MARCH 13, 1976

POOL NO. 11 - AIR FORCE ONE - CHICAGO, ILLINOIS TO GREENSBORO, N.C.

Before departing the Marriott, Prssident Ford dropped in at three brief receptions, the first for about 50 PFC staff workers, another for several hundred campaign volunteers and the last for a handful of Chicago area delegate candidates.

At the second meeting (rally), the President gave campaign workers his routine assessment of momentum, what's been done in 19 months etcetera. He said he made a conscious decision to enter all 31 GOP primaries because "I wanted to disabuse once and for all the notion that we couldn't be a national candidate." Then he encouraged his workers to make sure "that what is said in the primaries does not hurt the republican candidate in November... we have to run our campaign in the belief that it is run affirmatively...

"We must keep divisions within the Republican party to a minimum... we must unite all Republicans so we can win the big ballgame in November 1976."

He also said, "You should not respond in kind to political charges made in the heat of the campaign..." and in what appeared to be a jab at Reagan, he made one reference to "our major opposition -- the Democrats."

After leaving the Prsident made a quick stop at the nearby Howard Johnson's which had been damaged in yesterday's tornado. He inspected the wreckage of the hotel's sign and made some remarks about the destructive force of the wind. He also remembered the force of a 48-hour typhoon while he was serving on an aircraft carrier in the Pacific during World War II.

About ten minutes before we landed, Nessen came back and read a statement (attached) about Bo Callaway's temporary steping aside as Chairman of the President Ford Committee. Nessen would not characterize the President's reaction. Then Callaway came back and had this to say:

"I'm a little bit at a loss to say too much because I just heard about this at the airport yesterday. I don't really have a firm idea of what the charges are or what the allegations are...

"I am aware that Senator Haskell has felt they are important enought to have hearings."

Since Haskell feels they are thus so important, Callaway said that "it could easily cast a pall on the campaign. Because of that I asked the President to temporarily relieve me from any responsibilities of the campaign. I am absolutely confident that there's been no impropriety whatsoever but this President quite properly has the support of the American people for an honest and open Administration of the highest honor and integrity and therefore I think it's important to go the extra mile and at the first hint of any impropriety take every action that we possibly can to ensure that there's no appearance of impropriety in the campaign." Callaway said he hadn't been in touch with Haskell and would expect that hearings would result in his "complete exoneration." He first heard of this at the airport yesterday (from a reporter). He talked with Chaney about it last night and with Ford on the phone this a.m. Asked the President's reaction, "I'd like to say he has full confidence in me but I'd rather you ask him." But there was no suggestion from Ford he step aside; it was Bo's idea alone, he said. He couldn't talk about any of the substance of the allegations because he doesn't know enough about the specifics.

> TOM DE FRANK RUDY ABRAMSON DON FULSOM

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