

MANUFACTURING DIVISION

A broad spectrum of markets contributed for the first time to the manufacturing income of Illinois Central Industries. Most of these markets are remote from the railroad business, which had been the company's sole source of major income. To railroading have been added sources of sales and profits such as the automotive and aerospace industries, food processing, mining, tire manufacturing and heavy construction. About one fifth of this business comes from outside of the United States. About 12% is related to government contracts.

These markets are served by Illinois Central Industries' new Manufacturing Division.

The major portion of the division's sales came from Abex Corporation. A substantial contribution was made by Waukesha Foundry Company and by the Chandeyson Electric Company.

ABEX CORPORATION

Abex is a highly diversified manufacturing company with dozens of product lines and hundreds of products which are marketed to a broad cross-section of industry and transportation throughout the world.

Abex has 60 plants in the United States, Canada, Mexico, and Europe. It has joint enterprises in England, France, Argentina and Japan, and also about 25 licensees throughout the world.

Sales of Abex international divisions increased. They amounted to 24 percent of total Abex volume.

Abex classifies its products in three groups: fluid power controls, friction controls and wear controls.

FLUID POWER CONTROLS

Fluid power controls include hydraulic pumps, motors, valves, aircraft flight

control actuators, landing gear and numerous types of complete hydraulic systems.

Fluid power control shipments in 1968 were about equally divided between the aerospace industry and varied segments of general industry. Sales increased slightly in 1968.

Aircraft Industry

The aircraft industry continued to produce both military and commercial aircraft at peak levels during 1968. Some advance models of a new generation of aircraft were introduced, including the Lockheed C-5A and Boeing's 737. Others will follow in 1969 and succeeding years.

This high level of activity was reflected in the Aerospace Division's orders and shipments. All of the manufacturing facilities in the United States, Canada and West Germany operated at near capacity. Among the significant new contracts received during 1968 were an increase in the share of requirements for landing gear on the Boeing 737 jetliner and a share of the orders for the nose landing gear of the McDonnell Douglas new DC10 Trijet.

During the year a modern fluid power controls plant was constructed in Montreal. This brought under one roof manufacturing operations formerly spread out in five separate buildings. The new facility will increase efficiency and materially reduce manufacturing costs.

Some contracts for aerospace hydraulic equipment were successfully re-negotiated with significant price increases. These new contracts, combined with improved manufacturing facilities and more efficient operational methods should enable the Aerospace Division to achieve better results for 1969.



Many commercial jets rely on Abex fluid power controls and friction controls for performance in the air and on the ground. Abex supplies landing gear, fluid controls, actuators and other components—as well as the braking materials, to manufacturers of the leading military and commercial aircraft.

Industrial Hydraulics

In the industrial hydraulics division, shipments decreased in the United States but increased slightly in Europe, resulting in a small over-all increase in this product group.

The market for industrial hydraulic equipment continues to expand with the advance of mechanization and automation. The major markets include earth-moving and construction equipment, mining machinery, materials handling equipment for the marine industry and metalworking and other industrial equipment.

A large volume of shipments went to the marine industry. Complete hydraulic systems, including electronic controls, help to provide more efficient handling of cargo and control of ship's machinery.