

GEORGE SMITH DEAD.

Pioneer Banker of Chicago Passes Away at the Reform Club in London—His Busy Career.

LONDON, Oct. 8.—George Smith, who once made his home in Chicago, died yesterday in his rooms at the Reform Club, where he had lived for thirty years, and which he had not left for almost a year. Some time since Mr. Smith had a slight stroke of paralysis, but recovered sufficiently to be able to work with his secretaries. He was conscious to the last.

In later years, growing deafness caused Mr. Smith to withdraw from all but his most intimate friends. He rarely spoke, and preferred to pass the time in reading Scott's novels, or to be talked to.

Although he had recovered almost entirely from the effects of the paralytic stroke, he resisted all attempts of his friends to induce him to leave his room, despite the fact that a few months previously he had defrayed the expense of erecting a luxurious elevator.

He had a constant and intense desire to rest, but continued to see his secretary daily, and occupied himself with the management of his property until within a few days of his death. It is understood that he leaves several millions.

George Smith, pioneer banker of Chicago and the Northwest, was in his ninety-second year. He was born in the Parish of Old Deer, Aberdeenshire, Scotland. He attended the private school at Stricken, prepared for college at Udney, entered King's College at Aberdeen, and remained two years preparing to study medicine. His eyes gave out, however, and after attending lectures for a year at Edinburgh, he rented a farm in the Parish of Turiff. In 1833 he left his farm for America, landing at New York with letters to prominent banking firms of the city.

Soon becoming dissatisfied with New York he pushed on to Buffalo, where he remained during the Winter. In the Spring of 1834, believing in the possibilities of the West, he left Buffalo to try his fortune in the then infant town of Chicago. Proceeding to Detroit by the lakes, and crossing Michigan in a stage coach, he arrived at Chicago just before the boom set in. The little money he had brought with him went into city lots and in wild lands where Milwaukee now stands. When the prices jumped in 1835 and 1836 he sold. That was his beginning. He returned to Scotland, organized the Scottish-Illinois Land Investment Company, and returned with Patrick Strachan, Alexander Mitchell and W. D. Scott. They were ready for business in Chicago in 1837, and prospered from the start.

In 1839 Mr. Smith secured from the Wisconsin Legislature a charter for the Wisconsin Marine and Fire Insurance Company, authorized to receive deposits and issue certificates to the sum of \$1,500,000. Alexander Mitchell was sent to Milwaukee as Secretary and manager of the company, and Mr. Smith opened another banking institution in Chicago under the name of George Smith & Co. Senator C. B. Farwell was his cashier. This was the first legitimately conducted bank in the city and the West.

From the Milwaukee bank were issued certificates which circulated in the Middle West States for years, and were acceptable out in Iowa and Missouri so long as the name of George Smith was attached. One of the conditions upon which he issued these certificates, say his contemporaries, was that the borrower must circulate them as far from Chicago as possible, so that it would take them a long time to come back for redemption. In 1853 Mr. Smith sold the company to Alexander Mitchell, and it was reorganized as the Wisconsin Marine and Fire Insurance Company Bank.

During these years George Smith was buying up railroad bonds and making other investments when the quotations were down and selling out when they went up. He bought Argentine bonds at 20 and sold \$14,000,000 of them at par. He secured large holdings in the Milwaukee and St. Paul, the old Galena, now the Northwestern, the Alton, and other Western railroads. He bought a strip of land in Chicago between Twentieth and Twenty-first Streets, running from State Street to the lake, cut it up into lots, and sold it at city prices. The George Smith addition to Chicago was his, and it helped him to add to his millions.

Two auxiliary banks in Georgia, one at Atlanta, the other at Griffin, were established when the Marine Company's certificates had to be given up. Mr. Smith sought out places as far out of the way as he could find, so that redemptions would be delayed for a long time, and also that they might be free from the raids of rivals in Chicago who sought to cripple him by buying up large amounts and presenting them in a bunch. Certificates from these banks were well received, and there were large profits for Mr. Smith. He sold them out in 1858, when he began to prepare to return to Scotland. To show the extent to which his certificates were used it is interesting to note that the amount of the Milwaukee notes out in 1841 was \$34,028, and in 1851—the company's last year—\$1,470,000.

By 1860 Mr. Smith had redeemed in currency every dollar of outstanding notes, closed the doors of his banking houses in Chicago, Milwaukee, St. Louis, and Georgia, packed up his papers, instructed his representatives, and sailed for the Highlands of Scotland. He had revisited America only once since—in 1866. In New York and nearly all the large cities he had had representatives who looked after his business interests.

Said a Chicago man, in speaking of Mr. Smith recently: "I saw him twelve years ago in Nice, and he always had two men supporting him when he walked about. He had been feeble for a decade, but by taking exceptional care of himself, living temperately, he had hung on to life." Mr. Smith was never married, and the children of his nieces and nephews will inherit the bulk of his fortune.