

New York City Is Getting Tougher On Companies Planning to Leave

By MICHAEL STERNE

The Mayor's Office of Economic Development is toughening its tactics against corporations seeking to leave the city and is trying to block Federal highway funds for road improvements that make remote suburban sites usable for office centers.

The effort comes as the Suburban Action Institute, a private group, is beginning a campaign to file suits against

companies that move to suburbs where blacks and other minorities cannot afford to follow them.

The legal campaign, whose first targets will be the Union Carbide Corporation and the Mobil Oil Corporation, will be announced tonight at Suburban Action's annual dinner in the Americana Hotel.

In the past, city officials have tried the soft policies of exhortation and persuasion to keep big companies from moving their headquarters out of New York. These efforts have rarely succeeded, however, and now a tougher policy is emerging, said Osborn Elliott, the Deputy Mayor for Economic Development.

Aides to Mr. Elliott have asked Burt Lance, director of the Federal Office of Management and Budget, to look into whether Government highway funds can properly be used to help companies leave

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New York City Gets Tougher on Companies' Moving

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city locations, and Mr. Lance has pledged to examine the issue.

The approach was made several weeks ago, but the issue has acquired new urgency now that President Carter has enunciated his energy policy, which relies heavily on conservation and more economic use of fuels. City locations are considered more energy efficient for large companies because their employees can get to work by public transportation rather than by private automobile.

The plans of Union Carbide to move its headquarters with 4,000 employees from 270 Park Avenue to a 500-acre site in Danbury, Conn., are contingent on the building of a \$14 million interchange on Interstate Route 84. Without the interchange, company officials have said, it would be impossible for that many employees to be moved onto and off the site each day.

Under tentative plans Connecticut has made to build the interchange, the Federal Government would pay 70 percent of the cost.

Road improvements are also needed to make accessible a 130-acre tract Mobil has contracted to buy in Falls Church, Va. The company, which now has its headquarters at 150 East 42d Street, plans to move 800 employees of its U.S. Division to the site. In addition, it is studying the advisability of moving the 2,700 other employees it now has at work in its headquarters.

The Suburban Action campaign will try to halt corporate migrations to suburban areas where housing that can be afforded

by low-income employees either does not exist or is in short supply.

Paul Davidoff, executive director of the group, said the suits would be brought under Title 7 of the Civil Rights Act of 1964, which bars discrimination in employment, or under an executive order requiring companies doing business with the Federal Government to be equal-opportunity employers.

In practice, this means that such companies must show that minorities are represented in their work force in roughly the same proportion they are represented in the local population, or that they are taking affirmative action to achieve such levels of minority representation.

Mr. Davidoff said a company could be found in violation of the law if it moved from New York, where blacks and Hispanic persons make up 36 percent of the population, to a place like Danbury, where the groups are only 7 percent of the population, or Falls Church, where they are only 4 percent.

"Such a move allows them to avoid the obligation to hire blacks and other minorities," he said.

The institute will use part of a \$50,000 grant from the Ford Foundation to support the suits of employees who want

to challenge their companies' plans to leave New York.

At its dinner tonight, the group will honor Mr. Elliott and Lewis Rudin, chairman of the Association for a Better New York, for their efforts to strengthen the city's economy. Mr. Elliott said that he was pleased to accept the award, but that he would neither endorse nor oppose the lawsuit campaign.

A spokesman for Union Carbide said the company did not have immediately available figures on how many blacks and Hispanic persons work in its headquarters. A Mobil Oil spokesman said the company would not make public such figures. He added, however, that one reason the company chose a Falls Church location was because it is part of the Washington metropolitan area, which has a racial makeup roughly similar to New York's.