

But this Act of Congress does by its own special provisions secure to the United States certain priorities and preferences in the payment of its debts, due by the National associations—when a State Bank is converted into an association under this Act of Congress (44th section) it “shall have the same powers and privileges, and shall be subject to the same duties, responsibilities and rules in all respects as are prescribed in this Act for other associations organized under it, and shall be held and regarded as an association under this Act.”

By the 16th section of the Act of Congress and the ten following sections, provision is made requiring each of these associations to deposit with the Treasurer of the United States, bonds of the United States to an amount not less than \$30,000, and not less than one-third of their respective capitals liable to be increased if the bonds depreciate, to be held exclusively as a security for the redemption of their National currency notes, ninety per cent. of the value of which is to be issued to these associations in these National currency notes.

And by the 47th section, the United States is to have the first and paramount lien upon all the assets of the association for any deficiencies in their securities, to reimburse the United States in paying the circulating notes of the association.

Here then is a preference given to the United States for the benefit of note holders to the extent of at least one-third of the capital of each Bank organized under this Act of Congress, whether so organized originally or have become such from being a State Bank.

Another preference is given to the United States in the 45th section, which makes these associations depositaries of public money, under such regulations as may be prescribed by the Secretary of the Treasury, who shall require of them “satisfactory securities,” for the safe keeping, &c., of these public deposits, and for the faithful performance of their duties as financial agents of the Government. What will be the extent of this preference, can be known only by the extent of the public deposits by the United States, and the means of the associations given as securities, and their ultimate liability to the United States.

The supervision and control of these associations are placed by the 34th and 54th sections, under the Comptroller of the Currency, an officer appointed by the Government of the United States, whose duty it is to report rules for their Government, and who will be especially careful to protect the interest of the United States; whereas, these State Banks, are now under no such control, and are required to report to the State Comptroller.—Public General Laws, Code 61.