

# GRADUATE SCHOOL OF DESIGN MERGED WITH INSTITUTE

Final arrangements have been made for merging the activities of the California Graduate School of Design with those of the California Institute of Technology. Officials of both institutions at recent meetings completed details of the consolidation and announced that beginning with the Fall term, 1941, work in industrial design would be offered as a part of the regular graduate work in engineering at the California Institute.

When the California Graduate School of Design was established in Pasadena in 1937, under the sponsorship of a group of public-spirited citizens of Southern California, it provided the first opportunity on the west coast for graduate instruction in industrial design. During the past decade, industrial design has been one of the most rapidly expanding and attractive fields in the United States. The combination of sound engineering practice with intelligent functional design, utilizing new materials and new methods, has attracted increasing numbers of specialists, and the possibilities of future extension seem almost indefinite.

During the four years that the California Graduate School of Design has been in operation, it has done invaluable pioneering work in the west in this new field, under the guidance of its Director, Dr. Walter Baermann. At the present time, however, with the world situation so unsettled and with industry increasingly occupied with national defense, it has become clear that the work begun so well by the School of Design can be more effectively carried on by adding it to the program of an older institution which has wide connections already established with the technical side of industry.

For that reason it has been decided that the wisest course is to bring the essential work of the California Graduate School of Design into the graduate engineering curriculum of the California Institute. Such a combination has the advantage of offering to engineering graduates of the Institute the opportunity to qualify themselves for work in a field closely allied to engineering. At the same time, it is believed both that the reaction of the course in design upon the regular curricula of the Institute will be wholesome, and also that the standing of the Institute will be an important factor in attracting graduates of other engineering schools who wish to prepare themselves for careers in the expanding field of industrial design.

In general, the essential program of the California Graduate School of Design will be followed, and under substantially the same faculty personnel, with the exception of Dr. Walter Baermann, who has resigned.

Mr. Albert B. Ruddock of Pasadena, Chairman of the Board of Trustees of the California Graduate School of Design, paid high tribute to Dr. Baermann's leadership as the School's Director and expressed very keen regret at his resignation. The Trustees of the School, Mr. Ruddock declared, deeply appreciate the professional ability and personal devotion which Dr. Baermann brought to his work, and they recognize his understanding of the economic and social meaning of "design" and

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## DEFENSE CONTRACTS

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nated from the amounts to be allocated. Indirect factory expenses are to be distributed on the basis of direct labor; indirect engineering expenses on the basis of direct engineering labor; administrative and general expenses on the basis of costs of manufacturing and installation. Bidding, general selling and general servicing expenses allocated to a particular contract are to be distributed to that contract either in the proportion which the contract price bears to the total sales (including contracts completed) during the period of contract performance, or in the proportion which the sum of the manufacturing and installation costs attributable to the contract bears to the total of such costs during the period of performance. However, if standard cost accounting is employed by the manufacturer, no objection will be made to the use of such standards if entries converting standard costs to actual costs are used and fully explained, and the final result clearly reflects the actual profit.

## AUDITING BY GOVERNMENT

In cost-plus contracts the government reserves to its representatives the right to inspect all books, records, vouchers and memoranda of every description concerning the work performed. This reservation is sometimes inserted in fixed-price contracts.

Examinations made under this authority are complete and thorough. For many construction projects the field auditor actually conducts an audit of some items coincidentally with performance. Labor is checked on the job and the field auditor's check is reconciled with the foremen's time cards. Differences then are straightened out before the payroll is made up. Material receipts likewise are audited concurrently with their receipt by the contractor. In some instances arrangements are made with the prime contractor so that the War Department verifies the labor and material of the subcontractor, thus eliminating duplication of work. The field auditor's work also extends to the auditing of tools and equipment, freight and other expenses, and on at least one large construction job, to purchases before the contractor's purchase orders are placed. By these means the audit of construction contracts is substantially finished when the project is completed. In the case of larger supply contractors verification of costs proceeds in a manner similar to that for construction jobs, and auditors are permanently stationed at the contractor's plant. In the words of the Treasurer of one large aircraft company, "We do all our work with government auditors looking over our shoulder".

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his success in transmitting that meaning in the training of students.