From the Editor / L. Ian MacDonald

# Budget 2015

Welcome to our annual issue on the federal budget, featuring our post-budget Q&A with Finance Minister Joe Oliver. The other parties in the House—the NDP, the Liberals and the Greens—respond with their critiques of Budget 2015, the first in nearly a decade not to be delivered by Jim Flaherty.

Flaherty, who resigned after his February 2014 budget only to pass away suddenly just three weeks later, left big shoes to be filled.

His last budget was in a time of plenty, with a forecast surplus of $6.4 billion in the current fiscal year, and nearly $32 billion over five years. Of course, that was when oil was $100 per barrel, twice what it is today. Every $5 drop in the price of oil costs the federal treasury $1 billion, so Oliver was looking at a $8 billion shortfall, as well as promising a balanced budget. Not to mention the pre-announced family tax cut and child care package costing $5 billion a year.

Going into the budget, the question was how Oliver would cover the spread and balance the books, while delivering on income splitting, child care, and a doubling of the limit on Tax Free Savings Accounts — as promised in the 2011 election campaign.

It was pretty obvious that Oliver would use the contingency reserve, and then in April he announced that the government had sold its shares from the 2009 bailout of General Motors for $3.2 billion. The question that remained was whether the government would use the GM proceeds to pay down debt, invest in the Canada Pension Plan, or put it in operational spending to help balance the books. On April 21, we had our answer.

When we met the next morning in the minister's office in the James M. Flaherty building, Oliver was in an expansive mood.

We also have welcome budget critiques—especially with a federal election looming — from Nathan Cullen of the NDP, Scott Brison for the Liberals and Green Party Leader Elizabeth May.

Leading off our *Canada and the World* section, Robin Sears considers the controversies over the niqab, the divisive wedge politics around it, and the decline of public discourse. As Sears notes: "The poison that wedge politics injects into any democracy is always the responsibility of the leaders who indulge in it."

Then, BMO Vice-Chair and former Privy Council clerk Kevin Lynch looks at Canada's strengths and weaknesses in innovation, where the country ranks near the bottom of OECD ratings on business R&D spending and productivity. It's a thoughtful and important piece from one of Canada's leading public policy figures.

From Jerusalem, McGill University historian and author Gil Troy dissects the recent Israeli election, in which Bibi Netanyahu won his third consecutive mandate as prime minister, and fourth term overall. In doing so, he confounded pollsters and pundits, who had widely predicted his defeat. His late surge came after an Election Day video in which he warned that Arab Israelis were voting "in droves," a statement for which he was widely and justifiably criticized.

Our lead foreign affairs writer Jeremy Kinsman looks at the US-Iran framework agreement on Iranian nuclear technology. While the deal is far from done, and the two sides have disagreed on what some of it means, there's no doubt that it's an important milestone, not only in reducing the risk of Iran becoming a nuclear power, but also bringing the promise of some stability to the volatile and violent Middle East. Iran is also aligned with the US and the West against the Islamic State. So, the enemy of my enemy is my friend.

Raynell Andreychuk, Chair of the Senate Foreign Affairs Committee, weighs in with a scathing piece on the Kremlin propaganda machine, particularly as it's been deployed by Vladimir Putin's minions on Ukraine, to say nothing of his control over information inside Russia.

Michael Bourque, President of the Railway Association of Canada, looks at the important public safety issue of level railway crossings. There were 180 crossing accidents in 2014 and 21 deaths as a result. Since 2010, there have been 130 deaths due to accidents at level crossings. Bourque points to "dichotomy of authority" between Transport Canada and the Canadian Transportation Agency that has "jeopardized safety".

Former Atomic Energy of Canada CEO Hugh MacDiarmid and Terrestrial Energy CEO Simon Irish make a case for the next, even safer generation of nuclear reactor. "The new generation of reactors," they write, "is changing minds and gaining converts."

Finally, we propose a spring list of political books for the season. Anthony Wilson-Smith weighs in with a rave review of David Halton's biography of his father, Matthew, Canada's radio voice of the Second World War, in effect our Ed Murrow. *Dispatches from the Front*, writes Wilson-Smith, is simply "superb."

Our own Associate Editor, Lisa Van Dusen, looks at David Axelrod's *Believer: My Forty Years in Politics*, and concludes that Barack Obama's campaign director in 2008 wasn't in it for the game, but to make a difference. And McGill's Antonia Maioni looks at the autobiography of Victor Goldbloom, another story about doing the right thing in politics. Enjoy. P