

Every now and again I stumble across an article in one of the myriad of financial publications I read regularly, and find myself chuckling quietly. Now it's not often that the very-serious topic of money is the source of humour, but the article in today's Advisor's Edge [here](#) would be one of those times. According to the author, Canadians have to the end of the year to spend their \$1, \$2, \$25 and \$500 bills. As of the first of January 2021, they are no longer legal tender. Who knew? Knew that is, that such bills ever were in circulation? OK, I admit to being of sufficient vintage to have used paper one and two dollar bills, but the twenty-five and five hundred?! Apparently there was a \$1000 bill too (preferred I'm sure by certain organized groups), which too is out, though this has been true for some time now.

This article piqued my interest to look a little further in the matter have have uncovered the following items of **monetary miscellany**:

*Despite the fact that the Canadian dollar is all-but exclusively used in Canada, it is the 5th most held reserve currency in the world. In fact it comprises 2% of total global currency reserves (even more than the Chinese Yuan!)

*The 1954 the series of Canadian dollar bills were known as "Devil's Heads" because of the area around the Queen's hair gave the illusion of a grinning demon behind the ear. In response the Bank of Canada had the face plates for the currency changed to darken the area, severing the connection between our Head of State and external damnation.

*In the 18th century, Canada decided to use the dollar instead of the Pound Sterling because of the already widespread use of the Spanish dollar or peso in North America. The region of Lower Canada (now Quebec) was particularly opposed to the use of the British currency, given the historical animosity between the French and English.

*The Canadian dollar is considered fiat currency, meaning that its value derives from the power that government gives to our Central Bank to print currency (or the electronic equivalent), and is ultimately backed by the taxpayer (us). The link between gold and the dollar was greatly weakened in the first half of the 20th century due to both World Wars and the Great Depression and was officially eliminated when then-President Richard Nixon officially removed the ratio of 35:1 for the \$US to an ounce of gold. Canada followed suit shortly after.



*Our dollar fluctuates in value year-to-year and has been as much as \$1.06 set August 20th, 1957 and as low as \$0.61 January of 2002. That's a remarkable range of almost 50%!

*The first bank to print currency in what is Canada now, was the Montreal Bank (later to be named the Bank of Montreal) and preceded Confederation by almost half a century. This happened in 1817 and was in response to the fact that Upper and Lower Canada had no currency of its own up to this time and cash was in chronic short supply.

*The Central Bank supports the decommissioning of the out-of-use bills as helps ensure that bank notes used by Canadians are in good condition, easy to use (hence their colourful nature) and the fact that newer currency is more difficult to counterfeit.

Well, there you have it. Five Fun Facts about the good old Canadian dollar. And for the record, though I've never seen a \$25 or \$500 bill, if you have them, get busy spending them -the clock is ticking! Lastly, for more information about our Loonie, a timeline can be found [here](#). Happy reading!

Be safe, be well!

Martin
519-546-5088