

BUSH WILL QUIT C.I.A. ON INAUGURATION DAY

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Replaced Colby in Job Last January When Agency Was Under Fire

By DAVID BINDER

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WASHINGTON, Nov. 24—George W. Bush announced today that he was resigning as Director of Central Intelligence effective Jan. 20, the day President Ford will leave office.

A Texas oil millionaire and a former Republican leader, Mr. Bush took over the Central Intelligence Agency last Jan. 30, replacing William E. Colby at a time when the agency's morale was at a low point after criticism by Congress and the press.

There was no immediate reaction from President-elect Jimmy Carter, who previously expressed a liking and respect for Mr. Bush. Nor was there any comment by the White House.

People close to Mr. Carter said today in Plains, Ga., that they expected the new President to appoint as the new director someone he had known for a long time.

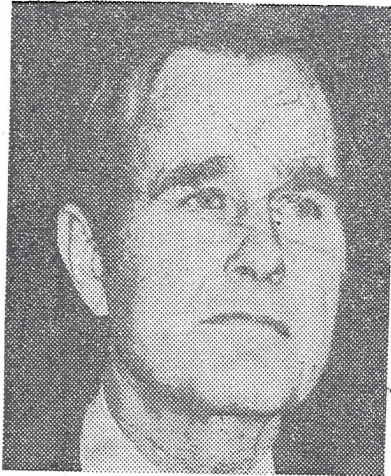
Mr. Bush spent six hours with Mr. Carter last Friday, giving the President-elect an intelligence briefing on developments around the world and also describing the current state of the United States intelligence community.

According to White House officials, the 52-year-old intelligence chief discussed his resignation plans with President Ford before journeying to Plains and informed him of his announcement early this morning. Mr. Bush called Mr. Carter last night to tell him that he was resigning.

The White House said that Mr. Bush had not yet submitted his resignation in writing. The announcement was distributed by the C.I.A. press office.

The Carter aide preparing the transition

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George Bush

Associated Press

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of the intelligence and national security agencies for the incoming administration is David Aaron, who is already at work in the National Security Council office in the Executive Office Building.

The successor to Mr. Bush will be the fourth C.I.A. chief in four years.

The rapid turnover, from Richard Helms to James R. Schlesinger in December 1972 and from Mr. Schlesinger to Mr. Colby in September 1974, has been another

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unsettling factor for the agency in recent years, according to top-ranking agency officials.

Previously, the position of C.I.A. chief was more stable and secure. Gen. Walter Bedell Smith served from 1950 to 1953, Allen W. Dulles from 1953 to 1961, John A. McCone from 1961 to 1965 and Mr. Helms from 1966 to 1972.

Those directors were less in the public eye than those in the present era but also enjoyed some of the prestige that attended the late J. Edgar Hoover in his long career as Director of the Federal Bureau of Investigation. But in the last four years, C.I.A. directors have become as interchangeable as Cabinet officers.

Mr. Bush was the first purely political appointee to the office. He was a friend of President Ford and had served two terms in the House in the 1960's. He was chairman of the Republican National

Committee in 1972 and was considered a Vice-Presidential hopeful.

He served as the United States representative to the United Nations and as chief of the American liaison office in Peking before being appointed to the C.I.A.

Agency Reorganized Twice

He took over an agency that was under fire for the previous 18 months from Senate and House intelligence committees for having plotted the assassination of such foreign leaders as Prime Minister Fidel Castro of Cuba, undermined the elected leftist Government of Chile and conducted surveillance of American citizens.

The agency had also undergone two major reorganizations conducted by Mr. Schlesinger, who dismissed 2,000 agency employees, and Mr. Colby, who abolished practices deemed illegal.

In the last four months, Mr. Bush has also inaugurated a lesser structural reorganization that has reportedly returned the estimates and analysis branches to the Directorate of Intelligence and also placed the science and technology directorate under the intelligence directorate.

Mr. Bush is given good marks by current agency officials and recently retired intelligence officers.

"Bush reached down and pulled up the best of the younger people there," said Ray S. Cline, former deputy director of the agency.

Agency officials said that they had been particularly pleased with the performance of E. Henry Knoche, the deputy director selected by Mr. Bush.

Daniel K. Inouye, chairman of the Senate Select Committee on Intelligence, said this evening that he had entertained doubts that a political figure like Mr.

Bush should be appointed head of C.I.A., and said that it was a job for "a professional."

But the Hawaii Democrat said that Mr. Bush's performance had removed those doubts. "You might say Bush was one of the best we had," he said. "The morale of the intelligence community has been inspired by Bush's leadership. In one sense, it is sad that he has to leave. He would have served well under President Carter."

An agency spokesman said that Mr. Bush had not discussed any postresignation plans with his colleagues. "He expects to work right up to Jan. 20," said one.

In his official announcement, Mr. Bush "pledged his continuing full assistance to President-elect Carter in the transition period."