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North Vancouver BC V7M 2S5
September 12, 2012

Ms. Jodi White, Chair
Tides Canada
400-163 West Hastings Street
Vancouver BC V6B 1H5

Ms. White,

I am writing to introduce myself and to ask a series of questions stemming from Tides Canada's 2011 Canadian tax return which recently became publicly available. My questions are presented on the following pages. Considering Tides Canada's significant resources and the impact of its campaigns on public opinion and on important Canadian industries, I believe that these questions are fair and are a matter of public interest. As such, this is an open letter.

As before, I write to Tides Canada as a concerned member of the public and as a contributor to The Financial Post. I have also written a blog, www.fair-questions.com where I will post this letter.

Since the summer of 2007, I have been trying to correspond with Tides Canada in order to present my concerns and questions about the science and the funding of some of Tides Canada's campaigns against important Canadian industries, starting with salmon farming, and more recently, the Alberta oil industry. Over the years, I have addressed my correspondence to Mr. Ross McMillan. Apart from a series of letters that I received from Tides Canada's lawyer, my questions of Mr. McMillan have gone unanswered therefore I am writing to you in your role as chair of Tides Canada.

If I have presented anything here that is inaccurate or if I have missed any important points, please let me know. If I do not hear from Tides Canada during the remainder of this week, I will assume that you decline to respond and that you do not dispute any of what I have presented here.

I would also like to draw your attention to the questions that I presented in my letter of June 16, 2012 (attached). So far, I have received no response to this letter from Tides Canada.

In Vancouver, I can be reached at 604.618.8110. Please do not hesitate to call.

Sincerely,

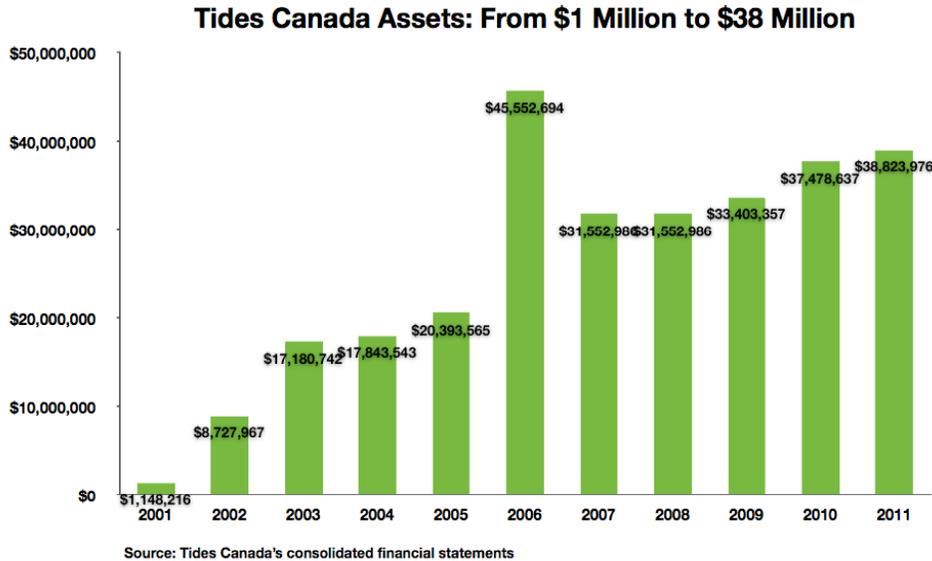
Vivian Krause

QUESTIONS FOR TIDES CANADA

1. Total Assets: \$38 Million, up from \$1 million in 2001

Since 2001, Tides Canada's assets have risen markedly from \$1 million to \$38 million, \$25 million of which is in long-term investments.^{1,2}

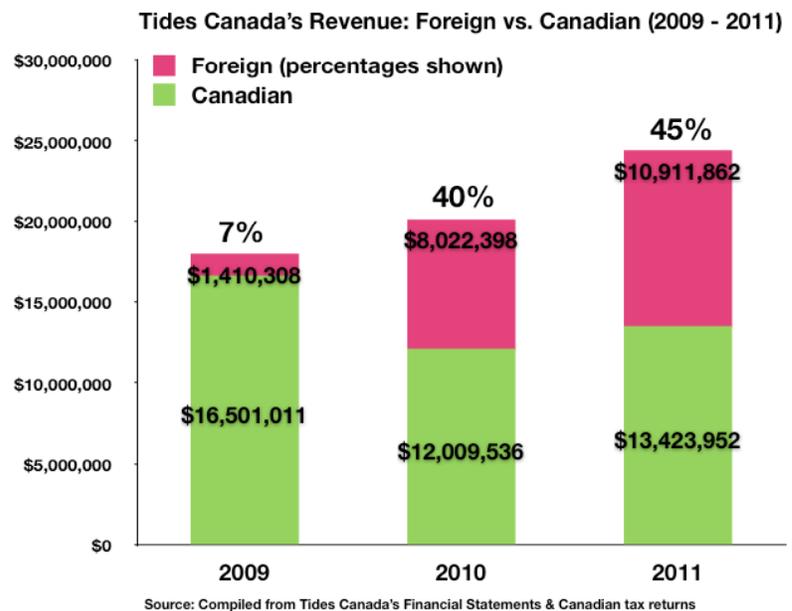
What are the origins of Tides Canada's \$38 million in assets, and in particular, how much of that originated either directly or indirectly from foreign sources?



2. Foreign Funding: \$10.8 Million, 45% of total revenue

For 2011, Tides Canada reported \$10.8 million from sources outside of Canada, \$10,103,330 was reported by Tides Canada Foundation and \$808,532 by Tides Canada Initiatives Society.

According to Tides Canada's consolidated financial statements (for both the foundation and the society), total revenue for 2011 was \$24,335,814. Thus, by my analysis, foreign funding accounted for **45 percent** of Tides Canada's total revenue in 2011, up from 40 percent in 2010.



What is the origin of this foreign funding and for what purpose will it be used?

3. Payroll: \$13 Million, 153 employees

By my analysis, Tides Canada reported total expenditures of \$13 million for staff and consultants in 2011. That amount was \$2.5 million higher than the corresponding total for the previous year. A \$2.5 million dollar payroll increase in one year seems to me like a lot for a non-profit.

From 2010 to 2011, total expenditures for consultants (professional & consulting fees) increased by more than \$1 million. Who are Tides Canada's consultants and what did they do during 2011 for a total of more than \$6 million in fees?

Between 2009 and 2011, the total number of full-time and part-time employees reported to the CRA fluctuated widely: 104 in 2009, 251 in 2010 and 153 in 2011. Is this difference real or is this somehow a function of how employees were classified or contracted? In other words, did the number of Tides Canada's paid employees actually go up and down by more than 100 employees? If so, what are the programs that were abruptly added in 2010 and abruptly cut the following year?

Lastly, in terms of payroll, I would like to ask to what extent the payroll of Tides Canada is funded by the millions of dollars - \$18 million over the past two years - that Tides Canada receives from foreign sources? How many of Tides Canada's employees and consultants are paid with funds provided directly or indirectly by American foundations?

7. U.S. Grants for "Voter Engagement" and "Organizing for Change": \$170,000

For 2011, at least four U.S. grants for a total of \$170,000 were made for a project of Tides Canada called "Organizing for Change."³ All four grants were made through the U.S. Tides Foundation. This included \$90,000 from the Brainerd Foundation, two grants for a total of \$50,000 from the Wilburforce Foundation and \$30,000 from the Bullitt Foundation, all based in Seattle.^{4,5,6}

The Bullitt grant was specifically *"to coordinate advocacy and voter engagement activities for a cross-section of British Columbia's best-known and most effective environmental groups."* Brainerd also granted \$18,000 *"to conduct a poll to better understand the environmental priorities in B.C."* Who conducted this poll? What were the results and how were these results used? Were they provided to a political party?

The Bullitt Foundation also funded Tides Canada *"to mobilize urban voters for a federal ban on coastal tankers,"* and then re-wrote that grant days after I testified about it to a House of Commons Standing Committee.⁸ Bullitt also granted funds *"... to prevent expansion of oil and gas infrastructure in Georgia Strait and the lower Fraser Basin"* and \$50,000 support Vision Vancouver's Greenest City Initiative.

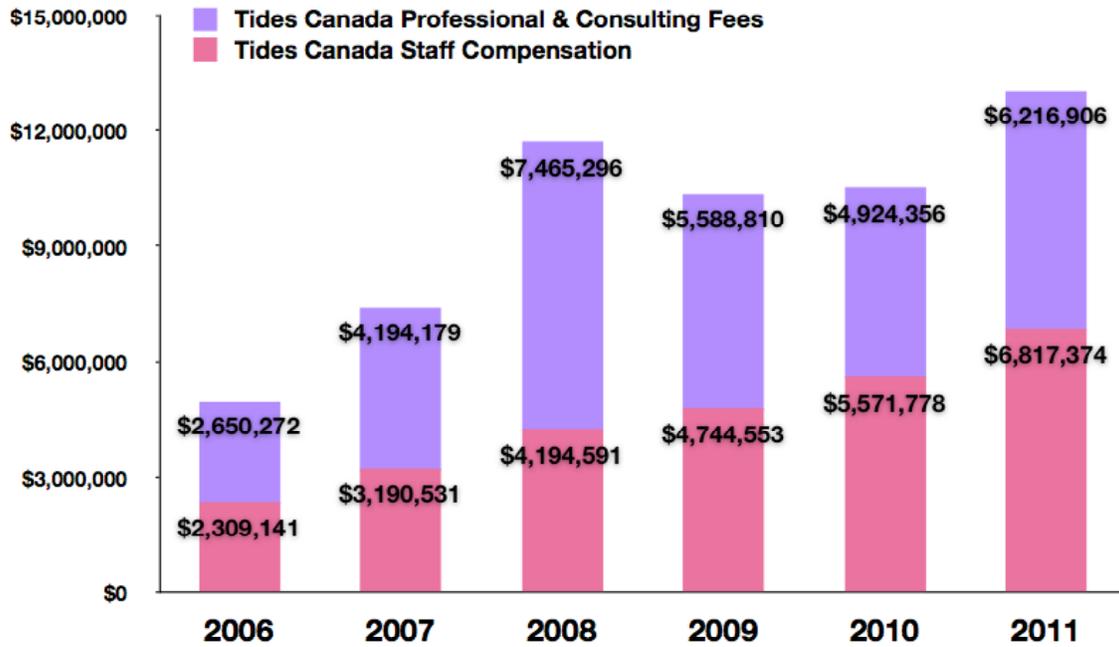
6. Total Reported Expenditures for Political Activities: \$137,235

In 2011, for the first time in ten years, Tides Canada Foundation (TCF) reported spending \$85 on political activities. In all previous years, the amount reportedly spent on political activities by Tides Canada Foundation, was zero. For 2011, Tides Canada Initiatives Society (TCIS) reported a total of \$137,150 on political activity. Thus, the total amount that Tides Canada (TCF & TCIS) reported for political activity in 2011 was \$137,235.

What is the origin of the \$137,235 that Tides Canada spent on political activities in 2011? Did this money originate from U.S. foundations - the same ones that aim to block the development of oil and gas infrastructure in the Vancouver area, and to get a federal ban on the coastal tanker traffic that is crucial for Canadian oil exports to Asia?

To put it bluntly, to what extent is Tides Canada's political activity funded by American foundations that would thwart Canadian oil exports?

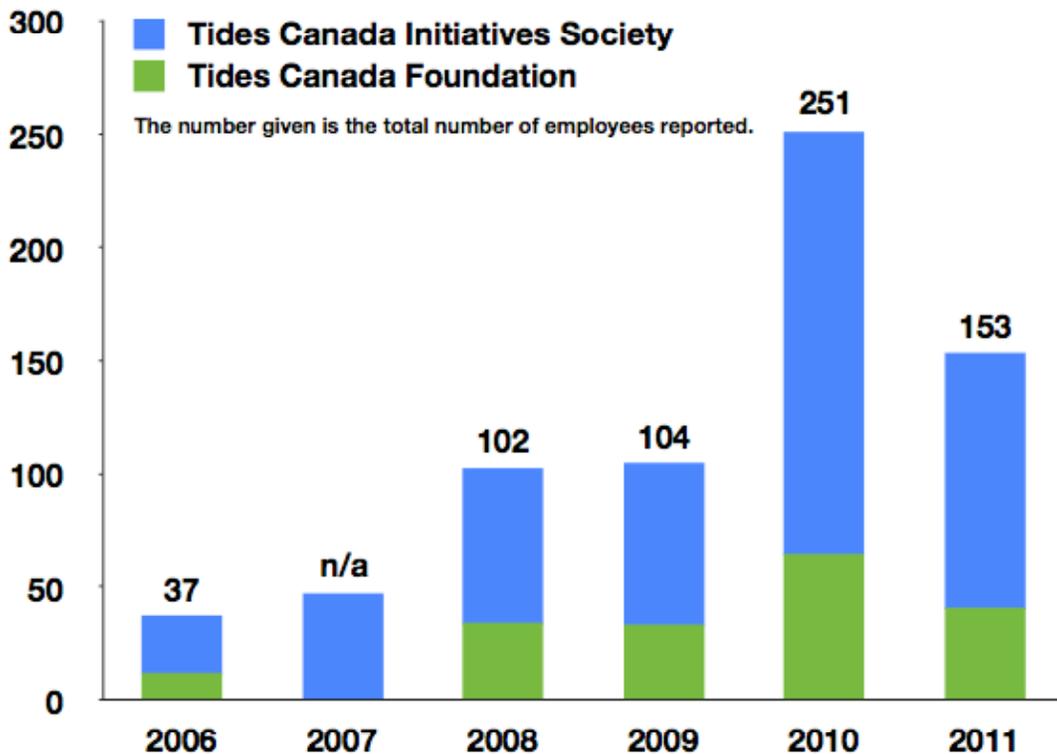
Tides Canada Payroll (2011): \$13 Million



Source: Compiled from Canadian tax returns

Note: Tides Canada includes both Tides Canada Foundation & Tides Canada Initiatives Society

Tides Canada Employees (2006 - 2011)



Source: Compiled from Canadian tax returns

Note: Data for 2007 is not publicly available because of a data entry error in the CRA's on-line database.

4. **Internal "Grants": \$11.4 Million**

For 2011, Tides Canada Foundation (TCF) reported making grants for a total of \$14.2 million. Tides Canada Initiatives Society (TCIS) reported *receiving* a total of \$11.4 million from other registered charities. How much of the \$11.4 million that TCIS received originated from TCF? In other words, of the \$14.2 million that TCF granted in 2011, how much was simply transferred from one pocket of Tides Canada (TCF) to another (TCIS)?

Besides TCIS, which grantees did Tides Canada fund in 2011 and for what purpose? Would Tides Canada please issue a list of the names of its grantees and the amounts that each received?

5. **Government Grants: \$2 Million**

For 2011, Tides Canada Initiatives Society reported receiving a total of \$2 million from government sources:

- \$1,567,505 from provincial/federal sources
- \$219,254 from the federal government
- \$226,556 from municipal/regional sources

Which departments/ministries provided these public funds and for what purpose were they granted?

SOURCES:

¹ <http://www.cra-arc.gc.ca/ebci/haip/srch/t3010form22sched6-eng.action?b=868947797RR0001&e=2011-12-31&n=TIDES+CANADA+FOUNDATION&r=http%3A%2F%2Fwww.cra-arc.gc.ca%3A80%2Febci%2Fhaip%2Fsrch%2Ft3010form22-eng.action%3Fb%3D868947797RR0001%26e%3D2011-12-31%26n%3DTIDES%2BCANADA%2BFOUNDATION%26r%3Dhttp%253A%252F%252Fwww.cra-arc.gc.ca%253A80%252Febci%252Fhaip%252Fsrch%252Fbasicsearchresult-eng.action%253Fk%253DTIDES%252BCANADA%2526s%253Dregistered%2526p%253D1%2526b%253Dtrue>

² <http://www.cra-arc.gc.ca/ebci/haip/srch/t3010form22sched6-eng.action?b=130560188RR0001&e=2011-12-31&n=TIDES+CANADA+INITIATIVES+SOCIETY&r=http%3A%2F%2Fwww.cra-arc.gc.ca%3A80%2Febci%2Fhaip%2Fsrch%2Ft3010form22-eng.action%3Fb%3D130560188RR0001%26e%3D2011-12-31%26n%3DTIDES%2BCANADA%2BINITIATIVES%2BSOCIETY%26r%3Dhttp%253A%252F%252Fwww.cra-arc.gc.ca%253A80%252Febci%252Fhaip%252Fsrch%252Fbasicsearchresult-eng.action%253Fk%253DTIDES%252BCANADA%2526s%253Dregistered%2526p%253D1%2526b%253Dtrue>

³ <http://organizingforchange.org/>

⁴ <http://bullitt.org/grant-history/tides-foundation>

⁵ http://www.brainerd.org/grantee_profile.php?orgID=00277

⁶ <http://www.wilburforce.org/grant-history/tides-foundation>

⁷ <http://bullitt.org/grant-history/tides-foundation>

⁸ http://fairquestions.typepad.com/rethink_campaigns/2011/01/careless-mischaracterization.html