

[LETTER OF INSTRUCTIONS NO. 864, May 23, 1979]

DIRECTING AN ASSESSMENT OF MONETARY AND CREDIT POLICY

TO: The Governor, Central Bank of the Philippines
 The Minister of Economic Planning
 The Minister of Agriculture
 The Minister of Natural Resources
 The Minister of Finance
 The Minister of the Budget
 The Director, Technical Board on Agricultural Credit

WHEREAS, approved and forthcoming increases in the price of imported petroleum will affect both the external and internal sectors of the Philippine economy;

WHEREAS, adjustments have to be made in the priority-structure of the development plan and consequently in Government monetary and fiscal

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct:

1. The Monetary Board, in coordination with the National Economic and Development Authority, the Ministry of Finance, and the Ministry of the Budget, shall conduct an assessment of the Philippine monetary situation and the effectiveness with which it supports the objectives of the national development plan;
2. The study shall specify the quantitative objectives of present monetary policy and shall submit recommendations on the following: (a) the magnitude and rate of growth of the various components of money supply and domestic credit, (b) interest rates, (c) Central Bank open market operations, (d) rediscount rates, and (e) policy on the development of the capital and monetary market.
3. The study shall identify and recommend on monetary measures needed to support changes in the development plan necessary to respond to the energy crisis, with particular mention of credit cost and availability for the following:
 - a. Masagana 99 and other existing agricultural credit programs;
 - b. new areas of agricultural emphasis, particularly cassava production, legumes, fisheries, and cattle and other farm animals;
 - c. ocean fishery.
 - d. secondary mortgage market for land development and private housing construction, with a shift of BLISS funding and implementation to the private sector;
 - e. export financing; and
 - f. long term credit to support the implementation of the industrial and utilities priority plans;
4. The experience of Masagana 99 and each of the major special financing programs in agriculture shall be assessed, with an evaluation presented of amounts extended, benefits, collection and restructuring experience, estimated collection losses, and the future requirements of each program.