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UNIVERSITY OF LONDON
LONDON

-9 JUL 1953

In the Privy Council.

INSTITUTE OF ADVANCED
No. 15 of 1951
LEGAL STUDIES

ON APPEAL FROM THE SUPREME
COURT OF CANADA

BETWEEN

CANADA STEAMSHIP LINES LIMITED APPELLANT
AND
HIS MAJESTY THE KING RESPONDENT.

CASE FOR THE APPELLANT

1.—This is an appeal by special leave from six judgments of the Supreme Court of Canada dated the 23rd day of June, 1950, reversing in part a like number of judgments of the Exchequer Court of Canada (Angers J.) dated respectively the 3rd, 4th, 6th, 12th, 13th and 20th November, 1948, which had maintained Petitions of Right against the Respondent for damages arising out of a disastrous fire which, on the 5th May, 1944, destroyed a Freight Shed (described as the Ottawa Street Shed), occupied by the Appellant under lease from the Respondent on a wharf belonging to the latter in the St. Gabriel Basin of the inner harbour of Montreal.

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2.—In the first of such cases, instituted on 1st May, 1946, the Appellant was suppliant, claiming from the Respondent \$40,713.72 as the value of the property of the Appellant destroyed in the fire. In the remaining five cases, instituted as to the first two on 29th April, 1946, and 22nd February, 1946, respectively and as to the last three on 18th December, 1945, the suppliants were owners of other property destroyed by the fire; to wit, cargo in the hands of the Appellant awaiting shipment, goods stored in the shed by special arrangement with the Appellant and motor vehicles and other property lawfully in or about the shed at the time of the fire. The suppliants in these five cases and the amounts respectively claimed by them from the Respondent were as follows:—

| | | | |
|----------------------------------|-----|-----|--------------|
| J. H. Heinz Company of Canada | ... | ... | \$38,430.88 |
| Canada & Dominion Sugar Co. Ltd. | ... | ... | \$108,310.83 |
| W. H. Taylor Limited | ... | ... | \$3,670.25 |
| Raymond Copping | ... | ... | \$1,662.37 |
| Cunningham & Wells Limited | ... | ... | \$15,159.83 |

INSTITUTE OF ADVANCED
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25, RUSSELL SQUARE,
LONDON,
W.C.1.

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The total claimed by these suppliants other than the Petitioner as the value of the said cargo, goods, motor vehicles and other property was \$167,234.16. In addition to the present six cases, Petitions of Right were instituted against the Respondent in some 250 other cases involving additional claims arising out of the fire totalling \$325,636.05, which said Petitions of Right have remained in abeyance pending the outcome of these proceedings.

3.—In each of the present cases, which were tried together before the Exchequer Court of Canada, the trial judge maintained the suppliants' Petitions of Right against the Respondent and condemned the latter to 10 pay the damages claimed, the amount of which was admitted. In the five cases other than that in which the Appellant was suppliant, the trial judge also dismissed Third Party proceedings instituted by the Respondent seeking indemnity from the Appellant.

4.—The Respondent then entered a consolidated Appeal to the Supreme Court of Canada which, while upholding the judgment of the trial judge in favour of the suppliants other than the Appellant, reversed his decision so far as they related to the Appellant's claim and to the Third Party proceedings for indemnity brought by the Respondent against the Appellant 20 in respect of the claims of the other suppliants. The Appellant was further ordered to pay all the costs incurred in both Courts.

5.—The circumstances giving rise to these cases are as follows :—

The Appellant is a steamship company engaged (*inter alia*) in the transport of freight by water from Montreal to various ports on the Great Lakes. In order to secure facilities for the loading, discharging and delivery of cargo at Montreal in the conduct of its business the Appellant leased from the Respondent space on one of the latter's wharves in the St. Gabriel Basin of the inner harbour of Montreal, together with a large freight shed erected thereon, the whole by lease, dated 18th November, 1940. Under 30 the terms of the said lease the Respondent undertook (*inter alia*) to maintain the said shed, exclusive of a loading platform and canopy which the Appellant was authorised to construct.

6.—Some five or six days prior to the fire in question the Appellant's shed foreman had made complaint in general terms to the Superintendent of the Lachine Canal, under whose jurisdiction the shed in question fell, regarding the condition of the doors of the shed, a number of which required repairs. On 5th May, 1944, the day of the fire, the Respondent's servants, St. Laurent, Cote, Brazeau and Fauteux, without further reference to the Appellant were effecting repairs to such doors, the work undertaken by 40 them and the manner of its being carried out being entirely without reference to the Appellant or its employees.

7.—It was the time of the opening of navigation and the shed in question was completely full of a great variety of merchandise awaiting shipment, in addition to which it contained other goods stored by third parties by

Vol. 1, pp. 128-135

Vol. 1, p. 120, l. 40

Vol. 1, p. 52, l. 10

Vol. 1, p. 115, l. 33,
p. 116, l. 29, p. 121,
l. 20, *et seq.*

Vol. 1, p. 66, l. 6

special arrangement with the Appellant and a large quantity of cargo handling, office and other equipment belonging to the Appellant. At the time of the fire there were also a number of trucks and motor vehicles on the wharf delivering or about to deliver further goods for transport.

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Vol. 1, pp. 11, 18,
26, 33, 40 and 47

8.—The shed in question was constructed of corrugated iron on a steel frame and the shipping doors were hung on hinges bolted to the uprights of such frame. These uprights were in the form of steel “H-Beams,” the flanges of which were one-quarter to three-eighths of an inch thick.

Vol. 1, p. 85, l. 9,
p. 55, l. 35

9.—The Respondent’s employees, having almost completed their work on the afternoon of the day in question, had removed and straightened the upper hinge of one of the shipping doors which had to be replaced. These hinges had originally been affixed to the “H-Beam” with three-eighths inch bolts. When they came to replace the hinge in question the Respondent’s employees found that they had no three-eighths inch bolts with them, the smallest size being one-half inch in diameter. Instead of securing a bolt of the proper size they elected to enlarge the three-eighths inch hole in the “H-Beam” so that it would take the half-inch bolt.

Vol. 1, p. 53, l. 40
to p. 54

Vol. 1, p. 58, l. 29

10.—Inside the door immediately opposite and approximately three feet distant from the “H-Beam” in question were piled a number of bales of cotton waste.

Vol. 1, p. 81, l. 9,
p. 65, l. 23

11.—Having decided to enlarge the hole as aforesaid, the Respondent’s employees, instead of using an electric or hand drill or reamer for the purpose, an operation which would have taken about a minute and could have been carried out with perfect safety, elected to make use of an oxy-acetylene cutting torch which they happened to have at hand.

Vol. 1, p. 75 l. 18,
et seq.
p. 70, l. 35, *et seq.*
p. 79, l. 31

12.—The operation of this torch involved the use of oxygen and acetylene gas which are combined in a cutting-head under pressure and when ignited produce extremely high temperatures of from 5500° to 6300° Fahrenheit. The flame of the torch, at such temperatures, will cut through steel.

Vol. 1, p. 71, l. 22,
p. 72, l. 30

13.—The use of such a torch in the vicinity of inflammable material is highly dangerous since, apart from the heat of the torch itself, the operation of cutting the metal necessarily produces a shower of sparks or particles of molten metal which fly off at a tangent from the point of cutting and will travel up to fifteen feet.

Vol. 1, p. 72, l. 40,
et seq.

14.—Although they were aware of the presence of the aforesaid bales of inflammable cotton waste and the torch operator Cote was afraid sparks might enter the shed, the Respondent’s employees recklessly proceeded to use the said torch, directing it from the exterior into the interior of the shed. They knew that the sparks would enter the shed for they placed a board on the inside across the opening of the “H-Beam.” This Board was some three feet shorter than the beam and did not fit tight at the top

Vol. 1, p. 86, l. 35
Vol. 1, p. 60, l. 5

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Vol. 1, p. 85, l. 7

because it was cut square whereas the roof of the shed sloped. There were accordingly openings at both the top and the bottom of the beam through which sparks could escape.

Vol. 1, p. 59, l. 5,
et seq.
p. 84, l. 50
p. 86, l. 42

15.—The Respondent's employees knew that there was danger of a fire in the operation they were conducting but, apart from placing the plank as above, they contented themselves with stationing one of their number on top of the bales of cotton waste and putting an ordinary pail of water inside the shed though well out of his reach.

Vol. 1, p. 57, l. 13

16.—The operation of enlarging the hole involved using the torch for a matter of three or four minutes. Sparks did escape into the shed and the Respondent's employee stationed on the pile of bales saw at least one go over his head. The bales of cotton waste caught fire and the flames spread rapidly to the other contents of the shed and consumed the whole. 10

Vol. 1, p. 86, l. 8,
et seq.

Vol. 1, p. 84, l. 8,
p. 86, l. 46

17.—The lookout made no attempt to extinguish the fire with the pail of water, which was out of his reach in any event, or by other means, but immediately ran away. Had he been standing on the floor with the pail of water in his hand instead of being on top of the bales, he might have had some chance of extinguishing the incipient blaze and thus preventing the disaster. Moreover, had the Respondent's employees gone for a proper size bolt, or made use of a drill or reamer, which they made no attempt to claim was not available to them instead of attempting to save a few steps by adopting under futile precautions, the extremely hazardous use of an oxy-acetylene torch, there would have been no fire. 20

Vol. 1, p. 68
Vol. 1, p. 73

18.—Expert evidence with regard to the use of an oxy-acetylene torch in the circumstances and with regard to the precautions taken was given on behalf of the Appellant by two witnesses, Mitchell and Newill, whose evidence was not contradicted. They gave it as their opinion that it was most improper and foolhardy to have used an oxy-acetylene torch in the circumstances. In Newill's opinion the only proper way of enlarging the hole would have been with a drill or reamer. They thought that if it had been obligatory to use an oxy-acetylene torch, the bales of cotton should have been moved to a distance of twenty feet, and Mitchell would have required additional fire protection in the shape of sheet iron, or a hose pipe with running water and fire extinguishers. Both witnesses agreed that the precautions taken by the Respondent's servants were inadequate and Newill stigmatised them in stronger terms. 30

Vol. 2, p. 152, l. 10,
p. 165, l. 31

19.—After hearing this and the other evidence given the learned trial judge found as a fact that the fire and resulting damages were caused by the gross negligence of the Respondent's servants while acting within the scope of their duties or employment. 40

20.—The Respondent's case was based primarily upon a denial of negligence. In addition, so far as the Appellant's claim was concerned, the

Respondent pleaded that it was in any event barred by the provisions of Clause 7 of the lease. In the Third Party proceedings the Respondent relied upon Clause 17 of the lease as giving rise to a right of indemnity from the Appellant.

Vol. 1, p. 131, l. 31

Vol. 1 p. 133, l. 35

21.—Clause 7 of the lease provided :—

“ That the Lessee shall not have any claim or demand against
 “ the Lessor for detriment, damage or injury of any nature to
 “ the said land, the said shed, the said platform and the said
 “ canopy, or to any motor or other vehicles, materials, supplies,
 10 “ goods, articles, effects or things at any time brought, placed,
 “ made or being upon the said land, the said platform or in the
 “ said shed.”

By Clause 17 it was further provided :—

“ That the Lessee shall at all times indemnify and save
 “ harmless the Lessor from and against all claims and demands,
 “ loss, costs, damages, actions, suits or other proceedings by
 “ whomsoever made, brought or prosecuted, in any manner based
 “ upon, occasioned by or attributable to the execution of these
 “ Presents, or any action taken or things done or maintained by
 20 “ virtue hereof, or the exercise in any manner of rights arising
 “ hereunder.”

22.—The learned trial judge did not attempt to construe the meaning of Clauses 7 and 17 of the lease relied upon by the Respondent. It was not necessary for him to do so because, basing himself on the law of Quebec which he reviewed exhaustively, he found that no clause would extend to relieve the Respondent of liability for damages resulting from the gross negligence (*faute lourde*) of its servants. He accordingly refused to adopt Clause 7 as a bar to the Appellant's action or to hold that Clause 17 gave the Respondent a right to indemnity in the other five cases. In the result
 30 he condemned the Respondent to pay to the Appellant and to the other five suppliants the damages respectively claimed by them, and he dismissed the Third Party proceedings brought by the Respondent against the Appellant. The amount of the damages was agreed and is not in issue.

23.—The Supreme Court of Canada which heard the Respondent's appeal comprised Rinfret C.J. and Rand, Kellock, Estey, Locke, Cartwright and Fauteux J.J. By a majority of six to one (Locke J. dissenting) they reversed the trial judge in the Appellant's own case and they unanimously reversed the trial judge in the cases of the other five suppliants in so far as the Third Party proceedings of the Respondent against the Appellant
 40 were concerned.

24.—The Supreme Court of Canada concurred in the finding of the trial judge as to the negligence of the Respondent's servants but refused

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to hold that such negligence amounted to gross negligence (*faute lourde*). On the interpretation which they placed upon Clauses 7 (Locke J. dissenting) and upon 17 of the lease, they concluded that such clauses must be read as barring the Appellant's action and as entitling the Respondent to indemnity in the other actions. They accordingly confirmed the judgments maintaining the petitions of right in such five other cases and condemned the Appellant to indemnify the Respondent in respect thereof.

25.—Having reached the conclusion that the conduct of the Respondent's servants did not amount to gross negligence (*faute lourde*) within the meaning of Quebec law, the members of the Court below, with the possible exception of the Chief Justice, did not find it necessary specifically to dissent from the learned trial judge's decision that, under Quebec law, it is not possible to contract out of responsibility for the gross negligence of one's servants. 10

26.—It is respectfully submitted that the learned Chief Justice, although professing not to disturb the trial judge's finding of fact, failed completely to appreciate the evidence so far as the question of gross negligence (*faute lourde*) was concerned.

Vol. 3, p 10.

Thus he said :—

“ How the spark found its way to the bales of cotton waste, notwithstanding the board placed by the employees for the very purpose of preventing such an event, remained unexplained ” 20

“ It should be stated, however, that in cross-examination, Newill, one of the experts heard, admitted that blow-torches are used currently in many industries, in repairs to buildings and for the purpose of burning holes.”

Vol. 3, p. 11, l. 9

And again :—

“ As already stated, the evidence shows that the use of blow-torches for the purpose of burning holes is made currently in many industries and by men of construction and demolition companies. The operation was to last only a few minutes. The men had no drill or reamer with them at the time. Stopping the work to go and get a reamer might have meant a long delay and much inconvenience. It was only natural that for this extremely short work, they should use the instruments or tools which they had immediately at hand. They were only doing what admittedly is being done currently in works of that kind.” 30

27.—The Appellant respectfully submits that the foregoing passages show clearly the extent to which the learned Chief Justice misdirected himself on this fundamental question of fact. Basing himself on what he 40

described as an admission on cross-examination of the witness Newill, the learned Chief Justice says :—(V. Supra)

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“ They were only doing what admittedly is being done
“ currently in works of that kind.”

This statement misconceives the evidence. On cross-examination, Newill was asked the general question whether these torches were being used currently in many industries. He naturally admitted this obvious fact. Nowhere did he or anyone else admit that they were currently used in operations of the kind and under the extremely dangerous circumstances here involved. On the contrary Newill stated positively on re-examination :

Vol. 1, p. 76, l. 44

“ I say definitely that no competent workman should have
“ done it.”

Vol. 1, p. 79, l. 207

28.—The learned Chief Justice’s statement that the Respondent’s employees had no drill or reamer with them at the time and that stopping work to go and get one might have meant a long delay and much inconvenience is a mere supposition and not founded on any evidence. His further statement that it was only natural for them to use the tools they had at hand is, it is submitted, irrelevant to the question of whether or not the use of this particular tool in these circumstances constituted negligence, whether gross or otherwise.

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29.—Mr. Justice Rand, the other member of the Court below, who commented specifically on the conduct of the Respondent’s servants, appears to have fallen into the same error. Thus he says :—

Vol. 3, p. 18, l. 9

“ They were doing their work in the ordinary manner.”

30.—The learned Chief Justice, apparently to justify interfering with the finding of the trial judge that the conduct of the Respondent’s servants in fact constituted gross negligence (*faute lourde*) says :—

Vol. 3, p. 9, l. 27

“ But, of course, the question whether ‘ *faute lourde* ’ exists
“ is not merely a question of fact ; it is also a question of law.
“ The facts found must be brought within the proper legal definition
“ of ‘ *faute lourde*. ’ ”

30

The Appellant respectfully submits that, where degrees of negligence are recognised, as they are under the law of Quebec, the question, once negligence is found to exist, what is the extent and character of that negligence is a question of fact for the trial judge.

31.—However, the learned Chief Justice and the other members of the Court below all proceeded to test the conduct of the Respondent’s servants by reference to a definition of “ *faute lourde* ” given by Pothier in the following terms :—

40

“ *Faute lourde* consiste a ne pas apporter aux affaires d’autrui
“ le soin que les personnes les moins soigneuses et les plus stupides
“ ne manquent pas d’apporter a leurs affaires.”

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Vol. 3, p. 19, l. 17

Reference to the context in which this definition was employed by Pothier (a definition which Mr. Justice Kellock describes, it is submitted wrongly, as the "most favourable" to the Appellant) shows that it was applied to contractual responsibility arising out of agency and trustee relationships and not to delectual responsibility. The Appellant submits that a definition of gross negligence (*faute lourde*) more apt to apply in cases arising *ex delicto* is that of the Roman Jurisconsults given by Lalou "La Responsabilite Civile," 3rd Edition (1943) Nos. 415-8 as:—

"Le fait de n'avoir pas compris et de n'avoir pas prévu ce
" que tout la monde aurait compris et prévu." 10

32.—Applying the above quoted definition of Pothier as the test, the members of the Court below all concluded that the conduct of the Respondent's servants was not that of the least careful or most stupid persons, because they did take some precautions. This reasoning, coupled with the misapprehensions of fact noted above, led the Court below to the conclusion that there was no gross negligence or "*faute lourde*." The Appellant respectfully submits that the learned trial judge was in a better position to make such appreciation and did so on all the facts before him, as well as on his observation of the demeanor and mentality of the witnesses, The Appellant submits that, on a proper appreciation of the facts the conduct 20 of the Respondent's servants did amount to gross negligence (*faute lourde*), even under Pothier's definition and the more so under that of the Roman Jurisconsults.

33.—Having disposed of the ground upon which the trial judge dealt with the defence and Third Party proceedings in the manner above indicated, the members of the Court below then proceeded to deal with the meaning and the effect of the clauses in the lease upon which the Respondent relied, on the footing, it is submitted, that ordinary negligence and not "*faute lourde*" had been established.

34.—The views of the learned judges of the Supreme Court of Canada 30 differed as to the interpretation of Clauses 7 and 17 of the lease, neither of which expressly cover negligence. The Chief Justice held that Clause 7 was in sufficiently broad terms to cover all types of claims, including those arising from negligence, and provided for no exception whatever. He held further that the clause disclosed no ambiguity of meaning and that no intention to exclude the goods destroyed by fire in the present case could be collected. He therefore concluded that Clause 7 operated as a bar to the Appellant's own action. So far as Clause 17 was concerned, the Chief Justice again held that this clause was not susceptible of two meanings, that the claims of the suppliants other than the Appellant were attributable 40 to the execution and performance of the lease by the Crown, and, accordingly, strictly within the application of Clause 17. The Appellant submits that the Chief Justice erred in failing to apply to the two Clauses the principle that clauses of this nature are to be construed restrictively and

Vol. 3, p. 12, l. 40
Vol. 3, p. 13, l. 3

Vol. 3 p 14, l. 16

not extended to cover negligence when not expressly specified, unless there is no other liability to which they can attach.

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35.—Rand, Kellock, Estey, Cartwright and Fauteux, J.J., all doubted whether Clause 7, if standing alone, should have been construed as covering negligence by the Respondent or the Respondent's servants, but they came to the conclusion that Clause 17 could only be read as covering claims founded on negligence and they construed Clause 7 in the light of the conclusion they reached on the later Clause.

Vol. 3, pp. 17, 21,
25, 36, 41

36.—Locke, J., dissented on the construction of Clause 7 and held that that Clause should not be interpreted as covering negligence. He would accordingly have been for dismissing the appeal so far as it related to the Appellant's own action.

Vol. 3, p. 32, l. 1

37.—The Appellant respectfully submits the view of Locke, J., with regard to Clause 7 is right. The other members of the Court, with the exception of the Chief Justice, would have concurred in that view had they not been impelled to the contrary by what the Appellant submits was a misconception of the subject matter to which Clause 17 could apply. In the Appellant's submission there are a number of sources other than negligence from which claims might have arisen which would have been covered by Clause 17, as appears when that clause is read in conjunction with the whole of the other provisions of the lease. In particular, the Appellant submits that it is necessary to bear in mind those provisions of the lease whereby the Appellant was required to construct the loading platform and canopy under the supervision and direction of the Respondent's General Superintendent and thereafter to maintain the same, and the provision for common use with the public of the thirty foot strip adjoining the shed.

38.—The Appellant submits, as examples of claims by third parties against the Respondent, not arising from the negligence of the latter or its servants which would be covered by Clause 17, the following :—

- (A) Claims regarding the right to possession or occupation of the dock and shed in question.
- (B) Claims arising out of alleged improper construction of the loading platform and canopy, or failure to maintain the same.
- (C) Claims arising out of the use in common of a portion of the premises by the Appellant and the public generally and out of the priority in respect of such use conferred upon the Appellant by the lease.
- (D) Claims arising under Clauses 2 and 3 of the lease.
- (E) Claims arising out of the legal relationship between the Appellant and the Respondent, e.g., under Articles 1617 and 1618 of the Civil Code.
- (F) Claims arising out of the liability imposed by law on the owners of property, e.g., under Article 1055 C.C.

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39.—The Appellant submits that the broad language at the commencement of Clause 17 is in any event restricted by the concluding language thereof and that the claims by third parties here in question are in no way “based upon occasioned by or attributable to the execution of these Presents or any action taken or things done or maintained in virtue hereof or the exercise in any manner of rights arising hereunder.”

40.—The Appellant further submits that upon a proper construction the words in Clause 17 quoted above refer to the acts or defaults of the Appellant as lessee, in respect of which it is reasonable that the Respondent should seek indemnity, and do not extend so as to make the Appellant chargeable for the negligence of the Respondent towards third parties. 10

41.—As the Supreme Court of Canada held that there was no gross negligence on the part of the Respondent’s employees it was not necessary for them to consider whether, upon a proper construction, Clauses 7 and 17 of the lease covered gross negligence. The Appellant respectfully submits that even if the said clauses do cover ordinary negligence, there would be no warrant for construing them as extending also to gross negligence.

42.—The Supreme Court of Canada held, finally, that Clauses 7 and 17, as construed by them, were not illegal. In this respect the Court based its judgment on its previous decision in *Glengoil Steamship Company v. Pilkington* (28 S.C.R. 146) and the line of cases to which that decision gave rise. In the *Glengoil* case (decided in 1897) a clause in a Bill of Lading which exempted a carrier in express terms from liability for the negligence of its servants was held to be valid and binding under the law of the Province of Quebec. This decision, which reversed the previously established jurisprudence of the Province, has since been followed, though not in all cases, by the Courts of Quebec. Apart from other considerations, it is distinguishable from the present case in that the clause there expressly mentioned negligence and no question of gross negligence (*faute lourde*) was involved. The learned Chief Justice appears to go further than the other members of the Court in holding that the rule enunciated in the *Glengoil* case and in two subsequent decisions of the Quebec Court of Appeals purporting to follow it, would extend to cover gross negligence (*faute lourde*) as well as ordinary negligence. The Appellant submits that, even if the *Glengoil* case was properly decided, as to which much controversy has arisen, it cannot be extended in this way. The remaining members of the Court, having concluded that gross negligence was not proven in the present cases, were content to rely on the *Glengoil* decision as establishing the legality of a clause excluding liability for ordinary negligence and did not consider the position in relation to gross negligence. 30 40

Vol. 3, p. 11, l. 41

43.—The Appellant submits that the judgments of the Exchequer Court were right and should be restored that the judgments of the Supreme Court of Canada should be reversed and that the present appeal should be allowed with costs here and below, for the following amongst other

REASONS

1. BECAUSE the claims of the Appellant and the other suppliants arose out of the gross negligence of the Respondent's servants while acting within the scope of their duties or employment.
2. BECAUSE the Supreme Court of Canada should not have disturbed the findings of fact of the trial judge to that effect.
3. BECAUSE the Supreme Court of Canada was wrong in holding that the Respondent's servants had not been guilty of gross negligence.
4. BECAUSE the Supreme Court of Canada applied a wrong standard of gross negligence.
5. BECAUSE, upon their true construction, neither Clause 7 nor Clause 17 of the lease operates to relieve the Respondent from liability for claims arising out of the gross negligence of the Respondent or the Respondent's servants.
6. BECAUSE by the law of Quebec clauses stipulating immunity from or limitation of liability for the gross negligence of one of the contracting parties or his servants, or indemnity against such liability, are illegal and void.
7. BECAUSE in any event the claims of the Appellant and the other suppliants arose out of the negligence of the Respondent's servants while acting within the scope of their duties or employment.
8. BECAUSE, upon their true construction, neither Clause 7 nor Clause 17 of the lease operate to relieve the Respondent from liability for claims arising out of the negligence of the Respondent or the Respondent's servants.
9. BECAUSE by the law of Quebec clauses stipulating immunity from or limitation of liability for the negligence of one of the contracting parties or his servants, or indemnity against such liability, are illegal and void.
10. BECAUSE the reasons given by Locke, J., in that part of his judgment relating to the Appellant's own claim are right.
11. BECAUSE the reasons given by Angers, J., are right.

WALTER MONCKTON.

HAZEN HANSARD.

In the Privy Council.

No. 15 of 1951.

ON APPEAL FROM THE SUPREME COURT OF
CANADA.

BETWEEN
CANADA STEAMSHIP LINES
LIMITED... .. APPELLANT
AND
HIS MAJESTY THE KING RESPONDENT.

CASE FOR THE APPELLANT

LAWRENCE JONES & CO.,
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