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UNIFORM COMMERCIAL CODE COMMITTEE REPORT <sup>1</sup>

The Uniform Commercial Code Committee was appointed in June of this year to examine into the advisability, as a matter of policy, of this bar association requesting the Congress to enact the Uniform Commercial Code for the District of Columbia. [The board of directors is on record as favoring the adoption of the code by the Congress for the District of Columbia.—Ed. Note.]

The committee submits this report which includes its recommendation that the code be enacted in the District of Columbia.

The code is a statute designed to cover and integrate almost the whole field of commercial law in a consistent manner. The scope of the code is shown by the titles of its 10 articles, as follows:

Article 1. General provisions.

Article 2. Sales.

Article 3. Commercial Paper.

Article 4. Bank Deposits and Collections.

Article 5. Letters of Credit.

Article 6. Bulk Transfers.

Article 7. Warehouse Receipts, Bills of Lading and Other Documents of Title.

Article 8. Investment Securities.

Article 9. Secured Transactions; Sales of Accounts, Contract Rights and Chattel Paper.

Article 10. Effective Date and Repealer.

In general, the code would replace the District of Columbia uniform acts on negotiable instruments, warehouse receipts, sales and stock transfers, as well as District of Columbia statutory provisions dealing with bulk sales and several District of Columbia Code provisions relating to bank checks.

The code, in the form recommended by this committee, would not replace the District of Columbia Code sections relating to pawnbrokers, moneylenders, liens on motor vehicles, and installment sales of motor vehicles.

## HISTORICAL BACKGROUND

The Uniform Commercial Code and its revisions were drafted under, and are still under, the joint sponsorship of the National Conference of Commissioners on Uniform State Laws and the American Law Institute. The work was begun in 1942 and continued without interruption until adoption of the code by its two sponsors in 1952. In the same year it was approved by the house of delegates of the American Bar Association.

As of the present time 18 States have adopted the code, as follows:

| <i>State adopting</i> | <i>Effective date</i> | <i>State adopting</i> | <i>Effective date</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Pennsylvania.....     | July 1, 1954          | Ohio.....             | July 1, 1962          |
| Massachusetts.....    | Oct. 1, 1958          | Oregon.....           | Sept. 1, 1963         |
| Kentucky.....         | July 1, 1960          | Oklahoma.....         | Dec. 31, 1962         |
| Connecticut.....      | Oct. 1, 1961          | Illinois.....         | July 1, 1962          |
| New Hampshire.....    | July 1, 1961          | New Jersey.....       | Jan. 1, 1963          |
| Rhode Island.....     | Jan. 1, 1962          | Georgia.....          | Apr. 1, 1963          |
| Wyoming.....          | Do.                   | New York.....         | Sept. 27, 1964        |
| Arkansas.....         | Do.                   | Alaska.....           | Dec. 31, 1962         |
| New Mexico.....       | Do.                   | Michigan.....         | Jan. 1, 1964          |

As shown above, the Pennsylvania Legislature enacted the code almost immediately with the result that the code has been subjected to a vigorous trial on a practical basis for over 8 years in one of the foremost commercial States.

In New York, however, the legislature proceeded differently. Instead of enacting the code, it referred the code for study to the New York law revision committee with a large appropriation to finance the work. The revision committee made an intensive study of the code, section by section, holding hearings in various parts of New York. In February 1956 the revision committee released its report which favored the idea "of careful and foresighted codification of all or major parts of commercial law", but contained many recommendations for change.

As a result of the experience in Pennsylvania and the thorough review of the code in New York, as well as suggestions from committees and organizations in

<sup>1</sup> George E. Monk, chairman, Andrew T. Altmann, and Jack E. Bindeman comprised the committee.