

One of our members, [Robin Smith](#) , has been looking at the nature of mortgage interest. He says this.

"Economic rent" is the location value, that is, not including the capital value of the building or the price of its "hire". Tax is used to pay for benefits received from these community created location values. Roads , hospitals, security of possession, schools etc.

So tax comes out of rent and visa versa. **Tax is rent is tax is rent.**

### **What of mortgage interest?**

That is Economic Rent too. How? What exactly is a bank lending you? Depositors money? No! Its own capital? No! What then? It creates the money out of nothing and deposits it into your account. Then balances it out with YOUR HOUSE as collateral. So, the bank has created no wealth, done no work, invested no capital, exchanged nor made no credits, employed no skill no industry... and it has charged you "interest" due its monopoly to create the money for the loan. It owns your house until the mortgage is paid off. It is your landlord in all but name. You are paying the bank Rent. Not Interest. Its a pretty good deal for them. If you default they keep your home and all improvements you have made on it.

Proof? Ask yourself where the title deeds are stored? That's right - in the bank vaults. Its just an idea. So to sum up, The Profits of Monopoly, are a tax or rent to everyone else. Banks are the 21st century form of aristocratic landlords of old.