MAY 7, 1976

POOL FEPORT NO. 1 - AIR FORCE ONE - WASHINGTON TO OMAHA

On board were Cheney, Hartmann, Nessen, Kaye, Earl Butz, and both Fepublican Senators Hruska and Curtis and their wives. Both Senators are running as Ford delegates in the primary.

Peter Kaye called the Nebraska election "a strange sort of primary. We've had nothing like it before." The winner will not take all 25 delegates. Of 324 who have filed for delegate, 145 are for Ford and 108 for Reagan. All Fo d delegates are "unauthorized," meaning that they receive no money from the national campaign.

Kaye said "it is very possible that we could get the majority of the popular vote and still lose the delegates."

Total Ford budget for the State is only \$40,000, the smallest amount the President has committed to a contested primary.

None of the three Congressmen -- all Pepublicans -- have endorsed either candidate, and newspaper polls show a close race. Kaye said Ford has been concentrating on phone banks while Reagan has been using direct mail. Secretary Kleppe and Jack Hamil have made appearances in the State.

Kaye said Reagan "may have an advantage" because his delegates are authorized and can be funded and advertised by the national Reagan campaign.

Kaye and Nessen would not comment on any change in campaign strategy, Nessen saying, "if this trip looks different from other trips it has nothing to do with a reassessment."

Ford's first Omaha stop will be the corner of 32nd and Woolworth Avenues, site of the home in which he was born on July 14, 1913. The lot is being converted into a memorial park by James M. Faxson, President of Standard Chemical Manufacturing Company, who has already spent \$250,000 of his own money and expects no reiumbursement even though the eventual cost rill be \$400,000.

Paxson purchased the lot in 1974, has since purchased several adjacent lots, and will turn the park over to the city of Omaha when complete. It will include a gazebo with photos of Ford's presidency, a medallion, and a letter to the citizens of Omaha in a time capsule to be opened in 2076.

E-rl Eutz said "Peagan hasn't worked Nebraska as he has Indiana...he has worked Indiana for years." He said he has "cautioned him (Ford) against being on the defensive. He should not answer Reagan. I should do that. It doesn't get as much attention. "Butz said "There's been some erosion of farm support for Ford from a year ago, associated with the interruption of export sales 'of grain). It's not as serious as it's been reported to be. Butz will lunch with farmers and agribusiness people Saturday and will go to Grand Island Saturday afternoon, an area Reagan has been campaigning in. He'll hold a press conference there. Butz said of Feagan, "I have not attacked him. I me very fond of the guy. I just don't think he's electable, or not as electable as Mr. Ford." Eutz handed out a chart of farm and wholesale price indices, which was made available.

Jeff Copeland - Newsweek
Ann Compton - ABC