991, when my research paper on efficient resolution of moral hazard<sup>12</sup> was first mimeographed at the Federal Reserve Board. They and their counterparts in industry and government simply made hay while it shone by presuming that the robbed public was either stupid or lacked the wherewithal to protest. Most of the academic models published in so-called esteemed journals presume that the public is stupid. When confronted, a top guru in the academy once admitted to me as such. Most crucial government policies, based on their published research, are predicated on stupidity of the public.

I learnt early on from a top revered academic guru about how the crucial results (conclusions) of his models were predicated on tacitly presumed stupidity of the public. Since then I worked on models in which the public could not be fooled. This is why my models were not published in academic journals controlled by the top gurus with a hope that I would vanish from the academy or perish before anyone ever knew of the profound truths discovered in my research.

It is perhaps the tacit support of the public for my selfless research that the discoveries from it could not remain blacked out for ever. This is notwithstanding my expectations to the contrary. Once I discovered the modus operandi of the Academic Religion, I became inured to any reward from the system of robbery it fostered.

The established gurus could block publication of my models on begetting first-best status for principals (citizens) in the journals they controlled. They could even have a temporal pyrrhic victory until 2008.

They could not, however, prevent the truths discovered in my models from being bared by the 2008 collapse of Academic Religion. The truths have now permeated among the principals. The principals can now undo the established system to prevent robbery of their hard-earned wealth. To serve their best interests, i.e., to not be robbed of their hard-earned wealth, the principals can appoint appropriate governors, presidents and chief executives of universities, publishing houses, companies and regulatory agencies. Their ability to do so is rapidly gaining momentum among principals comprising the rich, the middle-class and the poor among all castes, religions, races and nationality. It seems to be the dawn of a new era of proscription of any rule, law, act, policy or procedure that facilitates even surreptitious usurpation of public and private wealth.

### **3. How Terms Hindu and Hinduism were Coined**

This section is based on inference from anecdotes and publications on Hinduism and *Hindutva*. I have defined *Hindutva* as the ancient philosophy of not usurping others' wealth even surreptitiously. This philosophy grew in India more than 3000 years BC. The profoundness of this philosophy for economic prosperity and for civilized coexistence must have led India to contribute 23% of global economic output. Colonial and neocolonial rulers with vested interests have strategically painted the people of India as idolaters and pagans (unenlightened) for celebrating the memory of authors and preachers of a profound philosophy that is necessary for civilized coexistence of humans. The primary motive of these rulers has been to perpetuate their global strategy of (a) engaging a few regional satraps or gendarmes to rob the enterprising households so that it is easier for the rulers to usurp a few satraps surreptitiously through blackmail (moral hazard) and (b) of continually and clandestinely eliminating the disobedient collectors.

#### **3.1. Who the Indians are?**

The term "Hindu" was first coined by the Arabs to mean the inhabitant of the land to the east of river Sindhu. Sindhu flows through Pakistan, a country carved out of India in 1947. Europeans learned about Arabs acquiring from the land of "Hind" the knowledge on numerals and mathematics and merchandise like spices and condiments. The word "Hind" sounded like "Ind" to the Europeans. Arabs called the land of "Hind" as "Hindustan," which was christened by Europeans as India with the Hindu inhabitants as Indians.

Hindu or Hindustani thus means Indian. This writing is not about "Hinduism," which is a caption used to connote the "religion" of the majority of Hindustanis. *Hindutva* is a Sanskrit term that means the essence or ethos or philosophy of Hindus.

Vinayak Damodar Savarkar - a self described atheist - first used the term *Hindutva* in a pamphlet, "Hindutva: Who is a Hindu?" in 1923 to mean Hinduness. He used Hindu as an individual of Bharatvarsa, called India in English and Hindustan in Arabic. Savarkar and his followers believe that all Indians must possess a common sole or identity or ethos or philosophy or Bharatiyata or *Hindutva* or Indianness. Indians who have converted to Islam or Christianity or Buddhism abhor the term *Hindutva*, lest they may be pressured to practice ancient cultural mores to give up their acquired religions.

Recent research offers a unified philosophy of governance which universalizes the notion of religion and god.<sup>13</sup> One need not, therefore, subscribe to disunity among humans based on their beliefs. It is prudent to not make any religious connotation of the Sanskrit word, *Hindutva*, that truly means Indian ethos.

The purpose of this paper is not semantics of what constitutes *Hindutva*. It is to rationally discover the ancient Indian ethos as akin to the modern constitution and rules of law.

To restore their national pride, Indians must discover their ethos, which represent their identity or sole or philosophy without worrying about the subjugation suffered over centuries.

To begin with, why were the Indians subjugated? The Indian civilization was in the forefront of agriculture and commerce. India contributed about 23% to global production. Indians were in the forefront of mathematics, science and medicine. This attracted the invaders to India. This led to India's subjugation which mangled the Indian thinking. The ethos that had made Indians creative and productive vanished from India. The industrial world established their societies based on Indian ethos to be as prosperous as they are now. Indians perhaps would have been in the forefront of industrial revolution if they were not shackled due to colonial rule.

Indians can no longer abdicate their responsibility in discovering their ancient ethos lost over the centuries of domination. Why? It is because these ethos, discovered by decades of research, are essential for prosperity and stability of society that all Indians now long to attain, despite their divers religious beliefs, castes and languages.

How Indians call their lost philosophical identity is immaterial. It may be *Indianness* in English or *Hindutva* in Persian-Sanskrit or *Bharatiyaya* in Hindi and in most other Indian languages. Let's not blur the Indian national identity with any Indian religion, caste, language, or theism or atheism. Identity is like the common citizenship of every Indian sole.

### 3.2 Two Natural Divisions among Humans

Let's focus on the discovery of Indian national identity or philosophy or ethos at least to regain contribution to global production, service and creativity. Christening the ethos as *Hindutva* or *Bharatiyaya* or *Indianness* is really incidental to the process of discovery of ancient Indian philosophy that made the country most productive in the world.

There are two natural ('god ordained') divisions among humans across caste, religion, race, language, ethnicity and national boundaries. One group devises all feasible sophisticated shenanigans to usurp others' wealth which includes labor, life and physical and intellectual properties. This group includes even the idling poor who rally for largesse from politicians with a lure of bribes for votes. The other group perseveres to build own physical and mental faculties to accumulate wealth and to fight for elimination of all kinds of usurpation schemes.

Acquisition and preservation of wealth is very necessary to enjoy liberty. Every liberty-seeking human including the usurpers, therefore, acquires and preserves wealth and resents usurpation of own or common wealth.

It is irrefutably true that humans cannot coexist as a civil society if usurpation of private and common wealth is allowed even surreptitiously through sophisticated Acts of Parliament.<sup>14</sup> This profound truth dawned on Krishna to propound *Dharma* (the kernel philosophy of Gita) to not usurp private and public wealth and to fight for elimination of recalcitrant usurpers.



*Dharma* is necessary for viability of human society. It is also essential to preserve plants, animals and other natural resources on earth. For example, fiat money is propped by the productive labor (mental and physical) of a nation. Printing money for distribution to the unproductive people is surreptitious usurpation of the producers. Those who receive the printed money without obligation to repay through production and service and those who grant such largesse to rule are together usurping and subjugating the productive labor. Such usurpation for subjugation is akin to the infamous Pashakhela of Mahabharat using which the Kauravas usurped all the wealth of the Pandavas to subjugate the latter to toil. Usurpation not only transgresses Dharma. Usurpation also causes destruction of limited natural resources and pollutes earth as the artificially propped-up nonproductive beings consume and excrete without producing or cleaning the environment. The policy of inclusiveness being bandied around the world should be to motivate everyone to produce, serve and clean the environment, not to grant largesse to the idlers by printing money on the back of productive labor. Granting such largesse to remain in power is Adharma and unconstitutional. It is unsustainable in the long run.

It is a hapless irony that the same people who worship Krishna or express belief in Dharma and swear to uphold the constitution are blatantly and nonchalantly steeped in the Adharma or unconstitutional acts of usurpation. It is also striking how the humanity has considered it necessary to proscribe all forms of usurpation of public and private wealth by adopting Dharma as the crux of the modern constitution for governance of nations. Yet, the satraps ruling humanity are nauseatingly improvising and sophisticating surreptitious shenanigans to legalize usurpation of private and public wealth by transgressing the very constitution they have sworn in.

After Bertrand Russell won Nobel Prize by arguing that science has triumphed over religion ("Religion and Science," Oxford University Press, 1961), common people looked forward to learning from the scientists who formed a fountain of truth – the academy. Since every religion is based on god, Russell's argument implied that science had triumphed over both religion and god. But neither Russell nor anyone else has ever defined religion and god, rationally or scientifically. The assertion about triumph of science (which is founded on rationality) over concepts such as religion and god (which hitherto have not been defined rationally or scientifically in the extant literature) cannot be rational or scientific.<sup>15</sup> Yet, economists affiliated to the academy have rationalized numerous sophisticated shenanigans for usurpation of private and public wealth as science and rulers have adopted such unconstitutional and inefficient shenanigans as laws.

### **3.3 Discovery of Indian Ethos or Philosophy**

In view of the two natural divisions among humans, one can rationally infer that ancient humans philosophically longed for (i) united, peaceful and prosperous living, and for (ii) learning and acquisition of new knowledge. This must have been also the driver of common ethos or philosophy of ancient Indians that was lost in centuries of subjugation. How? India was prosperous by producing 23% of global GDP. No prosperous country today is disunited or internally violent. This means Indians were non-violent and living peacefully. Only their peaceful coexistence could lead them to discovery (knowledge or science) of the truth about the unknown elements of nature.

Whether Indians' ancient knowledge is superior to the current knowledge in the developed world is unimportant for issue of discovery of ancient Indian philosophy. What is important is that Indians' knowledge then was superior to that of the rest of the world, as one can rationally infer from observations that only relatively superior knowledge has led nations to achieve relatively higher productivity. Because

Indians were producing relatively the highest of all nations before invasions, they were more knowledgeable than others then.

After invasion and colonization, India's GDP has dropped to about 1% and has not advanced much after independence. The West and Japan have become relatively as prosperous as they are today only because of a process of peace and steady acquisition of relatively superior knowledge that Indians are not able to achieve. It is because the ethos that had imbibed the ancient Indian civilization has become a part of the currently developed world. Indians now are hopelessly behind, relative to other developed nations because of dissociation from their ancient ethos. Even after independence, Indians have been unable to fathom, let alone embrace, the unifying ancient ethos that had made their nation the preeminent economic power.

Indians have so far failed to recover their ethos because, after independence, the elite in power achieved and relished nonpareil relative prosperity for themselves and their families and friends. It did not occur to them that they should cultivate collective wisdom - which is possible only in independent universities - to recover and permeate their national ethos to make the nation prosperous. The idea of the ruling elite was to simply print more and more rupees to usurp most of it and to distribute the remainder to local political workers to bribe the voters to garner their support for entrenchment in power to relish relative individual prosperity within India. This process badly weakened the international value of rupee, leading to a rude shock to the ruling elite in 1991 after India's foreign currency checks bounced.

It is, therefore, necessary that Indians recoup and cultivate their ethos through independent universities like (Nalanda, Taxila and Ratnagiri) which had made India the nonpareil productive center of the world. Even the ancient universities were victims of nepotism. Currently, though, the private universities run by politicians and connected mafia established through usurped public development funds are as hopeless as the government-funded universities like the IITs and IIMs to cultivate and disseminate national ethos. Moral hazard due to uncontrollable dependence on robbed wealth or government funding with political interference has stifled universities worldwide. News reports show that the president of a prestigious university like Columbia U wants to but cannot remove his business school dean (an ex-presidential economic adviser connected to Wall Street) despite the latter's irrational public policy discourse because of the funds he gets Wall Street to the university due to such discourse. The only way universities can play their role as fountains for discovery and dissemination of truth vital for civilized coexistence is if they adopt a system of reward for research on unanimously agreeable fundamental fairness and dismantle the current system of reward prevailing in business schools and economics departments.<sup>16</sup>

For a nation to be as prosperous as India was before subjugation, Indians must have followed a philosophy of effective governance to create equal opportunity and liberty for all.

Universal prosperity within a nation is possible only if every individual has an environment of equal opportunity and freedom to produce, create and think based on own talent and perseverance within the domain of common laws. Such an environment can be created and maintained only by efficient rules of governance driven by the kernel of constitution and characterized by official accountability, credible actions against corruption and adherence to optimal rules of laws as exemplified in the nations that have prospered.

Triumph of good over evil is subsumed in ancient Indian philosophy. A follower of *Universal Religion and God* could rationally infer that Krishna and Rama might be the individuals that vanquished the evil

forces to establish good governance and universal prosperity.<sup>17</sup> Only then would they be revered by the humanity around them. Composers of Ramayana and Mahabharat might have exaggerated to sell their stories, but the crux still was elimination of evil forces to establish efficient rules of governance, to ensure equal opportunity for prosperity based on talent and perseverance.

Establishing liberty, justice and equality before laws enacted for fundamental fairness must identify India. Mahatma Gandhi was massively supported by all Indians in nonviolent Satyagraha to defeat the mighty evil colonial rulers that meted indignity and inequality based on skin color. The evil forces have always been engrossed in creating unequal opportunity for themselves by unfairly subduing talented and productive individuals. Thwarting such forces within society has been a remarkable Indian philosophy.

Division of labor was based on talent, skills and perseverance. This is relevant even in the modern world to achieve productivity and competitiveness of a society. The principle of division of labor in India was distorted to be privileges by birth, propagated as a divisive caste system that is haunting India even today.<sup>18</sup>

Longing to live in unity despite diversity in religion, caste and language has to be a part of ancient Indian ethos. One can see such longing pervasively present in every village or nook and corner of India. The colonial rulers resorted to divide and rule after they were threatened by the Hindu-Muslim unity in Sepoy Mutiny (first war of India's independence) in 1857.

### **3.4 Current Indian Longings and Modern Constitution**

The Gita, composed in India, is the oldest script to stipulate how the humanity should live together. The Bible and Quoran were composed much later to prescribe rules of governance of humanity that followed the authors of these scripts. The inter-religious fight is thus about whose rules on governance are wiser or fairer for humanity. Unfortunately, most religious and political leaders strive for imposing their own parochial wisdom and fairness, as opposed to rational unanimously agreeable norms for civilized coexistence. This has divided Indians inherently longing for unity and peaceful co-existence.

True leaders of humanity like Mahatma Gandhi or Abraham Lincoln have succeeded in envisioning and articulating common longings to induce people to fulfill the same through common struggle. But that all ancient and modern leaders have failed to discover any unanimously agreeable rational philosophy or norm of governance for freedom is obvious from the fact that the world is roiled by establishment of a fundamentally unfair (unconstitutional) system of robbery which has financially bondage the vast majority of enterprising individuals.<sup>19</sup>

### **3.5 Triumph of ancient Indian philosophy for economic prosperity**

True individual freedom necessitates a **new transparent constitutional preamble** to never mandate any other constitutional provision or rule of law or economic policy to facilitate usurpation of private and public wealth, even surreptitiously. India can economically lead the world again because it is imbued with the ancient philosophy of *Hindutva* consistent with the new transparent constitutional preamble, which is absent from modern constitution, deliberately, to perpetuate a legalized system of robbery. This is the basic cause for the ongoing economic depression which started with the financial catastrophe of 2008. Once this constitution pall is unveiled, enterprising individuals will be rejuvenated to persevere for prosperity and freedom. This necessitates vigorous universal prayers and preaching (as started by the

author since 2003) of the ancient Indian (Rama-Krishna) philosophy of *Hindutva*: to not allow usurpation of private and public wealth.

The ancient Indian philosophy resulted in nonpareil economic prosperity of India with 23% contribution to global output. The contribution of India to the global economy then is as much as that of the U.S. now, though with a significant difference. India did not include any exotic financial derivatives like credit default swaps or collateralized debt obligations to its output then, as the U.S. is doing now. Even President Obama has pointed out that such exotic financial derivatives may contribute to economic growth, but not to the prosperity of people.

The latest research – based on the most extensive DNA matching – shows that humans (after popping in Africa) migrated to and settled in India before emigrating northwards to Europe and northern Asia. This finding supplants the previously held view that humans went directly from Africa to Europe via Sinai and then immigrated to India. The latest research concludes that most, if not all, the biological features of humans found globally (Causian, Mongoloid, etc.) are present among Indians.

One can rationally infer from this research:

- That India was the cradle of human civilization.
- That India was later invaded by people of Indian origin who had emigrated from their ancestral land.
- That the Moguls and British invaders were of Indian origin.

Clash of ethos (ancient versus modern) is the primary historical reason for invasions. Otherwise, the local Indians would have welcomed their invading cousins and the latter would not have demolished their own ancestral culture and heritage. The emigrants must have harbored ethos antithetic to the ancient Indian philosophy. By mangling and obliterating the ancient cultural vestiges in India, many of the invaders provided an unmistakable proof about their angst and vindictiveness towards ancient Indian philosophy which had caused nonpareil economic prosperity for India.

Genes carry indelible memory which mutates to the next human carrier upon birth. This is why a baby (untrained at birth) cries for food when his survival is endangered due to hunger. An untrained baby remembers upon birth what hunger means and how he should respond based on memory mutated to the genes he carries at birth. Such genetic memory means that India's invaders could have recalled their origins and the potential causes of their emigration, at least subconsciously. The fact that they destroyed their ancestral vestiges indicates their genetic memory being vindictive towards ancient Indian ethos.

Why were the invaders so vindictive?

Vindictiveness arises due to a sense of defeat of one's ethos. The reckless destruction of Indian heritage and culture by the invaders were punctuated by their volition to establish superiority of their 'modern' ethos. That the invaders were hell-bent to establish superiority of their 'modern' ethos is obvious because they not only built their own monuments by demolishing ancient Indian temples, but also called the local Indians idolaters, pagans, and heathens with unenlightened souls.

India's invasions were, thus, primarily due to vindictiveness towards ancient Indian philosophy and for establishment of invaders' modern ethos for usurpation of properties after torturing and killing the locals.

Even lately, the Pope had stated that the only path to god is Christianity. The Southern Baptist Church of USA has distributed pamphlets and booklets to convince American Hindus to adopt Christianity; the church has even lighted candles on Diwali to enlighten the unenlightened souls from India. The Moguls, driven by superiority of their ethos, destroyed and disfigured ancient Indian relics which prominently embodied the ancient Indian philosophy.

The focus here is *superiority of ethos* (ancient versus modern) in attainment of economic prosperity for freedom of enterprising individuals. So, what is superior in the modern (Western or Mogul) ethos? Since religion does not govern Western nations, we need to focus on their economic philosophy that has crashed during the financial catastrophe of 2008. The essence of the now crashed Western economic philosophy is surreptitious usurpation of others' wealth for eventual subjugation via financial bondage of enterprising individuals. This is antithetic to the ancient Indian philosophy. The modern ethos guarantee an eventual subjugation of enterprising individuals, while modern ethos foster attainment of freedom.

That the failed modern philosophy is economically inefficient, unconstitutional and unstable (bound to fail) has been proved within a general equilibrium model of mathematical economics which was first mimeographed by the Board of Governors of the Federal Reserve System when the author was a financial economist in 1991.<sup>20</sup> This model has also mathematically proved within the most general economic equilibrium model ever scripted in the literature that the ancient Indian philosophy (Rama-Krishna Dharma) is (first-best) efficient and stable, i.e., would eventually triumph and prevail.

Proponents of the prevailing second-best (inefficient) system have insinuated that my persistence with the US Congress to adopt first-best rules helped destroy the prevalent second-best system. But my pursuit with political leaders for establishment of first-best efficient principle in governance is implicit in modern constitution and explicit in *Hindutva*. It has been driven simply by a desire to establish the most efficient system to beget first-best status for the principals (citizens) for stability and economic efficiency. I am glad that the US Congress has adopted many of my proposed efficient policies and is acutely conscious of the necessity to repeal the unconstitutional and unsustainable system of surreptitious robbery. The difficulty to wean away the robber barons and associate political leaders from the established system of surreptitious robbery is the principal reason for the current serious policy paralysis permeating the world after the collapse of this system in 2008. Printing and borrowing \$14 trillion by the US over the last seven year has only raised the degree of inequality between the vest rich and the rest, unprecedentedly and unsustainably. The Indian government has forfeited lakhs of crores of rupees of corporate taxes to keep the economy humming; ex-Finance Minister has conceded after the UPA lost in 2014 that such large corporate tax relief necessitated massive government borrowing and consumer price rise leading to rejection of the government in power.

India should nevertheless rejoice over the triumph of its ancient philosophy because it is not as badly embroiled in systemic robbery (because fewer individuals have been indoctrinated to depend on financial assets) as the western economies are. India can restructure its constitution and rules of law based on its ancient ethos:

- a. That had once led to nonpareil economic prosperity of India.
- b. That has triumphed once again in 2008, as revealed by the ignominious defeat of the prevailing system of surreptitious usurpation and subjugation.

- c. That has been mathematically proved to be economically most efficient (first-best) and constitutional in a more general model of economic equilibrium than ever scripted in the literature.
- d. That has prevailed over the invaders' ethos of usurpation and subjugation, which has been surreptitiously practiced in the West (by transgressing their own constitution) and which has been ignominiously exposed in 2008.

Recent research shows that the first-best efficient, constitutional system (rules of governance) is actually the same as the ancient Indian philosophy necessary for economic prosperity.<sup>21</sup> Now there is no need to invoke Rama or Krishna to adopt a modern form of ancient ethos as first-best efficient and fundamentally fair system for equilibrium according to the most general model of economics than ever scripted. Any rational challenge to the ancient Indian philosophy or equivalently to this first-best efficient equilibrium must be based on a more general model. The challenger has to prove (not simply opine with economic jargons) that a system of surreptitious or direct usurpation and subjugation is economically more efficient and constitutional. No one has challenged the first-best efficient economic equilibrium results so far. This is why the US Congress has adopted most, if not all, of the efficient and constitutional rules obtained in this first-best policy research.

Indian rulers need not be gloomy because the ancient Indian philosophy has once again triumphed and prevailed. I say "once again" because Rama and Krishna had already defeated the usurpers and subjugators during their times to establish the superiority of their ethos for economic prosperity commonly longed by people. The continual gloom in India is perhaps because post-independent rulers willy-nilly adopted the system of surreptitious usurpation and subjugation from the West while trying, unsuccessfully, to convince Indians about its efficacy. This system has enriched and entrenched many rulers, their kith, kin and cronies. Most Indian rulers have thus far remained satiated about their well-being as a result of the philosophy of surreptitious usurpation and subjugation. They had so far believed that people would not notice being surreptitiously usurped and subjugated.

What is superior about Mogul ethos? Moguls have been driven by destruction of others' life, property and heritage. This amounts to direct usurpation and subjugation, as opposed to the surreptitious approach in the Western economic philosophy. Any form of usurpation or subjugation is actually antithetic to the ancient Indian philosophy and is economically inefficient and unconstitutional.

### **3.6 Origin of Capitalism driven by Modern Philosophy of Surreptitious Usurpation**

Rama and Krishna epitomized a philosophy of eliminating usurpers and subjugators. Rama's philosophy can be inferred from his actions narrated in Ramayana. Krishna's actions narrated in Mahabharat as well as Gita more explicitly outline this philosophy. While Rama and Krishna defeated the usurpers and subjugators, they could not extinguish the genes which sought comfort through usurpation and subjugation of others. Many of the dominant carriers of the comfort-seeking genes must have emigrated India, after getting defeated by Rama and Krishna and after most Indians revered Rama and Krishna. Making others work is the essence of capitalism driven by the modern philosophy of surreptitious usurpation. Such capitalistic philosophy is antithetic to the ancient India philosophy of eliminating the usurpers and subjugators. This is perhaps why Indian rulers have not been attracted towards such capitalism after independence. Ironically, the Indian emigrants established capitalism in Europe. They too have developed the system for surreptitious usurpation and subjugation practiced in the

West. The emigrating Indians have also crafted the Mogul ethos to extinguish the ancient Indian philosophy and to establish their ethos of subjugation and usurpation.

After humans settled in India, they must have cultivated two competing and antithetic ethos: capitalism which relies on usurpation and subjugation and the Krishna-Rama philosophy of elimination of usurpers and subjugators. The capitalists clashed with the followers of Krishna-Rama philosophy and emigrated from India after a decisive defeat. India guided by the Krishan-Rama philosophy prospered enough to contribute to 23% of global output.

*Capitalism founded on unanimously agreeable fundamental fairness is inherently desired by humans for freedom and is consistent with Hindutva. Fundamentally fair [constitutional] capitalism is, however, antithetic to the modern philosophy of surreptitious usurpation for subjugation.*<sup>22</sup>

### 3.7 Decline of India's Prosperity

Prosperity lulled the ancient Indians to forget how Krishna and Rama had vanquished the usurpers and subjugators: better weapons of the time like quoits and spears and skillful operation of weapons and better strategy, e.g., of endearing the Pandavas to defeat the Kauravas or uniting Banar Sena against Ravana.

Rama and Krishna's success had made Indians believe that "god" periodically reincarnates in the form of a human to destroy the subjugators and usurpers. But, during the same time India prospered, the emigrant capitalists driven by their modern philosophy were developing better weapons and pining for returning to their ancestral land that had vanquished them, philosophically. The emigrants came with better weapons and strategies to loot as well as physically subdue the Indians. The invaders were even armed with new modern dogmas to supplant the ancient Indian Dharma.

### 3.8 The policy issue now

Should the Indian parliament or ruling Cabinet promote rules based on the repeatedly vanquished philosophy of usurpation and subjugation? The answer is NO. India should, therefore, repeal all laws which amount to surreptitious or direct usurpation and subjugation. There should be absolutely no subsidies based on birth to certain religion, caste or political class.

Most people following any religious faith cannot be blamed for the philosophy of their religion or their caste or class. It is because they were forced to have their parents' religion, caste or class at birth, when they were children without independent philosophical maturity. A modern nation— aspiring to be a global knowledge leader—should offer a platform of a unifying philosophy and repeal existing rules which reward followers of specific religious or political ideologies.

Krishna and his uncle Kansa belonged to Gouda caste. Yet, Krishna eliminated Kansa because the latter usurped others' wealth and subjugated people. Krishna did not believe in rights based on birth to a caste in his time. He could become a Maharaja with the largest army and also the most influential philosopher in his time. A Rajput, Rama, could become an ascetic-mendicant in the jungles, while his brother Bharat rejected the kingdom bestowed on him surreptitiously. A Brahmin, Ravana, was a very powerful king. The reason for bringing these ancient events to the discussion here is that the caste system then was for division of labor with rewards based on talents, not on birth-rights.

So, the ancient Indian philosophy during 3000-5000 BC (times of Krishna and Rama) did not allocate rights based on birth to certain castes. The concept of religion did not exist then. The only ethos that mattered then was elimination of usurpers and subjugators to bestow equal opportunity for people to prosper based on their skills, perseverance and integrity. Even Rama did not assign a Brahmin author to write Ramayana. Rama's message converted a marauder to become a saint (Valmiki) who scripted Ramayana on his own volition.

Ramayana and Mahabharat have been certainly exaggerated by their authors. But the sole purpose of such exaggeration is to ingrain in the minds of people the ancient Indian philosophy to not usurp others' wealth and to not subjugate others by any means. The invaders termed Ramayana and Mahabharat mythology—discourse of Mithya (lies). They obviously wanted to brainwash the Indians with the antithetic philosophy of usurpation and subjugation. The modern economics profession, which has perpetuated the philosophy of surreptitious usurpation and subjugation, can be proved to be a mythology which crashed in 2008.

So, without being dragged by the rubric of mythology, it is important to simply focus on the two antithetic ethos—(i) usurpation and subjugation and (ii) elimination of usurpers and subjugators.

The philosophy of eliminating the subjugators and usurpers to offer equal opportunity to everyone for enterprise and perseverance must have led to the pre-invasion era economic prosperity of India, which according to Adam Smith, was about 23% of global output.

Indians should celebrate now because their ancient economic philosophy, which had once made India nonpareil and enviable, has triumphed and prevailed once again. There is no reason for Indian rulers to be gloomy when the Indian philosophy has triumphed. It is true that the country needs and will soon see a radical adherence to first-best efficient rules of law by repealing the failed second-best (subsidy and birth-right driven) rules.

#### **4. Unanimously Agreeable Definition of Tolerance needed for Civilized Coexistence**

This section defines tolerance rationally and shows its consistency with *Hindutva*. A rational articulation of tolerance should start with the most tolerant human in modern history: Gandhi has been hailed as Mahatma and named father of Indian nation. Top scientist Albert Einstein talks of Gandhi: "Generations to come, it may well be, will scarce believe that such a man as this one ever in flesh and blood walked upon this Earth."

##### **4.1 Gandhism is not rationally and unanimously agreeable tolerance**

Gandhi has called for unity in humanity through personal sacrifice and tolerance. But he failed to unify people because his call amounted to bondage of enterprising individuals to serve indolent usurpers. Such call for unity could not be unanimously agreeable. So, it failed. Notwithstanding universal admiration of his persona:

1. Gandhi did not know/discover any unanimously agreeable principle or unifying philosophy of governance.



2. He was parochial and racial for targeting eviction of the British, not of the colluding Indians, from Colonial Raj. Gandhi did not fight for universal liberty of people. He pleaded with the British rulers in South Africa that Indians were superior to blacks.<sup>23</sup> This exhibited his inherent belief that he and fellow Indians were racially superior to deserve better status than black South Africans.
3. Gandhi was first allied with the British. Only after failing to achieve equal status with the British, he joined the fight against the British Rule in India. This indicates that he would have perhaps not joined the struggle for India's independence, had he attained proper status and employment in UK, South Africa or India under British Rule.
4. Why did Gandhi anoint Pandit Nehru as the first prime minister of India by transgressing party democracy that had overwhelmingly elected Sardar Patel to be the PM?<sup>24</sup> Gandhi's action shows that he was prejudiced towards elitists and against the vast majority of non-elite Indians.
5. Gandhi personally failed to earn sufficient income (through production of goods and services for others) to defray his living expenses in India, UK and South Africa. He thus failed to financially liberate himself. This failure perhaps led him to austerity and asceticism to remain self-reliant and to depend on others only for his freedom movement. Financial dependence from those embedded with the British rule led to a neocolonial India upon independence. As a result, Gandhi could not liberate the vast majority of non-elite Indians.
6. Gandhi chose a prime minister (Pandit Nehru) who thoroughly divided India based on language, caste, tribe and social status with parochial satraps appointed to control people within each division. This divisive strategy of administration and control weakened enterprising Indians so badly that they were defeated in the 1962 war with China.

Gandhi cultivated a psyche among people to think of joining politics only after their repeated failures to earn their own livelihood through production of goods and services for others in society. Many people and their leaders now consider the Gandhian disobedient movement a legitimate strategy to blackmail government institutions with an ulterior motive to usurp indolently the fruits (goods and services) of labor of enterprising individuals. Enterprising Indians have been thus enslaved by Gandhism bequeathed to India upon independence. Gandhism retarded enterprising individuals' willingness to produce their best. Many of them emigrated. India's economic output suffered.

**Gandhism is, therefore, not tolerance. Neither could Gandhism be the basis for defining tolerance rationally and unanimously agreeably.**

#### **4.2. Islam and democracy couldn't attain human freedom**

The architect of Islam, Mohammed, and the builder of modern America, Abraham Lincoln, emancipated slaves in their times but could not create a sustainable path towards freedom. Islam started with proclamation of equality of all humans and became a dominant religious path to freedom. But monarchs or dictatorial heads running most Islamic countries considered themselves as superior to the Muslims they ruled. Democracy then ensued by granting equality of every vote to elect rulers. But the current financial bondage of a vast majority of enterprising individuals in the democratic world shows that freedom has eluded humans.

In September 2015, I watched a recently released movie on Prophet Mohammed. This movie is approved by the Egyptian government as factual. Mohammed saw how kings in Mecca were claiming to be descendants of god and using their lineage to capture slaves. He went hiding in the caves to script edicts - known as prophecy of Allah - which he dispatched to the kings practicing slavery. While the kings read the edicts, many slaves mustered courage to escape captivity and embrace Islam. Kings were thus enervated. Weakened kings had no option but to accept Islam. A few kings continued to fight against the followers of Islam even without the slave power, but ultimately saw in Mohammed a selfless individual seeking equality of all humans.

Mohammed and his Islam could not still unify people because the freed slaves followed scripts (Quoran and Sunnah and Sariat) as sacrosanct and failed to catch up with rising scientific knowledge. After Mohammed died, **kings exploited Islam's popularity to restrict even the enterprising Muslims to the confines of the scripts by keeping them away from rapidly evolving science.** Middle East was one of the frontiers of new knowledge before the advent of Islam. It has now become one of the most unscientific regions as the freed slaves inspired by Islam did not consider it necessary to learn science to produce goods and services for others. Most Islamic nations became un-Islamic with kings turning dictatorial to subjugate Islamic masses. Mogul kings invaded India and Indonesia to do the same thing: enslave by robbing hard earned wealth of enterprising individuals.

**Prophet Mohammed has been rendered redundant by democracy founded on the basic thrust of Islam to grant equal right to everyone.** Could democracy free the humans? The most revered democratically elected U.S. president, Abraham Lincoln, faced this question. He followed (consciously or subconsciously) the Mohammedan strategy of liberating slaves in USA with his famous emancipation declaration. But he did not make his will sacrosanct. He created land-grant universities to offer the best quality education based on latest research to the working class to build what is now known as modern America, contributing to 23% of global GDP.

**But, alas, the American system crashed and the economy collapsed in 2008, which publicly bared how the vast majority of enterprising individuals has been financially enslaved. Much of the economic growth and size of US GDP has been financially engineered.**

#### **4.3 Rise of unanimously agreeable rationale and philosophy of governance**

When I warned the US Congress about the necessity to repeal the system (rules) of unconstitutional robbery, I noticed at the same time (2003) that India did not need rules for similar robbery of private and public wealth. In 2003, Citizens for Development started rational discourse with Indian leaders on such issues. The secretary of President Kalam once told me fondly that I was troubling the staff at Rastrapati Bhavan as they had been instructed to submit well-organized files containing CFD memos and all relevant citations downloaded for Dr. Kalam. Dr. Kalam had invited me in 2003 (when I was in Hong Kong) and some others for a chat over internet to develop India.

The kinds of actions taken by Vajpayee-Kalam duo and then Kalam-Manmohan duo drew the attention of the U.S. White House with remarks from President Bush like who had organized a meeting between Hindu and Muslim 'fundamentalists' in July 2003 and later from the New York Times columnist Thomas Friedman about the irreversible path to greatness of India (championed by CFD) by opening new IITs, IIITs, NICERs and AIIMSs.

Following my January 2005 memo on Enhancing American Competitiveness<sup>25</sup>, the White House held a secret communication (published later in Washington Post) with the State Department to somehow keep India on the side of USA as a friend even by offering nuclear and other restricted technologies. The offer of Bush Administration to India took Prime Minister Manmohan Singh and his delegation (visiting USA in 2006) by so much surprise during a joint Indo-US meeting that the Indian team had to bandy around hand written notes to make their impromptu response on the spot.

As India progressed with first-best efficient strategies pursued by President Kalam with PMs Vajpayee and Singh, eyebrows were raised by Anglo-American strategists about India rising under the missile man, who had 'taken away' missile technology secrets during his past visits to conferences in USA. Dr. Kalam could not get a second term as president and Dr. Manmohan Singh had to surrender power thereafter. How this was orchestrated bemuses me. But I was certainly targeted after the US Administration was positively swayed by my memos. For example, my paper on *A Unifying Philosophy of Governance*<sup>26</sup> reached the Vatican via the White House. It must have unnerved the Christian establishment in USA to force Google to blank out the link to this paper in Google searches in mid-2006. I had to write to the president of Google to restore the link in Google searches on unifying philosophy of governance; I argued how this paper offered a universal platform for success of a demand-driven information disseminating giant.

I was once worried about too many downloads of the paper *A Unifying Philosophy of Governance* in many middle-eastern countries. But the **Arab Spring** followed and the Google head for middle east was found responsible for distributing papers and then arrested. The Anglo-American establishment seems too frightened to let its embedded media publish the details about the papers distributed in middle-east to trigger Arab Spring.

Spring in India too dawned. Recall how Mr. Narendra Modi was ostracized by 'intellectuals' in USA and was even banned to deliver a scheduled video conference speech to the students and faculty at the Wharton School of U Penn. The ulterior reason for the ban seemed obvious to me: ***Mr. Modi would somehow continue to follow first-best efficient governance to make India great again and subvert the established Anglo-American system of unconstitutional robbery.*** Even my talks on first-best efficient governance and on how I landed in such research - scheduled by some research-minded students and faculty - were cancelled by administrators of the relatively less elite Xavier Institute of Management at Bhubaneswar, Institute of Mathematical Applications in Bhubaneswar and Berhampur University.

I wrote a memo to President Obama on November 4, 2013 entitled "A Sound Basis for USA-India Relation is Emerging: First-best Efficient Governance."<sup>27</sup> The US responded promptly. After this memo was circulated, significant events have occurred starting with removal of US ambassador to India:

- Goldman Sachs Upgrades India - November 5, 2013  
<http://www.indianexpress.com/news/goldman-sachs-upgrades-india-to-marketweight-raises-nifty-target-to-6900-pts/1191098/>
- **US says ready to work with Modi if he becomes PM, blames media for visa row**  
[Press Trust Of India](http://www.indianexpress.com/news/us-says-ready-to-work-with-modi-if-he-becomes-pm-blames-media-for-visa-row/1192383/2) : Washington, Fri Nov 08 2013, 08:50 hrs  
<http://www.indianexpress.com/news/us-says-ready-to-work-with-modi-if-he-becomes-pm-blames-media-for-visa-row/1192383/2>

- Goldman Sachs stands by our "Modi-fying our view" report after government finds it "objectionable" - November 9, 2013  
<http://timesofindia.indiatimes.com/business/india-business/Goldman-Sachs-stands-by-Modi-fying-our-View-report-after-govt-calls-it-objectionable/articleshow/25443440.cms>

The above narration is just a very brief glimpse of the efficacy of first-best efficient governance in the wake of vivid failure of Islam, Democracy and Gandhism in liberation of people. The historical freedom movements failed because they were devoid of any unanimously agreeable rationale or philosophy of governance. The failure has frightened establishment leaders everywhere.

#### 4.4 Rational and unanimously agreeable definitions of tolerance

*In a RATIONAL comprehensive general model of the economy, I have proved that first-best efficient governance is attainable in equilibrium.<sup>28</sup> The first-best efficient governance is fundamentally fair. So, it can be called Constitutional Capitalism. Fundamental fairness is unique and unanimously agreeable since (a) no one including the unfairly privileged (e.g., a defeated political leader) prefers unfair treatment (meted, e.g., by the winning leaders), and (b) likewise no one including robbers prefers to be robbed. Constitutional Capitalism is, therefore, a unique unanimously agreeable rationale and philosophy of governance available to mankind. This is not a dogma or presumption imposed or ordained by the author. Constitutional Capitalism is attained in equilibrium within a contemporary rational economic model, which means that it is necessary for stability (so that people do not kill each other) and is efficient (so that limited natural resources including environment are not decimated). Expressed as a simple preamble, Constitutional Capitalism connotes: the state (government of we the people) should not facilitate robbery of public or private wealth, even surreptitiously. This preamble is akin to the ancient philosophy scripted as the thrust of Gita, the message of Krishna articulated in a paper on this philosophy:<sup>29</sup>*

The basis of unanimous agreeability is that individuals do not prefer to have their wealth (including life) robbed, even surreptitiously. This preference is unanimous because even robbers do not want to be robbed. I argue that unanimously agreeable norms are necessary for civilized co-existence of humans and are consistent with ancient philosophy (*Hindutva*), which originated in India more than 3000 years BC and scripted in the form of Gita<sup>30</sup>. Gita is considered by the Supreme Court of India as a philosophical document. The basic ethos of Gita is explicit and transparent: the state (King Dhristarastra) must not allow anyone (including privileged princes like Duryodhan) to take away others' (Pandavas') property even surreptitiously (through Sakuni's rigged game of Pashakhel). The modern constitution states its preamble as individual freedom through rights to property, liberty and pursuit for happiness. The ulterior goal of such constitutional preamble can be attained only if every individual's assets needed for freedom are not taken away. The preamble of the modern constitution is not scripted as explicitly as the ethos of Gita. If it were, modern rules facilitating surreptitious robbery of enterprising individuals and economic depressions would have been avoided. Real world experience shows that widespread or inclusive economic prosperity can be attained only if unanimously agreeable norms form the basis of constitutional preamble and rules of law and by jettisoning the antithetic modern economic philosophy.

A triumphant philosophy originating in India and resurrected by an Indian within contemporary rational research must have induced every nation to befriend India for civilized coexistence under Constitutional Capitalism. Intolerance and tolerance can be now defined unanimously agreeably and rationally:

***Intolerance is transgression, even surreptitiously, of the unanimously agreeable principle and philosophy of governance. Tolerance is strict adherence to the unanimously agreeable principle and philosophy of governance (by letter and spirit) despite personal hardship.***

The rational implications of unanimously agreeable rational definitions of tolerance and intolerance are very profound:

- ***Establishment of a system (rules) of governance-even if it has been enacted democratically-to facilitate fundamentally unfair (unconstitutional) robbery is intolerance.***
- ***Any direct, tacit or muted approval, consent or demeanor implying favor towards an established system (rules) of governance-even if it has been enacted democratically-to facilitate fundamentally unfair (unconstitutional) robbery is intolerance.***
- ***Demeaning, insulting or suppressing the author/promoter of fundamentally fair (constitutional) system (rules) of governance is intolerance.***
- ***Personal sacrifice involved in propounding, pursuing and propagating a fundamentally fair system of governance is tolerance.***

For example, a favorite Bollywood film hero like Shah Rukh Khan remaining taciturn towards the established system of fundamentally unfair robbery (shielded by democratically enacted laws) is intolerance. I have once sent some of my memos to this favorite hero of mine. Did he throw them? Why is Bollywood reticent about the mega systemic robbery driven by rules of law passed democratically to shield the robbers? Another favorite Bollywood hero of mine (Amitav Bachhan) has once disclosed his preference in his next life: to speak up everything he wanted to, which meant to me that there was a lot that he wanted speak but was afraid to do. My dear Amitav Bachhan, speak up, you still have a long vibrant life; you have nothing to fear except your fear.

Hollywood is not afraid of speaking against mega systemic robbery. I have watched the trailer of a new movie, Big Short, which is slated to be released on December 11, 2015: When four outsiders saw what the big banks, media and government refused to, the global collapse of the economy, they had an idea: The Big Short. Their bold investment leads them into the dark underbelly of modern banking where they must question everyone and everything. Big Short story is written by Michael Lewis and played by lead actor Brad Pitt. <https://www.youtube.com/watch?v=LWr8hbUkG9s>

I am not surprised about the logs to my website coming from Beverly Hills in Los Angeles.

So, my dear Shah Rukh Khan, intolerance is being subdued by the juggernaut of unanimously agreeable principle and philosophy of governance. You and other Bollywood leaders need to join this bandwagon, or else you lose out to Hollywood!

#### **4.5 How intolerance has become systemic**

Assuming that no one can rationally disprove the above unanimously agreeable rational definitions of tolerance and intolerance, it is easy to decipher recent instances of intolerance in India and elsewhere:

- A. The authors/writers advocating to urinate on Hindu gods like Krishna are intolerant for tacitly demeaning the authors and followers of the principle of unanimously agreeable rationale and philosophy of governance. Those who killed such intolerant authors/writers have taken a grave risk of being prosecuted and jailed for taking the law into their hands out of desperation that the establishment had surreptitiously facilitated such intolerant writing by not chastising the authors/writers of intolerance. The killers acted desperately against intolerance engineered by powerful vested interests - like the book publishers controlled by mega robbers that compensate intolerant authors/writers to perpetuate their systemic unconstitutional robbery by suppressing reemergence of any unanimously agreeable rationale and philosophy of governance. The killers were, however, irrational and inefficient at least for their own sake.

Incidentally, I have faced enormous intolerance including serious threats of unemployment, raid and arrest for writing against unconstitutional robbery. I have, however, remained within the current law even if such law has been found by my research to be unconstitutional, inefficient and unstable. I am determined to have my freedom to pursue and propagate research on constitutional capitalism even though it is antithetic to the unconstitutional system of robbery established by powerful vested interests wishing to have me financially ruined. I found very early on that the Gandhian civil disobedience of fundamentally unfair laws was inefficient and irrational and that Gandhi had failed to achieve what he longed for, unity and liberty. The only way to achieve unity and freedom of humanity is to remain steadfastly independent to continue rational research and discovery of unanimously agreeable rules of governance that no vested interests could publicly reject. Of course, I have always perceived the tacit support of enterprising individuals everywhere who prop even the indolent usurpers.

- B. It is intolerant to incessantly broadcast rationality of intolerant authors and writers using political and academic pundits who are funded and/or famed by the mega robbers who have established and perpetuated the unconstitutional, inefficient and unstable system (rules) of robbery by surreptitiously suppressing publicity of the unanimously agreeable principle and philosophy of governance.
- C. Media is intolerant to suppress the message of unanimously agreeable rationale of fundamental fairness scripted as thrust of Gita and its enunciator, Krishna,<sup>31</sup> while it glorifies a British-origin professor, Wendy Doniger, of the University of Chicago and her Anglo-American publisher (Penguin-Random House) to assassinate Krishna's character as an amoral sexual creature.

Lynching death of a person for eating beef is obviously less monumental than disemboweling the wherewithal for survival of the vast majority of enterprising individuals through systemic robbery that depresses and slowly kills a multitude. Count, e.g., (a) the number of enterprising Indian farmers committing suicide because of usuriously high interest rates on loans they take to produce food for those that charge such rates on usurped money created on the back of such enterprising individuals, (b) the number of deaths due to unseemly high prices of medicines charged for gain of 'paper pushing' hedge funds but produced by moderately compensated enterprising researchers, and (c) the number of unemployed graduates depressed due to massive debt taken for education with a promise for better jobs that do not materialize due to shenanigans of mega robbers.

#### 4.6 Defeat of irrational forces of intolerance

Why should a famous publisher (Penguin-Random House) and an author/professor (Wendy Doniger) at a top university (U of Chicago) - who have been painted as rational by the Indian elite and who have been funded surreptitiously by mega robbers - withdraw their case from Indian courts for distributing their 'scholarly' book on painting Krishna as an amoral sexual creature? Did they think that the Indian courts would deviate from rational judgments? No. They know that Indian courts:

- are driven by fundamental fairness,
- consider Gita (message of Krishna) as a fundamentally fair philosophical document,
- know of Krishna as the enunciator of the ancient philosophy of fundamental fairness, and
- can find that the U of Chicago and the Anglo-American publisher have vested interests:
  - A. to peddle their irrational punditry through a 'scholarly' book to establish superiority of their modern philosophy of fundamentally unfair and unanimously disagreeable systemic robbery,
  - B. to undo reemergence of the unique unanimously agreeable philosophy of fundamental fairness which is paramount for civilized co-existence of humans within a contemporary comprehensive general equilibrium model of the economy,
  - C. to assassinate the character of the original author (Krishna) of unanimously agreeable ancient philosophy of governance, and
  - D. to undermine contemporary research on unanimously agreeable, fundamentally fair first-best efficient constitutional and stable governance to decimate its challenge to the modern philosophy of systemic robbery.

The Western media, funded by the fundamentally unfair system of robbery, obviously want to deface the antithetic ancient philosophy of fundamental fairness. The only reason for why the Indian media and pundits have joined their western counterparts to support the irrational and fundamentally unfair system of robbery is obviously to fetch some pecuniary and non-pecuniary crumbs from robber barons. But they are exposing their irrational punditry and undoing the government that had supported them so far. They will now face a public that is increasingly longing for unanimously agreeable and fundamentally fair governance for civilized coexistence.

Existence of unanimously agreeable principle and philosophy of governance will be inevitably publicized despite and the media run by robber barons will be undone. Even the Pope has talked about the necessity of rationality and unanimity during his recent tour of the USA without, of course (!), mentioning the contemporary author of the unique unanimously agreeable system of governance driven by the juggernaut of fundamentally fair preamble: that the state must not allow robbery of private and public wealth, even surreptitiously.

#### 5. Conclusion

This paper has presented unanimously agreeable and rational norms on philosophy, governance and beliefs and argued how these norms uniquely fulfill the common human longing for prosperity, freedom and civilized coexistence. It has also shown that the ancient philosophy of *Hindutva* is founded on unanimous agreeability and rationality and is, therefore, necessary for efficient civilized coexistence of humans with tolerance, individual freedom and prosperity. In contrast, both Gandhian socialism and

Anglo-American capitalism amount to surreptitious robbery of enterprising individuals are antithetic to *Hindutva* as well incapable of attaining tolerance, individual freedom, prosperity and civilized coexistence.

## 6. References [Endnotes]

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<sup>1</sup>Director, Research Center on Finance and Governance, and Founder of Citizens for Development and Pro-Prosperty.Com can be reached by email at [sacharya@pro-prosperty.com](mailto:sacharya@pro-prosperty.com). I teach at the University of Illinois, but this paper does not express the official view or position of my employer. I am grateful to numerous individuals especially Dr. Bhupal Singh and my students in understanding the unanimous longing for civilized co-existence.

<sup>2</sup> Acharya, S. (2011), "No-Subsidy Mantra in Governance for the Most Efficiently Competitive Economy," *Journal of Regulation and Governance*, <http://pro-prosperty.com/Research/Governance-and-Most-Efficient-Competitive-Economy.pdf>

<sup>3</sup> After circulation of my paper and memos on no-subsidy mantra of governance, India has been dismantling most of its subsidies, the US and European governments are mulling plans to do away with subsidies. The 2016 Republican presidential contestants in USA are openly espousing for elimination of all forms of subsidies. See also Acharya, S. (2011), "Republicans and Democrats agree to cut subsidies to everyone including corporations," <http://pro-prosperty.com/Democrats%20and%20Republicans%20agree%20to%20stop%20subsidies.html>; Acharya, S. (2012), "EU mulls trading tax to generate surplus to compensate for government subsidy to finance industry," <http://pro-prosperty.com/European-Union-Subsidy-Surplus-Trading-Tax.html>; Acharya, S. (2011), "Global agitations against government subsidy to special interests," <http://pro-prosperty.com/Global%20Agitations%20Against%20Special%20Interests.html>

<sup>4</sup> Acharya, S. (2013), "Arbitrage Pricing of Total Risk of Assets and First-Best Governance of Financial Markets," <http://pro-prosperty.com/Research/moralthazardliberty.pdf>

<sup>5</sup> Acharya, S. (2013), "Constitutional System of Money and Finance," *Journal of Financial Transformation*, <http://pro-prosperty.com/Research/Constitutional-Monetary-Finance-System.pdf>

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<sup>9</sup> Acharya, S. (2013), "Constitutional Capitalism for First-best Efficient Governance, obtained in general equilibrium based on rational microeconomic analysis, devoid of parochial dogmas, politics or prejudice," <http://pro-prosperty.com/Constitutional%20Capitalism.pdf>

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<sup>11</sup> Acharya, S. (2012), "First-best Management Academy: Proposal for Consideration by Global Leaders," <http://pro-prosperty.com/Research/First-best%20Management%20Academy.pdf>

<sup>12</sup> Acharya, S. (2013), "Arbitrage Pricing of Total Risk of Assets and First-best Governance of Financial Markets,"

<sup>13</sup> See Acharya, S. (2012), "A Unifying Philosophy of Governance," *Journal of Governance and Regulation*, <http://pro-prosperty.com/A-Unifying-Philosophy-of-Governance.html>

<sup>14</sup> The meaning of what is true or false is elaborated in a paper entitled "A Unifying Philosophy of Governance," forthcoming in the *Journal of Governance and Religion* and also available at <http://www.pro-prosperty.com/A-Unifying-Philosophy-of-Governance.html>

<sup>15</sup> See Acharya, S. (2012), "A Unifying Philosophy of Governance," *Journal of Governance and Regulation*, and also available at <http://www.pro-prosperty.com/A-Unifying-Philosophy-of-Governance.html> offers a novel rational



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philosophical foundation for the concepts of god, religion and science in which the claim that science triumphs over religion is redundant.

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<sup>17</sup> See Acharya, S. (2012), "A Unifying Philosophy of Governance," forthcoming in the *Journal of Governance and Regulation*.

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<sup>19</sup> Acharya, S. (2015), "Why Ancient and Modern Leaders have failed to Liberate Humanity," <http://pro-prosperity.com/Why%20leaders%20have%20failed%20to%20liberate%20humanity.html>

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<sup>23</sup> Desai, Ashwin (September 15, 2015), "Gandhi's Empire," Indian Express. <http://pro-prosperity.com/Gandhi%20allied%20with%20British%20Empire.pdf>

<sup>24</sup> "The entire rank and file of the Congress looked at Sardar Patel as the most deserving candidate to be sworn in as independent India's first Prime Minister, given his proven track record of being an able administrator and a no-nonsense politician. Then what really went wrong? To find out the answer, we need to rewind back to 1946... Gandhi was always impressed with the modern outlook of Nehru. In comparison to Nehru, Sardar Patel was a little orthodox and Gandhi thought India needed a person who was modern in his approach." See <http://www.indiatvnews.com/print/news/why-gandhi-opted-for-nehru-and-not-sardar-patel-for-pm--6689-4.html>

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<sup>30</sup> Bhagavat Gita, Wikipedia, [https://en.wikipedia.org/wiki/Bhagavad\\_Gita](https://en.wikipedia.org/wiki/Bhagavad_Gita)

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