

15/04/1998

PM: Be wary of sinister side to virtual reality

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KUALA LUMPUR, Tues. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today while virtual reality was a technology which can bring about progress, wealth and enhance the quality of life, it can also cause irreparable damage to society.

Dr Mahathir said the economic problems faced by countries in the region were a direct result of the application of virtual reality to business and by making virtual business possible and real.

"Where before we had to deal with real money, goods and services, today none of these are really necessary.

"As a result, there seems to be no limit to the amount of business that can be done and profits made. Unfortunately in the process, real money, real jobs and real business can be very badly damaged."

He was speaking at the Seminar on Virtual Reality at the Mines Exhibition Centre organised by the Universiti Malaysia Sarawak.

It is co-organised by Fraunhofer Institute of Industrial Engineering IAO of Germany, Silicon Graphics, Sirim Malaysia Bhd, Petronas and Sime Darby Systems.

Dr Mahathir cited currency trading as an example of how virtual money could be used for trading where real profits and losses were made.

"In currency trading, a trader can borrow millions of units of any currency without actually taking or handling the money."

Dr Mahathir said although the trading was in virtual money, the effects of devaluation were real.

"Today, whole countries and regions are impoverished because of currency trading, in some cases by 400 per cent.

"Banks, businesses are bankrupted, millions of workers thrown out of jobs, high inflation results in people not being able to buy food and medicine and a host of catastrophes befall people, real people, not virtual people," he said.

Dr Mahathir said instead of constructive things, virtual reality might and could result in destructive or morally unacceptable products.

"Thus, the Internet for example is the greatest instrument for direct communication of the truth, free of Government and non-Government censorship and distortions.

"But, it is clear that Internet too can be a medium for untruth, and for a variety of unacceptable activities," he said, adding that only ethics and values could solve the problem.

Later at a Press conference, Dr Mahathir described poison-pen letters put up on the Internet as a misuse of the communication instrument.

"We see poison-pen letters and all kinds of things. We thought that with the Internet there will be no censorship, people can tell the truth but people use the Internet to tell lies," he said.

On the country's economy, Dr Mahathir said it was gaining strength with effective interest rates and the tight credit situation easing slightly.

He said there was even some flow back of funds from foreign countries including Singapore. Previously Malaysians were shifting funds to foreign banks.

On whether the availability of credit to the automobile sector would relieve pressure on interest rates, he said: "I think so ... interest rates are coming down."

He said Malaysia's interest rates were relatively low.

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