

DEVELOPMENT OF THE CODE; FIRST ENACTMENTS

The uniform commercial code was proposed in 1940. Shortly afterward, the American Law Institute and the National Conference of Commissioners on Uniform State Laws undertook the task as a joint project. An editorial board consisting of representatives of both bodies was created, and the code was drafted under its supervision. There were draftsmen for each of the articles of the code, and there were committees of advisers to assist the draftsmen as the work progressed. The code was almost the sole subject on the agenda at meetings of the institute and the conference for at least 5 years, and during most of those years there were two joint meetings each year. At last, in the fall of 1952, at a joint meeting of the commissioners and the institute, the code was finally adopted by them. Promptly thereafter it was endorsed by the American Bar Association.

When the Pennsylvania Legislature met in 1953, the code was one of the first bills introduced, and it was the first bill to be enacted and signed by the Governor—Act No. 1 of the 1953 session, which appears on page 3 of the 1953 laws.

It was hoped that New York also would enact the code in 1953. However, the New York Legislature referred it for study to its expert statutory drafting agency, the New York Law Revision Commission.

That action by the New York Legislature effectively stopped the progress of the code for the time being. Everyone outside of Pennsylvania awaited the verdict of the New York commission. That verdict was announced in February 1956. The commission's conclusion was that a code of commercial law was entirely feasible, but that in its then form the uniform commercial code was not ready for passage by the New York Legislature.

The staffs of the code's editorial board and the New York commission were in constant communication while the New York study was proceeding, so that the board was not surprised by the New York pronouncement. It immediately resumed work, reviewed the recommendations made by the New York commission, and in the fall of 1956 promulgated a revised uniform commercial code. The revised code was introduced into the Massachusetts Legislature early in 1957, and was enacted in September 1957, to become effective on October 1, 1958.

RECENT ENACTMENTS; STATE AMENDMENTS

Enactments of the code did not really gain momentum until 1961. Kentucky enacted it in 1958, Connecticut and New Hampshire in 1959, and Rhode Island in 1960. Then, in 1961, Wyoming, Arkansas, New Mexico, Ohio, Oregon, Oklahoma, Illinois, and New Jersey became code States, and they were followed in 1962 by Georgia, Alaska, New York, and Michigan. Meantime, in 1959, the Pennsylvania Legislature completely reenacted the code, substituting the revised for the original version.

While it is true that the 18 States which have enacted the code will have, generally speaking, the same law regulating commercial transactions when their codes all become effective,¹ it is also true that in some of the States a number of nonuniform amendments have, to some extent, impaired the chief value of the code, which is uniformity in State law regulating commercial transactions.

That the nonuniform amendments are by and large of a freakish nature is evident from the fact that only one section of the code has been amended in as many as 10 States. This is section 9-401, which relates to the place of filing financing statements. Unfortunately, the section was promulgated with a number of alternatives, and the alternatives were published in the official text in a manner which was highly confusing. That is being corrected in a new edition of the official text which is about to be published.

One section of the code was amended in seven States and another in six. Three sections were amended in five States, four sections in four States, and five sections in three States. The remaining amendments modified the same sections of the code in not more than two States. In most cases there is little similarity between the language or substance of amendments made by two or more States to the same section of the code. Also, there is a great disparity in the total number of nonuniform amendments made by each of the 18 enacting States.

Pennsylvania, with more than 8 years' experience under the code, has in its present code only one variation from the 1958 official text.² The banking, business, and financial interests, and the credit associations in Pennsylvania were completely satisfied with the original code. There was no demand anywhere in

¹ The code was not to be effective until after Jan. 1, 1963, in four of the States which had enacted it.

² That variation is due to the fact that one phrase in the 1952 version of art. 9 was deleted in the 1958 official text, but was unchanged in the reenacted Pennsylvania code.