

Clements Is Backed Despite Oil Deal Suit

By Carroll Kilpatrick
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The White House said yesterday that a civil suit against William P. Clements Jr., chosen by President Nixon to be deputy secretary of defense, in no way disqualifies him.

In Dallas, Clements said published reports regarding the suit were "unfair and misleading." He said that facts about the suit, filed in 1966, have been known for years.

The President knew about the suit before announcing his selection of Clements last week, White House press secretary Ronald L. Ziegler said in answer to questions.

Clements, chairman of Sedco, Inc., in Dallas, and his attorney advised the White House of the suit when he was under consideration, Ziegler said, "and we concluded it was no reason to disqualify him."

Clements was named defendant in a suit charging conspiracy to hide millions in alleged profits from an Argentine oil deal.

The suit involves charges by an Argentine businessman that Clements and several associates and Southeastern Drilling Co. cheated him on commissions due in obtaining a large drilling contract.

The suit also charges that high Argentine officials were bribed in 1958 and 1959 in con-



Associated Press

Anne Armstrong, just named counselor to the President, at work in her Republican National Committee office.

nection with the contract. United Press International reported that the suit has gone through one trial and two appeals and is scheduled for another trial in U.S. District Court in the spring.

Clements declined to discuss the matter over the weekend with the Associated Press, which first reported on the case, but he told The Dallas News that "there's nothing to it" and that he personally was not a defendant.

Yesterday he maintained that payments were made to the Argentine businessmen involved "as per contract on net profits."

In other actions, the President confirmed reports that he would name Anne Armstrong, cochairman of the Republican National Committee, to be counselor to the President with Cabinet rank. Long active in Texas politics, she was secretary of the 1972 Republican National Convention.

Ziegler described her as a

Cabinet member, the first woman in a Cabinet since Oveta Culp Hobby was Secretary of Health, Education and Welfare in the Eisenhower administration. Counselors to the President have membership in the Cabinet at the President's direction, he said.

In announcing various changes on the White House staff, Ziegler said the President would retain Dwight L. Chapin, 32, charged in the campaign with being a White House "contact" in a spying and sabotage operation, as appointments secretary.

Chapin allegedly hired California attorney Donald H. Segretti to disrupt Democratic political campaigns.

Time magazine said Chapin told the FBI that Segretti's payment was set by the President's attorney, California lawyer Herbert Kalmbach.

Chapin declined to discuss the allegations with reporters. Through the White House

press office he acknowledged knowing Segretti "since college days" but said the charges were "fundamentally inaccurate."

Also being retained on the White House staff are Richard A. Moore as special counsel and Michael J. Farrell as special assistant.

Ziegler said that Brig. Gen. Robert L. Schulz, 65, formerly on President Eisenhower's staff and now a special assistant to the President for liaison with former Presidents, is retiring.

Returning to private life are the following special assistants: Desmond J. Barker, George T. Bell and Mark I. Goode.

Ziegler announced that four Interior Department officials are returning to private life. They are: Assistant Secretary Hollis M. Dole, Assistant Secretary James R. Smith, Commissioner of Reclamation Ellis L. Armstrong and solicitor Mitchell Melich.