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Charity chill raises alarm

NDP demands outside investigation into politically-motivated audits of charities that challenge government priorities

ADRIAN WYLD / THE CANADIAN PRESS
Revenue Minister Kerry-Lynne Findlay in the House of Commons in Ottawa in April.

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Two years after Prime Minister Stephen Harper's Conservative government launched a special audit to root out charities that oppose its agenda, the Official Opposition is sounding the alarm.

The New Democratic Party, worried that voluntary agencies are being silenced, sent a sharply-worded letter to Revenue Minister Kerry-Lynne Findlay this past week. "This program has the appearance of blatantly abusing CRA (Canada Revenue Agency) resources to target those who do not agree with government and compromises the very integrity of CRA," wrote NDP revenue critic Murray Rankin and environment critic Megan Leslie.

They called for an independent, external review to determine whether the government is using the muscle of the tax department to crack down on human rights advocates, environmentalists and anti-poverty activists.

Rankin, who taught public law at the University of Victoria for a decade, is reluctant to specify the form of the probe. That would give the government an opening to reject any proposal the NDP put forward as too expensive, too onerous or too intrusive. "I don't want to box her (the revenue minister) into a particular model," he explained. "I just want her to do the right thing."

Rankin's personal preference would be to bring in a retired judge or a former tax bureaucrat with

the power to interview witnesses – including CRA officials – in confidence and compel testimony if necessary. But he would be open to any reasonable alternative. “I genuinely want to clear the air,” he said.

The NDP move was prompted by a study of Ottawa’s $8-million special audit of Canadian charities. Researcher Gareth Kirkby of Royal Roads University in Victoria found that an advocacy chill had spread across the non-profit sector. Voluntary groups dared not take a public stand for fear of triggering a long, costly tax audit. They were spending a disproportionate share of the donations on paperwork. They were watching over their shoulders, afraid to attract the attention of the tax department. “The government is attempting with some success to narrow society’s important policy conversations,” Kirkby wrote.

Some of the most prominent organizations in the country – the United Church, Amnesty International, the David Suzuki Foundation, the Canadian Centre for Policy Alternatives – are now being audited. Others fear they will be next. “The data suggest that the current federal government is corrupting Canada’s democratic processes by treating as political enemies these civil society organizations whose contributions to public policy conversations differ from government priorities,” he concluded.

Kirkby also noted that some of CRA’s audits were triggered by complaints from Ethical Oil, a lobby group with close ties to Harper and the petroleum industry.

Findlay insisted CRA was just doing its job. “The CRA has a legal responsibility to ensure that charitable dollars, donated by charitable Canadians, are used for charitable purposes,” she said, repeating the rote answers she had been giving opposition MPs since she was appointed revenue minister a year ago.

But this time, the NDP is pushing back. “The alleged misuse of the Canada Revenue Agency to target political opponents of the government threatens the very integrity of Canada’s tax system,” it argues. “Canadians deserve answers.”

They are unlikely to get any answers before the next election, slated for October 2015. Even if Findlay accedes to the NDP request, it would take the government months to set up the inquiry, draft its mandate and earmark funds to cover operating expenses.

The inquiry could be completed in a year if the government acts in “good faith,” Rankin said. He is not optimistic.

But he is determined to press ahead. At minimum, the NDP initiative will signal to Canada’s embattled charities that they have a champion in Parliament. If there is a groundswell, with the Liberals, the provincial premiers and a few influential philanthropists demanding answers, the Tories may be shamed into suspending their ill-conceived crackdown.