APPENDIX

TABLE III

POTENTIAL CAPITAL GAINS ON STOCK OPTIONS, TOP OFFICERS OF SIX SELECTED COMPANIES

(Based on May 8, 1959 Prices and Adjusted for Stock Dividends and Stock Splits)

Individual	Dates of Exercise	(1) Gain in Value on Shares Exercised (Millions) 1	(2) Gain in Value on Shares Outstanding 1	(3) Total Potential Gain in Value	(4) Potential Return After 25% Capital Gains Tax	(5) Average Annual Potential Gain After Taxes 2	(6) Estimated Salary Needed to Yield Annual Return After Taxes Equal to Avg. Annual Potential Gain After Taxes 3	(7) Actual Salary, 1958
U. S. Steel								
R. M. Blough								
Board Chairman	1954-56	1,964,000	498,000	2,462,000	1,846,500	230,813	1,982,789	265,600 [4]
Ford Motor								
E. R. Breech								
Board Chairman	1955-58	3,528,000	882,000	4,410,000	3,307,500	508,846	5,072,044	185,000 [5]
Aluminum Co. of America								
I. W. Wilson								
Board Chairman	1953-?	2,344,799	97,700	2,442,499	1,831,874	261,696	2,325,933	190,000 [6]
General Electric								
Ralph Cordiner								
Chairman	1954-59	1,288,125	1,288,125	2,576,250	1,932,188	322,031 [2]	2,996,322	279,974 [7]
General Foods								
C. G. Mortimer, Jr.								
President	1953-58	891,546	739,554	1,631,100	1,223,325	203,888	1,683,622	130,000 [8]
Goodyear Tire and Rubber								
E. J. Thomas,								
President	1952-55	5,294,649	———	5,294,649	3,970,987	467,175	4,609,033	194,320 [9]

[1] Difference between total option price and total value as of May 8, 1959, based on assumption that none of shares exercised were sold prior to May 8, 1959.

[2] Represents *accrued* appreciation, after taxes (column 5) divided by approximate number of years elapsing from date of first grant to mid-1959. Part of such accrued gain may not be immediately realizable because of waiting requirements in the tax law or, as in the case of Cordiner, because a portion of his options is not exercisable as yet. By the time his options became fully exercisable GE stock values will undoubtedly have gone up or down, thereby making his average annual gains smaller or greater than indicated. Assuming, however, that at the end of Cordiner's ten-year option period, GE stock is still selling for $81 per share, his average annual potential gain after taxes will still be $193,219 and he would still have to be paid more than a million dollars in order to obtain an equivalent amount from salary alone.

[3] Tax calculations were based on the same assumptions typically used by corporations in arriving at their own estimates of net return from salary, bonuses, etc. These assumptions are: (a) joint returns; (b) two exemptions; (c) standard deduction of $1,000; (d) no other income.

[4] Plus $10,000 contribution to savings fund.

[5] Also collected $187,500 under awards made in 1955-57.

[6] $40,000 additional payable in January 1959.

[7] Plus 1,988 shares valued at $120,025.50.

[8] Plus $25,000 "deferred incentive remuneration."

[9] Plus "deferred contingent remuneration" of 910 shares valued at $111,020.