

(1889), 17 Can. S.C.R. 151, Ritchie, C.J.C., stated the general principle of law (p. 155): "The comity of nations distinctly recognises the right of foreign incorporated companies to carry on business and make contracts outside of the country in which they are incorporated, if consistent with the purposes of the corporation, and not prohibited by its charter, and not inconsistent with the local laws of the country in which the business was carried on."

In *Canadian Pacific R.W. Co. v. Ottawa Fire Insurance Co.* (1907), 39 Can. S.C.R. 405, it was held "that a company incorporated under the authority of a Provincial Legislature to carry on the business of fire insurance is not inherently incapable of entering, outside the boundaries of its Province of origin, into a valid contract of insurance relating to property also outside of those limits." The Ottawa Fire Insurance Company was incorporated by Ontario in the same way and under the same statute as the company now in liquidation.

There was nothing in *Bonanza Creek Gold Mining Co. Limited v. The King*, [1916] 1 A.C. 566, which in any way narrowed the application of this decision. There the powers of the company were found to be the powers of a common law corporation, and so somewhat wider than had been assumed by the Canadian Courts.

The question was determined by the decision of the Supreme Court of Canada: see *Kettles v. Colonial Assurance Co.* (1917), 35 D.L.R. 588.

The appeals should be allowed, and it should be declared that the claims should rank.

The creditors and liquidator should have their costs here and below out of the fund.

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SUTHERLAND, J.

APRIL 22ND, 1919.

CHAREZIN v. TUCKER.

*Contract—Money Given to Woman for Immoral Purpose—Action by Donor to Recover Money—Claim Arising ex Turpi Causa—In Pari Delicto Melior est Conditio Possidentis.*

Appeal by the plaintiff from the report of the Senior Judge of the District Court of the District of Algoma, upon a reference to him for the trial of the action, which was brought in the Supreme Court of Ontario. The Referee reported that there should be judgment for the plaintiff for \$100 and Division Court costs with a set-off in favour of the defendant of the excess over Division Court costs of her costs incurred in the higher Court.