Millions of toxic toys recalled: The nightmarish reality of global capitalism

David Walsh 16 August 2007

The world's largest toy maker, Mattel Corporation, announced August 14 that it was recalling nearly 19 million toys worldwide, half of them in the US, because of the dangers they pose to children. Some 436,000 toy cars made in China were withdrawn because they are covered in lead paint, while more than 18,000,000 other toys, also made in China, are being recalled because they contain small, powerful magnets that could do great damage if swallowed.

The company and the media are going to considerable lengths to downplay the incident and minimize the risks involved, but the conditions exist for a potential human disaster. Millions of the toys have already been sold. The magnetic toys were sold before January 2007 and had been produced since 2002. Some of the lead-painted toys have been sold this summer. No one has any idea what damage has already been done. Many of the toys will never be retrieved.

Parents by the thousands around the US have already lined up at clinics organized by local health departments to have their young children tested for lead poisoning. A 35-year-old mother of two, waiting on line in the Indianapolis area, told the *Indianapolis Star*, "We have enough to think about as it is with so much that is going on in the world. ... The kids just deserve to have fun and play and be oblivious to the dangers and things that are going on. I think it's unfortunate that the kids have been pulled in to the same worries that the parents have."

Lead paint, even in small amounts, poses dangers for children. A spokeswoman at the US Centers for Disease Control and Prevention, Bernadette Burden, explained to the media, "There is no acceptable level of lead exposure for a child."

"The problems can be subtle," said Dr. Jonathan Fielding, Los Angeles County's director of public health and a professor of health services and pediatrics at UCLA. He commented to the *Los Angeles Times*, "The concern that we increasingly have is that relatively low levels of lead exposure can lead to reductions in IQ and learning disabilities and behavioral problems."

As for the other category of recalled toys, if more than one of the magnets is swallowed, according to the US Consumer Product Safety Commission (CPSC), they "can attract each other and cause intestinal perforation or blockage, which can be fatal." Since a previous recall of toys containing the magnets in November 2006, Mattel has received more than 400 reports of magnets coming loose.

While the lead paint, whose use is banned in the US and China, is being linked to a Chinese subcontractor, the magnet hazard is the result of Mattel's own specifications. The Chinese factories simply manufactured what the toy giant told them to.

There is something especially dreadful and unnerving about children's toys, meant to bring delight, potentially doing physical damage or even causing death.

The massive toy recall reveals essential and ugly truths about the workings of the global profit system. The integration of newly emerging regions into the world capitalist market has horrific social implications, both in countries such as China and the advanced capitalist countries to which their goods are exported. Chinese workers face desperate conditions, while their super-exploitation means the pumping out of marginal and even defective products at the least possible cost and by the fastest possible means—all to line the pockets of an international plutocracy.

Cutthroat global competition prevails in the toy business as in every other. The \$50 billion industry has faced a serious challenge in recent years from video games and consumer electronics. At the retail end, numerous specialty chains—Toys R Us and FAO, for example—have suffered losses and closed stores in the face of discount outfits such as Wal-Mart and Target.

Rising oil prices have meant higher costs for resins used in plastic, the material of many toys. Resin prices rose sharply between 2003 and 2005. In 2006, US sales of traditional toys increased slightly for the first time in several years. Profit margins are narrow, and the drive to lower costs is relentless. In June 2007, the *Buffalo News* reported that Mattel "wants profit margins to return to their 2003 levels by reducing waste and using cheaper materials as US consumers purchase more dolls and electronic games."

Toy manufacturers have flocked to China, seeking reduced costs. Some 80 percent of global toy production now takes place there, centered in Guangdong province, home to more than 5,000 of China's 8,000 toy factories. "At peak times," noted *USA Today* in December 2006, "some 1.5 million workers are making toys in Guangdong."

The newspaper describes "mile upon mile" of toy factories in the city of Dongguan, for example, housing "mile upon mile of uniformed young women toiling on production lines." The most ruthless methods are used to extract profits from the workers' efforts.

In 2005, China Labor Watch, as the WSWS noted in March 2006, carried out a survey of 13 toy factories in Dongguan. The WSWS article summed up the conditions: "Excessive working hours, debilitating temperatures of up to 100 degrees Fahrenheit (37.7 degrees Celsius), dangerous equipment, toxic glues, paints and solvents, cramped dormitories, abusive managers, crooked hiring practices and wages below even China's legal minimum were the order of the day.

"The working week was grueling—a 13-hour to 15-hour day was common, with one day off a week or in some cases just one night off. During the peak season, typically from September to the end of May, workers were allowed only one day off a month. In some factories,

mandatory all-night shifts of 16 to 19 hours were common during busy periods. Lunch and supper breaks accounted for 2.5 hours each shift.

"Chinese labour law stipulates an eight-hour day with a maximum three hours of overtime. All but one of the factories under investigation routinely flouted this law."

Mattel, which came under scrutiny for wretched conditions in its plants in Indonesia in the mid-1990s, claims to pay great attention to health and safety issues. It owns many of the factories in China that produce its products, and an independent auditor inspects the operations and posts reports on the Internet.

However, China Labor Watch in September 2005 presented the results of an investigation into conditions at the Kai Long factory in Dongguan, which produces toys for Mattel, among other companies. "Among the report's findings are work schedules that surpass the legal limit by at least 36.5 hours per week," said the group, "pay rates as low as only 59 percent of the local minimum wage, unsanitary cafeterias, dorm rooms housing 22 people each, and employees forced to foot the entire cost of their work-injury insurance and, in some instances, lack of insurance of any kind."

The hourly wage rate is 1.9 yuan, or 23 cents, for both regular and overtime work hours, well below the legal minimum wage. There is no concept of paid overtime in this factory. "Overtime on Saturdays and Sundays is considered regular work time without any additional compensation."

China Labor Watch adds: "Workers' wages, already low by any standard, are often further reduced after the factory's numerous deductions. Workers say that the factory has many ways of reducing wages, such as deducting pieces produced by the workers from the worker's overall piece calculation, reducing the wage rate per piece, etc."

Even if Mattel's claims were taken at face value, the demands of the market are unceasing. The *New York Times* noted August 15, "Manufacturing experts say that companies have cut costs so much in China that more toy testing is not affordable for many manufacturers." Mattel's independent monitor, S. Prakash Sethi, a professor at Baruch College in New York, commented, "If Mattel, with all of its emphasis on quality and testing, found such a widespread problem, what do you think is happening in the rest of the toy industry, in the apparel industry and even in the low-end electronics industry?"

Sethi continued, "There is something to be said about the pressure that American and European and multinational companies put on Chinese companies to supply cheap products. The operating margins are razor thin, so you really should not be surprised that there is pressure to cut corners."

Despite the general tendency of the American media to place the blame exclusively on the Chinese for the most recent Mattel recall, the magnetic toys have been withdrawn, as the *Times* notes, "because of a design flaw on Mattel's part, not a problem with its Chinese contractors."

However, the use of lead paint, widely accessible and cheaper than the lead-free variety, on some of the recalled toys—allegedly by a subcontractor—does point to the specific character of feverish and unregulated capitalist development in China.

The discovery of lead paint on the toy cars at Mattel is only the latest in a series of scandals involving potentially hazardous products made in China. Earlier this year more than 100 brands of pet food were removed from US grocery stores after dozens of dogs and cats died from eating food tainted with the chemical melamine. In Panama,

cough syrup from China was discovered to contain diethylene glycol, an industrial solvent commonly used in anti-freeze. The same chemical was found in Chinese-made toothpaste in the US, Canada, Italy, Mexico, France and the UK.

Mattel's recall of toys is the second this month and the third time this summer that Chinese firms have been accused of using lead paint on children's toys.

Certain vinyl baby bibs made in China are apparently contaminated with lead. Wal-Mart removed the bibs from its stores earlier this year, but they are still on sale at Toys R Us. The Consumer Product Safety Commission (CPSC) has not insisted the bibs be recalled, urging parents to discard the vinyl bibs only if they are torn or otherwise deteriorated.

It should be noted that the CPSC has just 420 employees, including only about 100 field investigators, responsible for monitoring over 15,000 kinds of consumer products and that its budget has come under systematic attack from the "business-friendly" Bush administration. Dr. Michael Shannon, a Children's Hospital Boston and Harvard Medical School pediatrician and toxicologist, told Reuters: "Frankly, I think the biggest story is the clear failure of federal agencies to protect us. I'd call it a public health disaster."

In July, the former head of China's State Food and Drug Administration, Zheng Xiaoyu, was executed for accepting bribes from eight pharmaceutical firms. He was accused of approving fake drugs and other substandard items during his term in office from 1998 to 2005, including an antibiotic that killed 10 people.

The manager of a Chinese firm accused of shipping lead-tainted toys recalled earlier this year by Mattel apparently hung himself in the company's warehouse in southern China this past weekend.

China has become the cheap-labor "workshop of the world." A layer of backward, brutal parvenus—owners and managers of factories—has come into being, often through ties to the ruling Communist Party. They view the subjugation of the mass of workers, whom they despise and fear, as their means of enriching themselves. Protests over wages and conditions, such as one that occurred at a factory in Dongguan in late July when 1,000 toy workers battled security guards and police, are violently repressed.

But the situation in China is merely the most extreme example of a universal phenomenon: the suppression of wages, the gutting of benefits and the deterioration of living conditions for tens of millions.

Meanwhile, Mattel's chairman and chief executive, Robert Eckert, who declared, while announcing the recall, that the "safety of children is our primary concern," earned \$1.25 million in salary in 2006 and received total compensation, including stock options, of nearly \$6 million. The weekly pay of a worker at the Kai Long factory in Dongguan, which produces toys for Mattel and other firms, is \$18.50, or less than \$1,000 a year. In 2006, Mattel paid \$160,095 alone for Eckert's use of its company airplanes.



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