

## Re: 'Waterhole' and land rents

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*Source:* <http://sci.tech-archive.net/Archive/sci.econ/2007-01/msg00287.html>

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- *From:* [royls@xxxxxxxx](mailto:royls@xxxxxxxx)
  - *Date:* Tue, 23 Jan 2007 06:12:58 GMT
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On Tue, 23 Jan 2007 02:07:53 GMT, "Dan in Philly" <djr8@xxxxxxx> wrote:

<royls@xxxxxxxx> wrote in message ...

Seems to me that the initial increase in the value of land is driven entirely by the act of showing everyone else that the water is there.

Well noted. Why doesn't the increase in value go \*to him\*?

Because he didn't cause it. He only triggered it. Anyone could -- and in time someone certainly would -- have done the same.

That's a big assumption,

No, it's an obvious fact.

and ties into my question about taxing intelligence. Maybe this person thought of something that no one else had thought of, and never would think of.

We're talking about waterholes, here. The water's there. It's just a matter of someone eventually finding it.

Consider the analogous case of oil discovery. A bunch of exploration companies are drilling in a promising area...

Re: 'Waterhole' and land rents

You assume the area is 'promising.' What if no one else was even considering that land?

They will.

Let's make it even plainer: suppose someone discovers that gypsy tears can prevent AIDS. Do you really think the resulting increase in the rent of gypsy tears should go to him, and not to the gypsies?

That person (who discovered the connection) would first make contracts with the gypsies and the AIDS patients: it would specify the cost to the patients, the payments to the gypsies, and a secrecy agreement with everyone.

Secrecy is not going to last, and then the rent will be out of the bag. The contracts you are talking about are equivalent to the initial sweet deal the waterhole discoverer can get for exclusive use of the land before everyone else finds out about the water. That knowledge advantage is what he earns by his discovery, and nothing else. He certainly doesn't earn permanent exclusive ownership of what Nature provided to all, and someone else would eventually (perhaps even the next day) have discovered.

Or are you opposed to consenting contracts?

?? What is "consenting" about having your rights to use what Nature provided extinguished by someone else with neither your consent nor just compensation?

— Roy L

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