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What's new? presenting a quarterly roundup of current developments in the firm; No more clearance sales?; To keep posted on LIFO

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WHAT'S NEW?

53 TRB&S staff people move up—
new partners, managers and supervisors

**Partners**
Bernard J. Cianca, New York
Keith A. Cunningham, Detroit
Ralph E. Walters, San Francisco
Louis A. Werbaneth, Jr., Pittsburgh

**Managers**
Bernard Art, San Francisco
Gene H. Englund, San Francisco
Carleton H. Griffin, Denver
Loren G. Hoffman, Kansas City
Gilmour M. Krogstad, Chicago
Wayne Mayhew, Jr., Milwaukee
Richard R. McMurray, Pittsburgh
Robert J. Monteverde, Pittsburgh
Kenneth H. Nelson, Grand Rapids
Robert M. Shehan, Chicago
Richard G. Shuma, Denver
Robert D. Wishart, Detroit
Harold L. Wright, Seattle

**Superior—Audit**
James M. Crosser, Los Angeles
Arthur L. Friedman, New York
Duane W. Fuller, San Francisco
William E. Griscom, San Francisco
James I. Johnston, Executive Office
Edward J. McNabb, San Francisco
Donald O. Nellis, Detroit
Raymond Perry, Chicago
Carlyle G. Pohlman, Minneapolis
Lowell L. Robertson, Milwaukee
Henry J. Rossi, Pittsburgh

**Supervisor—Tax**
Neil Bersch, New York
Frank Break, Jr., Cleveland
Sheldon Goldberg, New York
William J. Grismer, San Francisco
Robert J. Mooney, Seattle
Andrew C. Reis, St. Louis
Leon J. Sachleben, Dayton
William J. Simpson, Pittsburgh
William R. Sutherland, Milwaukee

**Senior Consultant**
(This title, used by Management Sciences and Management Services, is comparable to Supervisor).
Sanford S. Ackerman, Management Sciences

Albert L. Arcus, Management Sciences
Harvey J. Davidson, Pittsburgh
Richard K. Davis, Management Sciences
Ben Druckerman, San Francisco
Leo E. Feltz, San Francisco
Nicholas Kunicky, New York
Marvin Mumford, Washington
Kenneth F. Schuba, Minneapolis
Dean D. Thornton, Seattle
John C. Williams, Pittsburgh
Roundup of current developments in the firm.

Five new Associated Firms joined our International Group in June and July.

**BOVELL & SKEETE—Bridgetown, Barbados**

The partners in this firm are Hon. Sir Archibald Cuke, Kt., C.B.E., and C.R. Tudor, Esq. The firm will handle work in the Leeward Islands, the Windward Islands, Barbados, Trinidad, and British Guiana.

Three sons of the partners have recently returned to Barbados and are now associated with the firm. They are H. A. Cuke, Jr., N.D. Tudor, and D.E.V. Cuke. The first two are Canadian Chartered Accountants and received their training in our Montreal Office. David Cuke trained with a firm of Chartered Accountants in London, England.

**FIDUCIAIRE ÉCONOMIQUE ET FINANCIÈRE—Paris, France**

This firm is a French limited liability company. As you may know, the professional practice of accounting in many countries in Europe (for example, in Belgium, Germany and Switzerland) is done by companies with limited liability rather than by partnerships. While the majority of the stockholders of the company must be professional accountants, the minority can be businessmen, lawyers, bankers, etc. The two senior partners (or directors) in the firm are Monsieur A. Huguenin and Monsieur E. G. Snozzi.

**HERON, THORBURN & Co.—Kingston, Jamaica**

This firm also has a small office in Montego Bay. Partners in the firm are I. S. Heron, Registered Accountant; E. C. Thorburn, Certified Accountant; D. C. Bunny, Chartered Accountant and P. H. Ogle, Certified Accountant.

**SOCIÉTÉ FIDUCIAIRE ROMANDE OFOR S.A.—Geneva, Switzerland**

Monsieur Robert-S. Gautier and Monsieur Ernest Ilg of this limited liability company are "expert comptables," which is equivalent to the CPA or CA degree.

**YOUNG & YOUNG—Panama, R.P.**

This firm will handle work in Panama, Costa Rica, Nicaragua, Honduras, and El Salvador. The partners here are Guillermo S. Young, Ricardo A. Young, and Francisco R. Young. All are CPAs.
What's New?

The Newark Office is scheduled to open in September. It is located at 744 Broad Street, Newark 2, New Jersey. For the present it will operate under the direction of the New York Office.

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Effective September 1, the accounting firm of Muren & Company in St. Louis merges with TRB&S. Lee J. Muren and John F. Bruen, Jr. become partners in our firm. The clients of Muren & Company are quite varied and include a number of moderate-sized manufacturing companies.

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In Canada TRB&S recently acquired a new office in North Battleford, Saskatchewan through a merger with a Canadian firm. It opened June 1 with Mr. C. Davis in charge and is the thirteenth office of the firm in Canada. Number 14, at 212 James Street South in Hamilton, Ontario, also opened June 1 with Mr. K. H. Edwards in charge.

* * *

For outstanding service to the accounting profession, George Bailey will receive the annual CPA gold medal award from the American Institute of Certified Public Accountants. The medal will be presented at the Institute's annual meeting in Philadelphia this month.

Mr. Bailey received the award for his outstanding contributions toward establishing adequate and uniform standards of education and experience for becoming a CPA. J. S. Seidman, president of the Institute, also cited Mr. Bailey's service as a consultant to the Federal Reserve System on a consumer credit study; as an accounting advisor to the Secretariat of the United Nations, and as a member of the citizens' committee to study Detroit's financial problems.
Eighteen men from our firm were named to committees of the AICPA for 1960-61.

DURWOOD L. ALKIRE, Estate Planning Committee
GEORGE D. BAILEY, Professional Statistics (Chairman)
DONALD J. BEVIS, Professional Ethics and Responsibility for Clients' Acts
GREGORY M. BONI, Accounting and Auditing with Electronic Computers
KARNEY BRASFIELD, Federal Budgeting and Accounting
WILLIAM K. CARSON, Taxation
DONALD H. CRAMER, Personnel Testing
JOHN D. CROUCH, Savings and Loan Auditing
ALLEN HOWARD, Auditing Procedure
JOHN W. MCEACHREN, Accounting Principles Board
R. ALLAN PARKER, Bylaws
JAMES F. PITT, Taxation—Chairman of the Subcommittee on Administration Procedure & Miscellaneous Taxes
KENNETH S. REAMES, State Legislation
LEROY E. SCHADLICH, Taxation
E. PALMER TANG, Relations with SEC and Stock Exchanges
ROBERT M. TRUEBLOOD, Long-Range Objectives
WILLIAM W. WERNTZ, Relations with Universities (Chairman)
ROBERT W. JOHNSON, Statistical Sampling

Three TRB&S men were nominated to the Council of the American Institute of Certified Public Accountants by the Committee on Nominations. They are William Werntz, member at large, and Robert M. Trueblood and Durwood L. Alkire, members from Pennsylvania and Washington, respectively.

The 10th National Association of Food Chains Controllers Conference adopted a resolution that reads in part, "Therefore be it resolved that members of the Controllers’ Conference express their deep appreciation to Kenneth P. Mages for his invaluable contributions to the successful conclusion of the Standard Manual of Accounts, a project which is expected to be a milestone in food industry history."
What's New?

The manual has aroused great interest among food chains, wholesale groceries and other branches of the industry including some international companies.

* * *

Richard E. Sprague joined us as Director, Computer Systems on June 1. Mr. Sprague has an extensive background in electronic data processing and is among the early pioneers in this industry. In 1946, after receiving his degree in Electrical Engineering from Purdue University, he joined the Northrup Corporation to work on the design of electronic computers. With four associates he left in 1950 to establish the Computer Research Corporation where he was Vice President-Sales and Applications. In 1953 Computer Research Corporation was purchased by the National Cash Register Company to become their electronic computer division. Mr. Sprague later joined the Teleregister Corporation as Manager of Field Operations.

* * *

Eli Gerver is the new Research Assistant-Tax in the Executive Office. Mr. Gerver was formerly Director of Taxation of the AICPA and before that worked for various accounting firms. A native New Yorker, Mr. Gerver graduated cum laude from the City College of New York in 1947, also has LL.B. and LL.M. degrees from New York University. He makes his home in Bayside, New York with wife Edith and two children.

* * *

Donald C. Wiese, who came from the Seattle Office to the Executive Office for two years to establish the position of Research
What's New?

Assistant-Tax, is being transferred to the Boston Office where he will be Supervisor-Tax in charge of tax matters.

* * *

Donald Surdoval has been appointed assistant to Kenneth Mages, the Executive Partner-Retail. A graduate of Manhattan College and a former lieutenant in the Marine Corps, Mr. Surdoval joined us in 1956. He has done both auditing and Management Services work, with heavy emphasis on retailing.

To Keep You Posted on LIFO

IN VIEW OF OUR FIRM'S LEADING POSITION in the LIFO field, we suggest that all staff members might want to familiarize themselves with a statement printed in the Official Releases section of the July 1960 Journal of Accountancy.

Robert M. Trueblood, partner in charge of the Pittsburgh Office, was cited in an editorial in the July 1960 Journal of Accountancy as being one of three eminent members of the accounting profession who prepared this statement, entitled "Pooling of LIFO Inventories by Use of Dollar-Value Method," for submission to the Treasury Department. The editorial stated in part:

"While the problem arises most importantly in the determination of taxable income, the three authors were selected solely because of their reputations as authorities on accounting theory and principles. None of them has practiced in the tax field. They are: Carman G. Blough, director of research of the American Institute of CPAs; Samuel J. Broad, former president of the Institute and former chairman of the committee on accounting procedure; Robert M. Trueblood, former chairman of the Institute's committee on statistical sampling, currently a member of the
committee on long-range objectives, past president of the Pennsylvania Institute of CPAs.

Bearing in mind the fact that under the Internal Revenue Code taxable income is normally determined by the method of accounting employed by the taxpayer, if it clearly reflects income, they have addressed themselves to the basic accounting problems which relate to the pooling of LIFO inventories. The principal conclusion reached in the memorandum is that the number of pools should generally be restricted to a single pool for each economic activity within the enterprise.”

Although the dollar-value method has been permitted by income tax regulations since 1949, no rules have been provided to deal with the problem of pooling. The Tax Court decision last year in the Klein Chocolate Company case created a great deal of concern among accountants since it was feared that the Treasury Department might rely upon the decision as support for the issuance of restrictive regulations on dollar-value LIFO. It was for this reason that these three men were asked to prepare a memorandum on the accounting theory in this area. The memorandum was submitted to the Treasury Department to provide them with an authoritative statement for their use in drafting the regulations on dollar-value LIFO. Several others in the firm assisted Mr. Trueblood in his work on the statement. They include W. M. Jensen, K. A. Cunningham and L. A. Werbaneth, Jr. —all of whom have had considerable experience in this area.

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Profitability Accounting and Control, an article written by Robert Beyer, will be published soon in the Harvard Business Review.

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The Boston Office was in a turmoil recently while undergoing
extensive renovation and expansion. Several new offices were added, the lighting was redesigned and new decor put in throughout for a very modern effect.

* * *

No More Clearance Sales?

The problems of trying to adjust retail inventories to the ever-changing tastes in women’s dresses may be less troublesome as a result of Management Sciences’ work on fashion inventory techniques.

The average life of a fashion item runs between 12 and 20 weeks. By arranging fashion items in homogeneous groups, Management Sciences people now think they can predict the sales cycle for such groups. Based on the sales pattern of the first two or three weeks, the next two weeks’ sales can be predicted and necessary reorders made accordingly. These predictions can be repeated weekly until about the middle of the season, when the total sales can be predicted and a final order placed. Ordering rules can be set so as to balance the cost of markdowns against the cost of lost sales.

Superimposed on this prediction of sales by groups is another pattern based on the range of sizes; i.e. the proportion of total sales of a particular dress which will be size 10, size 12 or size 14, etc.

Gerald Demirjian, Perkins Pedrick, James Reiss and Richard Trueman (all of Management Sciences) did the developmental work under the direction of Nicholas Radell. The first presentation, made in June to a New York department store, was received with enthusiasm by the store people.

As we go to press . . .

A few names of new CPAs have come in too late to be included in this issue. The December issue of The Quarterly will carry a complete list of TRB&S people who passed the last examination.