

final

*Reynolda House  
Oral History Project*

*INTERVIEW WITH ZACHARY SMITH*

**Date Interviewed:** April 4, 1996  
**Interviewed By:** Sherry Hollingsworth  
**Transcribed By:** Susan Miller

*Tape 1, Side 1*

Sherry Hollingsworth: So you were talking about a picture of the 1930's showing Dick Reynolds standing on his grandparent's Smith porch.

Zach Smith: Yes. This house, I think, was probably purchased in the late 1890's by Zachary Smith. By that time he lived just a few yards outside, just north of the Mt. Airy city limits. I think, they wanted to move to town so their children could go to school a lot easier.

Sherry Hollingsworth: With that many kids that could be a problem.

Zach Smith: I think three of them were in their teens by that time, though two were younger. But I think at the time Katharine Smith was going to school she'd come in and stay with the Grandmother Smith's family on South Main Street, the Hollingsworths. This house (The house purchased in late 90's) was built by someone else, I believe by Mr. Galloway, but I'm not positive. And on this side-

Sherry Hollingsworth: The right side.

Zach Smith: -downstairs you had a library, a bedroom, a couple of bathrooms, and a bedroom back of that. As I remember, Grandmother Smith lived in the back bedroom-

Sherry Hollingsworth: Which would be to the left as we're facing the picture?

Zach Smith: As you go in the front door, it's on the right. The first room was a paneled library. Next was my Grandfather's bedroom. And then you have a couple of baths and then you had my Grandmother's bedroom in the back. Then, directly behind the hall, the hall was pretty wide, you had a big stairway going upstairs. It was a large stairway, curved. And on the left-



hand side, you had a drawing room, a dining room, a good-sized pantry. Then in back of the hall there was a good-sized kitchen. And then, upstairs you had two bedrooms and two baths on the south side and three bedrooms and two baths on the north side and a big hall.

Sherry Hollingsworth: That was a big house. That was a lot of bathrooms for that period. That was really an elaborate house.

Zach Smith: Yes, I think there were, downstairs, I believe there were two bathrooms and upstairs I think there were 4.

Sherry Hollingsworth: So, how big was the house? How many square feet do you think the house was?

Zach Smith: I don't know. I'm not very good on square footage. And then, back of that was a house that had a couple of bedrooms, a living room, and a bathroom.

Sherry Hollingsworth: Who was that for?

Zach Smith: For the servants, I think. But, as I remember, I don't remember anyone living there. And way behind it, I'd say 250 feet back of that, you had a big barn and the barn was built by my Grandfather. And that was a very large and very nice barn. Cow barn and horse barn. And on one side between the house and the barn, you had a, on the south side, you had a large vegetable garden. And you had woods all over the place.

Sherry Hollingsworth: Sounds wonderful doesn't it?

Zach Smith: Yeah, and it was on a hill. I'm going to get a couple of those for you, for Reynolda House, I ran across this, that's a schedule of the family reunion in 1970.

Sherry Hollingsworth: Oh, thank you. That's be a good thing to have. We'll make a copy of this.

Zach Smith: And here's a letter from Katharine Smith from Atlantic City to her sister, Maxie Smith Dunn.

Sherry Hollingsworth: She said "made it out of the train war alive". I'd love to make a copy of this too.



Zach Smith: Okay. And here I've got a letter that came from Abe Reynolds, R.J.'s older brother, from Bristol, Tennessee to my Grandfather, Zachary Smith, saying he'd sell his land in Stokes County for \$4,000. This was in 1901. February 27, 1901. And my Grandfather did buy it. I've got a letter where he writes back and says that he'll take it and so forth. So he did buy that land in Stokes county. My Grandfather had some land in Stokes through his mother. And then, of course, the Reynold's, see, the land in Stokes was the Cox land. And the Coxes had two daughters and one son. The son had no children and died fairly early I believe. And then you had the two daughters, one married Zachary Smith, was Zachary Smith's mother (Katharine's father's mother) and the other was R.J.'s mother. And they inherited this land in Stokes. It was right sizeable; total land tax was \$8,000 per Dr. Tilley. The last person to sell the land was Lucy Reynolds Critz. And she got more for her land than all the others put together.

Sherry Hollingsworth: Because she sold it later.

Zach Smith: Yes. The Reynolds and the Smiths. I remember when she sold it. And she told me she received cash for it. I mean, the man brought cash down.

Sherry Hollingsworth: That could make you nervous with that much cash.

Zach Smith: I don't know if you want a copy of that.

Sherry Hollingsworth: Oh, yes. I'd love to have a copy of it. That was interesting that it said, "Set up a sawmill on the land for the oak you could get half the price of the farm." That was really interesting. February 27, 1901. Of course, we like having all these things. Thank you. Well, looks like you've been going through things in your files.

Zach Smith: This is from me to W. D. Hobbs, who was the, he's the president and chairman of the board of R. J. Reynolds Tobacco Company at the time. This was February 1975. And I haven't even read this. I read it, you know years ago. But you might want a-

Sherry Hollingsworth: What is it?

Zach Smith: -You might want to read and copy it if you want to make a copy of it.

Sherry Hollingsworth: Oh, biographical sketch. Did you write this?



Zach Smith: I don't think so. Dr. Tilley must have.

Sherry Hollingsworth: Oh, okay. Thank you.

Zach Smith: And here's a copy of Walter Reynolds' application to United States of America Passport Department asking for a, I guess, a passport so he could travel overseas.

Sherry Hollingsworth: Where'd you get that?

Zach Smith: I had it copied somewhere. I got it, you know, when Dr. Tilley was writing the company history, I was getting into that stuff.

Sherry Hollingsworth: Is that a picture of him?

Zach Smith: So, I wrote the passport office and they gave me a copy of it.

Sherry Hollingsworth: Well, we could do that for Katharine and them because they had passports because they were going to go to Japan.

Zach Smith: And then,

Sherry Hollingsworth: I hadn't thought about that. That's a good idea.

Zach Smith: What he did, I think in 1916, we had, we were making cigarettes at the time and the cigarettes were formed on a linen or flax belt. And you know, it wouldn't be a, these belts were fairly long and you had a seam that connected the belt. And the French were the only ones that'd do that right. So, Walter Reynolds, the purchasing agent for R. J. Reynolds Tobacco company, arranged to go over there and purchase these flax or linen belts and also cigarette paper, I believe. At that time, I think cigarette papers, most of them, were made in France because of the purer water. You know, later on, in the late 30's, someone opened up a cigarette paper manufacturing company up near Brevard and that was because water was so pure up there.

Sherry Hollingsworth: No, I didn't know that.

Zach Smith: I remember when they built it. I went to Camp Carolina up there. And this was between Brevard and Asheville. But, anyway, Walter Reynolds went over there and when he went over, he strapped all the gold he could



get around his waist and carried it. He had, what do you call it, a money belt.

Sherry Hollingsworth: A money belt?

Zach Smith: A money belt. And he strapped it around his waist and took gold over there with him and when he got to Paris, he's going to meet the President and Chairman of the, the head of this company he was going to negotiate with. And he was going to have dinner with the chairman and his wife, I think, at their home. So, he wanted to take the chairman's wife something nice so he bought some chocolates. And he really complained about that, said it cost him a fortune cause it was during the war. They were in war at the time. But, anyway, he was over there as a bachelor. And he went because he said he was a bachelor and if anything happened to him no one would care anyway.

Sherry Hollingsworth: Oh, gosh!

Zach Smith: Maybe I can give you that instead of that letter unless you want a copy of that letter.

Sherry Hollingsworth: No, that's alright. We'll just keep this and that way; this is the February 27, 1901 letter we're talking about, that way you can have your originals. But, I can copy these things today and get them back to you. I can drop them by your office or your house tomorrow so we don't keep them very long.

Zach Smith: Uh, back of that card says "Will Reynolds, Esq.; 19th Floor, Reynolds Building".

Sherry Hollingsworth: Interesting. The Camel Statue is there. We just-

Zach Smith: That was in 1941, I believe.

Sherry Hollingsworth: -bought a statue, a little statue that looks like this, that they told us it belonged to Mr. R. J. I wonder, I'd like to show this to Ellen and see if this is the same statue. I found it in an antique shop and they told me it had just been brought in and they were told that it had always been on Mr. Reynolds' desk, but it's on this one. Of course, I guess it could have been on Mr. R. J.'s desk and then when he died, Mr. Will could have gotten it.



Zach Smith: You know, we talked about he was buried down in Salem Cemetery?

Sherry Hollingsworth: Um-hum.

Zach Smith: I went down there the other day and it shown the first person buried in Will and Kate's plot was John Neal. R.J. and Will have different plots.

Sherry Hollingsworth: That's the boy we were talking about, Mr. Reynold's uh-

Zach Smith: John Neal was born April 28, 1887 and died August 29, 1920 and I don't think he ever married. So, he was thirty-three years old here, I guess. And he was a division manager out in the mid-west, I think St. Louis or somewhere when he died. But, he was raised on 5th Street there at the Reynold's home.

Sherry Hollingsworth: He lived with Mr. Will and Mr. R.J. and Kate?

Zach Smith: Kate. Um-hum. Three of them.

Sherry Hollingsworth: So, if he was born in 1887, he would have been fairly old by the time Mr. Reynolds married.

Zach Smith: Yep. So, 6 plus 13, 19 years when old when R.J. got married.

Sherry Hollingsworth: So, he was grown.

Zach Smith: He used to be invited to all the family dinners and all that stuff. And I think everyone knew who he was except R.J.'s mother. And they told her he was a distant Neal cousin from Stokes County or something like that. And Kate and Will's date of births.

Sherry Hollingsworth: Okay. Thank you. I'm glad we have his name on record now.

Zach Smith: This is R.J.'s request for a passport.

Sherry Hollingsworth: Oh, what year was this? This was 1908. Oh, this was when they were going to go to Japan.

Zach Smith: Um-hum. Look on the back of it. What does that say?

Sherry Hollingsworth: It says, "Passport #45489. Obtained from Edward J. Hickey,



Deputy Director of Passport Office, Washington, D.C." 6 feet, 2 inches tall. 54 years old. Well this is interesting. It says "Forehead - high and round" Is that what that says?

Zach Smith: Um-hum.

Sherry Hollingsworth: I don't think they ask about your forehead now do they?

Zach Smith: They didn't ask about mine. They asked what color of hair I had and I told them.

Sherry Hollingsworth: What color eyes, "mouth - Large, chin - bearded", I guess that says 'bearded'. Looks like it says 'branded' but it must say 'bearded'. "Hair - Steel-gray, complexion - ruddy, face - full." Well, that's really interesting. Oh, we'd love to have a copy of that. And there should be one for Katharine. Sometimes you could get, oh yes, this is for both of them.

Zach Smith: Both of them.

Sherry Hollingsworth: And Dick was supposed to go too.

Zach Smith: He signed it. In those days, until 20 or 30 years ago, you didn't need a passport for a kid. You could put the kid on the same passport as the parents. Now, they have to have separate ones.

Sherry Hollingsworth: Right. Yeah, he signed it. That's his signature. They never went on that trip. I think she was pregnant again and there was a war that had broken out between the Japanese and Chinese or the Japanese and somebody. So, I don't know. That would have been a long and arduous trip to go all the way across the country and then go to Japan with her pregnant and as sickly as she was. Oh, this one's a card, December 20, 1905.

Zach Smith: Yeah that was, I think Katharine and R.J. were married in February 1905, weren't they?

Sherry Hollingsworth: Uh-huh.

Zach Smith: This was the first Christmas after they got married.



Sherry Hollingsworth: "You will please accept from me as a Christmas gift, the enclosed check payable to you and hand to Maxie with my compliments the one that is payable to her." So, it's to his mother-in-law.

Zach Smith: Um-hum.

Sherry Hollingsworth: "You will buy Irene and Ruth whatever you think they would like to have and give it to them from me." Oh, and "Cousin Zach", now is that your father, "Cousin Zach"? Who would Cousin Zach be?

Zach Smith: It was-

Sherry Hollingsworth: Oh, her father.

Zach Smith: Her father, yes.

Sherry Hollingsworth: "Katharine and myself are enjoying the best of health. Katharine is so good, lovely and interesting to me that I dearly love her parents, brothers, and sisters. And it will always give me great pleasure for all of you to visit us." Not the typical letter from a son-in-law, was it? "I feel that this Christmas will be the most enjoyable holiday of my life." Oh, that's a wonderful letter. We'd definitely like a copy of that. That's from Mr. Reynold's to his in-laws the first Christmas, his first Christmas, after they got married.

*(Peggy Newsome comes in to bring coffee)*

Peggy Newsome: Oh, really.

Zach Smith: Says he was pretty happy.

Sherry Hollingsworth: "Most enjoyable Christmas of his life", he thinks.

Peggy Newsome: You know, I am intrigued at their love affair with one another and I really think that he must have had very high standards by which to judge who he was going to marry and that they would have to be, not only extremely bright, but have a good business mind.

Zach Smith: That's the way that he fell in love with her.

Peggy Newsome: I think that she was so efficient and we did have a lady who came through



here and said she was in school at Sullen with Katharine Smith and that the senior class voted her 'Most likely to succeed in business.'

Sherry Hollingsworth: In business. How interesting. You didn't happen to get her name, did you? And address?

Peggy Newsome: Um-um. That was before we knew to be on the lookout for vital information and we've had one lady who was a boarder and the granddaughter, Johnston something, and she said that Johnston's son was a grandfather, still living in Baltimore and he had made a fortune of his own in computers.

Sherry Hollingsworth: In computers. That was interesting. So she was, say again who she was.

Peggy Newsome: She was a lady who, she was going to school in Baltimore and she roomed in this house, kind of like a boarding house, and the person who ran it was a divorced wife. She was divorced and she either the granddaughter of Johnston's son, \_\_\_\_\_, or she was married to him.

Sherry Hollingsworth: That's interesting.

Peggy Newsome: So, she knew all about the family history.

Sherry Hollingsworth: I wish I could have talked to her. That would have been interesting.

Peggy Newsome: Yes. She said it most amazing what they would say about Mr. Johnston.

Zach Smith: I think his mother ran a boarding house in Davidson.

Peggy Newsome: Yeah, well-

Sherry Hollingsworth: I didn't know that.

Zach Smith: I think so.

Peggy Newsome: And she said that when he left here and went back to Baltimore-

Zach Smith: Went to Baltimore?



Peggy Newsome: Yes, when he went to Baltimore-

Zach Smith: oh, to Baltimore.

Peggy Newsome: To Baltimore.

Zach Smith: That's the difference.

Peggy Newsome: Johnston, when he was in Baltimore, anyway, he was dating a lady and would fly down to meet her. And either it was her private plane or his. But he would go down, I think it was Atlanta, to be with her. And he finally married her as his second wife and she had more money than Mrs. Reynolds had.

Zach Smith: Johnston's second wife?

Peggy Newsome: Yeah.

Zach Smith: She came from a very, very, good old family, but they lost their money. Name was Manly. They were really from North Carolina. I knew them. I visited during the war. I remember Stu Symington and his brother were there that night. She had me, her name's Matilda, and she had two daughters by Ed Johnson. And I was stationed in Washington just a couple weeks, was a naval officer during World War II, and I went over to see her. But that story about flying to Atlanta, I don't think that's true, because he was scared of flying. And he, I think, the first time he ever flew was when he was made a colonel in the air force. He'd never flown until then.

Peggy Newsome: You know, you can never tell about these stories, because once you hear it word of mouth the second to the third person, it could have been that she flew up to see him. And it could have been that the old family got translated into a very well-to-do family, i.e. money instead of heritage or something like that.

Zach Smith: Well, you know, Clement Manly was R.J.'s lawyer. You know the Womble Carlyle firm was originally Manly then Manly, Hendren, Womble. There's was Manly, then old Mr. Hendren who lived there on Spring Street, you know where that Amoco Station is. Well, Mr. Hendron had one fourth or one sixth of that block. It was a small block. And they lived in a house not on 5th Street, it was Mr. Cox on 5th Street and Mrs.



Dunn. The Dunns had a lot that went all the way through. I think it was 100 X 200 and Mr. Cox a lot which was 100 X 100. And Mr. Hendron had a lot back there that was 100 X 100.

Sherry Hollingsworth: Those are small lots.

Zach Smith: Yes.

Sherry Hollingsworth: About an Ardmores-size lot.

Zach Smith: Yes. They were still, all those houses were still here when I came to Winston.

Sherry Hollingsworth: Well, where was the children's play lot? Thank you, Peggy.

Peggy Newsome: Well, I will make sure that the front desk knows that anyone who comes in and mentions a connection-

Sherry Hollingsworth: Rope them down and tie them till I get here.

Peggy: At least, we will be sure to get their name and address so we can back in touch with them because we've had so many and they really want you to know the connection that they've had.

Zach Smith: Call me. I'll talk with them.

Peggy: You sure will.

Sherry Hollingsworth: Um, where was the children's play lot in there. Wasn't the children's play lot there somewhere in that block, down below the Amoco station?

Zach Smith: Um-um. Oh, well, maybe below.

Sherry Hollingsworth: I read a description of that somewhere, I couldn't-

Zach Smith: You know where that Piece Goods or whatever it is-

Sherry Hollingsworth: Oh, yeah. That's not Piece Goods, but it's, what is that.

Zach Smith: Right in there.



Sherry Hollingsworth: Across from the Social Security office?

Zach Smith: Well, the Social Security is where Lucy Critz lived. And she kept that as long as she lived - the house there and rented it. And then a couple of doors down, two doors from here was the Bitting house.

Sherry Hollingsworth: Coming back from the library?

Zach Smith: Um-hum. Dalton was on the corner, then Bitting, then somebody, then Lucy. And then, where that Piece Goods thing is on the corner, was where Porter Stedman lived there for years. You know, he married a Lybrook and they built a house there across from that big white stucco houses on the corner of Buena Vista and Stratford.

Sherry Hollingsworth: uh-huh.

Zach Smith: There's a red brick house. On the corner you have a white stucco house that needs repairing?

Sherry Hollingsworth: The house that the Watlington's use to live in?

Zach Smith: Um-hum. Across from there is where-

Sherry Hollingsworth: The Stedman's lived.

Zach Smith: The Stedman's built that house there.

Sherry Hollingsworth: Actually, we have a landscape plan for that house. Thomas Sears did that plan.

Zach Smith: Let me see this. Looks like the same thing.

Sherry Hollingsworth: You comparing two letters from Mr. Reynolds to his mother-in-law?

Zach Smith: No. That's, uh, where's that letter that I had about buying that lot?

Sherry Hollingsworth: Uh, about buying the land?

Zach Smith: Yeah. Did you keep that or-



Sherry Hollingsworth: No sir, you gave me a-

Zach Smith: Oh, a copy. Yeah, I thought maybe there were two of them. There's another one somewhere that says he accepted and so forth and he bought it. Uh, you know, I told you that I thought Zachary Smith, Katharine's father, went out to Nebraska after the war-

Sherry Hollingsworth: uh, that would be the Spanish-American war-

Zach Smith: Hell, No.

Sherry Hollingsworth: Oh, the Civil War. Civil War. Okay. The War. The War, Sorry.

Zach Smith: He was in Nebraska for 12-13 years. Funace County, I believe.

Sherry Hollingsworth: Is that what's on that envelope, or, I mean, is that what made you think of that or-

Zach Smith: That's my grandfather's writing. It says, "Paper where I was discharged as a prisoner." He was captured during the war of Northern Aggression and he was a prisoner. I think he was released in 1865. And he came home and didn't have very much and had sold some of the land because he went on other people's notes. So, he went out to Nebraska and homesteaded I think. I think he was out there maybe 10 or 15 years.

Sherry Hollingsworth: Well, you said when we talked before-

Zach Smith: Let's see, 1865 until 1879. They got married in 1879 I think. And he'd just returned.

Sherry Hollingsworth: Katharine was born in 1880. Where was he in prison?

Zach Smith: Either Newport, Rhode Island or Delaware, I'm not sure which.

Sherry Hollingsworth: That's a terrible thing. All those prisoners were so terrible.

Zach Smith: Now, some of that stuff you might have the chief honcho out there look it over. And I might give you the originals, I don't know.

Sherry Hollingsworth: Oh, we would love to have the originals.



Zach Smith: You might want that too.

Sherry Hollingsworth: Oh. A baby card. That ribbon must have been blue at one time.

Zach Smith: Pretty old. 1906, I guess.

Sherry Hollingsworth: That is a long time.

Zach Smith: I think I showed you this, I'm not sure. That's where my, I told you my grandmother owned a lot of land in Surry County, yet I think the husband took control of it once they got married.

Sherry Hollingsworth: Oh, dear. We talked about it, but you didn't tell me that.

Zach Smith: That's what makes her eligible to hold stock in a hotel company that my grandfather owned.

Sherry Hollingsworth: Oh, this is a contract from August 1st, 1898 between your grandfather and your grandmother to allow her to own stock. So maybe that's where Katharine got it. We're giving all this forward thinking business, giving credit to the school, but maybe she got it from home.

Zach Smith: In those days, they (women) couldn't control their own property.

Sherry Hollingsworth: I know, so maybe she got these ideas at home rather than at school.

Zach Smith: You know, eventually the North Carolina State Legislature said that woman had to get at least a third of the husband's assets. And I think here own assets - you want a copy of that?

Sherry Hollingsworth: Oh, yes, sir. The Blue Ridge Inn - now, where was the Blue Ridge Inn?

Zach Smith: The corner of Mt. Airy. It's across from that museum up there. It's been torn down now. My grandfather, I think sold it, probably 1910's or 20's because he didn't own it when I knew him.

Sherry Hollingsworth: Did he run it or did he have somebody else who ran it.

Zach Smith: No.



Sherry Hollingsworth:       Somebody else who ran it.

Zach Smith:                I think he went, there was a Mr. Galloway who - Mr. Gaston Galloway, and he was a very good friend of my grandfather's and they owned a lot of property together. I know my grandfather when I was, I remember back in the 30's, he owned two building there in town and one was a hardware store, but he had nothing to do with it. The other one was a clothing store. And they had an easy chair in front of each one. And he'd talk to people as they came. And had whiskey in the back and he'd give them a drink of 'Mountain Dew'. He wouldn't drink except one time during the day and that was when he first got up in the morning.

Sherry Hollingsworth:       Just to get him started. A morning tonic. So he farmed and he had a share in the hotel - what else did he do?

Zach Smith:                No, the main thing he had was the farm. I think the big money-maker was the tobacco warehouse. In other words, they sell tobacco now just like they did in the 1890's, 1880's.

Sherry Hollingsworth:       With the auctioneers and all that go around the same way.

Zach Smith:                Um-hum.

Sherry Hollingsworth:       I didn't realize they still did it the same way.

Zach Smith:                Same way.

Sherry Hollingsworth:       But I guess if you think about it-

Zach Smith:                Yeah. And he had a warehouse there in Mt. Airy, I know about that one, and that's where-

Sherry Hollingsworth:       What was the name of it?

Zach Smith:                I don't know. Cause he had retired by the time I remember things.

Sherry Hollingsworth:       Sure. You're lucky that he was still alive that you could know him at all.

Zach Smith:                I know when I knew him he had a lot of rent houses and he rented houses to white families and black families. And during the depression a lot of



them didn't pay rent for years and years and he'd let them live there. And some old lady that hadn't paid rent in 12 years used to be the most demanding person. She was some white lady and she was always raising hell about something and she hadn't paid him rent in 12 years.

Sherry Hollingsworth: Well, she meant to get around to it. Well, that's really interesting. I don't think I knew that the he owned a tobacco warehouse. So, that means that by the time Katharine went to work in the company, she already had a background in tobacco.

Zach Smith: Yeah. And what they grew on that place out there, I don't know. But, they had right much land. It was her land. It was my grandfather's wife's land, Susan. But he bought the house in Mt. Airy and then he bought all these : he was in the tobacco warehouse business. So, I think he made right much money when he was out in Nebraska. You know, he went out there before General Custer was massacred and pretty close to it. Where he was is just a real short distance from where General Custer was massacred. He went out there right after '65.

Sherry Hollingsworth: Well, he could sell that land and make money, that was pretty unusual.

Zach Smith: That was really far out west.

Sherry Hollingsworth: That was a long way out west.

Zach Smith: You know the Indians were in North and South Dakota and Nebraska was just below that I think. That was pretty wild country.

Sherry Hollingsworth: Yeah and the Indian Wars were going on till the '80's and the '90's weren't they?

Zach Smith: Yeah.

Sherry Hollingsworth: Well, where have you gotten all these things? Just from different family members over the years? Cause you were the one who was interested?

Zach Smith: I think, he was a Point Lookout in Maryland. He was a Prisoner of War.

Sherry Hollingsworth: Is that his release paper?



Zach Smith: Um-hum.. Then he had to sign, "I, Zachary T. Smith, from the county of Stokes, the State of North Carolina, do solemnly swear to " so forth and so on.

Sherry Hollingsworth: Oh, so he had to take the pledge. Well, we know that Kate Bitting Reynolds was in the UDC, United Daughters of the Confederacy, but I looked in their records and I couldn't see where Katharine was a member.

Zach Smith: She didn't get anything.

Sherry Hollingsworth: Although, we do have a picture of the 5th Street house when it was decorated for Confederate's Veterans Memorial Day.

Zach Smith: Yes, I've seen it. But, he used to go to all the reunions. My father would take him to all the reunions. And I can remember that. And also, they named the local chapter of the Sons of the Confederate Veterans after him.

Sherry Hollingsworth: Oh, the chapter in Mt. Airy was named after him? I didn't know that.

Zach Smith: I remember going down to City Hall the night it was named for him, back in the 30's. And I think my father became a Lt. General of the staff of the commanding General of the Confederate forces back in the 1930's. And I've got those papers at home.

Sherry Hollingsworth: Is the camp in Mt. Airy still active. The SCV?

Zach Smith: The camp - I don't know.

Sherry Hollingsworth: I wonder if they're still active. That'd be interesting to see. Where did your grandfather serve? What battles was he in.?

Zach Smith: I don't know.

Sherry Hollingsworth: That would be interesting to see where he was taken prisoner of war -

Zach Smith: I think he was probably in Virginia and, also, I think, he might have been taken prisoner on the coast of North Carolina.



Sherry Hollingsworth: Well, That would make sense why he was kept in prison so far North because then they could have just put him on a ship and sent him right up there.

Zach Smith: But, Joshua Cox, his brother, joined, well there's a letter here somewhere-

Sherry Hollingsworth: I don't think I had ever heard that he was a prisoner of war. We really don't know very much about him. I'm glad you have all this information.

Zach Smith: It's "Josh, is second sergeant, he is known by the name of Sergeant Smith. We have 103 in our company and 1/3 of them have made generals, at least another 1/3 captains, and the other 1/3 Lieutenants. We also have a Calvary company organized, our best men, both married and single, have volunteered." That was from my grandfather's uncle.

Sherry Hollingsworth: June 24, 1861, so -

Zach Smith: Joshua Cox Smith joined General Hood's group. I've got another letter that shows he was with General Hood.

Sherry Hollingsworth: "I've not opened up your barrel of brandy as yet. I shan't until I drink up mine." Brandy was important for pouring on wounds and all sorts of things. This is interesting.

Zach Smith: I've got the original letter, I mean the original letter also, because this had to be translated, of course they had no typewriters in those days.

Sherry Hollingsworth: Oh, you mean the handwriting was so bad.

Zach Smith: It wasn't that bad.

Sherry Hollingsworth: Some of the letters we have in the archives, you know we have hundreds of letters that people wrote to them and back and forth. Katharine's are always typed, but some of those letters that came in to her, after sitting in there with them a couple of hours you get a headache.

Zach Smith: This is the first financial statement published for R. J. Reynolds Tobacco Company.



Sherry Hollingsworth: Oh, this is wonderful. December 31st, 1912. Assets \$17,659,963.93. D. Rich, Treasurer.

Zach Smith: Here's the one that really shows them.

Sherry Hollingsworth: That company did pretty well for a company eighty years ago.

Zach Smith: That's the same thing.

Sherry Hollingsworth: Oh, this is a copy of it. Oh, this is 1915 and the company had gone up-

Zach Smith: Oh, I know the reason 1915, I got all the reports from 1912 till I retired. In 1915, they didn't publish one for some reason, or no, wait,

Sherry Hollingsworth: This is 1915.

Zach Smith: Maybe, I was just missing that one, but there was one year that they didn't publish one. That, evidently, I didn't have an original report. All the others I have are original. I was able to get the company let me have a-

Sherry Hollingsworth: Maybe the company only had one of this year or something. The worth had already gone up, in three years the worth had gone up to \$25,549,554.56. Alright, so this was after Camels. So this was before and after Camels. And they had already gone up \$10,000,000 dollars.

Zach Smith: That where Grandmother Smith was made a 'free trader'. See up there at the top.

Sherry Hollingsworth: "July 30, 1898, M. S. Smith at the age of 21 years or upwards, wife of Z. T. Smith of Surry County, with his consent, testified by his signature hereto, enters herself as the free trader from date of registration hereof." Now, what was a 'free trader'?

Zach Smith: Means she could sell land if she wanted to or give it away if she wanted to. See, back in those days, women didn't have any rights.

Sherry Hollingsworth: We don't have the ERA. We still don't have any rights.



Zach Smith: You've got more than you deserve now. You're making up for it.

Sherry Hollingsworth: This is wonderful. Who did you get this from?

Zach Smith: Probably Aunt Irene or Aunt Max. Came out of the attic from Mt. Airy.

Sherry Hollingsworth: Well, I'm glad you saved them and didn't just let somebody toss them away.

Zach Smith: In that year, what year was that?

Sherry Hollingsworth: April 10, 1969, a letter to Nancy Reynolds.

Zach Smith: Yeah. They were getting ready to change the name for R. J. Reynolds Tobacco company to RJR so I wrote Nancy a letter and told her they were going to do that. And I told her that the only way to stop it was to write to the Directors. I said, "Don't write to the Chairman of the Board, only, write every Director." and I gave her the names and addresses of every director and told her to write every one of them and tell them that you don't think it ought to be changed. So they didn't. They kept the name R. J. Reynolds Tobacco Company. That's still that same name. They did change the name of the holding company. They set the holding company a couple of years later. Like when that history that Dr. Tilley wrote was written back in the 60's, I think John Hooker asked that it be done. And then after it was completed, I think Henry Ramm or Bowman Gray, Jr. didn't want it published because it showed these people ran the company from 1919 until that time had done nothing really, until 1953 when John Whitaker came out with the Winston and Salem cigarettes and they were fighting over who was controlling the company and who got the stock and all that stuff. Some reason they decided not to publish the book and I think one reason was that it showed that they didn't do anything between 1919 and 1953.

Sherry Hollingsworth: So, that was all during Mr. Will's tenure.

Zach Smith: Well, not really, I told you he was lazy and didn't want to work, but actually, James Gray, Bowman Gray, and Clay Williams ran the company and it shows that they really didn't do anything. And one year, they didn't spend the money on advertising in the early 30's and our stock went way down and our sales went way down and they learned a lesson there. So, they didn't want the thing published. And, Nancy asked Dr. Tilley why it



wasn't published and she said, "Well, I want it published because I spent a lot of time on the thing." and she didn't charge very much, she only charged \$11,000 a year and she got no retirement, just \$11,000 a year for several years.

Sherry Hollingsworth: That was a thick book. That was a lot of research.

Zach Smith: Yeah. So she said she'd like to see it published. So I told Nancy, I said, "Why don't you write Paul Stich and say you'll pay for it." So, she did. He wrote and told her that he couldn't find it. So I told Nancy, "Nancy, just write him and tell him that the manuscript can be found in the secretary of the company's office on the 4th floor of the World Headquarters Building on Reynolds Boulevard. It's the third drawer down..." And She put it in the letter - told him exactly where the damn thing was. And he knew it all along.

Sherry Hollingsworth: Of, course, he did.

Zach Smith: So, then, it got published. What they cut out of it, I'm not sure.

Sherry Hollingsworth: It would be interesting to know what they cut out of it in order to publish. So there were no new brands or anything introduced from the time Mr. Reynolds died then, -

Zach Smith: Until 1947 when James A. Gray introduced the Cavalier which was a complete flop. So James A. Gray made the statement that he would never come out with a new product. And luckily for the company, he died in 1953, and they immediately came out with the filtered Winston. And whose idea that it was - Dick Reynold's had talked to Ed Darr about seeing filtered cigarettes over in Switzerland. Ed Darr knew about them. So, Ed Darr was the one at the company that pushed it. And he was in charge of sales and John Whitaker was CEO and at one time headed manufacturing also. So between Ed Darr and John Whitaker they came out with the Winston cigarette. That saved us. And then a few years later, three or four years later, they came out with Salem cigarette. Otherwise, we'd been out of luck.

Sherry Hollingsworth: That's interesting that with as many brands as Mr. Reynolds had that they didn't come out with any new ones, because there were a lot of brands when he was alive. Did they keep producing all those brands? Reno, and all those?



Zach Smith: Well, we cut them back, like chewing tobaccos and smoking tobaccos. They cut very few of them out. My first job for the company was keeping 45 warehouses full of inventory so they wouldn't give out. See, what we did, we would manufacture smoking, chewing tobaccos and cigarettes. And we'd ship truck loads or freight car loads of tobacco to one of our warehouses. We had 45 all over the country. We didn't own them, but they received our goods and when we told them to, they'd make shipments. And deliver it to the chain stores and drugstores. One of my jobs was to make sure that warehouse did not give out of any of our products. Some of them didn't go very fast, and if they were too old, you'd have to throw them away. And one of my other jobs at one time, was to travel all over the country with the traffic manager to check these warehouses. We'd arrive at 4 or 5 o'clock in the morning and be sitting there when they opened the door at 5:30 or 6:00 and we'd insist on taking the inventory right away and if they were short, they had to pay us right then. And if they were long, well, I forgot what we did with that. But, one trip I took with the Traffic Manager, anyway, he was an ex-railroad man and he loved to ride trains. So we were gone from Winston-Salem 14 days. I spent one night in a hotel and I spent the rest of it on a damn train. So, they gradually cut out some of those brands. When I was trying to keep those warehouses full of inventory, and I'd run out, that's the worse thing you could do for the company, was run out of a brand.

Sherry Hollingsworth: Oh, I'm sure, because that means you're losing money.

Zach Smith: Yeah. You caught hell for it. You'd have to anticipate strikes and all that stuff and they gradually cut out a lot of those brands. I'd say about 75 products from when I first went to work for the company.

Sherry Hollingsworth: How much did Mr. Reynolds have to do with actually formulating the brands?

Zach Smith: A lot. The person who was really given the assignment by R.J. to develop these brands like Camel cigarette was Mr. Dunston, but he was on top of it three or four times every day, R.J. was. As I told you before, Barbara should call Roy Haberkern, Jr.

Sherry Hollingsworth: I haven't had a chance to talk with her. She's in Ecuador.

Zach Smith: Well, tell her when she comes back that she ought to talk with him because these people aren't going to live forever.



Sherry Hollingsworth: I know. She's supposed to be back on Wednesday.

Zach Smith: I want to talk to her and tell her about this person.

Sherry Hollingsworth: Well, do, because I think she'll be back on Wednesday.

Zach Smith: Cause he's got a lot of stuff, I feel sure, cause his old man took a lot home. And his old man knew R.J. very well. He used to sit in the same office with him.

Sherry Hollingsworth: I called her the day we finished the last interview and she was in New York and I didn't get her because she was getting ready to go on her trip. But she'll be back. They're having the Sothebys thing this weekend right after that. But I'll try to talk to her as soon as that's over because I think that would be a good thing for us to do. And we'll have her approach him and see what we can do. Well, is making - going back to setting up the brands - is that an art or is that a science to put together something like that where you're doing taste and how well they smoke? Is that something he did by feel because he knew tobacco really well?

Zach Smith: Well, he did it by - see, all the tobacco brands has a lot of casing and flavoring in them. In other words, it's not all tobacco. I used to keep the secret formula. Kept the book. Anytime anyone came over to my desk to talk with me I had to close it. There were a lot of times I'd have to put it in the vault. I mean, it was in code too. When you left your desk, you had to put the book in the vault

Sherry Hollingsworth: Well, that was an important document.

Zach Smith: Well, there were quite a few of them. Every brand had a different formula. And he'd change the formulas around by doing this and that and so forth. But, we had a committee who did that.

Sherry Hollingsworth: After Mr. Reynolds was dead, but I bet there wasn't a committee around he was alive.

Zach Smith: Like Coca-Cola. That formula is still secret. And that formulas is in one of the banks in a safe deposit box.

Side 2



Zach Smith: So, the formula you know is top secret. But, also, most of the products like chewing tobaccos had a lot of, they had sugars and saccharin, and some of them had 30 different things in them and all sorts of things. But, anyway, here's something else. You might have seen it. I'm not sure whether I put that together by reading a lot of stuff that Dr. Tilley and I came up with or what.

Sherry Hollingsworth: I haven't seen this. Is it something that you wrote?

Zach Smith: I think it's condensed in case anyone asked about the family.

Sherry Hollingsworth: I'm sure you get a lot of questions, so this paper doesn't have a title but it starts, "According to family tradition, three Reynolds brothers came to America."

Zach Smith: Yes, I'm the one that put that together. But I think most of that material came from Dr. Tilley's book and so forth. And here's one thing I put together.

Sherry Hollingsworth: That looks helpful. Memorandum, RJR. New Business fork of the North Mayo River.

Zach Smith: Now all that information, I gathered from other sources. But I put those two things that I just gave you, I think I put them together. But most of the information came from elsewhere.

Sherry Hollingsworth: Now, 3,025 acres in Patrick County, that was a lot of land. Well, he was red-headed and 6 feet 6 inches tall.

Zach Smith: That was Joshua Cox.

Sherry Hollingsworth: Yeah, but was he related to Thomas Jefferson?

Zach Smith: Could be.

Sherry Hollingsworth: It sounds like it doesn't it?

Zach Smith: I told my grandfather, my grandfather, when I knew him, was very very handsome. When he first met my Grandmother she said, Lucy Reynolds Critz introduced them, and grandmother said, "That's the ugliest man I've ever seen. He's red-headed." But when I knew him he all this white hair,



white beard, white mustache, rosy cheeks - he looked like Santa Clause. Here's a bunch of correspondence and I haven't separated it or anything like that, but I think I mentioned last time that nothing had ever been done to honor Katharine Smith Reynolds until the early 60's when Dr. Tilley was writing the history. She asked me one day why nothing had ever been done to honor Katharine Smith Reynolds. And I said that I think the reason is that when she died she was Katharine Smith Reynolds Johnston and I don't think Dick wanted to use the name Johnston. And I said my suggestion is, and what gave it to me was that Dr. Tilley had asked me to get a transcript of Katharine Smith Reynolds from UNC-G, and I wrote and told them who I was and they sent me a transcript. They wouldn't do it now.

Sherry Hollingsworth: I tried. They wouldn't give me one.

Zach Smith: So, then, I've got one somewhere, and so at that time I said, well you know she was big on education. She was a good friend of Governor Aycock and a good friend of people over at UNC-G and people over at N.C.State, the top people. And I said she loved scholarships and I suggested that maybe what we ought to do is the Foundation set up these Katharine Smith Reynolds scholars, like Moreheads. I discussed it with Dr. Tilley and I said, "I think it best if you were to write Dick." And she said, "Now, you know I've been introduced to Dick and have written him and corresponded with him so he knows I'm writing the history. And if you tell him that you're connected with UNC-G and so forth and so on, and that you think they ought honor his mother and call is the Katharine Smith Reynolds, don't mention the name Johnston, he'll do something about it, I guarantee." So he got very enthusiastic. He was living in Switzerland. He got very enthusiastic and he said that at that time we had 12 Congressional Districts. A couple of years afterward it went to 11 and now we're back up to twelve, but he wanted one per year from each congressional districts. And I think that when it went down to eleven, he might have said that an extra one goes to Stokes County.

Sherry Hollingsworth: Because she was born there.

Zach Smith: He said something about his mother taking chemistry and she answered some sort of question or something, well his mother never took chemistry, I don't believe. Anyway, they set up these scholarships which at that time were equal to the Morehead - everything completely paid for. And we would give four per year and you had 48 at one time. Dick intended for



the Foundation to endow that, but they never got around to doing that.

Sherry Hollingsworth: So, are the scholarships still given?

Zach Smith: Yes, we give them \$175,000 per year, I believe.

Sherry Hollingsworth: But not an endowment.

Zach Smith: Not an endowment.

Sherry Hollingsworth: So the scholarships have gone up as the tuition and fees have increased.

Zach Smith: And what we do is we tell them, I said, you can't worry these people to death about when you're going to cut it out and this, we out to do it for 10 years at a time and adjust it for inflation every two or three years so that's what we do. And the 10 years will be up shortly so we'll probably do it for another 10 years.

Sherry Hollingsworth: I hope so.

Zach Smith: We'll give you this amount over the next 10 year period, adjusted for inflation.

Sherry Hollingsworth: Those are wonderful scholarships and I think you're right in that that is something she would like to have as a memorial to her.

So these are copies of the Nan Tilley letters and copies from UNC-G.

Zach Smith: Some of them from me to Dick and so forth. I think here's one from Dick.

Sherry Hollingsworth: Here's one from Dick about the cemetery, I don't have one from you. What's this picture of his father that you sent him.

Zach Smith: That's one that no one had ever seen.

Sherry Hollingsworth: What did it look like? I wonder if I've seen it.

Zach Smith: It's in my office. I've got the original. It was in the barn out here, I



believe, and it was circular. He'd never seen it, I don't think.

Sherry Hollingsworth: I wish I could have gotten in the barn. It sounds like there were wonderful things in that barn.

Zach Smith: Well, the barn was full of things and Charlie Babcock decided to get rid of it all and he told some of his friends, like Earlene King, and she bought some Tiffany lamps for nothing. And then the original carpets in the living room, the library, and the dining room, I think had Betsy's dog's marks on them from going to the bathroom on them. So, he threw those away and I think Goodwill came by and picked them up. And Carl Barnes heard about it so he went out there and bought them and sold them for a \$10,000 profit. That was a long time ago. He had them cleaned and made \$10,000 off of them. That's what his start, Carl Barnes. And then someone told me about all this stuff out at Goodwill that they had unloaded and Mr. Barnes, so I went out there and bought two wooden propellers that came from Smith Reynolds' plane. I gave one to his daughter, Anne and I've still got the other one in my attic.

Sherry Hollingsworth: I knew I would like to have gone to that sale! I had a call from a woman the other day who is living in Kentucky, or Tennessee, now, who just bought a piece from an antique dealer who told her it came from a sale in the 60's. It's a really interesting piece. It's a stand up desk like you would have used, like a bookkeeper would have used, except it's very ornate. It had inlaid ivory with religious scenes. And she was told that it had been in the family for 200 years, which I don't think it had been. But it also was supposed to have come from a castle in England. They may have bought it on their honeymoon, because it has religious scenes and Katharine was very religious, but it looks like the kind of furniture that would have been in the 5th Street house. Not here. I'm sure it was never at Reynolda, but it very well could have been at the 5th Street house. I should show you a picture of it because I told her I would show it to some family members to see if anybody remembered it so it could be documented.

Zach Smith: The only one that would died about three years ago. Those stand up desks, that's what I worked at when I first went to Reynolds.

Sherry Hollingsworth: I thought you probably did, being in finances.



Zach Smith: And what they did, when we went from the old office building in 1928 to the new building, they took the flooring out of some of the old office building and made these desks out of it you know, at an angle. And you'd stand up there all day. And most people, when I'd leave the purchasing office, they all had these eye shades on and they had these little things in their pockets with pens and they had these arm bands on their sleeves. And so I stood up at the desk. We did have a chair though, you could sit down.

Sherry Hollingsworth: Oh, well, that's good, cause a lot of times, they didn't let you sit down.

Zach Smith: That's right. I don't know where in the hell this thing came from. Probably someone found it and gave it to me. While Charlie was in the service he wrote, I think he, Mary, his wife, and somebody probably handled his partnership in the Reynolds and Company.

Sherry Hollingsworth: And this is February 23, 1944.

Zach Smith: Yeah, he was overseas then.

Sherry Hollingsworth: From H. W. Brendle to Mary Reynolds.

Zach Smith: And Milton Rose was the tax lawyer that's mentioned in there. I knew him pretty well. He was the tax lawyer. He wrote Mary Reynolds' will. And he was doing her tax work in those days.

Sherry Hollingsworth: Is this company still in existence?

Zach Smith: Grenfeld?

Sherry Hollingsworth: No, Reynolds and Company.

Zach Smith: Well, it was Reynolds and Company and then it was sold to somebody and then it was sold to Sears and right now it's know as Dean Witter.

Sherry Hollingsworth: I thought that must be. I asked somebody that the other day and they didn't know.

Zach Smith: Dean Witter was a company all along.



Sherry Hollingsworth: And it's Dean Witter Reynolds now.

Zach Smith: Well, I'm not sure. It was for a while then they took the Reynolds name off.

Sherry Hollingsworth: Oh, did they? Well, I wondered about that because it was the only, I don't know much about stocks, but it was the only one that I'd ever heard of that had Reynolds' name on it. Well, if it was his company, why did they call it 'Reynolds and Company'? Did Dick start this company?

Zach Smith: No, what happened was, Clarence, oh, you know that schedule you gave me? Or somebody gave me. You know that thick-

Sherry Hollingsworth: Oh, the chronology I'd done.

Zach Smith: You got some stuff in there wrong.

Sherry Hollingsworth: Oh, well, let me know.

Zach Smith: Like Katharine Smith went to UNC-G two years plus and was at Sullen two years. There's something wrong there in the first or second page.

Sherry Hollingsworth: Oh, okay. The dates were wrong? I thought she was out sick for a while.

Zach Smith: Well, Christmas time, I was told, that at Christmas time a typhoid epidemic occurred at UNC-G and she left there and didn't go back. She went to Sullins College the next two years and graduated from Sullen. But, I think she'd been there a year and a half or two years. But someone said, Aunt Ruth said, she had typhoid. I'd never heard that. I heard about the typhoid epidemic at UNC-G, but I thought she left because the well wasn't any good.

Sherry Hollingsworth: That's something that we're not sure of because there are different stories about whether she had it or whether she didn't have it. But, I can understand that if there was an outbreak her parents would have brought her home. There are some letters where there is a measles epidemic and her father has written saying, "Do we need to bring her home or are things okay now?" So, maybe somebody read part of those and somehow didn't think it was the measles



epidemic or, I don't know. It's hard to know about that. But, anyway, any thing that you see that's wrong in there, please let us know because it's hard eighty years after the fact to read these things and you can put a wrong interpretation on them or people have remembered incorrectly; like Peggy was saying about that lady coming through and telling her things. So anything you see, we need to know.

Zach Smith: Okay. Here is the 1860, August 25, census for the United States and it shows Harden W. Reynolds, age 50, male, he's a farmer, value of the real estate is \$40,000, value of personal estate is \$102,500.

Sherry Hollingsworth: That was a lot in 1865.

Zach Smith: Oh yes. And I think they about 4,000 acres of land up there. And they list Nancy, his wife, she was a whole lot younger than he was. He was 50 and she was 35. I wrote the Bureau of Census and got that. I got something from Richmond and also something from the Federal Government.

Sherry Hollingsworth: From the Census?

Zach Smith: I've got the 1850 one also.

Sherry Hollingsworth: That's interesting. I don't have anything like this. I have a copy of the 1810 census that I got from the library.

Zach Smith: 1810?

Sherry Hollingsworth: I mean, not 1810, 1910 census that lists everybody that was living in the 5th Street house and the servants that worked for him. I thought they didn't have live-in servants in the 5th Street house, but there are about 4 or 5 people who are listed as household members so they must have been live-in or they wouldn't have listed them for that house. So that's something I've got to figure out. Do you know whether the servants were live-in in the 5th Street house?

Zach Smith: Um-um. As a rule you had some living there and you had some off the place. I know, in Mt. Airy, my grandfather had them living in and off the place. The later part of the 30's I think all of them lived off. At home, we had 2 that lived on the place; a colored man lived in the garage and then a



colored woman lived in the house. But, another one lived close enough where she could go home every night.

Sherry Hollingsworth: Probably had to walk.

Zach Smith: Um-hum. You got a copy of that haven't you.

Sherry Hollingsworth: Um-hum. We do have a copy of the family history. And the family tree. I need to study that some more. I get confused. There were a lot of Reynolds' and Smiths' and all, it's hard to keep everybody straight.

Zach Smith: There are notes I made from R.J's and Katharine's list of assets when they died.

Sherry Hollingsworth: Oh, uh-huh, from the wills.

Zach Smith: One of them showed real estate at \$15,000; Personal property-\$563,000; stocks and bonds-\$11,700,000; for a total of about \$12,200,000.

Sherry Hollingsworth: That must have been Mr. Reynolds'.

Zach Smith: Mr. Reynolds. And paid out U. S. Taxes, \$2,000,092. State taxes \$407,000. And 30,407 shares of A Stock. 28,271 of B Stock. Then, said that Katharine had during her lifetime the house on 5th and I think it went to her son.

Sherry Hollingsworth: To Dick. It went to the oldest son, Dick.

Zach Smith: Then he left 500 shares to his sister, Lucy; 200 to May Lybrook; 200 to Lucy Stedman. These are all Lybrooks. And Will, 400. Walter. Part to Willie Reynolds and wife, I think he was insolvent. You know he didn't do any work and so forth. And he didn't want to leave it directly to him. I think one-third went to Katharine except for the common stock. Two-thirds to the children. And there was some sort of trust. They had a bunch of stuff not in trust. I believe this is hers. No, this was his. It says one-third, Katharine, two-thirds, children. Got some \_\_\_\_\_ child and trust, 1,78.

Sherry Hollingsworth: Shares of stock?



Zach Smith: That's probably what it was back in 19--whatever it was.

Sherry Hollingsworth: 1918 was when he died.

Zach Smith: I think Katharine got one-third in trust; a third of remainder absolute. But, I'm not sure of all that. See, what it was, in the 50's I got a copy from the courthouse. In those days, they knew me, and they let you see the original will. You could go back in the files and it had a list of the assets. Back in those days, you didn't have Xerox machine and I didn't have the money to do a photostat. So, what I did was copy it during lunch when I was working for the company. And that's the notes I made when I was copying them.

Sherry Hollingsworth: And you kept them all these years. You're a good historian.

Zach Smith: I just threw it in the drawer. I don't know whether I can make head or tail of it or not. But, one of these days, -

Sherry Hollingsworth: If I can read your writing, you're a better note taker than I am. I always scribble things down and think I'm going to be able to read them later. Now, I'm surprised that it just shows the real estate as \$15,000.

Zach Smith: Well, you know, you put things in as low a possible for estate tax purposes.

Sherry Hollingsworth: But, they owned a lot of property. Now, why would Mr. Reynolds have had A stock and B stock instead of all voting stock.

Zach Smith: Well, he couldn't have gotten enough A stock. I told you after he died that R.J. and Bowman and Will, and Clay William, whenever they got A stock, they divide it 3, 4, 5 different ways and everyone got a percentage of whatever they got. Like they talked to Thomas Fortune Ryan and got him to sell some of his stock or Harry Payne Whitney or people like that who were big shareholders. Then you'd split it up because you couldn't get A. See, when the American Tobacco Trust was broken up in 1911, every stockholder got so many shares of each of the tobacco companies. R.J. didn't want the others. He's going to give Buck Duke hell. So he sold off all the stock he got from other companies and he wanted all his stock that he could get, especially voting shares. But, some people didn't want to give up voting shares. I know that George Watts Hill, you know the



American Tobacco Company was really started by the Watts. Family had just as much as old man Buck Duke to do with it originally. They eventually got out of the company. But they still had a lot of stock in the company. Now the Watts family were wealthy and the Hills weren't. The Hills became wealthy when they married a Watts. But, anyway, I remember James A Gray in the late 30's and 40's kept writing the Hills and asking them to sell their A Stock. He said, "You're losing money because if you sell it you can buy a hell of a lot more shares of B stock." They said, "Hell, no. We won't sell it." And they never would. And finally in 1947 approximately, James A Gray was sort of worried about losing control of the company so he thought of the idea of giving all the common stockholders the right to vote. Then they would send in their proxy's to the management. That's what normally you'd do. But back in 1947, see, the Reynold's family controlled the company, the voting stock. And he didn't think that was a very good idea.

Sherry Hollingsworth: I wondered how long the family actually controlled the voting stock. That was what I was getting around to with my question.

Zach Smith: They controlled it till 1947, when they put in this new resolution which gave all the stockholders the right to vote. What he did, he went to - and Mary, Nancy, and Dick, weren't interested in working for the company. And so he went to them and told them that they were going to have to borrow a lot of money over the years and the New York Exchange thought that every common stockholder ought to have a right to vote and that was the reason they were going to do this. The real reason was that he wanted control because they usually sent proxy's in to him. And you know, on the proxy statement, they usually give the chairman of the board and the president the right to vote. So that way, he got control of the company in the late 40's. But he only lived a few more years and then his nephew Bowman Gray came in and had a lot to do with it and so forth. But, back in the 20's, 30's and 40's, Will Reynolds and James A Gray, Bowman Gray Sr., and Clay Williams were more or less trying to get control of the company and more shares of stock and so forth. And they got in trouble a couple of times. In the late 20's, Will Reynolds bailed them out because Mary, Nancy, Dick and Smith couldn't do it because they were minors and they didn't control their own assets. But, in 1941, war broke out on December 7, 1941 and for three years prior to that we had fairly low earnings.

Sherry Hollingsworth: "We" being the company?



Zach Smith: Yes. So, in March/April '42, Congress passed an excess profits tax law. They said take your total profits from the past three years and divide the total profits by three and that is your base. Anything in excess of that, you're going to have to pay up to 92% tax. So we had a low base. They didn't do too well in those late 30's. So, we had a very low base. So we were paying out most of it in income tax.

Sherry Hollingsworth: During the war because people smoked more during the war.

Zach Smith: Well, of course, you smoked more during the war and people had more money during the war.

Sherry Hollingsworth: Cause they came out of the Depression.

Zach Smith: Yeah. I know I was in the service and I could buy cigarettes for 5 cents a pack and I used to buy them and send them home. You'd get a carton for 50 cents. So, we had a very low base and the value of Reynolds stock went down, the A stock is what I'm talking about now, the A Stock went down from say \$60 a share down to \$30 a share. Well, James A Gray, Clay Williams, Bowman Gray, Ed Darr, a lot of them had more money than that borrowed on them. In other words, they had more than \$30 borrowed on the stock. Had maybe \$45 on the average. So, when Mary and Charlie came down here, and Charlie Babcock told me this, lots of times I'd go down and see him most everyday because he didn't go home until after 1 o'clock, and I'd come and stand at his door and he'd tell me to come over when he wasn't busy. And I'd sit down and talk with him about various things. And if he was busy, I knew it, so I'd leave. And he told me that that Easter, 1942, James A Gray and Clay Williams came out to see him and they said that the executives are in trouble. He said that the excess profits tax is going to take all our earnings. The earnings are going to be very good, but the excess profits taxes are going to take it all away because the base was so low. And that the executives had large sums of money borrowed on that stock. And Charlie said, "Have you talked to Will Reynolds?" And they said, "Yes. And Will Reynolds said that he bailed them out in the late 1920's and he wasn't going to do it again." And Charlie asked them if they had talked to Dick. They said, "Dick said he wasn't going to bail them out." And he said have you talked with Nancy. And he said, "Well, we have an appointment with Nancy shortly." So Charlie and Mary decided that this A stock became available the company could buy some for Mary. So, what this would do would be to support the price. So, as the stock became available, people



had to sell it because bank loans were more than the value of the stock, the company bought it in Mary Reynolds Babcock's name and she paid for it. When they talked to Nancy, Nancy said that she had all the Reynolds she wanted. She wanted to diversify, but she would guarantee the three top officials loans and some other people. So she guaranteed their loans at the bank.

Sherry Hollingsworth: That was a generous thing to do.

Zach Smith: Yes. That can be substantiated because there was an IRS case against Nancy one time for several things. One was that she had legal fees in regard to a life insurance question. Another was that she had paid legal fees in regard to guaranteeing these loans for the executives of the company. And she deducted it because she said she was a stockholder and it affected the value of her assets and there was one other question like that. You know very minimal. And IRS disallowed those things so she brought suit against them and she won in court. And one decision that was handed down by the judge is known as the Bagley rule or regulation. The courts decided that she was right on all three charges. Something that became known as the Bagley rule.

Sherry Hollingsworth: Well, that's interesting.

Zach Smith: Because of the suit she filed. You know, before she did things she went and asked a lawyer if it was beneficial. And she deducted the lawyers charges, which were fairly substantial.

Sherry Hollingsworth: I'm sure. If they were talking about that kind of money I'm sure they were charging a lot. Well, I was just thinking about your going to work for the company, how did you decide that you wanted to work for the company? Was it because you had always heard about the company growing up all your life and had been associated with all these people who were involved in it and you were intrigued with the company?

Zach Smith: Well, I didn't know too many people involved in it. See, there were no family members out there except Will Reynolds. I knew him very slightly. He used to come up to Mt. Airy and see his first cousin, Zachary Smith.

Sherry Hollingsworth: Cause you were on the other side of the family.



Zach Smith: Yes. Well, actually, Katharine and Will - My father and Will were first cousins and Will was my first cousin once removed, I guess you'd call it. I guess I used to come down the the dentist, Dr. J. C. Watkins, who was, I know he was a dentist for years and years. And he was a multi-millionaire in the late 20's and lost it all in the depression. But he had an office in the new Reynolds Building and he was Mr. Lassiter's, and the Chatham's, and, you know, a lot of prominent people used him as their dentist. And so, rather than use one at home, we'd drive down, you know, on Saturdays and mother would shop at Montaldo's and this and that. My brother, sister, and I would go to Dr. Watkins office.

Sherry Hollingsworth: Sounds like your mother had more fun.

Zach Smith: Yeah. And after he got through with us we'd go to some of the movies. They had morning movies then. Then we'd meet her at a certain time, she told us what time to meet her at Montaldo's. And I saw that Reynolds Building and it looked pretty nice to me. And I said, "It's be nice to work here." You know it was finished in 1929 and I guess we started going to him in about 1929. He had, he probably had 10 different rooms.

Sherry Hollingsworth: Wow! That's a big dentist office.

Zach Smith: A big waiting room, and he had only one assistant plus a receptionist and 2 nurses. Well, I mean, he was in and out. And back in those days, you really didn't have braces. What he'd do was put a plate in my mouth with a brace around it and put braces in my mouth. And I started going to him - I know when mother started going to him. She started going to him before I was born. Cause he told me that he'd been looking after me for six months before I was born. And then one day in the late 50's I was in there and he said, "Zach, I was looking over your record" No, first of all, went in and he didn't know who I was. Then when he found out he looked over my record he said. And he saw that in the late 1930's he'd put in a brace or plate that you could take in and out so you could brush your teeth and all that. I could take it out if I was going to a dance or something like that. But, he said, "You know, I only charged your father \$100 for that. Actually I should have charged him \$250. Do you think he'd pay it today?" And this was thirty years later. I told him I doubted it. I decided then it was time I got another dentist. But, he used to x-ray you every damn time you went in there. I think that's probably what caused Dick Chatham's cancer of the mouth. Cause I know the Chathams went to him. And I know he always told us to come down every Saturday. And



you'd sit out in his office and then he'd finally take you and he'd want to x-ray you all the time because he'd charge you for it.

And, also, I wanted to go into advertising. So, after I came back from the war and graduated from Chapel Hill I came up here. And they didn't have a personnel department for the office so I went to see Fred Hill who was hiring for the office. He was the Treasurer. And he said, "Fill out this form. Go down and have a health exam and we'll let you know." About two week later he called and said, "Come by and see me when it's convenient." So I went in to see him the next day and he said, "We'll hire you and here's your salary." He wrote it on a piece of paper and handed it to me - \$175.00 a month. He said, "Now, don't tell anybody." I said, "Don't worry."

Sherry Hollingsworth: Well, that's better than a school teacher. My mother was a school teacher after the war and she was making \$100 a month, so you made a lot more than she did as a school teacher.

Zach Smith: And I think I told you last time about asking if I could take my two week leave. To remain in the service, I had to take a cruise every summer since I was in the Naval Reserve. And they said the company would pay the difference in the company salary and the Navy salary. I said, "It's not going to cost you a cent. I make a hell of a lot more in the Navy than I'm making at the company."

Sherry Hollingsworth: And they said, "We knew we were paying the right salary." Well, all these pieces of information that you brought in are going to be really interesting.

Zach Smith: But, I want all those back. Did I give you some stuff last time?

Sherry Hollingsworth: Um-um. So, we, I'm sure you didn't. Did you think you gave me anything?

Zach Smith: No. But, if you want all that stuff, the originals-

Sherry Hollingsworth: We would love to have it for the archives and would promise that we would take good care of it.

Zach Smith: Well, what I'd want you to do I think is make a copy for me of all this stuff and then list it. Describe the list and give it to me and then say



anytime I or one of my family want access to it, we've got access to it.

Sherry Hollingsworth: Sure. Of course. I'll talk about it with Nick and I'm sure that you'd have access to it even without anything in writing, I'm sure you'd have access to anything that we've got up there.

Zach Smith: Well, what I'd like to do is make a list of what I've given you.

Sherry Hollingsworth: I will, I will do that today.

Zach Smith: And then make a copy also. Now, some of that stuff on the Katharine Smith Reynolds thing, are duplicate. I didn't go through and pull them out.

Sherry Hollingsworth: Okay. I'll just look through them and see what it is and I'll try to work on that today and next week. Do you want to take a break for a minute. Are you getting tired? How are you doing? I'm enjoying it. I can listen as long as you're willing to talk.

Zach Smith: How about a 2 minute break.

*Tape recorder turned off.*

Sherry Hollingsworth: Okay. We're back from the break now.

Zach Smith: Let's see. A. D. Reynolds to - it says "Dear Cousin Zach. 1901" and so forth. Reminds me of one time, A. D. Reynolds had a tobacco company over in Bristol, Virginia, Tennessee. And something was really addressed to his company and came to the R. J. Reynolds Tobacco Company in Winston-Salem. And Mr. D. Rich, who was treasurer recognized the product they wanted and knew it was A. D. Reynolds' product so he took the letter and sent it over to A. D. Reynolds in Bristol. And he signed the cover letter, "R. J. Reynolds Tobacco Company. D. Rich." And A.D. Reynolds wrote back and says, "R. J. Reynolds Tobacco Company, I know you're damn rich, but you don't have to brag about it." Mr. D. Rich was the treasurer, but actually, R. J. handled all the financial, all the borrowing the money and so forth. D. Rich was really the bookkeeper.

Sherry Hollingsworth: What was his name?

Zach Smith: I've never heard anything but 'Mr. D. Rich' and I've got the, he died the



year I was born, I think. And he gave me a sterling silver baby fork, knife and spoon. And I still have those. That's who Aunt Katharine lived with when she first came to Winston-Salem.

Sherry Hollingsworth: It was with them? They came to dinner with the Reynolds. And in the social columns they, Mrs. D. Rich is always doing this that and the other and they're coming to dinner and doing all sorts of things and it's always 'Mrs. D. Rich'. I mean, what did people his age call him? Did they call him 'D'?

Zach Smith: "D"

Sherry Hollingsworth: Just "D". He must have hated his name.

Zach Smith: And my second boss in the company was his office boy. He started working for the company when he was 13 years of age and retired 50 some years later. He used to tell me about Mr. D. Rich. And when Mr. D. Rich died, I believe, Robert Shore got his job as treasurer. And he left Robert Shore some money, Reynolds stock, along with leaving a lot of his other relatives Reynolds stock as well as a Baptist church and Baptist orphanages and so forth. And also, his wife, \_\_\_\_\_, yeah, MR. D. Rich's first wife died while he was still living. And Mr. D. Rich used to walk home from the old Reynolds office to his home on 5th Street. He'd go by this place that sold records, you know victrola records. And there was a clerk behind the counter there. And he thought she looked a lot like Mrs. Rich when she was younger. So, he started to drop by every afternoon to talk with her. And she was from Charlotte, North Carolina. And he liked her. Finally, he told her, said "Now, if you go up to Philadelphia and go to that school and learn something about nursing and manners and reading and writing, then we'll get married." And she did. She became Mrs. D. Rich. And not too long after they got married, he died. So, she married Mr. Rich's nephew, Robert D. Shore. You know Bob and Adriene Shore?

Sherry Hollingsworth: I know the name but I don't know them.

Zach Smith: They lived across the street. And this is Bob's mother. She's a real, real nice person. I knew her pretty well at one time. And just as nice as she could be. But, I think Mr. and Mrs. Shore spent the first three or four years of their marriage going around dedicating all these buildings that Mr. D. Rich left money to. But, he was a good friend of R. J.'s.



Sherry Hollingsworth: I think, maybe, they were at the first dinner party that she had. The first dinner party was basically, after they got back from the honeymoon, was basically family.

Zach Smith: Family plus.

Sherry Hollingsworth: But, I think the Riches, in those early years, the Riches did come to dinner a lot or came to things that she was involved with. Well, can you remember any other stories about any family members or any of the early officers of the company or anything?

Zach Smith: Well, there's one story that goes around. I think I've seen it in print somewhere. That when R. J. went up to see his Cousin Zach and ask for Katharine's hand, Grandpa tried to talk him into marrying either Maxie or Irene.

Sherry Hollingsworth: I've seen that too.

Zach Smith: I've heard it was Irene. Then later on, I've seen it printed as Maxie. I think now it might have been Maxie. You know, back in those days, women who got married and were fairly prominent and had sisters, one of their main purpose in life was to marry off their sisters. Now, Kate Bitting Reynolds did a great job on that. She didn't have any children, but she had lots and lots of nieces. And she married them off very well. and I think Aunt Katharine tried to do that with, you know, Aunt Max. And I think James S. Dunn was probably a friend of R.J.'s.

Sherry Hollingsworth: Was he older?

Zach Smith: He was about 10 or 12 years older I think.

Sherry Hollingsworth: But not as much older as Mr. R. J.

Zach Smith: Right. So, I noticed in that thing you gave me, Irene's down here and Maxie's down here, but Aunt Ruth stayed down here a hell of a lot. I didn't see her mentioned too often. I think she went to Salem. Now Aunt Ruth went to, Irene went to Gunston Hall in Washington and she went to Salem. Might have gone - Aunt Max went to Converse.

Sherry Hollingsworth: It's interesting that they all went to different schools, isn't it?



- Zach Smith: Yeah. I think Aunt Max went to Converse. 1884. She probably went to Converse around 1900 or 1901.
- Sherry Hollingsworth: That'd put her 16 or 17, something like that, if she was born in 1884.
- Zach Smith: And then, Aunt Irene, I know, went to Gunston Hall. Might have been, somebody in the family went to the National Cathedral. Gunston Hall and the National Cathedral I don't believe are in existence today.
- Sherry Hollingsworth: I don't know. I've been to the house, but I don't know if there was a school there.
- Zach Smith: National Cathedral was connected with the National Cathedral in Washington which is an Episcopal church. and that wasn't completed until 4 or 5 years ago. Well, let's see-
- Sherry Hollingsworth: What was your Aunt Max like. You knew her. You were pretty close to her, weren't you?
- Zach Smith: Um-hum.
- Sherry Hollingsworth: Talk about her and what she was like.
- Zach Smith: She was very well read. And she was an outstanding Bridge player and used to play in tournaments. You know, life master, played in tournaments all over the South. You know, Southern Pines, Hot Springs, and White Sulphur and so forth. And she never got over losing her only child. And fact is, she lost him in 1922 or '23, something like that -
- Sherry Hollingsworth: We have a letter from Nancy, I think I mentioned last time. Or you have a letter from Nancy \_\_\_\_\_  
(overlapping conversation)
- Zach Smith: I have an older brother and a younger sister. And I think, I was told later on, that Aunt Max, around 1925, told my father and mother that since they had two boys and one girl how about letting them adopt me. I don't know whether that's true or not, but I heard it a couple of places.
- Sherry Hollingsworth: I bet it is true. I bet she was having such a hard time.



Zach Smith: They had a boy, so they probably wanted another boy. But, she was a, I used to talk to her, I learned a lot of things about the Reynolds family. See, she was, Aunt Katharine learned a lot when she was working at the company. She learned a lot from R. J. and the probably discussed business quite often.

Sherry Hollingsworth: I'm sure they did.

Zach Smith: And most wives and husbands wouldn't do it, but I know good and well that she and R.J. did.

Sherry Hollingsworth: I want you to read that letter that the doctor wrote her about why he wouldn't let her come to Philadelphia. It'll break your heart.

Zach Smith: The business, yes.

Sherry Hollingsworth: Cause he didn't want her to talk about business.

Zach Smith: So, I think she discussed a lot of things with Aunt Max, knowing that she wouldn't say anything about it. And then I learned a lot of things from Cornelia Taylor Long whose father and uncle started the Taylor Brothers Tobacco Company. But, Aunt Max used to write poetry.

Sherry Hollingsworth: Do you have any of her poetry?

Zach Smith: Some, yes. And also, I got a lot of her books. Most of them are leather bound and so forth. Nothing real fine, collector's items or anything like that.

Sherry Hollingsworth: But, you just like them because they were hers.

Zach Smith: Yeah. I've had a lot of books over the years. In fact, I just gave some 790 of them to Arbor Acres.

Sherry Hollingsworth: Well, that was a nice thing to do.

Zach Smith: They had been purchased since 1985. The reason I know that is that in 1985, I took an early retirement from the company, I had more time to read. And I've got bookcases in the living room. Bookcases in the T.V. Room. Bookcases in the library. And I had about 1,000 upstairs in the attic and I had those thrown away. And then in 1985 I started putting



them in the corner of the living room. Eventually I had a stack of 790 over there. And I asked Arbor Acres if they would like to have them. And at first they thought I was just trying to unload some old books over there. And eventually, they sent somebody by and they were very enthusiastic about getting them.

Sherry Hollingsworth: Well, that's a good resource for them to have a library (Tape cuts off)

Tape 2, side 1

Zach Smith: I think when she started was back when she first moved to Winston-Salem, but I don't know that.

Sherry Hollingsworth: \_\_\_\_\_ come to a new town.

Zach Smith: And in five years too, not one.

Sherry Hollingsworth: Oh, that's a lot.

Zach Smith: I guess you think that if you're going to lie you ought to tell a big one. But, I told my father one day, "I always thought Aunt Max was older than you." He said, "She is."

Sherry Hollingsworth: Not according to her.

Zach Smith: Maxie says she's more.

Sherry Hollingsworth: Well, we have a letter from Katharine, a copy of the letter since the secretary always did it, from Katharine to Irene about looking over the house plans and she wanted her comments on them. But, we don't have a copy to Maxie. Do you think Maxie was involved in the building and all, too, or was involved in talking to Katharine about the kinds of things that were going on and what she liked about the house and what she didn't like? Cause I would bet that all the sisters were involved.

Zach Smith: I don't know. I think Ruth was probably too young. Oh, the house-

Sherry Hollingsworth: About Reynolda. Cause it took such a long time, you know. And she'd gotten so many plans and she would need to talk to



somebody about what she liked. I mean, she was pretty opinionated so I'm sure she could have made her own decisions, but when you're thinking about how the house is laid out and all you usually like to talk to another woman, so I just wondered.

Zach Smith: Well, Irene used to have a lot of fun designing houses. I remember over a period she drew a lot of plans for a house at the beach. She built a house at Myrtle Beach probably in 1935 or '36. It was the nicest house in Myrtle Beach at the time.

Sherry Hollingsworth: Probably a motel now.

Zach Smith: Well, it was north of the Ocean Forest Hotel. I don't know if you remember that or not. That was a big hotel that was built just before the Depression and they went broke and closed for a number of years. But, she bought two lots down there and built a stucco house. Furnished it with real, real fine antiques. And I still regret taking 25 people down there one time for a house party.

Sherry Hollingsworth: When you were young?

Zach Smith: I was at Chapel Hill. So we wanted to protect the antique furniture so we put newspapers on them.

Sherry Hollingsworth: Oh, no. So all the upholstery-

Zach Smith: Then we were drinking all this gin and grapefruit juice or whatever it was and it came through and the damn paper stuck to the damn furniture. And we had a, we couldn't get it off. So, I had to go up and tell her.

Sherry Hollingsworth: Oh, that was a hard thing to do. I bet you dreaded it.

Zach Smith: Well, she had to have it re-finished. And I never asked for her house again.

Sherry Hollingsworth: I bet not. It's a good thing probably.

Zach Smith: Yeah. She had 1, 2, 3, 4, 5 bedrooms upstairs and one bedroom downstairs and each one of them had a bath. Then had a big living room.

Sherry Hollingsworth: You can have a nice house party at the beach like that.



Zach Smith: Had a big circular porch, enclosed. One hurricane did right much damage to the houses around but did not damage to this one except the water came in on the first floor.

Sherry Hollingsworth: Did it ruin the antiques or did they have enough forewarning that they could get the antiques out.

Zach Smith: No.

Sherry Hollingsworth: Didn't have it back then like they do now. Well, what other kinds of things did she do? Was she involved in a lot of club work like Katharine was or getting things started?

Zach Smith: Maxie?

Sherry Hollingsworth: Um-hum.

Zach Smith: Well, she was a Colonial Dame. I don't think Aunt Katharine was ever a Colonial Dame.

Sherry Hollingsworth: I don't know of it if she was.

Zach Smith: I think Aunt Max was and I think Aunt Ruth was. Let's see---book club. I know she was very, very interested in books and very interested in Bridge. and she used to keep diaries and so forth, but not every day. And she'd say, had "so forth and so forth for lunch". And she had a lot of people for lunch and she used to go out with a lot of people. She used to go to Atlantic City a lot too.

Sherry Hollingsworth: To the Hotel Premier where Katharine used to go, do you know?

Zach Smith: Bleinheim Malboro or something like that?

Sherry Hollingsworth: Katharine went to that one too.

Zach Smith: That one I believe I've stayed at. and it was in bad shape when I stayed there. It was 1964. And I went up for the Democratic National Convention when LBJ was nominated after he had become President. In fact, I sat in the same box with him accidentally.

Sherry Hollingsworth: Oh, you did.



Zach Smith: Yeah. The damn Secret Service didn't know any difference. Mrs. Lehman, Governor Lehman's niece, was a prominent Democrat and she gave me, let me use her tickets a couple of times. And Smith Bagley gave a big party up there at the Convention. and Smith and I went to, oh I've forgotten who, some lady that used to entertain - Pearl Mesta. She rented a house there in Atlantic City and that was an open house, 24 hours a day, 7 days a week. And we'd go over there and talk to Hubert Humphrey and people like that. We got to know a lot of the CBS news correspondents. And we had a big time up there. But, one time we were sitting, we knew the President was coming in and we were sitting at the Coliseum in an office not too far from where he was going to sit in his box. And we were back in there because we knew the Secret Service didn't want us out in the hallway when he came in. Next thing we knew, the Secret Service came in and pointed to two or three of us and said, "Pick up those chairs and bring them with you." so we did. Folding chairs, because we weren't supposed to be there. And they put us in the back of, they said, "Take those chairs up in the back of this box." And that was the President's box. And we got in there and all these people started coming in and you know, they'd stand there and talk to each other and you couldn't get by them. So eventually, we ended up in the damn back of his box. And there as the President and his wife and all those people in front of us and they had no idea who we were.

But, I remember in the late 40's we went off to a Carolina Navy game at Baltimore and we left the game a little early because we had a friend that was going to have a party to celebrate that night in Washington. So we left a little early and all of the sudden we saw this motorcycle escort and these cars come by at a fast pace and we fell in behind them. It was Harry Truman's group. We followed him all the way into Washington at about 70 miles per hour.

Sherry Hollingsworth: Made good time. Did you get to meet President Truman when he was here for Wake Forest?

Zach Smith: Um-hum. He stayed out here. And Governor Scott and President Truman and had the dedication over there. Otis Mull was here, he's the one who negotiated mostly for Wake Forest. He was a lawyer. I've got papers on the-

Sherry Hollingsworth: The headlines?



Zach Smith: No, I've got papers on Wake Forest and Will Reynolds and so forth discussing the negotiations between Wake Forest and the Z. Smith Reynolds Foundation. I ran across those not to long ago.

Sherry Hollingsworth: Oh, that would be interesting.

Zach Smith: It talks about the name "Reynolds University" and so forth.

Sherry Hollingsworth: Why did they decide not to do that? The Trustees just wanted it to remain "Wake Forest"?

Zach Smith: I think both groups did.

Sherry Hollingsworth: I had always wondered if the family just didn't want to have a university named after them or what.

Zach Smith: You know, I told you last time that I thought Will Reynolds was a - Will Reynolds went to Trinity College. And he became a trustee and was on the Executive Committee of Duke University for years and years and years. I also mentioned, I said I knew that. I also mentioned I thought he as a trustee of the Duke Endowment, but no one had ever heard of that. So, I said, well there's one group that would know and that's Duke Endowment. So, I called down there last week and I said, "See if you've got a trustee named W. N. Reynolds who used to be a trustee and he died September 10, 1951." And I said, "W. N. Reynolds." They said, "No, we didn't have one named W. N. Reynolds, we had one named William Neal Reynolds came on February 4, 1931 and ceased to be a trustee on September 10, 1951." I said, "That's the day he died." And he was a trustee of the Duke Endowment. I asked Mary Semons one time, you know, Mary Duke Biddle Semons and I don't think she knew he was a trustee. The reason I mentioned this is a lot of people thought that old man Buck Duke and R.J. didn't get along, but I think they highly respected each other. Even though they were very big competitors. Because old man Buck Duke told R. J. he could run the company any way he wanted to as long as he didn't make a cigarette. And he didn't make one until after they broke up the trust.

Sherry Hollingsworth: The trust was broken up in 1911 and Camels came in 19-

Zach Smith: -13. April 1913. And I think Will was good friends with Old Man Ben Duke, he was the age of Will Reynolds and old Man Buck Duke, so they



respected each other.

Sherry Hollingsworth: Well, what was Mr. Will's connection with State that the gymnasium is named for him? I know that Mary Reynolds Babcock gave \$100,000-

Zach Smith: No they didn't either.

Sherry Hollingsworth: They didn't?

Zach Smith: Mary Reynolds Babcock? You mean the Foundation?

Sherry Hollingsworth: No, what I read said that she gave \$100,000 but I don't know when the gymnasium was built. It may have been built-

Zach Smith: I thought you said "Mary Reynolds Babcock Foundation."

Sherry Hollingsworth: Oh, um-um, that she did.

Zach Smith: Actually in 1940, State College wanted a large place for farm exhibits. And at that time, I believe the WPA of the Federal Government would furnish the labor. I know when I was at Chapel Hill and they started building brick walkways, and they were still building them in the 50's, but they had WPA labor and Chapel Hill had to buy the brick. And the reason they didn't build them quicker and faster is because Chapel Hill didn't have the money for the brick. But, anyway, they wanted a place for farm exhibits at State college and Dick attended there for a short time.

Sherry Hollingsworth: Yeah, I knew he did and that was the only connection that I knew of.

Zach Smith: And Will Reynolds was always very active in fairs. In other words, his land was used here as the fair grounds.

Sherry Hollingsworth: Oh, I knew that he was Vice President of the Fair here and had been .....when Mrs. Vanderbuilt was elected President of the State Fair Association, he was one of the names which was listed in the running so I knew he was involved in that, but I didn't know his land was used for the Fair.

Zach Smith: Well, they used to have it up on Liberty Street. And I can remember that.



And he owned the land and he'd underwrite it quite often. It was the second best fair in the State. And eventually when they built the new one, he built a track there so you could have harness racing. And eventually it didn't draw as many people so they were able to transfer those assets who were paying for the harness racing, I believe they did it out of the mid-west somewhere - Goshen, Indiana maybe.

The N. C. State building was supposed to cost \$400,000. And Mary, Nancy, and Dick put up \$100,000 of the money. I don't think it was just Mary, I think it was Mary, Nancy and Dick put up the money. \$100,000 in total. And it was supposed to be a \$400,000 coliseum. The war broke out shortly thereafter. And they had the steel erected but they didn't finish it until 1947, '48. Then they decided that maybe they would use it for basketball so they hired this high school coach from Indiana and he was the one that brought great basketball to North Carolina. And State had the first real good basketball team in North Carolina. And, you, know, Indiana had good basketball for years and years. So eventually that place cost a million bucks, but for \$100,000 bucks they made a damn good investment.

Sherry Hollingsworth: They did get his name on it all these years. Maybe State was like Wake Forest - you said they sell their buildings too cheap.

Zach Smith: Yeah they do sell them too cheap.

Sherry Hollingsworth: Did you come to parties and things down here with Mary and Charles?

Zach Smith: Oh, yes.

Sherry Hollingsworth: Do you want to talk about that some, what it was like? What daily life was actually like here? And I also want you to talk about what daily life would have been like at your grandparents' in Mt. Airy.

Zach Smith: You know, if they'd have a big party I'd be invited. (This was 1946 and after I moved to Winston-Salem.)

Sherry Hollingsworth: Now, you aren't much younger than they were?

Zach Smith: Well, right much.



Sherry Hollingsworth: Even though you were brother and sister's children you were.....

Zach Smith: Well, Mary was born in 1907 and I was born in 1923 so there was 17 years difference. But, Mary used to write me when I was in the Navy overseas, she'd write me quite often over there and tell me what was going on here and so forth.

Sherry Hollingsworth: Do you have any of those letters?

Zach Smith: No. I remember one though that told me that Charles Jr. had gone down to the lake and found a body down there.

Sherry Hollingsworth: I never heard that story.

Zach Smith: So, that's when they were living across the street. I was overseas at the time. My guess is late '44.

Sherry Hollingsworth: Was it somebody who had drowned in the lake?

Zach Smith: I think so. They called the police or the Sheriff's deputies or somebody.

Sherry Hollingsworth: He was pretty young. That must have been a really horrible experience for him.

Zach Smith: I don't think it bothered him.

Sherry Hollingsworth: You're talking about Charles, Jr., right?

Zach Smith: Yeah.

Sherry Hollingsworth: Maybe he was young enough he didn't know what he saw.

Zach Smith: But, if Mary had a pretty good sized party I would usually be invited. And I used to come out Christmas evening, you know, they had sandwiches and had a table full of food and you could get what you wanted. I'd spend Christmas Eve and Christmas day with my parents and then come out here. Aunt Max always had dinner with them out here. Oh, let's see. I can remember when this was an open porch.

Sherry Hollingsworth: Oh, before it was closed in.



Zach Smith: And also when they had a driveway out here in the front.

Sherry Hollingsworth: So, this was changed in 1936, 1937, so you remember that.

Zach Smith: But, I think they built most of that stuff in the basement. I think the basement was already there. But, I think the bowling alley and the rifle range, the skating and so forth. The wine cellar.

Sherry Hollingsworth: Now, I have heard that people used to just skate in the basement on the tiles and all under there. Did you ever do any of that?

Zach Smith: Um-um. On occasion. After I got my driver's license, you know, at 15 years of age, Learner's Permit I guess they called it in those days, sometimes I'd get a couple of friends from Mt. Airy and we'd hop in the car and I'd drive by Walnut Cove and I'd pick up Ann Hollingsworth Carter, whose mother was a housemother over at UNC-G and she married Baxter Freese over in High Point. And she was a distant cousin of ours. We'd come down here and Mary let us go down in the play room and have made arrangements for someone to go down there and put the pins up after we'd bowl and also let us use the rifle range and skate and all that stuff. Swim if you wanted to. At that time, I guess I was 15 and she was 34.

Sherry Hollingsworth: She was almost old enough to be an aunt rather than a cousin.

Zach Smith: But, they use to have parties out here and I'd come to the ones that were good sized. (After 1946)

Sherry Hollingsworth: What was she like to you? When you think of Mary Reynolds Babcock, how do you think of her in your mind?

Zach Smith: I think of her as reserved but, one on one, she was very comfortable with you if she knew you. But, you know, larger groups, she was probably reserved, but I think a lot of the Smiths are.

Sherry Hollingsworth: Just sort of shy.

Zach Smith: Um-hum.

Sherry Hollingsworth: It's my understanding that she was really interested in cooking. Did you every have anything that she cooked?



Zach Smith: Yeah, but I forgot what it was. I know after she died, Charlie had put in book form, flower arrangements and cooking. I've got her books, two or three of them, I think.

Sherry Hollingsworth: I would love to have a copy of that flower book. We're talking about having it re-issued. I hope that we do. I think that would be a great thing to have out here.

Zach Smith: They have some our here, don't they?

Sherry Hollingsworth: Reynolda has a couple of them, but I don't have one. I mean, I want one. So, I hope that they'll go ahead and re-publish that because people would like it. The flower book has some wonderful ideas about what to do. What about Mr. Babcock? You said you saw him every day and we never.....

Zach Smith: Well, when he first came out here, I think he promised Mary he'd move down here one time. So, they came down, I've forgotten, the late '40's probably.

Sherry Hollingsworth: '48 is when they moved.

Zach Smith: Yeah. They used to come out for Easter and Christmas and summertime some. Then they built the place up at Roaring Gap. Then they moved down here and his office was on the second floor of the Reynolds Building. And I'd go by there at lunchtime and he had two secretaries, two men up there I guess.

Sherry Hollingsworth: Two men and not women secretaries. That's interesting.

Zach Smith: No. He had two women.

Sherry Hollingsworth: Oh, two women.

Zach Smith: Two women for secretaries and he had two men who were stockbrokers. And I'd go by and see him, you know, every so often. And I remember one day, you know, we used to take coffee breaks at Reynolds. That afternoon, I took a coffee break. I noticed a lot of commotion around. And someone said "Do you know that Charlie Babcock just had a heart attack?" I said, "Oh, my God." So, I asked someone about it and they said, yes, and that they took him to the hospital in an ambulance. So,



when I came home, I told Aunt Max about it and Mary had called in the meantime. So, Aunt Max and I went over to Baptist Hospital to see Mary, we knew that she'd be over there. And she met us in the hall and she said, "Well, the doctors don't think it's too serious. In fact, they aren't sure it's a heart attack." She said, "You know, Charlie's two older brothers died in the past few years of heart problems, and Charlie's just got it in his mind that he's going to have a heart attack. And I think that's what it was." She said, "The doctors don't think it's a heart attack." And, She said, "You know, he's been coming home at lunch and not going back to work." So I think she thought his heart problem was mostly in his mind. So, but after she died and he got remarried, he used to stay down there until 1:30 or 2:00. And then, I'd go down around 12:30 and have a fairly quick lunch downstairs and then I'd drop by Charlie's office either before or after I'd have my lunch. And I'd stand at the door and if he wanted to talk he'd tell me to come on in, other wise---- His secretary sat in the same room with him. And, so I'd sit down there next to his desk and we'd talk about various things. And he was a very reserved person. Well, to a certain extent he wasn't. He'd pick up strangers and talk with them. I remember one time, Mary and Charlie came down on the train from New York. Normally they had a whole car to themselves. But this time, there were just two of them together. And they met a couple on the train and started talking to them and in some way they said, "Well, why don't you come on by and stay with us tonight." So, they got off the train and there was no one there to meet them. The house was closed. I don't think they were expecting them here. So, they came out here in some way and they had trouble getting in. They finally got in. Mary had said she thought she knew where a key was so she finally found one. Thy went back in the kitchen, she had no idea where anything was. She tried to put a dinner together that night. And then she went upstairs and came back down and sat at one of the tables with the four of them. And Charlie looked up and said, "Whose dress do you have on?" And it was her dress, but they'd put the wrong initials on it. So this couple, Charlie said, was getting very suspicious.

Sherry Hollingsworth: They thought they were breaking in.

Zach Smith: Breaking in this big house. Didn't know where anything was.

Sherry Hollingsworth: Well, nobody had lived in when they weren't here, I guess, and so they-



Zach Smith: I think there was somebody here most of the time, but not that one.

Sherry Hollingsworth: Except that one night. That's funny. Well, did you talk with Mr. Babcock when he was breaking up the farm and selling and deciding what he was going to do with all the pieces of Reynolda?

Zach Smith: Well, when Mary died and Charlie inherited the Reynolda real estate and Reynolda, Inc. And he was real upset because the state government hit him hard, but Federal Government didn't hit him too hard on taxes because, I think Mary's estate was \$30,000,000. That was what she had in her name. And I believe \$14,000,000 went to the Foundation, so that was non-taxable. About \$8,000,000 went to Charlie and that was non-taxable, that's \$22,000,000. But the other \$8,000,000 consisted of real estate and stocks and bonds and so forth. And I think her kids got some. And Mary knew that when she died that what her mother left here was non-taxable and didn't go through her estate, it went to her kids direct. That's where they got most of their money. It's from the grandmother, not from the grandfather. Also, I think Mary established trusts for her children.

Sherry Hollingsworth: Because the Trust was still in effect-

Zach Smith: Mary's children probably only got about a \$1,000,000 a piece out of that.

Sherry Hollingsworth: Only?

Zach Smith: Yeah, that was 1953. But the big part was what Aunt Katharine had left her children during her lifetime and it went to her grandchildren tax free. That's where they (many children) got the big money.

Sherry Hollingsworth: Because the taxes had already been paid on it? Or because - why?

Zach Smith: They had set up the trust. And when you set up a trust, you have to pay tax on it and so forth.

Sherry Hollingsworth: I knew that they still had, through the original trust company in Baltimore, that they still had some dealings with them, but I don't really know anything about how all that's set up.

Zach Smith: Some of them have dealings with them and some of them don't.

Sherry Hollingsworth: Well, I know that he must have taken a lot of time and effort



deciding what was going to happen to the land, because there's so many different parcels.

Zach Smith: One time he told me, he said, "Zach, you have a good imagination. You're very creative and so forth and so on. The state government wants me to pay all this tax and I don't have the money to pay them. So, see if you can work out something with the state whereby I can turn over land to them." And I said, "Charlie, you got a North Carolina tax lawyer, Leon Rice. You got a New York tax lawyer, Milton Rose. What do they think?" He said, "They can't help me any. You think what I ought to do." I said, "I don't think the State will take real estate instead of cash. Now if you didn't have any money at all, they'd probably take your land and sell it, but since you have other assets they aren't going to do that. They want the cash. They don't want the trouble of selling the land at unknown value." So, he started, he gave Katharine five acres over here behind the church. And he gave Betsy five acres over between here and Albert Butler's; gave Charles five acres down there; and Barbara five acres.

Sherry Hollingsworth: Oh, I know that Charles still owns the land over next to Madeline and Kirk Glenn, so that's where his original five acres were? Right there?

Zach Smith: Um-hum. Then Barbara sold her five acres to Smith Bagley and then he sold it to Jim Gilley. Then Paul Stich bought part of it too, I think. But, Betsy still has hers and so does Charles. I know when Mary died, the four children inherited 4, 5, 600 acres up in Greenwich, Connecticut. And that was a big tract of land. It was used for, you know, it was heavily wooded and virgin timber and had a lake out there and a big fence around it. And I think it was zoned for 4 acre lots. And it was on North Street as you'd get off Meredith Parkway. I remember Mary in 1945 offered that 400, 600 acres to the United Nations. You know they had a meeting in San Francisco and decided to set up the United Nations and they were looking for a site in this country. And Mary offered the acreage to them, but they turned it down because the Greenwich neighbors just raised hell about it. They didn't want all those foreigners up there. Greenwich is very snobbish and they didn't want anybody up there. So the Rockefeller got together and put a tract of land together and turned it over to the United Nations. And then later on, after Mary died, the kids inherited that. And the taxes on it were fairly stiff because Greenwich is probably the wealthiest town in the nation. They have private police up there. I know, when I'd go up there to see Nancy in Bellhaven, her particular part



of it, you had two or three police on a street, a little guard house and so forth. If they knew you, you went on through. If they didn't, they'd stop you and ask where you were going. And I know, the wealthy people gave them tips and gifts at Christmas time and so forth and they really looked after them. They were worried to death about kidnaping.

Sherry Hollingsworth: I'm sure.

Zach Smith: But, later on, I think, Katie didn't want to pay the property tax on it so she gave part of it to the city of Greenwich for a park. Later on, I think Barbara and Betsy might have given or sold part of it. And then later on, Charles sold his part. He didn't want to part with it but I think his lawyer told him to do it. Eventually, the whole acreage was turned over to Greenwich, Connecticut. Most of it was given to them, how much of it, I'm not sure. but I know a big hunk of it was given to them. And I know that probably 15 years ago, they decided they wanted to name it after George Bush's father who had been mayor of Greenwich and Nancy stopped that. And I also know that Nancy, back in the 60's there was a bill out of Congress, called the Open Spaces Bill, that if you set aside 10 or more acres you could get half of the funds from the federal government. And I suggested to Nancy one time that they use that in Greenwich to buy the land from the Babcock children and make it a park. And Nancy said, "No, we don't want to accept federal funds because if you do, you have to let everyone come in. And we don't want the neighborhood's cities coming in."

Sherry Hollingsworth: That would upset them wouldn't it?

Zach Smith: Yeah.

Sherry Hollingsworth: Well, does that have anything to do with the golf course that's over in East Winston?

Zach Smith: East Winston?

Sherry Hollingsworth: Yeah. You know,-

Zach Smith: Reynolds Park?

Sherry Hollingsworth: Uh-huh. Isn't there a golf course at Reynolds Park? I don't play golf.



Zach Smith: That's a city-owned. But the Foundation-

Sherry Hollingsworth: But it's in East Winston, I wonder if it-

Zach Smith: Dick Reynolds and the Foundation and the City built it as a public golf course. Period.

Sherry Hollingsworth: What was the date on that? Did it have anything to do with this?

Zach Smith: No. It was before. In other words, that park was probably built in the late 30's, but a lot of Reynolds family money went into it. It's a public golf course, but in those days it meant 'white only'. Then later on, they built Winston Lake Golf Course which was more or less built for blacks. But now I think blacks use the Winston Lake and also use the Reynolds Park. You know about how the golf course was built don't you. Did I mention that?

Sherry Hollingsworth: Old Town?

Zach Smith: Yeah.

Sherry Hollingsworth: Um-um.

Zach Smith: I didn't go through that?

Sherry Hollingsworth: Um-Um.

Zach Smith: Charlie Babcock had a partner named Cliff Roberts. And Cliff Roberts and Bobby Jones built Augusta National. And so-

Sherry Hollingsworth: Pretty good golf course.

Zach Smith: Yeah. At that time, about 1935, Reynolda had a nine hole golf course here, but it had sand greens. And I used to play that some. And so they decided to build a golf course for their friends. So they built a golf course and had a very good architect and it was a very very fine course. The greens were much bigger than they are now. They had underground watering system, even in those days, which most courses didn't have. And Ralph Hanes came to them and said, "How about letting us play out there." And Mary and Charlie said, "Well, that's the reason I'm building it. For our friends." And he said, "Well, we'd like to build a club house."



So, she deeded them some acreage for the clubhouse, swimming pool and golf shop. And about 100 people joined the club. They took the richest members from Forsyth and put them out there. And Mary charged them a very small amount to keep it up.

Sherry Hollingsworth: You did mention that last time. I guess the money could have gone to the Foundation to be used for the kinds of good projects that the Foundation works on. Well, talk some more about your work with the Foundation and what all you think has been done with the Foundations.

Zach Smith: I got on the Z. Smith Reynolds Foundation Board in 1966. The Babcock, I'm guessing, around 1969 or '70. And at that time, the Z. Smith Reynolds Foundation, catered mainly to higher education, hospitals, and libraries. The main reason is, that was about all you could give to. You didn't have Hospice, or Planned Parenthood, or Battered Womens Shelters, or advocacy groups, or community economic groups, low-income-housing and all that stuff. So, there was a limited number of things you could give to. And they made a lot of gifts to Winston-Salem/Forsyth County. And when I got on, we started giving to more diversified groups as we recognized they were out there. And so the Z. Smith Reynold Foundation has been very aggressive in seeking out new types of giving. Especially the type of giving that most people think is very liberal and very progressive. And we've stuck our neck out on a number of things.

Sherry Hollingsworth: Must be very gratifying to be able to be on a board like that and be able to do those kinds of good things for people.

Zach Smith: Yes. It's been the trustees that did it more than the staff. Tom Lambeth is excellent at convening a group, i.e. for child advocacy or governmental accountability - he knows who to call together to have a meeting to discuss various things. Out of that meeting, you will proceed to develop a non-profit for child advocacy and for public schools in North Carolina. All those were developed by the Z. Smith Reynold Foundation. And we still heavily support them. But, the trustees are the ones who did it. Now, the Babcock Foundation was able to give nation-wide. Back in Charlie Babcock's day, he decided by himself what was going to be given. He'd call all the members together and say "This is what I have in mind. What do you think?" "Well, whatever you want." So, he would decide what was to be done and they'd do it. And I know when he died, Dr. Archie,



well, first of all, he had a Dr. somebody, who had been the President of Duke University. And he'd been the first Executive Director. And Charlie told him exactly what to do and then Charlie got a new replacement for him, I believe it was Bill Archie. And Bill Archie had been a Dean of Students down at Duke and also Wake Forest, I think. And he came in and he decided he was going to handle it just like Charlie. So he went up to Katie one day, up in Connecticut, and told her, "Now, this is what we're going to do in the next meeting." And she told him that in no uncertain terms that the trustees were going to decide all this. And some of the trustees always had problems with him. Barbara liked certain areas like parapsychology and some of those areas. He used to give her hell. And he'd make remarks about some of the trustees that they didn't know anything about non-profits, this and that. And he wasn't too well liked so retired at 60.

Sherry Hollingsworth: Not very politically astute either, sounds like.

Zach Smith: He just had the wrong idea about how foundations ought to be run. And both Foundations believe in trustee-driven foundations. And back in those days, Babcock, after, when Charlie was still alive he gave to more or less higher education and stuff like that. But after he died we started expanding and there were more new things throughout the country - California, New York and various places than there were in North Carolina. So, Babcock would learn about some of these new things like the environment. First picked it up at Babcock. Well, we were the ones who told, I told the head of the Nation Conservancy in Washington, I said, "You could get big money from Z. Smith Reynolds, but you can't get any of it, unless it's a North Carolina corporation." so they set up a North Carolina non-profit. And last year they raised \$15,000,000. And they've done a great job. But, the Foundation doesn't get credit for it like we should. But, anyway, Babcock quite often would learn about these new non-profits. And Katie and I were on the same Board and Nancy Reynolds was too for a long time. But, she got off the Babcock Board several years before she died. But we'd try to get these things done in North Carolina. But, what you have to do is find a group who are interested in a particular subject, focus area. You got to have someone out there first. We had the money. That's all we have. But the people are the important thing. They are the ones that get together and recognize a problem. Decide to do something about it. Then they come to us. Sometimes we would recognize a problem. And we had an idea that some people were interested in it so we'd call them together. Or we'd hear that



the state legislature says that 220 groups come them about.....*Tape ends*

Tape 2, Side 2

Zach Smith: Convene a group and try to see what the problem was. Can we do anything about it? Are the people interested enough to be able to carry it out? And we also recognize that we ought to take risks. Unless you take a lot of risks you aren't doing right with the funds of the Foundation because governed corporation private sources do that. So we try to have an impact in North Carolina. And we've become progressive with different types of giving than originally because people recognize the problems. You've got a lot more problems now than you had back in those days. Now, for instance, this morning I thought of something with headlines about these nursing homes. And they aren't run too well.

Sherry Hollingsworth: That'd be a big help.

Zach Smith: You're damn right it would be. And it takes time so therefore they don't do it. But our responsibility to someone who makes a request to us we ought to tell them we just had too much on the agenda, so therefore, we couldn't make a grant. That's a bunch of bull. We ought to tell them we aren't interested in that particular area. Tell them the real reason why.