

1046 - 1641 Lonsdale Avenue
North Vancouver BC, V7M 2J5
March 11, 2011

Mr. James H. Goulden
Bull, Housser & Tupper LLP
300 Royal Centre
P.O. Box 1130
1055 West Georgia Street
Vancouver V6E 3R3

By e-mail

Mr. Goulden,

RE: Tides Canada

Below, please find my responses to each of the points raised in your dated March 7, 2011.

1) Organizing for Change

Your letter states: "Neither Tides Canada, nor Organizing for Change, have been attempting "to get people to temporarily join the Liberal Party in order to be able to vote on Feb. 26," as you have indicated in your publications."

My reply: According to Sean Holman, the editor of Public Eye On-Line, Organizing for Change sent an e-mail which included the following statements:

"If you received this message, you live in a provincial riding with very few Liberal Party members, probably less than 400. If the BC Liberals change their voting rules, as expected, a vote for leader in your riding will likely carry at least 5 times more weight than one in a riding with 2000 members. Enough people are receiving this email to carry the vote in most of your ridings. **If you want a Premier who is going to feel compelled to respond to environmental issues, now is the time to get involved. But you have to act quickly. The cut-off date for people to join the BC Liberal Party and be eligible to vote for leader - who will immediately be the new Premier - is February 4th, this Friday.** [Note: the cut-off date for the BC NDP leadership vote is now past. Conservation Voters of BC has all of the information you need to make sure you are part of this crucial decision. Keep in mind that taking action on this unprecedented opportunity now does not determine the vote you will cast in the next provincial election, which isn't scheduled to happen until 2013. Party memberships can be cancelled at any time. But it will likely determine who is running for Premier." **(bold and underline added)**

In my opinion, the above statement and other statements in the same e-mail clearly indicate that Organizing for Change was encouraging people to join the Liberal Party albeit only temporary. I am not the only one who interpreted this e-mail in this way, my understanding is that Sean Holman, the editor of Public Eye On-Line did as well.¹

¹ <http://www.publiceyeonline.com/archives/005786.html>

2) Tides Canada and Tides USA

a) Your letter states, "You continue to conflate Tides Canada and Tides US by repeatedly using the name Tides in your articles and implying a specific relationship between these organizations that does not exist."

My reply: Not one single reference to "Tides" is made in my op-ed titled *Who is Organizing for Change?*, published in The National Post nor in my op-ed titled *Americans Are Meddling in B.C. Politics*, published in The Vancouver Sun. In every single instance that I referred to Tides, I specified whether I was referring to Tides USA or Tides Canada.

b) Your letter states: "Tides US is not a parent organization of Tides Canada."

My reply: I note the following:

- Tides USA has reported at its web-site, "We also collaborated in the launching of Tides Canada Foundation."
- The "founding chair" of Tides Canada is also the founder of Tides USA, and was its CEO for 34 years.
- The vice-chair of Tides Canada, Mr. Joel Solomon, is a former chair of the board of Tides USA.
- Tides USA paid Tides Canada at least \$4.4 Million.
- The two organizations have a common name.
- The Bullitt Foundation funded Tides USA/Tides Canada on at least one joint project: in 2010, the Bullitt Foundation paid \$30,000 to Tides USA/Tides Canada Initiatives Society for a project "to advance progressive environmental policies and achieve greater influence and effectiveness with citizens and decision makers in British Columbia."

In light of the above, it seems to me that while Tides USA and Tides Canada are legally distinct entities, there is a relationship between Tides USA and Tides Canada. I would refer to these organizations as "sister" organizations except that, to the best of my knowledge, Tides USA preceded Tides Canada by at least 15 years. For this reason, it is my opinion that it is reasonable to describe the relationship between the U.S. Tides Foundation and Tides Canada, by referring to Tides USA as the "parent organization" of Tides Canada.

I am not the only one who has noted a relationship between Tides Canada and Tides USA. A report from the University of Toronto refers to Tides Canada Foundation as a "branch" of the U.S. Tides Foundation.²

3) The Dogwood Initiative

Your letter states: "Your articles wrongly imply that Tides Canada is involved in Dogwood Initiative projects in which Tides Canada has no involvement."

My reply: U.S. Tax returns for 2008 say that Tides Canada paid \$40,654 for the Dogwood Initiative's coastal tanker campaign. For 2009, U.S. tax returns say that Tides Canada paid \$46,639 to the Institute for New Economics Public Interest Research Association Inc. "to support Dogwood Initiative's Coastal Oil Tanker Campaign to project BC's wild northern waters and intact ecosystems from the threat of five proposed tar sands related projects."

²<http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Report%20on%20Granting%20Programs%20October%202010.pdf>

The logo of Tides Canada is featured on a web-page of the Dogwood Initiative titled, "Partners and Supporters."³

I do not see how Tides Canada can have funded the Dogwood Initiative and be listed as a partner/supporter of the same, yet at the same time say that Tides Canada has "no involvement" in projects of the Dogwood Initiative.

4) Transparency

Your letter states: "Your articles state that Tides Canada is attempting to hide or keep quiet its activities or funding sources. As you have determined from your own research on public filings, information on grants made by Tides Canada is readily available."

My reply: I do not agree that comprehensive information on grants made by Tides Canada is readily available. I obtained information through U.S. tax returns that I obtained for a fee. I would hardly call that "readily available." Moreover, the U.S. tax returns for 2003, 2004, 2005 and 2007 do not include a list of grants. I have asked Tides Canada to post its U.S. tax returns at its web-site, including lists of grants, but from what I can tell, this hasn't been done.

5) Open Media

Your letter states: "Tides Canada is not 'behind' Open Media. This is wrong. Tides Canada does not fund Open Media. Open Media is not a project of Tides Canada."

My reply: At its web-site, Open Media says, "*If you or your organization would like a charitable tax receipt, please donate online to our charitable entity the Media Democracy Project of Tides Canada Initiatives (<https://www.gifttool.com/donations/Donate?ID=1453&VER=1&LNG=EN&PID=1465>) or send a cheque payable to: The Media Democracy Project of Tides Canada Initiatives.*"⁴

From the information that I saw on the Donations page of Open Media as of Feb. 11, 2011, it seems to me that Tides Canada accepts - or was accepting - donations on behalf of Open Media. For this reason, it seems to me that it was reasonable and fair for me to write that Tides Canada is "behind" Open Media, as I did on Feb. 11.

Your letter prompted me to re-examine the web-site of Open Media where this information was posted as of Feb. 11. I notice that this web-page has since been removed. I also note that another web-page about donations to Open Media being accepted by Tides Canada, has been re-written.

6) \$27.3 Million paid to the Coast Opportunity Funds for First Nations

a) Your letter states: "The 27.3 million in funding referenced in your "10 reasons" blog entry and letters was not paid to "two small First Nations on the B.C coast." Your statement to the contrary is wrong."

My reply: U.S. tax returns for 2008 say that Tides Canada paid \$27.3 million "*to fund conservation planning projects and conservation initiatives of the Nuxalk and Lax Kw'alaams First Nations.*"

³ <http://dogwoodinitiative.org/aboutus/partners>

⁴ <http://openmedia.ca/donate>

b) Your letter states: "As we have advised you previously, these funds were granted to the Coast Conservation Endowment Fund Foundation. These grants by Tides Canada were made to match government contributions and they benefit all 26 participating First Nation communities in coastal BC."

My reply: I have received no communication from Tides Canada with regards to the grant for \$27.3 million. It may be that this grant is to benefit 26 First Nations - but that's not what Tides Canada's U.S. tax return says.

c) Your letter states: "It (the \$27.3 million grant) is not being kept quiet as you have repeatedly misrepresented in your publications."

My reply: To the best of my knowledge, there was no publicity and no communication to the public of the fact that in 2008, Tides Canada paid \$27.3 million "to fund conservation planning projects and conservation initiatives of the Nuxalk and Lax Kw'alaams First Nations." In light of the absence of public information about this grant for a very large amount of money, I believe that it is reasonable and fair to say that this grant was made quietly.

7) Oil-Related Projects

a) Your letter states: "You have implied that Tides Canada is heavily involved in "oil" issues. This is wrong. In fact, Tides Canada is funding very few organizations involved in oil issues, and is not making large grants to these organizations."

My reply: U.S. tax returns on on-line records show that Tides Canada has been paid for several projects that mention oil, tar sands or fossil fuel development, and that Tides Canada has made grants for at least eight projects that mention oil or tar sands.

According to U.S. tax returns and on-line databases (more examples are available):

- In 2004, Tides Canada was paid \$70,000 by the William and Flora Hewlett Foundation "to develop a strategic plan to address the development of oil and gas in British Columbia," in 2004.
- In 2007, Tides Canada was paid \$1.5 million by the William and Flora Hewlett Foundation "For the oil and gas fund."
- In 2008, Tides Canada was paid \$50,000 by the Rockefeller Brothers Fund Inc. for a web-site titled "Oil Sands Tourism." RBF Inc. has confirmed by e-mail that this web-site is www.travelingalberta.com, a web-site which bears the name of Greenpeace. This \$50,000 web-site project was "... to increase pressure on Alberta policymakers...."
- In 2010, Tides Canada was paid \$400,000 by the William and Flora Hewlett Foundation "for efforts to reduce fossil fuel development."

According to the U.S. tax returns filed by Tides Canada Foundation, Tides Canada made at least eight grants that are related to oil, tanker traffic or tar sands:

- \$202,608 for "Tar Sands Research project and communications work on Alberta's Energy Footprint" and paid the Prairie chapter of the Sierra Club for its Tar Sands Campaign."
- \$200,000 for Ducks Unlimited's "Athabasca Watershed water quality research."
- \$191,773 to Ducks Unlimited "to document the extent of polycyclic hydrocarbon being released from Alberta tar sands"

- \$105,000 to Environmental Defense for the "Toxic Tar Sands Phase I Project."
- \$40,654 for the Dogwood Initiative in 2008, and \$46,639 in 2009
- \$27,000 to the Turning Point Initiative "to hire a co-ordinator to engage with government, industry, environmental groups, media and the public regarding the proposed Enbridge Gateway tar sands pipeline."
- \$9,750 "in support of indigenous tar sands educational campaign."

7b) You state: "Tides Canada has no knowledge or involvement in most of the grants or projects on oil issues that are references in your "Ten Reasons" blog entry."

My reply: My blog post, "Ten Reasons Why Its Fair To Inquire About Tides Canada" mentions oil-related projects in points #6 and #7.

Point #6 says that it is fair for Canadians to inquire about Tides Canada because Tides Canada was paid \$70,000 "to develop a strategic plan to address oil and gas development in British Columbia." I do not see how Tides Canada can say that it has no knowledge of a project for which it was paid \$70,000.

Point #7 says, "Tides Canada, and its parent organization, the U.S. Tides Foundation, are funding no less than 36 organizations in campaigns that would thwart the Alberta oil industry and block Canadian oil exports to Asia. This would mean that the U.S. would continue to have a virtual monopoly on Canadian oil exports." To the best of my knowledge, this statement is factually correct.

8) The Endswell Foundation

Your letter states: "You have implied substantive involvement by Tides Canada in the affairs of the Endswell Foundation."

My reply: I do not agree that I have implied substantive involvement by Tides Canada in the affairs of the Endswell Foundation. What I have noted is that, according to U.S. tax returns, Endswell has granted more than \$8.7 million to Tides Canada, since 2003 alone.

9) Typo in The Vancouver Sun

You state: "You state in the Vancouver Sun print edition of February 25, 2011, that Tides Canada spent \$56 million on "consultants" in 2009. This is wrong. In 2009, Tides Canada's total expenditures for contracts were less than \$5.6 million.

My reply: The version of my op-ed that I submitted to the Vancouver Sun correctly stated that Tides Canada's expenditures for consultants were \$5.6 million. In printing the story, The Vancouver Sun missed the decimal and published \$56 million. Although this was not at all due to any error on my part, I tweeted a message to readers of my blog to alert them to this typo. I also sent an e-mail to The Vancouver Sun, asking the paper to correct the on-line version, which they did.

In light of the above, I do not agree that there are "serious inaccuracies and misrepresentations" in my writing, as you have stated in your letter of March 7, 2011.

Sincerely,
Vivian Krause

Changes to Web-Pages of Open Media

From <http://openmedia.ca/donation-media-democracy> as of February 11, 2011:

Donation page | OpenMedia.ca

11/02/11 2:49 PM



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Secure Donations

Your donation to Tides Canada supports real solutions for the common good.

Tides Canada Initiatives is a Canadian charity registered with Canada Revenue Agency (CRA).

We are committed to protecting your privacy. If you do not wish to have your contact information shared with this project, please click on the button below. Tides Canada will not contact you directly for any reason other than for an issue with the transaction.

No unsolicited communications or contact from this project

How did you hear about this project at Tides Canada?

- I know the person(s) who set up this project.
- A friend or family member told me about it.
- I read or saw a video about their work.
- Other:

From <http://openmedia.ca/donation-media-democracy> as of March 9, 2011:

Page not found | OpenMedia.ca

09/03/11 12:30 PM



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From <http://openmedia.ca/drive> as of February 11, 2011:

Don't want to use PayPal? You can still support media education work by donating (via credit card) to [the Media Democracy Project of Tides Canada Initiatives](#) (<https://www.gifttool.com/donations/Donate?ID=1453&VER=1&LNG=EN&PID=1465>) by clicking [here](#) (<https://www.gifttool.com/donations/Donate?ID=1453&VER=1&LNG=EN&PID=1465>) .

From <http://openmedia.ca/drive> as of March 11, 2011:

Don't want to use PayPal? Please consider supporting our charitable work - The Media Democracy Project of Tides Canada Initiatives by clicking [here](#) (<https://www.gifttool.com/donations/Donate?ID=1453&VER=1&LNG=EN&PID=1465>) . The Media Democracy project works at the national, regional and local levels to support a diverse public service-oriented media system through public education and civic engagement. Our current projects include: Media Democracy Day and Fresh Media.

Thank you for helping us create a more open and democratic media system in Canada!

From <http://openmedia.ca/drive> as of February 11, 2011:

Save The Affordable Internet! | OpenMedia.ca

11/02/11 3:06 PM



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Save The Affordable Internet!

Wow! If you're a Stop the Meter supporter, you should feel great about yourself...You've been part of the **biggest online campaign in Canadian history!** And you've moved politics!



Industry Minister Tony Clement has ordered the CRTC back to the drawing board. As you know, the immediate future of the Internet now comes down to the CRTC's decision.

But the CRTC offices are swarming with telecom lobbyists. We can't let them push back the advances we've already made. Will you help boost our campaign to the next level by donating to our non-profit work today?

Donate by selecting one of the options below. Support the open and affordable Internet - before it's too late.

From <http://openmedia.ca/drive> as of March 11, 2011:

Save The Affordable Internet! | OpenMedia.ca

11/03/11 1:05 PM



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Save The Affordable Internet!

Phone and cable companies have unleashed a deep-pocketed public relations campaign designed to confuse Canadians about new Internet usage fees. One of their most common messages is that Canadians don't understand these issues and are just speaking up based on emotion.

For example, Mark Goldberg, a telecom analyst known for doing the industry's bidding, said this on Thursday February 24th, "nothing rallies a mob like a good ol' fashioned lynching. Hang 'em high!" Goldberg is essentially calling Canadians who are sick of being gouged an angry mob. Comments like that are arrogant, elitist and outright insulting.

While phone and cable companies unleash their PR campaign, broadcasters and cable companies are also meeting in Ottawa to hash out a plan to deal with online services that are "competing for customers".

We can't let them impose new unnecessary fees and control online content.

We urgently need to put together a united front of public interest groups, creators, indie ISPs, online service providers and Canadians.

Please help by chipping in today.