sovereignties within the definitions given in 1 Story's Const. 171, *Phillips* v. *Eyre*, L. R. 6 Q.B. 20, and *Reg.* v. *Burah*, L. R. 3 App. Cas. 904. Each has authority to create corporations; and therefore a company incorporated by a Provincial legislature has for the purposes of its business the same attributes, franchises and powers within the jurisdiction creating it, as a company incorporated by the Imperial or the Dominion Parliament, and may transact its business outside the Province wherever, by comity or otherwise, its contracts may be recognized.

The power to transact insurance business outside the Provincial jurisdiction creating such corporations, is regulated in Canada by the Act 40 Vict. c. 42, s. 28, which provides that companies incorporated by a Provincial legislature for carrying on the business of insurance within a Province, may, under certain conditions, transact such business throughout Canada. And the case of *Citizens Ins. Co.* v. *Parsons*, L.R. 7 App. Cas. 115, defines the jurisdiction of the Provincial legislatures over Dominion companies.

As to the objection that these defendants have not obtained power in their Act of incorporation to transact insurance business in foreign countries, it may be answered that no legislature can confer upon corporations created by it the right to carry on business outside its territory. The legislative enactments of a country have no binding force *propria vigore* in other territorial sovereignties. Where, however, a legislature assumes to authorize its corporations to carry on business in foreign countries, such authority is no more than a legislative sanction of an agreement amongst the corporators that their business may be carried on abroad as well as at home. It has been held by one of the Federal Courts of the United States that it is not competent for a State legislature to enact that its citizens shall not make such contracts as they please in respect of their business outside of the State: *Lamb* v. *Bowser*, 7 Biss. Cir. Ct. 315. Where there is no express provision in the charter o a corporation limiting its ordinary business to af particular place or territory, no such limitation can be implied: Morawitz on Corp. 502. And there is nothing in our law to prevent a corporation created here carrying on its business both at home and abroad in the same manner as an individual or a co-partnership engaged in a similar enterprise. The contract here sued upon appears to have been within the corporate powers of these defendants; and the cases show that such a contract would be recognized as valid in a foreign country.

Corporations are defined to be mere artificial bodies—invisible and intangible—local inhabitants of the places of their creation; yet they are "persons" for certain purposes in contemplation of law, and as such are permitted by the comity of nations to make contracts in other states than the one creating them, and which would be valid if made in such state by natural persons not resident therein: *Bard* v. *Poole*, 12 N. Y. 495. Natural persons through the intervention of agents are continually making contracts in countries in which they do not reside; and there can be no objection to the capacity of an artificial person, by its agent making a contract within the scope of its limited powers in a country in which it does not reside. By the law of comity among nations a corporation created by one sovereignty is permitted to make contracts in another, and to sue in its courts. "The public and well-known and long-continued usages of trade, and general acquiescence of states, all concur in proving the truth of this proposition:" *Bank of Augusta* v. *Earle* 13 Pet. 519 This comity is recognized in England; and a foreign corporation may carry on trade in London and be treated as if a resident there: *Newby* v. *Colt's Patent Firearms Co.*, L.R. 7 Q.B. 293. Similarly a foreign corporation may make contracts and carry on business in Ontario: *Howe Machine Co.* v. *Walker*, 35 U. C. R. 37. The locality of the forum determines whether a corporation is "foreign" or not, Thus a company incorporated by the Imperial Parliament for the purpose of building a railway in Scotland is a foreign corporation in England: *Mackereth* v. *Glasgow, etc., Ry. Co.*, L. R. 8 Ex. 149; although Scotland is not a foreign country to England: *Re Orr Ewing*, 22 Ch. D. 465. So an Irish railway company incorporated by the same Parliament is a foreign corporation in England, and may be compelled to give security for costs: *Kilkenny, etc., Ry. Co.* v. *Fielder*, 6 Exch. 81. And the Bank of Montreal is a foreign corporation in Upper Canada, (now Ontario): *Bank of Montreal* v. *Bethune*, 4 O.S. 341.

The defence raised by the non-payment of the premium brings up the question of the *lex loci contractus*, or whether the contract was made in