Google is unquestionably the best at selling advertising on line. They can sell Text, Display, Video at a level that is unparalleled anywhere. True?

The Newspaper industry obviously sucks at doing the same. Eric Schmidt said so in his editorial in the Wall Street Journal.

So why isn't Google taking advantage of this unique opportunity? Why not just offer a specially tailored version of AdSense for Newspapers? They do what they do, create content. You do what you do, generate content and sell ads?

Makes sense. Wont happen.

Why? Because of the Google hypocrisy in play. This argument is no different than the same argument they made with Youtube and the music and film industries. All those movies, tv shows, music videos on Youtube were GREAT PROMOTION. The music and movie industries shouldnt blame Google if they don't know how to monetize all the billions of views and impressions Google and Youtube provided the content industry. Right?

But a funny thing happened along the way. Google caved on Youtube. Their message is no longer "if you cant monetize the traffic, tough luck". Youtube is now sharing revenue with as many music and video content sources as they can. They are even setting up VEVO a satellite music video site built around Universal Music Group content.

There is absolutely zero chance that the end of this discussion is Google saying "You will take our traffic and like it". Google is posturing. They recognize they have the advantage. Particularly if MicroSoft/Bing do nothing with Newscorp. Its only a question of how they use it.