THE ALBERTA BUCK - PROPOSAL

DOMINION R&D CORP.

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THE ALBERTA BUCK

Proposal for Ministry of Finance (v6.1)

(PDF, /w notes, research)

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

Banks create liquidity backed by 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

Problem	Albertans pay **$23B/year** to borrow purchasing power from banks
Cause	Banks create money from your assets – earning 30% of all corporate profits
Solution	**Alberta Buck**: citizens access their own wealth directly – insurance, not interest
Proof	The same assets and insurance, the same liquidity – just no bank in the middle
Impact	The profound effect on personal, business and public finances
Authority	How can we be certain this is clearly within provincial jurisdiction
Opportunity	As little as **$3M** for 12-month R&D and working prototype
ROI	**7,667×** – $3M investment to unlock up to $23B/year savings

BUCKs don't replace money. They replace borrowing.

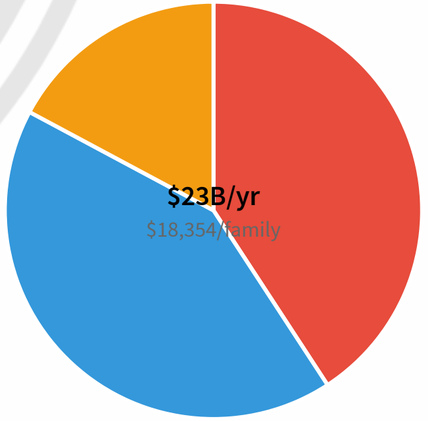
Your wealth. Your liquidity. Your choice.

THE $23B QUESTION

Alberta families pay over $18,000/year in interest – $23B province-wide – on money created from their own assets at zero marginal 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

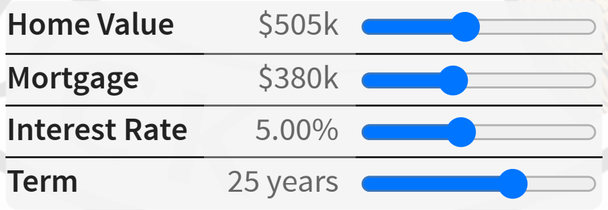
Category	Debt	Cost	/Family
Household Mortgages	$197B	$9.4B/yr	$7,486/yr
Business Debt	$203B	$9.6B/yr	$7,714/yr
Provincial Public Debt	$83B	$3.9B/yr	$3,154/yr
TOTAL	**$483B**	**$23B/yr**	**$18,354/yr**



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



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	**30% of all corporate profits**
Profit per unit of GDP	**4.3× the economy average**
Profit growth 1997-2017	4/5 from rising *margins*

$18,000/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.

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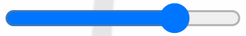
THE SAVINGS: BORROWING VS. USING YOUR WEALTH

A $505k home, $125k down, $380k financed:

Metric	Mortgage (5.00%)	Alberta Buck	Compare
Home Value	$505,000	$505,000	
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 out existing depositor money – they create new liquidity backed by **your** assets:

- 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, the bank seizes your collateral!

Banks create liquidity from **your** loan contract, secured by a lien on **your** collateral. *What if you didn't have to pay them for that?*

THE "FINANCIAL INTERMEDIARY" MYTH

What you're told:

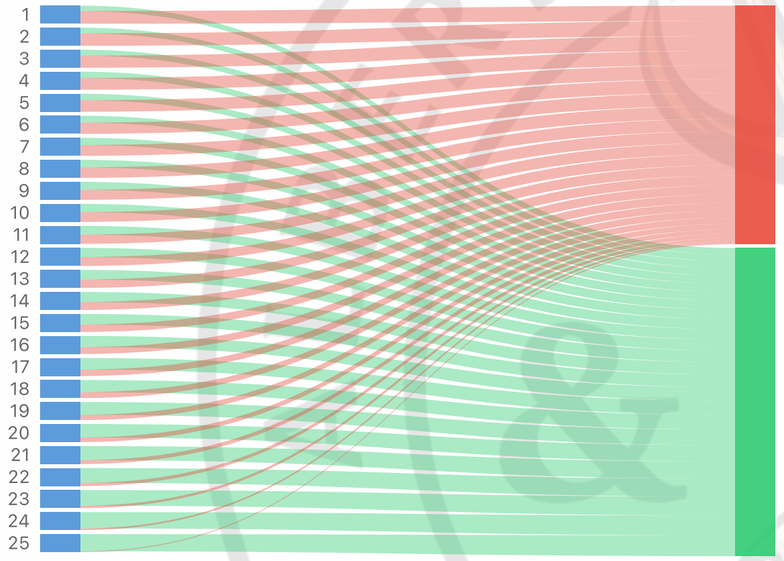
1. Bank collects investor savings (deposits)
2. Bank pays investors interest (e.g., 2%)
3. Bank lends out that money to borrowers
4. Bank charges borrowers higher interest (e.g., 5%)
5. Bank earns the "spread" (3%)

Sounds reasonable, right?

MORTGAGE PAYMENTS: LENDER MONEY

Your Mortgage Payments

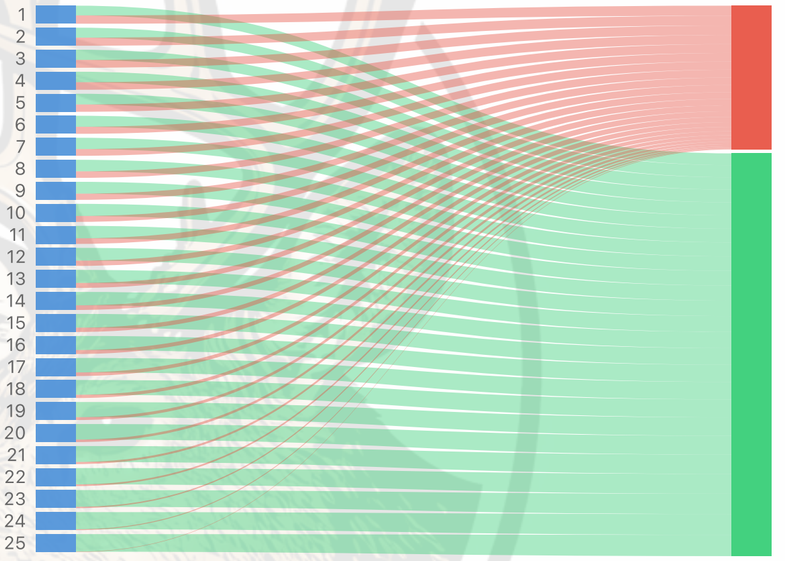
25-Year Payment Flow: $380k at 5.0%



Payment: $27k (~2k/mo) Total: $674k PV: $496.8k (NPV: +$116.8k)

Depositor Payments

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



Payment: $20.6k (~2k/mo) Total: $515.6k PV: $380k

Principal	$380000
Loan Rate	5.00%
Deposit Rate	2.5%
Term	25 yrs

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.

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THE REALITY: MONEY CREATION

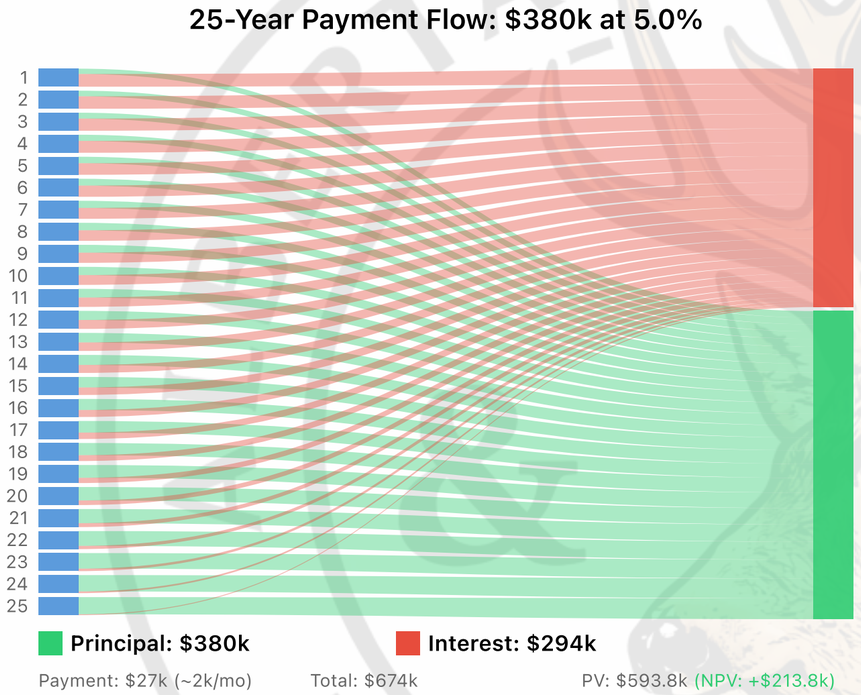
Research by *Bank of England* 2014, and *Werner* 2014:

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**

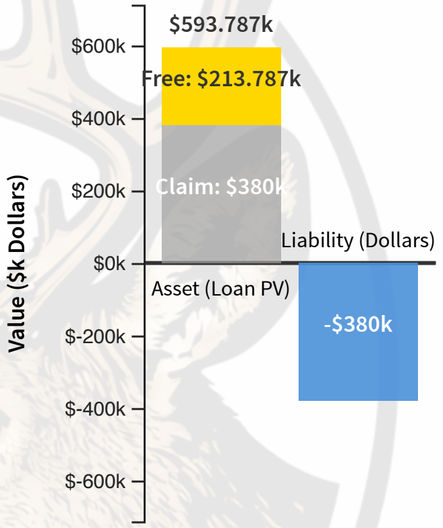
Banks create liquidity from YOUR wealth and charge YOU interest for the privilege

MORTGAGE PAYMENTS: ISSUED MONEY

Your Mortgage Payments



Money Issued



Principal	$380000
Interest Rate	5.00%
Cost of Capital	1.0%
Term (Years)	25 yrs

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).

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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 "LENDS" 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.

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BANK "LENDS" 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 "LENDS" 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 "LENDS" YOU $380K (CREDIT CREATION)

T0+: You spend your "deposit" (write cheque to home seller at different bank)

Bank Books	Debit	Credit
Customer Deposits (yours being spent)	-$380k	
Reserves (at Central Bank)		-$380k

Reserves leave when your deposit is withdrawn, and moves to another bank.

BANK "LENDS" YOU $380K (CREDIT CREATION)

But in a closed banking system: If all banks create credit roughly equally, deposits flowing OUT ≈ deposits flowing IN. Net reserve movement ≈ **zero**.

Bank Books	Debit	Credit
Reserves (at Central Bank)	+$380k	
Customer Deposits (others, deposited)		+$380k

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 "LENDS" 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 ≈ $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)	**Nothing** (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

Your Assets	Amount	Your Liabilities	Amount
Home	$505k		
Total Assets	$505k	**Total Liabilities**	$0
Your Equity			**$505k**

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)
Total Assets	$885k	**Total Liabilities**	$380k
Your Equity			**$505k**

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)

Your Assets	Amount	Your Liabilities	Amount
Home	$505k	BUCKs Issued	$380k
BUCKs remaining	$330k		
Car	$50k		
Total Assets	$885k	**Total Liabilities**	$380k
Your Equity			**$505k**

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 × 2% × 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	✓	

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ALBERTA BUCK (YOU MONETIZE YOUR OWN EQUITY)

T50: Automatic Jubilee (if you never redeem)

Jubilee Calculation	
Demurrage accumulated	$380k × 2% × 50 = $380k
Your redemption cost	**$0 (automatic)**

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.

REGULATION CAN'T FIX THIS

"Why not just regulate banks better?"

Every major financial crisis since 1929 happened under the existing regulatory framework.

Reform	Method	Result
More regulation	Bigger agency, more rules	System adds complexity faster
Deposit insurance	Taxpayer guarantee pays for bank runs	Sustains bad banking
Monitoring	Ratings agencies, auditors	Collapses under free-riding

Because regulation structurally cannot keep pace with the system it monitors: **Financial entities are more complex than regulators could ever be.**

WHAT YOUR BANKER DOESN'T KNOW

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 *bank's* 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.

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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 **increase** honest returns

The incentive gradient runs in the right direction.

ALBERTA'S FISCAL OPTION

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)

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. Alberta BUCKs give that third option *to you*.

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

Wealth *currently* flows from asset owners to bank liquidity issuers – **the Alberta Buck ends this** .

THE ALBERTA BUCK: YOUR WEALTH, YOUR LIQUIDITY

Access $380k liquidity from your own wealth – same asset, same insurance, no bank, no interest

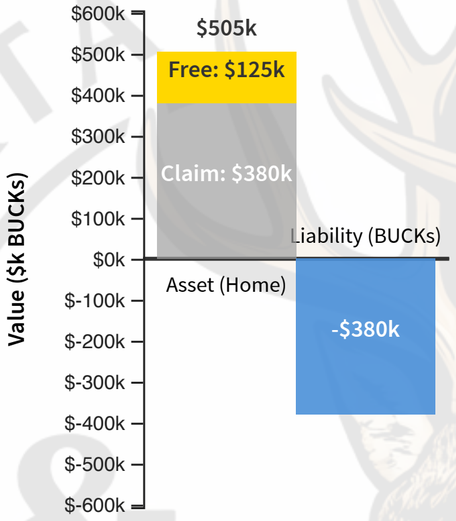
Aspect	Bank Mortgage	Alberta Buck
What backs liquidity?	Bank creates it from your asset	**Your actual home equity**
Who creates liquidity?	Bank (from your debt's value)	**You (from your asset's value)**
Equity encumbered?	Yes (lien, forfeiture risk)	**Yes (lien on pledged portion)**
Interest?	5.00%: Compounds, persists forever	**No**
Monthly cost / 25yrs	$2,380/mo	$792/mo
Ownership?	Yes, until default	**Yes, always**

Same liquidity: **Just no bank** – and no forfeiture risk.

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



Home Value	$505000
Mortgage (Claim)	$380000

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.

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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

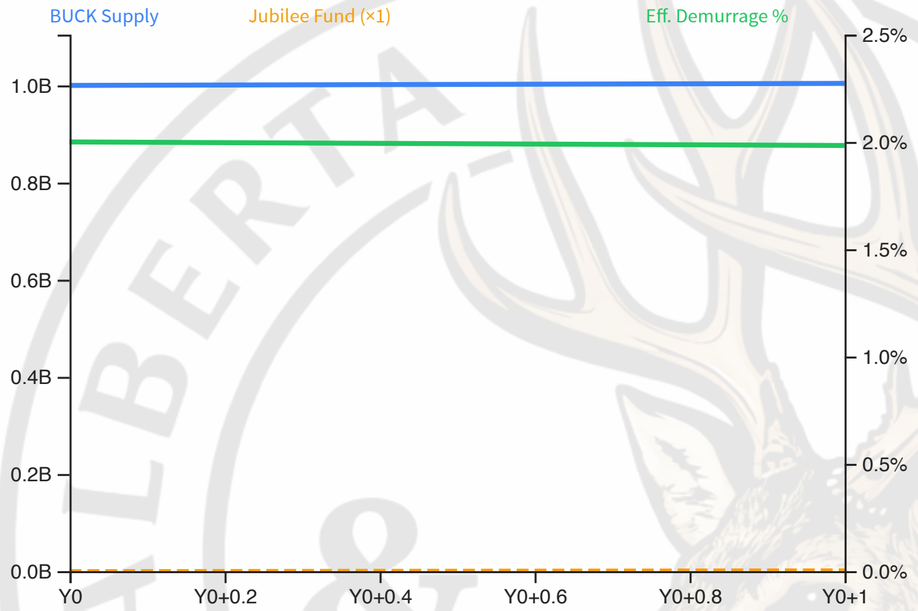
- Automated parametric coverage for RWA assets
  - Triggers on Oracle-verified events (fire, hail, theft, price breach)
  - No claims adjusters, no disputes, no delays
- **Higher premiums than private insurers**
  - Provides actuarial information for insurers
- **Ecosystem benefit**: insurance is *always 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	1004.17M
BUCKs issued	8.33M
BUCKs redeemed	4.17M
BUCK-Yrs avg.	0.08y
Fund Target	1.66M
Fund Bal.	1.66M
Demurrage Rate	**1.98%**

Reset

Jubilee Fund Return 5%

BUCK Issuance 10%

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.**

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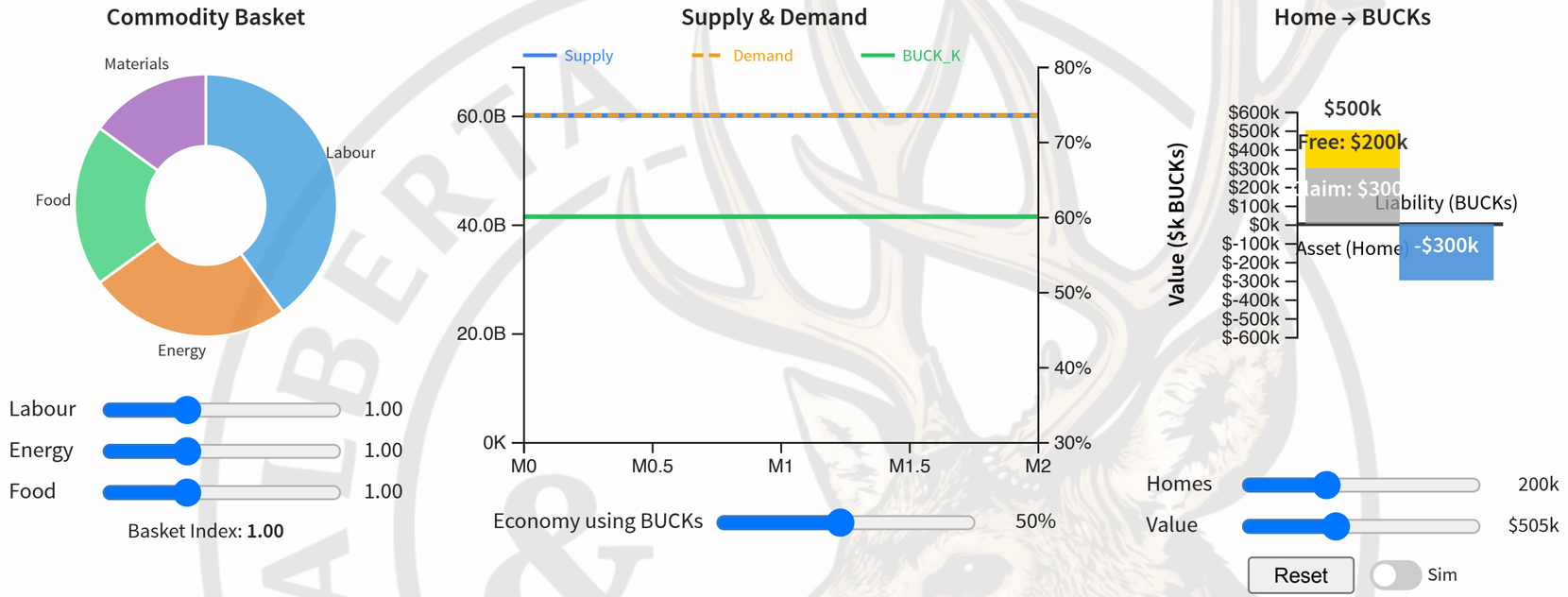
BUCK_K STABILIZATION



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

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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.

IS THIS TRANSITION PROVEN?

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

Alternatives to debt-backed money were used historically, and are now becoming available again.

The technology exists. The question is whether Alberta's banks lead this transition – or get left behind.

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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

STABLECOINS: BREAKING THE CLOSED LOOP

When you buy $100k USDC, your bank deposit **leaves the Canadian 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:

Service	Revenue Model	Why Banks Excel
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**.

ALBERTANS ARE PIONEERS

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.

IMPACT: GOVERNMENT, BUSINESS & FAMILY

Eliminating $3.2B/year in public debt servicing, by issuing Alberta Bucks instead of selling CAD$ bonds:

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

Backed by 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

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

We have a full transition roadmap outlined – critical, whether or not Alberta seeks independence.

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HOUSEHOLD SAVINGS

40.12% reduction in home ownership costs

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

If 50.00% adopt: $3.3 BILLION retained annually

Home Value	Mortgage	Interest Rate	Insurance	Adoption
$505k	$380k	5.00%	0.5%	50.0%

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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

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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 authority under Sections 92(13), 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 may 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
Time & money spent on lawfare defense	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 entities 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**.

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 money creation is the liability.

WORKS IN CONFEDERATION – OR OUT

The BUCK operates under **existing** provincial authority. It doesn't require any constitutional change.

Scenario	BUCK Benefit
Alberta stays in confederation	$23B/yr stays in Alberta instead of flowing to Toronto
Alberta achieves independence	Proven fiscal infrastructure from day one
Federal tensions increase	Provincial economic resilience, regardless of Ottawa

The best argument for confederation is making it work for Albertans.

Delivering real economic relief – $17,000/yr per family, $85,000/yr per farm – does more to address Albertans' frustration than any appeal to patriotism.

WHY NOW?

The technology is proven; leader 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 forever.

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

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THE R&D PROGRAM

$3M / 12mo to answer: What will it take?

Category	Investment
Personnel (10 senior)	$2,400,000
Infrastructure & Tools	$300,000
Stakeholder Engagement	$200,000
Contingency	$100,000
TOTAL	**$3,000,000**

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

Alberta has a working prototype and roadmap.

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 IMPLEMENTATION

The Return on $3 Million:

Metric	Amount
Research investment	$3M
Annual savings potential (at 10% uptake)	$2.3B/yr
ROI vs. implementation cost:	**767×**

Status Quo:

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

Research Implemented:

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

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.

Standard R&D	Manhattan Project
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.

Alberta: don't cancel the Arrow. Build it.

NEXT STEPS

From Proposal to Program (Transition Roadmap)

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.

THANK YOU

For Alberta's Future

Dominion Research & Development Corp.