

Book Review

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Cases on Commercial and Investment Paper. By ROSCOE STEFFEN. Second Edition. Brooklyn: Foundation Press, 1954. Pp. xl, 1024. With Statutory Material pamphlet, Pp. xi, 104. \$9.00.

This is a beautiful casebook, certainly one of the best in the business.

For those who are already admirers of the first edition, a paragraph from Steffen's preface will be enough to whet the appetite:

"This edition does not differ greatly from the first, put out fifteen years ago. It is somewhat better organized; there are a number of new cases; and, two or three new sections have emerged. Some interesting pictures of typical paper have been added. But in the main, it is the same 'team of horses.'" (P. xi.)

For people to whom the original team of horses is not well known, these are some of the virtues both of it and of the new one.

First, organization around transactions. Commercial law can be very blind and very dull, or otherwise, depending on whether one sees or does not see what goes on behind the papers. Steffen's organization around typical transactions and his factual introductions to each section and sharp footnotes to each case help both newcomers and old hands to understand the commercial facts behind the courts' opinions.

Second, organization, within the separate sections, around history. We all know that commercial law has deep roots in the past. But unless those roots are laid before us we may not realize how alive they are today. In Steffen, we meet Lord Mansfield frequently, and behind him, "a certain Marius," in context, close to the recent cases. It is amazing how the old law persists and illuminates the new. For instance, take the first case in Section 1, *Chat v. Edgar*, on p. 4. It was decided by the Court of King's Bench in 1663, but the transaction might have happened yesterday (substituting a bank or finance company for the parson as the drawer of the draft), and the result would be the same today. Or compare Lord Mansfield in *Pillans and Rose v. Van Mienop and Hopkins* (K.B. 1765), on p. 789, with the Uniform Commercial Code, Section 5-106(1): "No consideration is needed . . . to establish a credit. . . ." And have not *Price v. Neal* (K.B. 1762), on p. 446, and *Gill v. Cubit* (K.B. 1824), on p. 586, been fighting issues in the hearings before the Law Revision Commission of New York, in 1954, on the Uniform Commercial Code? The old commercial law, unlike so much of the feudal law of land, is still alive and kicking, and illuminates the present wonderfully.

Third, bank collection and payment, and also bank discount, both of cash items and of documentary drafts, are treated in some detail. This is confusing country. No doubt its terrors have been lessened for many small depositors by Federal Deposit Insurance; but banks still do fail sometimes, and not all items are under \$10,000. And, aside from any failure, people do stop payment on some checks, creditors levy attachments upon bank accounts, and buyers of goods do sometimes garnish, in the bank, the payments they have just made against delivery of documents. So Steffen's Sections 22 (Stop Payment and Adverse Claim), 23 (Counter and Clearing House Payment), 24 (Payment by Draft), and 25 ("Solvent Credit") are important and live law.

Fourth, "[i]nvestment securities are dealt with in greater detail than in the first edition. They owe too much to commercial paper to be allowed to go their own way, as something *sui generis*." (p. xi.) I am sure that this is right. Negotiability and its results, I take it, were not invented for the benefit of any special group of holders, but to make transactions in the market more secure. The most active markets that we have today for paper and the accompanying rights are securities exchanges. If anything should be negotiable, securities should be. So it is right to treat their law, as this book does, in direct relation to the law about commercial paper out of which, indeed, it grew.

The Statutory Material pamphlet prints the Negotiable Instruments Law, the Uniform Stock Transfer Act, the Hofstadter Act, the A.B.A. Bank Collection Code and Deferred Posting Statute, and some less important banking statutes. It does not print, for lack of space, the relevant Articles of the Uniform Commercial Code. (In Pennsylvania, or wherever else that Code may be enacted, students will, of course, own a copy of it anyway, and will need to check the cases against its provisions, just as they must now check them against the NIL, etc.) Instead, Steffen sets out sections of the Code, with his own sharp comments, under the cases where they seem most relevant.

Those of us who have worked so long and hard, whether successfully or not, to make the Code both fair and clear, cannot but be grateful to Steffen for the acuteness of these comments. If, sometimes, they seem to raise problems which a fuller study of the Code itself might dissipate, that is just another illustration of the enormous difficulty of clear drafting over such a large and diverse front.

Whether a given school will use this book or not will depend chiefly on how it organizes courses in Commercial Law. If, as under the new plan at Harvard, the whole law of commerce is treated as one field, there will not be time for the detailed development that Steffen gives. But if the assigned subject is the law of Bills and Notes alone, or that plus Bank Collections and Investment Paper, this is a grand tool. CHARLES BUNN, *University of Virginia*.