

STEPHEN HARPER'S CRA:

SELECTIVE AUDITS, "POLITICAL" ACTIVITY,
AND RIGHT-LEANING CHARITIES

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BROADBENT
INSTITUTE

1.0 INTRODUCTION

Charities are a vital part of Canadian society. From poverty relief to environmental research, from the dangers of smoking to the relative merits of different salt levels in food, Canadian charities continue to make invaluable contributions to the health and welfare of the country.

By law, Canadian charities must be non-partisan and are limited to spending 10% of their resources on political activity. They are obligated to document and report this activity to the Canada Revenue Agency (CRA) in their yearly tax filings.

Of late, derisive government remarks about the work of environmental charities, and audits of charities known to be critical of government policies, have raised the prospect of a creeping politicization of the CRA's work. This has called into question the motivation behind its scrutiny of certain groups over others, given that many charities (environmental, human rights, anti-poverty) being audited have disagreed with policies of the Conservative government.

This report provides evidence suggesting biased scrutiny of charities that are critical of the government by the CRA. Highlighting a pattern of claiming 0% political activity, it also raises questions about the accuracy of the filings of 10 right-leaning charities to the CRA with respect to their interpretation of the CRA's definition of "political" activity.

Given this mounting evidence suggesting that CRA audits are being used as a politicized tool to exert pressure on critics of the government, we are calling for an independent inquiry into its processes to ensure transparency and fairness in its decision-making criteria around political-activity audits, and to ensure such processes are not subject to political interference.

2.0 BACKGROUND

In early 2012, senior members of the Harper government began a campaign to vilify Canadian environmental charities.

Joe Oliver, Natural Resources Minister at the time, publicly blamed “environmental and other radical groups” for blocking major development projects, stating that, “[t]hey use funding from foreign special-interest groups to undermine Canada’s national economic interest.”¹

Peter Kent, serving as Environment Minister at the time, added fuel to the fire, accusing environmental groups of “money laundering.”² Then-Public Safety Minister Vic Toews, listing top domestic terrorist threats, lumped “environmentalism” together with white supremacists and other “extremists.”³

That year, the federal budget allocated \$8 million in new funding over two years for the CRA to conduct political-activity audits of charities, starting with the environmental sector.⁴ By the end of 2013, the Harper government was laying the groundwork for widening the reach of the program and making the special project a permanent part of the CRA’s work. “If I were an environmental charity using charitable money, tax-receipted money for political purposes, I would be cautious,” the late Jim Flaherty, Finance Minister at the time, said.⁵

With \$5 million more allocated through to 2017, the CRA has expanded its auditing scope to include anti-poverty, foreign aid and human rights groups.⁶ The bolstering of this work is happening while the CRA is cutting tax auditor positions internally, and at a time of growing and costly tax evasion involving many billions of dollars.⁷

Of the known groups targeted in this new round of audits, many are environmental, international development and human rights organizations, including household names such as Amnesty International, the David Suzuki Foundation and the Canadian Centre for Policy Alternatives (CCPA).

A common trait of many of the known groups is that they have been critical of Conservative government policies. In fact, in an access to information request released to the CCPA,⁸ the CRA cites “biased” and “one-sided” research as part of its rationale for the audit, a characterization disputed by nearly 400 academics in an open letter calling on the government to end the ongoing CCPA audit.⁹ And in other cases, groups are being re-audited after having recently completed CRA audits that gave them a clean bill of health.¹⁰

In addition to creating a substantial red-tape burden that siphons off badly needed resources from these charities, the audits create an “advocacy chill” – sending a message that those who criticize the Conservative government may be subject to special scrutiny.

In the case of a charity, the threat is delivered through an agency that controls their ability to accept the donations that pay for staff salaries and all other operating expenses.¹¹

3.0 “POLITICAL ACTIVITY”

In Canada, charities are prohibited from engaging in “partisan” activity, defined as “direct or indirect support of, or opposition to, any political party or candidate for public office.”¹² However, charities are permitted to undertake “political activities,” provided these activities are “non-partisan and connected and subordinate to the charity’s purposes.” Such activities may constitute no more than 10% of the charity’s activities.

As guidance, CRA states that an activity is “political” if it:

- i. explicitly communicates a call to political action (that is, encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country);
- ii. explicitly communicates to the public that the law, policy, or decision of any level of government in Canada or a foreign country should be retained (if the retention of the law, policy or decision is being reconsidered by a government), opposed, or changed; or
- iii. explicitly indicates in its materials (whether internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.¹³

In order to maintain their charitable status, charitable organizations are required to maintain a “well-reasoned” and balanced perspective in their research and analysis.

4.0 WHO'S IN AND WHO'S OUT?

Charities are required to make annual public filings to the CRA related to their finances and activities, including the percentage of political activity undertaken. The CRA does not release the name of charities that undergo political-activity audits, although it is known that 52 such audits have been launched since 2012.¹⁴

Among the organizations that have revealed they are or have been the subject of a recent political-activity audit, what tends to bind them together is they share views and engage in activities that are out of step with the philosophy and public policy aims of the Conservative government.

To illustrate this point, the following table compares the filings of four right-leaning charities to five charities that are being audited and have been critical of the government over the past three years. What jumps out is that in each of the cases below, the right-leaning charities reported to CRA that "0%" of their resources were spent on political activity. The charities critical of government have, in contrast, consistently reported on their political activities and the precise value of resources spent to that end.

CHARITY	TOTAL REVENUE 2013	CLAIMED % OF POLITICAL ACTIVITY AND RESOURCES SPENT (\$)	AUDITED BY CRA FOR POLITICAL ACTIVITIES?
CANADA WITHOUT POVERTY	\$377,636	2013-12-31 - 3% (\$12,260) 2012-12-31 - 2% (\$5,570) 2011-12-31 - 1% (\$5,707)	Yes
C.D. HOWE INSTITUTE	\$4.9 M	2013-12-31 - 0% (\$0) 2012-12-31 - 0% (\$0) 2011-12-31 - 0% (\$0)	No
DAVID SUZUKI FOUNDATION	\$9.9 M	2013-12-31 - 5% (\$409,301) 2012-12-31 - 2% (\$210,917) 2011-12-31 - 2% (\$132,269)	Yes
ECOLOGY ACTION CENTRE	\$1.9 M	2013-12-31 - 4% (\$62,944) 2012-12-31 - 3% (\$52,306) 2011-12-31 - 4% (\$64,270)	Yes
ENVIRONMENTAL DEFENCE	\$3.8 M	2013-12-31 - 5% (\$181,121) 2012-12-31 - 7% (\$251,985) 2011-12-31 - 8% (\$277,193)	Yes
EQUITERRE	\$4.3 M	2013-12-31 - 2% (\$79,665) 2012-12-31 - 1% (\$56,360) 2011-12-31 - 1% (\$19,908)	Yes
FRASER INSTITUTE	\$8.9M	2013-12-31 - 0% (\$0) 2012-12-31 - 0% (\$0) 2011-12-31 - 0% (\$0)	Have publicly declined comment
MACDONALD - LAURIER INSTITUTE	\$1.1 M	2013-12-31 - 0% (\$0) 2012-12-31 - 0% (\$0) 2011-12-31 - 0% (\$0)	No
MONTREAL ECONOMIC INSTITUTE	\$2.2 M	2013-12-31 - 0% (\$0) 2012-12-31 - 0% (\$0) 2011-12-31 - 0% (\$0)	Have publicly declined comment

By claiming 0% political activity, these charities are asserting that they spend no money or resources whatsoever on political activity, as defined by the CRA. And despite its new mandate to investigate political activity, this hasn't sparked the interest of the CRA to the same extent as groups known to be critical of government policies.

As the following section will show, these four charities and many other right-leaning charities are engaged in activity that would appear to fit the CRA's own definition of "political." All of them have claimed 0% political activity over the past three years raising questions about the accuracy of the filings with respect to their interpretation of the definition of political activity.

5.0 "POLITICAL" ACTIVITY BY RIGHT-LEANING CHARITIES?

This section reviews the activity of 10 right-leaning charities with varied missions and focuses.

They include:

- Atlantic Institute for Market Studies
- Canadian Constitution Foundation
- C.D. Howe Institute
- Energy Probe Research Foundation
- Fraser Institute
- Focus on the Family
- Frontier Centre for Public Policy
- Institute for Canadian Values
- Macdonald-Laurier Institute
- Montreal Economic Institute

These reviews present key quotes from publications and other examples that would appear to meet the CRA's definition of political activity conducted in the same years that the charity filed 0% political activity with the CRA, raising the issue of different interpretations of CRA's definition of "political" activity.

As outlined already, political activity is a critical part of many charities' work, and the CRA's rules around reporting on political activity require that time and resources dedicated to these activities be reported.

The evidence presented here is not intended to question whether these charities should or shouldn't be engaged in political activity. Rather, it is meant to raise questions about how the CRA's definition of political activity is being interpreted and the transparency of the CRA's process for determining which groups to audit.

5.1

CHARITY	Atlantic Institute For Market Studies (AIMS)
MANDATE	AIMS is a Canadian non-profit, non-partisan think tank that provides a distinctive Atlantic Canadian perspective on economic, political, and social issues. The Institute sets the benchmark on public policy by drawing together the most innovative thinking available from some of the world's foremost experts and applying that thinking to the challenges facing Canadians.
CHARITABLE REGISTRATION #	899314686RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-09-30 – 0% 2012-09-30 – 0% 2011-09-30 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

2013

"It's time to limit the federal government's control, to wind down Canadian content requirements and foreign ownership restrictions in the communications sector."

Source: AIMS press release announcing a report entitled, "Radio Free Canada: Ending Protectionism in Canada's Communications Industries."¹⁵

DATE: JANUARY 30, 2013

2012

"Tax and spending reform should seek to make the tax and spending system as simple as possible, boutique tax credits and special exemptions should be eliminated wherever feasible."

Source: A research paper, written by Don McIver, AIMS Research Director and released by AIMS entitled, "First Things First: Why tax reform must begin with spending restraint."¹⁶

DATE: APRIL 2, 2012

2011

"The Atlantic Institute for Market Studies' Director of Research Don McIver is calling for an end to Regional Development Authorities in Nova Scotia"

Source: Press release announcing the publication of the paper, Nova Scotia Without Borders, "Director of Research calls for the abolishment of Regional Development Authorities in Nova Scotia."¹⁷

DATE: NOVEMBER 29, 2011

5.2

CHARITY	Canadian Constitution Foundation (CCF)
MANDATE	[To] protect the constitutional freedoms of Canadians through education, communication and litigation.
CHARITABLE REGISTRATION #	866176654RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-03-31 – 0% 2012-03-31 – 0% 2011-03-31 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

2013

"A fixed 12-year non-renewable term limit for Supreme Court of Canada judges would be an improvement over the current status quo, consistent with democratic norms around the world, in addition to allowing for regular renewal on Canada's highest court."

Source: Chris Schafer, executive director and lawyer with the CCF, is quoted on the campaign launch to end Supreme Court term limits.¹⁸

DATE: NOVEMBER 12, 2013

2012

"A 'Save Our Shropshires' (SOS) demonstration will be held...to show disapproval for the actions of the Canadian Food Inspection Agency (CFIA) and the draconian legislation that allows them to force the slaughter of 41 apparently healthy sheep."

Source: Media advisory about a demonstration planned by the CCF to protest the CFIA.¹⁹

DATE: MARCH 28, 2012

2011

"Canada's Constitution guarantees citizens the right to security of the person. Crown attorneys need to recognize that historically and empirically, security sometimes necessitates the right to armed self-defence."

Source: Quote from an op-ed written by Karen Selick, Litigation Director for the Canadian Constitution Foundation.²⁰

DATE: FEBRUARY 13, 2011

5.3

CHARITY	C.D. Howe Institute
MANDATE	The C.D. Howe Institute is an independent not-for-profit research institute whose mission is to raise living standards by fostering economically sound public policies. It is Canada's trusted source of essential policy intelligence, distinguished by research that is nonpartisan, evidence-based and subject to definitive expert review.
CHARITABLE REGISTRATION #	118841626RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-03-31 – 0% 2012-03-31 – 0% 2011-03-31 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

2013

C.D. Howe paper recommends the province of Ontario:

"Insulate implementation agencies from policymakers, meaning that the government should not use ministerial directives to interfere with the day-to-day operation of key power sector institutions.

Create a properly designed market for forward generation capacity to enable Ontario to increase reliance on market signals for new investment.

Replace the Ontario Power Authority's principal buyer role with newly created regional intermediaries, often referred to as 'load serving entities,' that are closer to the customer."

Source: Press release announcing the publication of a C.D. Howe paper entitled, "A New Blueprint for Ontario's Electricity Market."²¹

DATE: SEPTEMBER 18, 2013

2012

"Municipalities across the country – especially those neighbouring Toronto – should beware Toronto's example, where the imposition of a land transfer tax depressed housing sales, raised relocation costs and reduced household mobility," said Dachis, a Senior Policy Analyst with the Institute ... Toronto, like other municipalities that levy LTTs, should limit itself to its other revenue-raising tools, and replace the LTT with a revenue-equivalent property tax levy. Provincial governments that impose an LTT should replace their LTTs with revenue from value-added taxes."

Source: Press release announcing C.D. Howe report entitled, "Stuck in place: the effect of land transfer taxes on housing transactions." The report release coincided with a debate in Toronto about conservative Mayor Rob Ford's then promise to eliminate the tax.²²

DATE: OCTOBER 11, 2012

2011

"The results indicate that the cost of increasing provincial tax revenues through a corporate tax rate increase is very high, and in some provinces, corporate tax rate reductions in 2006 would have increased the present value of the provincial government's total tax revenues. The results also suggest that significant welfare gains would accrue from reducing provincial corporate income tax rates. As well, increasing provincial corporate and personal income tax rates can cause significant reductions in federal tax revenues because the federal and provincial governments levy taxes on the same tax bases. Finally, Canada's system of the equalization grants might reduce the perceived MCF of recipient provinces."

Source: C.D. Howe Institute commentary on fiscal and tax competitiveness entitled, "What Does it Cost Society to Raise a Dollar of Tax Revenue? The Marginal Cost of Public Funds."²³

DATE: MARCH 2011

5.4

CHARITY	Energy Probe Research Foundation (EPRF)
MANDATE	EPRF works to promote social, economic, and environmental well-being in Canada and abroad. They argue for the means – the rule of law, markets, the ballot box – to hold decision-makers accountable for the consequences of their actions.
CHARITABLE REGISTRATION #	107305146RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-12-31 – 0% 2012-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

The EPRF website boasts of its success in influencing government. It notes:

"Energy Probe was one of only two 'pressure' groups cited by the inaugural edition of The Canadian Encyclopedia for being effective in influencing our country's policies. ...

*EPRF also influences policy decisions. Our views are heard by provincial and federal legislative committees, environmental assessment boards, and other regulatory agencies when we testify at hearings on a wide variety of pressing issues."*²⁴

Furthermore, much of Energy Probe's online content squarely attack government policies.²⁵

2013

"Our biggest hope is that the NDP finally wake up and discover the very people they claim to represent are the ones suffering the most from the GEA. At that point perhaps Ms. Horvath will stop playing nice with Premier Wynne and trigger an election...Stop the confusion, kill the Green Energy Act!"

Source: Op-ed by Parker Gallant, former director of Energy Probe, on Ontario's Green Energy Act.²⁶

DATE: SEPTEMBER 21, 2013

2012

"Step one in restoring a free market in gasoline is removing its punishing taxes – levies of about 40¢ per gallon in the U.S. over and above the sales taxes that normally apply and much more in Canada and Europe.... If the federal government did get out of the way, either by turning lands over to the states to manage or, better still, selling off all drilling rights – onshore as well as offshore – to the private sector, the world's oil supply would soar and gasoline prices would fall further."

Source: Op-ed by Energy Probe Executive Director Lawrence Solomon advocating removing gas taxes and selling off government land for gas exploration.²⁷

DATE: MARCH 23, 2012

2011

“Venezuela’s dictator, Hugo Chavez, was in the news this week for brashly announcing an expropriation of the mineral rights of the citizens of his country. We don’t seize private property that way in our democracy. We seize it silently and in plain sight, as seen in the province of Alberta, which so deftly passed stealth legislation two years ago that most Albertans are only now discovering the government’s audacious takeover of their property rights.”

Source: Op-ed by Energy Probe Executive Director Lawrence Solomon opposing Alberta provisions allowing the government to build energy transmission infrastructure on private land, including oil and gas licenses. ²⁸

DATE: AUGUST 19, 2011

5.5

CHARITY	The Fraser Institute
MANDATE	The Fraser Institute publishes peer-reviewed research into critical economic and public policy issues including taxation, government spending, health care, school performance, and trade
CHARITABLE REGISTRATION #	119233823RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-12-31 – 0% 2012-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity, 2011, 2012, 2013:

2013

"We're starting to see the expansion of key programs like the Working Income Tax Benefit. If that trend continues like it has in the U.S., a larger and larger share of the population will be exempted from income and payroll taxes, leaving the rest of society to pay a bigger share."

"In order for citizens and households to be mindful of government costs, they must face some portion of the cost. When a small minority of voters shoulders the bulk of the tax burden, it's easy for everyone else to approve of any and all government programs and spending, whether they provide great benefits or not, and no matter what the cost."

Source: Press release for a report entitled, "Tax Payers and Tax Takers: Is the Trend of Tax Progressivity in the U.S. Emerging in Canada?"²⁹

DATE: MARCH 19, 2013

2012

"We should not rule out offshore exploration simply because of a 'what if' scenario," [Fraser Institute senior economist Joel] Wood said.

... Regardless of where offshore drilling takes place, there are always some environmental risks. But the experience of Newfoundland and Labrador shows those risks can be contained. Consequently, there's no reason why BC could not also safely develop its offshore oil resources," Wood said.

Source: Fraser Institute press release announcing new report entitled, "Lifting the Moratorium: The Costs and Benefits of Offshore Oil Drilling in British Columbia" that urges government to lift the B.C. offshore oil and gas moratorium.³⁰

DATE: OCTOBER 22, 2012

2011

"The notion that labour unions should fully and publicly disclose the uses to which their members' dues are put is gaining some traction. On Monday, MP Russ Hiebert (South Surrey-White Rock-Cloverdale) introduced a Private Member's Bill in the House of Commons to amend the Income Tax Act so as to improve labour union financial disclosure. The bill would require unions to file financial statements with Revenue Canada revealing (among other items) salaries of union executives and trustees, amount spent on labour relations activities, amount spent on political activities, amount spent on lobbying, and amount spent on collective bargaining."

Source: Press release supporting a Conservative private member's bill on union disclosure that would amend the Income Tax Act.³¹

DATE: OCTOBER 4, 2011

5.6

CHARITY	Frontier Centre for Public Policy
MANDATE	The Frontier Centre for Public Policy (FCPP) is an independent Canadian public policy think tank.
CHARITABLE REGISTRATION #	895489748RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-12-31 – 0% 2012-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity, 2011, 2012, 2013:

2013

"Raising foreign ownership limits would allow Canadian carriers broader access to capital markets. Further competitive policy is required to liberate Open Skies agreements. Ottawa's current policy is to closely regulate and prohibit service into many Canadian cities. This anti-competitive policy is hurting Canada's airports and preventing economic growth."

Source: Press release announcing a new Frontier Centre study urging lower taxes on air travel and weakening of foreign ownership rules.³²

DATE: JANUARY 11, 2013

2012

"Privatized Canadian airports, with pricing and competitive restraints, could answer accountability concerns, provide airports with consistent long-term financing, lower taxes and fees to users and enhance the Canadian economy."

Source: Press release announcing Frontier Centre study urging privatization of Canada's airports.³³

DATE: AUGUST 23, 2012

2011

"Labour laws need to stipulate clearly that teachers and other union members are not required to fund political causes against their will."

Source: Commentary written by Frontier Centre research fellow Michael Zwaagstra and posted to its website.³⁴

DATE: APRIL 15, 2011

5.7

CHARITY	Institute for Canadian Values (Canadian Christian College and School for Graduate Theological Studies)
MANDATE	The Institute for Canadian Values is a national think-tank dedicated to advancing knowledge of public policy issues from Judeo-Christian intellectual and moral perspectives, as well as building awareness of how such perspectives contribute to a modern, free, and democratic society.
CHARITABLE REGISTRATION #	869541540RR0001
POLITICAL ACTIVITY FILED TO CRA	2013 – Not yet filed 2012-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

The Institute for Canadian Values hosts a number of petitions on its website calling directly for changes to laws and programs and for introduction of new laws.

2013

"We, the undersigned, appeal to Prime Minister Stephen Harper and the Minister of Justice, Peter MacKay, to create legislation to protect our country's little boys and girls from the horrors of prostitution."

Source: Petition calling for new prostitution laws after Supreme Court struck down previous anti-prostitution laws. ³⁵

DATE: DECEMBER 2013

2012

On March 29, 2012, Charles McVety spoke at a protest at Queen's Park in protest of the Ontario government's anti-bullying legislation, Bill 13.³⁶ The Institute then posted footage of the protest on its Facebook page and encouraged people to share it and to sign its petition against the bill.

2011

"To force, especially Christian classrooms or schools, to have homosexual clubs would of course be an affront to their family values," Charles McVety, of the Institute for Canadian Values, told a joint news conference."

Source: Charles McVety quoted in CBC news story after the Institute for Canadian Values held a press conference to voice their opposition to Ontario's anti-bullying legislation. A petition to oppose the same legislation remains on their site.³⁸

DATE: DECEMBER 6, 2011

5.8

CHARITY	Focus on the Family (Canada) Association
MANDATE	To strengthen Canadian families through education and support based on Christian principles. The research arm, Institute of Marriage and Family Canada seeks to transform "the way Canadians think about family."
CHARITABLE REGISTRATION #	106845969RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-09-30 – 0% 2012-09-30 – 0% 2011-09-30 – 0%

Examples of apparent political activity, 2011, 2012, 2013:

2013

"In Canada's Parliament, pro-life MPs are attempting to introduce bills and motions that would preserve life and protect the defenseless in our society. ... The efforts to suppress these bills and motions just draw fresh attention to the fact that the abortion debate is far from settled in Canada."

Source: Blog post published by Focus on the Family when Conservative MP Mark Warawa recently attempted to introduce M-408.³⁹

DATE: APRIL 9, 2013

2012

"Quebec's Ethics and Religious Culture school curriculum is nothing more than relativism dressed up as multicultural tolerance. The ERC curriculum seeks to foster harmonious relations among students of different backgrounds, religious practices and traditions... what purports to be multicultural tolerance turns out to be disguised relativism, intentional or unintentional. If all religions are equal and valid, they are also equally inconsequential."

Source: Blog post criticizing Supreme Court decision to uphold validity of education curriculum in Quebec.⁴⁰

DATE: MARCH 27, 2012

2011

"Many Canadians have faced uncertain finances over the past several years. Today's budget takes only small steps to assist. The IMFC remains committed to advocating for family income splitting to assist all families"

Source: Dave Quist, Executive Director of Institute of Marriage and Family Canada, Focus on the Family's research arm, comments in a press release on the 2011 federal budget and calls for reform to tax policy.⁴¹

DATE: MARCH 22, 2011

5.9

CHARITY	Macdonald-Laurier Institute (MLI)
MANDATE	The Macdonald-Laurier Institute is the only non-partisan, independent national public policy think tank in Ottawa focusing on the full range of issues that fall under the jurisdiction of the federal government.
CHARITABLE REGISTRATION #	855716585RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-12-31 – 0% 2013-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity, 2011, 2012, 2013:

2013

"The Government of Canada should indicate its willingness to designate the corridor land in question as reserves under the Indian Act. This would create another revenue stream from the pipeline (and eventually other energy infrastructure in the corridor): tax revenue."

Source: MLI report on the proposed Northern Gateway Pipeline entitled, "The Way Out: New thinking about Aboriginal engagement and energy infrastructure to the west coast!"⁴²

DATE: MAY, 2013

2012

"They recommend four changes to Canadian legislation based on the legislative differences across the seven countries with the highest levels of research and development spending by the world's largest innovative pharmaceutical companies: Canada, the United States, the European Union, South Korea, Japan, Australia and Brazil."

Source: Post on MLI website summarizing an article in Policy Options by managing director Brian Lee Crawley and Christina Lybecker recommending four specific changes to drug patent laws.⁴³

DATE: MARCH 6, 2012

2011

“Finance Minister Jim Flaherty recently announced that the proposal to expand the current Canada Pension Plan (CPP) with higher premiums and higher benefit levels has been shelved in favour of working with the private sector to improve Canadians’ retirement options. We should all heave a sigh of relief.”

Source: MLI’s Managing Director Brian Lee Crawley applauds federal Conservative Finance Minister’s CPP proposal in an article in the Windsor Star.⁴⁴

DATE: JANUARY 17, 2011

5.10

CHARITY	Montreal Economic Institute / Institut économique de Montréal
MANDATE	The Montreal Economic Institute is an independent, non-partisan, not-for-profit research and educational organization. Through its publications, media appearances and conferences, the MEI stimulates debate on public policies in Quebec and across Canada by proposing wealth-creating reforms based on market mechanisms.
CHARITABLE REGISTRATION #	876185877RR0001
POLITICAL ACTIVITY FILED TO CRA	2013-12-31 – 0% 2013-12-31 – 0% 2011-12-31 – 0%

Examples of apparent political activity in 2011, 2012, 2013:

2013

"...why are Quebec taxpayers still indirectly subsidizing the wind power industry to the tune of \$695 million a year?"

Source: MEI President Michel Kelly-Gagnon criticizes Ontario Green Energy Act in the Toronto Sun.⁴⁵

DATE: JUNE 28, 2013

2012

"For Yves Guérard, an internationally renowned actuary and the author of a new publication from the Montreal Economic Institution (MEI), the raising of the age of eligibility for Old Age Security program benefits from 65 to 67, as announced in the last federal budget, is an absolute must. Still, this belated adjustment remains timid, according to him."

Source: Press release announcing the release of an MEI study entitled, "A new paradigm for retirement."⁴⁶

DATE: APRIL 17, 2012

2011

"I am simply proposing to rely mostly on private choices when dealing with privacy issue, something that should be obvious and logical. This is in opposition to the reigning 'public,' that is, government approach to this problem."

Source: Op-ed from MEI President Michel Kelly-Gagnon that appeared in the Huffington Post criticizing government regulation of online privacy.⁴⁷

DATE: OCTOBER 29, 2011

6.0 CONCLUSION

The findings in this report serve to deepen suspicions of the Harper government's continued and deliberate silencing of critical voices.⁴⁸

This report has provided evidence suggesting biased scrutiny by the CRA of charities that are critical of the government. Highlighting a pattern of claiming 0% political activity, it also raises questions about the accuracy of the filings of right-leaning charities to the CRA with respect to their interpretation of the CRA's definition of "political" activity.

The mounting evidence of a politicized CRA merits the establishment of an independent inquiry into its processes to ensure transparency and fairness in its decision-making criteria around political activity audits, and to ensure such processes are not subject to political pressures or interference.

Progressive or conservative, the blunting of the ability of civil society to advocate and to engage in that most fundamental democratic right – debate and, occasionally, dissent – should concern us all.

ENDNOTES

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