

WASHINGTON (AP) -

Although unemployment remains ~ high, almost everything else in the economy is starting to look good and Americans may be entitled to another major tax cut in 1979, President Ford said today.

"The underlying fact about our economy is that it is steadily growing healthier. My policies for 1976 are in-

tended to keep us on that upward path,"' Ford said in his annual economic report to Congress. He also said, "Regrettably, a full recovery of the economy will take time."

Despite the prospect of job gains this year, Ford's economic advisers said "unemployment will almost surely remain distressingly

high. . .

"Even under the best of circumstances the return to full employment cannot realistically be accomplished this year or next."

Ford did not indicate how much taxes could be decreased in 1979, but he said the decrease would be on top of the \$28 billion in permanent tax decreases he already has proposed for this year and next.

He also tied the prospect of future tax reductions to support for his spending recommendations, including

the \$394.2-billion budget he is proposing for fiscal 1977.

'If we continue in the years ahead to pursue the kind of budgetary restraint which I am recommending, another major tax cut will be feasible by 1979," he said.

Ford's economic report,

which Congress receives annually from the President and his Council of Economic Advisers, stressed that the worst is over for the economy. It said Americans can take satisfaction that the nation's economic system has come through intact.

_ There have been ''appreciable gains' in reducing inflation, which declined from 12 per cent in 1974 to 7 per cent in 1975, with an additional slow-down expected this year, Ford said.

'While I do not regard the events of 1975 as fully satisfactory by any measure, we should find it reassuring that our economic system withstood severe strains and displayed inherent strengths during the year,"' he said.

Unemployment remains a serious problem, Ford said, but ''it is slowly moving in the right direction.'' Any attempt to bring the jobless rate down quickly could ignite new inflation and make matters worse in the long run, he said.

Ford's economic report gave the following outlook for this year:

-Unemployment will decline to about 7.3 per cent by the end

of the year, down from 8.3 per cent in December 1975. That means nearly 6.6 million jobseekers still will be unable to find work.

-Inflation will decline to about 6 per cent during the year, compared with 7 per cent last year.

-The economy will grow between 6 and 6.5 per cent, as measured by the nation's Gross National Product. The GNP declined 2 per cent in 1975 and 1.8 per cent in 1974.

The report said Americans will have about 5 per cent more money to spend this year, even after inflation is taken into account. Consumption purchases should increase about 6 per cent, because Americans are expected to save slightly less this year than in 1975.

Also in the 1976 economic outlook is an increase in business investment of 4 to 5 per cent, a rise in housing starts to a rate of about 1.75 million units by the end of the year, new gains for auto sales and a jump of 25 per cent in business operating profits.