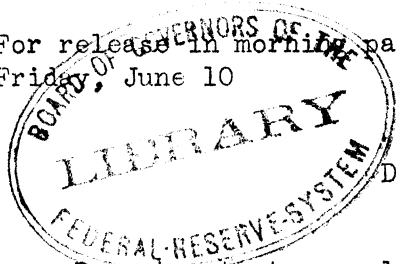


BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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DEPARTMENT STORE SALES IN MAY 1938
Preliminary report

Department store sales decreased considerably from April to May and the Board's seasonally adjusted index showed a further decline to 79 percent of the 1923-1925 average. The index is shown below for the last three months and for May 1937.

Index of department store sales	1938			1937
	May	Apr.	Mar.	May
1923-1925 average = 100				
Adjusted for seasonal variation	79	83	86	93
Without seasonal adjustment	80	86	77	95

r--Revised.

Total sales in May were 17 percent less than in May 1937, reflecting large declines in industrial areas and smaller decreases in other regions. In the first five months of this year sales were 10 percent less than in the corresponding period last year. Part of the decline from a year ago in the dollar volume of sales represents the effect of lower prices for commodities sold by department stores.

REPORT BY FEDERAL RESERVE DISTRICTS

	Percentage change from a year ago		Number of stores re- porting	Number of cities in- cluded
	May*	Five months		
Total	-17	-10	549	261
Federal Reserve districts:				
Boston	-12	-6	52	32
New York	-15	-7	57	30
Philadelphia	-27	-14	27	12
Cleveland	-24	-14	30	10
Richmond	-13	-4	54	28
Atlanta	-7	-3	25	17
Chicago	-22	-15	92	36
St. Louis	-13	-7	34	17
Minneapolis	-10	-4	40	20
Kansas City	-14	-6	26	18
Dallas	-5	+1	19	9
San Francisco	-9	-8	93	32

* May figures preliminary; in most cities the month had the same number of business days this year and last year, but in May this year there were four Saturdays as compared with five a year ago.