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Recalls Widen Concerns About Chinese Products

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MICHELE NORRIS, host:

From NPR News, this is ALL THINGS CONSIDERED. I'm Michele Norris.

ROBERT SIEGEL, host:

And I'm Robert Siegel.

Today, the second large recall this month of toys made in China. Mattel recalled more than nine million toys just two weeks after its subsidiary, Fisher-Price, announced a big recall because of lead paint. Mattel's announcement came shortly after a high-end toiletries company, Gilchrist & Soames, said it is recalling tainted toothpaste. In a few minutes, we'll talk to a pediatrician about what to look for when buying toys.

First, here is NPR's Adam Davidson on today's recalls.

ADAM DAVIDSON: Mattel actually announced two separate recalls today. The first was the largest. The nine million recalled toys contained powerful magnets. If a child swallows more than one, the magnets can wreak havoc on the intestines. Mattel CEO Bob Eckert said that these toys happened to be made in China, but the recall was because of a design problem.

Mr. BOB ECKERT (Chief Executive Officer, Mattel): This is not a manufacturing issue when we talk about magnets.

DAVIDSON: In this case, the Chinese manufacturer did everything right. The recall covers a variety of brand names including Barbie, Batman and Doggie Day Care. Today's second recall is much smaller, just over 200,000 toys and does involve a Chinese manufacturer's error. Lead paint was found on toy cars with a Sarge brand. Mattel's Eckert says the toys were made in one factory in China, but some parts in the toy cars were painted by a Chinese subcontractor.

Mr. ECKERT: The subcontractor violated the procedures and the rules and for whatever reason, used the wrong paint.

DAVIDSON: Eckert says these two recalls will cost the company around \$30 million but he's confident that Mattel's brand image will not be permanently tarnished.

Mr. ECKERT: I'm here to assure parents that we understand the problems, we've isolated the problems and we've taken corrective actions.

Professor ERIC JOHNSON (Operations Management, Dartmouth's Tuck School of Business): As far as crisis management 101, they're doing a pretty good job.

DAVIDSON: Eric Johnson of Dartmouth's Tuck School of Business has studied Mattel for years. He says in this recall and the one two weeks ago, they did the right thing. In fact for years, Johnson and others have held up Mattel as a model corporate citizen, meticulous in its commitment to safety.

Mr. JOHNSON: Mattel is really one of the best and, you know, they have been in China a long time, they have deep experience, they run their own factories there. It's ironic that we're talking about them and actually gives me concern for what we will be talking about this fall for the many toy companies that don't have nearly the experience they do.

DAVIDSON: Johnson says Mattel might be punished for doing the right thing. By so aggressively testing its products and announcing bad results, Mattel might draw attention to itself. Other companies with unsafe products but less aggressive testing might never have to face such a crisis.

This week's other recall involves toothpaste. Kathie De Voe, the president of Gilchrist & Soames, says her company also diligently began testing the moment she heard from the FDA that some Chinese-made toothpaste contained diethylene glycol or DEG, a kind of anti-freeze. The company tested the toothpaste they import from China and at first, all the tests showed no contamination.

Ms. KATHIE DE VOE (President, Gilchrist & Soames): So we were absolutely thrilled. However, we kept pulling additional samples and it wasn't until the fifth batch that we saw a test come through that show traces of DEG.

DAVIDSON: The company stopped shipping all of its toothpaste to hotels in June. Both Mattel and Gilchrist & Soames say they will continue to import products from China, though they will add more scrutiny. Mattel's Bob Eckert.

Mr. ECKERT: Most of the world's toys are made in China today and most of the recalls are announced with toys made in China today. If you go back in previous years when toys were made in different markets, you would see recalls coming from those markets.

DAVIDSON: Eckert says he doesn't yet know how the recall will impact Christmas sales.

Adam Davidson, NPR News, New York.