

# Gizmo Wheel

*By James McGuire*

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Banking, Housing, and Urban Affairs of the U.S. Senate held a hearing on September 13, 2011: **“Housing Finance Reform: Should there Be a Government Guarantee?”**

Dr. Dwight M. Jaffee, Booth Professor of Banking, Finance, and Real Estate Haas School of Business, University of California, Berkeley wrote in his written testimony<sup>1</sup>, in part:

“My research leads me to a strong endorsement of the private markets as the preferred alternative for two reasons. First, there is strong evidence that the private markets are fully capable of carrying out all mortgage market functions to a standard substantially higher than actually experienced under the GSE regime. Second, experience indicates that a program of government guarantees of conforming residential mortgages is highly likely to leave taxpayers, once again, to pay the high costs of defaulting mortgages.”

Notices of title and credential nomenclature following named people testifying before Congress would lead to an assumption that they are learned experts in their respective fields. No argument here, they are learned.

On August 10, 2011, CNNMoney’s published article titled “Bank of America’s back-door TARP”<sup>2</sup> notes Bank of America sold servicing rights to a bunch of bad loans to Fannie Mae. Housingwire on September 13, 2011 published “Bank of

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<sup>1</sup> [http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore\\_id=8377ff07-5819-476c-a22d-ce2d42538b16](http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=8377ff07-5819-476c-a22d-ce2d42538b16)

<sup>2</sup> <http://finance.fortune.cnn.com/2011/08/10/bank-of-americas-back-door-tarp/>

America shifts West Coast foreclosures into overdrive” where the rates of foreclosure in California have increased nearly 70%.

In the past, building a computer to calculate pi to the millionth decimal point seemed important. Design and building of the Pyramids was partially achieved by using a wheel for measurement. Articles suggest that NASA only calculates spaceship orbits using seven digits of pi. How many more pi units would be required to calculate a trip to the moon? Most of us in our lifetime have ridden a ferris wheel or a merry-go-round and never gave thought to the number of pi digits involved in the design. We just wanted to go around in circles.

Compartmentalization of education in our complex society has created an ethical and legal revolving house of mirrors for which those educated in one respected field are ridiculed if they venture into another’s pasture. One does not need to be a rocket scientist to know how to stop a car at a red light. Failure to stop at a red light as required by all states could possibly result in loss to property and life.

Every square inch of America lives in freedom because of people who have paid the ultimate price of sacrificing their lives for that freedom. Man has climbed all 348,348 inches to reach the peak of Mt. Everest. On an average, to reach the moon (assuming it’s stationary), would require climbing 15,133,979,520 (15.13 Billion) inches. There are 250 U.S. One Dollar bills per inch; at that scale walking a mile would require 15,840,000 (15.8 Million) dollars or bills. Likewise 3,783,494,880,000 (3.78 Trillion) dollars or bills stacked would be required to

reach the moon. Walking from Los Angeles to New York would cost 38,709,633,660 (38.7 Billion) dollars or bills. Now that we've reached the moon, we need to visit the mechanics of the accomplishment. Impossible, but sounds good.

Proving the pudding. Stacking the bills would require one cosmically tall ladder, a ladder taller than the Tower of Babel, and having indestructible reinforced parallel left and right sides with indestructible uniformly even and parallel rungs each capable of holding Earth's wealth. Somewhere along the way primary gravitational forces would shift from earth to the moon and a method and mechanism to keep the bills from falling to the moon's surface would be required. Next, as weight increases with altitude, the base bill would be subject to crushing. An appropriate solution such as trillion-bill money fluffers would be installed to protect quality and quantity of the paper bills...Would this mechanical cash-stacker cost more to build than the 3.78 Trillion dollars it's designed to support?

Like the trillion dollar cash-stacker, PIP profits are cosmic and disproportionate. We shall allow each person to proof the market principles to see if what goes up must come down, as the ratio of population to the markets' PIP profits made are outta whack.

**Maybe, hopefully, however unlikely, Congress will one day learn to see beyond the Gizmo wheel.**