SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

|X| ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the fiscal year ended December 31, 1997

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from ___________ to ___________

Commission file number 1-724

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: PVH Associates Investment Plan for Hourly Associates and PVH Associates Investment Plan for Salaried Associates

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office: Phillips-Van Heusen Corporation, 1290 Avenue of the Americas, New York, New York 10104

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILLIPS-VAN HEUSEN CORPORATION
ASSOCIATES INVESTMENT PLANS

Date: June 26, 1998

By /s/ Pamela N. Hootkin
Pamela N. Hootkin, Member of
Administrative Committee

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

Financial Statements
and Supplemental Schedules

Years ended December 31, 1997 and 1996

Contents

Note: A schedule of party-in-interest transactions has not been presented because there were no party-in-interest transactions. Parties-in-interest transactions are prohibited by the Employee Retirement Income Security Act of 197 (ERISA), Section 406, and there is no statutory or administrative exemption.

Report of Independent Auditors

Administrative Committee of the Plan
Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

We have audited the accompanying statements of net assets available for plan benefits of the Phillips-Van Heusen Corporation Associates Investment Plan for Hourly Associates as of December 31, 1997 and 1996, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1997 and 1996, and the changes in its net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of AIP Master Trust Assets Held for Investment Purposes as of December 31, 1997, and AIP Master Trust Reportable Transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 18, 1998

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

Statements of Net Assets Available for Plan Benefits

	December 31 1997	December 31 1996
Assets		
Investments, at fair value (Notes A and F):		
Shares of registered investment companies:		
Equity Fund	$1,351,523	$1,008,380
Bond Fund	316,250	275,456
Balanced Fund	932,262	725,489
International Fund	252,818	175,227
Common Stock--Employer Company Fund	3,999,372	4,474,122
Common Trust Fund *	2,361,276	2,528,399
Participant loans receivable	254,492	178,488
Total investments	9,467,993	9,365,561
Liabilities	--	--
Net assets available for plan benefits	$9,467,993	$9,365,561

* Consists of the Money Market Fund (Chase Manhattan Bank Domestic Liquidity Fund).

See notes to financial statements.

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

Statements of Changes in Net Assets Available for Plan Benefits

	Year ended December 31 1997	1996
Additions		
Net transfer from the Associates Investment Plan of PVH (Crystal Brands Division)	$ 10,560	$ --
Contributions:		
Employer Company, net of forfeitures	207,366	280,071
Participants	699,527	738,451
	906,893	1,018,522
Interest and investment income	236,713	244,897
Total additions	1,154,166	1,263,419
Deductions		
Net transfer to the PVH Associates Investment Plan for Salaried Associates	155,597	210,184
Payments to participants	1,212,919	1,738,933
Total deductions	1,368,516	1,949,117
Net realized and unrealized appreciation of investments (Note F)	316,782	1,513,860
Net increase	102,432	828,162
Net assets available for plan benefits at beginning of year	9,365,561	8,537,399
Net assets available for plan benefits at end of year	$9,467,993	$9,365,561

See notes to financial statements.

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

Notes to Financial Statements

December 31, 1997

A. Description of the Plan

The following description of the Phillips-Van Heusen Corporation (the "Company") Associates Investment Plan for Hourly Associates (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

On October 1, 1997, the net assets of the Associates Investment Plan of Phillips-Van Heusen Corporation (Crystal Brands Division) (the "Crystal Brands Plan") associated with hourly associates merged into the Plan. All assets of the Crystal Brands Plan were held by State Street Bank (trustee of the Crystal Brands Plan through September 30, 1997). All assets of the Plan are held by Chase Manhattan Bank (trustee of the Plan through September 30, 1997) and Wachovia Bank, N.A. (successor trustee of the Plan effective October 1, 1997) in the Company's Associates Investment Plan Master Trust (the "AIP Master Trust").

General

The Plan is a defined contribution plan covering hourly production and retail field employees of the Company who have at least one year of service (1,000 hours in a year) and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 15% of pretax annual compensation, as defined by the Plan. The Company contributes 50% of the first 6% of base compensation that a participant contributes to the Plan.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) Company's contributions, and (b) Plan earnings. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. One hundred percent of the Company contributions are automatically invested in the common stock of the Company. In accordance with the provisions of the Plan, participants age 55 or older may direct a portion of the Company contribution into any of the Plan's investment options.

Notes to Financial Statements (continued)

A. Description of the Plan (continued)

Vesting

Amounts attributable to Company contributions become vested on the participant's 65th birthday or if the participant's employment by the Company terminates by reason of the participant's death or permanent disability or the participant has completed five years of service with the Company.

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions into any of six investment options. A participant may contribute a maximum of 25% of employee contributions into the Phillips-Van Heusen Corporation Common Stock Fund.

Phillips-Van Heusen Corporation Common Stock Fund: Funds are invested by the trustees in common shares of the Company. Common shares of the Company are purchased by the trustees in the open market.

Money Market Fund: Funds are invested by the trustees in short-term obligations and money market instruments.

Equity Fund: Funds are invested in shares of a registered investment company that invests primarily in common stocks (Fidelity Growth & Income Portfolio).

Bond Fund: Funds are invested in shares of a registered investment company that invests in corporate bonds and U.S. government securities (Fidelity Intermediate Bond Fund).

Balanced Fund: Funds are invested in shares of a registered investment company that invests in common stocks, preferred stocks and bonds (Fidelity Puritan Fund).

International Fund: Funds are invested in shares of a registered investment company that invests in common stocks and bonds of companies and governments outside the United States (Templeton Foreign Fund).

Notes to Financial Statements (continued)

A. Description of the Plan (continued)

Participant Loans Receivable

Participants may borrow from the Plan, with certain restrictions, using their vested account balance as collateral. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of (i) $50,000 reduced by the participant's highest outstanding loan balance during the previous 12 months, or (ii) 50% of the vested value of the participant's account. Interest is fixed for the term of the loan at the prime rate as of the first business day of the month of application as published in the Wall Street Journal, plus 1%. Loan repayments are made through payroll deductions which may be specified for a term of 1 to 5 years or up to 15 years for the purchase of a primary residence.

Payment of Benefits

Participants entitled to final distributions generally will receive payment in the form of a lump sum amount equal to the value of their vested account.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

B. Significant Accounting Policies

The accounting records of the Plan are maintained on the accrual basis, except for payments to participants which the Plan accounts for on the cash basis. Accordingly, the Plan's statements of net assets available for plan benefits do not reflect amounts payable to terminated, retired or other participants as a liability.

In accordance with the Rules and Regulations of the Department of Labor, investments are included in the accompanying financial statements at market value as determined by quoted market prices or at fair value as determined by Chase Manhattan Bank for the applicable Chase investment funds. Purchases and sales of securities are reflected on a trade date basis.

Notes to Financial Statements (continued)

B. Significant Accounting Policies (continued)

All assets of the Plan are held by Chase Manhattan Bank (trustee of the Plan through September 30, 1997) and Wachovia Bank, N.A. (successor trustee of the Plan effective October 1, 1997), collectively "the trustees" of the Plan, in the AIP Master Trust and are segregated from the assets of the Company. The Plan shares in AIP Master Trust interest and investment income based upon its participants' shares of AIP Master Trust net assets available for plan benefits. The AIP Master Trust's investments includes an interest contract with an insurance company that has been placed into conservatorship. The Plan does not have a beneficial interest in this interest contract.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

C. Transactions with Parties-in-Interest

During the years ended December 31, 1997 and 1996, the AIP Master Trust purchased 41,891 and 101,653 shares, respectively, of the Company's common stock and received $205,332 and $203,852, respectively, from the Company as payment of dividends on its common stock. The AIP Master Trust also sold 58,705 and 143,919 shares of the Company's common stock during the years ended December 31, 1997 and 1996, respectively.

In connection with the merger of the Crystal Brands Plan on October 1, 1997, 52,112 shares of the Company's common stock were transferred into the AIP Master Trust.

D. Changes in the AIP Master Trust Net Assets Held by Fund

Changes in the AIP Master Trust net assets held by fund during the year ended December 31, 1997 were as follows:

	Phillips-Van Heusen Corp. Common Stock Fund	Money Market Fund	Bond Fund	Balanced Fund	Equity Fund
Net assets at beginning of year	$ 19,612,593	$ 6,879,359	$ 1,818,465	$ 5,750,463	$ 9,384,953
Interest and investment income	211,070	551,149	125,621	502,825	330,738
Contributions received:					
Employer Company, net of forfeitures	1,620,371	(51,060)	73	(2,835)	(11,499)
Employees	423,500	670,327	350,969	1,193,105	1,963,385
Net realized and unrealized appreciation (depreciation)	(299,112)	--	18,814	854,817	2,721,432
Loans to participants, net of repayments	(77,679)	(45,092)	4,773	(42,561)	(71,843)
Payments to participants	(1,962,154)	(1,707,477)	(255,224)	(802,958)	(1,332,908)
Transfers (to) from other accounts	(446,731)	(226,623)	(85,827)	236,828	427,253
Transfer from AIP of PVH (Crystal Brands Division)	824,021	2,975,961	337,257	1,697,317	2,752,294
Net assets at end of year	$ 19,905,879	$ 9,046,544	$ 2,314,921	$ 9,387,001	$ 16,163,805
Plan's beneficial interest at end of year	$ 3,999,372	$ 2,361,276	$ 316,250	$ 932,262	$ 1,351,523

	International Fund	Fixed Income Fund	Loan Fund	Total
Net assets at beginning of year	$ 2,226,120	$ --	$ 969,816	$ 46,641,769
Interest and investment income	391,072	106,016	--	2,218,491
Contributions received:				
Employer Company, net of forfeitures	585	--	--	1,555,635
Employees	646,476	--	--	5,247,762
Net realized and unrealized appreciation (depreciation)	(327,047)	--	--	2,968,904
Loans to participants, net of repayments	(27,416)	--	259,818	--
Payments to participants	(279,685)	--	--	(6,340,406)
Transfers (to) from other accounts	95,100	--	--	--
Transfer from AIP of PVH (Crystal Brands Division)	860,158	4,469,523	142,161	14,058,692
Net assets at end of year	$ 3,585,363	$ 4,575,539	$ 1,371,795	$ 66,350,847
Plan's beneficial interest at end of year	$ 252,818	$ --	$ 254,492	$ 9,467,993

D. Changes in the AIP Master Trust Net Assets Held by Fund (continued)

Changes in the AIP Master Trust net assets held by fund during the year ended December 31, 1996 were as follows:

	Phillips-Van Heusen Corp. Common Stock Fund	Money Market Fund	Bond Fund	Balanced Fund	Equity Fund
Net assets at beginning of year	$ 14,625,212	$ 8,498,272	$ 1,657,989	$ 4,302,940	$ 6,120,414
Interest and investment income	222,115	381,788	117,857	280,456	223,028
Contributions received:					
Employer Company, net of forfeitures	1,953,035	(32,080)	(345)	684	(2,348)
Employees	433,614	811,506	391,239	1,146,084	1,746,932
Net realized and unrealized appreciation (depreciation)	6,089,124	--	(51,827)	452,720	1,230,887
Loans to participants, net of repayments	(100,185)	(49,585)	290	(42,997)	(39,962)
Payments to participants	(3,133,303)	(2,001,608)	(244,452)	(594,927)	(764,535)
Transfers (to) from other accounts	(477,019)	(728,934)	(52,286)	205,503	870,537
Net assets at end of year	$ 19,612,593	$ 6,879,359	$ 1,818,465	$ 5,750,463	$ 9,384,953
Plan's beneficial interest at end of year	$ 4,474,122	$ 2,528,399	$ 275,456	$ 725,489	$ 1,008,380

	International Fund	Loan Fund	Total
Net assets at beginning of year	$ 1,440,828	$ 717,488	$ 37,363,143
Interest and investment income	63,686	--	1,288,930
Contributions received:			
Employer Company, net of forfeitures	(3,277)	--	1,915,669
Employees	521,595	--	5,050,970
Net realized and unrealized appreciation (depreciation)	246,777	--	7,967,681
Loans to participants, net of repayments	(19,889)	252,328	--
Payments to participants	(205,799)	--	(6,944,624)
Transfers (to) from other accounts	182,199	--	--
Net assets at end of year	$ 2,226,120	$ 969,816	$ 46,641,769
Plan's beneficial interest at end of year	$ 175,227	$ 178,488	$ 9,365,561

Note: Certain funds above include investments in the Chase Manhattan Bank Domestic Liquidity Fund.

Notes to Financial Statements (continued)

E. Income Tax Status

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (the "IRC") and therefore its related trust is tax-exempt under Section 501(a) of the IRC. The Plan's most recent determination letter is dated April 27, 1995. The Administrative Committee of the Plan is not aware of any course of action, amendments subsequent to the most recent determination letter or series of events that have occurred that might adversely affect the qualified status of the Plan.

F. Assets of the Plan

Assets of the Plan are included in the assets of the AIP Master Trust held by the trustees. The assets of the AIP Master Trust are presented in the following table. Investments that represent 5% or more of the AIP Master Trust's total net assets are identified by an asterisk.

	December 31 1997	1996
Investments at fair value as determined by quoted market price:		
Shares of registered investment companies:		
Fidelity Growth & Income Portfolio, 424,247 and 305,400 shares, respectively *	$16,163,805	$ 9,384,931
Fidelity Intermediate Bond Fund, 227,623 and 180,402 shares, respectively	2,314,921	1,818,454
Fidelity Puritan Fund, 484,360 and 333,553 shares, respectively *	9,387,001	5,750,449
Templeton Foreign Fund, 360,337 and 214,876 shares, respectively *	3,585,363	2,226,115
Phillips-Van Heusen Corp. Common Stock Fund 1,394,679 and 1,359,381 shares, respectively *	19,905,879	19,541,102
Investments at estimated fair value:		
Common Trust Fund *	9,046,544	6,950,902
Promissory notes (participant loans)	1,371,795	969,816
Interest contract:		
Non-performing *	4,575,539	--
Total net assets	$66,350,847	$46,661,769
Plan's beneficial interest	$ 9,467,993	$ 9,365,561

F. Assets of the Plan (continued)

During the years ended December 31, 1997 and 1996, net appreciation of the AIP Master Trust's investments was $2,968,904 and $7,967,681, respectively, as follows:

	1997	1996
Fair value of assets determined by quoted market price:		
Phillips-Van Heusen Corp. Common Stock Fund	$ (299,112)	$ 6,089,124
Fidelity Growth & Income Portfolio	2,721,432	1,230,887
Fidelity Intermediate Bond Fund	18,814	(51,827)
Fidelity Puritan Fund	854,817	452,720
Templeton Foreign Fund	(327,047)	246,777
Net appreciation in fair value	$ 2,968,904	$ 7,967,681
Plan's beneficial interest	$ 316,782	$ 1,513,860

G. Differences Between Plan Financial Statements and Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	December 31 1997
Net assets available for plan benefits per the financial statements	$9,467,993
Less amounts allocated to withdrawn participants at December 31, 1997	295,118
Net assets available for plan benefits per the Form 5500	$9,172,875

Notes to Financial Statements (continued)

G. Differences Between Plan Financial Statements and Form 5500 (continued)

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	Year ended December 31 1997
Benefits paid to participants per the financial statements	$ 1,212,919
Add amounts allocated to withdrawn participants at December 31, 1997	295,118
Less amounts allocated to withdrawn participants at December 31, 1996	(294,809)
Benefits paid to participants per the Form 5500	$ 1,213,228

Amounts allocated to withdrawn participants on the Form 5500 represent benefit claims that have been processed and approved for payment prior to year-end but not yet paid.

Supplemental Schedules

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

AIP Master Trust Assets Held for Investment Purposes

December 31, 1997

Identity of Issuer	Description	Cost	Market Value
Fidelity Growth & Income Portfolio	424,247 shares	$ 11,505,482	$ 16,163,805
Fidelity Intermediate Bond Fund	227,623 shares	2,327,822	2,314,921
Fidelity Puritan Fund	484,360 shares	8,274,270	9,387,001
Templeton Foreign Fund	360,337 shares	3,624,622	3,585,363
Chase Manhattan Bank-- Domestic Liquidity Fund	9,046,544 shares	9,046,544	9,046,544
Phillips-Van Heusen Corporation Common Stock Fund	1,394,679 shares *	17,708,524	19,905,879
Mutual Benefit Life Insurance Company	Interest Contract **	4,575,539	4,575,539
Promissory notes	Participant loans	1,371,795	1,371,795
		$ 58,434,598	$ 66,350,847

* Party-in-interest investment (see Note C).

** Maturity date and interest rates are subject to statutory conservatorship rules.

Phillips-Van Heusen Corporation
Associates Investment Plan for Hourly Associates

AIP Master Trust Reportable Transactions

Year ended December 31, 1997

Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Assets Sold	Net Gain	Number of Transactions
Category (i)--Individual transactions in excess of 5% of plan assets						
Wachovia Bank, N.A.	Chase Domestic Liquidity Fund	$2,963,108				
Category (iii)--Series of transactions in excess of 5% of plan assets						
Chase Manhattan Bank, N.A.	Chase Domestic Liquidity Fund	7,609,276	$5,513,634	$5,513,634	$ -	235

There were no category (ii) or (iv) reportable transactions for the year ended December 31, 1997.

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Financial Statements
and Supplemental Schedules

Years ended December 31, 1997 and 1996

Contents

Note: A schedule of party-in-interest transactions has not been presented because there were no party-in-interest transactions. Parties-in-interest transactions are prohibited by the Employee Retirement Income Security Act of 1974 ("ERISA"), Section 406, and there is no statutory or administrative exemption.

Report of Independent Auditors

Administrative Committee of the Plan
Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

We have audited the accompanying statements of net assets available for plan benefits of the Phillips-Van Heusen Corporation Associates Investment Plan for Salaried Associates as of December 31, 1997 and 1996, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1997 and 1996, and the changes in its net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of AIP Master Trust Assets Held for Investment Purposes as of December 31, 1997, and AIP Master Trust Reportable Transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 18, 1998

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Statements of Net Assets Available for Plan Benefits

	December 31 1997	December 31 1996
Assets		
Investments (Notes A and E):		
Shares of registered investment companies:		
Equity Fund	$14,747,941	$ 8,328,323
Bond Fund	1,958,204	1,514,892
Balanced Fund	8,374,192	4,969,298
International Fund	3,316,839	2,032,940
Common stock--Employer Company Fund	15,566,503	14,798,535
Common Trust Fund *	6,560,602	4,242,876
Interest contract:		
Non-performing (Note F)	4,575,539	--
Participant loans receivable	1,077,960	778,391
Total investments	56,177,780	36,665,255
Liabilities	--	--
Net assets available for plan benefits	$56,177,780	$36,665,255

* Consists of the Money Market Fund (Chase Manhattan Bank Domestic Liquidity Fund).

See notes to financial statements.

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Statements of Changes in Net Assets Available for Plan Benefits

	Year ended December 31 1997	1996
Additions		
Net transfer from the PVH Associates Investment Plan for Hourly Associates	$ 155,597	$ 210,184
Net transfer from the Associates Investment Plan of PVH (Crystal Brands Division)	14,048,132	--
	14,203,729	210,184
Contributions:		
Employer Company, net of forfeitures	1,313,423	1,589,047
Participants	4,430,685	4,189,780
	5,744,108	5,778,827
Interest and investment income	1,963,586	1,025,344
Total additions	21,911,423	7,014,355
Deductions		
Payments to participants	5,026,675	5,050,131
Total deductions	5,026,675	5,050,131
Net realized and unrealized appreciation of investments (Note E)	2,627,777	6,338,290
Net increase	19,512,525	8,302,514
Net assets available for plan benefits at beginning of year	36,665,255	28,362,741
Net assets available for plan benefits at end of year	$56,177,780	$36,665,255

See notes to financial statements.

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Notes to Financial Statements

December 31, 1997

A. Description of the Plan

The following description of the Phillips-Van Heusen Corporation (the "Company") Associates Investment Plan for Salaried Associates (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

On October 1, 1997, the net assets of the Associates Investment Plan of Phillips-Van Heusen Corporation (Crystal Brands Division) (the "Crystal Brands Plan") associated with salaried or former associates were merged into the Plan. All assets of the Crystal Brands Plan were held by State Street Bank (trustee of the Crystal Brands Plan through September 30, 1997). All assets of the Plan are held by Chase Manhattan Bank (trustee of the Plan through September 30, 1997) and Wachovia Bank, N.A. (successor trustee of the Plan effective October 1, 1997) in the Company's Associates Investment Plan Master Trust (the "AIP Master Trust"). The investment alternatives of the Crystal Brands Plan have included interest contracts with insurance companies, as discussed further in this note and Note F.

General

The Plan is a defined contribution plan covering salaried clerical employees of the Company who have at least one year of service (1,000 hours in a year) and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 15% of pretax annual compensation, as defined by the Plan. The Company contributes 50% of the first 6% of base compensation that a participant contributes to the Plan.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) Company's contributions and (b) Plan earnings. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. One hundred percent of the Company contributions are automatically invested in the common stock of the Company. In accordance with the provisions of the Plan, participants age 55 or older may direct a portion of the Company contribution into any of the Plan's investment options.

A. Description of the Plan (continued)

Vesting

Amounts attributable to Company contributions become vested on the participant's 65th birthday or if the participant's employment by the Company terminates by reason of the participant's death or permanent disability or the participant has completed five years of service with the Company.

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions into any of seven investment options. A participant may contribute a maximum of 25% of employee contributions into the Phillips-Van Heusen Corporation Common Stock Fund.

Phillips-Van Heusen Corporation Common Stock Fund: Funds are invested by the trustees in common shares of the Company. Common shares of the Company are purchased by the trustees in the open market.

Money Market Fund: Funds are invested by the trustees in short-term obligations and money market instruments.

Equity Fund: Funds are invested in shares of a registered investment company that invests primarily in common stock (Fidelity Growth & Income Portfolio).

Bond Fund: Funds are invested in shares of a registered investment company that invests in corporate bonds and U.S. government securities (Fidelity Intermediate Bond Fund).

Balanced Fund: Funds are invested in shares of a registered investment company that invests in common stock, preferred stocks and bonds (Fidelity Puritan Fund).

International Fund: Funds are invested in shares of a registered investment company that invests in common stocks and bonds of companies and governments outside the United States (Templeton Foreign Fund).

Notes to Financial Statements (continued)

A. Description of the Plan (continued)

Fixed Income Fund: The balance in this fund represents an investment in an interest contract issued by Mutual Benefit Life Insurance Company which, as discussed in Note F, has been classified as non-performing at December 31, 1997 and 1996. No new uncommitted investments in interest contracts were made subsequent to June 30, 1991. Effective July 1, 1995, future contributions to this fund were prohibited. Upon release of frozen assets, funds will be transferred into the Money Market Fund where participants may elect to withdraw or transfer the funds to other investment options.

Participant Loans Receivable

Participants may borrow from the Plan, with certain restrictions, using their vested account balance as collateral. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of (i) $50,000 reduced by the participant's highest outstanding loan balance during the previous 12 months, or (ii) 50% of the vested value of the participant's account. Interest is fixed for the term of the loan at the prime rate as of the first business day of the month of application as published in the Wall Street Journal, plus 1%. Loan repayments are made through payroll deductions which may be specified for a term of 1 to 5 years or up to 15 years for the purchase of a primary residence.

Payment of Benefits

Participants entitled to final distributions generally will receive payment in the form of a lump sum amount equal to the value of their vested account.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Notes to Financial Statements (continued)

B. Significant Accounting Policies

The accounting records of the Plan are maintained on the accrual basis, except for payments to participants which the Plan accounts for on the cash basis. Accordingly, the Plan's statements of net assets available for plan benefits do not reflect amounts payable to terminated, retired or other participants as a liability.

In accordance with the Rules and Regulations of the Department of Labor, investments are included in the accompanying financial statements at market value as determined by quoted market price or at fair value as determined by Chase Manhattan Bank for the applicable Chase investment funds. The interest contract is stated at cost plus accumulated interest. Purchase and sales of securities are reflected on a trade date basis. Substantially all administrative expenses are paid by the Company.

All assets of the Plan are held by Chase Manhattan Bank (trustee of the Plan through September 30, 1997) and Wachovia Bank, N.A. (successor trustee of the Plan effective October 1, 1997), collectively "the trustees" of the Plan, in AIP Master Trust and are segregated from the assets of the Company. The Plan shares in AIP Master Trust interest and investment income based upon its participants' shares of AIP Master Trust net assets available for plan benefits.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

C. Transactions with Parties-in-Interest

During the years ended December 31, 1997 and 1996, the AIP Master Trust purchased 41,891 and 101,653 shares, respectively, of the Company's common stock and received $205,332 and $203,852, respectively, from the Company as payment of dividends on its common stock. The AIP Master Trust also sold 58,705 and 143,919 shares of the Company's common stock during the years ended December 31, 1997 and 1996, respectively.

In connection with the merger of the Crystal Brands Plan on October 1, 1997, 52,112 shares of the Company's common stock were transferred into the AIP Master Trust.

D. Changes in the AIP Master Trust Net Assets Held by Fund

Changes in the AIP Master Trust net assets held by fund during the year ended December 31, 1997 were as follows:

	Phillips-Van Heusen Corp. Common Stock Fund	Money Market Fund	Bond Fund	Balanced Fund	Equity Fund
Net assets at beginning of year	$ 19,612,593	$ 6,879,359	$ 1,818,465	$ 5,750,463	$ 9,384,953
Interest and investment income	211,070	551,149	125,621	502,825	330,738
Contributions received:					
Employer Company, net of forfeitures	1,620,371	(51,060)	73	(2,835)	(11,499)
Employees	423,500	670,327	350,969	1,193,105	1,963,385
Net realized and unrealized appreciation (depreciation)	(299,112)	--	18,814	854,817	2,721,432
Loans to participants, net of repayments	(77,679)	(45,092)	4,773	(42,561)	(71,843)
Payments to participants	(1,962,154)	(1,707,477)	(255,224)	(802,958)	(1,332,908)
Transfers (to) from other accounts	(446,731)	(226,623)	(85,827)	236,828	427,253
Transfer from AIP of PVH (Crystal Brands Division)	824,021	2,975,961	337,257	1,697,317	2,752,294
Net assets at end of year	$ 19,905,879	$ 9,046,544	$ 2,314,921	$ 9,387,001	$ 16,163,805
Plan's beneficial interest at end of year	$ 15,566,503	$ 6,560,602	$ 1,958,204	$ 8,374,192	$ 14,747,941

	International Fund	Fixed Income Fund	Loan Fund	Total
Net assets at beginning of year	$ 2,226,120	$ --	$ 969,816	$ 46,641,769
Interest and investment income	391,072	106,016	--	2,218,491
Contributions received:				
Employer Company, net of forfeitures	585	--	--	1,555,635
Employees	646,476	--	--	5,247,762
Net realized and unrealized appreciation (depreciation)	(327,047)	--	--	2,968,904
Loans to participants, net of repayments	(27,416)	--	259,818	--
Payments to participants	(279,685)	--	--	(6,340,406)
Transfers (to) from other accounts	95,100	--	--	--
Transfer from AIP of PVH (Crystal Brands Division)	860,158	4,469,523	142,161	14,058,692
Net assets at end of year	$ 3,585,363	$ 4,575,539	$ 1,371,795	$ 66,350,847
Plan's beneficial interest at end of year	$ 3,316,839	$ 4,575,539	$ 1,077,960	$ 56,177,780

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Notes to Financial Statements (continued)

D. Changes in the AIP Master Trust Net Assets Held by Fund (continued)

Changes in the AIP Master Trust net assets held by fund during the year ended December 31, 1996 were as follows:

	Phillips-Van Heusen Corp. Common Stock Fund	Money Market Fund	Bond Fund	Balanced Fund	Equity Fund
Net assets at beginning of year	$ 14,625,212	$ 8,498,272	$ 1,657,989	$ 4,302,940	$ 6,120,414
Interest and investment income	222,115	381,788	117,857	280,456	223,028
Contributions received:					
Employer Company, net of forfeitures	1,953,035	(32,080)	(345)	684	(2,348)
Employees	433,614	811,506	391,239	1,146,084	1,746,932
Net realized and unrealized appreciation (depreciation)	6,089,124	--	(51,827)	452,720	1,230,887
Loans to participants, net of repayments	(100,185)	(49,585)	290	(42,997)	(39,962)
Payments to participants	(3,133,303)	(2,001,608)	(244,452)	(594,927)	(764,535)
Transfers (to) from other accounts	(477,019)	(728,934)	(52,286)	205,503	870,537
Net assets at end of year	$ 19,612,593	$ 6,879,359	$ 1,818,465	$ 5,750,463	$ 9,384,953
Plan's beneficial interest at end of year	$ 14,798,535	$ 4,242,876	$ 1,514,892	$ 4,969,298	$ 8,328,323

	International Fund	Loan Fund	Total
Net assets at beginning of year	$ 1,440,828	$ 717,488	$ 37,363,143
Interest and investment income	63,686	--	1,288,930
Contributions received:			
Employer Company, net of forfeitures	(3,277)	--	1,915,669
Employees	521,595	--	5,050,970
Net realized and unrealized appreciation (depreciation)	246,777	--	7,967,681
Loans to participants, net of repayments	(19,889)	252,328	--
Payments to participants	(205,799)	--	(6,944,624)
Transfers (to) from other accounts	182,199	--	--
Net assets at end of year	$ 2,226,120	$ 969,816	$ 46,641,769
Plan's beneficial interest at end of year	$ 2,032,940	$ 778,391	$ 36,665,255

Note: Certain funds above include investments in the Chase Manhattan Bank Domestic Liquidity Fund.

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

Notes to Financial Statements (continued)

E. Assets of the Plan

Assets of the Plan are included in the assets of the AIP Master Trust held by the trustees. The assets of the AIP Master Trust are presented in the following table. Investments that represent 5% or more of the AIP Master Trust's total net assets are identified by an asterisk.

	December 31 1997	1996
Investments at fair value as determined by quoted market price:		
Shares of registered investment companies:		
Fidelity Growth & Income Portfolio, 424,247 and 305,400 shares, respectively *	$16,163,805	$ 9,384,931
Fidelity Intermediate Bond Fund, 227,623 and 180,402 shares, respectively	2,314,921	1,818,454
Fidelity Puritan Fund, 484,360 and 333,553 shares, respectively *	9,387,001	5,750,449
Templeton Foreign Fund, 360,337 and 214,876 shares, respectively *	3,585,363	2,226,115
Phillips-Van Heusen Corp. Common Stock Fund, 1,394,679 and 1,359,381 shares, respectively *	19,905,879	19,541,102
Investments at estimated fair value:		
Common Trust Fund *	9,046,544	6,950,902
Promissory notes (participant loans)	1,371,795	969,816
Interest Contract:		
Non-performing *	4,575,539	--
Total net assets	$66,350,847	$46,641,769
Plan's beneficial interest	$56,177,780	$36,665,255

Notes to Financial Statements (continued)

E. Assets of the Plan (continued)

During the years ended December 31, 1997 and 1996, net appreciation of the AIP Master Trust's investments was $2,968,904 and $7,967,681, respectively, as follows:

	1997	1996
Fair value of assets determined by quoted market price:		
Phillips-Van Heusen Corp. Common Stock Fund	$ (299,112)	$ 6,089,124
Fidelity Growth & Income Portfolio	2,721,432	1,230,887
Fidelity Intermediate Bond Fund	18,814	(51,827)
Fidelity Puritan Fund	854,817	452,720
Templeton Foreign Fund	(327,047)	246,777
Net appreciation in fair value	$ 2,968,904	$ 7,967,681
Plan's beneficial interest	$ 2,627,777	$ 6,338,290

F. Non-Performing Interest Contract

On July 16, 1991, on application of the Insurance Commissioner of the State of New Jersey, the Superior Court of New Jersey placed the Mutual Benefit Life Insurance Company ("MBLIC") into rehabilitation. Effective June 30, 1991, allocation of interest on MBLIC interest contracts to participants was suspended, and on January 1, 1992, the interest accrual rate on all MBLIC contracts was reduced to 3% in accordance with the recommendation of the Deputy Rehabilitator of MBLIC.

On November 10, 1993, the court approved a plan of rehabilitation for MBLIC. The rehabilitation plan provides investors with two alternatives consisting of either (1) participating ("opt-in") in the plan, or (2) not participating ("opt-out") in the plan. Investors electing to opt-in are projected to receive 100% of their July 16, 1991 investment balance over a four-year period from December 31, 1999 to December 31, 2003. Investors who elected to opt-out received approximately 55% of their July 16, 1991 investment balance no later than mid-1996. The Plan's interest contract with MBLIC is not covered by state guaranty associations. For certain investments not covered by state guaranty associations, including the Plan's interest contract, the rehabilitation provides, for those investors electing to opt-in, reinsurance by a consortium of insurance companies including the Prudential Insurance Company of America and the Metropolitan Life Insurance Company.

Notes to Financial Statements (continued)

F. Non-Performing Interest Contract (continued)

State Street Bank, the former trustee of the Crystal Brands Plan, elected to opt-in to the MBLIC rehabilitation plan. State Street Bank made this decision after review and analysis of the rehabilitation plan and the financial strength of the reinsurers. Based on the MBLIC rehabilitation plan, including the reinsurance provision, no adjustment to the carrying value of the MBLIC interest contract was made. The Plan's MBLIC interest contract was credited with interest at 6.35% for January 1, 1997 through June 30, 1997 and 9.75% for July 1, 1997 through December 31, 1997.

G. Income Tax Status

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (the "IRC") and, therefore, its related trust is tax-exempt under Section 501(a) of the IRC. The Plan's most recent determination letter is dated April 27, 1995. The Administrative Committee of the Plan is not aware of any course of action, amendments subsequent to the most recent determination letter or series of events that have occurred that might adversely affect the qualified status of the Plan.

H. Differences Between Plan Financial Statements and Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	December 31 1997
Net assets available for plan benefits per the financial statements	$56,177,780
Less amounts allocated to withdrawn participants at December 31, 1997	1,223,049
Net assets available for plan benefits per the Form 5500	$54,954,731

Notes to Financial Statements (continued)

H. Differences Between Plan Financial Statements and Form 5500 (continued)

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	Year ended December 31 1997
Benefits paid to participants per the financial statements	$ 5,026,675
Add amounts allocated to withdrawn participants at December 31, 1997	1,223,049
Less amounts allocated to withdrawn participants at December 31, 1996	(856,171)
Benefits paid to participants per the Form 5500	$ 5,393,553

Amounts allocated to withdrawn participants on the Form 5500 represent benefit claims that have been processed and approved for payment prior to year-end but not yet paid.

Supplemental Schedules

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

AIP Master Trust Assets Held for Investment Purposes

December 31, 1997

Identity of Issuer	Description	Cost	Market Value
Fidelity Growth & Income Portfolio	424,247 shares	$11,505,482	$16,163,805
Fidelity Intermediate Bond Fund	227,623 shares	2,327,822	2,314,921
Fidelity Puritan Fund	484,360 shares	8,274,270	9,387,001
Templeton Foreign Fund	360,337 shares	3,624,622	3,585,363
Chase Manhattan Bank-- Domestic Liquidity Fund	9,046,544 shares	9,046,544	9,046,544
Phillips-Van Heusen Corporation Common Stock Fund	1,394,679 shares *	17,708,524	19,905,879
Mutual Benefit Life Insurance Company	Interest Contract **	4,575,539	4,575,539
Promissory notes	Participant loans	1,371,795	1,371,795
		$58,434,598	$66,350,847

* Party-in-interest investment (see Note C).

** Maturity date and interest rates are subject to statutory conservatorship rules (see Note F).

Phillips-Van Heusen Corporation
Associates Investment Plan for Salaried Associates

AIP Master Trust Reportable Transactions

Year ended December 31, 1997

Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Assets Sold	Net Gain	Number of Transactions
Category (i)--Individual transactions in excess of 5% of plan assets						
Wachovia Bank, N.A.	Chase Domestic Liquidity Fund	$2,963,108				
Category (iii)--Series of transactions in excess of 5% of plan assets						
Chase Manhattan Bank, N.A.	Chase Domestic Liquidity Fund	7,609,276	$5,513,634	$5,513,634	$ --	235

There were no category (ii) or (iv) reportable transactions for the year ended December 31, 1997.

Exhibit

[LETTERHEAD OF ERNST & YOUNG LLP]

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Associates Investment Plan for Hourly Associates of Phillips-Van Heusen Corporation of our report dated June 18, 1998, with respect to the financial statements and schedules of the Associates Investment Plan for Hourly Associates included in this Annual report (form 11-K) for the year ended December 31, 1997.

/s/ Ernst & Young LLP

New York, New York
June 18, 1998

Exhibit

[LETTERHEAD OF ERNST & YOUNG LLP]

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Associates Investment Plan for Salaried Associates of Phillips-Van Heusen Corporation of our report dated June 18, 1998, with respect to the financial statements and schedules of the Associates Investment Plan for Salaried Associates included in this Annual report (form 11-K) for the year ended December 31, 1997.

/s/ Ernst & Young LLP

New York, New York
June 18, 1998