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Obama's move on pay is part of the democratic process

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From Mr Hermann J. Stern.

Sir, Charles Calomiris is completely misguided to call Barack Obama's active role in executive compensation "a worrying precedent for our democracy" ("**Obama's executive pay move is bad policy**", October 28). It is hardly a secret that US citizens - the foundation of democracy - are outraged at certain pay practices. A democratic government has to respond to its citizens' concerns. To institute an official with the task of correcting situations that are seen as wrong by a large part of the electorate is a very democratic move. That is also why a binding shareholder vote on pay is democratic. Because of this democratic legitimacy, a shareholder vote on pay is in the interest of shareholders, the public and the executives.

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