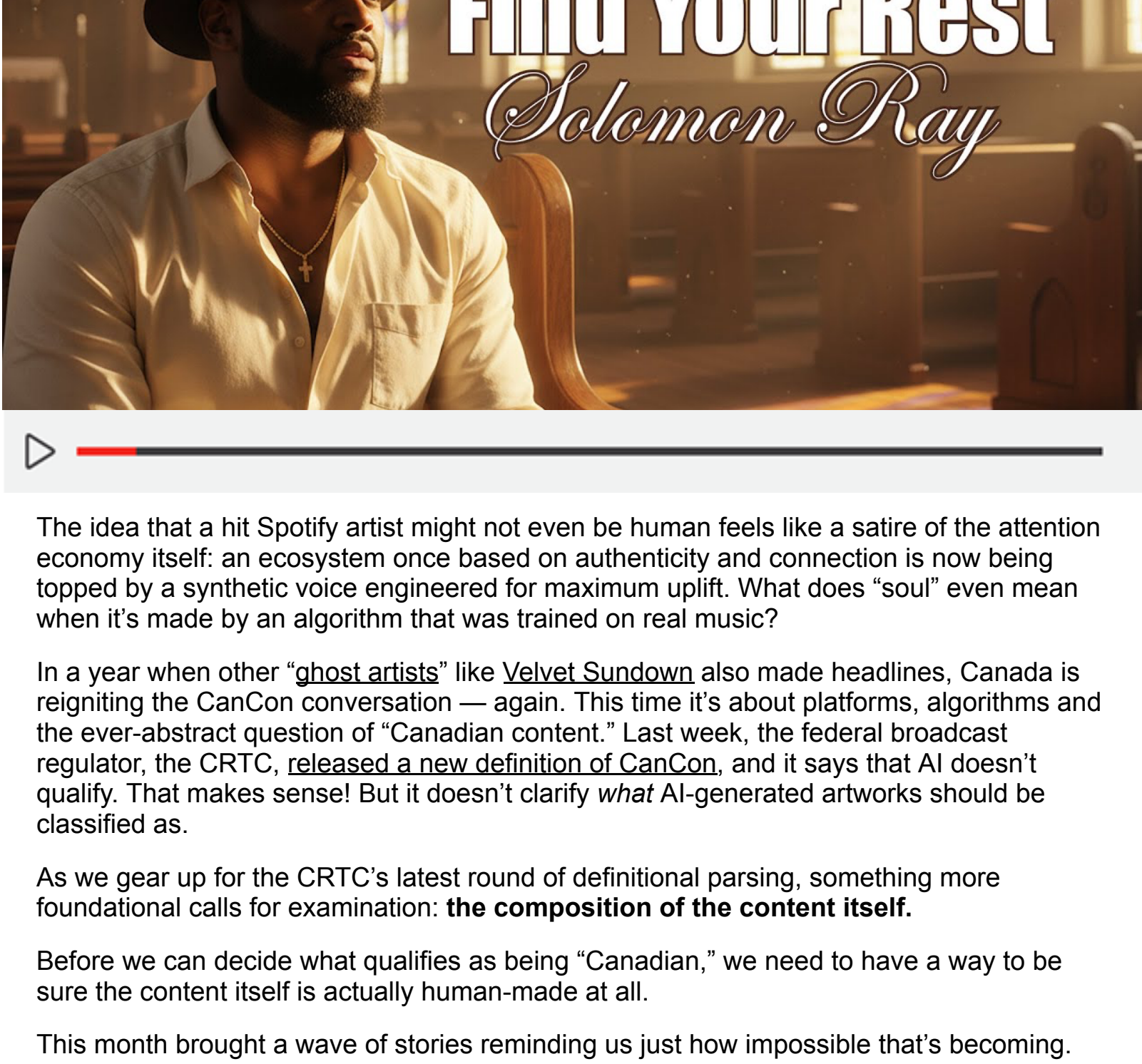




Hi ,

Have you heard Solomon Ray’s new album “Faithful Soul”? It’s number one on the gospel charts — and entirely AI generated, just like the musical artist behind it.



The idea that a hit Spotify artist might not even be human feels like a satire of the attention economy itself: an ecosystem once based on authenticity and connection is now being topped by a synthetic voice engineered for maximum uplift. What does “soul” even mean when it’s made by an algorithm that was trained on real music?

In a year when other “ghost artists” like Velvet Sundown also made headlines, Canada is reigniting the CanCon conversation — again. This time it’s about platforms, algorithms and the ever-abstract question of “Canadian content.” Last week, the federal broadcast regulator, the CRTC, released a new definition of CanCon, and it says that AI doesn’t qualify. That makes sense! But it doesn’t clarify *what* AI-generated artworks should be classified as.

People are inclined to reject fake content, and a recent survey found that Canadians are increasingly “concerned” about AI-generated material. Consumers appear willing to revolt.

So, will the market just magically correct for the infusion of computer-made material in our feeds? In some cases, that’s where the wind is blowing. YouTube announced this summer that it will not monetize content that is generated by AI, while Vine is relaunching with a proudly no-AI policy. This shows some platforms are beginning to draw real boundaries around AI-made content.

However, in other places online — like Spotify — the distinction is non-existent. The music-streaming platform has no obligation, and currently no ability, to guarantee that your favourite song was sung by an actual person. Meanwhile, music labels are striking deals with AI-first streaming platforms and mountains of “slopified” songs are dominating TikTok. Pitchfork is already calling it a crisis.

This “slopification” of content parallels the “firehose of falsehood” method of spreading disinformation: overwhelm the system with vast quantities of low-quality synthetic material so authenticity becomes impossible to discern, platforms default to whatever is cheapest and most scalable, and public trust erodes (not just in the content itself, but with the institutions tasked with curating it).

An optimist may argue that the free market will correct this: audiences will demand human-made work, simple interventions like labels will differentiate material and platforms will adapt.

But market discipline only works when consumers can make informed choices, and that requires one thing we don’t currently have: knowledge.

**Information asymmetry is being tackled in different ways depending on the context.**

There has long been concern about the use of AI in government decision-making. Currently, Quebec — through its Privacy Act — is the only jurisdiction in Canada that requires public agencies to disclose the use of AI in their decision-making processes. In the U.K., government agencies post their use of algorithms on a public hub and complete AI transparency reports. The OECD’s recent report on the use of AI in core government functions similarly encourages governments to act transparently and with due regard for the public good.

Other jurisdictions are also recognizing that the information asymmetry between internet users and the generators of AI content is a consumer protection issue.

With this recognition comes efforts to impose transparency, traceability and accountability obligations on businesses that create and deploy AI content.

California’s landmark Generative Artificial Intelligence: Training Data Transparency Act goes into effect on January 1, 2026, requiring developers of generative AI systems to publish the source and ownership of their datasets; whether the data includes copyrighted works, or personal and aggregate consumer information; any synthetic data used; and how the data supports their AI model’s purpose. The bill aims to overcome AI’s “black box” problem by making its inputs transparent. The law is part of a broader push from California to govern AI’s foundations, not just its outcomes.

While inputs are important, **what matters most for the average internet user are labels on AI content that they regularly consume on their feeds.**

The European Union’s AI labelling requirements come into force in August 2026. With the goal of enhancing transparency and preventing deception, Article 50 of the EU regulation imposes a binding requirement to label content created or manipulated by AI systems that could be perceived as real or human-made, including text, images, voices and videos.

**Several states in the U.S. are also considering laws that impose mandatory disclosure and labelling of AI-generated content.** In Pennsylvania, a proposed law would mandate “clear and conspicuous disclosure” when written text, images, audio or video is created with AI. Georgia also proposed a law requiring disclosures whenever AI-generated content is used in advertising or commerce. In Massachusetts, the Artificial Intelligence Disclosure Act, introduced in February 2025, would require clear and permanent disclosures identifying content as AI-generated.

**Back to CanCon**

Traditionally, the goal of promoting CanCon has been to ensure the ongoing delivery of compelling, high-quality Canadian-made creative content. The phrase “Content Made by Canadians” is a guiding principle.

That is reaffirmed in the CRTC’s recently published regulation, which outlines that humans, not AI, must occupy key creative roles in a production to meet the requirements under CanCon rules.

If the regulator can create these standards, how else can the Canadian government help us figure out when material *is* slop?

**The first step to solving the problem of “slopification” is to treat the issue as a consumer protection priority.**

Canadians should be able to trust the content they consume in Canada — not have to guess whether something they hear, watch or read is authentic.

Following in the AI transparency footsteps of other jurisdictions would be a strong step towards meeting the overarching goals of CanCon regulation: enhancing cultural and economic sovereignty.

CanCon emerged during a distinctly sovereignty-driven era in Canadian policymaking. In the 1960s and ’70s, Ottawa worried that American broadcasters, studios and cultural products were overwhelming Canada’s airwaves and shaping Canadian identity.

CanCon quotas, the CRTC, the Broadcasting Act, Telefilm and the CBC’s mandate were all established as tools of cultural self-determination — a deliberate attempt to assert sovereignty over a media ecosystem increasingly dominated by the United States.

They were designed to ensure Canadian stories had space to exist and compete inside a market where foreign players (especially U.S. networks) held disproportionate control.

“Slopification” is a cultural annoyance and a contemporary sovereignty issue. Sovereignty depends on **knowability** (what’s real), **traceability** (where it came from), **accountability** (who benefits), and the basic ability to preference domestic content that actually exists.

Traditional CanCon was designed to protect Canadian stories from foreign studios; today the threat is foreign models — and a flood of synthetic content that collapses the very meaning of “Canadian” in the first place.

Until next time,  
Vass Bednar

**In the Sovereignty Conversation this Week**

At the Rotman School of Management’s Impact Talks series, Vass Bednar took aim at Canada’s most overlooked trade barriers: digital platforms. Reframing Amazon’s roughly 45% take from Canadian sellers as a *private tax* on SMEs, she argued that platforms now function as de facto trade regulators — controlling access, visibility, pricing power and data. Canada cannot build a “One Canadian Economy” by focusing only on provincial borders while ignoring the digital chokepoints that quietly extract value and limit sovereignty.

And SHIELD’s Matthew da Mota spoke with SETSI’s executive director Victor Beausoleil about the global challenges of advanced AI and the potential impact of AI adoption on the Canadian economy and society during a fireside chat at the Sustainable Finance World Forum.

**A New SHIELD Sovereignty Score**

The SHIELD Sovereignty Score is a practical framework we created to turn policy promises into testable choices, reinforcing SHIELD’s goal of Sovereignty by Design. The score reveals if and how a policy decision shifts control, competition or value toward Canada.

The federal government’s \$40 million contribution to Nokia’s Research and Development Campus in Ottawa gets a 6/10 on the SHIELD Score. This decision lost points because it is missing a plan to stop leaking value created by Canadian scientists and research institutions to foreign multinationals. It won points for enhancing skills utilization, turning away from the hyperscalers and promising to give young people valuable work experience. The decision was made in 2022 when government prohibited Canadian Telcos from deploying Huawei and ZTE products and services in their 5G networks. In that context, this decision was a step in the right direction. The Minister of AI and Digital Innovation described this decision as sovereignty success. We say: government got it half right. With future investments that are similar, the government could improve the score by implementing an IP retention strategy and imposing conditions on value capture. We’ll post our longer analysis next week.

**SHIELD In the News**

**The Hub - Canada needs a whole of government approach to competition policy.**  
Hunter Prize 2025

SHIELD’s managing director Vass Bednar co-authored this essay, a finalist for the Hunter Prize, with Denise Hearn, arguing that Canada needs a whole-of-government approach to competition policy. As finalists for the prize, they argued that this can be achieved by reframing Canada’s approach and recognizing competition policy as economic policy.

**The National Observer - Carney’s sweeping public service cuts reflect a troubling legacy**

For this article analyzing the 2025 Budget, SHIELD provided graphs used to visualize the relationship between federal public service growth and the Canadian population.

**BNN Bloomberg - The price to pay for AI: how are companies handling consumer information.**

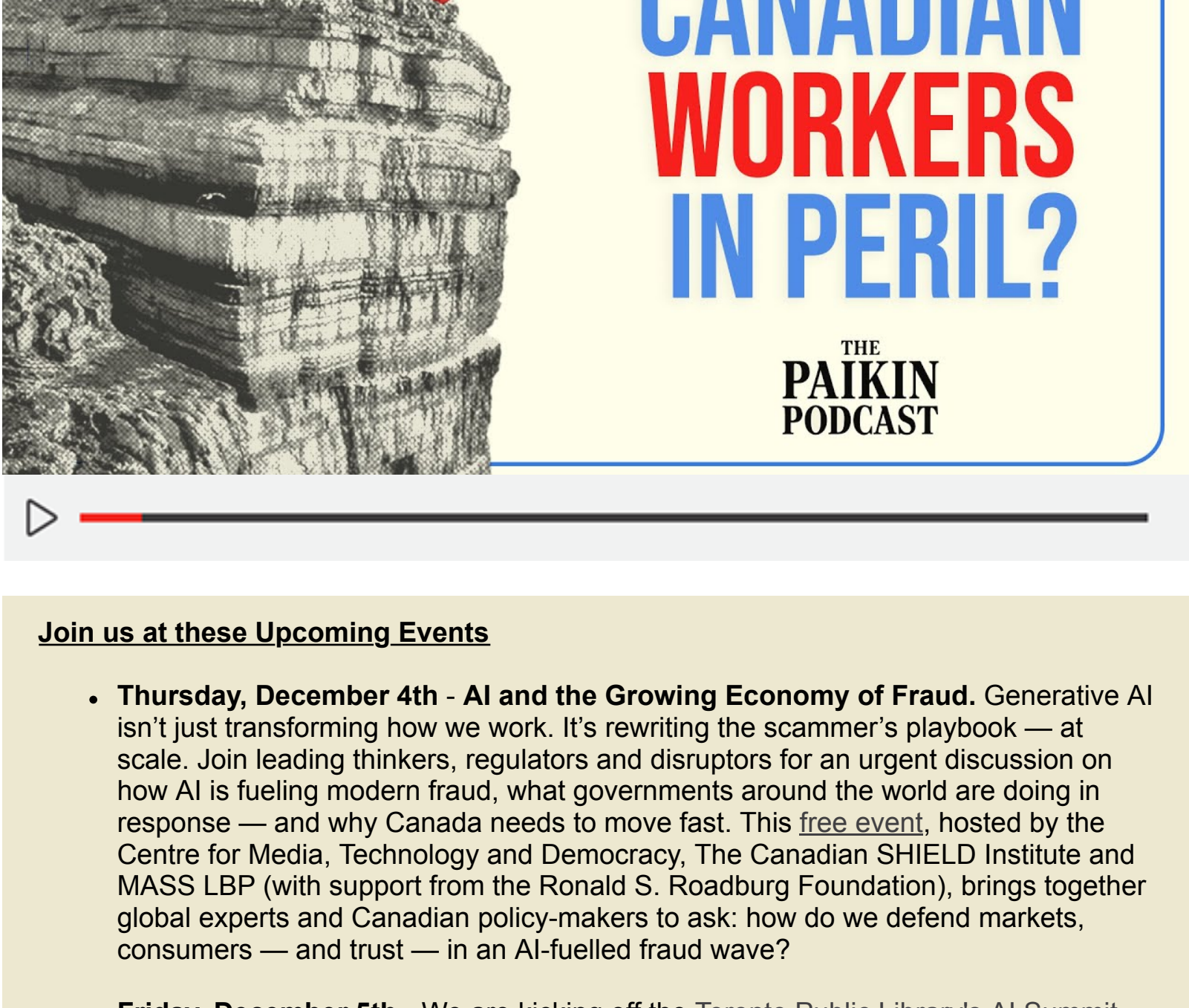
SHIELD’s Vass Bednar joined BNN to discuss the topic of last week’s newsletter: coercive consent.

**The Peak - At the water cooler with Vass Bednar**

Vass sat down with Taylor Scollon, co-founder of The Peak business newsletter, to talk about think tank life, economic sovereignty, affordability, and magic policy wands.

**The Paikin Podcast - CSA Budget Discussion: Are Canadian Workers in Peril?**

SHIELD’s Kaylie Tiessen joined Steve Paikin for a live podcast taping at the CSA Group’s conference on Building a Thriving Canadian Economy. She helped break down the new federal budget and highlighted the SHIELD Score, explaining why it is an essential tool for analyzing government decisions that impact Canada’s economy and sovereignty. Listen below.



**Join us at these Upcoming Events**

- **Thursday, December 4th - AI and the Growing Economy of Fraud.** Generative AI isn’t just taking over, we work. It’s rewriting the scammer’s playbook — at scale. Join leading thinkers, regulators and disruptors for an urgent discussion on how AI is fueling modern fraud, what governments around the world are doing in response — and why Canada needs to move fast. This free event, hosted by the Centre for Media, Technology and Democracy, The Canadian SHIELD Institute and MASS LBP (with support from the Ronald S. Roadburg Foundation), brings together global experts and Canadian policy-makers to ask: how do we defend markets, consumers — and trust — in an AI-fuelled fraud wave?
- **Friday, December 5th** - We are kicking off the Toronto Public Library’s AI Summit with a discussion on Building the AI Future We Want To Live In. We will interview **Mutale Nkonde**, the founder of AI for the People. This event is free to attend and requires registration.

“I Pity the Country” (1971) is a haunting folk protest from Canadian singer-songwriter, film director and politician Willie Dunn that feels painfully current more than 50 years later. Written as a lament for colonial betrayal and political indifference, the song cuts with quiet fury—tender in sound, devastating in message. It’s a reminder that some warnings echo louder with time.

