

2D YEAR OF FAIR \$1-MILLION IN RED

Decreased Costs and Rise in Admission Fee Cut Loss

By CHARLES GRUTZNER

The 1964-65 New York World's Fair, which lost \$20-million in its first fiscal year, increased its total deficit by about \$1-million in 1965, it was indicated yesterday.

The flood of red ink was slowed in large measure by reducing maintenance and security costs and by the added revenue from the increase in the admission price from \$2 to \$2.50.

These conclusions have emerged from figures made available to the Controller's office by the World's Fair Corporation, of which Robert Moses is president. A final report on the fair's finances is being prepared under the direction of John J. Carty, the first deputy controller.

Mismanagement Charged

An interim report, issued by former Controller Abraham D. Beame in 1965, covering the fair's operation through 1964, was sharply critical of alleged waste and mismanagement. It charged, among other things, overpayments to the Allied Maintenance Corporation and the Pinkerton National Detective Agency.

Mr. Carty, who also directed preparation of the interim report, declined to indicate what the final report would say about how well or how badly the fair was run during its second year.

"That will be up to Controller [Mario A.] Procaccino to evaluate after we have completed the audit," Mr. Carty said.

The deputy controller, who refused to discuss the contents of the audit, said he did not know when the final report would be issued. He said he was still waiting for audit figures on the close-out phase of the fair corporation's operations, which will continue, along with Mr. Moses' annual salary of \$100,000, until the end of this year.

The rounded figure on the 1965 deficit was obtained yesterday from a source close to the audit. The figure does not take into account the lawsuits pending against the fair corporation. Dozens of lawsuits and liens, ranging from a few hun-

dred dollars to a million-dollar claim for alleged breach of a rental contract, seek to recover a total of several million dollars.

The World's Fair Corporation which has no reserves set aside for lawsuit settlements of judgments, has refused repeatedly to comment on the litigation, beyond saying that most of it is "nuisance litigation" without merit.

The operational deficit represents only money lost by the World's Fair Corporation. It does not include huge losses sustained by some concessionaires and exhibitors, several of whom went bankrupt, while others dropped out after the first season.

Available figures indicate that the fair corporation's revenues were about \$64-million in each of the two years—a little higher in 1965 than in 1964. This means that the costs in 1965 were reduced greatly.

Of a balance of \$11.4-million at the end of the fair, the World's Fair Corporation used \$4,336,326 as a final payment in 1966 to the bondholders who had originally subscribed \$29,879,000. The fair corporation had repaid \$7,457,250 to the bondholders in 1964. The net result was that the bondholders got back about 40 cents on the dollar.

The \$7-million left after the 1966 payment to the bondholders was used for conversion of the fair grounds into Flushing Meadow Park.