

materials in the form of braking products control motion, while in other forms, friction products are utilized to transmit power through transmissions and clutches. In yet another manner, friction must be controlled by bearing materials to reduce resistance between moving parts.

Abex friction controls include braking products for automotive, aircraft, industrial and railway equipment. Our friction products also are used in clutches and transmissions for many kinds of mobile and industrial equipment. Abex bearing products are widely used in industrial machinery, steel mills and railroad cars and locomotives.

Sales of friction controls in 1967 amounted to \$93,700,000.

Shipments to the replacement market, which provide the major portion of our automotive business, increased slightly in most of our distribution areas. Shipments to vehicle manufacturers declined because of lower production of passenger cars, trucks and buses.

Manufacturing plants located in the United States, Canada, Mexico and France, as well as a number of manufacturing licensees in other countries, provide access to a large portion of the world market for our automotive friction materials. Brake linings for replacement are distributed by more than 7,500 auto parts wholesalers around the world under our "American Brakeblok" and "Necto" brand names and also under many private brand labels.

Shipments of aircraft friction control products showed a substantial gain in 1967. Abex brake materials are qualified on a large number of types and makes of both military and commercial aircraft. Each year this market grows with the increased use of the airplane as a means of travel and cargo transport.

Shipments of industrial friction control products held about level with the previous

year. They were adversely affected by strikes in customers' plants and also, to some degree, by the reduction in Federal highway funds and low activity in housing starts.

Industrial friction control products for replacement are sold under the brand name "Velvetouch" through 4,000 independent wholesalers in several countries.

Shipments of brake shoes and bearing products were slightly lower because of the reduced operating level of the railroads.

The wide variety of products and the broad scope of our markets provide a high degree of stability for this product group as well as great opportunity for future growth....

Wear Controls

Every machine or moving part of a machine will eventually wear out. The control of the rate of wear is a broad field involving the development and application of the most suitable material to counteract specific forms of wear such as heat, corrosion, abrasion and structural fatigue.

Abex wear control products include a large number of metals and alloys in cast, machined and fabricated products that are specially adapted to control wear in specific applications.

Sales of wear control products amounted to \$110,100,000.

Shipments of precision and heat-resistant alloys were slightly lower than previous years. This decline reflected the general reduction in demand from capital goods industries where most of the products are used.

Production of tire molds increased substantially as tire manufacturers initiated new safety-design tires and new merchandising programs.

Shipments of manganese, abrasion and impact resistant alloys and other wear control products used in mining, construction and