

It's Official: Greenpeace Serves No Public Purpose

ROGER BATE

NO less a green haven than Canada has dealt the Dutch-based environmentalist group Greenpeace a massive blow to its credibility and fundraising efforts by denying it the charitable status it had sought for a decade. Revenue Canada, the tax-collecting arm of the government, has refused to recognize the new Greenpeace Environmental Foundation as a charity, saying its activities have 'no public benefit' and that lobbying to shut down industries could send people 'into poverty'.

By doing this, Revenue Canada has performed a useful service. Its decision has sent a strong signal to the world's green pressure groups that their tax and other benefits resulting from their status as 'charities' deserve reconsideration. Canada is the first country to implicitly recognize Greenpeace as the most successful of the multinational anxiety corporations. Whether any EU country has the guts to follow Canada's lead, and strip Greenpeace of its charitable façade, is, alas, another matter.

Greenpeace was launched in Vancouver nearly 30 years ago with an anti-nuclear 'Don't Make a Wave' campaign and was registered as a charity in 1976. Since then it has grown into a multinational, multi-million-dollar operation devoted to promoting green causes around the world. But in 1989, Greenpeace lost its Canadian charitable status amid concerns that it was not a true charity—that is, that it was not providing a discernible benefit to the public. As such, Greenpeace was no longer able to claim tax exemption on its revenues and donors could not claim deductions, which resulted in some donors switching to real charities that did give tax breaks.

The organization responded by setting up the Greenpeace Canada Charitable Foundation, legally (though not really functionally) distinct from Greenpeace. But according to court records made public in June by John Duncan, the Reform MP from British Columbia, the federal charities division found the group's activities 'have not complied with the law' on charitable organizations:

This opinion resulted from an audit which raised serious concerns about the charity's compliance with the Income Tax Act. The audit revealed that the charity had failed to devote all its resources to charitable activities ...

Of particular concern were the financial links between Greenpeace International and Greenpeace Canada. Hundreds of thousands of dollars were transferred between the organizations, which may violate Canadian laws on charitable activities. Officials were also concerned because the charity appeared to be a fund-raising conduit for Greenpeace, which is not permitted in Canada.

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Consequently, the second Greenpeace venture lost its charitable status in 1995. The group launched a court appeal, which was dismissed in September 1998. But, by then, a new charity called the Greenpeace Environmental Foundation had sprung forth like the regenerated head of a hydra. Revenue Canada called the latest charity 'a convenient way to avoid the consequences' of its past troubled charities and declined to register the group. Greenpeace appealed against the decision but eventually threw in the towel.

Revenue Canada explains that preserving the environment is recognized as a charitable activity, but that the Greenpeace foundation does not qualify because its stated purpose is 'public aware-

ness'. According to a spokesman from Revenue Canada, this poses a problem since we have no evidence that the distribution to the public of a pamphlet on, for example, the destruction of forests (along the Amazon or the B.C. coast) or on the various pollutants emanating from smokestacks has any measurable impact on the environment.

It is widely believed, however, that the decision against Greenpeace has more to do with its extensive lobbying against Canadian forestry exports, than Revenue Canada's 'public awareness' issue.

Without charitable status, Greenpeace cannot offer tax receipts to its donors. The Canadian Greenpeace Charitable Foundation is already running at a loss (over \$250,000 in 1996-97 and slightly less last year), and non-tax exempt donations will be harder to come by in the future.

Greenpeace made light of the Canadian decision, however. 'I don't think Greenpeace is going to be made a charitable organization, and we seem to be doing okay without charitable status,' said Peter Tabuns, Greenpeace's Canadian executive director. Mr Tabuns can be sanguine about the decision since the financial dealings described by Revenue Canada suggest that Greenpeace's Canadian operations are increasingly being funded from its much richer European operation. Greenpeace world-wide receives over two-thirds of its funding from Germany and the Netherlands, and Canada does not appear on Greenpeace's summary chart of donations (but it does appear on the expenditure chart in recent years). Therefore, Revenue Canada's decision will not cause a big cut in Greenpeace's global coffers.

Nevertheless, Canadians seem less inclined these days to go along with Greenpeace crusades. In an effort to curtail Canada's lucrative logging business, activists placed a giant sign for Home Depot, the United States-based hardware giant, in a recently logged area, which they claim was ancient forest, north of Vancouver. The group then issued a statement calling Home Depot a 'major player in the destruction of the world's remaining ancient forests'. Such rhetoric no longer ▶

seems to appeal to Canadians since donations to the Greenpeace charity had fallen by 15 per cent in 1997, the last year of published financial records. Furthermore, many politicians who initially welcomed environmental sentiments have become inured to the scaremongering and have decided not to oppose the Reform Party's anti-Greenpeace stand.

There is plenty of 'clear blue water' between Canada and Europe, however. Greenpeace's European operations are far wealthier and receive the blessing of most of Europe's left-wing governments. Greenpeace has mounted its most successful campaigns in Europe, where politicians abhor confrontation with pressure groups and try to appease them as much as possible. French attitudes have softened since 1985, when their secret service blew up the Greenpeace ship *Rainbow Warrior* in Auckland Harbour. To be fair, European politicians are not given much support by business, which is becoming increasingly defensive, or the media, which thrive on scare stories.

Such official deference—the assumption that Greenpeace is always on the side of angels—looks increasingly out of touch. The recent Greenpeace campaigns against PVC plasticizers and dioxins in Belgian chickens did a disservice to the public in obscuring the scientific evidence and fomenting the kind of panic that harms the public good and hurts consumers in the long run, since it unnecessarily raises producer costs. It was hard to find a single news story that mentioned the concentration of the alleged contamination—a fundamental scientific point, if the allegations of a threat to human health were to have any validity. In fact, dioxin and other organochlorine compounds may cause cancer when fed to laboratory rats in massive concentrations, but have no observable effect on humans at the actual levels found.

Perhaps we will have to wait for Greenpeace-inspired environmental regulations to cause even greater European unemployment and unrest before our politicians follow the Canadian government's example. Environmental multinationals such as Greenpeace should be free to pursue their agenda in democratic society—but it's time governments stopped giving this particular lobby preferential treatment.

NOTE

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Forestry: Beyond One-Liners

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WHEN politicians choose populism over good policy, they are rightly criticized. When they support good policy over populism they are accused of ignoring the 'will of the people'. This is the dilemma surrounding forest issues.

Forests and the products they provide are one of the few renewable resources that are also recyclable and biodegradable, posing no environmental threat in that process. World demand is increasing and the science of forest management has the history of many millennia to support its practices.

To set the scene, consider the following. Of all the wood consumed in the world:

- 54 per cent is consumed in cooking and heating fires;
- 28 per cent goes to saw mills; and
- 13 per cent to pulp and paper production.

Australians consume 20 million cubic metres per annum of forest products. We import 7.3 million cubic metres of that demand. Our major forest product exports are unprocessed wood because we have been unable to provide investors with the resource security necessary to develop processing facilities in our own country. The net dollar cost to Australia is around \$1.5 billion per annum when measured as a trade deficit.

That 7.3 million cubic metres of finished forest products represents approximately 20 million cubic metres of trees from other nations' forests.

Australians consume 175 kg per capita per annum of paper products, with 55 kg of that total represented by quality papers such as photocopying paper. 270 million Americans use 350 kg of paper per capita, per annum. The 1.3 billion Chinese in the People's Republic of China use 30 kg per capita per annum. Historical data show that consumption of forest prod-

ucts increases proportionately with the growth of per capita income.

In a recent ABARE report, *Forest Plantations on Cleared Agricultural Land in Australia*, some further significant figures were presented:

- based on studies of long-term demand and supply of wood, the average global consumption of wood, excluding fuel wood, will increase at about 1-2 per cent per annum over the coming decades;
- consumption is projected to increase from 1.7 billion cubic metres in 1995 to 2.3 billion cubic metres by 2045;
- the use of pulpwood is expected to increase by 90 per cent between 1995 and 2045 to 1.33 billion cubic metres; and
- engineered products, such as wood-based panels and glue-laminated boards and beams, are being substituted for solid wood products. World production of wood-based panels rose by 80 per cent over the decade to 1996-97 while production of solid wood products declined.

Clearly, people prefer wood for construction and decorative reasons. In the USA, the DIY hardware warehouse chain Home Depot achieves 15 per cent of its annual US\$30 billion turnover from timber products.

Australia has the third highest amount of forest per capita in the world—so we should be able to supply our own needs, provide sustainable value-added products for export and take some pressure off those forests in the world which are subject to threat.

Forests in Australia are ancient, the trees therein are not. A typical tall eucalypt will enter senescence at age 250 and will probably die completely by age 300, although, of course, there are particular trees which live longer.

The Australian eucalypt was not originally the dominant species in our ancient forest but has developed in an