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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

**Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935
or Section 30(h) of the Investment Company Act of 1940**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* Arnold, Craig <i>(Last) (First) (Middle)</i> Eaton Center 1111 Superior Avenue <i>(Street)</i> Cleveland, OH 44114 <i>(City) (State) (Zip)</i>	2. Issuer Name and Ticker or Trading Symbol Eaton Corporation (ETN)	3. I.R.S. Identification Number of Reporting Person, if an entity (Voluntary) <hr/>
	4. Statement for Month/Day/Year 9/30/2002	5. If Amendment, Date of Original (Month/Day/Year) <hr/>
	6. Relationship of Reporting Person(s) to Issuer (Check All Applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <i>(give title below)</i> <input type="checkbox"/> Other <i>(specify below)</i> Senior Vice President and Group Executive-Fluid Power	7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see instruction 4(b)(v).

Table I — Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security <i>(Instr. 3)</i>	2. Transaction Date <i>(Month/Day/Year)</i>	2A. Deemed Execution Date, if any <i>(Month/Day/Year)</i>	3. Transaction Code <i>(Instr. 8)</i>	4. Securities Acquired (A) or Disposed of (D) <i>(Instr. 3, 4 and 5)</i>	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) <i>(Instr. 3 and 4)</i>	6. Ownership Form: Direct (D) or Indirect (I) <i>(Instr. 4)</i>	7. Nature of Indirect Beneficial Ownership <i>(Instr. 4)</i>		
			Code V	Amount	(A) or (D)	Price			
Common Shares	9/30/2002		F	5,640,000 (1)	D	\$63.20	63,307,000 (2)	D	
Common Shares							27,508	I	by trustee

Table II — Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security <i>(Instr. 3)</i>	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date <i>(Month/Day/Year)</i>	3A. Deemed Execution Date, if any <i>(Month/Day/Year)</i>	4. Transaction Code <i>(Instr. 8)</i>		5. Number of Derivative Securities Acquired (A) or Disposed of (D) <i>(Instr. 3, 4 and 5)</i>	
				Code	V	(A)	(D)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned has made, constituted and appointed, and by this instrument does make, constitute and appoint, each of J. ROBERT HORST, EARL R. FRANKLIN, MARK HENNESSEY, DAVID M. O'LOUGHLIN, JANE W. GRISWOLD, GORDON S. KAISER, ANTHONY M. SMITS, CIPRIANO BEREDO, SEAN PEPPARD AND CLAUDIA TALLER, acting individually, as his or her true and lawful attorney, for him or her, and in his or her name, place and stead, to affix, as attorney-in-fact, the signature of the undersigned to reports to the Securities and Exchange Commission on Forms 3, 4, 5 or 144 with respect to transactions or holdings by the undersigned in equity securities issued by Eaton Corporation, an Ohio corporation, and to any and all amendments to such reports, giving and granting unto each such attorney-in-fact full power and authority to do and perform every act and thing whatsoever necessary to be done in the premises, as fully as the undersigned might or could do if personally present, hereby ratifying and confirming all that each such attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the date the undersigned is no longer required to file Form 4, 5 or 144 reports with the Securities and Exchange Commission with respect to holdings of and transactions in securities issued by Eaton Corporation, unless revoked in writing prior thereto.

IN WITNESS WHEREOF, this Power of Attorney has been signed at Eaton Center Cleveland, Ohio, this 5 day of September, 2002.

/s/ Craig Arnold

Craig Arnold