

ILLINOIS RECEIVED LOAN FROM FAIR

Pavilion Doesn't Expect to
Repay \$250,000 Advance

By ROBERT ALDEN

The executive director of the Illinois Pavilion at the World's Fair acknowledged yesterday that the Fair Corporation had paid a quarter of a million dollars to Walt Disney to help the state mount the Lincoln exhibit in its pavilion.

"There's no use in kidding ourselves," said James A. Cassin, executive director of the Illinois Pavilion. "There isn't any chance of the fair getting much of that money back."

No other state received a loan or subsidy from the fair to help with its exhibit, although several private corporations in financial straits did receive loans. When the Fair Corporation was asked yesterday why the Illinois State Government had been excepted from this policy, a spokesman said that the fair did not care to comment.

Repayment Expected

Mr. Disney's corporation, W. E. D. Enterprises, received a total of \$350,000 for its automated performance of "Great Moments with Mr. Lincoln" during the 1964 season of the fair — \$250,000 from the fair and \$100,000 from the State of Illinois.

The fair was to have been repaid from concession sales within the pavilion. The Illinois concession is operated by the Independence Hall Association, a nonprofit organization that maintains a museum in Chicago.

The association, under the terms of its agreement with Illinois, retains most of the profit for its own purposes, with a small, but undisclosed, percentage reserved for payment to the fair.

Under the agreement with the Fair Corporation, the State of Illinois has no legal obligation to compensate the fair for any of the money advanced, save for the money derived from the concession sales, which Mr. Cassin said would fall far short of the amount that the fair paid to Mr. Disney.

Auditing to Continue

It was learned yesterday that the agreement with Illinois was only one of a number of aspects of the fiscal situation at the fair still to be examined by the team of auditors from the office of City Controller Abraham D. Beame, now looking into the fair's books by authority of a court order.

The feeling of the auditing team is that the surface has barely been scratched in its investigation, and Mr. Beame said yesterday, "There is a great deal yet to be done."

Among the areas of investigation to be pursued is a payment of \$1,607,445 to the Port of New York Authority, acting as a rental and operating agent in the fair's Transportation Area.

The Port Authority's operation of the Transportation Area is unusual in that, as an outside agency, it has a contract to plan and to run a portion of the fair for the Fair Corporation. Mr. Beame said that salaries at the fair from Aug. 18, 1959, through the end of 1964 were going to be "thoroughly investigated." These salaries, not including any employees of the concerns under contract to the fair, amounted to \$8,527,646.

Travel and Fees Studied

Travel and subsistence allowances for these employees through 1964 reached \$1,027,772.

Mr. Beame said that the fair's counsel, Whitman, Ransom & Coulson, received legal fees in this period amounting to \$1,327,526 and that legal fees paid to other firms amounted to \$529,270. These fees will be investigated.

Public relations expenses totaled \$2,949,178. The principal amounts were paid to William J. Donoghue & Associates, whose fee was \$1,445,380, and the Thomas J. Deegan Company, whose fee was \$1,281,863. Mr. Deegan, president of the Deegan Company, is also chairman of the fair's executive committee, an unpaid position.

The largest single area of investigation involves construction costs of \$36.5 million dollars.

Austrian Pavilion Sold

An upstate ski resort has bought the Austrian Pavilion for what was described as the "bargain basement" price of \$3,000. It will be used as a ski lodge.

The glass-and-steel structure will be moved to a projected 2,100-acre recreation area near Jamestown, according to N. C. Barnes, president of the Cocksaine Company of Jamestown, the purchasers.

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