A meeting of the executive committee of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington on Tuesday, November 9, 1954, at 10:45 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Sproul, Vice Chairman
Mr. Robertson
Mr. Szymczak
Mr. Williams

Messrs. Balderston and Mills, Members of the Federal Open Market Committee

Mr. Riefler, Secretary
Mr. Vest, General Counsel
Mr. Solomon, Assistant General Counsel
Mr. Thomas, Economist
Mr. Young, Associate Economist
Mr. Rouse, Manager, System Open Market Account
Mr. Carpenter, Secretary, Board of Governors
Mr. Sherman, Assistant Secretary, Board of Governors
Mr. Youngdahl, Assistant Director, Division of Research and Statistics, Board of Governors
Mr. D. C. Miller, Economist, Division of Research and Statistics, Board of Governors
Mr. Gaines, Securities Department, Federal Reserve Bank of New York

Upon motion duly made and seconded, and by unanimous vote, the minutes of the meeting of the executive committee of the Federal Open Market Committee held on October 20, 1954 were approved.

Chairman Martin referred to a memorandum prepared by Mr. Solomon under date of November 5, 1954, pursuant to the request at the meeting on October 20, relating to approval and ratification of open market transactions already carried out, copies of which were distributed before this meeting. Mr. Solomon commented briefly on the memorandum which indicated that there was little legal necessity for ratification by the executive committee or the full Committee of open market transactions but that, on the whole, some form of motion ratifying transactions that had been entered into during a preceding period was desirable notwithstanding the fact that its legal effect would probably be quite limited.

During the ensuing discussion, Mr. Robertson suggested that in the future, action by the executive committee with respect to open market transactions already carried out by the Manager of the System Open Market Account take the form of "ratification" rather than of "ratification, approval, and confirmation", as had been the case for many years. It was his view that the intent of the committee was to ratify the transactions that had been entered into and that use of the one word would give all the legal significance required by such action. Further, Mr. Robertson said that he would prefer not to use the word "approved" since it might carry the implication that the committee was approving all steps taken by the Manager of the System Open Market Account in carrying out the general directives of the committee; he felt that a member of the committee might be willing to "ratify" the transactions as having been entered into by the Manager in order to carry out the committee's instructions, even though he might not be in position to approve every specific decision made by the Manager.

Mr. Sproul stated that Counsel for the New York Bank had reviewed the question in the light of Mr. Solomon's memorandum and that he had expressed general agreement with that memorandum. It was Mr. Sproul's view that some action to ratify transactions entered into was desirable but that it was not particularly important whether it take the form of "ratification" or of "ratification, approval, and confirmation".

Mr. Vest said that he had always looked upon the action as indicating the committee's agreement that actions taken by the Manager of the System Open Market Account had been within the scope of the committee's directives and regulations. Mr. Vest also said that either the wording used for the past 18 years showing that the transactions were "approved, ratified, and confirmed", or the single word, "ratified", would show such intent by the committee.

Chairman Martin stated that the difference in wording might assume significance if the practice which had existed since 1936 were now changed. He questioned whether, if no change in the legal meaning were to result, there was any reason for modifying the wording that had been used in passing upon such transactions for a period of many years.

Mr. Rouse said that, as Manager of the System Open Market Account, he would prefer that the minutes continue to show "approval" of the open market transactions on the theory that this indicated that the committee considered that the Manager of the System Account had acted within the policy or program laid down by the committee.

Chairman Martin said that he had not considered that approval of the transactions necessarily carried an indication of approval of the judgment used by the Manager of the System Open Market Account in carrying out the committee's directives; rather, it indicated an acceptance and ratification of the actions as being within the directives issued. He could visualize the committee disagreeing with the judgment of the Manager of the System Account and yet feeling that it wished to ratify the actions as having been taken in an effort to carry out the policy of the committee. Chairman Martin went on to suggest that the minutes of this meeting record the views expressed, namely, that the word "approval" in the actions ratifying open market transactions was not intended necessarily to indicate agreement with previously established policies of the Committee or with actions and judgments of the Manager of the System Account in undertaking to carry out such policies but was intended to show agreement that the actions taken by the Manager had been in accord with and within the scope of the committee's policies and directives.

There was unanimous agreement that Chairman Martin's statement represented the views expressed by the members of the committee, that these views be recorded in the minutes, and that no change be made in the form of the action as used in the past.

Mr. Solomon withdrew from the meeting at this point.

Before this meeting there had been sent to the members of the committee a report of open market operations covering the period October 20, 1954, to November 4, 1954, inclusive, and at this meeting there was distributed a supplementary report covering commitments on November 5-8, 1954. Copies of both reports have been placed in the files of the Federal Open Market Committee.

> Upon motion duly made and seconded, and by unanimous vote, the open market transactions during the period October 20-November 8, 1954, inclusive, were approved, ratified, and confirmed.

Mr. Young made a statement with respect to recent economic developments substantially in accordance with a staff memorandum distributed under date of November 5, 1954. As set out in that report, Mr. Young indicated that the current strengthening in activity and financial markets was being widely interpreted as foreshadowing sustained, though possibly moderate, cyclical expansion.

During Mr. Young's comments Mr. D. C. Miller entered the room.

Following a discussion of the economic review, Mr. Thomas made a statement with respect to capital market developments, the Treasury's cash position, and bank credit and reserves, using as a basis for his comments the applicable portion of the staff memorandum dated November 5, 1954. Mr. Thomas also referred to a sheet, copies of which were distributed at the meeting, presenting an estimated pattern of reserve changes, by weeks, for the weeks ending November 3 through December 15, 1954. He noted that the market had been somewhat tighter since the preceding meeting of the executive committee than had been anticipated even though the System had made purchases of some $300 million of securities.

Mr. Thomas stated that, assuming no System operations, it looked as though there would be something over $800 million of free reserves in the market until the last week of November, at which time free reserves would start to decline and during the week ending December 15 might get down to around a quarter of a billion dollars. In the latter half of December, he noted, a substantial increase in float usually helps take care of holiday currency and other demands, after which the return flow of currency would tend to be offset by a reduction in float. Mr. Thomas felt that a problem for committee consideration was how to take care of the pressures that would exist in the market between Thanksgiving and Christmas.

Chairman Martin suggested that there be a discussion of the economic and financial developments that had been reviewed, particularly since he felt that the directive given by the full Open Market Committee to the executive committee at its meeting on September 22, 1954, might have begun to get outmoded to the extent that the executive committee might wish to consider calling the full Committee into session for the purpose of considering a modification in that directive. (That directive provided, among other things, that the executive committee arrange for such transactions in the System Open Market Account "as may be necessary, in the light of current and prospective economic conditions and the general credit situation of the country, with a view....to promoting growth and stability in the economy by actively maintaining a condition of ease in the money market." At the same meeting, the full Committee also agreed that any doubts in supplying reserves to the market should be resolved in favor of ease rather than the reverse.) Chairman Martin went on to say that the committee would always be confronted with the problem of leads and lags between credit policy and economic activity but that at the present time he felt that, instead of there being a "bubble on top of a boom", as the situation had been described at previous times, there was now a "bubble on top of the foundation" which had been laid for a solid business recovery. Chairman Martin felt it just as important to keep such a bubble from forming on the floor of recovery as it had been before to keep a bubble from forming on top of a boom. For the first time, he said, he had begun to feel that the easy money policy of the Committee was furthering a speculative psychology in a great many directions in a way that could lead to undesirable developments at a critical point. He thought the committee should consider this psychological factor which had been highlighted recently in a statement to the effect that those who were waiting for evidence that recovery is here should cease looking; they could expect to see the evidence after it had gone past. Chairman Martin felt that the committee should consider the problem even though it was in a very difficult position to make a change in its operations in view of the Treasury financing coming up. He noted that operations had been carried on with the idea of providing free reserves nearer the upper limits of a range of $400-700 million, and he suggested that the committee consider whether operations should be directed toward a volume of free reserves nearer the lower limits of that range.

At Mr. Sproul's request, Mr. Riefler reread the directive given by the full Committee to the executive committee at its meeting on September 22, 1954.

Mr. Sproul then stated that he shared the views of the staff report and those expressed by Mr. Young this morning that the economic outlook had improved during the past month and that an upturn of something more than seasonal proportions seemed to be in the making. He was particularly impressed by the recovery in the steel industry, with its reflection of something more than renewed buying by automobile companies, by the rise in new orders of manufacturers, by the continued strong consumer demand, based on high level employment, high level income, high level liquid resources, and an evident expectation of a continuance of this favorable combination, and by the fact that we have probably seen the end of the present decline in defense spending and may be in the final phase of inventory liquidation, as suggested by the evidence that a significant part of the recent decline in inventories has been in finished goods. So far as Treasury's position is concerned, Mr. Sproul saw no present need for the Treasury to return to the market for new money until the first half of March. The New York Bank's estimates of the deposit balance at the end of December is the same as the staff estimate - 3.8 billion - but the Bank projected a balance of 3.2 billion for the end of January compared with the staff estimate of 2.9 billion. The funds which might be borrowed in March will be needed in April and May but might be repaid in June.

Mr. Sproul said there does not appear to be any reason to anticipate a reversal in the upward economic trend in the immediate future. At the same time there does not appear to be any major economic force in prospect which would provide the impetus for rapid expansion, although the possibility of a speculative development, as has been mentioned, does exist. This situation suggested a watchful continuation of present credit policy. Having already taken care of the need for additional reserves to facilitate the CCC financing this week, a continuance of present policy would mean the careful provision of whatever reserve funds are needed late in November and the first half of December to meet seasonal credit and currency demands.

Mr. Sproul noted a somewhat excessive supply of free reserves, at present, according to the latest figures, due largely to a big increase in float and substantial net Treasury expenditures since last Wednesday, but these reserves should be worked down by payment for the CCC offering Friday and then, except for a bulge due to the mid-month expansion of float, they should be ample until the last week of the month when more reserves may be needed. While foreseeing no immediate need for a change in credit policy, Mr. Sproul thought the members of the committee should begin to ask themselves how policy might be changed if economic recovery becomes more firmly established than it now is, and if psychology of speculation develops further--for example, if we come to think some indirect restraint on the construction boom and on speculation in the stock market would be healthy. Such a modification of credit policy might be in the direction of reducing the volume of free reserves maintained in the banking system and placing greater reliance upon the discount window as a source of reserves. This would be possible if market rates moved closer to the discount rate as a result of the reduced availability of reserves, and thus made borrowing more attractive. Mr. Sproul added that he would not object to shifting the free reserve target for System account operations to the middle or lower part of the 400-700 million dollar range.

Chairman Martin inquired whether the Federal Reserve Bank of New York had given consideration to adjusting its discount rate upward, and Mr. Sproul responded that it had not done so since, in terms of existing open market policy, it would seem to be inconsistent now or during the next few weeks to increase the discount rate, because cheaper access to reserve funds is being provided through open market operations than through the discount window.

Chairman Martin suggested that it would be desirable for the System to be giving consideration to an adjustment in the discount rate, it being his view that there were a great many indications that the stock market was not alone in reflecting the existence of a speculative psychology. After citing various factors to support his view, he said that while the committee wanted legitimate business improvement, he was concerned that the assumption of continued easy money would promote business speculation. So far as psychology was concerned, Chairman Martin felt the committee may already have lost control; there were indications of an exuberance of spirit among intelligent businessmen with respect to 1955 business prospects that seemed to him to be dangerous. He disliked having the System's easy money policy associated with this situation; if permitted to develop, it might bring a demand for action on the part of the Federal Reserve to do something at a time when the actions the System might take would have lost their effectiveness.

Mr. Szymczak doubted the advisability of calling a meeting of the full Committee at this time since he questioned whether there was much the Committee could do at the moment. An increase in the discount rate would indicate a reversal of the easy money policy. He felt that actions could be taken next year which would tend to put restraint on the economy if that were needed, but for the present the executive committee could well operate within the limits of the instructions from the full Committee. If the situation were to develop evidence of getting out of hand psychologically, a reversal of policy on the part of the System would be required and the System could take dramatic actions which would indicate that it was trying to stop a speculative boom. He suggested that before consideration of a change in the discount rate, it might be appropriate to consider a change in margin requirements relating to securities.

Chairman Martin said that an increase in margin requirements might be interpreted in a way that would catapult the market upward, thus having the opposite of the desired effect. The point he was making, he said, was that flexible monetary policy is at the testing point again:

the committee should not get frozen into a situation where operations went only in one direction. If the committee did not operate with some degree of flexibility in a situation such as the present it was likely to find that flexible monetary policy would never operate. Chairman Martin added the comment that in his opinion another critical juncture in Treasury-Federal Reserve policy was approaching.

Mr. Szymczak proposed that the committee consider whether it wished to discuss the questions raised by Chairman Martin with the members of the full Committee, or whether it might be desirable to ask the Presidents of all Federal Reserve Banks to look into current developments, including the psychological elements, in their individual districts and then discuss the matter with them.

Mr. Williams suggested that during the next four weeks the executive committee might well operate within the present directive from the full Committee and within the general target range of $400-700 million of free reserves, in the meantime making an effort to obtain evidence of developments along the lines suggested by Mr. Szymczak. Mr. Williams said that he shared Chairman Martin's reaction to current psychology in parts of the business and financial community but that he felt the pedals ought to be moved almost imperceptibly in putting on any brakes. He referred to information he was now in the process of obtaining regarding the outlook for capital expenditures in the Philadelphia District which indicated a substantial reduction in capital outlays next year, and he felt that it would be well for the Committee to take a look at developments on the national scene.

In response to a question from Mr. Sproul, Mr. Young stated that in his opinion the psychological atmosphere in the business community could be interpreted as one in which there was a tendency to over-discount any slightly favorable elements of statistical evidence that appeared regarding economic activity.

Chairman Martin referred again to the comment he had made earlier to the effect that statistical evidence of an economic movement might not appear until several weeks after the movement had started. On the basis of present data, he said, there was no evidence in business statistics of a speculative movement upwards but, on the basis of the psychological factors now operating and in terms of the activity in the stock market and in other areas, it was entirely possible that within another six weeks there would be statistical evidence of such an upward speculative movement. He reiterated an earlier statement that if the committee was to have a flexible monetary policy it could not always wait until the statistical evidence was all in: if it had waited for all the statistical evidence in May of 1953 for a reversal of open market operations it would have been too late. Chairman Martin said that he was convinced that at present there was a "bubble on top of a floor" of the recovery that has been developing. There were speculative elements in the upsurge in activity, in his view, which created a more difficult type of situation in which to operate. His point in emphasizing these views, he said was that the committee give careful consideration to the word "flexibility" so as to avoid getting frozen into a policy that moved only in one direction.

Mr. Sproul said that he agreed with the view expressed by Chairman Martin that the committee could not wait until all the statistical evidence is in, if it is to pursue a flexible and timely policy and that it should now be alert to the development of a speculative situation which might hinder sustained economic recovery.

Mr. Robertson stated that his feeling was that it was none too early to be considering a change of course in order to avoid encouraging speculative excesses. He thought the executive committee could operate within the existing directive at this stage but that it could aim at a much lower level of excess reserves for the next two-week period than the $800 millions projected. By the date of the next meeting there should be better information as to the public's attitude toward the situation. Mr. Robertson went on to say that while he would not be averse to calling a meeting of the full Committee prior to the week beginning December 6 it would seem to him preferable to call upon the Presidents of the Federal Reserve Banks to furnish information on conditions in their districts so that the Committee would have the benefit of any information they might supply in giving further consideration to the possible need for a change in its directive.

Mr. Mills stated that his approach was somewhat different from the tone of the discussion up to this point. He was inclined to believe that the threat of speculation was being discussed out of its proper context with easy money. The fears expressed at this meeting and by others of an acute feeling and spirit of speculation were well grounded, he said, but in attempting to cure the evil that would come out of speculation of the sort discussed, the committee might run the risk of destroying what could turn out to be an incipient recovery. Mr. Mills felt that if the economy was now on a plateau it would either rise above or sink below that level shortly. If speculation was the point the System wished to reach, he felt that an increase in margin requirements might furnish a good warning unless, as Chairman Martin had indicated, such a warning would have a result opposite to that desired. Mr. Mills felt that one of the problems in determining monetary policy was the lack of information. He doubted that there were elements in the present situation which could contribute to an inflation of a type the committee would wish to correct by a positive reversal of policy from ease to restraint. He recalled that in recent months reports had indicated that sales had tended to be at a level above production in a good many lines with resulting decreases in inventories to a level more consistent with the volume of sales; if the committee turned to restraint now, it might very well turn what is undoubtedly a rather buoyant belief in business improvement into an air of depression and the committee might thus "kill the goose that laid the golden egg". Mr. Mills thought that after the turn of the year there would be an ideal opportunity to gauge how far withdrawals of reserves should extend and whether a policy of restraint would then be called for. Mr. Mills also referred to the forthcoming Treasury refunding and suggested that the committee had a responsibility to create a climate that would facilitate such refunding. If banks could be encouraged to improve their liquidity they might be in a better position to give initial support to the Treasury refunding. In sum, Mr. Mills would take a more liberal attitude toward supplying reserves during the next two weeks than was indicated by the earlier comments at this meeting, although he would do so only to the extent that the natural factors which would furnish reserves would be allowed to operate. He would avoid withdrawing reserves from the market with the consequent confusion that comes out of that kind of operation.

Mr. Balderston said that he had been concerned recently as he had watched stock market indices reaching new historical highs, and has been wondering what a student of central banking would think at some future time if there were no indication that that factor was considered by the Open Market Committee. Mr. Balderston thought it would be desirable to request the Presidents of the Federal Reserve Banks to gather information with respect to orders for various durable goods, which he understood had risen significantly in August, and with respect to current backlogs of orders held by companies in their districts, relative to the level a year ago. This information should be furnished so that it would be available at the next meeting of the full Committee in considering a possible change of policy. Mr. Balderston also expressed the view that if a change in policy were decided upon by the Committee, it should be made effective on a gradual basis.

Chairman Martin stated that on the basis of the discussion it appeared that, as far as operations during the next two weeks were concerned, a majority of the committee would lean in the direction of having free reserves closer to the lower limit of the target range, recognizing the point made by Mr. Balderston that any shift should be on a gradual basis.

There followed a brief discussion of the projections for free reserves during the next two weeks during which it was noted that some positive action toward reducing the System account would be required, if free reserves were to be reduced to the lower limits of the $400-700 million range.

Chairman Martin stated that he did not gather that the committee was asking for any drastic steps at this time but rather that operations move in the direction of reducing the volume of free reserves; operations would look toward the lower end of the $400-700 million range, but this did not mean that free reserves would be reduced to that level.

Mr. Rouse referred to the Treasury financing that would take place toward the end of this month and to the views that had been expressed at recent meetings that sales from the System account had confused the market. He inquired as to when the next meeting of the executive committee would take place, noting that free reserves could be expected to decline sharply about Thanksgiving time.

Chairman Martin suggested and it was agreed that the next meeting of the executive committee be held on Tuesday, November 23, 1954, at 10:45 a.m.

Mr. Szymczak suggested that it would be desirable for the Chairman to have a full discussion with Treasury representatives of the views expressed at this meeting regarding the supply of free reserves, and Chairman Martin responded that he was having periodic discussions with Deputy Secretary of the Treasury Burgess.

Mr. Robertson stated that he would not wish to have the record indicate that he was opposed to sales of securities from the System account during the next two weeks. This did not mean that he would immediately try to bring free reserves down to the $400 million level but, as occasion arose so that a reduction could be brought about with the least amount of confusion to the market, he would approve permitting bills to run off.

There was a further discussion of the manner in which the System account might be handled during the next two weeks, of the level of short-term interest rates and the relationship between market rates and the Treasury financing, and of the changes in the level of rates that might occur if a shift to less ease or some restraint on reserves were to take place either before or immediately after the Treasury refunding had been completed.

During this discussion, in response to Chairman Martin's comment that the committee may already have lost control of the situation, Mr. Sproul stated that he did not think the situation was yet out of hand, either in terms of the economic situation or of the speculative situation, in the sense that the committee was foreclosed from taking what it might think to be appropriate action. During the next three weeks, he said, on the basis of projections available, if the System did nothing in the way of adding to or taking from reserves, free reserves would be down to around $500 million and there would still be a period of further decline in which the committee could temper its operations so as to permit the decline to show up in a somewhat tighter reserve position. Mr. Sproul also stated that he felt any selling which the System account might do now would be just jiggling with reserves without establishing a pattern or giving the market a lead as to policy. When the committee had decided that it wished to have a gradual adjustment in the market, then action should be in terms of what might be done over a period of five or six weeks.

Mr. Thomas suggested that failure of the dealers to get some additional reserves through System purchases might result in a change in their psychology since it appeared that the dealers were expecting the System to add to reserves in this period.

Mr. Rouse stated that the only addition to reserves which he would contemplate would be by means of offering repurchase facilities from Friday to Tuesday when dealers might be in need of such accommodation.

After further discussion, Chairman Martin stated that he understood a majority of the committee to believe that for the immediate future there should be a minimum disturbance in the general tone of operations as carried out recently, with the understanding, however, that during the next two weeks it would be desirable to look toward a lower level of free reserves than currently existed and with the further understanding that a majority of the committee would not be concerned if the level of free reserves tended to decline toward the lower limits of the $400-700 million range of free reserves that had been discussed by the committee at recent meetings. Chairman Martin noted that while this appeared to be the view of the majority of the committee, Governor Robertson would not be averse to taking some positive action which would result in moving toward a level of free reserves closer to the lower limits of the $400-700 million range.

There was agreement with this statement as a guide for operations until the next meeting of the executive committee.

Chairman Martin referred to a memorandum which had been distributed at the beginning of this meeting with respect to repurchase agreements, the memorandum having been prepared at the Federal Reserve Bank of New York subsequent to presentation by Mr. Robertson of a statement with respect to repurchase agreements at the meeting of the executive committee on October 20, 1954. Chairman Martin suggested that in view of the fact that some of the members of the committee had not had an opportunity to read the New York Bank's memorandum, discussion of the subject be carried over until a later meeting of the executive committee and perhaps to the next meeting of the full Committee.

There was no disagreement with this suggestion.

It was understood and agreed that the authorization for the Federal Reserve Banks to enter into repurchase agreements at a range of 1-1/4 - 1-1/2 per cent, subject to the other terms and conditions of the authorization issued on June 24, 1954, was continued until the close of the day of the next meeting of the executive committee (tentatively set for Tuesday, November 23, 1954, at 10:45 a.m.

Mr. Rouse stated, in response to Chairman Martin's inquiry, that he had no suggestions for change in the directive to be issued to the Federal Reserve Bank of New York.

Thereupon, upon motion duly made and seconded, the executive committee voted unanimously to direct the Federal Reserve Bank of New York until otherwise directed by the executive committee:

(1) To make such purchases, sales, or exchanges (including replacement of maturing securities and allowing maturities to run off without replacement) for the System account in the open market or, in the case of maturing securities, by direct exchange with the Treasury, as may be necessary in the light of current and prospective economic conditions and the general credit situation of the country, with a view (a) to relating the supply of funds in the market to the needs of commerce and business, (b) to promoting growth and stability in the economy by actively maintaining a condition of ease in the money market, and (c) to the practical administration of the account; provided that the total amount of securities in the System account (including commitments for the purchase or sale of securities for the account) at the close of this date shall not be increased or decreased by more than $750 million;

(2) To purchase direct from the Treasury for the account of the Federal Reserve Bank of New York (with discretion, in cases where it seems desirable, to issue participations to one or more Federal Reserve Banks) such amounts of special short-term certificates of indebtedness as may be necessary from time to time for the temporary

accommodation of the Treasury; provided that the total amount of such certificates held at any one time by the Federal Reserve Banks shall not exceed in the aggregate $500 million;

(3) To sell direct to the Treasury from the System account for gold certificates such amounts of Treasury securities maturing within one year as may be necessary from time to time for the accommodation of the Treasury; provided that the total amount of such securities so sold shall not exceed in the aggregate $500 million face amount, and such sales shall be made as nearly as may be practicable at the prices currently quoted in the open market.

Mr. Rouse referred to discussions that had taken place regarding the possibility of reducing uncertainties as to the impact on reserves of changes in the Treasury's balance. As a result of discussionswith the Treasury, he said, he had in mind writing to each Reserve Bank requesting that it wire promptly after the close of business each day giving the Treasury information as to its balance on the books of the Bank. This along with other information that would be supplied would assist the Treasury in conducting its operations more smoothly. Mr. Rouse also suggested that since the additional material to be supplied by the Reserve Banks would be primarily for the purpose of open market operations, any additional costs which might result from such wires should be absorbed by the individual Federal Reserve Banks. No objection to this procedure was indicated.

Thereupon the meeting adjourned.

Winfield W. Riefler

Secretary