

Connecticut Budget Deficit Brings a Threat of Layoffs

By The New York Times

HARTFORD, Nov. 12 — One day before the State Legislature was to begin a special session to address a \$300 million budget deficit, Republican Gov. John G. Rowland today threatened to lay off state employees if the Democratic leadership failed to resolve the budget gap.

Mr. Rowland would not say how many people could lose their jobs. But he said the cuts could begin after the session, which is expected to start Tuesday and end Friday.

"If the Legislature does not take action in this special session, if the Legislature fails to have any leadership in reducing this budget and fails to understand the sense of urgency, you are probably going to see layoffs after Friday," Mr. Rowland said during a news conference in his office. "That would be the only way you could save the money."

The statement provoked a sharp rebuke from the Democratic leadership. Kevin B. Sullivan, a West Hartford Democrat and the Senate president pro tempore, accused Mr. Rowland of using scare tactics. Layoffs are not necessary and would be un-

wise, he said.

"That would be a severe mistake in a bad economy," Mr. Sullivan said.

The governor has said that the gap in the state's \$13 billion budget is a result of lower tax revenue following the Sept. 11 terrorist attacks and an economic downturn nationwide.

Initially, Democratic legislative leaders said the special session was unnecessary. Budget deficiencies caused by overspending are typically discussed by legislators in the spring, said George C. Jepsen, Democrat of Stamford and the majority leader of the State Senate.

But by late October legislators agreed that the revenue shortage and budget problems that were evident before the terror attacks, had worsened and a special session was arranged.

Both sides agreed that they wanted to hold the session before the holidays and wrap it up in a week, Mr. Rowland said. So he questioned why the Democrats had urged legislators not to attend the first day of the session. "What kind of message is that?" Mr. Rowland asked. "That's a total lack of leadership."

But Mr. Sullivan said there was no point for many legislators in attending the first day. Republicans and Democrats are still working with the Office of Policy and Management to develop a bipartisan plan to address the deficit.

He said it was unlikely that a vote would be taken on any proposals until Thursday or Friday.

"It's a little like saying that everybody ought to show up for the movie

Taking Time to Recognize a New Age of Heroes

PUBLIC LIVES

By ROBIN FINN

HEROES are her business. But first she arranges a straw in her visitor's diet soda can with the deft manners of a hostess who has not only studied her Amy Vanderbilt but has updated the social niceties with an eye to our post-Sept. 11 preoccupation with bioterrorism's lurking residue.

"God only knows what's on cans these days," drawls Rachel Oestreicher Bernheim, her Southern accent faint but indelible, as she gives an instant tour of the windowless office where the Raoul Wallenberg Committee of the United States ekes out its message and maintains its entire archive in five stacks of battered filing cabinets. Somehow she, the archive, four staff members and a bronze bust of Mr. Wallenberg, the vanished Swedish diplomat credited with saving more than 30,000 Hungarian Jews from Nazi death camps during World War II, manage to coexist here at 575 Lexington Avenue in a small, stuffy, much-appreciated space donated by Bear Stearns.

Ms. Bernheim was brought up Jewish in Salisbury, N.C., but was completely ignorant of the horrors of the Holocaust until she headed north for college at Sarah Lawrence. She joined the committee in 1981 after stints as a technical research writer and nursery school teacher. She is now its chairwoman.

"This has been my life for the last 20 years, which I guess is pretty ironic since I'm the least likely person in the whole world to have done this. But when I heard about Raoul Wallenberg, it was like a thunderclap went off in my brain," she says. "It was the positive part of it that pulled me in. Who knew that one person could make such a difference, could save so many people?"

The committee honors human rights advocates like Mr. Wallenberg. It has also put \$100,000 into efforts to discover his fate since his arrest by the Soviets in Budapest in 1945 and subsequent imprisonment at Lubyanka (Ms. Bernheim re-



Shannon Stapleton for The New York Times

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RACHEL OESTREICHER BERNHEIM

American schoolchildren to 22 nonviolent role models as diverse as Arthur Ashe, Anwar Sadat and Mother Teresa, was devised a decade ago when Ms. Bernheim determined Mr. Wallenberg's legacy might best be served by creating a living monument to his principles.

Now there are new heroes worth emulating.

"IT'S what we were doing anyway; it's just that we were the only ones who seemed to see the need," she says, perching her reading glasses midway down her nose and waving a sheaf of research notes culled from recent conversations with police officers and firefighters who pitched in and made a difference at the site she calls "Ground Hero."

"We live in a very scary society that's getting more frightening all the time, and our children are growing up in a world they don't always know how to cope with, especially since 9/11. If the only role models they have are heroes through fame, wealth, or celebrity, they aren't going to be able to inculcate within themselves the values and the sort of role models to give them the inner strength they need now," she warns.

So when will this heroic addition be ready for the classrooms? Ms. Bernheim mentions a target date of summer 2002. "We're very careful with our heroes," she says. "It took us four years to develop the initial program because we wanted to make absolutely sure we got everything right. And some of those heroes had been dead for 200 years. This situation is a little more delicate."

Her back is sore from sitting and stuffing invitations into envelopes all morning — the committee will bestow its Civic Courage Award on New York City on Dec. 4, and she's hoping Mayor Rudolph W. Giuliani turns up to accept it. But her parting handshake is so hearty that her ruby pinkie ring leaves an impression on one's hand. Sincerity can be painful. And Ms. Bernheim, who found her life's work when she flipped on her



The Metro Section

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TUESDAY, NOVEMBER 13, 2001

The New York Times

JOHN TIERNEY

The Big City

Able to Adapt To What Fate Throws at Us

"I could have been far worse," Mayor Rudolph W. Giuliani said yesterday. In another time and place, that would have seemed an odd way to describe the plunge of a jetliner into a residential neighborhood.

But yesterday, that was how a lot of New Yorkers responded to the latest rain of fire. After the first horrified reaction — "Not again!" — people were guiltily whispering, "Well, it looks as if it was only an accident."

"Only" is not an adjective that was applied before Sept. 11 to plane crashes. No one yesterday wanted to minimize the tragedy; everyone knew of the agony of the victims' families and friends. Yet there was still relief at the first suggestions that it might not necessarily be an act of terrorism, and that there was "only" one plane. The city was accustomed to worse news.

Outside New York, the new images of the city's smoke-filled sky probably reinforced many Americans' determination that this

By EDWARD WYATT

The city and the state are giving money away to small businesses — but almost no one is taking it.

Some business owners cannot take it, others refuse to do so, and some may have yet to hear about it. But whatever the reason, city and state officials who work closely with New York City's small businesses say they are growing worried that too few business owners are asking for the grants and other kinds of aid that could help them recover from the Sept. 11 disaster.

Many owners of downtown businesses tell another story. They describe a confusing array of loans, grants and charity, with little or no coordination among the programs and agencies, piles of paperwork and differing conditions for eligibility. That confusion has left many business owners frustrated and, in essence, frozen in their tracks.

The failure to connect sources of aid to those in need is not only surprising. It is also ominous, because it bears the seeds of an economic disaster for people in small business that could ripple from ground zero across the city and state. Companies that employ fewer than 100 people account for two of every five jobs in the city and roughly half of all jobs statewide, so a downturn

among small businesses could easily cause wider economic pain.

Yet even though many small businesses in Lower Manhattan are suffering, from the effects of both the attack and the sharp economic slowdown, the agencies who work with them say they are struck by the relative lack of assistance being sought.

"I'm afraid a lot of people are holding back, not asking for help," said James L. King of the state's Small Business Development Center. "They don't know when business will return, so they've decided to wait. But to make no decision is to make a decision not to continue in business."

Asad Mahmood, a director in the community development group at Deutsche Bank, is even more blunt: "Too many downtown business owners are saying 'I don't want help; I just want the foot traffic back.' But it's not going to come back."

Some business owners say that they feel overwhelmed by the different kinds of available help, saying that there are too many local, state and federal aid programs, with little or no coordination between them.

"There's a lot of confusion and no centralized information," Meyer Feig, the owner of Intera Corporation, a three-employee com-

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Justin Lane for The New York Times

Okkoo Yeo, who owns a nail salon on Nassau Street in Lower Manhattan, spoke to Lennox Ruiz of the Empire State Development Corporation, a state agency.