

ROTARY CLUB OF HERSHEY

OUR HERSEY HERITAGE SERIES

OCTOBER-NOVEMBER 1983

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"THE LAWYER, JOHN SNYDER" - GILBERT NURICK, Esq.

"THE BUSINESS LEADER, PERCY A. STAPLES" - DR. OGDEN C. JOHNSON

"THE BUILDER, D. PAUL WITMER" - WILLIAM H. ALEXANDER

"THE SALESMAN, WILLIAM F. R. MURRIE" - GARY W. McQUAID

"OUR HERITAGE" - RODNEY GINGERICH

"THE CHEMIST, SAMUEL F. HINKLE" - DR. GRAHAM H. JEFFRIES

JOHN SNYDER

Hershey Rotary Club Presentation By
Gilbert Nurick
October 3, 1983

Such a generous introduction compels me, in all candor, to acknowledge that some people regard me in lower esteem. Early in my career, I was asked to represent a group who wanted to start a second taxicab service in Altoona to break the Yellow Cab monopoly up there. I gladly accepted the challenge. In those days you had to apply to the Public Service Commission, now known as the "Pennsylvania Public Utility Commission", for operating authority. It was a real hard fight. As happens to so many matters I handle, I lost. About three weeks later I had occasion to go to Altoona on business. Those days you traveled by rail. There was frequent rail service, believe it or not. I got off the station in Altoona and hailed a cab to go up to the Penn Alto Hotel. I thought I'd kid the driver en route and I asked him, "Wasn't there supposed to be another cab company here, American Cab Company?" He replied, "Oh, they tried." I said, "What happened?" He responded, "The PSC turned them down." I inquired, "How come?" He proudly replied, "We had John Haberstroh, the best damn lawyer in Blair County, and they picked up some shyster from Harrisburg." That's a true story, honestly. I didn't say another word. When we got to the hotel, I even tipped the guy.

I started practicing law 51 years ago. One of the first matters that came to my attention was a letter from an outfit known as Dahlstrom Metallic Door Company. It had subcontracted with Gurney Elevator Company to provide the doors for the elevators in a new structure known as the Hershey Community Building. Gurney had been paid by Hershey and had gone broke but my client hadn't been paid by Gurney. What could we do? Well, I checked the records and noted that no stipulation against liens had been filed. In Pennsylvania, unless the contractor and the owner agree that no liens may be filed and the stipulation is filed of record, unpaid subcontractors and materialmen may file liens against the building. So we filed a lien against the building and notified the Hershey Interests.

About two days later I got a call from a Mr. John Snyder. He and Mr. Hershey would like to see me sometime at my convenience. In our grocery store, we used to sell penny Hershey bars, believe it or not. There were 120 in a carton, and I think we paid 75

cents and sold them for a penny a piece. The name "Hershey" had already achieved embellishment that appealed to everybody. So I was thrilled at the prospect of meeting the famous gentleman and his lawyer. I said I'd be delighted and any time that is convenient to you and Mr. Hershey will be OK with me. So I came down and I met in Snyder's office. As I recall, it was up on the second floor landing of the Trust Building or what was then known as the Bank Building. The two men were sitting there. Both short--at least from my perspective. Both with cigars in their mouths--Hershey puffing away and Snyder's unlighted. They welcomed me cordially and after some conversation, Mr. Hershey indicated he didn't see why he ought to pay twice. He said, "We already paid." I said, "Yeah, but you didn't pay my client." I told him, "If you had filed a stipulation against liens you'd have been protected." He turned around to Snyder and said "Judge, why didn't we file one of those things?" And the Judge replied, "I'll have to talk to Charlie about this." Later when I met Charlie Zeigler, I was relieved to learn that he never ascertained the identity of his accuser.

Where did this fellow, John Snyder, come from? He was from Lancaster. He graduated high school number one in his class when he was 16 years old and subsequently read law in an established law office. Those days that was not unusual; you didn't have to go to law school and many didn't. And many turned out to be very good lawyers. Well, eventually, Mr. Hershey needed a lawyer to represent him. At one time, Snyder apparently had lived next door to Mr. Hershey on Queen Street but they didn't know each other well at that time. When Hershey decided he needed a lawyer on a steady basis, a banker recommended Snyder. Snyder and Milton Hershey subsequently became very fast friends. As you trace the Hershey picture and the development of the Hershey Interests, you must realize that Snyder was part and parcel of the power structure. He handled the sale of the Lancaster Caramel Company for a million dollars. That was a lot of money in those days. That's before professional athletes retained agents to represent them in negotiations! Snyder was delegated by Mr. Hershey to come to the present Hershey area to get the ball rolling. He bought the homestead for Mr. Hershey; he acquired the land for the factory; handled the construction contracts. . . .and a very major accomplishment was the acquisition of the rights-of-way for the trolley company. The transit company was a very important ingredient in the overall plan of development.

In reviewing John Snyder's contributions and accomplishments within the brief time allotted to me, I'd like to talk about two items of overwhelming significance. One was the ingenious way in which he set up control by Mr. Hershey after Mr. Hershey had disposed of almost all his assets. Very simply, Hershey

Trust Company as Trustee for Hershey Industrial School, now known as Milton Hershey School, would own the majority stock of Hershey Chocolate Corporation, now known as Hershey Foods Corporation. All the stock of what was then Hershey Estates, now HERCO, would be similarly held. The stock of Hershey Trust Company would be owned entirely by Milton S. Hershey. While that stock had relatively little value, in essence the ownership enabled him to control Hershey Chocolate and Hershey Estates and also Hershey National Bank since the Trust Company as Trustee for the School held the controlling interests in those enterprises. Snyder inserted a provision, in the Deed of Trust, that in order to be on the Board of Managers of the School you had to be a director of the Hershey Trust Company. Hershey, as sole stockholder of the Trust Company, would therefore select not only the directors of the Hershey Trust Company but also the Managers of the School. It was, and is a very ingenious structure.

In his will Mr. Hershey bequeathed his stock of Hershey Trust Company to the Trust Company as Trustee for the School. He gave the residue of his estate to Hershey Trust Company as Trustee, the income to be paid to the Derry Township School District. That residual trust turned into quite a sum with the passing of years. I often wonder if the people in Hershey realize that the trust last year, according to Joe Gumpfer, paid the School District about \$570,000. That's equivalent to ten mills taxes. And when you take the half of the amusement tax which, to me, is a reprehensible imposition by a school district which furnishes absolutely no services for it, that's about a million dollars a year that comes from the Hershey Interests for the benefit of the school district. I often wonder whether the people in Derry Township realize - and appreciate - this enormous help.

The other major accomplishment of Mr. Snyder was in the preparation of the Deed of Trust for the School which was executed in 1909. Admittedly a lot of the language came from Stephen Girard's trust, but much of it didn't. And even though this instrument has been amended time and time again to reflect changing conditions, many of the basic precepts of Mr. Hershey's philosophy are still in there. He provided, for example, that you cannot use the principal of the trust for the operating expenses of the school. The principal of the trust stays sacrosanct. You've got to operate the school within the income. Now, who would have thought in 1909 that we would ever reach the philosophical situation where we rationalize that a balanced budget is unimportant. Go ahead and use it, it's there. But you can't in Hershey. That provision against invasion of the principal has proved to be an excellent restraint.

Those of you who think that the Trustee, Hershey Trust Company, is benefiting materially from administering this very

substantial trust, let me read from Section 9 of the Deed of Trust:

"The Trustee shall receive as its full compensation for the duties required to be performed under this deed a commission of five per cent of the income received by it as Trustee, not exceeding, however, the sum of One Thousand Dollars per annum, and shall make no charge against, and receive no compensation from the corpus or principal of the trust estate."

A number of the officers and employees of the Trust Company who are administering the trust, are graduates of the school. They recognize that the real compensation is the gratification of knowing that they are helping to fulfill Milton Hershey's dream.

The Milton Hershey School is one of the finest institutions of its type in the world. I am always amazed at how its charter - the Deed of Trust - almost anticipates the distressing philosophy which currently engulfs our society. Paragraph 12 declares that "no person shall be employed who shall not be of tried skill in his or her proper department, and of established moral character." You had to have moral character and talent, ability and desire to do the job, or Milton Hershey didn't want you around.

What was his philosophy concerning the object of the school? Here is his language in Paragraph 16:

"The main object in view is to train young men to useful trades and occupations so that they can earn their own livelihood." (Of course this was changed to include young women when the trust was amended to include girls.)

How refreshing the creed that one should work and learn for the purpose of earning one's livelihood.

On the question of religion--and this is particularly gratifying to me because I am a representative of a minority religion--hearken to the words in Paragraph 17:

"The school shall be non-sectarian, but the moral and religious training of the scholars shall be properly looked after and cared for by the Managers. No favoritism shall be shown, by the Managers, to any particular sect or creed."

He said that in 1909. Today he might well be labeled as a liberal, but I'm not at all sure that he would have felt complimented by that tag.

With respect to the behavior of the students, Paragraph 20 states:

". . . if any of them become insubordinate or guilty of vice or crime, or become an unfit companion for the others or has so conducted himself (or herself) as not worthy of future and continued support and education. . . he (or she) may be removed or expelled from the School by the Managers."

In other words, if you didn't have the character or if you didn't have the desire, if you didn't have the intention to take advantage of this golden opportunity, he didn't want you around.

Well, anyway, these are a few gems from the Deed of Trust. The stricture of a severe time limitation precludes a more comprehensive review of the trust.

Someone today addressed your president as "King Ray Brace." In this concept of royalty, I must close with a request from Sir John Rawley. He asked the speakers in this series to attempt to capsulize, at the close of our respective presentations, our thoughts regarding the philosophy of Milton Hershey. It's easy for me because some celebrated poet by the name of Edgar Guest said it all. He wrote a piece about Mr. Hershey when he interviewed him on radio 45 years ago. I'd like to close with that poem because I know of nothing else that compresses the basic philosophy of Milton Hershey as eloquently as this does:

I'd like to think, when life is done,
That I had filled some needed post,
That here and there I'd paid my fare
With something more than idle boast.
That I had taken gifts divine,
The Breath of life and manhood fine,
And tried to use them now and then
In service for my fellowman.

I'd hate to think when life is through
That I had lived my round of years
A useless time that leaves behind
No record in its vale of tears;
That I had wasted all my days
By treading only selfish ways
And that this world would be the same
If it had never heard my name.

I'd like to think when life is done
That here and there, there shall remain
A happier spot which might have not
Existed had I toiled for gain,
That someone's cheery voice and smile
Shall prove that I had been worthwhile
That I had paid with something fine,
My debt to God for life divine.

Thank you very much.

PERCY ALEXANDER STAPLES

BY OGDEN C. JOHNSON
HERSHEY FOODS CORPORATION
OCTOBER 17, 1983

EACH MORNING WHEN I WALK INTO THE CORPORATE HEADQUARTERS. MY EYE CATCHES A LARGE PORTRAIT OF PERCY A. STAPLES. ON HIS DESK IS A SLIDE RULE AND IN HIS HAND, A COPY OF A HERSHEY ANNUAL REPORT. THE SMALL PLATE AT THE BOTTOM STATES HIS NAME AND THE FACT THAT HE WAS CHAIRMAN AND PRESIDENT 1947-1956.

PERCY STAPLES WAS NOT JUST ANOTHER CHAIRMAN AND PRESIDENT OF THE CHOCOLATE CORPORATION. HE WAS THE MAN WHO HAD THE DIFFICULT TASK OF MANAGING A TRANSITION OF A CORPORATION CONTROLLED AND DIRECTED BY ITS FOUNDER, MILTON S. HERSHEY, TO ONE THAT WOULD BECOME A MAJOR PUBLIC CORPORATION. MORE IMPORTANTLY, HE ALSO HAD THE RESPONSIBILITY TO MAINTAIN THAT TRUST PLACED IN HIM BY MR. HERSHEY IN PERPETUATING THE HERSHEY INDUSTRIAL SCHOOL, NOW MILTON S. HERSHEY SCHOOL, REGARDLESS OF THE CHANGES AND MODIFICATIONS TAKING PLACE IN THE CORPORATION, COMMUNITY AND SOCIETY.

PERCY ALEXANDER STAPLES WAS BORN IN MARCH 1883 IN PORTLAND, MAINE. HE WAS AN ENGINEER BY TRAINING, HAVING GRADUATED FROM THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY. HE HAD BEEN INVOLVED IN A NUMBER OF BUSINESS ACTIVITIES PRIOR TO HIS MEETING WITH MR. HERSHEY IN 1921, INCLUDING POSITIONS IN POWER AND LIGHT COMPANIES IN NEW JERSEY AND OHIO AND WITH THE WELL KNOWN ENGINEERING FIRM OF STONE AND WEBSTER.

MR. HERSHEY LIKED AND RESPECTED MR. STAPLES AT THEIR VERY FIRST MEETING, AND HE HIRED HIM IMMEDIATELY TO RUN THE CUBAN OPERATION. THUS, AT THE AGE OF 38, MR. STAPLES LEFT FOR CUBA WHERE HE WAS RESPONSIBLE FOR A GROWING HERSHEY ENTERPRISE IN THE PRODUCTION OF SUGAR.

THE HERSHEY ACTIVITIES IN CUBA WERE MUCH LARGER THAN THE HERSHEY ACTIVITIES IN PENNSYLVANIA, WITH OVER \$60 MILLION INVOLVED IN THE MID-1920'S. ONE OF THE REASONS FOR INITIATING THE ACTION IN HERSHEY WAS A RAPID INCREASE IN SUGAR PRICES FROM 3-4 CENTS A POUND TO OVER 32 CENTS A POUND AFTER WORLD WAR I. THE U.S. GOVERNMENT STRONGLY SUGGESTED THAT U.S. CORPORATIONS BECOME INVOLVED IN THE PRODUCTION OF SUGAR OUTSIDE THE U.S.

MR. HERSHEY WAS VERY MUCH INTERESTED IN CHEWING GUM AND HAD A RESEARCH AND DEVELOPMENT PROGRAM UNDERWAY, ATTEMPTING TO FLAVOR SUGAR RATHER THAN THE CHICLE PORTION OF GUM. THIS DEVELOPMENT NEVER WAS SUCCESSFUL BUT DURING THE WORK, TECHNICAL ASSISTANCE FROM LOUISIANA STATE UNIVERSITY IN THE REFINING OF SUGAR RESULTED IN A NEW METHOD FOR IMPROVING SUGAR QUALITY. THIS PROCESS BECAME THE MOST USED PROCESS AND PERMITTED SUGAR OF 95% PURITY OR GREATER TO BE PRODUCED, AS COMPARED WITH 90% OR LESS PURITY USING OLDER PROCESSES. MR. STAPLES USED THIS IMPROVED REFINING PROCEDURE AS PART OF THE RAPIDLY EXPANDING SUGAR EMPIRE IN CUBA.

IN ADDITION TO BETTER REFINING, MR. STAPLES ALSO STUDIED THE MOST PRODUCTIVE WAY TO GROW AND PROCESS SUGAR. HISTORICAL PROCEDURES WOULD CUT AND STACK SUGAR AND THEN PROCESS IT LATER ON. BY STUDYING THE CHANGES IN THE SUGAR CONTENT DURING STORAGE, HE BECAME CONVINCED THAT THE BEST WAY WAS TO PROCESS THE SUGAR SHORTLY AFTER CUTTING. THIS THEN WOULD PROVIDE FOR BETTER PRODUCTIVITY, BOTH IN TERMS OF THE AGRICULTURAL ASPECTS AND THE PROCESSING OF THE CANE. HE EXPANDED THE AREA UNDER CULTIVATION, BOTH THROUGH OWNERSHIP AND LEASING, EVENTUALLY HAVING 300,000 ACRES IN SUGAR CANE IN CUBA.

THE CENTER OF THE COMPLEX WAS CALLED CENTRAL HERSHY. AROUND THIS HE SPOTTED FIVE COMBINATION SITES WHICH INCLUDED PLANTATIONS, REFINERIES, RAILHEADS AND IMPORT FACILITIES. WORKING CLOSELY WITH MR. HERSHY, MR. STAPLES PLANNED AND BUILT EACH ONE OF THE OPERATIONS AROUND A SETTLEMENT THAT PROVIDED SCHOOLS, HOMES AND COMMUNITY BUILDINGS TO SERVE THE WORKERS AND THEIR FAMILIES, AS WELL AS THE OPERATION. THE MAIN SETTLEMENT, CENTRAL HERSHY, CONTAINED HOMES, SHOPS, STORES, SCHOOLS, THEATRE, LIBRARY AND A POST OFFICE--EXACTLY WHAT ONE WOULD EXPECT TO FIND IN ANY MODEL COMMUNITY.

A KEY PART OF THE PROGRAM IN CUBA WAS THE TRANSPORTATION PROVIDED BY HERSHY RAILROADS. TWO RAILROADS WERE BUILT AND AT ONE TIME, THE HERSHY RAILROAD SYSTEM COMPRISED OF OVER 12% OF ALL THE RAILS IN CUBA. HERSHY WAS ALSO INSTRUMENTAL IN CONNECTING THE TWO ENDS OF THE ISLAND, UTILIZING THE TRACK LAID AND PROVIDED BY THE HERSHY OPERATION.

IN 1925 MR. STAPLES, FOLLOWING MR. HERSHY'S WISHES, COMPLETED A MILTON S. HERSHY SCHOOL FOR ORPHAN CHILDREN IN CUBA. AT THAT TIME, THE TOTAL AMOUNT OF LAND UNDER CONTROL OF THE HERSHY OPERATION WAS OVER 60,000 ACRES. OVER THE YEARS, MR. STAPLES AND MR. HERSHY DEVELOPED GREAT RESPECT IN CUBA, AND PRIOR TO THE OVERTHROW OF THE GOVERNMENT BY FIDEL CASTO, HERSHY AND ITS SENIOR MANAGEMENT WERE LOOKED UPON WITH GREAT ADMIRATION THROUGHOUT THE LAND.

IT IS IMPORTANT TO RECOGNIZE THAT MR. STAPLES REALLY WAS A ONE-MAN ADMINISTRATOR AND REPORTED DIRECTLY TO M. S. HERSHY. THE SUGAR OPERATION WAS NOT A PART OF THE HERSHY CHOCOLATE COMPANY. MR. HERSHY CONTROLLED THE INFORMATION FLOW IN BOTH, AND ONLY A VERY SMALL NUMBER OF INDIVIDUALS WERE AWARE OF WHAT WENT ON IN THE HERSHY CHOCOLATE COMPANY OR IN CUBA. THOSE RUNNING THE CHOCOLATE COMPANY WERE NOT NECESSARILY KEPT INFORMED AS TO WHAT WAS GOING ON IN CUBA.

AN IMPORTANT SERIES OF EVENTS WERE INITIATED IN 1927 THAT RESULTED IN MUCH OF THE DEVELOPMENT WE SEE IN HERSHY. IT WAS DECIDED THAT THE HERSHY CHOCOLATE COMPANY WOULD GO PUBLIC. A VERY COMPLEX STOCK ARRANGEMENT WAS PROPOSED WITH BOTH COMMON AND PREFERRED CONVERTIBLE STOCK. THE HERSHY CHOCOLATE COMPANY BUSINESS WAS BROKEN OFF AND BECAME THE PUBLIC COMPANY. ALL OTHER ACTIVITIES IN HERSHY, THE FARMS AND THE VARIOUS BUSINESSES, WERE COMBINED TOGETHER UNDER HERSHY ESTATES WITH 100% OWNERSHIP BY THE TRUST. THE STOCK OF THE HERSHY CORPORATION OF CUBA, WHICH OPERATED THE SUGAR PLANTATIONS, WAS PUT UNDER THE HERSHY ESTATES AND THUS, BECAME A PART OF THE OPERATION 100% OWNED BY THE TRUST. MR. STAPLES, HOWEVER, CONTINUED TO REPORT DIRECTLY TO MR. HERSHY.

IN OCTOBER 1929, THE STOCK MARKET COLLAPSED AND THE DEPRESSION OF THE 1930's WAS UNDERWAY. MR. HERSHY, APPARENTLY IN DISCUSSIONS WITH MR. STAPLES, DECIDED TO BUILD UP HERSHY DURING THIS TIME AND CALLED IN CUBAN MONEY WHICH HAD ACCUMULATED IN ORDER TO SUPPORT THE EXPANDING PROGRAMS IN THE COMMUNITY--THE HOTEL, ARENA, COMMUNITY CENTER (NOW THE CORPORATE ADMINISTRATIVE CENTER). THESE AND OTHER COMMUNITY PROGRAMS WERE FUNDED BY MONIES BROUGHT IN FROM THE CUBAN SUGAR OPERATION AND CHANNELLED THROUGH HERSHY ESTATES.

IN THE SUBSEQUENT YEARS, HERSEY CONTINUED TO GROW. THE SUCCESSFUL SUGAR OPERATION AND ITS WELL CONTROLLED MANAGEMENT IMPRESSED MR. HERSEY. DURING THIS PERIOD OF TIME, WILLIAM F. R. MURRIE HAD SERVED AS PRESIDENT OF THE CORPORATION. MR. MURRIE, ALONG WITH MR. HERSEY, WERE GROWING OLDER. MR. MURRIE WAS DEVELOPING HEALTH PROBLEMS. FOR HALF A CENTURY, IT HAD BEEN ASSUMED THAT MR. MURRIE WAS THE LOGICAL CHOICE FOR TAKING OVER THE CORPORATION, BUT IN OCTOBER 1944, MR. HERSEY MADE THE FIRST STEP TOWARDS TRANSFERRING HIS CONTROL TO OTHERS WHEN HE NAMED MR. STAPLES AS THE PRESIDENT OF THE BOARD OF THE HERSEY TRUST COMPANY AND CHAIRMAN OF THE BOARD OF MANAGERS AT THE HERSEY INDUSTRIAL SCHOOL.

MR. STAPLES WAS NOW IN THE POSITION OF AUTHORITY EVEN GREATER THAN THAT HELD BY MR. MURRIE WHO CONTINUED TO RETAIN THE PRESIDENCY OF THE HERSEY CHOCOLATE CORPORATION. MR. STAPLES IN HIS NEW ROLE RECOGNIZED THAT A PRIMARY RESPONSIBILITY WAS TO PERPETUATE THE TRUST AND ITS STATED PROGRAMS OF THE HERSEY INDUSTRIAL SCHOOL AS EFFECTIVELY AS POSSIBLE.

AN INTERESTING NOTE IS THAT AT THIS POINT IN TIME, MR. STAPLES RECOMMENDED TO MR. HERSEY THAT THE CORPORATION SELL ITS OPERATIONS IN CUBA BECAUSE OF THE VERY UNCERTAIN FUTURE OF THE CUBAN POLITICAL SITUATION AND IN ORDER TO STABILIZE THE CORPORATION'S INVESTMENTS.

AT MR. HERSHY'S 88TH BIRTHDAY PARTY, HIS LAST, THE SEATING ARRANGEMENT WAS INTERESTING. MR. MURRIE, WHO KNEW THAT HE WAS NOT HEIR, WAS SEATED ON HIS RIGHT AND MR. STAPLES WAS SEATED AT HIS LEFT. SHORTLY AFTER THIS, MR. HERSHY DIED AND PERCY ALEXANDER STAPLES, AT AGE 63, BEGAN THE FIRST STEP IN ASSUMING THE RESPONSIBILITY FOR THE SCHOOL, CORPORATION AND THE COMMUNITY THAT MILTON S. HERSHY HAD BUILT. IN 1947, WILLIAM F. R. MURRIE RETIRED FROM HIS POSITION AS PRESIDENT, AND P. A. STAPLES WAS ELECTED TO THE DUAL OFFICES OF CHAIRMAN OF THE BOARD AND PRESIDENT. HE THUS BECAME THE FIRST INDIVIDUAL IN HERSHY HISTORY TO HOLD ALL OF THE TOP POSITIONS OF THE ORGANIZATION.

AFTER MR. HERSHY'S DEATH, MR. STAPLES UNDERTOOK A NUMBER OF ACTIONS WHICH WOULD SERVE TO SEVER SOME OF THE PROGRAMS OF THE PAST FROM THE HERSHY CHOCOLATE COMPANY. IN COMBINATION WITH A NUMBER OF INDIVIDUALS, HE UNDERTOOK TO SELL OFF THE SUGAR OPERATION IN CUBA. INDIVIDUALS WHO WERE INVOLVED INCLUDED TOM DEWEY FROM NEW YORK AND CLINT MURCHISON, A TEXAS OIL MILLIONAIRE. I HAVE BEEN TOLD THAT THE SERIES OF ACTIONS WHICH WERE UNDERTAKEN TO LIQUIDATE THE SUGAR OPERATION AND BRING IN THE CAPITAL WHICH HAD BEEN INVESTED BACK TO HERSHY

WERE VERY COMPLEX AND REQUIRED UNDERSTANDING OF INDIVIDUALS WELL VERSED IN FINANCE AND TAXES. IT IS OF INTEREST TO NOTE THAT JULIO LOBO WHO HAD MADE THE FINAL PURCHASES OF THE HOLDINGS AND PAID SOME \$25 MILLION TO HERSHY IN 1946, FOUND HIS HOLDINGS IN JEOPARDY TWO WEEKS LATER WHEN FIDEL CASTRO TOOK OVER CUBA.

THE NEXT PROJECT MR. STAPLES UNDERTOOK WAS ONE TO ELIMINATE THE CONVERTIBLE PREFERRED STOCK WHICH WAS THEN OUT. SOME 250-280,000 SHARES WERE OUT, WHICH MR. STAPLES FELT REPRESENTED A SERIOUS CONCERN TO THE CORPORATION. BY PAYING MORE THAN ANYONE HAD EVER OFFERRED FOR THE STOCK, HE WAS ABLE TO ELIMINATE THIS STOCK FROM THE MARKETPLACE.

MR. STAPLES QUICKLY RESTRUCTURED THOSE REPORTING TO HIM IN ORDER TO GIVE HIM BETTER CONTROL OF THE OPERATION. THE DIRECTORS, ALL INVOLVED IN THE OPERATION, INCLUDED EZRA HERSHY, TREASURER; LESTER W. MAJOR, SECRETARY; OSCAR E. BORDNER, COMPTROLLER; PARIS N. HERSHY, MANAGER OF THE LEBANON CREAMERY COMPANY AND THE HERSHY FARMS DEPARTMENT; D. PAUL WHITMER, SUPERINTENDENT OF THE HERSHY INDUSTRIAL SCHOOL AND MANAGER OF THE HERSHY LUMBER COMPANY; AND JOHN J. GALLAGHER, GENERAL SALES MANAGER.

DURING 1945 AND 1946, MR. STAPLES DIVIDED HIS TIME BETWEEN AN OFFICE ON THE SECOND FLOOR OF THE HERSHY NATIONAL BANK BUILDING AND AN OFFICE IN NEW YORK, WHERE HE MAINTAINED HIS HEADQUARTERS. HIS OFFICIAL RESIDENCE STILL REMAINED IN CENTRAL HERSHY, CUBA. DURING THIS PERIOD, MR. STAPLES MADE A NUMBER OF TRIPS TO CUBA, WORKING ON THE ARRANGEMENTS FOR THE SALE OF THE HERSHY SUGAR OPERATION IN CUBA TO THE CUBA ATLANTIC SUGAR CORPORATION. DURING ONE OF THESE VISITS HIS FURNISHINGS WERE BOXED IN HUGE CASES AND SHIPPED TO HERSHY WHERE THEY REMAINED UNOPENED FOR THE NEXT DECADE UNTIL AFTER MR. STAPLES DEATH. MR. AND MRS. STAPLES MOVED TO HERSHY INTO A FURNISHED APARTMENT AT "THE MEADOWS" AND THEN LATER, ENGAGED A SUITE OF ROOMS AT THE HOTEL HERSHY WHERE THEY LIVED UNTIL MR. STAPLES DEATH.

DURING THIS PERIOD OF OVER 10 YEARS, MR. STAPLES DID NOT BECOME INVOLVED IN THE DAILY LIFE OF THE COMMUNITY BUT MAINTAINED DEEP INVOLVEMENT WITH THE CORPORATION AND THE ACTIVITIES OF THE HERSHY INDUSTRIAL SCHOOL WHICH WAS RENAMED IN 1951 THE MILTON S. HERSHY SCHOOL. HE DID NOT OFTEN APPEAR AT ANY LOCAL FUNCTIONS. IT IS SAID THAT EVEN CHRISTMAS PARTIES WERE A BURDEN, BUT HE DID TAKE AN ACTIVE PART IN THE FUNCTIONS OF THE HERSHY INDUSTRIAL SCHOOL. IT IS CLEAR THAT IN DOING THIS, HE RECOGNIZED THE IMPORTANCE OF HONORING THE MEMORY OF MR. HERSHY AND MAINTAINING THE IMPORTANT RELATIONSHIP BETWEEN THE CORPORATION AND THE SCHOOL.

DURING THIS INITIAL PERIOD, IN ADDITION TO SELLING THE SUGAR OPERATION, HE ALSO WAS RESPONSIBLE FOR CLOSING THE HERSEY TRANSIT COMPANY WHICH, WITH THE ADVENT OF THE AUTOMOBILE, PROBABLY OUTLIVED ITS USEFULLNESS.

ON ASSUMING RESPONSIBILITY FOR THE TOTAL CORPORATION, MR. STAPLES BECAME MUCH MORE INTERESTED IN COCOA BEANS. HIS EARLY EXPERIENCE AT HERSEY HAD BEEN INVOLVED WITH SUGAR. BUT HE WAS A VERY ASTUTE MAN WHO RECOGNIZED THAT THERE WAS AN APPARENT INABILITY OF THE WORLD'S SUPPLY OF COCOA BEANS TO KEEP PACE WITH THE THEN INCREASING DEMANDS FOR COCOA IN CHOCOLATE PRODUCTS.

DURING THE PERIOD FROM 1898 TO 1940, THE PRODUCTION AND DEMAND FOR COCOA BEANS HAD EVENED OFF AT APPROXIMATELY 720,000 TONS. WITH CONTINUAL GROWTH AND THE DEMAND AFTER WORLD WAR II, SUPPLIES WOULD HAVE TO INCREASE TO 750,000 TONS AND THEN TO HIGHER LEVELS IN THE FOLLOWING DECADES. BUT IN 1947, THE SUPPLY FAILED TO REACH THE NEEDED LEVELS AND THERE WAS A REAL SHORTAGE. WITH THE SHORTAGE CAME INCREASED PRICES.

DURING THE YEARS MR. STAPLES RAN THE CORPORATION, THE CHOCOLATE INDUSTRY FACED COCOA BEAN PRICES SIGNIFICANTLY HIGHER THAN THEY HAD IN THE PAST. FOR EXAMPLE, IN 1946 THE SPOT PRICE OF COCOA WAS 11.5 CENTS. IN 1947, THE FIRST YEAR MR. STAPLES WAS IN CHARGE, THE AVERAGE PRICE WAS 34.9 CENTS AND CONTINUED AT LEVELS IN THE 30'S AND 40'S WITH A HIGH OF 57 CENTS IN 1954, THROUGHOUT HIS TENURE AS CHAIRMAN AND PRESIDENT.

MR. STAPLES CONTINUED TO SEEK WAYS TO PROTECT THE CORPORATION IN TERMS OF ITS OWN CHOCOLATE REQUIREMENTS. HE RECOMMENDED THE PURCHASE OF CHOCOLATE LIQUOR FROM THE DOMINICAN REPUBLIC AND OTHER NONTRADITIONAL SOURCES. LATE IN HIS CAREER, HE HAD STUDIES CARRIED OUT INVOLVING THE PURCHASE OF MILK CHOCOLATE CRUMB FROM BRITISH MANUFACTURERS. FOR MANY OF THESE YEARS, SUPPORT WAS GIVEN TO RESEARCH PROJECTS IN COCOA GROWING LOCATIONS TO IMPROVE PROTECTION AGAINST DISEASES, WHICH HAD TAKEN A SEVERE TOLL IN THE 1947 CROP, AND IN NEW VARIETIES THAT WOULD INCREASE THE AVAILABILITY OF COCOA.

WHEN MR. STAPLES JOINED THE COMPANY IN 1921, IT HAD SALES OF \$26.5 MILLION AND PROFIT AFTER TAXES WAS APPROXIMATELY \$1.2 MILLION DOLLARS. WHEN HE BECAME CHAIRMAN AND PRESIDENT IN 1947, TOTAL SALES WERE \$120 MILLION AND PROFITS AFTER TAXES WERE ALMOST \$15 MILLION. TEN YEARS LATER IN 1956, THE YEAR IN

WHICH HE DIED. THE CORPORATION HAD TOTAL SALES OF \$149 MILLION AND NET PROFITS AFTER TAXES OF ALMOST \$13 MILLION. THERE HAD BEEN CONTINUED GROWTH OF THE CORPORATION, AND IT WAS CLEAR MR. STAPLES HAD FULFILLED HIS RESPONSIBILITY TO MR. HERSCHEY AS BOTH THE CORPORATION AND THE SCHOOL ARE CONTINUING TO GROW AND CONTINUE TO BECOME STRONGER. THE TRANSITION FROM MR. HERSCHEY HAD BEEN VERY WELL CARRIED OUT.

IN JULY 1956, MR. STAPLES DIED UNEXPECTEDLY. MR. STAPLES' WIFE DIED SHORTLY AFTER HIS DEATH AND THEY HAD NO CHILDREN.

FOR TEN YEARS, MR. STAPLES RAN THE HERSCHEY ENTERPRISES IN A MANNER THAT HE FELT MET THE REQUIREMENTS THAT HAD BEEN SET BY MR. HERSCHEY, IN ORDER TO MAINTAIN THE TOTAL ENTERPRISE THAT HAD BEEN ESTABLISHED BY MR. HERSCHEY.

MR. STAPLES HAD SUFFERED A HEART ATTACK IN CUBA WHILE PLAYING GOLF. THIS APPARENTLY LED HIM TO BECOME VERY MUCH CONCERNED ABOUT HIS HEALTH. HE BECAME A HYPOCHONDRIAC, OFTEN GOING FROM ONE PHYSICIAN TO ANOTHER SEEKING ADVICE IN RELATION TO HIS HEALTH. EVEN THOUGH HE WAS REPEATEDLY TOLD THAT HE HAD NO MAJOR HEALTH PROBLEMS, HE CONTINUED TO VISIT DOCTORS AND PAID RELATIVELY LARGE SUMS OF MONEY TO BE TOLD THAT HE HAD NO PROBLEMS.

IN HIS DEATH, MR. STAPLES REVEALED ANOTHER SIDE TO HIS PERSONALITY. HE INCLUDED A PROVISION THAT 10% OF THE RESIDUE OF HIS ESTATE WOULD BE GIVEN TO THE DELTA KAPPA EPSILON FRATERNITY AT MIT, CLEARLY SPECIFYING THAT THOSE MEMBERS INVOLVED IN THE OPERATION WERE TO BENEFIT FROM THIS GIFT. ANOTHER GROUP FROM THE SAME FRATERNITY, WHO ACTUALLY OWNED AND RAN THE HOUSE, RAISED THE QUESTION AS TO WHETHER MR. STAPLES REALLY WANTED THE FUNDS TO BE USED TO SUPPORT THE HOUSE, BUT IT WAS CLEAR IN LOOKING AT THE RECORDS, THAT MR. STAPLES CLEARLY UNDERSTOOD THE DIFFERENCE BETWEEN THE TWO ORGANIZATIONS, SINCE HE HAD CONTRIBUTED TO BOTH. THERE WAS NO DOUBT THAT P. A. STAPLES WANTED TO LEAVE MONEY TO THE FRATERNITY MEMBERS.

ONE SENIOR FRATERNITY MEMBER IN HEARING ABOUT THIS, A MR. SANDERS WILSON, CONTACTED THE TRUST, INDICATING THAT HE WAS IN A HURRY TO HAVE THESE FUNDS SINCE HE HOPED TO HAVE USE OF THEM BEFORE GRADUATING. BECAUSE THERE WAS A DIFFERENCE OF OPINION, A PORTION OF THE FUNDS LEFT WERE GIVEN TO THE GROUP IN RELATION TO THE MANAGEMENT OF THE HOUSING FACILITY. MR. WILSON PROCEEDED, ALONG WITH OTHER MEMBERS OF THE FRATERNITY, AND USED THE MONEY TO HAVE A PARTY IN THE MIT CHAPEL. THE PARTY INCLUDED NINE FEMALE AND ONE MALE VOODOO DANCERS, BONFIRES ON THE STONE FLOOR AND A MAGNIFICANT CELEBRATION, UTILIZING ALL THE FUNDS THAT WERE AVAILABLE. IT IS REPORTED THAT MR. SANDERS WAS LATER EXPelled FROM THE UNIVERSITY ON THE BASIS THAT HE WAS INVOLVED IN THE PRACTICE OF WITCH CRAFT.

MR. STAPLES WAS AN INDIVIDUAL WHO DID NOT SEEK OUT MANY FRIENDS AND MAINTAINED A VERY SEPARATE POSITION FROM THOSE AROUND HIM. HE WAS HIRED BY AND REPORTED DIRECTLY TO MR. HERSEY. HIS GREAT INTEREST IN THE HERSEY INDUSTRIAL SCHOOL, WHICH BECAME THE MILTON HERSEY SCHOOL, REPRESENTED A CHARGE WHICH HE OBVIOUSLY FELT HE HAD RECEIVED FROM MR. HERSEY, IN RELATION TO THE CONTINUED SUPPORT OF THE SCHOOL. MR. HERSEY HAD SELECTED AN OUTSIDER TO BE RESPONSIBLE FOR THE TRANSITION AFTER HIS DEATH. HE PROBABLY SELECTED THE ONLY MAN WHO COULD HAVE LIQUIDATED THE SUGAR OPERATION, DEALT WITH THE STOCK ISSUES AND STRENGTHENED AND STABILIZED THE ACTIVITIES IN ORDER TO ENSURE THE CONTINUED SUPPORT OF THE SCHOOL.

AMONG THOSE THINGS WHICH MR. HERSEY BELIEVED WERE ESSENTIAL, THE FOLLOWING THREE APPLIED TO MR. STAPLES: 1) THAT SUCCESS IS PRINCIPALLY THE RESULT OF HARD WORK, HARD WORK IS A DISCIPLINE LEARNED EARLY IN LIFE, AND THERE IS NO AGE LIMIT TO THOSE WHO BELIEVED IN HARD WORK; 2) THAT THE REWARDS OF SUCCESS SHOULD BE USED FOR THE BENEFIT OF OTHERS, AND MONEY IN ITSELF IS NOTHING, IT IS THE GOOD THAT ONE ACCOMPLISHES THAT COUNTS; 3) THAT LEADERSHIP IS EARNED THROUGH HARD WORK AND LOYALTY, AND A LEADER MUST SEE, HEAR, TOUCH, AND FEEL WHAT IS GOING ON WITHIN THE INSTITUTION.

P.A. STAPLES IMPACT ON THE CORPORATION REMAINS NOT A PICTURE IN THE CORPORATE HEADQUARTERS BUT THE CONTINUITY WHICH WAS REQUIRED TO CARRY THE CORPORATION THROUGH A DIFFICULT TIME SO THAT IT COULD CONTINUE TO GROW AS IT HAS THRGUGH THE YEARS FOLLOWING MR. STAPLES' DEATH.

D. PAUL WITMER
"THE BUILDER"

By William Alexander
Rotary Club "Heritage Series"

October 24, 1983

I'm reading from the July 2, 1959 issue of the "Hershey News". First page, lead article, headline: D. Paul Witmer retires after 35 years, Hershey Executive and Builder. I think it's interesting that the headline-makers put the more noble of the two professions to the honored place at the rate, a builder. I mean, after all, there have only been some Hershey executives for some 80 years, but people have been building since we were rejected from the Garden of Eden and had to find shelter. Specifically with Paul Witmer, he was a Hershey executive serving in numerous capacities, but due to the changes in society, much that he did there was changed. However, as a builder, his influence is going to be felt well into the 21th century in this community. And it is that aspect of his life that I would like to concentrate on today.

This particular situation began in the mid 1920s. Hershey looks something like this, (begins to show slides). If you were standing on the railroad tracks looking toward the hill where the school and the hotel are located. As you can see, there is no school, there is no hotel and that building in the center which now looks very familiar to you as the museum was the convention center. The only thing that's the same is it looks like there is an antique auto show going on at the time. This is what Hershey looked like when a young man, from Elizabethtown working as a house builder, came to town to build a house over on Maple Avenue.

At the time, a Mr. Harry Herr was the chief engineer for the Hershey Lumber Company. He was responsible for laying out the town, for doing Mr. Hershey's every desire with respect to utilities, with respect to landscape, with respect to making a nice environment for the community of Hershey. In 1924 this job became too great, because of the rapid growth of the community. And Mr. Herr went to Mr. Hershey and said, "I need an assistant." Mr. Hershey said, "OK. There's a young man that we're well aware of, that has done a good job on Maple Avenue. Let's go get him."

This young man, David Paul Witmer, at the time was 30 years old. He was born in 1894 in Elizabethtown. Having gone to the public schools in Elizabethtown, he graduated in 1914 at age 20 from Stevens Trade School in Lancaster. After working in Erie and in Cleveland, he came back to Elizabethtown working for this house builder, prior to his employment with Hershey. In 1924 he was hired, in 1925 there was a shake up at the Hershey Lumber Company. And Mr. Hershey dismissed a Mr. Ray Glase who was in charge of the Lumber Company at that time. They were looking for a replacement, and I can't find in my research what Mr. Witmer did in that one year to impress Mr. Hershey. But he was asked if he would accept the leadership of the Hershey Lumber Company. He did. And he remained in that capacity, among others, for 35 years with Hershey.

Now, the early '20s was one of a great deal of residential building. There was some school work, the Hershey Industrial School, as it was known at that time, was rapidly expanding. And there was absolutely no question that Witmer was the right man for that particular job. He was very disciplined. He has the background necessary in residential construction from his previous experience, and he handled the job very well. I think to get to know the greatness of this man, however, we have to concentrate on one decade. And that's the decade of the '30s.

Now the depression came, and Mr. Hershey said, "The people of Hershey are going to work and they're going to maintain the quality of life that they're used to. And we're going to look at this depression right in the teeth and go get it." He had a great deal of cash flow coming from the Hershey sugar interests in Cuba and he said, "We're going to take this cash flow," and by the way, that was a subsidiary of Hershey Estates, and "we're going to take that cash flow and we are going to put it into jobs here in the Hershey area." And they did. And the first major project that they undertook was right here in this building. It was the convention center. I guess there was no big need for conventions in the Depression. And they wanted some diversion so they asked Mr. Witmer. "Please convert that into an Ice Palace." Now D. Paul Witmer has done many other conversions. Barns to apartments, trolleys, barns to offices, so forth. Within a period of five months, they were playing ice hockey in that particular building, and the Hershey Bears were born right at the beginning of the Depression.

The next building was the Community Center.

Here is an article from the Hershey Press which says that and it shows the rendering of the great social service center, which is to be the cheap architectural achievement of Hershey. "Construction will begin next spring. There will be five stories, 360x240 feet. It will be the only building of its kind in the world." This paper was dated November 4, 1915. I don't know what happened in 17 years since that article was written, but obviously, the time was not right or possible. The man was not to be found to do the job until Mr. Witmer came along.

In 1932, Mr. Hershey said, "Build the Community Center." The Community Center took 18 months to build. At that rate, if that were to be built today, it would take a minimum of three years. Construction today is such that you would bring in specialty contractors to do the plastering, the limestone work, the elaborate frescos, the tile work. You're all familiar with the Theatre. Three years minimum with numerous subcontractors from all over the country. Mr. Witmer supervised that particular project in half the time it would take today. And with the exception of the steel erection, he did it entirely using workmen that worked directly for him.

He assembled the materials and he assembled the workmen to install those materials. A tremendous accomplishment by an individual who was building houses just seven years earlier. To compound that, two months after they started construction on the Community Center, Mr. Hershey returned from a vacation in the Mediterranean and he brought with him the famous postcard and he said, "I like this hotel. I want you to build one just like up on top of the hill."

Now, most people have heard the postcard story, but most people don't realize that the postcard showed the picture of a 35-room hotel and Mr. Hershey said, "I want 200 rooms." Now, Mr. Witmer and his trusted associate, Morris Glasey, hired to do a lot of the architectural work and design for him, started to labor as how to convert a 35-room into a 200-room hotel and still have it look the same. Well, they couldn't go up in the air to high, that didn't look right. And if they tried to stretch it out, it was too long a walk to the central core. So after give-and-take, Mr. Hershey finally agreed that they would build 150 rooms. So you can see that marketing studies for hotels aren't so quite elaborate in the 30s as they are today.

The hotel was built in the amazingly short period of one year. We're all familiar with the change order that resulted in the dining room. Mr. Hershey wanted a dining room so that everyone would have a nice view. It was totally his idea. And Mr. Witmer and Mr. Glase came up with a great design that had only one column in the center. This is fantastic, except he didn't want the one column. So he said, "Please take it out." And Mr. Witmer, having a great can-do attitude said, "We'll do it". Developing a truss system with Mr. Glase, that is still state-of-the-art. As you know, when you eat dinner at the Hotel Hershey, there is no column in the center of the dining room.

Now, 13 months or 12 months to build that particular building, he did it in several very interesting ways. As you can see, the masonries going up right here they did have excellent weather. All the materials came in by train in those days. And there was a trolley that went up the hill. And Mr. Witmer devised a procedure, whereby, you could offload all the material from the trains--the steel, the masonry, the interior finish material--onto a flat car which then adapted to the trolley track and ran it right up and delivered everything right to the job sight by rail. That saved an awful lot of handling, and also was very efficient.

Now you might say that doing the Community Center in just 18 months and doing this hotel in just one year had to be the product of a lot of cheap labor available at one time. Well, I propose to you that yes, there was a lot of labor and yes, there was availability of material because no one else was doing any construction. But, it still takes the same amount of time for plaster to dry, it still takes the same amount of time for concrete to get hard in bad times as it does in good times, and the time that Mr. Witmer took to get these buildings built was absolutely phenomenal.

From the hotel they moved down the field to the School. The School was started in 1933. Would anybody like to guess how long that took?

It took a little less than 18 months. The school was over 800 feet long. It was built in 13 different sections designed by Mr. Witmer and Mr. Glase. Again, using the trolley track that I just showed you in the previous picture, to get the materials up to it. It was built in such a way, that today I just can't envision doing anything like that in less than two and a half years.

Here's a very interesting story concerning the school. This is the picture of the dedication in November 1934, and Mr. Hershey is sitting in the seat of honor and D. Paul Witmer is sitting to his left on the stage. Immediately prior to the picture being taken, Mr. Witmer took Mr. Hershey through the school. Mr. Hershey enjoyed talking to Paul Witmer. He did not interfere and do a lot of sidewalk supervising, so he had not seen the school. And Mr. Hershey was given a complete tour of every wing in the building, prior to the dedication ceremony. And in standing in the lobby outside of the auditorium, Mr. Witmer said after the complete tour, "Well, Mr. Hershey, do you like it?" Mr. Hershey said, "Yes, I do." And he walked into the room. That's all he said. And for years Mr. Witmer said, "That's all I needed from M.S. Hershey." Because if he said that, I knew I was doing my job. I think that pointed out a real tribute to D. Paul Witmer, with respect to the loyalty that he showed to the man that had entrusted him with all this work that was for him to do.

Probably the greatest achievement of Mr. Witmer's construction career took place in 1936 when the arena was built. The Hershey Bears were doing phenomenally well. They won some championships and it was necessary to get them out of the 1,500 - 2,000 seat Ice Palace which today is the Hershey Museum. Mr. Witmer did a lot of reading, he was very thorough and he found a German system for building what is a concrete shell. And the word "shell" is proper because it is built on the same principle as an egg shell. As you know, if you push the end of an egg shell, it is very difficult to break it. And you can do the same thing with concrete as a shell, if you make sure it is curved and there are no flat spots in it. Because the flat spot will weaken it.

Now, just look at this very elaborate framing system that was required to form the arena. And remember that this was a man that 12 years earlier was building houses. And yet, through self-education, through self-confidence and total dedication to a boss who said "I want something" and he was dedicated to getting it, he was willing to undertake something that was being done for the first time in the United States.

This forming system was on jacks. And they would start to pore. They would pore continuously. Some pores took as long as 14 or 15 days; others as much as 20 days. They would mix the concrete right on sight, and after it was pored, they would lower these jacks just a very small bit to let the concrete begin to carry its own weight. And there was about a two or two and a half inch deflection when these jacks came down. I imagine that was very exciting to see if the concrete would stop when the jack kept going.

There you can see a picture of the interior. The interior shows that while they were doing the shell they were also doing the seating which was also out of concrete. A very, very complicated and elaborate job.

There's the view of the concrete pavers. Which I said once they started, they had to continue, as you can see. They would buggy it up on elevators and then walk it across and then shoot it down where the finishers would do this. They had shifts going 24 hours a day with spotlights. It was a most advanced construction project for its time. There's the view of the forming system, also a view of the parking lot, as we now know it, in front of the stadium.

It's interesting that all that lumber is still in use, because Mr. Witmer was a very good steward of Mr. Hershey's money, and he did not waste anything. And that lumber has been used in the numerous barns and farms and outbuildings connected with the Milton Hershey School.

One interesting side story concerning the building of the arena. Once you started pouring, you didn't stop and you didn't know what the weather forecast was 14 or 15 days down the road. And once they got caught with a quick temperature drop from 38 down to 22 degrees. The engineer couldn't be found; he was out in Chicago and unavailable, and no one knew what to do. So Mr. Witmer and his lieutenants got together and they decided that the only solution was the home regiment. They went out to the State Police Academy, they went out to the Milton Hershey School, and they got all the horse and cow manure they could find, brought it up on the wheelbarrows, packed it around the concrete and that was enough heat to keep it from freezing, and it cured properly, and you're safe in going into the arena today. You may have wondered what the dark spots were from the underside of the arena.

I show this picture also to show those cars, because in reflecting back on the '30s, and this was the last of the big projects, in reflecting back on the '30s, everybody probably has the conception that labor was dirt cheap and this was a way of exploiting it to get a lot of buildings. That was not Mr. Hershey's philosophy and Paul Witmer did not follow through in that regard. These people were paid a good wage and I think the number of cars in that parking lot is good testimony that this is not taking advantage of the labor marketing to buildings built but conversely, it was building buildings to preserve the labor market and the quality of life here in Hershey.

Mr. Witmer ended the decade with designing and building such diverse structures as an abbatoire, a laundry, and a stadium. Now it's interesting, in today's engineering market, you must hire a specialist to design an abattoir, you must have a specialist to design a stadium. He did them all, he and Mr. Glase in-house. A real can-do attitude. And not only did he do them he did them very well. As we know, some of those facilities are still in operation today. Others have been remodeled for other uses, but the buildings are still in excellent condition.

During the decade of the '30s, back to the manpower, it was reported that Hershey had 3,000 people working in the plant there was another 1,000 people who were working for Hershey Estates running the various utilities. Paul Witmer at the Hershey Lumber Company had 2,000 people on his payroll building these facilities in the Hershey area which we still enjoy today.

Now that is a man of capacity. It's a man of ability. Somebody with no more than two years of trade school, at the age of 40, being able to undertake and do, and do it extremely well.

Not only was he a great builder, but, and again, Milton Hershey continues to amaze all of us who try and figure out how he's able to select individuals for jobs, but he also selected Mr. Witmer, the superintendent, the second superintendent, after Mr. Copenhaver's retirement in 1938 of the Milton Hershey School, the Hershey Industrial School at that time. The school was not in need of a full time superintendent at that time, so he still handled his work at the Hershey Lumber Company. But what capacity to run all this and still be superintendent of the school!

Additionally, in the mid '30s, they opened a furniture fabrication facility. I don't know how many people have Hershey Lumber Company made furniture in your house now; I'm sure they're starting to become collector's items. But he employed initially 300, and later 600 people going into World War II manufacturing furniture right here in Hershey which was sold commercially. No end to this man's capacity.

After the war in 1946, the home building boom began. Hershey Lumber Company settled into a mode of designing utility extensions as the town grew, and also doing some construction until his retirement in 1959. Paul Witmer supervised roughly 200 people on a day in and day out basis at the Lumber Company.

The accomplishments of this man were truly phenomenal as it came to building. But you can't get total characteristics of this person until you analyze some of the other things he did and some other aspects of his behavioral pattern, which I didn't bring out in discussing the great building program in the '30s.

First of all, there's no question, in interviewing various people, that he was a very straightforward, no nonsense, honest person. It's well known that he always enjoyed, on a weekly basis, eating ice cream with Milton Hershey. And it's also well known, that anytime there was an accident, anytime there was a cost overrun, anytime there was a delay he was sure Mr. Hershey knew about it; there was no coverup for this man. He was straightforward and honest and I'm sure that's one of the things that impressed Mr. Hershey.

He's very frugal. I already mentioned the fact that lumber was used and reused and re-reused until, and it's still probably in use today. They never wasted anything. When the trolley tracks were torn up, with the demise of the trolley system, you can find the ties in chicken coops around the Milton Hershey campus, even today. He never wasted anything. He was a great steward of Mr. Hershey's money. He was also a great family man. He had two children, a daughter and son, whom you met today. His first wife was named Anna, died pretty early in his life, and he remarried another Anna. And when asked about both wives having the same name, Mr Witmer was supposed to have said, "Well, it makes it a lot easier talking in your sleep that way."

He was very active; he like to bowl. He collected Hummel figures. He was a great aviator; possibly persuaded his son to pursue his profession.

WILLIAM FRANKLIN REYNOLDS MURRIE

BY GARY W. MCQUAID
HERSHEY CHOCOLATE COMPANY
NOVEMBER 7, 1983

DURING THE PAST TWO WEEKS, I'VE DISCOVERED THAT THERE ARE DISTINCT DIFFERENCES OF OPINION ABOUT MANY FACETS OF WILLIAM FRANKLIN REYNOLDS MURRIE. BUT ON ONE SUBJECT, THERE IS ALMOST TOTAL AGREEMENT. DURING THE 39 YEARS THAT HE WAS HERSHEY CHOCOLATE'S FIRST PRESIDENT, BILL MURRIE BUILT AND RAN THE COMPANY THAT SO SUCCESSFULLY SOLD THE PRODUCTS THAT MILTON S. HERSHEY INVENTED. HERSHEY INVENTED, MURRIE IMPLEMENTED.

HIS PARENTS, DAVID AND AMANDA MURRIE, LIVED IN BEDFORD COUNTY IN WESTERN PENNSYLVANIA. HIS FATHER, A SCOTTISH IMMIGRANT, WAS A COAL MINER WHO ROSE THROUGH THE RANKS TO BECOME A MINE SUPERINTENDENT. HIS MOTHER, AMANDA HORNE, WAS A NATIVE PENNSYLVANIAN AND THE SISTER OF PROMINENT PITTSBURGH RETAILER JOSEPH HORNE. IN 1873, BILL MURRIE WAS BORN IN A SMALL TOWN WITH THE IMPROBABLE BUT PERHAPS PROPHETIC NAME OF MANN'S CHOICE.

AT THE AGE OF 16, BILL MURRIE EITHER COMPLETED OR QUIT - THE EARLIER ACCOUNTS SAY HE QUIT, THE LATER ACCOUNTS SAY HE COMPLETED - BEDFORD HIGH SCHOOL AND BEGAN AN APPRENTICESHIP AS A TELEGRAPHER WITH THE WESTERN MARYLAND RAILROAD. DESPITE RAPID ADVANCEMENT TO A FULL-FLEDGED TELEGRAPHER AND THEN TO A TRAIN DISPATCHER, MR. MURRIE SOON BECAME BORED WITH RAILROAD LIFE AND WENT TO WORK FOR THE PITTSBURGH CONFECTIONERY COMPANY OF WEAVER AND COSTELLO. WITHIN A COUPLE YEARS MR. MURRIE, NOT YET 23, WAS THE TOP SALESMAN AND READY FOR INCREASED RESPONSIBILITIES AND CHALLENGES, WHICH WEAVER AND COSTELLO WERE A BIT HESITANT TO ENTRUST TO SUCH A YOUNG MAN. MILTON HERSHY, AN UNCANNY JUDGE OF PEOPLE AS YOU HAVE HEARD MANY TIMES IN THE PAST FEW WEEKS, WAS MORE INTERESTED IN ABILITY THAN AGE. HE MET BILL MURRIE IN A POOL ROOM IN PITTSBURGH AND WAS IMPRESSED BY THE YOUNG MAN'S INTELLIGENCE AND AMBITION AND GAVE HIM THE CHALLENGE HE WAS SEEKING. IT WAS 1896 AND MR. HERSHY WAS HEADING THE THRIVING LANCASTER CARAMEL COMPANY, BUT HAD RECENTLY PURCHASED AND INSTALLED SOME CHOCOLATE-MAKING EQUIPMENT THAT HE HAD SEEN AT THE CHICAGO WORLD'S EXPOSITION IN 1893. THE STORY IS TOLD THAT IN THE FIRST WEEK, BILL MURRIE SOLD AS MUCH CHOCOLATE - 200 BARRELS OF NON-PARELLS - AS THE EQUIPMENT COULD PRODUCE IN A YEAR. BILL MURRIE WAS ON HIS WAY.

AT A DOUBLE DESK IN LANCASTER, MILTON HERSHEY RAN THE CARAMEL BUSINESS FROM ONE SIDE WHILE ACROSS FROM BILL MURRIE LOOKED AFTER THE BURGEONING CHOCOLATE BUSINESS. IN 1901, MILTON HERSHEY SOLD THE CARAMEL BUSINESS TO RIVALS TO DEVOTE FULL TIME TO MAKING A WIDE VARIETY OF CHOCOLATE PRODUCTS. SALES WERE \$600M PER YEAR. MR. HERSHEY DECIDED TO RELOCATE THE CHOCOLATE FIRM TO DERRY CHURCH AND IN 1903 MR. MURRIE MOVED TO WHAT WAS TO BECOME HERSHEY AS GENERAL MANAGER. HE TOOK UP RESIDENCE IN THE TEA HOUSE AT THE INTERSECTION OF THE READING TURNPIKE (RT. 422) AND SPRING CREEK. THIS HOUSE WAS JUST DEMOLISHED ABOUT ONE YEAR AGO.

AT ABOUT THIS TIME, MR. MURRIE AND MR. HERSHEY DECIDED TO DROP ALL THE EASTER EGGS, SANTA CLAUSES, CHOCOLATE CIGARS AND OTHER NOVELTIES TO CONCENTRATE ON NATIONALLY DISTRIBUTING A LIMITED LINE OF HIGH QUALITY, MASS-PRODUCED AND THEREFORE LOW-PRICED CHOCOLATE PRODUCTS THAT EVERYONE COULD AFFORD AND EAT EVERY DAY. THE 5¢ MILK CHOCOLATE AND ALMOND BARS WERE BORN AND SO WAS THE WINNING STRATEGY THAT CREATED THE HERSHEY SUCCESS.

BY 1908, SALES WERE \$2 MILLION A YEAR. HERSHEY CHOCOLATE WAS INCORPORATED WITH MILTON AS CHAIRMAN OF THE BOARD AND BILL MURRIE AS ITS 35 YEAR OLD PRESIDENT, A POSITION HE WAS TO HOLD FOR AN ASTOUNDING 39 YEARS.

FROM A DOUBLE DESK IN THE EXECUTIVE OFFICE BUILDING, MR. MURRIE RAN THE CHOCOLATE COMPANY WHILE MR. HERSHEY DEVOTED HIMSELF TO

BUILDING A TOWN, STARTING HIS SCHOOL FOR BOYS AND CONCOCTING NEW CANDY BARS. OCCASIONALLY, MR. HERSHEY WOULD STOP BY AND - ACROSS THE DOUBLE DESK - THE TWO WOULD WORK OUT THE AFFAIRS OF THE COMPANY. ON CALL IN THE CORNER OF THE OFFICE TO TAKE DICTATION IF BILL MURRIE REQUIRED WAS A PROMISING YOUNG SECRETARY BY THE NAME OF DICK UHRICH. ENERGETICALLY CHARGING ABOUT THE OFFICES FROM HIS HEADQUARTERS IN THE MAILROOM WAS A YOUNG MESSENGER BY THE NAME OF SAM TANCREDI, WHO WAS OFTEN DISPATCHED BY MR. MURRIE TO BUY HIS CIGARS. THE TWO FOR A NICKEL "DRY SLITS" WERE REPORTED TO BE THE CHEAPEST, FOULEST SMELLING CIGARS THEN AVAILABLE. FORTUNATELY, MR. MURRIE USUALLY CHEWED THE CIGAR INSTEAD OF SMOKING IT. THIS WAS FORTUNATE FOR EVERYONE EXCEPT DICK UHRICH WHO HAD TO UNDERSTAND MR. MURRIE'S DICTATION WHILE HE WAS CHOMPING ON THE CIGAR.

MANY OF THE MAJOR BUSINESS MILESTONES DURING MR. MURRIE'S CAREER WITH HERSHEY CHOCOLATE COMPANY OCCURRED DURING TIMES OF NATIONAL CRISIS.

DURING WORLD WAR I, THE FEDERAL GOVERNMENT DECIDED TO GIVE ITS SERVICEMEN A CHRISTMAS PRESENT AND CHOSE HERSHEY BARS AS THE GIFT, ESTABLISHING AN EVEN STRONGER NATIONAL AWARENESS OF THE PRODUCT AND CARVING OUT A SPECIAL NICHE IN THE MINDS OF THOSE MEN. ALSO DURING THE WAR, ARCH RIVAL NESTLE DECIDED TO EXPORT SOME OF ITS AMERICAN CHOCOLATE THE FROM THE DOMESTIC MARKET TO A CHOCOLATE-STARVED, MORE PROFITABLE EUROPEAN MARKET. HERSHEY AND MURRIE CONCENTRATED ON THE U.S. MARKET. NESTLE MADE A SHORT-TERM KILLING

IN EXPORTS BUT HERSEY GOT A GRIP ON THE U.S. CHOCOLATE BAR CONSUMER THAT IT HAS HELD UNTIL THIS DAY.

IN THE 1920'S, MR. MURRIE BECAME INTRIGUED WITH THE IDEA OF SELLING A CHOCOLATE BAR CONTAINING PEANUTS. MR. HERSEY WAS DUBIOUS ABOUT THE PROPOSITION FOR A VARIETY OF REASONS BUT ALLOWED MURRIE TO GO AHEAD - PROVIDED THE HERSEY NAME DID NOT APPEAR ON IT. MR. GOODBAR WAS INTRODUCED SUCCESSFULLY UNDER THE FICTITIOUS SPONSORSHIP OF THE CHOCOLATE SALES CORPORATION OF HUMMELSTOWN. IT HAS BEEN ONE OF OUR MAJOR PRODUCTS FOR 50 YEARS.

MR. MURRIE WAS ONE OF THE FOUNDING FATHERS OF THE ASSOCIATION OF COCOA AND CHOCOLATE MANUFACTURERS AND FOR A QUARTER OF A CENTURY WAS ITS FIRST PRESIDENT.

DURING THE DEPRESSION, MR. MURRIE AND MR. HINKLE TOOK A TOUR OF EUROPE TO STUDY THE LATEST CHOCOLATE-MAKING TRENDS AND TECHNIQUES. THE IMMEDIATE RESULTS OF THIS TRIP WERE TWO NEW PRODUCTS AERO AND BISCRISP THAT WERE INTRODUCED INTO THE U.S. MARKET BUT DISCONTINUED BEFORE THE WAR. THE RELATIONSHIP BEGUN BY MR. MURRIE WAS CONTINUED ON BY HIS SUCCESSORS AND 35 YEARS LATER RESULTED IN THE ROWNTREE-MACKINTOSH/HERSEY LICENSING AGREEMENT THAT HAS MADE SUCH A MAJOR CONTRIBUTION TO THE COMPANY'S GROWTH IN THE PAST DECADE.

LIKE ALL THE EARLY LEADERS OF THE TOWN, HE WAS ON VIRTUALLY EVERY BOARD IN SIGHT. HOWEVER, HIS ACTIVITY AND INFLUENCE SEEMED TO HAVE BEEN PRETTY MUCH CONCENTRATED ON THE CHOCOLATE COMPANY EXCEPT FOR A TWO YEAR STINT AS PRESIDENT OF HERSHY ESTATES FROM 1927-1929. MR. MURRIE WAS A LIFELONG AND SOMETIMES VOCAL DEMOCRAT IN AN AREA THAT WAS OVERWHELMINGLY REPUBLICAN. WHILE VOCAL, HE WAS NOT VERY ACTIVE ON THE POLITICAL FRONT UNTIL THE SECOND TERM OF FDR'S PRESIDENCY WHEN TWO EVENTS COALESSED TO INCITE MURRIE TO POLITICAL ACTION. THE FIRST WAS THE STRIKE AT HERSHY WHICH WAS WIDELY RUMORED TO HAVE BEEN ACTIVELY SUPPORTED BY THE LABOR DEPARTMENT IN WASHINGTON. THE SECOND WAS THE EXPLOSION OF NEW DEAL REGULATORY AGENCIES THAT THREATENED TO AND DID CHANGE FOREVER THE WAY BUSINESS IS DONE IN THE U.S. THROUGH SECRETARY OF AGRICULTURE HENRY WALLACE - LATER FDR WARTIME VICE PRESIDENT. A CONVENIENT COINCIDENCE - MURRIE GAINED ACCESS TO WASHINGTON'S INNER CIRCLES.

THESE SEEDS SOWN, TWO BENEFITS WERE PROMPTLY HARVESTED. FIRST, THROUGHOUT THE WARTIME SUGAR QUOTAS - WHICH ACTUALLY LASTED INTO 1948 - HERSHY CHOCOLATE RECEIVED AT LEAST EQUITABLE IF NOT BENEFICIAL TREATMENT. THIS FURTHER STRENGTHENED OUR POSITION IN THE U.S. MARKET. SECONDLY, MURRIE OBTAINED THE ASSIGNMENT TO DEVELOP WHAT LATER WAS TO BECOME THE RATION BAR AND ENTRUSTED THE PROJECT TO HIS CHIEF CHEMIST SAM HINKLE. THE RATION BAR SPREAD THE NAME AND FAME OF HERSHY AROUND THE WORLD. DURING THE WAR, MURRIE SCRUPULOUSLY INSURED THAT EVERY CUSTOMER RECEIVED EVERY

CASE OF CHOCOLATE TO WHICH THEIR QUOTA ENTITLED THEM. NOT ALL COMPETITORS TREATED THE CUSTOMERS AS EQUITABLY. AFTER THE WAR, HERSHEY BENEFITED FROM THIS REPUTATION FOR FAIRNESS. AND DURING THE WAR NOT ALL CUSTOMERS, OF COURSE, USED EVERY CASE OF THEIR ALLOTTED QUOTA. THE LEFTOVER STOCK GAVE MR. MURRIE ROOM TO MANEUVER.

FOLLOWING THE 1937 STRIKE, MR. HERSHEY BECAME PROGRESSIVELY REMOVED FROM DIRECT INVOLVEMENT WITH THE COMPANY AND HIS 40 YEAR OLD FRIENDSHIP WITH BILL MURRIE BEGAN TO COOL BUT NOT DIE. BY THE TIME THE WAR WAS OVER, MR. HERSHEY HAD PASSED AWAY AND MR. MURRIE'S HEALTH WAS FAILING. DUE TO CATARACTS THAT OPERATIONS COULD NOT CORRECT, HE WAS FUNCTIONALLY BLIND. PERCY STAPLES, THE MASTERMIND OF THE HIGHLY PROFITABLE CUBAN SUGAR OPERATION, HAD BEEN HANDPICKED BY MILTON HERSHEY TO SUCCEED MR. MURRIE. IN A LIGHTENING SWIFT BIT OF BOARD ROOM MANEUVERING, MR. STAPLES FORCED THE 74 YEAR OLD BILL MURRIE INTO RETIREMENT IN JANUARY, 1947. APPEARANCES WERE MAINTAINED AT A MARCH 10 RETIREMENT DINNER AT THE HOTEL WHERE A YOUNG ENGINEER BY THE NAME OF HOWARD PHILLIPPY SANG THE SOLO "THE OPEN ROAD." BILL MURRIE HAD GIVEN 51 YEARS OF HIS LIFE TO HERSHEY CHOCOLATE, 44 AS GENERAL MANAGER OR PRESIDENT. BY WAY OF CONTRAST, HAROLD MOHLER IS SECOND IN LONGEVITY AT THE HERSHEY REINS WITH 19 YEARS AS PRESIDENT AND/OR CHAIRMAN.

SHATTERED BY HIS OUSTER, BILL MURRIE MOVED TO PLAINSFIELD, NEW JERSEY. HE DIED THREE YEARS LATER. HIS LAST WORDS TO HIS SON DICK WERE - "HOW DID THE PHILADELPHIA A'S DO TODAY?" HE WAS BURIED IN THE HERSHEY CEMETERY.

SO MUCH FOR MR. MURRIE'S HISTORY. HOW ABOUT THE MAN. HE WAS A STRAPPING, HANDSOME, DIGNIFIED 6'1" TOWHEADED SCOTSMAN. HE LOOKED THE PART OF A COMPANY PRESIDENT. AND HE LIVED UP TO THE SCOTTISH HERITAGE. HIS FRUGALITY WAS BOTH ENIGMATIC AND LEGENDARY. ENIGMATIC FOR TWO REASONS. FIRSTLY, BILL MURRIE WAS THE MOSES MALONE OF BUSINESS IN THE 1920'S AND 1930'S. IN A WORLD SHOCKED BY GEORGE HERMAN RUTH'S \$100,000 YEARLY SALARY, BILL MURRIE WAS ONE OF THE THE FIVE BEST PAID MEN IN AMERICAN INDUSTRY AND QUIETLY EARNED AS MUCH AS THE BABE. WHEN ASKED IN THE 1930'S HOW HE COULD JUSTIFY RECEIVING \$50M PER YEAR MORE THAN FDR, MURRIE CHOMPED ANGRILY ON HIS CIGAR THEN PERKED UP AND SAID, "THAT'S EASY. THIS OUTFIT IS MAKING MONEY. THAT GANG IN WASHINGTON IS LOSING DOUGH EVERYDAY." ONLY A VERY FEW PEOPLE REALLY BECAME WEALTHY IN HERSHEY, BUT BILL MURRIE WAS CERTAINLY ONE OF THEM. DESPITE HIS BIG INCOME, HIS FLASHY PACKARD ROADSTER, HIS ELEGANT AND FASTIDIOUS CLOTHES AND THE MANSION HE BUILT ON EAST CHOCOLATE - THE BIGGEST HOUSE IN TOWN, CURRENTLY SEVERAL APARTMENTS INCLUDING CLYDE EBERSOLE'S - BILL MURRIE HAD A DESERVED REPUTATION FOR FRUGALITY.

AS PRESIDENT, AT CHRISTMAS HE WAS BURIED UNDER AN AVALANCHE OF GIFTS - LIQUOR, HAMS, TURKEYS, ETC. ONE NIGHT HE ENLISTED TWO MEN FROM THE SALES DEPARTMENT TO HELP HIM CART ALL THE GIFTS HOME FROM THE OFFICE. AFTER PACKING ALL THE GIFTS INTO A HUGE CLOSET ALREADY OVERFLOWING WITH PREVIOUS GIFTS, THE TWO HELPERS FIGURED THEY WOULD AT LEAST GET A BOTTLE OF BOOZE FOR THEIR EFFORTS. IT

WAS NOT TO BE. "THANKS, FELLOWS" BILL MURRIE SAID AND HANDED EACH FOUR BANANAS. MILTON HERSHEY TIPPED HIS BARBER 25¢, BILL MURRIE 10¢.

WHILE BILL MURRIE WAS A TIGHT MAN WITH A DOLLAR, HIS WIFE - UNDOUBTEDLY WITH HIS FULL KNOWLEDGE - QUIETLY ESTABLISHED A REPUTATION AS ONE OF THE MOST CHARITABLE PEOPLE EVER TO LIVE IN HERSHEY. THROUGHOUT THE DEPRESSION WHEN THE PANTRIES OR COAL BINS OF PEOPLE IN TOWN WERE EMPTY, DELIVERIES OF GROCERIES OR COAL WOULD MYSTERIOUSLY BE MADE - AT NO CHARGE TO THE RECIPIENT. THE BILL WAS QUIETLY PAID BY SARA SHEARER MURRIE WITH NO ONE'S KNOWLEDGE EXCEPT THE MERCHANTS.

MRS. MURRIE WAS FROM MARYLAND AND MR. MURRIE MET HER AT A PICNIC FOLLOWING A SEMI-PRO GAME HIS BALL TEAM WAS PLAYING IN IN THE 1980'S. IN ANY EVENT, SHE IS SAID TO HAVE BEEN A VERY LOVELY WOMAN BOTH IN PHYSICAL APPEARANCE - IRISH, OF COURSE, AND IN PERSONALITY. SHE WAS ALSO A CATHOLIC. THE METHODIST BILL MURRIE CHANGED RELIGIONS TO MARRY HER. AS THE CATHOLIC PRESIDENT OF THE LARGEST EMPLOYER IN AN AREA AND ERA WHERE CATHOLICS WERE THE ECONOMIC UNDERCLASS, BILL MURRIE WAS UNDER CONSTANT AND SOMETIMES NOT TOO SUBTLE PRESSURE FROM THE LOCAL MONSIGNOR TO SHOW A BIT OF FAVORITISM IN THE HIRING AND PROMOTION OF CATHOLICS. AFTER A PARTICULARLY HIGH PRESSURE SESSION HE WAS ONCE OVERHEARD TO EXPLODE TO THE PRIEST "HOLY SUCKER IN HELL, FATHER I'M RUNNING A BUSINESS HERE, NOT A CHARITY."

BILL MURRIE WAS NOT ABOVE INSURING THAT HIS FAMILY WAS LOOKED AFTER. HIS BROTHER-IN-LAW WAS HEAD OF PRODUCT STORAGE AT THE PLANT. ELDEST SON MALCOLM JUST HAPPENED TO LAND A GOOD JOB IN THE FIRST NATIONAL CITY BANK IN NEW YORK, HERSHLEY'S BANK; SECOND SON BRUCE WAS HELPED OUT IN A WAY I'LL COVER IN A MINUTE OR TWO. THE THIRD CHILD, DAUGHTER ESTA, HAPPENED TO MARRY A MAN DESTINED TO BE HERSHLEY'S COCOA BEAN BUYER. COINCIDENTALLY, SECOND DAUGHTER MARION'S HUSBAND HAPPENED TO WIND UP IN THE SALES DEPARTMENT. ONLY YOUNGEST SON DICK NEVER HAD AN OCCUPATIONAL CONNECTION TO THE COMPANY. AN IRONIC INSIGHT INTO THE MAN CONCERNS SON DICK. DESPITE THE FACT THAT MR. MURRIE'S OTHER SONS ATTENDED PRIVATE SCHOOL, CABOOSE DICK STARTED OUT IN PUBLIC SCHOOLS. UPON HEARING THAT ONE OF THE TEACHERS AT THE HIGH SCHOOL WAS ATTEMPTING TO CURRY FLAVOR WITH HIM BY GIVING HIS SON BETTER GRADES THAN HE HAD EARNED, MR. MURRIE PROMPTLY PULLED DICK OUT OF PUBLIC SCHOOL AND PACKED HIM OFF TO PRIVATE SCHOOL.

MR. MURRIE WAS UNDOUBTEDLY A CONSUMMATE "PEOPLE PERSON." FOR INSTANCE, WHEN HE WAS A TRAVELING SALESMAN, HE MET CATHERINE SWEENEY IN A CANDY SHOP IN JAMESTOWN, NEW YORK, INTRODUCED MR. HERSHLEY TO HER AND PLAYED CUPID FOR OVER A YEAR UNTIL MILTON HERSHLEY AND CATHERINE SWEENEY BECAME MAN AND WIFE. SOME BELIEVE MR. MURRIE'S ROLE AS A MATCHMAKER WAS THE REASON FOR MR. HERSHLEY'S PROMOTION OF MURRIE. MOST EVIDENCE IS THAT ABILITY WAS AN EVEN GREATER FACTOR.

NUMEROUS ACCOUNTS CREDIT BILL MURRIE WITH THE ABILITY TO SELECT GOOD PEOPLE AND GET THE MOST OUT OF THEM THROUGH WHAT WE TODAY CALL POSITIVE REINFORCEMENT. OTHERS CONCEDE THIS TO BE THE CASE BUT SAY HE LEFT THE DIRTY WORK TO A HANDFUL OF HIS LESS AFFABLE LIEUTENANTS. IN BUSINESS WHEN NICE GUYS FINISH FIRST. THIS CHARGE IS INEVITABLE. I CAN'T REALLY COMMENT ONE WAY OR THE OTHER ON MURRIE OTHER THAN TO REPEAT THAT SOME PEOPLE SAY HE WAS HARD TO GET TO KNOW PERSONALLY BUT A VERY NICE MAN OFF THE JOB IF YOU DID GET TO KNOW HIM WELL.

BILL MURRIE WAS REPORTED TO BE EXTREMELY PUNCTUAL. HAVING BEEN CHAUFFEURED THE 150 YARDS FROM HIS HOUSE TO THE FACTORY, HE WOULD ARRIVE AT HIS DESK AT 8:03 ON THE DOT EVERY MORNING. THE EXTRA THREE MINUTES HAVING BEEN SPENT STANDING AT THE FRONT DOOR CHECKING TO SEE WHO WAS GETTING TO WORK LATE.

MR. MURRIE WAS NOT THE SALES MANAGER AFTER THE MOVE FROM LANCASTER TO HERSHEY, BUT HE KEPT TIGHT PERSONAL CONTROL OF THREE BIG INDUSTRIAL CUSTOMERS - MARS, PETER PAUL AND REYNOLDS TOBACCO. SHORTLY BEFORE THE WAR, FRANK MARS' SON FORREST WAS INTERESTED IN MARKETING A NEW CHOCOLATE PRODUCT BUT COULD FORESEE A SHORTAGE OF CHOCOLATE DEVELOPING DURING THE INEVITABLE WAR. WITH HIS FATHER'S SUPPORT, SON BRUCE MURRIE TEAMED UP WITH FORREST MARS ASSURING A SUPPLY OF SCARCE CHOCOLATE FOR THEIR NEW PRODUCT M&M'S - FOR MARS AND MURRIE - THROUGHOUT THE WAR. AFTER QUOTAS ENDED IN 1948, FORREST MARS MANEUVERED BRUCE OUT AND WENT ONTO BECOME HERSHEY'S

LARGEST COMPETITOR. MR. MURRIE'S ROLE IN HELPING TO ESTABLISH OUR BIGGEST COMPETITOR, PARTIALLY TO BENEFIT HIS SON, WAS UNDOUBTEDLY HIS BIGGEST MISTAKE.

HIS BIGGEST CONTRIBUTION, OF COURSE, WAS TAKING MR. HERSEY'S PRODUCTS AND BUILDING THE CHOCOLATE COMPANY FROM \$600M PER YEAR WHEN HE BECAME GENERAL MANAGER TO \$120 MILLION PER YEAR WHEN HE RETIRED. BILL MURRIE SUCCESSFULLY IMPLEMENTED WHAT MILTON HERSEY INVENTED, LEAVING MR. HERSEY TIME TO BUILD THE TOWN AND START THE SCHOOL.

MY FAVORITE AND FINAL STORY ABOUT BILL MURRIE CONCERNED THE HABIT OF PEOPLE - MEN AS NOW - SAYING THAT "THE HERSEY BAR DOESN'T TASTE LIKE IT USED TO."

CONFRONTED WITH THIS CHRONIC COMMENT, MR. MURRIE WOULD INEVITABLY REPLY, "IT NEVER DID."

WHAT WAS MR. MURRIE LIKE? I HOPE I HAVE BEEN ABLE TO PROVIDE A LITTLE INSIGHT. IF NOT, I HAVE A SUGGESTION BASED ON THE OLD CLAIROL SLOGAN "ONLY HER HAIRDRESSER KNOWS FOR SURE." "ONLY MR. MURRIE'S BARBER KNOWS FOR SURE." IF YOU WANT THE REAL INSIDE STORY, TALK TO TOM BLACK.

THANK YOU.

GARY W. MCQUAID

Parents: David Murrie (1845-1910)
Born: Motherwell, Scotland
Emigrated to the U.S. - 1854

Amanda Horne Murrie (1844-1909)
Schellsburg, PA
Sister of Pittsburgh Merchant Joseph Horne

Wife: Sara Maitland Shearer Murrie
Born: January 3, 1874 - Frostburg, MD
Died: November 2, 1936 - Hershey, PA

Children: W. Malcolm Murrie (1903-1936)
Esta Murrie Clevenger (1904-1967)
Marion Murrie Dewolf (1906-1982)
R. Bruce Murrie (1909-1978)
Richard W. Murrie (1917-)

Born: Mann's Choice, Bedford County, PA
March 25, 1873

1890: Telegrapher: Western Maryland Railroad

1891: Dispatcher: Western Virginia Central RR

1893: Salesman: Weaver & Costello Candy Co.,
Pittsburgh, PA

HERSHEY CHOCOLATE COMPANY

1896: Salesman, Lancaster, PA
1903: General Manager, Hershey, PA
1908: President

1923: Chairman, Cocoa & Choc. Mfrs. of America
1927: President, Hershey Estates
1947: Retirement

Died: September 7, 1950, Plainsfield, N.J.
Interred: September 11, 1950, Hershey Cemetery

Personal: 6' 1" Redheaded Scotsman; Democrat;
Methodist by upbringing; Catholic
Convert; Cigar-smoker; Baseball Player;
Sports Fan; Dedicated to his family.



William F. R. Murrie
President
Hershey Chocolate Company
The Inventor's Implementor
1873 - 1950

"OUR FOUNDER'S VALUES"

by Rodney Gingerich
Milton Hershey School
November 14, 1983

In my presentation to you today, I would like to elaborate on some of the many different attributes which I believe Milton Snavely Hershey valued most highly in an individual.

I would like to start by presenting you with a list containing those values Mr. Hershey himself believed in so highly. He had a dream for his school, that each and every individual who passed through the doors of his great institution would set for himself the high standards of self-discipline -- the key to every man's success.

Though the order I present my list to you may not be in the same order that you would have them, I believe all of us here today regards each of them just as important as the next. In my experience at Milton Hershey School, these are the attributes I believe Mr. Hershey valued in any individual: friends, hard work, responsibility, honesty, loyalty, moral and religious training. He believed that individuals could earn their own livelihood through the building of sound economical habits and, most of all, the acquisition of basic educational training.

Being a most grateful beneficiary of Milton Hershey School and having spent little over 10 years of my life here, I can honestly say the attributes I consider first and foremost and value most highly in the Milton Hershey School is the closely knit and tightly bonded friendships formed there.

I, like many other students, believe that without friends it would be, at times, a fruitless effort and, at worst, impossible to overcome as easily as we do some of the obstacles we, as students, often encounter. I personally have encountered a number of such obstacles during my years at Milton Hershey School, and I truly believe that, if it weren't for those individuals I call true friends, I don't think I could have overcome them as easily. The description I can give to best relate my feelings toward the type of friendships gained at Milton Hershey is taken from the second verse of a song, "Song of Friendship," sung by the Milton Hershey Glee Club, which is as follows: "True friends are like gems, yet more precious, for gold cannot buy them away; come sorrow and pain, come the wind and rain, there by your heart they will stay; hard luck drives away the pretenders, the fair weathered friends disappear, but true to the last, good old pals stand fast, always the same in friendships name."

The same holds true of Milton Hershey's life, for if it weren't for the dedication and most sincere friendships earned from such individuals as Percy Staples, D. Paul Witmer, John Snyder, George Copenhaver, and Samuel Hinkle, he too may not have easily overcome the many obstacles encountered in his struggle for humanitarianism. I'd like to think that you could agree with me in saying that "friendship" is an attribute that Mr. Hershey regarded highly and treasured most in an individual.

The next two attributes are so closely related that I would like to present them to you as one, for I believe that you can't have one without the other. These are the attributes of hard work and responsibility. To perform any task, whether it be great or small, an individual must first accept the responsibility to do so. Then, once he has accepted that responsibility, to accomplish it in any respectable manner, he must work hard. From all my readings on Mr. Hershey, I have reason to believe that he valued these two characteristics more than any others. Here are examples of my findings. Mr. Hershey, in a special article written in the Harrisburg Evening News on September 7, 1938, was quoted as saying, "I have always worked hard for my living. I want to continue to work as long as I am physically able. I have only one desire in the remaining years allotted me, to see that the people of Hershey, including my employees, shall receive everything that I could possibly do to make, not only their place of living, but their lives more pleasant." Another example of Mr. Hershey's acceptance of responsibility and continued hard work is taken from an article written for the Hershey Magazine in November, 1979, by Barbara Elliott, when she quoted the late Dr. Paul Wallace, co-author of Milton Hershey, as saying, "Milton Hershey was human -- he had his faults, but, in general estimate, it is right to say that he stands out as a supreme example of a man who transmuted his misfortune into philanthropy."

Not only are these qualities true of Mr. Hershey in his quest for success through acceptance of responsibility and performance of hard work, but they are ever present in today's changing society and closer to home in the area of Milton Hershey School's daily chore program. Every student, grade 1-12, is given certain responsibilities and tasks to perform; this is an important part of the educational program. Students are taught to realize that these two qualities of responsibility and hard work are ever present in their struggle for success and self-improvement.

During one of the very few interviews Mr. Hershey granted, he was asked what his recipe for life was. In reply he said, "Well, I don't know that I have a recipe. I have always worked hard, lived rather simple, and tried to give every man a square deal." He also added, "For as long as I've been in business, 62 years, you can't cheat, lie, and steal and continue to stay in business."

With that, I lead into my next topic, honesty. Honesty is a virtue which I believe, if practiced in its full sense of the word, will produce a more prosperous and successful life. While having the Deed of Trust drawn up on November 15, 1909, Milton and Catherine Hershey had engrossed in this document a number of their personal values. These included the philosophy that each student entrusted under the care of Milton Hershey School could and, through sound and proper training while at school, would some day build sound economical habits, enabling him to earn his own livelihood.

Another principle which Milton and Catherine Hershey inscribed in the Deed of Trust was that each student be prepared for life by being given proper moral and religious training to help him lead a more meaningful life.

And last, that principal quality which I feel Mr. Hershey may have valued above all others -- education. Though it is said that Mr. Hershey's formal education was about the equivalent of the fourth grade level, I believe by establishing the model educational institution, he fulfilled his dream, that not only through the proper educational training, but through proper moral and religious training as well, each individual who learned from these teachings would enhance his own livelihood and, by doing so, would fulfill that dream Milton Hershey had of properly preparing students for life, in all of its many aspects.

For these and many more reasons I am proud, but above all grateful, to be a beneficiary of this great institution, Milton Hershey School. And now we are ready to observe another founder's day marking, the 74th anniversary of the founding of Milton Hershey School. Times may change, but the qualities remain as important today as they were 74 years ago, when the school was founded. From his life, the life of Mr. Hershey, we have learned the values of friendship, hard work, responsibility, honesty, loyalty, and adherence to moral principles. These values remain important today and do not change amid a changing society.

I'd like to close by presenting to you a slide presentation, along with words and music written by David Plaine (a graduate of the class of 1966), and recorded in a studio in Dallas, Texas. The song is entitled, "Bringing the Spirit Back Home." I'm sure you will agree that Mr. Plaine has summed up in his composition those feelings all of us here today have toward this great philanthropist, as a loving and, above all, caring man. In my mind, the greatest humanitarian ever to live, Milton Snavely Hershey.

SAMUEL HINKLE

"THE CHEMIST"

By Dr. Graham Jeffries
Rotary Club "Hershey Heritage Series"

November 21, 1983

Sam Hinkle graduated from Penn State in 1922, with a degree in chemical engineering. He worked for two years in Canada before coming to the Hershey Foods Corporation. I asked Sam what he did as a chemist. His appointment in 1924 was as a chief chemist and in charge of research. And he told me that he was responsible for analyzing the quality control and analysis of the various components that went into chocolate for the various kinds of products -- and also for the development of many of these products. During the period from 1924 to 1947, he was largely responsible for the development of several of the best sellers, including Krackel and Mr. Goodbar. I believe he was also responsible for not developing several other products -- I understand that Mr. Hershey had some rather surprising ideas, such as, putting onion in cocoa. Sam, who was the taste tester, rejected several of these ideas, and I'm sure that was for the betterment of the company.

I think perhaps in this period as chemist, his biggest contribution was in wartime. Obviously, I was not very familiar with this. It was only the regular Hershey bars that came to New Zealand that introduced many servicemen, who were on R & R from the South Pacific in Auckland, to various delights around Auckland. But the rationed D Bar, produced by the company, to taste like -- I don't know how chocolate could taste like this -- but to taste like a boiled potato. I suppose that's so. They would always be used only in an emergency. They were shipped in the billions overseas throughout the world. And this was, in collaboration with a chemist from the U.S. Army, one of Sam's major contributions to the war effort, utilizing the resources of the Hershey Company, both the cocoa as well as the sugar from Cuba. That really ended the period of Sam's activity as a chemist.

Sam Hinkle clearly was particularly interested in production, and it's not surprising that in 1947 he became production manager. This really starts the second period of his career -- as production manager and company executive. It's clear that the company really went through some major advances during this period. There was some reorganization. Sam was responsible for bringing in many of the people who followed him. Actually, I'm sure he nurtured them, and, thus, provided continuing leadership in the company. This, perhaps, is in large part a measure of his ability as a business administrator. Mohler, Dearden, and Zimmerman were all directly introduced to the company by Sam Hinkle.

The other thing that occurred in the company during this period was major developments -- the expansion to two additional plants, one in Canada and one on the West Coast and the acquisition of the Reese Company. This was a period of significant expansion for the company, which was thriving in this postwar period.

The third facet of Sam which I came across really occurred during the period of his presidency with the company -- his ability as a man of vision. Sam had a dream for many years -- to expand the philanthropy that has been started by Mr. Hershey into areas other than the Milton Hershey School. Sam feels that his role in the development of the Medical Center is his major contribution, and I suspect that may prove to be the case over the years. This was Sam's dream. Apparently, the dream was put on paper, presented to the board in the late 50s or early 60s, and presented to the president of Pennsylvania State University, President Walker, in 1963 -- just 20 years ago. Actually, the famous telephone call did not mention \$50 million, but \$50 million was the amount that was transferred. President Walker's first comment on being asked did he want a medical school was that there wasn't a nickel in the State for a medical school. However, he softened somewhat when he heard the generous offer from the Hershey Interests. Thus, the Milton S. Hershey Medical Center emerged.

I should point out that Sam played a significant role in the subsequent development of the school. He was on the committee that selected the first dean in the search committee. The fact that we had George Harold, to which our development has been responsible, is part of Sam's vision ability in selecting people who can develop and do a job. Likewise, Sam is a member of the Board of Trustees at the Pennsylvania State University. For some period, Sam was chairman of the Hershey Medical Center committee and provided major leadership at a time when the center was still growing, when it needed continuing nurture. His leadership again was very important in the development of a first-rate institution.

Sam was honored by the University long before the Medical Center. In fact, back in 1957, he was honored as a distinguished alumnus by the University. Many other institutions have also honored him. It is significant that the major research society that meets three times a year is the Hinkle Society, and we're delighted that Sam attends many of these meetings in which many issues of medicine are discussed. Sam is a university trustee, and clearly he has played a role in the guidance of a major university, Penn State, and in the development of programs outside the Medical Center.

The next facet is Sam as a community leader. Sam has been a member of many professional societies, as one would expect, and also a member of many service societies -- member of the Harrisburg Hospital and Gettysburg College boards. He clearly has used his position of leadership and his talents to develop programs, particularly for young people and people who are in need throughout this broader community. He is a member of the Derry Presbyterian Church, in which he was involved in the recruitment of their current pastor, 25 years ago, and served as an elder in the Presbyterian Church.

Finally, I want to comment on Sam as a person. I have known Sam since his retirement in the last 15 years. I find him to be a sensitive person, interested and concerned about people. I think this has been expressed throughout his career. He has a remarkable sense of humor, even at times of adversity. Perhaps I have not experienced the times when his sense of humor was most developed, but one still sees the smile and the comment that illustrates this.

He has a sense of history. He loves books. For a Pennsylvania Dutchman, I was surprised to find that he was particularly interested in England and English history. I find more books on England on his shelves than on the shelves of many others who have a closer tie in England. I think a sense of history has been important in his development, and it expresses, to some degree, his breed.

The full measure of Sam's accomplishments are best reflected by the kinds of opportunities and the environment that he has helped to create in the Hershey Foods Corporation, Derry Township, Penn State, and Medical Center. He's permitted them to grow. For people who are ill, he has helped provide an environment where they might be healed. This is the measure of his accomplishment.

Through his efforts, the heritage, our heritage, started by Milton Hershey has certainly been advanced. Sam, we honor you for your accomplishments, for the example you have set for others in all the fields in which you have worked. I want you to know that we love you and pray for you and Peggy at this time.

Thank you.