



## VIEW: Is PEN the latest target of Harper's selective tax audits?

By **NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES**

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The National Union of Public and General Employees (NUPGE) considers the recent news that the Canada Revenue Agency (CRA) is conducting an extensive audit of PEN Canada as further evidence that the Harper government is using the agency to attack its critics.

"We have seen this now with Greenpeace, Canada Without Poverty, Canadian Centre for Policy Alternatives, Environmental Defence, and the David Suzuki Foundation, just to name a few! The message to civil society organizations and research groups is clear. Speak out against the Harper government and we will target you with an audit," said James Clancy, National President of NUPGE.

"This government should stop using Canada Revenue Agency audits for partisan politics."

PEN Canada, representing approximately 1,000 writers and supporters, among whom are Margaret Atwood and Nobel Prize-winning writer Alice Munro, is the most recent charity to be audited by the CRA for taking part in political activities. PEN Canada has publicly criticized the Harper government in the past, giving particular attention to the government's muzzling of scientists.

"We know that the Conservatives ordered the Canada Revenue Agency in 2012 to audit political activities as a special project," explained Clancy. "CRA is now obviously targeting charities that are focused on foreign aid, human rights, and poverty.

"As a result, CRA was given a bigger budget, and this special project is now a permanent focus of its work."

There are now more than 52 political-activity audits underway, many taking two years and more, leaving many charities feeling nervous about speaking out on an issue for fear of a negative decision from CRA. One of the fears for many organizations is losing their charitable status.

"A lot of these organizations are facing overwhelming legal bills -- up to \$100,000 in some cases -- as they try to respond to increasingly complex demands from the CRA auditors," said Clancy.

Research conducted at Victoria's Royal Roads University confirms that the tax audit threat is serving to silence critics of the government. Gareth Kirkby interviewed the heads of 16 organizations as part of a master's thesis. He provided them with anonymity for their comments in order to get candid assessments of the situation.

Kirkby found strong evidence for "advocacy chill" among charities who have either been subjected to, or threatened with, political-activity audits by the Canada Revenue Agency.

"The data suggest that the current federal government is corrupting Canada's democratic processes by treating as political enemies those civil-society organizations whose contributions to public policy conversations differ from government priorities," concludes Kirkby's MA thesis.

"This action entails specifically politicized use of the associated governmental regulatory body (the Charities Directorate at CRA) to pursue harassing actions seemingly designed to 'muffle' and 'distract.'"

Kirkby also points out in the thesis that 'there is evidence that three specific charitable sectors are being singled out for CRA attention -- environmental, development and human rights, and charities receiving donations from labour unions'.

Clancy points out the obvious double standard in these audits. "Neither the right wing Fraser Institute (which has a \$8.5-million budget for charitable programs) nor the Macdonald-Laurier institute has been audited."

Clancy points out that the managing director of the Macdonald-Laurier institute, Brian Lee Crowley, "is a senior fellow at the Virginia-based Galen Institute and advocates for private for-profit health care. He is also a former fellow with the Heritage Foundation which is funded by libertarian U.S. oil barons David and Charles Koch."

Both think tanks say they are non-partisan; however, a Conservative Finance Minister is said to have sent a letter of support for the Macdonald-Laurier Institute and Crowley chaired an off-the-record policy retreat for the minister in 2011.

The Fraser Institute has significant Conservative Party ties including ties to: former Harper advisor Tom Flanagan; Manning Centre founder, Preston Manning; Wildrose Party leader Danielle Smith; former Ontario Premier Mike Harris.

*The National Union of Public and General Employees is one of Canada's largest labour organizations with over 340,000 members.*

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