

Gen. Walters Quits C.I.A.; Bush 'Wants Own Team'

WASHINGTON, April 22 (UPI)—The White House announced today the resignation of Lieut. Gen. Vernon A. Walters as Deputy Director of Central Intelligence. General Walters was a key Watergate witness who testified that he had tried to stop the F.B.I. Watergate investigation on President Nixon's orders.

The Presidential press secretary, Ron Nessen, said that General Walters, 59 years old, was leaving the No. 2 agency post because the head of the C.I.A., George Bush, "wanted to build his own team."

The announcement said that President Ford was nominating the associate deputy director E. Henry Knoche, 51, to succeed General Walters.

An intelligence community source said that the main reason for the general's departure was Mr. Bush's desire to have a career professional running day-to-day operations and helping Mr. Bush to restore morale damaged by Watergate and the intelligence investigations.

This source also said that Mr. Bush wanted a deputy free of association with the Watergate period and Mr. Nixon's brief effort—disclosed in the so-called "smoking pistol" tape recording—to have the agency stifle the F.B.I.'s early investigation.

At C.I.A. headquarters, a spokesman said that the move suited General Walters's plans to retire from the Army after a 35-year military career. He emphatically denied any connection between his Watergate involvement and his departure. "For crying out loud!" the spokesman said. "Any suggested connection between General Walters's friendship with former President Nixon on or Watergate and his leaving the C.I.A. does not do him justice.

"He has been a distinguished Army officer for the past 35 years and served three Presidents directly as an interpreter."

He said that General Walters asked the Army last month for permission to retire.

Mr. Nixon, who considered the general a loyal friend, transferred him from Army duty to the C.I.A. in 1972. Mr. Ford appointed him deputy director last year.

General Walters gained national prominence as a witness at the televised Senate Watergate hearings in 1973, where he disclosed that the White House had instructed him to quash the June 1972 F.B.I. Watergate inquiry on national security grounds. Mr. Nixon's precise role in that effort, however, remained unclear until the later disclosure of the White House tape recording that forced his resignation.

It showed that, on June 23, 1972, the White House chief of staff, H. R. Haldeman, told Mr. Nixon that the F.B.I. inquiry was touching politically dangerous areas and said:

"The way to handle this is for us now to have Walters call [F.B.I. Director] Pat Gray and just say, 'Stay to hell out of this . . . This is the C.I.A.'"

The tapes show that Mr. Nixon approved that suggestion. Testifying at the Watergate cover-up trial in November 1974, General Walters confirmed that he had told Mr. Gray that the F.B.I. investigation "could expose . . . C.I.A. cover operations in Mexico."

Mr. Gray testified, however, that General Walters refused to put that in writing and abandoned the White House plan, telling Mr. Gray, "I'm not going to let those kids at the White House kick me around."