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THURSDAY

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READERS RESPOND

City: Hundreds of jobs hinge on casino

By DAWN RUTH
Staff writer

Between 900 and 1,100 city workers will lose their jobs this summer if the state doesn't award a casino contract to developer Christopher Hemmeter and the state Supreme Court delays ruling on the legality of casino gambling, city officials said.

The City Council's Budget Committee refused Wednesday to allow Mayor Sidney Barthelemy to use projected gambling money to erase a mid-year budget deficit, touching off a confrontation between the administration and the council over the timing of the layoffs.

Councilmen Jim Singleton and Joe Giarrusso asked Chief Administrative Officer Leonard Simmons to immediately begin the 30-day planning process for Aug. 1 layoffs.

But Simmons said he wants to delay the process until at least July 15, the day the state gambling commission is expected to decide if Hemmeter will get the casino contract.

If Hemmeter is awarded the contract, the city will have a clearer picture of the likelihood of getting a \$15 million payment from Hemmeter by the end of the year, he said.

Simmons said he wants to be sure the

layoffs are necessary before the Civil Service Commission identifies employees who will receive layoff notices.

"I won't play with the emotions of city employees," he said.

"Don't play games with this," Singleton said, pounding the table in anger. "You are going to get burned. I say we are broke."

If Simmons' stalling tactic fails, Singleton said, it could cost 200 more employees their jobs. Because it takes 30 days to implement a layoff plan, he said, it would be Sept. 1 before the layoffs could begin. That would mean that the city's work force of about 6,000 would have to be cut by at least 1,100 employees, or one-sixth,

to balance the budget.

Singleton reminded Simmons that the Supreme Court also must decide that the state's casino gambling law is legal before the \$15 million payment would be secure. The court heard arguments in the case Monday, but it is unknown when a decision will be made.

Simmons said the council does not have the authority to decide when a layoff will occur. On his way to the mayor's office after meeting with the committee, he said he would discuss the situation with Barthelemy.

See CASINO, A-8

GOP plan falls flat in Senate

Demos find daylight

By JIM LUTHER
AP tax writer

WASHINGTON — The Senate rejected a Republican alternative to President Clinton's deficit reduction plan Wednesday after Democrats ridiculed the no-new-taxes measure as a scheme to shield the rich from paying their share.

A 55-43 vote that doomed the GOP proposal apparently cleared the way for passage today of a Democratic package of tax increases and spending cuts designed to reduce the federal deficit by \$516 billion.

In opposing the Republican measure, 54 Democrats were joined by Sen. James Jeffords, R-Vt., while Sen. Richard Shelby, D-Ala., and 42 GOP senators voted in favor of the proposal.

The Republicans' intent was clear, said Majority Leader George Mitchell, D-Maine: "Protect those whose incomes exceed \$200,000, exempt them from the burden of deficit reduction ... shift the burden onto — who else? — the middle class."

Clinton used similar language at the White House, calling the GOP plan "nothing but a shield to keep the wealthiest Americans from paying their fair share."

Republicans said their proposal was a clear response to

voter demand for a plan that would "cut spending first."

"This is a small-business approach: No taxes, no user fees, no new spending programs — a spending cut," said Minority Leader Bob Dole, R-Kan. "So let's give taxpayers a chance."

The Republican amendment was designed to cut the deficit by about \$367 billion over five years — \$20 billion more than Republicans give Democrats credit for proposing. Democrats said it lacked specifics — simply decreeing, for example, that Medicare spending would be subject to severe restraints without saying how.

It would have limited spending for Medicare, pensions and similar mandatory spending to a level \$50 billion below the Democratic version, starting in 1996. Social Security would have been exempt. It would have frozen discretionary non-military spending, which covers a range of programs from schools to highways, at current levels for five years.

Those cuts would be so severe, argued Sen. James Sasser, D-Tenn., manager of the Democratic bill, that "weeds would be growing in the streets of the cities ... and it's dangerous enough now."

See GOP, A-8

Propane industry caught in tax trap

By JIM DRINKARD
Associated Press writer

WASHINGTON — For Jim Ferrell, an energy executive in Liberty, Mo., the writing of the Senate's energy tax has provided a harsh and costly education.

His propane business — a tiny segment of the nation's energy marketplace — for decades has largely ignored Washington, and is paying the price.

"We've been good citizens, going along minding our own business," Ferrell said. "That, absolutely, is the dumbest thing anybody in America can ever do. Because if you're not in there lobbying, you're going to get your pants taken off."

He's not so mad about the new tax on his product in the deficit-reduction plan the Senate took up Wednesday as he is about the more favorable tax treatment won by his competitors, who have large Washington lobbies.

Propane is little known outside rural America, where bottles of the gas have long been delivered to farmhouses for heating and

cooking. That market is slowly shrinking as natural gas pipelines extend into the countryside.

"The only future this industry's got is in motor fuels," Ferrell said.

But that future would be complicated by the Senate's new tax plan. It would impose a 4.3-cent tax on most motor fuels, including propane.

As a motor fuel, propane already is taxed more heavily than its competitors and even more heavily than gasoline. The current federal gas tax is 14.1 cents a gallon; the propane to power a vehicle the same distance is taxed at 18.9 cents.

Despite that disadvantage, more than 300,000 propane-fueled vehicles are on the road in the United States, more than use any other alternate fuel.

After propane, methanol is nearest to general use as an alternate motor fuel; the technology for other alternates — natural gas, ethanol and electricity — lags behind, according to the

See PROPANE, A-8



New Orleans firefighters inspect the charred remains of The Upstairs lounge after a fire raged through the building on June 24, 1973, killing 32 people.
STAFF FILE PHOTO BY G.E. ARNOLD

Fire of '73: Tragedy united gays

By SUSAN FINCH
Staff writer

On a muggy Sunday night 20 years ago today, the most lethal New Orleans fire in nearly two centuries roared through a little-known barroom at the edge of the French Quarter.

The inferno lasted only 16 minutes inside The Upstairs, a second-floor gay bar at the corner of Chartres and Iberville streets. The toll: 32 lives — 29 immediately, and three more within days. All but one were men.

A month later, fire officials declared the blaze an act of arson. Police focused on a sus-

"The fire started people thinking... if they didn't ... demand ... respect, they weren't going to get it..."

JIM WILTBERGER,
gay caucus cofounder

pect who later committed suicide, never having been charged.

For days afterward, New Orleansians were shocked by the fire. Fire inspectors briefly

"I believe the fire was the catalyst for the anger to bring us all to the table."

CHARLENE SCHNEIDER,
lesbian activist

swarmed through other French Quarter bars, looking for safety violations, although none had played a role in The Upstairs tragedy.

But for many others, what

happened that night at The Upstairs — a place one police official called a hangout for homosexuals and thieves — had a lasting effect.

It forced New Orleans' gay and lesbian community, then largely closeted, to cope publicly with its grief. The trauma also set that community on the course it follows today — one that begins with public acknowledgment of its identity, and progresses toward legal and social action to end discrimination against gays.

The Upstairs was more than a bar, patrons of the time recall.

It was a gathering place for

See FIRE, A-8

Move not expected to affect parents

By CHRIS ADAMS
Staff writer

It may be a pain for some of its workers, but Orleans Parish School Board administrators expect the move to a new West Bank office to be virtually unnoticed by parents of city school children.

Although some people had expressed concern that the move to the Timbers Office Park at 3510 Gend de Gaulle Drive in Algiers

would be a hassle for parents, School Board Facilities Director Ken Ducote said most of the system's contact with parents will still take place on the east bank of the Mississippi River.

The board within the next year will be moving 400 employees to the office plaza, which Northwest Mutual Life Insurance Co. donated to the School Board. Some workers — including the superintendent — will stay on the east bank, but the move will allow the

board to shut down administrative operations in four east bank buildings. Those buildings will either be sold or converted into schools.

The expected move has met with resistance from some parents and school system employees, said Kwana Abdul-Khaliq, a member of the advocacy group Excellence in Education and a member of a School Board committee that explored whether to move operations to the West

Bank. "Most of the parents — and the personnel — don't like it," Abdul-Khaliq said. "Most people just don't like to cross the river. I don't like to, I'll tell you."

"It's just not a convenient place," said School Board member Gail Glapion. "It was done in the name of efficiency."

Ducote said the move will be structured so as much parental

See MOVE, A-8

CONTINUED . . .

GOP

From Page 1

Sasser hailed the Democratic version as the largest deficit-cutting plan ever proposed by a president. He called it a turning point for the nation that, if followed by overhaul of the health-care system, would bring "a federal government that is fiscally responsible and fiscally solid" by the end of the decade.

But Sen. Pete Domenici, R-N.M., accused Democrats of producing an "Alice in Wonderland" plan that would drain the economy of money needed for job creation without controlling mandatory spending programs that threaten to bankrupt the country.

The Democratic bill, which follows Clinton's principles but varies in some details, would raise taxes by \$249 billion during the next five years with 87 percent of the increase falling on taxpayers earning more than \$100,000. The only impact on most middle- and low-income families would come from a 4.3-cents-a-gallon increase in the tax on motor fuels, although some retirees would pay more tax on their Social Security benefits.

Without any deficit-reduction plan, the government's red ink is estimated to rise to \$296 billion in 1994 and to \$361 billion in 1998. Democrats say the Senate bill would cut those figures to \$240 billion and \$204 billion, respectively.

Despite differences over which energy taxes to increase and how deeply to cut Medicare, Clinton and Democrats in Congress agreed on one major point: The deficit plan should reverse tax policies of the Reagan-Bush years, which they view as too generous to the rich.

"Let's get over this argument that during the Reagan-Bush years somehow the rich escaped and the poor were raped," Packwood said. "That is simply not true."

The Republican strategy for attacking the bill was clear, Sasser said. "To protect the wealthy . . . they've got to persuade the other 94 percent of the people that they are threatened by this bill . . . try to get them outraged so they can protect the 6 percent, the wealthiest who do have to pay increased taxes."

Propane

From Page 1

Congressional Research Service.

The Senate bill would exempt natural gas and electricity from the transportation fuel tax; ethanol would be hit but already has quite a few federal and state subsidies. Methanol also would be taxed anew, but like gasoline it now is taxed less than propane.

Congress has encouraged development of cleaner alternatives to gasoline and diesel fuel.

Lobbyists for alternative fuels worked together to get the government's blessing for development, but broke up in a struggle for competitive advantage when the question of taxes arose.

"They're all trying to grab market share," said Linda Bluestein, an Energy Department consultant in alternative fuels.

The struggle illustrates a fact of Washington life: Most lobbying battles are fought not over grand concepts but at the margins of legislation, where a few little-noticed words can mean millions of dollars to a narrow interest.

In campaign contributions, the natural gas industry, which escaped the new tax, surpassed its competitors with \$5.1 million in giving over the past six years.

Ethanol, dominated by the giant Archer-Daniels-Midland Co., gave just over \$2 million during the same period. Propane industry giving totaled just \$95,350, according to the National Library on Money and Politics.

Farrell organized his effort to lobby on propane as a transportation fuel only about three months ago. Its budget, he says, is a little more than \$125,000, and he has just one full-time lobbyist, Brian Dettler.

"This industry has not been well organized politically," Dettler said. "Success for us is . . . defensive" lobbying.

Natural gas has a national association in Washington's Virginia suburbs with a 180-member staff, a multimillion-dollar budget and at least a dozen lobbyists. It also has a spinoff, the Natural Gas Vehicle Coalition, that specializes in promotion of natural gas as a motor fuel and in turn retains as many as half a dozen lobbying and public relations firms to help. Not coincidentally, compressed natural gas is exempt from motor fuel taxes.



Fire officials said the cause of the deadly Upstairs blaze, which lasted only 16 minutes, was arson. STAFF FILE PHOTO BY G.E. ARNOLD

Fire: Tragedy united gays

From Page 1

many regulars linked by outside ties, among them membership in the local gay congregation, the Metropolitan Community Church.

It was a couples' bar, the kind of place where a man would put together his companion's birthday bicycle right there on the barroom floor, a place where customers would bring their own records to put on the juke box, said 9th Ward resident Johnny Townsend, who has researched the fire and written an unpublished book about it.

"It was like a 19th century literary salon; you ran into all these intelligent people — dancers and actors and poets and intellectuals," New Orleans artist Suzanne Joslyn said. "Whenever I was casting for a play, I'd do half my casting right down there."

The harbinger of doom that night was the non-stop ringing of a buzzer at The Upstairs' gate at 604 Iberville, where a narrow, street-level stairwell led to the second-floor door. It was almost an hour after the ritual 5-7 p.m. beer bust had ended, and Townsend's research indicates bartender Buddy Rasmussen asked someone to see who was at the gate.

The customer who opened the door was hit by a wall of fire that had been building in the stairwell and exploded into the bar.

"It was like someone brought in a suitcase with dynamite," a shaken survivor said later.

Some, the slimmest, jumped to safety by breaking windows on the Chartres Street side of the lounge, wriggling through burglar bars and leaping to the street below. But 17 more who rushed toward the windows died there, their bodies fused together in a macabre heap against the wall.

Twenty others were luckier. They were led out a rear fire exit to safety by Rasmussen, an Air Force veteran with firefighting experience.

Out of sight, out of mind

New Orleans' gay and lesbian populace in 1973 still lived largely underground, gathering mostly in bars that catered to them.

But grief over The Upstairs tragedy made many previously closeted New Orleans homosexuals "out" themselves.

What fueled the will to go public was rage over what gay men and lesbians felt was callous treatment of them and their dead.

There was, for one thing, the "thieves and homosexuals" remark, which quickly became notorious. Moreover, many sensed a good deal less sympathy for the 32 Upstairs victims than for five people killed seven months earlier in the devastating skyscraper fire at the Rault Center.

Some recall that the Catholic Church refused to allow memorial services in St. Louis Cathedral because the victims were homosexuals, and the story of that rejection still circulates.

But retired Archbishop Philip

Hannan vigorously denied that he ordered the cathedral closed to any of the victims, adding that he always instructed his pastors — particularly those at the French Quarter cathedral — to extend the church's hospitality to all gay men and women. He acknowledged that the cathedral might have been wrongly denied to mourners by some subordinate "who thought he knew my mind."

St. George's Episcopal Church's minister at the time, the Rev. Bill Richardson, allowed a memorial service there the day after the fire. But he got into hot water with members of his flock for doing so, he told a recent gay conference here.

A week after the fire, with Richardson out of town, St. George's became unavailable and other denominations also declined to hold services for The Upstairs dead. The Methodist Church made St. Mark's Church on Rampart Street available.

"I'll never forget, my girlfriend didn't want me to go because there were going to be cameras there," activist and bar owner Charlene Schneider said. "I had on a beige mini-dress and an orange, big, round hat, really to hide my face."

But something happened to Schneider and the 300 or so other mourners when the Rev. Troy Perry, national Methodist Community Church founder, announced they could slip out the back door to avoid the cameras.

"Most people went through the front door of the church, and you knew that day that things would never be the same," Schneider said.

Police pursue arson case

As the grieving continued — some of it moving to quiet services in the bars that were the centers of gay social life — police and fire officials continued their investigation.

They suspected arson from the beginning. At the foot of the charred stairway leading into the bar investigators found a lighter fluid can.

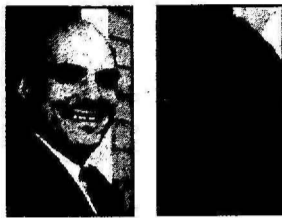
Fire marshal's records show they focused on two young men thrown out of the bar in separate incidents the night of the fire.

One, an 18-year-old, at first confessed, then recanted. Police dropped him after he passed a lie detector test.

Suspicion settled on a second man, Roger Dale Nunez, thrown out of the bar after he got into an argument with an Upstairs regular, Michael Scarborough, who punched him in the jaw.

From his hospital bed after the fire, Scarborough said the man he punched looked up at him and said, "I'm gonna burn you all out." He picked out a photo of Nunez as the man he'd hit.

Nunez, then 26, was questioned and repeatedly denied setting the fire or knowing who did. But more than a year after The Upstairs tragedy, in mid-November 1974, Nunez committed suicide at his eastern New Orleans home, records show.



Wiltberger Schneider

Five days later, a friend he'd met earlier in the year told investigators that four times, when he was drunk, Nunez told him he'd set The Upstairs fire, and on one occasion, said he used lighter fluid bought from a drugstore. But questioned about this when he was sober, the friend said, Nunez would say, "You must be kidding, me do that?"

The state fire marshal's office kept The Upstairs investigation open until 1980, spokesman Glenn Fontenot said. "After the suspect committed suicide, they felt like they'd run out of active criminal leads in reference to it," he said.

Lives transformed

Today what was once The Upstairs is an office for a New Orleans time-share hotel.

But what happened there has helped transform the city's gay and lesbian residents.

Within weeks of the fire, a Gay People's Coalition had formed offering counseling, a health and VD clinic and a "gay switchboard" number.

"I believe the fire was the catalyst for the anger to bring us all to the table," Schneider said.

That anger, she believes, created a turnout of 1,500 gay men and lesbians four years later to protest the New Orleans appearance of singer Anita Bryant, who had helped overturn a Florida homosexual rights law. It was the largest gay rights demonstration in the city's history.

Two years later, New Orleans joined other major cities in staging its first gay pride celebration, and gays formed the Louisiana Lesbian and Gay Political Action Caucus to push for candidates who favor gay and lesbian civil rights. The will to form the new group, co-founder Jim Wiltberger said, had its roots in The Upstairs incident.

"The fire started people thinking in terms of, if they didn't stand up and demand to be recognized, demand to be treated with respect, they weren't going to get it without getting in that political process," he said.

In 1991, New Orleans' gay and lesbian residents finally won what they'd tried for, and failed to get, in years past from the City Council: an ordinance forbidding discrimination in housing, jobs and public accommodations based on sexual orientation.

In a 1989 bid to the council on the need for the law, the mayor's advisory committee on lesbian and gay issues issued a long, detailed report detailing victimization of lesbians and gay men in New Orleans.

It was dedicated to the 32 people who died in The Upstairs fire.

Algiers hopes to see boost in business

By JOHN C. HILL
West Bank bureau

Algiers business people and civic boosters were buoyant Wednesday about a decision by the Orleans Parish School Board to move most of its administrative offices, including 400 employees, to Gen. de Gaulle Drive.

"It's a great move for Algiers," said Ivan Miestchovich, a University of New Orleans economics professor who has been studying the Gen. de Gaulle corridor.

Algiers needed the shot in the arm. Its economy is still reeling from the oil bust of the 1980s and the departure of some sizable businesses.

Last year, Conoco Inc. decided to move out of the building at 3510 Gen. de Gaulle that the School Board will occupy. Conoco, citing concerns about crime, transferred its 220 employees to Lafayette. The previous tenant, Entergy Corp., had also relocated.

The owner of Timbers Office Park, Northwest Mutual Life Insurance Co., decided several months after the Conoco move to donate the buildings to the School Board, which voted Tuesday to centralize administrative offices there.

"We felt the loss when the people in that building moved out," said Vivian Spraul, owner of Creole Deli & Catering at 4100 Gen. de Gaulle, which sells po-boys and plate lunches. Spraul estimated that business dropped at

least 10 percent when Conoco moved.

As of the end of last year, the average retail occupancy rate in five Algiers shopping centers was only 59 percent, compared with 85 percent for Orleans Parish as a whole, Miestchovich said.

Having the School Board employees there during the day, will make up some of that buying power.

"They have to eat lunch," said Stephen Dickey, chairman of an Algiers Economic Development Foundation committee, which has retained Miestchovich to study the Algiers economy. The Foundation heavily lobbied the School Board to make the move.

"People do banking business. They get their clothes cleaned. There are gift stores up and down the corridor."

Spraul expects to let the School Board workers know about Creole Deli when they walk in the front door of their new office. "I'm going to go over with menus and samples," she said. "I'll definitely court them."

Le Unique Hair Styling Unisex Hair Salon at 2901 Gen. de Gaulle, which offers massages, a tanning booth and facials in addition to hair styling, also expects an upsurge. "A lot of stressed out people come here," said spokeswoman Regina Gee, "and I imagine working for the School Board is about as stressed out as you can get."

But the real payoff may come if School Board employees start moving to Algiers.

Move

From Page 1

activity as possible stays on the east bank.

Although final plans haven't been made, Ducote said the superintendent's office, the student hearing office and School Board offices will remain at the board's current Gentry headquarters, 4100 Touro St. School Board meetings still will be held on Touro Street.

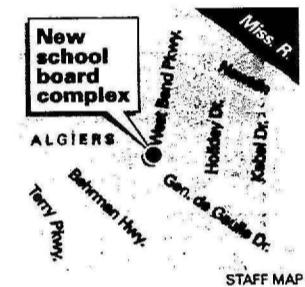
Other departments will move to Touro Street. For example, the district superintendent offices now are in an old school in Lakeview. The District 2 and 3 offices will move to Touro Street, and the District 1 office — which has authority over West Bank schools — will move across the river.

Departments that don't have much contact with parents — such as the business and finance office, and the staff development office — will move to the West Bank.

"Suppose you have one post office for first class letters, and another one for air mail letters," Ducote said. "It wouldn't make any sense, but that's how we've been operating this school system for years."

"This is going to allow departments to be more efficient," he said. "The special education people will be in the same office as the social workers."

Ducote said travel time for many parents driving to the West Bank will be the about the same as driving to the Gentry office.



STAFF MAP

Getting there on public transportation will be harder, he said, but the School Board is considering starting a bus shuttle between the two offices.

The move was made to save money, he said. The cost of operating the seven buildings the board now has won't be all that different from running four buildings after the move is complete, Ducote said.

But by moving some administrators out of their present east bank offices, the board won't be forced to build as many new schools. The Lakeview facility, now used as an administrative center, could be used as a school, he said.

Ducote said the plan could save the board \$8.3 million over 10 years.

For that reason, Leslie Rey of The Parent Network said the board "shouldn't look a gift horse in the mouth."

"If you get an opportunity like this you should run with it," he said. "You're never going to please everybody. I know not everybody supports this, but I know parents who would drive to the School Board office if it was in Timbuktu."

Crossing the river
In moving to a new office building complex on the West Bank, the Orleans Parish School Board will shift many of its employees across the river or to different east bank facilities.

Facility	Employees moving to West Bank	Employees remaining
4100 Touro St. (Gentry)	185	65
Lakeview Annex	80	0
McDonogh 16 Annex (7th Ward)	35	30
Priestly Annex (Uptown)	32	0
Bauer/Moss Building (CBD)	50	0
4300 Almonaster Blvd. (7th Ward)	11	795
Seabrook Annex (Gentry)	7	0

Source: Orleans Parish School Board Facility Planning Department

Casino: Jobs hinge on OK

From Page 1

Simmons asked the council to allow him to add \$5 million of the second installment of gambling money to the budget to cover additional end-of-the-year costs. Of the additional revenue \$2.4 million would go to the police department, including \$1.1 million for overtime pay, and the remainder for general operation and personnel costs. The city eliminated nearly all overtime for police re-

cently in a recent cost-cutting move.

But Singleton said he polled the council and couldn't find four votes to support spending uncollected revenue.

The 1993 budget adopted last December included an initial \$15 million payment from Hemmeter, even though it was not collected until late April.

Singleton provided the fourth vote needed to approve that budget, but he said he doesn't sup-

port counting on the second \$15 million because its reliability is less certain.

Giarrusso and Councilwomen Peggy Wilson and Jackie Clarkson voted against including the first \$15 million in the budget.

Hemmeter made the initial \$15 million payment two weeks after the council approved leasing the Rivergate site to him to build the world's largest casino.

He will owe another \$15 million in late August unless he has not been granted a state casino contract or a lawsuit challenging

the casino law has not been resolved.

If either of those conditions exists in late August, Hemmeter's lease includes a provision that automatically suspends the payment date for one to three years.

Barthelemy has predicted that by midsummer, both issues will be resolved in favor of the casino and Hemmeter.

Simmons said the only other alternative to counting on gambling money or laying off employees is to raise the city's municipal service charge on water bills from

\$10 to \$18.

But Singleton said the council is opposed to increasing the charge.

Officials said at least 900 employees will have to be laid off to free up \$5 million because the lowest-paid employees are most affected by a layoff.

Department heads will identify which jobs will be eliminated after Simmons issues the layoff order. The Civil Service Commission will determine who will lose their jobs based on a formula of job performance and seniority.