

statutory covenant "that the mortgagor will pay the mortgage money and observe the above proviso."

In computing interest after maturity of the principal money, the Master allowed plaintiffs compound interest at 8 per cent. per annum, making the rests quarterly. Upon the argument Mr. Irving, for the defendants, while conceding that the above proviso entitled plaintiffs to interest at 8 per cent. per annum on all principal money as well after as before maturity, contended that plaintiffs were not even entitled to simple interest upon the quarterly gales of interest upon the principal money after maturity of the latter, much less compound interest. The words "as well after as before maturity thereof," in the first sentence of the proviso, have, I think, only the effect of extending the rate of interest to principal unpaid both before and after the year, and are not intended to and do not qualify the mode of payment. I think the word "payable" must, by necessary implication, be read into the proviso immediately before the word "quarterly" and be qualified by that word. Under this proviso, the mortgagor would clearly have no right, after default in paying principal, to insist that his interest was only payable quarterly, nor could the mortgagee refuse to accept payment of all principal and accrued interest and to discharge the mortgage at any time before a quarterly gale day. After the year the accrued interest is due and payable at any time the mortgagee may choose to sue for it, so that the word "quarterly" has no force when applied to any payments of interest except during the specific term of the mortgage.

In the second sentence of the proviso no express provision is made for payment of interest on interest that may accrue after maturity of the principal, or on default in paying same, and, in the absence of express words, I do not think we ought to presume that the parties intended to make provision for a breach of the covenant. The words "said interest not being punctually paid" can only refer to the interest in respect of which dates of payments are previously fixed, and the only dates so fixed are the four dates before and at maturity of the principal. The word "punctually," etymologically construed, means "on the point," i.e., I think, in this case, at the exact time fixed for payment in the previous sentence.

Then the words "date of its maturity" can only have reference to the previously fixed dates of maturity of interest, and not to the daily maturity which would occur after the expiration of the year. The last phrase of the proviso can also have reference only to the same dates of maturity.