

VEHICLE COMPONENTS

capacity to meet customer demand. Our engine supercharger, which is used on Ford and GM luxury and high-performance cars, has also attracted interest from major European OEMs. The engineered fastener business, which produces stamped metal and plastic assemblies, has increased its market penetration with the addition of several new value-added products, such as a headlamp shield that protects vital components and increases illumination.

Q. *Have your mobil hydraulic products had as good a year as your automotive products?*

A. Not quite, but it's still been a good year. Recovery in the agriculture and construction businesses typically lags recovery in the automotive industry. Some 70 percent of our hydraulic sales are in North America, and strong sales here have overcome weak sales in Europe and the Far East. We've gotten a boost from the construction market for products like skid steer loaders, which are used to transport building materials around work sites. We're restructuring our European operations for profitability at lower demand levels. Overall, however, 1993 was a good year, and we're looking for an even better year in 1994.

CONTROLS

in Beverly, Massachusetts, in Austin, Texas, and in Japan, to enhance the quality of our implanters and demonstrate the importance of our customers.

Q. *Overall, what's the primary challenge facing your Controls businesses?*

A. In the 1990s, we're living with a period of virtually no price increases, which means we must improve productivity to overcome any increases in our own cost base. Our emphasis on Total Quality Leadership is intimately with productivity. We're focused on improving every phase of the way we do business. Another key challenge is innovation. There are significant key technology overlaps between our businesses, and we're capitalizing on these to bring our customers cost-effective solutions to their problems. Finally, we are driving for speed. Speed in everything we do. Our customers expect faster and faster response and we know that speed is an outstanding differentiator of performance. We have total confidence that our outstanding workforce can continue to meet these challenges.

TOP LEFT: Eaton's new ABS is designed to maintain precise control of brake pressure to help prevent wheel lockups. **TOP RIGHT:** Eaton sells more than 20 million power tool switches annually to the world's leading manufacturers, including Black & Decker, Skil, Ryobi, Milwaukee Electric Tool, Porter Cable and Makita.

BOTTOM LEFT: Eaton STIC controls (foreground) replace the traditional steering wheel in Caterpillar tractors, controlling speed and direction, while the MESH control signals a microprocessor which controls shifting of transmissions. **BOTTOM RIGHT:** In addition to plastic and metal headlamp adjusters, Eaton will supply Ford