

thankful for all of those who put it together and hope that we all can support it.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kentucky [Mrs. NORTHUP], who worked hard in the State legislature to improve education.

Mrs. NORTHUP. Mr. Speaker, I rise and am pleased to rise in support of the Reading Excellence Act. While we are all concerned about new Federal programs, the budget agreement set aside \$260 million for a new literacy program. What we could have had is another feel-good, unproven, sounds-good program, the kind of program that has failed our children so badly.

Mr. Speaker, 44 percent of the U.S. students in elementary school do not read at a basic level. Thirty-two percent of college graduates also have failed to reach this basic level. This may be the most important bill that we pass regarding our children and their success in school, because what it does, finally and most importantly, is focus on the proven ways of teaching children how to read.

We know today that the latest scientific research shows that 60 to 70 percent of all children read any way you teach them, but the other children need a very systemic, phonics-based approach to reading if they are ever going to read and be good readers.

We furthermore know that science has shown us that children that do not read by the end of third grade will always have a bigger struggle in reaching that basic level. Their opportunity to be good readers is much more difficult if they do not learn to read by the end of third grade.

Reading opens doors and failure to read slams those doors shut. So what we need is to make sure that we use the kind of scientifically proven method to teach our children, one that has not been in our schools so often in the past. This phonics-based approach is what teachers will learn as a result of this funding. We will also give parents the opportunity to provide tutorial service for their children, their choice based on the most recommended types of tutoring and reading approach.

It also endorses family literacy, so we are giving our children an opportunity to go to schools that teach the right kind of reading and parents who can help those children in the same way. I support this bill.

Mr. MARTINEZ. Mr. Speaker, I yield myself the balance of my time to say that everybody has said repeatedly that reading is so important to our way of life, even the basics for reading to fill out an application for employment, or reading instructions for toys that we put together for our children. Yet I have seen in my lifetime so many people that have even graduated from high school that have been functionally illiterate. Anything that we can do to improve the ability for children to read at an early age and to go on to higher education and better themselves by

learning to read and read well is something that we have done that is worthwhile.

Mr. Speaker, I yield back the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I think it is very important that we be careful when we say that we wish schools the way they were when we were kids. But we have to understand, schools must be much better than they were when we were children. Why? Because we are in the 21st century.

When I went to a two-room, eighth grade elementary school, most children did not go beyond eighth grade. They went on to work. Many were not very literate. They did not have to be. It was easy to get a job, it was easy to support a family. They did not have to be as literate as they must be today.

So what we have tried to do with this legislation is take the mandate from the budget agreement and see whether we could create something that would give teachers the opportunity to be the best reading teachers there are; to give parents an opportunity to be the child's first and most important teacher; to make sure children do not fail or get socially promoted in first grade.

Mr. Speaker, this is a small program to improve the existing program. We are not out there trying to create some magnificent program that will end all illiteracy in this country. We are trying to make all of our programs better programs so that every child has an opportunity for quality education. They must have it if we are going to succeed in a very competitive 21st century. We cannot have 40 percent of our children unable to read properly.

Reading readiness, reading skills. At one time one was literate if one could read at a sixth grade level. Now one is functionally illiterate if one cannot read and comprehend at the twelfth grade level. The only thing I want from the old schools is discipline. Everything else I want to be better.

Mr. Speaker, I rise in support of H.R. 2614, the Reading Excellence Act, which would authorize the Education Department to make grants to State reading and literacy partnerships.

Under the bill a State's reading and literacy partnership would consist of the Governor and chief State school officer, the chairmen and ranking members of each State legislative committee with jurisdiction over education, and a representative of a school district with at least one school in a title I school improvement program.

While the bill will allow State partnerships they must include in their applications an assurance that they would give subgrants only to those school districts that have family literacy programs based on Even Start, implement programs to assist kindergarten students who are not ready to make the transition to first grade, use supervised individuals to provide additional support before and after school and during the summer, and have a professional development program for the teaching of reading. Most important, the bill would require ap-

plications to describe how the state would send 95% of its funds to the local level.

The bill requires that State partnerships make subgrants on a competitive basis to school districts that have more than one school in a title I school improvement program.

This bill will be good for the children of Houston and good for the State of Texas because it will help to focus resources on the critical area of literacy and reading.

Reading is the most fundamental of skills that all children must master in order to do well in all subjects. I am a strong supporter of education, and feel that this measure will offer greater incentives to States and school districts to strengthen and develop reading programs. I urge my colleagues to support this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). All time has expired.

The question is on the motion offered by the gentleman from Pennsylvania [Mr. GOODLING] that the House suspend the rules and pass the bill, H.R. 2614, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2614.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### LINE-ITEM VETO FIX

Mr. THOMAS. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 2513), to amend the Internal Revenue Code of 1986 to restore and modify the provision of the Taxpayer Relief Act of 1997 relating to exempting active financing income from foreign personal holding company income and to provide for the non-recognition of gain on the sale of stock in agricultural processors to certain farmers' cooperatives, as amended, and table the bill, H.R. 2444.

The Clerk read as follows:

H.R. 2513

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 of the Internal Revenue Code of 1986 (as amended by subsection (d)) is amended by adding at the end the following new subsection:

“(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESSES AND BANKING, FINANCING, OR SIMILAR BUSINESSES.—

“(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include income which is—