



EDITORIAL

NO 34 JANUARY 2001

WORKERS' SAVINGS OR WORKING SHARE HOLDERS.

The new law on workers' savings now at the National House of Assembly is full of good ideas. It officializes the development of the workers' savings schemes since the 90s, particularly the Enterprise's Common Investment Funds (FCDE). The funds allocated to one enterprises with (FCP) Common Investment Funds classified "enterprises action" to the multi enterprises funds, it opens the door way to the national tax haven made of the Enterprises Savings Scheme (PEE) to the small and medium scale enterprises and industries that agree to assemble in an Inter-enterprises Savings Scheme (PEI). It gives a prudent solution to the universal crisis of the system by apportionment by introducing this form of long term and unforced Workers Savings Scheme (PPESV) which in the next five years will give birth to a French styled retirement fund. After all the amendments what will be left of what influence will it be to enterprises in the next few years when will come the new unified market Euroland?

The answer to this will come from the enterprises, whatever the size that will implement it, in consultation with union and management (meanwhile the working shareholders union seem to be excluded from this "negotiation" because they are yet to have a statute thus they are inexistent) this is wrong and should be denounced.

For it means going upstream, the advancement of the workers savings" has created the working share holding. The working shareholders' union created in enterprises are rightfully representatives of this working shareholding inside and outside the enterprises, more so, during the shareholders' general meeting and within the scope of the right for expression of the working shareholder, the direct right to vote attached to the shares owners.

The authors of the new law have decided to allow enterprises to freely draft the rules and regulations of the FCP, to make up the monitoring committee of the PEE for the implementation of the right to vote in the general meeting by the monitoring committee or by shareholders and to appoints nominees to the Board of Directors of the enterprises that will represent the working shareholders.

With this light mechanism, temptation will be high for CEOs' of enterprises to neutralize the working shareholding or to subdue it by a simple device strengthening his auto control.

This old fashion attitude despite all the conservative efforts made by the CEOs, could definitely lead to the death of these enterprises. Meanwhile French Companies / enterprises are facing new challenges born of the globalization of the market, calling for new regulations by the introduction of a new industrial and financial web and services on the Euro-zone, by the new economic and the new information technology and by the sudden change of mentalities in the new era in the human relations.

The management approaches to the orientation of this new laws that allow any kind of interpretation by the enterprises warrant some few blunt questions.

Why didn't the legislator cross this bridge? Officialize the move from the workers' savings to working shareholding. If the legislators did not, will the enterprises do it? Or are we not going to kill a 40 years old system that works and which the whole Europe envies? What do they want today in France? Which direction to follow, working savers or working shareholders?

- So which one is better, fearful workers or motivated workers? Which is better, timid and submissive working savers or efficient working shareholders that take initiatives and responsibilities.
- Is it better to manage human enterprises with industrial conflicts and actions with "chosen" union leaders that think it is a war against the establishment like in the 30s? Or is it better to innovate, anticipate, adopt the necessary measures appropriate to an enterprises on its new environment? Define a long-term corporate goal and the new responsibilities of the enterprises vis-à-vis all the shareholders in a solid sustainable objective? AVAS – Tour Coupole, cedex us, Bu
- Do they prefer to manage workers saving as a tool of wage policy, to maintain and entertain confusion, to discredit in the European institutions all the fiscal incitation of the PEE and portray the working shareholding is a fiction vis-à-vis the traditional shareholders or do they prefer to give a status to this working shareholding with rights and obligations, to create a reference of shareholding, stable, united and nationalist that can have up to 10% voting rights and to create therefore a profitable counterweight to the foreign pension funds?

Let us be clear thinking and intelligent enough to take into consideration this irreversible transformation in the human relations in the enterprises. Aware of their obligations and rights as shareholders, the worker demand more information and transparency, they expect more consideration from the management executives, the CEO and the members of the board of directors that they voted for in the general meeting with the other shareholders.

Is it not obvious that we made them kings? That we chose them?

Let us be serious, they cannot treat workers any longer that become shareholder as mere "illiterate". For they learn very fast and therefore understand very fast all the financial

tools necessary to the enterprises and the stock exchange mechanisms through media, intra and internet.

The so-called “initiated” should be more humble, the politicians too. It is a matter of trust and confidence, shareholders’ trust, particularly of the working shareholders is built, nurtured but easily lost!

The people’s representatives shouldn’t forget that their mandate was given to them by the enterprises’ shareholders. The shareholders can take it anytime they lose trust in them. Each new day brings its own token of examples of such.

The politicians shouldn’t forget that the freedom given to them to innovate with new laws is everyday reduced since countries and states are losing their sovereignty to the European Authorities. They should be more daring and create a modern environment in terms of labor rights of the enterprises and all the mechanism necessary to build a strong shareholding with a short-term objective. There is very little time left to anticipate the inevitable adoption of the future European frame (the statutes of SA and SAP)

Let us stop to be “French chauvinists” and arrogant! The European common market is in construction and it will become the local market of French enterprises. But the crop of enterprises that will survive this trend of mergers and amalgamation will be small. In each sector only $\frac{3}{4}$ groups will survive. It is not necessarily the biggest that will triumph but the most innovative, most creative and efficient, and efficiency is earned through men (men’s efficiency is rewarded by the decision of the enterprises). Ownership of shares in the enterprises associates the working shareholder to the lasting development of the enterprises and risk taking. The working shareholder does not consider himself as one of the proprietors of the enterprises but also as co entrepreneur (co-contractor). Let us not kill our system, a system that is adapted to the new challenges of entrepreneurship and admired by the whole Europe.

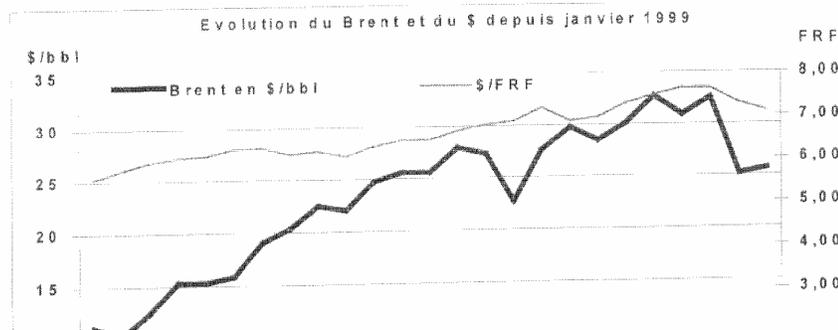
A strong united and stable shareholding is a dissuasive weapon in case of unwanted merger, but it would also be an asset for the enterprises in its financial communication or during a negotiation that leads to a negotiated merger. This weapon or this asset is as important as the level of market valuation of the enterprise. And market valuation is highly influenced by the shareholders’ trust.

We consider trust as the most important commodity for enterprises, because a financial or economic crisis can occur at anytime if the internal control and regulation systems are not in place at all level.

Let us meditate on the market jolts linked to the result of the American elections thus nerve raking with the trust of investors, men are fragile when faced with temptation, when an enterprise reaps exceptional cash flow, let us remember the lesson of the “les affaires” in France. They contributed to discredit politicians with their electors and the managers with their workers.

You do not decree shareholders' trust you deserve it

Jean- Aymon MASSIE AVAS President



MERGING, AMALGAMATION: LET US MEDITATE ...

The joining of companies that we have been witnessing for a couple of years now is often the alleged answer to many problematic issues. Some are legitimate others are freaky. The search for a size, big enough to compete in the world market and to achieve a fundamental and unending raise of money is legitimate. If the setting up of synergies (particularly of logistics) linked (related) to the new information technologies to reduce cost, it is OK. The quest for this “big size conglomerate” is understandable at least it’s economic aspect, even though the consequences are many especially in terms of jobs. On the other hand the alleged reason often used, that of creation of value becomes wretched and everyday, examples of merging that failed are rampant. For example the recent Daimler Chrysler Saga. Today Daimler Chrysler merged value has less value than Daimlers’ value (alone) before the merger.

The fresh out break of such failures calls for a useful investigation of the reasons of such awful results because the stakes are high of consequences for both **the shareholders and the workers.**

We will not attempt nebulous demonstrations but we will simply observe the facts like the wise man with rationality and logic in order to give sound interpretation.

Unfortunately, this approach peculiar to sociology is abandoned today. **It’s a pity because there lays certainly the reasons for there failures.**

OBSERVATIONS

In summary, the fundamental goal for every merger is to get to the point where all the workers of the merger groups work together hand in hand. For this purpose one action is prerequisite: **Motivation.** E.MINARIK thoughts should be engraved in every one’s mind << **in a competitive market, the added value depends primarily on the motivation of**

the workers and their aptitude to work in a restructured organization>>>. All the proceedings necessary for the success of a merger will have as primary objective, to avoid the persistence of ambiguities such as;

- ❖ They tell us that the agreement reached is an amiable one meanwhile the positions with responsibility go to the winner.
- ❖ They talk about purity, but the colleagues of the losing company that appears are the bad ones (those of the other company, we do not know them)
- ❖ The tools of the loser are always better than those of the others but they are always rejected.
- ❖ Can a worldwide multinational be managed like a small and medium scale enterprise/industry (PME-PMI)
- ❖ Can managers of (PME-PMI) manage multinationals
- ❖ Why do we let go the expertise that we have.

All these questions and many others are raised daily by people that confront regularly the “already made” answers that are given (set language” with the practical experience of the field. General motivation will depend on the confrontation between these questions and the answers given. Beware of discrepancies as events unfold. **But why is this so important?**

OBJECTIVES AND RULES OF THE MARKET

A merger is first and foremost a CEO’s affair. So when (the decision to merge is taken, it is important to know **if the merger (OPA) takeover bid (OPA) / public offer of exchange (OPE) is legitimate or it is just a megalomania reaction of the CEO?**

Actually, the sacrosanct market, modern days GURU that nobody has never met but whom every body talk about with emphasis, induces a number of rules but doesn’t know everything. In mergers and amalgamation, the market is essentially rational. All actions taken on the basis of rationality, always work, for they are based on tangible economic fact. They are most times friendly. Meanwhile, when the aim of actions are first and foremost the protection in anticipation of the enterprise (in other words, it’s management) or the satisfaction of over developed egos, the risks of failure are therefore very high because it will create a conflict between the CEO’s that will have repercussions on their teams and it will craftily irrigate all the corners of the two groups. Lies, treasons, denouncements, disgrace are classical weapons of such wars. They will mark out the journey of this aggression. (CLAUZEWITZ and MACHIAVELLI will be read with renewed interest and zeal). War (a merger looks like one) as never neutral and always leaves aftermath effects which importance will depend on the toughness of the conflict. Enterprises are not exempted of these rules, the rejected ones “the dead” will find themselves in social schemes that go along with these “unifications”!

DO WHAT YOU SAY AND SAY WHAT YOU DO.

If I were to list some rules to follow for a successful take over bid and in order to avoid a subsequent disappointment, the first thing to do will “be to be straight forward” with all due to “defeatists. A public offer of exchange (OPE) or a take over bid (OPA) launched without the consent of the coveted company is, whether we like it or not **a declaration of war**, that is how it is perceived and that is what it is. The consequences should also be clear to all. There will be a winner and a loser, victors and victims. War declarations that end with soothing declarations to hide the defeat... (i.e. Munich in 1938) and or an indemnity to be paid to one of the parties don't deceive anybody... the intent is to protect some eminent persons... yet it does not help the staff to give up their rights as lost.... So the definitions given at the beginning of the operations is fundamental. The consequences should be clear to all! At the management level, if there is a war the losers should be laid off, to avoid traitors' proliferations, Judas and “new rebels”. (Already handling timeservers and men pleasers will be a big task) the old common saying “love treason but hate traitors” should be applied. Americans who are always pragmatic use this method both in the political (rotation Republicans/Democrats) and in the economic levels (the spoiled system)

The Cultural And Organic Barriers.

After the war, the next objective is **to work together and make sure that the new group made of two teams** goes in the same direction. In the economic and financial jargons, this could mean something like this << *It is advisable to leave no stone unturned in order to put together all essential synergies, increase the productivity, meet up deed lines, by a better efficiency of capital....>>*

This stage of the merger is the most important and the planning will be all the harder because the previous stage would have been watered down. At this level, a new standard should be imposed to all. To merge is not only a change of size and to grow is not only to change name.

In most of the cases, life has to be recreated in the new group. First the organigram should tally with the defined long team strategy and the suitable organization that follows.

Specialists know very well that there is no stereo typed organization and that each group has its', particularly big mergers, because in this case the traditional centralization will be ineffective. One will now have to learn transfer of authority. Consultations, trust, to trust, “to kill” if necessary. All the tools must be reshaped to give a better productivity to the new conglomerate.... patched up peace and short-lived settlement are to be proscribed. Finally the choice of men able to implement these changes will be fundamental, no individual strategy will be good enough.

The necessary choice Of the Group

Nature being what she is will here also generate a lot of mediocrity and mediocre **to separate the wheat from tares** will be a very delicate task that the CEO must carry out successfully. The new strategy for the conglomerate thus the success of the merger will depend on his choices. This task might become repellant because all the parasites if there are any (most times there are) whose only objective is only for their personal future, must be gotten rid of also in this category the “weather cocks” ready just like the parasites to worship today what they burnt yesterday.

The CEO will have while the sycophants will be on, to embank all the internal conflicts geared at keeping all the good positions and to gather all their energy to select neither friends nor flatterers but colleagues no matter the origins (social ranks, Job experience, former enterprises, original training) that will be ready to dedicate themselves for the group’s interest at every given point in time no matter the situation.

To keep away the CEO from power, only individuals capable of managing men should be appointed, and not technocrats playing with people and their careers.

Daughters of justice and competence, motivation will only flourish if the reward system is adapted and sanctions the true reference values of the new company. Maybe it would be necessary to modify the reference of the scale of value to increase the individual commitment. So for a fair judgment of workers and supervisors the time grid should be extended, the assessment of hierarchy by its base can have some interesting results.

As we can see a merger or an amalgamation is a war often followed by a revolution. Like in medicine the diagnostics is essential because on it depends the nature and quality of the treatment. Many failures in this operations (merger, acquisitions) are due to a wrong analysis of the situation, the apprehension of the problem and bringing to the fore all diversions in everyone’s business for we can say, paraphrasing j.p.Sartre <<When the CEO are fighting, the poor dies>>

G. RENAULT

AVAS MANAGEMENT

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THE NEW ERA OF COMMUNICATION

“Market and opinion are two masters of contemporary society” Alain MINC

It hasn't been long, it was during the era managers, the capitalism, well depict by Galbraith, priority was giving to production; the distribution of added value was discussed between the management and the strong union, each of them existing the same indifference to shareholders' interest often represented by the government, the frame work given by countries with a planned economy.

The world is changing and today the market simply the money market, rules and imposes its laws *“He is the judge, the engine, the fuel of the economic life”* says the writer Alain Minc in his last book (1). On this new scene, the “savers’ ” *delegates are henceforth master*” with only objectives *“the profitability and the security of capital which are confided to them. Growth? Profitability and gains of productivity have become the major objectives of managers. This new capitalism that is qualified as property capitalism, has to be managed in the utmost transparency following the rules of ”corporate governance”* which translated in French is not obvious.

In the new context, the shareholders have to share power with the new negotiator, the consumer “since they are often the same individuals (affirms Alain Min) who corporate themselves the same way, expecting from the capital, a high profitability (and) the best ratio price quality” the market gain also has to be profitable to the client.

Shareholders and consumers equally find themselves in the same terrain in the wider sphere of ecological preoccupations, which opens gradually on ethics consideration. One sees the emergence of a kind of Alliance between shareholders and consumers, the emergence of a consumer shareholder, these consideration recently took a new dimension with appearance of ethics funds which prefer to be associated to environment, conscious enterprise that are concerned with the betterment of their relations with both their workers and their clients. The managers of their funds think that their enterprise will obtain excellent financial performances; the favored social climate will contribute to positive staff's output.

It is obvious that in this new atmosphere, the management particularly, that of communication would have received the basics of new information policy. In this spirit the boss of Shell international, Richard Sykes, declared in the last world congress of Petroleum *“oil companies will have to include a social responsibility where they are evaluating impacts on the environment”* and the general manager précised Shell recognizes five domains of responsibility, *“shareholders clients, employers, its partners and the society in general.”* Managers are also made to take into consideration the consequences of environmental risk on the image of the company.

In the whole new approach, the companies must watch out for indebt changes in the cultural and media atmosphere most importantly the very powerful and omnipresent

television. Just as Giscard d'Estaing pointed out in his book "les Francais" << *the new culture of information is backed by emotion and simplification emerging from affirmation. Emotion carried by the image chosen for its stern potentials, simplification of reasoning because of the briefness in line granted and affirmation to conclude* >> One then makes "economy on the necessary time for reasoning by portraying a sort of reflex opinion which will take the place of Judgment".

The efforts realized with the big shareholders and particularly financial analysis on the five continents would not be sufficient. More, also, one wouldn't limit their presentation to financial data. It is also convenient to communicate with the modern methods of information to those consumer shareholders who are more and more sensitive to ecological considerations, social if not ethical. One did not may be consider the right influence of these N. G. O, "*the fore front of the international public opinion*" which are toady seen as an interlocutor of great capitalist and political actors. Communication has to be all out thing as well as to the address as in its content. The future of the enterprise as well as that of workers depends on it. By our double status of salary earners and shareholders, we need to be very careful on the evolution of out situation.

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(1) Alain Minc: [www.capitalisme.fr.grasset](http://www.capitalisme.fr/grasset) 243p.

SAVINGS PLAN FOR THE GROUP ELF AQUITAINE

Common Investment Funds	Market price as at:		
	15.01.99	29.12.00	31.12.01
	in Euros	in Euros	in Euros
Elf shares Total Fina	93,35	158,39	158,44
65 Sanofi-Synthelabo	153,00	68,09	61,53
Diversified values	100,00	132,77	135,65
Bonds	100,00	104,55	105,36

SHAREHOLDING PLAN

For records: shares bought by workers

	Selling Price	
	In F	In Euros
Capital increase 1992	336,43	51,29
Privatisation 1994	308,00	46,95
Capital increase 1996	280,20	42,72
Capital increase 1997	551,20	84,03
Capital increase 1999	606,76	92,50

The last division of Elf share was in Nov. 1990

LIFE OF THE ASSOCIATION

The AVAS letter titled “*Because a real shareholder your enterprise*” could not be circulated within the tower the authorization solicited from the Human Resources Department and the company are denied to AVAS.

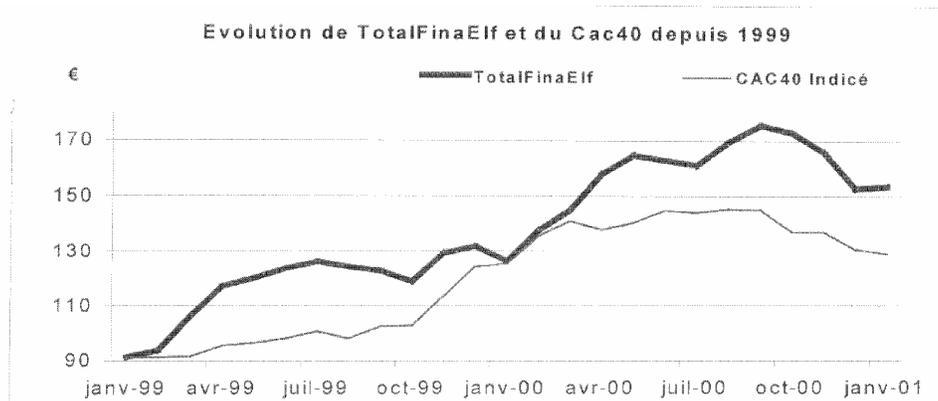
J. A. Massie with the assistance of two managerial staff distributed this document at the entrance of the enterprise on Monday the 29 of January. The above mentioned editorial was copied and published in the *Nouvel Economiste* (a French economic magazine) published on the 26 January “*the art of killing a good idea*” (p. 16)

During the second semester 2000, AVAS intensified its contact with other organizations that advocate the application of “*enterprise government*” of “*lasting development*” and of respect for the environment.

They all agree that the time creation of value is ascribable to men and not its financial operations (repurchase of shares) *motivated workers*, respected and interested make the enterprise competitive; devoid of the level of its result and contributes in reinforcing shareholders confidence in the future of the group

July: AVAS president’s participation to the week of the enterprise government lectures at the Connecticut Yale university at TIAA-CREF’S place, meeting in Boston with the leaders of Ethics funds and conference dinner at Harvard University club.

September / October: Symposium at the senate and several encounters with parliamentarian to propose amendment to the Fabius law on working saving and meeting at Bercy with the minister of Finance’s cabinet.



CHEMICALS

Lacq sees its future in chemistry and opens to investors. From 2001, Total Fina Elf will sell Lacq gas industry fields to attract more investors. The future of the site is henceforth tied to chemical activities. The CEO Desmarest will propose the investors in the months to come 55 hectares) the project could be extended to more than 200 hectares_ Exploited since 1957, the drilling has been supplying almost 30% of gas consumed in France. Because of the fall in production today which is strongly marked and might only last for 8 to 10 years. The evolution will be made from the heavy proportion of Sulphur in the Lacq's gas)thiochemistry_ the manufacturing of products from sulphur is entrusted to Atofina since 1998. within the Lacq's factory, Ceca a subsidiary of Elf specialized in environment will set up an earth punching plate form containing hydrocarbon.)Hubert Bruyere in Pau- the Tribune 19/10/2000_

The art of risk management

A special edition of Echos; which is a series of articles on “ ecological risk and ideological statements”.

“Protection against disaster costs, and sustainable development”. A principle revealed at the middle of the 80’s and aimed at integrating environmental, social and economic development is a well thought development. What are the reasons of sustainable development successes? Risk for the environment and environmental risk Enterprise can be the cause of a risk for the environment without facing financial sanctions. On the other hand, they can be faced with a financial risk while the risk they cause to the environment is negligible Disasters. The verdict of financial markets (in stock market; the consequences of a disaster implicating an enterprise are fast coming. The softness and the honesty in the managers response vis a vis the situation often guaranties a prompt recovery of company’s share values in the stock market>> (supplement of Echos No 18279 of 15/11/2000.

Shareholding

Very strict Shareholders. The TLB company has just finished her 3rd annual inquiry on individual shareholders, its CEO Thierry Lebizay emphasis that <<*the activities of ethics which appeared that year gained an important ground this year in the eyes of the shareholders of highly rated companies*>>. Shareholders believe that companies don’t respect environment much. The name Total Fina spontaneous by comes:- mind. Now that ethics fund multiply themselves and where working shareholding is developing, social and moral criteria become important, driven by the spirit of social partners. Working shareholding becomes even one of the main opportunities for the active shareholders to discover in the stock market. Shareholders are also critical about goods manufactured by companies. They are more sensitive to information given to them, to the quality of management as well as the integrity of companies and to their respect for environment (M.M Le Figaro Economique, Philippe Guillaume Les Echos 12/10/2000)

The expansion of the working shareholding

In France, working shareholding is in the increase and comes in the long-term perspective against the Anglo-Saxon tradition, where it is seen as motivative system. Spread in Great Britain, working shareholding in made up of several plans of which the last enhances the reward of individual performances in shares. It is more of a motivate tool than long-term savings. The working share holding Outre –Rhin (Germany) is an already old practice. It is experiencing a strong revival interest.

New capitalists in search of power. They are more than 12 million working shareholders. They are only 600.000 in 1998.

Shareholders: Evolutions came to the limelight. In March 2000 during the first general meeting of TotalFina Elf, Thierry Desmarest indicated that, at the end, he wasn’t excluding the fact that “*the sensitivity*” of working shareholders is entering the Board of Directors. In the bill on working savings, there is a clause that anticipates that the

management of the FCPE non-diversified, should no more be a joint commission handed over to only working shareholders.
(Pascal Junghams, La tribune 15.11.2000)

The Shareholders Expose Their Managers To What Types Of Risk

This surprising question was the theme of a serious symposium for information and the malfunctionment of carrying's contract, which are the major causes of most of the conflicts. The new information techniques don't only have positive effects. Too much information kills information. Did the management fulfill their responsibilities of informing; do they border themselves to present accounts that will show a faithful image of financial situation and company's assets? It is only for judges to make rulings on the subject and of course for authority to adopt information obligations to new methods of management. (Colette Neuville, La Vie Financiere 30.6.10/2000

Consumers impose working shareholders' representation in the board of directors of enterprises.

Put in check during discussion on workers' savings, congressmen from the Communist Party (PC) voted for the obligation, for enterprise whose working shareholders represent more than 3%, to integrate their representatives in their board of directors or of management, these ones would be nominated by the general assembly on staff shareholder's proposition, this modification was co-presented by the Socialist reporter Gerard Terrier and by the President of social matters Jean le Garrec (Leila de Comarmond Les Echos 15 / 01 / 2001)

The boss of Daimler Chrysler on the defense

The CEO of the Daimler Chrysler board of directors tried to defend his policy before the German press. Blamed by his shareholders mostly by the American billionaire Kirk Kerkorian to have said recently to the "Financial Times" that the merger between Daimler and Chrysler was in fact an acquisition(Les Echos 04 / 12 / 2001)

Oil Industry

Birth of a new giant in the petroleum sector Chevron, American No 2 wishes to buy back the No3 Texaco for an equivalent of 37 billion (including accumulated debts) payable in Chevron shares. Chevron proposed to Texaco shareholders, 0,77 Chevron share for each Texaco share , bringing it to 64, 87 \$ per share (Pierre Dugua – Le Figaro Economie 16 / 10 / , Pascal Pogam – La Tribune 16 / 10 / 2000)

Even before the announcement of the American antitrust opinion, Chevron and Texaco proceeded to transfer assets to Shell, Texaco's shareholders are satisfied with the arrangement. Texaco's stock on the 16/10 at the opening of Wall Street was registered with an increase of 4% in the share price, while that of Chevron was decreasing at the same rate (4%) (Pierre -Yves DUGUA-Le Figaro) Les Echos 16/10/2000.

Globalisation at all stages

The world is moving fast. And Oil Industry is not hoping to be abandoned. Oil Companies have to change their approach to work. An obvious evolution, according to delegates to the 16th World Oil Congress which has just ended. Here is a declaration of the congress president at the opening session of the conference *“Our challenge is to always produce more energy in a possible and proper manner: the aim of this congress is to pave a way that will construct a prosperous and lasting economy for the new century”* Richard Sykes of Shell Int. *“Oil companies have to include a social section, when evaluating impacts on environment”* Shell recognizes five areas of responsibilities: *the share holders, the client, the employees, the partners, and in general the society”*

**Jean Robert – Petrole et Gaz Information
No 1747 July/August 2000)**

**OPCVM; to stake on sustainable development of enterprises.
Ethics funds: moral or financial bet?**

**Companies that try for example to respect environment, smoother relationship with their workers (training, social protection etc...) their client or their suppliers, are highly rated. Credit Mutuel France and Credit Agricole initiated the commercialization of new FCP .the concept originates from the United States where these funds make a remarkable success and represent about 10% of the managed assets .the difference in this new generation of Unit Trust or Open Investment Trust (SICAV) is that they bank on *“socially responsible”* enterprises. The ethical preoccupations of their enterprise often show evidence of a good management strategy and of a low term vision .in France almost all the OPCVM newly accepted are eligible to Share Savings Plan (PEA).
(Daniel Guinot ,Le Figaro Economie 16/10/2000).**

Workers Savings

Speaking in defense of a socially responsible salaried savings.

**Salary savings will transform more salaried workers to shareholders .The Bill of law being debated will guarantee a socially responsible usage of salaried savings. With this phenomenon of socialization of capitalism in U.S.A. Capitalism has deeply transformed itself .In France the French society has an increased number of persons willing to save .Socially Responsible Investment (ISR) provides assurance to their expectation .
(Eric loiselet,Robin Edme ,Patrick Bovite Les Echos 16/09/2000)**

According to the INSEE working shareholding remains unequally distributed

Less than 3 million workers have salaried savings, despite the fiscal advantages. Beneficiaries are recruited among high salaried earners who are in permanent contract and former workers in the enterprises.

In France working shareholding is far from being shared and known by everybody. Not more than 12% of workers in the private and public sectors were working shareholders by 1997 ending, being less than 3 million according to the last enquiry of the INSEE. Beneficiaries get themselves included among the high salaried and former workers of the enterprise. Salaried earning is largely supplanted by life insurance of which more than one worker has a policy. *Investment in a PEE*, which the worker can fund by voluntary installment that could be completed by payment by the employers. The revenue and increase of value of these placements are totally tax-free. A ratio of three out of four workers knows this type of placement of PEE.

The management of PEE the disparity among working shareholders increases the disparity of salaries. (J. F. C. – La Tribune 04/01/01)

Shares' Savings Plan In (P. E. A.)

Your PEA is eight, what is next? The first PEA is eight since 14th September 2000. For the introduction of life annuity, do we take advantage of all these possibilities?

- 1. *Withdrawal Option:* The PEA is not limited in time. You have the opportunity to keep it, but after the eighth year, you are no more obliged to pay any installment. You can conserve your PEA intact, but if you withdraw any amount of money, you can no more make any further payment into your PEA.**
- 2. *Life Insurance:* It could be less restricting than PEA. It allows you to pay in as much as you wish. The contract gives access to a certain number of SICAV and Common Investment Funds (F.C.P.). If you leave PEA to invest in a life insurance policy, you will start all over for eight years. (Joel Contreras and Eric Leroux) Investir Magazine October 2000(Colette Neuville, La Vie Financiere 30-6 / 10 / 2000)**

COMPANIES' RIGHTS

Like Americans, french limited liability companies have “one third members observers” in the board of directors, they have no right to vote but they often benefit of the same right to information as the administrators .The one third observers can constitute an efficient solution for the investors who want to keep an eye on their investment while avoiding to incur the responsibility of members of board of

directors. The role of the 1/3 observer has to be limited to a passive control of the board of directors and to give advice to directors worried to good relations with their shareholders and investors. (Guillaume Nonain, Les Echos 7/11/2000).

Enterprise Government

The cabinet of the consultant Deminor and Proxinvest company have just revised their European classification in the area of enterprise governance. The cabinet stresses that 76% of indicated French people don't respect the rule of action one *vote= dividend*. That the Anti Opa measures are multiplying themselves. Elsewhere, half don't appoint independent directors. Proxinvest, which is specialized in advising shareholding value indicates that the first 260 companies were rated, based on 3 criteria: opening of capital, the quality of control mechanism and the integrity of working methods. Vivendi and The Societe Generale (Bank) suffered unfavorable statutory measures from shareholders. (Le Figaro Economie 14/12/2000).

Private e mail can be spied in the company

The employers can in all legality check the recipients and senders of e-mails and also to realize that the worker does other things other than what he is paid for.

Warning the worker: enterprise multiply controls for reasons that are right: security (the virus that plays the net) or productivity (employers have the right to control and watch over the activities of their workers during working hours. They are simply obliged to tell them the method used).

(Sandrine Pouverreau, La Tribune 27/11/2000)

Transfer rumors on Sanofi Synthelabo securities

The securities of Sanofi-Synthelabo dropped yesterday based on speculations of a new security transfer by TotalFinaElf, which has 32,7% of the pharmaceutical laboratory's capital. Such an operation will allow oilmen to have more liquidity and facilitates the financing of a program of purchase of shares, hundred in September 2000 which will fall on a total of 15 million of securities between now and mid may 2001. One fact is certain according to a professional <<TotalFinaElf has the choice of relinquishing her participation, progressively and not globally with Oreal>>.

(NhLes Echos 10/012001)

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