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Weekly Sales

Store sales in the first of four retail April weeks were on track with plans for both the ICSC/Goldman Sachs and Redbook groups.

Year-on-year comparisons were boosted sharply by the late Easter this year (the new week is being compared with the immediate post-Easter week in 2010), but the running trend of seasonal merchandise sales is regarded as satisfactory.

Notably, there is no sign of new hesitation in discretionary spending--with talk of "brisk" sales of children's items--despite continuing high gasoline and food prices.

The optimistic reading of this is that employment and income growth have reached takeoff velocity--so that spending growth will remain sufficient to sustain the employment and income growth necessary to finance it, despite higher prices for necessities. Pessimists (including serious Fed doves), on the other hand, will be looking for a stall.

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