

1962

Introducing Chicago

Henry C. Korff

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Recommended Citation

Quarterly, Vol. 08, no. 3 (1962, September), p. 37-43

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Reception area of our Chicago Office.

by Henry C. Korff

IT WOULD REQUIRE AN ADVERTISING PORTFOLIO such as appeared in the July 1962 issue of *Fortune Magazine* to tell the complete Chicago story. Two words best describe the city — CHANGE and GROWTH.

Change has occurred in every area — appearance, commerce, transportation, housing; and more change is to come. Chicago's famed loop, and business area immediately surrounding it, is getting a face lift. Old buildings are being razed, new buildings are going up and other major buildings are being renovated. Starting with the forty-one story Prudential Building in 1952, the building boom has been continued by Inland Steel Co., Hartford Accident & Indemnity Co., Harris Trust & Savings Bank, Mutual Trust Life Insurance Co. (our client) and many others.

Chicago is no longer the hog butcher of the world, but this has been offset by growth in other areas. Fifteen years ago the city produced \$8.7 billion worth of industrial goods and services. Last year the figure had increased to \$27 billion, as much as or more than the output of many European countries. The Port of Chicago now handles forty per cent of all general overseas cargo in and out of the Great Lakes-St. Lawrence Seaway. This economic performance has helped to make Chicagoans prosperous people with annual incomes 21% above the average for the country, and disposable personal income 30% above the national average.

Great strides have been made in commuter transportation, always a problem in large cities. The Chicago & Northwestern Railway and the Burlington Railroad bring many suburban dwellers to the city in new, clean, completely air conditioned trains which run on time. A vast network of expressways make rapid travel along the periphery of the city relatively easy. Chicago pioneered the intown auto expressway in the thirties with Lake Shore Drive, which runs north and south. The Congress Expressway runs from the lakefront through the business district straight west to the western suburbs. The Northwest and Edens Expressways provide easy travel to the north and northwest. The South Expressway is nearing completion. Chicago's O'Hare



Partner Allen C. Howard, left, and Manager Robert M. Shehan get together to discuss the Sears audit programs.

Manager Glen Ostdiek and Rolf Hess of our Frankfurt Office talk about The National Machinery Co. German subsidiary.



Field, in operation seven years, handles one million passengers a month. Expressways make it possible to reach the airport in thirty minutes from the loop.

Tremendous strides are being made in new and modern housing. Large blight stricken areas of the Southside have been torn down and scores of modern apartment buildings have gone up. Just north of the Chicago River, Marina City is under construction; when completed it will be a city within a city. The twin towers, each sixty-five stories high, will have almost nine hundred apartments in addition to offices, restaurants, swimming pools, bowling alleys, shops and parking facilities (for both boats and autos).

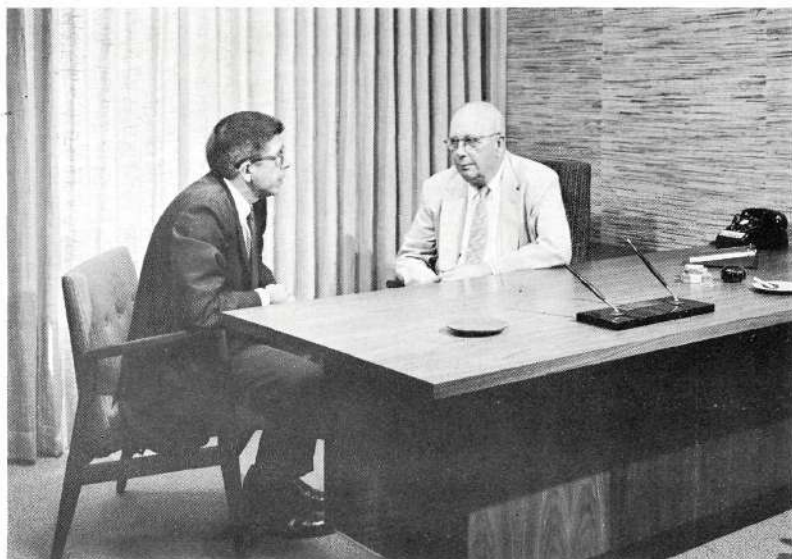
Education and Arts

Chicago is more than a growing business community. Over 100,000 students are enrolled in the sixty-seven colleges, universities, seminaries and theological schools providing higher education in the area. A new branch of the University of Illinois is being planned for Chicago. Construction starts this year and eventually twenty-five buildings will cover a campus of one hundred six acres on the near west side of the city. The Illinois Institute of Technology is planning a forty-acre \$50,000,000 research park. Construction of the first building starts this year. Buildings and space will be leased to corporations, and I.I.T.'s own laboratories and personnel will be made available to corporations. Both Northwestern University and the University of Chicago have multimillion dollar expansion programs under way.

The Art Institute has recently added two new wings to its existing buildings in order to better display more of its permanent collection. The Chicago Symphony Orchestra is the third oldest in the country and ranks as one of the world's finest. Many of Chicago's residents attend open air concerts each summer in suburban Ravinia Park.

Chicago Office

The Chicago Office was one of the ten offices in the original Touche, Niven, Bailey & Smart merger of 1947. Jackson W. Smart's father organized Allen R. Smart & Co. in 1927. The Smart organization brought into the merger many of the present firm's larger clients, including The Mead Corporation, handled by the Dayton Office, Boeing Airplane Company, handled by the Seattle Office, The Electric Autolite Company, and many others. Mr. Smart continues his activities with these clients.



Partners Robert M. Trueblood, left, and Jackson W. Smart are both members of the firm's Policy Group.

Managers Justin Davidson and Raymond Revers, Chicago Office Educational Director, discuss statistical sampling.



The Smart firm also handled the audit of Sears, Roebuck and Co., one of our largest clients. The Sears audit is a story in itself. W. C. Waggoner (Chicago advisory partner who began his public accounting career in St. Louis with Touche, Niven & Co. in 1918) first handled the Sears audit in partnership with another certified public accountant. Mr. Waggoner later entered practice on his own as W. C. Waggoner & Company, and in 1945 merged with Allen R. Smart & Co. This year 25 offices will help audit part of Sears' seven hundred and fifty retail stores, eleven mail order plants, numerous catalog sales offices and factories. Several of our present partners, including the partner in charge of the Sears engagement, Allen C. Howard; partner in charge of the Houston Office, Charles A. Blankenburg; and Los Angeles administrative partner Frank H. Daft, began their careers with the firm working on the Sears audit with Mr. Waggoner.

The Chicago Office of Touche, Niven & Co. was opened in 1913. Canadian-born G. Leslie Laidlaw, now administrative partner in our office, began his public accounting career in the United States with Touche, Niven & Co. The Touche, Niven firm brought with it several of the office's largest clients, including The Greyhound Corporation; Halsey Stuart & Co., Inc.; American Hospital Supply Corporation; Jewel Tea Co., Inc.; etc.

Keeping pace with the improvements in our city, the Chicago Office has been completely remodeled within the last year, including new furniture, carpeting and drapes, and one whole new section of floor space has been added.

Chicago has a broad and diverse economic base and our office has clients in almost all areas of business activity, including manufacturing, retailing, transportation, finance, insurance, retail-vending, and many others. We refer more work to other offices than any office in the firm. Recently new clients have been added in retailing, electronics and manufacturing. The Chicago Office audits approximately ten per cent of the firm's publicly held clients. A number of our clients have offices in foreign countries. Recently Rolf Hess of our Frankfurt, Germany Office was here to discuss the German operations of The National Machinery Co. and to work on the audit; Michael Benn of TROBAS London spent four weeks on the Chicago audit staff receiving training in our audit techniques. Three of our partners have made foreign trips in recent years in connection with our clients' foreign operations.

The office has eight partners. Several of them help manage the firm's affairs. Jackson Smart has been a member of the Policy Group since the formation of the firm and is the immediate past chairman. Robert M. Trueblood is a member of the Policy Group and the Management Advisory Committee.

Our staff is talented in management services and taxes as well as in auditing. An EDP installation requiring the services of James Bragg and Irwin David of our Management Services Department for over a year is nearing completion. Justin Davidson, also of our Management Services Staff, is presently directing the firm's statistical sampling training program from the Chicago Office, along with the help of Tony Petran. Mr. Davidson recently co-authored a text, *Statistical Sampling for Accounting Information*.

Three of our men have received state and national recognition for excellence in the CPA Examination. Partner Robert Trueblood, (who began his career with the Allen R. Smart firm in Chicago before transferring to Pittsburgh as the partner in charge, and who recently returned to Chicago) was a Gold Medal winner in Illinois and a Silver Medal winner in the Elijah Watt Sells Award. Supervisor Robert S. Kay also won the Gold Medal in Illinois and an honorable mention in the Sells Award. Loren Alter, who joined our staff this year, received honorable mention in the Sells Award.

Many of our people are active in professional affairs. Robert Trueblood will become Vice President of the American Institute of CPAs in September and is presently Chairman of its Committee on Long Range Objectives. Allen Howard is Chairman of the Committee on Professional Conduct of The Illinois Society of CPAs and recently completed a three-year assignment as Chairman of the CPA Board of Examiners in Illinois. William Schwanbeck is Chairman of the Illinois Society's 1963 Annual Meeting Committee and Kay Cowen is Chairman of the Society's CPA Consultation Services Committee.

The Chicago Office has shared its talented people with other offices throughout the country. Hans Shield, the firm's Director of Research — Accounting and Auditing; Richard Beck, manager in Minneapolis; and Herbert Brewer and Thomas Latter, managers in Houston, began their careers in Chicago, as did Alfred Ostdiek, supervisor in Dallas; Richard Guinand, senior in Minneapolis and George Ashford, senior in Atlanta.