

# Debts Beset Biggest Nixon Contributor

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BRYAN, Tex.—While a Texas land speculator was pouring hundreds of thousands of dollars into the campaign coffers of, first, Hubert H. Humphrey and then President Nixon, he was having trouble paying his own bills and faced millions of dollars in lawsuits in his home state.

Walter T. Duncan, who was unknown to political fund-raisers and little known even to his neighbors, burst into prominence in June as a \$300,000 contributor to the Minnesota senator's presidential primary campaign.

Two months after Humphrey lost the Democratic nomination Duncan showed up on Nixon financial reports as contributing a total of \$257,000 to dozens of the President's fund-raising committees, making him Mr. Nixon's largest contributor since the new campaign disclosure law went into effect April 7.

Repeated efforts to interview Duncan failed. He did not respond to telephone inquiries left at his office and with associates, nor did he reply to a written inquiry and interview questions left with an office secretary. Duncan's lawyer, Henry Haltom of Houston, said, after being apprised of the questions, "I don't think he'll talk to you."

Dozens of interviews with persons in six states and an examination of public records in locations from bustling Houston to the West Texas cowtown of Marfa show:

- Four days after Duncan handed a \$200,000 check to a Humphrey fund raiser in June, a 220-acre parcel of land he owned on the outskirts of Austin was sold on the courthouse steps because Duncan failed to make all of a \$104,000 installment payment. He had paid \$25,000 of the amount due.

- As Duncan was distributing \$6,000 checks to the Nixon committees in August, he was sued in state court at Dallas for \$2.27 million arising from the Austin land deal. The suit is partly on behalf of a federal corporation. Duncan so far has not responded to the suit.

## DUNCAN, From A1

- Before Duncan made his contributions, federal agents were quietly investigating his role as the second-largest borrower from National Bankers Life Insurance Co., which collapsed along with Sharpstown State Bank of Houston in a 1971 scandal that toppled leaders in the Texas Democratic Party.

[That scandal, in which Houston financier Frank W. Sharp pleaded guilty to selling unregistered stock and making a false bank entry, touched a number of prominent Texans, including Gov. Preston Smith and Will R. Wilson, who was then assistant attorney general in charge of the Justice Department's criminal division.

[Wilson was forced to resign from the Justice Department last Oct. 16 after it was revealed he had borrowed 297,000 from Sharp's companies between 1964 and 1971, including a \$30,000 unsecured loan while he held the high Justice Post.]

- After his contributions to Humphrey became public, Internal Revenue Service agents joined in looking at Duncan's affairs, specifically at whether he might be obligated to pay gift taxes because of the contributions.

- Federal and state grand juries also have been inquiring into an alleged kickback scheme involving some apartments Duncan owned. He received a clean bill of health from the Harris County (Houston) Grand jury.

- Duncan is being sued in U.S. District Court in Houston

for alleged failure to make good his guarantee of a \$150,000 promissory note to a now-bankrupt Indiana finance company. Although two attorneys say he was paid \$25,000 cash for his signature and he has responded that he did sign the guarantee, he says he doesn't owe the money.

- A suit against Duncan connected with some of the same people involved in the \$150,000 guarantee, among them a leading contributor to Sen. Vance Hartke (D-Ind.), was settled in 1970. Duncan still is paying off the \$205,000 owed to a Wisconsin man who says he "is not happy" with the Texan's pay-off record on a separate debt.

- Duncan also is being sued in two separate actions in state court in Houston. A carpeting company seeks \$14,000, alleging he failed to honor a promissory note. He claims the company installed inferior carpeting in an apartment project. An insurance agency seeks \$40,000 from Duncan and two associates for evicting it from an office building. Duncan says the agency was behind in its rent.

### Manager for Gulf

Duncan, 45, is a native Texan who served briefly in the Navy at the end of World War II. After managing Texas real estate for Gulf Oil in the late 1950s, he and his wife bought a motel, later sold it for a profit and branched out into real-estate speculation.

He is said to have dealt profitably in second mortgages during the mid-1960s. He moved to this East Texas area about 10 years ago. But after his sudden prominence he moved with his wife and son to San Antonio, where he has an unlisted home phone number.

Although Duncan became a principal stockholder in a Bryan bank, owned a \$90,000 home and was helping develop an upper-income subdivision, he operated so quietly that even his father, a retired college professor, says he was stunned when Duncan emerged as a major political contributor.

"I really don't think he gave that kind of money," John T. Duncan of Bryan told a local reporter soon after the Humphrey contribution became known. "I have my serious doubts about that."

Asked in a later telephone interview if he were surprised also by the size of the Nixon contributions, the father said,



"What would you think?" He declined further comment.

[In a June interview with The Washington Post, Walter Duncan said of his contribution to Humphrey: "I think I can afford it. If I didn't, I wouldn't do it."

[Asked if he had borrowed money to make the contribution, Duncan replied: "Not for that purpose, no. I need loans on business enterprises quite often."]

Duncan's only previous recorded political contributions were \$50 to Humphrey in 1968 and \$500 this year to Texas Lt. Gov. Ben Barne's unsuccessful campaign for the Democratic gubernatorial nomination. County records show Duncan voted in the May 6 Texas Democratic primary.

#### Associates Surprised

Duncan's closest associates also appeared surprised at his large contributions.

"I knew he had some friends in high places but I didn't

know he was that politically involved," said J. Stanley Stephen, executive vice president of Bryan's First Bank and Trust Co.

Duncan and Stephen are members of the group that controls the bank and have associated in at least one big land deal.

Stephen declined to estimate Duncan's net worth. But asked about local reports that it was about \$12.5 million, he said: "That's a little high."

Four other sources in Bryan and Houston cited figures both higher and lower than the \$12.5 million.

Records show Duncan has been involved in the past six years in at least \$54 million worth of apartment house projects and land deals in Houston, Austin, San Antonio, Dallas, Bryan and the far-flung Texas counties of Madison, Val Verde, Presidio, Maverick and Galveston. He also has had land deals in California, Colorado and Oklahoma.

There are indications this is only a partial list.

The profitability of these projects could not be determined. As is normal in land dealings, the bulk of the \$54 million in financing came from an assortment of banks, insurance companies and other lenders.

#### Conglomerate Venture

Among Duncan's newest ventures is a conglomerate called Agora-Terra Inc. of Dallas. Although capitalized in May for \$45,000 with 9 million shares at a half-cent each, the firm now holds 78,000 acres of land and two large insulation companies. It also is negotiating to acquire a Dallas bank and an Albuquerque insurance company, said its president, Willard Harris, one of five stockholders along with Duncan.

Harris said the company plans to register soon a public stock offering with the U.S. Securities and Exchange Commission. Just how fund raisers

first became aware of Duncan is shrouded in as much mystery as some of Duncan's business dealings.

Sen. Hartke, a national co-chairman of the Humphrey primaries campaign, said in an interview he was introduced to Duncan two or three years ago, possibly, he added, by Walter J. Dilbeck, a long-time Hartke contributor who figures in two lawsuits against Duncan.

Hartke said he had lunch with Duncan at the Capitol and that the two discussed Humphrey. Later, he said, he may have telephoned Humphrey's office or possibly taken Duncan there to introduce him to the Minnesota senator.

About six weeks before his \$200,000 contribution in June, Duncan wrote a \$100,000 check to the Humphrey campaign. He was the senator's biggest listed contributor.

David Marks, a Los Angeles attorney who was Humphrey's

national financial coordinator, said "one of the people in our office related" Duncan's name some time in March or April when the financially strapped campaign was plunging steadily toward an eventual million-dollar-plus deficit.

Marks said he could not recall who it was. But he said Paul Thatcher, Humphrey's treasurer, was "importantly involved" in the discussions, which led to a three-day trip by Marks to Bryan where he picked up the \$200,000 check June 2.

"Mr. Duncan wrote it out while I was sitting there," said Marks. "It was amazing. He's an amazing man."

Thatcher is an executive with the Minneapolis-based enterprises of Dwayne Andreas, another large Humphrey contributor. As an outgrowth of the Watergate affair in Washington, Andreas was disclosed as contributor of at least \$25,000 to Mr. Nixon, too.

Thatcher said, "I do not

want to talk about money. I am not interested. Talk to me the day after the election."

As for the Republicans, it could not be learned how they made contact with Duncan. A spokesman for the Committee for the Re-election of the President had no comment on how it came to solicit contributions from Duncan.

Despite his earlier support for Democrats and his sudden emergence as Mr. Nixon's largest publicly reported contributor, Duncan, who lives less than an hour away, was not on the list of prominent Democrats for Nixon invited to former Treasury Secretary John B. Connally's Texas ranch for a party with the President Sept. 22.

Asked at the party by two newsmen where Duncan was, Leonard Marks, national Treasurer of Democrats for Nixon, first said, "I haven't seen him."

Questioned further, Marks said: "I don't know the man."