SFChronicke JAN 1 5 1974 Nixon Staff Rules and Milk Memo

Washington

A presidential spokesman said yesterday that the White House staff knew of President Nixon's rule not to be told about campaign contributions.

But, answering a question about dairy industry contributions, the spokesman said "occasionally people break rules."

Deputy press secretary Gerald L. Warren reiterated that Mr. Nixon's 1971 decision on milk support price increases "had nothing whatsoever to do with campaign contributions."

His comments were made during a press briefing.

He was asked to explain why presidential aide Charles W. Colson sent a memorandum to the President in September, 1970, telling him that the Associated Milk Producers Inc. had pledged \$2 million to the 1972 campaign.

Mr. Nixon had said in an Oct. 26, 1973, press conference that he refused to discuss contributions or "to have any information from anybody with regard to campaign contributions."

Warren said, "That is his rule." But, he said, "the true facts" regarding the dairy matter were contained in the White House statement of January 8. That document confirmed that Mr. Nixon had been sent a memo from Colson, but said the milk decision was based on economic factors, congressional pressures and traditional political influence.

Warren repeated that the milk price support decision "had nothing whatsoever to do with campaign contributions."

He declined under questioning to elaborate on why the staff violated Mr. Nixon's rule against giving him information regarding campaign contributions.

Mr. Nixon's remarks in October were widely interpreted as meaning that he

knew nothing about the fund-raising efforts in his behalf by the Associated Milk Producers Inc. and other dairy groups.

Warren also contended that portions of a transcript of a Nixon meeting with dairy leaders a year later,' which may indicate that he was thanking them for their pledges, should not be so interpreted. The meeting was held shortly before Mr. Nixon decided to boost federal milk subsidies.

Warren said Mr. Nixon intended to express thanks to the dairymen for their general support of administration policies.

A.P. & U.P.