eastern liberals and wealthy internationalists have been wondering whether Mr Romney might not be their man. The new liberal Senator from Illinois, Mr Percy, is a possible and seemingly willing alternative and his daughter's much-publicised marriage last week to a Rockefeller could help him. But the really knowing bets are concentrating more and more on the bridegroom's uncle, the Governor of New York. Mr Nelson Rockefeller is a controversial figure and he insists, with genuine credibility, that he is no longer interested in the Presidency. But he is said to be the potential Republican contender of whom the Democrats are really afraid.

Gifts uncloaked

President Johnson, with the help of a Cabinet-level committee, has managed neatly to trim the wings of the Central Intelligence Agency while patting it on the head. He has ordered the CIA to stop giving secret gifts to private organisations, cultural, educational or whatever. But he also asked for a new half-public, half-private agency to be created to carry on the CIA's good works abroad. What is more, he told the CIA not to suspend its subsidies so quickly that valuable organisations would collapse before they could find new patrons. The President defended the espionage agency's furtive philanthropies, saying that it had never acted without government supervision. In fact, its support of the National Student Association, the root of the current furore, had been endorsed by the past four Administrations.

What might take on the job of channelling federal funds to those non-political international groups that America wants to help might be an independent agency along the lines of the British Council. This was spelled out carefully by the distinguished committee, consisting of the Attorney General, the Secretary of Health, Education and Welfare and the head of the CIA, which looked into the CIA's extra-curricular activities at the President's request. Already Mr Rusk, the Secretary of State, has agreed to head a group to consider the next stage with some urgency ; December 31st was mentioned as the date by which the CIA could be expected to have disengaged itself from its own cultural relations. Whether Congress will like the idea is another question ; in the past it would not have subsidised many, if any, of the free-thinking associations on the CIA's gift list.

The ban on undercover giving applies to all federal agencies, not only to the intelligence-gatherers. But one loophole was left major to some, miniscule to others: the CIA is to be allowed to retain the right to subsidise private organisations abroad, pro-

groups in historical perspective by tracing it back to the post-war era, when students, scientists and housewives were all forming international federations and when there was not sufficient private support in the United States to enable American groups to be represented in these international arenas. But, the report said, times have changed. The new policy should make it clear from now on that the activities of private American organisations abroad are, in fact, private.

Lurleen's lost cause

Of all the states Alabama has done the least to dismantle the colour bar in its schools ; only 2.4 per cent of its Negro children are educated with whites. State officials, instead, have forced local school systems to drop any plans for compliance with federal standards. But now Alabama is at the end of the road. A federal court in Montgomery has ordered all school boards to submit within twenty days plans for abolishing segregation throughout the schools next autumn and has ordered the state to assist ; positive action to end the colour bar must be accompanied by efforts to wipe out the disadvantages suffered by Negro children as a result of segregation in the past. This is the first time that an injunction has been issued against a whole state.

In New Orleans last week the Court of Appeal for the Fifth Circuit, which covers not only Alabama but the other most recalcitrant states, Georgia, Mississippi and Louisiana, as well as Texas and Florida, issued a similar decree, ordering school officials in seven districts to end the dual school system by next autumn. The lower courts will extend the decree to the whole area. Simple mingling of pupils will not satisfy the courts, whose orders go into detail over the assignment and promotion of teachers, the provision of books and building of new schools and the reform of school bus services.

Prompted (and, it is said, carefully rehearsed) by her husband, Mr George Wallace, the new Governor of Alabama has piped defiance. She has asked the State Legislature to turn control of the schools over to her, on the tattered theory that the state can " interpose " itself between the schools and the federal courts and the more valid assumption that the courts will be reluctant to send a Governor to gaol. More ominously, she has hinted that more state police may be needed.

It seems probable that Mr Wallace is seeking simply to stir up emotions for the launching of his presidential campaign. He has " stood up for Alabama " in the past and stood down again quite peaceably once he had made his point about " federal tyranny."

If this time the Wallaces are determined on a fight (and after all it would be Mrs Wallace, not her husband, who would bear the brunt), the South will be subjected to one more of the great racial confrontations and one which may be particularly troublesome. But Mrs Wallace ignored history when she mimicked Andrew Jackson's sneer about the Supreme Court: " John Marshall has made his decision. Now let him enforce it." Reluctant as any Administration is to use force against a state, in the past decade or so of racial controversy no President has failed to require respect for the order of a federal court when this was defied.

Bankers' order

Bankers, who thought that Congress had cleared a way for their mergers through the anti-trust barbed wire, have to think again. Since Congress passed the Bank Merger Act early in 1966 half-a-dozen lower courts have brushed off the objections of the federal anti-trust authorities to consolidations of banks. But last week the Supreme Court held unanimously that banks were still subject to the Clayton Act, giving the Department of Justice a famous victory. Back to the lower courts for trial go the mergers of banks in Philadelphia and Houston which had been approved by the Comptroller of the Currency, the official who regulates banks which are chartered by the federal government.

The application of the Clayton Act to bank mergers dates only from a decision of the Supreme Court in 1963 ; before that it was thought that banking, a regulated industry, was exempt. Congress responded, after a long dispute, with the Bank Merger Act, which was to weaken the application of the anti-trust laws in the field of banking. Banks which had merged before the 1963 decision were given complete exemption from them and, for the future, the Act provided that mergers would be permitted where the benefits which they brought to the community " clearly outweighed " the damage to competition. Lower courts assumed that it was up to the Department of Justice to prove that these benefits were insufficient. But the Supreme Court placed the burden of proof on the merging banks. The Court also held that lower courts should consider cases independently of the views of the bank regulators and that mergers which were challenged by the Department of Justice should be held up until litigation was complete. Bank mergers, which have been running at the rate of [illegible] a year, seem certain to drop sharply.

Hopes that Congress will step in again to over-rule the Court cannot be bright. Mr