

LENIN ON ECONOMIC RENT

The scarcity of land has this result, that the price of corn is determined not by the conditions of production on land of average quality, but by those on the worst land in use. This price of corn gives the farmer (the capitalist undertaker in agriculture) the replacement of his costs of production and the average profit on his capital. The farmer on the better land obtains a surplus profit, which forms the differential rent. The question, whether there is private property in land or not, has nothing whatsoever to do with the formation of differential rent, which in capitalist agriculture is unavoidable, even in the case of municipal, State or ownerless lands. The single consequence of the scarcity of land under capitalism is the emergence of a differential rent in consequence of the varying productivity of varying applications of capital.

Lenin, *Collected Works*, vol. 4, p. 234. (Translated from a quotation in German in *Agrar Probleme*, Moscow, vol. 5, p. 119.)
