

Congress Narrows Gap on a Tax Bill

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deduction, both cited by Mr. Rostenkowski weeks ago as among his preferences.

Mr. Rostenkowski made a special point of saying that House Democrats could not accept a three-year bill with income tax cuts of 10 percent a year, which has been a Reagan condition. In February, Mr. Reagan proposed a bill to cut individual tax rates from top to bottom by 10 percent for three years.

Mr. Dole suggested that the differences between him and Mr. Rostenkowski, both veterans of many House-Senate tax conferences, were less significant than the differences between the House Democratic leadership, including Mr. Rostenkowski, and the White House.

"I don't speak for the White House," Mr. Dole said. Moments later he added, "If it's left up to us, I think we can probably work out an agreement."

Mr. Dole and Mr. Rostenkowski, it was authoritatively reported, would agree on a two-year bill rather than the three-year measure proposed by the Administration. They are in general agreement, it is understood, on more generous depreciation write-offs for business, a reduction in one stroke of the top rate paid by individuals to 50 percent from 70 percent, an easing of estate and gift taxes, bigger tax breaks for Americans working abroad, an easing of the "marriage penalty" paid by some two-earner couples, a limited investment tax credit for research and continuation beyond its scheduled 1983 expiration of the present exclusion of \$200 of dividends and interest for individuals (\$400 for couples).

Image of Earnest Cooperation
Standing shoulder-to-shoulder with Mr. Rostenkowski in a narrow corridor of the Rayburn House Office Building, Mr. Dole evoked an image of Congressional Democrats and Republicans in both chambers working amicably toward a common goal. This was in contrast to a more threatening line Mr. Dole took eight hours earlier at a press breakfast.

"I know for a fact that the Administration believes this is a critical week," Mr. Dole said at the breakfast meeting. Time is running out. It's time to fish or cut bait.

If House Democrats and the White

House do not come to terms, Senator Dole added, the Administration would "have to go to work the way they did on the budget." That was a reference to the alliance the White House forged with conservative Democrats on the budget issue, an alliance that might defeat Mr. Rostenkowski on the House floor.

Whether the White House could muster such a coalition again on a tax bill is in doubt—certainly in more than a doubt—it was earlier this month on the budget resolution. Still, Mr. Rostenkowski's apparent willingness to negotiate before the bill-drafting process has begun in committee is widely interpreted as a sign that the Illinois Democrat fears such a coalition could beat him in his first major floor fight as Ways and Means chairman.

A Hint of Senate Impotence

At the press breakfast, Mr. Dole also raised the possibility that the Senate Finance Committee might begin drafting a tax-reform bill next week if there is no accord, rather than wait in the usual way for a House-passed bill to reach the Senate. That, too, was a concern to Mr. Rostenkowski because it could produce a bitter, knock-down House-Senate conference, with the Administration backing the Republican-controlled Senate.

Mr. Dole outlined this morning a bill which would reduce the maximum rate paid by individuals to 50 percent from 70 percent now. It would also speed up depreciation, abate the "marriage penalty," encourage savings, reduce estate and gift taxes and lower the maximum tax on capital gains to 15 percent from 28 percent.

Mr. Dole said this bill would cost the Treasury \$38.7 billion in the fiscal year 1981, which starts Oct. 1, less than the \$84 billion estimated by the Administration bill. The Kansas Republican said this bill would cost \$52 billion in the fiscal year 1982, as against \$105 billion for the Administration bill, and \$149 billion in the fiscal year 1984, as against \$151.5 billion.

The bill would also, in its first year, reduce the maximum rate paid by individuals to 50 percent from 70 percent now. It would also speed up depreciation, abate the "marriage penalty," encourage savings, reduce estate and gift taxes and lower the maximum tax on capital gains to 15 percent from 28 percent.

Corporate Earnings

Company	1981	1980	1979
HARNISFEEBEE CORP. (N)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$1,200,000	\$1,170,000	\$1,100,000
Net income	200,000	180,000	150,000
EPS	2.00	1.80	1.50
ADVANCED SYSTEMS (O)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$5,950,000	\$5,720,000	\$5,200,000
Net income	1,150,000	1,100,000	1,000,000
EPS	1.15	1.10	1.00
AMES DEPT STORES (O)	Qtr to May 2 1981	Qtr to May 2 1980	Qtr to May 2 1979
Revenues	\$210,000,000	\$200,000,000	\$190,000,000
Net income	13,000,000	12,000,000	11,000,000
EPS	1.30	1.20	1.10
BIP-RESPONSE INC. (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,800,000	\$1,700,000	\$1,600,000
Net income	300,000	280,000	260,000
EPS	3.00	2.80	2.60
CHANCELLER ENERGY (O)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$30,000,000	\$28,000,000	\$26,000,000
Net income	5,000,000	4,500,000	4,000,000
EPS	5.00	4.50	4.00
CONTEXT INDUSTRIES (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,500,000	\$1,400,000	\$1,300,000
Net income	250,000	230,000	210,000
EPS	2.50	2.30	2.10
DEERE & CO. (N)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$1,600,000,000	\$1,500,000,000	\$1,400,000,000
Net income	200,000,000	180,000,000	160,000,000
EPS	2.00	1.80	1.60
DETECTION SYSTEMS (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,200,000	\$1,100,000	\$1,000,000
Net income	200,000	180,000	160,000
EPS	2.00	1.80	1.60
DEC-SOUNDSTREAM (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,500,000	\$1,400,000	\$1,300,000
Net income	250,000	230,000	210,000
EPS	2.50	2.30	2.10
DUNKIN' DONUTS (O)	Qtr to April 25 1981	Qtr to April 25 1980	Qtr to April 25 1979
Revenues	\$1,800,000	\$1,700,000	\$1,600,000
Net income	300,000	280,000	260,000
EPS	3.00	2.80	2.60
EMERSON CORP. (O)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$1,200,000	\$1,100,000	\$1,000,000
Net income	200,000	180,000	160,000
EPS	2.00	1.80	1.60
ESTERLINE CORP. (O)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$1,500,000	\$1,400,000	\$1,300,000
Net income	250,000	230,000	210,000
EPS	2.50	2.30	2.10
FIRST CONN SMALL BUS (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,200,000	\$1,100,000	\$1,000,000
Net income	200,000	180,000	160,000
EPS	2.00	1.80	1.60
HEATHWOOD ENTERPR (O)	Qtr to April 30 1981	Qtr to April 30 1980	Qtr to April 30 1979
Revenues	\$1,500,000	\$1,400,000	\$1,300,000
Net income	250,000	230,000	210,000
EPS	2.50	2.30	2.10
GREATHEAT HOSPITALS (O)	Qtr to March 31 1981	Qtr to March 31 1980	Qtr to March 31 1979
Revenues	\$1,200,000	\$1,100,000	\$1,000,000
Net income	200,000	180,000	160,000
EPS	2.00	1.80	1.60



Representative Dan Rostenkowski, left, a Democrat and chairman of the House Ways and Means Committee, yesterday in his office with Senator Bob Dole, a Republican who heads the Senate Finance Committee.

Silver Traders Nervous

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at Rudolf Wolff Commodity Brokers Inc., who is close to the Hunt interests, said yesterday:

"I can assure you that the Hunts will not sell their silver, come hell or high water. The basic reason why silver prices are down is that the market never recovered from the forced liquidation of futures speculators by Comex on Jan. 21, 1980. Many speculators will not get near that market."

"Another indication of the lingering bias toward silver traders is in the fact that silver speculators on Comex have to put up more cash than those in the gold futures market there." The minimum speculative cash margin for buying or selling short a 5,000-ounce Comex silver contract is \$3,500, while that for a 100-ounce gold contract is \$2,500, he noted.

Mr. Sarnoff added that the Hunts "strongly believe that the price ratio between gold and silver will eventually be 5 to 1, not the 40 to 1 that it is today, or the 40 to 1 that it was on Silver Tuesday."

"In mid-1973," Mr. Levine of ACLI noted, "gold shot to \$120 an ounce from \$60 on the free markets overseas, but silver was still under price control and managed to move up from \$2 to \$3 an ounce. At all events, we don't see the ratio narrowing significantly in the short run."

The Comex spot June gold futures closed yesterday at \$469.70 an ounce, up \$4.20 on the day.

Shipping/Mails

Shipping/Mails	INCOMING	OUTGOING
ARRIVING TOMORROW, May 29	ROTTERDAM (Holland America Line), Left Bermuda May 27, due at 11 A.M. at West 57th Street.	ROYAL VIKING SKY (Royal Viking Line), Left Ft. Lauderdale May 25, due at 8 A.M. at West 57th Street.
SAILING TODAY	GENERAL STANISLAW POLANSKI (Polish Ocean Lines), Rotterdam June 2, Bremerhaven 10 and Gdynia 12, sails from Port Newark, N.J.	South America West Indies, Etc.
BORNIUM (OCEAN) , San Juan June 1, sails from Port Elizabeth, N.J.	BERNARDUS (Bernardus Steamship), Bermuda May 31, sails from 38th Street, Brooklyn.	Bermuda May 31, sails from Port Elizabeth, N.J.
Trans-Atlantic	AL SHAMIAN (United Arab Shipping) Jeddah June 15, Dubai 22, Dammam 24 and Kuwait 26, sails from Port Newark, N.J.	ROYAL VIKING SKY (Royal Viking Line), New England and Canada Cruises, sails at 4 P.M. from West 57th Street.
YACRUZ (Bahama Cruise Line), Cruise to New York, sails at 4:30 P.M. from West 57th Street.	South America West Indies, Etc.	AMBAR (Concordia Line-Norfolk Line), Haiti June 2, Kingston 10, Port-au-Prince 12, sails from Global Maritime Terminal, Port Jersey, N.J.
NAVATOR (Royal Caribbean Steamship), Departing June 6, Aruba 10, LaGuardia 12 and Kingston 15, sails from Port Newark, N.J.	MORACRIB (Morris McCormack Line), Santos June 16, Rio de Janeiro 20, Recife 24 and Fortaleza 28, sails from 22nd Street, Brooklyn.	ROTTERDAM (Holland America Line), Trans-Canada Cruises, sails at 4 P.M. from West 57th Street.
ANDERS MAERK (Maersk Line-Moller Steamship), Oslo June 20, Singapore 28, Suez 30, Tokyo July 2 and Pusan 3, sails from Port Newark, N.J.		

Weather Forecasts and Records

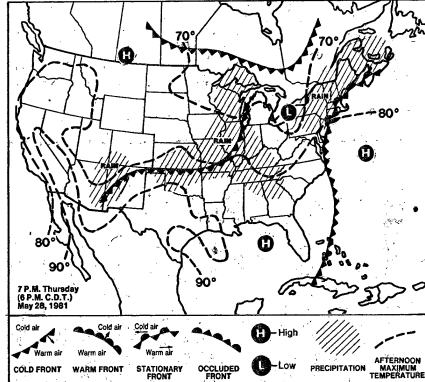
Meteorology by the National Weather Service

Metropolitan Forecast
A low pressure system will move in slowly from Ohio, bringing thunderstorms or heavy showers to the New York metropolitan area early this morning. Humid southerly winds will be in force. Occasional showers and thunderstorms may be expected both days. Temperatures will be warm today and tomorrow.

Regional Forecast
New York City: Today: Mostly cloudy and humid with occasional showers and thunderstorms. High: 70-75. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent. Tonight: Mostly cloudy and humid with occasional showers and thunderstorms. Low: 60-65. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.

National Forecast
Thunderstorms will spread across the North and Middle Atlantic States with occasional showers over the South Atlantic States. Some thunderstorms will develop over the upper Mississippi Valley; the Central Rockies and the Northern Plains States. The rest of the country will be sunny with mild temperatures prevailing.

City	Today	Tomorrow
New York City	Mostly cloudy and humid with occasional showers and thunderstorms. High: 70-75. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.	Mostly cloudy and humid with occasional showers and thunderstorms. High: 70-75. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.
New Jersey	Mostly cloudy and humid with occasional showers and thunderstorms. High: 68-73. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.	Mostly cloudy and humid with occasional showers and thunderstorms. High: 68-73. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.
Recreational Forecast	Winds: Southerly at 10 to 20 knots. Visibility: 3 to 5 miles in light fog. Wave heights: 1 to 3 feet on the ocean, 1 to 2 on the sound.	
Boating	High Tides: Sandy Hook 3:30 A.M., 4:14 P.M.; Rye Beach 7:08 A.M., 7:58 P.M.; Shinnecock Pt. 2:43 A.M., 3:24 P.M.; Montauk Pt. 4:05 A.M., 4:42 P.M.	
Connecticut	Today: Mostly cloudy and humid with occasional showers and thunderstorms. High: 68-73. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.	
Westchester, Rockland	Today: Mostly cloudy and humid with occasional showers and thunderstorms. High: 70-75. Southerly winds at 10 to 15 m.p.h. Precipitation probability 60 percent.	
Satellite Photograph	Year's Weather at a Glance: A P-National Oceanic and Atmospheric Administration's Outlook for the North, Middle and South Atlantic States, the Ohio and Mississippi Valleys and portions of the Gulf States. Thunderstorm clouds also cover the Northeast and Central States, and other clouds are scattered across the Southwest, the Great Basin and the Central Rockies.	



City	Forecast
Atlanta	Mostly cloudy, 77-81.
Boston	Partly cloudy, 64-68.
Chicago	Partly cloudy, 73-56.
Cleveland	Thunderstorms likely, 71-52.
Dallas	Partly cloudy, 93-70.
Denver	Thunderstorms likely, 74-55.
Houston	Mostly fair, 94-70.
Kansas City	Partly cloudy, 61-61.
Las Vegas	Thunderstorms likely, 84-66.
Los Angeles	Partly cloudy, 78-63.
Miami	Thunderstorms likely, 85-74.
Minneapolis	Mostly cloudy, 69-62.
New Orleans	Partly cloudy, 92-74.
Philadelphia	Mostly cloudy, 84-66.
Phoenix	Partly cloudy, 95-72.
Pittsburgh	Rain likely, 70-57.
St. Louis	Thunderstorms likely, 84-66.
San Francisco	Mostly fair, 70-53.
Seattle	Mostly fair, 72-50.
St. Paul	Shower likely, 63-52.
Washington	Thunderstorms likely, 80-68.

Foreign and U.S. Cities

City	Forecast
Abroad	Following are the lowest and highest temperatures and conditions for the 12-hour period ended 2 P.M. (E.D.T.) yesterday.
Albuquerque	75 91 Sunny
Anchorage	68 79 Partly cloudy
Atlanta	77 81 Sunny
Baltimore	67 74 Partly cloudy
Boston	75 86 Sunny
Buffalo	65 74 Partly cloudy
Chicago	73 84 Partly cloudy
Cincinnati	74 81 Partly cloudy
Cleveland	71 82 Partly cloudy
Dallas	78 91 Partly cloudy
Denver	74 85 Partly cloudy
Detroit	70 81 Partly cloudy
El Paso	74 84 Partly cloudy
Houston	78 88 Partly cloudy
Los Angeles	69 78 Partly cloudy
London	54 61 Partly cloudy
Madison	68 78 Partly cloudy
Miami	80 89 Partly cloudy
Minneapolis	65 74 Partly cloudy
Montreal	61 68 Partly cloudy
New Orleans	78 88 Partly cloudy
New York	68 75 Partly cloudy
Omaha	68 78 Partly cloudy
Philadelphia	74 84 Partly cloudy
Pittsburgh	67 77 Partly cloudy
Portland, Ore.	77 87 Partly cloudy
Portland, Me.	68 77 Partly cloudy
Raleigh	74 84 Partly cloudy
San Diego	74 84 Partly cloudy
San Francisco	68 77 Partly cloudy
Seattle	72 82 Partly cloudy
St. Paul	63 73 Partly cloudy
St. Louis	74 84 Partly cloudy
Washington	78 88 Partly cloudy

Almanac

Temperature	Sun, Moon and Planets	Precipitation
Degree-days last season: 4,448.	Sun rises today 5:28 A.M., sets 8:18 P.M., will rise tomorrow 5:24 A.M., set at 8:22 P.M.	June 2 June 9 June 17 June 24
Low barometer: 29.95, 1 A.M.	Moon first Qr. Full Last Qr.	June 2 June 9 June 17 June 24
Record high May 27: 85, 1880.	June 2 June 9 June 17 June 24	June 2 June 9 June 17 June 24
Degree-days yesterday: 0.	Normal this month: 3.43.	Normal this month: 3.43.
Degree-days this month: 77.	Least this month: 0.26, 1903.	Least this month: 0.26, 1903.
Degree-days this season: 858.	Most this month: 9.15, 1978.	Most this month: 9.15, 1978.
Normal to yesterday: 8.41.		
Reservoirs		
By the New York City and New Jersey Departments of Environmental Protection		
New York and Westchester		
Water level on May 27: 85.33.	Water level on May 27: 93.76.	Water level on May 27: 93.76.
Last year on May 27: 100.	Consumption: 295.6 million gallons.	Consumption: 295.6 million gallons.
Consumption on May 27: 1,506 billion gallons.	Difference in consumption from last year: -22.8%.	Difference in consumption from last year: -22.8%.