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Narrator: Gilbert Nurick  
Date: July 6, 1989  
Interviewer: Richard I. Bacastow  
Interview #: 89OH04  
Interview #: 1 of 1  
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Bacastow: Mr. Nurick is "Of Counsel" with the law firm of McNeese, Wallace & Nurick, located in Harrisburg, Pennsylvania. Gil is a former member of the Board of Hershey Foods Corporation, Hershey Trust Company, The M.S. Hershey Foundation, and the Milton Hershey School. His law firm was the primary law firm providing legal counsel to the various Hershey entities for many years, and is currently engaged in many facets of Hershey's legal matters.

Gil, to begin our interview, could you tell us a bit about your background and how and when you became affiliated with Hershey? Incidentally, where is Hickory Corner?

Nurick: Hickory Corner is a little village a couple of miles from Dalmatia, Pennsylvania. Dalmatia is on the east side of the Susquehanna River on the way to Sunbury. It's in Northumberland County.

Even stranger is the question of how my father came here from South Africa, met my mother in Harrisburg, also an immigrant, they got married and they settled in Hickory Corner, Pennsylvania. But that's not germane to this particular interview.

Bacastow: You were the first outside member of the Hershey Foods Corporation Board. It was Hershey Chocolate Company then. Can you tell us what brought this about?

Nurick: I'm not sure I was the first outside member. I think Bill [William H.] Radebaugh was on the board. Bill, as you know, is from New York. He was corporate counsel and counsel in many other areas for Hershey Chocolate at that time, the Trust and the school. Bill Radebaugh was on the board of Hershey Chocolate Corporation, and when he retired, Mr. [Sam] Hinkle, with whom I developed, as you know, a very close friendship and relationship, asked me if I would be available to take his place on the board. So I suspect that you'll find that Bill Radebaugh was the first outside member, and I succeeded him.

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Bacastow: In retrospect, what do you think brought about the admitting of outsiders, the introduction of outside board members to the Hershey Chocolate or Hershey Foods?

Nurick: Of course, I don't know what led to Mr. Radebaugh's appointment, except that he was held in very high regard by Mr. Staples and everybody else who came in contact with him. He was a very fine lawyer from a very fine New York law firm. From a professional standpoint, I've always regarded Bill as a very competent, as well as a very gracious, attorney. So I suspect that Mr. Staples, who knew Mr. Radebaugh well and who had very few close associates, as you may remember, that he's probably the one who was responsible for Mr. Radebaugh being on the board. Since he retired as counsel and I was counsel for many Hershey matters at that time, and since I had a very cordial relationship with Sam Hinkle, I suspect that that's why he gave me the privilege of serving as a replacement for Mr. Radebaugh.

Bacastow: Do you think the increase in governmental regulations or statutes as they effected business in general, and specifically Hershey Chocolate, would have created a need for that?

Nurick: Well, this leads, Dick, to a broader question. Sam Hinkle, at that time, asked me whether I thought there was need for an in-house legal department at Hershey Chocolate, and indicated that if I were interested, why, he would be glad to consider me for the appointment. I told him at that time that I really didn't think it would be economical or efficient for the corporation, because you need a whole staff, you need a library, you need all the extra overhead, and you wouldn't get any better combined service.

Now, since that time, federal laws have just abounded in almost every segment of business operations. Hershey has been through a number of acquisitions, and it just made sense in subsequent years to develop a legal department within the corporation. But at that time, it seemed most efficient, from the corporate standpoint, to continue with Mr. Radebaugh as corporate counsel and with us as labor counsel, which were the two main facets of legal concern of the corporation.

Bacastow: That raises a point I don't think we touched on. When did McNees, Wallace & Nurick enter the Hershey scene? Can you pinpoint that date somehow?

Nurick: It happens in a couple of contexts. One of the original partners of our office was Charlie Hollinger. The original name was McNees, Hollinger & Nurick. Hollinger was known as one of the finest corporate procedural lawyers in the state. He had been chief of the Bureau of Corporations for 30-some years. I

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know that either Mr. [John E.] Snyder or Mr. [Charles] Ziegler had contacted him with respect to the merger proceedings that resulted in the creation of Hershey Estates. Well, that would run way back and would have no relationship to the ultimate retention of our office for any affairs of Hershey Chocolate, the predecessor named Hershey Foods.

With respect to Hershey Chocolate and Hershey Foods, my recollection is that we were retained solely as labor counsel sometime during the war. I was away from 1943 to 1945 in the U. S. Navy, and when I returned, I recall Mr. McNeese had a heart attack, and I was called in to substitute for him in some labor matters. That's how I met Sam Hinkle, who was then plant manager, as you well remember, having been part of the negotiating team.

From there on out, we represented all the Hershey interests in labor matters. It really wasn't until the Cy Pres proceedings in 1963, which led to the establishment of The Milton S. Hershey Medical Center, that we had a much broader contact. It's the first time that I knew anything about the financial status of the trust or the operations of the school or the intimate relationships and the interlocking facets between the trust, school, and what was then known as Hershey Chocolate Corporation.

After the Cy Pres proceedings, I strongly recommended to the trust that they ought to file an account in Orphans' Court. While trustees were not required to file accounts, it was a highly desirable thing to do, because by filing the accounts and carrying it through to confirmation by the court, the trustees were absolved from any liability for the handling of the funds for that period. The difficulty was that no account had been filed. The trust was started in 1909, and we started talking about filing account around 1964 or '65. So I was asked then if I could take on the trust matters with respect to that and certain other matters they had. When I say "I," we had a young lawyer in the office by the name of Jack Riggs, who, unfortunately, died very young, who was enormously helpful in all of these matters involving the trust and what was then known as Hershey Estates.

We had a problem there, Dick, because how do you file an accounting of all receipts and all disbursements for 60 years? So we came upon the idea that what we'd try to do is get a waiver from the Supreme Court covering the first 50 years, and taking the annual statement of Arthur Anderson at the close of the first 50 years, which would be '59, then file the annual accounts each year after that.

Through cooperation of the Attorney General [Walter E. *Alessandroni*]--and, as you know, the Attorney General was the exclusive representative of the public in all matters affecting public charities in Pennsylvania--through his cooperation and Judge Swope's consent--Judge [Lee F.] Swope was the President Judge of the Orphans' Court that had jurisdiction of our trust--we were able to present a petition to the Supreme Court asking for the waiver, and the Supreme Court granted it.

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Then we've been filing accounts every year since then, I understand. At least when I was active, that was the thing. These are filed with the Orphans' Court, and a public notice given of accounting to be held in public. There's never been an exception filed, so far as I know, and they've all been confirmed.

That brought me in contact with the legal work and its structure and fundamental problems of the school and the trust, and that led to a lot of other problems. We had the question of amending the trust to make it possible to admit children of less stringent eligibility requirements, where neither the mother or father was dead, extending the age limits, and ultimately to permit the admission of blacks and, subsequently, females. We have done a lot of work, and I guess we're almost exclusive counsel for the trust and the school. At the moment, Rod Pera, who is the managing partner of our office, is in charge of all of those services. He's on the board of both the trust company and the school.

But that's the way we were introduced into those elements of the Hershey situations.

Bacastow: I don't want to get into detail, but at that point did you get into the Hershey Estates, or HERCO, as it's known today? Will you get into that aspect of it? Is that how you filtered into that?

Nurick: We got into HERCO just as we did Hershey Chocolate, first in labor matters only, then as we did more and more for Chocolate and the school, then more and more for Hershey Estates, now called HERCO.

Bacastow: How did you coordinate them? Did you coordinate those activities from your office--HERCO, trust, and Chocolate? You were the spearhead, obviously, during those years.

Nurick: Well, I don't know how obvious that was, but I was on the board of both Chocolate and the trust and the school, never on the board of Hershey Estates, as it was known then, or HERCO. I think you're giving me much more credit than I deserve, Dick. I didn't coordinate, but I was very sensitive to the question of when and where a conflict of interest might arise. We did everything we could to assure that that would not influence the thinking of one with respect to the other.

Bacastow: I guess what I was getting down to was procedural-wise in your office. You must have met with the various legal representatives and coordinated from that point of view.

Nurick: Oh, yes, we did. I may have been the starter, but there have been a number of people in the office who have done work. As you know, Norman White now does the labor work for Hershey Foods. Tom Menaker used to help; he's now retired,

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you know, from the practice of law. We've had people in the office who handled securities work. Rod Pera has handled, in recent years, a great deal of it. Way back--I say "way back"--Sam Schreckengast was in the office. He used to be it. But the word "coordinate" is the word that confounds me a little bit.

Bacastow: Maybe I chose the wrong word. I sense that you were the facilitator of a great deal of the legal activities.

Nurick: Well, I was active in most phases of their work for years, as you know. You were part of the labor team. I did that for Hershey Estates at the time. The trust never had a labor problem. In fiduciary matters, when it came to the accounting and all, I started. Dick LeFever followed through. Incidentally, he's very knowledgeable in the fields of fiduciary law and trust. We've had others in the office who have handled securities. Of course, Rod Pera, who currently carries the burden of primary responsibility, he delegates a great deal, because it would simply be impossible for one person to do the job.

Bacastow: Could we get back to the Hershey Chocolate or Hershey Foods? We mentioned earlier in the interview, the acquisitions. Can you elaborate a bit on your involvement with the Reese acquisition, which was the first one?

Nurick: Well, Sam Schreckengast, who was a partner in our office and later, as you know, vice president and general counsel of Hershey Foods, was counsel for H.B. Reese Candy Company. When the officials of Hershey and Reese got together and talked about acquisition, we realized that there would be clearly a conflict of interest, and suggested that we ought not be on either side. After discussing it for a while, they decided that Schreckengast could represent the Reese interest, and Bill Radebaugh would represent the Hershey interest in negotiating the agreement. That's perfectly ethical, where both sides fully understand and consent to the arrangement. That was the extent of our involvement. It was not for Hershey; it was for Reese.

Bacastow: I see. Were you advising Sam Hinkle in those days? You were a pretty close confidant to Sam.

Nurick: Sam ran many things by me, not always in agreement, but he would frequently ask me to drop in, and I'd sit there a couple of hours. Really, I developed a great affection for the guy. As you know, he was a real human being, and he viewed many problems not in a sophisticated, crusty way, but in a way, "Does it make sense? Intuitively is it the thing to do? Are we being fair?" This always was a problem with Sam.

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The Canadian plant was not my idea. I didn't know anything about the origin of it. But he did ask me one time in one of our conversations, of what did I think of starting a plant in Canada. I told Sam I'd have to have a lot more information than that, but I thought basically if they wanted us, because at that time the Canadian Government was antagonistic toward foreign investment, although the local communities were anxious to get plants in order to provide employment. So I was not a major consultant in that, Dick. He ran it by me, and I think he'd have gone ahead regardless of what my reaction would have been.

Bacastow: Do you recall why they went to Canada, rather than going some other place in the United States? Any rationale for that?

Nurick: No, I don't. I don't recall it. I was very much for the western plant. Because we had much more detail and I had something of a background in transportation, which was a real problem. The economies and the efficiencies that you could accomplish by being in that area, I had more input in the California plant than I did in the Canadian plant.

Bacastow: Is that the same with the L.D. Property acquisition, the almond groves?

Nurick: Well, I think that resulted primarily from the fact that we felt that the almond growers were really gouging Hershey. All the almonds in this country, if I recall correctly, are grown in California. A lot of almonds are grown around the world, but the Californians were so influential politically that they had such duties on them, you couldn't afford to import them. On an occasion or two, Sam felt--and I'm sure that Harold Mohler and Dick Uhrich, who was more in the procurement end than the rest of us--felt that they would hold out until they got the biggest price they could get from Hershey. Then they unloaded the surplus at whatever price they could get.

The best response to that seemed to be to grow our own almonds. So a number of us went out to California under assumed names, and started acquiring some real estate.

Bacastow: Who joined you on that tour? I think I heard something about that.

Nurick: I was on a different tour, but Bill Schiller was out on one, and Sam Hinkle and Bill went out together. I do remember part of it, where somebody forgot that my name was not supposed to be Gil Nurick out there. [Laughter] But we assembled--what was it?--5,000 acres or so?

Bacastow: Ultimately.

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Nurick: Yes.

Bacastow: How about the acquisition of the pasta? Were you involved in that?

Nurick: Not as much as I'm given credit for. The broker for San Giorgio was a chap whom I knew well at that time, Ed List. He's the one who approached Hershey about it. He talked to me to see if I thought Hershey might be interested and who he should see. Beyond that, I had very little to do with it. But it turned out to be a great thing.

I did have something to do when ultimately there was some talk about our disposing of our pasta operations, with which I did not concur. [Laughter]

Bacastow: You indicate, then, as you recall, that pasta operation or some of the acquisitions were for short term, and that's rather the long term?

Nurick: No. I think that when they were originally acquired, they were acquired with the idea of diversification. That's part of a long-term strategy. I think that by that time, Sam Schreckengast was becoming more and more active in the handling of Hershey affairs, and I think he handled San Giorgio. I know that he handled the details of the Delmonico acquisition, which came not too much later. My understanding was that the entry into the pasta field was designed as long-term strategy, as a diversification factor, so we weren't wholly dependent on cocoa beans. The fact that San Giorgio had a good reputation in the market, the fact that they're located so close to us and they're well managed, I think all of these were factors which led to acquiring them. But I have a hunch that Sam Schreckengast can probably give you much more detail on the pasta end than I can.

Bacastow: You don't recall who was the prime-mover in those transactions, from the board point of view or the Hershey interest?

Nurick: No, I don't. I do know that I introduced Ed List to Sam [Hinkle] and Harold [Mohler], I think, and maybe Bill Dearden. I'm not sure.

Bacastow: Gil, in the acquisitions, how about the Cory and Portion Control? Were you involved with them? Was your law firm involved in those?

Nurick: Yes, I think we were involved in them. I was not personally involved in the question of whether to acquire them. I was on the board, and whatever would be recommended by the leaders, I had sufficient confidence in the officers of the company at that time. But after the deal was consummated and I first met Norman Chapman, I had very serious doubts about him. I figured him as a



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questionable character with respect to integrity, and at board meetings I was rather tough with Norman because of some of his tactics, reports and so forth.

Bacastow: February 1968, Hershey Chocolate Company became Hershey Foods. Did you have any involvement in that?

Nurick: I think we handled the legal proceedings for the change of name. I don't think we had any unique contribution toward the decision, but as you well know, the decision was the fact that we were no longer limited to chocolate. We were in pasta. I think at that time we also had David and Frère Biscuit Company in Canada, and it was just to show the broader scope of the Hershey operations and the overall plan of broadening our activities in more foods all the time, and we have.

Bacastow: I guess I'm trying to get on record, in all these acquisitions, including David and Frère, the Canada plant, that your law firm was the primary legal counsel in those transactions.

Nurick: I believe we were, but I think that Sam Schreckengast was the representative of our office who made that. The Canadian acquisitions, I'm sure, I'm positive that he retained Canadian counsel as co-counsel, as you would do, but Schreckengast would be in much better position, because I'm pretty certain he was the active one in handling the acquisitions.

Bacastow: The person we were thinking about was Norman Chapman, who was President of Portion Control.

Nurick: That's right. He was no damn good.

Bacastow: Gil, I recall you cited for us how you became affiliated with Hershey. You reported to whom, and then ultimately who was the person you interacted with mostly?

Nurick: Sam Hinkle, mostly, until he retired. Then the usual officers, the chairman and the president. Of course, by that time I knew them pretty well, when you had Schiller and Mohler and then Bill Dearden and Dick Zimmerman.

I guess I told you the story about Dick's employment here.

Bacastow: Go ahead. It would be interesting for the record.

Nurick: When Sam became president, I used to drop in his office, always at his request. That door was open and it was friendly. I'd see the mail piling up on his desk, and

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I'd say, "My God, Sam, why don't you get an administrative assistant to handle this mail, to answer what can be answered? You have Harold Mohler in the production end, an engineer, very able, knows the operation, but you need somebody in the administrative end who can handle all this stuff for you." "Good idea. Have any suggestions?" Well, I said, "I'll look around."

Well, he looked around, and Dick Zimmerman was then, I think, a loan officer at what was then the Harrisburg National Bank and Trust Company. I happened to be on the board. [Laughter] I think it was Sam who came upon Dick's name, and he suggested that Dick might want to talk to me to see what I thought about his coming to Hershey. I remember Dick coming up to the office, saying, "If I go to Hershey, do you think I'd have a future there?" [Laughter]

Bacastow: Gil, maybe you could specifically, or in a general way, however you prefer, talk about some of the characteristics, and qualities of the various people. You began with McNees, Wallace & Nurick somewhere around '31. You graduated from Penn State in '28 and Dickinson Law School in '31. Did you know Milton Hershey? Did you interact with him at all?

Nurick: I met Milton Hershey once in an adversary capacity. When I started practicing with McNees, that was the depth of Depression, 1931, and at that time Hershey was building the Community Building. The elevator contract was given to the Gurney Elevator Company. They subcontracted the elevator doors to the Dahlstrom Metallic Door Company.

One day Mr. McNees referred to me a letter, asking if we would represent the Dahlstrom Metallic Door Company; they hadn't been paid. Because the Gurney Elevator Company apparently had gone belly-up. I checked on the records and found that no stipulation against liens had been filed, which means that material, men and subcontractors could file a lien against the building. I wrote a letter to Hershey Estates and I got a call that Mr. Hershey would like to see me. Sure, I was thrilled, because I used to sell his penny chocolate bars in our grocery store when I was a kid.

I came down, and he was there with John Snyder, who was his trusted lawyer and good right arm. I'll never forget it, Snyder with an unlighted cigar and Hershey with a lighted one, and we talked about it. They asked me could I give them any reason at all why, if they paid the contractor, they should have to pay again. I told them it was rather unfortunate for them that they hadn't filed this stipulation against liens, because if they had, then Dahlstrom Metallic Door Company would have been on notice of that record, if they would have looked, and would know that they were taking a chance.

So I remember Mr. Hershey looking at Snyder. I believe he called him "Judge." He said, "Judge, why didn't we file one of those things?"

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Snyder replied "I'll have to ask Charlie." Charlie was Charlie Ziegler, who used to do the real estate work and some legal work for Hershey Estates.

Bacastow: He was not a lawyer, I don't think.

Nurick: I don't believe he was. Snyder was. That's my first contact with Mr. Hershey. And he paid us.

Bacastow: Any particular impressions of those two men at that time?

Nurick: Well, Mr. Hershey, of course, had already developed quite a reputation. We had a little grocery store, and sold a lot of Hershey bars. I was really thrilled to meet him. My impressions were that Snyder was a typical Dutchman. He didn't say anything that he didn't have to say. Mr. Hershey spoke in a very soft, rather high-pitched voice, if I remember correctly. But my impression was that they made one hell of a pair. [Laughter] They could need each other very well.

Bacastow: I think we'll stop here and just take a break!

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Bacastow: Gil, would you like to tell us something about your view of the qualities and characteristics of Sam Hinkle; with whom I know you had a great deal of respect and a close relationship; and Harold Mohler; Bill Schiller; Dick Zimmerman; and Bill Dearden, if you care to?

Nurick: Well, if you'd have started with Staples, you would have started at the beginning of my relationship with Hershey.

Bacastow: We could include Mr. Staples, certainly.

Nurick: Well, I could never understand him. I think one of the reasons was that he didn't want anybody to understand him. He was an engineer, conscientious, but he was woefully lacking in that human quality of warmth that you like in people. The most dramatic relationship I had with him was after the strike of 1953, which you, having participated in, know was a pretty rough thing operating the plant for about a month during the strike. He was in the hospital in Philadelphia.

When the strike was over and it was all settled on a basis that we considered quite favorable to the Corporation, I happened to be in Philadelphia, had about an hour and a half to train time. So I went over to the hospital and sent up my name to him, and said I had available time if he would like to see me. His nurse came down and said, "He very much would like to see you." I went up, and

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that's about as warm and as cordial and as candid as I have ever known him to be. He wanted to know just how things worked out, expressed his gratitude for the operations of his people during that time, and so forth.

But he obviously was a man, Dick, with either a tortured mind or an isolated feeling. I understand that he probably had been undergoing either psychological or psychiatric care at the time. But his way of management left a lot to be desired. He did not have a vice president, because he hadn't made up his mind yet. If you had contending forces, you would have thought that Sam Hinkle and Les [Lester] Majer, and by sheer coincidence, they were next-door neighbors, their homes, and I suspect that they didn't have too much love for each other, either. I still have the suspicion that his ultimate plan was to bring somebody from outside, and the gossip was that it probably would have been Bill Radebaugh. Radebaugh was a fine lawyer, but I question very much how effective an executive he would have been in a position of this sort.

Now, with respect to Sam Hinkle, as you know, he and I had a tremendous friendship. Sam was a soft and sensitive [man], although he tried very much not to show it at times. I think that Sam did a great deal to humanize the positions of the executive and administrative staff. I think that previously, Mr. Staples had regarded them more as inferiors, not quite serfs, but "don't spoil them by overpaying them," this sort of thing. Sam ran a good plant and it was his idea to bring in another generation of engineers. As I recall, he brought in four--Mohler and Smith and Bob Schock and Don Chubb, who was an electrical engineer from Lafayette. That decision to bring in a new generation of engineers proved to be very desirable.

One of the problems I felt Hershey had was when Mr. Gallagher was in complete charge of sales and he wasn't looking at market share; he was looking at margins. That could have proved disastrous at the time. So long as he was chairman of the board, there wasn't too much you could do about that. But subsequently, I think it was Sam who decided he had to make some drastic changes and won. Finally, Bill Dearden was brought in, and when Bill came in, the whole attitude on sales changed. It became professional--test marketing and the determination of market share, new products, training of salesmen, incentives, and things of that sort.

Mohler was solid, sincere, knowledgeable, particularly with respect to the production things, and one of the most likeable persons I ever met. I never knew so many people who liked a person as much as they did Harold in almost every avenue of the public. He had a wonderful sense of humor, too.

Schiller is a little bit different. Schiller came up with an accounting background. [Laughter] He's much more anxiety-stricken than Harold, but the two together made a good pair. I was hoping Bill Schiller would outgrow some of his worrisome traits, but even though he's a couple of years younger than I am, I don't think it's going to happen. But a great guy. I think Hershey's been very

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fortunate that where they've worked in tandem, that Sam and Gallagher or Harold and Bill, Schiller and Dearden and Harold, and on down to the present management, where they worked in tandem they truly cooperated. There didn't seem to be the type of jealousy, there didn't seem to be an attitude of competition for the same position or jealousy. So I think Hershey's been very fortunate in that way.

Bacastow: Would you like to comment and follow through with Bill Dearden and Dick Zimmerman? You did touch briefly on Dick, I realize that.

Nurick: Yes. Well, so far as I know, Bill was chairman and Dick was president. Bill retired quite early. Bill, I think, is just a fine fellow, steeped primarily in marketing and sales. Dick is an overall executive who is a doer, but I don't know if there's any irritation or conflict between them. I doubt it very much. I don't know.

Bacastow: I would think they possessed the qualities that you looked for in Hershey Executives. I know, you knew Dick fairly well.

Nurick: Oh, yes. I've always felt that Bill came to the job with, number one, a very strong devotion to the Hershey concept and to what Milton Hershey had established and what the mission was; number two, with respect to the importance of marketing and sales; and number three, I think in administration, Bill is a very human, very sensitive, very decent guy. So I think Hershey's been very fortunate in the type of executives it's had.

Bacastow: Great. While we're on leaders and leadership styles and characteristics, would you mind at this point saying something relative to Arthur Whiteman, who was on the board with you? And maybe Jim Bobb.

Nurick: Well, they were on the board as really representatives of the school trust, which was the major shareholder. Whiteman was a very knowledgeable banker. He very seldom said anything, but he had a good head. Arthur intuitively knew what was right. He was very polite, he very seldom interfered or intruded, unless he really had something to say. He was soft-spoken. He was not too well during any of this period, but always wanting to do what he thought was best for the Hershey interest.

Jim Bobb, again, was there as the representative of the major stockholder. I was not on the board when Jim was; I was on the board with Arthur. But I presume that Jim would be a little more outspoken than Arthur would have been. Arthur was rather reticent, Jim more apt to make his thoughts known. How much he contributed to the board, I don't know. In my days, when the officers had

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made up their minds on something, there was very little likelihood of opposition. Today, I don't know. You have a lot of outside members with tremendous experience of their own.

Bacastow: That raises an interesting question procedurally about the board. Did I understand you to say that when the officers of the company made a decision, the other ones pretty well fell in line? They were the motivators and they were the ones that made the decisions.

Nurick: Pretty much so, although I don't mean they sprung it on the board. Usually if it was anything of substance, they might call the members of the board, not just certain members, but all of us. "We're thinking about this. Do you have any thoughts?" But since you had only one "outside" member on the board, this is something they'd be discussing in-house for a long time. I very seldom found reason to oppose what they wanted to do, except on a couple of occasions when I found it quite possible to disagree without being disagreeable.

Bacastow: Would you care to cite anything?

Nurick: Well, on one occasion there was talk about disposing of our pasta business. This is when we had only San Giorgio and Delmonico Co. I think a couple of members of the board felt that might make sense, and maybe the majority felt that way, but I thought it would be a mistake. I felt diversification was desirable, diversifying into a foods category was the way to go, that here was a product that had a fine franchise in the market, although the market was rather narrow in that territory. The management had been good and the supervision would be quite easy, since the plant was located only minutes away. I felt then that, "If we're going to diversify, let's build the pasta instead of unloading it." Whether because of that feeling that we didn't sell, or whether it was because of other factors, I don't know, but never was there any abrasiveness. You could say your viewpoint and nobody felt insulted.

Bacastow: One question about the Hershey Foods-Hershey Chocolate relationship. What was probably one of your several outstanding memories of your relationship, the most exciting, with Hershey Chocolate and Hershey Food?

Nurick: I would have to say that it would be an event with which you're familiar. I think the strike of 1953 was about as stirring, exhilarating, and distressing experience as I've ever had. The dealings with the union attorney, whom you'll remember, was very theatrical, a man exactly my age, with high blood pressure, too, and frequently used to say that, "If we don't calm down, one of us is going to die soon." Well, he did die soon. But that whole experience, including the spectacle

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in court when we were being sued for a couple of million dollars, he had a bull whip in there, then the fact that when we really had them on their knees and they wanted to meet over the weekend, we wanted it to go just a couple more days, not to embarrass them, but because we felt it would be easier to integrate the return. We were fortunate enough that I had the excuse of my son's Bar Mitzvah that week. My God, that was 1953 that Herb was Bar Mitzvahed. Herb Syme, the attorney for the union, could well understand why I would regard that as top priority. As a matter of fact, I invited him to attend it. [Laughter]

But that whole month took a lot out of me and took a lot out of Sam Hinkle. He never was the same after that. You were very active in it, Dick, and you know how there was a surprise or a problem or a challenge almost every hour on the hour. That I would say was one of the things that I'll remember the most.

Bacastow: Fine. Let's go back and pick up a few odds and ends here, earlier in the interview you talked about the Hershey trust, and you talked about Milton Hershey, particularly your role in the various modifications of the Hershey trust. I know there's documentation in that letter that Mr. Hinkle wrote. Would you like to reflect a bit more about the admittance of non-whites, where the idea was generated and the definition?

Nurick: Well, Girard College in Philadelphia had a similar restriction. As a matter of fact, a good deal of the deed of trust was copied from the Girard deed of trust. Not all, but a good deal of it. They had the word "white" in describing the eligibility of students for admission. The Pennsylvania courts had held that that was legal, and that the trustees had to enforce it, couldn't take blacks. This caused a lot of excitement and distress in Philadelphia, and a number of black groups renewed their efforts to get rid of that restriction.

You have to keep in mind that the Girard Trust is what they call a public trust, because Mr. Girard had designated that, "The city of Philadelphia shall be the trustee," and they designated a board to the board of trustees for Girard College in Philadelphia, and that's important legally, because the 14th amendment applies only to the states, and "state" includes all elements of state, including municipalities. "No state shall deprive," and so forth. Hershey's is a private trust.

Well, the drive of blacks to break down restrictions of this sort was aggressive and, in some areas, really ugly. In Hershey, the NAACP had very politely, very courteously inquired about it, and we had to answer to them that the Pennsylvania Supreme Court had said we were bound by it.

Then in Philadelphia the organized black groups decided to make another frontal attack on the Girard situation, and they brought it in Federal Court instead of State Court. The case ultimately went to U.S. Court of Appeals for the Third Circuit, held that the provision was unconstitutional, but in a footnote, the judge

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said, "This applies to a public charity and no decision is made with respect to a private charity," which left us up in the blink.

Well, the Girard people took an appeal to the U.S. Supreme Court, and we decided--I'd say the majority of the board members of the Milton Hershey School felt that we ought to admit blacks, provided they met the same qualifications as whites--we ought to do it. There were other considerations involved, not only public relations, but the fact that you could do so much for black orphans. There were so many that needed this sort of support. Mr. Hershey's feelings represented a cultural sentiment of that era, and not the current overwhelming sentiment.

So the question was, with the restriction in the deed of trust, how do we go about opening? I wrote an opinion saying that in a sense, we are involved somewhat in state action. We were incorporated through state law, we were subject to the jurisdiction of the Welfare Department, a state institution, state statutes, and so forth. I stretched it, but I didn't want to stretch it to the breaking point.

Then I talked to the attorney general at that time, who was the chief law enforcement officer in Pennsylvania, and said, in effect, "If I advise them that under the current state of the law that we should admit blacks, are you going to cause us trouble?" He said, "No." I said, "Well, will you write a letter concurring in my conclusion?" "Well, we want to think about that." But they did. And I wrote an opinion, and we started admitting blacks, did it without any confrontations, without any crisis.

Bacastow: You didn't have to break the deed of trust in doing that?

Nurick: I wish you hadn't asked that question. [Laughter] Obviously. Obviously we were deviating from the deed of trust, but we also did when we changed the age limitations, when we changed the name of the school. The question is here, do you just stay in that narrow cavern that gets darker and darker? Or do you get modern and try to do the real job that we think Mr. Hershey would have wanted done?

Well, anyway, we went ahead and admitted blacks, and the U.S. Supreme Court upheld decision of the Third Circuit [Court], which, in the Girard case, had held that the restriction was invalid. Even though there was a footnote there saying it applied only to public trustees, ultimately the law caught up with where our opinion was and said that any private trustee who discriminates shall not be entitled to a tax exemption. Well, that would have meant that we'd have been subject to individual tax rates, which could have run as high as 85% of the income. We didn't do it for that reason; we did it because socially and conscientiously, we felt it was the thing to do. That's how we accomplished it.

Later, the next time we amended the deed of



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trust--I think Dick LeFever by that time handled it--we included a change to eliminate the word "white," and then later, of course, eliminate "boys" to make it "girls and boys." But that took a little more courage than I had hoped to have to exercise. But from the standpoint of the majority of the board, it was just the thing to do, and it's worked out fine.

Bacastow: Great. Getting on another subject, Hershey Estates, now HERCO, in the '60s when you were very active, it was a time of diminishing profits for the Hershey Estates. Did you have any role in the Hershey Estates decision?

Nurick: No. I was never on their board, and the only thing I ever did for Hershey Estates was handle their labor negotiation and arbitration.

Bacastow: We're getting into miscellaneous items. When you joined McNees, Wallace & Nurick, when did Nurick come into the name?

Nurick: I was picked in 1931 when I graduated. It's an interesting story. Nobody was hiring lawyers in those days. It was the bottom of the Depression. But Mr. McNees was a friend and shared offices with Leon Metzger, who was then Secretary of Revenue. Leon was an adjunct professor at Dickinson, teaching "Corporation Law". McNees was very, very busy, making no money at all, but awfully busy not making money. I mean, he was a very human person. If you couldn't afford to pay, he wasn't going to charge. But he needed help, so he asked Leon Metzger to recommend somebody. And Leon recommended me, and McNees hired me.

Then about two years later, Charlie Hollinger, who was a corporation expert, left the hill and we started a firm, McNees, Hollinger & Nurick, and Charlie Hollinger died a couple years after that. Then Dave Wallace came in. It was more of a merger than otherwise. But I was made a partner about two years after I came with him.

Bacastow: What year was that?

Nurick: I was made a partner about 19--let's see. I came out of school in '31, passed the bars in August or September of '31. I'd say in '33 or '34. It wasn't long, several years. Now you wait seven, eight years, if you make it at all.

Bacastow: One other area, and I know it's in the documentation, a letter which Sam Hinkle wrote on June 10 [1971] to Dr. George Harrell. Would you just like to recap briefly for the tape here, tell us a little about your involvement in the Milton S. Hershey Medical Center? Who initiated the idea, from your perspective? Was there any opposition to the idea?

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Nurick: Sam. Unquestionably the idea originated with Sam Hinkle. I don't think there's any doubt about that. He had difficulty selling the board as long as John Sollenberger was chairman. I think his letter says it wasn't until Arthur Whiteman became chairman of the trust company that he was able to make progress with the thing. They ultimately sought an opinion from Bill Radebaugh. As I said before, Bill was a very, very sophisticated, fine lawyer, and I'm saying that out of real, real objective feeling about Bill. Radebaugh gave the opinion that you couldn't do it, that you couldn't take money out of a trust established for the education and maintenance of poor, healthy, male orphans, and use it to start a medical center. It was wholly inappropriate for the purpose, and he strongly recommended against it.

Then Sam had a heart attack. After he was on the way to recovery from the heart attack, he asked if I'd come in and see him, and I did. He mentioned this thing, mentioned the money that was in the trust, which just amazed me at the time. I remember there was 300 million in the corpus and 96 million in the accumulated income account, or 97 million. He told me what he wanted to do, and he said, "Will you run interference for me?" Well, that was no mean assignment. I've always had the philosophy that if what you want to do is in the overall benefit of public, and it's not harmful and is a voluntary act of the people who have the responsibility for determining disposition, the law should not prohibit it. That's a lot easier to work with if you don't get stung, and I have been stung several times in trying to be original.

So I told Sam, "Sam, sure I'll run interference. You just relax and recover from the heart thing." Then I sweated many, many nights trying to figure an approach to this thing. I enlisted Jack Riggs, really a brilliant young lawyer in the office. He started doing research. For a while there we'd meet every night at my home, because my wife was very ill then. Things would come up. "That won't work." Come up. Won't work. Finally, we came up with a theory for which there was practically no legal authority, that this business of Cy Pres, which in trust law means that if you have more than you need for the trust purposes, then you should siphon it off for a purpose as near as the purposes that the settlor established with the trust. It is hard to relate a medical center to an institution for education and maintenance of poor, healthy, male, white orphans.

So we kept looking and prodding and knocking down hurdles. Finally, we came up with a theory that if you had more than was needed for the complete disposition of the trust purposes, that you ought to be able to apply the surplus, the excess, to a purpose that's consonant with the general charitable scheme of the settlor of the trust.

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Nurick: As I said, we felt that we could contend that where you had much more money in a trust than was required for the complete disposition of the purposes of the settlor, Mr. Hershey, then instead of applying that under the Cy Pres doctrine of something similar to the purpose of the trust, we ought to be able to apply it to something that fell within the general--the word is "scheme," the legal word, not intending anything of adverse connotation, that charitable scheme, the general charitable scheme of the settlor.

Now, his general charitable scheme was education in Derry Township. One, he established Milton Hershey School in Derry Township. Two, he established the foundation which was for education in Derry Township. Three, in his will he left whatever was left after he had given away the trust and chocolate stock for purpose of the budget of Derry Township schools. Four, he had made contributions of school buildings to Derry Township. So now this was his general charitable scheme--education in Derry Township. If we started a medical school in Derry Township, that's education in Derry Township. Jack did a lot of research on it. He was able to find only one or two cases. One involved the Barbary pirates. [Laughter] That's how far back he went. So that was the approach that we used. Then we had to figure, now "How can we do this without public notice and public hearing?" which is very unusual. But if you let word out that you're going to distribute \$50 million to charity, why, like Radebaugh said, in his opinion, that would start a career for every lawyer in Dauphin County.

So we then proceeded on the basis that the attorney general is the exclusive representative of the public in Pennsylvania in charities, and that the court that handles it is the Orphans' Court, who was then, as now, Judge Swope. We felt that if we could sell the idea to the attorney general, and if he would give us permission or go with us to see Judge Swope, because we couldn't go ex parte to him, or unilaterally. So the attorney general was Walter Alessandroni, and his right arm was Ed [Edward] Friedman, both of whom were very, very helpful and considerate, and they took it up with Governor Scranton, who said, "Go to it." Then we went to Judge Swope and presented our views, and he says, "Well, it sounds different. It sounds strange, but I like the idea. Write it up and we'll look it over." So that's what we did. We wrote the petition, wrote a beautiful brief, mostly by Jack Riggs, supporting our right to do it, and then at a fixed time we met in the judge's office, and he signed the decree.

In the meantime, Sam felt that the public--that is, the media--ought to know about it if they could maintain secrecy, because if the decree was not signed, you could see all hell would have broken loose. So he arranged with certain newspapers, particularly in Lebanon and Lancaster--I'm not sure York--and Harrisburg. I handled Harrisburg, because there was someone I knew very well, who was editor of the Patriot-News.

A situation happened there that I still chuckle at, that not too many people know. When the Governor decided, "Okay," and it was about to break, Ed

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Friedman called me and said, "We'd like the Governor to give a release to the public on this. Do you want to take a crack at it?" I said, "Sure." So I wrote something and sent it over.

When it broke, the Governor issued the release. The various reporters were in confidence, and they really kept the confidence. I remember one of them came to me and said, "Did you see the Governor's release?"

I said, "No."

He said, "Let me read it to you."

I said, "Sure." He did--word for word.

"Well, what do you have to say?"

"I couldn't have done better if I'd have done it myself." [Laughter]

Bacastow: Great.

Nurick: As you know, the medical center has proved to be of enormous benefit. It's an institution whose mission is alleviation of suffering and the cure of disease. It's established an international prestige and it's growing and growing and growing all the time. I suspect by now it's the biggest employer in Derry Township.

Bacastow: Very close. I understand they have 4,000 now, and the target is 6,000. Gil, in the documentation of Sam Hinkle's letter to Dr. Harrell, you concur basically with the recollections he had in that June 10, 1971 letter?

Nurick: That's right. The one major exception I pointed out to you. I don't think we consulted with Alessandrini and the Governor until after we had spoken to Eric Walker, who was president of Penn State at the time. That's the only detail. Of course, the statements that he makes about me in there, I'm not sure I concur with them, but that's his feeling.

Bacastow: I noticed in the last paragraph, last page, second or third last paragraph, it seems that maybe Sam felt that the Governor took a little too much credit for himself in his notable assistance to make this achievement possible.

Nurick: Well, what we said there was that the Governor indicated he was gratified that his attorney general's cooperation was so helpful, and indeed it was, and that the judge found it appropriate. After all, he's talking about a Democratic judge who's going to be running for election. He's a Republican. Anyway, if he took too much credit, I did it. [Laughter] I mean, I wrote the document.

Bacastow: Yes, you did. That's why I ask. Gil, is there anything else you'd like to add for the documentation here? You've done a superior job here of recalling. Have I missed anything that highlights your career with Hershey? Let me ask what is

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one of the most outstanding things you, in retrospect, about the Hershey organization? Anything that strikes you? I think you may have alluded to it before.

Nurick: Well, it's the fact that people who have tasted of his philanthropy, not necessarily in money, but in the facilities which he established, have continued to maintain a loyalty and devotion which are almost unique. It's almost religion. Bill Dearden, Kenny Hatt and Arthur Whiteman are some of them. These were typical. I know that Bill Dearden, who was one of the fairly early graduates--I say "fairly early," but not as early as Whiteman--but it seems as though they ask themselves, "What would our founder have wanted us to do?" Milton Hershey was no angel, as you know, but deep down, he did care. He cared for people and he cared for the kids, particularly those who were orphans. He stressed the idea of learning the land. You don't see the Hershey area that's under control of the trust in a honky-tonk type of development as you do in many other areas of the country where commercialization is it. "Give me the buck and to hell with what the environment looks like." No, I've been impressed primarily by several things. One is the loyalty and devotion of the people who knew Milton Hershey and who want to do things to embellish his name. I honestly think that some day the medical center will have greater international prestige than the chocolate company, because it touches many more areas of the world.

It's just been a privilege to have been identified with it, by pure accident, as it is with most things that happen in life, that I met Sam Hinkle and he gave me the opportunity. It was a privilege, really. I've enjoyed the whole Hershey relationship, although there were many, many bumps involved, as you know.

Bacastow: Gil, thank you very much. I think we'll conclude with that.

[End of interview]