

[ Act No. 1493, May 24, 1906 ]

**AN ACT TO ENCOURAGE ECONOMY AND SAVING AMONG THE PEOPLE OF THE PHILIPPINE ISLANDS, AND TO THAT END TO PROVIDE FOR THE ESTABLISHMENT OF POSTAL SAVINGS BANKS AND THEIR ADMINISTRATION THROUGH THE ORGANIZATION OF A POSTAL SAVINGS BANK DIVISION IN THE BUREAU OF POSTS, AND FOR OTHER PURPOSES.**

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There shall be established in the Philippine Islands, under the control and management of the Director of Posts, an institution to be known as the Philippine Postal Savings Bank.

SEC. 2. (a) In order to facilitate the proper administration of the Philippine Postal Savings Bank, there is hereby created, as a part of the Bureau of Posts, a division to be known as the postal savings bank division, which shall be presided over by an officer to be known as the chief of the postal savings bank division, who shall receive a salary of six thousand pesos a year and perform his duties subject to the direction of the Director of Posts.

(b) The chief of the savings bank division shall be required to keep a separate set of books dealing solely with the operations of the Postal Savings Bank, and to make a monthly statement of the same to the Director of Posts and to the Secretary of Commerce and Police, and at the end of each fiscal year an annual report covering in detail the operations of the postal savings bank division.

(c) The chief of the postal savings bank division shall, before entering upon the duties of his office, execute a bond to the Insular Government in a sum to be fixed by the Insular Auditor, with sufficient surety or sureties, to be approved by and filed with the Insular Auditor. The Insular Auditor may, from time to time, require that the bond shall be increased or decreased according as the exigencies of the service require.

SEC. 3. (a) Any person six years of age or over residing in the Philippine Islands, and not under legal disability, may open an account to his own credit in the Philippine Postal Savings Bank.

(b) Any person resident in the Philippine Islands, twenty-three years of age or over, and any person under twenty-three years of age who is the head of a family, may open an account for, or make deposits to the credit of the account of, any minor, or any person who, by reason of physical or mental disability, is unable to manage his own affairs.

(c) Any charitable or benevolent society in the Philippine Islands may, with the approval, previously obtained in writing, of the Director of Posts, open and maintain, an account in the Postal Savings Bank.

SEC. 4. No person or society shall have more than one account to his or its own credit in his or its own name upon penalty of forfeiting under due process of law

twenty-five per centum of all deposits so held contrary to law: *Provided*, That the above provision shall not prevent a person from acting as trustee in any number of accounts and at the same time maintaining an account of his own.

SEC. 5. Upon opening an account: with the Postal Savings Bank, a person must state his name in full, his age, residence, occupation, and, in case the account is being opened in behalf of some other individual, or some society, the name, residence, or location of said individual or society, together with his relation thereto. A person upon opening an account with the Postal Savings Bank must declare that he has read or had read to him the rules and regulations of the Postal Savings Bank, and that he is willing to act in accordance B therewith. Before receiving a deposit book he must sign a statement to the effect that he receives no benefit from any other account in the Postal Savings Bank, unless it be as a trustee, the representative of a deceased depositor, or as a member of some charitable or provident society. If the statements above referred to should be found to be false, twenty-five per centum of all sums deposited to the credit of the person making said false statements shall be liable to forfeiture by due process of law.

SEC. 6. (a) Immediately upon the passage of this Act postal savings banks shall be established in Manila, Iloilo, and Cebu; and the Director of Posts shall, subject in each case to the approval of the Secretary of Commerce and Police, establish postal savings banks in other cities, towns, and villages of the Philippine Islands as rapidly as practicable.

(b) For the performance of the duties prescribed in this Act, the Director of Posts shall divide the postal savings banks of the Philippine Islands into three classes, to be known as postal savings banks of the first, second, and third class, respectively.

(c) Postal savings banks of the first class shall receive deposits to any amount and permit withdrawals of any amount, subject to the provisions of this Act.

(d) Postal savings banks of the second class shall not receive any single deposit of over one hundred pesos, nor shall they receive deposits to the credit of any one account of more than two hundred pesos for any one month. Withdrawals of deposits shall not be permitted through postal savings banks of the second class of more than two hundred pesos a month, and no depositor shall be permitted to withdraw deposits from postal savings banks of the second class oftener than twice each calendar month.

(e) Postal savings banks of the third class shall receive deposits only by means of postal savings bank stamps, as provided in section nine of this Act. No single deposit in the form of stamps shall be received by a postal savings bank of the third class to an amount exceeding twenty-five pesos, nor shall deposits amounting to more than fifty pesos be received by a postal savings bank of the third class to the credit of one account during any one month, and no depositor shall be permitted to withdraw deposits from postal savings banks of the third class oftener than twice each calendar month. No depositor shall be permitted to withdraw through a postal savings bank of the third class over fifty pesos at one time or over one hundred pesos during any one month.

(f) The maximum limits of deposits, credits, and withdrawals provided for in this section shall be doubled in the case of deposits, credits, and withdrawals,

respectively, of the charitable and benevolent societies referred to in paragraph (c) of section three of this Act.

(g) No deposit shall be received and no deposit entry made for a sum less than one peso, except in the case of accrued interest.

SEC. 7. Any person or society having a deposit account with the Postal Savings Bank shall, subject to the provisions of this Act, be permitted to make deposits to the credit of said account or withdrawals from said account at any postal savings bank in the Philippine Islands.

SEC. 8. Each depositor in the Postal Savings Bank shall be entitled to receive, free of charge, a deposit book, to be obtained in the manner hereinafter stated.

- a. If the deposit be made at Manila he shall receive his deposit book, with the proper entries therein, upon making the initial deposit. Subsequent deposits at Manila shall be received by the head office upon presentation either in person or by agent of the sum to be deposited and the deposit book, and thereupon proper entry shall be made upon the deposit book and the deposit book shall be immediately returned to the depositor.
- b. If the initial deposit be made at any other post-office than that at Manila, the depositor must sign an application for a deposit book, stating his name, occupation or profession, and place of residence, and sign the declaration required by section five hereof. The deposit book must be obtained from the central office. A preliminary receipt for the amount of the first deposit will be given to the depositor, who will be informed of the date upon which he should call to receive the deposit book. When the deposit book is handed over to the depositor, he will be required to return the preliminary receipt and sign a receipt for the deposit book, in addition to leaving a specimen of his signature on record in the post-office, if he be able to write, and if he be not able to write he shall leave in the post-office a specimen of his thumb mark. The amount of the original deposit will be entered in the deposit book by the central office and the depositor will thus have a guaranty that the same has been received in that office. He should carefully see that the entry in the deposit book corresponds with the amount entered in the preliminary receipt before giving up the latter.
- c. To make subsequent deposits at any other post-office than at Manila, the depositor shall take or send the amount to be deposited with his deposit book to the post-office. and the amount of the deposit shall be entered in the deposit book and the balance due the depositor struck. The entry shall then be initialed by the postmaster and stamped with the date stamp of the office, the deposit book to be returned to the depositor or his agent who brings the deposit. It shall be the duty of the postmaster, by the first mail for Manila, to notify the central office of the amount and date of the deposit, the name and residence of the depositor, the number of his deposit book, and the balance to the depositor's credit, and the head office, upon receiving the information aforesaid, shall make the proper entries upon its books, and send to the depositor at his post-office address by first mail a receipt showing the amount and date of the deposit, the name and residence of the depositor, the number of the deposit book, and the balance to the depositor's credit. If the receipt

should not reach the depositor in proper time, or if when it reaches him it should show any signs of erasure and should not agree with the entry in the deposit book, the depositor should immediately apply to the head office, and renew his application again and again until he receives a satisfactory reply.

SEC. 9. (a) For the purpose of facilitating deposits of small savings and of extending the privileges of the postal savings banks to the smaller communities, there shall be issued, by the Bureau of Posts, postal savings bank stamps in denominations of five, ten, and twenty centavos, respectively, which stamps shall be for sale at every postal savings bank in the Philippine islands, and all moneys received in payment for said stamps shall be considered as postal savings bank deposits, a record of which shall be kept separate from the other accounts of the post-office.

(b) Every postal savings bank shall furnish without charge to any person purchasing postal savings bank stamps the appropriate cards arranged with ten or twenty blank spaces, each bearing a distinctive number, for the pasting on of the above-mentioned stamps. The cards shall be of three different colors, arranged for the three different denominations of stamps, respectively, and only stamps of the denominations designated shall be placed on the respective kind of cards. The postmaster upon giving out a card shall stamp it with the stamp of his office and shall require the person receiving it to sign it with his name, or mark, and transfers of cards shall be made only by indorsement to order.

(c) Stamp cards, upon being properly filled with stamps, may be presented at any postal savings bank in the Philippine Islands and deposited as if they were money of the amount represented by the face value of the stamps, and the procedure for making such deposits shall be the same as that provided for deposits of money in section eight of this Act. The chief of the postal savings bank division shall cancel all stamps received for deposit at the time the deposit entry is made to the depositor's credit.

(d) Employees of the Postal Savings Bank, and all persons intrusted with the handling or custody of postal savings bank stamps, whether said stamps shall have been canceled or not, shall be held responsible for them in the same manner and to the same extent as if they were Insular money of a value equal to the face value of the stamps.

(e) Uncanceled postal savings bank stamps shall be redeemable at par in postage stamps at the office of the chief of the postal savings bank division.

SEC. 10. Interest at two and one-half per centum per annum shall be allowed on all deposits in the Postal Savings Bank until practical experience shall demonstrate that a higher rate can safely be guaranteed, subject to the following limitations:

- a. In the reckoning of interest, the day upon which the deposit was entered to the credit of the depositor upon the books of the chief of the postal savings bank division shall be considered as the date of the deposit.
- b. Money to the credit of any depositor in excess of one thousand pesos shall not "bear interest, except in the case of deposits made by charitable and benevolent societies as provided in paragraph (c) in section three, in which