



The voice of 60 million workers in Europe

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Brussels, 27 July 2006  
JM/cd

Mr Charlie McCreevy  
Commissioner for the Internal  
Market and Services  
European Commission  
Berlaymont  
1049 Brussels

Dear Charlie,

**Hedge Funds and Private Venture Capitalists**

Your directorate arranged a meeting on this subject on July 19.

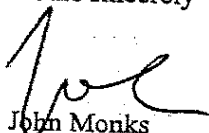
I understand that the report produced and the tenor of most of the contributions were very positive about hedge funds and private venture capitalists.

The ETUC is much less positive especially about their tendency to shorten already ~~short-termist~~ tendencies which are contributing to low levels of investment and R&D. Add to that their ability to work ~~beyond the reach~~ of the regulatory authorities, their remittances to tax havens, and their tendency more and more to exacerbate volatility rather than smooth it out, are becoming factors for instability in our financial frameworks. Both the ECB and the SEC have expressed strong concerns about hedge funds in particular.

All this makes it more surprising that the ~~ETUC~~ has ~~not invited~~ to be represented at your meeting. As it was, ~~most of the people there~~ with prominent roles were industry insiders who have the explicit remit of promoting this controversial sector of the financial services industry and they seemed to have already obtained a surprisingly uncritical and benevolent response from the Commission. By the way, I have been invited to address Ecofin on these points in September

I would be grateful for your comments on these views. I am copying this letter to UNICE.

Yours sincerely

  
John Monks  
General Secretary

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