

# OHIO STATE LAW JOURNAL

VOLUME 15

WINTER 1953

NUMBER 1

## Foreword

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The Uniform Commercial Code has been given consideration by the Uniform Commissioners on State Laws and the American Law Institute for over ten years. During this time it has been studied critically by leading lawyers, judges and law professors. It has also been considered by representatives of business and other interested groups, who have made valuable suggestions, many of which have been adopted. Since its publication in final form in September 1952, a few clarifying amendments have been approved by the Editorial Board.

The Code attempts to bring up-to-date and codify the entire field of law relating to ordinary commercial transactions. It contains many improvements on the uniform laws which have been adopted previously in Ohio, such as the Negotiable Instruments Act, the Sales Act, the Warehouse Receipts Act, the Bills of Lading Act, Stock Transfer Act, and others. The purpose is to cover the whole field of commercial law in one set of simply expressed inter-related statutes, which will provide uniform rules, when adopted generally, for persons doing business throughout the United States. It should make business transactions simpler and less costly.

So far the Code has been adopted in only one state, Pennsylvania, to take effect July first of this year. It is under consideration by the legislatures of California, Connecticut, Illinois, Indiana, Massachusetts, Oklahoma and Rhode Island. It is also being studied by the State Law Revision Commission of the State of New York, which has an appropriation of Forty Thousand Dollars for the purpose.

The Code is divided into ten articles as follows:

1. General Provisions
2. Sales
3. Commercial Paper
4. Bank Deposits and Collections
5. Documentary Letters of Credit

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6. Bulk Transfer
7. Warehouse Receipts, Bills of Lading, and other Documents of Title.
8. Investment Securities
9. Secured Transactions; Sales of Accounts, Contract Rights and Chattel Paper
10. Effective Date and Repealer.

The articles in the Winter 1953 number of The Ohio State Law Journal and in the current number consider in detail the provisions of various Articles of the Code and their impact on Ohio law. Those who have studied it in detail find the Code a distinct improvement in the law. There is a distinct advantage in having one place to look for the rules governing commercial transactions. The principle of uniformity in enactment and interpretation, if it can be realized, will be a long step forward. As other states adopt this Code, Ohio, as one of the great commercial states, cannot afford to be backward in obtaining its advantages.

As stated in an article entitled "Uniform Commercial Code, a Major Step in the Evolution of Commercial Practices," published as a supplement to Business Review June 1953, by the Federal Reserve Bank of Philadelphia:

"It has been recognized for some time that the older concepts of common law, based in many instances upon commercial practices developed during the middle ages and the statutory attempts to clarify the situation, have not kept pace with the requirements of business and industrial progress in this atomic and electronic age. Too often application of the philosophy of the Statute of Elizabeth, prohibiting 'secret liens,' has vitiated a transaction to which modern businessmen would give their approval. The Code is an attempt to rectify this situation by recognizing modern developments in sales transactions, warehouse receipts, bills of lading, stock transfers, negotiable instruments, investment securities, bank deposits and letters of credit. It re-enacts many of the familiar rules, amends others and codifies new ones."

The Committee on Banking and Commercial Law of the Ohio State Bar Association, in cooperation with the Ohio Commissioners on Uniform States Laws, on March 26 and 27 held a meeting of representatives of Ohio business, finance, farm, labor, press and other organizations to consider the U.C.C. in all its aspects. The Committee itself may have certain recommendations to make as to its adoption in Ohio. It is hoped that the Legislative Service Commission of the Ohio Legislature will give the Code the necessary study so that it can be introduced in the next session of the legislature. In any event the Bar of Ohio should be alerted to its provisions, as it will doubtless soon be law in many important states among which number we may quite likely see Ohio.