

65 *Cornelius Vanderbilt* *Top 100 Americans*

Cornelius Vanderbilt (May 27, 1794 – January 4, 1877), also known by the sobriquet Commodore, was an American business magnate and philanthropist who built his wealth in railroads and shipping. He was also the patriarch of the Vanderbilt family and one of the richest Americans in history. He provided the initial gift to found Vanderbilt University, which is named in his honor.

Cornelius Vanderbilt was born in Staten Island, New York, to Cornelius van Derbilt and Phebe Hand. He began working on his father's ferry in New York Harbor as a boy, quitting school at the age of 11. At the age of 16 Vanderbilt decided to start his own ferry service. According to one version of events, he borrowed \$100 from his mother to purchase a periauger (a shallow draft, two masted sailing vessel), which he christened the Swiftsure. However, according to the first published account of his life, published in the magazine *Scientific American* in 1853, the periauger belonged to his father and he received half the profit. He began his business by ferrying freight and passengers between Staten Island and Manhattan. Such was his energy and eagerness in his trade that other captains nearby took to calling him The Commodore in jest - a nickname that stuck with him all his life.

In addition to running his ferry, Vanderbilt bought his brother-in-law John De Forest's schooner *Charlotte* and traded in food and merchandise in partnership with his father and others. But on November 24, 1817, a ferry entrepreneur named Thomas Gibbons asked Vanderbilt to captain his steamboat between New Jersey and New York. Although Vanderbilt kept his own businesses running, he became Gibbons's business manager.

When Vanderbilt entered his new position, Gibbons was fighting against a monopoly on steamboats in New York waters, granted by the New York State Legislature to the politically influential patrician Robert Livingston and steamboat designer Robert Fulton. Though both Livingston and Fulton had died by the time Vanderbilt went to work for Gibbons, the monopoly continued in the hands of Livingston's heirs, who had granted a license to Aaron Ogden to run a ferry between New York and New Jersey. Gibbons launched his steamboat venture because of a personal dispute with Ogden, whom he hoped to bankrupt. To accomplish this, he undercut prices and also brought a landmark legal case – *Gibbons v. Ogden* – to the United States Supreme Court to overturn the monopoly.

Working for Gibbons, Vanderbilt learned to operate a large and complicated business. He moved to New Brunswick, New Jersey, a stop on Gibbons' line between New York and Philadelphia, where his wife Sophia operated a very profitable inn, using the proceeds to feed, clothe and educate their children. Vanderbilt also proved a quick study in legal matters, representing Gibbons in meetings with lawyers. He also went to Washington, D.C., to hire Daniel Webster to argue the case before the Supreme Court. Vanderbilt appealed his own case against the monopoly to the Supreme Court, which was next on the docket after *Gibbons v. Ogden*. The Court never heard Vanderbilt's case, because on March 2, 1824, it ruled in Gibbons's favor, saying that states had no power to interfere with interstate commerce. The case is still considered a landmark ruling, and is considered the basis for much of the prosperity the United States later enjoyed.