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Are China's high-speed trains heading off the rails?

By [Keith B. Richburg](#), Saturday, April 23, 8:53 PM

BEIJING — [China's expanding network of ultramodern high-speed trains](#) has come under growing

scrutiny here over costs and because of concerns that builders ignored safety standards in the quest to build faster trains in record time.

The trains, a symbol of the country's rapid development, have drawn praise from President Obama. But what began in February [with the firing and detention of the country's top railway official](#) has spiraled into a corruption investigation that has raised questions about the project's future.

Last week, the new leadership at the Railways Ministry announced that to enhance safety, the top speed of all trains was being decreased from about 218 mph to 186. Without elaborating, the ministry called the safety situation "severe" and said it was [launching safety checks](#) along the entire network of tracks.

The ministry also announced it would reduce ticket prices to boost lagging ridership and would slow construction of high-speed lines to avoid outpacing public demand.

With the latest revelations, the shining new emblem of China's modernization looks more like an example of many of the country's interlinking problems: top-level corruption, concerns about construction quality and a lack of public input into the planning of large-scale projects.

Questions have also arisen about whether costs and public needs are too often overlooked as the leadership pursues grandiose projects, which some critics say are for vanity or to engender national pride but which are also seen as an effort to pump up growth through massive public works spending.

The Finance Ministry said last week that the Railways Ministry continued to lose money in the first quarter of this year. The ministry's debt stands at \$276 billion, almost all borrowed from Chinese banks.

"They've taken on a massive amount of debt to build it," said [Patrick Chovanec](#), who teaches at Tsinghua University. He said China accelerated construction of the high-speed rail network — including 295 sleek glass-and-marble train stations — as part of the country's stimulus spending in response to the 2008 global financial crisis.

Zhao Jian, a professor at Beijing Jiaotong University and a longtime critic of high-speed rail, said he worries that the cost of the project might have created a hidden debt bomb that threatens China's banking system.

"In China, we will have a debt crisis — a high-speed rail debt crisis," he said. "I think it is more serious than your subprime mortgage crisis. You can always leave a house or use it. The rail system is there. It's a burden. You must operate the rail system, and when you operate it, the cost is very high."

Part of the cost problem has been that each segment of the system has been far more expensive to build than initially estimated, which many trace directly to the alleged corruption being uncovered, including a flawed bidding process.

After the railway official, Liu Zhijun, was detained by the Communist Party's disciplinary committee, stories began trickling out about how a businesswoman in Shanxi province set up an investment company that took kickbacks from firms awarded contracts on the project.

In March, government auditors found several problems with the construction of the Beijing-to-Shanghai line, including fake invoices that more than a dozen companies used for construction materials and supervisors at some construction companies who lacked professional engineering licenses.

The revelations have led to questions about safety and whether corrupt subcontractors cut corners to line their pockets.

Train line construction requires the use of high-quality fly ash in the concrete. Chinese media reported allegations that some contractors might have used lower-quality ash that had been mixed with other substances.

Chinese officials have proudly noted that their bullet trains were the world's fastest on rails. But the slower speeds announced last week would put them on a par with European and Japanese trains. Trains and tracks wear out more quickly at faster speeds, and high-speed tracks need to be straighter.

In announcing the safety checks, officials said that in some places, villagers had built pigpens beneath bridges holding high-speed tracks, causing a potential hazard. They also cited concerns about people and dangerous materials being too close to the tracks, increasing the risk of casualties.

For now, the high-speed trains appear to have few riders, mainly because ticket prices are considered exorbitantly high for most Chinese.

China is the world's second-largest economy in gross domestic product terms. But most Chinese are still relatively poor, with an estimated per capita income of \$4,300, below the world average, according to the International Monetary Fund.

Many of those riding trains are migrant workers, who return annually to their home villages. But for most of them, even the cheapest tickets are unaffordable.

During February's annual migration, officials noticed that the high-speed trains were largely empty. But the slow trains on those lines have been taken out of use, giving people few choices. As a result, the highways were clogged and more people rode long-distance buses.

Now that the Railways Ministry has announced lower ticket prices, it remains to be seen whether the bullet trains will earn money.

Researcher Zhang Jie contributed to this report.

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