

People Who Built America: Vanderbilt

By Noah Remnick

Cornelius Vanderbilt was a man of vast wealth and power who began life as the son of a poor seaman living on Staten Island, in New York City. When Cornelius was born in 1794, fewer than 20 years after the American Revolution, people moved from place to place by walking, riding horses and donkeys, or sailing waterways on vessels powered by the wind. By the time he died in 1877, Cornelius Vanderbilt had made a fortune on the transportation revolution, owning and operating railroads and steamboats that changed the face of America.

When Cornelius was a mere 11 years old, one of his eight siblings died and he dropped out of school to help his father with his modest boat business. At age 16, Cornelius bought his first sailboat by using money he earned from landscaping. He began a ferry business, conveying people and goods between Staten Island and Manhattan. He expanded his business by charging less than his competitors, even if that meant he earned less of a profit.

His reputation as a businessman and seaman grew. In 1812, when the United States and Britain went to war over maritime and trade rights, Vanderbilt procured the contract to supply the forts stationed in New York Harbor. His small fleet of ships ferried food, munitions, and soldiers to the American forts. His activities during the war earned him the nickname “The Commodore,” a moniker that stuck throughout his life.

With the money he earned during the war, Vanderbilt bought more sailing ships and expanded his business. Soon he recognized that the days of sailing ships as the heart of commercial and personal travel were waning. Steamships were becoming the cutting-edge force in transportation. In 1818, Vanderbilt went to work for Thomas Gibbons, who ran a steamboat ferry service between New York City and New Brunswick, New Jersey.

In 1829, Vanderbilt decided the time was right to strike out on his own. He bought his own fleet of steamboats and began plying the Hudson River. As with his first sailboat, Vanderbilt’s main tactic for making money was to charge extremely low fares to attract customers, driving his competition out of business. Soon he was running steamship ferry services between New York City and other towns in New England and along the Long Island coast.

The industrial revolution brought increased commercial activity to the United States in the 1830s, and Vanderbilt once again seized the opportunity to expand his own business. He owned more than 100 steamships and used them to connect New England factories with the emerging railroad system in the United States. Soon, he was managing some of the railroads, and, in short order, he began buying the railroads. By the 1860s, Vanderbilt was a major force in the railroad industry. Once again, he used low fares to lure customers from his competitors, increasing his power in the industry.

The railroads and steamboats Vanderbilt owned enriched his own coffers, making him one of the richest men in America, and indeed the world, but they also allowed for personal travel and commercial transport that built businesses across the country.

Cornelius Vanderbilt had come a long way from his modest roots on Staten Island. And yet, unlike many of the industrialists to follow him, Vanderbilt was not a particularly philanthropic man. While he did not live extravagantly, he also did not donate much money to charitable causes. He did not see his wealth as a means of improving the lives of others.

There were two notable exceptions to Vanderbilt's stinginess. When the American Civil War began in 1861, Vanderbilt donated his namesake steamship, the Vanderbilt, to the Union Navy. He spent more than \$1 million outfitting the ship to be battleworthy. And indeed, the ship was a critical force in helping to neutralize the Alabama, a Confederate ship.

After the war, Vanderbilt donated \$1 million to endow a university in the South, an attempt to repair relations between North and South and to help the ravaged former confederacy to recover from the Civil War. The university was eventually named for Vanderbilt, and today it is one of the nation's academic gems.

Vanderbilt spent most of his life in New York, although he resented the fact that the wealthiest and most prominent members of New York society never fully accepted him, as they considered him rough and ill-mannered socially. He helped to fund the building of Grand Central Depot in New York City, a hub of train transportation for the region, but he never demonstrated the philanthropic generosity of many of his peers.

Vanderbilt died in 1877 and left behind an estate then valued at \$100 million. Today that would be worth well over \$100 billion. He was buried in a cemetery not far from his childhood home. After 82 years, the Commodore returned to the shore from which he first set sail.

Name: _____ Date: _____

1. Cornelius Vanderbilt owned and operated railroads. What else did he own and operate?

- A automobiles
- B airplanes
- C elevators
- D steamboats

2. The text describes how Vanderbilt was able to get customers. If you think of Vanderbilt getting customers as an effect, what was the cause?

- A the low fares Vanderbilt charged
- B the goods Vanderbilt conveyed between Staten Island and Manhattan
- C people who rode horses and donkeys
- D the trade rights that the U.S. and Britain went to war over

3. Vanderbilt was a skillful businessman. What evidence in the text supports this conclusion?

- A "In 1829, Vanderbilt decided the time was right to strike out on his own. He bought his own fleet of steamboats and began plying the Hudson River. As with his first sailboat, Vanderbilt's main tactic for making money was to charge extremely low fares to attract customers, driving his competition out of business. Soon he was running steamship ferry services between New York City and other towns in New England and along the Long Island coast."
- B "...unlike many of the industrialists to follow him, Vanderbilt was not a particularly philanthropic man. While he did not live extravagantly, he also did not donate much money to charitable causes. He did not see his wealth as a means of improving the lives of others."
- C "There were two notable exceptions to Vanderbilt's stinginess. When the American Civil War began in 1861, Vanderbilt donated his namesake steamship, the Vanderbilt, to the Union Navy. He spent more than \$1 million outfitting the ship to be battleworthy. And indeed, the ship was a critical force in helping to neutralize the Alabama, a Confederate ship."
- D "After the war, Vanderbilt donated \$1 million to endow a university in the South, an attempt to repair relations between North and South and to help the ravaged former confederacy to recover from the Civil War. The university was eventually named for Vanderbilt, and today it is one of the nation's academic gems."

4. "Revolution" can mean a big change in the way people do things. Based on the evidence in the text, what might the "transportation revolution" have been?

- A the change from transportation on horses and donkeys to transportation on ships powered by the wind
- B the change from transportation on horses and sailboats to transportation by railroad and steamboat
- C the change from transportation on horses and sailboats to transportation on donkeys and rafts
- D the change from transportation on ships powered by the wind to transportation on horses and donkeys

5. What is the main idea of this text?

- A In 1861, Cornelius Vanderbilt donated his namesake steamship, the Vanderbilt, to the Union Navy.
- B Unlike many of the industrialists who followed him, Cornelius Vanderbilt was not a particularly philanthropic man.
- C Cornelius Vanderbilt made a lot of money by owning and operating railroads and steamboats.
- D Cornelius Vanderbilt resented the fact that the wealthiest members of New York society never fully accepted him.

6. Read these sentences from the text.

"Cornelius Vanderbilt had come a long way from his modest roots on Staten Island. And yet, unlike many of the industrialists to follow him, Vanderbilt was not a particularly philanthropic man. While he did not live extravagantly, he also did not donate much money to charitable causes. He did not see his wealth as a means of improving the lives of others."

Based on these sentences, what does the word "philanthropic" mean?

- A healthy
- B violent
- C generous
- D talkative

7. Read this sentence from the text.

"Vanderbilt spent most of his life in New York, although he resented the fact that the wealthiest and most prominent members of New York society never fully accepted him, as they considered him rough and ill-mannered socially."

What word could replace "as" in this sentence without changing its meaning?

- A because
- B meanwhile
- C otherwise
- D obviously

8. Vanderbilt's railroads and steamboats allowed for personal travel and commercial transport. What did this travel and transport help build across the country?

9. What did Vanderbilt donate \$1 million to endow, or fund?

10. The title of this text is “Men Who Built America: Vanderbilt.” Explain how Cornelius Vanderbilt helped build America.
