Last week I wrote that as the world is privatising the real question, even for fair weather Liberals, is not 'if' but 'how' to privatisate.

Privatising is facilitating the transfer of 'property rights' from public to private hands. The right to use — say under lease — and the right to transfer — say wheat to someone other than the wheat board — are as much property rights as a name on a land title. People who will not listen use narrow definitions of the relevant rights. So, on top of the real arguments between privatisers and people who suspect that they might be about to lose a featherbed, there are are cross purpose arguments with people who rightly dislike private monopolies.

Although there is a tendency to talk of privatising items on the balance sheet and deregulating transactions which first affect the P & L account, privatisation is indistinguishable from deregulation. Each is achieved by stopping our Government saying 'you will', and requiring it to say 'you may' do things with property.

Governments acquire the capital to purchase the State assets by saying 'you will' pay taxes; often they appropriate the original businesses; almost always they forbid entrepreneurs and customers an alternative service. When rights, including those normally associated with ownership, are transferred to the government from individuals they are taken from the private, voluntary or market economy to the command economy. Privatisation is reversing that process.

The cases most often made against it go like this: If Telecom is privatised it will be impossible to cross subsidise uneconomic services to the country and the nation will fall apart — End of case!

Actually most people in country towns are not subsidised by Telecom; many farmers are. Farmers cannot be subsidised by cash transfers from the taxes because taxpayers would not tolerate that. The cross subsidisation is regressive and much less efficient than a cash but it is hidden. It causes business houses, which pass the costs on to consumers, and metropolitan households to pay. Telecom employees, defending country land holders, sometimes forget to mention that the government monopoly also subsidises them.

The first benefits of privatisation are for the consumer. Pertinent examples are: mail delivered on time even in Sydney, air fares one can afford, shipping that is not so costly that it destroys otherwise viable industries and schools which teach in a particular way or indeed teach at all, but there are others less obvious.

Take the recent privatisation of Ayres Rock which so upset the
Northern Territory Country-Liberal Party. The Rock was badly privatised. Had it been well done advantages would have accrued to both Blacks and Whites.

The privatisation of Ayres Rock did not go far enough; not all the relevant rights were made private. The bunch (it did not seem to be a tribe) of Aborigines concerned were given a lousy and mean title - an inalienable title. It will deny them many of the potential benefits of ownership. The inferior title will deny the rest of us the benefits of dealing with free agents.

The Rock is potentially an even more important tourist attraction than it is now but, to make the most of it, expensive and immovable improvements are needed. The new titular owners cannot gift or sell a portion of their asset or otherwise offer a potential developer a secure title. They cannot raise money against their asset.

Canberra, generous but not too generous, gave a symbol to the aborigines but not the substance to enrich themselves or otherwise enter modern civilisation. Mr Holding possibly intends that the new owners should be a living relic of pre-European Australia - a human zoo - preserved as evidence that aborigines are victims of White exploitation. Or will it be of his discrimination?

If the Federal Government had privatised the Rock properly, that is given its new private owners all the relevant property rights, it would have removed the Rock from the dead hand of government benefiting the Aboriginal owners, the (probably white) developers, tourists (of all colours, some with foreign currency) and the taxman.

It is true that a freehold would give the owners the same authority to prevent development which they have now, but their incentive would be very different. They would rewarded for trading their rights as I am with my farm. Potential developers would be better placed dealing with aborigines than with the Northern Territory administration, not because private land holders are necessarily more honourable than Ministers of the Crown but because they are bound by laws which protect rights, whereas governments, which make rules, change them. Recall that the NT government arbitrarily reversed Federal Hotel's rights to the Darwin casino.

Thoughtless opponents of aboriginal land rights seem more concerned that Blacks might gain than that Whites might lose and ends up accepting the worst of worlds.

Environmental protection is another consumer benefit offered by privatisation.

I live in a block of 32 units. Although in a nice part of Perth there is dog dung in the street; there is none in the courtyard, and the steps, halls and balconies of the individual units,
compared with the courtyard, are spotless. This common circumstance reflects differing degrees of individual ownership.

Why are Scottish streams crystal clear while so many rivers stink? Why are town halls filthy and supermarkets clean? Why do pastoral leases get eaten out in the years just before the crown lease expires? Why were the English commons and prairie ranges of the United States grazed until important plant species became extinct while the productivity of farms continues to improve? Why are Australian rock lobsters over-fished but yabbies in farm dams are not? Is not each contrast caused by the extent of private property rights?

Whether private or public well-being is contemplated, law is no substitute for the tender loving self interested care of ownership.