

SFChronicle
JAN 25 1973

Defense Aide Replies to Slander Suit

Dallas

William P. Clements Jr., newly confirmed as No. 2 man at the Pentagon, has filed papers answering a \$15 million slander suit brought against him by a former Argentine business partner.

Antonio A. Diaz of Buenos Aires, who helped arrange a huge oil drilling contract for Sedco Inc., of which Clements is board chairman, named both Clements and the company as defendants in a suit filed in federal court in Dallas last month.

Diaz alleged Clements made "grossly defamatory" statements about him in a news conference held at Sedco's Dallas headquarters December 19.

Clements called the conference after stories were published concerning a 1966 suit brought by Diaz against a now-dissolved Sedco subsidiary. The suit claimed not all profits were reported. Diaz claimed a percentage of the profits.

Among the statements alleged was that Diaz did nothing to earn the money for which he sued.

The defendants, in their reply filed Tuesday, said they held the news conference "for the purpose of answering certain statements which had recently appeared through the news media and for no other purpose."

While admitting that some of the statements quoted in the Diaz petition were made, the defendants denied they were false or slanderous. One error was admitted "concerning a technicality of parties which was of no consequence so far as Mr. Diaz is concerned and certainly not libelous, slanderous or defamatory."

They claimed all the statements made were fair comment on a matter of public concern, that they were made without malice, with belief in their truth and that Diaz had suffered no damage. The reply further stated that "any and all" the statements complained of were "the result of provocation."

Associated Press