

ANGELITA V. VILLANUEVA AND PABLO C. SANIDAD, PETITIONERS, VS. THE DIRECTOR OF POSTS, RESPONDENT.

G.R. No. L-2035. August 23, 1949

Ponente: OZAETA, J.

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OZAETA, J.:

Before the war the petitioner Angelita V. Villanueva maintained a savings deposit with the Philippine Postal Savings Bank, which as of October 22, 1941, had a balance in her favor of P4.60. She made no further deposit in said account until the month of October, 1944. Between the 10th and the 31st of said month she made four deposits totalling P5,940.

The Director of Posts refused to recognize the validity of that deposit made during the occupation in Japanese military notes on the ground that it had been declared invalid by Executive Order No. 49, series of 1945.

The petitioner, assisted by her husband, seeks to compel the Director of Posts to recognize the validity of said deposit, contending that Executive Order No. 49 is unconstitutional in that it deprives her of her property without due process of law.

That question has been resolved by this court adversely to the petitioner in *Hilado vs. De la Costa* and the Philippine National Bank, G. R. No. L-150, April 30, 1949,[1] wherein it was held:

"We are of the considered opinion, and therefore hold, that the provisions of Executive Order No. 49, do not deprive the plaintiff of his property without due process of law or impair the obligation of contract entered into between him and defendant bank; because they are but the logical corollary and application to bank deposits in Japanese war notes of Executive Order No. 25, in so far as it declares that said notes are not legal tender in territories of the Philippines liberated from Japanese occupation, the validity of which is not, and cannot seriously be, questioned.

"It may safely be laid down as a rule that when a deposit is made with a bank or a person of notes made legal tender or currency by the military occupant of an enemy territory, and the occupation does not ripen into a conquest by the occupant because the territory is liberated and reoccupied by its legitimate government, the deposit must be considered as with specification of currency, that is, as a deposit of money made legal tender or currency by the occupant, without necessity of stating it expressly, unless there is evidence to the contrary, because it is the only kind of money or legal currency in circulation after the genuine money of the territory has disappeared from circulation, as in the present case. It should not be understood to be a general deposit without specification of currency, that is, a deposit of lawful money of the legitimate government, and it will have the same effect as if it were made with money that was legal tender or currency of a foreign country having no monetary treaty of agreement with the legitimate government; and therefore if such currency becomes valueless, the depositor shall have to suffer the loss, because the currency so deposited is exactly of the same condition and validity as that kept in the pockets or safe of the depositor."

The petition is denied, without any finding as to costs.

Moran, C.J., Paras, Feria, Bengzon, Padilla, Tuason, Montemayor, and Reyes, JJ., concur.

[1] 83 Phil., 471.

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