



Bauerle's Bank Notes

Fences

January 21, 2016

"Something there is that doesn't love a wall," begins Robert Frost's 1915 poem, "Mending Wall." Written from England, Frost's meditation on human freedom and constraint recalls his New England home. Two farmers repair winter weather damage to a stone wall that marks their property line. The narrator ponders the purposes, effects and limits of walls, while his less curious neighbor clings to Yankee folk wisdom.

But at spring mending-time we find them [boulders] there.
I let my neighbor know beyond the hill;
And on a day we meet to walk the line
And set the wall between us once again.
We keep the wall between us as we go.
To each the boulders that have fallen to each.
And some are loaves and some so nearly balls
We have to use a spell to make them balance:
'Stay where you are until our backs are turned!'
We wear our fingers rough with handling them.
Oh, just another kind of outdoor game,
One on a side. It comes to little more:
There where it is we do not need the wall:
He is all pine and I am apple orchard.
My apple trees will never get across
And eat the cones under his pines, I tell him.
He only says, 'Good fences make good neighbors.'

Fences, and walls, have been Topic A in the public square lately. Financial market participants have climbed a wall of worry about China, oil and gas gluts, emerging nations' debt and the economic and political impact of slower growth in those markets. Companies like U.S. Steel have filed anti-dumping cases against Chinese producers of commodities that have flooded U.S. markets as emerging market demand wanes. Producing 10x as much steel as the U.S. and 2/3 of world output, Chinese overproduction risks a commodities

tsunami.

European and American political figures call for walls to exclude immigrants. Other candidates demand reconstruction of the Glass Steagall Act wall between commercial and investment banking. Promising to build walls makes people feel safe, which wins elections.

In and out of election season, bankers, business people, and those who aid them like accountants and lawyers, construct and maintain walls and fences so as to order economic activity and sustain commerce. Linguistic antecedents for the New England neighbor's phrase, "Good fences make good neighbors," can be found in the Roman Empire. Life without walls, and rules, is chaos. Yet walls and fences built intemperately can be futile or counterproductive, such as the Smoot Hawley Tariff of 1930. Even the best of them cannot prevent defeat at the hands of a Trojan Horse.

Wednesday's newspaper brought a fresh reminder of the need for a mending wall, and wall mending. Economics writer Thomas Friedman's column ran under the title "What If?" Like Frost before him, Friedman wrote from across the pond, specifically Davos, Switzerland. He too posed questions without offering answers, suggesting only an urgent need to find them. Among Friedman's questions, in his own words, are:

- What if a bunch of eras are ending all at once?
- What if we're at the end of the 30-plus-year era of high growth in China, and therefore China's ability to fuel global growth through its imports, exports and purchases of commodities will be much less frothy and reliable in the future?
- What if the \$100-a-barrel oil price era is over and all these countries whose economics were directly or indirectly propped up by those prices will have to learn to grow the old-fashioned way: by making goods and services others want to buy?
- What if the E.U. era is over?
- What if the era of Iranian isolation is over, just as the Arab system is collapsing and the two-state solution between Israelis and Palestinians is history?
- And what if all this is happening when the two-party system in America seems to be getting most of its energy from the far left and the far right?

In June 1963, then President Kennedy visited Berlin, viewed the recently constructed Berlin Wall and quoted the first line of Frost's poem: "Something there is that doesn't love a wall". The German audience immediately recognized he was indicting the Soviet Union, whose ring fence around West Berlin was the leading symbol of the Cold War, then and now. In the same era, Frost visited the Soviet Union as a good-will ambassador. Of the experience, he said, "The Russians reprinted 'Mending Wall' over there, and left that first line off. I don't see how they got the poem started." [1] Apparently, the Soviets' love for walls trumped any sense of duty to their American guest and the integrity

of his work.

[1] Lawrence Rabb, "Mending Wall", in Touchstone: American Poets on a Favorite Poem.
Ed. Robert Pack and Jay Parini. Hanover, N.H.: University Press of New England., 1996.

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