SFChronicle Watergate Hurt the FBI, Kelley Tells Meeting Here

FBI Director Clarence M. Kelley conceded at a press conference here yesterday that the investigative agency had lost credibility with the public because of Watergate but asserted that "the gap has been closed to considerable extent."

"We have been painted with the brush (of Watergate) and I think that was very unfortunate," the bur-eau's new chief said. "It was part of the general disenchantment with govern-

The press conference was part of Kelley's program of 'an open stance" for the bureau and was aimed not only at the media but an audience of FBI agents and their wives attending a seminar at the Towne House Ho-. tel on new management policies of the FBI.

The conference would have been unthinkable in the days of the late Director J. Edgar Hoover. Uncer Hoover FBI agents replied to all inquiries by newsmen with a polite "No comment."

The prupose of the seminar was to discuss Kelley's program of "participatory managment," and how he wants more feedback and contributions from regional offices.

Some questioners asked how many minority members were in the bureau and Kelley replied, in effect, that there are not enough. There are only 90 black agents, about an equal number of Spanish surnames, 24 wom-en and only 30 of Oriental descent.

One questioner asked about agents-provocateur reportedly used by the FBI in recent years against leftwing groups.

Kelley said if this was so, it occurred before he became director of the FBI last July. He added, however, that he understood the bureau had been forced to

take extreme measures against "the new left coalition with the common purpose to attack the United States and bring the United States to its knees.

"I'm not going to stand by and I hope no special agents will stand by and let anybody beat this country to its knees. And I don't care who it is, they are going to be investigated," he said with fervent conviction.

This brought a burst of applause from the FBI agents and their wives in the audi-