SFChronicle JUL 2 7 1973 **FBI** Chief Defends Hoover

Washington FBI Director Clarence M. Kelley said yesterday that in his opinion J. Edgar Hoover was "entirely capable" of running the FBI until he died in of-

Fibr until he died in of-fice at the age of 77. Kelley, sworn in as Hoov-er's successor three weeks ago, disagreed with John D. Ehrlichman's testimony before the Senate Watergate Committee that Hoover's stubbornness impeded investigations.

Mr. Ehrlichman has the right to speak as he might,' Kelley said in response to questions at a news conference.

"My personal reaction is that, having been associated with Mr. Hoover as an agent, an agent in charge, and later as chief of police . . . he was entirely capable of discharging his duties, very lucid in his discussions and I was most satisfied and I was most satisfied with his performance."

Kelley was referring to his 21 years as an FBI agent under Hoover and his work later as Kansas City, Mo., police chief.

Former presidential adviser Ehrlichman testified Wednesday that President Nixon should have fired Hoover early in his administration because Hoover "was certainly fixed in his views and it made operations very, very difficult.'

Ehrlichman said the White House formed the investigating unit known as the plumbers in response to Hoover's failure to investigate the leaking of the Pentagon Papers.

Kelley acknowledged that he took office facing lowered morale in the FBI but said "the problem of morale has been considerably dissipated as the result of the establishment of a permanent director.'

The occasion for the news conference was Kelley's announcement that he has appointed Nicholas P. Callahan, a career FBI employee. an associate director.

Callahan, 59, who has been an assistant director in charge of administration, succeeds W. Mark Felt, who was acting associate director until retiring a few weeks ago. Associated Press