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Carey denies pay dispute could have been settled earlier

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ALBANY — Gov. Carey denied yesterday that a pay dispute with state workers could have been settled two weeks ago even though officials knew then that money for the 14 per cent wage hike agreed to Sunday would be available.

Carey, during a news conference here, said the 14 per cent offer was "built up...by negotiations" hastily organized last week in an effort to avert a statewide strike that had been set for 6 a.m. yesterday.

The 14 per cent two-year pay hike package, accepted by Civil Service Employee Association officials just 18 hours before about 145,000 state workers were scheduled to strike, will cost the state an estimated \$100 million this year and about \$120 million next year.

The state set aside \$61 million for a wage settlement in the fiscal 1977 budget adopted March 31 by the Legislature, and Carey said yesterday that most of the remaining \$40 million will come from reduced interest rates on the nearly \$4 billion recently borrowed by the state.

State officials announced about two weeks ago that they had been able to borrow money at about 4.5 per cent, several percentage points less than the state had to pay last year.

But Carey yesterday discounted suggestions that the 14 per cent pay hike could have been proposed earlier, when officials realized they would achieve substantial savings on the so-called "spring borrowing."

"It built up to what you're calling a 14 per cent offer by negotiations where management tries to protect and preserve its fiscal responsibility and labor seeks a fair settlement for those who had had no (increased) compensation...in two years," Carey said.

Under the wage settlement, which still has to be accepted by the CSEA's rank-and-file, workers will immediately receive the higher of 5 per cent of their current salaries or \$500, retroactive to April 1. A second increment of 4 per cent or \$400 will be paid Jan. 1, and a final installment of 5 per cent or \$500 will be payable next April.

Had the pay dispute not been settled over the weekend, the matter would have fallen to a special legislative impasse committee co-chaired by State Sen. John J. Marchi of Ward Hill.

Marchi, who is chairman of the Senate Finance Committee, said in a statement yesterday he is pleased the strike was averted but added he "cannot react to the specifics of the tentative agreement...until I have fully examined them."

"Pending a complete validation of the proposed agreement, I will continue to be available and will also have the Ad Hoc Committee members brought up to date on the developments of the weekend," Marchi said.

On another matter during Carey's 30-minute news conference, the governor again declined to come out in support of any one candidate in the city's upcoming Democratic mayoral primary.

Carey also sought to quell speculation that he is actively backing the candidacy of Secretary of State Mario M. Cuomo in an effort to prevent the reelection of Mayor Beame.

While describing Cuomo as "a very old friend" and as "a man of integrity, intellect and independence," Carey said he has "admiration and respect" for Beame and credited the mayor with overcoming "incredible difficulties" over the last three years.

The governor added that he is attempting to set up a private meeting with Beame to "discuss all matters that could be germane to our relationship," although he insisted he would not try to talk the mayor out of seeking a second term.

Earlier yesterday, Carey and Lt. Gov. Mary Anne Krupsak unveiled a package of seven bills designed to relax state regulation of the wine industry in an effort to encourage expansion.

The legislative package did not include one bill being supported by a number of lawmakers, under which supermarkets would be permitted to sell New York State wines. Wine can now be sold only at liquor stores.

Carey said the proposal "requires further study" but added: "I think there is merit in the bill and I'd like to work it out."