

[The New York Times alerts its urban readers](#) in the Northeast (including my Manhattan parents) about drought in the West and in particular in New Mexico. To an economist, its a pinch surprising that the vaunted Times doesn't mention the price of water in New Mexico. Being an adept user of the Internet, I spent 5 seconds searching and I found [this valuable article about New Mexico water prices.](#) If you scroll down to Table 1 on page 10, you will see that cities such as Alamogordo charge an increasing block tariff with \$1.37 per 1000 gallons at the lowest marginal price. That works out to 1.3 cents per 10 gallons. You don't have to be an economist to figure out that this isn't a serious price signal. Raise water prices and concerns about "drought" will vanish. To my fellow lawyers I ask you, "Where in the Constitution is it written that people have a property right to basically free water?" Let prices reflect scarcity and dynamic free market innovation will handle the rest. If you worry about equity, then give poor people the cash transfer so that they can afford their original water consumption at the new market prices. Every econ 101 student knows how to solve that problem.