The 500 channel universe will only become a reality when cable systems are re-built to introduce fibre optics and digital compression. That will be a very expensive exercise and one which is only really being actively considered by the largest multiple system operators, TCI Viacom and Time Warner. These companies have started to build prototypes of what they call full-service systems, which incorporate multi channel interactivity and related data services.

Yet Time-Warner got as far as building a prototype interactive system in the late 70s called QUBE. This system allowed for two way communication so that subscribers could participate in game shows, call the plays in a football game and express their views on political issues. The experiment was abandoned for no clear reason.

A number of forces is driving the march towards interactive capacity today. The cable companies want to expand beyond the provision of entertainment services into some of the value added services that could also be offered by telecommunications networks (telcos). An optical fibre system, with increased channel capacity through digital compression and a more sophisticated network architecture that improved its switching capacity, has appeal as an alternative to the local exchange carriers. This is one reason why we are seeing the merger mania between US phone and cable companies.

At the same time the telcos are being allowed to use their networks for the delivery of video entertainment and information. Their capacity to do this depends either on the roll out of fibre optics or the perfection of asymmetrical digital subscriber line (ADSL) technology to allow the existing wires to deliver video.

Then there are the big computer companies like IBM, Apple and Microsoft who are pursuing multi-media and interactive options quite aggressively. The nature of the computer business has changed so that the margins are no longer in making machines, but in software and servicing. The prospect of a whole new range of computer like consumer electronics applications is very attractive. For example, IBM has proposed the upgrade of cable networks to high speed digital multi-media networks based on its packet data technology and it is in a joint venture with Apple to market multi-media software platforms that could be used in interactive applications.

But it all does come back to whether the consumer wants to interact with the television and is not daunted by the prospect of 500 channel television. As one cable executive has said of the cable test systems, 'This is not market research we are doing. It's like dog food, we are putting it out and seeing if anyone wants to eat it'.

ABA CHAIRMAN PROPOSES DEBATE

Mr Brian Johns, Chairman ABA, has suggested the International Institute of Communications (IIC) can play a pivotal role in leading debate on communications policy in the Pan Asian region.

Mr Johns was addressing the Christmas lunch of the Australian branch of the IIC in Sydney on 10 December.

'How nations see themselves through their media is a vital issue. While debate about local content and local identity is framed by global frameworks such as GATT and NAFTA, Australia Pacific Economic Co-operation Group is a natural dimension for the IIC to explore in terms of pan Asian audio visual agreements,' Mr Johns said.

'In addition to issues of culture, content and local identity, there is also the need to raise debate on the technological aspects of communications policy in the region,' he said.

Mr Johns proposed that the IIC hold a major conference about these issues: 'Our region is polyglot of cultures, religions and races, surrounded by the giants of GATT and NAFTA. We have to seek our own way forward.'

The IIC undertakes research, produces publications and encourages debate on international and national communications policy.