

Turning people's savings into a wall of money for inves...

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I spoke on the Today programme at about 6.48 this morning. The discussion focussed on John McDonnell and his tax pledge to 95% of British people, leaving just those earning more than £80,000 a year as the only apparent group facing tax increases post the election if Labour win.

I was debating with [Faiza Shaheen of CLASS](#), who I both like and greatly respect, so the listener may on occasion have had difficulty differentiating our positions. Faiza welcomed what John McDonnell had to say as a correct move in the direction of tackling inequality. And, of course, I agreed.

But my concern, [developing ones discussed here yesterday](#), was that John McDonnell had made a political mistake by announcing this policy now and in a void. Doing so suggests that tax is important in its own right when that's not true: tax is important for what it does.

In addition, making this announcement now without any of the mechanisms that might be used to fund essential investment constrains Labour to play a game of book balancing to which it has already foolishly committed itself. When we can all see the impact of that all around us, from the NHS to education and beyond, this unnecessary and self imposed constraint to effectively live within the Tory determined current spending limits is in my opinion a mistake when the reality is that that the country not only needs more public borrowing but has a savings glut that needs to be put to use by creative use of pension and other savings.

What I am suggesting, not for the first time, is a coherent economic alternative for the left aimed at creating investment, secure jobs right across the country, a green future and a serious attempt to provide UK business with the funding it needs to increase productivity and create the new products that can transform society without delivering pointless consumerism.

That's why [I suggested changes to the rules on pension investment yesterday](#).

And why I have suggested the creation of new ISA backed investment funds for the UK's regions as well as specific policy areas so that people can save and at the same time know their money is being put to use for social advantage.

Global capitalism has taken away people's power. I am saying it's people's own money - from their pension to their rainy day fund that can, if securely invested in government backed accounts as is allowed post-Brexit - reclaim people's power for their local economies.

It's not rocket science.

It's not a revolution of the left or right.

This is just about common sense joining up the dots in a world where the economy has ceased to make sense.

Make money local.

Deliver change using people's own money.

Give them control over what it does.

Add a dose of government backing to make it secure.

And that way turn a savings glut resulting from the massive insecurity the Tories have created for people into a wall of money for investment.

Is that really so much to hope for?

I don't think so.

And John McDonnell still has time to put it in the manifesto.