

Company shall make default for twelve months in the payment of any half-yearly instalment of interest upon the said loan, or any part thereof, or of interest upon the said sum of seven millions three hundred and eighty thousand nine hundred and twelve dollars, or any part thereof, or in the payment of the principal of either of the said sums, or any part of either of them when the same shall become due. in accordance with the provisions hereof, the right of the Company under thir contract hereinbefore mentioned to demand or receive any further cash or land subsidy, shall cease, and determine, and the said Railway and extensions thereof, branches, equipment, rolling stock, plant, including steamers, and all lands and property of the Company, and all land grant bonds then in the possession of the Government, shall upon the occurrence and continuance for the said period of twelve months of such default, *ipso facto*, and without any notice or proceeding whatsoever, vest in Her Majesty, and shall forthwith thereupon be taken possession of by the Minister of Railways and Canals, on behalf of the Government of Canada, and each and every employee of the Company shall from, and after the expiry of the said period of twelve months become, and be the employee of the Government during pleasure, and shall hold and possess any matter or thing, appertaining to the said Company, then in his custody, as and for the Government.

14. And it is hereby further covenanted and agreed that if at any time before the thirty-first day of May, one thousand eight hundred and eighty-six, the Government should not be satisfied that the progress being made by the Company with the work so contracted for under the said contract is sufficient to ensure the completion thereof by the said thirty-first day of May, one thousand eight hundred and eighty-six, and if the Government shall so notify the Company, and if forthwith after such notice the Company do not put on such additional force, and there-