

EDWIN J. GRAY

P.O. Box 86000 W
Miami, Florida 33186

June 15, 1989

Senator Alan Cranston
Office of the Democratic Whip
Washington D. C. 20510

Dear Senator Cranston:

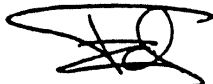
I have received your letter to me of June 7, 1989.
The letter speaks volumes.

Senator Cranston, you may be astonished. I am not.
My recounting of the meeting with you and your three
senatorial colleagues in Senator DeConcini's office
on I believe April 2, 1987, is fully accurate and
fully truthful.

You, Senator Cranston, may not remember what Senator
DeConcini proposed to me in that meeting. I don't know.
However, whether you remember or not, what I described
did, in fact, occur.

Further, I frankly resent your references to "my
bureaucrats (officers of the Federal Home Loan Bank
of San Francisco)" as being "malicious" or as having
engaged in "harrassment" of Lincoln. If anything, as
history now clearly shows, it was Lincoln Savings which
was engaging in "harrassment" of the regulators. Your
continuing efforts to, yes, intervene with regulators
in behalf of Lincoln has occurred at the expense of
the taxpayers and perhaps even at the expense of thousa
of debtholders. I would hope that in the future the
taxpayers' interests — rather than political contrib-
utors — would be given the priority.

Sincerely,

EXHIBIT
SC-GY 19

GY 00115