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WHY THE COMMERCIAL CODE SHOULD BE "UNIFORM"

WILLIAM A. SCHNADER*

Subsection (2) of section 1-102 of the Uniform Commercial Code states that:

"(2) Underlying purposes and policies of this Act are

"(a) to simplify, clarify and modernize the law governing commercial transactions;

"(b) to permit the continued expansion of commercial practices through custom, usage and agreement of the parties;

"(c) to make uniform the law among the various jurisdictions."

Business men, lawyers, legislators and legislative draftsmen have no difficulty in understanding the purposes and policies of the Code as stated in clauses (a) and (b).

Everybody can understand why the law governing commercial transactions should be simplified, clarified and modernized, and why there should be continued expansion of commercial practices in this country through custom, usage and agreement of the parties.

Therefore, one would think that if the hundreds of thousands of hours of time and the hundreds of thousands of dollars of money which went into the drafting of the Uniform Commercial Code had produced a "model" Commercial Code, to serve as the base for any state desiring to improve its statutory law governing commercial transactions, the states would have enacted it immediately.

The truth is that the busy judges, law professors and practicing lawyers who contributed the hundreds of thousands of hours, and the foundations and business concerns that contributed the hundreds of thousands of dollars, would never have contributed their time or their money for the preparation of a "model" Commercial Code.

Viewed from this standpoint, the most important of the underlying purposes and policies of the "Uniform" Commercial Code is the last, namely, "to make uniform the law among the various jurisdictions."

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Here, too, we get general agreement among businessmen and lawyers that theoretically the law governing commercial transactions should be uniform among every American jurisdiction.

In this country there are only two possible methods of obtaining complete uniformity of the statutory law on any subject. One method is the enactment of a law by Congress. The other method is by adoption of the same statute by fifty states and the District of Columbia.

The difficulty with the first method, when we are considering the regulation of commercial transactions, is that Congress does not have complete power to deal with such transactions. It may deal with them only if they are in or affect interstate commerce. All of us know that the United States Supreme Court has found it possible to say that almost every commercial transaction "affects" interstate commerce, but even so there is a segment of these transactions which could not be said to have the slightest effect upon commerce between the states. Thus, to give Congress power to enact a statute like the Uniform Commercial Code which would be universally applicable throughout American jurisdictions, a constitutional amendment expanding the power of Congress to regulate commerce would be necessary.

If our state laws regulating commercial transactions are not made uniform in substantially all respects within the next few years, it is not unlikely that a movement may be initiated to have the necessary constitutional amendment proposed and adopted.

More than seventy years ago, in 1892, the National Conference of Commissioners on Uniform State Laws was organized because it was felt that there were certain areas of statutory law which needed to be uniform throughout the United States, and because it was felt that legislative power should not be further concentrated in the hands of the federal Congress. One of the subjects upon which there was general agreement that there should be uniformity was the law of commercial transactions. Therefore, it is not surprising that in the very first year of its existence the Conference promulgated an act on notes, checks, drafts and bills of exchange, and in 1896 it promulgated the Negotiable Instruments Law, a much more pretentious act dealing with commercial paper.

Promulgated in 1906 were the Uniform Sales Act and the Uniform Warehouse Receipts Act, in 1909 the Uniform Bills of Lading Act and the Uniform Stock Transfer Act, and still later, the Uniform Conditional Sales Act and the Uniform Trust Receipts Act.

Of these seven important acts regulating commercial transactions, only three have been enacted by every American jurisdiction, these being the Uniform Negotiable Instruments Law, the Uniform Warehouse

Receipts Act and the Uniform Stock Transfer Act. However, it required twenty-eight years to have the N.I.L. enacted by all the states, fifteen years to accomplish the same result with the Uniform Warehouse Receipts Act and forty-seven years to have the Uniform Stock Transfer Act adopted in every jurisdiction.

The Uniform Sales Act was promulgated in 1906, but after almost sixty years it has not as yet been universally enacted by the states, either separately or in modified form as Article 2 of the Uniform Commercial Code.

On the surface it might seem that to have the law relating to negotiable instruments uniform throughout the United States after twenty-eight years was a notable achievement. That might be so except for two facts. One fact is that non-uniform amendments were made by this state and that state, without consultation with or the approval or consent of the other states which had the N.I.L. on their statute books. The other fact is that in 1940, by actual count, 80 of the 198 sections of the N.I.L. had different meanings in different jurisdictions because their highest courts had construed them differently.

There is no known way in which the Supreme Courts of our American states can be induced, in construing a statutory provision, to follow the decisions of the highest courts of other states construing the same provision. Thus, it is incumbent upon the draftsmen of uniform acts to exert more than ordinary efforts to use clear and unambiguous language. That is the surest way to avoid divergent interpretations of the same language by different courts. However, in the drafting of the Uniform Commercial Code another step was taken to avoid this undesirable result. Careful comments were made explaining the history and purpose of each section. These comments are "official" because they were prepared, reviewed and adopted by the same persons who prepared, reviewed and adopted the text of the Code.

It was very largely because of the existing non-uniformity of the Negotiable Instruments Law as it had been modified either by legislative amendments or "judicial legislation" that in 1940, the proposal was made that a Uniform Commercial Code be prepared and promulgated in an effort to make the law regulating commercial transactions really uniform throughout the states.

Also, there were conflicting provisions in the Uniform Sales Act, the Uniform Warehouse Receipts Act and the Uniform Bills of Lading Act. Such a situation was undesirable and required attention.

Thus it was that in the fall of 1940, when the National Conference

of Commissioners on Uniform State Laws met in Philadelphia, the writer, who was then its President, said:¹

"Our splendid commercial acts were prepared and adopted by this Conference many years ago. Many changes in methods of transacting business have taken place in the meanwhile.

"In addition, they were adopted and recommended piecemeal. In a number of respects, there is overlapping and duplication, and in some instances, inconsistency, in dealing with negotiable instruments, bills of lading, warehouse receipts, stock transfers, sales and trust receipts.

"Could not a great uniform commercial code be prepared, which would bring the commercial law up to date, and which could become the uniform law of our fifty-three jurisdictions, by the passage of only fifty-three acts, instead of many times that number?"²

The National Conference answered the question in the affirmative but it found that the project was too great for it alone to handle. Fortunately, it was able to obtain the cooperation of The American Law Institute. Funds were subscribed and the work was undertaken and conducted as the major project of both organizations during a period of approximately seven years.

The Code was finally promulgated at a joint meeting of both organizations in New York City in September, 1951. Its first enactment was by the Pennsylvania Legislature in April, 1953, and to date, May 1, 1963, it has been enacted by twenty-two additional states.³

When the Uniform Laws Annotated edition of the Code came out in August, 1962, only eighteen states had enacted the Code, and thus it was impossible in that edition to call attention to the variations in the text of the Code which have been made by the five states which have thus far enacted it this year.

To show the lack of understanding of legislators and legislative draftsmen of the importance of uniformity in a monumental Code intended to regulate all commercial transactions in the United States, we shall call specific attention to the variations made in the eighteen

¹1940 Handbook of the National Conference of Commissioners on Uniform State Laws, 58 (1940).

²The 53 jurisdictions include the District of Columbia, Alaska, Hawaii, the Philippines and Puerto Rico. Granting of independence to the Philippines reduced the number to 52.

³For a fuller history of the preparation of the code see the edition of the Code published by Edward Thompson Company of Brooklyn, New York, as a part of Uniform Laws Annotated, at pages LXIII and LXXI. All citations of the Code hereafter will be to that work which, according to the publisher, is to be cited as Uniform Commercial Code (ULA), but which we shall cite as UCC, ULA.

states that had enacted the Code prior to January 1, 1963, in Article 3 on Commercial Paper, which largely takes the place of the N.I.L.

This will demonstrate more vividly than could be demonstrated in any other way the difficulty of obtaining complete statutory uniformity in the law regulating commercial transactions in this country, as long as the states are permitted to deal with this area of the law, unless a different attitude can be instilled into our legislators and into our state legislative draftsmen.

Parenthetically, let me state that the question which this article is intended to answer has not been overlooked. It will be answered later.

As promulgated by The American Law Institute and the National Conference of Commissioners on Uniform State Laws, Article 3 of the Code contains 79 sections. As indicated in 1 UCC, ULA, pages 359-568 only 58 of the 79 sections were uniformly adopted in the eighteen states. Incidentally, the reader should have in mind the states about which we are speaking. They are, in the order in which they enacted the Code, Pennsylvania, Massachusetts, Kentucky, Connecticut, New Hampshire, Rhode Island, Wyoming, Arkansas, New Mexico, Ohio, Oregon, Oklahoma, Illinois, New Jersey, Georgia, Alaska, New York and Michigan. Included in these states are, with several notable exceptions, the most important states in the Union as far as concerns commerce, finance and industry.

Of the twenty-one sections of this most important Article which were not uniformly adopted, a number suffered at the hands of what may be called statutory tinkerers. It must be remembered that the Editor-in-Chief of the Code was the late Karl N. Llewellyn, who in addition to being probably the country's foremost authority on commercial law, was one of the most accomplished and expert statutory draftsmen and critics our country has ever produced. Every line of the Code as promulgated had Karl's personal approval. Some of Karl's associates were equally adept and expert in statutory draftsmanship. For these reasons, to put it mildly, it takes a peculiar type of courage for an assistant in some legislative drafting agency (or even his chief) to presume that he has found a reason for changing the language of the Official Text and thus to destroy the complete uniformity of the Code.⁴

⁴This criticism has no application to modifications due to local procedural differences. It does apply to legislative drafting agencies which refuse to depart from their peculiar local drafting policies. Uniformity is impossible in a farflung field of law such as the regulation of commercial transactions unless every state is willing to yield some points (which ordinarily might be deemed important) in order to conform to the majority.

Now, let us look at the changes made by some states in Article 3. The very first section of Article 3, Section 3-101, is entitled "Short Title." It reads:

"This Article shall be known, and may be cited as Uniform Commercial Code—Commercial Paper."

Ohio omitted this section entirely, and in Oregon the words "shall be known and" were omitted. ¹ UCC, ULA 361.

It must be conceded that these omissions are minor, but they do indicate that the draftsmen who were responsible for them did not realize the importance of uniformity. Certainly, the inclusion in the Uniform Commercial Codes of both states of the section as written would have been completely harmless.

Nothing can justify the result, namely, that sixteen pre-1963 Code states include in their Codes this section as drafted by the Code's experts but that two states made these unnecessary and insignificant changes.

The next section in which unauthorized variations were made is section 3-102, entitled "Definitions and Index of Definitions." Here we find that changes were made in the Codes of Arkansas, Connecticut, Ohio and Oklahoma. ¹ UCC, ULA 365.

Subsection (2) of Section 3-102 begins, "Other definitions applying to this Article and the sections in which they appear are," and then follows a list of definitions, all contained in Article 3.

Subsection (3) of the same section states that—"The following definitions in other Articles apply to this Article" and then lists a number of definitions contained in Article 4.

Arkansas and Oklahoma felt it necessary to include in subsection (2) "Documentary Draft" which is listed in subsection (3) as appearing in section 4-104. This was clearly unnecessary as subsection (3) states that the definitions there listed "apply to this article."

In Connecticut and Ohio there was a little careless proofreading. Several references were to the wrong section.

Now we come to a different type of amendment, but before discussing it, it is necessary to say a word about the Permanent Editorial Board for the Uniform Commercial Code.

When the practice of making non-uniform amendments seemed to be becoming general in state after state, it was determined, if financial support could be obtained, to create a Permanent Editorial Board for the Uniform Commercial Code, and to ask those in charge of campaigns to have the Code enacted in non-Code states to withhold

making unauthorized amendments until the proposed amendments could be submitted to and passed upon by the Board.

The necessary financial support was obtained, an agreement was made by The American Law Institute and the National Conference of Commissioners on Uniform State Laws for the creation and functioning of the Board, and three sub-committees were appointed to study and examine any proposals made for the amendment of the Code, and also to examine the unauthorized amendments already made in Code states and to approve or disapprove them.

The assignment of Subcommittee No. 1 is Articles 1, 2, 6 and 7 of the Code; the assignment of Subcommittee No. 2 is Articles 3, 4, 5 and 8; and, to Subcommittee No. 3 is assigned Article 9.

The Permanent Editorial Board organized in May 1962, its sub-committees worked assiduously over the summer of 1962, and the Board had a three-day meeting in Philadelphia in the middle of October, after which it made its Report No. 1. In this Report a number of amendments were approved and promulgated, but a far greater number were disapproved.

This brings us back to the consideration of amendments to Article 3.

New York amends subsection (1)(c) of section 3-105 of the Code by adding certain words which would make a substantive difference in that subsection. 1 UCC, ULA 373.

In its October 1962 Report, the Editorial Board approved this amendment. Thus, the only criticism of New York's action was that New York acted individually and without first consulting the Editorial Board which had drafted the Code.

New York also amended sections 3-107(2), 3-112(1)(b)(c), 3-304, 3-415, 3-504(4), 3-701 and 3-804.

Two changes were made in subsection 3-107(2), both of which were rejected by the Editorial Board in its Report. The Board gave its reasons for rejection at length. 1 UCC, ULA, 379, and Report, page 71.

Section 3-112 is entitled "Terms and Omissions not Affecting Negotiability." 1 UCC, ULA 389.

The New York changes, in subsections (1)(b) and (c), were not approved by the Permanent Editorial Board, but the Board recommended that subsection (1)(b) be modified in a different way from that in which New York had amended it. Report, page 20.

Section 3-304—"Notice to Purchaser"—was amended by adding an entirely new clause (7) at the end of the section. 1 UCC, ULA 440.

The added clause practically reinstated section 56 of the N.I.L. in the Code, a section which had produced a tremendous amount of litigation and was intentionally abandoned by the Code's draftsmen.

The Permanent Editorial Board saw no reason for reversing a decision which had been deliberately made. Report, page 74.

New York added to Section 3-415—"Contract of Accommodation Party"—a new subsection (6). 1 UCC, ULA 497.

The added clause would have restored the warranty obligations of an accommodation indorser formerly imposed by sections 65 and 66 of the N.I.L.

The policy decision set forth in the Official Text of the Code was carefully considered and the Permanent Editorial Board was not persuaded that it should reverse the previous decision. Report, page 74.

Section 3-504(4) was amended by inserting at the beginning a clause which does not appear in the Official Text. The clause refers to section 4-204. 1 UCC, ULA 526.

The Editorial Board neither approved nor disapproved of this change.

Section 3-701—"Letter of Advice of International Sight Draft"—was amended by deleting entirely subsection (3). 1 UCC, ULA 558.

This subsection is:

"(3) Unless otherwise agreed and except where a draft is drawn under a credit issued by the drawee, the drawee of an international sight draft owes the drawer no duty to pay an unadvised draft but if it does so and the draft is genuine, may appropriately debit the drawer's account."

The Permanent Editorial Board rejected this deletion stating that "insufficient grounds have been advanced to delete the subsection." Report, page 76.

Section 3-804—"Lost, Destroyed or Stolen Instruments"—was amended by changing the word "may" to "shall" in the sentence, "The court may require security indemnifying the defendant against loss by reason of further claims on the instrument." 1 UCC, ULA 565.

The Permanent Editorial Board rejected this change on the ground that courts should have discretion whether or not to require security. Report, page 77.

Connecticut in 1961 amended section 3-106 of its Code. 1 UCC, ULA 377. That section is entitled "Sum Certain."

Section 3-106 begins, "(1) The sum payable is a sum certain even though it is to be paid" and then follow five situations which do not

prevent the sum payable from being a sum certain. To these situations Connecticut added a sixth clause reading as follows:

“(f) with provisions for payment by the maker of taxes levied or assessed upon the instrument or the indebtedness evidenced thereby.”

This amendment apparently escaped the attention of the Permanent Editorial Board as its Report neither approves nor disapproves it.

Oklahoma amended section 3-110, entitled “Payable to Order,” by inserting the word “there” in subsection (1)(g) so as to make the last part of the subsection read—“and may be indorsed or transferred by any person there thereto authorized.” We cannot believe that this was an intentional amendment. See 1 UCC, ULA 386.

Arkansas amended sections 3-118(a) and 3-501(2)(b). Section 3-118 is entitled “Ambiguous Terms and Rules of Construction.” Subsection (a) as drafted by the sponsors of the Code reads (1 UCC, ULA 401):

“Where there is doubt whether the instrument is a draft or a note the holder may treat it as either”

The draftsman apparently thought that he would improve this language by adding the word “drawn” after the word “draft”!

Section 3-501 is entitled “When Presentment, Notice of Dishonor, and Protest Necessary or Permissible.” 1 UCC, ULA 515.

Arkansas amended subsection (2)(b) so as to make it identical with subsection (1)(b). This was obviously an error.

For this reason, it was rejected by the Permanent Editorial Board. Report, page 75.

Connecticut, Illinois, Massachusetts, New York and Rhode Island amended section 3-122 in substantially the same manner, and the Permanent Editorial Board approved the change in its October 1962 Report. Report, page 21. See 1 UCC, ULA 409-410.

Wyoming rewrote subsection (3) of section 3-202, entitled “Negotiation” and omitted subsection (4) entirely. 1 UCC, ULA 415.

The rewriting of subsection (3) was disapproved by the Permanent Editorial Board (Report, page 73) as was the deletion of subsection (4) which reads:

“(4) Words of assignment, condition, waiver, guaranty, limitation or disclaimer of liability and the like accompanying an indorsement do not affect its character as an indorsement.”

The Permanent Editorial Board pointed out that this subsection resolved a conflict in decisions under the N.I.L. and that for this pur-

pose it was very useful. Accordingly, it rejected the Wyoming amendment. Report, page 73.

Arkansas and Oregon made changes in subsection (4) of section 3-206 entitled "Effect of Restrictive Indorsement." 1 UCC, ULA 422.

The Arkansas deviation is merely an inaccuracy, referring to section 3-203 instead of to section 3-302.

The Oregon change would omit a reference to another section in parentheses. These cross references appear throughout the Code for the purpose of making clear the intention of particular provisions. No good reason can be imagined for having deleted this reference.

Rhode Island departs from the Official Text in section 3-207 entitled "Negotiation Effective Although It May Be Rescinded." 1 UCC, ULA 425.

The last sentence of this section is as follows:

"(2) Except as against a subsequent holder in due course such negotiation is in an appropriate case subject to rescission, the declaration of a constructive trust or any other remedy permitted by law."

Rhode Island deleted the word "other" before "remedy."

This change was rejected by the Permanent Editorial Board as being merely a matter of style, without any legal significance. Report, page 74.

New Mexico amended section 3-403(2)(b) entitled "Signature by Authorized Representative." 1 UCC, ULA 465.

The amendment consists of inserting the word "not" in such a way as to make the last clause of the subsection meaningless.

Georgia amended section 3-405 entitled "Impostors; Signature in Name of Payee" by substituting the word "Imposter" for "Impostor." 1 UCC, ULA 471. This no doubt was accidental but there is a difference in the meaning of the words.

New Mexico and New York amended section 3-412, entitled "Acceptance Varying Draft." 1 UCC, ULA 491.

Subsection (2) reads:

"The terms of the draft are not varied by an acceptance to pay at any particular bank or place in the continental United States, unless the acceptance states that the draft is to be paid only at such bank or place."

New Mexico substituted the word "and" for "or" as the next to the last word. New York omitted the word "continental."

The Editorial Board approved the omission of the word "continental" and ignored the New Mexico variation. Report, page 23.

Ohio felt it necessary to modify section 3-419 relating to "Conversion of Instrument; Innocent Representative." 1 UCC, ULA 512.

The Official Text refers to "provisions of this act concerning restrictive endorsements." The Ohio draftsman was not satisfied with this but made specific reference by number to four sections of the Code.

Both Kentucky and Oklahoma amended subsection (1)(d) of section 3-601 by substituting the word "security" for "collateral." 1 UCC, ULA 545.

The Permanent Editorial Board rejected this substitution stating that the word should be "collateral." Report, page 76.

Oklahoma amended subsection (1)(b) of section 3-802 by inserting into the subsection an additional sentence. 1 UCC, ULA 562.

The Editorial Board rejected the amendment on the ground that "the additional language is already well recognized as a matter of case law." Report, page 76.

Of the eighteen pre-1963 Code states, five enacted the 79 sections of Article 3 without any variations from the Official Text. These states were Alaska, Michigan, New Hampshire, New Jersey and Pennsylvania.

Five states amended one section of the Official Text. These states were Georgia, Illinois, Kentucky, Massachusetts and Wyoming.

Two states, New Mexico and Rhode Island, changed two sections; two states, Connecticut and Ohio, changed three sections, and three states, Arkansas, Oklahoma and Oregon, changed four sections.

New York felt it necessary to amend nine sections. However, it must be said for New York that a bill enacted by the 1963 legislature has made the New York Code adhere much more nearly to the 1962 Official Text⁵ than the New York Act of 1962 conformed to the 1958 Official Text.

Although twenty-five sections of Article 3 were modified, nineteen of these sections were changed by only one state. The largest number of states to make the same amendment was five.⁶

Fifty-four sections (unamended in any of the eighteen states) constitute a little more than sixty-eight per cent of the sections in Article 3. It is true that of the amendments made to the twenty-five modified

⁵The 1962 Official Text is the 1958 Official Text with the amendments promulgated by the Permanent Editorial Board in October, 1962.

⁶We have not included as a change the amendment of § 3-511. There was a typographical error in printing the 1958 Official Text with Comments. This error resulted in the substitution of the word "of" for "or". The seven states which did not catch the error until after their Codes had been enacted were Arkansas, Connecticut, Georgia, Illinois, Massachusetts, Oregon and Wyoming.

sections, some were trivial, some were careless, and some were the result of a misunderstanding of the history and purpose of the section as promulgated by the Institute and the Conference.

The amendments which were trivial may be said to have done no harm but it can be said with equal force that being trivial, they should not have been made. The amendments which were due to carelessness illustrate the importance of having an act of the magnitude of the Code thoroughly proof-read. The amendments made because of a misunderstanding of the history and purpose of the amended provisions ought not to have been made without consulting the original Editorial Board which had supervised the drafting of the Code and which, although not active, was nevertheless available for consultation at all times.⁷

It is too early to give in detail the results of 1963 enactments either of the Code or of amendments to the Code.

We do know that five states which thus far have enacted the Code this year are said to have adopted the 1962 Official Text. And we do know that in a few, but not nearly the entire eighteen, of the states which enacted the Code prior to 1963, bills have either been enacted or are pending to bring the Code up to date by incorporating the officially promulgated 1962 amendments. As this is being written, legislatures are still in session so that it would be futile to try to assess the result of this year's legislation.

Now, finally, we come to the question, Why is uniformity important in our statutory law regulating commercial transactions?

The answer seems so obvious that it is almost difficult to formulate it.

Today, in the United States, the number of important concerns which transact business in every state is growing every year and the number which transact business in only one state is becoming less and less percentagewise. Writing as long ago as April 1958 in *The Business Lawyer*, Walter D. Malcolm, Esquire, of Boston, stated that:

“[T]he number of ‘items’ handled by banks as part of the bank collection process has, since 1900, grown to tremendous proportions. It has been estimated that throughout the entire country banks handle not less than 25,000,000 items every business day. As a matter of fact a rough test, made after that 25,000,000 estimate was made, indicates that the figure is nearer 50,000,000 items per day rather than twenty-five.

⁷The Chairman of the Board was the late Judge Herbert F. Goodrich of Philadelphia from the inception of the Code project until the Editorial Board was succeeded by the Permanent Editorial Board. Judge Goodrich was the first Chairman of the latter Board and the writer is now serving in that capacity.

"This tremendous volume moving with surprising speed and efficiency from one bank to another within single cities and towns and between cities and towns over state boundary lines has created a set of problems which are in no way satisfactorily handled by the commercial acts of 1900."

Should the sales department of a great manufacturer whose products go into every state be obliged to familiarize itself with the individual Codes of all the states which have enacted the "Uniform" Commercial Code for fear that the supposedly uniform provisions of the law of sales have been tampered with by local draftsmen? Should the officers of a bank in a great metropolitan center which has correspondents all over the United States be obliged to exercise care in dealing with banks in other states which have enacted the Uniform Commercial Code lest they overlook some non-uniform amendment which has been made in a particular state? Does not state individualism in the enactment of the Code destroy much of the value which the Code would otherwise have? And finally, in how many instances are non-uniform amendments made by individual states without consultation with the Code's Editorial Board, of major importance?

To the first two questions the obvious answer is "no"; to the third question the obvious answer is "yes"; and to the final question an examination of the typical article as nonuniformly amended in eighteen states will inevitably lead to the conclusion that none of the differing amendments was really important.

In this last connection, it may not be out of place to mention the fact that Pennsylvania, which is by no means the least important of the fifty states in commercial transactions, has had the Code in force almost ten years and has not found it necessary to make a single unofficial amendment.

The National Conference of Commissioners on Uniform State Laws intends to pursue real uniformity in the statutory regulation of commercial transactions unless and until the task becomes hopeless. States which have the Code on their statute books with a few or many non-uniform amendments will be urged to eliminate those amendments. And the effort to have our entire fifty states enact the Code as drafted with the amendments officially promulgated by the Permanent Editorial Board will continue.

We believe that within a very few years every state will have on its statute books a Commercial Code which will be approximately 75 per cent uniform. However, that will not satisfy those of us who as lawyers see the necessity for uniformity in this area and I fear that it will not permanently satisfy American business.