

JOHN MCCAIN
 ARIZONA
 COMMITTEE ON ARMED SERVICES
 COMMITTEE ON COMMERCE, SCIENCE
 AND TRANSPORTATION
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United States Senate

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June 2, 1989

Mr. Edwin Gray
 Chase Federal Savings Bank
 7300 North Kendall Drive
 Miami, Florida 33156

Dear Mr. Gray:

I have received your prompt reply to my letter of May 25th, and can only say that the meeting you described and the meeting I attended with Senators DeConcini, Glenn and Cranston are two very different things.

I recall no "deal" being offered. I recall no "quid pro quo" ever being discussed by Senator DeConcini or any other Senator. I do recall trying to determine whether an Arizonan constituent -- American Continental Corporation -- was being unfairly treated by a federal regulatory agency, as that company and its accountants, Arthur Anderson, & Co., had informed us. I recall asking you directly during the meeting whether anything we were asking of you was inappropriate or improper and your saying no. I recall your telling us that you were not familiar with the specific concerns of this constituent. And I recall your recommending that we meet with the San Francisco regulators who were knowledgeable about the specifics -- which we did.

I have checked my recollections with my colleagues who were at the meeting with you and my staff. None of us share your recollection of the events as you describe them. In fact, we all disagree.

I cannot speak for other Senators, but I know that my only intent was to look into serious concerns of a major employer in my state and ensure that it was being treated fairly -- a responsibility I take seriously for all Arizona constituents and one I undertake ethically and with integrity.

I would only add that after we had our second meeting, which you suggested, with the San Francisco officials -- who were quite professional -- I understood what was being reviewed by the officials. I understood why it was being done, and I made no attempt to influence any proceedings in any way then or thereafter.

EXHIBIT
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I regret that we disagree on the events of this meeting,
but we do disagree.

Thank you for your letter.

Sincerely,



John McCain
United States Senator

JM/ck

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