EMERSON.

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Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-03-06

Emerson Electric Co. ("Emerson") respectfully submits the following comments on the Securities and Exchange Commission's proposal to require compensation disclosure for up to three employees who were not executive officers during a completed fiscal year, whose total compensation for such year was greater than that of any of the named executive officers, and who exert significant policy influence within the company or significant parts of the company (the "Proposal").

Emerson believes that the Proposal should not be adopted. Our reasons are as follows:

1. True "policy-making" responsibilities are almost never exercised within an issuer below the "executive officer" level, as defined in Securities Act Rule 405 and Exchange Act Rule 3b-7. It is difficult to conceive of a non-executive employee of a company's subsidiary, business unit or division having the authority to make significant policy decisions at variance with or supplemental to the company's overall corporate policies.

    Ironically, this is demonstrated by the examples of non-executive employees given by the Commission as possibly having such authority.[1] All these examples describe individuals who are primarily responsible for <u>implementing</u> their respective companies' policies rather than <u>making</u> them. Requiring disclosure of their compensation would therefore not only be immaterial to investors, but would shift the focus away from the executive officers of the company who set its fundamental policies and oversee those who implement them.

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[1] See the Commission's Adopting Release on Executive Compensation and Related Party Disclosure (Release No. 34-54302, pp. 92-93), listing the following: the director of the news division of a major network: the principal creative leader of the entertainment function of a media conglomerate; the head of a principal business unit developing a significant technical innovation; and an investment professional, such as a trader or portfolio manager, who oversees all equity funds for an investment adviser.

2. The Proposal is fraught with ambiguity and imprecision. We do not anticipate that issuers will be able to interpret phrases such as "significant policy decisions", "significant subsidiary" and "principal business unit, division or function" in a consistent and meaningful manner. Nor do we anticipate that definitions of these phrases by the Commission will be both precise enough to address the ambiguities and broad enough to cover all the situations intended by the Commission.

3. We reiterate the concerns expressed in our previous comments[2] that the Proposal would unnecessarily impinge upon the privacy rights of the affected employees. In most cases, the identities of these employees will be readily apparent from their job descriptions. We also agree with the concern raised by other commenters that disclosure of these employees' compensation could facilitate a competitor's hiring them away from the company. The Commission's attempt to address these concerns by limiting disclosure to persons exerting policy influence is, in our view, a non sequitur. The concerns would continue to exist for issuers irrespective of the employees' job responsibilities.

For the above reasons, we urge the Commission to withdraw the Proposal. Its detriments would clearly outweigh its purported benefits, it would not provide information material to investors, and it would constitute an unwarranted expansion of disclosures currently required with respect to executive officers.

Thank you for the opportunity to comment on this matter.

Respectfully submitted,

W. Wayne Withers

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[2] Letter from Emerson to the Commission on the Commission's Proposed Executive Compensation Rules, dated April 10, 2006.