

UNITED STATES SENATE
Committee on Foreign Relations

February 16, 1949

Mr. D. J. Needham
The American Bankers Association
719 15 Sttreet, N. W.
Washington, 5, D. C.

My dear Mr. Needham:

I thank you for your letter of February 15th. I am glad to see Mr. Peterson's testimony.

I am sure I do not need to tell you that I am deeply attached to the importance and the integrity and the essential independence of the FDIC. This will continue to be my position. If any of the top fiscal agencies of the Government are exempted from the Reorganization Act I agree that FDIC should also be exempted. But I frankly prefer that there should be no exemptions. I prefer that the President should have a free hand (and no alibis to the contrary) to proceed with his recommendations in the desperately important business of reorganizing the executive branch of the Government. If his recommendations are unsatisfactory, Congress will retain a veto under the terms of S-526. If he manhandles the FDIC, we can take our stand on the merits of the issue at that time. If we start writing exemptions into this preliminary law, I fear the sum total of these exemptions will nullify the whole reorganization enterprise and thus continue to leave us at the mercy of our swollen bureaucracy.

Cordially and faithfully,

(s) A. H. VANDENBERG