

LETTER OF INSTRUCTIONS NO. 161-A, February 01, 1974

LETTER OF INSTRUCTIONS NO. 161-A, February 01, 1974

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/53cc9aa96620/>

TO: NEDA

Members of the Monetary Board

All Cabinet Members

All Governors and Mayors

This will constitute the basic strategy which our Government and country will adopt in relation to the inflation crisis which confront all nations in the world today. In our particular case, the inflation is principally complicated by the sudden rise of the cost of fuel or crude oil from \$200 million to \$700 million, an additional cost of \$500 million. The additional cost of all our requirements which are imported for our development program (excluding crude oil) is another \$500 million.

The cost of importation of all our requirements will therefore increase from \$1,300 million to \$2,300 million.

It is expected that the cost of crude oil as well as other import items like machinery and requirements for factories may still increase.

We must first of all maintain our present level of foreign exchange reserves of SI billion in order to sustain our monetary stability.

It will therefore be necessary to increase available foreign exchange for the added import and development costs of P1 billion from the two available sources, namely-loans from abroad and additional earnings from our exports.

To play safe, it will be necessary to borrow the whole amount of SI billion which constitutes our additional costs of imports and development.

We will continue our present program of economic expansion and not engage in economic retrenchment or constriction which is the orthodox and old or classic solution to domestic inflation. In the first place, this is necessary because our inflation is imported and cannot be modified or mitigated by any unilateral act or internal action on our part. Thus no matter how much we constrict the money supply or reduce the use of gasoline, we could not, by such action, decrease the cost of imported crude oil which price is dictated by the oil-producing countries.

While the monetary and financial authorities will now exert all efforts to borrow foreign exchange from abroad (from the IMF which has a standing offer for countries that do not produce oil as well as from the private sector) inasmuch as our credit standing is good and there had been many offers from Japanese, European and American creditors. It is predicted by experts that we may not be able to increase our foreign exchange earnings this coming year. I disagree with this prediction. We must now increase the production of exportable items whether such are traditional exports and from existing producers whether they are new products and from new factories set up either in the traditional export industries or outside thereof.

While the monetary and financial authorities have therefore been borrowing from abroad and at the same time

setting up the incentives to encourage production of export products, it will be incumbent upon all officers and employees of the government to exert individual and collective efforts to bring about an atmosphere of aggressive encouragement and outright participation, support and aid to all export oriented industries whether old, expanding or new and starting.

I need not reiterate the fact that if we do not increase our export earnings while the prices of such exports may continue to rise like the price of crude oil, there may come a time when we may be unable to pay our loans borrowed to meet such increased prices.

As it is now being programmed, the payment of the indebtedness that we are going to incur will be met by the new projects and increased export production which are presently being set up.

This is therefore both a directive and an appeal to our people to participate actively at their own initiative and without waiting for detailed instructions and/or rules and regulations in the general and sustained efforts at survival through accelerated and increased production of both export and domestic products.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.