quadrupled. The 38,400 (adjusted for splits) which he purchased are now worth more than $3 million. If he sells them at the current price,[5] he will have about $1.76 million left after paying taxes. In addition, he has a paper net profit of $73,275 on the shares which he has not yet purchased. All in all, his average profit (after taxes) for each year from the date of the grant to the present would be in the neighborhood of $261,696. To end up with a similar annual net income from straight salary, Mr. Wilson would have to earn $2.3 million a year.

VALUE OF ALCOA STOCK OPTIONS (Based on May 8, 1959 Prices and Adjusted for Stock Dividends and Stock Splits)

Options Exercised, 1952-1958:		
Value as of May 8, 1959	$85,241,679	
Option Price	20,394,383	
Difference		$64,847,296
Options Outstanding, December 31, 1958:		
Value as of May 8, 1959	$26,475,750	
Option Price	16,502,852	
Difference		9,972,898
Total Increase in Value Over Option Price		$74,820,195

[5] He has not sold any prior to this date. Sixteen hundred shares were given away as gifts but these may well have been given to members of his family.

FORD MOTOR COMPANY

The automobile industry has had its financial ups and downs and, as a result, many auto workers have suffered job loss or income reduction. However, thanks to a stock option plan, the living standards of at least a handful of Ford employees are well protected for some time to come. Less than 200 Ford executives have a claim upon a potential profit from stock options of about $109 million.

VALUE OF FORD STOCK OPTIONS (Based on May 8, 1959 Prices)

Options Exercised, 1955-1958:		
Value as of May 8, 1959	$135,273,110	
Option Price	40,581,933	
Difference		$94,691,177
Options Outstanding, December 31, 1958:		
Value as of May 8, 1959	$61,460,140	
Option Price	46,890,136	
Difference		14,570,004
Total Increase in Value over Option Price		$109,261,181

One Ford executive seems on the verge of probing the outer limits of stock option profit possibilities. He is Ernest Breech, a man whose annual potential gain from stock options (the *before tax* figure based on his average profits from stock options for the years since the grant) exceeds his $370,000 yearly income from salaries and supplementary compensation.

As a matter of fact, in order for Mr. Breech to end up with a *net* income from salary and bonuses equal to his potential net income from stock options (presuming none of his shares were sold prior to May 8, 1959), he would have to have been paid more than $5.0 million a year. Here's how Mr. Breech managed it:

1953—He received an option for 6,000 shares at a price of $315 per share.

1955-1958—A stock split of 15 for 1 during this period increased the number of shares under his option to 90,000 shares and reduced their price to $21. Mr. Breech bought the 90,000 shares for $1,890,000.