

Business

The 'old' moped now catching on in America

By Paul Treuthardt
AP writer

PARIS (AP) — Mopeds, the curious Gallic hybrid of a bicycle with a baby motor, born in the austerity of the Marshall Plan era, have given independence to youth and mobility to workers in Europe since World War II.

By day, their buzz is familiar in European cities. In darkness, the sound drills through the countryside as kids ride home from a dance in the next village or farmers head out to the fields at dawn.

Now, Americans are discovering the virtues of the vehicle that sips only a gallon of gas every 100 miles or so and is easy not only on the pocketbook, but on the environment, the leg muscles and the nerves during rush-hour traffic jams.

But, says Jean Chasane, secretary-general of Motobecane, France's largest producer, "There's a lot more talk about mopeds than there are mopeds on the roads in the United States."

U.S. sales last year were only about 50,000, but Chasane is optimistic. "We expect total industry sales of 100,000 units there this year, that's in the 31 states which have passed laws favorable to the moped."

The Department of Transportation is optimistic, too. It forecasts three million mopeds on U.S. roadways by 1980.

Some 30 manufacturers are vying for the U.S. market. The biggest are Motobecane, which pioneered the moped in 1960 and expects to supply one fourth of those sold in America this year; St. Daimier Puch of Austria and Batavia of Holland. The lone U.S. manufacturer is Columbia in Westfield, Mass.

Basically, a moped is a strengthened bicycle powered by a motor about one-fifth the size of a cylinder of an old Volkswagen. It usually is chain driven.

A recent New York court decision says it is moped if it goes no faster than 17 miles per hour, a motorcycle if it goes faster. Europe is more lenient, allowing 25-30 m.p.h.

France has the most mopeds in use, some six million, followed by Italy's three million and Holland's two million.

The popularity of the moped stems from its economy and the lack of restrictions on the rider. Of moped laws passed in 31 states thus far, half require no vehicle registration. Many don't require a



Moped rider in Paris navigates with ease

AP Wirephoto photo

driver's license, and none requires crash helmets or liability insurance.

But as accident rates increase in Europe, crash helmets are expected to become compulsory soon in France and Germany. And already in the States there is sentiment to make the laws more stringent and uniform.

Sales rose markedly in Europe in 1973-74, but Chasane strongly opposes the idea that the oil crisis was responsible.

"We always say we believe the increase was because of interest in

the basic qualities of the vehicle itself.

"We were shown to be right when deliveries dropped back in 1975-76 at the height of the economic crisis, and also because laws making crash helmets compulsory started coming in."

In the United States, he says, it "is still too soon to say if mopeds have become fashionable. We need to see how sales develop. But President Carter's energy program might help."

An aide pointed out that relaxed laws for mopeds only began ap-

pearing in the last couple of years, after lobbying by the Motorized Bicycle Association, strongly supported by the French industry.

Across Europe, the youth market dominates moped sales — for transport as well as sport.

But in London, more and more while coter workers are seen weaving through dense rush hour traffic on mopeds.

In many European countries the legal speed limit for mopeds is 30 kilometers (about 20 miles) per hour. Mopeds are supposed to be built not to exceed that speed, but

its a ham fisted youngster who can't make minor adjustments to leave the speed limit behind.

In the Netherlands, where flat terrain lends itself to mopeds, the little bikes are second only to the car as the most popular form of motor transport, and in Denmark, there were 400,000 mopeds at the end of 1975 for a population of a little over five million.

But Swedish authorities say the number of mopeds dropped from 750,000 in the early 1960's to around 400,000 now. They attribute it mainly to the fact that mopeds

have developed from being bicycles with auxiliary motors into baby motorbikes and thus become more expensive.

Mopeds are popular in the poorer areas of southern Spain, particularly with construction and farm workers.

In Switzerland, the energy crisis brought a brief switch from larger to smaller cars, but no significant change in sales of the long-popular moped. If people are turning from cars to mopeds, it usually is because of traffic and parking problems, the Swiss say.

Wall Street Journal a place to sell an 8-ton jade boulder

By William Glides
Washington Post writer

Suppose you're trying to sell the "world's largest pearl," valued at \$4.25 million? Or an 8-ton jade boulder? A flag that went to the moon? Or 200,000 bags that happen to say "Crème de la Wealth Processing" on them? What should you do?

Well, you'd probably do what Boyd Bennett did when he tried to sell 100,000 little springs — siphon guards that fit into automobile gas tanks. (Once the gas shortage of 1974 eased, Bennett said the demand for siphon guards, even his grade-A ones made from music wire, "died overnight.")

A Dallas manufacturer who needed his warehouse space (to hold his new product, an "ecology grill" that he said can cook eight hamburgers in less than 10 minutes

using only four sheets of newspaper as fuel), Bennett turned to The Wall Street Journal's miscellaneous classified ad column.

The miscellaneous column is, in one sense, what one might expect in the way of unaccountable exotica in a publication that prides itself on reaching the learned, the powerful and the affluent. It can be a playground for the "original by the great masters."

High quality investment art that will give pleasure and prestige as well as capital appreciation.

The Journal enjoys a unique status as the only national daily and has a circulation of 1.5 million, second in the country. Its subscribers are highly educated (85 per cent attended college) and highly affluent (average household income is \$43,634, with ex-

traordinary percentages owning such trappings of wealth as art and antiques, seasonal homes and expensive land.

Often, though, miscellaneous sits in bold-faced contrast to the rest of The Journal. While the Journal concentrates on complex and weighty business issues — gigantic conglomerates, mammoth stock transactions — the spunky miscellaneous peeps up with a distinctly human appeal, with homey blurb of supply and demand that provide a glimpse of individuals and their concerns.

The miscellaneous is the marketplace in all its peculiar, seemingly boundless variety.

There, one can find such quaint items as a "pristine treasure chest of exquisite 18th century Belgian

Congo ivory collection. A 317-karat black onyx gem, said to be appraised at more than \$1 million. For \$10,000, an early 18th-century bill of sale for a slave. A \$11,000 Somali leopard coat. An 8-foot bronze cannon dated 184. A deep-sea anchor with 75 feet of chain.

You say you want quantity? How about 13,960 pet rocks, 22,000 sets of inflatable swim trainers, 130 70-ton open-top hopper cars, 6 million pounds of green coffee, all the canned coal ("The Hottest Thing in Fireplaces") you want from Franklin Furman of Columbus, Ohio, or 200 "swing bikes" with rear wheels that steer "simultaneously with the front for stunts and turns never before possible."

You want presidential letters? (See Wall Street, page 11C)

Boeing Co. sees era of prosperity

By Leonard Pallett
AP writer

SEATTLE (AP) — Diversification once was its watchword, but Boeing Co., grandfather of the world's airline fleets, believes a new era of prosperity will ride aboard a soaring commercial airplane market.

Despite early diversification efforts that included such projects as "people movers," computer services and hydrofoils, Boeing's prospects remain attached to the passenger aircraft.

Boeing, which traditionally has held more than half the world's jetliner market, sells far more commercial planes than Lockheed and McDonnell Douglas, its main competitors, combined.

Diversification has not been notably successful for Boeing, says John L. MacKenzie, director of research for Foster & Marshall, a Seattle-based brokerage house. Boeing's attitude, says MacKenzie, has been "let's stick to the things that we really know and understand as well as we can."

Other brokers and Boeing officials agree. Boeing is "the best positioned commercial aircraft manufacturer with the greatest amount of operating leverage in the business," says Bear Stearns & Co., a New York brokerage.

And speaking recently to securities analysts in New York, Chairman T. A. Wilson said the company expects only 12 per cent of its business to involve airplanes during the next 10 years.

The impact of other programs is not yet great, says company spokesman Pete Buah. "But these programs get more publicity for sales volume than

traditional ones."

Boeing turned some money away from aircraft programs early in the 1970s, when the jet market turned sour and the firm found itself with not enough work for its 100,000 employees.

Employment plummeted to about 30,000, but Boeing has come back and now has more than 60,000 workers.

Among the diversification efforts have been Boeing Computer Services, which has more than 1,500 customers; Boeing Engineering and Construction, which makes concrete installations at nuclear sites, a Boeing research effort into orbiting wind power stations, and efforts to develop the "jetfoil," a passenger hydrofoil.

Boeing also owns a 10 per cent share of Peabody Holding Co., a group that bought Peabody Coal Co., the nation's largest coal producer — from Kennecott Copper Corp.

While diversification has not solved Boeing's long-term problems of cyclical business, the company's performance has impressed investors. Boeing stock has jumped from 37 1/2 in the first quarter of 1976, to 44 1/2 in the first quarter of 1977.

Earnings per share, which dipped as low as 47 cents for 1968, jumped to \$4.85 for 1976 from \$2.40 the previous year. In the first quarter of 1977, earnings were nearly double what they were in the first quarter of 1976.

Sales approached \$4 billion last year, and Wilson expects that figure to go even higher this year.

And Boeing reported this week that jetliner sales for 1977 already exceed the total for 1976.

Boeing is developing two new commercial planes, the 747 and the 7X7.

Stephens rubs shoulders with giants

By Ronald L. Soble
Los Angeles Times writer

Finance, a New York-based magazine which reports on the securities industry, annually ranks the nation's largest brokerage-investment banking firms based on their total capital.

As you might expect, Merrill Lynch and Co. leads the 1977 list by a long way with a total capital position of \$62 million.

Following Merrill Lynch in the top-10 bracket are Salomon Brothers; E.F. Hutton; Bache Halley Stuart Shields; Paine, Webber, Jackson and Curtis; Dean Witter; Goldman, Sachs; Loeb, Rhoades; First Boston; and Stephens Inc.

What is Stephens Inc., and how could it be rubbing shoulders with Wall Street's giants?

Stephens Inc. was founded in

1932 in Little Rock, Ark., still its headquarters and its only office. The founders were two brothers who own 100 per cent of the privately held firm — Jackson T. Stephens, 53, now the firm's president, and W.R. Stephens, 70, now retired.

Started as a municipal bond house, the firm opened its doors in downtown Little Rock with a capitalization of \$40,000, the younger Stephens recalled in a telephone interview.

Embarking on a broad diversification program in the 1960s, Stephens Inc. today has about \$84 million in capital and unabsorbed fees it is the nation's No. 1 non-Wall Street investment banker.

Jackson Stephens also has a strong link with Carter administration.

Stephens was graduated from

the U.S. Naval Academy in the same class with President as Carter. Although he was a major fundraiser for Carter's presidential campaign, he says he has only a casual acquaintanceship with the President.

Stephens' friendship with Bert Lance, however, is much closer.

"Bert Lance is a good friend," said Stephens of the President's director of the Office of Management and Budget.

In fact, said Stephens, just a few months before the national election, Stephens Inc. was the lead firm in an underwriting which raised \$7 million for the Atlanta-based National Bank of Georgia, of which Lance was then president.

Lance's bank needed the extra funds to qualify as a bank holding company.

Lance, who owns 21 per cent of

the stock in the bank, has been undergoing questioning recently on his financial transactions, told the Senate Governmental Affairs Committee.

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