

## Texas Tea

As a 7 year-old boy I was obsessed with big machines, tools and the men who operated them. So when a city worker came to do maintenance in a manhole on the street in front of our house, a friend and me went to the edge of the hole and peered down the deep, dark crevice to watch the worker crank some sort of valve open, or closed. It was absolutely riveting -- church for little boys, but without the squirming.

While we were peering in to the mysterious road-cave, my friend broke the reverential silence by declaring casually: "My dad has \$100."

My eyes were like two empty pockets. My dad wasn't home, and hadn't been for years. I doubted he or my mother had any money. Surplus just wasn't a thing. We ate three meals a day, but we had no family car, none of the luxuries. Cheese was a rare treat, as was apple juice. We drank skim milk (yuk). And even before Dad left home, one of our favourite extravagances was day-old baked goods from his work.

My mom used to tell us this was good for us -- something I suspect she heard from her own mother, who was ironing my mother's diapers (yes, ironing) during the 1929 stock market crash. Around this same time my much older dad was getting kicked out of his foster home in Nova Scotia and riding the rails as a hobo toward a better life out west.

Scarcity and frugality, it turns out, really are character-building. Nearly all of my clients, many of them very comfortable in retirement, come from modest origins. I have worked in this region for a combined total of more than a quarter century, and I have a good read on the average central interior millionaire. None of them fit the template of snobby old money. Most would be content with a plate of fiddleheads and fried trout, rather than kale and caviar (is that even a thing?).

If a childhood of living modestly was, in the end, good for my clients, it follows that never having to worry about money might at the very least, cheat a person out of some valuable financial lessons. Said another way, the skills acquired spending someone else's hard-earned money, are very different from the skills of building that wealth. And it is a whole 'nuther level if, for example, a typical family vacation included, not only the best hotels and resorts on the world, but private jets and powerbrokers of every political persuasion. If dad dated Barbra Streisand, and mom hung out with Mick Jagger, and you got Christmas cards from "Uncle Fidel," then, well... you might not be a redneck!

All of which, of course, naturally leads us to a brief discussion about Venezuela.

With the largest oil reserves in the world, and a promising position as a growing economy, the Venezuelan government responded to the unfair treatment of its workers by gradually wresting power away from private producers from the mid-twentieth century until today, when they have nationalized several other industries, all with the best of intentions.

It's nice when the government acts on behalf of the underclasses and gives what-for to the bad guys. It feels good at first -- like that warm blanket just before surgery. Feed the children. Raise the wages of the common man. Who doesn't like that?

But here's the thing. The Venezuelan government (and every government) does a poor job managing a business. All the lessons savvy entrepreneurs learned along the way are missing. This is not a skill set one scoops out of the vapour. As proof, the poor Venezuelan people are now poorer than ever, with oil

workers reportedly fainting on the job for lack of food. Their inflation rate, according to Reuters, hit 14,000 percent this month. That means purchasing power shrinks by half every 7 weeks. After a year, a dollar is worth less than a penny. Government debt is in default, and the oil rig count is down sharply. It's a financial disaster bordering on a humanitarian crisis.

Earlier this week I looked at the headlines and saw that our Canadian federal government is proposing to nationalize a pipeline, the private owner of which has threatened to scuttle due to a political triad of ham-fisted interference. This is after a handful of other pipeline proposals have already been cancelled in part due to government policy and after offering to backstop the risk of the project and finding not one buyer on the market.

Well-meaning as our PM and his Finance Minister are, they strike me as the kid whose dad owned the luxury box at the hockey rink, and attended games when the whim struck them. Now that the team is in a pickle with an injured goalie they're all: "Hockey? I know hockey. I got this. (Smiling and waving) Let me just try on those pads for a couple of games."

Meanwhile, those who have made it their life's work to build the industry look on quietly (unlike me) and think to themselves that this has about as much chance of going off well as *The Beverly Hillbillies* in the Royal Ballet.

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