

Corbyn's threat to wealth is welcome

Published: January 13, 2026, 1:23 am

I was interviewed on LBC yesterday about reports from Morgan Stanley, the US bank, that a Corbyn government would be worse for the UK than hard Brexit.

The first thing I noted was that they thought hard Brexit would be a disaster, with which I agreed. Then I sought to disagree on just about everything else. To give this some context, according [to the Telegraph](#) report on the Morgan Stanley view:

Fund managers must plan for the serious possibility that a developed OECD country may nationalise power utilities, water companies, mail delivery, and rail transport in sweeping moves unseen in the trading life of most investors now alive.

And they added:

The new agenda includes a rise in corporation tax to 26pc, a surtax on financial entities, and a financial transactions tax or "Robin Hood" tax on derivatives and bonds, as well as some shares. "The direction of travel we have seen for the last 30 years is going to change by 180 degrees," he said.

Other concerns were apparently that employees might be considered to be a priority, whilst there was outright fear of wealth taxation.

Let me put all this in context. As a matter of fact we know that big business is now sitting on enormous piles of cash for which it has no use. At the same time corporation tax rates are falling and real wages are stagnating. There is continuing concern about tax abuse. And the fact is that the UK's privatised utilities are reviled for delivering enormous financial returns and poor service with no market or apparent regulatory capacity to put this right.

Whilst all this is happening the IMF, World Bank and OECD are all calling for wealth taxation in various ways to tackle growing inequality, and no one can suggest that they are dens of the left.

And, in case we forget, whilst the world economy teeters on the brink of another

recession stock markets are at record highs.

To put it another way, the rentier economy that has fuelled the growth of the wealth of the 1% has had an amazing thirty year run. It's crushed real business and entrepreneurship on the way. Government has been captured to service its goals. And bankers have aided and abetted every divide in society that has fuelled the gross inequality that characterises modern life. And Morgan Stanley want that situation to continue.

The claim that Corbyn threatens business is nonsense. He plans a government that will spend to invest. That is unambiguously good for business, and it pays for itself by delivering productivity growth, higher wages and so more taxes. Only a banker could fail to understand that. So what Morgan Stanley are proposing is not a pro-business agenda. They are actually opposing business interests.

Instead what they are proposing is the perpetuation of the pro-wealth agenda. Now don't get me wrong. I am not opposed to wealth. I am opposed to ill-gotten wealth for a very few gained at cost to everyone else, which is what we have. Wealth works when it is better shared, results from fair reward, and is much more accessible to all. And I accept in saying that that the reality is that there will still be disparity: I am a realist. More than that, I'm not suggesting anything else. Just as current wealth inequality is unambiguously harmful, enforced wealth equality (which has never happened) would be equally negative in its effects.

But reform is essential. And it should be welcome by all with open minds. And, I stress, there is no room for it to be suggested that Corbyn is being anti-business in this. The City and business are a long way from being the same thing. The City has a wealth agenda. Business has a focus in value creation for all involved. That is something very different indeed. It's time bankers, and The Telegraph, realised.