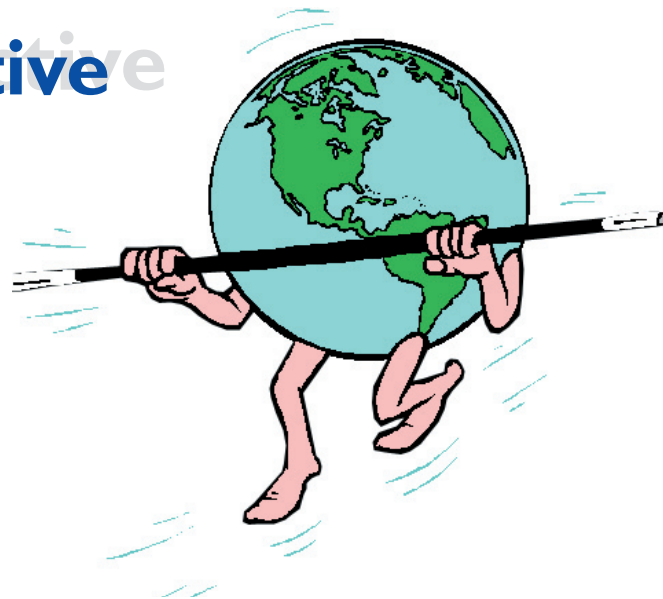


President's Perspective

Can We Agree to Disagree?



By now, I am sure that you have either read or heard about the front-page story on our industry which appeared in the May 27 issue of *The Wall Street Journal*. If you haven't seen it, please see Page 11. Our Association and industry leadership were featured prominently in this article, which focused on the differences among hosiery companies with respect to international trade.

While this feature is quite candid in exploring the significant disagreements within our organization regarding trade and quota issues, perhaps more importantly, I believe it provides an accurate portrayal of the dilemma which we face both as an industry and as an association. How can we work together – despite our disparate positions on trade – to achieve a goal which we can all agree upon: a healthy and prosperous hosiery industry?

As your Association president, I strongly believe that we need to move beyond the trade conflict and focus our energies squarely on an even more daunting challenge: declining consumer spending for all of legwear. According to NPD's retail sales for legwear, in 2003 our industry generated \$6.1 billion dollars, yet last year it was slightly

over \$5.9 billion. As reported in the *WSJ*, the US market for American-based sock manufacturers – producing both here and abroad – has declined by half over the most recent three-year reporting period. If this trend continues, it will have catastrophic effects on our industry – over and beyond the impact of foreign-produced products.

I would like to suggest that all of us in this business – whether we

produce here or abroad – utilize our resources to address this crucial issue, which is directly linked to our survival. I have spoken with many of you already on this topic and plan to continue these discussions. One thing I think we should have in common is to develop sound strategies for reversing the downward cycle in consumer demand for socks and sheer hosiery and for returning our industry to healthy levels of growth and profitability...don't you agree?



Sally Kay