UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 1998

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______
Commission File Number 0-6074

Nordstrom, Inc.
(Exact name of Registrant as specified in its charter)

Washington	91-0515058
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1617 Sixth Avenue, Suite 500, Seattle, Washington 98101
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (206) 628-2111

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _____

Common stock outstanding as of November 30, 1998: 142,069,092 shares of common stock.

NORDSTROM, INC. AND SUBSIDIARIES

INDEX

NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in thousands except per share amounts)
(unaudited)

	Three Months Ended October 31, 1998	Three Months Ended October 31, 1997	Nine Months Ended October 31, 1998	Nine Months Ended October 31, 1997
Net sales	$1,094,349	$1,089,784	$3,581,848	$3,396,876
Costs and expenses:				
Cost of sales and related buying and occupancy	717,100	724,081	2,386,643	2,294,946
Selling, general and administrative	328,235	326,193	1,017,008	950,843
Interest, net	12,715	7,659	34,001	23,572
Service charge income and other, net	(26,876)	(27,794)	(84,878)	(82,165)
Total costs and expenses	1,031,174	1,030,139	3,352,774	3,187,196
Earnings before income taxes	63,175	59,645	229,074	209,680
Income taxes	24,500	23,500	88,900	82,600
Net earnings	$ 38,675	$ 36,145	$ 140,174	$ 127,080
Basic earnings per share	$ .27	$ .23	$ .95	$ .82
Diluted earnings per share	$ .27	$ .23	$ .95	$ .82
Cash dividends paid per share of common stock outstanding	$ .08	$ .07	$ .22	$ .195

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	October 31, 1998 (unaudited)	January 31, 1998	October 31, 1997 (unaudited)
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 20,269	$ 24,794	$ 19,239
Accounts receivable, net	570,920	664,448	648,802
Merchandise inventories	1,048,386	826,045	1,134,212
Prepaid income taxes and other	88,317	79,710	76,538
Total current assets	1,727,892	1,594,997	1,878,791
Land, buildings and equipment, net	1,352,345	1,252,513	1,229,354
Other assets	65,243	17,653	18,163
TOTAL ASSETS	$3,145,480	$2,865,163	$3,126,308
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	$ 344,483	$ 263,767	$ 241,348
Accounts payable	495,875	321,311	555,042
Accrued salaries, wages and taxes	207,353	205,273	199,158
Accrued expenses	37,872	37,884	34,003
Accrued income taxes	372	13,242	10,992
Current portion of long-term debt	59,113	101,129	151,343
Total current liabilities	1,145,068	942,606	1,191,886
Long-term debt	560,285	319,736	320,701
Deferred lease credits	132,194	77,091	79,013
Other liabilities	59,864	50,672	50,679
Shareholders' Equity:			
Common stock, no par: 250,000,000 shares authorized; 141,968,889, 152,518,104 and 154,628,398 shares issued and outstanding	217,625	201,050	200,241
Unearned compensation	(4,953)	---	---
Retained earnings	1,035,397	1,274,008	1,283,788
Total shareholders' equity	1,248,069	1,475,058	1,484,029
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,145,480	$2,865,163	$3,126,308

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Nine Months Ended October 31, 1998	Nine Months Ended October 31, 1997
OPERATING ACTIVITIES:		
Net earnings	$140,174	$127,080
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	129,729	115,797
Amortization of deferred lease credits and other, net	(1,496)	(1,569)
Change in:		
Accounts receivable, net	93,528	65,787
Merchandise inventories	(222,341)	(414,293)
Prepaid income taxes and other	(8,607)	(6,931)
Accounts payable	174,564	244,612
Accrued salaries, wages and taxes	2,080	9,461
Accrued expenses	(12)	(7,140)
Income tax liabilities	(10,074)	(4,093)
Other liabilities	6,396	2,060
Net cash provided by operating activities	303,941	130,771
INVESTING ACTIVITIES:		
Additions to land, buildings and equipment, net	(230,150)	(192,697)
Additions to deferred lease credits	57,238	1,210
Investments in unconsolidated affiliates	(32,857)	---
Other, net	(12,550)	(373)
Net cash used in investing activities	(218,319)	(191,860)
FINANCING ACTIVITIES:		
Borrowings under notes payable, net	80,716	77,578
Proceeds from issuance of common stock	11,579	16,843
Proceeds from issuance of long-term debt, net	297,146	91,647
Principal payments on long-term debt	(100,804)	(938)
Cash dividends paid	(32,707)	(30,344)
Purchase and retirement of common stock	(346,077)	(102,742)
Net cash (used in) provided by financing activities	(90,147)	52,044
Net decrease in cash and cash equivalents	(4,525)	(9,045)
Cash and cash equivalents at beginning of period	24,794	28,284
Cash and cash equivalents at end of period	$ 20,269	$ 19,239

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 1 - Basis of Presentation

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of October 31, 1998 and 1997, and the related consolidated statements of earnings and cash flows for the periods then ended, have been prepared from the accounts without audit.

The consolidated financial information is applicable to interim periods and is not necessarily indicative of the results to be expected for the year ending January 31, 1999.

The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom 1997 Annual Report to Shareholders.

In the opinion of management, the consolidated financial information includes all adjustments (consisting only of normal, recurring adjustments) necessary to present fairly the financial position of Nordstrom, Inc. and subsidiaries as of October 31, 1998 and 1997, and the results of their operations and cash flows for the periods then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Certain reclassifications of prior year balances have been made for presentation consistent with the current year.

Note 2 - Earnings Per Share

The following table sets forth the weighted-average number of shares used in the computation of earnings per share:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	1998	1997	1998	1997
Basic shares	144,489,687	154,502,586	147,712,059	155,223,630
Dilutive effect of stock options and restricted stock	463,509	621,694	569,379	313,856
Diluted shares	144,953,196	155,124,280	148,281,438	155,537,486
Antidilutive options	685,327	0	397,663	284,462

Antidilutive options consist of stock options outstanding at October 31, 1998 and 1997, that had an exercise price greater than the average market price during the period.

Note 3 - New Accounting Rules

In March 1998, the Accounting Standards Executive Committee of the AICPA issued Statement of Position 98-1 ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", which requires that certain software costs be capitalized and amortized over the period of use. The Company adopted SOP 98-1 during the first quarter of 1998. The effect of this change in accounting was an increase in earnings after taxes of $2.1 million ($.01 per share) for the third quarter, and an increase in earnings after taxes of $6.8 million ($.04 per share) for the nine-month period.

As of February 1, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which establishes standards for the reporting and display of comprehensive income and its components. Adoption of this standard had no material effect on the Company's consolidated financial position, results of operations or cash flows.

The Financial Accounting Standards Board ("FASB") has issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes reporting and disclosure standards for an enterprise's operating segments, and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which revises employers' disclosures about pension and other postretirement benefit plans. Both statements are effective for the Company's fiscal year ending January 31, 1999. Adoption of these standards will not impact the Company's consolidated financial position, results of operations or cash flows, and any effect will be limited to the form and content of its disclosures.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company plans to adopt SFAS No. 133 on February 1, 2000, as required. Adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

Note 4 - Other Assets

During the quarter ended October 31, 1998, the Company purchased non-voting preferred stock in two companies which provide services to consumers utilizing internet technology. The investments, aggregating approximately $33 million, are accounted for at cost.

NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 5 - Credit Card and Financing Subsidiaries

The summarized unaudited combined results of operations of Nordstrom Credit, Inc. and Nordstrom National Credit Bank are as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	1998	1997	1998	1997
Total revenue	$30,698	$30,841	$94,202	$93,262
Earnings before income taxes	10,518	12,487	36,239	32,160
Net earnings	6,947	7,853	23,289	20,256

Note 6 - Shareholders' Equity

The following table sets forth common stock share activity for the quarter and the nine-month period:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	1998	1997	1998	1997
Issued	289,925	290,344	648,385	808,444
Purchased and Retired	(5,625,000)	-	(11,197,600)	(5,450,000)

On May 19, 1998, the Company's Board of Directors approved a two-for-one stock split effective June 30, 1998. All share and per share amounts have been adjusted to give retroactive effect to the stock split.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Management Discussion and Analysis section of the Nordstrom 1997 Annual Report to Shareholders.

Results of Operations:

During the third quarter of 1998, sales increased .4% compared to the same quarter in 1997. For the nine-month period, sales increased 5.4% compared to the same period in 1997. New unit sales accounted for all of the sales increase for both the quarter and nine-month period, as comparable store sales declined 4.2% for the quarter and 1.4% for the nine-month period. Comparable store sales results are attributable to the Company's emphasis on controlling inventory growth. For the quarter, global economic uncertainty and weather conditions in certain parts of the nation are also believed to have impacted comparable store sales results.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Cost of sales and related buying and occupancy costs decreased as a percentage of sales for the quarter and the nine-month period as compared to the corresponding periods in 1997. For the quarter and the nine-month period, the cost of sales decrease is due primarily to higher merchandise marginsresulting from favorable pricing strategies and an increased focus on managing inventory levels. For the quarter and nine-month period, buying costs decreased as a percentage of sales due to efficiencies gained through restructuring of certain buying responsibilities. Occupancy costs increased as a percentage of sales for the quarter and nine-month period due primarily to depreciation related to new and remodeled stores.

Selling, general and administrative expenses increased as a percentage of sales during the quarter and nine-month period as compared to the corresponding periods in 1997 due to several factors. Expenses increased in part due to higher sales promotion costs for the Company's direct sales catalog division and spending on Year 2000 and other information system operational costs.

Interest expense increased for the quarter and the nine-month period compared to the corresponding periods in 1997, reflecting higher levels of debt outstanding as a result of the Company's share repurchase activity.

Liquidity and Capital Resources:
- --------------------------------

The Company's working capital at October 31, 1998 decreased compared to October 31, 1997 due primarily to decreases in accounts receivable and inventories. The increase in deferred lease credits since January 31,1998 is primarily due to amounts received for new stores opening in 1998 and 1999.

During the quarter ended October 31, 1998, the Company purchased non-voting preferred stock in two companies which provide services to consumers utilizing internet technology. The investments, aggregating approximately $33 million, are accounted for at cost.

During the first quarter of 1998, the Company issued $300 million of 6.95% Senior Debentures due 2028. Proceeds were used principally to repay short-term debt and repurchase the Company's common stock.

In November 1998, the Board of Directors authorized the repurchase of up to $250 million of the Company's common stock. In addition, at October 31, 1998, $71 million of repurchase authority remains pursuant to a February 1998 authorization to repurchase a total of $400 million of the Company's common stock.

During the quarter, the Company opened a full-line Nordstrom store at the Fashion Square Mall in Scottsdale, Arizona, and Racks at Westgate Mall in San Jose, California, and Zelman Meadows Marketplace in Littleton, Colorado. The Company also relocated its downtown Seattle, Washington, flagship store and completed a store expansion in San Diego, California. Construction is progressing as planned on new stores scheduled to open in 1999.

The Company is taking steps to avoid negative consequences of Year 2000 software non-compliance and presently believes that any such non-compliance will not have a material effect on the Company's business, results of operations, or financial condition. However, if unforeseen difficulties arise or the modification, conversion and replacement activities that the Company has undertaken are not completed in a timely manner, the Company's operations may be negatively affected by Year 2000 non-compliance, either from its own computer systems or from interactions with outside vendors and other third parties with which it does business.

The Company is currently evaluating, replacing or upgrading its computer systems in an effort to make them Year 2000 compliant, and expects to have remediation efforts completed for its critical computer systems by the end of the first quarter in 1999. Testing is being conducted based on criticality and is scheduled to be completed in June 1999. Non-IT systems, such as microchips embedded in systems such as elevators, are also being evaluated, replaced or upgraded, as needed. Although the Company's assessment of its Year 2000 issues has been completed, reassessments are conducted on an ongoing basis to provide reasonable assurance that all critical risks have been identified and will be mitigated.

The total cost of this effort is presently estimated to be $24 million, of which approximately $12 million has been incurred through October 31, 1998. While the Company believes all necessary work will be completed in a timely fashion, there can be no guarantee that all systems will be compliant by the year 2000, that the estimated cost of remediation will not increase or that the systems of other companies and government agencies on which the Company relies will be compliant.

Since 1996, the Company has been communicating with outside vendors to determine their state of readiness with regard to the Year 2000 issue. Based on its assessment to date, the Company has no indication that any third party is likely to experience Year 2000 non-compliance of a nature which would have a material impact on the Company. However, the risk remains that outside vendors or other third parties may not have accurately determined their state of readiness, in which case such parties' lack of Year 2000 compliance may have a material adverse effect on the Company's results of operations. The Company will continue to monitor the Year 2000 compliance of third parties with which it does business.

The Company believes the most likely worst-case scenarios that it might confront with respect to the Year 2000 issues have to do with the possible failure of third party systems over which the Company has no control, such as, but not limited to, power and telephone service. The Company has in place a business continuity plan that addresses recovery from various kinds of disasters, including recovery from significant interruption in conveyance of data within the Company's network information systems. The Company is using this plan to assist in development of more specific Year 2000 contingency plans, which it expects to complete during the first half of 1999.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Fatemah Azizian v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Marin, Case No. 174049 (filed May 29, 1998); Regina Callan v. Macy's California, Inc.; Federated Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995468 (filed June 1, 1998); Lee R. Bright v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995556 (filed June 4, 1998); Sandra Radliff v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 798925-2 (filed June 2, 1998); Elizabeth Fey v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of San Mateo, Case No. 405060 (filed June 2, 1998); Judith Pogran v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 798936-8 (filed June 2, 1998); Soroya Farrah v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995512 (filed June 2, 1998); Diane Johnson v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 799525-9 (filed June 1, 1998); and Kazuko Y. Morgan v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. C 800174-2 (filed July 2, 1998).

The nine actions listed are substantially identical lawsuits seeking class certification that were filed on behalf of customers of cosmetics for personal use and not for resale who are resident in the State of California, alleging that the Company and other department stores collusively controlled the sales price of cosmetics by charging identical prices, agreeing not to discount cosmetics and petitioning cosmetic manufacturers to stop selling to stores that discount cosmetics. In these actions, plaintiffs seek damages (trebled) according to proof at trial, attorneys' fees and pre-judgment interest on their price-fixing claims and restitution on their unfair competition claims. Defendants Federated (and affiliates), Nordstrom, May, Nieman-Marcus, Saks and Gottschalks entered into a Joint Defense Agreement in August, 1998 which provides for the sharing of defense materials. A Joint Petition for Coordination was filed by all parties on or about August 13, 1998. Pending resolution of the Petition, no further action has been taken.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(27.1) Financial Data Schedule is filed herein as an Exhibit.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ Michael A. Stein

Michael A. Stein
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: December 14, 1998

NORDSTROM, INC. AND SUBSIDIARIES

Exhibit Index

Exhibit	Method of Filing
27.1 Financial Data Schedule	Filed herewith electronically

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1,000
9-MOS
JAN-31-1999
OCT-31-1998
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