

ICLR: Appeal Cases/1913/BRITISH GLANZSTOFF MANUFACTURING COMPANY, LIMITED APPELLANTS; AND GENERAL ACCIDENT, FIRE AND LIFE ASSURANCE CORPORATION, LIMITED RESPONDENTS. - [1913] A.C. 143

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**BRITISH GLANZSTOFF MANUFACTURING COMPANY, LIMITED APPELLANTS; AND  
GENERAL ACCIDENT, FIRE AND LIFE ASSURANCE CORPORATION, LIMITED  
RESPONDENTS.**

[HOUSE OF LORDS.]

1912 Oct. 28.

**VISCOUNT HALDANE L.C., EARL OF HALSBURY, LORD ATKINSON, and LORD SHAW OF  
DUNFERMLINE.**

*Building Contract - Construction - Liquidated Damages.*

APPEAL from an interlocutor of the First Division of the Court of Session in Scotland. (1)

The question raised by this appeal was whether upon the construction of a building contract entered into between the appellants (the pursuers) and William Brown & Sons, contractors, the appellants were entitled to claim as part of their damages for breach of contract a sum of liquidated damages in respect

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of the non-completion of the contract within the stipulated time. The respondents (the defenders) were an assurance company which guaranteed all loss and damage which the appellants might sustain through the failure of the contractors to carry out their contract. The contractors became bankrupt and suspended the works, and the appellants thereupon engaged another firm to complete them, but they were not completed until at least six weeks after the date specified in the original contract.

The First Division of the Court of Session (the Lord President, Lord Kinnear, Lord Johnston, and Lord Mackenzie), affirming the decision of the Lord Ordinary (Lord Dewar), held, upon the construction of clauses 24 and 26 of the contract, that the clause as to liquidated damages applied only where the contractors had themselves completed the contract and did not apply where the control of the contract had passed out of their hands.

**Ure, K.C., Lord Advocate** (of the Scottish Bar), and **Hudson, K.C.** (of the English Bar) (with them **David Anderson** (of the Scottish Bar)), for the appellants.

**Atkin, K.C., Constable, K.C.**, (of the Scottish Bar) and **Norie Miller**, for the respondents.

The House affirmed the decision of the First Division of the Court of Session upon the grounds stated by that Court.

*Lords' Journals, October 28, 1912.*

*Interlocutor of the First Division of the Court of Session in Scotland affirmed and appeal dismissed with costs.*

Agents for appellants: *Pritchard, Englefield & Co., for Simpson, North, Harley & Co., Liverpool, and Hume McGregor & Co., S.S.C., Edinburgh.*

Agents for respondents: *Freshfields, for Simpson & Marwick, W.S., Edinburgh.*