

Ideas on immigration

SIR - I appreciate that you discussed my proposal to create a market for immigration (Economics focus, June 26th). Your article accurately presented the essence of my argument, but mentioned two criticisms that are unpersuasive. First, and contrary to the claim that you attributed to Abhijit Banerjee, the system I propose of poorer immigrants borrowing from their employers to finance their immigration fees allows the migrants to move freely between employers. As long as labour markets are competitive, such quits and hires of immigrants would be perfectly feasible and fair, unlike the sugar-plantation case mentioned in your article.

The second criticism, attributed to Sendhil Mullainathan, is that some immigrants may provide benefits to the rest of society; that is, they may create positive "externalities". In my lecture I suggested that particularly valuable immigrants, such as great scientists, could be allowed to pay lower entry

fees. Because the great majority of individuals get paid for their marginal contribution to society in a competitive market, charging lower entry prices to relatively few individuals does not introduce a significant complication to the fee system. Moreover, judgments about externalities would be much more complicated in the point system that you apparently prefer.

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SIR - The proposal to auction immigration rights has been around for more than 25 years. The reason why the idea has made practically no progress among immigration experts, including admirers of Gary Becker such as myself, has little to do with the critiques raised in your article. Rather, it is because the proposal fails the tests of comprehensiveness and ethics and does not resolve the conflict of interest between source and destination countries.

For instance, such an auction could not include refu-

gees. No Parliament or Congress would admit refugees on the basis of who makes a higher bid. Nor could it be applied to illegal immigration, reflecting the simple fact that as long as there are immigration restrictions, there will be illegal immigrants.

A destination country could extract a premium through an auction for legal immigrants, but this runs into the problem that the source country is also likely to make a claim on the premium. It could argue that emigration may harm those left behind, or that investments have been made in the people leaving, such as sending them to subsidised colleges, and that their higher rewards abroad should be put towards repaying those costs.

But even if the focus is simply on the destination country, what about the ethical objections from those who believe that limited immigration quotas should go to famished Haitians and Mexicans rather than to rich Russian and Indian doctors? The former "need" and

therefore "deserve" the rationed immigration opportunity more.

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Protecting data privacy

SIR - The clash between the United States and the European Union over data privacy has a long history, going back at least to the 1970s and continuing through the implementation of Europe's Data Directive in the 1990s and American demands for data on European citizens after September 11th 2001. But the recent dust-ups over Google Street View and Facebook suggest that there is more agreement over privacy on the two sides of the Atlantic than your article indicated ("The clash of data civilisations", June 19th).

The EU structure is more formal and, in many respects, more advanced. But American lawyers are still heading down to the courts to press their claims. The state attorneys- ▶



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