

Why Railroads had Political Problems

- A. **Unique Form of Highway** – They owned the highway *and the vehicles* on the highway
- B. **They Have Never Been fully *Private* Businesses** – They had to “borrow” *the power of eminent domain* From the Government (state and federal)
- C. **Price Discrimination** against Places (**Towns and Cities**); People (**businesses**); and types of Traffic (**value based pricing**)
- D. **They Could Not be Liquidated** (i.e., declared bankrupt under normal Common Law)
- E. **Widespread Corruption**