

**INSURANCE COMPANY OF NORTH AMERICA,
PLAINTIFF-APPELLANT, VS. REPUBLIC OF THE PHILIPPINES AND
BUREAU OF CUSTOMS, DEFENDANTS-APPELLEES.**

G.R. No. L-26532. July 10, 1967

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

This case originated in a shipment from Hamburg, Germany of 288 bundles of axle shafts for trucks, consigned to Yu Brothers Trading Company in Quezon City. Subsequent-ly, these were discharged from the vessel MV "Japan" and delivered to the Bureau of Customs as the then arrastre operator. Of these, the Bureau of Customs delivered only 227 bundles of which 6 bundles were empty. For the loss, the consignee claimed a total of P1,543.58 from the Bureau of Customs and the Insurance Company of North America. As the said insurer paid the consignee, it filed suit as sub-rogee, against the Republic of the Philippines and the Bu-reau of Customs, and was granted recovery of P1,543.58 by the City Court of Manila. Appeal was made to the Court of First Instance of Manila where the Insurance Company of North America in its amended complaint dated July 3, 1964 sought recovery of P1,543.58 against the Republic of the Philippines and the Bureau of Customs.

After the defendants answered, during the pre-trial conference, the parties, coming to a partial stipulation of facts, limited the issues to defendants' immunity from suit and the court's jurisdiction over the subject matter of the case.

On June 7, 1966, the Court of First Instance dismissed the case on the ground that the Bureau of Customs being an agency of the national government, the suit against it is a suit against the Republic which is immune from suit without its consent. Hence, this appeal.

The lower court did not err. In *Mobil Philippines Exploration v. Customs Arrastre Service & Bureau of Customs*, L-23139, Dec. 17, 1966, We held that the Bureau of Customs, acting as part of the machinery of the national government in the operation of the arrastre service, as a necessary incident of its prime governmental function, is immune from suit.

This point renders it unnecessary to pass upon the remaining issues of the case.

WHEREFORE, the judgment appealed from is affirmed, without costs.

SO ORDERED.

Reyes, JBL, Makalintal, Zaldivar, Sanchez, Ruiz Castro, Angeles, and Fernando, JJ., concur.
Concepcion, C.J., and Dizon, J., on official leave.

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