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A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, October 23, 1944, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. McKee  
Mr. Draper  
Mr. Evans

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 21, 1944, were approved unanimously.

Memorandum dated October 20, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that J. Hans Adler be given a temporary appointment for a period of not to exceed six months as an economist in that Division, effective at the expiration on October 27, 1944, of his present appointment as an economic specialist in the Division of Research and Statistics, with no change in his present basic salary at the rate of \$3,600 per annum. The memorandum recommended that Mr. Adler become a member of the Federal Reserve retirement system.

Approved unanimously.

Memorandum dated October 18, 1944, from Mr. Paulger, Director

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of the Division of Examinations, recommending, for the reasons stated in the memorandum, that Miss Nancy Chelberg, a stenographer in that Division, be granted leave without pay for the period from October 6 to December 16, 1944, inclusive, or until such prior time as she may be physically able to resume the performance of her duties.

Approved unanimously.

Letter to the "Calumet County Bank", Brillion, Wisconsin,  
reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Letter to the "Baystate Corporation", Boston, Massachusetts,  
reading as follows:

"This refers to your letter of September 13, 1944, forwarded by the Federal Reserve Bank of Boston, requesting that the Board make a determination under Section 3(c)(4) of the Investment Company Act of 1940 that your corporation is primarily engaged in the business of holding the stock of banks and trust companies and hence is not to be deemed an investment company within the meaning of that Act. Your letter was written in connection with your application for a voting permit. The permit was issued October 9, 1944, a copy of which, with the pertinent agreement and other data, have been forwarded to the Board by the Federal Reserve Bank of Boston.

"From the application for the voting permit and the various data submitted in connection therewith, the Board understands that Baystate Corporation has taken over the assets of Old Colony Trust Associates in accordance with

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"an agreement dated the 31st day of July 1944 by and between the Old Colony Trust Associates and Baystate Corporation and that the corporation expects to carry on this business in the same general way it has been carried on in the past.

"On the basis of these representations and the facts submitted, the Board has determined that Baystate Corporation is primarily engaged in the business of holding the stock of and managing or controlling banks, banking associations, savings banks, or trust companies. Prior to making this determination, the Board notified the Securities and Exchange Commission of the corporation's request for determination and submitted certain facts in connection therewith. On the basis of such facts, the Securities and Exchange Commission advised the Board that it did not desire to be heard in the matter.

"It is understood that as a result of such determination, under the provisions of Section 3(c)(4) of the Investment Company Act of 1940, Baystate Corporation is not deemed to be an investment company within the meaning of that Act. However, the Board reserves the right to make a further determination at any time on the basis of the then existing facts and if there should be such a change in the facts as to indicate that Baystate Corporation might be deemed to be not primarily engaged in the business of holding the stock of, and managing or controlling, banks, banking associations, savings banks or trust companies, this matter should again be submitted to the Board."

Approved unanimously, together with  
the following letter to Mr. Creighton,  
Chairman of the Federal Reserve Bank of  
Boston:

"Receipt is acknowledged of Mr. McRae's letter of October 14, 1944, and the enclosures, in the Baystate Corporation voting permit matter.

"Pursuant to the corporation's request, contained in its letter of September 13, 1944, forwarded to the Board in your letter of September 15, 1944, there are enclosed herewith a letter and carbon copy thereof to the corporation containing the Board's determination that Baystate Corporation is engaged primarily in the business of a bank holding company affiliate and therefore is deemed

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"not to be an investment company within the meaning of the Investment Company Act of 1940. In the absence of some good reason known to you or your counsel for not doing so, please deliver the original of the letter to Baystate Corporation, retaining the copy for your files."

Thereupon the meeting adjourned.

Alister Morrie

Secretary.

Approved:

Ronald Hanson  
Vice Chairman.