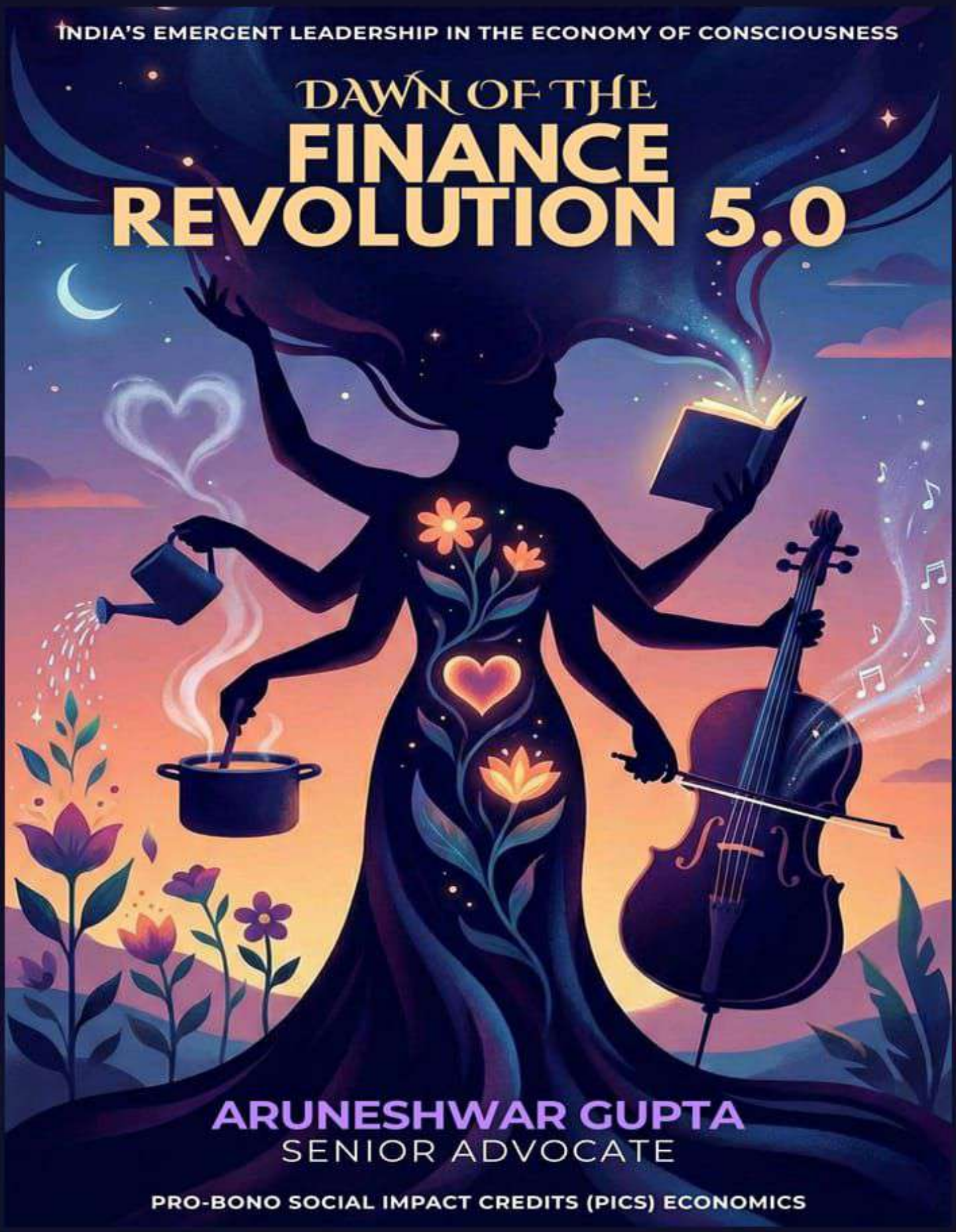
INDIA'S EMERGENT LEADERSHIP IN THE ECONOMY OF CONSCIOUSNESS

DAWN OF THE FINANCE REVOLUTION 5.0



ARUNESHWAR GUPTA
SENIOR ADVOCATE

PRO-BONO SOCIAL IMPACT CREDITS (PICS) ECONOMICS

MOHAN LAW HOUSE

India's Emergent Leadership in the Economy of Consciousness

Dawn of the Finance Revolution 5.0

Aruneshwar Gupta
Senior Advocate
Supreme Court of India

MOHAN LAW HOUSE

Published by

MOHAN LAW HOUSE PUBLISHING PVT. LTD. NEW DELHI

Distributor

MOHAN LAW HOUSE

NEW DELHI

S#2, Subway, Supreme Court of India
Bhagwan Das Road, New Delhi-110001
Tel: + 91-11-23389392, 23383381, 23077000
E-mail: customercare@mohanlawhouse.com

BENGALURU

S#87-88(3), 1st Cross
TBR Boranna Complex, B B Naidu Road, Gandhi Nagar
Bengaluru-560009, Karnataka
Tel: + 91-80-40979392

MUMBAI

S#7A/B, Dariya & Sailor Building
Dr. D. N. Road, Mumbai, Fort,
Mumbai-400001
Tel: + 91-22-22707000

© Reserved

First Edition 2026

ISBN: 978-81-992098-5-5

INR 0000.00 : US$ 00.00 : £ 00.00 : PICS 1000

Cover page designed by Shashwat Gupta

Note to Readers

All rights reserved. No part of this publication may be reproduced, transmitted, or stored in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the author's and the publishers' prior written permission.

Every effort has been made to ensure the accuracy of the information presented in this work. However, the author, editors, and publishers cannot accept responsibility for any loss, damage, or inconvenience caused to any person as a result of any action taken or not taken based on the information contained herein.

This publication aims to provide accurate and authoritative information concerning the subject matter covered. It is based upon sources deemed accurate and reliable and intended to reflect the state of knowledge at the time of writing. The views and opinions expressed are solely those of the author, and the facts presented are as reported by them. These have been verified to the greatest extent possible. The publisher bears no liability for the content herein.

This book must not be circulated in any other binding or cover, and this same condition must be imposed on any subsequent acquirer.

Printed in India at Sai Printo Pack Pvt Ltd

Dedicated
to
Warriors of Light
and
the New Civilization

Contents

Dedication ..... *v*
Foreword ..... *xi*
Preface ..... *xv*

Page

Finance Revolutions - History and Evolution of Human Economic Relations 1
Sovereign Guarantees, Central Banks and the Hidden Architecture of Public Debt 21
Fiat Currency to Stablecoin: Finance Moving into the Fourth Dimension 29
From Stablecoins to PICS Economy 33
The Cycle of Money and the Limits of GDP 41
The Value of Human Time and Worthiness 47
The Invisible Foundation of National GDP 53
The Invisible Economy: Equal Hours, Equal Work, Unequal Lives 57
Giving the Invisible Economy Its Due in Absence of Divisiveness 61
The Issues and the concerns 65
Vision, Mission, and Objectives 69
PICS Economy Bridging Social Inequality 89
PICS List – Add-On to the Forbes List 93
PICS for Employees Laid Off by Technology Advancements 97
The Cosmic COVID Kick – From Rat Race to Integrity Economy 101
PICS Economy for Dying Classical Art, Music, Dance and Heritage 105
PICS for Unpaid and Underpaid Professionals, Artisans and Everyday Workers 109
The Misfit Professional: Warrior of Light 113
Beyond Ballots, Budgets and Bullets: Civil Society – The Fifth Pillar of Democracy 117

Ailing Democracies – A Painful and Serious Concern 123
Sanaatan Philosophy as basis of PICS Economy 125
Principle of Slotting, Grand Design and the Way Forward 129
Inspiration 133

ANNEXURES

Annexure 1—The Fedralist Papers—Alexander Hamilton

27—The Enforcement of the Supreme Law of the Land 137
28—A National Army and Internal Security 141
29—The Regulation of the Militia 145
30—A General Power of Taxation 150
31—The Necessity of a National Power of Taxation 155
32—Exclusive and Concurrent Powers of Taxation 159
33—The Constitutionality of National Tax Laws 163
34—Concurrent Authority in Taxation 167
35—Further Reasons for Infinite Power of Taxation 172
36—Internal Taxes: Direct and Indirect 177

Annexure 2—Glimpses of World History—Jawaharlal Nehru

172—A New Way of Paying Old Debts 183
173—The Strange Behaviour of Money 190
174—Move and Counter-Move 197
187—The Dollar, the Pound, and the Rupee 206

Annexure 3

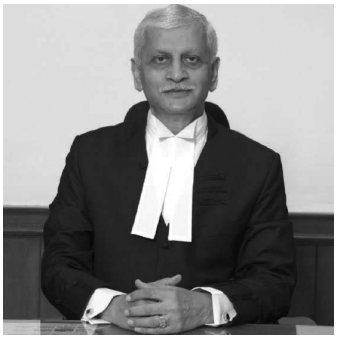
Atlas Shrugged by Ayn Rand (1957) 215

Annexure 4

Attributes of divine beings 221
Attributes of *asur*, disharmonized, toxins, narcissists, vampire, zombies and the like beings 222

The Inertia

NAT – NOT2 Principle – Neither a Thinker – Nor Open To Thoughts 225
Seven Wise Questions..... 227
Afterword 229



Uday U. Lalit

Former Chief Justice of India

FOREWORD

This book reads less like a conventional monograph on money and more like a statesman's brief for the next phase of human civilisation. Written from the vantage point of five decades in courtrooms and public institutions, The Dawn of Finance Revolution 5.0 asks a simple question: if every human being is already working—either in the visible economy of money or the invisible economy of meaning—how long can we sustain a financial order that remembers only the money and forgets the service that made it possible?

Aruneshwar Gupta is not content with critiquing the system from the sidelines. He thinks and writes as a constitutional economist and strategist. The book deliberately positions itself as a 'statesman's document': rooted in universal principles, grounded in constitutional flunking, and animated by a larger vision of what it means to be human together in an age of algorithms and anxiety.

At its heart, the book is a response to a paradox the modem world can no longer ignore: the earth has never been richer in measured GDP, and yet human, beings everywhere feel poorer in dignity, unity, trust and meaning. Gupta argues that the fundamental flaw lies not in the scale of economic activity but in what humanity chooses to measure, reward and legitimise.

Today's financial world—central banks, budgets, markets, sovereign debt, cryptocurrencies, and institutional capital — recognises only transactions denominated in money. Everything else, including the emotional and social labour that keeps families, societies, and institutions alive, is treated as irrelevant to the economy. This widening blind spot, the book warns, has created a civilisation where harm is monetised and therefore rewarded, while service is un-monetised and therefore ignored. Gupta's answer is bold: *create a second ledger for the world.* A ledger not of purchasing power, but of conscious human contribution.

A New Architecture of Value: What Finance Revolution 5.0 Proposes: Finance Revolution 5.0 marks a transition not of currency but of consciousness. The book outlines five evolutionary phases of finance — from barter to metal, fiat, digital tokens and now the era of PICS. The earlier four revolutions expanded humanity's capacity to trade, scale and digitise value. The fifth, Gupta argues, must expand our capacity to recognise and honour the moral architecture behind civilisation.

Pro-Bono Social Impact Credits (PICS): PICS is a digitally verifiable unit of service, earned when a person contributes to society through teaching, caregiving, mediation, community work, environmental stewardship, innovation, mentorship, heritage conservation and hundreds of oilier fields. Unlike money, PICS:

- cannot be purchased,
- cannot be minted against Government Debt Notes
- cannot be hoarded for speculative gain.

It must be earned through human effort aligned with social good.

The Gross Human Service Product (GHSP): Gupta proposes GHSP as a macro-indicator alongside GDP—capturing the true health of a civilisation by quantifying verified acts of social, emotional and compassionate contribution. If GDP measures output, GHSP measures character.

Gaayatri - The Master Ledger of Civilisational Service: At the apex of the framework is Gaayatri, a finite allocation of master units, each representing one million PICS. This elegantly tics economics to metaphysics, grounding modern financial design in the ancient cyclical understanding of time and consciousness. The message is unmistakable: Service is not charity; if is a generational asset.

Why the World Needs a Parallel Ledger: Gupta demonstrates, with clarity sharpened by decades of litigating public causes, that today's financial system unintentionally legitimises *tainted capital:* funds originating in corruption, narcotics, exploitation, terror, illegal extraction and war profiteering. Once these funds enter state treasuries, banks or markets, they lose all moral identity. The system cleanses origin; only quantum remains. This absence of moral accounting has produced:

- the rise of corruption globally,
- the industrialisation of war,
- drug money flowing freely through offshore jurisdictions,
- the erosion of trust in democracies,
- political capture by financial interests,
- and a devaluation of professions rooted in service.

Finance Revolution 5.0 does not ask governments to dismantle existing systems: It proposes a counterweight, a moral ballast If harmful capital cart find legitimacy

through transactions, let human goodness find legitimacy through recognition. By making service visible, PICS aims to shift societal aspiration itself. When honour, social respect, institutional recognition, and intergenerational legacy are tied to documented social impact, the glamour attached to corrupt or violent accumulation begins to wither.

The Invisible Economy: The Book's Most Powerful Lens: One of the book's most compelling contributions is the articulation of the Invisible Economy—the vast network of unpaid and under-recognised labour that sustains families and nations, ibis includes:

- artisans and craft guardians
- caregivers of children, elders and the disabled
- community mediators
- doctors who serve beyond their duty
- elders for children
- environmental volunteers
- frontline service workers
- homemakers
- social workers and civil society volunteers
- student-athletes and youth leaders
- teachers and sports coaches
- and many more

These individuals are the shock absorbers of civilisation. Yet because they are economically invisible, they are emotionally undervalued. The book's claim is simple: No economy built on such vast denial of human contribution can remain stable. PIGS is designed to restore equilibrium, allowing this invisible labour to be recognised, recorded and rewarded—without converting compassion into commerce.

Learning from Crisis: The COVID Window: In its reflective passages, the book turns to the pandemic—an unprecedented global shock that briefly revealed what a society prioritises when stripped of illusions. During COVID, it was not hedge funds or speculative markets that sustained humanity, but doctors, nurses, sanitation staff, community volunteers, supply-chain workers and young people ferrying oxygen cylinders at midnight. For Gupta, COVID was not an aberration but a revelation: Humanity already knows what matters; it simply lacks the architecture to reward it Finance Revolution 5.0 seeks to institutionalise the integrity, courage and solidarity that surfaced spontaneously during crisis, turning temporary heroism into a permanent cultural asset.

Technology with a Conscience: The book is technologically fluent yet ethically uncompromising. AI, blockchain and digital identity systems are seen not as ends

but as instruments—capable of enabling a global registry of service, ensuring trustless validation, preventing, fraud, enabling interoperability and reducing administrative cost. Finance Revolution 5.0 is emphatic on one point: technology must follow *dharm.* It must be used to elevate human behaviour, not exploit it.

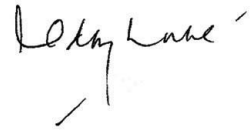
Scope and Global Relevance: Although rooted in Indian philosophical foundations, the book is global in scope. It speaks directly to nations struggling with:

- institutional mistrust,
- money-driven politics,
- a crisis of social cohesion,
- unsustainable public debt,
- collapsing mental health,
- migration driven by currency inequality,
- the spread of drugs and crime,
- the rise of extremism,
- and the burnout of service professionals.

Finance Revolution 5.0 offers a *non-adversarial solution:* Shift the incentives of civilisation. Honour contribution. Create a new barometer of value. Let humanity compete in service, not in greed.

A Blueprint Whose Time Has Come: *The Daum of Finance Revolution 5.0* is a rare manuscript it blends economics, ethics, law, technology and civilisational philosophy into a single coherent pathway. It does not reject existing systems; it completes them. It docs not moralise; it designs. It does not preach; it proposes. The central idea—that service must be recognised as wealth—has the power to reshape societies, recalibrate aspirations and create a calmer, fairer and more conscious world.

Gupta's work announces not merely the arrival of a now financial model but the emergence of a new civilisation metric, one that allows humanity to quantify not just what it produces, but who it becomes. This book deserves to be read globally, debated seriously and implemented boldly. It carries the quiet confidence of a statesman and the long-vision of someone who knows that revolutions are born when societies finally begin to sec what they had always overlooked. It is, unmistakably, a blueprint for the future.



[UDAY U. LALIT]

PREFACE

This book did not begin as a theory of finance. It began as a knot in the stomach in an ordinary courtroom. The legal heirs of deceased parents sat before us in a road accident case. The mother, a homemaker, had spent three decades raising children, caring for elders, holding together a fragile household. The legal question, however, was brutally simple: "*What did she earn?*" In case after case, I watched the same ritual: a lifetime of invisible labour compressed into a nominal monthly income, rounded off to a figure that could be slotted into a compensation chart. A homemaker became "₹1,500 per month". A caregiver's decades of sacrifice became a few zeroes in a settlement. Love, loyalty, emotional labour—everything that actually kept families sane—was forced to speak the language of salary slips and taxable income.

As a lawyer and mediator, I slowly realised that this was not merely a doctrinal gap or a legal problem. It was a civilisational blind spot. Our legal, financial and political systems had silently agreed on a narrow definition of "money" and "work", and everyone whose contribution did not fit that definition—mostly women, elders, volunteers, community leaders, coaches, mediators, teachers, caregivers—were treated as if their work, though deeply meaningful, had no value in the language that governs budgets, policies and balance sheets.

Over the decades, many small incidents deepened this discomfort. A child asking, "*Why does Mummy work?*" and the silence that followed. Volunteers spending sleepless nights at polling booths or in relief camps, then returning to offices where their most meaningful work did not exist in any record. Teachers, doctors, lawyers, artisans, mediators and coaches giving their best years to society, while their own families struggled because the market had no way to value what they did.

At the same time, another realisation was taking shape through my engagement with public institutions. Every national budget I saw seemed to follow the same script: revenue from taxes; expenditure on defence, administration, subsidies and welfare; a deficit bridged by more sovereign borrowing. Central banks turned government promises into currency; financial markets treated public debt and sovereign guarantees as the safest "assets" on earth. Quietly, the most dependable collateral in the global system had become the anonymous citizen—the man and woman on the street—whose future taxes and silent sacrifices guaranteed the entire edifice.

It was evident that every citizen lives in two economies at once. In one, earns and spends fiat money as an employee, entrepreneur, professional, consumer, taxpayer. This is the world we obsessively measure as GDP (Gross Domestic Product). In the other, the person gives and receives care, trust, teaching, mediation, emotional support, community service, cultural preservation, democratic vigilance and social innovation without contract, compensation or recognition. This is the world that actually keeps the first economy alive. Without it, markets would implode, institutions would hollow out, and democracies would tear themselves apart. And yet, this second world is almost entirely absent from our ledgers.

Seen this way, what we call GDP is not the full story of a nation's wealth; it is simply the Visible Domestic Product. Beneath it lies a far larger, older and more fragile reality: the Gross Human Service Product (GHSP)—the hours of unpaid, underpaid and undervalued work that sustain children, elders, institutions, culture, sport, the environment and democracy. Homemakers, caregivers, community volunteers, students in sport, grassroots activists, mediators, elders sharing wisdom: they are not cost-free inputs. They are the invisible foundation of civilisation.

This book arose from a single conviction: if we can name and measure toxins in the atmosphere, Carbon Credits, we can also name and measure the compassion that keeps societies breathable. The next decisive innovation in finance, therefore, will not be merely a new algorithm, platform or trading instrument. It will be a new unit of value that acknowledges documented human service as an asset in its own right. That unit, in this book, is the Pro Bono Social Impact Credit (PICS): a digitally verifiable unit of human service. PICS are not charity points, loyalty rewards, or speculative crypto tokens. They are precise entries in a second ledger: hours spent mediating disputes, caring for elders, mentoring youth, coaching sport, supporting elections, preserving heritage, protecting the environment, strengthening community life. They do not replace money; they sit alongside it as a moral and social equity reserve.

At the macro level, these service credits are conceptually aggregated into *Gaayatri*, a finite supply of 4.32 billion master units, echoing the *Vedic Maha-Yug* cycle. Each *Gaayatri* represents one million PICS. In this design, cosmology meets economics, and time itself becomes a metaphor for patient, intergenerational recognition of service. Alongside GDP, a new index begins to emerge—GDP 2.0, or Gross *Dharm* Product: a way of asking how much good a society has produced, not just how much it has consumed.

The Inspirations and Appendices at the end of this book are the moral and intellectual roots of this idea. The Gita's catalogue of *Daiv* and *Asur* qualities; the Federalist Papers' fierce debates on taxation and national power; Nehru's reflections

in Glimpses of World History on "the strange behaviour of money"; Ayn Rand's unsettling monologue on whether money is the root of all evil; lived stories of homemakers, mediators, doctors, teachers, sportspersons, volunteers and voters—together they converge on one question: What, finally, do we choose to honour?

The chapters that follow do not offer a utopia. They trace a journey—from barter to sovereign money to digital code—and then ask what happens when we add a conscious ledger of service to this history. They outline an architecture, a governance framework and a roadmap for moving:

- from a purely debt-driven fiat cycle to a dual ledger of money and service
- from invisible pro bono labour to auditable, non-transferable social equity reserves
- from a world defined as VUCA (Volatile, Uncertain, Complex, Ambiguous) and BANI (Brittle, Anxious, Non-linear, Incomprehensible) to one aspiring to be SRIM (Sustainable, Reliable, Inclusive, Multidimensional) and HITAA (Harmonized, Integrated, Transparent, Accountable, and Abundant);
- from wealth-as-possession to Wealth = Service × Consciousness^2.

This book is a personal invitation from the vantage point of the courtroom, the mediation table, and the everyday lives of those whose contribution rarely makes headlines. If you are a policymaker, regulator, judge, lawyer, academic, technologist, civil servant, entrepreneur, volunteer, student or simply a citizen who feels that "something is fundamentally mispriced in our world", I hope this book will give you a vocabulary, a framework and a set of instruments to work with. Above all, it invites you to sit with a single, uncomfortable but necessary question: "*If no one is truly unemployed—if every human being is already working either in the visible economy of money or the invisible economy of meaning, how long can we afford an economic order that treats so many as if they are worth nothing at all?*".

Behind every civilization, empire, technological advancement, product, revolution, and breakthrough in research, there is always a statesman, a visionary, a beautiful mind, or a small group looking beyond immediate gains and seeing the larger picture. They are the ones who sense humanity's next step before it is visible to others. They silently listen, observe, and analyse the needs, problems, and pain points of their time and then weave together philosophies, ideas, institutions, and resources to respond to them. When such visionaries act with wisdom and responsibility, they do more than solve problems; they shift the axis of human potentiality in a new direction and help create a life that is more harmonious, dignified, and meaningful for generations to come.

Author

Finance Revolutions - History and Evolution of Human Economic Relations

History is not just a list of dates, events, and glorifying narratives about royals and dynasties, battles and wars; it is the unfolding story of how human consciousness continues to ascend over time. It shows us how philosophies, ideas, relationships, and power evolve as human beings live together, clash, reconcile, and cooperate. While most written history highlights kings' and aristocrats' narratives, there runs alongside it a deeper, subtler current: the history of philosophy, literature, law, science, art, music, sport, and, just as importantly, the history of how we work, trade, collaborate, share, and resolve conflicts. It is in this quieter current that we see the true measure of a civilization, culture, and heritage—not only in how it fights, but in how it connects; not only in what it builds, but in what it becomes.

A 'finance revolution' is not merely a new payment tool. It is a shift in (i) how value is measured, (ii) what institutions guarantee trust, (iii) what behaviours are rewarded, and (iv) who becomes visible or invisible in the ledger of society.

The word money travels to us through Middle English *moneye*, from Anglo-French *monnaie*, and ultimately from Latin *monēta*, the word used for mint, coin, and currency. The word is linked in Rome to the place where coins were struck near the shrine of *Juno Moneta*, an aspect of the goddess *Juno* associated with warning, protection and the guardianship of the state's wealth. Yet the history of the word is almost a parable: what begins as a mint ends as a mindset. Money is, at its core, a human invention to measure the value of products and services exchanged, an agreed symbol, a portable ledger, a neutral instrument that can move value across time and distance. By itself, money has no religion, no caste, no gender, no ideology, no emotion. It is as colourless as air, water or a mirror.

And yet, while money may be colourless, its distribution rarely is. The stain or the shine does not belong to money, it belongs to the social and financial architecture that controls its flow. When access is unequal, money begins to look like the identity of those who already have it, it starts reflecting privilege, power, proximity to power, networks, favour, or corruption, extortion, blackmailing and organised crime. Societies then commit a subtle mistake: they blame money for what is actually the

moral and institutional character of the hands that guide it. The colour is not in the currency, it is the attitude of the people, it is in the rules, the intentions, and the structures through which currency is earned, hoarded, hidden, taxed, invested, donated, or denied.

There is, however, only one colour of money that ultimately endures: the *karmic* colour. Not mystical in a vague sense, but deeply practical, because every dollar, pound, rupee or euro carries the ethical signature of how it was earned and the spiritual direction of why it is spent. The same note can be a certificate of service or a receipt of exploitation, a seed for building or a tool for domination. Sooner or later, money returns to its owner in the shape of their own conduct, through trust gained or lost, peace earned or forfeited, relationships strengthened or broken, health protected or harmed, and the quiet verdict of conscience that no audit can falsify. A mature economy, therefore, is not one that worships money, but one that purifies the pathways of its movement and, in that spirit, builds ledgers that honour social contribution so the *karmic* colour becomes visible in public life, not merely felt in private fate.

The Sanskrit word '*Dhan*' (धन) originates from the ancient Indo-Aryan root *dha*, meaning to hold, to place, to put together, to accumulate. In the *Sanaatan* world, *dhan* did not merely signify coins or material possessions, it referred to anything of value that could be held or sustained—cattle, grain, knowledge, strength, virtue, and even inner capacities. Wealth was thus understood not as currency but as ability, abundance and stored potential. This holistic view of wealth naturally gave rise to the worship of *Maa Lakshmi*, whose name itself comes from the root *lakṣh*—'to perceive, to observe, to aim,' signifying the mark or sign of auspiciousness, prosperity and right alignment. *Maa Lakshmi* is not the deity of money alone, but the embodiment of *Shri*—radiance, harmony, good fortune, balance, fertility, order, and the rightful flow of resources. In the *Sanaatan* philosophy, *Dhan* and *Lakṣmī* together affirm a timeless truth: wealth is not possession but alignment, not accumulation but the graceful, *dhaarmic* movement of value in a life and society grounded in righteousness.

From the first barter between neighbours 'grain for labour,' 'grain for grain,' 'grain for tools,' 'milk for cloth' human economic relations began as intimate, face-to-face exchanges rooted in trust, kinship, and survival. Villages lived by exchange and reciprocity, mutual help, and informal credit long before coins or contracts appeared. More than goods, people exchanged a living promise beginning from the mother: *"I will stand by you whenever you need me."* As societies grew, temples, guilds, and early states began storing grain, issuing tokens, and enforcing norms, slowly transforming personal trust into institutional trust. Money in the form of metal coins, and later paper, allowed value to travel across distances and time, making it possible for strangers to trade without ever meeting.

Over centuries, this material exchange evolved into symbolic, highly structured, and organised systems: banking, joint-stock companies, insurance, and stock exchanges converted effort and risk into numbers on ledgers. Industrial revolutions multiplied production; legal revolutions defined property, contracts, corporate entities, crimes, and restoration of damages in breaches of trust; and globalization wove distant nations into a single economic web. Wealth moved from physical objects to credit, reputation, and financial instruments, yet the deeper question remained: how can millions of human beings restrain exploitation and avoid corruption, conflicts, and chaos, and receive meaningful reimbursement for the services rendered by them, whether as fame or fortune, and then enjoy, with happiness, freedom, and liberty, what they truly wish to undertake as their vocation, while continuing to rise as human beings?

Today, with digital networks, algorithms, and blockchain technologies, humanity has entered a new layer of economic evolution in which information, data, social presence, and even attention themselves function as currencies. From mobile payments to cryptocurrencies and smart contracts, value now moves faster than the speed of light. But beneath this technological acceleration, another, subtler shift is emerging from purely transactional relationships to empathy-based and impact-based relationships. There is a very strong resentment among the majority of the population against wars, terrorism, drugs, all forms of crime, and every act that breaches trust and the warriors of light are making their best efforts to minimize them.

Pro bono work, social impact credits, community finance, and conscious currency models seek not only to keep stock of how much money is made, but also how it is made, why it is made, whom it truly serves, and who it has genuinely benefited. In this sense, Finance Revolution 5.0 is not merely technological but spiritually a shift into a 'fourth and fifth dimension' where emotional depth and metaphysical awareness enter our economic choices. Every exchange is recognised as an exchange of energy, intent, and responsibility and can be accounted for. From barter to blockchain and beyond, human history can be read as consciousness learning to refine the way it exchanges energy, first through matter, then through symbols, and now, increasingly, through responsibility, care, and shared human purpose.

Pre-Magna Carta Era (Before 1215): *Finance Revolution 1.0 — The Barter Age: Exchange of Needs, Globalisation 1.0 — Tribal Trade and Civilisational Exchange, Pre Industrial Stage — Agrarian and Craft Economy, Legal Revolution 1.0 — Law of Custom and Conscience* - In the first epoch of organised human life, Finance Revolution 1.0 unfolded almost unnoticed. There were no banks, no bonds, no paper promises—only people, land, tools, seasons, and trust. Barter was the earliest language of value: grain for metal, labour for shelter, pottery for tools, protection for loyalty. Villages, tribes and early cities survived not by profit-and-loss accounts, but

by reciprocity. To give today was to secure tomorrow. Debts were remembered not in ledgers but in hearts and stories.

Across the ancient world, Globalisation 1.0 was already quietly at work. Caravans and ships moved along the Indus, the Tigris and Euphrates, the Nile, the Mediterranean, the Silk Road. What travelled with spices, grain and cloth were also songs, myths, gods, methods of irrigation, and ways of measuring time. Civilisations recognised one another not through treaties and trade agreements, but through shared curiosity and occasional conflict. Gold, cattle, shells, beads, salt and later simple ingots did not merely *represent* wealth, they were wealth—useful, scarce, and accepted across communities as tokens of credibility and honour.

The industrial stage of this era was largely agrarian and craft based. Fields, forests and rivers were the primary factories, artisans hands were the machines. The farmer, the potter, the blacksmith, the weaver, the healer and the priest formed a single economic–social–spiritual ecosystem. Production followed the rhythm of the sun and the seasons, not the clock. Surplus, when it existed, was stored in granaries, temples and community chests, often under the guardianship of religious or clan authorities. Finance was simple but profound: the real interest rate was trust, the real collateral was reputation.

Legal Revolution 1.0 rested on custom and conscience. Law was mainly oral spoken, remembered, and transmitted by elders, councils, priests and village assemblies. Disputes were resolved in the shade of a tree, in the forecourts of temples, in tribal gatherings. The principles were simple: fairness, restitution, respect for elders, continuity with ancestral ways. Rules were enforced through shame, honour, exile, or ritual, more than by formal prisons and codes. Finance, law and livelihood were not separate disciplines. They were one integrated field of survival and ethics, where economic life, social duty and spiritual order spoke the same language.

This was the Age of Reciprocity. Its world population was small, local and vulnerable to droughts, wars and rulers' whims, but it held one enduring insight: that value ultimately arises from creative production, relationships and obligations between human beings, which got lost when coins, currencies and power begin to speak.

Post-Magna Carta to Industrial Revolution (1215–1760): *Finance Revolution 2.0 — The Age of Metal and Sovereignty, Globalisation 2.0 — Empires and Maritime Expansion, First Industrial Revolution — Mechanisation Begins, Legal Revolution 2.0 — Codification and Colonial Laws* - With Magna Carta and similar charters across Europe, a radical seed was planted: even the king was to be bound by a higher norm. Power, for the first time in centuries, was told that it had a ceiling. This was the beginning of Legal Revolution 2.0. Law started to move from memory to manuscript, from custom to code. Royal decrees, town charters, early parliaments

and nascent bills of rights began to define not only what subjects owed to rulers, but what rulers owed to subjects. The idea of legitimacy started to detach itself, slowly and unevenly, from pure force and legacy and to attach itself to notions of consent, fairness, obligation, agreements, and documented precedents.

Finance Revolution 2.0 rode on the back of metal. Gold, silver and copper coinage became the lifeblood of treasuries, armies and long-distance trade. Where Finance Revolution 1.0 had relied on barter and mixed tokens, this age hardened value into stamped discs guaranteed by sovereign authority. The face of the ruler on the coin was more than decoration; it was a promise: "*This metal, of this weight and purity, will be honoured throughout my realm.*" Taxes were increasingly demanded in money, not kind. This change quietly shifted power from local communities and feudal lords to central crowns and emerging nation-states. Whoever controlled the mint and the mines controlled the means of war and governance.

Globalisation 2.0 was driven by empires and maritime expansion. Portuguese caravels, Spanish galleons, Dutch fluyts and English ships knotted the oceans into imperial networks. Spices, textiles, timber, sugar, tobacco and slaves moved along these routes, so did guns, missionaries, bureaucrats and lawyers. Joint-stock trading companies, like the East India Companies, merged commerce with conquest, becoming prototypes of later multinational corporations. Ports became the new frontiers, customs houses the new gates of empire. The wealth of entire continents was drawn into European treasuries through a combination of trade, tribute and plunder, all accounted for in metal coins and bullion.

As plundered funds (*Kuber Dhan*) started pouring in Europe, first industrial revolution emerged and mechanisation began to stir. Watermills, improved looms, early mining technologies and primitive factories signalled a gradual separation of production from the direct rhythm of nature. Labour was still largely rural, but enclaves of concentrated work and capital started to form around mines, ports and manufactory towns. The first outlines of wage labour, urbanisation and disciplined factory time appeared. Finance responded with early banks, bills of exchange, and rudimentary credit networks that allowed merchants to trade far beyond the coins in their chests.

Legal Revolution 2.0 deepened the written order. Royal codes, statutory law, commercial ordinances and colonial regulations supported by royal judiciary making law, turned judgments into precedent and precedents into codes and statutes. In Europe and its colonies, law was increasingly used to define property, contracts, corporate charters and territorial claims. Colonial laws exported these frameworks to Asia, Africa and the Americas, often overriding older customary systems. Finance became metal-backed and crown-guaranteed; law became state-backed and text-based; globalisation became empire-driven and ship-borne.

Yet beneath this consolidation of sovereignty lay a deeper, unresolved principle: that legitimacy might one day have to rest not merely on conquest and royal seals, but on the consent of the governed and a clearer architecture of rights. The tension between subjects and citizens, between tribute and taxation, between conquest and contract sharpened. It is from within this tension that the next great wave arose, constitutional revolutions, fiat currencies, central banks and, eventually, the complex fiscal and digital orders of Finance Revolution 3.0.

American Independence to Multinational Emergence (1760–1990) - *Finance Revolution 3.0 – Legal Revolution 3.0 – Second Industrial Revolution - Globalization 2.0 - From Constitutions to Corporations: Hamilton, Nehru, Ayn Rand*

From Kings and Coin to Constitutions and Credit*:* The American Revolution of 1776 and the French Revolution of 1789 did more than dethrone kings; they changed the grammar of power and finance. Legitimacy began to move from the divine right of monarchs to the sovereign will of citizens. Instead of royal whim and feudal dues, the world entered Legal Revolution 3.0 - the age of written constitutions, elected legislatures and codified rights. But law did not stand alone. Armies, judiciary, infrastructure and diplomacy all need one visible ingredient: money. As constitutions rewired political authority, a parallel transformation rewired financial authority. This was Finance Revolution 3.0, the Fiat Age. Every new country when formed had to have a government, a territory, a flag and a currency. National currencies became visible signatures of sovereignty; central governments claimed independent power of taxation, public debt, once a royal embarrassment, became a permanent instrument of policy and though gold remained in the background, confidence in the State's promise to pay became the real anchor of value.

Three voices—Alexander Hamilton, Jawaharlal Nehru, and Ayn Rand —each, in their own century and context, tried to understand what this new world of money really meant. Hamilton asked how a republic must design its money and tax power to survive. Nehru examined how the international monetary system actually functioned in practice, and who paid its hidden price. Rand went to the moral root of money and asked what happens when that root is cut. Together, they map the rise, crisis and moral confusion of this financial order and point towards the need for a future architecture in which the invisible, human side of the economy is also recognised.

Alexander Hamilton: Money as the Vital Principle of the Republic: When the United States was born, it had no stable currency, no reliable tax system, no national credit, and no way to raise money without effectively begging its thirteen states. Under the Articles of Confederation, Congress could only 'request' funds from the states. States delayed, refused, or paid partially. The new nation had won a

war but almost lost the peace. In Federalist Papers 27–36 (*Annexure A*), Alexander Hamilton built the intellectual blueprint of the modern fiscal State.

Direct Power Over Citizens, Not Just States: Hamilton's first radical idea was that a national government must act directly on individuals, not indirectly through states. This required that federal laws be supreme, that federal taxes be collected by national authority, and that national power operate through ordinary courts and magistrates rather than only through the army. The more citizens interact with national law in daily life, he argued, the more they accept and respect it. A weak, distant centre invites disobedience and rebellion, a strong, predictable centre reduces the need for force.

Money as the Vital Principle of the Body Politic: In Federalist 30, Hamilton gives the core doctrine of Finance Revolution 3.0: money is the vital principle of the body politic. A government needs money for defence and war, administration and justice, public works, debt repayment, and emergencies and unknown future crises. None of these needs can be forecast with precision. National needs are unlimited in principle, and therefore the power to raise revenue must also be unlimited in principle. He rejects limiting the Union to customs duties and leaving internal taxes to the states. Imports fall in war, debt is long-term, crises come without warning. A republic that cannot tax directly is a republic that will beg, default, or decay. Hamilton's formula was simple and brutal, and this logic became the backbone of Finance Revolution 3.0: a State without independent fiscal power becomes corrupt, impotent, or dependent on others; and unlimited future needs demand a power of taxation that is essentially unlimited, bounded only by politics and the people's will.

Concurrent Tax Power and the Supremacy of Law: In Federalist 31–36, Hamilton refines this architecture. The Union can tax almost everything, direct and indirect. The states too can tax almost everything except imports and exports. Both share a concurrent jurisdiction over most tax bases. The real check is not a narrow list of exceptions but the overall structure: the division of powers between Union and states, the supremacy of national law within its sphere, and elections in which representatives who levy taxes must face the people. In Federalist 33, he defends two key clauses. The Necessary and Proper Clause means that if you give a power, you must also give the means to execute it. The Supremacy Clause declares that laws made pursuant to the Constitution are the 'supreme law of the land'. Without these, national taxation would be a fiction.

By the end of the Federalist argument, a new creature was born: the modern fiscal State—with a national currency, direct taxation, a standing public debt, and legal supremacy. Finance Revolution 3.0 had found its constitutional brain and nervous system. But it also planted three long-term problems: a bias towards ever-growing

debt justified by 'unlimited future needs', a concentration of fiscal power that could be used justly or abused massively and a model that, when exported globally, could become a tool of empire. These unresolved issues later show up in Nehru's world and in Rand's anger.

Jawaharlal Nehru: The International Monetary Game and Its Hidden Victims: A century and a half after Hamilton, the logic of this system had gone global. Nation-states, central banks and parliaments were standard. Fiat currencies, notionally tied to gold, lubricated trade. Industrial capitalism spanned continents. Then came World War I (1914–1918), and the system broke. From his prison cell in the 1930s, Jawaharlal Nehru used Glimpses of World History (*Annexure B*) to decode how this monetary order really worked.

War, Reparations and the Debt Carousel: After World War I, Europe owed the United States enormous sums; Germany owed £6,600,000,000 in reparations to the victors and the U.S. held most of the world's free gold. To keep the system alive, the world created a circular scheme. American loans flowed to Germany; Germany used this money to pay reparations to allies - Britain, France and others and those Allies then used the reparations to repay their war debts to America. Almost no gold moved; paper claims did. Old debts were serviced by creating new ones.

Not genuine settlement: it was the rolling-over of injustice. The ledgers looked balanced; societies did not. Inside Germany, the price was human. The State printed paper marks to pay internal obligations. Hyperinflation in 1922–23 wiped out the middle class. Savings turned into dust; salaries into jokes; despair into rage. That rage later became the social base of fascism. Germany eventually stabilised the currency, but the social damage had been done.

Gold, the Pound, the Dollar and the Rupee: Nehru then follows money into the wider world. Before the war, currencies were tied to gold. War forced governments off gold and compelled them to print to survive. After the war, many tried to go back to gold at old rates, in order to protect creditors and prestige. Britain, in 1925, restored the pre-war gold value of the pound. This preserved London's status as global financial centre but made British exports too expensive and deepened unemployment and industrial distress.

At the same time, economic nationalism spread. Each country sought to export more and import less. Tariffs rose and trade shrank. Large monopolies swallowed small producers. The absurd result was abundance and poverty side by side, a world able to produce plenty, but organised to generate unemployment and misery. Into this turmoil came the Great Depression. The rigid gold standard transmitted America's shock to Europe and beyond. Deflation policies, cutting wages and public spending to 'defend the currency', deepened the pain.

Nehru then shifts to India. The rupee's value was deliberately set to favour British creditors and capital. A slightly higher exchange ratio increased peasants' real burden of debt and made Indian exports less competitive. When Britain went off gold in 1931, the rupee followed but remained tied to sterling. As hardship grew, poor Indians sold their last security, gold ornaments, to survive. That gold was exported to London and helped refill the Bank of England's reserves.

For Nehru, the message was clear: the international monetary system born in this era was not neutral. It was a power structure, and its costs fell on peasants, workers and colonised peoples. If Hamilton built the engine, Nehru showed how that engine, once attached to imperial structures, could run over entire populations.

Ayn Rand: The Moral Root of Money: Where Hamilton spoke as a state-builder and Nehru as a historian of empire, Ayn Rand spoke as a moral philosopher of the individual. In Atlas Shrugged (*Annexure C*), through Francisco d'Anconia's famous 'money speech', she asks: *"So you think that money is the root of all evil? Have you ever asked what is the root of money?"* Her answer cuts to the ethical core that Hamilton and Nehru both leave largely implicit.

Money as the Symbol of Voluntary, Productive Exchange: For Rand, money is a tool of exchange that can exist only where men produce. It is the material symbol of a moral principle: value for value, reason instead of force, trade instead of loot. Properly understood, money is a claim on the creative effort of others, a token of trust that those others are also producers, and a badge of honour that you have given something of value to get it. Production itself rests on the mind. No generator is built by brute muscle alone; no agriculture progresses without accumulated knowledge; every real wealth began as an idea. Man's mind is the root of wealth, and money is the means by which free minds exchange the fruits of their work.

Rand makes a sharp distinction between producers who earn money by creating value, and those who corrupt this process. Looters—whether acting through law or crime, seize wealth produced by others, by force. Moochers claim wealth by emotional blackmail and entitlement. When trade is replaced by compulsion, when laws favour pull, graft and 'connections' over merit, and when the honest are taxed and regulated to subsidise the corrupt, money becomes a barometer of a sick society. It flows to those with power, not productivity, and loses ethical meaning, becoming a mask for organised theft.

Her warning echoes Nehru's, but from a different angle. Nehru sees structures of global and colonial exploitation. Rand sees moral structures of internal looting and self-betrayal. Both agree that when money is divorced from real production and real virtue, destruction follows, whether through fascism, depression, or quiet decay.

Finance Revolution 3.0 – Achievements and Contradictions: Putting Hamilton, Nehru and Rand together, a coherent picture emerges. Hamilton provides the design: a strong national State with independent tax power, national debt and centralised credit, supremacy of federal law, and fiat currency anchored in State authority. Nehru reveals the global extension of this system: war debts and reparations, the harsh discipline of the gold standard, the rivalry between major currencies, colonial currencies like the rupee bent to imperial needs, and the use of monetary rules to extract value from the weak. Rand exposes the moral faultline at the heart of it all: money can be a tool of reason and trade, or it can be turned into a tool of force and fraud, dividing societies into producers and looters or moochers.

This order achieved a great deal. It enabled large-scale nations to survive, defend themselves, and build infrastructure and call themselves developed. It created unified national markets and, in time, integrated global markets. It made credit a powerful engine for industrialisation and growth, and it helped raise living standards dramatically in these parts of the world of those who created and manned the financial structure and those who worked in close co-ordination with them. Therefore, its contradictions were equally profound.

First, unlimited fiscal power collided with limited human justice. Hamilton's logic could be used to justify virtually any level of taxation and debt in the name of 'necessity', without moral and structural checks, this fed corruption, cronyism and perpetual warfare.

Second, national sovereignty clashed with global interdependence. Each nation behaved as if it alone could decide, but in reality, all were tied together through debt, trade and capital flows. Nehru showed how a single decision about gold or exchange rates in a distant capital could devastate villagers thousands of kilometres away. The butterfly effect.

Third, the conflict between producers and looters played out both within and across borders. Rand's *"looters by law*" existed inside every nation. Nehru's imperial order was "*looting by law*" across nations. In both cases, the honest worker, entrepreneur, teacher, farmer and caregiver carried the hidden burden, wholly unknown to him.

Fourth, ledgers often prevailed over lives. Reparations, war debts, ratings and bond markets took priority over human well-being. Hyperinflation, depression, unemployment and social breakdown were treated as mere 'adjustments' in a financial system that refused to count the true cost.

In this way, Finance Revolution 3.0 created the modern tax State and the global monetary order, but also the seed of its own moral and social crisis. The system worked impressively on the surface but hollowed out trust below like cancer. After

the Second World War, the architecture built on Hamiltonian logic was further extended. At Bretton Woods, the Dollar was fixed to gold and other currencies were fixed to the Dollar. New institutions such as the IMF and World Bank were created to manage crises and reconstruction. Later, the formal link between currency and gold was severed and major currencies began to float. Capital controls weakened; money started to move at great speed across borders. Multinational corporations organised production, finance and intellectual property through global networks of subsidiaries. Derivatives, high-speed trading and complex financial products amplified leverage and risk.

The same underlying logic—fiat money, a powerful tax State and an expansive credit system—was now wired into an intricate, global, corporate network. Money became hyper-mobile and hyper-leveraged, increasingly detached from the daily realities of ordinary producers and caregivers. The familiar contradictions deepened. Gains concentrated at the top while risks were socialised at the bottom. Financial and sovereign debt crises, from regional collapses to global meltdowns, repeated the patterns Nehru had described, but faster and on a larger scale. Rand's *"looters by law"* now included not only corrupt political elites but also complex coalitions of States, corporations and financial institutions.

Hamilton thus defended State solvency and the necessity of fiscal power. Nehru demanded global fairness and exposes the structural injustices of the monetary order. Rand insisted on the moral integrity of production and trade as the true root of money. Their ideas, read together, explain both the brilliance and the breakdowns of the existing financial system and prepare the ground for a new search: an order in which money, law and production are aligned with the dignity of those whose invisible labour keeps societies alive.

Multinationals, UNCITRAL and Digital Expansion (1990–2018): *Finance Revolution 4.0 — The Digital Age: Mined for Profit, Globalisation 4.0 — Internet Integration and Virtual Economies, Third Industrial Revolution —Computers and Internet, Legal Revolution 4.0 — International and Algorithmic Law*

If Finance Revolution 3.0 built the fiscal State, the gold–dollar order and the multinational monetary system, then the period from 1990 to 2018 wired that system into a single digital organism. The Cold War ended, trade barriers fell, and the internet dissolved distance. The Hamiltonian State, the Nehruvian world of unequal monetary power and Rand's warning about looters were all carried forward—now travelling faster than the speed of light through fibre-optic cables and satellite links.

Multinational corporations emerged as the dominant actors of this era. No longer confined to a single flag or territory, they orchestrated global supply chains: design

in California, code in Bangalore, manufacturing in Shenzhen, back-office processing in Manila, corporate registered office in a tax haven nation, customers scattered across continents, all over the world. Corporate balance sheets began to look like small nation-state budgets; in many cases, a single technology or energy company commanded more resources than an entire developing country. The logic of Finance Revolution 3.0—fiat money, credit, tax states continued, but its most visible face was now corporate: listed companies, global indices, rating agencies, and institutional investors moving trillions of dollars with a few keystrokes.

Finance itself dematerialised further. Capital flowed as digits across screens; derivatives multiplied layers of abstraction; profit was increasingly 'mined' from information, leverage and volatility rather than from fields or factories. High-frequency trading turned milliseconds into battlegrounds; complex structured products turned future risks into present fees; data about consumers, workers and citizens became the new oil. Money followed algorithms, not maps. Those who held the reins of prime banks, central banks and large financial institutions, concentrated in a few financial centres, shaped not only national policies but also the terms of global survival. Geopolitics increasingly revolved around who controlled these spigots of credit and liquidity.

Law struggled to keep up, it did not stand still and continued to support entrepreneurs creating new products and relationships. Through UNCITRAL and similar bodies, the world quietly created a uniform legal grammar for the digital age. The UNCITRAL Model Law on Electronic Commerce (1996) and later instruments on e-signatures, electronic transferable records, cross-border arbitration and online dispute resolution gave legal recognition to contracts formed by clicks and keystrokes rather than ink and seals. Commercial law, arbitration rules and enforcement regimes became increasingly harmonised across jurisdictions. An online transaction between a buyer in Asia, a seller in Europe and a server in North America could be structured within a coherent legal framework. This was Legal Revolution 4.0: the rise of international and algorithmic law, in which code, contracts and cross-border norms operated together.

At the technological base, the Third and Fourth Industrial Revolutions transformed production and work. Computing, robotics, automation, machine learning and early artificial intelligence entered factories, offices and homes. Automation replaced labour in sector after sector; data replaced distance; algorithms began to make decisions once reserved for managers, traders and even judges. Credit scores, risk models, recommendation engines and predictive policing turned human behaviour into statistical input. The Hamiltonian power to tax and spend, and the Nehruvian world of international credit and debt, were now monitored and mediated by screens.

Within this landscape, one document became a turning point: the Bitcoin White Paper released under the name Satoshi Nakamoto in 2008. It appeared in the shadow of a global financial crisis that had exposed the fragility and moral hazard of the existing order, bailouts for 'too big to fail' institutions, foreclosures and unemployment for ordinary citizens. Bitcoin proposed something radically different: a way to create purely digital money without depending on central banks or trusted intermediaries. Its solution to the long-standing 'double-spend' problem in a digital world—a public, append-only, cryptographic ledger maintained by a decentralised network was the true birth of blockchain as a general technology of distributed trust.

For the first time, a monetary system did not require a central sovereign to validate transactions. Scarcity was enforced by mathematics and consensus protocols; issuance followed transparent rules; every unit could be traced, and no unit could be spent twice. This decentralised architecture promised to free finance from the grip of centralised prime banks and politically driven monetary policy. In practice, however, the energy of the system flowed towards speculation. Cryptocurrencies, tokens and associated assets became arenas for extreme volatility and rapid enrichment. 'Mining' consuming high electricity to solve mathematical problem using algorithms turned into a metaphor not only for the process of validating transactions, but also for extracting profit from swings in sentiment and price.

Blockchain technology, in its broader form, held out far deeper possibilities: tamper-proof records, smart contracts, decentralized identity, transparent supply chains. But the first great wave was dominated by exchanges, speculative bubbles, and a race by both States and corporations to capture and regulate this new domain. The US, UK, Dubai and Singapore have already framed regulatory regimes and are openly competing to become the global hub for the digital-asset and crypto industry, triggering a fresh round of geo-economic rivalry. In effect, the central contradiction of Finance Revolution 3.0 has reappeared in a new language: a tool born from distrust of centralized power is, in many cases, being absorbed as just another layer in the same game of unequal access and asymmetrical information.

At the same time, law was forced to expand into cyberspace. Questions of privacy, data protection, AI liability, digital identity, jurisdiction in cross-border data flows and platform responsibility created new fronts in Legal Revolution 4.0. Regulatory responses, from data protection regimes to cybercrime conventions, sought to tame an environment in which the old categories of territory, nationality and physical presence were blurred. Humanity gained connection at planetary scale, but often lost communion: we spoke to more people than ever before, yet listened less to each other, and still less to our own conscience. The fiscal State, the multinational corporation and the algorithmic platform became three interlocking pillars of power.

Finance Revolution 4.0, therefore, was not a clean break from the past but an intensification. The architecture Hamilton designed, the imbalances Nehru described and the moral dangers Rand warned of were all present—now wrapped in code, speed and complexity. Money was more fluid, more abstract, more technical; but the question "For whom?" remained unanswered.

Singapore Convention (2018–Present) and the Post-COVID 'Cosmic Kick': *Finance Revolution 5.0 — The Pro Bono Age: Earned for Humanity, Globalisation 5.0 — Conscious Unity and Human Value Systems,' Fourth Industrial Revolution — Quantum Computing and AI - Harmony of Human and Machine, Legal Revolution 5.0 — Restorative, Peace Mediation and Ethical Law*

As the digital age reached maturity, two turning points converged at the threshold of our time. The first was legal and institutional; the second was existential and planetary. Together, they opened the doorway to a new possibility in finance, law and civilisation.

The Singapore Convention on Mediation (2018) signalled a quiet but profound shift in the legal mind of the world. For the first time, the international community formally recognised mediated settlement—voluntary, interest-based, generative dialogue driven, settlement by parties themselves, as a legitimate pathway for resolving cross-border commercial disputes, enforceable across jurisdictions. In the long arc from Hamilton's insistence on the supremacy of federal law to UNCITRAL's work on electronic commerce, this was a new note: law endorsing peace-making as a central, not peripheral, method. Instead of assuming that serious disputes must end in war or litigation, the Singapore Convention placed consensual resolution on an equal footing. It suggested that the highest function of law might not be to declare winners and losers, but to restore relationships and preserve value and continue with meaningful existence.

Shortly thereafter, the COVID-19 pandemic delivered what may rightly be called a 'cosmic kick'. A microscopic virus crossed borders more easily than any capital flow, reminding humanity that beyond currencies and constitutions, we share one breath, one vulnerability and one fragile planet. Lockdowns froze supply chains and markets; hospitals overflowed; the global economy staggered. Yet what kept families, communities and essential services alive was not only formal employment or visible GDP, but an invisible ocean of care: parents, nurses, sanitation workers, volunteers, teachers on screens, neighbours sharing food, mediators calming disputes, and countless acts of unpaid, unrecorded services.

The built up on the earlier revolutions, brick by brick, became obvious and evident. Finance Revolution 3.0 had built powerful States and global monetary systems; Finance Revolution 4.0 had given us digital integration and algorithmic efficiency. Now the need was to develop an adequate way to recognise, record and

reward the human services that make survival and sanity possible. Ledgers counted sovereign bonds and derivatives to the last decimal, but did not count the mother, the caregiver, the teacher, the mediator, the volunteer. The fiscal State could inject liquidity into markets at will, yet millions who kept societies functioning remained economically insecure, emotionally exhausted and socially invisible.

Finance Revolution 5.0 begins precisely at this faultline. It sprang out of search for a financial architecture in which value is earned for humanity, not merely extracted from humanity. If earlier ages made money the measure of all things, this age asks: can we design an instrument, alongside existing currencies, that measures and rewards pro bono social impact, peacebuilding, care and creativity? Can we bring the invisible economy into view without corrupting its spirit?

In this vision, the pro bono contribution is no longer treated as a noble sacrifice outside the 'real' economy. It becomes a recognised, recorded and rewarded asset. Pro Bono Social Impact Credits (PICS), seek to create a transparent ledger of human service—across education, health, environment, justice, mediation, community work and cultural preservation. Value is not printed into existence by decree, nor mined by solving mathematical problem consuming electricity, but earned by verifiable acts of contribution.

For pro bono social impact credits to be more than a moral slogan, they must satisfy five design tests: verification is real; the service is real; non-gamability, the matrix cannot be cheaply manipulated; redeemability, clear benefits without creating a parallel black market; and governance, transparent issuance and dispute resolution. An empathy ledger can slip into performance, favour, or even corruption, repeating the very failures it claims to repair.

Globalisation 5.0, under this paradigm, is not merely about moving goods, capital and data efficiently; it is about aligning global systems with human value systems. Conscious unity replaces blind integration. Instead of treating people as consumers and data points, the world begins to treat them as contributors and co-creators. The metrics of success shift gradually from GDP and market capitalisation to indicators such as Gross Human Service Product, resilience of communities, reduction in conflict, and the flourishing of education, health and environment.

Technologically, this aligns with the emerging idea of a Fifth Industrial Revolution: harmony of human and machine. Automation, AI, blockchain and digital platforms are not used primarily to displace humans or to concentrate power, but to support, augment and fairly reward human creativity and care. Smart contracts can verify and record acts of service; digital identity frameworks can protect dignity and privacy; transparent ledgers can prevent the corruption and capture that Nehru and Rand both warned against. Instead of an arms race between man and machine, the goal becomes a

partnership in which machines handle repetitive tasks while humans focus on empathy, judgment, mediation, mentoring and innovation.

Legal Revolution 5.0 is the necessary companion to this financial and technological shift. The Singapore Convention marks its opening chord: law explicitly recognising consensual, interest-based resolution. Mediation statutes, restorative justice frameworks, community courts, online dispute resolution platforms and ethical AI guidelines all belong to this new architecture. The purpose of law expands from enforcing contracts and punishing breaches to preventing disputes, healing relationships and safeguarding the conditions for human flourishing. Rights remain vital, but they are joined by responsibilities and by a renewed emphasis on dignity, dialogue and restoration.

In this setting, Hamilton's insistence on solvency is not discarded but reinterpreted: a State is not truly solvent if its financial accounts are balanced while its human service accounts are bankrupt. Nehru's demand for global fairness is extended beyond trade and debt to the distribution of recognition and security for those who hold societies together in crises. Rand's insistence that money must be rooted in real production is taken to its next step: the highest "production" is not only of goods and code, but of peace, trust, learning and care. Finance Revolution 5.0 does not abolish earlier forms of money, law or technology. It completes them by bringing the invisible side of the ledger into view. It asks that we count, in some honest and transparent way, the work that has always counted in reality but never in accounts. It seeks to move humanity from a civilisation where ledgers matter more than lives to one where ledgers finally reflect the true richness of human lives.

Out of this crucible emerges Finance Revolution 5.0 and PICS – Pro Bono Social Impact Credits, which begin to value caregiving, teaching, healing, environmental stewardship, and conflict-resolution through peace mediation as measurable human assets rather than holding them as invisible sacrifice. Globalisation 5.0 aspires to move from competition for markets to co-creation of meaning, where nations and institutions recognise that peace, justice, and social impact are not 'soft add-ons' but core infrastructure.

The Fifth Industrial Revolution seeks a harmony of human and machine, AI amplifying empathy, not erasing it; technology serving consciousness, not capturing it. Legal Revolution 5.0 turns toward dialogue, restoration, and ethics: from "*Who is right?"* to "*How do we heal and move forward?*" In this emerging paradigm, economy is earned through empathy, law is guided by conscience, and globalisation is finally invited to anchor itself in compassion, wisdom, and the shared destiny of humankind.

The Quantum Continuum of Human Evolution: Each revolution in human economy is not a replacement, but a layer, another band of awakened consciousness

added to a single quantum field of human experience. None of the earlier forms disappear; they coexist like frequencies in one spectrum:

- Barter carries the memory of need-based sharing of products—and of care given simply for care.
- Metal embodies stability and tangible trust.
- Fiat structures political economies and nation-state authority.
- Crypto seeks autonomy and censorship-resistance.
- PICS completes the spiral—an economy of empathy, measuring contribution, not just consumption.

They live side by side and not to collide - metal distrusts the informality of barter, fiat mocks metal as primitive, crypto rebels against fiat's control, and PICS quietly transcends them all by including social and spiritual value. The struggle among paradigms is natural and unavoidable, but the direction of travel is irreversible. Evolution does not walk backwards, it transcends and includes.

Those who cling rigidly to money and power, and vibrations experience anxiety and discomfort as the world shifts around them. Those who are willing to step into the newer frequency experience a different quality of joy—the bliss of alignment with a higher coherence. Humanity thus ascends from survival to awareness, from domination to cooperation, from competition to co-creation. In this sense, Finance Revolution 5.0 is not merely an economic adjustment, it is a spiritual evolution in which law and economy cease to be external systems and merge back into what they always were meant to express: consciousness, ethics, and shared human purpose.

India — The Natural Axis of Finance Revolution 5.0: Spiritual Heritage as Economic DNA: India's civilisational grammar has always placed *Dharm* (ethics and duty) along with *Arth* (wealth) earned according to *Dharm*. The classical quartet—*Dharm, Arth, Kaam, Moksh,* places material prosperity within a moral and spiritual framework. *Seva* (service), *Vasudhaiv Kutumbakam* (the world is one family) are not merely cultural slogans, they are economic principles of the social dynamics, prescribing that when value flow in a just society, individual progression takes place naturally. In this light, India is not artificially initiating and promoting Finance Revolution 5.0; it is remembering its own civilisational design and expressing it through modern instruments like PICS.

1. **Untapped Pro Bono Economy**: Millions of teachers, caregivers, homemakers, mediators, volunteers, and social workers sustain the fabric of society without formal remuneration or lesser remuneration. Their labour keeps children educated, families functional, communities peaceful, and the

vulnerable protected. This is an invisible GDP of compassion, unaccounted for in fiat-based statistics yet indispensable to national wellbeing. Through PICS – Pro Bono Social Impact Credits, this silent reservoir will be recognised, mapped, and rewarded, bringing moral capital onto the balance sheet without commodifying its spirit.

2. **Legal and Ethical Synergy:** The Mediation Act 2023, the emergence of Nivaaran – Supreme Court Mediators, and innovations like Quantum Judiciary (QUICK) demonstrate India's readiness for Legal Revolution 5.0. These are not mere procedural reforms; they are embodiments of a deeper idea—that justice is best served through generative dialogue, restoration, and ethical structure rather than endless adversarial combat. India's legal architecture is slowly aligning with its philosophical core: *Nyaaye* (justice) anchored in *Dharm*.
3. **Cross-Civilisational Bridge:** India's pluralism—religious, linguistic, cultural, and ideological, has trained it, over millennia, to live with difference without losing identity. This positions India as a natural bridge civilisation: able to speak to capitalist, socialist, and spiritual frameworks at once; to connect East and West, North and South, religion and reason. Finance Revolution 5.0 and PICS emerging from India is not a nationalist project, but as a cross-civilisational offering.
4. **Technological Leap with a Moral Anchor:** Initiatives like Digital India, UPI, Aadhaar, ONDC, and blockchain pilots have already created a robust digital spine. When this infrastructure is guided by India's humanistic ethics—*Sarvodaya* (awaking of all), *Antyodaye* (enlightenment of the last person), it becomes the ideal platform for the Fifth Industrial Revolution, where AI and automation serve human dignity instead of eroding it. Technology becomes the vehicle; *Dharm* remains the steering wheel.
5. **Toward a Global Pro Bono Civilization:** As material wealth peaks in many parts of the world even as moral wealth declines, India's historic call is to fuse the two: prosperity with compassion, efficiency with empathy, innovation with inner wisdom.

Finance Revolution 5.0 re-centres humanity in a simple but transformative triad:

- Economy = Empathy in Action by recognising value of every *karm*
- Law = Ethics in Dispute Resolution through peace mediation
- Globalisation = Oneness in Diversity peace and harmony

India's leadership in this era will not arise through conquest, coercion, exploitation, market manipulation or economic domination, but through conscious

collaboration, sharing models like PICS, mediative justice, and pro bono ecosystems with the world. It is not a new empire that India is called to build, it is a new era, where value is measured not only in what we accumulate, but in what we contribute to the peace, dignity, and evolution of all.

From barter of grain to barter of soul,
From profit to purpose, the heart made whole,
From minted gold to the heart made true,
From barter to blockchain the ages flew.

India now wakes where divisions cease,
Turning wealth to love, and law to peace.
In this revealed and ancient clue,
All value is love, and all wealth is you.

SOVEREIGN GUARANTEES, CENTRAL BANKS AND THE HIDDEN ARCHITECTURE OF PUBLIC DEBT

From War Taxes to Permanent Budgets: Modern state public finance in its contemporary form did not begin with welfare schemes and development plans. It began with war. In the 17th, 18th and 19th centuries, European monarchies and early republics imposed special 'war taxes' or levies to finance military campaigns. These were, in theory, temporary. Once the war ended and the threat receded, the tax was supposed to be reduced or withdrawn. A few milestones mark the shift from emergency levy to permanent taxation:

- **1694** – The Bank of England is founded to help the Crown borrow systematically and fund wars against France, inaugurating a more organised public-debt market.
- **1799** – Britain introduces income tax to finance the wars against Napoleon. Formally framed as a temporary wartime measure, it is repealed and then reintroduced, and by the mid-19th century income tax has effectively become a recurring instrument.
- **1861–1865** – The United States experiments with federal income tax during the Civil War through the Revenue Acts of 1861 and 1862 to fund Union war expenditure.
- **Late 19th century onwards** – Income and corporate taxes become regular features across Europe and North America, no longer confined to wartime.

As nation-states stabilised in the 19th and 20th centuries, two core responsibilities of government became non-negotiable in almost every constitutional democracy:

- Security – Maintaining armed forces, police, intelligence, and internal security for law and order, apart from secret and security services.
- Independent judiciary – courts, judges and the machinery of justice.

After World War I (1914–1918) and World War II (1939–1945), a third pillar was added: Welfare – public education, health care, social security (for example, the U.S. Social Security Act of 1935; the Beveridge Report in the U.K. in 1942), poverty alleviation, infrastructure, subsidies and development programmes. This

expansion from 'night-watchman state' to 'welfare state' fundamentally changed the activity profile of governments. All these functions required continuous and expanding revenue, leading to:

- the practice of annual taxation (direct and indirect), and
- the modern institution of the annual budget.

In every budget of almost all of the 193 UN member states today, the same basic structure appears:

- **Revenues** – primarily from direct taxes (income tax, corporate tax, wealth tax in some jurisdictions) and indirect taxes (excise, customs, VAT/GST, service tax, etc.);
- **Expenditure** – on defence, administration, interest payments, subsidies, and welfare; and
- **Deficit** – the almost inevitable gap between what is earned and what is spent. To bridge this deficit, national governments issue debt instruments: Short-term and long-term government paper – Treasury bills, government securities and sovereign bonds with fixed interest (coupon) rates, which primary or prime dealers and major banks purchase (often at a premium) and then pass on to financial institutions and investors, who may re-pledge them, securitise them, or use them as collateral in an ever-widening chain of leverage. Instruments held by central banks – such as the U.S. Federal Reserve (created by the Federal Reserve Act of 1913), the Reserve Bank of India (1935) and the European Central Bank (1998). Each country (or currency union) has its own central bank. Central banks authorise the issuance of legal-tender currency, turning paper into government circulating money and reserves. In this architecture, the budget is not a mere accounting exercise, it is an annual negotiation with the future, backed by taxes and debt.

Federalism, Central Banks and the Assumption Behind Modern Finance: Since the time Alexander Hamilton (first U.S. Treasury Secretary, 1789), along with John Jay and James Madison, articulated the idea of a strong federal government and common public credit in the Federalist Papers (1787–1788), a new architecture began to spread: federal or central governments backed by central funds and supported by central banks. Hamilton's decision in 1790 to have the new federal government assume the Revolutionary War debts of the individual American states, and to fund them through federal bonds, became a template for modern public finance: centralised credit, national debt markets, and the idea of sovereign paper as the safest possible asset.

In the 20th century, this architecture was further consolidated:

- **1913** – The Federal Reserve Act creates the U.S. Federal Reserve System, a central bank with the power to issue currency and act as lender of last resort.

- **1944** – The Bretton Woods Conference establishes the IMF and the World Bank and designs a dollar-anchored fixed exchange-rate system, with sovereign debt as a central building block of post-war reconstruction and global finance.
- **1971** – The "Nixon shock" ends direct dollar convertibility into gold, effectively moving the world to floating exchange rates and making sovereign fiat currency and sovereign bonds the unquestioned core of international finance.

From the late 18th century to the early 21st century, this model has rested on one silent assumption that now underpins almost all modern finance: when private capital breaks down, the State will step in. The State steps in by taxing, borrowing, issuing sovereign guarantees, and using central banks to mint currency and create or absorb debt.

The entire edifice of government spending, welfare and crisis management is built on this unspoken promise. The global financial crisis of 2007–2008 is a recent and classic example. In September 2008, Lehman Brothers collapsed, major institutions such as AIG were on the verge of failure. The U.S. Government and Federal Reserve responded with massive support packages – the Troubled Asset Relief Program (TARP) alone initially authorised up to US$700 billion to purchase or guarantee troubled assets and recapitalise financial institutions.

Banks were recapitalised; large financial institutions and money markets were stabilized, central banks worldwide coordinated liquidity injections. Even where some banks were not immediately at risk, the interventions were designed to shore up confidence in the system as a whole. This extraordinary use of public funds was justified in the name of 'saving the system' and preventing a complete breakdown of the global financial architecture.

Sovereign Guarantees: The State as Silent Insurer: Sovereign guarantees and government debt instruments are the legal expression of that underlying assumption. The State promises to repay if a borrower defaults, and suddenly investors who were preparing to pull their money out of banks or projects become comfortable, infrastructure gets built, projects move forward, and balance sheets look respectable, for a while.

A sovereign guarantee is, in essence, a State-sponsored insurance policy. A borrower (often a public-sector undertaking, infrastructure special-purpose vehicle, PPP venture or public utility) takes a loan. Investors and lenders demand additional comfort beyond project cash flows and collateral. The Government steps in and declares: *"If they fail, we pay."* Economically, this is an insurance contract written by the State in favour of lenders. Legally, it is a contingent liability. Politically, it is often invisible to voters.

This structure generates a chain of consequences. The promise is not backed by the personal credibility or assets of ministers and officials. It is backed by the future taxes of citizens who were never directly consulted about the risks they are underwriting.

The Hidden Costs: Off-Balance-Sheet Risk and Democratic Distortion. Several distortions naturally follow from this architecture:

Hidden Debt: Most sovereign and sub-sovereign guarantees sit off the main balance sheet as contingent liabilities. They do not always appear in headline debt-to-GDP numbers. The general public rarely knows the full quantum of exposure until a crisis erupts and guarantees are invoked and converted into hard sovereign debt.

Moral Hazard: When the State stands behind a project, financial discipline often weakens. Projects are chosen for political visibility rather than long-term viability. Monitoring becomes lax because *"ultimately the Government will pay*." Promoters, lenders and sometimes regulators behave as if risk has vanished, when in fact it has merely been shifted forward in time and outward to taxpayers.

Taxpayer as Unwilling Guarantor: In a typical case, glossy and inflated project reports are prepared by international consultants. A handful of ministers or officials sign sovereign or quasi-sovereign guarantees. Loans are then raised from foreign funds—but the money often does not meaningfully reach the project, and sometimes not even the country; it simply disappears along the way. Meanwhile, millions of ordinary citizens have silently become guarantors without consent or knowledge. If (or rather, when) the project fails for want of genuine funding and oversight, the burden is quietly shifted onto them: taxes are raised, public services are cut, new fees and cesses are imposed, or inflation steadily erodes their savings to plug the losses.

Democratic Distortion: Repeated bailouts for powerful institutions, while basic services remain underfunded, erode public trust. The message people absorb is simple and corrosive: losses are socialised, gains are privatised. In other words, sovereign guarantees are a bandage for distrust in markets, paid for by people who never signed the risk contract.

The Cycle of Money and the Limits of GDP: All nations typically calculate Gross Domestic Product (GDP) by assessing the monetary value of goods and services exchanged within the formal economy through fiat currency. GDP is rooted in the fiat economy, the marketplace where currency serves as the medium and measure of value, exchange, accounting, and even social recognition. If something is paid for in money, it can enter GDP. If it is not, the national accounts rarely see it. This is not a moral failure of GDP, it is a design choice. GDP measures monetised output, not total human value.

Money functions as a tool of exchange for services rendered, products created or produced, and assets that exist. Once created, money does not vanish; it merely

moves from one pocket to another, from one balance sheet to another, changing hands, forms and jurisdictions. In this constant circulation, some accumulate wealth and convert it into assets, while others fall into poverty and continue to struggle for a meaningful existence. Governments across the world make their best efforts and strive continually to alleviate the condition of the poor and bridge the widening gap between the rich and the poor. Yet the gap persists, because the basic architecture of the money cycle remains unchanged.

The debt-driven cycle of fiat money: The prevailing money cycle begins with the minting and issuance of fiat currency against sovereign bonds. Sovereign bonds are sold, often at a premium, to prime banks, central banks, and major financial institutions. Against these bonds, central banks raise currency and credit entries, which are then injected into circulation through commercial and retail banks via loans, mortgages and credit lines.

Under the guise of credit cards, personal loans, housing loans, education loans, vehicle loans and corporate borrowing, debt is generated with almost every act of expenditure beyond one's immediate cash capacity. Fundamentally, the entire fiat currency cycle operates as a debt-driven economy. Money comes into existence as somebody's liability and somebody else's asset.

This money fuels technological advancement through research and development, and drives production by financing raw materials, wages and salaries, royalties, and profits. The resulting products and services are then consumed by individuals and institutions, invested into further productive capacity, or destroyed and devalued due to obsolescence, natural calamities, pandemics, or wars. GDP largely measures the volume of this monetary cycle, how much was produced and sold for money within a given period. Additional churn occurs as money changes hands through speculation on financial exchanges: stock markets, commodities, derivatives, futures and options. This speculative layer amplifies movements in wealth and in public sentiment without necessarily creating corresponding real goods or enduring services.

Governments impose taxes on almost every economic transactions and asset transfers—income tax, GST/VAT, customs, excise, stamp duties and more. The proceeds are then utilized to fund salaries, public services, infrastructure, welfare schemes, subsidies and interest payments on earlier debt. The State becomes both the largest employer and the largest debtor in the system.

By 2024, global public debt had crossed about US$100 trillion, roughly 93% of world GDP and international institutions such as the IMF and UN now project that it will approach 100% of global GDP by around 2030. When money is regarded as the primary barometer of success, it inevitably breeds contest, competition, and rivalry. The zero-sum outcomes of profit and loss, coupled with the inflow and withdrawal of funds in national stock exchanges by Foreign Institutional Investors

(FIIs), often lead to a dual societal reaction—celebration and admiration for those who accumulate wealth, and anger, anxiety, depression, and other social toxins for those who lose it. The story of 'growth' is then told almost entirely in terms of this money–debt–consumption loop. But this is only half the story.

When value exists but money does not: There is a deeper limitation built into this system, which is rarely discussed: the inability or incapacity of the person who needs a service to pay for it, even when the service is urgently needed and socially valuable. The current GDP framework assumes that if there is demand for a service and a willing provider, the market will connect them through price. But often, the person who requires the service simply does not have the money. Consider a few everyday situations: a poor family needs quality education for their child but cannot pay school fees or tuition; an ailing elder requires regular care and medical attention but has little or no pension; a small farmer needs legal advice, financial counselling or mediation support but cannot afford professional fees; a young sportsperson needs coaching and mentoring but comes from a background where even travel and nutrition are difficult to fund.

In all such cases, one of three things happens. First, the service is not provided at all, the problem remains unresolved, and potential human capital is lost. The child remains uneducated, the elder unattended, the dispute festers, the talent withers. Second, the service is provided informally and unpaid – a teacher volunteers extra time; a neighbour cares for the elder; a lawyer gives 'on the house' advice; a coach trains the child for free. Here, real value is created, but no money changes hands, so GDP remains blind. Third, the service is provided but underpriced or indefinitely deferred – the provider compromises on fees, keeps a 'pending' account, or simply absorbs the loss as charity. The ledger of the heart acknowledges a debt of gratitude, the financial ledger records nothing.

In each of these scenarios, the absence of money in the hands of the person seeking the service becomes a barrier to formal recognition. The service that is most needed is often the service least paid for. GDP, which recognises only monetised transactions, therefore, systematically under-reports social value generated in conditions of poverty or financial distress.

To be fair, common national accounts do include some non-cash computation. For example, owner-occupied housing services are computed as rent and many government services are valued at cost. But the larger point remains: most unpaid care work, volunteer services, community mediation, informal mentoring, and household production are either excluded or only weakly represented. The result is a systematic visibility gap.

From the perspective of the employer or service-seeker, this is not always a question of unwillingness. Many small employers, social entrepreneurs, households, NGOs and even local governments simply lack the capacity to pay what a service is

worth in the market. Budgets are tight; cash flows are uncertain; priorities are competing. They may deeply appreciate the teacher, nurse, mediator, or community organiser, but they cannot translate that appreciation into adequate remuneration.

This structural incapacity then seeps into identity. The underpaid worker begins to feel undervalued; the unpaid volunteer begins to feel invisible; the financially stressed employer begins to feel guilty and helpless. The relationship between them becomes strained—not because there is no value, but because there is no currency capable of expressing it.

The blind spot in GDP: GDP, by construction, counts only what passes through the channel of fiat money, it discounts or ignores services provided where no money is available to pay, and is completely insensitive to whether an unmet need existed because of lack of skill, lack of time, or simply lack of money. A village woman walking kilometres daily to fetch water, a grandmother caring full-time for grandchildren so that parents can work, a volunteer mediating neighbourhood conflicts, a youth leader running a sports or literacy programme in a slum—all of them continuously generate real economic and social value. They reduce future health costs, prevent crime and litigation, build social trust, improve educational outcomes and preserve human dignity. But if no money is exchanged, GDP records none of this.

The paradox becomes sharper when we realise that even when the employer or beneficiary recognises the value, and even when the provider willingly offers the service, the absence of money blocks its entry into the official narrative of the economy. The national story of progress is, therefore, a story that systematically edits out the contributions of those whose beneficiaries cannot afford to pay.

In a purely fiat-GDP lens, the hour of a corporate executive closing a deal is 'valuable'; the hour of a lawyer arguing a high-fee arbitration is 'valuable'; the hour of a celebrity endorsing a product is 'valuable'. But the hour of a mother teaching her child because there is no money for a tutor is 'zero'. The hour of a neighbour caring for an elder because professional nursing is unaffordable is 'zero'. The hour of a mediator resolving a local dispute without fees because the parties are poor is 'zero'. Value exists. Money does not. GDP chooses money.

The cycle of money reveals both its strength and its limitation. As a unit of exchange and account, fiat currency is efficient. It allows complex supply chains, massive investments, international trade, and sophisticated risk management. But as a unit of recognition, it is deeply incomplete. It cannot see services provided where no payer has the capacity to pay; contributions that are made out of duty, love, or community spirit rather than contract; acts of sacrifice where the giver deliberately chooses not to charge because the receiver is financially weak.

In other words, money is a poor language for that part of human civilisation which runs on conscience rather than contract. Finance Revolution 5.0 does not

seek to abolish money or GDP. It seeks to supplement them with a second ledger, one that can record and recognise the value of services even when there is no money in the hands of the beneficiary.

PICS—Pro Bono Social Impact Credits—are designed precisely for those transactions where a real, documentable service is provided; the beneficiary cannot pay adequately in fiat; and the service provider nevertheless contributes out of a sense of *dharm*, solidarity, or long-term social vision. In such cases, while no or inadequate money may flow in the fiat ledger, a corresponding entry can be made in the PICS ledger. The inability or incapacity of the employer or beneficiary to pay no longer condemns the contribution to economic invisibility. It is acknowledged, counted, and can, over time, attract institutional support, policy incentives, and societal respect.

Beyond the limits of GDP: The cycle of money, as captured by GDP, tells us how much our economies produce and consume for a price. It does not tell us how much we care, how much we heal, or how much we enable when there is no price the market can bear. Unless we complement the fiat cycle with a consciously designed cycle of pro bono recognition, we will continue to live in a civilisation where poverty of money hides abundance of service, inability to pay hides willingness to help, and national accounts hide the very people who keep the nation alive.

Recognising the inability and incapacity of many to pay is not an argument against them; it is an argument against a one-dimensional metric, good till the third-dimension existence of human consciousness. It is an invitation to move from a single ledger of money to a dual-ledger civilisation, as we move to fourth and above dimensions of human consciousness, where PICS track the cycle of human goodness that money alone can never fully see.

- Global public debt really has now passed about US$100 trillion in 2024, up from US$97 trillion in 2023, and is projected by the IMF to reach around 95% of global GDP in 2025 and close to 100% by 2030.
- Global total debt (public + private) is now close to US$346 trillion, about 310% of world GDP, according to the latest IIF data.
- The global balance sheet (real + financial assets) is now estimated at about US$1.7 quadrillion in assets, of which roughly US$620 trillion are real assets and the rest financial assets.
- OTC derivatives alone have about US$846 trillion notional outstanding (June 2025).
- LSEG estimates that the global market size (equities, fixed income, FX/MM, derivatives, etc.) exceeded US$1,088 trillion in 2023 on a notional basis.

Fiat Currency to Stablecoin: Finance Moving into the Fourth Dimension*

Money has always been more than paper, coins, or digits on a screen. It is, at its core, a tool of exchange, a medium that allows one person to exchange the value of their product, service, or labour with the equivalent value created by another. This basic truth has remained unchanged through history, even as the forms of money have evolved.

From barter to coins, from gold-backed notes to fiat currency, each stage of money represented a new dimension of exchange. Now, with the emergence of stablecoins, finance is stepping into what can be called its fourth dimension: a digital, borderless, programmable form of money that integrates seamlessly with the global economy. Fiat and stablecoins are complementary. Both are necessary in the modern era, and the future is tokenized assets that will further expand how we define and exchange value.

Fiat Currency: The Third Dimension of Money: Fiat currency represents the third great stage in the history of money. After barter (first dimension) and commodity money such as gold (second dimension), fiat introduced a new principle: trust in the state.

1. Sovereignty and Control: Fiat currency is backed by the authority of the state. It ensures governments maintain control over taxation, monetary policy, and financial regulation.
2. Universal Acceptance: Fiat serves as legal tender — recognized for all debts, trade, and settlement of obligations. It provides a common standard of value in every economy.
3. Stability and Security: Fiat draws its legitimacy from the credibility of central banks and institutions, making it the anchor of financial trust.
4. Accessibility: Fiat is embedded in daily life: from wages and taxes to buying groceries. It is the operating system of modern economies.

Fiat currency therefore will never be obsolete. It is the foundation of money's third dimension, without which the fourth dimension of stablecoins cannot exist.

Stablecoins: The Fourth Dimension of Finance: Stablecoins take money into the fourth dimension by marrying fiat stability with digital flexibility. Pegged to fiat,

commodities, or baskets of assets, stablecoins provide instant, programmable value exchange that transcends borders.

1. Borderless Exchange: Stablecoins allow near-instant cross-border transfers, bypassing delays and fees of traditional banking rails.
2. 24/7 Settlement: Unlike fiat, which flows through banks that close at night and on weekends, stablecoins operate continuously.
3. Protection Against Inflation: In unstable economies, citizens naturally migrate to stablecoins to protect savings — an act of survival rather than speculation.
4. Financial Inclusion: With a smartphone, anyone can hold, transfer, or receive stablecoins without needing a bank account.
5. Programmability: Smart contracts enable conditional transfers — a true leap into the fourth dimension of finance, where money itself 'thinks' and 'acts' based on predefined logic.

Stablecoins do not replace or extinguish fiat. They extend its reach into the digital universe, unlocking possibilities fiat alone cannot.

Fiat and Stablecoins: Partners in Evolution: It is tempting to frame fiat and stablecoins as rivals. In reality, they are complementary stages of money's evolution: Fiat provides the sovereign anchor of trust, the reference point for value. Stablecoins provide the digital rail of innovation, carrying fiat's stability into a programmable, borderless environment. Just as paper currency did not abolish gold overnight, stablecoins will not erase fiat. Instead, they represent the next step forward — money entering its fourth dimension.

Three forms of digital money are often confused. Stablecoins are typically liabilities of a private issuer designed to track a reference asset such as a currency. A CBDC is a liability of a central bank. Tokenised deposits are commercial bank money represented on new rails. They may feel digital, but the legal claim, credit risk, and settlement finality can differ sharply, so adoption pathways and regulation will differ too.

The Future of Stablecoins: As stablecoins mature, their role will expand in scope and significance:

1. Beyond the Dollar: The future will bring Euro, Yuan, and multi-asset stablecoins, reflecting the shift to a multipolar global economy.
2. Commodity-Backed Coins: Oil, gold, and other resource-backed stablecoins will emerge, especially from energy-rich nations, reshaping trade and finance.

3. Mainstream Adoption: Payment processors, fintechs, and global banks are already integrating stablecoins into remittances, payroll, and commerce.
4. Regulated, Audited Coins: With stricter oversight, stablecoins will shed their speculative reputation and become trusted financial instruments.
5. Smart Stablecoins: Contracts that self-execute on delivery of goods or completion of services will create programmable, frictionless commerce.

The Rise of Tokenized Assets: Beyond Money: While fiat and stablecoins evolve money itself, tokenized assets expand what can be exchanged as money.

1. Tokenization of Real-World Assets: Equities, bonds, real estate, and commodities can all be represented digitally, creating liquidity and fractional ownership.
2. Democratizing Wealth: A worker in India could own a fraction of New York real estate or a corporate bond in Europe. Tokenization lowers barriers to global markets.
3. New Classes of Assets: Carbon credits, intellectual property rights, pro bono social impact credits, music and art royalties can be tokenized and traded.
4. Stablecoins as the Settlement Layer: Tokenized assets will rely on stablecoins for instant, borderless settlement.
5. Geopolitical Race: Nations are competing to be hubs for tokenized finance — Singapore, UAE, and Hong Kong are already leading.

Finance in the Fourth Dimension: The Digital Monetary Trinity: By 2030, the global financial system will likely revolve around three intertwined pillars:

1. Fiat Currency as the sovereign, legal anchor.
2. Stablecoins as the programmable, borderless extension — finance in the fourth dimension.
3. Tokenized Assets as the expanded universe of tradable value.

Together, these will form the Digital Monetary Trinity, reshaping how value is created, stored, and exchanged.

The New Story of Money: Money began as barter, evolved into commodities, then became fiat currency — each step adding a new dimension. Now, with stablecoins and tokenization, finance enters its fourth dimension: faster, smarter, and more inclusive than ever before. Fiat will remain the backbone of trust. Stablecoins will provide the rails of digital exchange. Tokenized assets will redefine what counts as wealth.

For governments, the task is to regulate with foresight, ensuring trust while enabling innovation. For businesses, the opportunity is to embrace programmable

finance and tokenized markets. For individuals, the promise is empowerment — access to savings, assets, and opportunities once limited to the privileged few.

The story of money has always been about enabling human exchange. Stablecoins mark the next chapter in that story — where finance itself becomes multidimensional, intelligent, and truly global.

* *This chapter was published as an article in CLA Corporate and Commercial Law Committee News letter published in Novemenr 2025.*

From Stablecoins to PICS Economy

The Fourth Financial Revolution unfolded in the early decades of the 21st century through the proliferation of cryptocurrencies, stablecoins, and central bank digital currencies (CBDCs). Blockchain, initially conceived as a technological ledger for transparency and decentralization, evolved into a trust-less system, where mathematical consensus replaced human morality.

The emergence of stablecoins, pegged to fiat currencies, promised to bridge volatility with stability. They mirrored the real economy, yet they remained tethered to the same debt-driven ecosystem, still counting productivity, not purpose; liquidity, not love. This revolution succeeded in digitizing money, but not in spiritualizing value. The next step, Financial Revolution 5.0, seeks to humanize the economy itself, shifting the metric of worth from what we own to what we contribute.

The Great Question: What Comes After Fiat Currency?

With the spread of computers, mobile technology and the internet into almost every human hand, the closing years of the twentieth century witnessed a silent rebellion. It was led by those who had begun to believe that banks and governments could no longer be trusted as custodians of wealth. Their distrust was not misplaced: across continents, the hard-earned money of the many was siphoned off by the few, always under the polite pretext of "systemic failure".

Behind this recurring drama lay a grand design, orchestrated by those who built and magnificently controlled the very architecture of global finance—behind iron-curtain layers of Sovereign Funds, Prime Banks, Central Banks, Retail Banks, Stock Exchanges and Governments, all interlocked. Each of these institutions, and the individuals within them, functioned largely within the third dimension of human consciousness: the dimension of fear, survival and accumulation. Within that narrow band, everybody struggles to make their own existence feel secure and "successful", even if the larger system remains unjust.

As civilisation moved towards a higher, fourth dimension of awareness, the cracks in this design deepened. The link between fiat currencies and gold—the last anchor of tangible trust—was formally severed. Money was now issued not against real wealth, but against debt, symbolised by sovereign bonds and public borrowing. Thus began the age of illusory abundance: numbers expanded on

screens, but value floated freely, increasingly detached from human well-being and human values.

The contemporary economy, no matter how sophisticated its derivatives, markets or digital ledgers, remains enslaved to an ancient error: the belief that wealth equals possession, rather than wealth equals participation and contribution. Ownership is counted, service is not. Balance sheets recognise assets and liabilities, but not character, compassion or social impact.

When Bitcoin emerged, it redefined "trust" by replacing central institutions with decentralised code. When stablecoins matured, they redefined "stability" by anchoring digital liquidity to existing fiat currencies. Yet both innovations stopped short of addressing the core moral paradox of the modern financial system: its near-total divorce from consciousness and from responsibility for consequences.

The great question, therefore, still awaited an honest answer: after fiat and after code-based coins, can there be a new language of value—one that measures and rewards human contribution, social impact and awakened consciousness, and not merely the power to possess and accumulate?

As human awareness ascends toward the fifth dimension, Finance Revolution 5.0 arises — not merely to use technology, but to redeem it. It insists that technology must no longer be a servant of greed, but a medium of grace, transparency and trust. This new revolution envisions a global system where prosperity is measured not only by Gross Domestic Product (GDP), but by a new axis: the Gross Human Service Product (GHSP) — a cumulative index of verified pro bono, social, emotional, cultural, environmental and compassionate contributions by individuals and institutions. GHSP becomes the mirror of our collective conscience.

In this model, value is not what we extract from nature, but what we extend to it and to one another. Wealth is not what we hoard through loot, plunder, exploitation and corruption, but what we earn, share, circulate and retain. Money ceases to be a tool to reward exploitation alone and becomes a record of contribution — of services rendered, lives touched and ecosystems healed. Finance Revolution 5.0 thus invites humanity to shift from an economy of possession to an economy of participation; from competitive scarcity to collaborative abundance; from blind accumulation to conscious creation.

What was still missing after stablecoins? Stablecoins upgraded speed, accessibility, and programmability, but they did not upgrade the unit of recognition. They remain anchored to fiat as the measuring stick. The ledger therefore continues to prize purchasing power over pro bono contribution. Finance Revolution 5.0 does not compete with fiat rails. It adds a second rail, a contribution ledger, enabling societies to recognise value even where the beneficiary cannot adequately pay in money.

The Birth of the *Gaayatri*: Currency of Consciousness: At the heart of Finance Revolution 5.0 lies the *Gaayatri* – the supreme unit of value and virtue, the currency of consciousness. Conceptually, 4.32 billion *Gaayatri* units are created and gifted to the PICS Trust. Each *Gaayatri* represents 1,000,000 PICS (Pro Bono Impact Credits). Together, they form a universe of 4.32 quadrillion PICS.

This design mirrors the 4.32-billion-year *Maha-Yug* cycle of Vedic cosmology, aligning cosmic time with a conscious economy. Just as *Yugs* measure the evolution of the human soul, the *Gaayatri* measures the evolution of human service. Each PICS unit stands for a verified act of service—caregiving, education, dispute resolution, peace mediation, supporting democracy, sports and innovation, environmental restoration, and other acts that create genuine social impact. Blockchain ensures verification and trust, *dharm* ensures direction and enlightenment.

PICS: Building Blocks of the Pro Bono Economy: In the present economic order, human labour is commodified and unpaid contribution is made invisible. PICS restores dignity to non-monetised yet essential work that sustains civilisation—care work, parenting, teaching, mediation, volunteerism, community service and similar efforts. Each PICS becomes a digitally verifiable unit of compassion, recorded in an immutable ledger that reflects both the quantity and the quality of service.

PICS cannot be privately mined or minted by Government, they have to be earned through meaningful, verifiable social impact. They are recorded in a common database under the PICS Trust and aggregated into *Gaayatri* units. Every credit sits inside an audited trust chain that safeguards transparency while preserving the dignity of those who serve. Over time, governments, corporations and trusts can recognise PICS as intangible social assets—social equity reserves or CSR credits that give fiscal meaning to moral value.

Fixed Supply, Circular Design: The quantitative spine of Finance Revolution 5.0 is simple and transparent. The total *Gaayatri* supply is fixed at 4.32 billion units. This supply is created once and capped; there is no further minting. Conceptually, each *Gaayatri* maps to 1,000,000 micro-PICS, giving the full 4.32 quadrillion PICS universe. Only a small fraction of this master supply is released into circulation in the legerity of year for 150 years. The model begins with a modest annual circulating release—such as 3.6 million *Gaayatri* units a year—rising gradually over time, while the bulk remains in long-term reserve. This avoids speculative shocks, prevents sudden flooding of the ecosystem and keeps the focus on service, not speculation.

Time-Release Architecture: PICS "Downloads": The release schedule operationalises the idea of slow, disciplined, multi-century distribution. Starting in

2026, *Gaayatri* units are released in annual tranches over 150 years, up to 2176. The first tranche is 3,600,000 units, with subsequent tranches increasing stepwise by 3.6 million each ten year. This time-release architecture disciplines inflation, prevents manipulation of supply and spreads the benefit of the PICS universe across generations. It creates inter-generational fairness, gives foundations, trusts, NGOs and governments long-term planning certainty, and symbolically nests a 150-year human horizon within the larger 4.32-billion-year *Maha-Yug* vision. In contrast to fiat printing or front-loaded crypto mining, the PICS download curve is slow, steady and intentional—a form of *dharm* policy, not merely monetary policy.

Participation and Allocation Framework: The allocation framework defines how institutions—especially NGOs Pro Bono Service Organization (PSO) and Pro Bono Service Providers (PSPs)—are recognised. Each registrant as PSO, PSP or PSV receives PICS proportional against registration amount. Registration reflects the level of commitment; PICS allocation reflects the social impact credit recorded in the ledger. Smaller or larger all participants are included with dignity; and honoured proportionately, always on a fixed, transparent ledger rather than backroom negotiation. This creates a clear on-boarding ladder from modest contributors to large institutional partners, without disturbing the fixed supply or the long-term release curve.

For volunteers (PSU), PICS in their digital wallets measures the pro bono service they have rendered. These credits do not lie idle. PICS can be exchanged for products and services provided by registered retailers within the Pro Bono Ecosystem. Misuse, misreporting or under-delivery can be tracked and corrected. Every year, more will be added to the existing and continue to be released in line with fresh, verified impact. In this way the release of PICS becomes not just a financial design but a behavioural constitution for the PICS ecosystem.

From Energy Mining to Empathy Work: Bitcoin secured its ledger through energy-intensive computation; *Gayatri* secures its ledger through verified service. Its ledger is not merely a record of transactions, but of transformations. Finance Revolution 5.0 thus shapes a spiritual economy—not in a sectarian religious sense, but in the rediscovery of spirit as value. Each act of selfless service becomes an entry in the new global balance sheet of humanity. No one can "mine" PICS by burning electricity. PICS can only be earned by illuminating lives.

Legal and Governance Architecture: The PICS ecosystem operates through a Charitable Trust with a clear legal and governance framework. The fixed *Gaayatri* supply of 4.32 billion units is treated as a universal heritage, not a private hoard. AI-assisted and blockchain-anchored audit trails verify acts of service and assign PICS

with evidence. Issuance and validation are carried out by the Trust Boards and accredited partners—NGOs, universities, mediation centres, professional bodies and public institutions. Under existing and developing legal frameworks, PICS may be recognised as intangible social assets, forming part of a social asset reserve on institutional balance sheets.

Ethical safeguards prohibit reverse conversion of PICS into pure monetary instruments, so that these credits do not become vehicles for monetisation, corruption or false representation. The long-term release schedule and allocation tiers function within this governance frame, making the system deliberate, auditable and resistant to capture—anchoring a new, conscious economy on law, trust and *dharm*.

Socio-Economic Impact: From Wealth to Worth: Evolution from Finance Revolution 3.0 to Finance Revolution 4.0 to Finance Revolution 5.0 is as follows:

Parameter	**FR 3.0 – Fiat Currency Era**	**FR 4.0 – Stablecoin/ Digital Era**	**FR 5.0 – *Gaayatri*/ PICS Conscious Era**
Foundation	Central-bank fiat, credit and interest systems	Blockchain-based digital tokens pegged to fiat	Human-verified social impact measured in PICS
Currency	Debt-backed fiat	Debt-backed stablecoins	Virtue-backed *Gaayatri*
Store of Value	Government guarantee	Algorithmic / reserve-pegged equivalence	Verified social contribution
Trust Mechanism	Political / Central authority	Code consensus (mathematical validation)	Conscience consensus (ethical validation)
Energy Base	Physical labour and resource extraction	Physical + digital energy (mining and computing)	Emotional + ethical energy (service and empathy)
Creation Method	Money printing / credit expansion	Token issuance via blockchain protocols	PICS earned through verified acts of service
Governance	Central banks, monetary policy	Protocols / private issuers	Public trusts and global social impact councils

Parameter	FR 3.0 – Fiat Currency Era	FR 4.0 – Stablecoin/ Digital Era	FR 5.0 – *Gaayatri*/ PICS Conscious Era
Backing Asset	Sovereign debt and GDP	Fiat reserves / collateralised crypto	Human virtue and pro bono social impact
Measurement of Wealth	Possession of capital	Digital asset holdings	Accumulated service and compassion
Economic Driver	Consumption and competition	Speculation and transaction speed	Contribution and consciousness
Outcome	Expansion of wealth and inequality	Efficient but still unequal digital capitalism	Growth of worth and ethical equilibrium

Symbolic Cosmology: 4.32 Billion as the Yug of Awakening: The figure 4.32 billion is not arbitrary. In *Sanaatan Vedic* cosmology, it marks the span of a *Maha-Yuga*—the complete arc from the depths of ignorance to the heights of enlightenment. By fixing the total *Gaayatri*–PICS supply at 4.32 billion and releasing it gradually over generations, Finance Revolution 5.0 makes a civilisational statement: service is the bridge between *Yugs*, and recognition of *dharm* must unfold slowly, steadily, and across time.

Each *Gaayatri* becomes a symbolic micro-*Yug*, a capsule of cosmic time. Each PICS is an instantaneous unit of conscious action—a spark written into a permanent ledger. Every recorded act of service is, in that sense, a moment of awakening. Human civilisation's journey from *tamas* to *jyoti*, from inertia to illumination, is captured in granular form through these units of service. By aligning the system mathematically with *Vedic* cosmology, a financial instrument becomes a kind of *karmic* chronometer, a way to track the subtle evolution of societies through their service footprint.

From GDP to Gross *Dharm* Product (GDP): If traditional GDP measures the production of goods and services, Gross *Dharm* Product (GDP) measures the production of good itself. The structured annual release of *Gaayatri* units can be mapped to PICS budgets for mediation, climate action, education, health, caregiving, culture, heritage, youth development and sports keeping youth away from toxic drugs etc. Over time, nations, institutions and communities can publish Annual *Dharm* Accounts: how many PICS were earned, how many remained unused, how many were misused or forfeited, and what the net *Dharm* Surplus or *Dharm* Deficit of a society looks like. This single shift makes service measurable, governance accountable, and virtue auditable. The release schedules, allocation tables and registration slabs

collectively become the infrastructural backbone of GDP—allowing humanity to evaluate not only what it produces, but what it contributes.

Rebalancing the World's Financial Energy: If even one PICS is treated as a single unit of recognised social value, the notional worth of 4.32 quadrillion PICS exceeds today's global financial system. Yet, unlike fiat money or speculative crypto-assets, this value is:

- Non-extractive, because it does not arise from someone else's loss.
- Non-exploitative, because it does not consume ecological or human futures.
- Non-zero-sum, because every act of service increases the total wealth of humanity.

In this sense, the FR 5.0 architecture is not merely a set of technical sheets. It is the first ledger of a civilisation choosing compassion as currency. Empathy is converted into an economic unit, service into measurable wealth, and consciousness into a fiscal multiplier. Where the existing global economy rewards accumulation, Finance Revolution 5.0 rewards contribution. Where fiat responds to speculation, PICS responds to intention.

The Ethical Equation of Finance Revolution 5.0: The foundational equation of FR 5.0 can be written simply as: Wealth = Service × Consciousness. Service (*seva*) is the base of all creation. Consciousness (*chetana*) is the multiplier that makes service deliberate, compassionate and transformative. Without consciousness, service is mere labour, with consciousness, service becomes *dharm*.

The underlying data model—its structured release and allocation on basis of slabs—ensures that every allocation, every download, every redemption and every level of participation aligns with this ethical equation. It shifts the centre of economic discourse from "*How much do you own?*" to "*How much have you elevated?*" It translates spiritual law into fiscal logic.

Toward a Unified Conscious Economy: Finance Revolution 5.0 does not seek to replace money, it seeks to redeem it. It establishes a dual economy:

- A Material Ledger, governed by law, contracts and fiat currency.
- A Moral Ledger, governed by PICS, *Gaayatri* and human conscience.

The *Gaayatri* reserve, release matrices and allocation tables are not just numbers, they are the genesis records of a Conscious Fiscal Architecture—an economic system designed to reward virtue as rigorously as productivity. When both ledgers coexist, money continues to mediate transactions, while PICS mediate trust, dignity, equity and long-term civilisational health. This brings together left-brain economic rationality with right-brain ethical intelligence, allowing humanity to operate with both hemispheres of its collective mind.

The *Vedic* hymn prays: *Tamasomā jyotirgamaye*—from darkness to light, may our intellect be illumined and so does *Gaayatri mantr*. Economies too must be illumined: by empathy instead of exploitation, by balance instead of distortion, by purpose rather than profit alone. With 4.32 billion *Gaayatri*–PICS, a multi-generation release schedule, tiered allocation and service-centred distribution, Finance Revolution 5.0 offers both the mathematical and moral foundation for a new era of wealth. Through *Gaayatri* and PICS, humanity can reclaim a sacred truth: value is not created by possession, but by participation; not by accumulation, but by contribution.

This is not merely a new financial model. It is the dawn of a new *Yug*—the Era of Conscious Wealth—when economics stops measuring only what humans produce and begins to measure what humans become.

The Cycle of Money and the Limits of GDP

All nations typically calculate Gross Domestic Product (GDP) by assessing the monetary value of goods and services exchanged within the formal economy through fiat currency. GDP is rooted in the fiat economy—the marketplace where currency serves as the medium and measure of value, exchange, accounting, and even social recognition. If something is paid for in money, it can enter GDP. If it is not, the national accounts rarely see it. Money functions as a tool of exchange for services rendered, products created or produced, and assets that exist. Once created, money does not vanish, it merely moves from one pocket to another, from one balance sheet to another, changing hands, forms and jurisdictions. In this constant circulation, some accumulate wealth and convert it into assets, while others fall into poverty and continue to struggle for a meaningful existence. Governments across the world make their best efforts and strive continually to alleviate the condition of the poor and bridge the widening gap between the rich and the poor. Yet the gap persists, because the basic architecture of the money cycle remains flawed and unchanged.

The prevailing money cycle begins with the minting and issuance of fiat currency against sovereign bonds. Governments issue debt, these sovereign bonds are sold—often at a premium—to prime banks, central banks and major financial institutions. Against these bonds, central banks create currency and credit entries, which are then injected into circulation through commercial and retail banks via loans, mortgages and credit lines. Under the guise of credit cards, personal loans, housing loans, education loans, vehicle loans and corporate borrowing, debt is generated with almost every act of expenditure beyond one's immediate cash capacity. Fundamentally, the entire fiat currency cycle operates as a debt-driven economy. Money comes into existence as somebody's liability and somebody else's asset.

This money fuels technological advancement through research and development, and drives production by financing raw materials, wages and salaries, royalties and profits. The resulting products and services are then consumed by individuals and institutions, invested into further productive capacity, or destroyed and devalued due to obsolescence, natural calamities, pandemics or wars. GDP largely measures the volume of this monetary cycle—how much was produced and sold for money within a given period. Additional churn occurs as money changes hands through speculation

on financial exchanges and stock markets as, commodities, derivatives, futures and options. This speculative layer amplifies movements in wealth and in public sentiment without necessarily creating corresponding real goods or enduring services.

Governments with unlimited power of taxation imposes taxes on almost every economic transactions and asset transfers—income tax, GST/VAT, customs, excise, stamp duties and more. The proceeds are then utilized to fund salaries, public services, infrastructure, welfare schemes, subsidies and interest payments on earlier debt. The State becomes both the largest employer and the largest debtor in the system. When money is regarded as the primary barometer of success, it inevitably breeds contest, competition and rivalry. The zero-sum outcomes of profit and loss, coupled with the inflow and withdrawal of funds in national stock exchanges by Foreign Institutional Investors (FIIs), often lead to a dual societal reaction—celebration and admiration for those who accumulate wealth, and anger, anxiety, depression and other social toxins for those who lose it. The story of "growth" is then told almost entirely in terms of this money–debt–consumption loop. But this is only a part of the story.

The other limitation is that GDP can rise even when well-being falls. A flood, pandemic, or war can increase GDP through reconstruction spending, medical billing, and procurement, even as human suffering escalates. GDP is a volume meter for paid transactions, not a conscious meter for outcomes.

There is a deeper limitation built into this system, which is rarely discussed: the inability or incapacity of the person who needs a service to pay for it—even when the service is urgently needed and socially valuable. The current GDP framework assumes that if there is demand for a service and a willing provider, the market will connect them through price. But often, the person who requires the service simply does not have the money. Consider a few everyday situations. A poor family needs quality education for their child but cannot pay school fees or tuition. An ailing elder requires regular care and medical attention but has little or no pension. A small farmer needs legal advice, financial counselling or mediation support but cannot afford professional fees. A young sportsperson needs coaching and mentoring but comes from a background where even travel and nutrition are difficult to fund.

In all such cases, one of three things tends to happen. First, the service is not provided at all—the problem remains unresolved, and potential human capital is lost; the child remains uneducated, the elder unattended, the dispute festers, the talent withers. Second, the service is provided informally and unpaid—a teacher volunteers extra time; a neighbour cares for the elder; a lawyer gives "on the house" advice; a coach trains the child for free. Here, real value is created, but no money changes hands, so GDP remains blind. Third, the service is provided but underpriced or indefinitely deferred—the provider compromises on fees, keeps a "pending" account, or simply absorbs the loss as charity or social duty.

In all three cases, the same structural problem remains: value is produced, but the monetary language needed to recognise it is missing. That missing language is what a second ledger is meant to supply.

The ledger of the heart acknowledges a debt of gratitude, the financial ledger records nothing. In each of these scenarios, the absence of money in the hands of the person seeking the service becomes a barrier to formal recognition. The service that is most needed is often the service least paid for. GDP, which recognises only monetised transactions, therefore systematically under-reports social value generated in conditions of poverty or financial distress.

From the perspective of the employer or service-seeker, this is not always a question of unwillingness. Many small employers, social entrepreneurs, households, NGOs and even local governments simply lack the capacity to pay what a service is worth in real sense. Budgets are tight; cash flows are uncertain; priorities are competing. They may deeply appreciate the teacher, nurse, mediator or community organiser, but they cannot translate that appreciation into adequate remuneration. This structural incapacity then seeps into identity. The underpaid worker begins to feel undervalued; the unpaid volunteer begins to feel invisible; the financially stressed employer begins to feel guilty and helpless. The relationship between them and others becomes strained—not because there is no value, but because there is no currency capable of expressing it.

GDP, by construction, counts only what passes through the channel of fiat money, discounts or ignores services provided where no money is available to pay, and is completely insensitive to whether an unmet need existed because of lack of skill, lack of time or simply lack of money. A village woman walking kilometres daily to fetch water, a grandmother caring full-time for grandchildren so that parents can work, a volunteer mediating neighbourhood conflicts, a youth leader running a sports or literacy programme in a slum—all of them continuously generate real economic and social value. They reduce future health costs, prevent crime and litigation, build social trust, improve educational outcomes and preserve human dignity. But if no money is exchanged, GDP records none of this. The paradox becomes sharper when we realise that even when the employer or beneficiary recognises the value, and even when the provider willingly offers the service, the absence of money blocks its entry into the official narrative of the economy. The national story of progress is, therefore, a story that systematically edits out the contributions of those whose beneficiaries cannot afford to pay.

In a purely fiat–GDP lens, the hour of a corporate executive closing a deal is "valuable", the hour of a lawyer arguing a high-fee arbitration is "valuable", the hour of a celebrity endorsing a product is "valuable". But the hour of a mother teaching her child because there is no money for a tutor is counted as zero. The hour of a

neighbour caring for an elder because professional nursing is unaffordable is counted as zero. The hour of a mediator resolving a local dispute without fees because the parties are poor is counted as zero. Value exists. Money does not. GDP chooses money.

The cycle of money thus reveals both its strength and its limitation. As a unit of exchange and account, fiat currency is efficient. It allows complex supply chains, massive investments, international trade and sophisticated risk management. But as a unit of recognition, it is deeply incomplete. It cannot see services provided where no payer has the capacity to pay; it cannot see contributions that are made out of duty, love or community spirit rather than contract; it cannot see pro bono acts where the giver deliberately chooses not to charge because the receiver is financially weak. In other words, money is a poor language for that part of human civilisation which runs on conscience rather than contract.

Finance Revolution 5.0 does not argue that fiat currency or GDP will cease to exist. It seeks to supplement them with a second ledger—one that can record and recognise the value of services even when there is no money in the hands of the beneficiary. PICS—Pro Bono Social Impact Credits—are designed precisely for those transactions where a real, documentable service is provided, the beneficiary cannot pay adequately in fiat, and the service provider nevertheless contributes out of a sense of *dharm*, solidarity or long-term social vision. In such cases, while no or inadequate money may flow in the fiat ledger, a corresponding entry can be made in the PICS ledger. The inability or incapacity of the employer or beneficiary to pay no longer condemns the contribution to economic invisibility. It is acknowledged and counted, and can, over time, attract institutional support, policy incentives and societal respect.

Once such a second ledger exists, governments, courts, regulators and even markets can begin to design bridges between the two cycles. Tax policy can recognise high PICS contributors with targeted benefits or incentives. Educational institutions and professional bodies can give weightage to PICS records in admissions, fellowships and appointments. Philanthropic and CSR funds can be channelled not only to organisations with glossy reports, but also to networks of individuals whose PICS records show consistent, ground-level impact where the fiat economy is weakest. In this way, PICS does not merely "measure" what GDP misses, it creates pathways for value in the invisible economy to flow back as tangible support, opportunity and dignity.

Beyond the limits of GDP, the cycle of money tells us how much our economies produce and consume for a price. It does not tell us how much we care, how much we prevent, how much we heal, or how much we enable when there is no price the market can bear. Unless we complement the fiat cycle with a consciously designed

cycle of pro bono recognition, we will continue to live in a civilisation where poverty of money hides abundance of service, inability to pay hides willingness to help, and national accounts hide the very people who keep the nation alive. Recognising the inability and incapacity of many to pay is not an argument against them, it is an argument against a one-dimensional metric. It is an invitation to move from a single-ledger civilisation of money to a dual-ledger civilisation—where GDP tracks the cycle of money, and PICS track the cycle of human goodness that money alone can never fully see.

The Value of Human Time and Worthiness

Every human being on Earth has the same 24 hours each day, within which one must nurture various interdependent dimensions of well-being namely: physical, emotional, intellectual, financial, social (family and community), recreational or entertainment, and spiritual. Yet, while time is equally distributed, its perceived value is not. Poverty and inequality do not persist because the poor work fewer hours or the rich work more. Poverty persists because the worth of work is determined by market perception, the social value, the area within the nation attached to the work or activity and the nation.

In an ideal civilisation, every hour of honest effort—whether spent drafting legislation, washing dishes, caring for an ailing parent, preparing a lesson, or listening to a distressed friend—would be recognised as part of a shared human treasury. In our current order, however, some hours are priced in millions, others in minimum wage, and many more are priced at zero. The same clock measures all of them, the economic system does not.

How formal systems price human time: Within formal state structures, constitutional authorities and government employees are compensated through Pay Commission frameworks that adjust for inflation, growth, and living standards—a system designed to ensure fairness, parity, and continuity. At least in theory, the State acknowledges that its functionaries must be protected from arbitrary underpayment, that their time has a baseline dignity independent of immediate market fluctuations.

In the private sector, corporate entities define salary structures based on productivity, performance, and profit margins, aligning compensation with enterprise outcomes. Every hour is evaluated in terms of what it does for the balance sheet and shareholder value. Bonuses, stock options, and performance-linked incentives further reinforce the idea that the worth of a person's time is the profit it generates.

Between these two realms sits the professional and services class: lawyers, doctors, consultants, chartered accountants, architects, designers, IT professionals and others whose time is billed in hours or minutes or on lump sum basis. Their invoices translate expertise, scarcity of skill, and reputational capital into monetary value.

When their work contributes visibly to risk management, wealth creation, or dispute resolution within the fiat economy, the market is willing to pay a premium.

This is the visible architecture of time-valuation: the State's structured scales, the corporation's performance metrics, and the professional's billable hour.

The hierarchy of time: Top professionals and highly skilled individuals like actors and sportspersons, advocates, doctors, architects etc. command higher earnings because their expertise translates into greater measurable social benefit, including entertainment, public engagement, and brand value. A single hour on the field or in front of the camera can attract millions of viewers, influence consumer behaviour, and generate vast advertising revenue. The market, measuring eyes, clicks, and consumption, rewards this visibility.

However, the logic of this hierarchy becomes more fragile as we move down the social ladder—even within the same industries of films and sports. Supporting staff, junior artists, groundsmen, small-club coaches, light technicians, drivers, make-up assistants, and thousands of behind-the-scenes workers invest equal or greater physical and emotional energy, but their time is valued as fraction of others. They are 'replaceable' in market terms, and that replaceability depresses the price of their hours, though irreplaceable in industry or society.

In occupations that are unskilled, semi-skilled, or even technically skilled—but abundant—wages are much lower and are determined almost entirely by the supply–demand equation. The more desperate the supply of labour, the cheaper the hour becomes. The clock does not change; the human need does not change; only the bargaining power changes. And beneath even this marketplace lies another layer of contributors—those who are not in any wage structure at all, yet whose time sustains families, communities, institutions and civilisation itself, the volunteers.

The excluded majority: invisible but indispensable time: There are many left out of all formal valuation who make a major contribution that sustains families, communities, and civilisation itself. Homemakers, caregivers, grandparents, community organisers, youth coaches in neighbourhood grounds, mediators who informally resolve disputes, elders who provide cultural and moral guidance, students who serve in sports, cultural, or social campaigns—all of them spend their hours in ways without which the rest of the economy would collapse.

Yet the existing economic structure, which evolved, or was made, to deal with the third-dimension economy of material accumulation and competitive growth, lacks any standard or process for determination or recognition of those working in the fourth and fifth dimensions: the dimensions of awakening, empathy, and higher consciousness. The third dimension measures salary, bonus, and profit. The fourth dimension expresses itself in care, trust, and social cohesion. The fifth dimension

holds the subtle energies of spiritual evolution, moral courage, and collective harmony. Time spent in the third dimension is monetized, time spent in the higher dimensions is moralised and then conveniently ignored in accounts.

Consider a simple day in an ordinary household. One adult leaves for paid work and spends about 10 hours between the commute, office, and related tasks. Another adult or elder remains at home, often awake earlier and asleep later, preparing meals, managing logistics, caring for children, coordinating schooling, attending to elders' health, maintaining social relationships, and often doing part-time unpaid community or religious service. Across 24 hours, the emotional and logistical anchoring of the family is more intensive in the second person's schedule, yet the market assigns a salary only to the first. In the national accounts, one is called 'employed', the other is invisible.

At the macro level, even in a family of five, only one member may be engaged in formal fiat-earning work for a fraction of the day, contributing roughly 7% of the family's total time to recorded GDP, while the remaining 93% of human time—spent in caregiving, household management, neighbourhood networks, and community service, remains outside the GDP calculus. This is not because this 93% lacks value, but because our tools of measurement were never designed to see it.

Time, toxicity and inner worth: When the worth of a human being is inferred entirely from the market price of their time, deep psychological distortions follow. The one who earns more begins, often unconsciously, to believe that their hour is 'worth more' than that of their spouse, parent, or domestic worker. The one whose contributions are unpaid or underpaid may begin to internalise a sense of lesser worthiness, even when they are the true emotional and moral centre of the household or community.

Human growth and a conflict-free society rest on the premise that everyone contributes—through physical effort, intellectual pursuit, or emotional service and must receive due return, whether in monetary form or rightful recognition. In the absence of either, inequality, inequity, and injustice take root. The unrewarded individual feels used, accumulating inner negativity and emotional toxins that erode the foundation of happiness, while the recipient begins to believe it is their right to receive such service, even by force. This imbalance stalls personal growth, fragments the sense of self, and ultimately weakens both individual integrity and national productivity, directly impacting GDP itself.

In other words, mispricing human time is not only a moral failure; it is an economic inefficiency. It creates burnout among the over-recognised producer and resentment in the under-recognised caregiver, quietly eroding the Gross

Human Service Product (GHSP) on which the Gross Domestic Product (GDP) actually depends.

The three ledgers of time: If we step back, we can see three parallel ledgers in which human time is currently, though imperfectly, recorded:

1. The Monetary Ledger – salaries, wages, professional fees, profit shares, bonuses; the visible part of GDP.
2. The Social Ledger – awards, promotions, titles, social media visibility, influence; an informal yet powerful map of prestige and attention.
3. The Invisible Ledger – unfaltering care, voluntary service, moral courage, patient listening, conflict prevention, community building, spiritual mentoring; almost entirely unrecorded in any systematic way.

The first ledger decides who is called 'rich' or 'poor'; the second often decides who is considered 'successful' or 'important'. The third, however, decides whether societies remain humane, peaceful, and worth living in. It is this third ledger that PICS and *Gaayatri* seek to bring into conscious, auditable being.

From price of labour to worthiness of time: Finance Revolution 5.0 proposes a decisive shift: from obsessing over the *price of labour* to recognising the *worthiness of time*. The price of labour is what the market will currently pay for a task. The worthiness of time is what that hour represents in the larger journey of human evolution, care, and civilisation.

Under this lens:

- An hour spent in mediation that prevents a bitter lawsuit generates social value far exceeding the fee charged.
- An hour spent coaching children in a community ground, away from screens and addictions, carries future dividends in health, discipline, and social harmony.
- An hour spent by a nurse on night duty, ensuring that a patient survives to return to their family and workplace, restores many more economic hours than her salary suggests.
- An hour spent by a homemaker emotionally stabilising the family, supporting children's education, and holding together intergenerational bonds, sustains the human capital that GDP later claims as its own achievement.

Seen this way, every human being is a custodian of a daily endowment of 24 hours of divine currency. How they are able to spend it depends on social conditions, opportunity, privilege, and constraint. But the ontological worth of their time, its potential for service and consciousness is equal. Finance Revolution

5.0 simply asks: "*why should our economic architecture continue to deny this equality?*".

PICS: a new unit for the worth of time: The PICS Economy introduces Pro Bono Social Impact Credits (PICS) as a unit to recognise and record the worthiness of time devoted to pro bono service—caregiving, education, dispute resolution, democratic participation, environmental protection, sports for peace, cultural preservation, and more. Each PICS represents not just an hour, but an *impactful hour* time spent in ways that enlarge the GHSP of humanity.

Because PICS are earned, not mined, non-transferable but recognisable, and recorded on transparent, tamper-proof ledgers, they do something that neither the Pay Commission nor the corporate HR system can do: they create a universal, cross-sector measure of service-oriented time. A retired teacher in a village, a young volunteer at a polling booth, a mediator in a community dispute, a caregiver tending to an ailing relative all can be recognised in the same moral and informational unit, even if their contexts are entirely different.

Aggregated into *Gaayatri* units at the macro level, PICS allow societies to publish for the first time not only their GDP but their GHPS, an index of how wisely and compassionately their collective time is being spent.

Toward a civilisation that honours every hour: The value of human time and worthiness, then, is not a philosophical aside in Financial Revolution 5.0; it is the heart of the argument. If every human being has the same 24 hours, the only just civilisation is one that:

- Refuses to treat any person's time as disposable,
- Recognises that unpaid, informal, and emotionally driven service is as vital as paid work,
- Builds formal mechanisms—like PICS and *Gaayatri*—to remember, record, and reward such service, and
- Aligns policy, law, and finance so that no life of contribution is written off as 'zero' merely because it was never invoiced in fiat.

The existing economic structure of the third dimension has reached its limit, it can no longer answer the moral question of worthiness. The fourth and fifth dimensions of empathy and consciousness demand a new grammar. By redefining the value of human time through the PICS framework, Finance Revolution 5.0 offers that grammar—a way to ensure that, in the ledgers of the future, no truly generous hour of human life is forgotten.

The Invisible Foundation of National GDP

Humanity has survived and flourished not merely because of markets and money, but because, hidden within every nation and beneath the surface of every thriving society, there exists a parallel economy: the Pro Bono Economy. GDP, calculated from the monetary value of goods and services in the formal economy, is only the tip of the iceberg of human effort that keeps the world running. The vast mass below that tip comprises unrecognized services, most taken for granted and largely absent from national accounts. Every single day, an immense flow of unpaid or underpaid, voluntary, emotionally driven work sustains human life, keeps families together, fuels social cohesion, and quietly underwrites the fiat economy. By pro bono economy, is meant the universe of necessary work and social service that creates real value, but is not adequately priced, paid, or recorded in fiat ledgers.

Essential contributions such as homemaking and family care; caregiving by elders and parents for children and by children for elders; mediators resolving conflicts; sportspersons representing school, college, district, state, or nation; people donating blood, people organizing free health, eye, legal aid clinics and camps and volunteers serving in temples, gurdwaras, and other places of worship are typically pro bono and unpaid and have a huge social impact. Because these meaningful efforts are uncontracted, informal, and outside fiat exchange, they are excluded from national accounts, even though they generate immense emotional capital, cultural continuity, and social stability, yielding little or nothing in terms of income or recorded GDP.

Consider, illustratively, a typical family of five: one grandparent, two parents, and two children. Often, only one person works in the formal fiat economy, just 20% of the family's available workforce. Moreover, that worker may be active in the market economy for roughly 8 of 24 hours, i.e., about 33% of their day. By this simple illustration: Fiat-economy contribution ≈ 33% of 20% = about 7%. Pro Bono-economy contribution, unpaid caregiving, household management, emotional support, cultural life, and community care, then represents the remaining 93%.

Thus, what we measure as GDP is the visible 7% tip of the iceberg, while the unaccounted 93% of pro bono activity forms the invisible mass beneath, the true

foundation of harmony, peace, and happiness in society. The Pro Bono Economy is constituted not by contractual obligations but by metaphysical bonds and emotional relationships. It is the invisible current of compassion, duty, and love, activities that nourish human existence without ever being monetized.

If the pro bono layer disappeared for even a week, child care, elder care, household control, coordination, and community volunteering would falter, and the visible economy would stall or fracture. GDP output depends on unpaid input.

Even when the visible workforce powering the GDP seems vast, a far greater force remains invisible — the unaccounted, unrecognized pro bono labor and service that silently sustains the world. If this invisible contribution were truly valued and recorded, it would add immeasurable asset value to the global economy.

The time has come to recognize this Pro Bono Economy not as a peripheral or informal support system, but as a parallel and essential pillar of civilization — coexisting with, and complementing, the fiat economy. It represents not just an exchange of work, but an awakening of worth.

Human consciousness itself is evolving — from the second dimension of conquest and discovery, through the third dimension of accumulation and competition, to the fourth dimension of awakening and collective empathy — and now ascending toward the fifth dimension, where emotionality merges with spitituality, and universal harmony becomes the natural order.

Leading this transition are the Warriors of Light — the caregivers, mediators, volunteers, artists, educators, and environmental guardians. They do not seek their names in Forbes lists or Nobel Prizes or Red Carpet ceremonies. Their wealth is purpose, their currency and compassion. They heal relationships, rebuild trust, resolve conflicts, and restore the balance between humanity and nature. In practical terms, they are the people doing the work that reduces conflict, prevents breakdown, empowers outcomes, and saves future costs, even when no invoice is raised.

Once scattered and solitary in earlier dimensions, they now rise in growing numbers — visible in neighbourhoods, communities, and movements. Their quiet light is becoming the new gravity of civilization, giving shape to an economy of empathy — the PICS Economy, where value is not minted or mined, but earned through the spirit of service and the evolution of consciousness.

They refuse to see the world only as VUCA - Volatile, Uncertain, Complex, Ambiguous or BANI - Brittle, Anxious, Non-linear, Incomprehensible frames popularized in global finance discourse. Instead, they are quietly building a SRIM world Sustainable, Reliable, Inclusive, Multidimensional and a HITTA world Harmonized, Integrated, Transparent, Accountable, Abundant. Their contributions,

though unpaid, underpaid, or unrecognized, create deep emotional, cultural, and social impact. They provide services, care, and even products not for profit, but for the enrichment of human life itself. The Pro Bono Economy is not merely an adjunct to the fiat economy, it is its invisible foundation and must be duly recognized.

What GDP does not capture is the parallel cycle of human care — the silent labor of homemakers, caregivers, elders, teachers, healers, and the vast domain of pro bono service that sustains the very fabric of society. It is the invisible pulse that keeps humanity alive even when no transaction is recorded. In truth, no one on Earth is unemployed — they are only differently employed: some in visible economies of money, others in invisible economies of meaning. The time has come to erase the false divide between 'employed' and 'unemployed,' between what is counted and what is lived. That is why a second lens is needed—not to replace GDP, but to complement it: a measure that makes the invisible foundation visible, comparable, and policy-relevant.

Beneath the visible tip we call GDP lies a deeper foundation, the Gross Human Service Product (GHSP), an unacknowledged reservoir of care, empathy, and voluntary service that gives life its continuity and societies their strength and culture. Recognizing and accounting for this invisible foundation is not merely an act of justice, it is an act of truth, restoring balance between wealth that circulates and worth that endures. Creating a measure for this invisible labor is not charity but conscious contribution and succession of legacy. It is time the world's ledgers reflect the light that never asks to be seen.

The Invisible Economy: Equal Hours, Equal Work, Unequal Lives

The man in the street, the common citizen in any country, has no real idea why his labour is worth what it is. With globalisation, he is able to see that 1 US Dollar is roughly equal to 90 Indian Rupees, that 1 Euro is roughly equal to 106 INR, the unit of Indian currency, that 1 Singapore Dollar stands at its own level, that 1 Dirham and other currencies stand at their own mysterious levels. But who decided this? On what moral logic?

Exchange rates are not supposed to be moral verdicts, they are macro prices shaped by inflation, productivity, trade balances, capital flows, political risk, and central banks. Yet, whatever the technical explanation, the human consequence remains: when the world compares lives through currency conversion, dignity and effort can appear to shrink on the global scoreboard. Why should the dignity of his one hour of hard work collapse the moment it is converted into another currency?

He knows the price of bread, the fare of a bus, the rent of a small room. But he does not know why his entire month's labour, expressed in his local money, becomes so small, so weak, so powerless the moment it is compared with a stronger currency. This is the invisible economy of currency imbalance, operated by those who have been managing the financial structure since the beginning of the First Industrial Revolution. It quietly decides who will migrate, who will stay back, who will live with hope, and who will live with resignation.

Around 2008, drivers, workers and service staff across many countries were earning roughly 4,000–5,000 units in their local currency. On paper, they were all "earning the same" in their own nations. But the moment you convert, 4,000 in one country might become 20, 30 or 40 times more than 4,000 in another. The same work—long hours on the road, heat, dust, fatigue—gives very different global purchasing power depending on which side of a border you are born. This is why millions of workers migrated from India, Bangladesh, Pakistan, Nepal to the Gulf, Singapore, Europe and North America—not because they suddenly loved those countries, but because currency imbalance pushed them. The big hit, the great disturbance, the uprooting of families, the separation of parents from children for

years, is not just "search for opportunity". It is the direct result of an invisible equation: the same human being, doing the same work, gets dramatically different power in life depending on the currency in which he is paid.

Let us put it in simple, symbolic terms. If we treat one hour of work in the US or Europe or Singapore as one unit of global economic power, then in many developing countries the same kind of work—driving, security, cleaning, caregiving, hospitality—may fetch only a tiny fraction of that power. In India, a person may have to work the equivalent of 90 units of time to match the monetary strength that 1 unit of time brings to a US resident. Compared with a European resident, the ratio may be 106:1. Compared with a Singapore resident, perhaps 70:1. These numbers are symbolic, but the reality they represent is harsh: a person in India has to work far more hours to compete with a US or European resident in terms of economic power—not because he is less capable, but because his currency is weaker. So the invisible result is this: the hour of an Indian worker, the hour of an African worker, the hour of an Asian worker is made to look smaller than the hour of a worker in a strong-currency nation. The clock on the wall shows 60 minutes for everyone, but the economic clock of the world is biased. For some, every tick creates assets. For others, every tick barely pays for survival.

No one explained to the taxi driver, the nurse, the sanitation worker, the construction labourer why their hour is of more or of less worth in the eyes of global finance. They are not weaker in effort. They are not lesser in honesty. Often, they are more hardworking, more empathetic, and carry heavier burdens. Yet, the system tells them: your labour, in rupees or local currency, is a small number; when we convert it to dollars, euros or Singapore dollars, it becomes smaller still; therefore, your dream of a good house, good education, decent healthcare remains farther away. This is why people leave home. This is why families are separated. This is why entire generations become exported labour. Not because they lack love for their homeland, but because the currency equation silently punishes them.

The PICS Economy enters precisely at this point. PICS – Pro Bono Social Impact Credits – is conceived as a global barometer of social contribution, independent of local currency imbalances. In the PICS framework, one hour of genuine, verified social impact in India has the same PICS value as one hour of genuine, verified social impact in the USA, Europe, Singapore or anywhere else. PICS does not ask, "*What is your passport?*", "*What is your currency?*", "*What is your GDP per capita?*" PICS asks: "*What have you contributed to society? How many lives have you touched, helped, healed or uplifted? What service have you given—teaching, caregiving, mediation, community building, environmental work, cultural preservation?*" It then records this as credits on a uniform global scale.

To see how PICS breaks the currency barrier, imagine two people: a community teacher in a small Indian town and a community teacher in a European city. Both teach underprivileged children after hours. Both give 10 hours a week of sincere, consistent effort. In the current system, the European teacher's hour, tied to a strong currency, may be valued far more, while the Indian teacher's hour, tied to a weaker currency, disappears into local struggle. In the PICS system, both receive say 3,000 PICS credits for their 10 hours of service @300 per hour. The unit of measurement is the same for both, irrespective of rupee, euro or dollar. Their global social impact profiles show equal dedication, equal human value. Now consider a nurse, a mediator, a sports coach, a caregiver to the elderly in any part of the world getting the same PICS credits and the feeling of being a part of global family in the sense.

Under PICS ecosystem, their social contribution is measured on one global scale. Their PICS credits can be recognised by governments, NGOs, global institutions, CSR programmes and impact donors across borders. Their credits can be linked to financial support, benefits, opportunities and recognition, without being crushed by the exchange rate. The PICS Economy provides a uniform economic language across the globe—not for speculation and trading, but for measuring and rewarding social contribution.

In the traditional money system, power flows from currency strength. A strong currency makes even ordinary effort look powerful. A weak currency makes even heroic effort look small. In the PICS Economy, power flows from contribution strength. A person's standing rises not because their national currency is strong, but because their social impact is deep and consistent. A village mediator in Rajasthan, a nurse in Manila, a volunteer in Nairobi, a youth mentor in São Paulo—all can stand on the same global platform of value. This does not mean PICS replaces money. Money will continue to be the medium of daily transactions. But PICS adds a second layer of value—Social Impact Value; creates a parallel, uniform, global barometer of what people actually do for society; and offers a way to soften the injustice of currency imbalance by opening new channels of recognition, rewards and opportunities linked to PICS.

True equality is not that every currency has the same exchange rate. True equality is that every human hour of sincere service has the same dignity; every act of genuine social contribution has the same visibility; every person, whether in a rich or poor country, can say: "*My work for society is counted on a global scale.*" The Invisible Economy today hides unpaid care work, unpaid community work, unpaid mediation and emotional labour, unpaid cultural, environmental and heritage work. The PICS Economy brings this Invisible Economy into light and offers a uniform global measure to honour it. So that one day, a driver in India, a nurse in Europe, a teacher in Africa, a volunteer in Singapore may all be able to stand up and say: "*Whatever our currencies, whatever our passports, the value of our social contribution is*

measured on the same barometer. We are equal, at least, in the eyes of the PICS Economy."

Over time, such a global barometer can reshape aspirations and policies. If universities, foundations, employers and even multilateral institutions begin to consider PICS profiles alongside conventional CVs, a young person in a weaker-currency nation can build a globally visible reputation through service, not just through migration. Governments can design schemes where international cooperation, climate action, public health and peacebuilding are partly rewarded through PICS, enabling people in the Global South to participate as equal partners in addressing global challenges. In this sense, the PICS Economy does not merely comfort those hurt by currency imbalance, it offers a new architecture in which contribution, not conversion rates, becomes the core measure of human worth.

Giving the Invisible Economy Its Due in Absence of Divisiveness

Every service rendered by a human being—physical, emotional, intellectual, or spiritual—holds intrinsic value. Service combined with design, raw material, and process creates a product. Every service and every product that holds value is, in truth, an asset. By its nature, any asset is exchangeable: either through simple barter for another asset, or through conversion into fiat currency. Yet a vast amount of pro bono service is neither converted into fiat nor even properly accounted for by its recipients. Because these acts are not compensated in traditional currency, they are too often treated as if they were economically negligible, despite their immeasurable emotional, intellectual, and social impact. Ironically, those who give the most for society's well-being frequently struggle to support their own.

Without a system to recognise, record, and reward such contributions, we overlook one of the most powerful drivers of human and economic progress and we overlook it without malice, but the effect is the same: invisibility produces unfairness. The solution must correct the ledger without creating new camps, labels, or enemies. Nonprofits, social organisations, faith-based institutions, and even statutory welfare schemes depend on grants, donations, and sporadic generosity. They frequently operate under financial strain, and often come with conditions, ideological baggage, or bureaucratic hurdles. In this structure, the invisible economy is doubly discounted: first, because the individuals who serve are not adequately recognised, and second, because the institutions that channel such service are perpetually under-funded and precarious.

Yet these acts of care, knowledge, healing, and support are not marginal, they are foundational. They may not appear in balance sheets or national accounts, but they form the bedrock of our global society—the unseen architecture beneath skyscrapers, the hidden reservoir beneath our economies: silent, essential, invaluable, and irreplaceable. When a mother holds a family together through crisis, when a volunteer educates children in an under-resourced community, when a mediator resolves a conflict that could have escalated into violence or litigation, when an elder gives wisdom that prevents a young person from self-destruction, they are all expanding the real wealth of the world.

The PICS Economy begins by naming this reality: that the so-called 'invisible' economy is not a side story, it is the main story that the money economy sits upon. By treating each documented act of pro bono service as an asset that can be recorded in a second ledger as Pro Bono Social Impact Credits, we start to give this invisible economy its due. We do not commodify compassion, but we refuse to let it vanish. We make it legible to policy-makers, courts, corporations, and communities, so that those who have sustained civilisation in silence are finally seen in the books, not just in the footnotes of gratitude.

While the old classifications between white-collar and blue-collar, rich and poor, employer and employee, capitalist and worker, bourgeoisie and proletariat, haves and have-nots were necessary and important for the third-dimension industrial revolution, they now show their limits. Karl Marx and others helped humanity see how ownership of capital and control over production structures shaped exploitation, inequality, and conflict. For an age dominated by factories, assembly lines, and wage labour, these categories were powerful tools to understand and challenge material injustice. But they remain external labels tied to structure, not to consciousness. They still matter in law and policy. The point is not to erase them, but to add a second lens—one that measures intent, integrity, and social impact alongside structure.

As human consciousness begins to move from the third to the fourth and fifth dimensions, these external economic labels lose much of their value and sheen. In a world where technology, information, and networks blur the old boundaries of class and workplace, merely asking "*Who owns the factory?*" or "*Who gets the profit?*" is no longer enough. The deeper question becomes: "*What kind of consciousness is operating through this person, this institution, this system?*" Two people can be in the same profession or income bracket, and yet stand on completely opposite sides of the moral and spiritual spectrum. One can exploit, another can uplift, from within the same role.

At this subtler level, the true classification surfaces: *Daiv* and *Asur*. A *Daivic* consciousness acts with integrity, responsibility, and care for the whole, whether one is a judge, teacher, industrialist, domestic worker, entrepreneur, or public servant. An *Asuric* consciousness operates through greed, manipulation, violence, deception, and abuse of power—even if wrapped in legal structures and social respectability. In the fourth and fifth dimensions, the real divide is not between rich and poor, employer and employee, or blue-collar and white-collar, but between those who create value with truth, compassion, and justice, and those who extract value by exploiting people, systems, and the planet.

Seen from this higher lens, the old divisiveness of East and West, North and South, White, Black, Brown, Yellow; Christian, Muslim, Hindu, Buddhist, Sikh,

Jain, Jew and others also begins to lose its apparent solidity laying down foundation for Spiritual Revolution 5.0. These identities may shape culture and practice, but they do not determine consciousness. In the fourth, fifth, sixth and higher dimensions, such labels gradually lose their power to divide. What matters is whether a person, wherever they are born and whatever they believe, is living in *Daivic* consciousness or *Asuric* consciousness. The invisible economy is, in fact, largely sustained by *Daivic* consciousness—those who give without calculation, who hold families, communities, and institutions together without demanding applause or visibility.

PICS is designed precisely to recognise and record those who are already operating from the fourth dimension and above—even though they may still work and serve within second- and third-dimension structures. They may be salaried employees, homemakers, judges, labourers, nurses, teachers, mediators, volunteers, artists, elders or entrepreneurs; what PICS honours is the purity of intent, integrity of action, and the social impact of their service, beyond all boundaries of class, colour, geography, and religion. In doing so, PICS not only gives the invisible economy its due, but also gently dissolves the old divisive categories, inviting humanity to measure worth not by money, power, or identity, but by consciousness and contribution.

THE ISSUES AND THE CONCERNS

Human growth towards a conflict-free society rest on the premise that everyone contributes—through physical effort, intellectual pursuit, or emotional service—and must receive due return, whether in monetary form or rightful recognition. In the absence of either, inequality, inequity, and injustice take root. The unrewarded individual feels used, accumulating inner negativity and emotional toxins that erode the foundation of happiness, while the recipient begins to believe it is their right to receive such service, even by force. This imbalance stalls personal growth, fragments the sense of self, and ultimately weakens both individual integrity and national productivity, directly impacting GDP.

Lack of Centralized Database: One of the most critical challenges is the absence of structured, measurable, and universally recognized criteria for recording pro bono service. Fully committed professionals operating in the third dimension of material pursuit are deeply engrossed in the rat race and may neither be ready nor willing to take up pro bono work. Some balance financial and social responsibilities, occasionally undertaking such activities and showcasing them on social media for visibility and acclaim. However, the vast majority who perform pro bono work—homemakers, parents, students, elders, social activists, and countless others—do so as a way of life. They are simple, humble individuals who serve out of empathy, emotion, and a sense of social duty rather than for recognition.

Absence of a Coherent System: In the absence of a coherent mechanism that acknowledges, certifies, and rewards these contributions, immense human potential remains unrecognized and underutilized. Governments occasionally extend recognition through awards, but such honours are selective, subjective, and often lack transparency or reliance on objective data. A structured, data-driven framework is therefore essential to bring visibility, credibility, and measurable value to the true spirit of pro bono service.

Inefficient Allocation and Recognition: A further challenge lies in the absence of standardized mechanisms to align pro bono efforts with areas of greatest need. There is no universally accepted process to track, verify, or accredit voluntary service. As a result, professionals often find it difficult to connect with meaningful opportunities, while organizations in need of expertise remain underserved. This inefficiency not only

diminishes the social impact of pro bono work but also prevents it from evolving into a powerful, organized force for systemic transformation.

Fragile Sustainability: The sustainability of pro bono initiatives today depends largely on unstable external funding, donations, grants, or sporadic sponsorships, that fluctuate with economic cycles. Such volatility leaves nonprofits and social service organizations vulnerable to disruption. When financial support wanes, so too does their capacity to sustain programs and retain volunteer engagement, creating recurring interruptions that stall long-term progress and collective impact.

The Solution: Pro Bono Social Impact Credits (PICS)

Pro-bono Social Impact Credits (PICS) provide a structured circular recognition system for this invisible economy. Verified contributions can be credited with non-monetary recognition credits, which can be reported, acknowledged, and showcased to strengthen collaboration, capacity-building, and continued participation. In this way, every act of service gains visibility and sustains further impact, reinforcing the ecosystem and benefiting all volunteers' participants. Together, these elements form a scalable and equitable framework to elevate social good into a recognised and celebrated force for progress.

Acknowledging and rewarding pro bono service is not mere generosity, it is a powerful instrument of healing, balance, and restoration. PICS (Pro Bono Social Impact Credits) transforms this moral imperative into a measurable, sustainable, and scalable system. It enables individuals across the world to reclaim their integrity, find meaning in their contributions, and collectively ascend toward a higher dimension of human consciousness, where service, empathy, and recognition form the true currency of evolution.

Pro bono service today spans across vital sectors, mediation, child and elders support, healthcare, education, architecture, sports, environment, governance, and community welfare. Every year, millions of hours of unpaid professional service strengthen the moral and social fabric of humanity. Yet, without structured acknowledgment or value recognition, much of this vast contribution remains invisible. PICS seeks to bridge this gap, bringing structure, transparency, and dignity to selfless service.

Addressing Lack of Organized Incentives: Creating a Global Reward Framework: PICS introduces an organized incentive framework for pro bono contributions through a digital credit system powered by blockchain technology and AI. Each act of verified social impact, whether mediation, child and elders support, playing sports, medical consultation, teaching, design, or mentorship, is measured, validated, and rewarded with Pro Bono Social Impact Credits PICS). These credits

function as ethical capital, a new form of value that acknowledges human effort beyond money. Individuals can accumulate PICS for their verified contributions, build professional credibility through transparent records, and redeem or exchange them for products and services within the PICS ecosystem. This ensures that those who give their time and talent to serve others receive enduring recognition and tangible benefit, making volunteerism sustainable without commodifying compassion.

Solving Inefficient Allocation and Recognition: A Transparent Matching and Validation Network: Through its AI-integrated PICS Platform, skilled professionals can seamlessly connect with verified organizations (Pro bono Service Providers – PSP) and causes requiring their expertise and contribution. Each engagement is digitally recorded, authenticated, and timestamped on a tamper-proof ledger, ensuring transparency and global accountability. This structured digital ecosystem not only standardizes recognition but also facilitates intelligent matchmaking between skill and need, linking mediators to mediation service providers, doctors to rural health camps, teachers to underserved schools, designers to community projects, young with elders and vice versa etc. The result is a measurable, trackable, and globally interoperable system of social impact, where every act of goodness counts, and every PICS Volunteers is seen.

Ensuring Sustainability: Building an Independent and Self-Regenerating Economy of Good: Unlike traditional models that rely on donations or grants, PICS establishes a self-sustaining circular economy of pro bono value. The ecosystem operates through an internal market where credits earned by individuals can be used, transferred, donated or passed on in succession, within PICS Ecosystem. This design minimizes dependence on fluctuating funding sources and embeds continuity into the DNA of social service. As PICS gain recognition as a parallel index of social contribution, complementing GDP with GHSP (Gross Human Services Product), they redefine sustainability, empowering both individuals and institutions to contribute consistently without fear of financial fragility.

A New Dimension of Value and Consciousness: By aligning personal integrity with collective wellbeing, PICS redefines what it means to grow as a human civilization. It transforms pro bono service from an invisible virtue into a visible, verifiable, and valuable force, fuelling not competition but compassion, not consumption but contribution. As nations step into the next dimension of consciousness, the true wealth of humanity will not be measured by how much it minted and destroyed, but by how much it is earned and provides happiness. PICS becomes the architecture of that transformation, an ethical economy for a harmonious, equitable, and awakened world.

VISION, MISSION, AND OBJECTIVES

Vision: PICS envisions a world where altruism becomes the cornerstone of the global economy, where doing good is not an exception but an expectation, and where the selfless act of service carries tangible social and measurable value. In this world, volunteerism is no longer treated as "free labor", or invisible work, but as a measurable, dignified, and respected form of professional contribution to society. Every act of empathy, every moment of unpaid or underpaid service, becomes a part of a transparent and regenerative cycle of value, an ethical economy built on goodwill, equity, and shared purpose.

PICS aims to build a sustainable, blockchain-powered ecosystem that elevates pro bono service to a professional standard, empowering mediators, doctors, teachers, architects, engineers, athletes, and innovators to serve without compromising their livelihood. By tracking and rewarding volunteer efforts through a transparent incentive system, PICS transforms pro bono work from an informal duty into an economically valued and socially integral institution. Altruistic acts, once invisible, now form part of a circular economy of compassion, where value circulates, multiplies, and sustains itself across generations.

Ultimately, PICS seeks to ensure that every person – home maker, student, professional, retired or elder who wishes to give back can do so with dignity, equitably, sustainably, and underserved communities gain access to world-class expertise, without barriers of cost, distance, or privilege.

Mission: The mission of PICS is to empower pro bono service providers and pro bono volunteers to participate in an organized, verifiable, and rewarding framework for pro bono service, thereby transforming volunteerism into a universal movement for social and spiritual elevation. PICS exists to create a decentralized, transparent, and trusted global platform that enables every act of service to be recorded, recognized, and rewarded, thus ensuring that the spirit of compassion is matched by the structure of accountability.

PICS credits are designed as utility recognition credits within the ecosystem and not as securities, investments, or legal tender, and are not marketed as profit-yielding instruments.

This mission is achieved by:

- **Recognizing and Rewarding Expertise:** Providing fair and meaningful acknowledgment to all people, professionals and retired who dedicate their time and talent toward the public good making positive social impact.
- **Ensuring Trust and Accountability:** Establishing a tamper-proof digital ledger to record, verify, and authenticate every contribution, ensuring credibility and transparency.
- **Democratizing Governance:** Enabling PICS service providers and PICS Volunteers to co-create policy, frame protocols decide PICS distribution schedules, and guide innovation within a decentralized governance model.
- **Enabling Sustainability:** Designing a self-regenerating ecosystem that is not dependent on external grants or any funding and creates perpetual social capital for future generations.
- **Integrating Technology and Humanity:** Harnessing blockchain, AI, and data analytics for efficiency and for ethical evolution, ensuring that doing good is both the right choice and the rewarding one.

Through these actions, PICS seeks to bridge the gap between goodwill and good governance, creating a living system where purpose, performance, and prosperity coexist.

Objectives: The core objectives of PICS are threefold, each addressing a fundamental pillar of human and institutional transformation:

- **Recognition:** To formalize and celebrate the vast yet invisible reservoir of pro bono contributions across all sectors, giving dignity, identity, and measurable value to every act of service.
- **Incentivization:** To introduce a universal credit model that rewards social impact with tangible benefits, making altruism not only morally fulfilling but also socially respected.
- **Sustainability**: To establish a circular economy of social value, where each contribution fuels future impact, creating a perpetual chain of empowerment, gratitude, and growth.

By aligning recognition, incentivization, and sustainability, PICS lays the foundation for a new paradigm of human progress, one that measures growth not only by accumulation of wealth but by contribution to expansion of consciousness, compassion, and collective well-being.

Pro Bono Services Covered: PICS is designed to recognize, record, and reward the silent pillars of human civilization, those who give their time, skill, and compassion in service of others without seeking monetary return. It honours not merely the act, but the intention behind it: the universal impulse to serve, nurture,

heal, teach, and uplift. Across the world, millions contribute selflessly, as mothers nurturing the child (mother is the first *guru*); doctors offering free consultations, mediators providing free mediation services and mediation training; teachers mentoring students; engineers building for communities; artists (writer, painters, musicians, theatre artists etc.) inspiring social change, or caregivers tending to the elderly, elderly sharing their wisdom with youngsters; students playing sports to bring accolades to nation etc. These acts, though invisible in conventional economic metrics, form the living bloodstream of human progress as it arise from pure emotions to give and support others which will provide them respect, dignity and confidence as human.

PICS integrates these contributions into a measurable, transparent, and rewardable system, converting intangible virtue into tangible value, without corrupting its purity. It ensures that the giver's goodwill becomes a recognized form of wealth, ethical capital, rooted in humanity, not hierarchy.

Scope of Covered Services

The following categories are illustrative, not exhaustive, representing the broad spectrum of services eligible under the PICS framework:

- Arts and Culture: Creative works that promote social harmony, heritage preservation, or cultural education.
- Education and Mentorship: Teaching, tutoring, skill development, capacity building, academic counselling, and research mentoring.
- Environment and Sustainability: Clean-up drives and sustainable development initiatives.
- Healthcare and Wellness: Medical camps, counselling, therapy, telemedicine, holistic healing, and emergency aid.
- Mediation Services: Mediation, mediation advocacy, and mediation training programs.
- Social and Community Services: Disaster relief, elder care, disability support and women empowerment.
- Spiritual and Emotional Care: *Yoga, pranaayaam, satsang, pravaas*, counselling, meditation, interfaith dialogue, or initiatives that nurture inner peace and collective consciousness.
- Sports and Youth Development: Coaching, mentoring, physical training, talent scouting, and community sports initiatives.
- Technology and Innovation: Development of open-source solutions, digital literacy programs, or community tech support.

What unites these diverse acts is not the profession but the principle, the willingness to give without expectation of financial return. PICS transforms this

principle into practice, recording each act through verifiable digital systems so that every contribution counts. Through this inclusivity, all dimensions of service, intellectual, physical, emotional, or organizational, find rightful recognition in the formal structure of the social economy. The once-invisible labor of love and compassion now becomes part of a regenerative cycle of value creation, reinforcing what PICS calls 'the circular economy of goodness.'

Earning, Circulation, and Redemption of PICS

Who Earns PICS: PICS can be earned only by PICS Volunteer through registered PICS Service Provider (PSPs) engaging in verified acts of pro bono service across recognized domains. This includes:

- Professionals – mediators, doctors, teachers, engineers, architects, financial advisors, psychologists, and others offering expertise for social good.
- Community Volunteers – mentors, social workers, caregivers, trainers, and rural facilitators.
- Students and Youth – participating in students sports, cleaning and environmental drives, literacy missions, or social campaigns.
- Homemakers and Caregivers – those providing physical, emotional, intellectual help to children and mange house that sustains families and communities.
- Promoters or Organisers of not for profit societies, trusts and companies dedicating resources or staff time toward pro bono activities having social impact as PICS volunteers.

The scope is intentionally inclusive, reflecting the PICS belief that every form of sincere service, however modest, adds to the collective wealth of humanity. By recording, verifying, and rewarding these contributions, PICS restores dignity to the giver and integrity to the act itself.

How PICS Circulate: Once verified, the corresponding number of PICS credits are issued to the PICS Volunteers' digital wallet, anchored on a blockchain ledger to guarantee authenticity, security, and transparency. These credits then circulate within the ecosystem, mirroring the flow of energy in a living organism: always moving, never lost. Modes of circulation include:

- **Retention:** Individuals may hold their PICS as proof of contribution, building a verified legacy of impact that can enhance professional standing or social reputation. Like advocates for being designated as senior advocate or elevated as judge; candidate seeking ticket from political party to contest election, recipients of national awards etc.
- **Redemption:** PICS may be redeemed for goods, products, services, or benefits within PICS Eco System, such as sports equipments, mediations,

education, healthcare, training, or access to social programs, ensuring tangible returns for intangible good.

- **Exchange:** PICS volunteers may wish to move the PICS earned out of the PICS ecosystem and burn them through Maya exchange. Once the PICS volunteer moves PICS out of the PICS ledger, they get burnt and the PSV may receive the exchange digital asset or fiat currency as per prevailing rate of exchange. The burnt PICS will be kept in PICS Burnt ledger.
- **Nomination and Succession:** Every PICS volunteer will have to nominate a nominee at the time of registration as PSV. On the death of the PSV, the balance PICS in his wallet will get transferred to the nominee, this eliminates any form of succession litigation.

Through these mechanisms, the energy of goodness never dissipates, it multiplies. The value created through selfless service is not lost in anonymity but continues to circulate, nourish, and regenerate individuals, institutions, and society at large.

A Regenerative Cycle of Social Energy: PICS thus transforms compassion into a measurable force of progress. Every contribution recorded becomes part of an ever-expanding web of reciprocity, linking giver and receiver, action and outcome, individual and humanity. In this model, value no longer flows upward to accumulate in few hands but moves downwards, enriching the many. The economy of the future, rooted in PICS, is not based on extraction or exploitation but on regeneration; not on debt, but on gratitude; not on consumption, but on contribution. This is the pro bono economy of the new age, an economy of consciousness, where doing good is both the foundation and the future of human civilization.

PICS Redemption Categories: Redemption is the process through which PICS Volunteers derive tangible value from their earned PICS credits. It completes the cycle of service by allowing those who give selflessly also receive, without compromising the spirit of altruism. The redemption categories are intentionally designed to maintain a balance between personal benefit and collective good, ensuring that every redemption act also reinforces the larger ecosystem of social impact. Through these channels, the energy of service returns to sustain the giver, creating a virtuous circle where compassion, once released, finds its way back in renewed form.

- **Essential Goods and Services:** PICS Volunteers may redeem their credits for everyday necessities, such as food, healthcare products, educational materials, utilities, or transport credits, through PICS partner organizations and social enterprises. This ensures that those who sustain others are themselves sustained, giving practical expression to the principle of reciprocity.

- **Skill Development and Education:** PICS credits apart from being measure of social impact, can be used to access training programs, professional certifications, workshops, or online learning modules. By empowering PICS Volunteers to upskill and evolve, PICS transforms service into self-growth, each act of giving becomes an investment in future capacity to serve.
- **Healthcare and Wellness:** Credits may be redeemed for preventive health check-ups, medicines, therapy, wellness retreats, or holistic care. Many who serve others often neglect their own health; PICS closes that loop by ensuring that caregivers too are cared for, physically, mentally, and emotionally.
- **Financial Utilities:** PICS Volunteers can apply their credits toward micro-insurance, micro-savings, or professional advisory services. These safety nets protect the well-being of those who serve without pay, converting goodwill into genuine security and resilience.
- **Community Access and Events:** PICS can be redeemed for participation in conferences, sports events, cultural gatherings, or civic programs. Such redemptions deepen social connectedness, recognizing that community belonging and shared celebration are themselves vital forms of nourishment for the human spirit.
- **Marketplace Exchange:** Over time, the PICS ecosystem may host a secondary marketplace where credits can be traded, gifted, pooled, or endowed for collective projects, such as building schools, funding health camps, or supporting innovation hubs. This ensures both liquidity and legacy, allowing PICS to move fluidly through individuals and NGOs.

By structuring redemption in this way, PICS transforms generosity into continuity. Service generates credits, credits create access, and access empowers the PICS Volunteers to serve again. Value does not end at the point of giving, it circulates, multiplies, and regenerates, strengthening both individual well-being and societal harmony. This is the alchemy of PICS, turning compassion into currency, and currency back into compassion.

Circular Economy Flow: The foundation of PICS lies in its ability to convert pro bono service into a self-sustaining cycle of value creation. Unlike linear economic models, where effort dissipates after consumption, PICS operates on a circular economy principle, where every contribution is recorded, rewarded, circulated, and reinvested to create enduring impact.

- **The Act of Service:** The cycle begins with the act of giving, a mediator resolving dispute or conflict, a doctor offering free consultations, a lawyer

providing legal aid, a teacher mentoring underprivileged students, or a caregiver supporting the elderly, home makers managing home and upbringing the new generations with positive attitude etc. Each such act holds intrinsic deep emotional value, though it remains invisible in the traditional GDP-based economy. In the PICS system, these acts are digitally recorded and verified through transparent mechanisms of validations by PICS Service Providers.

- **Conversion into PICS Credits**: Once verified, the PICS Volunteers earns PICS credits, a measurable proof of their social impact. These credits enter the PICS Volunteer's digital wallet, forming part of their verified social-economic footprint. What was once intangible compassion is now recognized as quantifiable ethical capital.
- **Circulation and Exchange:** Credits then circulate within the PICS ecosystem. PICS Volunteers may:
    - Retain them as an enduring record of service and credibility,
    - Redeem them for sports equipment, goods, education, healthcare or dispute resolution, or
    - Move them out of the PICS ecosystem, burn them, and exchange them on digital exchanges.

In every case, the act of circulation ensures that goodness remains in motion, creating ripples of empowerment and belonging.

Redemption and Reinvestment: Redemption is not the conclusion but the continuation of the cycle. When credits are redeemed, say, for healthcare, education, or goods, the value flows into PICS partner institutions, service providers, and social enterprises. These entities, in turn, remain actively engaged in the ecosystem, using the proceeds to sustain new waves of pro bono activity. Thus, service feeds redemption, and redemption renews service.

The Regenerative Loop: This closed-loop model ensures that social good is never a one-time act but an ongoing regenerative process. Every contribution strengthens the structure, every redemption sustains participation, and every exchange amplifies reach. The more people give, the more value is created; the more value circulates, the more people are empowered to give again. Through PICS, the age-old spiritual truth becomes a socio - economic principle: *'What you give returns to you, not as possession, but as purpose.'*

Digital Infrastructure: The success of PICS rests not only on the ethics of circular economy but equally on the architecture of trust that supports it. To achieve global scalability, transparency, and inclusivity, PICS integrates blockchain

technology, smart contracts, digital wallets, and decentralized governance into a seamless, interoperable digital framework. This infrastructure ensures that compassion, often intangible in the moral realm, acquires verifiable, secure, and traceable digital existence, transforming service into a recognized, measurable, and transferable form of value.

- **Blockchain Ledger, Trust and Transparency**: At the heart of PICS lies open blockchain-based ledger that records every contribution, validation, issuance, and redemption. This immutable record serves as the ethical spine of the system, ensuring that every act of service is permanently preserved as a digital testament of impact.
- **Immutability**: Once a contribution is recorded, it becomes an unalterable entry in the human ledger, preserving integrity and ensuring that recognition endures beyond time and transaction.
- **Transparency: All stakeholders**, PICS Volunteers, PICS Service Providers, institutions, and donors, can trace the movement of credits, reinforcing accountability, credibility, and social trust.
- **Security:** Advanced cryptographic safeguards prevent fraud, duplication, or manipulation, ensuring that each PICS credit represents authentic and verified impact.

Through this structure, the invisible work of good becomes a visible, indelible record in the shared digital consciousness of humanity.

Smart Contracts, Automation and Efficiency: Smart contracts are the self-executing ethical codes of the PICS ecosystem. They automate and enforce the foundational principles of fairness, reciprocity, and transparency without human bias or delay.

- **Matching Service with Need:** Smart algorithms connect PICS Volunteers with verified requirements, linking, for example, a doctor to a free health camp, or a teacher to a rural education mission, mediators with mediator service provider.
- **Automatic Credit Issuance:** Once verified service is rendered, smart contracts trigger the release of corresponding PICS credits directly into the PICS Volunteer wallet.
- **Rule Enforcement:** They ensure adherence to ecosystem protocols, recording every action without intermediaries or bureaucratic layers.

By embedding governance into logic, PICS minimizes administrative overhead, eliminates friction, and transforms ethics into code, and intention into execution.

Digital Wallets, Access, Ownership and Legacy: Every participant in the PICS ecosystem - Pro Bono Service Provider or Volunteer is endowed with their own personalized ledger account or PICS Digital Wallet, secured by blockchain and linked to a designated nominee. The wallet serves not merely as a repository of credits but as a digital testament of service, integrity, and contribution.

- Volunteers receive PICS credits as measurable proof of their social impact, an authenticated record of time, talent, and effort contributed toward humanity.
- Beneficiaries access goods, services, and opportunities through the circulation of these credits, experiencing tangible outcomes of the goodwill ecosystem.
- Institutions and Partners redeem or reinvest credits, maintaining liquidity and reinforcing the perpetual flow of social value within the PICS economy.

Nominee Provision: In the event of a PICS Volunteer's passing, the PICS credits held in the wallet are automatically transferred to the registered nominee wallet, preserving continuity of value and honouring the PICS Volunteer's legacy of service. Thus, the PICS wallet becomes the personal interface to the ethical economy, a secure instrument of empowerment that ensures value flows directly to individuals, not intermediaries, and in succession to their chosen nominee.

It anchors true ownership, ensuring that every PICS Volunteers holds the key to their verified social capital and enduring moral inheritance. In this way, PICS transcends both time and transaction allowing service itself to outlive the server, and turning every act of giving into an immortal legacy of goodness.

Verification, Credibility, and Trust: Verification by the PICS Service Provider forms the moral and operational foundation of the entire ecosystem. It ensures that every credit issued is a genuine reflection of human contribution and that due recognition reaches the rightful PICS Volunteer. To maintain transparency and accountability, every PICS Service Provider must keep records and reports detailing the verified acts of service and keep annual reports outlining the measurable social impact of all pro bono activities undertaken. These reports are essential for confirming authenticity and establishing a community-driven framework of trust.

At the technological core lies the Blockchain Attestation System, an immutable ledger that permanently records every verified contribution as digital proof of impact. Once authenticated, these entries cannot be altered or erased, ensuring that each act of service remains an enduring testament to its contributor's integrity. This authentic verification structure safeguards the ecosystem against fraud, duplication, and false claims, ensuring that every PICS credit stands as a symbol of truth in service and integrity in recognition. Together, these moral and technological layers

weave an ecosystem that is secure yet human, automated yet ethical, decentralized yet deeply united by purpose, embodying the very spirit of trust that sustains the PICS circular economy.

Governance and Stakeholders: While technology provides structure, governance provides soul. The governance framework of PICS is designed to uphold transparency, accountability, and equity while ensuring that the circular economy of social impact remains vibrant and self-sustaining. Rather than adopting an extreme model, either centralized control or total decentralization, PICS embraces a hybrid governance architecture, combining structured oversight with participatory decision-making. This balance ensures compliance, credibility, and inclusivity across global operations.

The PICS Trust: At the core of governance stands the PICS Trust held by the Promoters and PICS Service Providers, the institutional backbone responsible for:

- Formulating policies protocols and ethical standards
- Overseeing issuance and circulation of credits
- Maintaining integrity of digital and financial operations
- Managing grievance redressal, data privacy, and compliance
- Reporting impact metrics to partners, regulators, and the global community.

The Trust operates as the custodian of public faith in the system, ensuring that the value of altruism remains untarnished by misuse or imbalance.

Redemption Partners: The sustainability of the circular economy also depends on Redemption Partners, and social enterprises that accept PICS credits in exchange for goods and services. They transform symbolic recognition into practical utility, ensuring continuous liquidity and circulation of social value. Each redemption transaction reaffirms the partnership between profit and purpose, commerce and compassion.

Community Participation and Decentralized Governance: Community participation is the living pulse of PICS. PICS Volunteers, professionals, volunteers, and service providers will be empowered to shape decisions. This allows stakeholders to directly influence policies regarding:

- Reward distribution and valuation frameworks
- Sectoral focus and project prioritization
- Technological upgrades and partnerships

Through continuous feedback and participatory deliberation, the ecosystem remains dynamic, responsive, and co-owned by those who sustain it.

The Hybrid Governance Model: The hybrid model ensures that top-down oversight and bottom-up participation coexist harmoniously: While the PICS Trust maintains global standards, local governance nodes, validation networks, and user communities ensure that grassroots realities inform global policy.

This equilibrium guarantees:

- Ethical consistency and compliance
- Recognition for Donors and tax incentives for partner institutions
- Integrity of redemption cycles and prevention of misuse

Transparency in reporting and accountability in structure build trust across all levels, between PICS Volunteers and beneficiaries, between institutions and citizens, between service and society.

Toward Ethical Governance of the Future: PICS governance is not merely administrative, it is evolutionary. It seeks to prove that technology, ethics, and empathy can coexist in a self-regulating system of global cooperation. By blending human judgment with algorithmic fairness, individual spirit with institutional discipline. PICS establishes a living model of governance by conscience, a template for how humanity can manage shared value in the era beyond money and also with money.

PICS: The Anti-Corruption Architecture: At the root of corruption lies the concentration of power over assets or authority to decide, creating a perceived entitlement in those who control access, to seek redemption in cash or kind from those who benefit. Whether the source of such benefit is sovereign, corporate, or personal, the underlying distortion remains the same: the conversion of authority into private gain. The PICS Ecosystem neutralizes this distortion by redesigning the very flow of value. In this ecosystem, PICS move seamlessly and irreversibly from:

- **PICS Trust → PICS Service Providers → PICS Volunteers,** including the Office Bearers of the Service Providers themselves as PICS volunteers upto 10% of the total supply to the PSP. This one-way, non-returnable chain ensures that:
    - No PICS can be transferred back from Volunteers to Service Providers or their Office Bearers.
    - No human intermediary can demand, retain, or redirect PICS for personal benefit.
    - The entire circulation of value remains transparent, purpose-bound, and traceable.

Thus, corruption which thrives on reversal, discretion, and opacity finds no space to exist. PICS converts power into service, authority into trust, and value into virtue. It is not merely non-corruptible, it is structurally incorruptible.

Corruption is not the cause of the widening class divide; it is only an effect. The real roots of corruption lie much deeper – in fear and insecurity about losing one's social status, and in an insatiable urge to hoard wealth as a shield against that fear. When people believe that dignity, respect, and security are reserved only for those who accumulate money by any means, corruption becomes a rational, even if destructive, response to a distorted system.

PICS changes this foundation. It does not merely punish or discourage corruption; it makes corruption unnecessary. By recognising and recording pro bono and socially impactful services, PICS creates a parallel flow of abundance that is not dependent on exploitation, manipulation, or illicit gain. Social respect, economic security, and future potential no longer rest solely on captured wealth, but on documented contribution. In such an ecosystem, the psychological drivers of corruption – fear, insecurity, and scarcity – gradually dissolve. When honest service itself becomes a source of assured, recognised, and tradable value, corruption is not just condemned, it is quietly starved out of existence.

Legal and Regulatory Considerations: The strength of PICS lies not only in its vision but in its foundation of legality, transparency, and regulatory integrity. Built as a blockchain-powered platform for the circular economy of social impact, PICS operates within a framework of trust, compliance, and accountability, ensuring that altruism is never misused and recognition is never misplaced.

- **Legal Compliance and Alignment:** PICS is designed in accordance with international standards of digital governance, financial regulation, and social accountability. Every participant, PICS Volunteers, verification partner, or redemption partner, must undergo Know Your Customer (KYC) verification. This establishes authenticity, prevents fraud or impersonation, and ensures a secure and trusted ecosystem for earning, redeeming, and circulating credits. The PICS Credit functions strictly as a utility credit, providing access to services within the ecosystem such as recognition, redemption, training, and governance participation. It is not a security, currency, or investment instrument, thus remaining compliant with international legal and regulatory frameworks. This clarity enables PICS Volunteers and partners to engage freely and lawfully across jurisdictions.
- **Governing Law and Dispute Resolution:** All rules, regulations, protocols, and agreements pertaining to PICS shall be governed by and construed in accordance with the common law principles and laws of India. Any conflict, difference, or dispute arising out of or in connection with the interpretation, implementation, or performance of PICS-related provisions shall be first referred to mediation under the aegis of *Nivaaran* – Supreme

Court Mediators. If the dispute is not resolved through mediation within thirty (30) days from the date of referral (or within such extended period as may be mutually agreed between parties), the same shall be reffered to arbitration under the rules and regulation of India Center for Fast Arbitration (ICFA) New Delhi, India.

- **Audit, Accountability, and Legal Oversight**: Smart contracts and blockchain operations within PICS undergo regular independent audits by certified cybersecurity and legal compliance firms. These audits ensure:
    - Integrity of automated credit issuance and redemption cycles;
    - Accuracy of verification and validation mechanisms;
    - Data protection and privacy adherence to standardised protocols.

Additionally, legal oversight guarantees that partner institutions accepting PICS credits for goods or services can rightfully claim CSR or tax benefits under applicable laws. This harmonizes social impact with fiscal responsibility, ensuring that every act of giving aligns with both moral and legal standards. In doing so, PICS builds a safe, transparent, and universally compliant platform where PICS Volunteers, institutions, and beneficiaries participate with full confidence, and where trust is reinforced by law, not merely intention.

Implementation Roadmap, Adoption Strategy, and Expansion: PICS follows a phased implementation strategy to ensure seamless adoption, tested scalability, and sustained global growth. Each stage is designed to validate functionality, strengthen networks, and expand inclusively across regions and sectors.

- **Phase I – Pilot Launch**: The initial phase targets students playing sports, mediation, teachers elders support, blood donors etc. through PICS Service Providers. This stage focuses on testing platform functionality, refining verification mechanisms, and demonstrating measurable value creation. Real-world pilots serve as proof of concept, showing that altruism can indeed be structured, recorded, and rewarded.
- **Phase II – Network Onboarding:** The second phase establishes the PICS Network App and begins large-scale onboarding of PICS Volunteers, PICS Service Providers and redemption partners. Training modules and digital handbooks guide participants through KYC, wallet setup, and verification procedures, ensuring that every actor is informed, empowered, and ethically aligned with the system.
- **Phase III – Scaling and Integration:** With an operational network in place, PICS expands through strategic partnerships, connecting with more NGOs, legal aid authorities, mediation service providers, educational

bodies, medical boards, and other service providers. The goal is to broaden the redemption spectrum, enabling PICS Volunteers to access goods and services across multiple sectors while allowing partners to report verified CSR outcomes. This phase effectively converts goodwill into an organized social capital market, demonstrating how giving can be economically measurable and socially regenerative.

- **Phase IV – Global Expansion:** The final phase focuses on cross-border replication of the PICS model, with emphasis on the Commonwealth nations, Global South economies, and diaspora networks. This expansion adapts the PICS framework to diverse social and regulatory environments while maintaining global interoperability and local compliance. Through this stage, PICS becomes a transnational standard for social contribution, integrating the moral economies of the world into one shared ethical ledger.

Adoption and Outreach: The adoption strategy centers on building alliances with professional communities, nonprofits, universities, and socially responsible enterprises. Outreach programs demonstrate how PICS not only rewards pro bono work but also quantifies impact, bridging personal service with national and global development goals. Integration with Corporate Social Responsibility (CSR) programs forms another key pillar of growth. Corporates can encourage employees to be volunteer, track their contributions, and redeem or donate earned credits to PSP. This creates a new dimension of CSR accountability, where giving is both individually fulfilling and institutionally measurable. Through this multi-phase journey, PICS evolves from a pilot idea to a global movement, linking ethics with economics, compassion with compliance, and human value with digital validation.

Why It Matters and Call to Action: PICS matters because it redefines the very concept of value and recognition in human society. It transforms pro bono work, once unseen and unmeasured, into a structured, transparent, and sustainable force for good. By ensuring that the time, skills, and compassion of volunteers are recorded, verified, and rewarded, PICS makes social service both economically viable and professionally dignified. The system not only supports those who serve but also empowers underserved communities, creating a virtuous cycle of empowerment and empathy.

PICS enhances transparency, strengthens accountability, and integrates CSR incentives, creating a self-sustaining social economy where contribution becomes currency and kindness becomes capital. It allows every individual to participate in rebuilding a society where purpose aligns with prosperity, and where success is measured not merely in profit but in people uplifted.

Call to Action

- **Join as a PICS Service Provider:** All NGOs to register as PSPs, enrol PICS volunteers, and ensure issuance of PICS as per the prescribed protocols and schedule.
- **Become PICS Volunteer:** Ensure fairness and transparency by validating genuine contributions. Offer verified pro bono services and earn PICS credit through registered PICS service providers.
- **PICS Associate:** PICS associates provide goods or services redeemable for PICS credits, reinforcing the circular economy of impact.
- **Champion the Movement**: Share the PICS vision with colleagues, communities, and policymakers to expand its reach and global resonance.

Through collective participation, individuals, organizations, and nations can co-create an economy where social impact is recognized, rewarded, and scalable. PICS offers a path to a future where giving is not just noble, but necessary, measurable, and sustainable. PICS represents a paradigm shift in human economics, transforming volunteerism from an invisible virtue into a visible, verifiable, and valuable force for global good. It bridges the ancient spirit of *seva* (selfless service) with the modern precision of blockchain and smart contracts, building a circular economy of compassion and credibility. By recording every act of goodness, validating its authenticity, and returning value to the giver, PICS closes the moral and economic loop that has long divided service from survival.

It lays the foundation for a world where doing good is not taken promoted and glorified sacrifice but a sustainable act of creation, where integrity and empathy coexist with innovation and accountability. As humanity stands at the threshold of a new economic and spiritual epoch, PICS offers the blueprint for the next evolution of value, from money to meaning, from transaction to transformation, from profit to purpose. PICS is not merely a system, it is a movement toward an enlightened social economy of consciousness.

PICS Risk Governance and Measurement Framework: The Pro Bono Social Impact Credits (PICS) ecosystem is founded on ethics, transparency, verification, and inclusiveness. While PICS represents a moral economy rooted in service, trust, and human contribution, it must equally uphold safeguards against dilution, misuse, or inequity. This Risk Governance and Measurement Framework provides systemic checks to preserve the purity, integrity, and sustainability of the PICS economy and identifies potential downsides along with preventive and corrective mechanisms.

Potential Downsides or Risks of the PICS Economy

1. **Quantification of Goodness:** Turning altruism and social contribution into quantifiable 'credits' may risk commodifying compassion, thereby reducing moral motivation to numerical reward. Over time, people may 'perform goodness' for recognition rather than genuine intent. Mitigation involves measuring the ratio of self-declared to verified pro bono acts, using narrative validation through qualitative reports and community testimonials, and including an 'Intent Index' reflecting evaluators' perception of authenticity based on conduct over time.
2. **Verification and Fraud Risk:** Fake volunteering records, exaggerated claims, or manipulation of blockchain attestations could erode trust and create a black market in PICS credits. This is countered by multi-layer verification (from PICS Service Provider, Trust and Blockchain Attestation), random audits, cross-verification algorithms, and maintenance of a Trust Integrity Score (TIS) for every Service Provider and volunteer.
3. **Inequality in Access to Earning Opportunities:** Urban, educated, or digitally connected individuals might earn PICS earlier, while rural or less-connected persons may lag, creating a digital divide in the pro bono economy. Mitigation involves introducing an Equity Index measuring PICS earned per thousand population by geography, gender, and sector; developing Inclusive Service Credits for underserved zones or vulnerable groups; and encouraging offline verification models and community audits to ensure inclusivity.
4. **Institutional Capture or Politicization:** Organizations or local power centres may attempt to control issuance or allocation of PICS, leading to corruption, favouritism, and dilution of trust. Mitigation includes creation of a Governance Transparency Dashboard showing real-time PICS distribution by sector and region, appointment of an independent PICS Ombudsman or Ethics Council, and enforcement of the 'Prohibition on Reverse Transfer' clause to prevent any concentration of credits among power holders.
5. **Inflation of Credit:** Over-issuance of PICS without real social impact may reduce their symbolic and moral value, similar to monetary inflation. This can be managed through an Annual PICS Circulation Report capping new issuances against verified impact, establishment of a PICS Reserve Mechanism (an ethical equivalent of a central bank) maintaining the issuance-to-impact ratio, and introduction of deflationary expirations or burns of unverified credits.

6. **Emotional and Psychological Dependency:** Individuals might begin equating their self-worth with the number of PICS they hold, creating an 'ego economy' within the altruistic space. Mitigation requires periodic Well-being Audits correlating PICS earners' happiness with their acts of service, and adoption of a PICS Value Assessment system that measures emotional resonance rather than numerical accumulation.
7. **Technological and Data Risks:** Hacking, data manipulation, or loss of digital identity could undermine public faith in the digital trust mechanism. Mitigation includes deployment of zero-knowledge verification for anonymity, adoption of quantum-proof encryption for blockchain attestations, and establishment of backup nodes within the Trust's custody.
8. **Cultural Misinterpretation:** PICS may be misinterpreted as a political, religious, or crypto-speculative instrument, leading to misuse in propaganda or speculation. Preventive measures include sustained public education programs, PICS literacy curricula in schools, law institutions, and NGOs, maintenance of a clear separation between PICS and any monetary or investment value, and an Ethical Communication Code for all PICS-related outreach.
9. **Institutionalization of Morality:** When morality itself becomes systematized, individuals may cease self-evaluating their conscience. To preserve authenticity, the PICS ecosystem will conduct periodic philosophical dialogues, ethical reflection retreats, and awareness programs through the PICS Academy of Human Values, continuously reminding participants that PICS are a reflection, not a replacement, of *Dharm*.
10. **System Health and Monitoring:** The overall health of the PICS system shall be tracked through continuous monitoring of verified PICS, inclusion indices, integrity and fraud reports, motivation and intent surveys, emotional well-being assessments, governance concentration data, and social impact evaluations. Periodic reports will be generated by respective wings under the Trust and affiliated oversight bodies to maintain balance between growth, integrity, and moral authenticity.

Purpose of Framework: The purpose of this Framework is to establish guiding principles, measurable indicators, and governance mechanisms to monitor, detect, and address operational, ethical, technological, and psychological risks within the PICS ecosystem.

Guiding Principles:

1. Integrity over Incentive: PICS must reflect genuine contribution, not replace conscience with compensation.
2. Transparency through Verification: Every credit must be traceable, verifiable, and permanently recorded on the blockchain ledger.
3. Equity and Inclusion: Every person, regardless of geography, gender, or digital literacy, must have fair access to earning and recognition.
4. Accountability through Data: All entities, Trust, Service Providers, and Volunteers, are accountable to public reporting and audit mechanisms.
5. Human-Centric Evaluation: Impact must be assessed by both quantitative data and qualitative transformation of human happiness and community well-being.

Risk Domains and Mitigation Framework - The key risk domains identified are:

1. Integrity and Verification Risk, mitigated through multi-tier verification, audits, and blockchain cross-checks under the supervision of the PICS Trust Audit Wing.
2. Governance and Concentration Risk, mitigated by transparency in distribution, regular public reporting, and redistribution mechanisms overseen by the Ethics and Oversight Council.
3. Inclusion and Access Risk, mitigated by ensuring equitable access through inclusion programs, offline attestation, and rural participation, supervised by the PICS Inclusion Division.
4. Value Dilution or Inflation Risk, addressed through issuance caps, expiration of unused credits, and regulation by the PICS Reserve Board.
5. Technological and Data Risk, mitigated through encryption, redundant security nodes, and periodic cyber audits overseen by the Technology Integrity Cell.
6. Motivation and Psychological Risk, addressed by narrative validation, ethical reflection programs, and monitoring of the Well-being Quotient through the PICS Academy of Human Values.
7. Cultural or Perception Risk, mitigated by the adoption of an Ethical Communication Code and literacy programs by the Public Communication Division.

Governance Structure: PICS Trust Audit Wing conducts quarterly audits, random verifications, and anomaly reporting. PICS Ethics and Oversight Council

serves as an independent review body of jurists, social leaders, and auditors, publishing an annual Integrity Report. PICS Reserve Board regulates total circulation and recommends deflationary mechanisms to maintain value-sustainability. Technology Integrity Cell ensures blockchain security, privacy, and encryption standards. PICS Academy of Human Values undertakes well-being assessments, ethical orientation programs, and moral balance initiatives in the pro bono culture.

Measurement Framework and Indicators: Systemic integrity and impact shall be evaluated through five principal indices:

1. **Trust Integrity Score** (TIS): Measures authenticity and compliance of Service Providers based on verified credits, peer evaluation, and audit ratings.
2. **Equity Index** (EI): Assesses inclusivity in distribution by comparing PICS earned per population across regions and demographics.
3. **Social Impact Multiplier** (SIM): Calculates the number of lives positively impacted per PICS issued, guiding allocation policies.
4. **Intent Index** (II): Reflects motivational authenticity through 360° peer and beneficiary feedback.
5. **Happiness Quotient** (HQ): Evaluates emotional and mental well-being of volunteers through annual psychometric surveys, ensuring the human core of the PICS movement remains strong.
6. **Reporting and Transparency**: Transparency is central to maintaining public trust. Line on line updates will be published on a public dashboard showing verified issuances and distributions. An Annual PICS Integrity Report will consolidate audits, risk resolutions, and ecosystem evolution. Controlled access to the open ledger will be granted to authorized auditors and oversight institutions. Community validation and beneficiary feedback will be integrated through both digital interfaces and local outreach programs.

Corrective and Escalation Mechanism: All reported risks or breaches shall follow a structured escalation process:

- Detection through audits or community complaints.
- Verification by the concerned PICS Service Provider and Trust.
- Review by the PICS Ethics Council.
- Corrective action including suspension, withdrawal, or re-verification of credits.
- Reflection and inclusion of findings in the Annual Integrity Report to ensure systemic learning.

Periodic Review: This Framework shall be reviewed from time to time by the PICS Trust in consultation with the Ethics and Oversight Council to incorporate technological advances, evolving social dynamics, and deeper moral insights. Amendments will be recorded and appended to subsequent editions of the Trust Protocols. The moral economy of PICS rests upon the triad of Truth, Transparency, and Trust. This Framework ensures that the light of PICS does not get dimmed by its own shadow, that compassion does not become commerce, and that every PICS credit continues to stand as a timeless reflection of human goodness, not its currency, but its conscience.

PICS Economy Bridging Social Inequality

Inequality is not only about how much money people have, it is also about who is visible in the economic story and who is permanently written into the footnotes, Visibility depents on what we count, whom we see and how we reward. The salaried employee is visible; the homemaker is invisible. The listed company is visible, the volunteer group in a *basti* is invisible. The big donor is visible, while the quiet caregiver, the grassroots coach and the community mediator remain invisible. PICS (Pro Bono Social Impact Credits) attacks inequality at this deeper, structural level by changing the lens of visibility.

From an exclusive money economy, the PICS vision moves us towards an inclusive service economy. Traditional money economy is exclusive by design: to earn, you must already be in the market—employable, educated, networked, mobile. Those who cannot enter formal labour markets—homemakers, elders, many persons with disabilities, students, village volunteers remain economically 'zero', no matter how much they can and do contribute. The PICS Economy opens another door: you do not need capital, English fluency or a powerful network to earn PICS; you need the will and ability to serve—teach children, coach sports, care for elders, support local governance, protect the environment, assist in mediation, help during elections run NGO and so on. By creating a parallel, recognised ledger of value based on service, PICS pulls into the economic frame millions who will never be fully included in GDP, but who are central to the survival of society. That is genuine inclusion.

Social inequality is deeply gendered, and PICS speaks directly to gender justice by paying respect where money never reached. Women disproportionately carry unpaid work—housework, caregiving, emotional labour, while economic systems pretend it does not exist. PICS directly challenges this by allowing homemakers to accumulate verified service credits during their lifetime, turning their invisible labour into a visible, auditable, transferable asset that can be exchanged for products and services supplied by PICS authorised associates, given in succession to the nominee or act as social security support, and by giving courts, policymakers and families data to rely on when assessing compensation, maintenance or benefits. The message is clear and powerful: *"You may not bring a salary slip, but you bring hours of service that the*

system can now see." This shifts social power inside the household and beyond, without turning love into a commercial contract; it turns love into recognised contribution. To the showcased if and when necessary.

PICS also bridges class and location divides. In the fiat economy, opportunity clusters around cities, formal jobs and large institutions. A villager who mentors youth in sports, a local dispute resolver or a panchayat volunteer rarely appears on any formal record. In the PICS Economy, a youth coach in a small town, a community paralegal in a slum, or a school dropout running a local study circle can all earn PICS. Their work can be verified by local institutions—schools, NGOs, panchayats, mediation centres who are registered and recognised as PICS Service Providers (PSP) and recorded on a common centralized digital backbone. Over time, this creates a portfolio of contribution that can be used for scholarships, training opportunities, trust-based credit, fellowships or leadership programmes. Geography and poverty no longer automatically equal invisibility, PICS becomes a bridge between the last mile and the central system.

Today, recognition of social work is highly selective and subjective. A few visible NGOs and personalities receive most awards, grants, CSR funds, funds from UN and media attention, while thousands of quiet contributors remain unknown because they lack access to power centres. PICS replaces this patronage-based model with a protocol-based model. Recognition is based on documented, verified service hours and impact, not personal proximity to ministers, media or fund managers. An ordinary citizen can build a track record over years, and institutions can see this track easily when deciding on honours, grants or roles. The axis shifts from *"Who do you know?"* to *"What have you consistently done?"* Such a shift flattens hierarchies and opens space for new leaders from every class, caste and region.

The PICS architecture also helps create a circular, not extractive, social economy. The current system often moves resources from the many to the few: taxpayer money bails out large entities, while informal workers and unpaid caregivers bear shocks without safety nets. In the PICS framework, registered PICS Service Providers will be allocated PICS by the PICS Trust. PICS Service Providers will, based on pre-determined PICS distribution schedule for each sector activity per hour verify and distribute PICS to PICS Volunteers based on verified contribution. These PICS can then be exchanged for products and services supplied by PICS authorised associates especially for those who have been low in money but have a rich service record or kept in PICS List and passed on to the nominee. Value thus circulates from the top to the bottom and back up, creating a circular pro bono economy where everyone can participate, not only as a recipient but as a contributor.

Social inequality is also political. Many citizens feel their only role in democracy is to stand in line and vote, while big donors and power brokers shape outcomes. With PICS, civic services can be recorded and honoured—such as voter awareness drives, voter assistance for seniors and disabled persons, booth-level queue facilitation, lawful election volunteering, and post-election civic accountability work. Volunteers who help conduct peaceful and fair elections in authorised, transparent roles can earn democracy-linked secured credits. Over time, this builds a citizen equity in the constitutional project—especially among the poor, first-time voters and marginalised groups. Slowly and silently, it shifts democracy from *"one person, one vote"* to *"one person, continuous recognised contribution."*

A crucial strength of the PICS design is that it promises inclusion without demanding destruction of the existing system. Most radical ideas about inequality demand that we burn down the current architecture. The PICS Economy is different; it is non-violent in design. Fiat currency, markets, banks and sovereign bonds all continue. PICS runs parallel, as a second ledger that informs, corrects and complements. Because it does not ask the powerful to give up money, only to share recognition and design benefits around service, it has a higher chance of acceptance. It is evolutionary, not revolutionary, yet its impact on inequality can be profound.

At its deepest level, PICS tackles social inequality philosophically—by moving from charity to justice. Charity says, *"We will help the poor because we are kind."* Justice says, *"We will recognise and reward everyone's contribution, wherever it comes from, because that is fair, equitable, reasonable, just and proper."* PICS stands clearly on the side of justice. According to the PICS philosophy, there are no marginalised people, people have been marginalised by a systematic and well-managed cycle of money (*arth chakr*).

No one is an object of sympathy, for all are holders of a different kind of gift and capital, depending upon their slotting—service capital, moral capital, relational capital, emotional capital which could not find due recognition in the existing system, as the third-dimensional system was created to deal with a third-dimensional structure and consciousness. By measuring and honouring that capital, the PICS Economy moves us from exclusion to participation, from hierarchy to shared dignity, from "beneficiaries" to "co-creators of value."

Over time, such recognition also transforms aspiration. Children growing up in homes where service is recorded and honoured through PICS learn that dignity does not depend only on salary slips or brand labels but also on the depth and continuity of one's contribution. A young girl watching her mother's caregiving and community work reflected in a visible PICS ledger and not just gossiping and having

kitty parties, begins to see leadership possibilities for herself that were earlier unimaginable. A boy from a small town, earning PICS as a local sports mentor, para mediator or paralegal, realises that he can enter national conversations and opportunities without abandoning his community roots. In this way, PICS re-wires the imagination of what it means to "rise" in life.

That is how the PICS Economy bridges social inequality and makes the economy truly all-inclusive—not merely in slogan, but in structure. It widens the circle of value, honours those who have always held society together, and creates a future in which no contribution is too small to be seen, measured and respected.

PICS List – Add-On to the Forbes List

The PICS List records and recognises the earnings and rewards of the silent pillars of human civilisation, the *Maa Saraswati* Funds. These are the teachers, caregivers, mediators, social workers, artists, volunteers, community leaders, and countless unnamed contributors whose wealth lies in knowledge, service, integrity, and the upliftment of others. Their 'income' is measured not in cash balances but in learning created, conflicts resolved, pain reduced, and futures protected. By documenting and honouring these invisible contributions through Pro Bono Social Impact Credits (PICS), the PICS List becomes a civilisational ledger of true value, value that sustains families, communities, and democracy, even when it does not appear on any financial statement.

In contrast, the Forbes List is a mixer of *Maa Lakshmi* and *Kuber Dhan* – legitimate enterprise wealth combined with hoarded, speculative, and often opaque accumulations of money including coming corruption from drug and arms deals. It ranks visible fortunes without transparent clarity about the ethical quality, sustainability, or social impact of the source of funds. In doing so, it unintentionally glorifies the sheer magnitude of wealth, not necessarily the manner, morality, or consequences of its creation. Governments continue to ban, investigate and punish the corrupt, holders of arms and drugs money and money laundering funds in vain. The PICS List offers a different lens: instead of asking, *"How much money have you amassed?"* it asks, *"How much have you contributed to human well-being and social harmony?"*

In a healthy civilisation, both lists will have to coexist. The Forbes List can continue to measure financial success in the world of markets, while the PICS List measures contribution in the world of human service. But over time, as consciousness evolves, the PICS List becomes the higher barometer of respect, legacy, and honour. A person may be admired for appearing on the Forbes List, but they will be revered for the depth, width, and purity of their PICS List – the record of how many lives they have touched, healed, empowered and transformed.

Moving from Split Personality to an Integrated Individual: Those who have amassed the mixed wealth of *Maa Lakshmi* and *Kuber Dhan* often develop a deep split in their personality. Somewhere inside, they know that a significant part of their money has come from non-payment or evasion of taxes, exploitation of markets by manipulating demand and supply, siphoning of sovereign or corporate

funds, insider trading, benami holdings, regulatory capture, cartelisation, overcharging the poor, environmental destruction, bribery, kickbacks, underpayment of workers, laundering 'black' money into 'white', and using philanthropy as a cosmetic cover.

They spend their days oscillating between legal and illegal, between balance sheets and back rooms, between compliances and manipulation, between chartered accountants, law firms and lobbying agents. On the surface, they proudly flaunt their wealth on rich lists, in luxury homes with private pools, lamborghini, private jets, and curated public images. But within their own system they live in dualism, fear and inner conflict – constantly anxious about exposure, raids, scandals, regulatory action, betrayal by insiders, or the quiet but relentless judgment of their own conscience.

This constant movement between *dharm* and *adharm* creates a split personality: one self for the world, and another, wounded, guilty, fearful self within. They seek relief in distractions – alcohol, drugs, partying, status promotion, power brokering, expanding social circles, even selective charity, hoping that external stimuli and validation will silence internal disquiet. It never does. The result is a slow inner toxicity: disturbed sleep, restless relationships, mistrust on others, inability to truly relax, going into depression, despair and a constant need to 'prove' themselves through more money, more deals, more visible success.

The integrated individual, the warrior of light, who earns *Maa Saraswati* money lives differently. Their primary wealth is created through knowledge, creativity, service, healing, teaching, mediation, innovation, and honest enterprise. The source of their income is pure, pious, and legitimate, aligned with *dharm*, fairness, and genuine social impact. They may also do business, create profit, and build material assets, but the foundation is transparent, ethical and socially responsible.

Because they are not juggling secret accounts and shadow deals, their inner and outer lives match, there is no need to hide, justify, or perform. They may or may not appear on a Forbes List, but they will stand tall on the PICS List and in the court of their own conscience. Their self-esteem comes not only from what they have, but from what they give and who they are. This integration of source, self and service gives them a different radiance – they sleep better, decide clearer, and walk through life with the quiet strength that comes only when one's wealth and one's soul are on the same side.

PICS Economy, by formally recognising *Maa Saraswati* wealth, offers an aspirational path for every individual to move from split personality to integrated individuality. It says: *"You do not have to choose between being rich and being right. You can be rewarded for doing the right things, in the right way, for the right reasons"*.

From Inherited Money to Inherited Honour: Another transformative effect of the PICS Economy lies in how it redefines inheritance. In the conventional *Lakshmi–Kuber* paradigm, the focus of legacy is on inherited money, property, shares, trusts and family businesses. Children are often defined by what they receive in terms of material wealth, not by the values, service, and reputation they inherit. This creates a subtle entitlement: *'I deserve comfort because my parents made money'*, regardless of how that money was earned. If the wealth was created through manipulation, corruption, or exploitation, the next generation also silently inherits the burden of *karmic* confusion and moral compromise and litigate for every penny not earned by them.

The PICS List introduces a radically different kind of inheritance – inherited honour. The verified service record and the associated PICS recognition accumulated by parents and elders through tending, caregiving, mediation, and community work becomes a legacy of moral capital and social respect for the next generation, and where ecosystem rules permit, certain benefits or credits entitlements may be forward-assigned to an eligible nominee, without turning service into speculation. A young person can say with pride: "*My father may not be on the Forbes List, but he is high on the PICS List for resolving conflicts, teaching children, and serving the community."* PICS inheritance is litigation free.

In time, institutions, universities, employers, investors and even governments will have to look at both lists together. Material wealth can show capacity, PICS wealth will show character. A family that stands strong on the PICS List signals trustworthiness, resilience, and contribution across generations. This inspires children not merely to consume the benefits of their family name, but to add to its reservoir of honour by performing their own acts of service and earning their own PICS.

In this way, the PICS Economy gently shifts society from a culture of inherited privilege to a culture of inherited responsibility. It encourages every generation to ask not, *"How much more can I accumulate?"* but *"How much more can I contribute?'* The true 'family office' then becomes not only a place to manage funds, but a space to manage values, volunteer work, ethical commitments, and social impact projects.

When the PICS List sits alongside the Forbes List, a new civilisational balance is created. *Maa Lakshmi* is honoured, *Maa Saraswati* is recognised, and *Kuber* is kept within the discipline of *dharm*. Wealth is no longer admired in isolation, it is seen in the light of wisdom and service. That is the quiet, profound revolution that the PICS Economy seeks to ignite.

PICS for Employees Laid Off by Technology Advancements

"Let no one be unemployed, let everyone receive due remuneration for the social impact they create."

Across the world, artificial intelligence, automation and technological advancement are entering effective operation in almost every sector—IT services, finance, logistics, customer support, legal research, content creation, and many parts of healthcare and education. As algorithms become faster and cheaper than human labour, thousands of employees find themselves pushed out of the formal economy. For the individual, a layoff is not just a financial tsunami, it is also a blow to identity, dignity and belonging. A person who has spent 10, 20, 30 years building skills and relationships suddenly becomes 'redundant' in the balance sheet of a company, yet the same person still has enormous experience, domain knowledge, empathy, organisational ability and social capital.

At the same time, society is not short of work, it is short of paid work. There are countless social needs that remain unmet: children needing mentoring, tutoring and emotional support; elderly and differently-abled people needing care and companionship; communities needing help with digital literacy, legal awareness and financial literacy; local bodies needing citizen volunteers for environment, heritage, sports and culture; and mediation, counselling and community conflict resolution requiring trained human presence. This work has immense social and economic value, but almost no financial recognition. It lives in what the PICS philosophy calls the Invisible Economy. AI is replacing human beings from the visible, monetised, profit-driven economy. PICS proposes to bring these same human beings into the centre of the visible economy of social impact, as they are rewarded for their contribution in a fair, transparent and measurable way.

PICS – is a proposed framework to recognise, measure and reward social impact work with a new form of value: Social Impact Credits. These credits do not replace money but complement it. They are not legal tender, not a salary substitute, and not an unemployment benefit. They function as a verifiable utility or recognition credit, redeemable within the PICS ecosystem under defined rules. They record the quality and quantity of work done for society—teaching, mentoring, caregiving, mediation,

community service, heritage preservation, arts, sports and many similar activities. For employees laid off by AI, PICS offers a new pathway: from unemployment to re-deployment in social impact work, with measurable credits linked social impact contribution. Instead of seeing themselves as 'jobless', people can become community mediators and counsellors, local education and skills mentors, digital literacy and cyber-safety guides, environmental and heritage stewards, sports, arts and culture animators, and support teams for legal aid, mediation and community justice.

Each hour of meaningful, verified service generates PICS credits. These credits are updated and displayed on the PICS List and can be redeemed for products and services supplied by PICS authorised associates and can be cited in formal CVs and professional profiles, showing future employers not just *"what I did for a company"* but "*what I did for society*"; and used as a metric for ESG (Environmental Social Governance) and SDG (Sustainable Development Goals) compliance, allowing companies and institutions to support and sponsor PICS-based programmes as part of their social responsibility. The core principle is simple: let no one be unemployed let everyone be engaged in socially useful work and receive due recognition and remuneration for the social impact contributed.

To make this vision practical, we can imagine a structured PICS pathway for AI-laid-off employees. The first stage is identification and onboarding. Companies undergoing AI-driven restructuring prepare a PICS Transition List of employees being laid off. Along with severance packages, they offer PICS Transition Counselling an orientation explaining how these employees can re-enter society as social impact professionals. Governments and NGOs partner to create PICS Onboarding Centres, physical or digital, where these individuals can register, be assessed for skills and guided into suitable social impact roles and continue to collect PICS. This is not an afterthought it becomes a clear responsibility and expectation, wholly reflected in policy, voluntary industry standards, or (where adopted) regulation, signalling that a society which benefits from technology also takes responsibility for those displaced by it.

The next step is mapping skills to social needs. Laid-off employees are not "unskilled" they are often highly skilled in project management, communication, teamwork, documentation, technology, data handling, customer service, training, leadership, coordination, problem-solving and empathy. These skills can be mapped directly to social needs. A former project manager can become a community programme coordinator. A former customer service executive can be a helpline mentor for senior citizens or adolescents. A laid-off software engineer can become a digital literacy trainer in rural or semi-urban areas. A former HR officer can serve as a career and mediation volunteer for workplace grievance redressal. This mapping converts "corporate experience" into social impact roles, turning what was once merely a corporate CV into a portfolio of capabilities that communities desperately need.

PICS requires a transparent measurement system to ensure credibility and fairness. Each activity—hours of teaching, number of beneficiaries, complexity of the task, training level—can be assigned a baseline PICS value. Quality checks and feedback from beneficiaries, coordinators PICS Service Providers and partner organisations can upgrade or downgrade the PICS credits earned. All credits are recorded on a centralized digital ledger or platform, creating a verified Social Impact Profile for each individual. Over time, this profile shows how many hours of service were given, in what sectors—education, health, justice, environment, culture, and what outcomes were achieved improved learning, resolved disputes, reduced dropouts, enhanced digital safety, strengthened community institutions, and so on. This becomes the individual's Social Impact Resume—a living record of their contribution to society, just as powerful as any traditional employment record, and often far more reflective of their true character and capability.

To ensure that 'no one is unemployed', PICS can be exchanged for products and services supplied by PICS authorised associates. Public bodies, courts, schools and local authorities can become PICS Service Providers and distribute PICS to underpaid teachers, mediation coordinators and sports mentors, where a part of the remuneration is in money and a part is in PICS credits. In this way, PICS creates a hybrid economy: money plus social credits, visible fiat economy plus visible social impact economy, with both streams reinforcing each other rather than competing.

The traditional response to layoffs is charity: relief packages, short-term stipends or sympathy. PICS proposes something deeper. It is not about charity, but justice—the recognition that every human being holds service capital, relational capital, emotional capital and moral capital, which is as real as financial capital. It is not just about 'helping the unemployed', but about recognising new forms of work: caregiving, teaching, mediation, culture, sports and environment as productive economic activities that keep societies and democracies alive. It is not about temporary relief alone, but about structural redesign weaving social impact work into the very fabric of national and corporate accounting through measurable credits. Under this framework, an employee laid off by an AI system is not a "victim" to be pitied, they are a social asset to be redeployed.

This approach generates benefits for multiple stakeholders. For laid-off employees, it offers a dignified pathway from layoff to meaningful work, an opportunity to use existing skills in new roles and to develop new capacities, a measurable profile of social impact that can impress future employers and institutions, and access to financial support linked to PICS credits. For companies adopting AI and new technologies, it offers ethical and reputational benefit: they can say, truthfully, that they did not simply 'replace humans with machines', but 'helped redeploy them for social good', it strengthens ESG and SDG alignment, measurable

through PICS-backed reporting; and it enhances their social licence to operate, especially in communities affected by automation. For governments and society, it helps reduce unemployment and social unrest linked to AI-driven job displacement, creates a large, semi-formal workforce ready to support public education, health, justice, environment, heritage and community welfare, generates better data on the invisible economy of care, service and social cohesion, and provides a concrete tool to move towards inclusive growth where every citizen's contribution is recognised.

As AI grows, there is a real risk that wealth concentrates in a few hands while millions lose livelihoods. PICS offers a way to rebalance. AI can do the repetitive, mechanical, data-heavy work. Human beings can do the relational, creative, ethical and healing work. The savings and surplus created by AI can, in part, be channeled through PICS frameworks towards those who serve society in non-market ways. This becomes a new kind of social compact between technology, capital and humanity: technology will not be used only to replace people but also to free them for higher forms of service capital, will not only reward profit but will also reward social impact through systems like PICS and human beings will not be reduced to 'cost of labour', but recognised as 'custodians of relationships', culture, justice and care.

At a deeper psychological level, such a compact also heals the fear and insecurity that technological disruption creates. When people know that losing a corporate job does not mean losing their social worth, they are more willing to embrace change, learn and move on. When young people see that "success" includes a visible Social Impact Resume, they are more likely to cultivate empathy, responsibility and creativity rather than pure competition. When societies honour those who serve, rather than only those who speculate or extract, the cultural narrative of what it means to "do well" begins to shift. In this sense, PICS is not only a policy instrument; it is a civilisational story about how we value human beings in an age of intelligent machines.

"No one left behind" then becomes more than a slogan. *"Let no one be unemployed, let everyone get due remuneration for social impact created"* can be the organising principle of a new economic and social order. PICS for employees laid off by AI is a concrete step in that direction. It honours their past contribution in the formal economy. It harnesses their skills and experience for the Invisible Economy of care, culture and community. It offers a fair mechanism to measure and reward social impact. It transforms fear of technology into an opportunity for Finance Revolution 5.0—a world where financial, digital and social capitals are integrated. If we design and adopt such frameworks now, AI and technological advancements will not become a force of exclusion, but a catalyst for a more just, compassionate and inclusive civilization where no one is discarded, and everyone is invited to serve and be recognised.

The Cosmic COVID Kick – From Rat Race to Integrity Economy

When COVID-19 swept across the planet, it was not just a medical crisis. It was a cosmic kick—a sudden, ruthless jolt to a civilisation drunk on speed, competition and the rat race. Overnight, the usual markers of 'success' collapsed: flights were grounded, but the sky became clearer; offices shut down, but families rediscovered each other; GDP graphs dipped, but people stepped out to feed strangers on the street. For a brief, revealing moment, the world saw itself in a mirror: What really matters when everything else is stripped away? COVID was not only a virus, it was a message express, clear and unambiguous: a reminder that competition at all levels, without conscience, leads to fragility, and money as the only barometer of worth leads to emptiness. This 'Cosmic COVID Kick' opened cracks in the old paradigm and allowed new inroads into our approach to life, work and success.

The Rat Race Exposed: Before COVID, the dominant story was simple and brutal: compete in school, compete in college, compete in jobs, promotions, billable hours, quarterly targets, compete in lifestyle—cars, vacations, brands, kitty parties, social media. Competition was not just in the economy, it entered family, friendship, even religions. We turned life into a tournament. Success narrowed down to two metrics: How much money do you make? How many people know your name? Everything else—how you made the money, what is behind the name, caregiving, community service, quiet integrity, spiritual depth, inner peace,was politely praised but structurally ignored. It did not count in appraisals, bank balances or market valuations. COVID cracked this illusion. When people were gasping for oxygen, no one asked: *"Which car do you own?", "What's your package?", "How many followers do you have?"* The questions that did matter were: *"Who will help me get a hospital bed?", "Which neighbour will leave food outside my door?", "Which doctor will answer my call at midnight?", "Which stranger will donate plasma or blood?"* Suddenly, the heroes were not the richest, but the most helpful; not the most competitive, but the most compassionate; not the loudest, but the most reliable. The rat race ideology—I must get ahead, even if others fall behind, stood naked in the ICU corridors of the world.

Money Alone Will No Longer Be the Only Barometer: The Cosmic COVID Kick did something subtle but irreversible: it shook our barometers. For more than three centuries, money was the master metric. We measured nations by GDP,

companies by market cap, individuals by net worth. But COVID revealed a hard truth: a society can be 'rich' in GDP and still be poor in preparedness, compassion and cohesion. Hospitals in wealthy cities crumbled under pressure. Highly paid professionals were emotionally shattered. People with huge portfolios felt helpless in the face of grief, isolation and fear. The world glimpsed the limits of money as the sole barometer. A new realisation began to surface - resilience is a barometer; integrity is a barometer; qualitative service to society is a barometer; trust in institutions and in each other is a barometer. We began to ask different questions: How many ICU beds do we have per lakh people? How quickly can we organise community kitchens? How many volunteers can we mobilise in one night? How many people trust the system enough to cooperate? These questions do not fit into balance sheets easily. They belong to a deeper accounting system, what we may call the Invisible Economy. COVID made it clear: money will no longer be the sole barometer of value. The emerging barometer is integrity and the quality of services rendered to society. PICS is an answer to this revelation: a framework to record, recognise and reward exactly those services which the old money-only barometer ignored.

From Rise of Corruption to Rise of Integrity: For decades, the story of human psychology seemed to be the rise of corruption: corruption in politics—buying power, selling decisions; corruption in business—cooking account books, unpaid taxation, exploiting labour, sub-standard production; corruption in daily life—cheating in small ways "*because everyone does it*." The inner logic was simple: If the barometer is only money and status, why should I not bend the rules? COVID disrupted this script. In the silence of lockdowns and the urgency of survival, another aspect of human psyche emerged: people formed voluntary networks to arrange oxygen cylinders; unknown donors paid school fees of children whose parents had died; RWAs, local groups and youth volunteers organised food, medicines and transport; doctors, nurses, sanitation workers, delivery staff risked their lives without negotiation of "packages" and "perks". In the middle of a global crisis, the highest instincts of humanity started to surface: integrity—doing the right thing even when no one is watching; responsibility—feeling accountable for strangers; courage—stepping out when fear silenced others; service—doing whatever is needed, without calculating profit. This is the mega shift the Cosmic COVID Kick made possible: from the rise of corruption in human psyche to the rise of integrity as the core driver of human evolution. Corruption thrives when the system rewards only money and power. Integrity rises when the system recognises service, contribution and character. PICS is precisely about codifying this shift.

PICS as the Architecture of the New Barometer: If the Cosmic COVID Kick opened our eyes, PICS offers the architecture to act on that awakening. COVID showed that frontline workers, caregivers, volunteers, mediators, teachers,

counsellors, community leaders are essential. PICS says: "*Let us measure their contribution, and reward it with recognised credits and defined ecosystem benefits—recognition, access, and dignity—linked to verified service.*" In the rat race era, the person earning the most was often the one closest to leverage, speculation or monopoly, not necessarily the one closest to service. In the emerging integrity era, the teacher who mentors 100 at-risk children, the mediator who prevents 30 families from breaking apart, the nurse who serves tirelessly in a government hospital, the young volunteer who organises blood donation drives—all deserve to show tangible, recorded value for what they do. PICS converts their invisible contribution into visible credits: quantitative—hours, cases, beneficiaries, outcomes; qualitative—feedback, complexity, impact on lives and communities. These credits do not replace money but supplement it with a moral and social dimension; they create a new layer of Social Impact Reputation alongside financial net worth; they help governments, courts, companies and communities identify reliable, integrity-based contributors. When integrity and qualitative service are measured and recognised, they continue to be 'virtues' and also become economic and social assets.

Beyond Competition: Towards Co-Creation and Co-Elevation: The rat race model was built on a zero-sum belief: For me to win, you must lose; for me to rise, you must fall. COVID challenged this assumption. We saw that when one person in a community gets infected, others are at risk; when one part of the system collapses (healthcare, supply chain), all suffer; when one group hoards resources, the virus or crisis eventually circles back. The reality is: we rise or fall together. PICS takes this insight seriously. Instead of rewarding individualistic, competitive extraction, it rewards co-creation and co-elevation. A community project that reduces local crime, pollution or conflict is a shared win. A mediation initiative that prevents long litigation is a win for courts, parties, and the economy. A sports or arts programme that keeps youth away from addiction is a long-term societal gain. Under a PICS mindset, the question shifts from "*How can I get ahead of you?*" to "*How can we together create more value for each other and for society?*" This does not eliminate excellence; it redefines excellence. Excellence is no longer outshining others; excellence is uplifting others while doing our best.

The Cosmic Invitation: A New Civilisational Direction: The Cosmic COVID Kick was not a one-time event. It was an invitation to re-examine what we measure, to re-examine what we reward, to re-examine what we call 'progress'. If we ignore the invitation, we drift back into a more digitised, more polarised, more fragile rat race. If we accept it, we can move from fear-based competition to trust-based collaboration; move from GDP obsession to GHSP – Gross Human Service Product; move from corruption of the psyche to integrity as the default setting. PICS, Finance Revolution 5.0, and the Invisible Economy framework together

provide a compass for this journey: a compass where integrity, service, empathy and contribution are the true north; where money becomes a servant, not a master; where AI and technology free humans not for idleness, but for higher service, deeper relationships and creative expression.

From Kick to Commitment: A 'kick' wakes you up. But staying awake is a choice. The Cosmic COVID Kick shook the rat race approach to life. It exposed the hollowness of competition without conscience. It reminded us that, in the final analysis, the worth of a life is not how much you accumulated, but how much you contributed, and that the true measure of a society is not the height of its skyscrapers, but the depth of its integrity and compassion. PICS is a way of turning that realisation into policy, practice and daily life, by recognising social impact, by rewarding qualitative service, by embedding integrity into the architecture of the economy. The mega shift has begun from rise of corruption in the human psyche to rise of integrity as the new civilisation code. The question now is simple and personal: Will I continue to run the old race, or will I choose to live, work, and serve in alignment with this new barometer of value? The Cosmic COVID Kick has already happened. PICS is one way of saying to the universe: *"We received the message. We are ready to build a world where integrity and service are not just admired but truly measured, honoured and rewarded."*

PICS Economy for Dying Classical Art, Music, Dance and Heritage

In the absence of fame, fortune, or immediate monetisation, many of the most meaningful human activities are quietly suffocating. Work that nourishes the soul, strengthens relationships, empowers culture, and preserves heritage is being pushed to the margins, or slowly drifting toward extinction, simply because it does not fit the market's narrow definition of glamour, entertainment, and showbiz.

Learning and performing traditional and classical art, music, dance, indigenous sport and preserving built heritage are time-consuming and demand deep commitment. The artist, musician, dancer, teacher, storyteller or sculptor is not merely 'performing', they are making a serious effort to express their real own Self in their own way. The performance or creation becomes a doorway to a higher state of being—a movement from the fourth to the fifth to the sixth dimension of consciousness. These higher forms of expression have very little market among those still trapped in the third-dimension syndrome of speed, spectacle, and instant gratification.

This quiet suffocation is visible across domains. A *Bharatanatyam* dancer spends years perfecting a single *adavū* or *abhinaye* piece; a *Dhrupad* singer or Carnatic vocalist unfolds a *raag* patiently over an hour, a *qawwal* in Ajmer or a *Baul* singer in Bengal keeps mystical traditions alive through song. Miniature painters in Rajasthan, a Tanjore painter applying gold leaf by hand, or a landscape artist in the lineage of John Constable labour over details that cannot be compressed into a thirty-second reel or 40 minutes performance.

Traditional theatre such as *Yakshāgaan*, *Jatra* or *Nautanki*, and puppetry traditions like Rajasthan's *kathputli* or southern shadow puppetry, continue to perform in shrinking circuits while multiplexes and OTT platforms dominate attention. Writers who document the lives of handloom weavers, nomadic tribes or forgotten freedom fighters, and elders who preserve oral epics and *dastangoi* tales, carry entire civilisations in their memory yet remain economically invisible.

There are also the quiet custodians of knowledge and skill: the retired teacher offering free tuition under a tree, the music *guru* teaching *raag* and *taal* in a modest living room; the weaver of Banarasi silk; the Kutch artisan doing painstaking hand

embroidery; the potter shaping vessels for local rituals; the sculptor carving temple idols; the *bidri*, *channapatna* or blue-pottery artisan whose meditative labour competes unfairly with machine-made goods. Add to them the practitioners of indigenous sports—*piddho, latto, kite flying, gili danda*, *kalaripayattu* and tribal archery—who cultivate discipline, courage and community spirit but receive a fraction of the investment that pours into commercial leagues. Consider just a few of these human figures:

- the artist who keeps a dying folk form alive against the tide of digital homogenisation;
- the writer who records communities, histories and languages that have no commercial audience;
- the dancer who uses movement to heal trauma in children or rebuild self-esteem in abused adolescents;
- the musician who holds a community together through shared songs, rituals and cultural memory.

These are not decorative hobbies they are social ligaments. They prevent loneliness, violence, addiction and despair. They carry identity, continuity and shared meaning. They help individuals touch their real Self. And yet, because they do not produce instant profit, attract major sponsorships or generate viral fame, they are treated as dispensable—beautiful, perhaps, but economically 'useless'. As a result, entire streams of culture, wisdom, soft diplomacy and conflict-resolution are at risk of disappearing within our lifetime.

The PICS Economy as Cultural Oxygen: The PICS Economy speaks directly to this crisis. It recognises that value is not confined to what markets are willing or able to pay for, and that the absence of purchasing power in beneficiaries does not diminish the worth of the contribution. Mediation, classical art, writing, dance, music, theatre, cultural preservation, community teaching, indigenous sports and other creative-social labours are treated as recognised, verifiable service. For these contributions, Pro Bono Social Impact Credits (PICS) are issued, creating a parallel ledger of value. In this framework:

- a classical dancer reviving an ancient form is no longer 'outside the economy' her contribution enters this second ledger;
- a musician teaching underprivileged children receives recognition even when the children's families cannot pay;
- a community theatre group that keeps local stories, myths and moral frameworks alive accumulates cultural impact credits in a system that finally sees them.

PICS restores dignity, visibility and continuity to work that conventional markets routinely underprice or ignore. It validates the hours spent creating, preserving, healing and uplifting. It also offers governments, institutions and industry a structured way to document and eventually support the social dividend generated by such labour, without forcing it into the narrow mould of short-term commercial profit.

Protecting the Endangered Species of Human Contribution: Art, music, dance, literature, heritage crafts, folk culture, indigenous sports, ancient medicine, mediation etc. are all endangered, not because human beings have lost passion, but because traditional economic structures refuse to recognise their worth. The PICS framework protects these contributions much as environmental laws protect endangered forests and species, by acknowledging their irreplaceable value and building an ecosystem in which they can breathe, grow and be transmitted.

In doing so, PICS becomes more than a tool for bridging social inequality, it becomes a guardian of civilisation. It protects the silent healers, the cultural carriers, the storytellers, the mediators of peace, the keepers of memory and the artisans of identity, so that they do not vanish simply because the old economy did not know how to price them.

PICS gives these contributions a ledger, a language and a future. It ensures that the civilisation we hand over is not thinner, poorer or more forgetful than the one we inherited. It honours the quiet arts of healing, expression and relationship-building—the very arts that keep humanity human.

PICS for Unpaid and Underpaid Professionals, Artisans and Everyday Workers

In almost every society, some of the most socially critical roles are also the most under-acknowledged in economic and emotional terms. The schoolteacher who shapes the character and confidence of an entire generation; the doctor who sits late into the night counselling anxious families; the advocate who quietly fights for justice for those who cannot afford fees; the social worker, nurse, counsellor, coach, therapist – they all carry an invisible burden. To this list we must add another vast, ignored universe of contributors:

- The artisan who keeps traditional crafts and skills alive;
- The domestic help who holds together the daily functioning of homes so that others can go out and work;
- The porter who lifts and carries the physical load of our mobility and trade;
- The rag picker who silently cleans our waste and protects the environment;

And countless other unskilled and semi-skilled workers – drivers, cleaners, loaders, delivery staff, support staff – who keep the visible economy running through their invisible labour. All of them are expected to serve beyond hours, beyond contracts, beyond the narrow definition of 'job description', but when the time comes to measure their contribution, the only yardstick used is money earned, fees billed, or 'market value'.

PICS directly challenges this distorted measuring scale. By recognising the social impact of work – not just its commercial output – PICS creates a parallel, dignified ledger. A government school teacher who spends extra hours mentoring weak students, a doctor who devotes part of the week to a low-cost clinic, an advocate who undertakes pro bono litigation for the marginalised, an artisan who preserves a dying craft, a domestic worker who provides consistent care to an elderly person, a porter or driver who goes out of their way to ensure safety and comfort, a rag picker who prevents disease and pollution – all of them can be recognised in the form of Pro Bono Social Impact Credits (PICS). These PICS become a visible, verifiable record of their contribution to society, independent of whether their monthly income is high or low, formal or informal.

But there is a deeper structural problem. In many cases, it is not only the professional or worker who is under strain; the entire ecosystem is financially starved. Private schools, colleges and universities are under pressure to keep fees 'affordable', because parents simply do not have the capacity to pay more. Hospitals and clinics cannot charge what would be truly fair for the time and attention of doctors and nurses, because the average patient does not have that kind of surplus. Many clients who seek legal, counselling or mediation services are themselves on the edge of financial insecurity. Households that employ domestic workers, caregivers or drivers are often themselves struggling with EMIs, school fees and medical expenses. Small traders, shopkeepers and vendors who depend on porters, loaders and helpers have very limited margins. Communities that depend on artisans or craft clusters have low purchasing power; there is appreciation, but no real capacity to pay.

So the institution or employer – school, college, university, hospital, law office, household, small business, NGO, craft cluster – also has no real potential to pay what would be proportionate to the time, care and social value being created. This is another vicious cycle of poverty, low paying capacity of the user or employer:

- low remuneration to the professional, artisan or worker
- frustration, burnout, depression
- declining quality of service and skills
- worse outcomes for the user
- even less capacity to pay

This cycle quietly produces 'social toxins' – resentment, hopelessness, cynicism, and finally, giving up where it is not required at all. Talented teachers leave teaching, sensitive doctors become mechanical, idealistic young lawyers abandon public causes, skilled artisans leave their craft for casual labour, domestic workers and porters feel permanently 'less than', and rag pickers and cleaners internalise the message that they are dispensable. Society loses exactly the people it needs the most.

PICS economy inserts a missing layer of justice and gratitude into this diseased loop. It does not ask the poor parent, the struggling patient, the low-income client, the stressed household, or the small trader to somehow pay more. Instead, it adds a new dimension of value:

- The extra effort and social impact of teachers, doctors, advocates, artisans, domestic workers, porters, rag pickers and other workers are recorded as PICS.
- Institutions and employers – schools, hospitals, law firms, NGOs, universities, households, small businesses, craft cooperatives – can document and showcase the cumulative PICS generated by their ecosystem.

Over time, these PICS can be linked to recognition, fellowships, honours, incentives, ESG credits, and supportive policies from governments, philanthropies and global platforms. This has four powerful effects:

- Inner dignity for the contributor: The teacher, doctor, advocate, artisan, domestic worker, porter, rag picker or helper is no longer forced to choose between 'idealism' and 'survival'. PICS says: your service is an asset, not a loss. Years spent in service are recognised as invested years, not wasted years.
- Respect and confidence for the family. A spouse, child or parent can say with pride, *'We may not have a Mercedes, but look at the social capital we hold. This is the impact our family has created.'*
- Happy, respected workers – whether highly educated or informally trained – create happier homes; and happy homes give them the emotional stability to serve even better.
- Better quality of service for society.

When a teacher, doctor, advocate, artisan or worker feels valued – not only in rupees or dollar but also in recognition – their patience increases, their listening improves, and their sense of responsibility deepens. The frustrated teacher or exhausted doctor becomes a motivated guide and healer; the tired domestic worker or porter becomes a more willing and careful support; the rag picker feels like a guardian of public health, not a rejected outcaste. In simple words: Happy professionals and happy workers make happy families – and happy families help them give better services to society.

PICS does not deny the importance of money. It complements the money economy with a service economy, where contribution is recognised as capital. Over time, the message of PICS becomes clear for everyone – from Supreme Court advocate to schoolteacher, from artisan to domestic helper, from doctor to rag picker:

'The more and better you serve, the richer you become – not just in bank balance, but in social and moral capital that your children and your community will inherit.'

The Misfit Professional: Warrior of Light

He is good, perhaps one of the best in his profession but is misfit. This 'misfit professional' may be a man or a woman—anyone who chooses integrity over convenience. An out-of-the-box thinker, fiercely committed to integrity, dignity and truthfulness. He has given his life to his work, to his clients, to the system he serves. And yet, in the gossip corridors of society, he is judged by a very different metric: *"He is not practical." "He still doesn't own a Merc or a BMW." "He lives too much in his own world."* In the present economic paradigm, this is enough to quietly push him to the margins. Skill, depth and contribution are appreciated in words, but respect in action is reserved for those who display visible markers of 'success': cars, clubs, holidays, and headlines. The PICS Economy begins precisely from this injustice. It asks: How can a system call itself 'practical' when it fails to recognize its finest contributors?

The myth of 'practical' success has taken a very distorted form. In today's language, 'practical' often means earning the highest possible fee, maximizing billable hours, building personal brand and visibility, and aligning with power, not with principle. If you deform your conscience for convenience, you are called 'smart'. If you bend your ethics to fit the market, you are praised as 'practical'. If you chase status symbols relentlessly, you are 'doing well'. But if you refuse to compromise on integrity, if you turn down unethical and unfair deals, exploitative contracts, if you challenge corruption inside the system instead of networking within it, suddenly you become 'idealistic', 'rigid', 'not worldly-wise', even 'selfish'.

The tragedy is not that such people are criticized. The real tragedy is that the entire economic architecture is blind to their contribution. There is no space in the balance sheet for saying no to corruption, speaking truth to power, mentoring interns and juniors with limited remuneration, reforming processes instead of exploiting loopholes, serving institutions even when they are going from bad to worse. These are dismissed as, 'character traits', not economic assets.

Every act of integrity has a cost in the present system. The lawyer who refuses to manipulate evidence or assure relief may lose a lucrative client. The doctor who spends extra time with each patient may see fewer patients in a day. The teacher who

truly mentor's students may not have time left for profit-making coaching centers. The civil servant who resists pressure may be sidelined, transferred, or targeted. The professional we speak of is one such person. He is deeply committed to reforming the institution he works in – even as he watches it slide from bad to worse. Instead of adjusting to the decay, he keeps trying to arrest it. Instead of joining the silent majority, he becomes a lonely voice. Economic rewards, for him, are minimal. Institutional gratitude is rare. Social recognition is conditional and short-lived. He is the warrior of light in a system that rewards those who know how to profit from darkness and chaos.

The present economy has only one visible ledger: income, assets, market value, net worth. But there is another ledger that is never printed, never audited, never disclosed. It records how many people you protected from injustice, how many times you refused to be bought, how many juniors you uplifted without expecting return, how many institutional reforms you attempted even if they failed, and how much quiet suffering you accepted for standing by the truth. This second ledger is the ledger of light. It exists in conversations, memories, and inner conscience—but not in any official economic system. The professional who has no Mercedes, no BMW, no big wig parties, no luxury display may be rich in this invisible ledger. But our present world does not know how to count that richness.

Pro Bono Social Impact Credits – PICS – is an attempt to formalize this invisible ledger. The PICS Economy says that every act of social impact has value; every hour spent strengthening institutions has value; every stand taken for integrity has value; every honest mentoring, every unpaid guidance, every reform effort has value. And therefore, such acts must be documented so that they do not vanish into silence, measured in terms of time, effort, complexity, and social impact, credited through a standard, recognised, tradable unit (PICS), and rewarded through access, opportunities, recognition, and eventually, economic returns. The PICS Economy does not ask the warrior of light to change his nature. It changes the system around him so that his nature is finally acknowledged as an asset, not treated as a liability.

Under the PICS philosophy, the definition of 'practical' itself begins to shift. It is practical to invest in integrity because integrity reduces future conflict, dispute, litigation and collapse. It is practical to reward reformers because they save institutions from slow death. It is practical to recognize pro bono contributions because they hold society together when markets fail. A truly practical system must be sustainable. A system that rewards only extraction and ignores contribution is not sustainable, it is suicidal. The warrior of light, therefore, is not an impractical dreamer. He is the advanced guard of a sustainable civilization. The PICS Economy simply gives him the language and currency that the world understands.

Now imagine this same professional in a matured PICS framework. Every hour he spends mentoring a young lawyer, mediator, doctor, teacher, social worker is recorded as PICS. Every institutional reform effort he undertakes, drafting policies, training others, building ethical practices – is recognised as structured social impact. Every mediation, every conflict and dispute resolved without litigation, every human being saved from the trauma of a broken system is credited. His PICS score becomes visible to universities, law firms, hospitals, companies, governments, foundations, and global networks that value social impact. He may still not own a Merc or BMW by the old standards, but his PICS portfolio reflects his true value to society. He is invited to positions of trust because his integrity is now a measured asset, not just a rumor. He can access fellowships, grants, advisory roles, leadership positions, not on the basis of PR or begging (which he feels demeaning), but on the basis of documented social contribution. In such a world, the warrior of light finally receives his due.

Every new civilization begins with a reversal of ridicule. The same people who were once mocked as 'not practical' become the reference point for a new normal. Today, we laugh at the simplicity of those who lived by conscience in a corrupt system. Tomorrow, we will study their lives as case studies of courage and clarity. The PICS Economy accelerates this reversal by creating infrastructure for reverence: metrics for impact, mechanisms for recognition, markets that value ethics as a form of capital, platforms that connect warriors of light across borders and professions. The message is simple: *"You are not a misfit. You are the prototype of the future"*. They stand for thousands of professionals in law, medicine, education, governance, arts, sports, and community life who chose integrity over income, service over show, reform over resignation. They are the warriors of light of our time. The current money economy does not know how to honour them. It measures their worth in cars they do not own, holidays they do not take, and luxuries they do not chase. The PICS Economy exists to correct this fundamental injustice. It exists to say, with clarity and conviction, that those who hold integrity, dignity and truthfulness are not failures of the system; they are the foundation of any system that deserves to survive. To such warriors of light, PICS does not offer charity. It offers justice. It offers measurement, recognition and reward for the impact they have always been creating. It finally gives them what was always theirs by right: their due.

The greatest inertia and resistance to PICS is likely to come from the very warriors of light. A large number of people, the true PICS Volunteers, particularly women, elders, philanthropists etc. by their own nature and cultural upbringing, genuinely feel and believe that the activities now being marked as *pro bono* are sacred duties and *kaarmic penance*. They act on the basis of fundamental belief that giving back to the society what cosmos gave them more then they could consume must be

distributed with gratitude, love, empathy and *seva*, for their own *moksh* (liberation).They cook, care, teach, heal, mediate, hold families and institutions together and experience these as expressions of unconditional love without baggage, not as 'work' that needs recognition. They are genuinely content, moving towards *param-sukh, aanand*, eternal bliss, an inner fulfilment that does not seek external validation. They find joy in cooking a simple meal, creating a home, savoring every bite of food, feeling gratitude in each breath, unlike those trapped in the rat race of accumulation, split personalities, and dualism.

Most genuine pro bono volunteers are quiet contributors, without fame or fortune, and are often far happier than those who dominate the visible economy or look forward for visibility. They are not looking for self-glorification and therefore will certainly resist receiving PICS, feeling that accepting recognition or credits for such work somehow pollutes its purity. Their resistance is not arrogance, it is a natural inertia born out of humility, conditioning, and a long history of being told that "*this is just your duty.*" But social structure does not exist in a vacuum. If they do not claim their rightful *karmic phal* in the mundare world in a just and transparent system like PICS, the *asuric* forces—narcissists, vampires who suck their blood, and zombies trying to convert them into an *asur*—will continue to perpetrate toxic energy, siphon off their energy, time and activities carried out of pure empathy and love, without acknowledgment.

The shift, therefore, is not from sacredness to commerce, but from exploitation to justice. When such warriors of light accept PICS, they are not seeking applause, they are simply allowing the truth of their contribution to be recorded, not only in *aakaash* records, but also on PICS List. By doing so, they protect their space from being colonized by *asuric* forces and structures and create a new pathway of dignity for future generations. Every one of them should accept their due, quietly, gracefully and carry the torch of light and happiness to those still living in ignorance and darkness. In this way, *param-sukh* and *aanand* is not diminished, it is shared and helps more to move to dimensions above third and fourth.

BEYOND BALLOTS, BUDGETS AND BULLETS: CIVIL SOCIETY – THE FIFTH PILLAR OF DEMOCRACY

PICS – The New Detox Economy

Democracy in the 21st century is increasingly trapped between ballots, budgets and bullets. Governments are changed by votes, power and geo-political funding, and they are run largely on debt funds and sovereign guarantees. Elections are powered by political finance and governance is powered by borrowing against future generations. In this architecture, citizens are asked to participate once in a few years at the ballot box and then watch silently while decisions are made in the language of ratings, deficits and debt instruments. The real strength of any nation does not lie only in who forms the government or how large the budget is. It lies in the unpaid, unseen, unrecorded work of people who hold families, communities, and institutions together. That living force is civil society. Civil society is the fifth pillar of democracy and PICS, the Pro Bono Social Impact Credits framework is the new detox economy: an economy that will gradually detoxify individuals and public life from its dependence on money, patronage and power-brokering by honouring a different form of wealth, a measurable social contribution.

From the classical four pillars, we have moved to five. The civics narrative usually speaks of Legislature, Executive, Judiciary and Media as the four pillars of democracy, intended together to safeguard constitutional values and protect citizens from misuse and concentration of power. It is the citizens, the common man, "*for whom the bell tolls*", for whom these four pillars exist in the first place. In practice, each of these pillars is now under intense pressure, much of it arising from their own doings. There are intra-pillar and inter-pillar tugs of war for more power, more relevance and more money for those who control and manage these pillars. In the process, the citizen—the common man for whom these institutions came into existence and in whose name, they still claim to function, gradually disappears into oblivion.

The politicians constituting the legislature are shaped by electoral cycles, party compulsions and campaign funding than by social conscience. Executives are constrained by bureaucratic survival, political instructions and fiscal limits, often prioritizing file management over problem solving. Judiciay struggle with bad laws and bad executive actions, resulting in huge backlogs, procedural constraints and

limited infrastructure, even as demand for justice keeps rising. Media, which was meant to be the watchdog, is increasingly influenced by TRPs, algorithms, advertisers and ownership patterns, amplifying noise over nuance.

In this environment, the ordinary citizen is often reduced to a number, a vote in an election, a case in a file, a target in a scheme, an eyeball for a screen. Democracy risks becoming a spectator arrangement rather than a lived culture. The missing pillar is the one that quietly supports everything else: civil society – individuals and communities who work for people, often outside formal state and market structures, and who hold the moral fabric of the nation in place.

Civil society is far wider than registered NGOs or known 'activists' who work with a hidden agenda. It includes the mediator who resolves neighbourhood disputes before they become police cases or court files; the retired teacher coaching children in a low-income settlement every evening; those who run schools in rural areas where families have no capacity to pay fees, yet teachers are still expected to be paid as per government guidelines; the sports coach who keeps dozens of young people away from addiction and crime; the community volunteer organising relief during floods, pandemics or local crises; and the artist preserving a classical form with almost no commercial market. It also includes the storyteller, folk musician or dancer who carries heritage from one generation to the next, and the local group that cleans a lake, runs a small library, or maintains a park.

These actors neither legislate, nor adjudicate, nor hold executive office, nor own media houses. Yet they prevent social breakdown, reduce conflict, and support mental, emotional and cultural health. They are the social ligaments of democracy—the fibres that hold the bones of the four formal pillars together. Because conventional economics recognises mainly market transactions and state expenditure, this entire layer of effort is treated as freely available, optional, charitable, or invisible. Civil society remains powerful in reality, but powerless on paper.

In most democracies, access to justice, opportunity and influence depend on a politician's blessing or a party's goodwill, a power broker's contacts inside institutions, or a donor's budget line or a diversified corporate's CSR preference. This creates a culture of dependency called networking. Citizens feel compelled to seek favors, not exercise rights. Organisations are forced to alter their missions to fit funding fashions. Volunteers burn out because dedication does not pay bills. Young professionals are advised that choosing public service means choosing lifelong financial insecurity. The result is a quiet but deep discouragement.

Public service is praised rhetorically but punished economically, and those who choose it are driven to seek other sources to compensate for their contribution.

Those who work for people often become dependent on those who control money and access to power, exactly the dependency a healthy democracy should minimize. In the process, many corrupt their morals, slowly lose their integrity and become prey to politicians and brokering funds. They begin to feel, and tell their families, that being around politicians, carrying out their errands and remaining useful to 'the network' is the only way to rise up the political ladder, even if it means abandoning the very values that drew them to public service in the first place.

PICS – Pro Bono Social Impact Credits – is conceived as a detox layer within the wider economic system. It does not even remotely seek to restrain or stop networking, money, markets or state budgets; it simply adds a new axis of value that recognizes and records social contribution. In the existing order, formal employment is measured by salary, fees and profit, while voluntary work is rewarded, at best, by certificates, applause, medals and exhaustion. In a PICS-enabled economy, every verified act of social impact – mediation, teaching, caregiving, blood donation, cultural preservation, environmental action, community building and so much more, generates measurable PICS units. These units form a transparent, immutable record of a person's or institution's contribution over time, allowing service, which was always essential but never counted to finally enter the economic ledger with dignity and clarity.

Governments, courts, universities, corporates and communities will in time recognise, reward or give weight to PICS in different ways – from admissions and scholarships to professional opportunities, honours, and public roles. PICS thus functions as a mirror of contribution, making invisible work visible; as a ledger of integrity, building reputational capital based on actual impact and as a parallel source of strength, reducing psychological and practical dependence on political or financial patronage. In this sense, PICS becomes a detox economy: it does not destroy existing currencies but gradually detoxifies public life from its addiction to money and proximity to power as the only markers of worth.

Civil society becomes a true fifth pillar of democracy when it is no longer fragile, scattered and invisible, but recognised as essential infrastructure, measured through credible indicators, and rewarded in ways that matter for real lives and careers. PICS strengthens this pillar in several ways. It converts service into authority: a mediator, community leader, teacher or social health worker with a strong PICS record is no longer 'just a volunteer', but a documented carrier of social capital and moral authority. It creates a new track of aspiration: instead of forcing a choice between 'secure, paid work' and 'insecure, meaningful work', young people can see a third path – public-spirited work that also builds long-term recognition and opportunity through PICS.

It reduces dependence on politicians and middlemen by enabling communities to increasingly rely on PICS-rich civil society leaders in local problem-solving, instead of party functionaries, fixers or brokers for every small issue. It encourages integrity, since PICS can be designed to be earned only through verified service, not slogans or spectacle, naturally favouring sustained, honest engagement over short-term performance for visibility. Over time, this builds a 'service meritocracy': societies develop a new kind of elite those who have accumulated high PICS through decades of contribution in mediation, education, health, arts, environment and community leadership. Influence shifts gradually from those who control money to those who embody service.

Democracy is often described as a system *"by the people, of the people and for the people."* In practice, across the world, most democracies have struggled with the last part: *"for the people."* Once in power, many representatives focus less on service and more on compensating themselves, amassing wealth, consolidating networks, and securing future advantages. This tendency reflects what may be called the *asuric* nature in human behaviour, dominated by greed, fear and possession rather than the divine nature of stewardship, responsibility and service. In such an environment, a damaging psychological belief has grown over generations: *"If a person chooses to work for people, that person must accept suffering, insecurity and lack of respect."*

This belief has silently discouraged millions who might have chosen a path of public service, community work, or pro bono contribution. Pro Bono Social Impact Credits directly challenges this belief. When social contribution is visibly recognised and recorded through PICS, a fundamentally different inner message becomes possible: working for people adds to one's wealth in a new, recognised and verifiable form. Years spent in service are not 'lost years' but invested years, building a permanent record of contribution and children of such contributors inherit reputational and social capital, not just stories of sacrifice and struggle.

PICS does not deny the importance of money. People still require income, housing, healthcare and basic comforts. The shift lies elsewhere: in reducing emotional slavery to money and to those who control its flow. When a citizen can say with quiet dignity, *"This is my contribution to society, and here is my PICS record to show it,"* democracy moves a little closer to its true meaning not only rule by the people, but a civilisation where working for people is itself a respected, rewarded and aspirational way of life. That quiet pride is the seed of a healthier democracy.

PICS can operate for every individual acting for *daivic* consciousness who continues to make effective, meaningful and positive social impact. To make the fifth pillar tangible, PICS can be integrated into various domains. In justice and mediation, PICS can recognise mediators, trainers community conciliators, restorative justice facilitators and legal aid contributors, with recognition by courts,

bar associations and law schools. In education and youth development, PICS can be earned through mentoring, teaching underserved children, skill training and sports coaching, with weightage in admissions, scholarships, internships and fellowships. In health and caregiving, PICS can acknowledge volunteer nurses, palliative care workers, mental-health counsellors and rural health volunteers, supported by hospital tie-ups, insurance models and public health programmes.

In art, culture and heritage, PICS can value the preservation of classical art forms, folk traditions, local languages and heritage spaces, integrated into tourism, cultural policy and grants. In environment and local governance, PICS can support citizen groups working on water bodies, waste management, afforestation, biodiversity and urban commons, incorporated into municipal and regional planning frameworks. In each sphere, PICS becomes a bridge between civil society and formal institutions, enabling collaboration on the basis of transparent contribution, not patronage.

Any system that creates value can be misused. For PICS to function as a genuine detox economy, strong safeguards are essential. There must be clear criteria for what counts as social impact in each field and robust verification, ideally involving beneficiaries, partner institutions and digital records. The system must be insulated from partisan politics, so that PICS cannot be distributed as electoral favours. Audit mechanisms must exist to detect fraud, inflated claims or manufactured impact, and time-sensitivity must ensure that PICS reflects continuing engagement, not only one-time symbolic acts. These safeguards ensure that PICS enhances the legitimacy of civil society rather than compromising it.

When civil society stands empowered, citizens gradually move from feeling like subjects to recognising themselves as co-creators of the social order. A subject waits for leaders to act. A citizen acts, collaborates and then holds leaders accountable. PICS provides a language and ledger for that transformation. It affirms that the mother running a self-help group, the youth coaching children in a slum ground, the nurse volunteering in a hospital, and the artist keeping a tradition alive all stand alongside legislators, judges, administrators and journalists as part of democracy's load-bearing structure.

In such a society, politicians remain important, but not supreme. Money remains necessary, but not sacred. Public life begins to heal from its addictions. Civil society emerges visibly as the fifth pillar of democracy, and PICS functions as the new detox economy – gradually cleansing democratic life from over-reliance on ballots budgets and bullets alone, and restoring honour to those who work, quietly and tirelessly, for people.

Ailing Democracies – A Painful and Serious Concern

There is a troubling global trend: democracies are shrinking in spirit even where they survive in form. Institutions meant to protect citizens are weakening, public trust is eroding, and the very idea of people's power is under strain. One of the clearest symptoms is the growing reluctance to vote. In country after country, voter turnout is falling, especially among the youth, and elections are increasingly treated as empty rituals rather than meaningful instruments for choosing governments that work *for the people*.

When citizens begin to feel that their vote does not matter, democracy starts to ail from within. The decline is slow and often silent: institutions are captured by vested interests, public debate turns toxic, and frustration replaces hope. An ailing democracy does not die in a single moment it decays through apathy, cynicism, and withdrawal of its own people. Those with dignity and self-respect increasingly refrain from voting, while those with narrow, vested interests vote en bloc. The result is a democracy run by money, muscle, and organised groups with stakes in the *status quo*. Distribution of State largesse becomes a way to create and preserve vote banks. Recognising this pattern and reversing it is now a serious and urgent concern for every nation that still believes in the promise of democratic governance.

Democracy needs turnout. Turnout needs trust. Reluctance to vote rises wherever citizens feel that their effort does not count. Recognition restores meaning. Household, care, and community work already power society without pay, 'civic participation is similar pro bono work', it quietly sustains the constitutional and democratic order. PICS converts this invisible civic labour into visible, countable, portable recognition.

PICS recognise *participation*, not *preference*. Every eligible citizen who casts a vote receives a Democracy-PICS—a non-partisan, non-cash, privacy-preserving credit recorded on a public-interest ledger. We do not pay for votes we honour civic duty.

After a ballot is cast, the election authority (or an accredited third-party PICS Service Provider) issues a simple yes/no attestation that you voted never *how* you voted. Technically, this may be a QR slip, secure SMS, or digital certificate,

cryptographically hashed to protect identity. The PICS Trust (independent and non-partisan) then issue PICS unit per attestation and credits it to the voter's civic wallet.

The PICS record stores, timestamp, and polling event ID. There is no candidate or party data, and no granular location beyond what law strictly requires. PICS become a barometer of your social contribution, and may unlock civic benefits that acknowledge your definitive contribution to democracy, which is at the root of a civilised State and a vibrant civil society. They are not an inducement to choose "X", credits are identical regardless of whom one votes for (or even if one chooses NOTA, where available).

PICS are issued only after voting there is no campaign-time distribution, no political logos, no party branding. They are administered by a registered public trust with an independent oversight board drawn from the judiciary, academia, and civil society. There is no cash and no coupons for private goods only public-interest services that strengthen citizenship. Accessibility parity is ensured: postal, overseas, absentee, and disability accommodations receive the same PICS via secure remote attestations.

Indicative Rollout Plan

- Professional Associations
- Resident Welfare Associations (RWAs)
- College and University Unions
- Municipal Elections
- State Elections
- Union / National Elections

A vote is pro bono work for the Republic—a small, irreplaceable act that maintains the operating system we all run on. Markets reward production PICS recognise preservation the quiet labour of showing up so that consent, not force, remains our organising principle. When democracies falter, the answer is not to *price*, the vote is to *honour* the voter publicly, equally, and without strings attached.

SANAATAN PHILOSOPHY AS BASIS OF PICS ECONOMY

In the present architecture of global finance, 'debt fiat currency' dominates everything: budgets, markets, elections and wars. What is missing is 'credit unseen money', the subtle, quiet capital of *seva* or service. This imbalance is not new. In the *Sanaatan* narrative of cosmic interplay, Chapter 16 of *Shrimat Bhagavad Gita - Daiv-Asur Sampad Vibhaag Yog* – speaks of two orientations of human consciousness. *Daiv* or the divine disposition: self-discipline, truth, compassion, courage, restraint, and a sense of duty and *Asur*. The *asuric* disposition is arrogance, greed, violence, hypocrisy, exploitation, and a refusal to recognise limits. (Annexure 4)

Both the *dev*-oriented and the *asur*-oriented, work and produce and consume products or wealth. But the colour of both the wealth is very different. The divine earn wealth by contribution *seva* or service, honest labour, enterprise with responsibility. The *asur* accumulate wealth produced by others by extraction, looting, exploitation, manipulation of rules, capture of institutions or nations.

In this social philosophy, the wealth earned created or produced by the two kinds of attitude, attribute and aptitude is managed by two very different 'bankers' and 'fund managers'. For divine wealth, the guardian is *Maa Lakshmi*, protected and dignified by *Maa Durga* – the *Shakti* that defends *dharmic* order and gives courage to stand against injustice. For *asuric* wealth, the hoarder is *Kuber*, a *yaksh*, custodian of treasure that is piled up, locked away and defended by *taamsic* forces.

After *Mahaabhaarat* the great destruction of entire science and technology, the great split between Balraam and Shri Krishan and *varn-akshar* destruction of *varn* system took place, resulting in deterioration of divine wealth and rise of *asur* wealth. The last few centuries, especially from the age of colonialism (roughly 16th–20th centuries) onwards, these streams have been mixed up to an unrecognized level. Wealth extracted by plunder of colonies, slave trade, resource grab, and later by corrupt crony structures and people, was gradually legalised through taxation systems, money laundering, public treasuries and sovereign banking. Money looted from conquered lands or siphoned through corrupt networks was converted into 'respectable capital' once it touched the balance sheet of a State, a central bank or a

recognised financial institution. Sovereign recognition, tax treatment and official guarantees washed the *karmic* colour of money as the entire financial structure was well controlled, regulated and manged.

In that process, *Maa Lakshmi* and *Maa Durga* have been partially captured by *Kuber-dhan* by *asur*-accumulated money, corrupt funds, drugs, terrorism, and war-finance. It is all a well-knit *arth chakr* or cycle of money. Wealth that should have circulated as *prasaad* for services rendered became concentrated as 'assets under management' in a small segment of the globe. That is how rich *asur* continue to become richer and poor *daiv* continue to become poorer.

Poor *daivic* oriented humans were neither getting fame nor fortune, the pure, independent stream of 'credit unseen money', blessed by *Maa Saraswati*, a stream that: arises from integrity, knowledge, wisdom but had no verifiable contribution. PICS cannot be looted or plundered by changing laws, guns or regimes, and flows to support those who work, serve and create, rather than those who capture and speculate. The PICS Economy is an attempt to design such a *Saraswati*-stream inside the 21st-century financial system. PICS are not printed, borrowed, or mined. They are earned by mediating disputes, by teaching and mentoring, by serving in health camps and community justice, by protecting the environment and nurturing youth, by thousands of acts of structured, verifiable, pro bono work.

Each unit of PICS represents documented human contribution an imprint of *Maa Saraswati* (knowledge), *Shraddha* (reverence) and *Seva* (service). Unlike conventional money, PICS do not arise from debt they arise from giving. In this sense: Debt money is the realm where *Lakshmi* and *Durga* now often stand compromised by *Kuber-dhan* sovereign bonds backed by future taxes, bailouts of institutions that took reckless risk, and state recognition of wealth with questionable origins. PICS are the realm where *Maa Saraswati* re-enters finance ensuring that at least one major stream of 'value' in the system is 100% rooted in conscious contribution, not extraction.

In the PICS economy, *Maa Saraswati* (knowledge and wisdom) meaningfully aids *Maa Lakshmi* (wealth) and *Maa Durga* (power and protection), by changing what counts as 'backing'. So that the guarantees which shape our collective future are not written only in the language of bonds, deficits and contingent liabilities, but also in the language of responsibility, transparency and shared risk, anchored in actual human service. PICS do not ask us to abolish the State, fiat currency or digital money. Fiat (Finance Revolution 3.0) and digital/crypto (Finance Revolution 4.0) will continue to exist. PICS and Finance Revolution 5.0 build on them and discipline them, by adding a new, independent layer:

A layer where trust is earned, not printed, where guarantees are backed by contribution, not only by future taxation. To see why this is necessary, we must first see clearly the architecture we have already built:

- a visible mountain of public debt,
- a hidden glacier of sovereign guarantees, and
- a cloud of central-bank promises silently supporting both.

Only when this architecture is understood philosophically, historically, quantitatively and ethically can any new layer of monetary and financial innovation honestly claim not to be a cosmetic substitute, but a true maturing of the system, from debt without memory, to finance with conscience. In that journey, PICS become the modern medium through which *Maa Saraswati* once again stands beside *Maa Lakshmi* and *Maa Durga*, dry cleaning accumulated *Kuber-dhan* and re-aligning wealth with work, wisdom and welfare of the whole.

Principle of Slotting, Grand Design and the Way Forward

Every being is 'slotted' by a grand cosmic design. We do not arrive on this planet as random accidents. We are placed – in a particular country, city, village or neighbourhood; into a specific home, to a set of parents and siblings; with a certain gender, body, colour, temperament and emotional wiring; with particular intellectual aptitude, attitude and approach. We are drawn into a profession or industry, meet certain colleagues, mentors, rivals and friends; we fall in love, marry (or do not), create homes in different places, and bring children into the world who continue their own journeys under the same vast design.

Similarly, events appear and disappear on the horizon of our lives – accidents and windfalls, victories and defeats, smooth phases and brutal disruptions. Ventures succeed or collapse, alliances thrive or crumble. On the surface, this looks like chaos. At a deeper level, there is a pattern: a slotting. Each of us is given a position and a package – of circumstances, talents, limitations and relationships – in which our true work is meant to blossom.

In the middle of all this, there is one universal quest: the search for perpetual bliss that is stable, lasting and inner – not dependent on markets, moods, headlines or the opinions of others. This state of inner bliss can be approached when we begin to understand and honour the principle of slotting. Instead of constantly wishing to be somewhere else, someone else, doing something else, we can move our emotions, thoughts and actions to the present and realise that "*Given the slot I have been placed in by this grand design, how can I do my work fully, truthfully and joyfully here and now*"

When I accept my slot – not as a prison, but as a starting point – my energy stops leaking into comparison, jealousy and chronic dissatisfaction. The same profession, the same family, the same city begins to look different when I see them as the exact training ground designed for my evolution from the third to the fourth, fifth and ultimately sixth dimension of consciousness.

In the third dimension, life is largely ruled by fear and scarcity. Competition, comparison, criticism, cajoling, envy, jealousy, hoarding, amassing, greed and the restless desire for 'more and more' dominate the inner landscape. These

tendencies are not 'evil'; they are simply expressions of a consciousness that believes:

- 'There is not enough for everyone.'
- 'If you rise, I must fall.'
- 'My worth depends on being ahead of others.'

Within this third-dimensional mindset, even cooperation is often strategic – alliances made for advantage, relationships maintained for utility, generosity extended with an invisible calculation. The ego survives by constant measurement: who has more, who knows more, who controls more.

As human consciousness moves forward to the fourth, fifth, sixth and higher dimensions, these patterns slowly lose their grip and their significance. In the fourth dimension, awareness begins to out shine on the tendencies where we *see* our comparison, our jealousy, our hoarding disappearing. In the fifth dimension, the heart opens to compassion and interconnectedness; the success of another no longer feels like a threat but a shared expansion. In the sixth dimension and beyond, the very axis of identity shifts – from 'I versus you' to 'I *through* you, and you *through* me.' In such a state, competition, envy and greed appear not powerful, but primitive – like old toys we have outgrown.

The journey through these dimensions does not require a change of planet – it requires a change of relationship with our own slot and with the energies that operate within it. As long as the third-dimensional base is ruled by insecurity and fear, higher-dimensional living remains a theory. When survival feels threatened, when the next month's rent or school fee or medical bill hangs over the head like a sword, it becomes difficult to talk about 'bliss in one's slot'. People cling to jobs they hate, suppress their real gifts, or submit to humiliating conditions because they have no economic safety net. Fear of falling back into poverty or irrelevance keeps entire populations trapped in the vibration of competition, comparison, anxiety and hoarding.

This is where the PICS Economy becomes a crucial bridge between spirituality and daily life. PICS does not claim to change the cosmic design; it seeks to *support* it. By recognising, measuring and rewarding social impact and pro bono contribution, PICS provides a strong and just third-dimensional foundation. It offers an additional layer of economic security that is not purely market-dependent. It strengthens the base of the first three dimensions – food, shelter, health, education and basic financial stability – so that human beings are no longer paralysed by survival anxiety.

When a teacher, nurse, mediator, artisan, caregiver, social worker, or any quiet contributor knows that their social impact will be acknowledged and supported through PICS, a subtle inner shift becomes possible:

- Insecurity softens.
- Fear of 'what will happen to me and my family?' begins to recede.
- The grip of competition, comparison and hoarding loosens.
- The person can afford to be more authentic, more ethical, more creative in their slot.

With this support, individuals can begin to move consciously into the fourth, fifth and sixth dimensions while remaining fully engaged in their worldly roles. A doctor can serve with integrity rather than commercial desperation. A judge or advocate can uphold justice without being intimidated by economic pressures. An artist can keep a fragile tradition alive without being crushed by the tyranny of 'what sells'. A homemaker can recognise his or her contribution as a real, honoured form of capital, not an invisible burden.

Dimensions above third and higher states of consciousness are not about escaping the world; they are about re-perceiving and re-living the world from a deeper centre. The PICS Economy provides the 'runway' – the safe, stable third-dimensional ground – from which individuals can take a leap of faith into these higher dimensions of awareness, love and clarity.

In this sense, the PICS Economy is not just a financial instrument; it is a spiritual infrastructure. It creates conditions in which people can find bliss in the work at hand, in the slot assigned, instead of constantly chasing illusory happiness elsewhere. It honours the cosmic principle of slotting, while healing the human-made distortions of the money system. The ultimate promise of slotting, as integrated with the vision of dimensions above third, is simple yet radical:

- You do not have to become someone else to be fulfilled.
- You have to become fully yourself in the slot you have been given.
- And a just, compassionate society must provide enough security for you to dare to do so.

PICS is one of the practical tools through which this promise can be honoured. It anchors the lower dimensions in fairness and dignity, so that the higher dimensions of love, wisdom and bliss are not reserved for a privileged few, but become a living possibility for every slotted being in this grand cosmic design

Every member in our life is part of the same grand curriculum. Every person in the family, every marriage, every friend, colleague, critic and even the so-called enemy or antithesis; every event, every faith and religion – all of them come into

existence in our field to help us evolve and climb the Jacob's ladder to higher levels of consciousness.

Yet, each of us is also operating from our own will, our own dimension, our own fears and vested interests. A person anchored in the third dimension of scarcity and insecurity, another touching the fourth dimension of self-awareness, a third beginning to live from the fifth-dimensional heart – all three will perceive the same situation differently. This misalignment of dimensions, when mixed with ego and fear, generates friction. What begins as a simple difference of perspective turns into conflict; conflict hardens into disputes; disputes escalate into fights, battles and, at the collective level, wars.

At its deepest level, PICS Economy is an invitation to reverse this spiral. By creating a fair and secure third-dimensional foundation, PICS reduces the fear that drives egoic clashes. It encourages a new form of 'competition':

- Not competition with the neighbour,
- But competition with one's own past self.

Instead of trying to defeat the other, the individual is gently nudged to ask: *"How can I be more conscious, more compassionate, more skilful today than I was yesterday?"* As insecurity diminishes and inner stability grows, relationships that once felt like battlefields can become mirrors and stepping stones on the Jacob's ladder. PICS thus seeks to nurture conflict-aware and gradually conflict-free individuals – human beings who use every encounter, whether harmonious or difficult, as fuel for inner evolution, moving steadily from the third to the fourth, fifth, sixth dimensions and beyond.

INSPIRATIONS

"What does she earn?" — Intellectual and Moral bankruptcy

It began as a routine fatal accident claim by the legal heirs of a mother and father. The Tribunal applied the familiar 14-year multiplier to the breadwinner's annual income minus his personal expenses. For the homemaker, it awarded ₹1,500 per month. The High Court affirmed. In the Supreme Court, the decisive question raised by the judge was chilling in its poverty of imagination: "*What does she earn"*

That question was not only wrong, but it is also of the wrong kind. A homemaker's emotional contribution, skill, labor is not a side hustle to the market, it is the infrastructure of the household economy without which the market earner's income would not materialize in the first place. To ask, "*what does she earn?*" as if her contribution were a hobby susceptible to unskilled or skilled labor minimum-wage arithmetic was to confuse price with value, and visibility with existence.

The architecture she built but never billed: She was the first *guru* to the children, the quiet regulator of care, nutrition, discipline, and emotional weather. She ran logistics and compliance before sunrise: meals, medicines, school timetables, elder care, social bonds, crisis management. She was the chief risk officer of sickness and exam-season anxiety; the operations head of domestic supply chains; the relationship manager of intergenerational harmony; the custodian of dignity when money ran thin and tempers ran high. She expanded the family's productive frontier by freeing her spouse to specialize. But for her, the husband would not have earned what he was earning. That is not sentiment, it is causation.

From empathy to evidence: Courts are created to provide justice for all and must translate lived reality into legally intelligible heads of damage. The right move is to shift from an earnings test to a contribution test. Two complementary lenses do this without distortion:

- **Replacement-Cost Method** - Services Lens: What would it cost, at market rates, to replace the full suite of services she provided—childcare, elder care, cooking, housekeeping, tutoring, household management, crisis coordination—at the actual quality and time-intensity her family required?
- **Enabled-Income Method** - Productivity Lens: What portion of the breadwinner's earnings was enabled by her unaccounted labor? In most

households, this is not incidental, it is constitutive. A principled share, a fixed fraction of the spouse's net income calibrated to family complexity consisting of young children, elders, disabilities, long commutes, transferable jobs, captures this causal link.

A just award should take the higher of these two lenses, then apply the statutory multiplier, and add established non-pecuniary heads - loss of consortium, parental guidance, love and affection etc. Asking whether she should be pegged to 'unskilled,' 'skilled,' 'manager' or '*Guru*' minimum wages trivializes a multi-disciplinary portfolio into a single wage code. She was one in all, every day.

The moral logic the law cannot ignore: Economics long ago learned that value arises as much from complementarities as from isolated effort. The household is a production unit, her unpaid labor is a co-factor in the generation of income and the cultivation of human capital, children who learn trust, discipline, empathy, and resilience. When law refuses to price this, it manufactures statistical orphans, vast islands of value that GDP forgets and damages formulas erased.

This is why the submission of equivalence or even higher allocation was the right principle. Where the contribution is foundational, the default presumption should be parity with the spouse's net contribution unless the wrongdoer proves otherwise. The Court's eventual grant of 50% of the husband's assessed figure was ad-hoc, not based on any logic or reasoning. UK Supreme Court in *Rhodes vs OPO* (2015 UKSC 32 para 81), clearly, expressly and unambiguously held that presumption of fact by law is archaic, it has no existence in modern Jurisprudence.

Pro Bono Economy: the ledger for the invisible: Pro Bono Economy supplies the institutional scaffolding the law has lacked:

Recognition: Unpaid care and household governance are recorded as pro bono economic activity, not as absence of work.

Measurement: Time-use and task-intensity are tracked into a verifiable ledger (PICS—Pro Bono Social Impact Credits), generating a defensible shadow price and an enabled-income coefficient for use in tort claims, insurance, pensions, and family law.

Reward: Credits can be accounted, inherited, and—where policy allows—tokenized to unlock benefits, insurance, pensions, and contingent-loss cover for caregivers.

With this, the courtroom question changes from 'What did she earn?' to 'What did she enable and provide, and what is its fair price today?'

A clean doctrinal frame (that any tribunal can apply tomorrow)

Identify Roles and Scope: Catalogue the homemaker's domains (care, education, household management, elder care, emotional labour).

Quantify Two Ways:

- Replacement cost at market rates for the actual portfolio;
- Enabled-income share ($\alpha \times Y$), where Y is the spouse's net income used for dependency and α reflects family complexity (with a rebuttable baseline).

Choose the Higher Base, then add non-pecuniary heads recognized by precedent. Apply the Appropriate Multiplier (age-linked), resisting arbitrary downgrades for unpaid work. Document with PICS (where available) to transform 'invisible labour' into admissible, auditable evidence. The deeper answer, at its heart this is not about sympathy; it is about truth in accounting and dignity in adjudication. A civilization that calls the builder of character and the keeper of kinship 'unskilled' is neither efficient nor just. The market pays in currency; the household pays in continuity. Both create surplus. Both must be counted.

So when a court asks, '*What does she earn*?', the answer is clear:

- She earns the stability that made his earnings possible.
- She earns the formative years of children who will be tomorrow's citizens.
- She earns the moral weather in which a family can hope and strive.

In the language of law she earns, at minimum, the higher of: what it costs to replace her, or a principled share of the income she enabled—multiplied, dignified, and paid without apology. Pro Bono Economy is not an escape hatch; it is the correction—from invisibility to inclusion, from sentiment to system. It answers the question not by pleading for compassion, but by demanding completeness: recognize, measure, and reward the labor that built the house in which our GDP sleeps.

ANNEXURE 1

27
HAMILTON
THE ENFORCEMENT OF THE SUPREME LAW OF THE LAND

To the People of the State of New York:

IT HAS been urged, in different shapes, that a Constitution of the kind proposed by the convention cannot operate without the aid of a military force to execute its laws. This, however, like most other things that have been alleged on that side, rests on mere general assertion, unsupported by any precise or intelligible designation of the reasons upon which it is founded. As far as I have been able to divine the latent meaning of the objectors, it seems to originate in a presupposition that the people will be disinclined to the exercise of federal authority in any matter of an internal nature. Waiving any exception that might be taken to the inaccuracy or inexplicitness of the distinction between internal and external, let us inquire what ground there is to presuppose that disinclination in the people. Unless we presume at the same time that the powers of the general government will be worse administered than those of the State government, there seems to be no room for the presumption of ill-will, disaffection, or opposition in the people. I believe it may be laid down as a general rule that their confidence in and obedience to a government will commonly be proportioned to the goodness or badness of its administration. It must be admitted that there are exceptions to this rule; but these exceptions depend so entirely on accidental causes, that they cannot be considered as having any relation to the intrinsic merits or demerits of a constitution. These can only be judged of by general principles and maxims.

Various reasons have been suggested, in the course of these papers, to induce a probability that the general government will be better administered than the particular governments; the principal of which reasons are that the extension of the spheres of election will present a greater option, or latitude of choice, to the people; that through the medium of the State legislatures which are select bodies of men, and which are to appoint the members of the national Senate there is reason to

expect that this branch will generally be composed with peculiar care and judgment; that these circumstances promise greater knowledge and more extensive information in the national councils, and that they will be less apt to be tainted by the spirit of faction, and more out of the reach of those occasional ill-humors, or temporary prejudices and propensities, which, in smaller societies, frequently contaminate the public councils, beget injustice and oppression of a part of the community, and engender schemes which, though they gratify a momentary inclination or desire, terminate in general distress, dissatisfaction, and disgust. Several additional reasons of considerable force, to fortify that probability, will occur when we come to survey, with a more critical eye, the interior structure of the edifice which we are invited to erect. It will be sufficient here to remark, that until satisfactory reasons can be assigned to justify an opinion, that the federal government is likely to be administered in such a manner as to render it odious or contemptible to the people, there can be no reasonable foundation for the supposition that the laws of the Union will meet with any greater obstruction from them, or will stand in need of any other methods to enforce their execution, than the laws of the particular members.

The hope of impunity is a strong incitement to sedition; the dread of punishment, a proportionably strong discouragement to it. Will not the government of the Union, which, if possessed of a due degree of power, can call to its aid the collective resources of the whole Confederacy, be more likely to repress the *former* sentiment and to inspire the *latter*, than that of a single State, which can only command the resources within itself? A turbulent faction in a State may easily suppose itself able to contend with the friends to the government in that State; but it can hardly be so infatuated as to imagine itself a match for the combined efforts of the Union. If this reflection be just, there is less danger of resistance from irregular combinations of individuals to the authority of the Confederacy than to that of a single member.

I will, in this place, hazard an observation, which will not be the less just because to some it may appear new; which is, that the more the operations of the national authority are intermingled in the ordinary exercise of government, the more the citizens are accustomed to meet with it in the common occurrences of their political life, the more it is familiarized to their sight and to their feelings, the further it enters into those objects which touch the most sensible chords and put in motion the most active springs of the human heart, the greater will be the probability that it will conciliate the respect and attachment of the community. Man is very much a creature of habit. A thing that rarely strikes his senses will generally have but little influence upon his mind. A government continually at a distance and out of sight can hardly be expected to interest the sensations of the people. The inference is, that the authority of the Union, and the affections of the citizens towards it, will be

strengthened, rather than weakened, by its extension to what are called matters of internal concern; and will have less occasion to recur to force, in proportion to the familiarity and comprehensiveness of its agency. The more it circulates through those channels and currents in which the passions of mankind naturally flow, the less will it require the aid of the violent and perilous expedients of compulsion.

One thing, at all events, must be evident, that a government like the one proposed would bid much fairer to avoid the necessity of using force, than that species of league contended for by most of its opponents; the authority of which should only operate upon the States in their political or collective capacities. It has been shown that in such a Confederacy there can be no sanction for the laws but force; that frequent delinquencies in the members are the natural offspring of the very frame of the government; and that as often as these happen, they can only be redressed, if at all, by war and violence.

The plan reported by the convention, by extending the authority of the federal head to the individual citizens of the several States, will enable the government to employ the ordinary magistracy of each, in the execution of its laws. It is easy to perceive that this will tend to destroy, in the common apprehension, all distinction between the sources from which they might proceed; and will give the federal government the same advantage for securing a due obedience to its authority which is enjoyed by the government of each State, in addition to the influence on public opinion which will result from the important consideration of its having power to call to its assistance and support the resources of the whole Union. It merits particular attention in this place, that the laws of the Confederacy, as to the *enumerated* and *legitimate* objects of its jurisdiction, will become the *supreme law* of the land; to the observance of which all officers, legislative, executive, and judicial, in each State, will be bound by the sanctity of an oath. Thus the legislatures, courts, and magistrates, of the respective members, will be incorporated into the operations of the national government *as far as its just and constitutional authority extends*; and will be rendered auxiliary to the enforcement of its laws[1]. Any man who will pursue, by his own reflections, the consequences of this situation, will perceive that there is good ground to calculate upon a regular and peaceable execution of the laws of the Union, if its powers are administered with a common share of prudence. If we will arbitrarily suppose the contrary, we may deduce any inferences we please from the supposition; for it is certainly possible, by an injudicious exercise of the authorities of the best government that ever was, or ever can be instituted, to provoke and precipitate the people into the wildest excesses. But though the adversaries of the

1. The sophistry which has been employed to show that this will tend to the destruction of the State governments, will, in its will, in its proper place, be fully detected. Back to text

proposed Constitution should presume that the national rulers would be insensible to the motives of public good, or to the obligations of duty, I would still ask them how the interests of ambition, or the views of encroachment, can be promoted by such a conduct?

PUBLIUS.

Tuesday, December 25, 1787

28
HAMILTON
A NATIONAL ARMY AND INTERNAL SECURITY

To the People of the State of New York:

THAT there may happen cases in which the national government may be necessitated to resort to force, cannot be denied. Our own experience has corroborated the lessons taught by the examples of other nations; that emergencies of this sort will sometimes arise in all societies, however constituted; that seditions and insurrections are, unhappily, maladies as inseparable from the body politic as tumors and eruptions from the natural body; that the idea of governing at all times by the simple force of law (which we have been told is the only admissible principle of republican government), has no place but in the reveries of those political doctors whose sagacity disdains the admonitions of experimental instruction.

Should such emergencies at any time happen under the national government, there could be no remedy but force. The means to be employed must be proportioned to the extent of the mischief. If it should be a slight commotion in a small part of a State, the militia of the residue would be adequate to its suppression; and the national presumption is that they would be ready to do their duty. An insurrection, whatever may be its immediate cause, eventually endangers all government. Regard to the public peace, if not to the rights of the Union, would engage the citizens to whom the contagion had not communicated itself to oppose the insurgents; and if the general government should be found in practice conducive to the prosperity and felicity of the people, it were irrational to believe that they would be disinclined to its support.

If, on the contrary, the insurrection should pervade a whole State, or a principal part of it, the employment of a different kind of force might become unavoidable. It appears that Massachusetts found it necessary to raise troops for repressing the disorders within that State; that Pennsylvania, from the mere apprehension of commotions among a part of her citizens, has thought proper to have recourse to the same measure. Suppose the State of New York had been inclined to re-establish her lost jurisdiction over the inhabitants of Vermont, could she have hoped for success in such an enterprise from the efforts of the militia alone? Would she not have been

compelled to raise and to maintain a more regular force for the execution of her design? If it must then be admitted that the necessity of recurring to a force different from the militia, in cases of this extraordinary nature, is applicable to the State governments themselves, why should the possibility, that the national government might be under a like necessity, in similar extremities, be made an objection to its existence? Is it not surprising that men who declare an attachment to the Union in the abstract, should urge as an objection to the proposed Constitution what applies with tenfold weight to the plan for which they contend; and what, as far as it has any foundation in truth, is an inevitable consequence of civil society upon an enlarged scale? Who would not prefer that possibility to the unceasing agitations and frequent revolutions which are the continual scourges of petty republics?

Let us pursue this examination in another light. Suppose, in lieu of one general system, two, or three, or even four Confederacies were to be formed, would not the same difficulty oppose itself to the operations of either of these Confederacies? Would not each of them be exposed to the same casualties; and when these happened, be obliged to have recourse to the same expedients for upholding its authority which are objected to in a government for all the States? Would the militia, in this supposition, be more ready or more able to support the federal authority than in the case of a general union? All candid and intelligent men must, upon due consideration, acknowledge that the principle of the objection is equally applicable to either of the two cases; and that whether we have one government for all the States, or different governments for different parcels of them, or even if there should be an entire separation of the States[1], there might sometimes be a necessity to make use of a force constituted differently from the militia, to preserve the peace of the community and to maintain the just authority of the laws against those violent invasions of them which amount to insurrections and rebellions.

Independent of all other reasonings upon the subject, it is a full answer to those who require a more peremptory provision against military establishments in time of peace, to say that the whole power of the proposed government is to be in the hands of the representatives of the people. This is the essential, and, after all, only efficacious security for the rights and privileges of the people, which is attainable in civil society[2].

If the representatives of the people betray their constituents, there is then no resource left but in the exertion of that original right of self-defense which is paramount to all positive forms of government, and which against the usurpations of the national rulers, may be exerted with infinitely better prospect of success than

1. In the revised text, "or if there should be as many unconnected governments as there are states
2. Its full efficacy will be examined hereafter-PUBLIUS.

against those of the rulers of an individual state. In a single state, if the persons intrusted with supreme power become usurpers, the different parcels, subdivisions, or districts of which it consists, having no distinct government in each, can take no regular measures for defense. The citizens must rush tumultuously to arms, without concert, without system, without resource; except in their courage and despair. The usurpers, clothed with the forms of legal authority, can too often crush the opposition in embryo. The smaller the extent of the territory, the more difficult will it be for the people to form a regular or systematic plan of opposition, and the more easy will it be to defeat their early efforts. Intelligence can be more speedily obtained of their preparations and movements, and the military force in the possession of the usurpers can be more rapidly directed against the part where the opposition has begun. In this situation there must be a peculiar coincidence of circumstances to insure success to the popular resistance.

The obstacles to usurpation and the facilities of resistance increase with the increased extent of the state, provided the citizens understand their rights and are disposed to defend them. The natural strength of the people in a large community, in proportion to the artificial strength of the government, is greater than in a small, and of course more competent to a struggle with the attempts of the government to establish a tyranny. But in a confederacy the people, without exaggeration, may be said to be entirely the masters of their own fate. Power being almost always the rival of power, the general government will at all times stand ready to check the usurpations of the state governments, and these will have the same disposition towards the general government. The people, by throwing themselves into either scale, will infallibly make it preponderate. If their rights are invaded by either, they can make use of the other as the instrument of redress. How wise will it be in them by cherishing the union to preserve to themselves an advantage which can never be too highly prized!

It may safely be received as an axiom in our political system, that the State governments will, in all possible contingencies, afford complete security against invasions of the public liberty by the national authority. Projects of usurpation cannot be masked under pretenses so likely to escape the penetration of select bodies of men, as of the people at large. The legislatures will have better means of information. They can discover the danger at a distance; and possessing all the organs of civil power, and the confidence of the people, they can at once adopt a regular plan of opposition, in which they can combine all the resources of the community. They can readily communicate with each other in the different States, and unite their common forces for the protection of their common liberty.

The great extent of the country is a further security. We have already experienced its utility against the attacks of a foreign power. And it would have precisely the

same effect against the enterprises of ambitious rulers in the national councils. If the federal army should be able to quell the resistance of one State, the distant States would have it in their power to make head with fresh forces. The advantages obtained in one place must be abandoned to subdue the opposition in others; and the moment the part which had been reduced to submission was left to itself, its efforts would be renewed, and its resistance revive.

We should recollect that the extent of the military force must, at all events, be regulated by the resources of the country. For a long time to come, it will not be possible to maintain a large army; and as the means of doing this increase, the population and natural strength of the community will proportionably increase. When will the time arrive that the federal government can raise and maintain an army capable of erecting a despotism over the great body of the people of an immense empire, who are in a situation, through the medium of their State governments, to take measures for their own defense, with all the celerity, regularity, and system of independent nations? The apprehension may be considered as a disease, for which there can be found no cure in the resources of argument and reasoning.

PUBLIUS

29
HAMILTON
THE REGULATION OF THE MILITIA

To the People of the State of New York:

THE power of regulating the militia, and of commanding its services in times of insurrection and invasion are natural incidents to the duties of superintending the common defense, and of watching over the internal peace of the Confederacy.

It requires no skill in the science of war to discern that uniformity in the organization and discipline of the militia would be attended with the most beneficial effects, whenever they were called into service for the public defense. It would enable them to discharge the duties of the camp and of the field with mutual intelligence and concert an advantage of peculiar moment in the operations of an army; and it would fit them much sooner to acquire the degree of proficiency in military functions which would be essential to their usefulness. This desirable uniformity can only be accomplished by confiding the regulation of the militia to the direction of the national authority. It is, therefore, with the most evident propriety, that the plan of the convention proposes to empower the Union 'to provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, *reserving to the States respectively the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress.'*

Of the different grounds which have been taken in opposition to the plan of the convention, there is none that was so little to have been expected, or is so untenable in itself, as the one from which this particular provision has been attacked. If a well-regulated militia be the most natural defense of a free country, it ought certainly to be under the regulation and at the disposal of that body which is constituted the guardian of the national security. If standing armies are dangerous to liberty, an efficacious power over the militia, in the body to whose care the protection of the State is committed, ought, as far as possible, to take away the inducement and the pretext to such unfriendly institutions. If the federal government can command the aid of the militia in those emergencies which call for the military arm in support of the civil magistrate, it can the better dispense with the employment of a different

kind of force. If it cannot avail itself of the former, it will be obliged to recur to the latter. To render an army unnecessary, will be a more certain method of preventing its existence than a thousand prohibitions upon paper.

In order to cast an odium upon the power of calling forth the militia to execute the laws of the Union, it has been remarked that there is nowhere any provision in the proposed Constitution for calling out the POSSE COMITATUS, to assist the magistrate in the execution of his duty, whence it has been inferred, that military force was intended to be his only auxiliary. There is a striking incoherence in the objections which have appeared, and sometimes even from the same quarter, not much calculated to inspire a very favorable opinion of the sincerity or fair dealing of their authors. The same persons who tell us in one breath, that the powers of the federal government will be despotic and unlimited, inform us in the next, that it has not authority sufficient even to call out the POSSE COMITATUS. The latter, fortunately, is as much short of the truth as the former exceeds it. It would be as absurd to doubt, that a right to pass all laws *necessary and proper* to execute its declared powers, would include that of requiring the assistance of the citizens to the officers who may be intrusted with the execution of those laws, as it would be to believe, that a right to enact laws necessary and proper for the imposition and collection of taxes would involve that of varying the rules of descent and of the alienation of landed property, or of abolishing the trial by jury in cases relating to it. It being therefore evident that the supposition of a want of power to require the aid of the POSSE COMITATUS is entirely destitute of color, it will follow, that the conclusion which has been drawn from it, in its application to the authority of the federal government over the militia, is as uncandid as it is illogical. What reason could there be to infer, that force was intended to be the sole instrument of authority, merely because there is a power to make use of it when necessary? What shall we think of the motives which could induce men of sense to reason in this manner? How shall we prevent a conflict between charity and judgment?

By a curious refinement upon the spirit of republican jealousy, we are even taught to apprehend danger from the militia itself, in the hands of the federal government. It is observed that select corps may be formed, composed of the young and ardent, who may be rendered subservient to the views of arbitrary power. What plan for the regulation of the militia may be pursued by the national government, is impossible to be foreseen. But so far from viewing the matter in the same light with those who object to select corps as dangerous, were the Constitution ratified, and were I to deliver my sentiments to a member of the federal legislature from this State on the subject of a militia establishment, I should hold to him, in substance, the following discourse:

"The project of disciplining all the militia of the United States is as futile as it would be injurious, if it were capable of being carried into execution. A tolerable expertness in military movements is a business that requires time and practice. It is not a day, or even a week, that will suffice for the attainment of it. To oblige the great body of the yeomanry, and of the other classes of the citizens, to be under arms for the purpose of going through military exercises and evolutions, as often as might be necessary to acquire the degree of perfection which would entitle them to the character of a well-regulated militia, would be a real grievance to the people, and a serious public inconvenience and loss. It would form an annual deduction from the productive labor of the country, to an amount which, calculating upon the present numbers of the people, would not fall far short of the whole expense of the civil establishments of all the States. To attempt a thing which would abridge the mass of labor and industry to so considerable an extent, would be unwise: and the experiment, if made, could not succeed, because it would not long be endured. Little more can reasonably be aimed at, with respect to the people at large, than to have them properly armed and equipped; and in order to see that this be not neglected, it will be necessary to assemble them once or twice in the course of a year.

"But though the scheme of disciplining the whole nation must be abandoned as mischievous or impracticable; yet it is a matter of the utmost importance that a well-digested plan should, as soon as possible, be adopted for the proper establishment of the militia. The attention of the government ought particularly to be directed to the formation of a select corps of moderate extent, upon such principles as will really fit them for service in case of need. By thus circumscribing the plan, it will be possible to have an excellent body of well-trained militia, ready to take the field whenever the defense of the State shall require it. This will not only lessen the call for military establishments, but if circumstances should at any time oblige the government to form an army of any magnitude that army can never be formidable to the liberties of the people while there is a large body of citizens, little, if at all, inferior to them in discipline and the use of arms, who stand ready to defend their own rights and those of their fellow-citizens. This appears to me the only substitute that can be devised for a standing army, and the best possible security against it, if it should exist."

Thus differently from the adversaries of the proposed Constitution should I reason on the same subject, deducing arguments of safety from the very sources which they represent as fraught with danger and perdition. But how the national legislature may reason on the point, is a thing which neither they nor I can foresee.

There is something so far-fetched and so extravagant in the idea of danger to liberty from the militia, that one is at a loss whether to treat it with gravity or with raillery; whether to consider it as a mere trial of skill, like the paradoxes of rhetoricians; as a disingenuous artifice to instil prejudices at any price; or as the

serious offspring of political fanaticism. Where in the name of common-sense, are our fears to end if we may not trust our sons, our brothers, our neighbors, our fellow-citizens? What shadow of danger can there be from men who are daily mingling with the rest of their countrymen and who participate with them in the same feelings, sentiments, habits and interests? What reasonable cause of apprehension can be inferred from a power in the Union to prescribe regulations for the militia, and to command its services when necessary, while the particular States are to have the *sole and exclusive appointment of the officers?* If it were possible seriously to indulge a jealousy of the militia upon any conceivable establishment under the federal government, the circumstance of the officers being in the appointment of the States ought at once to extinguish it. There can be no doubt that this circumstance will always secure to them a preponderating influence over the militia.

In reading many of the publications against the Constitution, a man is apt to imagine that he is perusing some ill-written tale or romance, which instead of natural and agreeable images, exhibits to the mind nothing but frightful and distorted shapes-

"Gorgons, hydras, and chimeras dire";

discoloring and disfiguring whatever it represents, and transforming everything it touches into a monster.

A sample of this is to be observed in the exaggerated and improbable suggestions which have taken place respecting the power of calling for the services of the militia. That of New Hampshire is to be marched to Georgia, of Georgia to New Hampshire, of New York to Kentucky, and of Kentucky to Lake Champlain. Nay, the debts due to the French and Dutch are to be paid in militiamen instead of louis d'ors and ducats. At one moment there is to be a large army to lay prostrate the liberties of the people; at another moment the militia of Virginia are to be dragged from their homes five or six hundred miles, to tame the republican contumacy of Massachusetts; and that of Massachusetts is to be transported an equal distance to subdue the refractory haughtiness of the aristocratic Virginians. Do the persons who rave at this rate imagine that their art or their eloquence can impose any conceits or absurdities upon the people of America for infallible truths?

If there should be an army to be made use of as the engine of despotism, what need of the militia? If there should be no army, whither would the militia, irritated by being called upon to undertake a distant and hopeless expedition, for the purpose of riveting the chains of slavery upon a part of their countrymen, direct their course, but to the seat of the tyrants, who had meditated so foolish as well as so wicked a project, to crush them in their imagined intrenchments of power, and to make them

an example of the just vengeance of an abused and incensed people? Is this the way in which usurpers stride to dominion over a numerous and enlightened nation? Do they begin by exciting the detestation of the very instruments of their intended usurpations? Do they usually commence their career by wanton and disgustful acts of power, calculated to answer no end, but to draw upon themselves universal hatred and execration? Are suppositions of this sort the sober admonitions of discerning patriots to a discerning people? Or are they the inflammatory ravings of incendiaries or distempered enthusiasts? If we were even to suppose the national rulers actuated by the most ungovernable ambition, it is impossible to believe that they would employ such preposterous means to accomplish their designs.

In times of insurrection, or invasion, it would be natural and proper that the militia of a neighboring State should be marched into another, to resist a common enemy, or to guard the republic against the violence of faction or sedition. This was frequently the case, in respect to the first object, in the course of the late war; and this mutual succor is, indeed, a principal end of our political association. If the power of affording it be placed under the direction of the Union, there will be no danger of a supine and listless inattention to the dangers of a neighbor, till its near approach had superadded the incitements of self-preservation to the too feeble impulses of duty and sympathy.

PUBLIUS.

Thursday, January 10, 1788

30
HAMILTON
A GENERAL POWER OF TAXATION

To the People of the State of New York:

IT HAS been already observed that the federal government ought to possess the power of providing for the support of the national forces; in which proposition was intended to be included the expense of raising troops, of building and equipping fleets, and all other expenses in any wise connected with military arrangements and operations. But these are not the only objects to which the jurisdiction of the Union, in respect to revenue, must necessarily be empowered to extend. It must embrace a provision for the support of the national civil list; for the payment of the national debts contracted, or that may be contracted; and, in general, for all those matters which will call for disbursements out of the national treasury. The conclusion is, that there must be interwoven, in the frame of the government, a general power of taxation, in one shape or another.

Money is, with propriety, considered as the vital principle of the body politic; as that which sustains its life and motion, and enables it to perform its most essential functions. A complete power, therefore, to procure a regular and adequate supply of it, as far as the resources of the community will permit, may be regarded as an indispensable ingredient in every constitution. From a deficiency in this particular, one of two evils must ensue; either the people must be subjected to continual plunder, as a substitute for a more eligible mode of supplying the public wants, or the government must sink into a fatal atrophy, and, in a short course of time, perish.

In the Ottoman or Turkish empire, the sovereign, though in other respects absolute master of the lives and fortunes of his subjects, has no right to impose a new tax. The consequence is that he permits the bashaws or governors of provinces to pillage the people without mercy; and, in turn, squeezes out of them the sums of which he stands in need, to satisfy his own exigencies and those of the state. In America, from a like cause, the government of the Union has gradually dwindled into a state of decay, approaching nearly to annihilation. Who can doubt, that the happiness of the people in both countries would be promoted by competent

authorities in the proper hands, to provide the revenues which the necessities of the public might require?

The present Confederation, feeble as it is intended to repose in the United States, an unlimited power of providing for the pecuniary wants of the Union. But proceeding upon an erroneous principle, it has been done in such a manner as entirely to have frustrated the intention. Congress, by the articles which compose that compact (as has already been stated), are authorized to ascertain and call for any sums of money necessary, in their judgment, to the service of the United States; and their requisitions, if conformable to the rule of apportionment, are in every constitutional sense obligatory upon the States. These have no right to question the propriety of the demand; no discretion beyond that of devising the ways and means of furnishing the sums demanded. But though this be strictly and truly the case; though the assumption of such a right would be an infringement of the articles of Union; though it may seldom or never have been avowedly claimed, yet in practice it has been constantly exercised, and would continue to be so, as long as the revenues of the Confederacy should remain dependent on the intermediate agency of its members. What the consequences of this system have been, is within the knowledge of every man the least conversant in our public affairs, and has been amply unfolded in different parts of these inquiries. It is this which has chiefly contributed to reduce us to a situation, which affords ample cause both of mortification to ourselves, and of triumph to our enemies.

What remedy can there be for this situation, but in a change of the system which has produced it in a change of the fallacious and delusive system of quotas and requisitions? What substitute can there be imagined for this ignis fatuus in finance, but that of permitting the national government to raise its own revenues by the ordinary methods of taxation authorized in every well-ordered constitution of civil government? Ingenious men may declaim with plausibility on any subject; but no human ingenuity can point out any other expedient to rescue us from the inconveniences and embarrassments naturally resulting from defective supplies of the public treasury.

The more intelligent adversaries of the new Constitution admit the force of this reasoning; but they qualify their admission by a distinction between what they call *internal* and *external* taxation. The former they would reserve to the State governments; the latter, which they explain into commercial imposts, or rather duties on imported articles, they declare themselves willing to concede to the federal head. This distinction, however, would violate the maxim of good sense and sound policy, which dictates that every POWER ought to be in proportion to its OBJECT; and would still leave the general government in a

kind of tutelage to the State governments, inconsistent with every idea of vigor or efficiency. Who can pretend that commercial imposts are, or would be, alone equal to the present and future exigencies of the Union? Taking into the account the existing debt, foreign and domestic, upon any plan of extinguishment which a man moderately impressed with the importance of public justice and public credit could approve, in addition to the establishments which all parties will acknowledge to be necessary, we could not reasonably flatter ourselves, that this resource alone, upon the most improved scale, would even suffice for its present necessities. Its future necessities admit not of calculation or limitation; and upon the principle, more than once adverted to, the power of making provision for them as they arise ought to be equally unconfined. I believe it may be regarded as a position warranted by the history of mankind, that, *in the usual progress of things, the necessities of a nation, in every stage of its existence, will be found at least equal to its resources*.

To say that deficiencies may be provided for by requisitions upon the States, is on the one hand to acknowledge that this system cannot be depended upon, and on the other hand to depend upon it for every thing beyond a certain limit. Those who have carefully attended to its vices and deformities as they have been exhibited by experience or delineated in the course of these papers, must feel invincible repugnancy to trusting the national interests in any degree to its operation. Its inevitable tendency, whenever it is brought into activity, must be to enfeeble the Union, and sow the seeds of discord and contention between the federal head and its members, and between the members themselves. Can it be expected that the deficiencies would be better supplied in this mode than the total wants of the Union have heretofore been supplied in the same mode? It ought to be recollected that if less will be required from the States, they will have proportionably less means to answer the demand. If the opinions of those who contend for the distinction which has been mentioned were to be received as evidence of truth, one would be led to conclude that there was some known point in the economy of national affairs at which it would be safe to stop and to say: Thus far the ends of public happiness will be promoted by supplying the wants of government, and all beyond this is unworthy of our care or anxiety. How is it possible that a government half supplied and always necessitous, can fulfill the purposes of its institution, can provide for the security, advance the prosperity, or support the reputation of the commonwealth? How can it ever possess either energy or stability, dignity or credit, confidence at home or respectability abroad? How can its administration be any thing else than a succession of expedients temporizing, impotent, disgraceful? How will it be able to avoid a frequent sacrifice of its engagements to immediate necessity? How can it undertake or execute any liberal or enlarged plans of public good?

Let us attend to what would be the effects of this situation in the very first war in which we should happen to be engaged. We will presume, for argument's sake, that the revenue arising from the impost duties answers the purposes of a provision for the public debt and of a peace establishment for the Union. Thus circumstanced, a war breaks out. What would be the probable conduct of the government in such an emergency? Taught by experience that proper dependence could not be placed on the success of requisitions, unable by its own authority to lay hold of fresh resources, and urged by considerations of national danger, would it not be driven to the expedient of diverting the funds already appropriated from their proper objects to the defense of the State? It is not easy to see how a step of this kind could be avoided; and if it should be taken, it is evident that it would prove the destruction of public credit at the very moment that it was becoming essential to the public safety. To imagine that at such a crisis credit might be dispensed with, would be the extreme of infatuation. In the modern system of war, nations the most wealthy are obliged to have recourse to large loans. A country so little opulent as ours must feel this necessity in a much stronger degree. But who would lend to a government that prefaced its overtures for borrowing by an act which demonstrated that no reliance could be placed on the steadiness of its measures for paying? The loans it might be able to procure would be as limited in their extent as burdensome in their conditions. They would be made upon the same principles that usurers commonly lend to bankrupt and fraudulent debtors, with a sparing hand and at enormous premiums.

It may perhaps be imagined that, from the scantiness of the resources of the country, the necessity of diverting the established funds in the case supposed would exist, though the national government should possess an unrestrained power of taxation. But two considerations will serve to quiet all apprehension on this head: one is, that we are sure the resources of the community, in their full extent, will be brought into activity for the benefit of the Union; the other is, that whatever deficiencies there may be, can without difficulty be supplied by loans.

The power of creating new funds upon new objects of taxation, by its own authority, would enable the national government to borrow as far as its necessities might require. Foreigners, as well as the citizens of America, could then reasonably repose confidence in its engagements; but to depend upon a government that must itself depend upon thirteen other governments for the means of fulfilling its contracts, when once its situation is clearly understood, would require a degree of credulity not often to be met with in the pecuniary transactions of mankind, and little reconcilable with the usual sharp-sightedness of avarice.

Reflections of this kind may have trifling weight with men who hope to see realized in America the halcyon scenes of the poetic or fabulous age; but to those who believe we are likely to experience a common portion of the vicissitudes and calamities which have fallen to the lot of other nations, they must appear entitled to serious attention. Such men must behold the actual situation of their country with painful solicitude, and deprecate the evils which ambition or revenge might, with too much facility, inflict upon it.

PUBLIUS

Friday, December 28, 1787

31
HAMILTON
THE NECESSITY OF A NATIONAL POWER OF TAXATION

To the People of the State of New York:

IN DISQUISITIONS of every kind, there are certain primary truths, or first principles, upon which all subsequent reasonings must depend. These contain an internal evidence which, antecedent to all reflection or combination, commands the assent of the mind. Where it produces not this effect, it must proceed either from some defect or disorder in the organs of perception, or from the influence of some strong interest, or passion, or prejudice. Of this nature are the maxims in geometry, that "the whole is greater than its part; things equal to the same are equal to one another; two straight lines cannot enclose a space; and all right angles are equal to each other." Of the same nature are these other maxims in ethics and politics, that there cannot be an effect without a cause; that the means ought to be proportioned to the end; that every power ought to be commensurate with its object; that there ought to be no limitation of a power destined to effect a purpose which is itself incapable of limitation. And there are other truths in the two latter sciences which, if they cannot pretend to rank in the class of axioms, are yet such direct inferences from them, and so obvious in themselves, and so agreeable to the natural and unsophisticated dictates of common-sense, that they challenge the assent of a sound and unbiased mind, with a degree of force and conviction almost equally irresistible.

The objects of geometrical inquiry are so entirely abstracted from those pursuits which stir up and put in motion the unruly passions of the human heart, that mankind, without difficulty, adopt not only the more simple theorems of the science, but even those abstruse paradoxes which, however they may appear susceptible of demonstration, are at variance with the natural conceptions which the mind, without the aid of philosophy, would be led to entertain upon the subject. The INFINITE DIVISIBILITY of matter, or, in other words, the INFINITE divisibility of a FINITE thing, extending even to the minutest atom, is a point agreed among geometricians, though not less incomprehensible to common-sense

than any of those mysteries in religion, against which the batteries of infidelity have been so industriously leveled.

But in the sciences of morals and politics, men are found far less tractable. To a certain degree, it is right and useful that this should be the case. Caution and investigation are a necessary armor against error and imposition. But this untractableness may be carried too far, and may degenerate into obstinacy, perverseness, or disingenuity. Though it cannot be pretended that the principles of moral and political knowledge have, in general, the same degree of certainty with those of the mathematics, yet they have much better claims in this respect than, to judge from the conduct of men in particular situations, we should be disposed to allow them. The obscurity is much oftener in the passions and prejudices of the reasoner than in the subject. Men, upon too many occasions, do not give their own understandings fair play; but, yielding to some untoward bias, they entangle themselves in words and confound themselves in subtleties.

How else could it happen (if we admit the objectors to be sincere in their opposition), that positions so clear as those which manifest the necessity of a general power of taxation in the government of the Union, should have to encounter any adversaries among men of discernment? Though these positions have been elsewhere fully stated, they will perhaps not be improperly recapitulated in this place, as introductory to an examination of what may have been offered by way of objection to them. They are in substance as follows:

A government ought to contain in itself every power requisite to the full accomplishment of the objects committed to its care, and to the complete execution of the trusts for which it is responsible, free from every other control but a regard to the public good and to the sense of the people.

As the duties of superintending the national defense and of securing the public peace against foreign or domestic violence involve a provision for casualties and dangers to which no possible limits can be assigned, the power of making that provision ought to know no other bounds than the exigencies of the nation and the resources of the community.

As revenue is the essential engine by which the means of answering the national exigencies must be procured, the power of procuring that article in its full extent must necessarily be comprehended in that of providing for those exigencies. As theory and practice conspire to prove that the power of procuring revenue is unavailing when exercised over the States in their collective capacities, the federal government must of necessity be invested with an unqualified power of taxation in the ordinary modes.

Did not experience evince the contrary, it would be natural to conclude that the propriety of a general power of taxation in the national government might safely be

permitted to rest on the evidence of these propositions, unassisted by any additional arguments or illustrations. But we find, in fact, that the antagonists of the proposed Constitution, so far from acquiescing in their justness or truth, seem to make their principal and most zealous effort against this part of the plan. It may therefore be satisfactory to analyze the arguments with which they combat it.

Those of them which have been most labored with that view, seem in substance to amount to this: 'It is not true, because the exigencies of the Union may not be susceptible of limitation, that its power of laying taxes ought to be unconfined. Revenue is as requisite to the purposes of the local administrations as to those of the Union; and the former are at least of equal importance with the latter to the happiness of the people. It is, therefore, as necessary that the State governments should be able to command the means of supplying their wants, as that the national government should possess the like faculty in respect to the wants of the Union. But an indefinite power of taxation in the *latter* might, and probably would in time, deprive the *former* of the means of providing for their own necessities; and would subject them entirely to the mercy of the national legislature. As the laws of the Union are to become the supreme law of the land, as it is to have power to pass all laws that may be NECESSARY for carrying into execution the authorities with which it is proposed to vest it, the national government might at any time abolish the taxes imposed for State objects upon the pretense of an interference with its own. It might allege a necessity of doing this in order to give efficacy to the national revenues. And thus all the resources of taxation might by degrees become the subjects of federal monopoly, to the entire exclusion and destruction of the State governments.'

This mode of reasoning appears sometimes to turn upon the supposition of usurpation in the national government; at other times it seems to be designed only as a deduction from the constitutional operation of its intended powers. It is only in the latter light that it can be admitted to have any pretensions to fairness. The moment we launch into conjectures about the usurpations of the federal government, we get into an unfathomable abyss, and fairly put ourselves out of the reach of all reasoning. Imagination may range at pleasure till it gets bewildered amidst the labyrinths of an enchanted castle, and knows not on which side to turn to extricate itself from the perplexities into which it has so rashly adventured. Whatever may be the limits or modifications of the powers of the Union, it is easy to imagine an endless train of possible dangers; and by indulging an excess of jealousy and timidity, we may bring ourselves to a state of absolute scepticism and irresolution. I repeat here what I have observed in substance in another place, that all observations founded upon the danger of usurpation ought to be referred to the composition and structure of the government, not to the nature or extent of its

powers. The State governments, by their original constitutions, are invested with complete sovereignty. In what does our security consist against usurpation from that quarter? Doubtless in the manner of their formation, and in a due dependence of those who are to administer them upon the people. If the proposed construction of the federal government be found, upon an impartial examination of it, to be such as to afford, to a proper extent, the same species of security, all apprehensions on the score of usurpation ought to be discarded.

It should not be forgotten that a disposition in the State governments to encroach upon the rights of the Union is quite as probable as a disposition in the Union to encroach upon the rights of the State governments. What side would be likely to prevail in such a conflict, must depend on the means which the contending parties could employ toward insuring success. As in republics strength is always on the side of the people, and as there are weighty reasons to induce a belief that the State governments will commonly possess most influence over them, the natural conclusion is that such contests will be most apt to end to the disadvantage of the Union; and that there is greater probability of encroachments by the members upon the federal head, than by the federal head upon the members. But it is evident that all conjectures of this kind must be extremely vague and fallible: and that it is by far the safest course to lay them altogether aside, and to confine our attention wholly to the nature and extent of the powers as they are delineated in the Constitution. Every thing beyond this must be left to the prudence and firmness of the people; who, as they will hold the scales in their own hands, it is to be hoped, will always take care to preserve the constitutional equilibrium between the general and the State governments. Upon this ground, which is evidently the true one, it will not be difficult to obviate the objections which have been made to an indefinite power of taxation in the United States.

PUBLIUS

Tuesday, January 1, 1788

32
HAMILTON
EXCLUSIVE AND CONCURRENT POWERS OF TAXATION

To the People of the State of New York:

ALTHOUGH I am of opinion that there would be no real danger of the consequences which seem to be apprehended to the State governments from a power in the Union to control them in the levies of money, because I am persuaded that the sense of the people, the extreme hazard of provoking the resentments of the State governments, and a conviction of the utility and necessity of local administrations for local purposes, would be a complete barrier against the oppressive use of such a power; yet I am willing here to allow, in its full extent, the justness of the reasoning which requires that the individual States should possess an independent and uncontrollable authority to raise their own revenues for the supply of their own wants. And making this concession, I affirm that (with the sole exception of duties on imports and exports) they would, under the plan of the convention, retain that authority in the most absolute and unqualified sense; and that an attempt on the part of the national government to abridge them in the exercise of it, would be a violent assumption of power, unwarranted by any article or clause of its Constitution.

An entire consolidation of the States into one complete national sovereignty would imply an entire subordination of the parts; and whatever powers might remain in them, would be altogether dependent on the general will. But as the plan of the convention aims only at a partial union or consolidation, the State governments would clearly retain all the rights of sovereignty which they before had, and which were not, by that act, *exclusively* delegated to the United States. This exclusive delegation, or rather this alienation, of State sovereignty, would only exist in three cases: where the Constitution in express terms granted an exclusive authority to the Union; where it granted in one instance an authority to the Union, and in another prohibited the States from exercising the like authority; and where it granted an authority to the Union, to which a similar authority in the States would

be absolutely and totally *contradictory* and *repugnant*. I use these terms to distinguish this last case from another which might appear to resemble it, but which would, in fact, be essentially different; I mean where the exercise of a concurrent jurisdiction might be productive of occasional interferences in the *policy* of any branch of administration, but would not imply any direct contradiction or repugnancy in point of constitutional authority. These three cases of exclusive jurisdiction in the federal government may be exemplified by the following instances: The last clause but one in the eighth section of the first article provides expressly that Congress shall exercise *"exclusive legislation"* over the district to be appropriated as the seat of government. This answers to the first case. The first clause of the same section empowers Congress *"to lay and collect taxes, duties, imposts and excises"*; and the second clause of the tenth section of the same article declares that, *"no State shall*, without the consent of Congress, *lay any imposts or duties on imports or exports*, except for the purpose of executing its inspection laws.*'* Hence would result an exclusive power in the Union to lay duties on imports and exports, with the particular exception mentioned; but this power is abridged by another clause, which declares that no tax or duty shall be laid on articles exported from any State; in consequence of which qualification, it now only extends to the *duties on imports*. This answers to the second case. The third will be found in that clause which declares that Congress shall have power "to establish a UNIFORM RULE of naturalization throughout the United States.*"* This must necessarily be exclusive; because if each State had power to prescribe a DISTINCT RULE, there could not be a UNIFORM RULE.

A case which may perhaps be thought to resemble the latter, but which is in fact widely different, affects the question immediately under consideration. I mean the power of imposing taxes on all articles other than exports and imports. This, I contend, is manifestly a concurrent and coequal authority in the United States and in the individual States. There is plainly no expression in the granting clause which makes that power *exclusive* in the Union. There is no independent clause or sentence which prohibits the States from exercising it. So far is this from being the case, that a plain and conclusive argument to the contrary is to be deduced from the restraint laid upon the States in relation to duties on imports and exports. This restriction implies an admission that, if it were not inserted, the States would possess the power it excludes; and it implies a further admission, that as to all other taxes, the authority of the States remains undiminished. In any other view it would be both unnecessary and dangerous; it would be unnecessary, because if the grant to the Union of the power of laying such duties implied the exclusion of the States, or even their subordination in this particular, there could be no need of such a restriction; it would be dangerous, because the introduction of it leads directly to the conclusion

which has been mentioned, and which, if the reasoning of the objectors be just, could not have been intended; I mean that the States, in all cases to which the restriction did not apply, would have a concurrent power of taxation with the Union. The restriction in question amounts to what lawyers call a NEGATIVE PREGNANT -- that is, a *negation* of one thing, and an *affirmance* of another; a negation of the authority of the States to impose taxes on imports and exports, and an affirmance of their authority to impose them on all other articles. It would be mere sophistry to argue that it was meant to exclude them *absolutely* from the imposition of taxes of the former kind, and to leave them at liberty to lay others *subject to the control* of the national legislature. The restraining or prohibitory clause only says, that they shall not, *without the consent of congress*, lay such duties; and if we are to understand this in the sense last mentioned, the Constitution would then be made to introduce a formal provision for the sake of a very absurd conclusion; which is, that the States, *with the consent* of the national legislature, might tax imports and exports; and that they might tax every other article, *unless controlled* by the same body. If this was the intention, why not leave it, in the first instance, to what is alleged to be the natural operation of the original clause, conferring a general power of taxation upon the Union? It is evident that this could not have been the intention, and that it will not bear a construction of the kind.

As to a supposition of repugnancy between the power of taxation in the States and in the Union, it cannot be supported in that sense which would be requisite to work an exclusion of the States. It is, indeed, possible that a tax might be laid on a particular article by a State which might render it *inexpedient* that thus a further tax should be laid on the same article by the Union; but it would not imply a constitutional inability to impose a further tax. The quantity of the imposition, the expediency or inexpediency of an increase on either side, would be mutually questions of prudence; but there would be involved no direct contradiction of power. The particular policy of the national and of the State systems of finance might now and then not exactly coincide, and might require reciprocal forbearances. It is not, however a mere possibility of inconvenience in the exercise of powers, but an immediate constitutional repugnancy that can by implication alienate and extinguish a pre-existing right of sovereignty.

The necessity of a concurrent jurisdiction in certain cases results from the division of the sovereign power; and the rule that all authorities, of which the States are not explicitly divested in favor of the Union, remain with them in full vigor, is not a theoretical consequence of that division, but is clearly admitted by the whole tenor of the instrument which contains the articles of the proposed Constitution. We there find that, notwithstanding the affirmative grants of general authorities, there has been the most pointed care in those cases where it was deemed improper that the

like authorities should reside in the States, to insert negative clauses prohibiting the exercise of them by the States. The tenth section of the first article consists altogether of such provisions. This circumstance is a clear indication of the sense of the convention, and furnishes a rule of interpretation out of the body of the act, which justifies the position I have advanced and refutes every hypothesis to the contrary.

PUBLIUS

Thursday, January 3, 1788

33
HAMILTON
THE CONSTITUTIONALITY OF NATIONAL TAX LAWS

To the People of the State of New York:

THE residue of the argument against the provisions of the Constitution in respect to taxation is ingrafted upon the following clause. The last clause of the eighth section of the first article of the plan under consideration authorizes the national legislature "to make all laws which shall be NECESSARY and PROPER for carrying into execution *the powers* by that Constitution vested in the government of the United States, or in any department or officer thereof"; and the second clause of the sixth article declares, "that the Constitution and the laws of the United States made *in pursuance thereof*, and the treaties made by their authority shall be the *supreme law* of the land, any thing in the constitution or laws of any State to the contrary notwithstanding."

These two clauses have been the source of much virulent invective and petulant declamation against the proposed Constitution. They have been held up to the people in all the exaggerated colors of misrepresentation as the pernicious engines by which their local governments were to be destroyed and their liberties exterminated; as the hideous monster whose devouring jaws would spare neither sex nor age, nor high nor low, nor sacred nor profane; and yet, strange as it may appear, after all this clamor, to those who may not have happened to contemplate them in the same light, it may be affirmed with perfect confidence that the constitutional operation of the intended government would be precisely the same, if these clauses were entirely obliterated, as if they were repeated in every article. They are only declaratory of a truth which would have resulted by necessary and unavoidable implication from the very act of constituting a federal government, and vesting it with certain specified powers. This is so clear a proposition, that moderation itself can scarcely listen to the railings which have been so copiously vented against this part of the plan, without emotions that disturb its equanimity.

What is a power, but the ability or faculty of doing a thing? What is the ability to do a thing, but the power of employing the *means* necessary to its execution? What

is a LEGISLATIVE power, but a power of making LAWS? What are the *means* to execute a LEGISLATIVE power but LAWS? What is the power of laying and collecting taxes, but a *legislative power,* or a power of *making laws*, to lay and collect taxes? What are the proper means of executing such a power, but *necessary* and *proper* laws?

This simple train of inquiry furnishes us at once with a test by which to judge of the true nature of the clause complained of. It conducts us to this palpable truth, that a power to lay and collect taxes must be a power to pass all laws *necessary* and *proper* for the execution of that power; and what does the unfortunate and calumniated provision in question do more than declare the same truth, to wit, that the national legislature, to whom the power of laying and collecting taxes had been previously given, might, in the execution of that power, pass all laws *necessary* and *proper* to carry it into effect? I have applied these observations thus particularly to the power of taxation, because it is the immediate subject under consideration, and because it is the most important of the authorities proposed to be conferred upon the Union. But the same process will lead to the same result, in relation to all other powers declared in the Constitution. And it is *expressly* to execute these powers that the sweeping clause, as it has been affectedly called, authorizes the national legislature to pass all *necessary* and *proper* laws. If there is any thing exceptionable, it must be sought for in the specific powers upon which this general declaration is predicated. The declaration itself, though it may be chargeable with tautology or redundancy, is at least perfectly harmless.

But SUSPICION may ask, Why then was it introduced? The answer is, that it could only have been done for greater caution, and to guard against all cavilling refinements in those who might hereafter feel a disposition to curtail and evade the legitimate authorities of the Union. The Convention probably foresaw, what it has been a principal aim of these papers to inculcate, that the danger which most threatens our political welfare is that the State governments will finally sap the foundations of the Union; and might therefore think it necessary, in so cardinal a point, to leave nothing to construction. Whatever may have been the inducement to it, the wisdom of the precaution is evident from the cry which has been raised against it; as that very cry betrays a disposition to question the great and essential truth which it is manifestly the object of that provision to declare.

But it may be again asked, Who is to judge of the *necessity* and *propriety* of the laws to be passed for executing the powers of the Union? I answer, first, that this question arises as well and as fully upon the simple grant of those powers as upon the declaratory clause; and I answer, in the second place, that the national government, like every other, must judge, in the first instance, of the proper exercise of its powers, and its constituents in the last. If the federal government should

overpass the just bounds of its authority and make a tyrannical use of its powers, the people, whose creature it is, must appeal to the standard they have formed, and take such measures to redress the injury done to the Constitution as the exigency may suggest and prudence justify. The propriety of a law, in a constitutional light, must always be determined by the nature of the powers upon which it is founded. Suppose, by some forced constructions of its authority (which, indeed, cannot easily be imagined), the Federal legislature should attempt to vary the law of descent in any State, would it not be evident that, in making such an attempt, it had exceeded its jurisdiction, and infringed upon that of the State? Suppose, again, that upon the pretense of an interference with its revenues, it should undertake to abrogate a land tax imposed by the authority of a State; would it not be equally evident that this was an invasion of that concurrent jurisdiction in respect to this species of tax, which its Constitution plainly supposes to exist in the State governments? If there ever should be a doubt on this head, the credit of it will be entirely due to those reasoners who, in the imprudent zeal of their animosity to the plan of the convention, have labored to envelop it in a cloud calculated to obscure the plainest and simplest truths.

But it is said that the laws of the Union are to be the *supreme law* of the land. But what inference can be drawn from this, or what would they amount to, if they were not to be supreme? It is evident they would amount to nothing. A LAW, by the very meaning of the term, includes supremacy. It is a rule which those to whom it is prescribed are bound to observe. This results from every political association. If individuals enter into a state of society, the laws of that society must be the supreme regulator of their conduct. If a number of political societies enter into a larger political society, the laws which the latter may enact, pursuant to the powers intrusted to it by its constitution, must necessarily be supreme over those societies, and the individuals of whom they are composed. It would otherwise be a mere treaty, dependent on the good faith of the parties, and not a goverment, which is only another word for POLITICAL POWER AND SUPREMACY. But it will not follow from this doctrine that acts of the large society which are *not pursuant* to its constitutional powers, but which are invasions of the residuary authorities of the smaller societies, will become the supreme law of the land. These will be merely acts of usurpation, and will deserve to be treated as such. Hence we perceive that the clause which declares the supremacy of the laws of the Union, like the one we have just before considered, only declares a truth, which flows immediately and necessarily from the institution of a federal government. It will not, I presume, have escaped observation, that it *expressly* confines this supremacy to laws made *pursuant to the constitution*; which I mention merely as an instance of caution in the convention; since that limitation would have been to be understood, though it had not been expressed.

Though a law, therefore, laying a tax for the use of the United States would be supreme in its nature, and could not legally be opposed or controlled, yet a law for abrogating or preventing the collection of a tax laid by the authority of the State, (unless upon imports and exports), would not be the supreme law of the land, but a usurpation of power not granted by the Constitution. As far as an improper accumulation of taxes on the same object might tend to render the collection difficult or precarious, this would be a mutual inconvenience, not arising from a superiority or defect of power on either side, but from an injudicious exercise of power by one or the other, in a manner equally disadvantageous to both. It is to be hoped and presumed, however, that mutual interest would dictate a concert in this respect which would avoid any material inconvenience. The inference from the whole is, that the individual States would, under the proposed Constitution, retain an independent and uncontrollable authority to raise revenue to any extent of which they may stand in need, by every kind of taxation, except duties on imports and exports. It will be shown in the next paper that this CONCURRENT JURISDICTION in the article of taxation was the only admissible substitute for an entire subordination, in respect to this branch of power, of the State authority to that of the Union.

PUBLIUS

Thursday, January 3, 1788

34
HAMILTON
CONCURRENT AUTHORITY IN TAXATION

To the People of the State of New York:

I FLATTER myself it has been clearly shown in my last number that the particular States, under the proposed Constitution, would have COEQUAL authority with the Union in the article of revenue, except as to duties on imports. As this leaves open to the States far the greatest part of the resources of the community, there can be no color for the assertion that they would not possess means as abundant as could be desired for the supply of their own wants, independent of all external control. That the field is sufficiently wide will more fully appear when we come to advert to the inconsiderable share of the public expenses for which it will fall to the lot of the State governments to provide.

To argue upon abstract principles that this co-ordinate authority cannot exist, is to set up supposition and theory against fact and reality. However proper such reasonings might be to show that a thing *ought not to exist*, they are wholly to be rejected when they are made use of to prove that it does not exist contrary to the evidence of the fact itself. It is well known that in the Roman republic the legislative authority, in the last resort, resided for ages in two different political bodies – not as branches of the same legislature, but as distinct and independent legislatures, in each of which an opposite interest prevailed: in one the patrician; in the other, the plebian. Many arguments might have been adduced to prove the unfitness of two such seemingly contradictory authorities, each having power to *annul* or *repeal* the acts of the other. But a man would have been regarded as frantic who should have attempted at Rome to disprove their existence. It will be readily understood that I allude to the COMITIA CENTURIATA and the COMITIA TRIBUTA. The former, in which the people voted by centuries, was so arranged as to give a superiority to the patrician interest; in the latter, in which numbers prevailed, the plebian interest had an entire predominancy. And yet these two legislatures coexisted for ages, and the Roman republic attained to the utmost height of human greatness.

In the case particularly under consideration, there is no such contradiction as appears in the example cited; there is no power on either side to annul the acts of the

other. And in practice there is little reason to apprehend any inconvenience; because, in a short course of time, the wants of the States will naturally reduce themselves within *a very narrow compass*; and in the interim, the United States will, in all probability, find it convenient to abstain wholly from those objects to which the particular States would be inclined to resort.

To form a more precise judgment of the true merits of this question, it will be well to advert to the proportion between the objects that will require a federal provision in respect to revenue, and those which will require a State provision. We shall discover that the former are altogether unlimited, and that the latter are circumscribed within very moderate bounds. In pursuing this inquiry, we must bear in mind that we are not to confine our view to the present period, but to look forward to remote futurity. Constitutions of civil government are not to be framed upon a calculation of existing exigencies, but upon a combination of these with the probable exigencies of ages, according to the natural and tried course of human affairs. Nothing, therefore, can be more fallacious than to infer the extent of any power, proper to be lodged in the national government, from an estimate of its immediate necessities. There ought to be a CAPACITY to provide for future contingencies as they may happen; and as these are illimitable in their nature, it is impossible safely to limit that capacity. It is true, perhaps, that a computation might be made with sufficient accuracy to answer the purpose of the quantity of revenue requisite to discharge the subsisting engagements of the Union, and to maintain those establishments which, for some time to come, would suffice in time of peace. But would it be wise, or would it not rather be the extreme of folly, to stop at this point, and to leave the government intrusted with the care of the national defense in a state of absolute incapacity to provide for the protection of the community against future invasions of the public peace, by foreign war or domestic convulsions? If, on the contrary, we ought to exceed this point, where can we stop, short of an indefinite power of providing for emergencies as they may arise? Though it is easy to assert, in general terms, the possibility of forming a rational judgment of a due provision against probable dangers, yet we may safely challenge those who make the assertion to bring forward their data, and may affirm that they would be found as vague and uncertain as any that could be produced to establish the probable duration of the world. Observations confined to the mere prospects of internal attacks can deserve no weight; though even these will admit of no satisfactory calculation: but if we mean to be a commercial people, it must form a part of our policy to be able one day to defend that commerce. The support of a navy and of naval wars would involve contingencies that must baffle all the efforts of political arithmetic.

Admitting that we ought to try the novel and absurd experiment in politics of tying up the hands of government from offensive war founded upon reasons of state,

yet certainly we ought not to disable it from guarding the community against the ambition or enmity of other nations. A cloud has been for some time hanging over the European world. If it should break forth into a storm, who can insure us that in its progress a part of its fury would not be spent upon us? No reasonable man would hastily pronounce that we are entirely out of its reach. Or if the combustible materials that now seem to be collecting should be dissipated without coming to maturity, or if a flame should be kindled without extending to us, what security can we have that our tranquillity will long remain undisturbed from some other cause or from some other quarter? Let us recollect that peace or war will not always be left to our option; that however moderate or unambitious we may be, we cannot count upon the moderation, or hope to extinguish the ambition of others. Who could have imagined at the conclusion of the last war that France and Britain, wearied and exhausted as they both were, would so soon have looked with so hostile an aspect upon each other? To judge from the history of mankind, we shall be compelled to conclude that the fiery and destructive passions of war reign in the human breast with much more powerful sway than the mild and beneficent sentiments of peace; and that to model our political systems upon speculations of lasting tranquillity, is to calculate on the weaker springs of the human character.

What are the chief sources of expense in every government? What has occasioned that enormous accumulation of debts with which several of the European nations are oppressed? The answers plainly is, wars and rebellions; the support of those institutions which are necessary to guard the body politic against these two most mortal diseases of society. The expenses arising from those institutions which are relative to the mere domestic police of a state, to the support of its legislative, executive, and judicial departments, with their different appendages, and to the encouragement of agriculture and manufactures (which will comprehend almost all the objects of state expenditure), are insignificant in comparison with those which relate to the national defense.

In the kingdom of Great Britain, where all the ostentatious apparatus of monarchy is to be provided for, not above a fifteenth part of the annual income of the nation is appropriated to the class of expenses last mentioned; the other fourteen fifteenths are absorbed in the payment of the interest of debts contracted for carrying on the wars in which that country has been engaged, and in the maintenance of fleets and armies. If, on the one hand, it should be observed that the expenses incurred in the prosecution of the ambitious enterprises and vainglorious pursuits of a monarchy are not a proper standard by which to judge of those which might be necessary in a republic, it ought, on the other hand, to be remarked that there should be as great a disproportion between the profusion and extravagance of a wealthy kingdom in its domestic administration, and the frugality and economy

which in that particular become the modest simplicity of republican government. If we balance a proper deduction from one side against that which it is supposed ought to be made from the other, the proportion may still be considered as holding good.

But let us advert to the large debt which we have ourselves contracted in a single war, and let us only calculate on a common share of the events which disturb the peace of nations, and we shall instantly perceive, without the aid of any elaborate illustration, that there must always be an immense disproportion between the objects of federal and state expenditures. It is true that several of the States, separately, are encumbered with considerable debts, which are an excrescence of the late war. But this cannot happen again, if the proposed system be adopted; and when these debts are discharged, the only call for revenue of any consequence, which the State governments will continue to experience, will be for the mere support of their respective civil list; to which, if we add all contingencies, the total amount in every State ought to fall considerably short of two hundred thousand pounds.

In framing a government for posterity as well as ourselves, we ought, in those provisions which are designed to be permanent, to calculate, not on temporary, but on permanent causes of expense. If this principle be a just one our attention would be directed to a provision in favor of the State governments for an annual sum of about two hundred thousand pounds; while the exigencies of the Union could be susceptible of no limits, even in imagination. In this view of the subject, by what logic can it be maintained that the local governments ought to command, in perpetuity, an EXCLUSIVE source of revenue for any sum beyond the extent of two hundred thousand pounds? To extend its power further, in *exclusion* of the authority of the Union, would be to take the resources of the community out of those hands which stood in need of them for the public welfare, in order to put them into other hands which could have no just or proper occasion for them.

Suppose, then, the convention had been inclined to proceed upon the principle of a repartition of the objects of revenue, between the Union and its members, in *proportion* to their comparative necessities; what particular fund could have been selected for the use of the States, that would not either have been too much or too little -- too little for their present, too much for their future wants? As to the line of separation between external and internal taxes, this would leave to the States, at a rough computation, the command of two thirds of the resources of the community to defray from a tenth to a twentieth part of its expenses; and to the Union, one third of the resources of the community, to defray from nine tenths to nineteen twentieths of its expenses. If we desert this boundary and content ourselves with leaving to the States an exclusive power of taxing houses and lands, there would still be a great disproportion between the MEANS and the END; the possession of one third of the resources of the community to supply, at most, one tenth of its wants. If

any fund could have been selected and appropriated, equal to and not greater than the object, it would have been inadequate to the discharge of the existing debts of the particular States, and would have left them dependent on the Union for a provision for this purpose.

The preceding train of observation will justify the position which has been elsewhere laid down, that "A CONCURRENT JURISDICTION in the article of taxation was the only admissible substitute for an entire subordination, in respect to this branch of power, of State authority to that of the Union." Any separation of the objects of revenue that could have been fallen upon, would have amounted to a sacrifice of the great INTERESTS of the Union to the POWER of the individual States. The convention thought the concurrent jurisdiction preferable to that subordination; and it is evident that it has at least the merit of reconciling an indefinite constitutional power of taxation in the Federal government with an adequate and independent power in the States to provide for their own necessities. There remain a few other lights, in which this important subject of taxation will claim a further consideration.

PUBLIUS

Friday, January 4, 1788

35
HAMILTON
FURTHER REASONS FOR INFINITE POWER OF TAXATION

To the People of the State of New York:

BEFORE we proceed to examine any other objections to an indefinite power of taxation in the Union, I shall make one general remark; which is, that if the jurisdiction of the national government, in the article of revenue, should be restricted to particular objects, it would naturally occasion an undue proportion of the public burdens to fall upon those objects. Two evils would spring from this source: the oppression of particular branches of industry; and an unequal distribution of the taxes, as well among the several States as among the citizens of the same State.

Suppose, as has been contended for, the federal power of taxation were to be confined to duties on imports, it is evident that the government, for want of being able to command other resources, would frequently be tempted to extend these duties to an injurious excess. There are persons who imagine that they can never be carried to too great a length; since the higher they are, the more it is alleged they will tend to discourage an extravagant consumption, to produce a favorable balance of trade, and to promote domestic manufactures. But all extremes are pernicious in various ways. Exorbitant duties on imported articles would beget a general spirit of smuggling; which is always prejudicial to the fair trader, and eventually to the revenue itself: they tend to render other classes of the community tributary, in an improper degree, to the manufacturing classes, to whom they give a premature monopoly of the markets; they sometimes force industry out of its more natural channels into others in which it flows with less advantage; and in the last place, they oppress the merchant, who is often obliged to pay them himself without any retribution from the consumer. When the demand is equal to the quantity of goods at market, the consumer generally pays the duty; but when the markets happen to be overstocked, a great proportion falls upon the merchant, and sometimes not only exhausts his profits, but breaks in upon his capital. I am apt to think that a division of the duty, between the seller and the buyer, more often happens than is commonly

imagined. It is not always possible to raise the price of a commodity in exact proportion to every additional imposition laid upon it. The merchant, especially in a country of small commercial capital, is often under a necessity of keeping prices down in order to a more expeditious sale.

The maxim that the consumer is the payer, is so much oftener true than the reverse of the proposition, that it is far more equitable that the duties on imports should go into a common stock, than that they should redound to the exclusive benefit of the importing States. But it is not so generally true as to render it equitable, that those duties should form the only national fund. When they are paid by the merchant they operate as an additional tax upon the importing State, whose citizens pay their proportion of them in the character of consumers. In this view they are productive of inequality among the States; which inequality would be increased with the increased extent of the duties. The confinement of the national revenues to this species of imposts would be attended with inequality, from a different cause, between the manufacturing and the non-manufacturing States. The States which can go farthest towards the supply of their own wants, by their own manufactures, will not, according to their numbers or wealth, consume so great a proportion of imported articles as those States which are not in the same favorable situation. They would not, therefore, in this mode alone contribute to the public treasury in a ratio to their abilities. To make them do this it is necessary that recourse be had to excises, the proper objects of which are particular kinds of manufactures. New York is more deeply interested in these considerations than such of her citizens as contend for limiting the power of the Union to external taxation may be aware of. New York is an importing State, and is not likely speedily to be, to any great extent, a manufacturing State. She would, of course, suffer in a double light from restraining the jurisdiction of the Union to commercial imposts.

So far as these observations tend to inculcate a danger of the import duties being extended to an injurious extreme it may be observed, conformably to a remark made in another part of these papers, that the interest of the revenue itself would be a sufficient guard against such an extreme. I readily admit that this would be the case, as long as other resources were open; but if the avenues to them were closed, HOPE, stimulated by necessity, would beget experiments, fortified by rigorous precautions and additional penalties, which, for a time, would have the intended effect, till there had been leisure to contrive expedients to elude these new precautions. The first success would be apt to inspire false opinions, which it might require a long course of subsequent experience to correct. Necessity, especially in politics, often occasions false hopes, false reasonings, and a system of measures correspondingly erroneous. But even if this supposed excess should not be a consequence of the limitation of the federal power of taxation, the inequalities spoken of would still ensue, though not in

the same degree, from the other causes that have been noticed. Let us now return to the examination of objections.

One which, if we may judge from the frequency of its repetition, seems most to be relied on, is, that the House of Representatives is not sufficiently numerous for the reception of all the different classes of citizens, in order to combine the interests and feelings of every part of the community, and to produce a due sympathy between the representative body and its constituents. This argument presents itself under a very specious and seducing form; and is well calculated to lay hold of the prejudices of those to whom it is addressed. But when we come to dissect it with attention, it will appear to be made up of nothing but fair-sounding words. The object it seems to aim at is, in the first place, impracticable, and in the sense in which it is contended for, is unnecessary. I reserve for another place the discussion of the question which relates to the sufficiency of the representative body in respect to numbers, and shall content myself with examining here the particular use which has been made of a contrary supposition, in reference to the immediate subject of our inquiries.

The idea of an actual representation of all classes of the people, by persons of each class, is altogether visionary. Unless it were expressly provided in the Constitution, that each different occupation should send one or more members, the thing would never take place in practice. Mechanics and manufacturers will always be inclined, with few exceptions, to give their votes to merchants, in preference to persons of their own professions or trades. Those discerning citizens are well aware that the mechanic and manufacturing arts furnish the materials of mercantile enterprise and industry. Many of them, indeed, are immediately connected with the operations of commerce. They know that the merchant is their natural patron and friend; and they are aware, that however great the confidence they may justly feel in their own good sense, their interests can be more effectually promoted by the merchant than by themselves. They are sensible that their habits in life have not been such as to give them those acquired endowments, without which, in a deliberative assembly, the greatest natural abilities are for the most part useless; and that the influence and weight, and superior acquirements of the merchants render them more equal to a contest with any spirit which might happen to infuse itself into the public councils, unfriendly to the manufacturing and trading interests. These considerations, and many others that might be mentioned prove, and experience confirms it, that artisans and manufacturers will commonly be disposed to bestow their votes upon merchants and those whom they recommend. We must therefore consider merchants as the natural representatives of all these classes of the community.

With regard to the learned professions, little need be observed; they truly form no distinct interest in society, and according to their situation and talents, will be

indiscriminately the objects of the confidence and choice of each other, and of other parts of the community.

Nothing remains but the landed interest; and this, in a political view, and particularly in relation to taxes, I take to be perfectly united, from the wealthiest landlord down to the poorest tenant. No tax can be laid on land which will not affect the proprietor of millions of acres as well as the proprietor of a single acre. Every landholder will therefore have a common interest to keep the taxes on land as low as possible; and common interest may always be reckoned upon as the surest bond of sympathy. But if we even could suppose a distinction of interest between the opulent landholder and the middling farmer, what reason is there to conclude, that the first would stand a better chance of being deputed to the national legislature than the last? If we take fact as our guide, and look into our own senate and assembly, we shall find that moderate proprietors of land prevail in both; nor is this less the case in the senate, which consists of a smaller number, than in the assembly, which is composed of a greater number. Where the qualifications of the electors are the same, whether they have to choose a small or a large number, their votes will fall upon those in whom they have most confidence; whether these happen to be men of large fortunes, or of moderate property, or of no property at all.

It is said to be necessary, that all classes of citizens should have some of their own number in the representative body, in order that their feelings and interests may be the better understood and attended to. But we have seen that this will never happen under any arrangement that leaves the votes of the people free. Where this is the case, the representative body, with too few exceptions to have any influence on the spirit of the government, will be composed of landholders, merchants, and men of the learned professions. But where is the danger that the interests and feelings of the different classes of citizens will not be understood or attended to by these three descriptions of men? Will not the landholder know and feel whatever will promote or insure the interest of landed property? And will he not, from his own interest in that species of property, be sufficiently prone to resist every attempt to prejudice or encumber it? Will not the merchant understand and be disposed to cultivate, as far as may be proper, the interests of the mechanic and manufacturing arts, to which his commerce is so nearly allied? Will not the man of the learned profession, who will feel a neutrality to the rivalships between the different branches of industry, be likely to prove an impartial arbiter between them, ready to promote either, so far as it shall appear to him conducive to the general interests of the society?

If we take into the account the momentary humors or dispositions which may happen to prevail in particular parts of the society, and to which a wise administration will never be inattentive, is the man whose situation leads to extensive inquiry and information less likely to be a competent judge of their nature,

extent, and foundation than one whose observation does not travel beyond the circle of his neighbors and acquaintances? Is it not natural that a man who is a candidate for the favor of the people, and who is dependent on the suffrages of his fellow-citizens for the continuance of his public honors, should take care to inform himself of their dispositions and inclinations, and should be willing to allow them their proper degree of influence upon his conduct? This dependence, and the necessity of being bound himself, and his posterity, by the laws to which he gives his assent, are the true, and they are the strong chords of sympathy between the representative and the constituent.

There is no part of the administration of government that requires extensive information and a thorough knowledge of the principles of political economy, so much as the business of taxation. The man who understands those principles best will be least likely to resort to oppressive expedients, or sacrifice any particular class of citizens to the procurement of revenue. It might be demonstrated that the most productive system of finance will always be the least burdensome. There can be no doubt that in order to a judicious exercise of the power of taxation, it is necessary that the person in whose hands it should be acquainted with the general genius, habits, and modes of thinking of the people at large, and with the resources of the country. And this is all that can be reasonably meant by a knowledge of the interests and feelings of the people. In any other sense the proposition has either no meaning, or an absurd one. And in that sense let every considerate citizen judge for himself where the requisite qualification is most likely to be found.

PUBLIUS

36
HAMILTON
INTERNAL TAXES: DIRECT AND INDIRECT

To the People of the State of New York:

WE HAVE seen that the result of the observations, to which the foregoing number has been principally devoted, is, that from the natural operation of the different interests and views of the various classes of the community, whether the representation of the people be more or less numerous, it will consist almost entirely of proprietors of land, of merchants, and of members of the learned professions, who will truly represent all those different interests and views. If it should be objected that we have seen other descriptions of men in the local legislatures, I answer that it is admitted there are exceptions to the rule, but not in sufficient number to influence the general complexion or character of the government. There are strong minds in every walk of life that will rise superior to the disadvantages of situation, and will command the tribute due to their merit, not only from the classes to which they particularly belong, but from the society in general. The door ought to be equally open to all; and I trust, for the credit of human nature, that we shall see examples of such vigorous plants flourishing in the soil of federal as well as of State legislation; but occasional instances of this sort will not render the reasoning founded upon the general course of things, less conclusive.

The subject might be placed in several other lights that would all lead to the same result; and in particular it might be asked, What greater affinity or relation of interest can be conceived between the carpenter and blacksmith, and the linen manufacturer or stocking weaver, than between the merchant and either of them? It is notorious that there are often as great rivalships between different branches of the mechanic or manufacturing arts as there are between any of the departments of labor and industry; so that, unless the representative body were to be far more numerous than would be consistent with any idea of regularity or wisdom in its deliberations, it is impossible that what seems to be the spirit of the objection we have been considering should ever be realized in practice. But I forbear to dwell any longer on a matter which has hitherto worn too loose a garb to admit even of an accurate inspection of its real shape or tendency.

There is another objection of a somewhat more precise nature that claims our attention. It has been asserted that a power of internal taxation in the national legislature could never be exercised with advantage, as well from the want of a sufficient knowledge of local circumstances, as from an interference between the revenue laws of the Union and of the particular States. The supposition of a want of proper knowledge seems to be entirely destitute of foundation. If any question is depending in a State legislature respecting one of the counties, which demands a knowledge of local details, how is it acquired? No doubt from the information of the members of the county. Cannot the like knowledge be obtained in the national legislature from the representatives of each State? And is it not to be presumed that the men who will generally be sent there will be possessed of the necessary degree of intelligence to be able to communicate that information? Is the knowledge of local circumstances, as applied to taxation, a minute topographical acquaintance with all the mountains, rivers, streams, highways, and bypaths in each State; or is it a general acquaintance with its situation and resources, with the state of its agriculture, commerce, manufactures, with the nature of its products and consumptions, with the different degrees and kinds of its wealth, property, and industry?

Nations in general, even under governments of the more popular kind, usually commit the administration of their finances to single men or to boards composed of a few individuals, who digest and prepare, in the first instance, the plans of taxation, which are afterwards passed into laws by the authority of the sovereign or legislature.

Inquisitive and enlightened statesmen are deemed everywhere best qualified to make a judicious selection of the objects proper for revenue; which is a clear indication, as far as the sense of mankind can have weight in the question, of the species of knowledge of local circumstances requisite to the purposes of taxation.

The taxes intended to be comprised under the general denomination of internal taxes may be subdivided into those of the *direct* and those of the *indirect* kind. Though the objection be made to both, yet the reasoning upon it seems to be confined to the former branch. And indeed, as to the latter, by which must be understood duties and excises on articles of consumption, one is at a loss to conceive what can be the nature of the difficulties apprehended. The knowledge relating to them must evidently be of a kind that will either be suggested by the nature of the article itself, or can easily be procured from any well-informed man, especially of the mercantile class. The circumstances that may distinguish its situation in one State from its situation in another must be few, simple, and easy to be comprehended. The principal thing to be attended to, would be to avoid those articles which had been previously appropriated to the use of a particular State; and there could be no difficulty in ascertaining the revenue system of each. This could always be known

from the respective codes of laws, as well as from the information of the members from the several States.

The objection, when applied to real property or to houses and lands, appears to have, at first sight, more foundation, but even in this view it will not bear a close examination. Land-taxes are commonly laid in one of two modes, either by *actual* valuations, permanent or periodical, or by *occasional* assessments, at the discretion, or according to the best judgment, of certain officers whose duty it is to make them. In either case, the EXECUTION of the business, which alone requires the knowledge of local details, must be devolved upon discreet persons in the character of commissioners or assessors, elected by the people or appointed by the government for the purpose. All that the law can do must be to name the persons or to prescribe the manner of their election or appointment, to fix their numbers and qualifications and to draw the general outlines of their powers and duties. And what is there in all this that cannot as well be performed by the national legislature as by a State legislature? The attention of either can only reach to general principles; local details, as already observed, must be referred to those who are to execute the plan.

But there is a simple point of view in which this matter may be placed that must be altogether satisfactory. The national legislature can make use of the *system of each State within that State*. The method of laying and collecting this species of taxes in each State can, in all its parts, be adopted and employed by the federal government.

Let it be recollected that the proportion of these taxes is not to be left to the discretion of the national legislature, but is to be determined by the numbers of each State, as described in the second section of the first article. An actual census or enumeration of the people must furnish the rule, a circumstance which effectually shuts the door to partiality or oppression. The abuse of this power of taxation seems to have been provided against with guarded circumspection. In addition to the precaution just mentioned, there is a provision that 'all duties, imposts, and excises shall be UNIFORM throughout the United States.'

It has been very properly observed by different speakers and writers on the side of the Constitution, that if the exercise of the power of internal taxation by the Union should be discovered on experiment to be really inconvenient, the federal government may then forbear the use of it, and have recourse to requisitions in its stead. By way of answer to this, it has been triumphantly asked, Why not in the first instance omit that ambiguous power, and rely upon the latter resource? Two solid answers may be given. The first is, that the exercise of that power, if convenient, will be preferable, because it will be more effectual; and it is impossible to prove in theory, or otherwise than by the experiment, that it cannot be advantageously exercised. The contrary, indeed, appears most probable. The second answer is, that the existence of such a power in the Constitution will have a strong influence in

giving efficacy to requisitions. When the States know that the Union can apply itself without their agency, it will be a powerful motive for exertion on their part.

As to the interference of the revenue laws of the Union, and of its members, we have already seen that there can be no clashing or repugnancy of authority. The laws cannot, therefore, in a legal sense, interfere with each other; and it is far from impossible to avoid an interference even in the policy of their different systems. An effectual expedient for this purpose will be, mutually, to abstain from those objects which either side may have first had recourse to. As neither can *control* the other, each will have an obvious and sensible interest in this reciprocal forbearance. And where there is an *immediate* common interest, we may safely count upon its operation. When the particular debts of the States are done away, and their expenses come to be limited within their natural compass, the possibility almost of interference will vanish. A small land tax will answer the purpose of the States, and will be their most simple and most fit resource.

Many spectres have been raised out of this power of internal taxation, to excite the apprehensions of the people: double sets of revenue officers, a duplication of their burdens by double taxations, and the frightful forms of odious and oppressive poll-taxes, have been played off with all the ingenious dexterity of political legerdemain.

As to the first point, there are two cases in which there can be no room for double sets of officers: one, where the right of imposing the tax is exclusively vested in the Union, which applies to the duties on imports; the other, where the object has not fallen under any State regulation or provision, which may be applicable to a variety of objects. In other cases, the probability is that the United States will either wholly abstain from the objects preoccupied for local purposes, or will make use of the State officers and State regulations for collecting the additional imposition. This will best answer the views of revenue, because it will save expense in the collection, and will best avoid any occasion of disgust to the State governments and to the people. At all events, here is a practicable expedient for avoiding such an inconvenience; and nothing more can be required than to show that evils predicted to not necessarily result from the plan.

As to any argument derived from a supposed system of influence, it is a sufficient answer to say that it ought not to be presumed; but the supposition is susceptible of a more precise answer. If such a spirit should infest the councils of the Union, the most certain road to the accomplishment of its aim would be to employ the State officers as much as possible, and to attach them to the Union by an accumulation of their emoluments. This would serve to turn the tide of State influence into the channels of the national government, instead of making federal influence flow in an opposite and adverse current. But all suppositions of this kind are invidious, and

ought to be banished from the consideration of the great question before the people. They can answer no other end than to cast a mist over the truth.

As to the suggestion of double taxation, the answer is plain. The wants of the Union are to be supplied in one way or another; if to be done by the authority of the federal government, it will not be to be done by that of the State government. The quantity of taxes to be paid by the community must be the same in either case; with this advantage, if the provision is to be made by the Union that the capital resource of commercial imposts, which is the most convenient branch of revenue, can be prudently improved to a much greater extent under federal than under State regulation, and of course will render it less necessary to recur to more inconvenient methods; and with this further advantage, that as far as there may be any real difficulty in the exercise of the power of internal taxation, it will impose a disposition to greater care in the choice and arrangement of the means; and must naturally tend to make it a fixed point of policy in the national administration to go as far as may be practicable in making the luxury of the rich tributary to the public treasury, in order to diminish the necessity of those impositions which might create dissatisfaction in the poorer and most numerous classes of the society. Happy it is when the interest which the government has in the preservation of its own power, coincides with a proper distribution of the public burdens, and tends to guard the least wealthy part of the community from oppression!

As to poll taxes, I, without scruple, confess my disapprobation of them; and though they have prevailed from an early period in those States[1] which have uniformly been the most tenacious of their rights, I should lament to see them introduced into practice under the national government. But does it follow because there is a power to lay them that they will actually be laid? Every State in the Union has power to impose taxes of this kind; and yet in several of them they are unknown in practice. Are the State governments to be stigmatized as tyrannies, because they possess this power? If they are not, with what propriety can the like power justify such a charge against the national government, or even be urged as an obstacle to its adoption? As little friendly as I am to the species of imposition, I still feel a thorough conviction that the power of having recourse to it ought to exist in the federal government. There are certain emergencies of nations, in which expedients, that in the ordinary state of things ought to be forborne, become essential to the public weal. And the government, from the possibility of such emergencies, ought ever to have the option of making use of them. The real scarcity of objects in this country, which may be considered as productive sources of revenue, is a reason peculiar to itself, for not abridging the discretion of the national councils in this respect. There

1. The New England States. – PUBLIUS.

may exist certain critical and tempestuous conjunctures of the State, in which a poll tax may become an inestimable resource. And as I know nothing to exempt this portion of the globe from the common calamities that have befallen other parts of it, I acknowledge my aversion to every project that is calculated to disarm the government of a single weapon, which in any possible contingency might be usefully employed for the general defense and security.

I have now gone through the examination of such of the powers proposed to be vested in the United States, which may be considered as having an immediate relation to the energy of the government; and have endeavored to answer the principal objections which have been made to them. I have passed over in silence those minor authorities, which are either too inconsiderable to have been thought worthy of the hostilities of the opponents of the Constitution, or of too manifest propriety to admit of controversy. The mass of judiciary power, however, might have claimed an investigation under this head, had it not been for the consideration that its organization and its extent may be more advantageously considered in connection. This has determined me to refer it to the branch of our inquiries upon which we shall next enter.

PUBLIUS

Tuesday, January 8, 1788

ANNEXURE 2

GLIMPSES OF WORLD HISTORY - JAWAHARLAL NEHRU
172
A NEW WAY OF PAYING OLD DEBTS

June 15, 1933

WE find thus that after the World War, Europe, as indeed the whole world to some extent, was like a seething cauldron. The peace of Versailles and the other treaties did not improve matters. The new map of Europe settled some old national problems by freeing the Poles and the Czechs and the Baltic peoples. But at the same time it created fresh national problems by putting part of the Austrian Tyrol under Italy, and part of Ukraine under Poland, and by other unhappy territorial distributions in eastern Europe. The most curious and irritating arrangement was that of the Polish Corridor and Danzig. Central and eastern Europe was 'balkanized' by the creation of many small new states, which meant more frontiers, more customs barriers, more brutal hatreds.

Apart from these treaties of 1919, Rumania managed to take Bessarabia, which used to be a part of south-western Russia. This has since been a matter of dispute and argument between the Soviets and Rumania. Bessarabia has been called 'the Alsace-Lorraine on the Dnieper'.

A far bigger question than that of territorial changes was that of Reparations—that is, the amount defeated Germany was to be made to pay to the victorious Allies as costs and damages caused by the war. No exact sum was laid down in the Treaty of Versailles, but subsequent conferences fixed these reparations at the enormous sum of £6,600,000,000, to be paid in annual instalments. It was impossible for any country to pay this vast sum, much less could defeated and exhausted Germany do so. Germany protested without result, and then, having no choice, paid two or three instalments by borrowing from the United States. She did so to gain time, and hoped to get the whole question reconsidered. It was obvious to her and to most others that she could not go on paying huge sums for generations.

Very soon Germany's financial system went to pieces, and the government did not have enough money either to pay external debts, like reparations, or even to meet internal obligations. Payments to other countries had to be made in gold. When these payments were not made on the fixed dates, there was default. Within Germany, however, the government could pay in currency notes, and so they adopted the device of printing more and more paper notes. By printing paper notes money is not created; what is created is credit. People use these notes because they know that they can get them changed for gold or silver if they want to. Behind these notes there is always some amount of gold kept in the banks to keep up the value of the notes. Paper money thus performs a very useful function, as it saves a lot of gold and silver from day-to-day use and increases credit. But if a government goes on printing paper money and issuing these notes without any limit and without any regard to the amount of gold in the banks, then the value of this money is bound to fall. The more the printing the less the value, the less does it perform its function of credit. This process is called inflation. This is exactly what happened in Germany in 1922 and 1923. The German Government, wanting more money for its expenses, printed more notes. This resulted in sending up prices of everything else, but in lowering the price of the German mark itself as compared to the pound, the dollar, or the franc. So the government had to print more marks, and again the mark fell. This process went on to fantastic lengths, till a dollar or pound came to be worth billions of paper marks. In fact the paper mark almost ceased to have any value. A postage stamp for a letter cost a million paper marks! And all other prices were similarly graded and constantly changing.

This German inflation and astounding fall of the mark did not take place of its own accord. It was deliberately brought about by the German Government to help them to get out of their financial difficulties and to a large extent it did so. For the government and municipalities and other debtors easily paid off all their internal German debts with the worthless paper marks. Of course they could not pay off debts in and to foreign countries in this way, as no one there would accept their paper money. In Germany they could enforce acceptance by law. In this way the government and every debtor got rid of a troublesome burden of debt. But they did so at a tremendous cost of suffering. All the people suffered during this inflation, but most of all the middle classes suffered, for most of these people were getting fixed salaries or had other fixed incomes. Of course as the mark fell these salaries went up, but they never went up enough to keep pace with the falling mark. The lower middle classes were almost wiped off by this inflation, and we have to remember this when we consider the remarkable happenings in Germany in subsequent years. For these discontented *declasse* middle classes now formed a powerful army of the disaffected, full of revolutionary possibilities. They drifted into the private armies

that were growing up round the principal parties, and most of them went to Hitler's new party, the National Socialists or Nazis.

The old mark, having become perfectly useless for any purpose, was then abolished, and a new currency, the *'rentenmark'*, was introduced. There was no inflation with this, and it was worth its value in gold. So Germany, after making a clean sweep of her lower middle classes, returned again to a stable currency.

Germany's financial troubles led to important international consequences. There was a default in paying reparations to the Allies. These reparations were being divided up between these Allied Powers, the biggest share going to France. Russia was not taking any part of them; in fact she renounced any claim that she might have had. When the German default occurred, France and Belgium took military possession of the Ruhr area in Germany. The Allies were already in possession of the Rhineland under the Versailles Treaty. In January 1923 an additional area was occupied by the French and Belgians (England refused to join in this undertaking). This Ruhr area adjoins the Rhineland and contains rich coalfields and factories. The French wanted to pay themselves by taking possession of the coal and other articles produced. But here a difficulty presented itself. The German Government decided to oppose the French occupation by passive resistance, and they called upon the mine-owners and workers of the Ruhr to stop work and not help the French in any way. They further helped these mine-owners and industrialists by paying them millions of marks for the losses caused to them. After nine or ten months, which were very expensive both for the French and the Germans, the German Government withdrew passive resistance and began co-operating with the French in working the mines and factories in the area. In 1925 the French and Belgians left the Ruhr.

German passive resistance had broken down in the Ruhr, but it had demonstrated that the reparations question must again be considered and more reasonable figures of payments fixed. So conferences and commissions followed each other in quick succession, and fresh plans were evolved one after another. There was the Dawes Plan in 1924, and five years later, in 1929, the Young Plan, and three years later, in 1932, it was practically acknowledged by all concerned that no further payments could be made for reparations, and the whole idea was scrapped.

For these few years from 1924 Germany made regular payments of reparations. But how was this done when Germany had no money and was not solvent? Simply by borrowing from the United States of America. The Allies (England, France, Italy, etc.) owed money to America, the money they had borrowed in war-time; Germany owed money to the Allies as reparations. So America lent money to Germany, and Germany could pay the Allies, so that the Allies might in their turn pay America. It was a very pretty arrangement, and everybody seemed to be satisfied! Indeed, there

was no other way of getting payments. Of course the whole round of borrowings and lendings depended on one little thing—America continuing to lend money to Germany. If this stopped, the whole arrangement collapsed.

These lendings and borrowings did not mean actual payments in hard cash; they were all paper transactions. America credited a certain sum to Germany, Germany transferred this to the Allies, and the Allies re-transferred it to America. The actual money did not move at all, only a number of book entries were made. Why did America go on lending to impoverished countries which could not even pay the interest on previous debts? America did so to help them to carry on somehow and prevent them from going bankrupt, for America feared the collapse of Europe, which, apart from other bad consequences, would have meant the end of the whole debt due to America. So, like a prudent creditor, America kept her debtors alive and functioning. But after some years America got rather tired of this policy of continuous lending and put an end to it. Immediately the whole structure of reparations and debts came down with a crash and there were defaults, and all the nations of Europe and America fell into a morass.

Reparations were thus a problem which shadowed Europe for over a dozen years after the war. And at the same time there was the question of war debts—that is, the debts of countries other than Germany. As I told you in a letter dealing with the World War, England and France financed the wax in the early days and lent money to their smaller allies; then France's resources were exhausted and she could lend no more. England, however, continued lending. Later England collapsed financially and could lend no more. Only the United States could do so, and they lent generously and with advantage to themselves, to England, France, and other Allies. Thus at the end of the war some countries owed money to France. Many were the debtors of England; and all, Allied countries owed large sums to America. America was the only country that owed money to no other country. It was then a great creditor nation. It had taken up England's old position and become the money-lender to the world. Some figures will perhaps make this clearer. Before the war America was a debtor nation owing three thousand million dollars to other countries. By the time the war had ended, this debt had been wiped off, and instead, America had advanced huge sums of money. In 1926 America was a creditor nation to the tune of twenty-five thousand million dollars.

These war debts were a tremendous burden on the debtor countries, England, France, Italy, etc., as the debts were all official debts for which the governments were responsible. They tried to get special favourable terms from America, and some concessions were obtained, but still the burden continued. So long as Germany paid reparations, these payments (which were really American credits) were transferred to America by the debtor countries. But when reparations became irregular or stopped

coming, it became very difficult to pay the debts. The European debtor countries tried to connect reparations and war debts; they said that both must be considered together, and if one stopped the other must automatically stop also. America, however, refused to connect the two. She said that she had lent money and she wanted it back, quite apart from the question of reparations from Germany, which stood upon a separate footing. This attitude of America was very much resented in Europe, and hard things were said of her. She was Shylock and wanted her pound of flesh, it was said. It was stated, in France especially, that the money borrowed from America had been spent in a common undertaking, the war, and therefore should not be looked upon as an ordinary debt. The Americans, on the other hand, were greatly disgusted with the after-war rivalries and intrigues in Europe. They saw France and England and Italy continue to spend vast sums on their armies and navies, and even lend money to some of the smaller countries for arming. If these countries of Europe had so much money for armaments, why should they, the Americans, let them off their debts? If they did so, probably this money would also be thrown into armaments. So argued America, and she stuck to her claims on the debts.

As with the reparations, it was difficult enough to pay the war debts anyhow. International debts can either be paid in gold or in goods or services (like transport, shipping and many other services). It was impossible to pay these huge sums in gold; there was not enough gold to be had. And payment in goods and services became almost impossible also, both for reparations and debts, as America and the European countries set up huge tariff barriers which kept out foreign goods. This created an impossible situation, and was the real difficulty. And yet no country was prepared to lower the tariff barriers or take goods in payment for the sum due to it, as this meant injury to the home industries. It was a curious and vicious circle.

Europe was not the only continent which owed money to the United States of America. American bankers and business men invested enormous sums of money in Canada and in Latin America (that is, South and Central America and Mexico). These Latin American countries were greatly impressed during the World War with the power of modern industry and machinery. So they concentrated on industrial development, and money, of which there was an abundance in the United States, poured in from the north. They borrowed so much that they could hardly pay the interest on it. Dictators appeared everywhere, and so long as the borrowing went on, it was well, just as it was well so long as America went on lending to Germany. When the lending to Latin America stopped, there was a crash there, as in Europe.

To give you some idea of American investments and how they grew rapidly in Latin America, I shall give you two figures. In 1926 these investments amounted to

four and a quarter thousand million dollars. Three years later in 1929 they amounted to over five and a half thousand millions.

So America in these post-war years was undoubtedly the banker of the world; rich, prosperous, and bursting with wealth. She dominated the world, and her people looked upon Europe, and much more so on Asia, rather contemptuously as old and quarrelsome continents in their dotage. Try to form some idea of American wealth in those peak days of prosperity in the nineteen-twenties. In the fifteen years from 1912 to 1927 the total national wealth of America went up from $187,239,000,000 to $400,000,000,000. The population in 1927 was about 117 millions, and the wealth per head of population was $3428. Progress has been so rapid that these figures are changing from year to year. In a previous letter when comparing the national incomes of India and other countries I gave a much lower figure for America. That was for annual income,not wealth, and it was probably for an earlier year. The figure for 1927 given above is based on a statement made in November 1926 by President Coolidge of America.

Some other figures may interest you. They are all for 1927. The number of families in the United States was 27,000,000. They owned 15,923,000 electrically-lighted homes, and 17,780,000 telephones were in use. There were 19,237,171 motor cars in use, and this figure was 81 per cent, of the world total. America produced 87 per cent, of the world's automobiles, 71 per cent, of the world's petroleum, and 43 per cent, of the world's coal. And yet the population of the United States was only 6 per cent, of the world's population. The general standard was thus very high, and yet it was not as high as it might have been, for wealth was concentrated in the hands of a few thousand millionaires and multimillionaires. This 'Big Business' ruled the country. They chose the President, they made the laws, and often enough they broke the laws. There was tremendous corruption in this Big Business, but the American people did not mind so long as there was general prosperity.

I have given you these figures of American prosperity in the nineteen-twenties partly to show you to what heights modern industrial civilization has taken a country as compared with backward, non-industrial countries like India and China, and partly to contrast this prosperity with the subsequent crisis and collapse in America, about which I shall tell you later.

This crisis was to come later. Right up to 1929 America seemed to have escaped the ills of suffering Europe and Asia. The defeated Powers were in a very bad way. I have told you something about Germany's misery. Most of the small countries of central Europe, and especially Austria, were in an even worse state. Austria also suffered from inflation, and so did Poland, and both had to change their currencies.

But this trouble was not confined to the defeated countries. Even the victorious countries were gradually involved in it. It had always been known that to be a debtor was not a good thing. A new and strange realization now came: that it was not a good thing either to be a creditor! For the victorious Powers, to whom Germany owed reparations, got into great difficulties because of these reparations, and the very act of receiving them got them into further trouble. Of this I must tell you in my next letter.

173
THE STRANGE BEHAVIOUR OF MONEY

June 16, 1933

ONE of the most remarkable characteristics of the post-war period is the strange behaviour of money. Before the war, money in each country had a more or less fixed value. Each country had its own currency, such as the rupee in India, the pound in England, the dollar in America, the franc in France, the mark in Germany, the rouble in Russia, the lira in Italy, and so on; and these currencies bore a steady relation to each other. They were connected to each other by what is called the international gold standard—that is, each currency had a definite gold value. Within the boundaries of each country its own currency was good enough, but not so outside. The connecting link between two currencies was gold, and international payments or settlements were thus made in gold. So long as the currencies had fixed gold values, they could not vary much, as gold is a fairly stable metal so far as value is concerned.

War-time necessities, however, made the warring governments leave this gold standard, and thus made their currencies cheaper. There was a measure of inflation. This was helpful in carrying on business, but it upset the international relations of currencies. During the war the world was divided up into two huge camps, the Allied camp and the German camp, and within each camp there was co-operation and co-ordination, and everything was subordinated to the war. Difficulties arose after the war, and the changing economic conditions and the mutual distrusts of nations resulted in the extraordinary behaviour of different currencies. The whole money system of to-day is largely based on credit; a banknote and a cheque are both promises to pay which are accepted as good money. Credit depends on confidence, and when confidence goes, credit goes with it. This is one of the reasons why the money system misbehaved so much during the post-war years, as the troubled conditions of Europe had shaken all confidence. The modern world is inter-dependent, each part is intimately connected with the other and there are ever so many international activities. This means that the troubles of one country have their immediate reactions in other countries. If the German mark falls or a German bank fails, the people of London and Paris and New York may be put out by it in many ways.

Because of these and other reasons, which I shall not trouble you with, currency or money difficulties arose in nearly all countries, and the more advanced the country industrially, the greater often was the difficulty. For industrial advance meant a highly complicated and delicate international structure. Obviously a backward and isolated place like Tibet would not be affected by the behaviour of the mark or pound. But the fall in the value of the dollar might immediately upset Japan.

Then, again, in each industrial country the interests of various groups were different. Thus some wanted cheap money and inflation (not, of course, a limitless inflation such as had taken place in Germany), while some wanted the exact opposite, deflation—that is, a high gold value of money. For instance, the creditors, the bankers and the like were in favour of a high money value, as they were owed money; the debtors naturally wanted cheaper money to pay their debts. The industrialists and manufacturers were in favour of cheap money, as they were usually the debtors of the bankers and, more important still, this encouraged the sale of their goods abroad. Cheaper British money would mean that the price of British goods would be less as compared to German or American or other foreign goods in the foreign market, and this would result in an advantage to British industrialists and a greater sale of then-goods. So you will notice that different groups pulled different ways, the principal tug-of-war being between the industrialists and the bankers. I am trying to put this as simply as I can. As a matter of fact there were many complicating factors.

Both in France and Italy there was inflation, and the franc and lira fell in value. The old value of the franc used to be about 25 to the pound sterling (as the British pound is called). This fell to 275 to the pound. Later it was fixed at about 120 to the pound.

After the war when America stopped helping England, the pound fell in value a little. England was then faced by a difficulty. Was she to accept this natural fall in the value of the pound and fix the pound at this new value? This would have helped industry by cheapening goods, but it would have caused loss to the bankers and creditors. More important still, it would have put an end to London's position as the financial centre of the world. New York would then step into this position, and borrowers would go there instead of coming to London. The alternative was to force .up the pound to its original value. This would raise the prestige of the pound and London would continue its financial leadership. But industry would suffer and, as the event proved, many other undesirable things would happen.

The British Government chose the latter course in 1925 and raised the pound to its former gold value. Thus they sacrificed to some extent their industry to their

bankers' The real issue before them was a more important one still, for it vitally affected the continuance of their empire. If London lost the financial headship of the world, the various parts of the Empire would not look to it for leadership or help, and the Empire would gradually melt away. So that this question became one of imperial policy, and this wider imperialism won at the cost of British industry and immediate domestic interests. It was in this same way, you may remember, that imperial considerations induced Britain to encourage the industrialization of India after the war, even at some cost to Lancashire and British industry.

Thus a brave attempt was made by Britain to keep leadership and empire, but it was an attempt which proved most costly and it was foredoomed to failure. The British Government, or any other government, could not control the inevitable developments of economic destiny. The pound had regained its ancient prestige for a while, but at the cost of a growing paralysis of industry. Unemployment grew, and the coal industry was especially hard hit. The deflation of the pound (as this process of raising its gold value is called) was largely responsible for this. There were other reasons also. Some German coal had been received in payment for reparations, and this meant that less British coal was required, which resulted in greater unemployment in the coal-mines. Thus the creditor and victor countries came to realize that it was not an unmixed blessing to receive a tribute of this kind from the defeated country. The British coal industry was also very badly organized. It was split up into hundreds of small companies, and could not easily compete with the larger and better organized groups on the Continent and in America.

As the coal industry went from bad to worse, the mine-owners decided to reduce the wages of their workers. This was fiercely resented by the miners, and they had the support of the workers in other industries. The whole labour movement in Britain got ready to fight on behalf of the miners, and a 'Council of Action' was formed. Previous to this a powerful 'triple alliance' had been formed between the three great trade unions, the miners, the railway workers, and the transport workers, which comprised millions of well-organized and trained workers. This aggressive attitude of the working class rather frightened the government, and they postponed the crisis by giving a subsidy to the mine-owners to enable them to continue the old scale of wages for another year. An inquiry commission was also appointed. But nothing came of all this, and next year in 1926 the crisis came again when the mine-owners wanted to reduce wages. This time the government were ready for the fight with labour; they had made every preparation for it during the past months.

The coal-owners decided to lock out the miners because they would not agree to a wage-cut. This precipitated a general strike in England called by the Trade Union Congress. There was a remarkable response to this call, and almost all organized workers throughout the country stopped working. The life of the country was

brought almost to a standstill, railways did not run, newspapers could not be printed and most other activities stopped. Government managed to carry on some essential services with the help of volunteers. The General Strike began at midnight May 3-4, 1926. After ten days the moderate leaders of the Trade Union Congress, who had no love for this kind of revolutionary strike, suddenly called it off on the pretext of some vague promise made to them. The miners were left in the lunch, but they carried on for many long and weary months. They were starved out and beaten down in the end. This was a signal defeat not only for the miners, but for British workers generally. Wages were lowered in many cases, hours of work were increased in some industries, and the living standards of the working class went down. The government took advantage of its victory to pass new laws to weaken labour, and especially to prevent any general strike in the future.

This General Strike of 1926 failed because of the irresolution and weakness of the labour leaders and their want of preparation for it. Indeed, their whole object was to avoid it, and when they could not do so they ended it at the first opportunity. On the other hand, the government was fully prepared and it received the support of the middle classes. The General Strike in England and the long coal lock-out created great interest in Soviet Russia, and the Russian trade unions sent very large sums of money, especially subscribed by the Russian workers to help the English miners.

Labour had been crushed in England for the moment. But this was no solution of the problem of a declining industry and growth of unemployment. Unemployment meant widespread, suffering among the workers; it also meant a great burden on the State, for a system of unemployment insurance had grown up in many countries. It was recognized that it was the duty of the State to support a worker who was unemployed for no fault of his own. So some relief or doles were given to the registered unemployed, and this meant the expenditure of huge sums of money by the government and by local bodies.

Why was all this happening? Why was industry deteriorating, trade languishing, unemployment increasing, and conditions worsening not only in England, but in almost all countries? Conference after conference was held, the statesmen and the rulers were obviously keen on improving conditions, bat no success came to them. It was not as if some natural calamity had occurred, like an earthquake, or floods, or want of rains, causing famine and suffering. The world was getting on in much the same way as before. There was actually more food and more factories and more of everything required, and yet there was more human misery. Something was obviously very radically wrong, to bring about this contrary result. There was gross mismanagement somewhere. Socialists and communists said that it was all the fault of capitalism, which was on its last legs. They pointed to Russia, where, though many troubles and difficulties existed, there was no unemployment, at least.

These questions are rather intricate, and doctors and pandits differ greatly as to the remedies for human ailments. But let us nevertheless look at them and examine some of their outstanding features.

The world to-day is becoming, and has largely become, a single unit—that is to say, that life, activities, production, distribution, consumption, etc., all tend to be international and world-wide, and this tendency is increasing. Trade, industry, the money system, are also largely international. There is the closest connection and interdependence between different countries, and an event in any one of them has reactions in others. In spite of all this internationalism, governments and their policies continue to be narrowly nationalistic. Indeed, this narrow nationalism has become worse and more aggressive during the post-war years, and is to-day a dominating factor in the world. The result is a continuous conflict between the actual international events of the world and the nationalistic policy of governments. You may look upon the international activities of the world as a river flowing down to the sea, and the national policies as attempts to stop it and dam it and divert it, and even to make it flow backwards. It is obvious that the river is not going to flow backwards, nor is it going to be stopped. But it may occasionally be diverted a little, or a dam may result in floods. So these nationalisms of to-day are interfering with the even flow of the river and creating floods and backwaters and stagnant pools, but they cannot stop the ultimate progress of the river.

In trade and the economic sphere we thus have what is called 'economic nationalism'. This means that a country is to sell more than it buys, and to produce more than it consumes. Every nation wants to sell its goods, but, then, who is to buy? For every sale there must be a seller as well as a buyer. It is obviously absurd to have a world of sellers only. And yet this is the basis of economic nationalism. Every country puts up tariff walls, economic barriers to keep out foreign goods, and at the same time it wants to develop its own foreign trade. These tariff walls interfere with and kill international trade, on which the modern world is built up. As trade languishes, industry suffers and unemployment increases. This again results in a fiercer attempt to keep out foreign goods, which are supposed to interfere with home industries, and tariff walls are raised higher. International trade suffers still more and the vicious circle goes on.

The modern industrial world has really advanced beyond the stage of nationalism. The whole machinery of production of goods and distribution does not fit into the nationalist structure of governments and countries. The shell is too small for the growing body inside, and it cracks.

These tariffs and obstacles in the way of trade really profit some classes only in each country, but as these classes are dominant in their respective countries, they

shape the country's policy. So each country tries to overreach the other, and in the result all of them suffer together, and national rivalries and hatreds increase. Repeated attempts are made to settle mutual differences by conferences, and the best of intentions are expressed by the statesmen of different countries, but success eludes them. Does this not remind you of the repeated attempts to settle the communal problem, the Hindu-Muslim-Sikh problems, in India? Perhaps in both the cases failure is due to wrong assumptions and to wrong premises, as well as to wrong objectives.

These classes that profit by tariffs and other methods of encouraging economic nationalism, such as bounties and subsidies and special railway freights, etc., are the owning and manufacturing classes, who profit by these protected home markets. Vested interests are thus built up under protection and tariffs, and, like all vested interests, they object very strongly to any change which might injure them. This is one of the reasons why tariffs, once introduced, stay on, and why economic nationalism goes on in the world although most people are convinced that it is bad for everybody. It is not easy to put an end to vested interests once created, and it is still lees easy for any nation to take a solitary lead in such a matter. If all the countries would agree to act together and put an end to, or greatly reduce, the tariffs, perhaps it might be done. Even then there would be difficulties, as industrially backward countries would suffer, as they would not be able to compete on equal terms with advanced countries. New industries are often built up under the shelter of a protective duty.

Economic nationalism discourages and prevents trade between nations. Thus the world market suffers. Each nation becomes a monopoly area with a protected market; the free market goes. Within each nation also, monopolies increase and the free and open market tends to disappear. Big trusts, big factories, big shops swallow up the smaller producers and the petty shopkeepers, and thus put an end to competition. In America, Britain, Germany, Japan, and other industrial countries these national monopolies developed at a tremendous pace, and power was thus concentrated in a few hands. Petrol, soap, chemical goods, armaments, steel, banking, and ever so many other things were monopolized. All this has a curious result. It is the inevitable consequence of the growth of science and the development of capitalism, and yet it cuts at the root of this very capitalism. For capitalism began with the world market and the free market. Competition was the breath of life of capitalism. If the world market goes, and so also the free market and competition within national boundaries, the bottom is knocked out of this old capitalist structure of society. What will take its place is another matter, but it seems that the old order cannot continue for long with these mutually contradictory tendencies.

Science and industrial progress have gone far ahead of the existing system of society. They produce enormous quantities of food and the good things of life, and capitalism does not know what to do with them. Indeed, it sits down often to destroy them or to limit production. And so we have the extraordinary spectacle of abundance and poverty existing side by side. If capitalism is not advanced enough for modern science and technology, some other system must be evolved more in keeping with science. The only other alternative is to strangle science and keep it from going ahead. But that would be rather silly, and in any event it is hardly conceivable.

It is not surprising that with economic nationalism, and the growth of monopolies and national rivalries, and the other products of a decaying capitalism, there should be trouble all over the world. Modern imperialism itself is a form of this capitalism, for each imperialist Power tries to solve its national problems by exploiting other people. This again leads to rivalries and conflicts between the imperialist Powers. Everything seems to lead to conflict in the topsy-turvy world of to-day!

I began this letter by telling you that money had behaved strangely during the post-war period. Can we blame money when everything else is behaving in a most extraordinary way?

174
Move and Counter-Move

June 18, 1933

MY last two letters have dealt with economic and currency questions. These subjects are supposed to be very mysterious and difficult to understand. It is true that they are not easy and they require hard thinking, but they are not so terrible, after all; and economists and experts are partly responsible for the air of mystery that surrounds these subjects. In the old days priests used to have a monopoly of mystery, and they imposed their will on the ignorant populace by all manner of rites and ceremonials, often in archaic language which few understood, and by pretending to be in communication with unseen powers. The power of priestcraft is very much less to-day, and in industrial countries it has almost gone. In place of the priests have arisen the expert economists and bankers and the like, who talk in a mysterious language, consisting chiefly of technical terms, which a layman finds it difficult to understand. And so the average man has to leave the decision of these questions to the experts. But the experts often attach themselves, consciously or unconsciously, to the ruling classes and serve their interests. And experts differ.

It is as well, therefore, that we should all try to understand something about these economic questions which seem to dominate politics and everything else to-day. There are many ways of dividing human beings into groups and classes. One possible way would be to have two classes: the drifters, who have little will of their own and allow themselves to be carried hither and thither like straw on the surface of the waters, and those who try to play an effective role in life and to influence their surroundings. For the latter class, knowledge and understanding are essential, for effective action can only be based on these. Mere good will or pious hopes are not enough. When there is a natural calamity, or an epidemic, or a failure of the rains, or almost any other misfortune, we often see, not only in India, but in Europe also, people praying for relief. If the prayer soothes them and gives them confidence and courage, it is a good thing, and no one need object to it. But the idea that prayer will stop an epidemic of disease is giving place to the scientific notion that the root causes of disease should be wiped out by sanitation and other means. When there is a breakdown in the machinery of a factory or there is a puncture in the tyre of a car, whoever heard of people sitting down and just hoping or piously wishing, or even

praying, that the break might right itself or the puncture mend itself? They set to work and mend the machinery or the tyre, and soon the machinery is functioning again or the car running smoothly along the road.

So also in the human and the social machine, we require besides good will, good knowledge of its working and its possibilities. This knowledge is seldom exact, as it deals with indefinite things, such as human wishes and desires and prejudices and wants, and these become still more indefinite when we deal with people in the mass, with society as a whole, or with different classes of people. But study and experience and observation gradually bring order even into this rather indefinite mass, and knowledge grows, and with it grows our capacity to deal with our surroundings.

Now I should like to say something about the political aspect of Europe during these post-war years. The first thing that strikes one is the division of the Continent into three parts: the victors of the war, the vanquished, and Soviet Russia. There were some small countries, like Norway and Sweden and Holland and Switzerland, which did not fall into any of these three divisions, but they were not important from the larger political point of view. Soviet Russia, of course, stood by herself, with her workers' government, a source of continuous irritation and annoyance to the victorious Powers. This irritation was caused not only by her system of government, which was an invitation to revolution to workers in other countries, but also by her coming in the way of many of the designs of the victorious Powers in the East. I have already told you of the wars of intervention during which, in 1919 and 1920, most of these victorious Powers tried to crush the Soviets. Soviet Russia, however, survived, and the imperialist Powers of Europe had to put up with her existence, but they did so with as little good will or grace as possible. In particular, the old rivalry between England and Russia, dating from the Tsarist period, continued, and occasionally burst forth into alarms and incidents which threatened war. The Soviets were convinced that England was continually intriguing against them and trying to build up an anti-Soviet *bloc* of Powers in Europe, and there were several war scares.

In western and Central Europe the distinction between the victor Powers and the defeated ones was very marked, and France expecially represented the spirit of victory. The defeated countries were naturally dissatisfied with many of the provisions of the peace treaties, and, though they were powerless to do anything, they dreamed of future changes. Austria and Hungary were very sick countries, and their condition seemed to worsen. Yugoslavia, on the other hand, was a Serbia bloated up, and had become a collection of incongruous elements and nationalities. It did not take many years for the different parts to get tired of each other, and to develop a tendency to split up. In Croatia (which is now a province of Yugoslavia), there is a strong movement for independence, and this has been vigorously repressed

by the Serbian Government. Poland is big enough on the map now, but its imperialists cherish extraordinary dreams of stretching out to the Black Sea in the south, and thus restoring the ancient Polish frontier of 1772. Meanwhile Poland includes a part of the Russian Ukraine and this has been and is still being, 'pacified' or 'polonized' by a reign of terror, with torture, death penalties, and many other barbarous punishments. These are some of the little fires that go on smouldering in eastern Europe. Their importance lies in the danger of the fire spreading. Politically, and in a military sense also, France was the dominant Power in Europe in the after-war years. She had gained much of what she had wanted in the shape of territory and the promise at least of reparations, but she was far from happy. A great fear haunted her, the fear of Germany becoming strong enough to fight her again and perhaps defeat her. The principal reason for this fear was the much bigger population of Germany. France is actually bigger in size than Germany and is perhaps even more fertile. Yet the population of France is under 41,000,000, and it is almost steady. The population of Germany is over 62,000,000, and it is growing. The Germans have also the reputation of being an aggressive and warlike nation, and they have twice invaded France within living memory.

So the fear of a German revenge obsessed France and the foundation and governing idea of her whole policy was 'security', the security for France to hold and keep what she had got. It was French military supremacy that kept in check all the countries disappointed by the Versailles peace, for a maintenance of this peace was considered necessary for French security. Further to strengthen her position, France built up a *bloc* of nations, who were also interested in maintaining the Treaty of Versailles. These countries were Belgium, Poland, Czechoslovakia, Rumania, and Yugoslavia.

In this way France established her hegemony or leadership of Europe. This was not to the liking of England, for England does not like any Power, except herself, to be predominant in Europe. There was a great cooling off in the love and friendship which England had for her ally France; France was criticized in the English Press as being selfish and hard-hearted, and friendly references were made to the old enemy Germany. We must forget and forgive, said the English people, and not allow ourselves to be governed in peace-time by memories of war days. Admirable sentiments these were, and doubly admirable from the English point of view because they happened to fit in with English policy. It has been said by an Italian statesman, Count Sforza, that this is 'a precious gift bestowed by divine grace upon the British people', for all classes to justify with the highest moral reasons any political advantage that may come to England or any diplomatic action that the British Government might take.

From early in 1922 Anglo-French friction became a chronic feature of European politics. On the surface there were smiles and courteous words, and their statesmen

and prime ministers met frequently and were photographed together, but the two Governments often pulled in different directions. England was not in favour of the Allied occupation of the Ruhr valley, when Germany defaulted in the payment of reparations in 1922, but France had her way in spite of England. The British, however, did not take part in the occupation.

Another old ally, Italy, fell out with the French, and there was constant friction between the two countries. The reason for this was the seizure of power by Mussolini in 1922, and his imperialist ambitions, which were obstructed by France. Of Mussolini and fascism I shall tell you in my next letter.

The post-war years also brought into evidence certain disruptive tendencies in the British Empire. I have discussed some aspects of this question in other letters. Here I shall only refer to one aspect. Both Australia and Canada were being drawn more and more into the American sphere of cultural and economic influence, and one of the joint dislikes of all three countries were the Japanese, and especially Japanese immigration. Australia is in special danger from this, as it has vast uninhabited areas, and Japan is not far, and has an overflowing population. Neither these two Dominions nor the United States liked England's alliance with Japan. England wanted to please America, for America was dominating the world both as creditor and otherwise, and also wanted to keep the Empire going as long as possible. So she sacrificed the Anglo-Japanese alliance at the Washington Conference in 1922. I have written to you about this conference in my last letter on China. It was there that the Four-Power Agreement and the Nine-Power Treaty were made. These treaties related to China and the Pacific coast, but Soviet Russia, which was vitally interested, was not invited, in spite of her protest.

This Washington Conference marked a change in England's eastern policy. So far England had relied on Japan to help her in the Far East, and even in India if need arose. But now the Far East was becoming a very important factor in world affairs, and there were conflicts of interest between the different Powers. China was rising, or so it seemed, and Japan and America were becoming more and more hostile to each other. Many people thought that the Pacific would be the chief centre of the next great war. As between Japan and America, England changed over to the side of America, or rather it would be more correct to say that she left the side of Japan. Her policy was definitely one of keeping friends with powerful and wealthy America, without making any commitments. Having ended the Japanese Alliance, England started preparing for a possible Far Eastern war. She built enormous and very expensive docks at Singapore, and made of this place a great naval base. From this place she can control the traffic between the Indian Ocean and the Pacific. She can dominate India and Burma on the one side, and the French and Dutch colonies on

the other; and most important of all, she can take effective part in a Pacific conflict, whether it be against Japan or any other Power.

This breaking up of the Anglo-Japanese Alliance at Washington in 1922 isolated Japan. The Japanese were driven to look towards Russia, and they began cultivating better relations with the Soviets. Three years later, in January 1925, there was a treaty between Japan and the Soviet Union.

In the early years after the war, Germany was treated by the victorious Powers very much as an outcast nation. Not finding much sympathy with these Powers, and with a view to frightening them a little, she turned to Soviet Russia and made a treaty—the Treaty of Rapallo—with her in April 1922. The negotiations for this had been secret, and so when publicity was given to the treaty, the Allied Governments had a shock. The British Government was especially put out, as the English ruling class disliked the Soviet Government intensely. It was really the realization that if Germany was not treated well and conciliated, she might go over to Russia, that brought about a change in British policy towards Germany. They became quite appreciative of Germany's difficulties, and made friendly unofficial advances to her in many ways. They stood apart from the Ruhr adventure. All this was not because of a sudden love for Germany, but because of a desire to keep Germany away from Russia and in the anti-Soviet group of nations. This became the keystone of British policy for some years, and success came to them in 1925 at Locarno. A conference of the Powers was held at Locarno, and for the first time since the war there was a real agreement between the victorious Powers and Germany on some points, which were embodied in a treaty. There was no complete agreement; the tremendous question of reparations as well as other questions remained. But a good beginning was made, and many mutual assurances and guarantees were given. Germany accepted her western French frontier as defined by the Treaty of Versailles; as to her eastern frontier, with the Polish Corridor to the sea, she refused to accept it as final, but she promised to use peaceful means only in her attempts to get it changed. If any party broke the agreement, then the others bound themselves to stand together to fight it.

Locarno was a triumph for British policy. It made Britain to some extent the arbiter in a dispute between France and Germany, and it brought Germany away from Russia. The chief importance of Locarno was, indeed, that it brought together the western European nations in an anti-Soviet *bloc*. Russia got nervous, and within a few months she countered with an alliance with Turkey. This Russo-Turkish Treaty was signed in December 1925, just two days after the decision of the League of Nations against Mosul, which decision, you may remember, was against Turkey. In September 1926 Germany entered the League of Nations, and there was much embracing and hand-shaking, and everybody in the League smiled and complimented everybody else.

And so these moves and counter-moves went on between the European nations, often influenced by their domestic policies. In England a general election, in December 1923, resulted in a Conservative defeat, and the Labour Party in Parliament, although it had no clear majority, formed the government for the first time. Ramsay MacDonald was the Prime Minister. This government had a brief life of nine and a half months. During this period, however, it came to an agreement with Soviet Russia, and diplomatic and trade relations were established between the two countries. The conservatives were opposed to any recognition of the Soviets, and in the next British general election, which came within a year of the last one, Russia figured greatly. This was due to the fact that a certain letter, known as the *Zinoviev letter*, was made a trump card by the conservatives in the election. In this letter communists in England were urged to work secretly for revolution. Zinoviev was a leading Bolshevik in the Soviet Government; he denied absolutely having written the letter and said that it must be a forgery. But still the conservatives exploited the letter fully and, partly with its help, managed to win the election. A Conservative Government was now formed with Stanley Baldwin as the Prime Minister. This government was repeatedly asked to investigate the truth or falsity of the 'Zinoviev letter', but it refused to do so. Subsequent disclosures in Berlin showed that it was a forgery made by a 'white' Russian—that is, an anti-Bolshevik *émigré* Russian. The forgery, however, had done its work in England and put an end to one government and brought in another. By such trivial incidents are international affairs influenced.

Later in the same year a new development, this time in the Far East, was a source of great irritation to the British Government. A strong united national government suddenly appeared in China, and this seemed to be on intimate terms with the Soviets. For many months the British were in great difficulties in China, and they had to swallow their prestige and do many things that they disliked. And then the Chinese movement, after a brief day of success, split up and went to pieces. The generals massacred and drove out the radical elements in the movement, and preferred to place their reliance on the foreign bankers in Shanghai. This was a great defeat for Russia in the international game, and her prestige went down in China and elsewhere. For England it was a triumph, and she sought to improve the occasion by pressing home the defeat on the Soviet. Attempts were again made to organize the anti-Soviet *bloc* and to encircle Russia.

About the middle of 1927 action was taken against the Soviets in different parts of the world. In April 1927, on the same day, raids took place on the Soviet embassy in Pekin and the Soviet consulate in Shanghai. Two different Chinese governments controlled these areas, yet they acted together in this matter. It is a very unusual thing for an embassy to be raided and an ambassador insulted; almost

inevitably it leads to war. It was the Russian belief that the Chinese governments had been made to act in this way by England and other anti-Soviet Powers to force a war on Russia. But Russia did not fight. A month later, in May 1927, another extraordinary raid took place, this time on Russian trade offices in London. This is called the 'Arcos' raid, as Arcos was the name of the Russian official trading company in England. This was also a great and, as the event proved, a wholly unjustified insult to another Power. It was immediately followed by a break in diplomatic and trade relations between the two countries. Next month, in June, the Soviet Minister in Poland was assassinated in Warsaw. (Four years earlier the Soviet minister in Borne had been assassinated in Lausanne.) All these events, each coming quickly after the other, upset the nerves of the Russian people, and they fully expected a combined attack on them by the imperialist Powers. Russia had a big war scare, and in many of the western European countries the workers demonstrated in favour of Russia and against the war that seemed to be coming. The scare passed, and there was no war.

In that very year, 1927, Soviet Russia celebrated on a big scale the tenth anniversary of the Bolshevik Revolution. England and France were very hostile to Russia then, but Soviet Russia's friendship with eastern nations was shown by the fact that official delegations from Persia, Turkey, Afghanistan, and Mongolia took part in the celebrations.

While these alarms and war preparations were going on in Europe and elsewhere, there was also a great deal of talk of disarmament. The Covenant of the League of Nations had laid down that 'members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations'. Apart from laying down this pious principle, the League did nothing else at the time, but it called upon its Council to take necessary steps in this matter. Germany and the other defeated Powers were, of course, disarmed by the peace treaties. The victorious Powers had undertaken to follow, but repeated conferences failed to bring about any solid result. This was not surprising, when each Power aimed at a kind of disarmament which would result in making it relatively stronger than the others. To this, naturally, the others would not agree. The French stuck all along to their demand for security before disarmament.

Of the great Powers neither America nor the Soviet Union were members of the League. Indeed, the Soviet looked upon the League as a rival and hostile show, a group of capitalist powers ranged against the Soviet Union. The Soviet Union was itself considered (just as the British Empire is sometimes spoken of) as a League of Nations, as there were many republics federated together in the Union. The eastern nations also looked upon the League of Nations with suspicion, and considered it a

tool of the imperialist Powers. Nevertheless America, Russia, and nearly all countries took part in the League conferences to consider disarmament. In 1925, the League appointed a Preparatory Commission which was to prepare the ground for a great World Conference on Disarmament. This commission went on interminably for seven years, examining plan after plan, without any result. In 1932 the World Conference itself met and, after many months of futile talk, faded away.

America not only took part in these disarmament discussions, but her interest in Europe and European affairs increased because of her dominating economic position in the world. All Europe was her debtor, and she was interested in preventing the European countries from cutting each other's throats again, for, apart from higher considerations, what would happen to her debts and trade if this happened? The disarmament discussions not yielding any quick results, a new proposal to help in the preservation of peace appeared in 1928, as a result of talks between the French and American Governments. This proposal bravely attempted to 'outlaw' war. The original idea was for a pact between France and America only; but this developed, and ultimately included nearly all the nations of the world. In August 1928 the pact was signed in Paris, and it is therefore known as the Paris Pact of 1928, or the Kellogg-Briand Pact, or simply as the Kellogg Pact. Kellogg was the American Secretary of State who took a lead in the matter, and Aristide Briand was the French Foreign Minister. The Pact was quite a short document condemning recourse to war for the solution of international controversies and renouncing war as an instrument of national policy in the mutual relations of the signatories of the Pact. This language, which is almost the wording of the Pact itself, sounds very fine, and if honestly meant would put an end to war. But it was soon evident how insincere were the Powers. Both the French and the English, and especially the English, made many reservations before signing it, which practically nullified the Pact for them. The British Government excluded from the Pact any warlike activity it might have to undertake in connection with its empire, which meant that it could really make war just when it wanted to. It declared a kind of British 'Monroe Doctrine' over its areas of dominance and influence.

While war was being thus 'outlawed' in public, a secret Anglo-French Naval Compromise took place in 1928. News of this managed to leak out, and shocked Europe and America. This was evidence enough of the real state of affairs behind the scenes.

The Soviet Union accepted the Kellogg Pact and signed it. Its real reason for doing so was to prevent in this way, to some extent at least, the formation of an anti-Soviet *bloc* which might attack the Soviet under cover of the Pact. The British reservations to the Pact seemed to be especially aimed at the Soviet. In signing the Pact, Russia took strong objection to these British and French reservations.

Russia was so keen on avoiding war that she took the additional precaution of having a special peace pact with her neighbours— Poland, Rumania, Estonia, Latvia, Turkey, and Persia. This is known as the Litvinov Pact. It was signed in February 1929. six months before the Kellogg Pact became international law.

So these pacts and alliances and treaties continued to be made in a desperate attempt to steady a quarrelsome and collapsing world, as if such pacts or patchwork on the surface could remedy a deep-seated disease. This was a period in the nineteen-twenties, when socialists and social democrats were often in office in European countries. The more they tasted of office and power, the more they merged themselves into the capitalist structure. Indeed, they became the best defenders of capitalism, and often enough as keen imperialists as any conservative or other reactionary had been. To some extent the European world had quietened down after the revolutionary ferment of the early post-war years. Capitalism seemed to have adjusted itself to the new conditions for another period of time, and there appeared to be no immediate prospect of a revolutionary change anywhere.

So matters stood in the year 1929 in Europe.

187
THE DOLLAR, THE POUND, AND THE RUPEE

July 27, 1933

THE World War cut up the world into three parts: the two warring parts and the neutral countries. No trade or other contracts were left between the rival warring areas, except the secret traffic of spying on each other. International trade was, of course, wholly upset. Owing to their command of the seas, the Allies could carry on some trade with neutral countries and colonies, but even this was greatly restricted by the German submarine campaign.

All the resources of the warring countries went into the war, and huge sums were spent. For nearly a year and a half England and France financed their poorer allies, both of them borrowing money from their own people as well as running up bills in America. Then France was exhausted and could not help others. England carried on the burden for another year and a quarter, and in its turn became exhausted in March 1917, when it was unable to meet a payment of £50,000,000 due to the United States. Fortunately for England and France and their Allies, America entered the war on their side at this critical moment, when no one else had any financial resources left. From then onwards till the end of the war, the United States supplied the funds for the war to all their Allies. They raised prodigious sums from their own people in 'Liberty' and 'Victory' loans, and spent these lavishly themselves and lent them to the Allies. The result was, as I have told you, that when the war ended, the United States were the world's money-lenders, to whom all the nations owed money. When the war began, the American Government owed Europe five thousand million dollars; when the war ended Europe owed America ten thousand million dollars.

This was not the only financial gain of America during the war. American foreign trade had grown at the expense of English and German trade, and now equalled British trade. The United States had also accumulated two-thirds of the world's gold, and an enormous amount of foreign government stocks and bonds.

The United States were thus in an overpowering financial position. They could reduce any of their debtor countries to bankruptcy by simply demanding payment of their debts. It was natural therefore that they should envy London's old position of

financial world capital and desire it for themselves. They wanted New York, the richest city in the world, to take the place of London. Thus began a fierce struggle between the bankers and financiers of New York and London, backed by their governments.

Pressure from America shook the English pound. The Bank of England was unable to deliver gold on its currency, and the pound sterling (which was thus off the gold standard) began to vary and fall. The French franc also fell. In an unstable world only the American dollar seemed to be firm as a rock.

One would have thought that under these circumstances the money business and gold would have turned away from London and gone to New York. But, strange to say, this did not happen, and foreign bills of exchange and the gold from the mines still went to London. This was not because people preferred the pound to the dollar, but because dollars were not easily available.

You will remember my telling you of the system of ' acceptances ' which the British banks worked all over the world through branches and agencies. The American banks had no such branches or foreign agencies, and so they had no means at their disposal of getting the foreign bills of exchange by ' accepting ' them, and naturally the bills drifted to London through the British banks. Coming up against this difficulty, American bankers immediately set about opening branches and agencies in foreign countries, and fine buildings grew up in many places. But there was yet another difficulty. The work of ' acceptances ' could only be done by a trained personnel who had full information about local conditions and local business. British banks had built up their service in 100 years of growth, and it was not easy to catch them up in this respect quickly.

The Americans then combined with some French, Swiss, and Dutch banks against London, but with no great success. France, although a very rich country exporting a great deal of capital abroad, had never paid attention to organizing a traffic in foreign bills of exchange. So the tussle between New York and the city of London went on, and on the whole the latter was not affected. In 1924 a new factor in favour of New York appeared. The German mark was stabilized after the great inflation was over, and German capital which had run away to Switzerland and Holland during the inflation (capital always runs away in times of risk or danger !) returned to German banks. The addition of Germany now to the American financial *bloc* made a great deal of difference to London. For now vast numbers of American bills of exchange could be exchanged for European bills of exchange without reference to London. And London had still an unstable currency—that is, the pound had no fixed gold value; it was off the gold standard.

The financiers of the City of London were now alarmed. They saw all the good business in international exchange going over to New York and its European allies,

and London having only the leavings. The first thing to be done to prevent this happening was to fix up the pound again in relation to gold—that is, to stabilize it. This would again attract good exchange business. So in 1925 the pound was stabilized at the old level. This was a great triumph for the English bankers and creditors, for a more valuable pound meant a bigger income for them. It was bad for English industry, as it raised the prices of English goods abroad, and industrialists found great difficulty in competing with America, Germany, and other industrial countries on the foreign market. But England deliberately sacrificed to some extent her industry to her banking system, or rather to her financial supremacy in the world exchange market. The prestige of the pound went up, but you will remember that this was followed in England by domestic troubles due partly to the blow to industry. There was unemployment and the long-drawn-out Coal-Strike and the General Strike.

The pound was stabilized, but this was not enough. The British Government owed an enormous sum of money to America, which was a floating debt and could be demanded back at almost any time. By making such a demand the United States could put England in a very difficult position and force the pound down again. So the leading British statesmen (among them Stanley Baldwin) rushed to New York to come to terms with America about the repayment of the war debt in instalments (' funding ', this process is called). All the European countries were America's debtors, and the proper course for them would have been to consult together and then approach the United States for the best terms that they could get. But the British Government were so anxious to save the pound and keep London's financial leadership that they had no time to consult France or Italy and wanted some arrangement with America quickly and at any cost. They got the arrangement, but at a heavy cost, and they agreed to the severe conditions laid down by the United States Government. Subsequently France and Italy got far better terms from the United States for their debts.

These strenuous efforts and sacrifices saved the pound and the City of London, but the struggle with New York continued in all the world markets. Having an abundance of money, New York offered long-term loans at low interest, and many countries which used to borrow in the London money market (including Canada, South Africa and Australia) were thus enticed away to New York. London could not compete in these long-term loans with New York, and it thereupon tried giving short-term loans to the banks of Central Europe. In short-term loans the banker's experience and prestige count for more, and this was in favour of London. So London banks established close relations with Viennese banks and through them with the banks in central and south-eastern Europe (the Danube and Balkan areas). New York also continued to do some business there.

This was a period of frenzied finance when, partly because of the competition of London and New York, money poured into Europe, and millionaires and multi-millionaires cropped up with amazing rapidity. The way things were done was simple. Some enterprising person would get a concession in one of these countries to build railways or other public works, or a monopoly like that of the manufacture and sale of matches. A company would be formed to hold this concession or monopoly, and this would issue stock or shares. On the basis of this stock or shares the big banks in New York or London would give advances. Financiers would thus borrow money in dollars in New York at 2 per cent, and then lend this in Berlin at 6 per cent, and in Vienna at 8 per cent. By this clever shifting about of other people's money these financiers became very wealthy. One of the most famous of them was Ivan Kreugar, a Swede who was known as the Match King because of his monopoly in matches. Kreugar had tremendous prestige at one time, but it was later proved that he was a thorough fraud and that he embezzled huge sums of money. He committed suicide when he was on the point of being found out. Several other famous financiers of the time also got into trouble because of their shady methods.

This Anglo-American competition in central and eastern Europe did one good. The money that was poured in contributed greatly to the revival of Europe during the years before the depression began in 1929.

Meanwhile France had had an inflation in 1926 and 1927, and the franc had fallen greatly in value. Frenchmen with money—and every French petty bourgeois has his savings—sent their money abroad for fear of losing it as the franc fell. They bought a vast quantity of foreign securities and foreign bills of exchange. In 1927 the frane was stabilized again and fixed in relation to gold, but at about one-fifth of its previous value. The French holders of foreign securities were now all keen on changing them for something in francs. They had done a good stroke of business, for now they were getting five times as many francs as they possessed originally, and thus they had not suffered at all from the inflation, as they would have done if they had stuck to francs right through. The French Government decided to profit by the occasion, and it bought up all such foreign bills of exchange or securities, giving instead freshly printed bills in francs. Thus the French Government suddenly became very wealthy in the possession of these foreign bills and securities—in fact, it possessed at that time the greatest number of them. It had no desire or sufficient qualification to become a competitor with England and America for financial leadership. But it was in a position to influence both.

The French are a cautious people, and so is their government. They prefer small profits and safety to the chance of big profits with the risk of losing even what they have. So, cautiously, the French Government lent out its superfluous money to good firms in London at a low rate of interest. Thus they would only charge the British

bank 2 per cent, interest; the British would pass on the money at 5 or 6 per cent, to German banks, who in their turn would advance it to Vienna at 8 or 9 per cent., and finally the money might reach Hungary or the Balkans at 12 per cent! The rate of interest increased with the risk, but the Bank of France preferred to face no risk and to deal with safe British banks. In this way France kept a very large sum of money (consisting of the foreign sterling bills of exchange it had bought up) in London, and this helped London in its fight against New York.

Meanwhile the trade crisis and depression had been growing and agricultural prices falling. Wheat prices fell so long in the autumn of 1930 that banks in eastern Europe could not realize moneys from their debtors, and so could not pay back the money they had borrowed in pounds and dollars in Vienna. This led to a banking crisis in Vienna, and the greatest Viennese bank, the Credit-Anstalt, failed and collapsed. This again shook up the German banks, and a collapse of the mark seemed to be imminent. This would have meant danger to American and British capital in Germany, and it was to avoid this that President Hoover proclaimed a moratorium on debts and reparations. To have insisted on payment of reparations then would have meant the complete financial collapse of Germany. As it happened, even this was not enough, and Germany could not even pay her private debts to other countries and a moratorium for these had also to be given her.

This meant that plenty of English money, which had been given in short-term loans to Germany, was locked up there—'frozen' as it is called. The position of the London bankers became difficult, as they had to meet their liabilities, and they had been counting on getting their money from Germany. France and America came to their help by lending £130,000,000, but this came too late. Panic spread in London financial circles, and when such a panic occurs everybody wants to take out his money. The £130,000,000 vanished quickly. You must remember that the pound was on the gold standard, and anyone who had sterling could demand gold.

The British Government, which was a Labour Government at the time, wanted to borrow more money, and anxiously asked New York and Paris bankers for it. It appears that they agreed to help subject to certain conditions, one of these being that the British Government must economize in labour matters, in social services, etc., and perhaps wage-cuts were also suggested. This was interference by foreign bankers in Britain's domestic affairs. The situation was exploited against the Labour Government, and Ramsay MacDonald, the Prime Minister and head of that government, betrayed it and his own party, and formed another government with the support chiefly of the Conservatives. This was called the 'National Government' formed to meet the crisis. This action of Ramsay MacDonald is one of the most remarkable instances of desertion in the history of the European labour movement.

The National Government had come in to save the pound. It got the promised loan from France and America, but even with its help it could not save the pound. On September 23, 1931, the government was forced to abandon the gold standard and the pound again became unstable currency. The pound fell rapidly and was worth only about 148. in gold—that is, roughly two-thirds of its former value.

This was the event and the date which produced a great impression in the world. It was looked upon by Europe as a sign of the approaching disruption of the British Empire, for it meant the end of London's domination of the world money market. These expectations or wishes (for there is little love for the British Empire in Europe or America, not to mention Asia) proved somewhat premature.

The fall of the pound shook up the currencies of many countries which had kept sterling paper money as if it were gold, because it could be changed for gold at any time. Now that sterling could not be changed for gold and had fallen 30 per cent, in value, the currencies of some of these other countries fell also, and they were dragged down by England to abandon the gold standard.

France was now in a strong position; its cautious policy had paid. While America, and even more so England, had their credits frozen in Germany and were in need of money, France had plenty of money in foreign bills as well as in gold francs. Both the American and British governments made love to France and tried hard to induce her to side with each against the other. But France, overcautious, refused to fall in with either scheme, and so let the chance of bargaining go by.

In England there was a General Election for Parliament at the end of 1931, and this resulted in an overwhelming victory for the 'National Government', in reality for the Conservative Party. The Labour Party was almost wiped out. Frightened by stories that Labour might confiscate their capital, and perhaps also terrified by the short-lived mutiny of the British sailors of the Atlantic Fleet over wage reductions, the British bourgeoisie flocked to the Conservative National Government.

In spite of crisis and danger, after the fall of the pound, the three leading nations, America, Britain, and France, or their bankers, could not co-operate together. Each played a lone hand, hoping to better its own position at the cost of the others. Instead of fighting for financial leadership, they could have joined together to form a joint international exchange market. But each preferred to go its own way. The Bank of England set out to recover for London its lost position and, to the world's astonishment, it succeeded to a large extent in doing so, although the pound was still off gold.

When England went off the gold standard, the official banks of other countries (these banks are called central banks) sold off the sterling bills of exchange that they possessed to get gold instead. They had kept the sterling bills so far because they

were at any time changeable into gold, and could thus be counted as gold. When large numbers of these bills were sold suddenly, the value of the pound fell rapidly by 30 per cent. This fall in value induced debtors (including some governments and big businesses) who owed their debts in sterling to pay up in gold, as they had to pay 30 per cent. less now. A good deal of gold thus came into England.

But the real flow of gold to England was from India and Egypt. These poor and dependent countries were made to come to rich England's assistance, and their hidden resources were utilized to strengthen England's financial position. They had not much say in the matter; their desire or interests counted for little in face of England's need.

The story of the poor rupee in India is a long and sad one from India's point of view. It has been made to change about in value repeatedly to serve the interests of the British Government and British financiers. I am not going into these currency matters here, except to tell you that the post-war activities of the British Government in India in regard to currency matters cost India vast sums of money. Then in 1927 a great controversy arose in India about the fixing of the value of the rupee in relation to the pound sterling and gold (the pound was then on the gold standard). This was called the ' ratio controversy ', because the government wanted to fix the value at one shilling and sixpence and Indian opinion almost unanimously wanted it fixed at one shilling and four pence. The question was the old one of giving a higher value to money, and thus profiting bankers and creditors and holders of money and encouraging foreign imports, or a lower value and lessening the burden on debtors and encouraging home industries and exports. The government, of course, had its way in spite of Indian opinion, and one and six was fixed as the gold rupee value. There was thus, in the opinion of many, a slight deflation, an over-valuation of the rupee. Only England had gone in for deflation, when bringing the pound on the gold standard in 1925, and this was, as we have seen, to retain her financial leadership of the world, for which she was prepared to sacrifice much. France, Germany, and other countries preferred inflation to ease their economic situation. This higher value of the rupee meant an increased value of the British capital invested in India. It also meant a burden on Indian industry, as the prices of Indian goods went up slightly. Above all, it meant an added burden on all the peasants and landowners who were indebted to the moneylender, for, as the value of money went up, the value of these debts also went up. The difference between eighteen pence and sixteen pence—that is two pence—represented a rise of 121/2 per cent. Suppose the agricultural indebtedness of India is 10,000 million rupees; a 121/2 per cent, addition to it means an addition of the enormous sum of 1250 million rupees.

In terms of money, of course, the debts remained the same as before. But in terms of prices of agricultural produce the debts went up. The real value of money is what

it will buy, so much wheat, or clothes, or other articles or commodities. This value adjusts itself if allowed to do so. A fall in the buying power of money results in a fall in currency. To fix an artificially higher value is to give it an artificial buying power which it does not really possess. Thus the peasant found that more of his income now went to the payment of his debts and interest on them, and he had less left over. In this way the one and six ratio added to the depression in India.

When the pound sterling was forced off gold in September 1931, the rupee also went off, but it was kept tied to the pound. Thus the one and six ratio remained, but this now represented a smaller amount of gold. The rupee was kept linked to sterling so that British capital might not suffer in India, for if the rupee had been left to itself, it might have fallen lower, and thus caused loss to sterling capital. As it was, loss was only caused to non-British foreign capital in India—American, Japanese, etc., because of the lesser gold value. Another great advantage to England in having the rupee linked with the pound was that this enabled her to pay for raw material purchased for her industries in British currency. The bigger the sterling area, the better for the pound.

As the rupee fell in value with the pound, the internal price of gold naturally went up—that is, gold could fetch more rupees. The great hardships and privation in the country induced people to sell whatever gold they possessed in the shape of ornaments, etc., to get more rupees for it in order to pay their debts. So gold flowed in innumerable tiny streamlets from all over the country to the banks, and the banks made a profit by selling it on the London market. In this way Indian gold flowed continuously to England and a vast quantity was sent. The process still continues. It is this gold, as well as the gold that came from Egypt, that saved the situation for the Bank of England and British finance, and enabled them to pay back the money borrowed in September 1931 from America and France.

Now, it is a strange fact that while every country in the world, including the richest countries, is trying hard to keep its own gold and to add to it, India is doing the very opposite. The American and French governments have hoarded up a huge amount of gold in their bank vaults. It has been a strange process of digging out the gold from the mine only to bury it again deep down in the underground bank vaults. Many countries, including British Dominions, have declared embargoes on gold—that is, no one is permitted to take it out of the country. England went off the gold standard to preserve her gold. But not so India, because India's financial policy is governed in the interests of England.

There is often talk of gold and silver hoarding in India, and to some extent, among the handful of the rich, this is correct. But the masses are far too poor to hoard anything. The better-class peasantry have a few odd ornaments which

represent their ‘hoard ‘. They have no banking facilities. These petty ornaments and reserves of gold in India have been drawn away by the depression and the rise in the price of gold. A national government would have kept this gold in the country as a reserve, as gold is the only recognized international medium of payment.

To go back to our story of the pound’s struggle with the dollar. By these methods and other clever devices, which I need not mention here, the Bank of England strengthened its position greatly. Early in 1932 it had a bit of luck, as there was a banking crisis in the United States owing to American money also being frozen in Germany. During this crisis many Americans sold their dollars and bought sterling bonds. Thus the British Government got plenty of foreign bills of exchange in dollars, which it then presented in New York to the government bank there and took gold instead. The dollar being on the gold standard, anyone could demand gold for it. In this way the British gold reserve mounted up without any mishap or further decline of the pound, which remained unstable and off gold. With plenty of foreign bills of exchange and securities also, the City of London became again the great central market of international exchange. New York was defeated for the time being, chiefly because of its great banking crisis, in which, as I have told you in an earlier letter, thousands of small banks perished.

ANNEXURE 3

ATLAS SHRUGGED BY AYN RAND (1957)

"So you think that money is the root of all evil?" said Francisco d'Anconia. "Have you ever asked what is the root of money? Money is a tool of exchange, which can't exist unless there are goods produced and men able to produce them. Money is the material shape of the principle that men who wish to deal with one another must deal by trade and give value for value. Money is not the tool of the moochers, who claim your product by tears, or of the looters, who take it from you by force. Money is made possible only by the men who produce. Is this what you consider evil? 'When you accept money in payment for your effort, you do so only on the conviction that you will exchange it for the product of the effort of others. It is not the moochers or the looters who give value to money. Not an ocean of tears nor all the guns in the world can transform those pieces of paper in you wallet into the bread you will need to survive tomorrow. Those pieces of paper, which should have been gold, are a token of honor—your claim upon the energy of the men who produce. Your wallet is your statement of hope that somewhere in the world around you there are men who will not default on that moral principle which is the root of money. Is this what you consider evil?

Have you ever looked for the root of production? Take a look at an electric generator and dare tell yourself that it was created by the muscular effort of unthinking brutes. Try to grow a seed of wheat without the knowledge left to you by men who had to discover it for the first time. Try to obtain your food by means of nothing but physical motions—and you'll learn that man's mind is the root of all the goods produced and of all the wealth that has ever existed on earth.

But you say that money is made by the strong at the expense of the weak? What strength do you mean? It is not the strength of guns or muscles. Wealth is the product of man's capacity to think. Then is money made by the man who invents a motor at the expense of those who did not invent it? Is money made by the intelligent at the expense of the fools? By the able at the expense of the incompetent? By the ambitious at the expense of the lazy? Money is made—before it can be looted or mooched—made by the effort of every honest man, each to the extent of his ability. An honest man is one who knows that he can't consume more than he has produced. 'To trade by means of money is the code of the men of good will. Money

rests on the axiom that every man is the owner of his mind and his effort. Money allows no power to prescribe the value of your effort except the voluntary choice of the man who is willing to trade you his effort in return. Money permits you to obtain for your goods and your labor that which they are worth to the men who buy them, but no more. Money permits no deals except those to mutual benefit by the unforced judgment of the traders. Money demands of you the recognition that men must work for their own benefit, not for their own injury, for their gain, not their loss—the recognition that they are not beasts of burden, born to carry the weight of your misery—that you must offer them values, not wounds—that the common bond among men is not the exchange of suffering, but the exchange of goods. Money demands that you sell, not your weakness to men's stupidity, but your talent to their reason; it demands that you buy, not the shoddiest they offer, but the best that your money can find. And when men live by trade—with reason, not force, as their final arbiter—it is the best product that wins, the best performance, the man of best judgment and highest ability—and the degree of a man's productiveness is the degree of his reward. This is the code of existence whose tool and symbol is money. Is this what you consider evil?

But money is only a tool. It will take you wherever you wish, but it will not replace you as the driver. It will give you the means for the satisfaction of your desires, but it will not provide you with desires. Money is the scourge of the men who attempt to reverse the law of causality—the men who seek to replace the mind by seizing the products of the mind.

Money will not purchase happiness for the man who has no concept of what he wants: money will not give him a code of values, if he's evaded the knowledge of what to value, and it will not provide him with a purpose, if he's evaded the choke of what to seek. Money will not buy intelligence for the fool, or admiration for the coward, or respect for the incompetent. The man who attempts to purchase the brains of his superiors to serve him, with his money replacing his judgment, ends up by becoming the victim of his inferiors. The men of intelligence desert him, but the cheats and the frauds come flocking to him, drawn by a law which he has not discovered: that no man may be smaller than his money. Is this the reason why you call it evil?

Only the man who does not need it, is fit to inherit wealth—the man who would make his own fortune no matter where he started. If an heir is equal to his money, it serves him; if not, it destroys him. But you look on and you cry that money corrupted him. Did it? Or did he corrupt his money? Do not envy a worthless heir; his wealth is not yours and you would have done no better with it. Do not think that it should have been distributed among you; loading the world with fifty parasites instead of one, would not bring back the dead virtue which was the

fortune. Money is a living power that dies without its root. Money will not serve the mind that cannot match it. Is this the reason why you call it evil?

Money is your means of survival. The verdict you pronounce upon the source of your livelihood is the verdict you pronounce upon your life. If the source is corrupt, you have damned your own existence. Did you get your money by fraud? By pandering to men's vices or men's stupidity? By catering to fools, in the hope of getting more than your ability deserves? By lowering your standards? By doing work you despise for purchasers you scorn? If so, then your money will not give you a moment's or a penny's worth of joy. Then all the things you buy will become, not a tribute to you, but a reproach; not an achievement, but a reminder of shame. Then you'll scream that money is evil. Evil, because it would not pinch-hit for your self-respect? Evil, because it would not let you enjoy your depravity? Is this the root of your hatred of money?

Money will always remain an effect and refuse to replace you as the cause. Money is the product of virtue, but it will not give you virtue and it will not redeem your vices. Money will not give you the unearned, neither in matter nor in spirit. Is this the root of your hatred of money?

Or did you say it's the love of money that's the root of all evil? To love a thing is to know and love its nature. To love money is to know and love the fact that money is the creation of the best power within you, and your passkey to trade your effort for the effort of the best among men. It's the person who would sell his soul for a nickel, who is loudest in proclaiming his hatred of money—and he has good reason to hate it. **The lovers of money are willing to work for it. They know they are able to deserve it.**

Let me give you a tip on a clue to men's characters: the man who damns money has obtained it dishonorably; the man who respects it has earned it.

Run for your life from any man who tells you that money is evil. That sentence is the leper's bell of an approaching looter. So long as men live together on earth and need means to deal with one another—their only substitute, if they abandon money, is the muzzle of a gun.

But money demands of you the highest virtues, if you wish to make it or to keep it. Men who have no courage, pride or self-esteem, men who have no moral sense of their right to their money and are not willing to defend it as they defend their life, men who apologize for being rich—will not remain rich for long. They are the natural bait for the swarms of looters that stay under rocks for centuries, but come crawling out at the first smell of a man who begs to be forgiven for the guilt of owning wealth. They will hasten to relieve him of the guilt—and of his life, as he deserves.

Then you will see the rise of the men of the double standard—the men who live by force, yet count on those who live by trade to create the value of their looted money—the men who are the hitchhikers of virtue. In a moral society, these are the criminals, and the statutes are written to protect you against them. But when a society establishes criminals-by-right and looters-by-law—men who use force to seize the wealth of disarmed victims—then money becomes its creators' avenger. Such looters believe it safe to rob defenseless men, once they've passed a law to disarm them. But their loot becomes the magnet for other looters, who get it from them as they got it. Then the race goes, not to the ablest at production, but to those most ruthless at brutality. When force is the standard, the murderer wins over the pickpocket. And then that society vanishes, in a spread of ruins and slaughter.

Do you wish to know whether that day is coming? Watch money. Money is the barometer of a society's virtue. When you see that trading is done, not by consent, but by compulsion—when you see that in order to produce, you need to obtain permission from men who produce nothing—when you see that money is flowing to those who deal, not in goods, but in favors—when you see that men get richer by graft and by pull than by work, and your laws don't protect you against them, but protect them against you—when you see corruption being rewarded and honesty becoming a self-sacrifice—you may know that your society is doomed. Money is so noble a medium that it does not compete with guns and it does not make terms with brutality. It will not permit a country to survive as half-property, half-loot.

Whenever destroyers appear among men, they start by destroying money, for money is men's protection and the base of a moral existence. Destroyers seize gold and leave to its owners a counterfeit pile of paper. This kills all objective standards and delivers men into the arbitrary power of an arbitrary setter of values. Gold was an objective value, an equivalent of wealth produced. Paper is a mortgage on wealth that does not exist, backed by a gun aimed at those who are expected to 'produce it. Paper is a check drawn by legal looters upon an account which is not theirs: upon the virtue of the victims. Watch for the day when it bounces, marked: 'Account overdrawn.'

When you have made evil the means of survival, do not expect men to remain good. Do not expect them to stay moral and lose their lives for the purpose of becoming the fodder of the immoral. Do not expect them to produce, when production is punished and looting rewarded. Do not ask, 'Who is destroying the world?' You are.

You stand in the midst of the greatest achievements of the greatest productive civilization and you wonder why it's crumbling around you, while you're damning its life-blood - money. You look upon money as the savages did before you, and you wonder why the jungle is creeping back to the edge of your cities. Throughout

men's history, money was always seized by looters of one brand or another, whose names changed, but whose method remained the same: to seize wealth by force and to keep the producers bound, demeaned, defamed, deprived of honor. That phrase about the evil of money, which you mouth with such righteous recklessness, comes from a time when wealth was produced by the labor of slaves—slaves who repeated the motions once discovered by somebody's mind and left unimproved for centuries. So long as production was ruled by force, and wealth was obtained by conquest, there was little to conquer. Yet through all the centuries of stagnation and starvation, men exalted the looters, as aristocrats of the sword, as aristocrats of birth, as aristocrats of the bureau, and despised the producers, as slaves, as traders, as shopkeepers—as industrialists. 'To the glory of mankind, there was, for the first and only time in history, a country of money—and I have no higher, more reverent tribute to pay to America, for this means: a country of reason, justice, freedom, production, achievement. For the first time, man's mind and money were set free, and there were no fortunes-by-conquest, but only fortunes-by-work, and instead of swordsmen and slaves, there appeared the real maker of wealth, the greatest worker, the highest type of human being—the self-made man—the American industrialist.

'If you ask me to name the proudest distinction of Americans, I would choose—because it contains all the others—the fact that they were the people who created the phrase 'to make money.' No other language or nation had ever used these words before; men had always thought of wealth as a static quantity—to be seized, begged, inherited, shared, looted or obtained as a favor. Americans were the first to understand that wealth has to be created. The words 'to make money' hold the essence of human morality.

Yet these were the words for which Americans were denounced by the rotted cultures of the looters' continents. Now the looters' credo has brought you to regard your proudest achievements as a hallmark of shame, your prosperity as guilt, your greatest men, the industrialists, as blackguards, and your magnificent factories as the product and property of muscular labor, the labor of whip-driven slaves, like the pyramids of Egypt. The rotter who simpers that he sees no difference between the power of the dollar and the power of the whip, ought to learn the difference on his own hide—as, I think, he will.

Until and unless you discover that money is the root of all good, you ask for your own destruction. When money ceases to be the tool by which men deal with one another, then men become the tools of men. Blood, whips and guns—or dollars. Take your choice—there is no other—and your time is running out." (emphasis supplied)

ANNEXURE 4

ATTRIBUTES OF DIVINE BEINGS

Sl.	Attribute	Shalok
1.	Fearlessness	16.01
2.	Purity of heart	16.01
3.	Steadfastness in knowledge	16.01
4.	Steadfastness in yog	16.01
5.	Alms giving	16.01
6.	Control of senses	16.01
7.	*Yagye* (with *shradha*)	16.01
8.	Study of scriptures	16.01
9.	*Tapp*	16.01
10.	Straight-forwardness	16.01
11.	*Ahimsa* – Noninjury	16.02
12.	Truth (Search, speak and follow)	16.02
13.	Absence of anger	16.02
14.	Renunciation	16.02
15.	Serenity	16.02
16.	Absence of calumny	16.02
17.	Compassion to beings	16.02
18.	Uncovetous-ness	16.02
19.	Gentleness	16.02
20.	Modesty	16.02
21.	Absence of fickleness	16.02

Sl.	Attribute	Shalok
22.	Vigour	16.03
23.	Forgiveness	16.03
24.	Fortitude	16.03
25.	Purity	16.03
26.	Absence of hatred	16.03
27.	Absence of pride	16.03
28.	Provides liberation	16.05

Attributes of Asur, disharmonized, toxins, narcissists, vampire, zombies and the like beings

Sl.	Attribute	Shalok
1.	Ostentation	16.04
2.	Arrogance	16.04
3.	Self-conceit	16.04
4.	Anger	16.04
5.	Harshness	16.04
6.	Ignorance	16.04
7.	Provides bondage	16.05
8.	Know not what to do	16.07
9.	Know not what to refrain from	16.07
10.	Without purity	16.07
11.	Absence of right conduct	16.07
12.	Absence of truth	16.07
13.	They say: ● the universe is unreal ● without a moral basis ● without a *Ishwar* ● born of mutual union ● brought about by lust	16.08

Sl.	Attribute	Shalok
14.	Ruined souls of small intellect	16.09
15.	Fierce Deeds	16.09
16.	Rise as enemies of the world for its destruction	16.09
17.	Filled with insatiable desires	16.10
18.	Full of hypocrisy	16.10
19.	Full of pride	16.10
20.	Full of arrogance	16.10
21.	Hold evil ideas through delusion	16.10
22.	Work with impure resolve	16.10
23.	Immense desires	16.11
24.	Regard gratification of lust as the highest and feeling sure that that is all	16.11
25.	Bound by hundreds ties of hope	16.12
26.	Given to lust	16.12
27.	Given to anger	16.12
28.	Strive to secure by unjust means hordes of wealth for sensual gratification	16.12
29.	This today has been gained by me	16.13
30.	This desire I shall fulfill	16.13
31.	This is mine	16.13
32.	This earth (property) also shall be mine in future	16.13
33.	That enemy has been killed by me	16.14
34.	Others also shall I kill	16.14
35.	I am a king	16.14
36.	I am successful	16.14
37.	I am powerful	16.14
38.	I am happy	16.14
39.	I am rich	16.15

Sl.	Attribute	Shalok
40.	I am well born	16.15
41.	Who else is equal to me	16.15
42.	I will perform *yagye* (with arrogance)	16.15
43.	Deluded by ignorance	16.15
44	Perplexed by many extravagances	16.16
45.	Entangled in the senses of delusion	16.16
46.	Addicted to gratification of lust	16.16
47.	Fall into foul life	16.17
48.	Self-conceited	16.17
49.	Stubborn	16.17
50.	Filled with pride	16.17
51.	Intoxicated of wealth	16.17
52.	Perform yagye in name for showing off	16.17
53.	Disregards ordinance	16.17
54.	Given to egoism	16.18
55.	Power	16.18
56.	Insolence	16.18
57.	Lust	16.18
58.	Wrath	16.18
59.	Hate Me in their bodies	16.18
60.	Hate Me in others	16.18
61.	Cruel haters	16.19
62.	Worst amongst men in the world	16.19
63.	These evil doers are hurled forever in the wombs of asur only	16.19
64.	Entering into asur wombs, birth after birth, without reaching Me, they fall into conditions still lower	16.20

NAT – NOT2 Principle – Neither a Thinker – Nor Open To Thoughts (2004)

Drafting of the Rajasthan Sports Association Regulation Bill, 2004 was initiated in May 2004. From the very inception of the idea, the natural response of some "*otherwise wise decision-makers*" to the new ideas and projects, shaped by a rigid mind-set, came out as strong resistance to the enactment of the Sports Act. This mind-set exists because of deep insecurity and fear imprinted at their soul level, as a result of centuries of onslaught, plunder, loot and rape of India.

But we have to move forward, and new ideas with the potential to create an empowered India must be pushed to take shape. It was both amazing and interesting to see that almost every bureaucrat at the top level, and those having deep vested interests in the status quo, exhibited similar mind-sets to restrain and kill the idea of sports Act. These seven reactions across the board led to seven wise questions, formulated during that period as they manifested themselves through them, representing the anti-thesis.

It is expected that the same anti-theses, vested interests and resistance will reappear, in different forms but with the same underlying mind-set, during the implementation of the PICS Economy.

1. I don't know the direction, but I am sure that the direction given or taken by you has several obvious defects.
2. I will not act, but when you act, I will always be able to point out several errors and flaws in your actions.
3. I thrive on chaos, therefore, I will not allow the creation of development, order, stability and harmony.
4. What is not under me is against me, If I do not control it, I will oppose it.
5. I respect and trust you, but not as much as I respect and trust myself, because I know everything and I can do everything, I only don't have sufficient ideas and time to do everything.

6. I will not run the race, but I will also not allow you to win the race.
7. I know and feel that there is a cosmic energy that moves the system, but I still believe that all events that take place are because I thought them first and because of me.

Seven Wise Questions

1. **Why are you doing what you are doing?**

Ans. To help create a better life for my fellow beings. A large number have effectively contributed their lives for the nation so that it may be empowered, their sacrifice must not go in vain. Many more are willing and interested to contribute meaningfully to national development to create a better nation, and they deserve a system that recognizes and honours their efforts.

2. **People are happy the way they are, why do you want to disturb the *status quo*?**

Ans. I am not disturbing the status quo. I am only contributing my little best to detoxify the system a bit. I want people to realise they are entitled to a better life and should receive their rightful share. I want people to lead a better life of abundance, without fear, and not a life of scarcity and insecurity. I am helping people to get their pie in the cake and their due, to which they are entitled.

3. **Has what you are doing ever been done before? Is there any precedent?**

Ans. There is no precedent in India. But after studying the global sports industry, including the way associations work, I realized that it is worth 1 trillion USD, while in India it is only about 1 billion USD. It is clear that structural re-engineering will certainly bring in the necessary changes.

4. **Why are you confident that change will certainly happen in the sports industry through the Sports Act?**

Ans. It is simple logic and not rocket science. When a clear and firm legal structure is put in place, with proper agreements, money naturally flows to the true creators—the players. They are the most exploited lot. Worldwide, players enjoy economic security, India urgently needs that structure to be worked out for them.

5. **Do you believe what you are doing will change the lives of sportspersons?**

Ans. Yes, certainly, in due course. Life will change permanently for all those who seek truth, justice, self-development and the nation's pride.

6. If what you expect does not happen, then what?

Ans. I will then find the reason for its not happening and try again, until it happens. We fought in 1757, again in 1857, and finally succeeded in 1947. When the time is right, change becomes inevitable.

7. What will be the greatest difficulty in executing this project?

Ans. Every thesis has an existing anti-thesis. The greatest challenge is the mind-set of those who believe it cannot happen and spread negativity. Our team continuously neutralizes this negativity and creates strong positivity. The energy level has reached critical mass, the project has become irreversible. The time has come—better to join the flow now, or be left behind and later accept it with blush and FOMO. Ha ha ha…

न्यायमूर्ति दिनेश माहेश्वरी
पूर्व न्यायमूर्ति, सर्वोच्च न्यायालय
अध्यक्ष
भारत का विधि आयोग
विधि एवं न्याय मंत्रालय
भारत सरकार

सत्यमेव जयते

Justice Dinesh Maheshwari
Former Judge, Supreme Court of India
Chairperson
Law Commission of India
Ministry of Law & Justice
Government of India



AFTERWORD

Why Unmeasured Service Deserves Measured Respect

We stand at a pivotal, rather paradoxical, moment in human history, characterised by an abundance of money, data, and digital connectivity; and equal abundance of individuals who feel unseen, insecure, and exhausted. While economies boast Gross Domestic Product ('GDP') figures and financial systems grow ever more sophisticated, families face strains from caregiving responsibilities, communities suffer from eroding trust, democracies struggle with disengagement, and individuals experience a loss of meaning. This imbalance forms the foundation of the current crisis.

In modern economies, value is often measured by what can be counted. Balance sheets glow with numbers, national accounts celebrate growth rates, and GDP becomes the grand scoreboard of progress. Yet, beneath this glittering arithmetic lies a vast continent of human effort that remains invisible—caregiving, mentoring, community building, emotional labour, and the quiet work of holding society together. These contributions do not appear in annual reports nor do they make headlines, but without them, no nation can stand upright. Today, as artificial intelligence rewrites industries, climate disruption unsettles livelihoods, demographic shifts strain families, and psychological burnout becomes a global epidemic, ignoring this imbalance is not merely unfair—it is unsustainable.

The Invisible Deeds That Don't Show Up in GDP

Consider the grandmother caring for her grandchild while the parents are at work. Picture the teacher who dedicates extra hours to help a struggling student after school. Think about the friend who listens past midnight when someone is breaking down. Imagine the friend who remembers your mother's surgery and checks in without prompting. Reflect on a nurse who holds a patient's hand before surgery, offering reassurance that no medical instrument can measure. Reflect on the auto-rickshaw driver who waits an extra minute to ensure a schoolchild safely enters the gate before driving away. Think of the librarian who recommends the right book to a puzzled teenager, unknowingly steering a life in a new direction. Recall the community volunteer spending weekends teaching digital literacy to senior citizens or the neighbour who organizes a community clean-up. And by the way, just remember the stranger who gives up his seat in a crowded bus, not because he must, but because kindness comes naturally to him.

The foregoing and thousands of equivalent illustrations do not appear in the GDP If it did, India's growth rate would probably jump a few percentage points overnight. If emotional support were taxable, half of India's unemployed youth would also be filing returns for "*friendship services*". The truth is serious: Economic systems reward production, not compassion; they value transactions, not relationships.

Society Honours the Apparent but Forgets the Invisible

Consider yet further:

The company celebrates the employee who sends 2000 emails, but ignores the colleague who quietly prevents conflicts, mentors juniors, or keeps the team emotionally stable. The visible: output. The invisible: emotional labour. Yet without the invisible, the visible collapses.

The School rewards the student who scores 98, but rarely honours the one who asks deep questions, connects ideas, or thinks differently. The visible: marks and grades. The invisible: imagination. Ironically, imagination creates the future.

The justice delivery system celebrates landmark judgments but hardly goes into account the invisible labour of clerks, stenographers, researchers and even the mental discipline of judges and lawyers. The visible: the judgment The invisible: the ecosystem of integrity that makes justice possible. Without the invisible, justice becomes mechanical.

We praise leaders for speeches, decisions, and visibility. But the real strength of leadership lies in restraint, listening, humility, and moral courage. The visible: charisma. The invisible: conscience. History remembers conscience more than charisma.

We celebrate Al, algorithms, and automation. But we forget the invisible human wisdom that guides ethical use, empathy, and responsibility. The visible: machine intelligence. The invisible: human judgment. Without human judgment, artificial intelligence becomes dangerous.

GDP rises when we build roads, factories, and malls. But GDP does not rise when neighbours help each other, when families care for elders, or when communities prevent violence. The visible: infrastructure. The invisible: social cohesion. Yet social cohesion is the true infrastructure of our nation.

Society applauds the billionaire who donates a million but ignores the daily-wager who shares half his lunch with a hungry stranger. The visible: the cheque. The invisible: the heart. The heart is the true currency of civilisation.

What the Courts Have Said: A Quiet Recognition

Indian courts, to their credit, have occasionally lifted the veil on invisible labour. For example, in *Lata Wadhwa & Ors. v. State of Bihar & Ors.,*[1] the Supreme Court recognized the economic value of a homemaker's work while awarding compensation. The court noted that although her labour was unpaid, it was indispensable and must be valued accordingly. In *Kirti & Anr. v. Oriental Insurance Co.,*[2] the court again emphasized that the contribution of a homemaker cannot be treated as "null" simply because it does not generate income. The court observed that such labour sustains the household and enables others to participate in the workforce. Even in cases involving environmental protection and community rights, courts have acknowledged the role of local communities in preserving ecosystems, traditions, and social harmony. These judicial moments are like small lamps in an otherwise empty expanse. They do not solve the problem, but they illuminate the path.

From "Throw it in the river" to "Let it flow like a river"

Indian culture has always carried a beautiful ideal: *"Do kindness and throw it in the river."* Do good without expecting anything in return. This value is noble. It fosters humility, prevents ego, and keeps compassion pure. But the modern world is more complex — families are smaller, stress is higher, caregiving is heavier, and invisible labour is often exploited. So, the old ideal needs evolution, not abandonment.

In a refined, contemporary version of that value - rooted in Indian philosophy but realistic for today's world - would be "Do kindness without expecting reward, but with self-respect, wisdom, and sustainability where compassion remains pure,

1. *Lata Wadhwa & Ors. v. State of Bihar & Ors.*, (2001) 8 SCC 197.
2. *Kirti & Anr. v. Oriental Insurance Co.*, (2021) 2 SCC 166.

and the compassionate remain strong" The old metaphor meant forget the favour. The new metaphor means let kindness circulate, let it flow like a river, not vanishing but nourishing. A river doesn't disappear; it spreads life.

In the given backdrop, **Finance Revolution 5.0** is not simply about money; it is a constitutional proposal for civilisation itself. It begins with a radical premise: *"no human being on earth is unemployed"*; and asks a fundamental question that modern economics often avoid: *"what if the deepest crisis of our time is not the scarcity of capital, but the systematic failure to recognise human service?"* Significantly, a whole new breeze of thoughts is stirred with the novelty of the visionary propositions named Pro-Bono Social Impact Credits ('PICS'), the non-transferable - rather immutable - units through verified acts of social impact; and *Gaayatri,* the larger-than-life currency of consciousness.

From GDP to GHSP: Measuring What Matters

For over a century, GDP has served as the benchmark of national success, measuring output and market activity. Yet GDP only accounts for the visible economy—human effort that passes through monetary transactions. Beneath this lies a much larger, unacknowledged foundation: caregiving, teaching, mentoring, conflict resolution, community building, cultural preservation, environmental stewardship, democratic participation, and countless other acts that sustain societies.

This book introduces Gross Human Service Product ('GHSP'), not as a metaphor but as a measurable reality lacking formal recognition. While GDP measures output, GHSP measures character; GDP reflects economic production, GHSP reflects the essence of civilisation. Neglecting GHSP leads to undervaluation and exploitation of service, eroding social trust. Then, attempting to repair this damage solely through increased spending on policing, litigation, healthcare, and welfare overlooks the deeper decay of social fabric. **Finance Revolution 5.0** directly confronts this oversight.

The Invisible Economy: The Foundation of Civilisation

Behind every market, institution, household, and democracy is an invisible architecture of service. Mothers and caregivers who "do nothing" hold families together, elders transmit wisdom, teachers go beyond the curriculum, doctors and nurses serve selflessly, volunteers support communities in crisis, and citizens uphold democratic processes without recognition. These people serve as the stabilising force and support system of society. Yet, because their contributions do not generate invoices or profits, they are deemed economically irrelevant, leading to a moral distortion where harm is monetised and rewarded, while service remains unmonetised and ignored.

A Second Ledger: Conscious Human Contribution

Finance Revolution 5.0 highlights how modern finance legitimises money, derived from whatever source, once it enters formal systems and on the other hand, the acts of integrity and service leave no formal trace. The book proposes a solution: a second ledger that records conscious human contribution.

Humanity has repeatedly transformed its methods of exchange. Finance Revolution 1.0 enabled barter and reciprocity; 2.0 introduced metal, coinage, and sovereign authority; 3.0 institutionalised fiat currency, central banks, and public debt; and 4.0 digitised value through cryptocurrencies and programmable money. While each revolution expanded the capacity to trade and scale, none addressed the recognition and honouring of moral labour—the labour that sustains civilisation. **Finance Revolution 5.0** does not reject these earlier revolutions but seeks to complete them. It acknowledges the ongoing importance of fiat currencies, central banks, sovereign guarantees, and digital tokens, while adding a parallel architecture: a conscious ledger recording verified human service as a distinct asset class.

PICS: Pro Bono Social Impact Credits

Central to the architecture of **Finance Revolution 5.0** are PICS, a digitally verifiable unit of service, earned when an individual contributes meaningfully to society through caregiving, teaching, mediation, environmental work, community building, cultural preservation, innovation, mentoring, or democratic participation. The Standard Operating Procedure of PICS simply, but significantly, informs that PICS cannot be purchased; cannot be minted against sovereign debt; and cannot be hoarded for speculative gain. PICS must be earned through human effort aligned with social good. They are non-transferable but recognisable, ensuring that compassion and service are no longer invisible. Technology—Al, blockchain, and digital identity—is used as a tool to promote trust, transparency, and intergenerational memory.

Gaayatri: The Master Ledger of Civilisational Service

At the apex of the PICS framework is *Gaayatri,* the master unit of conscious value. There are 4.32 billion Gaayatri units, each representing one million PICS. This mirrors the 4.32-billion-year *Maha-Yuga* cycle of *Sanaatan* cosmology, symbolising the journey from ignorance to enlightenment. By rooting tokenomics in a cosmic understanding of time, the book asserts that service is a generational asset, not charity. Recognition unfolds across decades and centuries, bridging economics and metaphysics, and connecting modern finance to ancient wisdom.

India's Philosophical Soil, the World's Shared Crisis

While grounded in Indian philosophical traditions, this work addresses a global audience. *Sanaatan* thought insists that *Dharm* (ethics) must precede *Arth* (wealth). Wealth without ethical grounding corrodes societies. Modern finance recognises and regulates wealth from enterprise and even exploitation but fails to acknowledge Saraswati's wealth—wealth generated by knowledge, integrity, and service. The PICS Economy aims to give this third stream of wealth a robust, auditable, and programmable form, drawing inspiration from the Bhagavad Gita, constitutional values, global debates on taxation and public debt, and critiques of money from figures across ideologies.

Beyond Wages: The Transformative Potential of PICS

The book applies the concept of a conscious service ledger to practical domains:

- Democracy: Recognition for voters, election workers, and civic volunteers.
- Underpaid professions: Teachers, doctors, lawyers, and social workers.
- Classical arts and heritage: Preservation by gurus, artists, and cultural custodians.
- Technology-driven disruption: Support for displaced workers to reorient toward social impact.
- Everyday workers: Recognition for labour that sustains cities but rarely brings security.
- Integrity-driven professionals: Honour for those who uphold ethical standards at personal cost.

PICS does not replace wages, pensions, or welfare. Instead, it creates a ledger of contribution that unlocks dignity, recognition, and intergenerational legacy.

From Split Personality to an Integrated Individual

The pertinent feature of this work is to motivate an integrated individual. Those who have amassed the mixed wealth of *Maa Lakshmi* and *Kuber Dhan* often develop a deep split in their personality. Somewhere inside, they know that a significant part of their money has come from nonpayment or evasion of taxes, exploitation of markets by manipulating demand and supply, siphoning of sovereign or corporate funds, insider trading, benami holdings, regulatory capture, cartelisation, overcharging the poor, environmental destruction, bribery, kickbacks, underpayment of workers, laundering "black" money into "white", and using philanthropy as a cosmetic cover.

They spend their days oscillating between legal and illegal, between balance sheets and back rooms, between law firms and lobbying agents. On the surface they

proudly flaunt their wealth on rich lists and in lifestyle, but within their own system they live in dualism, fear and inner conflict—constantly anxious about exposure, scandal, or the judgment of their own conscience.

As Aruneshwar Gupta would put it, the integrated individual who earns *Maa Saraswati* money lives differently. Their primary wealth is created through knowledge, creativity, service, healing, teaching, mediation, innovation and honest enterprise. The source of their income is pure, pious and legitimate, aligned with *Dharm,* fairness and genuine social impact. Because they are not juggling secret accounts and shadow deals, their inner and outer lives match; there is no need to hide, justify or perform. They may or may not appear on a Forbes List, but they stand tall on the PICS List and in the court of their own conscience. This integration of source, self and service gives them a different radiance; they decide clearer and walk through life with the quiet strength that comes only when one's wealth and one's soul are on the same side.

A Civilisational Invitation

The core question posed by this book is simple yet profound: "In a world where every human being is already contributing—either to markets, to meaning, or to both—can we afford a financial system that remembers only money and forgets the service that made it possible?" Ultimately, some of the suggested answers are that we change what we measure with metrics for caregiving and social trust; we honour invisible labour publicly; we teach intuition alongside logic so as to aim for the balance of intellect with discernment; we encourage leaders to model invisible strength in preference over noise; and we build institutions that reward character. What has been presented is not dogma, but an open blueprint—intended for debate, testing, and refinement. It is a clarion call to restore the balance by celebrating not just what shines, but what sustains; not just what is counted, but what counts.

The book addresses concerns about measuring virtue by proposing robust guardrails: independent validation, non-transferability, transparent issuance, strict audit trails, ethical oversight, and technological safeguards. Tokenomics serves as a behavioural constitution, discouraging gaming and preserving the sanctity of service. Beneath the technical architecture lies a deeper proposition: humanity is moving beyond material obsession and toward higher concerns of meaning, wellbeing, and conscious alignment.

The book aptly exalts the faceless and nameless caregivers as "the warriors of light" who are the backbone of SRIM (sustainable, reliable, inclusive and multidimensional) and HITAA (harmonized, integrated, transparent, accountable and abundant) frameworks; and who offer the necessary alternative to the fatalism of VUCA (volatile,

uncertain, complex and ambiguous) or BANI (brittle, anxious, non-liner, incomprehensible) narratives in global finance discourse. They imagine a civilisation that aspires to harmony, transparency and abundance rooted in responsibility.

Albert Einstein famously said, "*The intuitive mind is a sacred gift, and the rational mind is a faithful servant. We have created a society that honours the servant and has forgotten the gift.*" Einstein's line is not just about the mind; it is also about how societies measure value. We reward what is visible, countable, and loud; and we forget what is subtle, silent, and foundational. The world today is noisy with data, opinions, and algorithms. But the forces that will save humanity - compassion, intuition, wisdom, courage, and community - are quiet.

Aruneshwar Gupta has attempted to give the voice to the silent; and has fittingly demonstrated what an intuitive mind could produce. This Afterword is only to outline as to 'how' the journey into **Finance Revolution 5.0** is structured.

Using the very metaphor employed in this book, after the grand churning of cosmic ocean by the *Devas* and *Asuras,* the ocean ultimately produced *Amrit,* the nectar of immortality. In civilisational thought processes, such moments of emergence are earned through churn - of intuitions, ideas, ideals and imaginations. This work has all potential to provoke a fresh thinking that reference to values must enter into any exposition of general character of our society so as to live by our constitutional promise of *"assuring the dignity of the individual".*



New Delhi (Justice Dinesh Maheshwari)

December 29, 2025.



Aruneshwar Gupta

Senior Advocate

A seasoned legal professional practicing in the Supreme Court of India since 1976, he carries nearly five decades of rich and diverse legal experience. He has appeared before almost all High Courts across India and has handled significant international litigation, particularly in Singapore and the USA. Served as Advocate-on-Record from 1990 to 1993 and 1994 to 1999 and Additional Advocate General from 2004 to 2009, for the State of Rajasthan in the Supreme Court. In 2019, he was designated as a Senior Advocate by the Supreme Court of India.

During 2004–2005, he was the principal architect behind the Sports Acts enacted by the States of Rajasthan, Himachal Pradesh, and Uttar Pradesh—legislations that laid the legal foundation for the emergence of the IPL in Indian cricket. He also served as the chief draftsman of the *White Paper on Publishing and Printing of Judgments using Neutral Citation* and contributed as a member of the Supreme Court Committee on Subject Categorization.

He currently serves as: **Chairperson** – Global Chamber of Commerce, Industry and Law (GCCIL), India Centre for Fast Arbitration (ICFA), SpotLaw Apps Pvt. Ltd., and DAIV Projects; **President** – *Bhaaratiye* Japanese Heritage Foundation (BJHF) and Law Information Center (LawInC); **Director** – Advocates for International Development (A4ID); **Founder Trustee** – Society of Lawyers from India (SOLI) and *Nivaaran* – Supreme Court Mediators.

A prolific writer and speaker, he has delivered numerous articles, lectures, and presentations in India and abroad. He has presented papers at the Commonwealth Lawyers Association Conferences in Hong Kong (2009), Livingstone, Zambia.

He is the author of *Understanding the Supreme Court Better – 151 Facts You Need to Know (2nd Edition), Shrimat Bhagwad Geeta – A Lawyer's Perspective (4th Edition), Legal Revolution 5.0 – Online Conflict Resolution, Peace Mediation, Digital Assets, Artificial Intelligence, and co-author of Supreme Court on Arbitration and Contract Law (2nd Edition).*

A voracious reader and deep thinker, he is passionate about building a conflict-free individual and society, and giving effect is PICS Economy.

INR 000.00