As far as the Headstart program is concerned, there I feel quite unhappy. Some of my colleagues at the university who know a great deal more about this than I do tell me that the Headstart program performs near miracles for a short period, and then the advantage is lost. I have the uneasy feeling that the trouble with much of our America is that fathers no longer play the role in family life that they once did, and that the wholesome role that the family used to play in the educational process of children has very much diminished.

I think the Headstart program needs reappraisal by professional educators. I hope that Congress will then look into it sympathetically, of course, but also with an eye to advantage in financial cost.

Chairman PROXMIRE. Let me move to another area quickly. I take it you would concentrate, in your judgment, as to whether or not we should have a tax increase, on the economic situation, in May or June, and that this would be your virtually sole determinant. That is, you would determine whether we should have a tax increase, based on the economic outlook, not based on budgetary considerations.

You see, what I am getting at is that if the economic outlook is pessimistic, conceivably the deficit could be larger, and in spite of that, you would not favor a tax increase under those circumstances. Am I wrong or am I right?

Mr. BURNS. That is correct, Senator.

Chairman PROXMIRE. Now, let me ask you this, Dr. Burns.

You seem to be pretty pessimistic, and what we can do about this cost-push inflation. You previously have indicated a feeling that the wage-price guideposts are of not much use under these circumstances, or not now. You say that even a mild recession would not bring cost inflation to a halt. I am sure you don't advocate a stronger dose, so what do we do about it, just relax and accept it?

Mr. BURNS. I am not even advocating a mild dose.

Chairman PROXMIRE. I am sure you are not. But what can we do about it? Are we just impotent in the face of this inflation? Do we just have to take it for a couple of years, let it ride its way out, or is there something that we can do that we can't see here?

Mr. BURNS. Well, Senator, once an inflationary spiral gets underway, I am afraid there isn't a great deal that can be done constructively. A severe recession would bring it to a halt, to be sure, but no one of us wants that.

Chairman PROXMIRE. How about controls, credit controls?

Mr. BURNS. Well, if we move back toward a policy of severe credit restriction—we are shifting away from that now, fortunately—if we move back to that, the chances are that we will bring on a recession.

Chairman PROXMIRE. I said credit controls. I didn't say tighter money, but say, consumer regulations which would require a larger downpayment and a shorter period of amortization of the debt. We have had those before. We had them in the Korean war, as you know. We had them during World War II.

Mr. BURNS. I hardly think this is the time to do that. Our automobile industry is not prosperous at present, and the appliance trades are not prosperous at present. This would be a very poor time to move toward a specific type of credit control such as that.

Chairman PROXMIRE. And you think that, regardless—I shouldn't say regardless—but supposing we do have a situation in which wage settlements are very high, and as you say, profits are dropping now