

and National Westminster for National Bank of North America. Additionally, the Chicago Fed announced March 13 that Allgemeine Bank Nederland has just applied to purchase the La Salle National Bank.

Allegations by the New York *Journal of Commerce* March 12 that the Fed was about to be forced to rule affirmatively on the HongShang case were angrily refuted by a Fed spokesman. "We're not going to be forced into something like this on a paltry legal technicality," he said, referring to the vague provision of the Federal Reserve Act requiring a ruling 91 days after the Fed accepts an application. "No one is going to tell us when the time is up."

According to the *New York Times* March 12, the entire "American banking industry is discretely mobilizing a defense effort" against foreign takeovers. The Association of Reserve City Bankers, the

national group of the big money center banks, of which Hill is this year's president, has commissioned a study on the subject for presentation to the Federal Reserve. The Association itself is dominated by Anglophile bankers who are waking up; its president-elect is Chairman James Higgins of Mellon Bank, and the Program Committee Chairman who commissioned the takeover study, John B. Madden, is a senior partner in the private bank Brown Brothers, Harriman.

These Anglophile bankers are still pulling their punches. A spokesman for First Boston said on March 14, for example, that in some cases his bank would not oppose purchases of U.S. banks by large foreign banks if large U.S. banks were permitted to gobble up their brothers. They are presently forbidden to do this under antitrust laws. This attitude will likely change as even First Boston sees that it plays directly into Britain's "free market"

hands.

Livid — and for once truthful — about the situation was the March 10 London *Economist*. In "Don't Monkey with Mickey," they ask "Will New York regulators spike HongShang's \$260 million deal for 51 percent of Marine Midland? They have done such things before. In 1973, they squashed Barclays Bank's takeover of the Long Island Trust Company," as *Executive Intelligence Review* reported March 6. "Most of the heavy breathing comes from Miss Muriel (Mickey) Siebert," as the *Economist* insolently characterized the New York State Banking Superintendent. As we also reported, Siebert has demanded a "national policy review" on foreign takeovers.

—Kathy Burdman

Hong Kong calling for reduced U.S. import duties, to cheapen U.S. imports of Hong Kong and China made apparel. In this variation, U.S. textile mills would not have their assets stripped; the mills would be left in place and Hong Kong sweatshops would be expanded into the mainland.

While Dan River has recognized its peril, has filed suit against Unitex for securities violations, and is hostile to tender offers, it has hired a top, British-intelligence-linked New York law firm, Paul, Weiss, Rifkind, Wharton and Garrison, to fight Lazard. Since Paul Weiss has long-standing intimate contacts with Lazard, and is one of the handful of law firms that Lazard uses on a current basis, this is something like hiring Beelzebub to fight Mammon.

—Leif Johnson

KEEPING TABS ON THE ECONOMIST

Still lying about the EMS

The Economist

Central banks, as part of their reserves "also hold gold, but the world has made strenuous and nearly successful efforts to demonetize this commodity...."

"...The big hope from nuclear power technology is fusion. This is unlikely to be available till well into the next century."

The facts

The new European Monetary System, officially adopted on March 13, has effectively remonetized gold.

We double checked our estimates of the commercial feasibility of nuclear fusion with the Fusion Energy Foundation. They report that breakeven commercial fusion could be on line in 11 years if a crash development program is launched.