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The hunt for Canada's \$1,000 bills: There are nearly a million left, most in the hands of criminal elites



ADRIAN HUMPHREYS | November 15, 2012 | Last Updated: Nov 16 8:54 AM ET
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Canadian \$1,000 bill hunt: There are nearly a million left, most in the hands of criminal elites

More than 10 years after the \$1,000 bill disappeared from circulation 946,043 of them are still out there, somewhere.

The whereabouts of almost \$1-billion worth of the banknotes is a mystery rekindled this month at Quebec's corruption probe when a witness spoke of a safe over-stuffed with cash, including \$1,000 notes, inside a political office.

Retired on May 12, 2000, for being mostly used in criminal transactions, any \$1,000 note deposited at a bank is destroyed, although the bills — nicknamed “pinkies” by gangsters because of the pinkish-purple ink — remain legal tender.



The remaining Canadian \$1,000 notes are the highest denomination legal tender in the Western world.

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Money-laundering experts believe most of debts, with the recipient, in turn, using the banking system.

“They are used now to pay off IOUs, not as know if they cash them, it is traceable,” said laundering.

“They keep paying with them, over and over

The notes were retired as part of the fight against a spokesman for the Bank of Canada.

He said the bank could not speculate about where the missing \$1,000 bills are or how they might be used.

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ulate among criminal elites who use them to pay large portion of the notes bleeding off into the legitimate

or buying and selling but not for cashing, because they based author of several landmark books on money

e who has to worry about cashing them.”

commendation of the RCMP, said Jeremy Harrison,

At Quebec's Charbonneau corruption commission, a former organizer for the Union Montreal, said the political party was awash with cash, some of it in \$1,000 bills. Martin Dumont said the party's chief fundraiser had a safe in his office so stuffed that he once needed help closing it.

"They were red, brown and pink," Mr. Dumont told the commission, listing the colours of the Canadian \$50, \$100 and \$1,000 bills.

High-denomination bank notes are popular with high-end criminals because it makes moving large amounts of cash so much easier.

Every Canadian bank note weighs the same — one gram — and for cash deals as big as those done by drug rings, payment can require a duffle bag.

A \$1-million payment in \$100 bills, currently the highest denomination circulating Canadian note, requires 10,000 bills and weighs 10 kilograms.

But in \$1,000 bills, it is a manageable 1,000 notes weighing one kilo.

"The \$1,000 bill is cool for these guys because it means you just reduced the bulk on \$1-million by a factor of 10. You can put that in your pockets," said Mr. Robinson.

"The weight of money always exceeds the weight of the cocaine," said Peter Lamey, spokesman for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), a government agency collecting information on suspected money laundering.

"Money can be cumbersome when conducting drug transactions," he said.

In the 1980s, the Caruana Mafia clan in Montreal was depositing so much money that they backed a pickup truck up to the doors of a Montreal bank and tossed out hockey bags stuffed with cash.

The boss of the clan paid tellers to set aside any \$1,000 bills for him.

When the notes were first withdrawn, 2,827,702 of them were circulating, according to Bank of Canada statistics. That has steadily declined as stray notes were deposited or exchanged at Canada's banks.

In 2011, the value of missing notes, which remains on the Bank of Canada's books as a liability, dipped for the first time to below \$1-billion.

Some of them will be in safety deposit boxes or similarly hidden, kept as liquid assets. Others will remain in the hands of collectors who like to hoard bills that might become rare, financial experts say.

But few doubt that the majority of the remaining bills continue to fuel the drug trade as the highest denomination legal tender in the Western world.

As the stash continues to dwindle, that claim slowly passes to the eurozone's €500 note.

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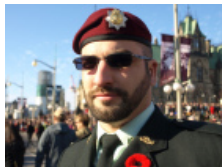


Legal tender: The notes are nicknamed 'pinkies' because of their pinkish-purple ink. Postmedia News

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bryandale • 2 years ago

I keep mine in a jar with my pennies. You never know when you might need a few extra bucks.

66 • Share



hollow-welt • 2 years ago

ha, i used to own three. in my experience this article is absolutely correct.

now it's 20's folded in groups of 5 or 50's in groups of 20.

folded over so they dont come apart but easy to count quickly.

i wasted so much time and lost too many friends, dope makes greed and greed kills friendships

52 • Share



notinmafia • 2 years ago

If I'm ever in the mafia (no plans at this particular moment) I'll use gold coins. Not traceable, easily cached in, and look much better than the pink bills. Pink!.. for heaven's sake...

51 • Share



LewisDodgson notinmafia • 2 years ago

Gold is the only currency that retains it's value. You could buy the same stuff 50 or 100 years ago with a gold coin that you can today. The monetary value has gone up but that's because the dollar itself has gone way, way down.

41 • Share



cutthewhat LewisDodgson • 2 years ago

50 years ago, a car was worth between 2000, and 2500 dollars. Gold was worth about \$35/oz. That's 64 OZ. of gold, for an average car. Right now, an average car costs less than 40,000 dollars (considerably less, for some people but let's be generous). Gold is selling for how much? It's down from it's high (first clue that you're making up facts) but it's still over \$1700/OZ. That's nearly 110,000 dollars. You could buy nearly three of the 'same stuff' as 50 years ago.

Why? Not because gold is inherently valuable. It's not even that rare. It has some interesting and useful metallurgical

properties, but the main reason that gold retains its value, is that people like you are convinced that it will always retain its value. It is worth (like anything else) what people will pay for it. Not more, not less. It is not magical. When, in a year or two, the world has move on to its next boom period, and these all consuming crises have passed, the price of gold will fall, probably back below \$1000/OZ., though how far below is anyone's guess.

Gold is a speculative investment. Best of luck with yours.

68 ^ | v • Share ›



bozo → cutthewhat • 2 years ago

I think your demonstration is still evidence in favour of LewisDodgson. In your example, 1 dollar = $1/2000 = 0.005$ cars in 1962. Today, 1 dollar = $1/40,000 = 0.00025$ cars, a devaluation of 20x. Alternatively, in 1962, if your figures are correct, 1 oz/au = $1/57$ an automobile, whereas in 2012 1 oz/au = $1/23$ an automobile. So, in fact, it takes half as much gold to buy an automobile over the last 50 years, whereas it takes 20x more dollars. Is my math wrong here? i.e whereas the value of cash went down 95% and the value of gold went up about 240%.

Perhaps gold is inherently valuable. The main reason it retains its value is that it is the perfect medium of exchange - it cannot be "created" by fiat, it cannot rust, it cannot corrode, it has favourable properties of solubility and divisibility, it cannot really be destroyed, it can be non-destructively measured, and - whatever its innate rarity is - it has a very stable supply that cannot be arbitrarily increased except without the investment of value (labour & capital). Gold has value because the buyer is virtually certain that in the event the current monetary system fails (due to printing presses, wars, whatever reasons currencies typically fail), it will be supplanted by gold - as a result of those completely unique metallurgical properties you alluded to.

30 ^ | v • Share ›



cutthewhat → bozo • 2 years ago

My demonstration is in favour of no one. It merely makes the point that value is relative, and that we choose which things to value. Ask yourself what makes gold valuable. It can't be the interesting metallurgical properties or we wouldn't store the vast majority of it.

5 ^ | v • Share ›



farooq → bozo • 2 years ago

ehhem ehhem that same dollar isn't that dollar today. its that \$ plus net inflation from 1962

^ | v • Share ›



farooq → farooq • 2 years ago

so basically, 64oz gold per car in 1962 will always have a greater price than 23oz per car today. Thus gold today is more valuable because the price or cost in today's dollar's or 1962's dollar is less. For example; using today's dollar; 1700 times 64 > 1700 times 23 or 35 times 64 > 35 times 23; holding everything else constant except for inflation.

1 ^ | v • Share ›



LewisDodgson → cutthewhat • 2 years ago

Your example ignores the advances in manufacturing technology, globalization and supply chain management that have brought the cost of the automobile down. I like to use the example of a good suit. A good suit is made by the same tailor in roughly the same manner it was 50 or 100 years ago, there is little effect from advances in technology and global supply chains. If you use that example, you can see the same value retained as a good suit still costs roughly an ounce of gold, as it did then and always has.

6 ^ | v • Share ›



cutthewhat → LewisDodgson • 2 years ago

Your suit example, while interesting to contemplate, completely ignores the various pressures in the pricing of bespoke suits. For instance, the tailor today is competing with enterprising startups like the fellows in England who have 'measuring studios' on the high street, but have the tailoring done in India, or Indonesia. Final fitment and finish work are done in the shop, of course, on pick up, but how can a tailor in New York or London charge an amount that would allow them to buy their building (worth considerably more now relative to their income than 50 or 100 years ago) when they are competing with that?

Whenever you try to come up with simple examples to illustrate a point you'll need to ignore the underlying complexities which are sure to exist. While it's a fun game, it completely avoids the issue; that the value (expressed as the price people are willing to pay) of gold goes up, and it goes down.

Tell me something Lewis (you can call me Paul); was a suit 1000 dollars cheaper just five years ago. when gold was averaging about 1000 dollars less per ounce? Or are you another MBA who is completely full of \$hit?

3 ^ | v • Share ›



farooq → cutthewhat • 2 years ago

Hmm can you throw maybe like average income per person today and before? and take car expense as a percent of that... you can't compare the prices before to today... I thought you guys know economics :/. Throw inflation maybe as well. :)

^ | v • Share ›



cutthewhat → farooq • 2 years ago

It's not really relevant Farooq, for many reasons, not least of which is that for the purposes of this discussion we were comparing what real items gold could buy 50 years ago vs. today.

2 ^ | v • Share ›



J. Hawkins → LewisDodgson • 2 years ago

Can you eat gold? Because if there is a collapse of the American dollar there will be a full scale Armageddon at your back door. The real currency will be canned food and bullets. So for the doomsday scenario people that are investing in gold....you might be trading a gold coin for a can of tuna.

6 ^ | v • Share ›



mrbuddhafreak → J. Hawkins • 2 years ago

They guy with a can of tuna fat food would laugh at the offer of a gold coin.

1 ^ | v • Share ›



Fixguy → LewisDodgson • 2 years ago

What about Platinum?

1 ^ | v • Share ›



bryandale → notinmafia • 2 years ago

And a lot heavier than a thousand dollar bill.

19 ^ | v • Share ›



TheGronski_CD → bryandale • 2 years ago

And truly 'worth' something. Much unlike the 'fiat' money we all currently use...

16 ^ | v • Share ›



Smoov → TheGronski_CD • 2 years ago

Well, since it's not worth anything, can I have all of your fiat money?

19 ^ | v • Share ›



ivanhoe5 → notinmafia • 2 years ago

A troy ounce is 31.1 grams worth about 1,720.00 so with the same weight I have 31,000 in my back pocket. Gold is great, but it does have a liquidity issue as there is a spread between the buy and sell where the dealers are trying to make money.

5 ^ | v • Share ›



jamesont → ivanhoe5 • 2 years ago

But gold will always be worth its market value to everyone. It is the "common denominator" of all money.

6 ^ | v • Share ›



chronoss → notinmafia • 2 years ago

gold is too heavy ...think diamonds

5 ^ | v • Share ›



Matt → chronoss • 2 years ago

Diamonds aren't worth anything! Set stones have artistic value but loose stones are worth pennies on the dollar compared to their retail value.

8 ^ | v • Share ›



X30X → chronoss • 2 years ago

"gold is too heavy ...think diamonds"
QUOTE.

Don't make me laugh.

3 ^ | v • Share ›



justsomeone • 2 years ago

What denomination of bills did Mulroney prefer?

Only his briefcase knows for sure.

49 ^ | v • Share ›



Anna W. • 2 years ago

Look to the Liberal party...You will find a few left over there.

80 ^ | v • Share ›



SquishedKitty → Anna W. • 2 years ago

Gazebo contractors have them all now.

4 ^ | v • Share ›



J Villain • 2 years ago

This is ridiculous. Most money laundering is done by wire transfer not passing notes around. Just ask HSBC. And if you eliminate the big notes criminals if they wanted to could use gold or silver or jewels. Another dumb government policy.

24 ^ | v • Share ›



cnote306 • 2 years ago

nothing worse than having to lug around a 10 kg sack of money... that's just barbaric

11 ^ | v • Share ›



kitty → cnote306 • 2 years ago

that's why they have hired goons to do the heavy lifting.... like sacks of money, and making bodies disappear into Montreal concrete slabs!

7 ^ | v • Share ›



Rick SK • 2 years ago

And why is it any of the government's business where these bills are. Criminals will use some other means of transferring wealth if these bills aren't available so the gov should mind it's own business.

11 ^ | v • Share ›



Danilo • 2 years ago

The 500euro note isn't the highest, the 1000 Swiss Franc is.

10 ^ | v • Share ›



Frozen Tex • 2 years ago

Imagine if they were declared void, with a set time limit for them to be redeemed. Most of those missing bills would reappear pretty fast.

27 ^ | v • Share ›



cnote306 → Frozen Tex • 2 years ago

yea, because that would instil all sorts of confidence in the BOC/CND\$

17 ^ | v • Share ›



mrbuddhafreak → cnote306 • 2 years ago

Withdrawing the \$1000 bill from being legal tender would do nothing to the confidence in the CDN\$. There is a much larger sum of pennies out there that will become scrap metal in a short time.

^ | v • Share ›



4Hiechildren → Frozen Tex • 2 years ago

**4Hischildren** → Frozen Tex • 2 years ago

Great idea! ;)

7 ^ | v • Share ›

**kitty** • 2 years ago

The way inflation goes, they'll need to bring back the \$1000 bill so people can buy milk, bread and gas.

19 ^ | v • Share ›

**cutthewhat** → kitty • 2 years ago

You do realize that inflation is creeping just now? That we pay less in real terms for many food items now than 10 years ago?

6 ^ | v • Share ›

**John_R_Smith** • 2 years ago

I have one tucked away in a small safe in my basement. So now only 946042 bills are unaccounted for. :P

9 ^ | v • Share ›

**Terminata** • 2 years ago

To all of you who think voiding money is great, think of this: if a government does that and gets away with it, how long would it take for that government to void ALL cash to completely own its subjects?

P.S. There's no such thing as 'a little pregnant'.

35 ^ | v • Share ›

**Michael Simms** → Terminata • 2 years ago

The government can't void them. It can make them, it can mandate that they be used as legal tender, it can remove them, but their value is determined by participants in the market.

11 ^ | v • Share ›

**Anna W.** → Terminata • 2 years ago

Yes, it is scary...Big Brother will be watching you all the time. No flexibility in the economy (farmer's markets, entrepreneurs, etc.), with everything over-regulated and slow just to accept payment.

9 ^ | v • Share ›

**bryandale** → Anna W. • 2 years ago

Of course organized crime only exists because the government wants it to exist. Otherwise they would legalize liberty and the profit in "crime" would disappear, which raises the question how many of these bills are in the pockets do politicians!

12 ^ | v • Share ›

**4Hischildren** → Terminata • 2 years ago

That day will be here sooner than you think.

7 ^ | v • Share ›

**Terminata** → 4Hischildren • 2 years ago

Sure is possible, Steve... Let's keep bugging the politicians as much as we can to slow them down some!

2 ^ | v • Share ›

**shakylady** • 2 years ago

Paul martin and the cretch have a bunch of them.

44 ^ | v • Share ›

**LewisDodgson** → shakylady • 2 years ago

McGuinty and Smitherman have probably got a whole mattress full.

46 ^ | v • Share ›

**Dan_The_Man** → LewisDodgson • 2 years ago

Why eles in their own mind would they sign this contracts with Semense and Samsung for the wind turbines that do nothing unless they received lots of these bills back in some numbered accounts somewhere.

5 ^ | v • Share ›



R Brown → LewisDodgson • 2 years ago

For Pete's sake, what possible evidence do you have to back that up?

2 ^ | v • Share ›



LewisDodgson → R Brown • 2 years ago

None whatsoever, it's just silliness. On a more interesting note though, are you someone who actually voted for McGuinty? I have yet to find a single person who did! No one will admit to it!

9 ^ | v • Share ›

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