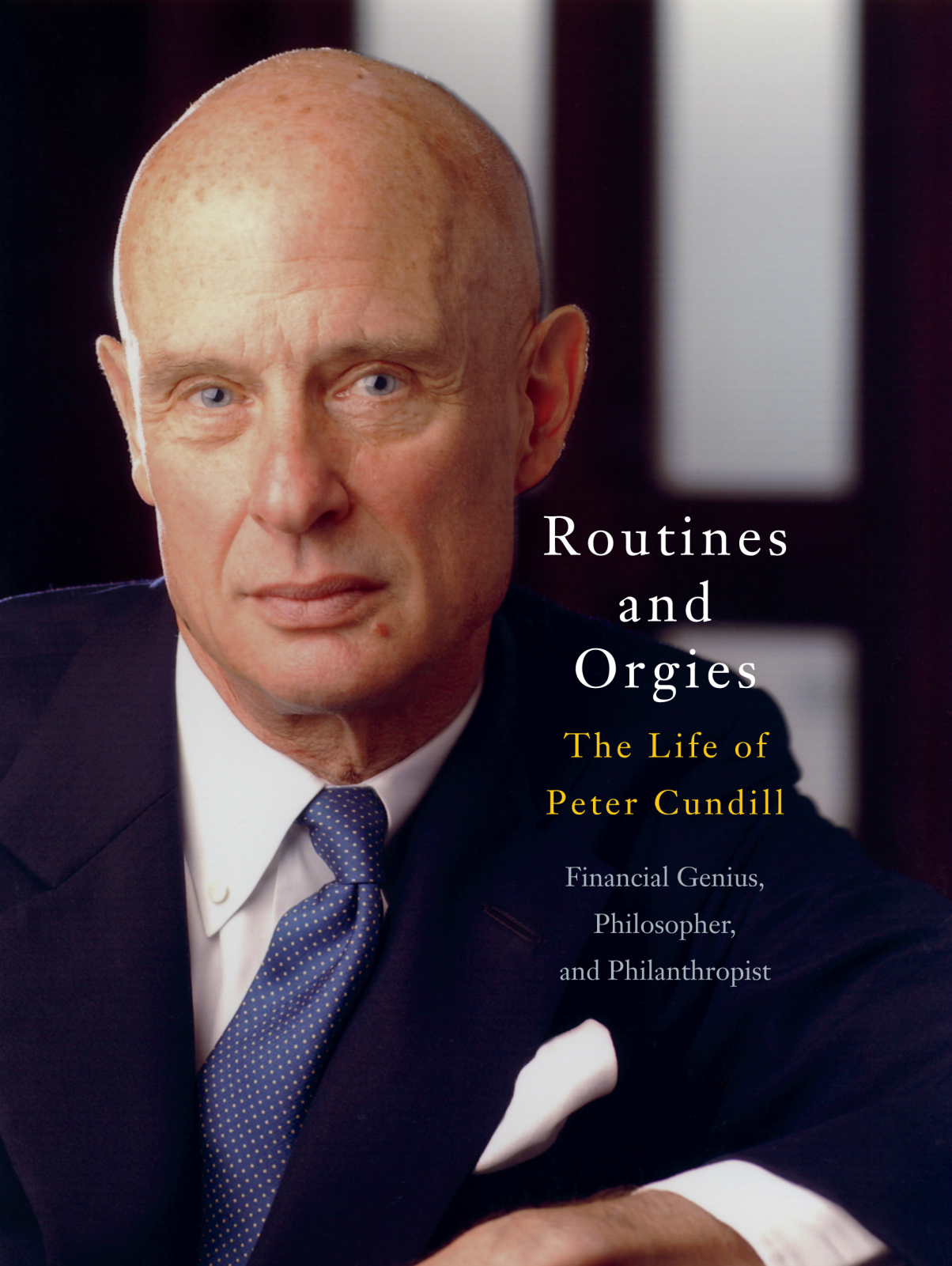




Routines and Orgies

The Life of
Peter Cundill

Financial Genius,
Philosopher,
and Philanthropist

CHRISTOPHER RISSO-GILL

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CHRISTOPHER RISSO-GILL

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The commonest, one might call it the natural, rhythm of human life is routine punctuated by orgies. Routine supports men's weakness, makes the fatigue of thought unnecessary, and relieves them of the intolerable burden of responsibility.

Orgies, whether sexual, religious, sporting, or political, provide that periodical excitement which all of us crave.

ALDOUS HUXLEY, *Beyond the Mexique Bay*

Huxley is brilliant; he invites us to think of history in terms of politics, economics and sociology, yes, but also in terms of psychology and physiology.

PETER CUNDILL

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Peter in Macbeth costume



Frank Cundill in Black Watch uniform

The famous outfit



On the campaign trail
with Michael Meighen,
1960s



The outfit again



Frank, Peter, Grier, and Ruth in Vancouver



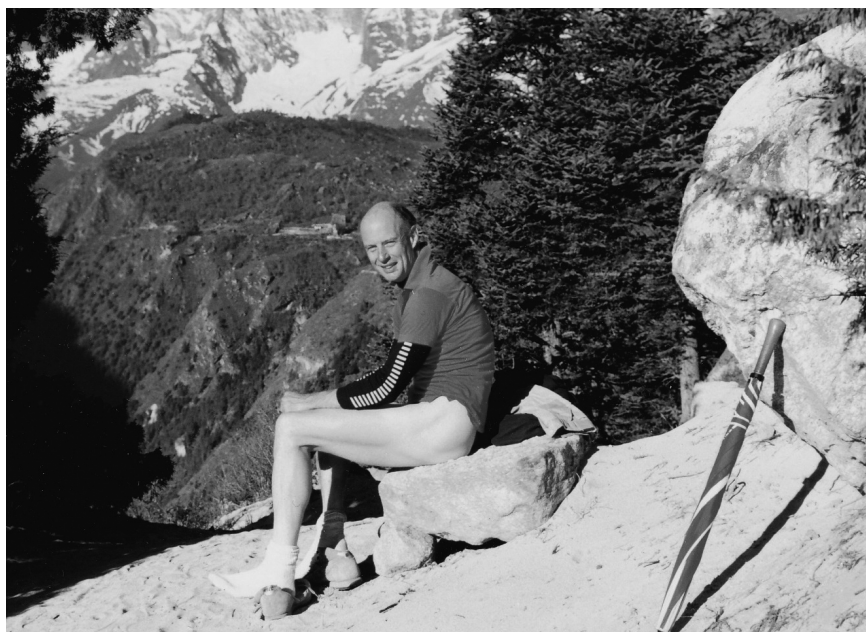
Hang gliding in California



Best man at Ian and Victoria Watson's wedding in London



Conquering Everest for Canada



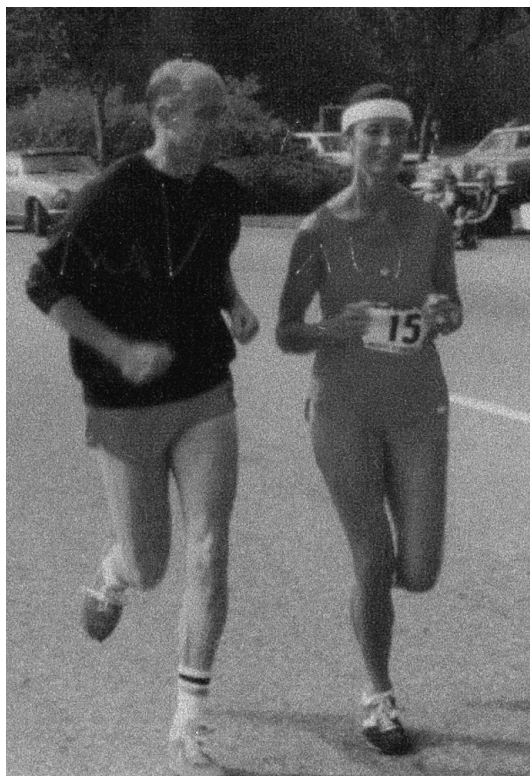
Relaxing on Everest



The fire on Everest



With Sir Edmund Hillary (at left)



Running with Joannie in
Vancouver



Shooting partridges in Wiltshire

BENJAMIN GRAHAM
7811 EADS AVENUE
LA JOLLA, CALIFORNIA 92037
TEL. (714) 459-7056

Apr. 31, 1975.

Dear Mr. Cundill,

Answering your letter of Apr. 10, I regret to say that I do not have available here the financial results of Graham-Newman Corp.

However, I know that for a number of years before 1956 Moody's Financial manual included us in its list of investment companies, and gave annual figures for distributions and year-end asset values of our shares. You should not have much difficulty in obtaining these figures.

I wish you success with your investment fund to be operated under the policy you describe. May I express some reservations about your limiting your holding to "ten to fifteen securities"-first because You may have difficulty in acquiring the number of shares of each companies you will need, and secondly because I have more faith in really wide diversification than in the value of "extensive research."

Sincerely,

Mr. Peter Cundill,
Vancouver, B.C.



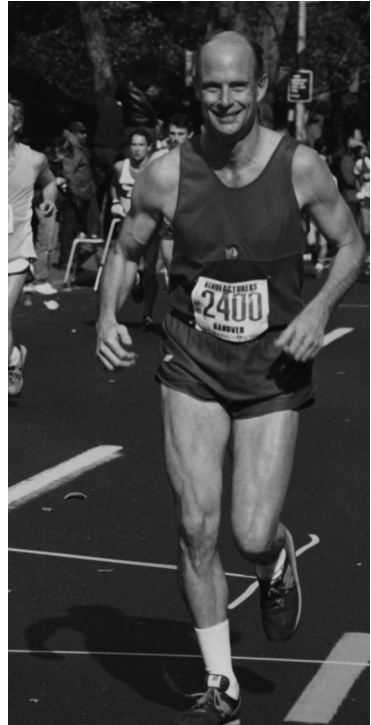
P.S. Warning: I am a very bad regular correspondent.

Letter from Benjamin Graham



Peter's Picasso (photograph: courtesy of Bonhams)

Running the New York City
Marathon, 1982



With Joanie at Evelyn's wedding



Exploring the Battle of the Bulge in the Ardennes



Peter and Joanie with Defiantly

Routines and Orgies

Introduction

THIS BOOK IS a biography not an investment manual, but those seeking insights into the thinking of one of the greatest value investors of all time will find it has much to offer. It is more by way of an epic, describing a journey that spanned more than seventy years, most corners of the globe and a broad array of human endeavour – commercial, artistic, romantic, and adventurous. It is a tale of hard-won professional development, extraordinary challenges faced and survived – sometimes only barely so.

It is supported by forty-four years of meticulously kept daily journals, written in tiny script, which are intimate, utterly frank, self-admonishing, and confessional. They encompass every aspect of what Peter Cundill justifiably referred to as his “wonderful life” – his professional career with all its vicissitudes, his numerous love affairs, and his sporting achievements, including twenty-two marathons, and his passion for the kind of physical challenges that not only test endurance but also confront the participant with moments of stark terror usually associated with war or natural disaster.

The journals explore depression and self-doubt. They tell not just of successes but also of failures and the lessons learned as a result; and they serve the function of a “commonplace book” in which Peter noted passages from his extensive reading, commented on them, and often developed the ideas they prompted. His interests spanned a diversity of disciplines, springing from a genuinely insatiable curiosity, a characteristic he regarded as a vital component in every aspect of life and especially his professional life.

The journals also exhibit a thoroughly open intelligence. Peter was ready to try almost anything and prepared to work to achieve success in any venture, or in the acquisition of any skill he decided to undertake. Mastery often came at real personal cost because, as he freely confessed, he was far from being naturally gifted at everything, and especially not in directions that required physical co-ordination in addition to the

courage and determination that he possessed in abundance. What counted always was the learning process. The importance of continuing to learn throughout life was a recurring theme.

In his daily entries Peter often laughs at himself. His comments on others are usually trenchant and perceptive, but never cruel and rarely unkind. Most of his closest friendships were formed early; nevertheless, an enormous tapestry of friends and acquaintances throughout the world emerges over the years and they play a significant role in the development of his career; friends often led to investments and investments to friendships. Within the investment world, Peter met and visited with most of the great and the good – as well as some of the less than good – and his unrivalled capacity for international networking was clearly a hugely important component of his success.

His truly punishing travel schedules attest to his unremitting efforts to immerse himself in the culture and ethos of any country in which he contemplated an investment. In this he can, quite literally, alongside John Templeton, Charles Brandes, Mason Hawkins, and Prem Watsa, be said to have pioneered the international approach to value investment, particularly in respect to North America, which, at the outset of Peter's career in the 1960s and the early 1970s, could fairly have been described as bordering on the parochial. His approach to some degree mirrored that of the old-style merchant banker for whom it was as important to sniff the air and feel the texture as to study the numbers. An understanding of local issues and politics – imbibing the culture and character of the people – became essential to Peter's confidence in investing in sometimes unfashionable, outlandish, or just apparently unpromising locations; even when the numbers appeared compelling, if he became uncomfortable with the "feel," he would pass on an investment.

Peter's ways of "getting the feel" were to some extent unorthodox, even eccentric. The starting point in a new city was almost invariably a long run, often two hours or more, through the streets – people watching, taking in the flow of the city's life, even getting lost. Afterward, shorter runs around the town became part of the daily routine. Pre-planned and arranged calls would follow the first outing, and Peter would then rapidly assess which of the individuals he had met were likely to prove of ongoing value and were consequently worth developing as relationships. Sometimes, as he did in Hong Kong, London, Paris, and New York, he

would rent an apartment and settle in for a stay of a few months, giving himself ample opportunity to visit individual companies and to get under the skin of the financial community. Even when he was only staying for a few days, his practice was to select a victim, usually an investment brokerage house, a money manager, or an investment bank, and beg the use of an office on their premises. There, with access to the technical back-up and communications resources necessary for his detailed analytical work, he would hunker down, receive visitors, and absorb the cut and thrust of their daily commercial life. The result of this approach was the cultivation of an almost uncanny instinct, a nose for a good potential investment, and a corresponding sense of unease when confronted with one that looked logically and statistically appealing, but simply did not smell right.

Peter's instinct was always firmly grounded on the Graham and Dodd principles of value investment that for thirty-five years were the backbone and nervous system of his strategy. This form of grounding, in combination with attention to detail and endless patience, was the key to his magic. He believed that, while the necessary characteristics may be present to a varied extent in each individual, they can be developed and honed in almost anyone. The reader may conclude that this is too modest an assessment.

With his peripatetic existence – residence in London from 1985 onward and offices in Bermuda and eventually Hong Kong – it might be supposed that Peter's Canadian roots would weaken or gradually be transplanted, but this never happened. He remained inordinately proud of being Canadian and passionately interested in everything about his country, from politics and economics to the arts and education, to all of which he lent tangible support, which continues through The Peter Cundill Foundation. The names of great Canadian achievers, many of whom he knew or had known, were always on the tip of his tongue, often with an anecdote to match. And tellingly, within his journals, as lyrically and admiringly as he would describe far-flung places, he would often compare them nostalgically either with Vancouver or the province of Quebec, especially Montreal. In his heart he remained a Montrealer, and a gathering of Canadians, with a bit of Montreal, Toronto, or Vancouver gossip, never failed to delight him.

Peter had the unusual characteristic both of liking women's company and being totally at ease in an all-male environment. There were few

instances in which a girlfriend or a serious love affair did not mature into a friendship; all were appreciated and none forgotten. Among his male friends there will not be many who have not confided in him and found a ready and sympathetic ear in times of joy and trouble. And there are many of both sexes who have received substantial material support when it was most needed, as well as wise advice and the discovery that doors they had imagined to be firmly shut somehow opened effortlessly to them.

The Peter Cundill Foundation, which now controls Peter's very considerable wealth, has supported and will continue to support a wide and international range of charities from sporting and academic, to artistic and educational, with a focus on youth. The Cundill Prize in Historical Literature, administered by his alma mater, McGill University, is the largest of its kind in the world, but it is only one example of his philanthropy.

In his professional journey Peter became more than a highly regarded and immensely successful mutual fund manager who made fortunes for others as well as himself; he was also a teacher and mentor, generous with his time and fully prepared to share his experience with aspiring new practitioners. This dedication to his profession, to the encouragement of its new blood and the propagation of the principles of value investing on the foundations laid by Graham and Dodd, would have been continuing today, and this book would have been an autobiography, had Peter not been struck by the affliction of Fragile X-associated Tremor/Ataxia Syndrome (FXTAS), a neurological disease whose symptoms closely resemble those of Parkinson's but is far less amenable to treatment.

The story of Peter's life is now, of course, concluded but, as I was working with him daily on this and the previous book, I came to realize that his finest hour was in fact in his brave struggle with his deteriorating disability. He was entirely without self-pity, good-natured and full of humour, and determined never to surrender to hopelessness or despair.

As Peter would have wished, I have been careful to continue the exposé of his investment approach which was initially explored in my previous book, *There's Always Something to Do*. However, in this book the reader will find much more than that and make the acquaintance of a remarkable, generous, multi-faceted and complex man whom I had the privilege, for over thirty years, of calling a friend.

PART · ONE ·

Some Family History

EARLY ONE MORNING in the spring of 1946, in a tiny, isolated cottage near the Laurentian village of Saint-Sauveur, about sixty miles from Montreal, a little boy, not quite eight, with fair hair and penetrating pale blue eyes, walked resolutely downstairs. Fully dressed, washed, and scrubbed, with his hair neatly brushed, he turned into the living room and, without an instant's hesitation, strode up to face the tall, uniformed officer standing beside his mother. Looking him squarely in the eye, he extended his right hand and said with courteous finality: "It's been very nice to meet you, Sir. You can leave now and I wish you a good journey home." The little boy was Peter Cundill and the man was his father, Frank, whom the boy had knowingly met for the first time only the previous evening.

This meeting might well never have taken place. Together with thousands of other Canadians, Frank Cundill had volunteered in 1939 at the outbreak of the Second World War. As an ex-officer cadet, he had tried to enlist in the Navy but had been brusquely informed that at thirty-seven he was far too old. Nevertheless, he persisted and eventually obtained a commission in the Black Watch, the oldest and most distinguished of Canada's Scottish regiments.

Frank Cundill was posted to a holding camp in Newfoundland and in August 1940, he and his battalion were shipped across the Atlantic. His wife and baby son of course remained in Canada. He was immediately thrust into a rigorous combat training program, largely in the rugged northern highlands of Scotland, and soon became involved in testing some of the "commando" tactics being pioneered by two eccentric, dare-devil highland chieftains who were then popular with Winston Churchill: Lord Lovat and Colonel William Stirling, of Kier. As a result, early in 1942, a company of the battalion that, despite his age, included Lieutenant Cundill, was seconded to the Royal Regiment of Canada to prepare for the planned raid on Dieppe.

Having earned a reputation as a tough and effective instructor during the training in the highlands, he was given the task of organizing the regiment's final combat preparations. In an exercise using live ammunition he was shot through the back of his knee, putting him "hors de combat." To his disappointment, the task force of six thousand predominantly Canadian infantry embarked on 19 August 1942 without him. This may well have saved his life. The Dieppe raid was a catastrophe; when withdrawal was finally ordered, the expeditionary force had suffered casualties of nearly four thousand, well over half the entire complement. Although Frank's wound healed, he was classified as unfit for combat duty and sent back to Canada as a training officer.

Peter was fortunate to know his father at all and, in spite of its somewhat surreal beginning, their relationship developed into a much valued camaraderie. However, that happened much later. While it is a testament to his parents' good judgment and sense of humour that the incident in the Saint-Sauveur living room became a family legend, for a sensitive little boy who had never until then experienced anything less than his mother's undivided attention, the family's reunion was undoubtedly a traumatic experience. It ushered in a lonely period of adjustment and perhaps accounted for a lifetime of difficulty in forming committed relationships with women.

Records show that Peter's Cundill ancestors had been settled in England in the moors and dales of North Yorkshire since at least the fourteenth century. As Peter's story unfolds, it becomes clear that Yorkshire folk and Yorkshire institutions were of immense importance to him, especially at some critical moments early in his career. Yorkshire people have a reputation for innovation, rugged independence, and firm opinions and values, with an uninhibited sense of fun and the ridiculous – all characteristics that Peter inherited. They are also notoriously clannish; hence perhaps the importance for Peter of having an established Yorkshire background with solid Yorkshire antecedents.

A village named Cundall still sits today in the rolling arable land of the North Riding of Yorkshire – the name derives from the Old English word *cynedoele* ("royal dale"). With their predominantly blue eyes and

fair hair, the settlers were almost certainly of Norse/Viking stock. Through the generations, the Cundills became prosperous farmers who leased from families of aristocratic landowners and were largely self-sufficient, raising cash crops to pay their rent. They employed their own servants and farm labourers, and their daughters married well into the families of other yeoman farmers and prosperous tradesmen who owned their own small businesses – blacksmiths, millers, shopkeepers, and innkeepers – in the surrounding towns and villages. They were sufficiently well off to set up their younger sons in trade and provide their daughters with dowries for comfortable marriages.

Peter was directly descended from a William Cundill (b. 1740), an impoverished yeoman farmer who maintained a few acres in Lincolnshire, just across the border with Yorkshire. His youngest son, John (b. 1784), inspired by the fiery oratory of John Wesley, founder of the Methodist church and a local Lincolnshire man, left the homestead to take up a career as a Baptist preacher. When John married in 1813, the couple moved to Chatham, a town dominated by massive naval dockyards in southeast England at the mouth of the Thames. He was ordained at the Calvinist Baptist Chapel three years later and promptly published a highly inflammatory pamphlet denying the existence of the Trinity. When his first wife died in childbirth – and perhaps also because he was finding Chatham a little too hot for comfort after the publication of the pamphlet – he moved to a ministry in the wealthy market town of Saffron Walden in Essex, where he remarried, producing two sons, Francis and John. By 1825 he had moved back up to Yorkshire and established himself as a Chapel preacher and schoolmaster in Hull, which was then enjoying a resurgence as a seaport serving the whaling industry and the cod-fishing fleets that trawled the Newfoundland banks.

The Cundill family settled into a decent house on the edge of the city looking out across green fields. But their comfort was short-lived. John died in 1826 of injuries sustained by a boiler explosion on a new steam-powered ferry in the Humber Estuary as he returned from preaching in a nearby town. He left the two boys, one barely a year old, and his young wife, Rebecca, who found herself in seriously straitened circumstances, notwithstanding a report in the *Hull Advertiser* that “a large sum has been raised for the family of Cundill.” As a consequence, young Francis, Peter’s great-grandfather, lived in dire poverty beside the belching chimneys of

the potteries. His mother managed to teach him to read and write, but he was otherwise self-educated, making copious use of the circulating libraries of the day and developing an abiding interest in botany. As his daughter recalled years later, he was able to recite “yards” of Shakespeare, Wordsworth, and Tennyson with “dramatic delivery and fine modulation” and he had “an encyclopaedic knowledge of plants and trees.”

Francis was apprenticed to a Chandler near the docks in Hull. Having undergone a Dickensian regimen of long grinding work hours, he took off seafaring as soon as his mother died. Starting as a deckhand, he rose to the rank of purser, visiting most of the world’s major mercantile ports. After almost twenty years of voyaging he returned to England and the great transatlantic port of Liverpool, where he worked for a time at a company engaged in the North American export trade. Finally in 1858 he took ship again, this time with a license to act as an import agent in his pocket. He sailed up the St Lawrence to disembark at Montreal, and there he settled.

Montreal in the 1860s was a thriving cosmopolitan centre universally regarded as the queen of Canadian cities. In 1850 the whole of British North America could claim a mere sixty-six miles of railway track, and within a decade it boasted over 1,800 miles. It was the decade in which the true foundations of Canadian industry and commerce were laid, and the country was consequently opened for the exploitation of the enormous reservoirs of natural resources in the west and the north that the world’s rapidly industrializing economies were demanding in ever-increasing quantities. Montreal was Canada’s main port of entry for the transatlantic flow of goods and people, and the railway paved the way for the development of new towns to accommodate growing populations in remote rural communities. The first Montreal to Toronto rail service was launched in 1856, and the St Lawrence and Atlantic Railway Company’s line, between Montreal and Portland, Maine, an ice-free port, made it possible for commercial and passenger traffic to continue uninterrupted throughout the long winter months.

It was at this propitious moment – just before the discovery of gold in British Columbia and the new country’s acquisition of vast resource-rich northern territories – that Francis Cundill, Peter’s great-grandfather, chose Montreal to make his home, his career, and in due course his fortune. The years of seafaring, the apprenticeship in Hull and shipboard service

out of Liverpool, and the centuries of traditional Cundill family involvement in trading and retailing in the market towns of North Yorkshire had clearly not been wasted.

By the early 1860s Francis had emerged as a successful importer, trading under the name Francis Cundill and Co., sole agents for a number of prestigious London-based companies that manufactured a broad range of products – from pickles to perfumes and hairpieces – all calculated to appeal to the increasingly prosperous citizens of Montreal and its new satellite towns. In addition, he had secured the agency for Jacob Wrench and Co., major British seed merchants who supplied the pioneer wheat farmers moving westward into the Prairies. Already by 1861 Francis was sufficiently established to be able to convince Emily Parkinson, the daughter of a wealthy Liverpool merchant – and perhaps more important, her family – that she should marry him at the second time of asking.

Between 1861 and 1875 the couple had six children. The business was thriving and the family homes became larger and better appointed to accommodate the growing brood and numerous staff. Peter's grandfather, another Francis, was born in 1866 when the family moved to a large, comfortable and newly built villa at the top of Avenue Durocher, not far from the Victoria Bridge, which now connected the island of Montreal with the east side of the mainland. The choice of this location may have been expedient: the new bridge carried the only rail link from Montreal south to New York City, making it a commercially convenient location for Francis's now-substantial trade.

The children of the Avenue Durocher household were educated at home as their father had been, although in their case it was no ad hoc affair at their mother's knee. Governesses taught them the basics: mathematics, English grammar and literature, history and natural history as well as some Latin. A lady from France, rather than a French Canadian, taught them that language. Mrs Cundill herself attended to the religious side and made no concessions to their father's non-conformist background. The children were brought up as proper little Anglicans as befitting the best Anglo-Montreal society. Of the four who survived into adulthood, the two older girls became teachers themselves and the youngest, evidently having thoroughly absorbed the principles of polite Protestantism, married an Anglican clergyman who eventually became a bishop.

Although Francis junior was offered the chance to attend McGill University, by now an internationally reputed institution, he did not take it up. Judging from his subsequent career, getting to grips with business right away likely appealed to young Francis. For an ambitious young man in a city whose population was growing from 50,000 in 1850 to more than 300,000 toward the turn of the century, opportunities must have appeared limitless. Montreal was then unquestionably the commercial and financial hub for the booming economy of the whole of the newly formed Dominion of Canada.

Thus Francis junior served his own apprenticeship in the family business. He had an enquiring mind, with a sharp commercial instinct and the personality to make full use of the trading connections established by his father. But he was really looking for an opportunity on a more ambitious scale than Francis Cundill and Co.'s general import trade, profitable though that was. In 1874 he came across a paper by Dutch chemist Jacobus van 't Hoff – later the first winner of the Nobel Prize for chemistry. It drew attention to some of the lesser-known properties of camphor, produced from the Camphor Laurel tree, then grown in abundance on the island of Formosa. The Chinese had been exploiting its medicinal and embalming properties for thousands of years, but it was now increasingly used in industry, for medicinal purposes, and as the functional ingredient in insect and moth repellents. Francis junior saw great possibilities in the craze for camphor.

Through Francis Cundill and Co.'s international connections, he made contact with some of the powerful British trading houses that effectively ruled Hong Kong, and succeeded in establishing links with camphor producers. Backed by his father's capital, he began to import camphor on his own account. With the main manufacturing and consumer base for the industrial production of camphor products in the United States, logic dictated that, as his business grew – as it rapidly did – Francis should relocate to the main port of entry for his new trade. In 1895 he moved to New York.

He was an immediate commercial and social success. In 1898 he married Ann Hampson, the daughter of a wealthy Quebec family that had settled in Canada a century earlier when the loyalist communities of the newly independent United States had fled north into British territory. Francis junior soon became the "King of Camphor," with a formidable

reputation, both in New York and Montreal, as a shrewd businessman and a canny investor. By the time Peter's father, Frank, was born in 1902, the second of five children, the family had a house in Manhattan – a huge, baronial, German-built villa with five reception rooms set on the fashionable “heights” of Staten Island looking out toward the newly erected Statue of Liberty – as well as a seaside home in Connecticut.

A few months after Frank's birth, the first-generation Montreal Cundill died, having made a remarkable transition from extreme poverty in the potteries district of Hull, to wealth, status, and respectability in his adoptive country – a shining example of what might be achieved with the grit and industry he inherited from his old-world Yorkshire background. The original import business having by then been eclipsed by the success of Francis junior's camphor trade, the Camphor King wound down the Canadian company, and his mother moved with his sisters and a reduced household to a more convenient home in downtown Montreal. The New York business continued to thrive and expand, and the growing family enjoyed the charmed existence made possible by a tycoon's wealth. There Francis remained during the First World War, going on to profit from the extraordinary economic and financial boom of the early post-war years in America. By 1920, at the age of eighteen, Frank, ultimately Peter's father, had decided that he wanted a career in the navy and was enrolled in the Royal Naval College of Canada near Halifax, Nova Scotia; when it was closed two years later, he continued his training for a commission at its successor in Esquimalt, British Columbia. But a naval career was not to be.

Despite the booming times in New York, Francis soon faced trouble in the camphor market. While the world focused on the conflict in Europe, China had been steadily sinking into chaos following the extinction of Imperial rule in 1911. Chinese merchants had become unreliable and the price of natural camphor in Western markets was volatile and unpredictable. Synthetic camphor could also now be produced on economically competitive terms. By the mid-1920s the impact of these factors on Francis Cundill's business became critical and by 1927, after a series of poor trading judgments in the natural camphor market, his capital and credit were exhausted and he was forced into bankruptcy.

The impact was devastating for the whole family; their fairy tale life vanished overnight. Peter's father, Frank, was by then just twenty-five.

Because of his family's deteriorating financial position he had not been able to follow his chosen career in the navy and had witnessed the decline and eventual crash at first hand as he worked alongside his father. His view of his father as imprudent – even reckless – in his stubborn refusal to recognize that “terms of trade” had changed permanently led to an estrangement from which father and son never recovered. Fortunately neither old Mrs Cundill's assets nor Frank's mother's Hampson inheritance had fallen victim to the debacle of Francis's affairs, and the family held together in adversity. Mrs Cundill senior promptly provided them all with a home back in Montreal.

The Cundill children were quickly gathered back into Montreal society under the auspices of their mother and their grandmother. The two who were most damaged by the disaster were Francis and Frank. Francis retained much of his old charm and remained a convivial companion, but his commercial confidence and pride were deflated, and the long shadow of the bankruptcy sapped any will to launch a comeback. He led an unremarkable and aimless social existence and drifted slowly into alcoholism. He died in 1942, falling out of a window while inebriated.

For Frank, whose career had seemed clearly mapped out either as a naval officer with private means or in a successful family business, disappointment and shame over the bankruptcy were compounded by seeing his father's decline. But in Frank's case, the commercial and trading instincts, such a strong element in the Cundill family genes, quickly reasserted themselves. After a short stint as a cowboy and rodeo rider in Alberta, he returned to Montreal and found himself a job as a stockbroker with the Montreal firm of Kingstone Mackenzie. Eventually, with his mother's help, he bought a seat on the Canadian Stock Exchange and was soon launched on an entrepreneurial career as a stock trader.

It was not, of course, the ideal moment. The Wall Street crash of 1929 had repercussions for every market in the world and especially on New York's nearest northern neighbour. Strangely, however, Frank Cundill actually prospered under these conditions, building up a good client base and showing a natural flare for the business of sole trading in stocks. Nevertheless, it was nearly ten years before he felt financially secure enough to propose to Ruth Grierson, Peter's mother.

Ruth Grierson's family were of Scots origin on both sides – Grierson and Lawson – border raiders and cattle thieves, as well as hill farmers, landowners, and lawyers. The Griersons enjoy the distinction of having an ancestor who was killed at the Battle of Flodden in 1513 in the company of King James IV of Scotland. Peter's branch of the Grierson family emigrated to New England in the 1680s, probably fleeing the anti-papist sentiment that swept Britain in the aftermath of the defeat of King James II's Catholic army by his Protestant nephew William III at the Battle of the Boyne. They settled first in Boston, likely having first disassociated themselves from Catholicism, as there is no evidence that they followed anything but the Protestant persuasion thereafter. There they prospered, owning a smithy and a flour mill.

The Lawsons came of slightly grander stock – Scottish gentlemen and landowners. The first to reach New England was Henry Lawson, who arrived at Boston with the Winthrop fleet in 1631, escaping arbitrary taxes and heavy-handed attempts to impose uniformity of religion in Scotland. Henry Lawson obtained a land grant from John Winthrop, who held the governorship of the colony under the Royal Charter purchased from the cash-strapped Charles I. The family prospered as farmers, industrial entrepreneurs, and shipowners with a growing interest in the cod industry of the Grand Banks. John Lawson, Henry's descendant, became so involved in the cod industry that by the time Halifax was founded in 1749, following the fall of Quebec, he and his family had left Boston for the new city to be closer to the heart of the trade. By the end of the American War of Independence, the Lawsons were a well-established Nova Scotia family.

After the War of 1812 John's son, also John, purchased enormous quantities of prize vessels and goods captured by licensed privateers and the Royal Navy, which were auctioned off in Halifax. When the quantity became too large for the Canadian colony alone to absorb, John Lawson successfully petitioned to be allowed to export to the United States. Since the majority of these goods had been the property of American citizens in the first place, one can only imagine that he enjoyed the irony. By the time he died he owned shares of an iron foundry, the Shubenacadie Canal, and a whaling vessel as well as part of the Halifax cod-fishing fleet.

John's son, Peter's great-grandfather, the Hon. William Lawson, born in 1772, was the founding director and first president of the Bank of Nova Scotia. As Peter later discovered, his portrait hangs prominently in the boardroom at the bank's head office in Halifax. As a member of the House of Assembly, William had introduced the bill to provide the necessary charter for a public bank and guided it through against some persistent opposition.

By 1857 branches of both families had migrated to Ottawa, Canada's newly designated capital city, and when Frank Grierson married Frances Lawson in 1898, the Lawsons especially had become extremely well-connected insiders within the political power structures of the day. Frank, Ruth's father, was something of a maverick, well educated and well read, but a free thinker very much concerned with social issues. He was that attractive combination of strapping outdoorsman full of woodland lore, gifted sportsman, and intellectual, if a very left-wing one. He fought in the First World War, enlisting in the ranks rather than as an officer, and rose to the rank of sergeant on his own merits. He was blessed with an insatiable appetite for exploring the world around him, which he transmitted in full to his daughter and through her to Peter.

On Frank's return from the Western front in 1917, the Canadian government was grappling with conscription, a highly sensitive issue, especially among French Canadians. Frank Grierson was co-opted to run wilderness training programs for conscripts, which he did with an enthusiasm that came as an unwelcome surprise to many of the participants. He was in his element undertaking forced marches, carrying full equipment in the harshest winter weather, leading from the front. His regime prompted one victim to remark that he would likely be less in danger of fatal accident in the trenches.

But the war soon ended, as did the role Frank so relished, and a job stable enough for him to reinvent himself as a family man had to be secured. Through Lawson influence, and no doubt with some help from Prime Minister Borden, who was Ruth's godfather, a secure and reasonably well-remunerated civil service job was found for him. However, as events unfolded, it became clear that the new job could not satisfy Frank's restless energies or harness his increasingly left-wing ideals. When he took up the cudgels for a cause he did so with ruthless determination, and without concern for what his sponsors or in-laws might consider desirable or appropriate.

He was successful in two major initiatives: instigating the unionization of the Canadian Civil Service and fighting to secure adequate pensions for disabled war veterans and war widows. Troublesome though he may have been over the pension issue, it was hard for any political party to dispute the justice of the cause. The unionization of the civil service was another matter. From the government's point of view it was highly undesirable, a step on the slippery road toward what came to be known as the "British disease" – the dominance of confrontational, militant unions – and Frank Grierson himself was viewed by many of Ottawa's political elite as a troublemaker. To his Lawson in-laws he had betrayed the family trust and their good offices on his behalf. The rupture was irreparable.

Frank's re-establishment as a full-time father and husband, however, was an undisputed success story. For children he was a natural hero; funny, gregarious, full of energy, and a great communicator; willing and able to transmit his own enthusiasms as well as to enter unselfconsciously into a child's world, with stories, games, songs, and fantasies. His daughter, Ruth, adored him and he inspired in her the limitless curiosity that she was eventually to pass on so comprehensively to Peter. She was sporty, intellectual, artistic, and highly independent of mind, and channelled her own considerable energy and ambition through her children.

As might be expected with a father like Frank, her education, conventional as it may have been in school, was highly original in the home. Dolls and frilly frocks were not for her; camping expeditions and the great outdoors had far greater appeal. She had a refined musical taste and played the piano stylishly and well. What her father instilled in her was his own principle of taking on every endeavour with the determination to excel, to aspire to be the best, and to win.

Through her mother's Lawson connections, Ruth benefited from daily exchange with the all important political and diplomatic figures in Ottawa. With a highly respected ex-prime minister as her godfather, her entrée was assured, and this access from early childhood made her familiar, almost one of the family, within the circles that brokered power and influence. As a natural debater with decided opinions of her own, she was an ideal participant in the political salons of the day and, had she been born a generation or two later, might herself have become a politician.

Ruth would have made the perfect “blue stocking,” but rather than go to university, which had been possible for women at McGill since the 1880s, she became private secretary to Vincent Massey. A distinguished lawyer, Massey became Canada’s first fully accredited ambassador to the United States and ultimately Canada’s first Canadian-born governor general. It was the kind of job to which Ruth was ideally suited. Massey was also president of Massey Harris (later Massey Ferguson), manufacturers of farm machinery, and a close friend of William Lyon Mackenzie King, the prime minister. His homes and his offices were venues for continuous streams of visitors who represented the commercial, political, and intellectual elite of Canada, as well as the senior members of the diplomatic corps. Ruth could hardly have imagined a more stimulating place to be, and Massey seems to have taken full advantage of her enthusiasm and energy, as well as her organizational talents.

In 1932 Massey became president of the National Liberal Foundation of Canada, further extending his political influence and importance and, with the return of the Liberal government under Mackenzie King in 1935, was appointed Canadian high commissioner in London. Before his departure he recommended Ruth to the new governor general, Lord Tweedsmuir, perhaps better known as John Buchan, the bestselling writer of *The Thirty-Nine Steps* and a host of other successful novels. And so Ruth joined the governor general’s staff.

Ruth’s social life revolved predominantly around sport. She was much sought after as a doubles partner at the Rideau Tennis Club, where she played on several teams. Not surprisingly, it was on the tennis court that she met Frank Cundill. They were married in 1938 and Ruth moved from Ottawa to her new husband’s hometown of Montreal. It was there, in October of that year, that Peter was born.

An Unusual Childhood

THE EARLY YEARS of married life were a letdown for Ruth. She had supposed, with reason, that she had married into a moneyed family, so that, despite her husband's rather modest earned income as a stock trader, she could expect the means to maintain the comfortable standard of living she had always enjoyed. But the money in the family belonged to Frank's Hampson relations, including his mother, and to old Granny Cundill. It had not yet filtered down to Frank's generation, and in a family where the women were blessed with exceptional longevity it would be thirty years before it did. The ladies were decidedly careful, if not actually parsimonious, and they too may have borne scars from the Camphor King's bankruptcy and the memory of Frank senior's reputation for reckless commercial gambling on the market. Consequently purse strings were not appreciably loosened after the wedding, and the couple's married life began in an extremely modest apartment in the town of Baie d'Urfé, not even very close to Montreal. Ruth became pregnant almost at once.

Leaving Ottawa and relinquishing a job that passionately interested her was a sacrifice for Ruth. She had relished the stimulation of the political and diplomatic circles of the day in what remained very much a man's world – domesticity was not her natural bent. The Montreal society of which the Cundills were part, although congenial, was by contrast quite restricted. The anglophone community was already beginning to feel isolated and perhaps sidelined, if not yet actually beleaguered. Also it was essentially a society with a commercial rather than a political focus, and the city had already begun to surrender to Toronto its pre-eminence as Canada's financial hub. Ruth was unexpectedly parachuted into a relative backwater without sufficient means to be a leading light in it.

Further money problems were occasioned by Frank's weakness for a flutter on the horses. Ruth was never anything but outspoken and it is easy to imagine that the apartment in Baie d'Urfé rapidly became less cosy than a love nest. For Frank, the outbreak of the war may have come

as a heaven-sent opportunity to get away, with patriotism as a cast-iron alibi. But a lieutenant's pay was insufficient even to keep up with the small rent in Baie d'Urfé; the apartment was given up, almost certainly with little regret on either side. However, the alternative of army accommodation proved even less satisfactory. There was simply not enough money to rent anywhere that Ruth deemed suitable, and she was unwillingly driven to beg rooming space from a number of her in-laws. She rarely saw Frank during the war, and the family was not properly reunited until he was finally demobbed in 1946. In the intervening years Peter and Ruth lived a peripatetic, though not entirely uncongenial existence, but without a home they could in any sense call their own.

They were frequent guests of Peter's Hampson grandmother and a variety of aunts and uncles, both in Montreal and in the beautiful Murray Bay area, northeast of Quebec City overlooking the St Lawrence River – a refreshing refuge from the steamy heat of Montreal at the height of summer. The cottage near Saint-Sauveur, the scene of Peter's first postwar meeting with his father, was only a temporary arrangement, although a real boon because an old family friend had made it available at a peppercorn rent and they at least had it to themselves. Nestled deep in the Laurentian Hills and surrounded by lakes, it was a summer paradise and a skiing mecca in winter. However, during the long frozen months the cottage had a minor disadvantage: it was heated only by a wood-burning stove downstairs.

Peter had a vivid recollection of a frightening night at Saint-Sauveur when he was a small boy. A howling mid-winter gale suddenly blew his bedroom window open. Try as he might, the skinny little boy did not have the strength to close it. He shouted repeatedly for his mother, to no avail. Too scared to go downstairs in the dark, Peter tried to tuck himself back into bed, but he just went on shivering under the blankets as the room temperature plunged below freezing. Fortunately, with the window banging, and snow gusting in onto his bed he was unable to get back to sleep. Finally he did tiptoe down, only to find Ruth reading peacefully by the stove. Had he fallen asleep under those conditions, there might well have been no biography to write. But the winters had their charm, Peter remembered, on days when the clear skies and brilliant sunshine turned the forest and countryside into a sparkling fairyland and he would crunch his way through the snow to the village store to buy

fresh-baked bread for breakfast. His distinctive elflike ears were often nearly frostbitten by the time he got home again. Hitching a ride on a forester's jingling sleigh was not only fun, it was a welcome relief. The independence and adventure of those early morning expeditions gave him experiences he treasured for life.

In the best tradition of Jean-Jacques Rousseau, Ruth encouraged Peter to run somewhat wild, but she saw personally to his schooling, teaching him to read and trying desperately to train him to be right-handed. Her determined efforts were a torment he never forgot. That aside, she was always at hand to encourage him and answer his innumerable questions and she read to him at length: *Hiawatha*, *A Christmas Carol*, speeches from Shakespeare, *The Last of the Mohicans*, *The Odyssey*, *Alice in Wonderland*, and a children's version of Plutarch's *Lives* with illustrations by Walter Crane, including one of the death of Brutus, which impressed Peter deeply. Left to his own devices Peter read the Hardy Boys books, *Lassie*, *Bambi*, and Ernest Thompson-Seton's animal stories, and played for hours with his painted lead soldiers, devising battles with cannons that fired matchsticks. It was a solitary existence, with few friends his own age, but a life that fostered curiosity and a certain reflective introspection. Ruth's insistence that Peter keep a journal led to much resentment because she subjected the results to criticism, never praise. Her frustrated ambitions translated into a string of vicariously held aspirations for Peter which meant that his least failures were met with anger and severe punishment.

In these nomadic war years, Peter and Ruth spent part of the time in Toronto with his aunt and uncle, Joan and Peter Scott. "Uncle Pete" willingly engaged his nephew in outdoor ball games that Ruth did not play. (Later, as chairman of Wood Gundy investment bankers, he was an influential supporter of his nephew's professional development.) Summer journeys to Peter's grandmother's house at Cap à l'Aigle overlooking Murray Bay offered another adventure. The train trip from Montreal took a full day, with a change in Quebec City, and between trains, mother and son stretched their legs around the ancient ramparts. With their gun emplacements and old cannons, the walls enchanted this small boy already smitten by his armies of toy soldiers. At the citadel, which offers an uninterrupted view across to the Plains of Abraham, Peter's enduring fascination with history was awakened as he listened, wide-eyed, to the story of General Wolfe leading his five thousand men

up the narrow cliff path in the dead of night, to take the Marquis de Montcalm completely by surprise the following morning, thereby transforming Canada's future forever.

Young though he was, Peter clearly remembered the bustle and excitement surrounding the May 1944 Quebec City Conference that was taking place as the family made its way to Murray Bay. The sessions were hosted by Prime Minister Mackenzie King and attended by Franklin Delano Roosevelt and Winston Churchill, as well as both of Ruth Cundill's ex-employers, Vincent Massey and Lord Tweedsmuir. As they afterward learned, these were the final planning meetings between the two principal allies for the D-Day landings a month later. But Peter's strongest recollection of these trips was an occasion when the burly porter in charge of the Pullman car from Montreal to Quebec City allowed the little boy – impeccably dressed in a grey flannel suit and with neatly brushed flaxen hair – to stand beside him and collect tickets as the passengers boarded the train.

Murray Bay is often referred to by its old French name, La Malbaie, which, the story goes, it acquired from Samuel de Champlain as he was exploring the St Lawrence River in 1608. Champlain had moored his ships in the bay for the night, unaware that as the tide goes out the bay empties completely. He woke up the next morning to find his vessels beached and, realizing there was no alternative but to wait for the next high tide, exclaimed: "Ah, la malle baye!" – and it stuck. Toward the end of the nineteenth century the area was rediscovered as a summer resort destination for the "high society" of Montreal and New York, who arrived by steamers known as "floating palaces." A luxury hotel and a golf course were built, and magnificent summer residences sprang up along the Chemin des Falaises with splendid views of the St Lawrence. The area became fashionable through the influence of the Taft family and particularly William Howard Taft, the United States president, who declared that the air was "as intoxicating as champagne, but without the headache in the morning." The Tafts were soon joined by the Cabots, and the cream of Boston and New York society followed suit. Murray Bay became known as the "Newport of the North" and by some was considered even more exclusive.

The Mrs Cabot who was a figure in Murray Bay society in Peter's youth was an enthusiast of amateur dramatics, mostly of the Gilbert and