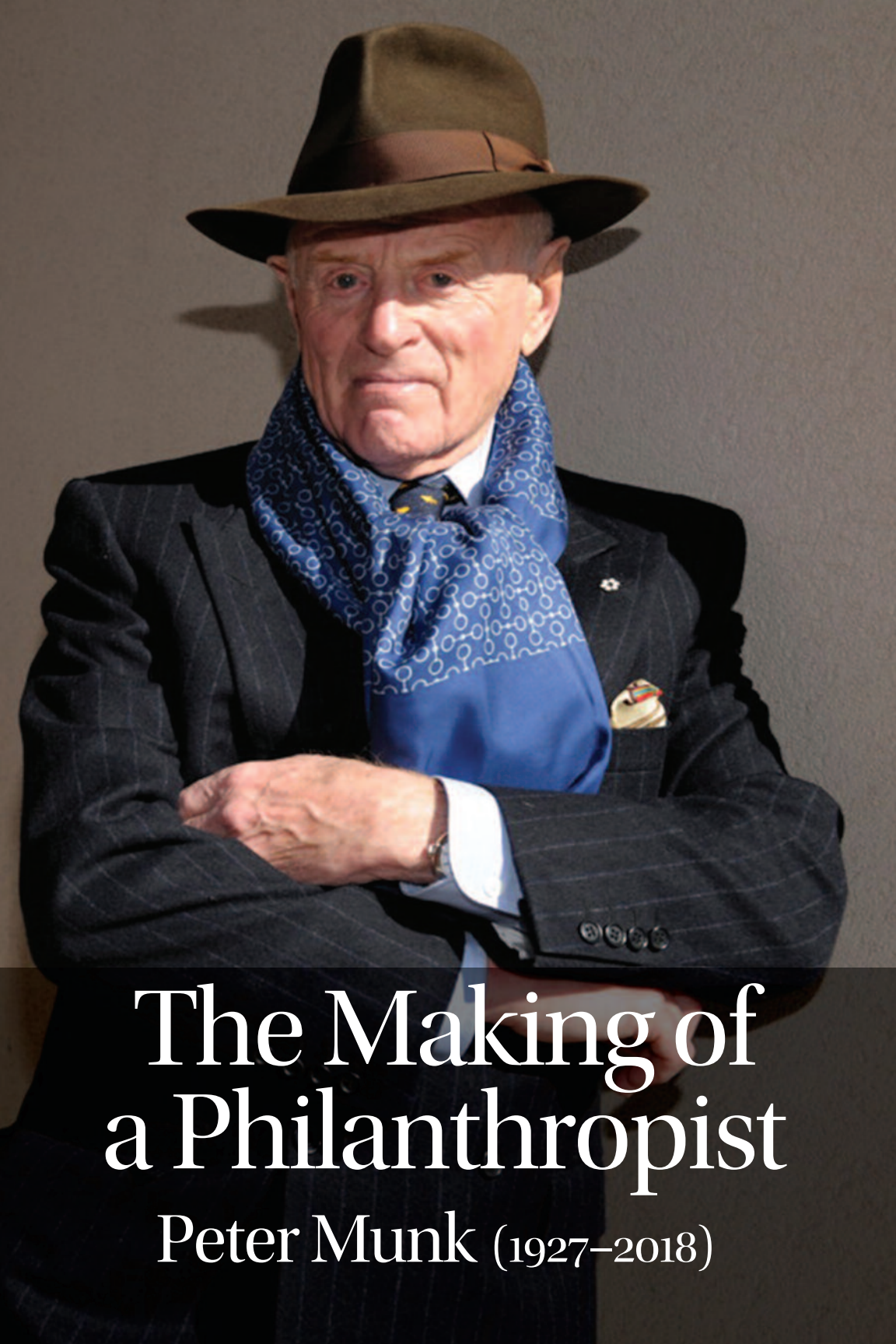




The Making of a Philanthropist

Peter Munk (1927–2018)

By the end of his life Peter Munk had given away nearly \$300 million dollars, a breathtaking sum by any measure, but particularly impressive from a man who had started with nothing but ambition, a sunny disposition, and a willingness to make friends. His generosity was fuelled by his boundless gratitude to Canada for taking him in at a time when he had “zero to offer,” as he used to say; he was just a young redhead with an attitude and his “hands out.”

PETER MUNK arrived in Canada in 1948, having made the journey from Switzerland, where his family had taken refuge after their forced departure from Hungary. He spoke no English, yet he was accepted at Toronto’s Lawrence Park Collegiate and later at the University of Toronto. He worked summers picking tobacco and at the Canadian National Exhibition and tried selling Christmas trees in the winter. It didn’t generate much money – one January he was left with hundreds of unsold trees – but it taught him to invest wisely. He graduated with an engineering degree, and enormous gratitude. He had no interest in engineering. As his grandfather had been, he too wanted to be a businessman.

His first serious business venture, Clairtone, manufacturing beautiful stereo consoles, was launched with his friend David Gilmour on a \$6,000 loan and a dream. It was a daring, improbable enterprise that attracted international attention. Frank Sinatra and Sean Connery both had Clairtone sets, and there are still treasured units in Germany, Japan, and France. Sadly, the business grew too fast, took on too much debt, and ended up relying on labour that had little experience building this sort of equipment – and as costs mounted Peter and David lost the company they had built.

Peter tended to see the experience as humbling, yet a very useful lesson. “The classic impossible dream,” he told Peter C. Newman. “You have to have failed to know about life,” he told me. It taught him never to trust something he valued to someone who didn’t share his dream – in this case, politicians who attracted the company with extravagant promises and convinced the partners to establish a huge plant in Nova Scotia, to use local

labour, and to manufacture TV sets instead of stereo consoles. With their reputations in tatters, Peter and David left Canada, but they resolved to return.

It took a decade for them to build up the largest chain of hotels in the Pacific, and to turn a handsome profit selling them. Back in Canada in 1979, **Peter** was still treated to the establishment's disdain. When he set up Barrick, the big banks wouldn't even talk to him. He used to tell the story of how bank executives kept him waiting for an hour. Yet he decided to stay in Canada.

Peter foresaw the phenomenal rise in the price of gold – in one year, from January 1979 to January 1980, it would increase from \$220 an ounce to \$850 an ounce. In 1984 he raised the money to buy Camflo and in 1986 added Goldstrike, perhaps the most profitable gold find in mining history. Analysts thought he had overpaid for Goldstrike (\$68 million), but it turned out to be the best investment he ever made. Typically for Peter, he was neither discouraged nor encouraged by analysts. He formed his own conclusions based on his own analysis plus what some of his executives describe as his “unfailing instinct for a deal.” That year, Munk's American Barrick was the fifth best performer on the New York Stock Exchange. His strategy, he told me when we published Ken Lefolii's book about gold, was to forget about exploration, to grow by acquisition – mines that had proven resources. You had to have the instincts to buy when the time was right. It was risky, but Peter did not fear risks. And he was extraordinarily single-minded when he decided on a project. “My specialty,” he told me with a grin, “is focus.”

By the time Barrick bought Lac Minerals and Trizec Corporation, Peter had become a legend not only on Bay Street but in the long canyons of Wall Street, where he would soon earn a reputation as a business innovator. “He had more than charm,” long-time associate Bill Birchall told me, “he had the instinct for when and how to make a deal.” And charm he had in excess. I remember Peter walking into a somewhat fractious annual meeting of Barrick shareholders. Elegant in a dark suit and white shirt, he adjusted his trademark fedora, smiled his infectious, warm smile, and talked with absolute conviction and genuine enthusiasm about his faith in where the company was going, then answered questions with ease and without referring to notes. He won over the room.

Iknew Peter for some 40 years. We first talked when I was editorial director at McClelland & Stewart, and Peter was working to re-establish his reputation as a businessman. He had already sold his interest in the South Pacific hotels for \$130 million, and he was now in the gold business.



Peter Munk sitting on a gunwale of the SS *Ascania*, the ship on which he first arrived in Canada, at Halifax, March 5, 1948.

I **had** called him because we were about to publish Garth Hopkins' book *Clairtone: The Rise and Fall of a Business Empire*. Jack **McClelland** wanted to make sure the facts in the book were correct. Peter, after some uncomfortable thought about the matter, agreed that, unfortunately, the facts were what the facts were. But he really wanted to talk about his decision to come back to Canada, not because it provided the friendliest environment for entrepreneurs (it didn't), but because he loved the country and saw its potential.

It was a story I would hear again and again as I got to know him better. He loved his adopted country with all the passion of a young lover, and no occasion seemed inappropriate for him to express this.

One afternoon in 2005, he started to talk about his childhood in Budapest. Peter Munk had grown proud of his Jewishness, though he had **had** to take up boxing to defend himself from anti-Semitic schoolmates. He had been a privileged boy in a privileged family until the first few months of 1944, when German *Einsatzgruppen* marched into Hungary,

“ ‘My number one loyalty and number one debt is to Canada. This country is spectacular. I would like to do everything in my power to sustain it or improve it,’ he reflected.”

and their enthusiastic local fascist allies began to round up Hungarian Jews, herd them into ghettos and, eventually, transport them to death camps. Most of the people murdered at Auschwitz-Birkenau were Hungarians.

The Munk family was saved by a somewhat controversial figure, Rezso Kasztner, a man who was

lauded for his efforts to save Jews during the Holocaust, and vilified for making deals with high-ranking Nazi officials in order to accomplish that goal. Fourteen members of the Munk family – from the oldest, Peter’s honoured grandfather, to the youngest – were jammed into cattle cars with a few of their belongings and taken to Bergen-Belsen concentration camp. Six weeks later, they were transported to the Swiss border. Peter remembered the towns with their proud *Judenfrei* (“Free of Jews”) signs, the bombs falling on burning cities, and he remembered cheering on the bombers despite the danger to his own moving train.

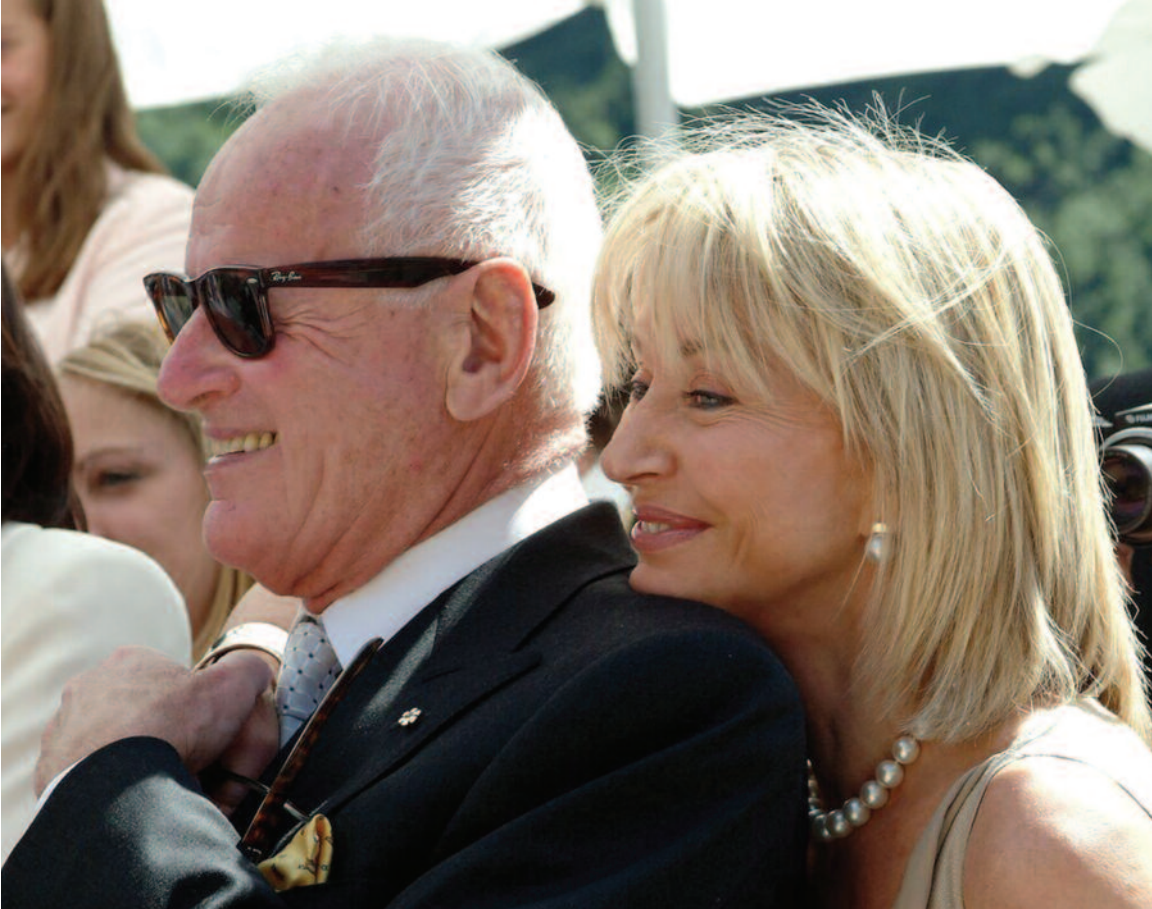
His beloved mother was not on the train, because his parents had divorced. She survived Auschwitz, but bore its marks on her arm and her soul for the rest of her life.

Peter refused to see himself as a victim, yet his almost miraculous escape from Nazi Hungary shaped his outlook on life. He didn’t view either his fortune or his losses as lasting.

“My number one loyalty and number one debt is to Canada. This country is spectacular. I would like to do everything in my power to sustain it or improve it,” he reflected. “Every dollar I give, everything I have been able to offer, has been because I was taken into this country ... I felt this enormous desire to become more Canadian, to do more for Canada.”

He gave to the University of Toronto, his alma mater, because the university had given him a chance to become Canadian. The Munk School of Global Affairs and Public Policy owes its existence to Peter Munk’s sense of gratitude. He and his wife Melanie gave to the University Health Network because it offered advanced healthcare to all Canadians, and they supported the Aurea Foundation to fund research and intellectual debate about issues that affect everybody. The Munk Debates bring leading intellectuals to Toronto to square off in front of an amazingly diverse audience – from university students to retirees – and if you can’t afford a ticket, you can watch them live on YouTube.

Unlike some philanthropists, Peter had no political agenda. His aim, he said, was to improve the lives of as many people as possible. Peter didn’t



Peter and Melanie Munk shared a passionate interest in giving back to the community that had been so generous to them.

believe in legacies for his children. They could earn their own way and choose their own charities to give back to their society.

NEAR the end of his life, Peter reflected on his philanthropy: “When you are reaching 90, you can allow yourself the luxury of leaning back a bit and starting to dream. My dream was always about trying to repay Canada ... the best country in the world.... If my contributions help achieve that, by creating one more building block – one more testament to the world that Canada indeed is a country to follow ... I have achieved my dream.”

ANNA PORTER’s memoir *In Other Words* has just been published by Phyllis Bruce Editions, an imprint of Simon & Schuster Canada.