

JOURNAL NO. 1
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PROCESSIONAL

At 3:57 pm., 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 3:59 p.m., Senate President Franklin M. Drilon, on behalf of the Senate, and Speaker Jose De Venecia Jr., on behalf of the House of Representatives, 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 Nation's Prayer led by Fr. Gerardo R. Tapiador, the Most Rev. Tito T. Pasco, Anuar Sharief Limbona and Minister Emiliano Magtuto Jr., to wit:

Dakilang Maykapal, Panginoon ng sangnilikha
Buong pagkakaisa naming kinikilala and Inyong karapatan
Na maghari at magsakatuparan ang Inyong layunin sa sangkatauhan
Kalakip na ang aming minamahal na Republika ng Pilipinas

Yamang kami ngayon ay nagkakaipon sa bulwagang ito
Sama-sama kaming nagpapakumbaba, humihiling at umaasa
Na ang Inyong paggabay at pagkalinga, ang Inyong karunungan nawa
Ang maghari at mangibabaw sa puso at isipan ng aming pamunuang-bayan
Sa pangunguna ng aming mahal na Pangulong Gloria Macapagal-Arroyo
At ng kaniyang mga kabalikat

Pagkalooban N'yo po kami ng katatagan ng pamahalaan
Iahon N'yo po sa paghihikahos ang karamihan sa aming mamamayan
Pagtibayin N'yo po ang mga kilusang tungo sa kapayapaan
Itaguyod N'yo po ang katarungan at pagpapaganap ng aming mga batas
Palaganapin N'yo po ang karunungan tungo sa pag-unlad ng ekonomiya

Buwagin N'yo po ang mga kilusan ng mga may masasamang layunin
Iligtas N'yo po kami sa kasakiman at sa maling paggamit ng aming karapatan
Kahabagan N'yo po ang aming bansa upang lumaganap ang kagalingan
At magpatuloy ang pag-unlad tungo sa kapakanang pangkalahatan

Ito po ang aming mga kahilingan at daing na may pagpapakumbaba
Sa Inyong dakilang pangalan
Diyos na Maykapal, Allah na Makapangyarihan at Panginoon ng Sangkatauhan.

Amen.

STATE OF THE NATION ADDRESS
OF PRESIDENT GLORIA MACAPAGAL-ARROYO

Thank you, Speaker De Venecia.
Vice President Guingona, President Ramos, Senate President Drilon, Chief Justice Davide and the Associate Justices of the Supreme Court, distinguished Members of the Senate and House of Representatives, His Excellency, Archbishop Franco, and Excellencies of the diplomatic corps, members of the Cabinet, General Abaya and

the officers of the Armed Forces, General Ebdane and the members of the police, fellow workers in government, ladies and gentlemen. Yesterday, without bloodshed, without damage to property and within a single day, we overcame an ill-conceived mutiny carried out by misguided military officers.

Such actions are deplorable and will be met with the full force of the law, including their political component.

Yet they signal an underlying problem that we must address. I am constituting an independent commission to investigate the roots of the mutiny and the provocations that inspired it. At the request of Defense Secretary Angelo Reyes, I am also constituting an independent commission to investigate the Davao bombing.

This will be matched by a PNP reform commission. I thank the national police for their solid support in yesterday's crisis. And I am sure they themselves welcome a comprehensive reform that will cure the organization, not only of the failures of the scale of the Al-Ghozi escape, but also the daily devils that are the kotong cops.

By now we should be at peace: at peace in the South, at peace in the countryside, safe in our homes and secure in our communities. But we remain at war. At war against terrorism. At war against corruption. At war against disease. At war against drugs, the greatest menace facing our country today. In the last five weeks, we have struck a major blow against the drug menace - eight billion pesos in five weeks.

It is a pity that a few days later, after the penultimate success against the drug menace, we should find ourselves at war against destabilizers.

We cannot stay divided with so much we need to do together. I address myself not only to the joint Houses here assembled but to the nation at large.

I need you; we need each other.

Iyon ang aking sinabi nang naluklok ako bilang Pangulo noong 2001. Sinabi ko noon na panahon na ng paghilom sa ating lipunan.

At sa aking unang State of the Nation Address, pinagdiinan ko ang mga batayang hangarin ng karaniwang Pilipino: trabaho, pagkain sa bawat mesa, tahanan, edukasyon.

I gave my targets.

I am submitting to the Congress and to the nation a technical report of my government's performance. In sum I can say, we delivered in great part on our commitments.

Hindi lumampas ang dalawang buwan pagkatapos ng State of the Nation Address, noong 9-11 nagbago ang mundo. Sa mga batayang hangaring trabaho, pagkain sa bawat mesa, tahanan at edukasyon, ating idinagdag ang kapayapaan.

Ngunit dahil hindi pa matatag ang ating republika, hindi pa natin maaasahan na kung ang isang Pangulo ay mag-uutos parang isang presidente ng isang korporasyon, ay maiintindihan at susunod kaagad ang mga institusyon at burokrasya. In a nation whose institutions are still fragile, a leader cannot run a developing country like a corporation.

For the practical purposes of most people, government exists to provide jobs, homes, education, peace and food on every table. And to do that adequately and dependably, government must possess the capacity to execute good policy and deliver basic services through strong and responsive institutions staffed by a

competent and dedicated bureaucracy. In short, government must be the arm of a strong republic.

But a strong republic does not happen overnight; not even in two or three years; nor does it happen once and for all.

In this setting, the first virtue of a modern leader is a constant sense of correct perspective, the capacity to retain her original focus, and plod on regardless.

She must stick to priorities that were carefully chosen, rather than dump them at every first issue that is recklessly raised.

I must stick to my priorities: jobs, food on every table, homes, education, peace.

Many of our reforms have yet to bear fruit, but in the fullness of time, our country will reap what was carefully picked, planted and nurtured. And it will be a harvest of plenty.

The harvest has in fact started.

Sa kapayapaan:

We have hit hard at terrorism, and with the help of Speaker Joe De Venecia, made advances towards a negotiated peace on two fronts: the MILF and the NDF.

Sa susunod na linggo, magsisimula na ang pag-uusap ng peace panels ng gobyerno at MILF tungo sa isang panghuling kasunduang pangkapayapaan.

We will avail of the good offices of Malaysia in the search of a political solution to the conflict with the MILF, while looking to the help of the United States in the rehabilitation of conflict areas and the eradication of the roots of war.

We -- all of us Filipinos -- have to decide, once and for all, whether we want peace or we want war. There is no way to peace. Peace is the way.

Subalit kung ipagpipilitan ng iilang mga kaaway ng ating Republika ang digmaan, wala akong magagawa kung hindi tapatan sila, upang ipagtanggol ang ating mga kababayan.

I thank the Senate for ratifying seven UN Conventions against terrorism. I ask them to ratify the remaining five.

Hinihingi ko rin sa Kongreso na ipasa na ang Anti-Terrorism Law at isama dito ang pagpataw ng mabigat na parusa sa kapabayaang pangangalaga ng mga pinaghihinahinalang terorista.

Kasama ng terorismo ang problema ng droga, ang pinag-uugatan ng matinding pagkabahala ng mga mamamayan tungkol sa kanilang personal na kaligtasan.

Ang katiwaliang nilikha ng kalakal sa droga ay malalim ang lagos at bumabagtas sa lahat ng sektor. Dapat nating kapootan ang walang pakundangang pagsira sa buhay ng ating mga mamamayan na maaaring humantong sa pagkawasak ng ating mga institusyong demokratiko.

Kapag nakakausap ko ang mga magulang ng mga drug addicts, nawawasak ang aking puso, ngunit lalong tumitibay ang loob ko na tama ang aking desisyong itaas ang antas ng ating paglaban sa bawal na gamot.

Dadalhin ko ang labang ito sa bawat lalawigan at lungsod hanggang umabot sa mga barangay upang kumatok tayo sa mga pinto ng bawat pamilyang Pilipino. This is one

fight I am taking everywhere, if we have to knock on every door.

Maglulunsad tayo ng kampanya sa mga paaralan at mga komunidad para sagipin ang kabataan at bigyan ng bagong buhay ang mga drug users at tiyaking hindi sila malulong muli. Pipigain natin ang supply sa kalye sa paraang kahit ang masalapi ay mahihirapang sustentuhan ang kanilang bisyo. Pipilayan natin ang operasyon ng mga drug lords at ng kanilang mga padrino sa mga pasilyo ng kapangyarihan. I thank Congress for passing the Anti-Money Laundering Law because it will help us interdict the money of the drug lords. I am now instructing the Secretary of Budget and Management to allocate a hundred million pesos for this implementation.

Ito ang ating laban at tayo ay magtatagumpay.

Para sa mga big fish sa ilegal na droga, mahirap na ang mag-moratorium sa death penalty.

Ngunit sa ibang bagay, pro life pa rin ako. I will veto any bill that will try to smuggle in abortion.

Tungkol sa edukasyon, in 2001 I said that our English literacy gives us a competitive edge in ICT. I also said that to prepare the youth to be the next generation of knowledge workers, we will upgrade math and science teaching in basic education.

Kaya dinagdagan natin ang oras para sa Math at ang English at pinag-ibayo ang laman ng Science sa bagong curriculum.

Nagtayo tayo ng eskwelahan sa anim na raang barangay na dati'y walang paaralan.

Sinisimulan natin ang Distance Learning Program o Education TV para sa apat na raang pamayanang malayo at kulang ang guro.

At kagaya ni Senate President Franklin Drilon, samahan ninyo akong magtayo ng silid-aralan sa lahat ng paaralang lumalampas sa sandaang mag-aaral bawat silid. In that way, we can once and for all close the perennial school building gap.

Tungkol sa tirahan:

Tayo ay nakapagtayo ng higit sandaan-libong bahay para sa mga maralita at halos dalawandaang libo para sa manggagawa.

Binigyan din natin ng katiyakan sa lupang tinitirikan ang halos tatlong daang libong mahihirap na pamilya.

Pinagtibay natin ang ancestral domain ng mga katutubo sa halos dalawang libong hektarya ng lupain.

Tungkol sa pagkain sa bawat mesa:

Self-rated hunger, according to the surveys, has gone down to 6.6% compared to 12.7% just before I became President.

Mayroon tayong pirmihang supply ng bigas sa halagang labing anim na piso bawat kilo para sa mahihirap.

At ayon sa masugid na pagmonitor ni Mar Roxas, ang ating Secretary of Trade, mula noong ako'y naging Pangulo, nanatiling P8.50 ang halaga ng pangmasang sardinas, P11 ang mantikang lapad, P23 ang mantikang long-neck, P28 ang puting asukal, P23 ang brown sugar, P28 ang kondensada, P115 ang baboy, P90 ang manok, at P160 ang baka. Matatag itong mga presyo mula nang ako'y naging Pangulo. Dahil dito, ngayon pinakamababa ang ating inflation rate sa loob ng dalawampung taon.

Malamang ito ay dahil ang aking administrasyon, sa tulong ng Kongreso, ay taun-taon gumugugol ng dalawampung bilyong piso para sa makataong modernisasyon ng agrikultura.

Namahagi tayo ng halos kalahating libong ektarya sa ilalim ng reporma sa lupa. Mas marami pa tayong magagawa sa tatlumpu't walong bilyong pisong inilaan para dito ng desisyon ng Korte Suprema tungkol sa nakaw na yaman.

I congratulate the Supreme Court for finally granting what has taken much too long to materialize: authorizing the allocation and use of private loot for laudable public purposes.

Hinihiling ko sa Kongreso na maglaan ng bahagi nitong pondo bilang kabayaran sa mga naging biktima ng paglabag sa karapatang pantao noong Martial Law.

Mas malaki rin ang maitutulong ng gobyerno sa mga magsasaka ng niyog ngayon na naresolba na pabor sa magsasaka ang kaso ng coco levy. Uulitin ko ang sinabi ko noon pang 2001. Sisiguruhin ko na ang makikinabang sa coco levy ay ang mga maliliit na magniniyog. Hindi ko sila pababayaang madehado.

I said that there could be a million new jobs in agriculture and fisheries. We have provided more than half of that number two-thirds into my term. Ngunit upang mabuo ang isang milyon, kailangan isabatias natin ang panukalang gamitin ang bukirin bilang kolateral sa utang para lumawak ang daan sa rural credit at kapital.

To the countless incentives that Congress has granted to business, I have matched similar programs to give a similar break to the worker in the factory and in the farm.

I do not subscribe to trickle down economics and social policy. Those who have less in life should not have to scramble for crumbs at the feet of those with too much on the table.

Bilang pakikipag-ugnayan sa mga pinakamahirap ng ating bansa hinggil sa pinakamalubhang mga problema natin, dinalaw ko ang mga di-kilalang barangay.

Nawasak ang aking puso nang narinig kong namatay ang Calisaan quadruplets.

Lalong nakumbinsi akong pag-ibayuhin ang mga serbisyong pangkalusugan, gaya nang mabuti nating paglaban sa SARS.

Ngayon, ang mga gamot na madalas gamitin ng mahihirap ay mabibili sa kalahating presyo sa mga ospital ng gobyerno.

Sa Philhealth Insurance naman, bago ako naging Pangulo, isa't kalahating milyong maralita lamang ang sakop. Ngayon, halos pitong milyon na.

Gusto kong palawakin ang mga ito, ang murang gamot, at dapat hangarin natin na lahat ng dukha ay masakop sa Philhealth. And to finance the universal coverage of Philhealth, I ask Congress to pass the bill on the indexation of sin taxes.

Tungkol sa trabaho:

Sinabi ko noong 2001 na upang dumami ang trabaho, kailangan isaayos ang klima para sa pamumuhunan.

Our economy grew by 4.4 percent last year and 5.6 percent in the first quarter of this year. Only China and Vietnam did better.

Ang kahirapan ay unti-unting nagagapi. Self-rated poverty, again according to

the survey, is at its lowest percentage of the population in the last 16 years.

Foreign investments rose 26 percent in the first quarter compared to the same period last year.

But we need to reduce the risk of living, not to mention doing business here. Which is why yesterday's rogues must go to jail.

We can reduce business costs by providing basic infrastructure: roads, transport, and a more efficient and rationalized power sector.

Our road program is symbolized by the long-awaited expansion of the North Expressway.

On mass transport, towards the end of this year, we will complete the loop of the Light Railway System of Metro Manila -- from Santolan in Pasig towards Aurora Boulevard in Cubao, and on to Quiapo to Blumentritt on to EDSA in Pasay and back to Cubao.

Hindi tumaas ang pasahe mula noong una kong State of the Nation Address. Kaya mga jeepney drivers nagpapasalamat ako. Hindi ko kayo pababayaan.

To reduce transport costs from Mindanao to Luzon, we set up the nautical highway, a system where the cargo truck itself travels straight to its destination, making inter-island crossings on ferries, rather than loading and unloading at every port. This has reduced by 30 percent the transport cost of products from Mindanao like copra, rice, corn and vegetables.

Naglagay tayo ng koryente sa mahigit sanlibo't limandaang barangay. While in Metro Manila, a consumer using 100 kilowatt hours paid P526.48 last May. Today, he pays P423.20, a drop of over P100 or 20 percent. His case is one of almost two million households benefiting from the lifeline rate program of the Energy Regulatory Commission. Another 109 electric cooperative franchise areas will also soon reduce their rates under the loan condonation program of the Electric Power Reform Act that you, Congress, passed in 2001. That is why, believe me when I say that from having the second most expensive power in the Asia-Pacific, we now rank seventh.

But we will need 6,000 megawatts more of power over the next ten years. That is why we need to pass the TRANSCO bill to maintain a favorable ranking as we take on this added capacity.

When we reduce business costs, the last should be wages and the first should be red tape.

Kaya nagsasagawa ako ng sorpresang pagbisita sa mga tanggapan ng gobyerno, upang pasiglahin ang talagang nagsisikap at gisingin kung sino ang natutulog sa trabaho.

Pinalakas natin ang pambansang ekonomiya--agrikultura, maliliit na negosyo, pabahay, upang anumang mangyari sa dayuhang ekonomiya, matatag pa rin ang Pilipinas.

Naglaan tayo ng sampung bilyong piso para sa murang pautang sa maliliit na negosyo. Nagamit na ito lahat, kaya dadagdagan muli natin ng higit pa sa sampung bilyong piso.

Ang interest rates ay patuloy na bumababa.

Good monetary policy and fiscal discipline and balance are the key.

Our revenues surpassed the target by P21 billion in the first five months of this

year, driven by information technology, helped by lifestyle checks, 50 indictments, and dismissals for graft and corruption.

Thus, we held the budget in check at 22% below ceiling.

I thank Congress for passing our E-Procurement Law because it helps us hold down expenditures. Now, I ask Congress to complete the passage of the bills on excise tax rationalization and the National Revenue Authority.

But we must reduce corruption not only among appointive but also among elective officials.

With full financial support from my government, the registration, counting, and transmission of votes in the May 2004 elections will be completely computerized.

Now I ask Congress to institute reforms in campaign finance to level the playing field and widen the choice of the electorate for worthy candidates.

The strength of our investment climate also rests in great part on the realities of the global and regional environment and on how we turn those realities to our advantage.

Our country has come much closer to re-attaining strategic importance in geopolitics as an active and respected voice in international affairs.

The Filipino is now recognized as a truly global worker, both at home and abroad.

We have had the smallest number of strikes in the last 21 years. Increasingly, the Philippines is being recognized as an ideal site for critical operations requiring a high-quality, English-educated work force.

Eight million Filipinos live and work abroad, in jobs where they enjoy the unbeatable comparative advantages of an English-speaking education, advanced skills and a uniquely caring nature.

The Filipino will work anywhere because he is not afraid. Like Manny Pacquiao, given the chance to compete, he will take it and he will win. It was only fitting that because of your work in Congress, overseas Filipino workers were given the overseas voting right.

It was also fitting that I put in a new perspective in our relations with the United States where three million Filipinos live and where I made a state visit as their only state visitor for the year. The benefits of our engagement with the U.S. vastly outweigh any concerns about sovereign subordination. We should have the confidence to deal with other countries as equals however rich, however strong -- be they China, Japan, the members of the European Union or the United States.

We have reached out to good friends and neighbors such as Prime Minister Mahathir of Malaysia and President Megawati of Indonesia with the message that we must work together especially where democracy and security are concerned.

Ang panguluhan ay laging nahaharap sa mabibigat na suliranin.

Terrorism, drugs, SARS, OFWs, Mindanao, poverty, corruption, investments, destabilization -- these come to mind as we review the crises and opportunities of the past year.

They sum up the problems we faced and the extraordinary responses that we made, surprising even ourselves and reviving faith in our future.

Barangay Vacante, Alcala, Pangasinan got the SARS, took the hit, fought on and valiantly overcame the crisis.

Barangay Inug-ug, Pagalungan, Maguindanao politely asked the MILF and the military to leave and take their fight elsewhere, thereby making their community a sanctuary of peace.

Si Sonny Ayao, umayaw sa giyera at naging community organizer kahit na siya ay naging MNLF sa edad na labindalawa at kahit na naging mujahedeen siya sa loob ng dalawampu't pitong taon.

The Filipinos of Kuwait, isolated by war, refused to abandon their jobs, took care of themselves and the people around them during the Iraq conflict.

Teacher Josette Biyo of Iloilo, World Champion in Science and Math teaching, has a planet in the solar system named after her.

Luz Lozada, 72 years old ng San Isidro, Davao del Sur, hinirang na natatanging magsasaka. She is the image model of hybrid rice technology, the symbol of our agricultural modernization.

Police officers Cayetano Gannaban and Raul Graza fought off 20 rebels in a firefight in Quinapondan, Eastern Samar.

Police Colonel Boysie Rosales, kilabot ng mga drug lords, tumanggi sa suhol na P35 million.

Hinahangaan ko ang gilás ng maraming Pilipino, ang malalim nating kaban ng kabayanihan at talino, ang ating matibay na kalooban upang mabuhay, maglingkod at mangibabaw.

Ang ating pangarap ay walang kabawas-bawas - - isang matatag na Republikang hindi matitinag ng makasariling interes, yumayabong sa mga gumaganang institusyon ng pamamahala, naglilingkod sa isang masipag na lipi saanman ito kailangan upang maibigay sa kanila ang karapat-dapat nilang tanggapin.

A life of leadership is a difficult one, with few pauses for comfort and relief. These days I find that rare moment of joy in the company of my family, especially my baby granddaughter, Mikaela.

Just as I will do everything to make sure that the future will be kind to Mikaela and her generation, so must we all strive to turn our fears into a resolve to do right not just by ourselves but by our children and grandchildren.

Nasa giyera tayo -- giyera laban sa terorismo, giyera laban sa katiwalian, giyera laban sa kasakitan, giyera laban sa droga, giyera laban sa distabilisasyon. Sa ating sama-samang pakikipaglaban at pagtutulungan, tayo ay mangingibabaw at magwawagi.

No agtutunos tayo nga agrabaho, agba leygi tayo.

Abe-abeng makilaban ampon magobra, mangibabo tamu.

Sa atong panaghiusa sa pagtrabaho ug pagbuntog sa mga kaaway, molampos gayod kita.

Sa atong pag-inupod sa mga ulubrahon kag sa pakipag-away, kita gid ang magpangibabaw.

Kasihan nawa ng Diyos ang Pilipinas.

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 4:51 p.m.

I hereby certify to the correctness of the foregoing.

(Sgd.) ROBERTO P. NAZARENO
Secretary General

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