EATON

General Comments
Material shortages on gears, housing, and two speed clutch plates hampered delivery in August. The budget was set at 11,099. We shipped 10,369. September's budget will also be severly hampered due to materials. IHC, Ford, and GMC will be effected by our parts shortage in the single axle area; mainly 15, 16, and 17 series. We are barely getting by on tandem axles to all customers due to gear shortages. The current material situation is by far the worst condition we have ever seen.

Loose Parts
Loose Parts Sales for August were $424,355., versus a forecast of $250,000. August total also includes $153,264. of electric shift unit sales shipped to O.E.M.s direct from Harrodsburg, Kentucky. Signet Systems, which was not included in the August forecast, accum sales for 1983 thru August totals $2,519,280.

Potential problems exist with taking over shipments of electric shift units from Harrodsburg beginning September 1, 1983. Signet Systems has not shipped stock on #41059 to Henderson to begin this program. Currently we have 402 pieces in stock to cover past due orders of 450 pieces. September orders total 2455 pieces on this part.

Aftermarket
The condition in the Aftermarket areas have not changed since the last report. There is no changing news.

Ecuador
Our customer S.A.V.E. in Cerenca, Ecuador has submitted financial statements and credit references. These documents were forwarded to Hans Huth and copied to Mike McPhilamy for submission to any bank of our choice for approval of F.C.I.A. financing in the amount of $50,000. We are presently holding an order of approximately $12,000 pending approval of the financing. This is basically the only means of payment for our Ecuadarian customers at this time.

Brake
Short term brake orders for August and September increased during the month, approximately 8% over the August 1st forecast. The impact before smoothing would have been a 12% increase in August. Material availability problems may restrict the August increase to 5% over the forecast.