



**THE LAW  
FOUNDATION  
OF NEWFOUNDLAND**

**Annual Report  
2002**

# Law Foundation of Newfoundland and Labrador

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*The Law Foundation of Newfoundland and Labrador is heritage partner for the **History of Law and the Courts**, [www.heritage.nf.ca](http://www.heritage.nf.ca) on the Newfoundland and Labrador Heritage Web Site at Memorial University. This public history project presents the province's rich heritage in a format that combines text, graphics, audio and video. Six major areas, involving heritage partners, are featured: Natural Environment, Aboriginal Peoples, Exploration and Settlement, Government and Politics, Society, Economy and Culture, and the Arts. In addition to this cultural and academic knowledge-base being available on the Internet to university students and the general public, as a further educational resource high school students are able to access high school curriculum specific modules on the law and constitutional issues.*

The Law Foundation, established in February, 1980, provides grants to advance public understanding of the law and access to legal services.

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# LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## ANNUAL REPORT 2002

The Law Foundation of Newfoundland and Labrador from 1980 to December 31, 2002 approved funding totalling \$9,346,807. for the following objects:

(a) legal education and legal research	\$ 1,522,653.
(b) law reform	126,809.
(c) legal aid	4,756,743.
(d) legal referral service	49,069.
(e) law libraries	2,601,533.
(f) law scholarships	290,000.
	\$ 9,346,807.

The Law Foundation in 2002 had revenues of \$242,859., a decrease of \$437,084. from 2001 revenues of \$679,943.

2002 revenues comprised \$227,672. in interest on lawyers' trust accounts (\$636,264. in 2001) and \$15,187. from investments (\$43,679. in 2001).

The Foundation's equity position at December 31, 2002, its fiscal year end, was \$735,777. (\$879,917., December 31, 2001), comprising

the Reserve Account of \$735,777. (\$747,368., December 31, 2001) and nil Undistributed Revenue. Undistributed Revenue at December 31, 2001 was \$132,549.

With respect to the Reserve Account, it is the policy of the Foundation to maintain a minimum deposit of \$200,000. for administration, \$493,409.\* for grants stabilization in the event of revenue reduction, and \$42,368.\*\* for legal education, research and law reform.

The Foundation maintains a separate Law School Scholarships Trust Fund. The Law School Scholarships Selection Committee awards up to three \$5,000. annual entrance scholarships from the revenue of the Fund.

In 2001 the Board agreed the Foundation will transfer to the Law School Scholarships Trust Fund any excess of revenue over expense, to an annual maximum of \$50,000., until the Fund's capital (\$200,000. at December 31, 2001 and 2002) reaches a balance of \$300,000. No transfer occurred for 2002 due to \$6,591. excess of expense over revenue (\$6,591. reduced Reserve's \$500,000. grants stabilization to \$493,409.\*).

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\* The Board maintained 2002 core grants at 2001 levels (the Board in 2001 approved a deferred grant expense totalling \$190,550. which applied to 2002). In 2002, after applying Undistributed Revenue of \$132,549. at December 31, 2001 towards the deferred grant expense for 2002, expense, which includes the Legal Aid Commission contribution of \$100,121. for calendar year 2002, exceeded 2002 revenue by \$6,591.

Accordingly, the Reserve Account's \$500,000. for grants stabilization in the event of revenue reduction, which occurred in 2002 by 64.28%, was reduced by \$6,591. to \$493,409.

The Board in 2002 approved 2003 core grants at 2002 levels (deferred grants expense for 2003 is \$191,717. - see list of grants at back of Annual Report 2002). Reduction in the Reserve Account in 2003 is dependent on 2003 revenues to the Foundation.

The Board has advised some grantees that, if interest rates remain low, future funding may not be able to be maintained at existing levels.

\*\* The Board in 2002 approved a legal education and research grant for \$5,000. for Project Daisy, the Committee of Law Society responsible for gathering and preserving the history of the law, legal profession, Law Society, and Courts in Newfoundland and Labrador, for research, production and publication of a commemorative booklet entitled *Under the Clock: A Legal History of the "Ancient Capital"* by The Honourable Judge Gerald Barnable, Provincial Court of Newfoundland and Labrador, as part of a series of events held in 2002 to mark the 100th Anniversary of construction of the present Courthouse at Placentia, and celebrate the judicial history of the Court in that community since it was established in 1729. These funds were provided from the Reserve's legal education, research and law reform component, which reduced the balance from \$47,368. at December 31, 2001 to \$42,368 at December 31, 2002.

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Law Foundation revenues of \$242,859. in 2002 were down by \$437,084. or 64.28%.

Pursuant to the Law Society Act, the Board must contribute two-thirds (increased by government from one-third effective January 1, 1992) of the net revenues received in each calendar year directly to the Legal Aid Commission. Net revenues are defined as all interest earned, less office, salaries, professional fees and other administrative expenses.

The two-thirds contribution to the Legal Aid Commission was \$100,121. for calendar year 2002 (4.19% annual composite prime), compared to \$392,778. for 2001 (6.01% annual composite prime) and \$504,581. (7.23% annual composite prime) for 2000.

Composite prime, for the month, in 2002 started at 3.87% at January 31, and steadily increased through February 3.75%, March 3.75%, April 3.87%, May 4.00%, June 4.22%, July 4.37%, to August 4.50%, where it remained through to December 31.

With composite prime at 4.19% for the twelve months ended December 31, 2002 and the calculation based on composite prime minus 4.00%, banks have calculated revenue to the Law Foundation based on provision of the equivalent of a minimum rate approximating 1.15% on the monthly average credit balance, with or without service charges depending on the financial institution.

Composite prime, for the month, in 2001 started at the high of 7.50% at January 1, and steadily declined to 6.25% at June 30 and 4.00% at December 31.

The interest rate applied through 2001, using prime minus 4%, moved from 3.50% to 2.25% to what would have been 0.0% except for banks applying the provisions of a previously negotiated minimum rate approximating 1.15%, or interim rate of prime minus 3% or adjusted tiered rate, with or without service charges depending on the financial institution.

Composite prime, for the month, in 2000 increased from the low of 6.50% at January 1, to the high of 7.50% at June 1 where it remained through to December 31.

The interest rate applied through 2000, using prime minus 4% (a negotiated 1% improvement for the past several years from the historic rate of prime minus 5%), increased from 2.50% to 3.50%.

The interest paid on lawyers' trust accounts by banks in the province, prior to above interim rates, has been generally calculated on the monthly average prime minus 4.00% on the average monthly credit balance. Several banks alternatively have a tiered interest structure with competitive short-term deposit rates or prime minus various percentages, depending on account balances. A number of the banks, as well, waive basic service charges. The rates may differ between the banks and within the same bank nationally.

The interest earned on lawyers' mixed trust accounts is calculated by financial institutions based on interest rates and terms negotiated by the Foundation with the individual financial institutions. The interest is recorded by the Foundation upon receipt of the funds.

The lawyers' mixed trust accounts are not the property of, nor administered by, the Foundation. The Foundation is, therefore, unable to determine the amount of interest earned until such time as it is received from each individual financial institution, upon the lawyers' filed instructions.

The Foundation assumes that lawyers who receive or hold funds in trust for, or on account of, clients comply strictly with Section 69 of the Law Society Act and the Trust Account Rules of the Law Society. This compliance requires that lawyers credited with interest earned on funds held in lawyers' mixed trust accounts shall remit it to the Foundation.

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## LAW SCHOOL ENTRANCE SCHOLARSHIPS



Pictured at 2002/2003 Law Foundation of Newfoundland and Labrador Law School Entrance Scholarships presentation in St. John's are: standing (l-r) Hon. P. Derek Lewis, Q.C., Chair, Law Foundation, Valerie L. Marshall, LL.B., and W. Wayne Thistle, Q.C., members of Selection Committee; seated (l-r) Raymond G. Critch, April M. Thomas and Christopher D. Hickey.

The Law Foundation of Newfoundland and Labrador in 1984 established funding for up to three annual Law School Entrance Scholarships, in honour of the incorporation of the Law Society in 1834. The Scholarships, valued at \$5,000. each, are tenable for first year studies at any Canadian Law School.

The Scholarships are awarded to residents of the Province of Newfoundland and Labrador on the basis of academic excellence.

The successful candidates, in this competition's seventeenth year, for the academic year 2002/2003 and law schools they are attending are Raymond G. Critch, University of New

Brunswick, April M. Thomas, McGill University and Christopher D. Hickey, Osgoode Hall Law School, York University.

The Scholarships Selection Committee for the 2002/2003 Competition comprised Norman J. Whalen, Q.C., Chair, Valerie L. Marshall, LL.B., and W. Wayne Thistle, Q.C.

The Board of Governors of the Law Foundation is advised when the awards have been made.

The Law School Scholarships Trust Fund is separate from and in addition to the above stated equity position of the Foundation.

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## THE LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LEGAL RESEARCH AWARDS FOR STUDENTS OF MEMORIAL UNIVERSITY



Pictured at 2001/2002 Legal Research Awards presentation are:

Standing (l-r) Hon. P. Derek Lewis, Q.C., Chair, Law Foundation, Dr. Axel Meisen, President and Vice-Chancellor, Memorial University, Christopher P. Curran, LL.B., Chair of Selection Committee and appointee of Law Foundation, Dr. John A. Scott, Professor, Department of Philosophy and Morgan Cooper, M.I.R., LL.B., members of Selection Committee and appointees of Memorial University; seated (l-r) Award recipients Jennifer Clarke, Angela Crowley, Stephanie Mandville, Laura Brown and Daniel Vavasour.

The Law Foundation of Newfoundland and Labrador annually offers up to five Legal Research Awards valued at \$500. each to undergraduate students for best research term paper on one or more legal issues, or topics treated in a legal context, in a senior level course in any discipline at the undergraduate level. The papers submitted by and with endorsement of course professor or lecturer are judged initially by the Dean, or Director, or Department Head who makes a recommendation to a Selection Committee for the Awards.

The Selection Committee comprises appointees of Memorial University and the Law Foundation. The Awards are made by the Senate Committee on Undergraduate Scholarships and Financial Aid acting upon the recommendation of the Selection Committee.

An additional \$500. is provided annually by the Law Foundation to Queen Elizabeth II Library for the purchase of research materials and resources. Total Awards \$3,000.

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The successful candidates in the sixth annual 2001/2002 Competition, covering the three semesters Spring/Summer, Fall, 2001, Winter, 2002, are (in alphabetical order by Department; all five awards have equal standing):

Jennifer Clarke, Faculty of Arts, Department of History, Euthanasia: Legal Issues Surrounding the Right-to-Die, Law and Society 4000

Angela Crowley, Faculty of Business Administration, Replacement of Workers During a Legal Strike, Business 7322, Labour Law

Stephanie Mandville, Faculty of Business Administration, Secondary Picketing: Whose Right Should Prevail?, Business 7322, Labour Law

Laura Brown, Department of Political Science, When Justice Is Illegal: International Law and the

1999 NATO Bombing of Kosovo, Political Science 3210

Daniel Vavasour, Department of Political Science, Government and Courts: A Charter Inspired Relationship - Essay in Response to Janet L. Hiebert's work titled "Parliament, Courts and Rights: Sharing the Responsibility for Interpreting the Charter", Political Science 2710

The Law Foundation of Newfoundland and Labrador Legal Research Award for the particular course appears on the student's official University transcript.

The 2001/2002 Competition Selection Committee comprised Christopher P. Curran, LL.B., Chair, appointee of Law Foundation, John A. Scott, Ph.D., Professor, Department of Philosophy, and Morgan Cooper, M.I.R., LL.B., appointees of Memorial University.

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## CENTENNIAL LAW SCHOOL SCHOLARSHIPS

In honour of the 100<sup>th</sup> Anniversary of the Faculty of Law, University of New Brunswick in 1992, the Law Foundation of Newfoundland and Labrador provided a \$50,000. grant to the Heritage Campaign establishing a Scholarships Fund to award two scholarships, valued at \$1,750. each, for students enrolled in the Faculty of Law who are residents of the Province of Newfoundland and Labrador.

One scholarship is awarded to an upper year student based on a combination of financial need and demonstrated academic ability in the LLB program.

Erin Breen of St. John's, a third year law student, received the award in the second semester 2001/2002.

The other scholarship is awarded on the basis of academic excellence to a student entering first year.

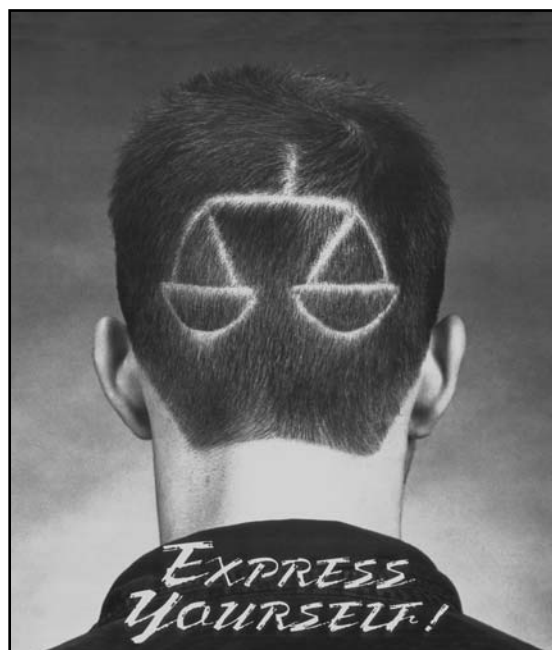
Morgan Peters of Stephenville received the award in the first semester 2002/2003.

The scholarships are awarded annually by the Admissions and Scholarships Committee of the Faculty of Law. The Law Foundation of Newfoundland and Labrador is advised when the awards have been made.

In 1986 the Law Foundation of Newfoundland and Labrador provided a \$50,000. grant to Dalhousie University, as part of the Campaign for Dalhousie, following the August 16, 1985 fire, for the reestablishment of the Dalhousie law library.

**THE  LAW  
FOUNDATION  
OF NEWFOUNDLAND**

**THE LAW FOUNDATION  
OF NEWFOUNDLAND AND LABRADOR  
2001 / 2002 HIGH SCHOOL  
LEGAL ESSAY COMPETITION**



**ANNOUNCEMENT OF WINNERS**

The Law Foundation of Newfoundland and Labrador in 1984 established a High School Legal Essay Competition for legal research writing on aspects of the law, in honour of the incorporation of the Law Society in 1834.

The winners in the 2001/2002 Nineteenth Annual Competition are:

**2001/2002 Provincial, & Eastern Region Winner:**

Courtney Matthews, Euthanasia,  
Mount Pearl Senior High School, Mount Pearl

**Labrador Region Winner:**

Laura Wells, National Security: How Far Are We  
Willing To Go?,  
Eric G. Lambert High School, Churchill Falls

**Western Region Winner:**

Susan Sparrow, Young Offenders Act: What  
Happens When Youth Kill?,  
Herdman Collegiate, Corner Brook

**1st Hon. Mention:**

Heather Ingram, Wrongly Convicted,  
Herdman Collegiate, Corner Brook

**2nd Hon. Mention:**

Katie Corbett, Family Violence And The Law,  
Herdman Collegiate, Corner Brook

**Awards: Student Provincial and Regional Winner \$500. (total prize); Student Regional Winner \$250.; Total prizes awarded to students \$1,200.; Total matching cash prizes to schools, for legal materials and resources for school libraries \$1,000.; First and Second Honourable Mentions, each valued at \$100. for students, where merited, were also awarded. Total prizes awarded: \$2,200.**

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# HIGH SCHOOL LEGAL ESSAY COMPETITION

Mount Pearl Senior High School Provincial and Eastern Region Award Wnner



Pictured at 2001/2002 High School Legal Essay Competition Award presentation at Mount Pearl Senior High School, Mount Pearl, are (l-r): Douglas Mercer, B.Sp.Ed., teacher, Law and History, Janet Vivian-Walsh, M.Ed., Principal, Mount Pearl Senior High School, Courtney Matthews, Provincial and Eastern Region Award Winner, and D. Gordon Woodland, B.Ed., LL.B., Law Foundation Legal Essay Selection Committee.

John C. Ottenheimer, M.Ed., LL.B., Chair, Crystal L. Eagan, B.A.(Ed.), a Governor of the Law Foundation, and Hon. George J. Furey, M.Ed., Q.C. are the other members of the Selection Committee.

## THE LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

In 2001, the Board approved funding totalling \$787,228., comprising \$596,678. in grants for 2001 and \$190,550. in grants for 2002.

In 2002, the Board approved funding totalling \$486,038., comprising \$294,321. in grants for 2002 and \$191,717. in grants for 2003.

The Board in 2002 approved the following grants, totalling \$191,717., which apply to 2003:

Canadian Bar Association, Newfoundland and Labrador, Law Day, April 15, 2003	\$ 1,167.
Law Society of Newfoundland and Labrador, Law Library, Gander, 2003 (acquisition of books)	9,000.
Law Society of Newfoundland and Labrador, Law Library, St. John's, 2003 (acquisition of books, with public access)	110,000.
Law Society of Newfoundland and Labrador, Law Library, West Coast, 2003 (acquisition of books)	20,000.
Public Legal Information Association, Newfoundland and Labrador Fiscal year April 1, 2003 - March 31, 2004 See Note under Public Legal Information Association below	45,000.
20th Annual High School Legal Essay Competition, 2002/2003	3,550.
7th Annual Legal Research Awards Competition for Students of Memorial University, 2002/2003	3,000.

The grants approved for 2002, totalling \$294,321., are broken down as follows:

Canadian Bar Association, Newfoundland and Labrador, Law Day, April 17, 2002 (Funding for 2001 carried forward to 2002 due to savings in 2001 programme of events)	
Law Society of Newfoundland and Labrador, Law Library, Gander, 2002 (acquisition of books)	9,000.

Law Society of Newfoundland and Labrador, Law Library, St. John's, 2002 (acquisition of books, with public access)	\$ 110,000.
Law Society of Newfoundland and Labrador, Law Library, West Coast, 2002 (acquisition of books)	20,000.
Legal Aid Commission: two-thirds net revenues contribution	100,121.
Project Daisy, the Committee of Law Society responsible for gathering and preserving the history of the law, legal profession, Law Society, and Courts in Newfoundland and Labrador, for research, production and publication of a commemorative booklet entitled <i>Under the Clock: A Legal History of the "Ancient Capital"</i> by The Honourable Judge Gerald Barnable, Provincial Court of Newfoundland and Labrador, as part of a series of events held in 2002 to mark the 100th Anniversary of construction of the present Courthouse at Placentia, and celebrate the judicial history of the Court in that community since it was established in 1729. <i>Funds provided from the legal education and research component of the Reserve Account.</i>	5,000.
Public Legal Information Association, Newfoundland and Labrador Fiscal year April 1, 2002 - March 31, 2003 <i>(Note: this core funding, recorded under the object of legal education and legal research, also maintains the infrastructure for the Association's operation of the Lawyer Referral Service.)</i>	45,000.
19th Annual High School Legal Essay Competition, 2001/2002	2,200.
6th Annual Legal Research Awards Competition for Students of Memorial University, 2001/2002	3,000.

Respectfully submitted,

Hon. P. Derek Lewis, Q.C.  
Chair, Board of Governors

  
**THE LAW**  
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