law, the Philippine Government formally expressed, through the Secretary of Foreign Affairs, conformity therewith.[20]

There is no question that a foreign law may have extra-territorial effect in a country other than the country of its origin, provided the latter country in which the said law is sought to be made operative gives its consent thereto. This principle is supported by unquestioned authority.[21]

It is clear that the consent of the Philippine Government to the application of the Philippine Property Act of 1946 to the Philippines after independence was given not only by the Executive Department but also by the Congress which enacted laws aimed at implementing or carrying out the benefits accruing from the United States law.

In answer to the contention of the respondent-appellant that no provision in Republic Acts Nos. 7, 8 and 477 makes said Philippine Property Act expressly applicable to the Philippines, it must be stated that the consent of a state to the operation of a foreign law within its territory does not need to be expressed; it is enough that said consent be implied from its conduct or from that of its duly authorized officers.[22] In the case at bar, that consent was implied from the acts of both the Executive and Legislative branches of the Government. (*Herbert Brownell, Jr. v. Sun Life Assurance Company of Canada, G.R. No.* L-5731, June 22, 1954.)

LABOR LAW

WHEN BONUS MAY BE DEMANDABLE: WHEN THE PAYMENT OF A YEARLY BONUS HAS GENERATED IN THE MINDS OF THE EMPLOYEES THE FIXED HOPE OF RECEIVING THE SAME CONCESSION IN SUBSEQUENT YEARS, THEY DESERVE, ON THE GROUND OF EQUITY, TO BE PAID A BONUS FOR SUBSEQUENT YEARS IF THE COMPANY HAS REALIZED ENOUGH PROFITS.

[20] See Letters of the Secretary dated August 22, 1946 and June 3, 1947.

[21] Philippine Political Law by Sinco, pp. 27-28, citing Chief Justice Marshall's statement, 7 Cranch 116; *Digest of International Law* Backworth, Vol. II, pp. 1-2.

[22] Oppenheim, pp. 818-819; *Treaties and Executive Agreements*, Myres S. McDougal and Asher Lands, *Yale Law Journal, Vol. 54*, pp. 318-319.

FACTS: This is a petition for *certiorari* by H. E. Heacock's and Company, assailing a decision of the Court of Industrial Relations.

The National Labor Union, filed a petition in the CIR on June 26, 1950, against Heacock's, praying that the latter be ordered to pay to all its low-salaried employees their bonus for the years 1948 and 1949 in an amount equivalent to one month's salary for each year. The petition further alleged that on the occasion of the distribution on April 17, 1948 of the same bonus for the year 1947, the company had promised that said benefit would be granted yearly to the employees, provided sufficient profits were made; that in 1948 and 1949 the company, notwithstanding profits, distributed a bonus to high-salaried employees only; that upon the company's failure to accede to the union's demand for the payment of the stipulated bonus for the years 1948 and 1949 and upon its refusal to submit the matter to the labor-management committee in accordance with their collective bargaining agreement, the employees declared a strike on June 19, 1950.

The company in its answer alleged in substance that it had never bound itself to pay an annual bonus. The strikers returned to work in obedience to a directive of the court. After hearing, the CIR, through Judge Jose Bautista, ordered the company to pay the employees one month's salary as bonus for the year 1949. A subsequent motion for reconsideration filed by the company was denied by the CIR; hence this petition.

HELD: The petition for *certiorari* is dismissed and the decision of the Court of Industrial Relations affirmed.

The lower court found that Donald Gunn, president and general manager of the company, had in fact promised all low-salaried employees on April 17, 1946, that a bonus of one month's salary would be paid them yearly, provided there were profits.

The court also found that in the "Heacock's Supplement" [23]

[23] See the August 22, 1948, issues of the Manila Times and Manila Chronicle; and the Manila Daily Bulletin issue of August 23, 1948.

published on the occasion of the opening of a new store of the Company, Mr. Vicente Orosa, vice-president and assistant general manager of the company, declared it would be the policy of the company to give a yearly bonus to the employees, the amount thereof to depend on the profits realized during that year. Although the board of directors did not expressly ratify this promise of its two highest officials, the fact that they did not deny this promise when it appeared in the "Heacock's Supplement" was tantamount to their implied ratification of this promise.

Another circumstance confirming the promise made by Mr. Gunn which the lower court also invoked, was the letter of Mr. Gunn to the Union, expressly recognizing the yearly bonus to the employees according to his promise.

The lower court also found that the company had realized profits during the years 1948 and 1949, and that it paid a bonus only to its high salaried employees.

These findings of fact of the lower court are conclusive in this instance. In one case,[24] we held that even if a bonus is not demandable since it does not form part of the wage, salary or compensation of the employee, the same may nevertheless be granted on equitable considerations.

It appears herein that for the year 1947, the company had paid a bonus of one-month's salary to all its employees, and for 1948 and 1949, it had also paid to its executive and heads of departments a bonus, omitting the low salaried employees. The payment of the bonus of 1947 generated in the minds of all the employees the fixed hope of receiving the same concession in subsequent years, and on the ground of equity they deserved to be paid a bonus for the year 1948 and 1949 when the company realized profits. (*H. E. Heacock's and Company v. National Labor Union et al., G.R. No.* L-5577, July 31, 1954.)

[24] Philippine Education Company, Inc. v. Court of Industrial Relations et al., G. R. No. L-5103, December 24, 1952.

POLITICAL LAW

QUO WARRANTO: SECTION 10 OF THE REV. ELECTION CODE CONSTRUED; WHEN A PERSON IS APPOINTED MAYOR OF A NEWLY CREATED MUNICIPALITY BY THE PRESIDENT, HE SHALL HOLD OFFICE UNTIL THE NEXT REGULAR ELECTION AND MAY BE REMOVED ONLY FOR CAUSE.

FACTS: On October 1, 1953, the President of the Philippines created the municipality of Sapao,[25] Province of Surigao.

On the same day the petitioner was appointed municipal mayor of the new municipality. The petitioner subsequently assumed office and exercised the functions thereof. On February 8, 1954, the petitioner was removed from office without just cause, and the respondent was appointed acting mayor of the municipality.

Hence, this petition for *quo warranto* to question the legality of the ouster of the petitioner from his office as municipal mayor was filed.

The respondent contends that appointments made under Section 10, Republic Act No. 180, are at the pleasure of the appointing power, temporary and discretionary in character, and have no fixed term.

HELD: The provisions of Section 10 mean that, upon the creation of a new municipality or political division, the elective officers thereof shall, unless otherwise provided, be chosen at the next regular election. Meanwhile, the President may in his discretion appoint to such elective offices suitable persons, or call a special election. If the President chooses to fill any vacancy by appointment, as he has done in this case, then the appointee shall hold office until the next regular election; his tenure shall not be merely temporary or in an acting capacity, but permanent until his successor is chosen at the next regular election.[26]

[25] Executive Order No. 623, Series of 1953, 49 O. G. p. 4231.
[26] Lacson v. Roque, 49 O. G. p. 93; Jover v. Borra, 49 O. G. p. 2765.