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DPHS&S Toronto

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OFFICE PROFILE:

DPH&S TORONTO

By James G. Duncan, Partner-in-Charge

Toronto means “place of meeting”—a place where long ago two Indian trails crossed. The crossing is now buried beneath asphalt and concrete, but the name remains an apt one, for Toronto today is the meeting place for much of Canada’s traffic. Within a radius of a hundred miles lies a third of the entire Canadian market. Since most Canadians inhabit a strip within 200 miles of the border with the U.S., commerce between East and West tends to flow through Toronto.

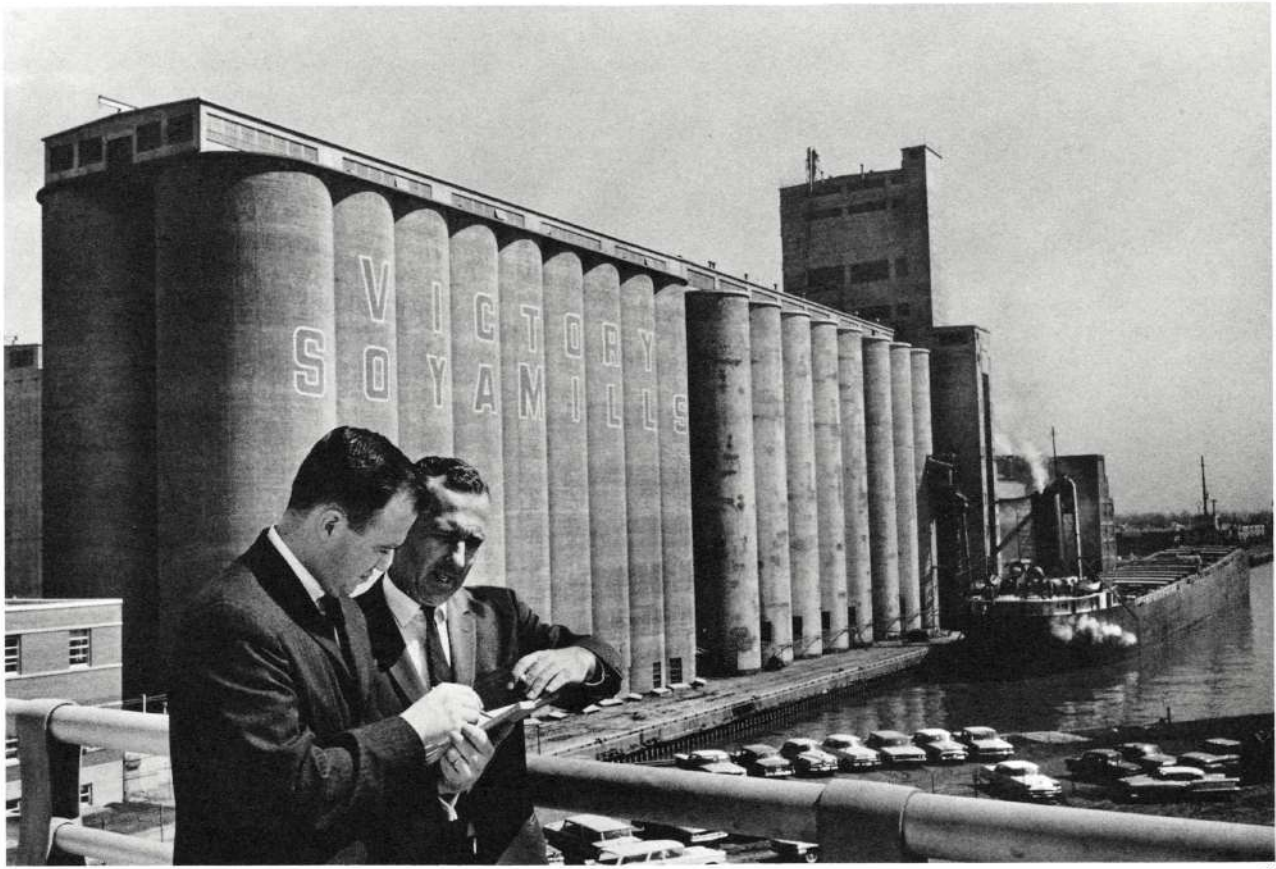
About five blocks up from the docks on Lake Ontario and six blocks from the old city hall and the new one under construction, stands 55 Yonge Street, housing DPH&S Toronto and our Canadian Head Office on the sixth floor. When the Toronto Office opened in 1930, around the corner on King Street, the Firm’s first Canadian office had been going for six years in Montreal, dating from the beginning of the Deloitte-H&S relationship in 1924. The Toronto Office, with about one hundred on the staff, is now the largest in the Canadian firm.

With the growth of DPH&S in Canada to a firm of truly national character, Toronto has also been, in a sense, a “place of meeting” for partners of our office

here. Five of our partners have been appointed from the ranks of the Toronto Office, two (including myself) have come from Edmonton, and four have joined us from Toronto offices of merged firms.

A number of our partners are well-known to you in Haskins & Sells. Newest among them is Russell McKay, whom many of you have met at your tax seminars and principals’ meetings. I think it’s interesting that Russ got into his tax specialty to keep usefully busy while convalescing from an extended illness.

An assignment of our Toronto tax department is analysis of significant tax law changes in the budget proposed each year by the government. Under our parliamentary system these changes are usually passed substantially as proposed, so there is a premium on getting our analysis out to clients as soon as possible. In the past we have done this within a few days. This year on “budget night” (proposed changes to the tax laws are traditionally introduced in Parliament after 8:00 P.M. E.S.T. by which time even the Vancouver stock exchange has closed) our whole tax department worked on the letter. It was finished by midnight and then typed, duplicated, and mailed to clients in envelopes



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pre-addressed for us by each office. We closed our doors at 5:50 A.M., but expect to improve this time in the future.

Forty-two of our professional staff are Chartered Accountants. All those who are not we call "students," well-named, we think, for they spend three or four nights a week seven months each year on correspondence courses sponsored by The Canadian Institute of Chartered Accountants. Completion of these courses is a prerequisite to taking the examinations, which are in two parts—intermediate and final (college graduates are exempt from a preliminary part).

In Canada, college training has not completely replaced the apprenticeship

concept in public accounting. While all our Firm's new students come to us from college, they come from a number of disciplines, or "faculties," besides accounting — from engineering, economics, arts and science; some may have had no accounting studies at all. Graduates of four-year university courses must serve three years in public accounting before writing the final examination, and other graduates must spend four years.

We find that attracting students from a variety of faculties builds a well-balanced staff and provides us with a wide source of knowledge within the Firm. It is a necessity, too, because the shortage of desirable men choosing account-

ing careers is at least as great as in the U.S.A. We recruit men from seven universities in Ontario, inviting the most likely prospects to Toronto for interviews with two or more partners and with one or two of our "students"—if possible, men from the same university who have been with us not more than two years. This latter step has been a major factor in helping us attract top-rated graduates in spite of the strong competition. Our own young men are in a strong position to convince applicants of the high professional standards and other qualities that make DPH&S Toronto a good place to work.

There are other offices of our Firm in Ontario (Hamilton, for example, is only

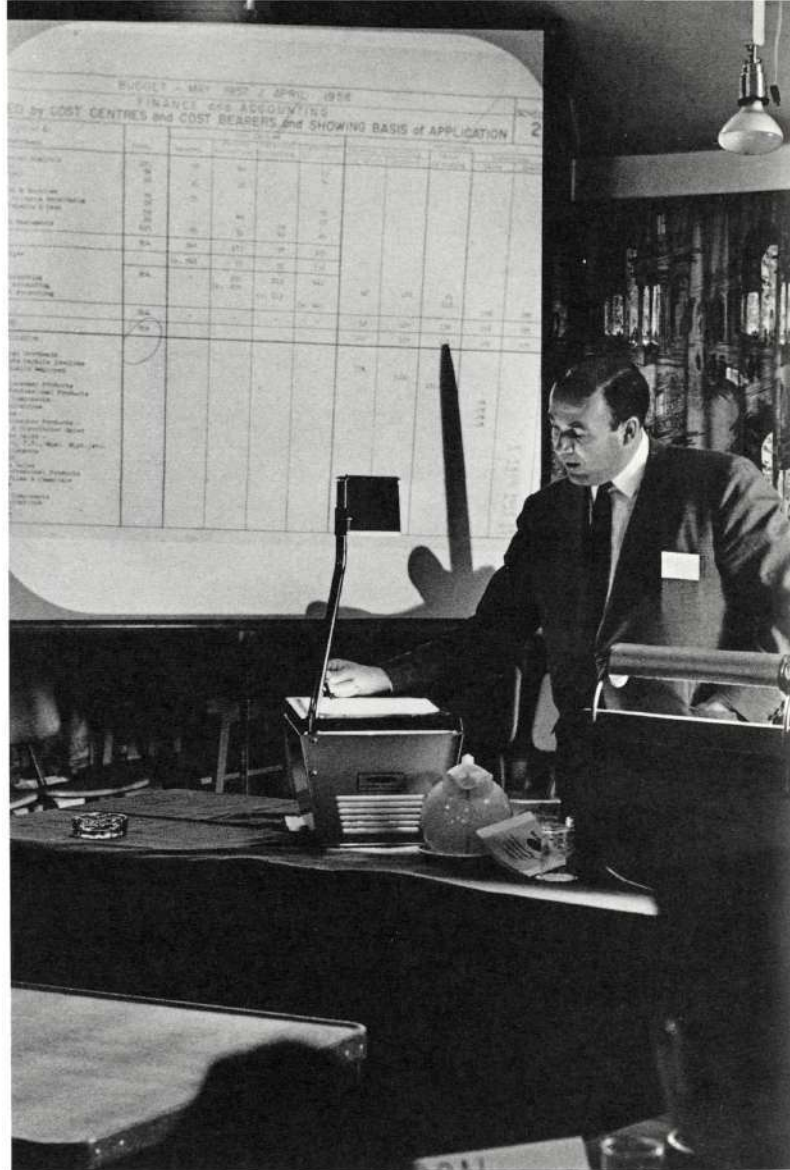
Toronto Office

a Staff accountant Hugh Bradford, (who won third prize among almost 600 candidates writing the Institute's 1962 Intermediate Examinations in Ontario) works out physical inventory observation plans with Ken Smith, Assistant Office Manager of Victory Soya Mills Limited, subsidiary of Procter & Gamble Company.

b The author and Mrs. Margo Bentley, receptionist since 1952. Mr. Duncan is a former president of the Canadian Institute of Chartered Accountants. Wall is of rough-hewn white Italian marble.

c Partners meeting, 9:15 A.M. Monday: Clockwise from Mr. Duncan, presiding, are Nevil Hawthorne, Hartley Holmes, Russell McKay, Keith Cardiff, Oswald Edwards, John Bennett, John Barker, Howard Lyons.





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forty miles west of Toronto), but for various reasons we service some clients as far as 400 miles from the city. Fortunately from the staff's viewpoint a majority of the out-of-town engagements are sufficiently accessible so that they can spend most weekends at home. On the other hand, some of the winter trips to our northern frontiers on logging or mining company assignments can test the mettle of our accountants. Temperatures 35 degrees below zero and heavy snow accumulations can combine with

transportation and communication difficulties to make any auditing problems look simple by comparison.

One out-of-the ordinary assignment came to Gene Farley, now a principal, when he spent six grueling weeks in the fall of 1960 on location in Saskatchewan as accountant for a British film company. All hands worked double shifts so that high-salaried stars would not be held on the payroll longer than necessary, and they were all left practically without food for two days when

a supply truck broke down. Gene recalls that paying some 300 Indian "extras" presented a bit of a problem in identification. The solution was to set up the pay office in a gully and have the Indians ride by single file; the ride up the gully beyond the pay office was long enough so no one could double back and get paid twice.

We have a Northern Ontario sub-office at Timmins, in the Porcupine gold mining district. Primarily, this office services two important gold mining

Toronto Office

d Keith C. Cardiff checks tab run of unfinished engagements with Mrs. Win Parlow, office accountant.

e D. B. J. Morin, partner in charge of MAS in Canada, moderates a three-day seminar sponsored by Society of Industrial Cost Accountants.

f Clifford Arnott, (right) discusses his progress on the staff with Donald Morrison, Director of Recruitment and Staff Development. Mr. Morrison ranked sixth among a thousand from all of Canada writing the 1962 Final Examinations.

g Chess club, numbering twenty members (no partners have yet met rigorous entrance requirements), awards a trophy at annual party. Martin Calpin, supervisor, (left) and Jack Graham, staff accountant, calculate moves in evening match at latter's home under watchful eye of Michael Calpin. Bridget Calpin (right) and Lorraine Graham, their wives, review more important matters in the kitchen.



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Toronto Office

companies, but it also has a number of local accounts. The known gold reserves in the area are running out, creating the prospect of a rather uncertain economic future for the town. But with the news in April of a major copper discovery in the area, Timmins was filled to overflowing overnight with prospectors and wheeler-dealers, even though the surrounding territory was still impassable with up to seven feet of snow. Some prospectors went to location by helicopter.

The copper ore discovery set off a tremendous amount of trading on the Toronto Stock Exchange, much of it in stocks identified only slightly, if at all, with the Timmins area. The Exchange lists more than 400 mining securities, and since many of these sell for less than \$1 per share, the average number of shares traded daily is quite high. Yet the 28½ million shares traded on April 17 broke all records.

In addition to being the financial center for the country's mining ventures, Toronto has about 4,500 manufacturing establishments of its own. Our increase in population (to 1,750,000) and the construction boom have pushed the city limits far back from the lake-front and have provided us with the second highest per capita vehicular registration of any city in North America—next to Los Angeles. You can convert this statistic into a vivid picture of the Toronto staff enjoying a relaxing drive to and from the office each work day. Fortunately, some of us can use the subway.

There are roughly 400 subsidiaries of U.S. companies headquartered in Toronto, and for this reason an important part of our practice deals with Canadian subsidiaries of Haskins & Sells clients. These engagements bring us into stimulating and friendly contact with personnel from many H & S offices south of the border. For all of them, and for those whom we have yet to work with, I hope these brief notes and photographs will have given some idea of what our office in Toronto is like.



Front to back on left: principals Jack Hollands and Gerald Dewsbury with (Mrs.) Janet Gray and Eric Grassie of office staff; front to back on right: principal Gene Farley with accountants George Cassidy, Frederick Hutchinson, and Colin Hultzer and mail clerk (Mrs.) Beverley Vaughan.