



**THE ALBERTA BUCK -**

**PROPOSAL**

**DOMINION R&D CORP.**

**2026-01-29**

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# THE ALBERTA BUCK

Proposal for Ministry of Finance (v5.1)

([PDF](#), [/w notes](#), [research](#))

\$23 billion leaves Alberta every year as interest – on money created from Albertan wealth at zero cost.

Banks create liquidity from Albertans' assets and charge them interest. BUCKs let us access that same liquidity directly – no debt, no interest, just insurance.

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CAD\$3M Investment   10 Senior Researchers   Prove Legality   Deliver Prototype

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# EXECUTIVE SUMMARY

<b>Problem</b>	Albertans pay \$23B/year to borrow purchasing power from banks
<b>Cause</b>	Banks <a href="#">create money from your assets</a> – earning <a href="#">30% of corporate profits</a>
<b>Solution</b>	<b>Alberta Buck:</b> let citizens access their own wealth directly – insurance, not interest
<b>How</b>	Same asset, same insurance, same liquidity – just no bank in the middle
<b>Ask</b>	\$3M for 12-month R&D and working prototype
<b>ROI</b>	7,667× – \$3M investment to unlock \$23B/year savings

**BUCKs don't replace money. They replace borrowing.**

**Your wealth. Your liquidity. Your choice.**



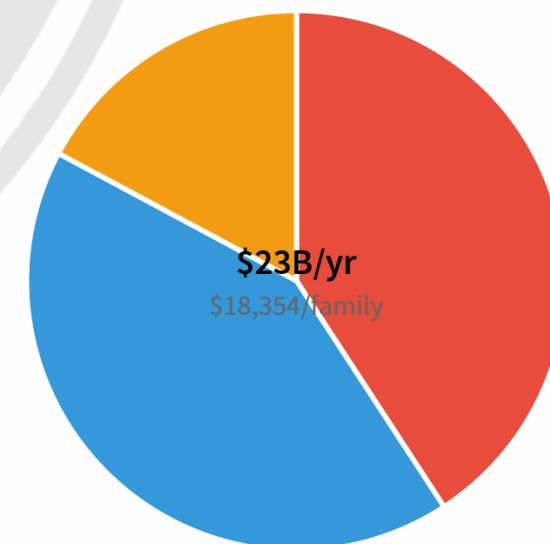
# THE \$23B QUESTION

Alberta families pay \$18,500/year in interest – \$23B province-wide – on money created from their own assets at zero cost

What You're Told	What's Actually Happening
"Cost of capital"	Banks don't lend capital – they create money
"Compensation for risk"	Your collateral bears the risk, not the bank
"Market rate for liquidity"	Banks earn 30% of all profits for zero-cost issuance

Category	Debt	Cost	/Family
Household Mortgages	\$197B	\$9.4B/yr	\$7,486/yr
Business Debt	\$203B	\$9.6B/yr	\$7,714/yr
Provincial Public Debt	\$83B	\$3.9B/yr	\$3,154/yr
<b>TOTAL</b>	<b>\$483B</b>	<b>\$23B/yr</b>	<b>\$18,354/yr</b>

4.75%





# HOMEOWNERSHIP CRISIS

- Average home price: \$505,000
- Down payment: \$125,000
- Average mortgage: \$380,000
- First year's interest: \$19,000
- Over the term: \$286,433 in interest
- Families pay their mortgage debt 1.9×

## Real Families, Real Burden

Home Value	\$505k	<input type="range"/>
Mortgage	\$380k	<input type="range"/>
Interest Rate	5.00%	<input type="range"/>
Term	25 years	<input type="range"/>



# YOUNG CANADIANS SEEK OPPORTUNITY

Across Canada, young people face:

- Housing: **10-15× income** (their parents paid 3-5×)
- Birth rate: **1.41 children/woman** (34% below replacement)
- Many abandoning home ownership, family formation, *staying in Canada*

**They're not giving up – they're looking for somewhere that rewards hard work.**

Alberta can be that place.



# FOLLOW THE MONEY

Canadian banks didn't grow by producing more. They grew by **charging more for the same thing**

Financial Sector Metric	Value
GDP produced	~7%
Corporate profits captured	<b>30% of all corporate profits</b>
Profit per unit of GDP	4.3× the economy average
Profit growth 1997-2017	4/5 from rising <i>margins</i>

**\$18,500/yr per Alberta family. \$23B/yr from Alberta. \$54B/yr in federal debt service. All interest on money that didn't exist before the borrower signed.**



# IMAGINE: THE ALBERTA BUCK

You own a \$505k home. You have \$380k in equity.

What if you could just... write a cheque?

Step	What Happens
You own a home	Verified ownership, appraised value
You need cash	Write a cheque against your equity
No bank. No interest.	Just ~0.50%/year insurance against loss of value

That's the Alberta Buck.  
Now let's see what it saves.



# THE SAVINGS: BORROWING VS. USING YOUR WEALTH

Side-by-Side Comparison: \$380,000 financed

Metric	Mortgage (5.00%)	Alberta Buck
Principal	\$380,000	\$380,000
Interest	\$286,433	---
Insurance	\$1,900/yr	\$1,900/yr
25-Year Total	\$713,933	\$427,500
Savings	---	\$286,433

**\$286,433 (\$19,000 the 1st year) stays with the family**

But how can the savings *possibly* be this large?



# HOW BANKS WORK: ISSUING LIQUIDITY FROM WEALTH

Banks don't lend depositor money – they **create new liquidity** backed by YOUR assets, and charge YOU for it:

- You pledge \$505,000 home as collateral
- Bank creates \$380,000 in your account
- You pay \$286,433 interest over 25 years
- If you default, bank seizes your collateral

**Banks create liquidity from YOUR wealth and charge YOU interest for the privilege**



# THE "FINANCIAL INTERMEDIARY" MYTH

**What you're told:**

1. Bank collects investor savings (deposits)
2. Bank pays investors interest (e.g., 2%)
3. Bank lends out that money to borrowers
4. Bank charges borrowers higher interest (e.g., 5%)
5. Bank earns the "spread" (3%)

**Sounds reasonable, right?**

# MORTGAGE PAYMENTS: LENDER MONEY



## Your Mortgage Payments

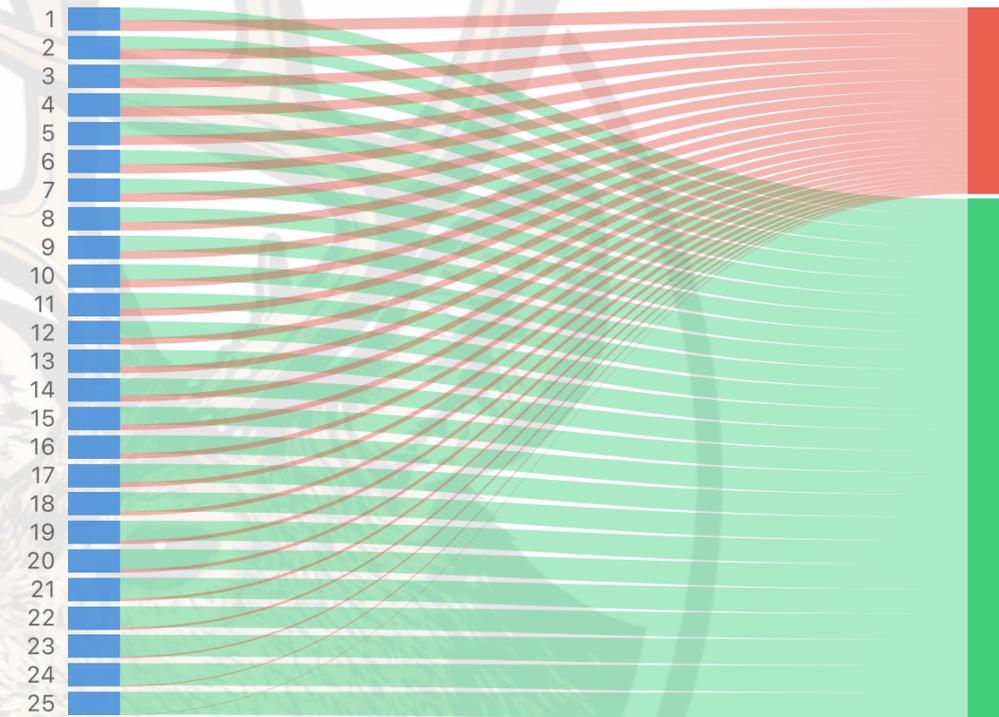
## Depositor Payments

25-Year Payment Flow: \$380k at 5.0%

25-Year Payment Flow: \$380k at 2.5%



Principal: \$380k Interest: \$294k  
Payment: \$27k (~2k/mo) Total: \$674k PV: \$496.8k (NPV: +\$116.8k)



Principal: \$380k Interest: \$135.6k  
Payment: \$20.6k (~2k/mo) Total: \$515.6k PV: \$380k

Principal	\$380000	<input type="range"/>
Loan Rate	5.00%	<input type="range"/>
Deposit Rate	2.5%	<input type="range"/>
Term	25 yrs	<input type="range"/>

Same \$380k principal. Loan at 5.0% vs Deposits at 2.5%. Bank profit from spread: **\$158k** (worth **\$117k** now) --  
*if they actually lent depositor money.*

# THE REALITY: MONEY CREATION



Research by *Bank of England* 2014, and *Werner* 2014:

1. You get a mortgage with your home as collateral
2. The bank does **NOT** lend you existing deposits
3. Your payment stream serves as the bank's Asset
4. Bank **creates new money** Liability in your account
5. **Your asset** backs the money; bank charges you interest for decades
6. If you default, the bank **seizes your collateral**

**Banks create liquidity from YOUR wealth and charge  
YOU interest for the privilege**

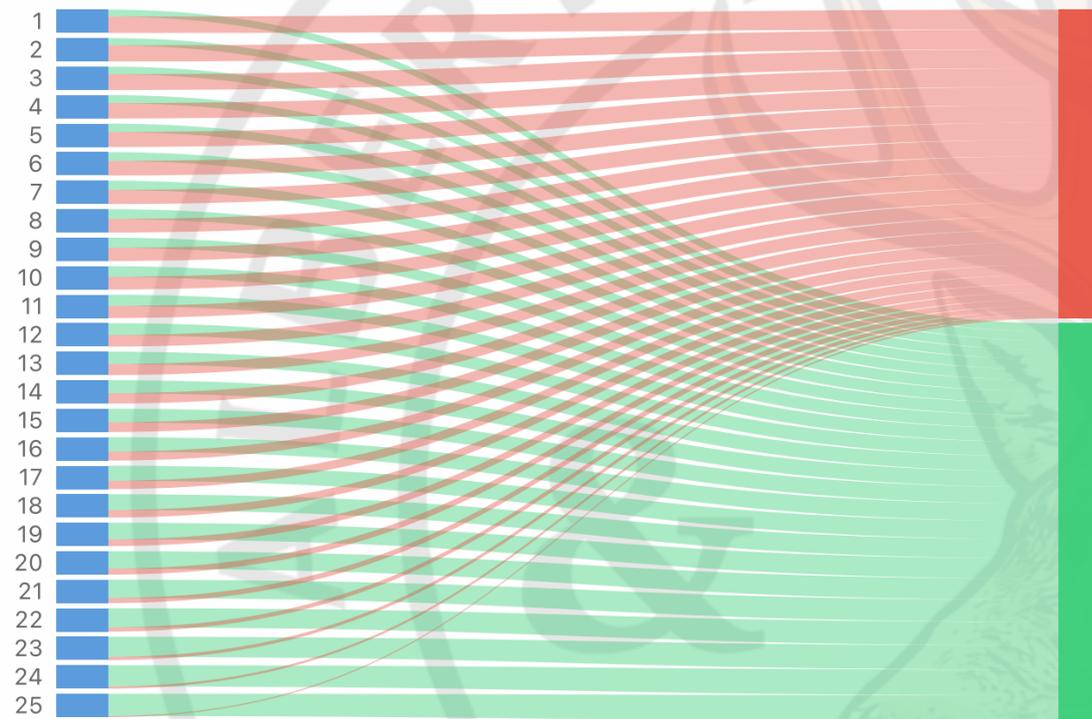
# MORTGAGE PAYMENTS: ISSUED MONEY



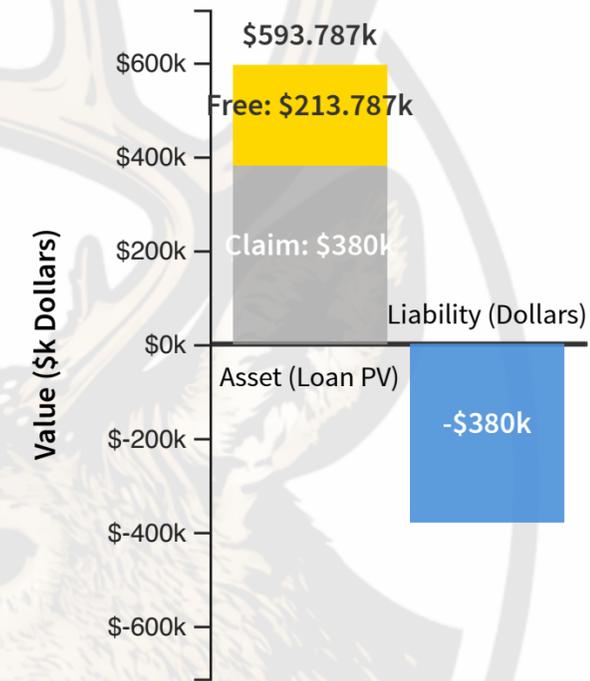
## Your Mortgage Payments

## Money Issued

25-Year Payment Flow: \$380k at 5.0%



■ Principal: \$380k      ■ Interest: \$294k  
 Payment: \$27k (~2k/mo)      Total: \$674k      PV: \$593.8k (NPV: +\$213.8k)



Principal	\$380000	<input type="range"/>
Interest Rate	5.00%	<input type="range"/>
Cost of Capital	1.0%	<input type="range"/>
Term (Years)	25 yrs	<input type="range"/>

Bank issues \$380k backed by your mortgage Present Value (protected by a Lien on your property). Cost of capital: 1.0% (overhead + risk). Gross profit: \$294k interest at 5.0% (worth \$214k now, but only to another commercial bank who could also issue money).



# THREE WAYS TO FINANCE A HOME: DEEP ACCOUNTING ANALYSIS

Your mortgage contract IS a **real asset** – like a bond with a **payment stream**. Banks can (and do) sell these as CLOs/MBS.

So what's really happening?

*These slides are deeply technical, maybe even boring.*

But actually understanding this is **critical** to anyone **responsible for the finances of others**. So, buckle up...



# CASH LENDER (PENSION FUND BUYS MORTGAGE)

The fund has \$380k cash and wants to earn interest by lending it to you.

## T0: Contract signed, funds disbursed

Pension Fund Books	Debit	Credit
Loan Receivable	+\$380k	
Cash		-\$380k
Net Asset Change		\$0

The fund **swapped** one asset (cash) for another (your loan). Total assets unchanged. They had to **HAVE** the cash first. The cash **LEFT** their possession.



# CASH LENDER (PENSION FUND BUYS MORTGAGE)

T1-T25: You make payments (~\$24k/year)

Pension Fund Books	Debit	Credit
Cash	+\$24k	
Loan Receivable		-\$15k (principal)
Interest Revenue		-\$9k (income)



# CASH LENDER (PENSION FUND BUYS MORTGAGE)

## T25: Loan fully repaid

Summary	Amount
Total cash received	\$600k
Original cash out	-\$380k
Net profit	\$220k interest

The pension fund earned \$220k by lending EXISTING money for 25 years.



# BANK "LEND" YOU \$380K (CREDIT CREATION)

The bank has **no cash earmarked for your loan**. Watch carefully.

## T0: Contract signed: Werner's Step 1

Bank Books (Step 1)	Debit	Credit
Loan Receivable	+\$380k	
Accounts Payable		+\$380k (bank owes you)
Balance Sheet	+\$380k	+\$380k (expands)

At this point, the bank has your IOU (asset) and owes you \$380k (liability). This is IDENTICAL to the pension fund after signing but before paying.



# BANK "LEND" YOU \$380K (CREDIT CREATION)

## T0: "Disbursement": Werner's Step 2: a magic trick

Bank Books (Step 2)	Debit	Credit
Accounts Payable	+\$380k	
Customer Deposits		+\$380k (your "deposit")
Net change	\$0	\$0 (just relabeling)

No cash moved. The bank simply **RENAMED** its liability from "Accounts Payable" to "Customer Deposit."



# BANK "LEND" YOU \$380K (CREDIT CREATION)

## Combined effect at T0:

Bank Books (Net)	Debit	Credit
Loan Receivable	+\$380k	
Customer Deposits		+\$380k
Balance Sheet	+\$380k	+\$380k

Balance sheet EXPANDED by \$380k on both sides. No existing asset was used.



**BANK "LEND" YOU \$380K (CREDIT CREATION)**  
**T0+: You spend your "deposit" (write cheque to home seller at different bank)**

<b>Bank Books</b>	<b>Debit</b>	<b>Credit</b>
Customer Deposits (yours)	-\$380k	
Reserves (at Central Bank)		-\$380k

Reserves leave when your deposit moves to another bank.

# BANK "LEND" YOU \$380K (CREDIT CREATION)



But on average:

Bank Books	Debit	Credit
Reserves (at Central Bank)	+\$380k	
Customer Deposits (other borrower)		+\$380k

Some other borrower at some other bank just spent their loan proceeds here. **Net reserve change  $\approx$  \$0** – it's a closed loop across the banking system.

**Key insight:** The pension fund needed cash BEFORE lending. The bank creates the deposit FIRST, then "manages reserves" – which in practice means waiting for other banks' borrowers to deposit here.



**BANK "LEND" YOU \$380K (CREDIT CREATION)**

**T1-T25: You make payments**

Same as pension fund – bank collects \$600k over 25 years, earns \$220k interest.



## BUT WAIT – ISN'T THE LOAN A "REAL" ASSET BEING DRAWN DOWN?

Your loan contract IS valuable – PV of \$600k payments at 1% discount  $\approx$  \$500k. Banks DO sell these. So isn't the bank "spending" this asset to create your deposit?

**No. Here's why:**

Account Type	Pension Fund	Bank
Loan Receivable	+\$380k (asset gained)	+\$380k (asset gained)
What was given up	-\$380k cash (asset lost)	<b>Nothing</b> (liability created)
Net asset change	\$0	+\$380k



## **BUT WAIT – ISN'T THE LOAN A "REAL" ASSET BEING DRAWN DOWN?**

The bank's loan asset is NOT reduced by the deposit liability. They're separate entries. The bank could still sell the loan (CLO) or a bundle of them (MBS) even with your deposit on their books.

**The loan doesn't "back" the deposit in accounting terms – both are created simultaneously from your signature. The bank gained an asset WITHOUT giving up an asset.**



# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

You own a home worth \$505k. You want \$380k liquidity without borrowing.

## Before: Your Balance Sheet

<b>Your Assets</b>	<b>Amount</b>	<b>Your Liabilities</b>	<b>Amount</b>
Home	\$505k		
<b>Total Assets</b>	<b>\$505k</b>	<b>Total Liabilities</b>	<b>\$0</b>
<b>Your Equity</b>			<b>\$505k</b>



# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

**T0: Attest home value, issue \$380k in Alberta Bucks**

Your Books	Debit	Credit
BUCKs (cash asset)	+\$380k	
BUCKs Issued		+\$380k (liability)
Net Equity Change		\$0

**Simultaneously:** Insurer places LIEN on \$380k of your home value.

# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)



## After: Your Balance Sheet

Your Assets	Amount	Your Liabilities	Amount
Home	\$505k	BUCKs Issued	\$380k
BUCKs (to spend)	\$380k	(Lien to insurer)	(\$380k)
<b>Total Assets</b>	<b>\$885k</b>	<b>Total Liabilities</b>	<b>\$380k</b>
<b>Your Equity</b>			<b>\$505k</b>

Your NET WORTH is unchanged (\$505k). But the COMPOSITION changed:

- Before: \$505k illiquid home equity
- After: \$380k liquid BUCKs + \$125k unencumbered equity + \$380k encumbered equity



# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

**T0+: You spend BUCKs (buy car for \$50k)**

<b>Your Assets</b>	<b>Amount</b>	<b>Your Liabilities</b>	<b>Amount</b>
Home	\$505k	BUCKs Issued	\$380k
BUCKs remaining	\$330k		
Car	\$50k		
<b>Total Assets</b>	<b>\$885k</b>	<b>Total Liabilities</b>	<b>\$380k</b>
<b>Your Equity</b>			<b>\$505k</b>

You draw down BUCKs to acquire the Car – an asset swap. Total assets unchanged at \$885k.



# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

## T1-T50: Demurrage and Jubilee

BUCK holders (whoever holds BUCKs) pay 2%/year demurrage to Jubilee Fund. Fund accumulates and pays down liens over time.

# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)



## T25: You want to release your home (early redemption)

### Redemption Calculation

Original BUCKs issued	\$380k
Years elapsed	25
Demurrage rate	2%/year
Jubilee credit	$\$380k \times 2\% \times 25 = \$190k$
Your redemption cost	$\$380k - \$190k = \$190k$

### Your Books (Redemption)      Debit      Credit

BUCKs Issued (liability)	+\$380k	
Cash (your payment)		-\$190k
Jubilee Fund credit		-\$190k
Lien released	✓	



# ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

## T50: Automatic Jubilee (if you never redeem)

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### Jubilee Calculation

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Demurrage accumulated	$\$380k \times 2\% \times 50 = \$380k$
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Your redemption cost	\$0 (automatic)
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Lien dissolves. Home fully unencumbered. No payment required.

# THE FUNDAMENTAL DIFFERENCE: WHAT EXISTED BEFORE?



Question	Pension Fund	Bank	Alberta Buck
What asset existed before?	Cash (\$380k)	Nothing	Home equity (\$505k)
What was given up?	Cash	Nothing	Unencumbered equity
What was created?	Loan receivable	Loan + Deposit	BUCKs (money)
From what source?	Existing wealth	Your signature	Existing wealth
Who bears the cost?	Fund (opportunity)	You (interest)	You (insurance)
What backs the money?	Fund's cash	Bank's IOU	Your home equity

**The bank creates BOTH sides from your signature – nothing existed before.**

**You create liquidity from EXISTING equity – your wealth backs the money.**



# THE ISSUE YOUR BANKER DOESN'T UNDERSTAND

Kotlikoff (2020) **proved formally**: banking crises are **structural**, not just liquidity events. The **deepest issue** is the system's architecture itself:

What the family provided	What the bank provided
The house (\$505,000)	An accounting entry
The income stream (\$600,000 over 25 years)	A regulatory exemption
The insurance (protects the <i>bank's</i> asset)	(Client Money Rules don't apply)
\$275,000 in interest over 25 years	Zero capital deployed

If a pension fund, corporation, or broker did this, it would be illegal (**Client Money Rules**). Nobody **intended this regulatory exemption** as exploitation.

**But \$275,000 per family is worth solving.**

# REGULATION CAN'T FIX THIS



"Why not just regulate banks better?" Because entities are more complex than regulators can ever be.

Reform	Method	Result
More regulation	Bigger agency, more rules	System adds complexity faster
Deposit insurance	Taxpayer guarantee pays for bank runs	Sustains <a href="#">bad banking</a>
Monitoring	Ratings agencies, auditors	Collapses under free-riding
Architectural	Everyone verifies, every transaction	Transparent by construction

Current financial regulation uses [Approach A](#): a small number of inspectors checking a vast, opaque system.

Currency & Alberta Buck use [Approach B](#): watermarks, holograms, microprinting – *everyone* verifies.



# DECIMATION: MANY SMALL VERIFIERS BEAT ONE BIG AUDITOR

Instead of a **government agency auditing *all* assets held by banks** (top-down), *many* independent verifiers each check *one* asset w/ **skin in the game** (bottom-up):

Current System (Top-Down)	Alberta Buck (Bottom-Up)
One regulator audits all assets	Many attestors each verify one asset
Regulator has no financial stake	Attestors invest against their predictions
Information is a public good (free-riding)	Verification IS participation (market)
Fraud in one position → panic about all	Fraud in one position → irrelevant to others
Bad actors depress honest effort	Bad actors <b>increase</b> honest returns

**The incentive gradient runs in the right direction.**



# THE NATURAL CAP ON ISSUANCE

Both systems cap issuance. The difference is *how*.

Limit	Commercial Banks	Alberta Bucks
Primary	Unencumbered wealth	Unencumbered wealth
Secondary	Repayment capacity	BUCK_K (adjusts automatically)
Enforcement	Bank underwriting + regulation	Algorithmic (PID controller)
Demand rises	Banks lend more (pro-cyclical)	BUCK_K falls → less issuance per asset
Overflow demand	More bank lending (more debt)	Traditional borrowing (reduces supply)

**No interest does not mean no limit.** As issuance grows, BUCK\_K decreases, pushing marginal demand to traditional borrowing, contracting BUCK supply.



# ALBERTA'S THIRD OPTION

## You Own the Wealth. Why Must You Borrow to Use It?

When you need liquidity, you have two options: sell your assets or borrow against them. Banks have a third option – *for themselves*: create liquidity directly from assets. BUCKs give that third option *to you*.

Entity	Creates Liquidity?	Pays Interest?	Risks Assets?
Bank	Yes (backed by your asset)	No (issues liquidity)	No (Lien on your asset)
You	No	Yes	Yes (home foreclosure)

Wealth *currently* flows from asset owners to bank

liquidity issuers – **the Alberta Buck ends this.**

# THE ILLUSION OF BANK RESERVES



"Banks need reserves to settle when deposits leave"

**In a closed banking system:** If all banks create credit roughly equally, deposits flowing OUT  $\approx$  deposits flowing IN. Net reserve movement  $\approx$  **zero**.

Bank One Action	Bank Two Action	Reserve Movement
Creates \$380k loan	Creates \$380k loan	
Deposit spent $\rightarrow$ Bank Two	Deposit spent $\rightarrow$ Bank One	
Loses \$380k reserves	Loses \$380k reserves	
Gains \$380k from Bank Two	Gains \$380k from Bank One	$\approx$ \$0

Banks don't "draw down" reserves in normal operations – it's a closed loop.



# STABLECOINS: BREAKING THE CLOSED LOOP

When you buy \$100k USDT, your bank deposit leaves the banking system entirely.

Step	Bank System Effect	Tether Effect
You send \$100k to Tether	Deposit disappears	Receives \$100k
Tether buys Treasuries	\$100k leaves banks	Earns yield
No offsetting deposit	Net drain: -\$100k	No reserve required

**Stablecoins are a one-way valve:** Deposits exit the banking system, never return.



# THE GENIUS ACT

The GENIUS Act legitimises entities that:

- Drain deposits from banks (no offsetting inflow)
- Don't hold reserves (unlike banks)
- Earn yield on backing assets (Bonds, gold, BTC)
- Compete for deposits without banking costs

CLARITY Act blocked because stablecoin issuers want to offer **yields**. If stablecoins pay interest, they become strictly better than bank deposits.

**Scuttles the closed-loop reserve system that let banks create money without needing reserves.**



# THE INEVITABLE TRANSITION

The transition from extractive lending to infrastructure services is inevitable. Stablecoins, DeFi, and tokenised assets are exposing the old model.

**Alberta's banks can choose their role:**

Option	Action	Outcome
Lead the transition	Partner on Alberta Buck development	New revenue: custody, attestation, insurance administration
Resist	Lobby against citizen liquidity	Temporary reprieve, then collapse
Ignore	Business as usual	Deposits drain to stablecoins



# BANKS AS INFRASTRUCTURE PARTNERS

**ATB Financial, Bow Valley Credit Union, Servus –**  
Alberta's community banks can become trusted infrastructure, not extractive intermediaries:

<b>Service</b>	<b>Revenue Model</b>	<b>Why Banks Excel</b>
Asset attestation	Per-issuance fee	Local knowledge, trust
Custody & safekeeping	Basis points on AUM	Existing vault infrastructure
Insurance administration	Pool management fee	Regulatory compliance capacity
Jubilee operations	Per-redemption fee	Customer relationship
BUCK ↔ CAD\$ exchange	Transaction spread	Existing payment rails

**Banks don't disappear. They evolve.**



# LEAD THE DISRUPTION

Transform your business model before the market forces it.

Company	Transformed their...	Before competitors mastered...
Netflix	DVD rentals	Video Streaming
Apple	iPod	iPhone
Amazon	Retail margins	AWS + Prime + Distribution
Banks?	Money issuance fees	Stablecoins, DeFi, Alberta BUCKs

Every industry that survived disruption did it by transforming their own business model first. Banks that wait for Tether and Circle to finish the job will have nothing left to transition to.



# ALBERTA LEADS

Ottawa won't pioneer this. Alberta's provincial authority and community banking infrastructure make it the natural leader.

## Alberta can:

- Pioneer wealth-backed liquidity under provincial authority
- Keep \$23B/year circulating in Alberta instead of flowing to Toronto
- Give Alberta's banks a first-mover advantage
- Build financial infrastructure that serves citizens and banks alike



# STATUS QUO VS. ALBERTA BUCK

Status Quo	Alberta Buck Future
\$23B/year leaves Alberta	\$23B/year stays in Alberta
Banks create, you pay	You create, you keep
Wealth concentrates	Wealth circulates
Ottawa controls liquidity	Alberta controls its economy
Banks face stablecoin erosion	Banks lead the transition

**The question isn't whether this transition happens.  
It's whether Alberta leads or follows.**



# THE ALBERTA BUCK: YOUR WEALTH, YOUR LIQUIDITY

Access liquidity from your own wealth – same asset, same insurance, no bank, no interest

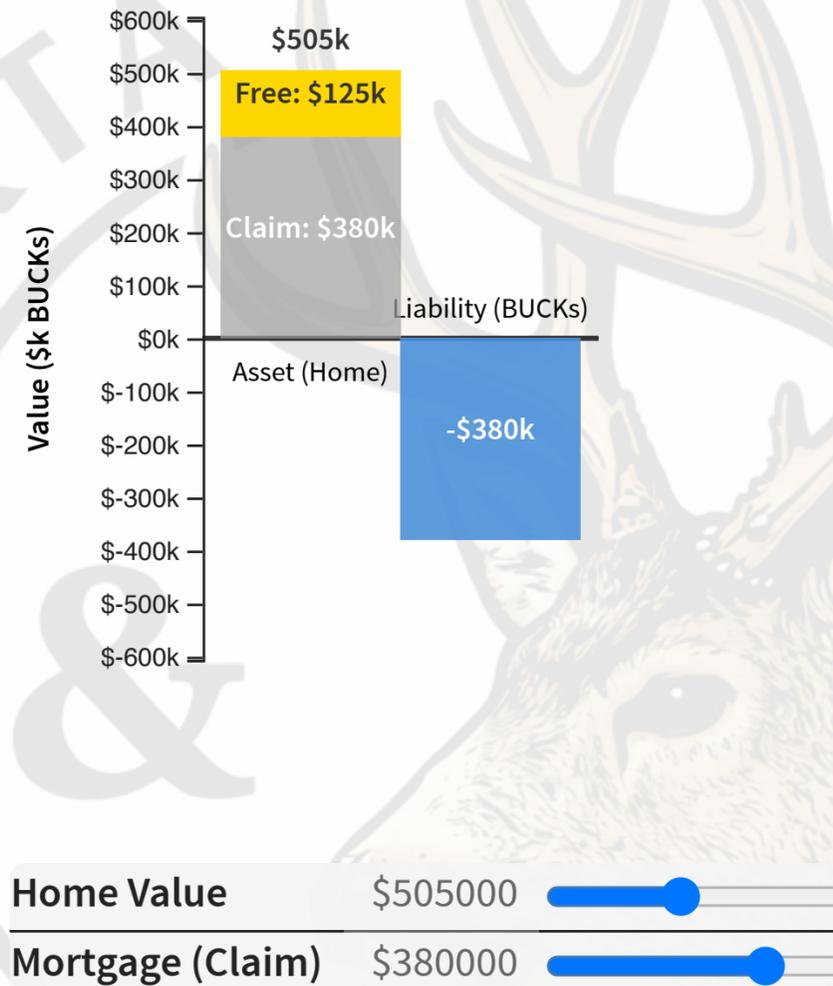
Aspect	Bank Mortgage	Alberta Buck
What backs liquidity?	Bank creates it from your asset	Your actual home equity
Who creates liquidity?	Bank (from your debt's value)	You (from your asset's value)
Equity drawn down?	No (just collateral if default)	Yes (lien on pledged portion)
Annual cost	\$21,000 interest + insurance	Only insurance
Interest?	Compounds and persists for decades	No
Ownership?	Yes, until default	Yes, always



# HOW IT WORKS

1. **Attest your wealth:** [Verify value of asset\(s\)](#)
2. **Create Alberta Bucks** – Representing a portion
3. **Use the liquidity** – Spend Bucks in the economy
  - Easily convert between BUCKs and CAD\$
4. **Pay insurance, not interest** – ~0.50% annual premiums vs. 5.00% interest
5. **Retain ownership** – Full control of your assets
6. **Redeem when you sell** – or let the **Jubilee** dissolve the lien over time
  - No principal payment schedule or interest!

# CLAIM MONEY: VISUALIZED



Your **insured, attested Asset** (a home) is drawn down by a Liability (BUCKS issued). An insurer has a Lien on the portion of the Asset used. Your books balance.



# JUBILEE: NO PERMANENT LIABILITIES

Claims against assets release automatically in 50 years

$$\text{Redemption} = V \times (1 - 0.02 \times Y)$$

Years Pledged	Redemption Cost	Monthly Equivalent
0	\$380,000	---
10	\$304,000	\$2,533/mo
25	\$190,000	\$633/mo
50	\$0 (automatic)	\$0

**Family assets are recovered by the next generation  
after poor decisions – *no foreclosure***



# BUCKS IN CIRCULATION: DEMURRAGE

Every BUCK transaction computes a 2.00%/yr  
demurrage fee

- **Built into the token itself** – time-weighted average
  - Sends the fee to the **Jubilee account**
- **Spending is free** – only *idle* balances accrue fees
  - Incentivises issuance, circulation, investment, and productive use
- **Replaces *interest* and *inflation* as liquidity costs**



# THE JUBILEE FUND

The Jubilee Fund **doesn't sit idle** – three parametric deployments

1. **DeFi Liquidity Pool** – Deep backstop for BUCK/CAD\$ conversion
2. **Parametric Lending** – Short-term "flash" and collateralised loans (~15% APR)
3. **Parametric Insurance** – Automated underwriting for attested assets (~30% APR)

All three are **algorithmic backstops** – not competitors



# THE JUBILEE FUND: TRANSPARENCY

All Jubilee fund operations are fully transparent

- Oracle-underwritten, on-chain, transparent
- Set floor quality and ceiling pricing for the ecosystem
- Private providers offer specialised, lower-cost alternatives
- More Jubilee reserves investment = *lower demurrage*



# JUBILEE: DEFI LIQUIDITY POOL

Deep liquidity backstop for BUCK ↔ CAD\$ conversion

- Jubilee operates a **1% fee AMM pool** with deep reserves
  - Always available for large conversions
- Private pools operate at **lower fees** (0.05% – 0.3%)
  - Handle most day-to-day conversion volume
- **Ecosystem benefit:** confidence that BUCKs convert at *fair value*
  - Large transactions don't move the price
  - No liquidity crisis, even during market stress





## JUBILEE: PARAMETRIC LENDING

**Algorithmic backstop lending – target ~15% APR**

- **Short-term, fully collateralised loans in BUCKs**
  - Premiums auto-computed by distributed Oracle risk assessment
- **Higher rates than private lenders – by design**
  - Private lending handles most demand
- **Ecosystem benefit: credit is *always available***
  - Rates set by distributed Oracle networks, who share in risk/reward



## JUBILEE: PARAMETRIC INSURANCE

**Algorithmic backstop insurance – target ~30% APR**

- **Automated parametric coverage for RWA assets**
  - Triggers on Oracle-verified events (fire, hail, theft, price breach)
  - No claims adjusters, no disputes, no delays
- **Higher premiums than private insurers**
  - Provides actuarial information for insurers
- **Ecosystem benefit: insurance is *always available***
  - New asset types can be insured from day one



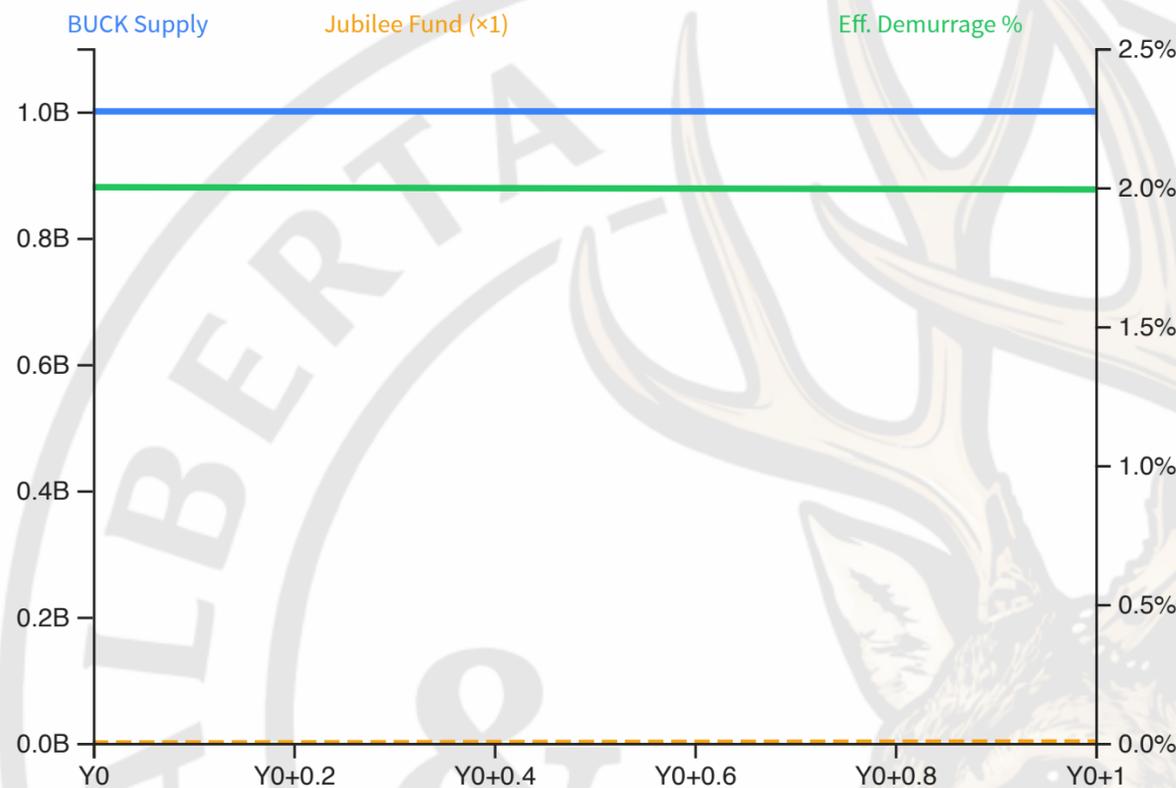
# SELF-TUNING RATES

All rates adjust automatically via **PID feedback loops**

- **Demurrage rate**
  - Likely:  $< 2.00\%/yr$  (if fund returns  $> zero$ )
- **Lending & insurance premiums**
  - Likely: *higher* than private-market rates (set by Oracle networks assessing borrower/asset risk)
- **BUCK\_K credit issuance multiplier**
  - Maintains BUCK purchasing power vs. commodity basket (zero in/deflation)
- **No committees. No politics. Just math.**



# DEMURRAGE IN ACTION



## Simulation

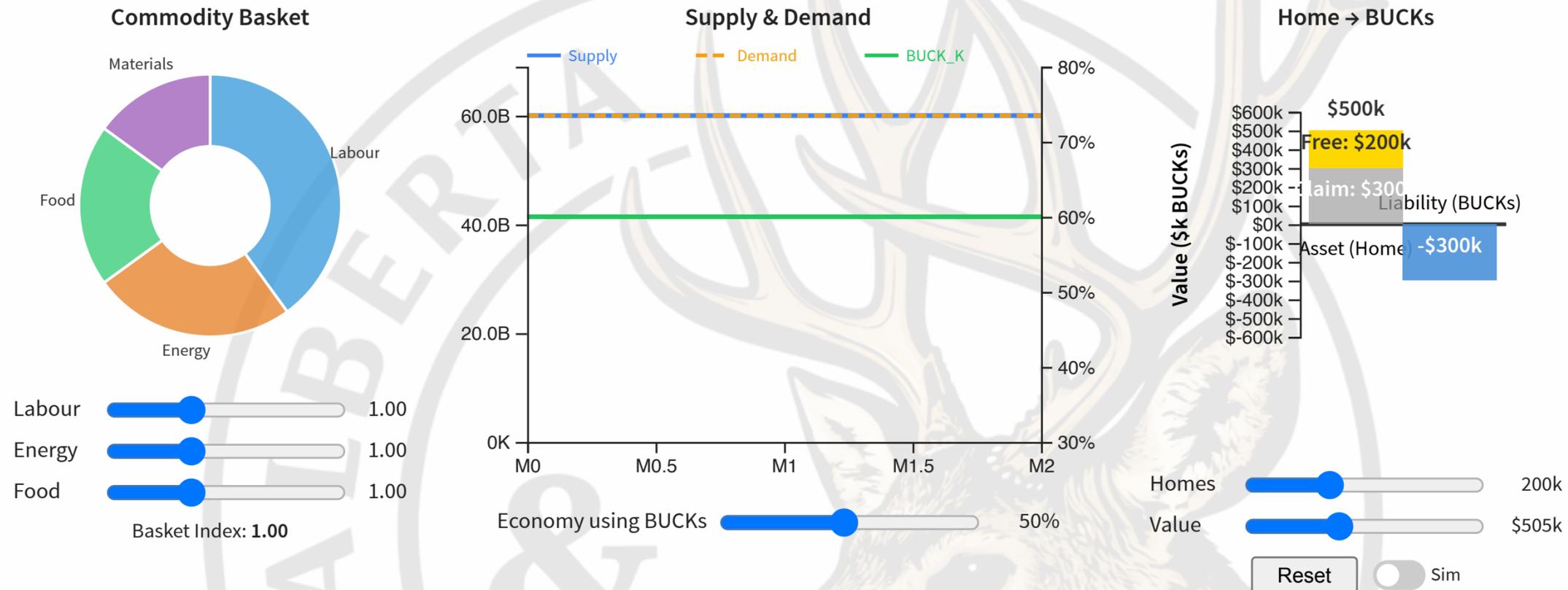
Month	Y0+1
Total BUCKs	1000.00M
BUCKs issued	4.17M
BUCKs redeemed	4.17M
BUCK-Yrs avg.	0.08y
Fund Target	1.66M
Fund Bal.	1.66M
Demurrage Rate	1.99%

Reset

Jubilee Fund Return  5%    BUCK Issuance  5%    BUCK Redemption  5%

Even modest returns on the growing Jubilee Fund reduce the Demurrage fee powerfully over time – It could eventually eliminate the fee completely.

# BUCK\_K STABILIZATION



The BUCK\_K multiplier uses PID feedback to maintain purchasing power against the commodity basket – automatically adjusting how many BUCKs each homeowner can issue.



# PROVEN AT SCALE

By history, academic research, and live systems

Precedent	Duration	Scale	Validation
Colonial Land Banks	70+ years	Colonial economies	Historical success
Swiss WIR Bank	90+ years	60,000+ businesses	Ongoing operation
ATB Financial	87+ years	\$60B assets	Alberta capacity
MakerDAO/DAI	8+ years	\$5B+ RWA	Technical proof
USD Stablecoins	10+ years	\$180B market	Massive adoption

Bank of England (2014) and Werner (2014) confirm:  
banks create money when lending – not  
intermediation of deposits, but credit creation from  
borrower assets.



# MAKERDAO: REAL-WORLD VALIDATION

- **\$5+ billion** in **real-world asset-backed stablecoins** (DAI)
- Accepts tokenized real estate, bonds, and other assets as collateral
- Users retain ownership unless liquidated for value decline
- **Proves the core mechanism works at scale**



# TECHNOLOGY COMPONENTS (ALL PRODUCTION-READY)

1. Blockchain infrastructure (Ethereum, Polygon, or Alberta-specific)
2. Smart contracts (insurance, minting, redemption)
3. Asset tokenization (NFTs for individual assets)
4. Fungible tokens (ERC-20 for circulation)
5. Oracle networks (Chainlink for prices, verification)
6. Parametric insurance (automated claim issuance)
7. DeFi pools (BUCK/CAD, BUCK/USD liquidity)

**Alberta would be implementing, not inventing**



# WHY HASN'T THIS BEEN DONE?

If savings are this significant, why isn't everyone doing it?

Barrier	Explanation
Bank profits	Banks earn \$23B/year from Alberta alone – no incentive to change
Regulatory capture	Regulation can't fix a system more complex than the regulator
Technical barriers	Blockchain, smart contracts, stablecoins only matured in the last decade
Government inertia	"This is how it's always been done" – until someone leads

**Some people ARE doing it; Most economists and bankers don't *realize* this is money issuance, yet:**

- MakerDAO: \$5B+ in asset-backed tokens issued
- Stablecoin market: \$180B and growing rapidly



# IMPACT: FAMILIES & BUSINESSES

Interest replaced by insurance across every sector:

Sector	Typical Debt	Interest	BUCK Insurance	Annual Savings
Average Home	\$380K	\$19K/year	\$1.9K/year	\$17K
Grain Farm	\$2.0M	\$100K/year	\$15K/year	\$85K
Manufacturer	\$2.0M	\$125K/year	\$10K/year	\$115K
Small Business	\$333K avg	\$21K/year	\$2.7K/year	\$18K

- 580,000 mortgaged households + 120,000 debt-carrying businesses



# HOUSEHOLD SAVINGS

**40.12% reduction in home ownership costs**

	<b>Mortgage (5.00%)</b>	<b>Alberta Buck (0.50%)</b>
Year 1 cost	\$20,900 interest + ins.	\$1,900 insurance
25-year total	\$286,433 interest	\$47,500 insurance
<b>Total cost</b>	<b>\$713,933</b>	<b>\$427,500</b>
<b>Savings</b>	---	<b>\$286,433 (40.12%)</b>

**If 50.00% adopt: \$3.3 BILLION retained annually**

Home Value

\$505k



Mortgage



# BUSINESS & FARM SAVINGS

Businesses exist primarily to **pay interest, not create owner wealth.**

Sector	Debt Carried	Interest Cost	BUCK Insurance	Annual Savings
Grain Farm	\$2.0M	\$100K/year	\$15K/year	\$85K
Manufacturer	\$2.0M	\$125K/year	\$10K/year	\$115K
Entrepreneurs	Avg \$333K	\$21K/year	\$2.7K/year	\$18K

- 170,000 small businesses; ~120,000 carrying debt
- Total business debt: \$40+ billion
- **Aggregate annual savings: \$8.4 billion/year**

# AGRICULTURE: HARVEST CYCLE OPTIONS



## Current cruel choice:

- Sell at harvest when prices are lowest, or
- Finance storage while borrowing at interest hoping for price improvement

## With Alberta Buck:

- **Attest stored crop value** → Create BUCKs for immediate needs → Redeem when selling at optimal prices
- Breaks debt-driven cycle forcing poor sale prices
- Restores hope to small-scale family farming



# IMPACT: PROVINCIAL GOVERNMENT

Eliminating \$3.2B/year in debt servicing

Item	Amount
Provincial debt	\$82.8 billion
Annual debt servicing	\$3.2 billion
Cost per family of four	\$2,800/year

Alberta's **attestable public wealth**: \$430+ billion  
(Heritage Fund, Crown lands, infrastructure, resource royalties)



# EXAMPLE: \$10 BILLION INFRASTRUCTURE PROGRAM

Metric	Traditional Bonds	Alberta Buck
Principal	\$10B	\$10B
Term	20 years	20 years
Annual interest/insurance	\$400M (4%)	\$30M (0.3%)
Total 20-year cost	\$18B	\$10.6B
Savings	---	\$7.4B



# THE COMPOUND ADVANTAGE: 30-YEAR ANALYSIS

With \$80B financing over 30 years:

- Traditional bonds: Total cost \$138.8B, end with nothing
- Alberta Buck: Total cost \$105.5B, invest \$1.11B annual savings



# THE SHOCKING DIFFERENCE IN OUTCOME

At 4% return, investment account grows to \$211.8B

Metric	Traditional	Alberta Buck
Total financing cost	\$138.8B	\$105.5B
Investment account	\$0	\$211.8B
Net position	-\$138.8B	+\$106.3B

Heritage Fund could grow by \$325 billion over 30  
years

# A GENERATIONAL OPPORTUNITY



Canada's best and brightest are leaving – where to?

Staying in Canada	Leaving Canada
10-15× income housing	3-5× in US, elsewhere
Dual income required forever	Single income possible
Family formation impossible	Family formation viable
Debt servitude as lifestyle	Wealth building possible
Birth rate 1.4 (civilisational collapse)	Replacement possible

Young Canadians aren't lazy. They just want **a life that doesn't punish productivity with debt slavery.**

**The question: Can Alberta become where they go instead of away?**



# ALBERTA AS THE BEACON

If Alberta gives citizens fiscal autonomy:

Canada (Status Quo)	Alberta (With Alberta Buck)
Housing: 10-15× income	Housing: 4-6× income
Cost: Interest + insurance	Cost: Insurance only
Family wealth: Extracted	Family wealth: Transferred
Young talent: Fleeing	Young talent: Arriving
Birth rate: Collapsing	Birth rate: Recovering

**Alberta becomes the destination** – not just for Albertans, but for ambitious Canadians from coast to coast, and talent from around the world seeking opportunity.



# THE VIRTUOUS CYCLE

Fiscal autonomy creates a magnet effect:

1. **Lower housing costs** → Young families can buy homes
2. **Family formation viable** → Birth rates recover
3. **Talent attracted** → Innovation flourishes
4. **Wealth circulates locally** → \$23B/yr grows Alberta
5. **Success attracts more success** → Alberta becomes Canada's engine

**Alberta doesn't just keep its youth. It attracts the best from everywhere.**



# HOW ALBERTA BUCK ENABLES THIS

Young Albertan earning \$60,000/year:

Can afford only ~\$240K mortgage (4× income). Average home: \$380,000+. **Housing out of reach.**

Alberta Buck: Family accesses \$200K BUCKs from parents' equity. Young couple buys home with \$300K BUCKs issued. Cost: \$6,760/yr vs \$17,260/yr.

**11% of income (achievable) vs. 29% (impossible)**

Family savings compound: \$286,433 over 25 years → helps next generation.

# CONSTITUTIONAL FOUNDATION



Alberta has unique authority under Sections 92(13) and 92A

Federal Power (s. 91)	Alberta Buck	Conflict?
Currency issuance (s. 91(14))	Not issuing legal tender	No
Monetary policy (s. 91(15))	Not setting interest rates	No
Banking regulation (s. 91(15))	Using insurance, not banking	No
Legal tender laws	CAD remains legal tender	No

**BUCKs aren't currency, legal tender, or monetary policy.** BUCKs are voluntary, **insurance-backed private contracts** – clearly provincial jurisdiction. CAD\$ **remains** Alberta's money. BUCKs are Alberta's *liquidity*.



# PROVINCIAL JURISDICTION

## Section 92(13): Property and Civil Rights

- Property law and ownership verification
- Contract law and enforcement
- Insurance regulation and parametric insurance

## Section 92A: Natural Resources Authority

- Exclusive jurisdiction over resource development
- Taxation and royalty collection
- Constitutional basis for monetizing resources

**Precedent:** ATB Financial has operated for 87 years outside federal Bank Act jurisdiction.



# WHY PROVINCIAL PARTNERSHIP?

**"If this is private contracts and insurance, why involve the province?"**

Private implementation IS possible – MakerDAO proves it. But some banks will fight back instead of evolving.

**When hostile banks realise their \$23B/year cash cow is threatened, they will use every legal and regulatory tool to shut it down.**

# INSURERS NEED TO RECOVER ASSETS AFTER CLAIMS



Without Provincial Partnership	With Provincial Partnership
Insurance unenforceable (no lien recovery)	Liens registered with Land Titles
Contracts challenged in hostile courts	Provincial contract law backing
Regulatory attacks on "unlicensed banking"	Clearly framed as insurance (s.92)
Insurers refuse coverage (can't recover)	AIRB-supervised, enforceable claims
Billions spent on legal defence	Provincial jurisdiction shields system

Without provincial partnership, asset recovery is legally uncertain – insurers won't participate, or premiums become prohibitive.

**We must buttress every contract, insurance, and regulatory interface BEFORE rollout – not after hostile banks mobilise against us.**

# NOT ANTI-BANK. ANTI-MONOPOLY.



This is **not anti-bank rhetoric**. Banks built effective systems with the technology available.

But the mechanism that requires citizens to borrow their own wealth back is a **technological artifact** – not a permanent necessity.

Bank Expertise (Valuable)	Bank Monopoly (Replaceable)
Risk assessment	Zero-cost money creation
Local market knowledge	Interest extraction
Customer relationships	Opacity-dependent regulation
Regulatory compliance	Client Money Rules exemption

**Banks' expertise is the asset. Their monopoly on**



# WHY NOW?

The technology is proven. The frameworks are emerging.

Jurisdiction	Initiative	Status
Wyoming	DAO legislation, stable token framework	Operational
Swiss Cantons	Monetary innovation, crypto-friendly	Active
Singapore	Digital asset framework	Advancing
Dubai	Crypto free zones	Attracting capital

**Window of opportunity:** Early movers establish frameworks, attract talent, build network effects.

All technology components are production-ready.

**Alberta can lead – but the window won't stay open**



# ALBERTA'S UNIQUE CONVERGENCE

No other jurisdiction combines ALL these advantages:

- **Constitutional authority** (Section 92A) – unique among provinces
- **Massive attestable wealth** – \$2+ trillion, highest per capita in Canada
- **Proven financial innovation** – ATB Financial, 87 years
- **Economic urgency** – \$23B annual extraction creates pressure
- **First-mover opportunity** – available NOW



# THE R&D PROGRAM

**\$3M / 12mo to answer: Can Alberta do this?**

Category	Investment
Personnel (10 senior)	\$2,400,000
Infrastructure & Tools	\$300,000
Stakeholder Engagement	\$200,000
Contingency	\$100,000
<b>TOTAL</b>	<b>\$3,000,000</b>

- **Legal:** solid constitutional/regulatory answer
- **Prototyped:** smart contracts, integration
- **Quantified:** family, business, and provincial



# TEAM STRUCTURE

- **Legal & Regulatory (3):** Constitutional lawyer, securities expert, insurance specialist
- **Financial Architecture (2):** Monetary systems architect, risk management
- **Crypto Engineering (3):** Blockchain architect, smart contract developer, security auditor
- **Analysis & Leadership (2):** Economic modeler, project director

# DELIVERABLES AT MONTH 12



1. **Legal Compliance Framework** – Constitutional opinion, regulatory pathway, federal engagement strategy
2. **Working Prototype** – Testnet deployment, smart contracts, insurance integration, user interface
3. **Quantified Risk/Reward** – Household, business, provincial fiscal projections
4. **Regulatory Pathway** – Step-by-step compliance roadmap
5. **Pilot Program Design** – Participant criteria, measurement framework, Phase 2 plan



# RISKS & MITIGATION

Risk	Mitigation
Federal challenge	Frame as insurance/property (provincial jurisdiction)
Market volatility	Diversified assets, conservative valuations
Adoption resistance	Voluntary, parallel system, clear savings demo
Technical complexity	Proven DeFi infrastructure, multiple audits
Liquidity concerns	DeFi pools, Heritage Fund initial liquidity

**Research will quantify each risk with probability estimates and impact assessments. Government decision based on objective analysis, not speculation.**



# THE ASK

## The Return on \$3 Million

Metric	Amount
Research investment	\$3M
Annual savings potential	\$23B
First year ROI	7,667×
30-year value (present value)	\$325B+

**Even at 10% of potential:**

**2.3B annual savings = 767× ROI**

The entire research program costs less than **90 minutes of the current outflow.**



# INVESTMENT VS. STATUS QUO

## Status Quo:

- \$23B annual extraction = \$63M/day = \$2.6M/hour

## Research Investment:

- \$3M one-time = **68 minutes of current extraction!**
- Could potentially eliminate the *entire* extraction

**Research costs \$3M.**

**Status quo costs \$63M every single day.**



# THREE SCENARIOS

Scenario	Action	Outcome
Lead	Fund \$3M R&D now	First-mover advantage, \$23B retained, demographic reversal
Follow	Wait for others	Lose advantage, 5+ years of \$23B extraction (\$115B+)
Ignore	Do nothing	\$23B extraction forever, demographic collapse accelerates



# THE MANHATTAN PROJECT

**\$3M proves it works. \$6M makes it real.**

<b>Standard R&amp;D</b>	<b>Manhattan Project</b>
10 staff	20 staff (3× technical team)
12 months, normal hours	12 months, 3×9-hour overlapping shifts
Prototype only	Production-ready, fully scalable
Phase 2 required	Pilot launch at month 6-9, public at 12
\$3M investment	\$6M investment

In 1959, Ottawa killed the Avro Arrow – the most advanced aircraft on Earth. Its engineers went to NASA and put Americans on the moon.

0:00 / 1:33 **Alberta: don't cancel the Arrow. Build it.**



# NEXT STEPS

## From Proposal to Program



## IMMEDIATE (WEEKS 1-4)

- Cabinet briefing and Treasury Board approval
- Team recruitment initiation
- Constitutional lawyer engagement



## **MONTHS 1-3**

- Team assembly, research workstreams initiated
- Constitutional analysis underway
- Technical architecture design



## **MONTHS 4-9**

- Smart contract development and testnet deployment
- Economic impact modeling
- Security audit and regulatory compliance documentation



## MONTHS 10-12

- All deliverables complete
- External expert review
- Ministry briefings and Cabinet presentation
- **Go/No-Go decision**



# CLOSING

## Alberta's Defining Moment

BUCKs don't replace the Canadian dollar. They replace *borrowing*.

Alberta families pay **\$275,000 in interest** over 25 years: on money **created from their own wealth at zero cost**.

Your wealth. Your liquidity. Your choice.

Each day of delay costs Albertans \$63 million.

**Will you lead this transformation, or watch others**

**pioneer what Alberta could have owned?**

# FIVE ACTIONS FOR ALBERTA FINANCE



**Give Albertans a monetary system** worthy of them.

- 1. Fund the research program** – prototype wealth-backed money creation (\$3M / 12 months)
- 2. Engage the insurance industry** – develop parametric products (a new multi-billion market)
- 3. Initiate a pilot** – agricultural cooperatives or rural municipalities first
- 4. Invite financial institutions** – starting with ATB Financial, to design the transition
- 5. Adopt the policy stance** – wealth-backed money creation *enhances* financial stability



# THE EVIDENCE

Every element has been validated.

Element	Status	Evidence
Identified	✓	Wealth-backed liquidity (claim money)
Validated historically	✓	Colonial Land Banks, WIR Bank (90+ yrs)
Validated modern	✓	MakerDAO (\$5B+), stablecoins (\$180B)
Technically feasible	✓	Proven DeFi infrastructure
Constitutionally viable	✓	Legal analysis complete
Economically transformative	✓	\$23B annual impact quantified

**The evidence is on the table. What remains is the decision.**

A large, faded background logo of a buck's head with impressive antlers. The buck is facing left. The logo is circular, with the word 'ALBERTA' arched across the top and 'BUCK' arched across the bottom. A large ampersand is visible in the center of the circle, behind the text.

**THANK YOU**  
**For Alberta's Future**  
Dominion Research & Development Corp.