

TELEGRAM

November 25, 1942.

(Addressed to the Presidents of all Federal Reserve Banks)

The Board has received several inquiries with reference to the application of Regulation W to credit sales of toys and games.

The question concerning toys arises where the toy is a copy on a smaller scale of an article which is listed in section 13(a). The Board has ruled that such a toy would be a listed article only if it is a working model of practical use and differentiated from a regular article chiefly by its smaller size, as in the case of a small phonograph capable of playing regular records. Doll furniture would not be subject to the regulation while small furniture for actual use by children would be. A small bicycle also would be subject to the regulation whereas a tricycle, not being listed at all, would not be so subject. The question concerning games is whether children's games are included in item 33 of section 13(a) -- "Sports', athletic, outing, and games' equipment". The Board has ruled that a game designed principally for adults would be so included even though sometimes purchased for children. On the other hand, games designed principally for children would not be included. On this basis, chess, playing cards, and such items as the regular larger sizes of croquet sets would be subject to the regulation.

(Signed) L. P. Bethea