# 10585 DISCUSSION

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2:06 p.m.

## MR. RUBY

My Lords, before I commence the cross-examination again may I simply draw to your attention that there is a letter from this witness to Arthur Donahoe concerning the Billy Joe MacLean prosecution. Now we have, the Billy Joe MacLean prosecution. It's a letter dated April 18, 1984. And it's in the materials. But I thought I'd seek direction from you as to regards to raising it now or raising it at a later stage. I thought it might well be appropriate to do so at a later stage but I wanted to alert you to the fact that I would like to go into it.

# CHAIRMAN

Yeah. Where is it?

### MR. RUBY

I don't have a page reference. It's, I'm sorry, it is in the materials but I haven't got the page reference. But the letter, well this generally advises no prosecution of Billy Joe MacLean for the items in which he was later on, I understand, found guilty.

### MR. SPICER

Are you sure that's in the materials we have before us now?

### MR. RUBY

Yeah, it's somewhere in the materials. That letter. Sorry I don't have the reference to it.

## MR. SAUNDERS

I can't recall its presence in the materials. If it was, if it's

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there it's a mistake.

### MR. RUBY

Well, in any event, it's a letter to Arthur Donahoe, dated April 18th, 1984, but I take it that's something that you would prefer to have raised at a later stage and that we can have the witness back for that purpose? Am I correct on that?

### **CHAIRMAN**

I'm not sure we can have the witness back. We haven't ruled on the admissibility of any of these extraneous issues at this time, as yet. We have commissioned some fairly intensive research into the role of the various offices and officers in the criminal justice system and have insisted that they have an unrestricted right of examination of documents, et cetera. We won't be dealing with that until we complete all of the evidence directly related to the prosecution and incarceration of Donald Marshall, Jr., so I...

# MR. RUBY

Let me correct myself. The reason I have no page reference for it is because I have a copy loose. It's not in the materials. But I would propose to argue, to cross-examine on that, and I can either raise the matter now and argue it now or I can defer it.

#### CHAIRMAN

You'll have to defer it because I'm not going to deal with it today.

### MR. RUBY

All right. Thank you very much.

- Q. You said before the break, sir, that we were, when were dealing with the question of releasing of files that in the beginning you were cautious and simply wanted not to make any firm policy decision, if I have it correctly. And it's been maintained it would have been done before. And later on you decided that it really was possible to live with full disclosure. Have I correctly put your position?
- A. Yes. I'm not sure that's totally on all fours with what I said.
- Q. Why don't you correct it for me then?
- A. Well, I'll try and put it in my own words. In the first few months that I was serving as Attorney General I was just taking an extremely cautious approach to anything to do with the Marshall case. Some would say I was cautious to a fault but that was the approach that I took initially. But certainly by 1986, when that particular matter arose about making material available, in that case my recollection is that I discussed it with my staff and they indicated that it was okay to do that and I didn't see any problems with it.
- Q. Would you look with me at the document at Volume 38, page 64, which is an extract from the Legislative debates and tell me whether or not the passage I'm going to refer you to is consistent with what you've described to me. Caution about the Marshall case as opposed to a definitive policy statement. Page 64 in Volume 38, bottom. It's a question from Mr.

Vincent MacLean concerning release of files regarding Mr. Marshall. And at the bottom of that you say,

 Well, Mr. Speaker, we're getting into an area of considerable importance here and that is the access to investigative files which the Honorable Member is referring to. Let me make it very clear to that Honorable Member, through you, Mr. Speaker, and anybody else that's interested in this matter, that I do not make public investigative files that are held by the RCMP or held by my Department. That's never been done and I'm not going to start doing it.

- A. Yes, that was consistent with the approach that I was taking at that time. I was being extremely cautious.
- Q. It looks to me like a definitive policy statement. "...that's never been done and I'm not going to start doing it."
- A. Well, my concern about meeting that policy requirement and at the same time dealing with the request for information from Mr. Cacchione was the matter that we addressed when the Campbell Commission was set up. But certainly, I wasn't just going to, on my own, and without a great deal of thought, start making confidential investigative files public.
- Q. You weren't making a pronouncement about the policy of the Department, in general, about the files.
- A. Yes.
- Q. You were just being cautious about Marshall, is that what

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### MR. GIFFIN, EXAM. BY MR. RUBY

you're telling me?

- A. I'm saying that I was making that as a statement of general policy in response to the question that was asked. Now, by the same token, I wanted to try, within reason, to accommodate the request from the Mr. Cacchione and that's why we ended up on the compromise approach of making the material available to Mr. Justice Campbell.
- Q. You said yesterday that there had been discussions of the Marshall case in the Government caucus. I'm interested in knowing what the submissions and issues were as they presented themselves to you and how you responded. So I want to know what was said and by whom in Government caucus about the Marshall case.
- A. It was discussed in caucus...

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## MR. SAUNDERS

Unless, my Lords, there are certain members who are participating in the caucus that are the same members who would have been participating in the Cabinet, I don't see my friend getting at the same information through another door, with the greatest of respect...

#### **CHAIRMAN**

Well, my understanding is that there's no difference between, there's a great deal of difference, rather, between Cabinet and caucus...

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## MR. SAUNDERS

Yes.

# **CHAIRMAN**

And caucus is an assembly of elected members who support a particular political party, in this instance, supporting the Government of the day.

# MR. SAUNDERS

Yes.

## **CHAIRMAN**

The caucus cannot make any decisions that are binding on Government or could be articulated as Government policy.

## Mr. SAUNDERS

Yes.

## **CHAIRMAN**

They're mostly there, well, caucus is an unusual, I think, assembly of ladies and gentleman who have been elected to public office and they let their views known. My recollection is that there are no minutes kept and that sensitive governments listen carefully to what their caucus say. The caucus members say they seldom act on it. But I'm not sure that would happen in Nova Scotia. But it certainly is a separate and distinct institution from government.

### MR. SAUNDERS

I understand it to be so as well, My Lord, and I have no quarrel with your description of caucus.

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## **CHAIRMAN**

And in this case, well maybe other counsel wish to be heard.

## MR. SAUNDERS

My point being, My Lord, just before Mr. Spicer speaks is that I wouldn't think it appropriate for my friend to try and find out what members of Cabinet may have said at caucus meetings when, through our discussions this morning, Your Lordship has instructed that no such questions be put.

## **CHAIRMAN**

Well you mean individuals, well it would certainly surprise me if anybody can remember from one day to next day who said what and the context.

## MR. SAUNDERS

That may be so. It may be so, My Lord, but I just saw this as way to get at that information a different way.

### **CHAIRMAN**

We shall watch very carefully and listen very carefully but I don't interpret it as being that approach.

### MR. SAUNDERS

Very well, My Lord.

## Mr. SPICER

I don't really see any necessity to say anything at this point. You're not objecting at this stage of the game, I don't think.

#### **CHAIRMAN**

We just, you just wanted a lecture on political science, that's

all.

### MR. RUBY

Just to complete the discussion. My position is that if a Member of Cabinet chooses to repeat what he may or may not have said in caucus, in Cabinet in caucus, that the caucus discussion has no privilege.

#### **CHAIRMAN**

And I'll listen very, with great interest and see who remembers what happened in any caucus in Canada.

#### MR. RUBY

- Q. Tell me about caucus, what was said?
  - It's, with all due respect, going to be very difficult because it's hard to remember. The subject came up for discussion in the Government caucus certainly from the time that I became Attorney General. I couldn't begin to say how many times the Marshall case and the various aspects of it were discussed but it was brought up because caucus is the one forum in which Members of the Government, who are not members of Executive Council, can discuss issues of that nature with Ministers and get information and some sense of where the Government is headed on a particular issue. I don't know that I could ever recall specific conversations, or who said what at what point in time, but the matter was raised. Generally, my experience in caucus is that when matters are

being raised by members of caucus, particularly by the 1 private members as distinguished from the Cabinet ministers, 2 that it's often to seek information. To try to determine just 3 where the Government is headed. And by the same token, to offer opinions on how a matter ought to be dealt with. But I can certainly recall that it was discussed at caucus meetings after I became Attorney General. The sense of those 7 discussions, as I recall it, was along the lines of, "What is going 8 to be done about the Marshall case?" "How can we deal with 9 it?" Members of the caucus, of course, had inquiries from 10 their constituents about the case. It had attracted a great deal 11 of public interest so a common question would be, "What 12 should we say in reply to inquiries that we get from 13 constituents?" So there was that kind of discussion. And then 14 as the matter progressed, at the same time we tried to keep 15 the caucus members informed of developments as they came. 16 Now, I'm not being very specific and with good reason. 17 are no minutes kept of caucus meetings and the discussions 18 are very informal and it would impossible to start attributing 19 specific statements or quotations to specific individuals. I 20 really couldn't do it. 21 2:17 p.m. \* 22

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- Is there not a single statement that you can remember Q. attributed to a single individual?
- It would be...no, I don't think that I could safely do that under

oath. One specific I can recall, and it comes later in 1986, and perhaps that why I remember it, is that when we were having a caucus meeting at the White Point Beach Lodge in Queens County, which would have been in June of 1986, that discussion began at that point again about the question of an Inquiry of this nature into the Marshall case, and for some reason it sticks in my memory that the person who first raised the matter at that caucus meeting was the Speaker of the House, but it's...it would be very difficult to go back to 1983, '84 and try to attribute statements to people and it would be very, very risky because my memory just isn't that good.

- Q. When you got round to discussing with the caucus the amount of money that Marshall was to be paid do you recall that happening?
- A. No. My recollection on the amount of the settlement that that was a case of simply advising the caucus of what had been done. In other words, the caucus was not consulted about their views as to what they might have thought was an appropriate amount of the settlement. They were not involved in the negotiation process.
- Q. Did any of them comment on the appropriateness of the amount after it was learned?
- A. I can't recall any specific individual. My recollection is that as...a statement of a generality that the...that there were no

- objections to the amount from the caucus. There was a general satisfaction that the matter had been dealt with.

  That's my recollection of the reaction in caucus.
- Q. Any mention in caucus of the fact that Mr. Marshall was Indian?
- A. No, not that I can recall.
- Q. Any mention of the Marshall case as a political problem?
- A. Oh, yes.

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- Q. Tell me about that?
- A. Well, just in a general sense, that as with any difficult matter that's before a government and that is still unresolved, it is the concern and this was certainly expressed in a general way by members of the caucus, that we would have to try to find a way of dealing with it, that it was not a situation that could be left unresolved.
  - Q. Why? What were the political dangers that the caucus perceived?
  - A. I think the political danger would have been one of the government being perceived as being indecisive, as being unprepared to act, as being unfair to Mr. Marshall. That those certainly could have been damaging political...damaging perceptions in a purely political context.
  - Q. Let me take you to the action of Edmund Morris, then your colleague, who disclosed to the press Mr. Marshall's job offer, do you recall that?

- A. Yes.
- Q. You talked about that yesterday.
- A. Yes, I do.
- Q. He offered a job as a plasterer and I...sorry, as a repairman of small appliances.
- A. I thought it was as a...I could be mistaken on that. I understood that his training was as a plumber or a plumber's apprentice.

# **COMMISSIONER EVANS**

He offered him a job in small...

# MR. RUBY

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He's trained as a plasterer and he's offered a job as a small appliance repairman.

### MR. GIFFIN

I'm sorry, for some...I thought...

## MR. CHAIRMAN

He's a plumber.

### MR. RUBY

Plumber, all right, My Lord, I said plasterer.

## MR. GIFFIN

- A. Yes. That was my recollection. His father was a plasterer.
- Q. Plasterer. He does that as well, that's why it's sticking in my mind.
- A. Yeah. Yes, I do recall Mr. Morris making that statement to the press, yes.

- Q. So, the job, you'll agree, would have been a job that was unsuited to his skills, correct?
- A. Yes, my understanding was that his...he had worked seventeen hundred hours in the field of plumbing.
- 5 Q. Yes.

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- A. And that that would have been the area in which he would have had an opportunity to move ahead.
- 8 Q. And nothing as a repairer of small appliances.
- A. Not that I know of. Like I don't know that Mr. Marshall had any training in that area.
- Q. Okay. Now, it seems that that was leaked to the newspaper by Mr. Morris, is that correct?
- A. It's my understanding that he told the press about it, yes.
- Q. And you were very upset with Mr. Cacchione when he leaked the date of your meeting. Were you equally upset with Mr.

  Morris when he leaked this job offer?
  - A. It's my recollection that Mr. Morris did that in response to statements that were made by Mr. MacGuigan and Mr. Munro when they came to Halifax at about that time about the Government of Canada offering employment to Mr. Marshall.
- Q. So, you were not upset by it.
- A. Well, I was concerned about the concern which Mr. Cacchione expressed which was that there had been a communication with his client that had not gone through Mr. Cacchione, and that was the point that caused me concern and that's why I

- dealt with that issue when I wrote to him in early March.
- Q. And did you also object to Mr. Morris about that which concerned you, and the raising it to the press rather than through Mr. Cacchione?
- A. No, I didn't make any objection to Mr. Morris having done that.
- 7 Q. Why not?

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- A. Well, it just didn't...didn't occur to me to do that. The concern that I had was the one that Mr. Cacchione had expressed.

  Now, I will add that in the light of the Supreme Court decision in the Brenda Thompson case that if something like that happened now I would certainly be concerned about that kind of thing.
- Q. Mr. Morris has since been convicted of a similar release of information and that's what you're referring to.
- 16 A. Yes.

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Q. And that would be a breach of the <u>Freedom of Information</u>
Act, Section 6(2),

A department maintaining personal information files shall not make the personal information contained therein available to another department or person for another purpose without the person's consent.

#### Correct?

A. That's the section. I don't know that I should sit here and

- offer a legal opinion on whether or not what Mr. Morris did back then violated that Act. But the point that I wanted to make was that if the decision in the Thompson matter had been ...had taken place prior to that, then I certainly would have had a very real concern.
- Q. I want to know why you didn't. I mean you were aware of that provision of the Act. Correct?
- 8 A. Yes.

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- Q. You were the chief law enforcement officer of the Crown, correct?
- 11 A. Yes.
- Q. Why did you not at least consider charging Mr. Morris for that breach of the Act?
- A. I think the short answer is that to that point in time there
  had never been a prosecution of that type with respect to the

  Freedom of Information Act. It was just something that I
  never directed my mind to.
- Q. It's not a case of not looking because the man involved is a member of the government, that's not what is happening?
- 20 A. No.
- Q. You said that you thought the Attorney General has the right to tell the Royal Canadian Mounted Police to stop an investigation on the grounds that the Attorney General was the person ultimately responsible for the administration of justice in the province.

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- Yes. Α.
- That was, I think, the position you put yesterday... Q. 2
- Yes. Α. 3
- ...to Mr. Spicer. That troubles me a bit. If you act before the Q. investigation is complete how on earth can you know whether 5 it's proper to stop it because you haven't got a full picture of 6 what's going on or what it will uncover? How could you ever 7 cut off an investigation before it's complete? 8
- 2:28 p.m. \* 9
- Well, I think it's a speculative question. I would have to be in 10 possession of the facts relative to a particular situation. 11 to deal with it in the abstract is very difficult. I would have 12 to have a concrete fact situation and then see whether or not 13 there was some reason why there ought to be an intervention. 14 But obviously that is something that would be done only 15 under the rarest of circumstances. 16
  - Q. You'll agree with me that the danger of so doing is that you prevent coming to light the very criminality which an investigation is supposed to deal with in which you as chief law officer are supposed to consider in making your decision.
- Yes, that's correct. Α. 21
- O. As to whether or not to prosecute. 22
- That's correct.
- So, it is a logical impossibility, you agree? Q. 24
- I wouldn't say it's a logical impossibility, but I would say that

### MR. GIFFIN, EXAM. BY MR. RUBY

- the ultimate power does exist in the Attorney General, the 1 exercise of the power would be enormously difficult and 2 fraught with...on the dangers that you've just pointed out. 3
- And, as you sit here today I take it you cannot think of any O. 4 example where it would appropriate to do that. 5
- That's right. Α.
- O. And, if you allow such a power would you agree with me that 7 it is fraught with possibilities for abuse?
- Oh, yes. Α. 9

- Q. For example. 10
- Α. Very much so. 11
- Q. There's a tendency to exercise that kind of discretion in 12 favour of friends of the government as opposed to ordinary 13 citizens. That would be one kind of abuse that's possible if 14 that power exists. 15
- Yes. Any kind of abuse is possible where a power exists. 16
- Q. And that kind particularly. 17
- Oh, yes, very much so. Α. 18
- As Attorney General you were aware that people do want the Q. 19 Attorney General to exercise that power in favour of their 20 friends and associates, just generally, people want that 21 discretion exercised in their favour.
- Α. I'm sure there would always be people who want that, yes.
- And lots of pressure is placed on an Attorney General, Q. correct? 25

- A. I wouldn't exaggerate that. My attitude always would have
  been that if somebody approached me and asked me to do
  something improper such as stopping an investigation that
  ought to continue, that I would view that as a totally
  improper request to be directed to an Attorney General or to
  interfere with a prosecution before the courts or what have
  you.
  - Q. Do you know John MacIntyre?
- A. I don't believe I've ever met him. I may have met him when
  I was Minister of Municipal Affairs and traveled to Sydney
  and met a number of people at the City's building in Sydney.
  But I can't...the mayor introduced me to a lot of people that
  day and it's possible I may have met him, but I certainly am
  not acquainted with him.
  - Q. Did you read the report which contains the advice that we've talked about a lot here of Mr. Gale, the holding of the case in abeyance, referring to the investigation of the Sydney police?
- 18 A. Yes.

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- 19 Q. When had you read that report?
- A. When did I read it?
- Q. When?
- A. I can't give you a precise date. It was sometime after I became Attorney General, but I can't give you a precise date.
- Q. Early, middle, late.
- A. I think fairly early. I think it was part of the process of

- informing myself about the Marshall case.
- Q. What did you take that to mean when you read it?
- A. I took it to mean that Mr. Gale was asking the R.C.M.P. to hold off on their...any inquiries with respect to the Sydney City Police until the matter that they were then dealing with, principally the re-opening of the Marshall case before the Appeal Division, and also the possible prosecution of Mr. Ebsary, that my understanding of it was that Mr.Gale was priorizing those matters, saying let's get this done first before we turn our attention to the other.
  - Q. And did you agree with that?
  - A. Yes, I had no quarrel with it. It was actually, the memo was issued before I became Attorney General. But after I read it I had no quarrel with it.
  - Q. Why would you want to wait? For example, surely there was enough manpower in your office to proceed with the prosecution of Sergeant MacIntyre and Sergeant Urquhart if that was deemed warranted after an investigation.
  - A. I don't think it was a question of manpower in the Attorney General's Department to conduct a prosecution. My understanding of the memo from Mr. Gale dealt with the inquiries and investigative work being done by the R.C.M.P..
  - Q. Did you not think the R.C.M.P. had enough manpower to carry on any investigations of Ebsary, which were already completed in any event, according to the memo, and at the

- same time investigate MacIntyre and Urquhart? Were they short of men?
- A. Pardon me?
- Q. Were they short of men?
- A. I know they have heavy demands on them in certain
  divisions, but the R.C.M.P. could tell you more about that than
  I could. I certainly wasn't reading that memo in terms of
  manpower shortage.
  - Q. Then what is the problem? Why couldn't it go ahead? You've got the manpower, they've got the manpower. What's the problem?
- A. Well, I didn't see it as a situation of Mr. Gale telling them not to go ahead. I saw it as simply a situation in which he said

  "Let's deal with these matters first, and then you can look at the situation, vis-à-vis the Sydney City Police force."
- Q. He's telling them not to go ahead for the time being.
- 17 A. Yes, that's right.
- Q. Until we finish other matters.
- 19 A. Yes.

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- Q. Why? Why couldn't it all go ahead at once? Why shouldn't the investigation of MacIntyre and Urquhart proceed at pace?
- A. Well, I suppose in fairness you'd have to direct the question to Mr. Gale because that happened before I became Attorney General.
- 25 | Q. But you said you approved of that.

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- A. Yes, I had no quarrel with it, provided that putting the matter in abeyance did not mean never dealing with the matter, rather that I took it as read that when a matter is put in abeyance that means that it's...that it is going to be dealt with, not at that time but at a later time and as it was.
- Q. If you agree with that policy tell me why it made sense not to have that investigation commence immediately? Why hold it in abeyance?
- A. Well, I can't presume to speak for Mr. Gale but I can only tell you that as far as I was concerned I had no problems with that. It was simply a matter of setting priorities and as I understood the memo he was saying that let's get these...these other matters are urgent, particularly the re-hearing of the Marshall case, let's get that dealt with first. That's all. I didn't read anything into it beyond that.
- Q. You practised law.
- 17 A. Yes.
  - Q. You know that if you don't do investigations promptly the evidence vanishes, witnesses die, memories fade, it's a real danger, you understand that.
  - A. Yes.
- Q. You knew it then.
- 23 A. Yes.
- Q. As chief law officer of the Crown that was one of your concerns no doubt.

- A. Yes.
- Q. To see that evidence did not vanish in that way.
- 3 A. Right.

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- Q. So, that militates in favour of a quick investigation even if you decide to hold the prosecution for some reason, does it not?
  - A. Well, I think it should be pointed out that the memo from Mr. Gale to the R.C.M.P. asking them to hold that in abeyance was about eleven years after the original investigation and then the following year he sent the memo asking the R.C.M.P. to review the practises and procedures of the Sydney City Police force.
  - Q. Do you agree with me that you cannot now think of a single reason why holding in abeyance made good sense or good policy?
  - A. To mean the reason was simply that the most urgent matter was the re-hearing of the Marshall case, and that the most urgent matter ought to be dealt with first.
  - Q. Why was that inconsistent with going ahead with the investigation? What was the conflict?
  - A. I'm not sure that I see it as a conflict. We're talking here about the R.C.M.P. officers who had already been involved in the re-investigation and who presumably were also involved in giving testimony and that sort of thing. And...
  - Q. They weren't in the Marshall reference.

- A. Sorry. No, that's correct. I stand corrected on that. But, no, I didn't seen anything sinister in it, that it was just a setting of priorities and saying, "Let's get this done first and then we'll move on to the other."
- Q. But there's no reason that you can now assign why that's a good idea. Correct?
- A. No, I can't purport to speak for Mr. Gale on that.
- Q. To your own mind as you read it you can think now of no reason why that would be a good idea, fair?
- 10 A. I think that's a fair comment.
- 11 Q. You do accept...
- 12 A. It was a setting of priorities.
- Q. And you do accept that there's at least one good reason why it's a bad idea, namely evidence fades and vanishes. Correct?
- A. I think where you have a matter that's already eleven years old that problem is already there in abundance.
- Q. Doesn't that make it more urgent to move while witnesses are still alive after eleven years, not less?
- A. No, I think the most urgent matter that had to be dealt with at that time as I've said was the re-opening of the Marshall case.
- Q. But you've also said there's no reason why they couldn't have both gone on together.
- A. Well.
- Q. Correct?

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- A. I have a couple of problems with this. One, is that Mr. Gale's testimony obviously would be of help on this point, and secondly in terms of the question of R.C.M.P. manpower and resources I did not make enquiries into that, so I don't know what the situation was and whether or not that was a factor.
  - Q. You seriously thought or considered that the R.C.M.P. in all of Nova Scotia might not have sufficient manpower to do an investigation of MacIntyre and Urquhart. Are you telling me that that's what you considered?
  - A. No. No, I didn't say that that what's I considered. I said that I did not make enquiries into that.
  - Q. All right. So, you can't see any reason why they couldn't have gone ahead, correct?
  - A. Well, I'm sitting here answering these questions, no, but I don't want to make that a blanket statement because Gordon Gale may come in and offer...
- 17 Q. Sure. He may have a wonderful reason.
  - A. ...perfectly good reason for that.
- Q. But I'm talking about your mind now. You cannot think of any reason why it could not have gone ahead.
- A. That's right.
- Q. And you could think of at least one good reason why it should have gone ahead, namely the passage of time and the fading of memories and evidence.
- A. Well, that was already obviously a major problem in the case.

- Q. Yes. And that was also a factor why it should go ahead, correct?
- 3 A. Yes.
- 4 Q. Were you aware that that investigation never went ahead?
- A. It was my understanding that what happened was that Mr.

  Gale in 1983, I think just after the decision of the Appeal

  Division was handed down, sent a memo to the R.C.M.P. and asked them to review the information that they had, to review the investigative procedures that were followed by the Sydney City Police force in 1971 and to make a report on those matters.
- Q. Were you aware, I'll make it clearer, that the investigation of
  MacIntyre and Urquhart, the criminal investigation of
  MacIntyre and Urquhart, talked about by Wheaton, never
  went ahead? Were you aware of that?
- A. That's correct. There was no criminal investigation of Mr.

  MacIntyre and Mr. Urquhart that I know of. The Inquiry that
  was carried out was the one that I've indicated.
- Q. Were you aware through your tenure that that inquiry, that criminal investigation never got going?
- A. That's right. There was no criminal investigation of Mr.

  MacIntyre and Mr. Urquhart.
- Q. And you knew that.
- 24 A. Yes.
- Q. You also knew that the whole reason why Marshall had been

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#### MR. GIFFIN, EXAM. BY MR. RUBY

granted a reference and acquitted was because witnesses said they lied under oath because they were pressured by the police. You knew that.

## MR. PUGSLEY

I object. The indication of the Appeal Division...

### MR. RUBY

Yeah.

### MR. PUGSLEY

The Appeal Division based upon new evidence, as I recall it, they discounted the evidence that my friend refers to.

### MR. RUBY

- Q. You knew that one of the major reasons why the reference was granted and called and why the Court of Appeal from reading their reasons acquitted Mr. Marshall was the fact, together with other facts such as MacNeil's evidence, that these witnesses said that what they said earlier was false and that they had been pressured by the Sydney Police. Is that not true?
- A. Well, I was certainly aware that that was the evidence that was placed before the Court. The report that came back from the R.C.M.P. to the department in response to Mr. Gale's memo or letter in 1983 contained no recommendation for criminal prosecutions of anybody.
- Q. You're anticipating my next question. If you knew that and you knew there had never been a criminal investigation, why

- didn't you as, Attorney General, ask that one take place so that you could be satisfied that the people of Sydney were being served by an honest police force?
- A. When I read the reports back from the R.C.M.P. to Mr. Gale that was the information upon which I based my view of the matter, and those reports did not request or recommend an R.C.M.P. investigation of the Sydney City Police force, nor did they recommend criminal prosecutions of anybody. Now, when I was reading that material I was not reading it for the purpose of making a decision. I was simply reading it for the purpose of informing myself about the case. But that was what I took from that material, was that the R.C.M.P. were recommending neither of those courses of action, and so I did not pursue it further.
- Q. When you read it I take it alarmed you as Attorney General that these things were being said about the City of Sydney police force.
- A. No, when I read the reports from the R.C.M.P., first of all, as I say, I was reading them for information and not for the purpose of making decisions. But when I read them I saw nothing in there that indicated that the R.C.M.P. were recommending either a further investigation or criminal prosecutions. And, I therefore did not see that there were any steps that I had to take in connection with those reports.
- Q. You didn't see any need for you to act on your own initiative.

- A. That's right.
- Q. There's a matter that I want to move on to if I can, and it's this, you said that on occasion you disagreed with or overruled Mr. Coles and one example you gave us was that his view that Mr. Marshall was the author of his own misfortune. Were there any other respects ink which you disagreed with or overruled Mr. Coles respecting his views in the Marshall matter, any other respects at all?
- A. I think it's fair to say that Mr. Coles had reservations about the calling of this type of a public inquiry, and he was always willing to express his views to me quite openly and quite frankly, and he did express reservations to me about the calling of this inquiry. It wasn't a case of my overruling him. It was simply a case that he was expressing his views that there would be problems about calling an inquiry because there had been witnesses who had committed perjury, because of the passage of time and because of the potential cost. But those were just views that he communicated to me as Deputy Attorney General. But once the Cabinet decision was made to proceed with this Inquiry then he did what work he had to do in connection with that.
- Q. Any other respects in which you disagreed with... with Mr. Coles with regard to his ideas concerning Marshall?
- A. It's difficult to state a blanket yes or no, or a blanket no, if you will, to that kind of question. I can't recall any at the

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- moment, but my memory is not infallible, but nothing else comes to mind at the moment.
- Q. Are you aware from the conversations with him what Mr.
  Coles' views were of Indians?
  - A. He was not racially prejudice. He certainly never gave any indication of that.
  - Q. You told Mr. Spicer yesterday that there were no green striped files as far as you knew during your tenure as Attorney General. Were there any political or other files during your tenure as Attorney General that were kept separate and apart from the files to which ordinary staff lawyers had access?
- A. No, none that I know of. The Department has a central filing system and as far as I know every file went into that central filing system.
  - Q. My friend will rise, and would you just not answer this question for a moment to give him an opportunity to do so.
- 18 A. All right.
  - Q. Are there any minutes or notes kept of Cabinet meetings and are there any record of any kind or any secretary present?

    Just give my friend a moment to see if he wants to object.

## MR. SAUNDERS

With respect to?

### MR. RUBY

Cabinet minutes, Cabinet meetings, any minutes, notes,

records, secretary's recording, were there any kind of record at all. That's the question.

### MR. SAUNDERS

I don't know that that question is objectionable, My Lord. I'm quite happy for my friend to pose the question.

## MR. RUBY

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Thank-you.

- Q. Could you answer that for me?
  - Yes. Essentially the answer is no. There are no recordings of discussions either mechanical or written. What emanates from a Cabinet meeting is documentation, Orders-in-Council, these are the formal documents that are done after the meeting. I'm not sure how far you want to go with this, but I can describe the procedures that go on in the Cabinet room. There is a Cabinet book which has a agenda and has in it the reports and recommendations or memoranda to Cabinet, proposed appointments and then a host of other things. And, at each Cabinet meeting we deal with the items in that book. One Minister is responsible for noting in the book what the disposition is with respect to each particular matter, and then after we've gone through that book, which may take several hours, we then ... we then would deal with non-agenda items or urgent matters that Ministers did not have time to put on the agenda and they had to bring in. In those discussions there would not be any keeping of minutes or anything of that sort.

- Q. Do you keep notes or do other Ministers keeps notes of these meetings?
- A. No, I very seldom...I never kept notes of things that happened at Cabinet. There are a lot of notes moving around the Cabinet room from one Minister to another on matters that they're dealing with, but not for the purpose of a record, and any scribblings like that in the course of a day would be disposed of at the end of the meeting.
- Q. You never took notes on discussions about Marshall, for example, and kept those notes.
- 11 A. No.
- Q. All right. In November of '83, shortly after you took office,
  you asked for the inventories, I recollect, of the file. Did you
  ever get such a thing?
- 15 A. The...I'm sorry I don't recall.
- Q. The inventory to the Marshall file, you dictated off a memo to your secretary.
- A. I'd have to see that memo. I don't recall asking for an inventory.
- Q. All right. Let me leave it then. I take it you have no memory of getting anything as a result.
- A. No, I don't remember.
- Q. Halifax City Police, do they have a regimental dinner?
- MR. SAUNDERS
- 25 What was that?

### MR. RUBY

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Regimental dinner.

- A. They have two or three different types of functions that I recall. I think there is a Halifax...there is one for retired members of the Halifax force, and I think there's another large one each year which is more of a banquet and a...
- Q. Yeah.
- A. ...dance to follow kind of thing.
- Q. You've attended and spoken at that particular function.
- A. My wife and I attended that two or three times, but I think the years that we attended we attended the reception beforehand and other commitments prevented us from going on to the dinner. But now I...if you're asking me about what functions I've attended over the years I'd really have to go back and check my calendars because there literally have been hundreds.

2:50 p.m.

- Q. I want to know if you've ever spoken to the Halifax City Police at a dinner. Do you recollect that?
- A. No, I just don't recollect. I'd have to check.
- Q. Perhaps we can do this, My Lord. It looks like we will not complete the witness today. I may not be here Monday but Ms. Derrick will be here and if you could give us an answer to that we'll follow through on further questioning.\*
- A. Yes. We'd have to, I keep my office calendars so we can

MARGARET E. GRAHAM DISCOVERY SERVICE, COURT REPORTERS
DARTMOUTH, NOVA SCOTIA

# MR. GIFFIN, EXAM. BY MR. RUBY 10617 check back and see if I ever did. 1 MR. SAUNDERS 2 My Lords, I wonder if my friend can give me a little more 3 detail on dates and exact location, years so that we can embark on that search. MR. RUBY It was around the time of the RCMP dinner. But I have no further information about the exact date. **COMMISSIONER EVANS** Around the time...I'm sorry, I didn't even get ... 10 MR. RUBY 11 Around the time of the RCMP dinner. 12 MR. ROSS 13 RCMP what? 14 MR. SAUNDERS 15 Dinner. MR. RUBY 17 The regimental dinner. It's around that time but I'm not sure of the exact date. 19 MR. SAUNDERS 20 We'll undertake to look. 21 MR. RUBY 22 Thank you. 23

**CHAIRMAN** 

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MARGARET E. GRAHAM DISCOVERY SERVICE, COURT REPORTERS
DARTMOUTH, NOVA SCOTIA

I'd like to know the relevancy. I was not aware that the

Halifax Police force had anything to do with the Marshall case but we learn something every day here. Maybe they did.

## MR. RUBY

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Well, let me just indicate that I think the fairest thing to do is to take this one step at a time and see how it goes. I won't take much time of the Commission with it. Let's see how the answer comes back.

### **COMMISSIONER EVANS**

Except if you're going to do a lot of looking, what are you looking for?

## MR. RUBY

I don't want to embarrass the witness by telling you what I'm looking for. Let's just see if there's a foundation.

# **COMMISSIONER EVANS**

Well, I wouldn't think you'd be concerned about embarrassing the witness, Mr. Ruby.

### MR. RUBY

As Your Lordship knows there are proper ways of embarrassing witnesses and ways which are not so proper and I'm just trying to proceed cautiously.

## COMMISSIONER EVANS

I'm sure you know them all.

### MR. RUBY

To take the witness' language, I have no firm policy decision on this.

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- Q. You realize it, I take it, when you examined the file that in
  1971 Mr. MacNeil came forward with an account of what took
  place which was subsequently not acted upon and, more
  importantly, was apparently so we've learned, passed on to
  your office, probably to Len Pace, by the local Cape Breton
  prosecutor, but was never communicated to Marshall's lawyer
  on the appeal, Mr. Rosenblum. You're familiar with that.
  - A. I'm familiar with it. Obviously, I can't testify to it personally but I'm familiar with that.
  - Q. I take it you knew, as Attorney General, that this information had not been passed on to the appeal lawyer.
  - A. Yes, that's right.
- Q. What steps did you take to commence an investigation to find out exactly what went wrong and why it wasn't passed on to that appeal lawyer?
  - A. Well I think the problem with that matter, as I recollect it, is that the Crown Prosecutor who was involved in that case, Mr. Donald MacNeil, had passed away in 1978 and so it would have been very, very difficult to ascertain what might have happened.
  - Q. Are you saying you did nothing?
  - A. That's correct. Well, with the caveat that as I dealt with the Marshall matter throughout, certainly there were problems and question marks of that sort. But I always had it in the back of my mind that if there were any matters that required

- further inquiry, that if the Government decided to go ahead with an inquiry like this one that then all those matters would be explored.
- Q. You did nothing.

- A. That's correct.
- Q. You were appointed Attorney General in November of '83.

  Had your predecessor done anything about dealing with these issues that were remaining? The compensation issues, for example, and the calling of inquiry?
  - A. No, nothing that I know of. There was nothing I, perhaps I could put it this way. When I went into the Department, there was nothing there that indicated any steps had been taken.
  - Q. You set up the compensation inquiry on March 5, 1984. Let's take it month-by-month. I want to know what you did in those months. First of all, in November of '83. What did you do regarding the Marshall matter in respect of setting up and formulating the policy that you told us you were doing over that period.
  - A. Well, it's perhaps arbitrary to take it month-by-month but as I, once I entered the Department I entered upon a process of learning about the Marshall case. I think it's important to understand that that was not done in isolation. That when a Minister enters a new Department there is an enormous amount of information that one has to acquire in a short

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period of time on everything from Departmental estimates to legislation to being briefed on the operations and all the things that you're responsible for. So I wouldn't want to leave the impression that this was being dealt with in isolation. But the process on which I embarked was one of having discussions with senior staff to become informed about the matter and as the opportunity presented itself to the look at the material and the first specific step that I can recall taking was that of responding to Mr. Cacchione's request for a meeting.

- Q. I take it, then, that you cannot now go through it month-bymonth and tell me what you did, is that correct?
- A. I do not keep a diary so I don't have that kind of day-by-day information available to me.
- Q. All right. You decided you wouldn't meet with Cacchione after that first meeting again.
- A. Yes, I decided if there were going to be any future meetings that I would have staff solicitors meet with him rather than meet with him personally.
- Q. Why?
- A. Because I felt, as I indicated earlier, that he had broken his word to me. And, in particular, that my request that that initial meeting not be made known to the media had been made known to the media. My concern was that if I were to have meetings with Mr. Cacchione and to have the kind of

- open and without prejudice discussion that might have helped us to move ahead on some of these issues, my concern, quite honestly, was that I might be reading about it in the newspaper the next day.
  - Q. Did you wind up reading about the meeting you did have in the newspaper the next day?
- A. Pardon me?
- Q. Did you wind up reading about the meeting that you did have in the newspaper the next day?
- 10 A. No.

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- Q. So you had no grounds for that fear.
- A. I had grounds for the fear in the sense that Mr. Cacchione did not keep his word to me and then once somebody has done that I find I have to be very cautious in my dealings with them.
  - Q. And you've told me that you've assumed that he didn't keep the word.
- A. Yes, but I think that you will find that Mr. Cacchione will acknowledge that he told a journalist about that meeting.
- Q. What was Mr. Cacchione supposed to do in that interval period? You won't meet with him, the Department's not meeting with him, you won't even tell him your position because you haven't got one. What's he supposed to do?
- A. Well, I think a solicitor representing a client is not completely without resources. He could have pursued the action against

- the City of Sydney and Urquhart and MacIntyre. That, the conduct of that action was in his hands.
- Q. He couldn't get the information that would have helped him to prosecute the lawsuit from you because you weren't releasing it to him. Correct?
- A. Well, at that point I was not. We'd been through this before but at that point I was not. Now of course he had...
  - Q. So that's not a very viable alternative, is it.

#### MR. SAUNDERS

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Well, My Lords, I'm not sure that's an accurate representation either. After all, some two years earlier, June '82, material was given to Mr. Aronson which, presumably, he passed on to Mr.

Cacchione. So I think there was ample information that Mr.

Cacchione had with which to pursue a civil action. I don't think it's fair or accurate for my friend to say that he had nothing.

#### MR. RUBY

- No, he didn't have the May 30th report and that's what I'm talking about.
- Q. You understand that.
- 20 A. Pardon me?
- Q. You know that I'm talking about the May 30th report of Wheaton.
- 23 A. Yes.
- Q. Yeah, that's what he didn't have. You understood that.
- A. Yes. By the same token a lawyer can pursue a civil action and

- go to discoveries and so forth. There are certainly options open there.
- Q. Was the Government, in fact, saying to him publicly, to the press, that the lawsuit was one of the reasons why they couldn't deal with him on the issue, why they couldn't move ahead?
- A. No. No, I wasn't saying that. I indicated, and the Premier indicated that we were concerned that any steps taken by the Government, or any decisions that we made might, in some way, impact on either the civil proceeding or, more importantly, on the criminal proceeding. But I, at no time, said to Mr. Cacchione, nor did anybody in the Department, that it was a condition precedent to our dealing with these matters. That the action against the City of Sydney and Mr. MacIntyre and Mr. Urquhart be discontinued. The Province had no vested interest in that proceeding one way or the other.
  - Q. No, I agree. But the Premier made it clear, did he not, that that was one of the impediments to the Government dealing with the matters?
  - A. Well as I understand his statement, and certainly this was my own recollection of it, is that we were expressing the concern that any action taken by the Government had to be considered very carefully on the light of the fact that those matters were before the courts. I took that to be just a

- statement of caution, but we, at no time, said that we were going to do nothing.
- Q. Let me move to the issue of the settlement discussions, if I can. You've said that you didn't want to do anything that would trespass on the Ebsary case. Could you explain to me, concretely, what you mean by trespass? Give me an example perhaps
- A. All right. If, for example, I had issued a public statement which dealt with some of the matters that were, that might be considered by the jury at any later trial, or if I made any statements or did anything that perhaps implied a statement on my part that I was of the view that Mr. Ebsary was guilty, in order words, if I did something like that that either expressly or by implication or even inadvertently created problems in terms of either selecting a jury or conducting a trial, I just felt that I had to be extremely cautious in that whole area.
- Q. But surely you could have dealt with the Marshall case without suggesting that Ebsary was guilty.
- A. And ultimately, we did. But I did not, it was not a decision that I, or the Government, as it was a Government decision, made overnight.
- Q. When it comes to the position that your Ministry put before Chief Justice Campbell, that a fair and, "The hearing ought to proceed on the basis," that is Mr. Coles said, "the police

investigation is not relevant," and you'll see that in Volume 33, page 411, if you want to look at that again. Page 411 of Volume 33, My Lord. And you'll see that in the third complete paragraph on that page, page 411. The comment briefly...

- A. Oh, I' m sorry, I was looking at the wrong one.
- Q. Page 411.

- A. Yes. Yes, I see that.
  - Q. At page 436, when the Commissioner seems about to expand the reference to include that, 435 and 6, he writes a very strongly worded letter trying to put him back on the rails. At the bottom of 435,

It is my understanding when the matter was discussed with Mr. Justice Campbell it was understood there was no intention or expectation that his inquiry would extend into any consideration of events affecting Donald Marshall, Jr. prior to his incarceration in jail for a crime of which he was subsequently found to be not guilty. The starting point, therefore, is to be Mr. Marshall's incarceration.

Now, you've said that you accepted that position and I want to ask you how it is that there could be a fair and full assessment of the harm done to Marshall if the police investigation is kept out of it. How could that take place?

A. Well, our concern at that point was that, again, that if the

inquiry conducted by Judge Campbell became too broadly based that then there was a danger that it was going to get into areas that related to the Ebsary case which was still before the court. It was just part of a general approach of asking Mr. Justice Campbell to address the issue of compensation without trespassing upon the Ebsary case. It was a difficult situation but that was what we were trying to do.

Q. See, I'd like to accept that as the truth but if it's the truth then I don't understand why, at page 437, of Volume 33, and now we're dealing with notes from private negotiations that are not going to be public, these are private negotiations. No hearing being contemplated. In the middle paragraph,

I understood that all communications were to be private and confidential, without prejudice, settlement to be all inclusive, no punitive damages claim, and to cover periods starting with stay of incarceration following conviction.

I mean if that's the rationale why do you have to carry it on in the private negotiations when there's no possibility of any statement being made that will influence the Ebsary trial. I suggest to you, and I want you to consider this, that the only rationale for having that position both in public and in private is that you were trying to get out of this as cheaply as you could and that's it.

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- A. Well I think that's an oversimplification.
- Q. Explain that to me.
- Yes, I will. First of all, the Government did set up the inquiry Α. 3 which was to be conducted by Mr. Justice Campbell. The approach about negotiating a settlement was not made by the 5 Government of Nova Scotia. That approach was made by Mr. 6 Cacchione, it was first raised by Mr. Cacchione in the meeting 7 that's referred to in this notes. So my attitude towards the settlement was that if it were to be a negotiated settlement then we would try to get the best deal we could. But if 10 agreement could not be reached on a negotiated settlement then the inquiry would proceed. 12
  - Q. So then you accept that the purpose of keeping that provision in during the private negotiations was to get out as cheaply as you could.
  - A. Well, that's not a, not the best way to put it but my view was that if Mr. Cacchione wanted to negotiate with us then we would negotiate with him and I was proceeding on the assumption that that was a negotiation between equals. That Mr. Cacchione is and was a competent, experienced lawyer and that it was that type of negotiation. Nobody was saying to Mr. Marshall or Mr. Cacchione that they had to accept any proposed settlement. I would have been perfectly content to have had the inquiry proceed.
  - Q. Am I right in suggesting to you that the high-minded purpose

- that was publicly adduced, namely not to interfere with the
  Ebsary trials, as soon as the negotiations commenced changes
  to the purpose of getting out as cheaply as you could.
  - A. Well, we were certainly trying to negotiate the best settlement that we could.
- Q. You don't like the word "cheaply".
- A. No, I don't.
- 8 Q. Why not?
- 9 A. No.

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- 10 Q. Why not?
- Well, because I think it suggests a state of mind that I A. 11 certainly didn't have. This was a very difficult matter and we 12 were trying to deal with it as best we could. And we did not, 13 for example, put any limits on Mr. Justice Campbell in terms 14 of dollar amount if he had proceeded with his inquiry. 15 but once the approach was made to us to negotiate a 16 settlement, then I treated it as a negotiation between two 17 equal parties in which we were trying to get the best 18 settlement that we could. 19
- Q. The word "cheaply", I take it, does not misrepresent the facts, it's just not a word you'd choose?
- A. Well, we were trying to get the best deal we could.
- 23 Q. Is that fair?
- A. Yes, that's fair. Sure.
- Q. You were trying to get the best deal you could.

- A. Yup.
- Q. And it's fair to say that you were trying to get out as cheaply as you could.
- 4 A. Yeah.
- Q. But that has a denigrative tone to it so you don't like it.
- 6 A. That's right.
- Q. All right. When Mr. Cacchione gives you the offer of \$550,000, you were questioned about that by Mr. Spicer. It was the first written offer, as I recall.
- 10 A. Yes.
- Q. And you told him that you can't recall the terms in which the advice of your law officers regarding that amount was put. I think it was regarding the fairness of it or nonfairness of it.
- A. That's correct.
- Q. I want to know what the substance of that advice was, even if you can't recall the terms.
- 17 A. Well...
- Q. On the issue of being fair or not fair.
- A. I don't recall that we discussed it in terms of fairness or unfairness. We simply discussed it in terms that an approach had been made for a negotiated settlement, that that had been put forward as an opening position by Mr. Cacchione and that we would then proceed with negotiations and see where that took us.
- Q. You directed your mind at no time to the issue of the fairness

of this offer.

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- A. Well, I assumed that Mr. Cacchione would represent his client's best interests and that if the settlement was too low that they would not accept it.
- Q. Didn't you, as Attorney General, in your role as chief law officer of the Crown and representative of the people in that regard, all the people, also have an obligation to Donald Marshall?
- A. It would be difficult to define that obligation. My view of it
  was that Mr. Cacchione was representing Mr. Marshall and
  that it was his responsibility to represent Mr. Marshall's best
  interests.
- 13 Q. And not yours.
- 14 A. That's right.
- 15 Q. And you were not concerned with Mr. Marshall.
- A. I don't want to say that I was not concerned with him, but I was acting on behalf of the Government of Nova Scotia.
- 18 Q. And not Mr. Marshall.
- 19 A. That's correct.
- Q. And you were not looking out for his best interests.
- A. No, if you want to put it that way. I didn't see that as my responsibility. I saw that as Mr. Cacchione's responsibility.
- Q. And it was not your concern.
- A. I was certainly concerned about what was going to happen to
  Mr. Marshall as an individual. I had not met him, so I don't

want to state that as being that kind of a concern of a personal nature. But I was certainly concerned because that was why I was particularly interested in the matter of his future employment and the course at NSIT and so forth because it seemed to me that, in the long run, the most important thing for him would be to get the necessary job training and to become productively employed.

3:12 p.m. \*

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- Q. If you'd turn with me to Volume 33, page 473. It's one of those unmarked pages that's blacked out, so it's just prior to 475. This is a memo June 26, 84, the top left. Do you have that one?
- A. Yes, yes.
- Q. And it's a meeting with yourself and the Deputy. The first entry is that the figure of \$270,000 plus Aronson's legal fees which were \$78,000 for a total, I guess, of about three fifty "Is in ballpark".
- 18 A. Yes.
- Q. And I take it in the ballpark means that that was a reasonable amount to pay, yes.
- A. Yes.
- Q. A fair amount to pay.
- A. Yes. I would have been prepared to recommend that to Cabinet.
- Q. Right. If it was reasonable and fair, then, why would you

- after that try and deprive Marshall of \$100,000 by offering \$250,000 total instead of accept that fair and reasonable offer?
- A. I saw this as just a normal negotiating procedure. That when one engages in a negotiation towards a settlement that one does not place ones final figure on the table first. I simply saw this as a normal negotiating procedure.
  - Q. Is there no principle involved beyond that, just a negotiation?
  - A. That was the way I saw it, and I assumed that Mr. Cacchione would represent Mr.Marshall's best interests and that if the government's offer was not acceptable then we would proceed with the Inquiry.
- Q. Are you really saying there's nothing important but the process of negotiation. It's important the process should be fair.
- A. Yes.

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- Q. Yes. It should be honest and open and conducted in a forthright manner, is that all true?
- 19 A. Yes.
- Q. But that you're not looking at principles beyond that, the process itself.
- A. That's right. As far as I was concerned it was a process of negotiation towards a settlement.
- Q. Let's turn to page 484 if we could. You told us originally that though you talked about an original figure of, what was

- it, three hundred and thirty thousand, with your staff? There was no...
- 3 A. I think it was three hundred and twenty-five.
- Q. Three and twenty-five, but there was no real fixed figure in your mind.
- 6 A. That's right. We were just in that range.
- 7 Q. Right.
- 8 A. In the ballpark, so to speak.
- 9 Q. It was not a limit in any real sense, correct?
- 10 A. That's right.
- Q. And, the memorandum here, and I think this is in Mr. Endres' writing, "Spoke to Felix," 484, "Told him that we cannot go that far, that we have a limit." Let me first of all take you to that?
- 15 A. Yes.
- Q. Mr. Endres knew that you didn't have a limit, that you had never imposed one, true?
- A. Well, except that we were speaking in that range that I've indicated, or in the ballpark which would have been up to say three hundred and twenty-five or \$330,000.
- Q. But you've also said you made it quite clear...
- A. There was not any rigid limit that said you must not go beyond this line.
- Q. Nothing fixed in stone, was your language.
- 25 A. That's right.

- 1 | Q. There was no limit, you made it clear.
- A. Yes. Now, you know, I'm not talking about \$10-million, but,
  no, he had not been given that type of rigid line and said you
  must not cross that line.
- Q. Well, isn't that misleading then for him to tell Mr. Cacchione
  "We have a limit," when, in fact, you don't?
- A. Well, I wasn't present at that conversation and I think the question would really have to be directed to Mr. Endres.
- Q. Assuming for a moment that he told him we have a limit that's not true, correct?
- 11 A. That's certainly not my recollection of it.
- Q. The truth would have been we have a figure at which we've started, we would hope to come within that area, but we have no fixed limit.
- A. Yes, I was taking a flexible approach in that regard. I

  certainly wasn't hung up as to whether we ended up with the

  number of, say, two hundred and seventy thousand or three

  hundred thousand. We were operating in that range.
- 19 Q. That's right.

#### MR. SAUNDERS

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With respect, My Lord, I think to put it in context, in fairness to the witness, perhaps my friend would turn to the previous page where it notes, other numbers are recorded, in the centre of the page, plus Aronson's account, and whether or not that's the context in which Mr. Endres recorded his notations during his

- 1 | discussions with Mr. Cacchione.
- MR. RUBY
- That's Mr. Endres' writing I take it.
- 4 MR. SAUNDERS
- 5 Yes.
- 6 MR. RUBY
- That's a meeting with the Deputy at 483 and the advice was

  "We should not move substantially, we might settle yet, but that

  there was a risk of failure if we do not meet their demands for

  \$300-325,000 plus Aronson's account." The Deputy says, "Add

  another \$15,000 for a total of \$275,000 minus the \$25,000 paid

  on account provided we get a full release from Marshall and his

  parents."
- 14 Q. Are you now familiar with that?
- 15 A. Yes.
- Q. All right. That doesn't affect the discussion we've had about their being a limit or no limit, does it?
- 18 A. No.
- Q. All right. The next item I want to take you to on 484 is he says, and this is his note of a conversation with Cacchione, that, "I spoke to my people and that, subject to approval by Cabinet, I was authorized to offer an additional \$10,000 for a total of \$270,000 minus the \$25,000." Did you read that?
- 24 A. Yes.
- Q. And quite clearly that's not the full truth. The full truth on

- page 483 that we've gone through is you offered another

  \$15,000 and instead he just jiggles him a little bit for an extra

  five. Telling him, "I was authorized to add ten," when, in fact,

  he had been authorized to add fifteen. Isn't that so?
  - A. Yes, I'm not quarreling with what you said. It's there.
- Q. Well, isn't it unconscionable for the Government to mislead in negotiations, to say, for example, we have a limit when we have none, to say "I'm authorized to add \$10,000," when, in fact, he's been authorized to add fifteen? Isn't that wrong?
- A. I think that's really a question you'd have to take up with Mr.

  Endres because he was doing the actual negotiating with Mr.

  Cacchione. He was the one that was going to the meetings and having the conversations with him.
- Q. See, I'm taking it up with you because you're responsible.
- 15 A. Right.

- 16 Q. It's being done in your name, right?
- 17 A. Yes.
- 18 Q. Under your authority, right?
- 19 A. Yes. Right.
- Q. And if you don't know what's right and wrong about negotiating who is to answer? Is it wrong to mislead the other side when you're negotiating?
- 23 A. Oh, yes, of course it is.
- Q. And it's particular wrong, I put it to you, when the other side is a weaker individual than the Government of Nova Scotia, a

- weaker party.
- A. No, I certainly did not see those negotiations as being
  negotiations on an unequal basis. As far as I was concerned
  Mr. Cacchione was and is a tough, competent, experienced
  lawyer, and I expected that he was representing his client's
  interests.
- Q. I'll come to that in a moment. As I understand this process you take the position that there was no inequality because of Mr. Cacchione's presence.
- 10 A. That's correct.
- Q. And, I understand from what you said earlier that you were not told that Mr. Cacchione had disclosed to Mr. Endres that Marshall was in a bad emotional state.
- 14 A. That's correct.
- Q. You can see, if you're interested, at Volume 33, page 431, in his notes Mr. Endres marked that down as being a matter of sufficient importance to note, page 431 under the first heading "Felix". "Marsh. now in need of psychological assistance. It maybe advantageous for him to settle now."

  Was that ever communicated to you?
- A. No, I did not see these notes until we began preparations for my testimony here.
- Q. It would be morally wrong to take advantage of that, would it not?
- 25 A. It would depend on what was meant by that statement.

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- There is not much information there. But certainly it would be morally wrong to take advantage of a situation in which, if a client were unable to cope with the stress of dealing with the matter to take advantage of that and to get a low settlement. That's certainly something that I never did when I practised law.
- Q. You knew, however, that he had no money with which to pay his past legal bills let alone his present lawyers.
- Well, the first money that we paid out was the \$25,000 which q was the interim recommendation made by Mr. Justice 10 Campbell, and one of the reasons why I recommended that to 11 Cabinet and we paid it as quickly as we could was that I did 12 not want anybody to suggest that we were trying to put Mr. 13 Marshall or Mr. Cacchione under financial pressure and that at least since that was the initial recommendation, the 15 \$25,000, that we wanted to pay that so that...and I assumed that the reason for that was because, ah, since Mr. Marshall to 17 that point in time had received no compensation whatsoever that this would at least ease whatever immediate financial 19 pressure he had. 20
  - Q. You knew that the \$25,000 would not come close to paying even his past legal bills, which you knew were \$78,000 because it has been in negotiations, right?
- 24 A. Yes.

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Q. You knew that Mr. Cacchione had commissioned and

- expensive actuarial research to be done because, once again, that was presented to you as part of the negotiations.
- 3 A. Right.
- Q. So, you knew the \$25,000 was going to be of no real assistance in providing him with the legal fees necessary to pay his past bills or to carry on the present negotiations.
- A. Well, I think the short answer to that is that that was the first recommendation that we received from Mr. Justice Campbell.

  When we received it we complied with it. He did not recommend any further interim payments.
- Q. Let me put it differently. You knew he was hard up for money and in trouble financially.
- 13 A. I didn't know the...
- 14 Q. You had to know that.
- A. ...details of his financial situation, but I certainly knew that he owed legal bills.
- 17 Q. Large legal bills.
- 18 A. Yes.
- Q. For a man eleven years in prison, hopeless legal bills.
- 20 A. Right.
- Q. Never going to get a job to be able to pay those off in years and years and years, right?
- 23 A. Yes.
- Q. All right. So, you knew you had him hard pressed.
- 25 | A. Well, I don't think that's completely fair, because the

payment of the interim request of \$25,000 as far as I was concerned was the first recommendation that we had from Mr. Justice Campbell, which I understand he made after communication with Mr. Cacchione, and we responded to that immediately and if a further request for a further interim payment had been made I certainly would have been prepared to recommend that. I certainly...by making the interim payment I was hoping that we were easing whatever immediate financial problems he had. Now, obviously the \$80,000 was a financial problem, but it was a long-term problem. And his immediate financial needs, I assumed, were being met by the \$25,000.

- Q. You knew he had serious financial problems.
- 14 A. Yes.

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- 15 Q. All right. You didn't...you had unlimited resources.
- A. Not unlimited, but certainly very substantial resources if you're talking about the Government of Nova Scotia.
- 18 Q. Unlimited for practical purposes.
- 19 A. Yes.
- Q. For bringing to bear in this lawsuit or this litigation or this negotiation unlimited.
- A. I'm sorry, this was not a lawsuit or litigation. We were prepared to spend money on the conduct of the Inquiry.
- Q. You had no limit to the amount of money you were prepared to spend to bring this Inquiry or this negotiation to a

- conclusion, fair enough?
- A. Well, that...yes, that's correct, sure. I won't say no limit.
- Obviously that's not accurate, but in the context in which you've put it the answer is yes.
- 5 Q. No practical limit.
- A. Yes.
- Q. You knew that Marshall would have difficulties associated merely with the eleven years of wrongfully imprisonment, correct?
- 10 A. Oh, certainly just as a general perception, yes.
- 11 Q. The Government didn't have that problem.
- 12 A. That's right.
- Q. You knew that he was an Indian without education.
- 14 A. Yes.
- Q. Whose only experience in the world at that point was narrow, unsophisticated...
- 17 A. Yes.
- 18 Q. ...because of his eleven years of imprisonment.
- 19 A. Right.
- 20 Q. The Government didn't have that problem.
- 21 A. That's right.
- Q. You'll agree with me that all those respects are important.
- 23 A. Yes.
- 24 Q. Significant.
- 25 A. Yes.

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- And in each and every one of them the relationship between Q. you and Marshall was fundamentally unequal.
- No, I don't subscribe to that.
- it was my view that the negotiation was a negotiation 4 between equals and Mr. Marshall was well represented by 5 counsel and that he was under no obligation to accept the settlement. We were prepared to proceed with the inquiry. 7 would like to think that by responding to the first request for 8 a payment of \$25,000 that we had indicated at least some degree of good faith and there were no further requests 10 coming forward for interim payments. But if any had been made, I certainly would have given it very serious 12 consideration. 13
  - Q. Aside from the fact that his lawyer was as good as your lawyers which I will concede to you quite freely, what's equal about it? Where are you and Marshall on equal positions? Explain it to me.
- No, just in the sense that this was a negotiation in which he Α. 18 was...he could either accept an offer or reject it.
- Yes, that's true. Q. 20
- We were not attempting to put any pressure on Mr. Cacchione 21 or Mr. Marshall to negotiate a settlement at all. We did not 22 initiate the process and we did make the interim payment. 23
- So the two respects and I take it the only two respects in Q. 24 which you can suggest to me now that you and Mr. Marshall 25

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- were equal was that (a) you had good lawyers both and (b) you were equal in that both had a perfectly equal right to accept or reject the agreement. Any other respects in which you're equal?
- A. Well, equal in the sense that both sides were free to continue on with the Inquiry, that we had set up that Inquiry for the express purpose of addressing the issue of compensation for Mr. Marshall and I would have been perfectly content to see that proceed.
- Q. Any other respects in which they're equal?
- A. I'm not sure if I understand your question. Certainly, the government obviously has enormous resources which no individual would possess. I'm not too sure where you're...
  - Q. I'm suggesting that this is a big guy fighting a little guy and it's an unequal contest. That's what I'm saying.
    - A. What I'm suggesting to you is first of all there was not a fight, that we had set up an Inquiry which was in the process of getting under way and which would have been, if it had proceeded, an independent Inquiry conducted by Judge Campbell and that he is the one who would have been making recommendations in terms of compensation for Mr. Marshall. And we were fully prepared to go that route.
- Q. In your view, despite the significant important factors that you've acknowledged which were unequal, this was still an equal contest.

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- A. Yes, in the sense that both sides were represented by competent solicitors and both sides were free either to agree on a settlement or not agree on a settlement.
- Q. I think we understand each other. Let's go back then in the negotiating process which I've digressed from because of your interesting suggestion, and I understand it now, that the two parties were bargaining equally, and come back to Page 484. The top of the page again, the paragraph you already looked at. Mr. Endres, according to the notes says, "Spoke to Felix. Told him that we cannot go that far." And "that far" obviously refers to Page 483, \$300,000 to \$325,000 plus Aronson's account, which was \$400,000. Was that true?
- A. I'm sorry, I misunderstood the question. Was what true?
- Q. Was it true in relation to that offer which you'll find at 483 middle, \$300,000 to \$325,000 plus Aronson's account which was \$78,000. "We cannot go that far." Is that true?
- A. I don't mean to seem obtuse. I'm not sure if I understand your question yet.
- Q. Was the Attorney General actually in a position where they could say in all honesty "We cannot go that far." Was that a true statement or not?
- A. You mean we cannot go to the...
- Q. To the total of \$375,000 or \$380,000, to \$405,000.
- MR. SAUNDERS
- 25 My Lord, I hesitate to interject again. It's my friend's cross-

- 1 | examination, but surely Mr. Endres is the best witness to say what
- he intended by the phrase "that far." I mean it's his note of what
- 3 he perceived his instructions to be.
- 4 MR. RUBY
- 5 My Lord, it's inconvenient to the witness to bring him back
- afterwards, after Mr. Endres has testified, so I want to ask him
- what the ordinary meaning of that is and get his view.
- 8 MR. CHAIRMAN
- 9 I suppose the ultimate decision is for us to, after we hear the
- other witnesses, as to what that means. My understanding is that
- this is a note from Mr. Endres and I think I heard Mr. Giffin say
- that he had not seen these notes until he started to prepare for his
- 13 testimony.
- 14 MR. RUBY
- 15 That's right.
- 16 MR. CHAIRMAN
- And I don't know how his interpretation is going to help us.
- 18 MR. RUBY
- 19 I'm not asking him to interpret the note. I'm saying assuming it
- 20 means exactly what it says "We cannot go that far." Words of
- plain English import. Whether that's true as far as he knew, what
- was in his mind during the negotiations or whether that's another
- 23 misrepresentation.
- 24 MR. CHAIRMAN
- 25 There was evidence yesterday, as I recall it, from Mr. Giffin, that

- the lawyers negotiating or the lawyer negotiating for the
- government of Nova Scotia could go to \$325,000 without coming
- 3 back.
- 4 MR. RUBY
- 5 That's right.
- 6 MR. CHAIRMAN
- 7 That's his maximum without coming back. Now whether when a
- g client gives that instruction to a lawyer on how to negotiate, "Now
- you can go to three twenty-five." And the lawyer during his
- negotiating starts from the bottom. One starts from the top and
- goes down and the other from the bottom and comes up. Well, I
- would leave that to the lawyers to decide and I'm sure the
- practice varies from one lawyer to the next. I take it the same
- questions could be put to Mr. Cacchione. "What was the lowest
- amount that you were instructed to accept?"
- 16 MR. RUBY
- 17 I'm certain it will be.
- 18 MR. CHAIRMAN
- That's why I say I don't know how helpful all this is.
- 20 MR. RUBY
- 21 What I want to get is what this witness can tell me, that whether
- or not that statement was true or whether it required a
- qualification in order to be true. And he's the only one who can
- tell us that because he's the man in charge of the negotiation. Let
- 25 me try the question again so you'll understand what I want to ask.

- 1 | Don't answer for a moment until their Lordships rule. I want to
- know from you whether or not it is true when he said "We cannot
- go that far" or that the truth would have been "Look, I can't go
- that far unless I go back to my Minister and get specific approval."
- 5 A. My understanding is...
- 6 Q. Don't answer for a moment.
- 7 A. I'm sorry, I apologize.

## 8 MR. CHAIRMAN

- Let him answer. It's the fourth time he's been asked so once more
- won't hurt him.

# 11 MR. RUBY

- 12 O.K. You may answer the question.
- A. All right, my understanding was that we had given Mr.
- Endres negotiating room up to \$325,000. That, if he was
- going to go beyond that, then, yes, he would have to come
- back.
- Q. So an accurate statement would not be "We cannot go that
- far," but rather "We cannot go that far without going back to
- our Minister for approval." Is that true?
- A. Yes, I have some difficulty in reading so much into that kind
- of shorthand note.
- Q. I'm not asking you to read into it. I'm just asking assuming it
- means what it says, assuming that, that would not be
- 24 accurate?
- 25 A. That's correct. If he was going to go beyond three hundred

- and twenty-five, then he would have had to come back to us.
- Q. If this note is correct then, there are...tell me if you'll agree with me, Page 484, three items that were not, strictly speaking, true. (1) the statement "We cannot go that far," should have gone farther and you've just touched on that.

  Secondly, "We have a limit" was not true. There was no limit.
  - A. Well, only in the sense that if he went past three twenty five, he would have to come back to us.
- Q. And that was not, you said, a real limit?
- 10 A. That's correct.
- Q. And third when he says "I was authorized an additional ten thousand dollars, he was authorized an additional fifteen." So in three respects, if that note is correct as to what was said, the representations were false, correct?
- 15 A. Yes.

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- Q. Now look, if that's so, I take it you would not have approved that process because you told me that your primary concern was to see that the process of negotiation was fair and honest and open.
- 20 A. Yes.
- Q. And if that's so, it's just not fair and honest and open, is it?
- A. Well, you're asking me to...
- 23 Q. If that's so, assuming that that's so.
- A. If that's so, then your statement is correct, yes.
- 25 | Q. And you would not have approved that process if that's so?

- 1 | A. That's right.
- Q. Were you Minister when Billy Joe MacLean who I think was then Culture Minister...
- 4 MR. SAUNDERS
- 5 Does this have anything to do with this Inquiry?
- 6 MR. RUBY
- 7 He's very leery about certain names.
- 8 MR. SAUNDERS
- 9 Well, we recognize that...
- 10 COMMISSIONER EVANS
- 11 If we're going to be much longer I shall be leaving.
- MR. CHAIRMAN
- Ask the question at least so that we can decide whether or not it
- has anything to do with Donald Marshall, Jr.
- MR. RUBY
- Q. Were you Minister when the government of Nova Scotia
  forgave Billy Joe MacLean who I think was then Culture
  Minister, you correct me if I'm wrong, a debt owed to the
  family Shieling Motel in Port Hawkesbury. And would you
  tell me the amount involved in that one?
- 21 MR. SAUNDERS
- Well, My Lords, what does that have to do with this Inquiry?
- 23 MR. RUBY
- I want to ask this man if he was in the government at that point in time.

- 1 | MR. CHAIRMAN
- 2 Supposing he was. What does that suggest?
- 3 MR. RUBY
- 4 Whether the government bargained as hard on that issue as they
- 5 have done this one.
- 6 COMMISSIONER EVANS
- 7 Surely we're not going to try that issue.
- 8 MR. CHAIRMAN
- 9 No, we're not.
- 10 COMMISSIONER EVANS
- 11 We have problems enough, Mr. Ruby.
- MR. RUBY
- 13 Thank you, My Lord.
- 14 COMMISSIONER EVANS
- Next you'll be asking if they bargained about a breakwater in
- some place rather than...if they bargained as hard as they should
- 17 have with the contractors.
- 18 MR. RUBY
- 19 I won't press it but the point of my question is that this seems to
- 20 me it's very hard bargaining indeed.
- 21 COMMISSIONER EVANS
- It always is, Mr. Ruby. If you'd done civil work, you would
- 23 appreciate that. This was an ex gratia deal. They had a...as I
- understand it, had a legal opinion. There was no legal
- 25 responsibility. They put two lawyers together at the request of

- 1 | Mr. Cacchione and they were bargaining. And you come in with
- your top figure and you come in with your low figure and some
- 3 place in between you arrive at a settlement.
- 4 MR. RUBY
- 5 It may be tough negotiations but it's negotiations.
- 6 MR. RUBY
- 7 It's quite tough and maybe in criminal law we all act in sweetness
- 8 and light, but we'll bargain as hard.
- 9 COMMISSIONER EVANS
- Oh, Mr. Ruby, in criminal law the bargaining is equally good when
- you get into plea bargaining. Somebody wants to go to jail and the
- other wants a suspended sentence. Some place you arrive at a
- compromise. And you are very expert at that, I may say.
- MR. RUBY
- 15 I cannot deny this.
- 16 COMMISSIONER EVANS
- I speak with some experience in that, Mr. Ruby, and I appreciate
- 18 your ability in that line.
- 19 MR. CHAIRMAN
- Well, the concern is that I hope that all these resources that we've
- been hearing about today will still be available...are still available
- to [eke?] out counsel fees now. And on that delightful note, we
- will now adjourn until Monday at 9:30.
- HEARING ADJOURNED TO MONDAY, MARCH 21, 1988, AT 9:30 A.M.

# REPORTER'S CERTIFICATE

I, Margaret E. Graham, Court Reporter, certify that the foregoing is a true and accurate transcript of all the evidence taken by way of recording and reduced to typewritten copy.

Margaret E. Graham

DATED THIS 17 day of March

1988 at Dartmouth, Nova Scotia