

D I D Y O U K N O W ?



Fascinating facts
from the life of...

Cornelius Vanderbilt *The First Tycoon*

- A partial list of famous people who crossed paths with him personally includes: Statesmen Daniel Webster and Henry Clay; Chief Justice John Marshall; Presidents John Quincy Adams, Andrew Jackson, James K. Polk, Franklin Pierce, James Buchanan, Abraham Lincoln, Andrew Johnson, and Ulysses S. Grant; showman P.T. Barnum; the Marquis de Lafayette, Lord Palmerston, and Jefferson Davis; businessmen Peter Cooper, August Belmont, Jay Gould, and John D. Rockefeller, among many others.
- Vanderbilt helped trigger the "Black Friday" panic of 1869 to get revenge on a rival, then stepped in and rescued Wall Street.
- He built his fortune by competing against rival steamboat lines, until they paid him to go away. This practice led to him being called a "robber baron," because he took a toll, so to speak, of all traffic on the rival line, like a German robber baron levying tolls on the Rhine.
- Vanderbilt pioneered the giant corporation, by merging the New York Central and Hudson River Railroads in 1870.
- Born when George Washington was president, he lived long enough to negotiate personally with John D. Rockefeller.
- He built the original Grand Central. The first depot was torn down and replaced by the present Grand Central terminal, which features a statue of Vanderbilt out in front.
- He started the original Staten Island Ferry, the direct ancestor of today's service.
- Half a century before the Panama Canal, he tried to build a canal across Nicaragua.
- He donated his largest steamship, the Vanderbilt, worth nearly \$1 million, to the Union navy, outfitted it to fight the Confederate ironclad Virginia (aka Merrimack), and brought it to the battle zone himself. Congress gave him a gold medal as a reward.
- He provided the nearly \$1 million endowment of Vanderbilt University to help heal the wounds of the Civil War, balancing his gift to the Union navy with an equal gift to found a Southern university.

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- He was in one of the first serious train crashes in American history, narrowly surviving a wreck in 1833 that also involved former president John Quincy Adams.
- As a young man, he played a central role in *Gibbons v. Ogden*, the Supreme Court's landmark first commerce-clause case.
- He had nothing to do with the invention of the potato chip, contrary to myth.
- Early in his career he was a Jacksonian radical in his beliefs. His beliefs never changed, but politics changed so that they became conservative by the time he became a railroad magnate.
- He was highly competitive and very physical, getting into fistfights in his youth, racing his steamboats against rivals, piloting his first passengers to California during the gold rush through the rapids in Nicaragua, and racing trotters on the rural roads of northern Manhattan through the age of 80.
- Both his first and second wives were his cousins. He once sent his first wife, Sophia, to an asylum for nervous disorders.
- His son Corneil was epileptic and addicted to gambling, was institutionalized several times, stole money to support his habit, and managed to borrow tens of thousands of dollars from Horace Greeley.
- His oldest son William suffered a nervous breakdown early in life, and Vanderbilt sent him to live on a farm in Staten Island. Only when he made it into a profitable operation did he win his father's respect.
- His youngest son, George Washington, graduated from West Point third from last in his class, was court-martialed and convicted at the beginning of the Civil War, returned to duty, and died of "consumption" without ever seeing action.
- He left 95% of his \$100 million estate to his oldest son, William Henry, in order to found a dynasty. He left his widow and each of his nine other living children with sums ranging from the interest on \$200,000 to \$500,000. The other children sued to break the will, leading to a high-profile court case that lasted more than two years.
- He was friends with Victoria Woodhull and Tennessee Claflin, the two most notorious campaigners for women's rights in the nineteenth century, who also conducted séances for him.
- He was one of the two or three richest men in American history. Vanderbilt's fortune, at the time of his death in January 1877, was estimated at \$100 million.

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The *New York Times*, July 15, 2007, calculated that he was the second-wealthiest figure in American history by comparing his estate to the size of the national economy. Since historical statistics are a bit fuzzy, he may well have been the wealthiest. There's another way to make comparisons. If Bill Gates (named the wealthiest man in American by Forbes, September 17, 2008) could sell his entire \$57 billion estate to American buyers at full market value, he would take \$1 out of every \$138 in circulation (using the Federal Reserve Bank's M2 figure). If Vanderbilt could have done the same at the moment of his death, he would have taken \$1 out of every \$20 in circulation. This comparison actually understates the disparity, because most economists believe the contemporary money stock is best measured with the far larger M3, which uses a more expansive definition of money.

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