

such circumstances was not liable in any form to the payees. In that case William and Thomas McKinley requiring funds, commissioned their father James McKinley to obtain for them an advance of one thousand pounds. He communicated with John Walker, with the result that "Walker drew a bill for the amount addressed to William and Thomas McKinley, which he handed to their father. He sent it to his sons, who returned it duly accepted. He then wrote his own name on the back and handed it to Mr. Walker, who remitted its amount, less the discount, to the acceptors. So stated the transaction seems very plain, and it is identical with that in *Penny v. Innis*, except that in the latter case Innis put his name on the back after the bill had become payable to Brooks & Penny by virtue of a special indorsement to them, while here McKinley put his name on while the bill, on its face, was payable to Walker. All the essential conditions seem to be exactly the same. Moreover, in *Penny v. Innis*, the court had simply before it the fact of Innis having put his name on the bill. In *Steele v. McKinley*, they had the facts already stated along with others which induced Lord Blackburn to think it probable that Walker attached some importance to the signature of James McKinley, and advanced his money, in part at least, upon the faith of that signature being there.

Applying the doctrine of *Penny v. Innis*, it is difficult to see why the court did not say as in that case that the indorsement of the bill by James McKinley was a new drawing. Consistently with the case of *Penny v. Innis*, they should have said, in the language of Parke, B., "every indorser of a bill is a new drawer, and it is part of the inherent property of the original instrument that an indorsement operates as against the indorser in the nature of a new drawing of the bill by him." "It is urged that the defendant when he indorsed the bill had no property in it: but that is not necessary in order to render him liable to be sued upon the bill." This was the reasoning applied in the case of *Penny v. Innis*. It was not adopted by the House of Lords in this case. Lord Blackburn admitted that there might be an indorsement by a person not the holder