

STATEMENT FOR THE PRESS.

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Counsel to the Federal Reserve Board when questioned about the decision of the Illinois Supreme Court denying to national banks in Illinois the right to act as trustee, executor, administrator and registrar of stocks and bonds said : This is one of several suits pending in different State courts in which the question of the constitutionality of Section 11(k) of the Federal Reserve Act is involved. The Federal Reserve Board has asked leave to file briefs and to be heard by counsel in only one of these cases. It will not be argued until the latter part of January or in February.

There are two fundamental questions involved; first, whether Congress has authority under the constitution of the United States to vest national banks with corporate powers to act in these capacities, and second, whether the exercise of such powers will contravene the laws of the State in which any particular national bank is located.

The permits granted by the Board to national banks to act as trustee, executor, administrator and registrar of stocks and bonds expressly authorize the exercise of these powers only when not in contravention of the laws of the State in which such banks are located but the question of the constitutionality of the Act which is presented to the courts will be argued by Counsel for the Board. Some of these cases will be appealed to the Supreme Court of the United States and its decision on the constitutional question will be binding on all State courts.

12/28/15.