

Alberta Prosperity Certificates



Alberta Prosperity Certificates were issued by Alberta's Social Credit government in 1936 as a response to the Great Depression. This provincial experiment in printing money had the novel feature that it carried negative interest rates via the requirement for certificate holders to purchase and affix a one-cent stamp every week to maintain the note's validity. The result is a holding cost equivalent to a negative, nominal interest rate.

The Alberta government further stipulated that the prosperity certificates would be redeemable through the provincial treasurer only after a two-year circulation period, with a total of 104 stamps affixed to each note over its lifespan. As any attempt at imposing negative nominal interest rates usually is, the scheme was short-lived and a failure, lasting approximately one year. Of the 250,000 certificates issued, a vast majority were redeemed, leaving only 19,600 in circulation—a testament to the initiative's limited acceptance and efficacy.



Toronto Office:
TD Canada Trust Tower, 161 Bay St.
27th Floor, P.O. Box 508
Toronto, ON, M5J 2S1

Calgary Office:
Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

www.omnigenceam.com

DISCLAIMER

Our reports, including this paper, express our opinions which have been based, in part, upon generally available public information and research as well as upon inferences and deductions made through our due diligence, research and analytical process. The information contained in this paper includes information from, or data derived from, public third-party sources including industry publications, reports and research papers. Although this third-party information and data is believed to be reliable, neither Omnigence Asset Management nor its agents (collectively "Omnigence") have independently verified the accuracy, currency or completeness of any of the information and data contained in this paper which is derived from such third party sources and, therefore, there is no assurance or guarantee as to the accuracy or completeness of such included information and data. Omnigence and its agents hereby disclaim any liability whatsoever in respect of any third-party information or data, and the results derived from our utilization of that data in our analysis. While we have a good-faith belief in the accuracy of what we write, all such information is presented "as is," without warranty of any kind, whether express or implied. The use made of the information and conclusions set forth in this paper is solely at the risk of the user of this information. This paper is intended only as general information presented for the convenience of the reader and should not in any way be construed as investment or other advice whatsoever. Omnigence is not registered as an investment dealer or advisor in any jurisdiction and this report does not represent investment advice of any kind. The reader should seek the advice of relevant professionals (including a registered investment professional) before making any investment decisions. The opinions and views expressed in this paper are subject to change or modification without notice, and Omnigence does not undertake to update or supplement this or any other of its reports or papers as a result of a change in opinion stated herein or otherwise.