

Contemporary Affairs

GRAY DAWN:

How the Coming Age Wave Will Transform America—and the World.

By Peter G. Peterson. Times Books.

280 pp. \$23

When the sky does fall, those once denounced as Chicken Littles suddenly become prophets. Peterson may turn out to be one of them. He assessed the dire consequences of American aging in *Will America Grow Up Before It Grows Old?* (1996). Now, in *Gray Dawn*, he extends the analysis to the rest of the world.

Everywhere, but especially in wealthy countries, people live longer. The cost of their medical care is increasing. The age of their retirement—and hence their entry into the ranks of those supported by public pensions—is dropping. They are having fewer children who might support them in retirement. Intergenerational solidarity does not help: grandparents live apart from grandchildren, often in another part of the country. As societies move from high rates of fertility and mortality to low, Peterson argues, they face fiscal disaster.

While acknowledging that demographic projections have turned out wrong in the past—not that long ago, Cassandras were worrying about too *high* a birth rate—Peterson believes that fiscal problems are virtually unavoidable. Under even the most conservative estimates of future trends, too few will be working to support too many looking for dignified leisure. Even more important, not all trends are cyclical. Once birth control is introduced in a nation, for example, families with more than 10 children become rare.

Different societies will handle the aging bomb in different ways. Peterson admires Japan, the first country to cope with rapid aging. There, the Confucian ethic stresses intergenerational responsibility, and the political system prizes consensus over conflict. Italy, by contrast, “may be the world’s worst-case pension scenario.” Strong unions protect their (retired) members, while, as a result of low birthrates, people over 60 outnumber those under 20. The United States has the advantage of being

the youngest, demographically speaking, of the world’s rich countries. But it has the problem of a political system unable to say no to demands for disproportionate spending on the elderly.

One need not accept all of Peterson’s political judgments. To start with, fiscal health may be less important than individual rights, the very lack of which makes Japan so appealing to the author. In addition, Peterson seems naive about the capacities of government (he believes that regulators can prevent chicanery in a worker-controlled pension system), and he fails to recognize the symbolic importance Americans attach to Social Security despite its economic inefficiencies.

Still—despite skepticism about worst-case projections—I find Peterson’s factual conclusions persuasive. Americans someday may rue the fact that, back when the emerging problems were so clearly and compellingly described in *Gray Dawn*, they did not pay attention.

—Alan Wolfe

LUXURY FEVER:

Why Money Fails to Satisfy in an Era of Excess.

By Robert H. Frank.

Free Press. 336 pp. \$25

The townspeople of Ithaca, New York, once disdained each passing Porsche, according to Cornell University economist Frank, but now they view pricey cars with envy. Even the author is not immune: he acknowledges owning a BMW—purchased *used*, he stresses. Out of such insidious, competitive profligacy, Frank contends, grow myriad social ills, including bleak inner cities, neglected children, air pollution, potholes, and obesity.

In *Luxury Fever*, Frank amasses prodigious evidence of America’s wasteful ways. Since 1980, the market for fine wines has grown by 23 percent annually. The average size of new houses was 1,100 square feet in the 1950s; it’s 2,000 square feet today. (Bill Gates’s 45,000-square-foot palace especially offends Frank, who wishes the Microsoft founder would erect a smaller house and use the sav-

ings to subsidize mass transit.) And, the author notes, while the top earners accumulated ever-larger fortunes, median family income dropped two percentage points between 1990 and 1995. The rich have spent more on luxury items, but, contrary to the assumptions of laissez-faire economics, society as a whole has not benefited.

After lamenting the growing gap between rich and poor, an issue often raised by liberals, the author borrows the rhetoric of Darwinian analysis from conservatives to explain the acquisitive compulsion. Male deer through the generations have sprouted ever-larger antlers because, it appears, females find them alluring. Massive antlers thus help propagate the species, but they also make it difficult to navigate through thick forests. Conspicuous consumption, Frank contends, is the human equivalent of antlers. (He fails to note what may be a closer equivalent: cos-

metic surgery, which he derides elsewhere as wasteful.) To pay for larger homes and spiffier cars, Americans immerse themselves in debt, work through evenings and weekends, and, like the unwieldy bucks, find life increasingly difficult to navigate.

Frank proposes heavily taxing conspicuous consumption in order to encourage “inconspicuous consumption,” which would result in cleaner air, happier families, and longer vacations. But such measures, including a now-repealed tax on luxury boats, have failed in the past. More to the point, materialism, economic inequality, and environmental degradation have roots running deep in American history. The Vanderbilts lived opulently long before Bill Gates. *Luxury Fever* sets forth our spending patterns in rich detail, but fails to account for the traits of American character that underlie them.

—Richard Houston

Science & Technology

VIRTUAL REALISM.

By Michael Heim. Oxford Univ. Press. 264 pp. \$26

Technological disciplines have collective personalities. While the field of artificial intelligence (AI) is that former prodigy who has been bumped around but is still game, virtual reality (VR) is AI's sexier, younger, right-brain cousin, wilder, more sensuous, with a larger circle of admirers ranging from Pentagon warriors to neo-bohemians.

Heim is a philosopher determined to sort out what new technologies mean for enduring humanistic issues, beginning with *Electric Language* (1987), on the implications of word processing, and continuing with *The Metaphysics of Virtual Reality* (1993). He presents *Virtual Realism* as an alternative

to debunking books by authors as varied as Clifford Stoll, Sven Birkerts, and Bill McKibben. Yet he also distances himself from those enthusiasts who foresee a posthuman cyborg destiny for our species.

From Heim's account, at least two main directions for virtual reality emerge. Operational telepresence is today's successor to the flight simulation technology familiar in military and civil aviation, in which a human interacts with electronic (and sometimes physical) representations of physical objects. Artificial telepresence is more abstract, a synthetic social space rather than the representation of an existing physical one. Fabricated personalities called avatars, directed by programs or by human participants, can interact in a world with properties unknown in

