

# DEBT UNREPORTED BY A NIXON DONOR

NOV 6 1972

Incomplete Fiscal Statement  
Used to Cash I.O.U.

NYTimes

WASHINGTON, Nov. 5 (AP)

A major donor to President Nixon's campaign distributed personal financial statements omitting millions of dollars in debts before he gave his campaign contribution in the form of a \$305,000 i.o.u.

To get cash for the note from Walter T. Duncan of Bryan and San Antonio, Tex., Nixon fund raisers sold it to a Washington bank at a small discount.

The bank will not talk about the deal. The Committee for the Re-election of the President, asked about the financial statement it received from Mr. Duncan, said: "We cannot be responsible for responding to the questions you ask. They should be directed to Mr. Duncan."

The Associated Press reported last month that Mr. Duncan, a land speculator who has declined attempts to interview him, had given the Nixon campaign \$305,000 despite financial, legal and governmental difficulties that included a \$2.2-million suit against him, partly on behalf of a government corporation.

That report prompted the General Accounting Office and the House Banking Committee to send investigators to Texas. House investigators had a brief telephone conversation with Mr. Duncan, but they obtained from other sources a Duncan financial statement that he had given as recently as June to a Houston bank.

That statement covered his affairs through March 31, 1971. But it did not include a \$2.6-million debt on a property loan. The debt ultimately led to a land foreclosure last June at almost exactly the time that Mr. Duncan was donating \$300,000 to the Hubert H. Humphrey presidential bid. The foreclosure in turn led to the \$2.2-million lawsuit.

The House Banking Committee said the Nixon committee supplied a Duncan financial statement when it sold the Aexan's note to the First National Bank of Washington, its regular bank, for \$294,799. House investigators could not learn whether the statement was the one he was using as recently as June or was an updated version.

## Violation Possible

"If the \$2.6-million debt, however, was missing from the financial statement," the House investigators report said, "then the Finance Committee to Re-elect the President is in the position of having submitted a false statement to the First National Bank to induce it to accept and discount the Duncan note."

Although House investigators found only one omission from the financial statement Mr. Duncan was using, examination of that statement shows that he failed to include three other debts:

¶\$1.2-million to The Travelers Insurance Company for a loan on 54,491 acres in Presidio County, Tex., initiated Dec. 31, 1970.

¶The balance of \$200,000 owed to a Milwaukee investor resulting from out-of-court settlement in July, 1970, of a suit. The investor said recently that Mr. Duncan owed him other money as well.

¶\$1.3-million to Community Savings and Loan Association of Fredericksburg, Tex., secured by 98 acres of land on the outskirts of Austin, Tex. The land is next to 220 acres involved in the \$2.2-million suit against Mr. Duncan.

He originally obtained loans on the two properties in 1969 from National Bankers Life Insurance Company. A half-interest in the larger of the two loans was sold by the insurance company to Sharpstown State Bank of Houston.

The bank and the insurance firm both collapsed in early 1971 in a major financial scandal that rocked Texas financial and political circles.

In June, 1972, after Mr. Duncan had failed to keep up with payments on the \$2.6-million loan, the 220 acres of land was foreclosed. The land was sold at auction for \$500,000. In August, as he was donating to the Nixon campaign, Mr. Duncan was sued for the balance of the debt. The Federal Deposit Insurance Corporation is involved in the suit in its role as receiver for the Sharpstown bank, trying to collect money owed the bank.

The Banking Committee's report said that from a moral, if not legal, standpoint, the F.D.I.C. ought to demand that the Nixon committee turn over Mr. Duncan's \$305,000 to help pay off depositors who suffered in the collapse of the bank.