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Pen and the politics of charity

By MARGARET WENTE

By law, charities are not allowed to spend more than 10 per cent of their budget on 'political activities.' But what, pray tell, are those?

Has the Harper government declared *jihad* against Pen Canada? Margaret Atwood seems to think so. On Monday, Pen's tiny Toronto office was invaded by Canada Revenue Agency auditors, who are investigating whether Pen has engaged in political activities that might jeopardize its charitable status. "Why does freedom of expression threaten them?" she tweeted.

Pen is an advocate for writers who've been targeted by repressive regimes around the world. It isn't too fond of the Harper government either, and has said so, often.

But the Harper government is only indirectly responsible for siccing the auditors on them. Its real target is unfriendly environmental groups, such as Environmental Defence and the David Suzuki Foundation. In its view, such groups abuse their charitable status to wage war against pipelines and the oil sands, and to spread their "radical ideological agenda."

Once upon a time, charities simply did good works. They fed the poor or supplied health care and education. But today, the vast charitable sector includes think tanks, right-to-life groups, right-to-choice groups, promoters of social justice, and hordes of environmental activists.

By law, these groups are not allowed to spend more than 10 per cent of their budget on "political activities." But what, pray tell, are those? Are "partisan activities" okay? To find out, you'll have to hire a lawyer – preferably before you're audited by the CRA.

The government and the environmental groups have been at war for years. The government thinks the environmentalists are nakedly partisan and implacably hostile. "Their goal is to stop any major project no matter what the cost to Canadian families in lost jobs and economic growth," wrote Joe Oliver, then Natural Resources minister, in an open letter in 2012. "No forestry. No mining. No oil. No gas. No more hydro-electric dams." Many of these groups, he charged, are funded by foreign foundations run by "billionaire socialists."

Environmental groups don't see it that way, of course. In their view, they are a vital part of civil society, and the government is on a witch hunt. (They also blame Ezra Levant, the Sun News Network, and the cabal that runs Ethical Oil.) "The Harper government attack on non-profits is unprecedented," one fundraiser told The Canadian Press. "I

essentially see it as a bullying tactic."

The Canada Revenue Agency insists that it is acting at arm's-length and that it's impartial. Only it can decide whom to audit. This is true. But the government put its thumb on the scales by giving the CRA an extra \$8-million in 2012, along with an explicit policy directive to audit groups that might be engaging in excessive "political activities." The CRA has so far identified 52 such groups. It says 32 of these audits are "ongoing or already closed."

It won't name names, but they include seven major environmental organizations, as well as Amnesty International, the Canadian Centre for Policy Alternatives, and the United Church of Canada's Kairos charity, all of which have poked their thumbs in the government's eye at some time or other. Some of the audits have stretched out for two years, and have been costly for the subjects.

The fear of audits has already led countless charities to tone down their messages and scrutinize their practices. The CRA rarely delists a charity for political activities, but the very possibility is chilling.

Charities don't pay income tax. They can write tax-deductible receipts, and they get foundation grants. Without charitable status, many of them wouldn't survive.

Personally, I think the government has a point. I don't see why we should give tax breaks to a bunch of left-wing activists. For that matter, I don't think we should give tax breaks to left-wing think tanks or pro-choice groups. But I don't see why right-wing activists and think tanks and pro-life groups deserve them either. Perhaps we've stretched the definition of "charity" much too far. Canada's charitable sector now amounts to an enormous \$223-billion, and I think that plenty of Canadians might be surprised at where their subsidies go.

I am also not convinced that monitoring the "political activity" of charities is the most urgent task in the philanthropic world. Charitable expert Mark Blumberg says the real problem is the abuse of receipting privileges, which costs the government billions.

So Pen is right. It is on the pointy end of a political attack that is essentially a waste of time. There is an upside, though. The donations and memberships are pouring in.

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