

Don Cayo: Tax audits aimed at Harper government critics should worry all Canadians (with video)

Intimidation: Revenue Agency is going after left-leaning groups on orders of right-leaning government

BY DON CAYO, VANCOUVER SUN JULY 24, 2014 6:56 PM

VANCOUVER — The Canadian Press's list of charities being audited for political activities by the Canada Revenue Agency reads suspiciously like a Who's Who of the Canadian left.

Vancouver-based Tides Canada and the David Suzuki Foundation, the United Church of Canada's affiliated human rights/justice organization called Kairos, the Canadian Centre for Policy Alternatives, Amnesty International and, most recently, the free speech advocates at PEN Canada — the list goes on. All have been critical of the Harper government and, perhaps as a result, all are apparently suspected of engaging in more than token political activity — a no-no for tax-exempt charities.

The issue isn't just that these groups are undergoing audits which, even if they don't lead to the loss of charitable status, are time-consuming, expensive and intimidating. It's also that the emphasis on these kinds of audits, which obviously tend to target officialdom's critics, are at the behest of the government, which provided the Canada Revenue Agency with both marching orders and an extra \$8 million to carry them out.

All of which smells too much like a mirror image of the scandal in the U.S. where Internal Revenue Service auditors appear to target Tea Party supporters.

Regardless of your ideological leanings, it should worry you when taxmen harass their political masters' opponents. Even though it's the left that's getting the unwanted attention these days, political bullying is a two-way street. The victims could as easily be the right when the government changes.

I talked some years ago, when the Liberals were in power, to Michael Walker, the Fraser Institute's founding president. He was worried about the chill CRA enforcers seemed at that to be time attempting to put on organizations like his. The current Fraser president, Niels Veldhuis, tells me the institute was singled out for three audits, the last in 1997, until CRA finally conceded its activities constituted education, not advocacy.

The argument, in essence, is that Fraser publishes research into policy options, and both the public and decision-makers can use this information any way they want.

Other registered charities of all stripes, including those being audited now, often make a similar argument. And if they do stray over what is a very fine line, the rules allow 10 per cent of their resources to be directed to advocacy.

A problem with this is that the amount of political activity an organization and its supporters think is needed varies sharply with circumstances. It's one thing if policies affecting their issue are more or less in line with their thinking, it's another if changes are afoot that undermine programs or principles they value.

So it's no surprise that lefties speak out when the Conservatives are in charge. And we might expect the right to have sharper things to say if the party in power changes.

A case can be made that no charity — regardless of whether it views the world from the left, right or centre — should get tax breaks to lobby for political change. But this isn't cut and dried.

After all, other tax-advantaged groups with skin in the game can speak out. Companies, some with a life-and-death interest in policy, write off business expenses. Unions can spend — whether all dues-payers agree or not — to promote a view. Supporters of political parties not only get tax breaks, but huge ones compared to what you get for donating to a charity.

And activists for the whole spectrum of causes have valid voices. People who devote their money, their energy and sometimes their careers to a cause — environmentalism, smaller government, pro-abortion, anti-abortion, poverty alleviation, sports or culture — are likely to know a lot about their special interest. It behooves us all, even if we disagree with them, to know what they have to say.

Another concern is that “political activity” is ill-defined, and CRA has a long history of capriciously interpreting the rules.

Finally, when any point of view is singled out for harassment, it offends the principles of freedom and democracy.

So why not leave it to a market solution? Let donors decide if any given charity is too political. If it is, let them give their money to somebody else.

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