together and we will not delay these veterans' checks as well as other checks that go to people in this country.

Mr. Speaker, this is a fine bill, and I ask support of the House.

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

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 2289, 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.

REPORT ON INQUIRY INTO VARIOUS COMPLAINTS FILED AGAINST REPRESENTATIVE NEWT GINGRICH

Mrs. JOHNSON of Connecticut, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 104–401) on the inquiry into various complaints filed against Representative NEWT GINGRICH, which was referred to the House Calendar and ordered to be printed.

STATEMENT ON REPORT OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mrs. JOHNSON of Connecticut asked and was given permission to address the House for 1 minute.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, today, at the direction of the Committee on Standards of Official Conduct, I have introduced a resolution which eliminates one of the few exceptions to House Rules regarding outside earned income.

As you know, the Rules of the House now restrict the amount of outside income a Member or senior staffer may earn to $20,040 per year. However, copyright royalties and book advances are exempted from this restriction. A Member may publish a book and receive a large cash advance and unlimited royalties.

The resolution introduced today would amend rule 47 of the Rules of the House of Representatives so as to prohibit advances and treat copyright royalties as earned income subject to the $20,040 yearly cap. The new restriction would apply to royalties earned after December 31, 1995, for any book published after the beginning of House service, and would prohibit the deferral or royalties beyond the year in which earned.

It is the committee's hope that this resolution will be considered and approved this year.

As with our necessary reforms, this proposal may cause some momentary financial hardship in individual cases, or even delay the communication of useful ideas. In the long run, however, this proposal, by preventing the perception that book contracts are offered or their terms altered in deference to a Member's position rather than as a reflection of the book's content, will bring added attention to whatever ideas we may put forth.

As has passage of the gift rule resolution and, hopefully, other reform initiatives, this change in our House rules will assure that our actions—both in fact and perception—merit public confidence.

BANK INSURANCE FUND AND DEPOSITOR PROTECTION ACT OF 1995

Mrs. ROUKEMA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1574) to amend the Federal Deposit Insurance Act to exclude certain bank products from the definition of a deposit.

The Clerk read as follows:

H.R. 1574

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Bank Insurance Fund and Depositor Protection Act of 1995''.

SEC. 2 DEFINITION OF DEPOSIT.

Section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting''; and''; and

(3) by adding at the end the following new subparagraph:

''(C) any liability of an insured depository institution that arises under an annuity contract, the income of which tax deferred under section 72 of the Internal Revenue Code of 1986.''.

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 shall apply to any liability of an insured depository that arises under an annuity contract issued on or after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 20 minutes, and the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from New Jersey [Mrs. ROUKEMA].

GENERAL LEAVE

Mrs. ROUKEMA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1574.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as chairmwoman of the Financial Institutions & Consumer Credit Subcommittee I would like to commend you and my colleagues for considering H.R. 1574, The Bank Insurance Fund and Depositor Protection Act of 1995, on the suspension calendar.

H.R. 1574 is a bill with broad bipartisan support that would clarify that a bank product known as the retirement CD is not to be covered by Federal deposit insurance. We strongly believe these instruments could pose serious safety and soundness for banks that issue them.

Last year, certain banks received the authority to offer these retirement CDs. Banks that intend to offer them claim these instruments combine the tax-deferred income accumulation and lifetime payout features of a traditional annuity with the Federal deposit insurance guarantee normally associated with bank certificates of deposits [CDs].

The problem is that the lifetime payment feature of the retirement CD exposes the issuing bank to a potential liability with an unknown duration raising safety and soundness issues. In addition, any deferred payments above the amount in the deposit account at maturity will not be federally insured. This is misleading to bank customers.

There is no reason for the Federal Government to forego currently taxing the income produced by an annuity product while at the same time guaranteeing the payment of the principal plus the untaxed interest. This would constitute an expansion of the Federal deposit insurance net and, once again, raises serious safety and soundness concerns. Furthermore, the FDIC has indicated that they are neutral on the matter and understand that expanding the insurance net to these or similar products could have some unknown consequences.

In addition, the Internal Revenue Service has raised other concerns about the instrument's tax-deferred status. After reviewing the components of the retirement CD, the IRS proposed to strip it of its tax-deferred status. Under U.S. tax law, the IRS believes that any favorable tax treatment for these instruments should be eliminated.

In addition, the Congressional Budget Office carefully scrutinized this product and noted, in particular, that, and I quote, that substantial uncertainty exists about its potential tax consequences. The CBO concluded that, taken as a whole, the enactment of H.R. 1574 should result in no significant budgetary impact, and therefore support the bill.

As I stated earlier, this legislation has strong bipartisan support to ban these questionable products. There is strong agreement that these instruments place the insurance industry at a competitive disadvantage, as well pose serious disclosure problems for bank depositors.

Finally, it is worth noting that this bill has companion legislation in the Senate, where it too, has broad support