



STATE OF OREGON

INTEROFFICE MEMO

*file*

TO: Governor

FROM: Gerry Thompson

SUBJECT: Update

DATE: November 3, 1983

Bill Hitson, president of Central Oregon PCA called re: the Willamette Valley PCA situation. He leaves the impression of "disgust." Says bad loans were made, poor management existed and for the most part, they (Willamette Valley PCA) are getting what they deserve. It is the former who is suffering because of WVPCA's actions. Bill says the WVPCA continues to press the litigation, which then ties up the line of credit. Commercial banks and now Central Oregon PCA have offered alternatives that WVPCA still has not taken advantage of. Although the Feds has suggested Central Oregon PCA take over the Willamette Valley agency, Bill says they don't want that and, even without a takeover, their offer to help with the line of credit has been turned down.

Fred VanNatta is very concerned about his ability to be heard within the Gov's office. He is wondering if he has fallen out of favor. Problem primarily exists in the executive appointments area. We visited at great length and I will subsequently visit with Ede. I don't think we should lose sight of the fact that Fred has always been supportive of you, he may differ on issues, but he also has an employer and constituency, and at least, he also always forewarns us when he must play an opposing role. Further, I can never forget that when I went to Fred and Hank Crawford and pleaded for their help in convincing Paul Newman for your campaign, they, thru their organizations, left Paul with no choice but to get on our team. (Paul even chided me later for having pulled his "tightest" cords.)

GT:ds