



To: Global Leaders

Date: May 5, 2016

Sub: Proposal for training executives and regulators to establish and administer the *Unique Unanimously Agreeable Trustworthy System of Banking, Money and Finance* that is bound to govern the world in future.

Dear Global Leaders,

Civilized co-existence of humanity necessitates establishment of the unique, efficient, sustainable, fundamentally fair and unanimously agreeable system (rules) of governance of the sophisticated modern world of money, banking and finance. This system has triumphed over the established Anglo-American system of robbing enterprising wealth creators everywhere.¹

The triumphant system is founded on trustworthy ancient ethos of humanity of disallowing laws that facilitate usurpation of private or common wealth, even surreptitiously. Trustworthy ethos had made ancient India economically nonpareil with 32% contribution to global GDP.

My peerless research has perfected a modern economic system of money, banking and finance which is trustworthy, dogma-less, non-ideological and fundamentally fair.² As a result, I can credibly impart unique skills to train executives and regulators to establish and administer a trustworthy, unanimously agreeable system of money, banking and finance needed to make nations economically great again.

Trust generates credit which is the essence of banking and finance.

The established Anglo-American system (rules) of robbery of enterprising wealth creators has crashed everywhere after the 2008 financial catastrophe thoroughly crushed trustworthiness of the established system of money, banking and finance in USA. Printing trillions of dollars is making the crushed system more untrustworthy.

Globally, there is no trustworthy system now. The world including Americans are hooked on to dollar to preserve their wealth. The U.S. government has taken advantage of this globally precarious predicament to keep printing enormous quantities of dollars to quell anger and

¹Acharya, S. (November 27, 2015), "Triumph of Ancient Philosophy, Unanimously Agreeable Governance, Economic Policy and Constitution for Civilized Coexistence," available at <http://pro-prosperity.com/triumphantphilosophy.pdf>

²Acharya, 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," available at <http://pro-prosperity.com/Constitutional%20Capitalism.html>

revolution brewing among Americans. The rise of political movements against the establishment in USA shows, however, that printing of oodles of dollars has not achieved anything intended. It has rather made the situation dire and unstable.

The country that can credibly establish a trustworthy system of money, banking and finance will definitely rise above the tide of global turmoil. Just the perception of trustworthiness and stability due to enactment by US in 1991 of an unprecedented bank foreclosure rule (that I co-authored with J. F. Dreyfus at New York University)³ led to a quadrupling of the US stock indexes thereafter. As a Federal Reserve economist (1990-1995), I saw, however, the mega U.S. banks were untrustworthy and unsustainable due to moral-hazard and transgression of the new bank foreclosure law with connivance of the Federal Reserve. To avert a looming risk that I saw brewing within the US banking system, I researched and found unanimously agreeable safe central banking (mimeographed at Fed in 1991) to avert the crisis preemptively. The powerful U.S. establishment comprising the Federal Reserve, the too-big-to-fail banks (known as Robber Barons) and their funded elite academic pundits of systemic robbery and embedded media black-listed this research. It took me many years to recreate highly mathematical papers in plain English for communication with U.S. Congress and Presidents starting in 2003. This was the year I communicated with Prime Minister Vajpayee to undertake new steps to develop India, economically, resulting in a rise of BSE index from about 3000 to more than 25000.

That the established Anglo-American system crashed due to discovery and spread my unique unanimously agreeable, sustainable, efficient and fundamentally fair system of governance is made factually obvious in my 2007 paper, which is now forthcoming in the Journal of Governance and Regulation, entitled, "*Public Lending to Private Hedge Funds is Inefficient, Unstable, Unconstitutional and Unanimously Disagreeable*," This paper shows factually how the Obama Administration came close to embracing my unanimously agreeable safe central banking rule, but failed due to very powerful countervailing establishment forces.

The 2008 financial crisis has publicly exposed untrustworthiness of the prevailing system of money, banking and finance. This exposure has, spectacularly, alienated noble academic pundits from those who had so far spearheaded and guarded the established system of robbery: The Journal of Financial Transformation, which has 18 Nobel Laureates as authors, has invited and published my paper, entitled, *Constitutional System of Money and Finance*.⁴

Mr. Donald Trump has recently lamented about the U.S. banks shifting their crucial customer service jobs to countries like India. He did not mention that trustworthy people from all over the world have become ubiquitous in the American banking industry. Juxtapose this with a triumphant peerless Indian author of unanimously agreeable, nonpareil trustworthy system of money, banking and finance. ***This author, as a result, is credible and capable of training.***

³ Acharya, S. and J.F.Dreyfus (1989), "Optimal Bank Reorganization Policies and the Pricing of the Federal Deposit Insurance," Journal of Finance, <http://pro-prosperity.com/Research/Bank-foreclosure-rule-paper-Acharya-Dreyfus-Journal-of-Finance-1989.pdf>

⁴ <http://pro-prosperity.com/Research/Constitutional-Monetary-Finance-System.pdf>

creating and supplying trustworthy leaders to manage the future unanimously agreeable system of banking, money and finance worldwide. This is vital for stability, efficiency, fundamental fairness and prosperity for civilized coexistence of humanity.

Who but the peerless author of the unique unanimously agreeable system of money and finance can credibly train graduates to create trustworthy managers and regulators of the new system, which is bound to govern the world in future? I am ready and willing to offer this service at the ***Research Center on Finance and Governance at Bhanjanagar-Odisha***, which is a 27000 square feet building located in a very scenic and verdant 12.6 acre campus in North Ghumusur that has received a top award for being the greenest region of India.⁵ ***This training service is immensely necessary for innovation, enterprise, employment generation, wealth creation and preservation within a trustworthy system managed and regulated by individuals with modern sophisticated skills of money, banking and finance.***

My training service will cost no government anything but some goodwill needed to induce banks and regulatory bodies to consider sponsoring bright interested graduates of top institutions for training in quantitative and strategic skills on both current dogmatic system of money, banking and finance as well as on the unique dogma-less unanimously agreeable system. ***Here is why such industry-sponsored training will succeed in contributing the current mission of newly emerging anti-establishment global leaders:***

1. The US system of money, banking and finance has disintegrated because it has lost the trust of global and American investors, as indicated by diversion of massive savings to US Treasury Securities. With mounting debt, US will demonetize its debt (i.e. default). This is why major companies are relocating. This is why the world will eventually embrace a trustworthy system. This is why it is URGENT for the global leaders to accept my proposal. The government will bear no cost but to induce top financial and regulatory institutions to consider sponsorship of graduates interested in an intensely quantitative and strategic program on money, banking and finance. We can now train about 15 talented undergraduates per year in a post-graduate program.
2. My plan is to have the regulatory institutions and major global banks sponsor mathematically talented students interested in a one-year ***post-graduate program in mathematical money, banking, finance, economics and system of governance of banks and financial markets*** with thorough coverage of arbitrage pricing, hedging and trading in modern sophisticated securities.⁶ Training will be through modern mathematics behind the current system of money, banking and finance. Graduates will learn how to create and administer a very trustworthy system of governance of banks and financial markets for innovation, and creation and preservation of jobs and wealth.

⁵Uniqueness of the Research Center on Finance and Governance at Bhanjanagar for such training is described with photos of the building in progress is available at <http://pro-prosperity.com/Research-Center-in-Progress.pdf>

⁶See, for example, Acharya (2016), "Arbitrage Pricing of Total Risk of Assets, First-Best Efficient Governance of Financial Markets and Unanimously Agreeable Safe Central Banking in Equilibrium, available at <http://pro-prosperity.com/Research/moralthazardliberty.pdf>

3. The Center for Research on Finance and Governance can comfortably accommodate for training about 15 students every year. The purpose is to create trustworthy 'gendarmes' of the future world with ancient ethos necessary for civilized coexistence of humanity. The trained graduates will be the future leaders to oversee financial and regulatory institutions as trustworthy executives and regulators. They will be viewed as trustworthy keepers of wealth from all over the world.
4. I now get numerous requests from Indian Institute of Technology undergraduates (and even some Chinese professors with government fellowship) to study mathematical modeling of the economy, money and finance. The students have even told me that they are open to reside wherever I live. Now that the Research Center on Finance and Governance is almost complete, they can live comfortably to study in modern multi-media classrooms. Some of the IITs have even asked the undergraduates to study my research papers from my website, pro-prosperity.com. Now they can congregate at a research center in a scenic environment.

Here is some feedback from one of my University of Illinois students: "I have read the paper⁷ which you attached to the previous email. First, I wanted to say it is very interesting and I am astonished that I am not taught or told a speck of what it described and explained in this paper in any other classes up until this point. As someone who wishes to go into Finance, this is very important. It also amazes me that you can be the smartest individual, yet you can still fail or be swayed by the bigwigs [Robber Barons] above pulling strings and manipulating the system."

This is the next BIG-BANG program to reestablish the civilized coexistence of humanity for which I can uniquely contribute. I hope you will agree with my assessment and forward this proposal with your approval to all major financial and educational institutions and regulatory agencies for their consideration.

I look forward to hearing from you.

With best regards,

Sankarshan Acharya

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⁷Acharya, S. (2016), "Public Lending to Private Hedge Funds is Inefficient, Unstable, Unconstitutional and Unanimously Disagreeable," forthcoming in the Journal of Governance and Religion.