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PROCESSIONAL

At 4:00 p.m., the processional took place with the entry of the President, Her Excellency Gloria Macapagal-Arroyo, in the Plenary Hall of the House of Representatives.

CALL TO ORDER

At 4:00 p.m., Senate President Franklin M. Drilon, on behalf of the Senate, and Speaker Jose De Venecia Jr. on behalf of the House, called the joint session to order.

NATIONAL ANTHEM AND
THE NATION'S PRAYER

Thereafter, the House Chorale sang the National Anthem which was followed by the "Panalangin ng Bayan" led by Most Reverend Tomas Millamena, Minister Isaias Samson Jr., Ustadz Anuar Limbona and Reverend Father Gerardo Tapiador to wit:

Aming Diyos, Ikaw na Siyang kinikilala
Tinatawag naming Panginoon, Allah, Bathala,
Tunghayan Mo ng may pagpapala and kapulungang ito
Na nagtitipon sa pasimula ng kanilang panu-nungkulan bilang
mambabatas ng aming bansa.

Mula sa iba't ibang larangan ng buhay, pananaw, at adhikain,
Minarapat Mong igawad sa kanila ang tungku-ling maghubog ng mga batas
na siyang magiging sandigan
Ng isang ganap, masagana, at mapagpalayang buhay
Para sa sambayanang Pilipino.

Higit na mabigat ang kanilang tungkulin sa nga-yon
Na kung saan at kailan ang aming bansa ay pumapaloob
Sa panahon ng masidhing hidwaan at tunggalian.
Hinihiling namin sa Iyo na patuloy Mong igawad
Ang Iyong patnubay, kahinahunan, at katalinuhan.

Marapatin Mo na mapangibabawan nila
Ang kanilang mga pansariling interes
Ganoon din ng kani-kanilang partido
Sapagkat ang naisin ang kapakanan ng bayan ay mas dalisay
Kaysa anumang layunin ng isang samahan.

Ikintal Mo sa aming mga puso at isipan ang pag-uunawaan
Akayin Mo kami sa landas ng katotohanan at pagiging mabuting katiwala
Ng mga pananagutang iniatang Mo sa amin
Lahat ng ito'y idinudulog namin sa Iyo
Lakip ang pagtitiwala sa Iyong pangako ng pakikiisa sa amin.

Siya nawa.

STATE OF THE NATION ADDRESS
OF PRESIDENT GLORIA MACAPAGAL-ARROYO

His Excellency President Ramos, Her Excellency President Aquino, Senate President Drilon at mga Senador, Speaker De Venecia at mga Kongresista, Chief Justice Davide, the Members of the Diplomatic Corps, mga maralitang tagalungsod na nanonood sa video wall at TV; ang maraming nakikinig sa radyo; mahal kong kababayan:

Kamakailan, may sumulat sa aking tatlong batang taga-Payatas, sina Jayson, Jomar at Erwin. Ginawa nilang paper boat ang liham at pinalutang sa Pasig river patungo sa Malacañang.

Ito ang sinulat ng sampung taong gulang na si Jomar Pabalan: "Sana po ay mabigyan ng permanenteng trabaho ang tatay ko para hindi siya mahirapan."

Sabi naman ni Jason Vann Banogan, sampung taong gulang: "Sana po matulungan ninyo ako na makatapos sa pag-aaral ko hanggang kolehiyo, kasi po ang nagpapaaral sa akin ay ang lola ko lamang."

At ang tanging nais ni Erwin Dolera, walong taong gulang: Ipasara ang Payatas dumpsite, at bigyan ng lupa ang kanyang pamilya.

Napakalinaw, napakasimple ang hiling ng mga anak ng Payatas: trabaho, edukasyon, sariling tahanan. Idagdag na rin: Pagkain sa bawat mesa. Ito ang mithiin ng masa.

And this, in common sense and plain talk, is the core of my vision.

A vision for the future must be rooted in the past.

A revolution gave birth to the first Republic in Asia.

A sense of nationhood was born but also the dream of a better life for all Filipinos. Andres Bonifacio, the poor man, the great plebeian who started this revolution, nurtured this dream.

In 1963, another poor man rose. He rose to the most powerful position in the land and risked everything to fulfill the poor man's dream.

Inspired by the Great Plebeian, my father, President Diosdado Macapagal, promulgated the Land Reform Law as a revolution to emancipate the peasant from a feudal bondage to the soil.

In 1986, Filipinos peacefully reclaimed their civil liberties in the People Power Revolution. Under the leadership of Corazon Aquino, we reaffirmed our commitment to freedom and democracy on a mere stretch of highway - with hardly a drop of blood shed or a shot fired in anger.

Six months ago, on that same highway, people rose up to restore morality as the first institution of society and as the animating principle of justice and the rule of law.

Thus, we see the historic pillars of a national vision: prosperity, freedom and justice.

Ito ang mga layuning ipinaglalaman ng bayan magmula nang ito'y isilang: kasaganaan, kalayaan, katarungan.

We also see in our great history a progressive advancement towards the ultimate goal to transfer power over the state from the traditional economic and political bosses to the people.

Last May one, the poor raised their voices in anger and their fists in fury. Imprisoned in poverty, shackled to shame, denied justice in society, they personally delivered the message that, one hundred years after they revolted to establish this nation, they had yet to partake of the national dream.

Dinig na dinig ko ang pahayag nila, at nagpakumbaba ako. Hindi ba't nasa balikat ko ang tungkuling mamuno sa pakikibaka laban sa salot ng kahirapan? Ako, na siyang anak ng tinawag na "Poor Boy from Lubao?"

I take this duty upon my shoulders.

I do so without fear or foreboding of failure.

For I know now that the greatest obstacle we as a nation must overcome is inside us. The enemy to beat is ourselves: when we spread division rather than unity; when we put ourselves above country and profit above fairness; when we think the worst of those with whom we should be working for the common good, and when we wallow in despair rather than rise to achievement--indeed, when we make politics replace patriotism in our country's hour of need.

Let us, here in the home of democracy, therefore resolve, to grab hold of this enemy within, and beat him.

The internal enemy engaged, the battle will not be easy. We inherited very difficult problems.

From 2.5 million jobless four years ago, unemployment now stands at 4 million. From a budget surplus in 1997 under President Ramos of more than a billion pesos, my government inherited a deficit exceeding P140 billion pesos. In the same period, poverty incidence rose from 36.8% of the population to 40% in the year 2000.

And, unlike the situation in 1997 when a battered Asia could still lean on the strength of the advanced economies, today our main trading partners like Japan and America are slowing down as well.

But we will prevail. We will prevail because the mainstream of our nation is united.

In the May elections, this administration received a solid mandate to carry on with the business of governance and reform.

I do not view this mandate as a choice between personalities of this administration and those of the opposition.

I see it rather as a vote for all-of-us-administration and opposition--to roll up our sleeves, stop looking back, and move forward, most especially in the fight against mass poverty.

Hinalal tayo upang labanan ang kahirapan, hindi ang isa't-isa.

Our challenge is clear: sugpuin ang kahirapan.

In this spirit, I appeal to everyone here today to undertake something unconventional but much to be desired in these especially hard times.

From today, let us set aside bickering and politicking for at least one year. We may congratulate ourselves on our forbearance at the next State of the Nation Address.

Sa halip ng alitan, isang taon tayong magtulungan sa ikabubuti ng taong bayan.

This is our duty. This is our mandate. This is our mission.

Unity for the country's recovery will set the stage for the national mobilization needed to undertake the great and difficult tasks ahead.

What are these tasks?

When I became President last January, I told the people about my vision of winning the war against poverty within the decade.

To succeed, the template of our national agenda must revolve around four components-apat na elemento ng pakikibaka sa kahirapan.

The first is an economic philosophy of free enterprise appropriate to the 21st century. Pagnene-gosyo upang dumami ang trabaho. Not a pitiless free-for-all but free enterprise with a social conscience.

The second component is a modernized agricultural sector founded on social equity -- Palalaguin ang kita at ani ng maralitang tagabukid.

The third component is a social bias toward the disadvantaged to balance our economic development plan--Pagkalinga sa mga bahagi ng lipunan na naiwan ng kaunlaran.

And the fourth component is to raise the moral standards of government and society. Moralidad sa gobyerno at lipunan bilang saligan ng tunay na kaunlaran.

Pagnenegosyo, pagpapaunlad ng agrikultura, kalinga sa nagigipit na sector, at moralidad sa gobyerno at lipunan--ito ang mga sandata natin sa digmaang-bayan laban sa kahirapan.

I have therefore organized my interpretation of the State of the Nation along these four components of our anti-poverty ideology.

The first is an economic philosophy for the 21st century. The way to fight poverty is to create jobs, not destroy them.

To create jobs, we will attract investments. To attract investments, we will attend to macro measures and concerns.

In addressing macro concerns, we will focus on long-term structural issues. We started with the reform of the power sector, and I congratulate those of you who were in the previous Congress for this

accomplishment. Now, we will turn to other basics like infrastructure, productivity, and the savings rate.

In focusing on infrastructure, we will harness the private sector via the Build-Operate-and-Transfer Law. Our priorities include telecommunications facilities for high-speed connectivity at low cost, roads to target tourist destinations, infrastructure for the modernization of agriculture, mass transport infrastructure for Metro Manila, and commuter and transport systems to disperse communities towards Subic-Clark and Calabarzon.

We will minimize bottlenecks to productivity, such as the high cost of power, deterrents to investments in agriculture, overly-confrontational labor-management relations, and corruption and red tape at the national and local government levels.

To reduce the cost of power, we will begin implementing the Power Sector Reform Law which the previous Congress just approved.

To reduce deterrents to investments in agriculture, I ask Congress to enact a law making farmland acceptable as loan collateral.

To reduce excessive friction in labor and management relations, we will go the extra mile to work for industrial peace, and to work with labor and business to retrain workers for the fast-changing technologies of the new economy.

To reduce corruption in the Executive branch, cabinet secretaries will have to deliver tangible results within twelve months in fighting graft. Our new E-procurement program will save billions and minimize anomalies. I gave the re-inforced Presidential Anti-Graft Commission added teeth to investigate and prosecute motu proprio corruption in high places, and we will make the BIR and Customs showcases in this fight against graft and corruption.

To reduce corruption among elective officials, we will help honest people get elected by financing the full computerization of elections. We have released P2 billion of the P3.4 billion needed for computerization. I ask Congress to add another P500 million in the 2002 budget. Let us make the polls of May 14, 2001 the last national elections that used primitive methods of voter identification and ballot tabulation.

To reduce red tape in the national government, within 12 months, all government agencies will implement measures to cut in half the number of signatures required for their service. Housing permits shall only need 45 approvals, instead of 188. If legislation is required to effect this efficiency, the agency concerned will draft appropriate bills for my endorsement to Congress.

I congratulate the LTO for issuing licenses in half an hour. I congratulate the NBI for issuing clearances in one day.

I ask our local governments likewise to streamline their operations and slash red tape. There must be continuity between national and local governments in their efforts to be investor-friendly.

We will address issues related to the savings rate, so that the cost

of domestic capital can be reduced. These issues are tied up with the strength of the financial and fiscal sectors.

With regard to the financial sector, I ask Congress to amend the BSP Charter and the Banking Act to improve supervision and promote financial prudence. These amendments should take us out of the money-laundering list.

We adhere to a freely convertible peso and market exchange rates. However, we support the Central Bank's measures to curb speculation.

To those speculating against the peso, I have only this to say: Have you no pity for the common people, have you no love for your country? Makonsyensya naman kayo.

Instead of speculating, let us further strengthen the financial sector. We will design innovative policies to develop our capital market reform such as the Personal Equity Retirement Act, the Investment Company Act, the Securitization Act, and amendments to the Securities Regulation Code.

With regard to the fiscal sector, we will control the budget deficit by collecting taxes vigorously and spending money prudently. For the longer term, I ask Congress to enact a law providing for a gross income tax.

Alisin na natin ang mga tax deduction na nagiging sanhi lamang ng katakut-takot na corruption.

The strength of the financial and fiscal sectors partly lies in how we use the realities in the global and regional environment to our benefit. Thus we will enhance our relations with the United States, whose economic and military power continues to make it an important factor in the affairs of the region and the nation. We will also strengthen bilateral economic and political relations with Japan, our biggest source of development assistance and a major trading partner. And more and more, we will design foreign policy and foreign trade policy in the context of ASEAN. And I ask Congress to enact a law giving overseas Filipinos, who continue to play a critical role in the country's economic and social stability, the right to vote.

Preparing our growth sectors of the future enables us to tap the opportunities of the 21st century.

We will promote fast-growing industries where high-value jobs are most plentiful. One of them is information and communications technology or ICT. Our English literacy, our aptitude and skills give us a competitive edge in ICT. Filipino workers are ranked No. 1 in the field, No. 1 among knowledge workers. Analysts point to two developing countries as the likely world centers for software development and data management in this decade: India and the Philippines. We will live up to that forecast. As a first step, let us declare that technology is the foundation of future economic development, as China did in 1998. ICT will jumpstart our old stalling economy and make it leapfrog into the new economy.

High-speed connectivity at low cost will increase the use of ICT. It is also the way for Smart and Globe to properly interconnect, then we will finally hear the last of those annoying words, "network busy."

Our rules will promote rather than regulate ICT. In turn, I ask cellular phone companies to stop charging on dropped calls, which is both irritating and unfair to the public.

I ask Congress to enact laws to address internet privacy and security, allow for multimedia convergence, and create a Department of Telecommunications and Information Technology.

To prepare our youth to be the next generation of knowledge workers, we will upgrade math and science teaching in basic education.

We will take a hard look at education and ask: Is it preparing the youth for the jobs of the new economy? Or is it just keeping them off the streets until they are thrown there jobless after graduation, if they finish school at all.

To increase the chances of Filipino children finishing school, we will minimize the cost of going to school. When we stopped the collection of miscellaneous fees last enrollment day, 900,000 more students enrolled than anticipated. To reduce the time and money spent to actually travel to school, I want a schoolbuilding in every barangay by two thousand and four. Ibig nating tumalas and ulo ng mga estudyante, at hindi malaspag ang paa.

To improve the quality of education as required by the new economy, we will increase the number of textbooks per student as well as the quality of instruction. This year all public school students will have textbooks for priority subjects in grades one to four and in the first and second years of high school, and they will have better paid and therefore better motivated teachers because sound fiscal management enables us to provide a supplemental budget of P1.5 billion to hire more teachers and increase their pay without increasing our deficit.

Aside from ICT, we also have the competitive edge in tourism in the natural wonders of our country and the natural warmth of our people. We will provide the roads to those wonders and the means to take the tourists there. Thus, we will continue to liberalize the airline industry.

The second component of our national agenda to fight poverty is the modernization of agriculture founded on social equity

Nasa bukid ang nakararaming maralita, kaya pagyayamanin natin ang pagsasaka at pangangisda.

There can be a million new jobs in agriculture and fisheries. Within the year, the Department of Agriculture shall begin to implement the program to generate them. We will approach this with a sense of urgency. I don't want the one million new jobs to come in the long term. I want a timetable. I want to identify accountabilities. I want milestones.

Hindi ito pangakong mapapako dahil nakasalalay rito ang kabuhayan ng milyung-milyung maralitang Pilipino. Mga kababayan kong magsasaka, ang inyong Pangulo mismo ang magbabantay sa kagalingan ninyo.

To demonstrate the importance of agricultural modernization of our

administration, starting tomorrow I will hold office at the Department of Agriculture, until I can get a clear and demonstrable picture of our agricultural accomplishments for our first 100 days, and I can see the program for the million new jobs get off the ground, and I can see that short-term goals are in synch with the goals of farmer groups and other businesses.

Upang lumikha ng isang milyong trabaho sa kanayunan, tutuparin natin sa wakas ang Agricultural and Fisheries Modernization Act o AFMA. Hindi bababa sa dalawampung bilyong piso ang gagastusin upang mapalakas and kita, ani at huli ng magsasaka at mangingisda. Kasama rito ang mga sumusunod: anim na bilyon sa patubig; dalawang bilyon sa post-harvest facilities, dalawang bilyon sa imprastruktura, dalawang bilyon sa pautang, at dalawang bilyon sa research and development.

There is money and there will be money, and the Department of Agriculture shall demonstrate its capacity to use these funds.

Sa anim na bilyong piso sa patubig at dalawang bilyon sa post-harvest mula Aparri hanggang Jolo, makakalikha tayo ng walong daang libong trabaho. Sa pagbukas ng dalawang daang libong ektarya ng bagong lupang masasaka, makakalikha ito ng dalawang daang libong trabaho. Sa ganitong paraan, malilikha ang isang milyong trabaho sa kanayunan. Ngunit dapat tiyakin ang merkado ng produksyon ng mga bagong magtatrabaho sa agrikultura at pangingsda pati na rin ng kasalukuyang magsasaka at mangingsda.

Para sa kaginhawaan ng taumbayan, dapat hindi nagkukulang ang bigas. Sisikapin nating magkaroon ng rice self-sufficiency. Meanwhile, we will remove the monopoly of NFA in rice importation, so that if a shortage seems likely, we will allow the farmers themselves to import rice, basta magbayad sila ng customs duties. Gagamitin naman ang binayaranang buwis para sa modernisasyon ng rice production.

Murang bigas at masaganang magsasaka - ito ang hangad natin para sa masa.

Mas malaki pa ang matutulong ng gobyerno sa mga magsasaka ng niyog oras ng maresolba pabor sa gobyerno ang kaso ng coconut levy. Kapag mang-yari ito, gagamitin ang pondo para sa modernisasyon ng mga niyogan. Pinawalang-bisa ko ang pondo para sa coconut levy mula sa dating administrasyon upang hindi madehado ang magsasaka. Hindi tayo hihinto habang hindi nakikinabang ang magniniyog sa coconut levy fund.

To fight poverty, agriculture modernization will be sociably equitable. We shall redeem in earnest the promise of land reform, a commitment that spans several Presidents. Isa pa itong pangakong hindi dapat mapako.

Bawat taon mamahagi ang gobyerno ng dalawang daang libong ektarya para sa reporma sa lupa: 100,000 ng private land and 100,000 ng public land, including 100 ancestral domain titles for indigenous peoples.

We will bring our war against poverty to rural Mindanao, especially the areas most affected by the past conflicts. We have helped more than half of the 27,000 evacuee families return to their farms and

rehabilitate their homes. The rest will go back home this year. In the next 12 months, we will spend P500 million from the OPEC fund for community projects in these areas.

If the long delayed Malmar irrigation dam is not completed in September, I will transfer its construction to the army engineering brigade. This dam is so important because it will irrigate 3,000 hectares immediately, with another 10,000 to follow next year.

We will make Mindanao the gateway to ASEAN by putting back on track the East ASEAN Growth Area.

Inshala, mahimo tinu-od ang saad sa Mindanao ubos sa akong administrasyon.

The third component of our national agenda is a social bias to balance economic development.

This social bias consists of immediate measures for the poor as well as improving and ensuring the quality of life of the masses.

Bukod sa mambubukid, maralitang tagalungsod ang malaking sektor na kailangan ng dagliang tulong.

Upang agad silang matulungan, nabigyan na ng ating administrasyon ang karapatang bumili ng lupang tinitirahan sa mahigit 80,000 pamilyang maralita, and we will work double time to give security of land tenure to 150,000 urban poor families every year. Isang daan at limampung-libong pamilya taun-taon ang magkakaroon ng karapatan na bumili ng sariling tirahan. Ginagawa ko ito dahil nalulungkot ako pag may nakikita akong squatter sa sariling bayan.

Dapat ding tugunan ang karaingan ng madla sa mahal na bilihin at kulang na sahod. Umaasa akong magpapasya ang Kongreso o Wage Board sa nararapat na suweldo. Pansamantala, nanawagan ako sa mga negosyanteng may kakayahan: magbigay na agad kayo ng emergency cost of living allowance. Maari naman itong ikredit kapag may bagong sahod o allowance mula sa batas o sa Wage Board.

Sa kabilang dako, kumikilos ang gobyerno upang mapigilan ang pagtaas ng presyo ng mga pangunahing pangangailangan ng manggagawa. Binabantayan ang presyo ng langis, at nagpapasalamat ako na bumaba ito noong biyernes. Pinagsisikapan din ng gobyernong huwag itaas ang pasahe, lalo na ng LRT.

Dahil presyo ng bigas ay napaka-importante sa mga manggagawa, magpapasada tayo ng sanlibong rolling stores. Ang mga manggagawa at maralita ay makakabili na dito ng bigas sa halagang labing-apat na piso sa halip ng labing-walo. Bababa din ang presyo ng gamot. Sa loob ng isang taon, hahatiin natin ang presyo ng mga gamot na madalas bilhin ng madla.

Upang iwasan ang malaking gastos sa pagpapagamot, itong taon, ilalahok sa National Health Insurance ang kalahating milyong maralitang tagalungsod. Sa ganoong paraan, ang insurance ang magbabayad ng pagpapagamot.

Upang maiwasan ang pag-upa na nagbabantang tumataas, tinutulungan

natin na magkaroon ng sariling tahanan ang mga manggagawa at maralita. Handa na ang sampung libong tahanan sa iba't-ibang lugar para lumipat na rito ang manggagawa at maralita. Pinondohan natin ang pagtayo ng labingwalong libo pang tahanan. Taun-taon, magtatayo ng isang daang libong tirahan para sa manggagawa at limampung libong pabahay para sa higit na maralita. Nakahanda sa government financial institutions ang dalawampung bilyong piso para sa pabahay ng manggagawa.

Itago ninyo: dalawampung bilyong piso para sa mga tahanan ng masa. Ito ang handog ng gobyerno para sa seguridad ng pamilyang Pilipino.

Upang mapatakbo ng mabuti ang mga programang ito, hinihiling ko sa Kongreso na lumikha ng kagawaran ng pabahay. A Department of Housing will not only build homes for the poor, it will also spark the housing industry and create jobs.

Hinihiling ko rin sa Kongreso na sa tax reform na gagawin nila, damihan ang kategorya ng manggagawang hindi na kailangang magbayad ng buwis.

Mayroon tayong espesyal na proyekto para sa mga kabataang maralita ng Metro Manila na hindi na makapag-aral, ngunit walang trabaho. This is the Emergency Employment Program. Bawat taon, dalawampung libong out-of-work, out-of-school youth ang bibigyan ng dagliang trabaho. Maaring magtagpi ng bubong, mag-ayos ng railing, mag-gwardya sa eskwela ng kanilang barangay, maglinis ng kalsada o estero, o iba pang dagliang trabaho.

The social bias in our economic development plan involves improving and ensuring the quality of life of the masses.

Sa sulat ni Erwin na taga-Payatas, hiniling niya na ipasara ang dumpsite. Talagang dapat nang magkaroon tayo ng bagong sistema sa pag-aasikaso sa basura. Basura ang sanhi ng maraming problema sa siyudad: masamang hangin, paglaganap ng sakit, trapik, at iba pa. Tapusin na natin ito. Inatasan ko ang Metro Manila Development Authority na bago makalipas ang isang taon, maglunsad ng programa upang ayusin ang problema ng basura.

Suyang-suya na rin tayong lahat, lalo na ang madla, sa trapiko ng Metro Manila. Babawasan ang trapik sa tulong ng mass transit. Nagtatayo tayo ng limang bagong linya ng mass transit para makapag-bigay ginhawa sa halos apat na milyong pasahero. Tatlong linya ang matatapos sa 2004, isa pa sa 2005, at isa sa 2006. These five mass transit systems will add one hundred and nineteen kilometers of railway projects. During construction, I expect the MMDA to minimize the resulting congestion, as I expect it to minimize the current congestion within six months.

Masyadong masikip ang Metro Manila, kaya miserable and buhay sa slum areas. Magkakaroon ng mabilis na transportasyong magdurugtong ng mga karatig-rehiyon sa kamaynilaan. Ang nasisikipan na sa Maynila, makalilipat balang araw sa maaliwalas na lalawigan.

We will decongest Metro Manila by attracting communities north towards Subic-Clark, and South towards Calabarzon and Batangas port. We will achieve this not by demolishing shanties but by building

commuter and transport systems to better homes.

Whether in Metro Manila or in the countryside, we will make microfinance a cornerstone in our fight against poverty. Ang ibig sabihin nito ay maliliit na paluwagan para sa maliliit na negosyo. Kakalisensiya lang ng Opportunity Microfinance Bank, ang unang micro-lending program sa bansa na naging bangko. Bawat taon, dadagdagan natin ng tatlongdaang libong maralitang kababaihan na makikinabang sa paluwagan.

Panahon na upang makinabang ang maliliit sa iniimpok ng bayan. At umasa kayo, nagbabayad ang masa. In microfinance, the repayment rate is 98 percent.

Wala pang kuryente ang marami nating barangay. Kaya araw-araw, gabi-gabi, magkakabit ng koryente sa apat na barangay. Sa ganoon, walumpu't-limang porsyento ng barangay ay magkaka-ilaw na sa loob ng isang taon.

With exports slowing down due to the world downturn, we will strengthen the domestic market. We will intensify efforts to promote small and medium enterprises or SME's especially in the countryside. Last Friday I inaugurated the SME Board in the Philippine Stock Exchange. To help small and medium enterprises, I will restore the policy of providing government guarantee for their bank loans.

The fourth component of our national agenda is improving moral standards and the rule of law.

We need every ounce of resource to wage this war on poverty. We cannot afford to lose anything to waste on graft and corruption.

First we must strengthen justice and the enforcement of law and order.

This pertains to two levels. At the level of principle, this administration affirms its commitment to the principle that no one is above the law.

Thus, our policy is to support the fair and speedy trial of all the accused involved in the cases against former President Joseph Estrada.

If there were times that I showed concern for the personal circumstances of the former president, it is not a sign of diminished determination to see justice done.

Rather, it is out of sensitivity to the feelings of the segments of our masa who have continued to identify with his personal circumstances.

But as I sometimes extend a hand covered by a velvet glove, inside it is an iron hand where justice and the rule of law are concerned.

As a sign of this, I will support legislation to amend the charter of the Ombudsman so he can accept the services of private prosecutors.

The second level pertains to our sense that justice prevails and the

rule of law works in our daily lives.

A re-energized police will stamp out the crimes that have plagued our businesses, terrorized the common folk, and embarrassed our country. In the economics of fighting crime, the more resources devoted to crime prevention, the less the amount of crime. Our administration will spend to modernize and professionalize the police. We will start with one billion pesos.

Although the numbers say that index crimes in the first semester were down 14 percent since a year ago, we are determined to stamp out violent crimes altogether. The ongoing reorganization of the police is part of the effort to add vigor to its anti-crime drive. The new national anti-crime commission will tighten coordination among law enforcement agencies as well as the Chinese-Filipino community. We are giving special attention to the kidnap-for-ransom syndicate. I want the bulk of them to be behind bars before the year is over, so that every Filipino will at last feel safe in his home, in his workplace, and in his streets.

On the drug front, I ask Congress to enact a law reducing the amount of drugs in a suspect's possession for him to be charged with drug trafficking.

We will uphold law and order through a holistic response consisting of political, economic, psychosocial and security components. We will meet the defense and security challenge of this era. To achieve this end, we have earmarked additional funding in several billions of pesos for the AFP Modernization Program.

We have given the armed forces and the police the leeway to fight a treacherous and elusive enemy in Basilan. But it must end, and it will end soon, for good. The leadership of Abu Sayyaf has started to fall. The crackdown has neutralized 130 of them. Itaga ninyo sa bato: tatapusin natin ito.

On the peace process, while the AFP stands ready to protect our people at a moment's notice, we will continue to talk with the Moro Islamic Liberation Front and the National Democratic Front as long as all sides maintain good faith. Our ceasefire agreement with the MILF last month encouraged us in this.

To attain our full potential as a nation, let us come to terms with the fundamental issues in Mindanao. Let us forge consensus on a just, lasting, and honorable peace in our country. Peace and development are inseparable twins. But our framework must not compromise constitutionality, national sovereignty and territorial integrity. Instead, let us recognize that we have a multi-ethnic society which should be founded on social justice for all and institutionalized accommodation of ethnic traditions. This would finally introduce a new culture in our nation's attitude towards Mindanao.

We will also introduce a new culture in governance: a culture of plain talk and common sense.

Cabinet secretaries will do less cluster and inter-agency committee work so they can concentrate on running their departments. Less

meetings, more action, more tangible results whether in generating jobs, improving peace and order, or fighting graft.

I throw full support behind BIR Commissioner Rene Bañez. He has undertaken a mission many believe impossible: overhauling the BIR which accounts for 80% of our tax revenues.

Rene has been threatened. He has been blocked by restraining orders at every turn. After the Supreme Court ruled in his favor, he was accused of the very corruption he is stamping out.

This man needs friends who share his goals, and I know he will find them in this young Congress.

The Bureau of Customs is exceeding collection targets. But the anti-smuggling drive must be relentless. So must the drive against the harassment of legitimate businessmen doing legitimate imports. I call on all concerned to help end the open drawer syndrome.

But the government cannot do it all. It cannot do it alone in customs, it cannot do it alone in fighting graft, it cannot do it alone in fighting poverty. I am not a miracle worker, all of us must do our share. We have to think Filipino, buy Filipino, invest Filipino. I invite the taipans and other business people all over the country to start pump-priming the economy by investing once again in the Philippines. I invite you to create jobs, accelerate progress, and thereby address the root causes of the crime and unrest that so much alarm us.

Sa madaling salita, mga kababayan, magkaisa tayo at magtulong-tulong upang labanan ang salot ng kahirapan at isulong and kasaganaan, kapayapaan, at katarungan sa bayan. Magkaisa tayo. Labanan ang kahirapan.

Marami na akong sinabi tungkol sa gagawin ko. Subalit mabibigkas sa ilang salita lamang ang pakay ng lahat ng mga plano, programa at panukalang tinukoy ko: trabaho, edukasyon, sariling tahanan, pagkain sa bawat mesa.

Sa lahat ng mabibigay ko sa bayan, kabuhayan, karunungan, tahanan at pagkain para sa masa ang ipagmamalaki ko nang higit sa lahat.

Lahat ng ito ay para sa kabataang tulad nila Jayson, Jomar at Erwin, at sa magiging anak nila. Tungkulin natin ito sa mga darating na henerasyon.

Mga kababayan, nais ko pong ipakilala sa inyo ang mga anak ng Payatas. Eto sina Jayson, Jomar, at Erwin.

Salamat sa inyo, Jayson, Jomar at Erwin. Salamat at sumulat kayo sa akin ng mga liham na ginawa ninyong bangkang papel at pinalutang sa Pasig.

Jayson, Jomar at Erwin, pakinggan ninyo ako.

Paparamihin natin ang mga kababayang may trabaho. Paparamihin natin ang mga batang makakapag-aral ng kolehiyo. Paparamihin natin ang mga kababayang may sariling tahanan. Paparamihin natin ang pamilyang may pagkain sa mesa. Ang pangarap ninyo ay pangarap ko rin. Gagawin ko

ang lahat upang matupad and pangarap natin.

Mga kababayan: tulungan ninyo akong tuparin ang pangarap nila Jayson, Jomar, at Erwin. Magkaisa tayo upang lahat ng kabataan - kasama ang kanilang magulang - ay magkaroon ng bagong buhay at bagong pag-asa sa hinaharap.

Trabaho. Tahanan. Edukasyon. Pagkain sa bawat mesa.

Salamat, Jayson, Jomar at Erwin. Pina-alala ninyo sa akin ang napakahalagang tungkulin ko.

Pina-alala ninyo sa aming lahat kung bakit kami ay narito ngayon sa bulwagang ito.

Mga Senador at Kongresista: ipangako natin sa kanila, sa harap at sa tulong ng Poong Maykapal, na sa mga susunod na araw, buwan at taon, tayong mga hinalal, tayong may pananagutan sa kanilang kinabukasan, ay handang magsakripisyo at magkaisa para sa kabutihan, kaunlaran, katatagan ng bayan at sa kinabukasan ng kabataan.

Jayson, Jomar, at Erwin, hindi namin kayo bibiguin.

I am not a miracle worker. But I will do what is right and I will do my best. Let us all do what is right. Let us all do what is best and God will take care of the rest.

Maraming salamat sa inyong lahat.

ADJOURNMENT OF THE JOINT SESSION

Subsequently, Senate President Drilon, on the part of the Senate, and Speaker De Venecia, on the part of the House, declared the joint session adjourned.

It was 5:12 p.m.

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I hereby certify to the correctness of the foregoing.

(Sgd.) ROBERTO P. NAZARENO
Secretary General

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