mercial code the law of every State until Congress is forced by pressure from business and financial interests all over the country to regulate such transactions as sales, the negotiation of commercial paper, the issuance of letters of credit, and most of the other facets of commercial law with which the code deals? And, even if the 50 States enact the commercial code, will individual State action, as in the making of scores of nonuniform amendments, indicate to those calling for adequate solutions that the States cannot satisfactorily continue to function in what has thus far been an important area of States rights?

That these questions are not mere figments of the imagination was rather definitely demonstrated by the fact that in the 1930's a Federal Sales Act was introduced in Congress because the Uniform Sales Act (*a*) had not been universally enacted by the States and (*b*) was not fluid enough to take account of new practices in trade and commerce which had developed since the act was drafted many years before, and which were continuing to develop at a more rapid pace than ever. It was only because the late Karl N. Llewellyn, then chairman of the Commercial Acts Section of the National Conference of Commissioners on Uniform State Laws, assured the proponents of the Federal Sales Act that the Uniform Sales Act would be modernized, that they agreed to withdraw the Federal act and give the conference another opportunity to show what it could accomplish.

WHAT THE CODE IS

Here let us stop for a moment to review what the uniform commercial code is.

It is a code regulating a great variety of commercial transactions, all of them of first importance. The code takes the place of all or parts of nine uniform acts which had been promulgated by the National Conference of Commissioners on Uniform State Laws before the task of preparing the code was undertaken, in 1942. These acts were the Uniform Sales Act, the Negotiable Instruments Law, the Uniform Bills-of-Lading Act, the Uniform Warehouse Receipts Act, the Uniform Stock Transfer Act, the Uniform Conditional Sales Act, the Uniform Trust Receipts Act, the Uniform Written Obligations Act, and the Uniform Fiduciaries Act.

The commercial code deals with sales, commercial paper; bank deposits and collections; letters of credit; bulk sales; documents of title, including warehouse receipts and bills of lading; investment securities; and secured transactions, including sales of accounts, contract rights and chattel paper.

Although the code is long, it is not nearly as long as the combined length of all of the acts it supersedes. The code, moreover, deals with several subjects which were never covered by uniform legislation. These additional subjects are bank deposits and collections, letters of credit and bulk sales. There are 400 sections in the code, but the nine uniform acts previously listed, which are superseded in whole or in part by it, contained 492 sections. When these facts are kept in mind, the code's size is not at all stupendous.

WHY A SINGLE CODE?

The question naturally arises, Why was it necessary to abandon the nine uniform acts, some of which were enacted by every State in the Union?

There are several answers. First, the most important uniform commercial acts which are being superseded were drafted in the early part of this century and modeled after English legislation, which had been drafted still earlier. They were not adapted to the business practices which followed in the wake of the tremendous development of methods of communication and transportation that has characterized the past 40 years. In addition, some of the acts were drafted rather hurriedly. By the year 1940, 80 of the 198 sections of the negotiable instruments law had different meanings in different States because the highest courts of different States had construed them differently. Finally, experience had taught the commissioners on uniform State laws that, while they might propose sets of amendments to these several uniform acts, legislatures were slow to pass the amendments and bring the acts up to date.

Therefore it was felt that it would be much more feasible, if the States were to remain in control of this field of legislation—the regulation of commercial transactions—to embody in one great commercial code all of the important facets of commercial law. It was thought that it would be much easier to have the code amended from time to time than it would be to have six or eight separate uniform acts, each dealing with one phase of commercial law, kept up to date by the process of amendment.

Whether this will prove to be true only the future will tell.