

How to help U.S. retirees -- and Mexico, too

THE OPPENHEIMER REPORT

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Here's a proposal that would allow the United States to solve its immigration crisis, control sky-high healthcare costs and rebuild ties with Latin America in one stroke: Make it easier for millions of Americans to retire in style and pay lower medical bills south of the border.

Over the next 30 years, more than 100 million U.S. citizens will reach retirement age, and very few of them will be able to afford good housing, top-of-the-line medical services or -- much less -- personal care. Mexico, Central and South America could offer all of that and much more. Doing so would catapult their economies and reduce their people's need to emigrate.

Before we get into why this -- or other plans to reduce the U.S.-Latin America income gap -- is much more likely to solve the immigration crisis than the \$1.9 billion President Bush wants to spend on a 370-mile fence along the border and to deploy 6,000 National Guard troops, let's take a closer look at the alternative retirement option.

The upcoming retirement of about 100 million U.S. baby boomers will result in increased demand and ever-growing prices of retirement housing, nursing and healthcare bills for millions of Americans. Many of them are already seeking retirement alternatives overseas.

As Walter Russell Mead suggests in his recent book, *Power, Terror, Peace & War*, the United States should negotiate agreements with willing partners in the region to provide favorable deals to U.S. citizens willing to retire south of the border.

It could, among other things, offer reimbursement under Medicare for Americans seeking medical care in qualified and licensed healthcare facilities in Latin America, he writes.

Since these reimbursements would be much lower than those Americans would get in the United States, the U.S. government would save billions of dollars, which it could use to replenish Social Security coffers.

By creating hundreds of thousands of jobs for doctors, nurses, hospital technicians, restaurateurs and construction workers, Latin American economies would get a big boost. Florida, Arizona and Spain were sleepy economies before millions of retirees arrived and turned them into prosperous states or nations.

Some of this is already happening. More than one million Americans are already living in Mexico, many of them retirees seeking warm weather, lower property taxes and more affordable healthcare, The Dallas Morning News reported recently.

With the proper legal framework, this could be expanded to benefit both countries.

It would help solve the immigration crisis, because the current border enforcement plans are nothing but feel-good measures. They may help the Bush administration appease the Republican right in Congress, placate immigrant-bashing anchormen such as CNN's Lou Dobbs or draw public attention away from the Iraq war as we approach November's congressional elections, but they will do little to reduce the migration flow.

As long as the U.S.-Latin American income gap remains at its current levels -- the U.S. per capita income is \$42,000 a year, compared with \$10,100 in Mexico and \$2,800 in Honduras -- you will have migrants coming to the United States.

If you build a 370-mile fence extension along the 2,000-mile border, immigrants will simply make a detour through other border crossings in the desert, dig tunnels or come through Canada. The result will be to make it more dangerous, human smugglers will charge more and migrants who make it across the border will never go back for fear of not being able to return.

And sending 6,000 additional troops to the border will be just as futile. As we reported here last week, the U.S. Border Patrol was expanded from 3,700 to 12,000 agents over the past 15 years, yet illegal border crossings doubled anyway.

My conclusion: Making it easier for U.S. senior citizens to retire south of the border or other proposals to narrow the North-South income gap are very realistic solutions to the immigration crisis. What's crazy (unless you work for

Halliburton or other defense contractors) is to build useless walls or to send thousands of troops to get sun-tanned along the border.