NYC 9/11 Public Portal Document

THE NEW YORK OBSERVER, DECEMBER 10, 2001

# Cardinal Egan's Test

CONTINUED FROM PAGE 1

Cardinal, did not return calls for comment.

The archdiocese has been preparing for a showdown with its teachers' unions for several weeks. On Nov. 29, the archdiocese sent out a fax to its school principals, directing them to keep their schools open in the event of a strike in order to maintain negotiating leverage with the union. "If schools cannot function during a strike, our ability to negotiate a settlement you can live with and in terms of work rules is extremely limited," the fax read. "Teachers cannot [have their salaries withheld] if they go on strike and you close the school."

In some ways, the situation of the Catholic schoolteachers mirrors that of their public-school counterparts, who are also agitating for a raise. The chief executive (Rudolph Giuliani or Cardinal Egan) comes into office bent on reining in the fiscal excesses of his liberal predecessor (David Dinkins or Cardinal John O'Connor), resulting in much saber-rattling and ill will between union and management. But there are several key differences. For one, Catholic schoolteachers are paid far less than their public-school counterparts—the maximum salary for public elementary schoolteachers in New York is $70,000, as opposed to $37,010 for Catholic schoolteachers. For another, the city's finances are public, but the archdiocese's finances are not. (The archdiocese has said that its annual operating deficit is $20 million.) And for all the stylistic contrasts between Mr. Giuliani and Mr. Dinkins in dealing with the city's unions, the difference could not be more extreme between Cardinal Egan and his predecessor, Cardinal O'Connor, who was known to act more like a union boss than a C.E.O. when dealing with his employees.

Of course, the single biggest flaw in any comparison between the archdiocese and any governmental or business organization is that the church's mission is not dictated—at least not in theory—by bottom-line economics. The city's Catholic schools—founded in the mid–19th century by the legendary Bishop John Hughes—have a special place in the hearts of the 2.4 million Catholics in the archdiocese. Many of them have become beloved neighborhood institutions, and now offer a refuge to low-income non-Catholics who attend parish schools in old Catholic neighborhoods. These schools often are the archdiocese's biggest money-losers, and they're often among the first to get hit when subsidies from the archdiocese are reduced.

Cardinal Egan, then, finds himself in a classic no-win situation. If he continues the status quo, the archdiocese will continue to bleed red ink, threatening its very existence. If he continues to close schools, he'll be criticized by those who believe the church's mission ought to supersede the bottom line.

Even as they concede that keeping schools afloat has been a costly affair, the Catholic schoolteachers continue to offer an argument that is more moralistic than economic. It's not easy for even the most skilled negotiator to produce a snappy reply, for example, to Ms. MacDonald's assertion that "we really have a cardinal who does not care."

"We know what Cardinal Egan says about the bottom line, but what about the people who have given their life blood to make the system what it is?" Ms. MacDonald said. "If they close these and drive teachers away, they might as well close the Catholic Church—they're destroying it from within. People said that Cardinal O'Connor gave away the store, and he may have, but he saved a tremendous number of souls. Cardinal Egan is losing souls."

## A Fine Balance

But there are also many people of faith within the archdiocese who feel that Cardinal Egan is making necessary sacrifices, and who defend his cost-saving measures as necessary in the wake of his predecessor's unwillingness to find a balance between soul-saving and book-keeping. "I'm not sure many people realize how serious the financial problems are that Cardinal Egan has faced," said a former pastor. "His predecessor did not have much restraint in spending money, which caused a massive deficit. The cardinal has gone after it heavily, and of course the people directly affected are unhappy, but it's a job he's got to do."

The points of contention in this case are still fairly serious. And as of press time, the two sides were not talking to each other.

While the cardinal's stand very likely will bolster his reputation for fiscal responsibility, there is also a risk that he will be see within the church as anti-labor, a charge to which the cardinal has been sensitive in the past. In August 2000, three months after Cardinal O'Connor's death, *New York Times* labor reporter Steven Greenhouse reported on Cardinal Egan's cool relations with labor during his time as bishop of Bridgeport, Conn. The article cited as one example a contract dispute at a Catholic hospital in Bridgeport "when Bishop Egan was on the board."

He wasn't.

Cardinal Egan was sufficiently incensed to call attention to the error at that year's Labor Day mass at St. Patrick's Cathedral, as aides handed out a packet of papers that included a copy of the *Times* clip. An attached note read, "The Most Reverend Edward M. Egan has never served on the Board of Saint Vincent's Hospital in Bridgeport, or even on a committee or discussion group connected with the hospital. The Hospital has no unions." More than a year later, at an event last October organized by the New York City Central Labor Council, the cardinal again assailed Mr. Greenhouse in an address to the assembled union chiefs. "I would say he's sort of obsessed with this," said one labor leader who was at both events.

CITY_21MC100_011833753

NYC-WTC_000415532