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**General Graham Is Said to Have Quit
As the Chief of Defense Intelligence**

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WASHINGTON, Nov. 3 — Lieut. Gen. Daniel O. Graham, chief of the Defense Intelligence Agency, which coordinates military intelligence, resigned today, according to senior defense and intelligence officials.

The sources said that he had stepped down because he felt strongly associated with the administration of James R. Schlesinger, Secretary of Defense, who was dismissed by President Ford yesterday. General Graham, these sources said, chose to resign voluntarily. He was also concerned, intelligence officials reported, with the decision to replace William E. Colby, the Director of Central Intelligence.

His resignation came amid rumors of sweeping changes in the intelligence community's hierarchy. One source said that Lieut. Gen. Lew Allen Jr., director of the National Security Agency, the electronic intelligence operation, might also resign. Col. W. Pierce, an aide to General Allen, said that the general would have no comment on the report.

In another action late today, the Senate Select Committee on Intelligence voted to ignore President Ford's plea not to do so and deliver its report on C.I.A. involvement in assassination plots to the full Senate, in a closed session.

This will pave the way for the 500-page report to be made public, and there is little doubt that the Senate will agree to its publication. Senator John G. Tower, Republican of Texas, who is vice chairman of the committee, abstained from the vote.

Disruption Feared

President Ford's abrupt removal of Mr. Colby will disrupt the Congressional Investigations of the intelligence community, members of the two investigating committees said today.

Senator Frank Church, the chairman of the Senate Select Committee on Intelligence, said that the personnel changes disclosed Sunday appeared to be connected with a strongly worded letter Mr. Ford sent to each committee member Friday urging that the report on the C.I.A.'s involvement in plots to assassinate foreign leaders not be made public.

"I can only put various things

together," the Idaho Democrat said. "First, the very determined Administration effort to prevent any revelations concerning N.S.A., their stonewalling of public hearings. Then came the President's letter. Now comes the firing of Mr. Colby, Mr. Schlesinger and the general belief that Secretary Kissinger is behind these latest developments."

"I'm just trying to put all this together, Mr. Church said, "and clearly a pattern has emerged now to try and disrupt this investigation. As far as I'm concerned, it won't be disrupted."

Pike's Viewpoint

Representative Otis G. Pike, Democrat of Suffolk, agreed that the changing commands would bring a temporary disruption of his committee's inquiry, but he was more concerned that the appointment of George Bush, a former colleague in the House, would "politicize the C.I.A."

"What I see as was going

Wall St. Firms Invited To Relocate in Jersey

A study purporting to show the tax advantages of moving from Wall Street to New Jersey has been sent to more than 300 securities firms by the Byrne administration in Trenton.

The study, which New Jersey officials say is not an attempt to take advantage of the city in its current fiscal turmoil, focuses on the effects of the new stock-transfer and bond taxes imposed last summer by the city.

"Substantial savings" are possible for firms that choose to move, according to Price Waterhouse & Company, which conducted the study for the New Jersey Economic Development Authority.

Governor Carey's office had no immediate comment on the study. Mayor Beame's office noted that a study of the city's revenue structure—particularly of the possible need to roll back the bond transaction tax—had been ordered several weeks ago. The Mayor's order was prompted in part by the decision of Weeden & Company, Inc., a brokerage house, to move nearly half of its operations from Wall Street to Jersey City next year.

wrong with C.I.A. was not when the pros at the agency were left alone," he said. "Where they got into trouble was when the pros were told to do something by the politicians. He said that he had no objection to Mr. Bush's personal credentials, but felt that he was a "politician first."

Several members on both committees said privately that they felt Mr. Bush's appointment would face stiff opposition in Congress.

Meanwhile, there was growing anger and resentment among law enforcement and intelligence professionals over the manner in which President Ford dismissed Mr. Colby. "I think the entire thing was handled quite shabbily," one senior intelligence official said, "and I can think of no reason why."

Mr. Colby, this and other sources said, was summoned to the White House at 8 A.M. Sunday by a telephone call to his home. The call came from Donald H. Rumsfeld, chief of the President's staff, according to one source. The sources gave this account:

The President and Mr. Colby met for a half hour. The President told him that although he valued his services, he wanted him to step down from the intelligence post. He then offered him the post of United States Ambassador to the North Atlantic Treaty Organization.

Mr. Colby declined the post and agreed to submit his resignation. He is expected to enter private law practice.

"I knew this was coming," said one White House official, "but I don't see why it could not have been done with a handshake and a bon voyage. Not this way."

This reflected the opinion of several other Administration sources.

Dropped From Ballet

The name of Hyman Silverglad, who had been listed as a candidate for Civil Court in Manhattan's second district, will be taped over on voting machines, a Board of Elections spokesman said yesterday. Mr. Silverglad's name was ordered removed by Supreme Court Justice George Postel on the ground that the candidate had not met the statutory requirement that a candidate must have been admitted to the bar more than 10 years previously.



William E. Colby of the C.I.A. with his wife, Barbara, outside their home in a Maryland suburb of Washington during some free time earlier this year.

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