

# The Private Investor *Issue 184 · September 2016*

## Chairman's Comment

It has been true for some time that there are parts of the country where membership is not sufficiently concentrated geographically to support regional meetings. Last year we recognised that a more fluid organisation structure was necessary and introduced the idea of 'Home Branches', to enable any group of UKSA members to join together for any (reasonable) purpose subject to a few simple rules. These supplemented the existing regional branches.

This is now reflected in the new layout of the back page of this issue, which lists all branches. I hope that members will consider participating in one or more of these. Even more, I would encourage members to think of starting their own. David Riches in the office has found some mapping software that identifies the location of members in a particular group of postcodes. He can also organise your email distribution list for you.

The opportunity for Home Branches is particularly strong in London, where the Croydon & Purley branch offers a success model but also leaves many unserved areas, particularly north of the river. It would be good, too, to develop new models. The new Brighton branch emphasises education; or is there an opportunity for an 'average investors' branch (experienced investors can be quite daunting - or opinionated); or how about a ladies' branch? Enquiries to any board member or your regional contacts.

To switch to another but related topic, if you turn to page 4 you can see the results of our Membership Survey. It is very pleasing for me to read but grimly realistic about the need for recruitment especially members who would leaven the aging profile of our group. The report was prepared by Brian Hargreaves - to whom we are deeply indebted. Thank you very much.

Turning to more general matters, although it has been some time since the ideas of that distinguished City economist Andrew Smithers were aired in these pages, I was intrigued to see that he has just

published another book (*The Road to Recovery*) and, moreover, dealing robustly with a matter close to UKSA hearts - excessive pay.

But as you might expect he is doing more than cavilling against greed. His thesis is that in the United Kingdom and the United States especially, the cool hi-jacking of instant multi-millionaire status on the back of temporary stewardship of shareholder assets causes grave and continuing damage to the economic Infrastructure itself - that vital levels of capital-asset formation are not being achieved - threatening the standard of living of all.

So its not just about the creation of a new layer of the super-rich - hackneyed politics are not his style but the short-term mindset which out-of-control remuneration levels engenders in general - and in particular the deadly use of scarce company resources in the buying-in of its own shares.

So we're not just a bunch of aggrieved owners - our campaigns have a deadly serious national purpose. Mr. Smithers says that this is a classic case of an idea delivering just the opposite outcome from that intended. Ouch! Where have we heard that before?

On page 9 you will see an unpublished letter from me to the FT arguing that, yes, control of pay can indeed be done. It is the will not the means that is lacking.

Theresa May's unexpected focus on corporate governance in her opening leadership statement commanded my attention. Can UKSA expect more heavyweight support in pursuit of its policy aims?



**John Hunter Chairman**

Good Luck!  
**John Hunter**