

UNITED STATES TARIFF COMMISSION

PLASTIC DUCK DECOYS:  
G & H DECOY MANUFACTURING CO.,  
HENRYETTA, OKLA.

Report to the President  
on Investigation No. TEA-F-38  
Under Section 301(c)(1) of the Trade Expansion Act of 1962



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May 1972

UNITED STATES TARIFF COMMISSION

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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operation of an individual firm. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
May 19, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act (TEA) of 1962 (76 stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made under section 301(c)(1) of that act in response to a petition filed by a firm.

On March 20, 1972, Mr. Richard S. Gazalski filed a petition on behalf of G & H Decoy Manufacturing Co., Henryetta, Okla., for a determination of the firm's eligibility to apply for adjustment assistance. Accordingly, on March 27, 1972, the U.S. Tariff Commission instituted an investigation (TEA-F-38) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with plastic duck decoys (of the types provided for in item 735.20 of the Tariff Schedules of the United States) produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm.

Public notice of the receipt of the petition and institution of the investigation was published in the Federal Register of March 31, 1972 (37 F.R. 6607). A public hearing was requested, and it was held on April 25, 1972.

The information in this report was obtained chiefly from the petitioner, other domestic producers of decoys, former and current customers of the petitioner, and the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission 1/ unanimously finds that articles like or directly competitive with plastic duck decoys produced by the G & H Decoy Manufacturing Co., Henryetta, Okla., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm.

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1/ Commissioner Sutton did not participate in the decision.

### Considerations in Support of the Commission's Finding

This investigation relates to a petition filed on behalf of G & H Decoy Manufacturing Co. (G & H) for a determination under section 301(c)(1) of the Trade Expansion Act of 1962 (TEA) of the eligibility of that firm to apply for adjustment assistance.

The Tariff Commission has frequently stated that the TEA establishes four criteria, each of which has to be met for the Commission to make an affirmative determination in a "firm" case. Those criteria are as follows:

- (1) Articles like or directly competitive with those produced by the firm must be imported in increased quantities;
- (2) The increased imports must be a result in major part of concessions granted under trade agreements;
- (3) The firm must be seriously injured or threatened with serious injury; and
- (4) The increased imports resulting in major part from trade-agreement concessions must be the major factor causing or threatening to cause serious injury to the firm in question.

Our determination in the instant case is in the negative because not all of the criteria imposed by section 301(c)(1) of the TEA have been satisfied.

The notice of this investigation limited its scope to imports of articles like or directly competitive with plastic duck decoys. In addition to plastic duck decoys, G & H also manufactures plastic goose decoys, its principal product since 1934, and a negligible quantity of

plastic, simulated wood beams. However, under the TEA we need not consider the imports of these other products and their impact on the operation of G & H because these articles are not like or directly competitive with plastic duck decoys. On the other hand, the statute requires that the total operations of G & H, not just the operations devoted to the production of plastic duck decoys, must be considered in determining whether the firm is seriously injured, or threatened with serious injury. 1/

There is considerable doubt whether G & H is seriously injured, or threatened with such injury. Admittedly, the firm suffered losses on its overall operations in \* \* \*, but it broke even in \* \* \* and had a profit in \* \* \*, when its net sales were more than three times as large as they were in \* \* \*

Even if we found that the firm were seriously injured or threatened with serious injury, we cannot conclude that imports of a like or directly competitive article are causing, or threatening to cause, such injury. Thus, it is our view that the fourth criterion has not been met in the instant case.

While importers' shipments of plastic duck decoys increased dramatically from a very low level of less than 800 dozen in each of the years 1967 and 1968 to 21,183 dozen (14 percent of U.S. consumption) in 1970 and to 46,318 dozen (23 percent of consumption) in 1971,

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1/ Trade Expansion Act of 1962: Report of the Committee on Ways and Means . . . to Accompany H. R. 11970, House Report No. 1818 (87th Cong., 2d sess.), 1962, p. 23.



shipments by U.S. producers other than the petitioner also increased substantially, from about 71,000 dozen in 1967 to nearly 96,000 dozen in 1971--an increase of approximately 35 percent. Shipments of plastic duck decoys by the petitioner declined \* \* \* during 1969-71, years--especially 1971--of high consumption and expansion of shipments by both importers and domestic producers as a whole. This decline in sales by the petitioner, at a time of marked growth in domestic consumption, seems to indicate to us that factors other than increased imports were chiefly responsible for G & H's inability to market its plastic duck decoys.

G & H--unlike other U.S. producers--lacked an integrated manufacturing process in producing plastic duck decoys; its duck decoys were molded in minimum lots by two independent concerns--one in Arkansas and the other in Wisconsin--and shipped to its plant in Oklahoma for finishing and packaging. The method of manufacture chosen by G & H resulted in prices for its product that were significantly higher than those of its major domestic competitors. Moreover, in 1969 G & H attempted to enter the plastic duck decoy market, in which other domestic producers had been well established for many years, with a limited product line.

On the basis of the foregoing reasons, we have made a negative determination in the instant case.



## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The G & H Decoy Manufacturing Co. produces molded plastic duck and goose decoys. As the name implies, a decoy is an artificial bird used to entice game within shooting range. The type of hunting decoy used varies according to the species of game being hunted. Ducks and geese are the primary game birds for which decoys are used in hunting, although decoys may be used in hunting other birds such as crows and doves. The majority of decoys marketed in this country are replicas of the mallard duck and the Canadian, blue, and snow geese. Other types of popular duck decoys are replicas of the teal, canvas-back, bluebill, pintail, and black ducks. Owl decoys also are often used in hunting crows.

Depending on the habits of the species being hunted, decoys will vary as season, region, and type of land dictate. Consequently, the decoys themselves may be either drake or hen, goose or gander, field type (land use) or floating, standard (length 15 to 16 inches) or magnum size (length 20 to 24 inches, for better visibility from the air), swimming or feeding.

Simulation of sex or species is generally accomplished through coloration and pattern in the painting process. Originally decoys were made of wood; today, they are made of molded plastics, latex rubber, polystyrene foam, and plasticized paper or paper fiber. The type of decoy material preferred may depend upon a combination of factors, such as price, realism, space or weight, and durability. For instance, plastic decoys are generally the most realistic in their appearance, yet self-inflating rubber decoys may be more convenient

## U.S. Tariff Treatment

Imported hunting decoys are dutiable under the provisions of item 735.20 of the Tariff Schedules of the United States (TSUS) which provides for "puzzles; game, sport, gymnastic, athletic, or playground equipment; all the foregoing, and parts thereof, not specially provided for," at a current rate of duty of 10 percent ad valorem. This rate became effective January 1, 1972, and reflects the fifth and final stage of a concession granted by the United States in the sixth (Kennedy) round of tariff negotiations under the General Agreement on Tariffs and Trade (GATT); prior to the Kennedy round, the rate of duty, which had been in effect since the adoption of the TSUS, was 20 percent ad valorem. This rate represented an approximate weighted average of a wide range of rates which had been applicable to the many articles now dutiable under TSUS item 735.20; the statutory, or column 2, rate is 40 percent ad valorem.

There is no evidence of any importations of decoys prior to the TSUS. However, under the tariff schedules in effect prior to August 31, 1963, decoys would have been dutiable under the provisions of paragraph 412, if in chief value of wood, the statutory rate for which was  $33\frac{1}{3}$  percent ad valorem; this rate was subsequently reduced under the GATT to  $16\frac{2}{3}$  percent ad valorem, the pre-TSUS rate. Decoys in chief value of soft rubber would have been dutiable under the provisions of paragraph 1537(b). The statutory rate under this provision was 25 percent ad valorem; it was reduced under the GATT to 12.5 percent ad valorem, the pre-TSUS rate. Cellulose acetate decoys would have been dutiable under the provisions of paragraph 31(a)(2), the statutory rate for which was 80 percent ad valorem; this rate was

reduced under the GATT to 17 percent ad valorem, the pre-TSUS rate.

Decoys made of such plastics as polyvinyl chloride or polyurethane without a filler material would have been dutiable by similitude in use at one of the rates shown above.

Decoys of plastic material having a synthetic resin as the chief binding agent, or of other material having synthetic resin as the chief binding agent, would have been dutiable under the provisions of paragraph 1539(b), the statutory rate for which was 50 cents per pound plus 40 percent ad valorem; this compound rate was reduced under the GATT to 21 cents per pound plus 17 percent ad valorem, the pre-TSUS rate.

Changes in the rates of duty for item 735.20 and the applicable rates of duty established in the Tariff Act of 1930 are shown in table 1.

A surcharge of 10 percent ad valorem was applicable to certain imported articles, including decoys, from August 16, 1971, to December 19, 1971. During that period, the aggregate duty applicable to decoys was 22 percent ad valorem. The surcharge was imposed by Presidential Proclamation No. 4074 and removed by Presidential Proclamation No. 4098.

## U.S. Consumption

Hunting conditions, including the rate of reproduction of waterfowl in Canada and in the northern United States, influence the domestic consumption of decoys. Total annual U.S. consumption of all decoys averaged 131,000 dozen during 1967-69 and then, reflecting a rise in waterfowl yield, increased sharply to 156,000 dozen in 1970 and to 209,000 dozen in 1971 (table 2).

The consumption of duck decoys, which accounted for about 85 percent of the consumption of all decoys during 1967-71, rose irregularly from about 109,000 dozen in 1967 to 175,000 dozen in 1971--representing an increase of 60 percent. During the same period, consumption of goose decoys increased in each year from about 17,000 dozen in 1967 to nearly 30,000 dozen in 1971 (table 3).

Over the 1967-71 period, plastic duck decoys accounted for approximately 75 percent of the market. Consumption of decoys of this material doubled in those years--rising from 72,000 dozen in 1967 to 144,000 dozen in 1971. Consumption of plastic goose decoys rose during this period from about 9,000 dozen in 1967 to 19,000 dozen in 1971 (table 4).

## U.S. Producers

Ten U.S. manufacturers account for nearly all of the decoys produced in the United States. Production by the 10 firms includes all types of hunting decoys; one firm manufactures decoys exclusively of paper; two, of latex rubber; three, of wood fiber and of plastics; and four, exclusively of plastics. Situated principally in the Western and Midwestern States, the individual firms produce from 2 to 23 percent of U.S. production; the three largest firms manufacture two-thirds of total output.

## U.S. Producers' Shipments and Exports

U.S. producers' shipments of all hunting decoys increased irregularly from 130,000 dozen, valued at \$1.3 million, in 1967 to 162,000 dozen, valued at \$2.1 million, in 1971--representing an increase of 25 percent in quantity and 62 percent in value (tables 2 and 5).

During the period 1967-71, producers' shipments of duck decoys of all materials rose 19 percent in quantity and 50 percent in value, increasing from 108,000 dozen, valued at \$1.0 million, in 1967 to 129,000 dozen, valued at \$1.5 million, in 1971. Over the same period, domestic producers' annual shipments of goose decoys of all materials increased without interruption from 17,000 dozen, valued at \$282,000, to 29,000 dozen, valued at \$554,000 (table 5).

Shipments of plastic duck decoys by U.S. producers totaled 71,000 dozen, valued at \$662,000 in 1967; they increased irregularly thereafter to 97,000 dozen, valued at \$1.1 million in 1971--representing a rise in quantity of 37 percent and in value of 73 percent. Similarly, shipments of plastic goose decoys rose from 9,000 dozen, valued at \$199,000 in 1967 to 18,000 dozen, valued at \$418,000, in 1971 (table 5).

U.S. exports of hunting decoys, consisting principally of duck and goose decoys, were shipped only to Canada during the period 1967-71. These exported decoys accounted for only 1 percent of producers' shipments in 1967, 1968, and 1971 and for about 4 percent of shipments in 1969 and 1970. In terms of value, annual exports ranged from \$16,000 to \$46,000 in 1967-71 (table 2).



## U.S. Imports and Importers' Shipments

Imports of decoys, all of which have come from Italy, began in the mid-1960's. Annual importations were small through 1968, averaging about 700 dozen a year. However, in early 1969, owing to efforts of the Italian Trade Council at a United States trade show, imports of decoys began to increase sharply. They totaled 1,500 dozen, valued at \$12,000, in 1969; rose markedly to 26,000 dozen, valued at \$149,000, in 1970; and then more than doubled to 57,000 dozen, valued at \$364,000, in 1971 (table 6).

During the period 1967-71, imports of duck decoys accounted for nearly 97 percent of total imports. One U.S. producer-importer, which began importing decoys in 1970, accounted for about \* \* \* percent of total imports in that year and for \* \* \* percent in 1971. All imports have been produced by one Italian firm manufacturing exclusively of plastic material.

Shipments of imported decoys by U.S. importers have closely paralleled imports since 1966. Such shipments averaged about 670 dozen, valued at \$20,000, a year in 1967-68. Thereafter, shipments rose to 1,400 dozen, valued at \$24,000, in 1969, increased sharply to 21,500 dozen, valued at \$312,000, in 1970, and to 48,200 dozen, valued at \$702,000 in 1971 (tables 2 and 6).

In terms of quantity, shipments of imported decoys--virtually all of which were plastic duck decoys--represented no more than one percent of apparent consumption from 1967 to 1969 but jumped to 14 percent in 1970 and to 23 percent in 1971. In terms of value, this ratio averaged less than 2 percent a year from 1967 to 1969, and then rose to 16 percent

in 1970 and to 25 percent in 1971 (table 2).

The ratio of importers' shipments of plastic duck decoys to consumption of all duck decoys, in terms of quantity, was less than 2 percent in each of the years 1967-69; it increased, however, to 19 percent in 1970 and to 36 percent in 1971. In terms of value, the ratio was less than 3 percent each year during 1967-69 and rose to 24 percent in 1970 and to 43 percent in 1971.

## Data Relating to G &amp; H Decoy Manufacturing Co.

Corporate history, structure, and ownership

G & H Decoy Manufacturing Co., was organized as a partnership in Henryetta, Okla., in 1934 by John and Mary Gazalski to produce plastic hunting decoys. The business is currently being operated by a son, Richard Gazalski.

Plant and equipment

G & H's manufacturing facilities are housed in two adjacent single-story buildings. The older structure, built in 1934, comprises approximately 5,000 square feet of floor space and houses the production shop, which includes equipment for grinding and finishing decoys, as well as facilities for molding goose decoys. The newer building, built in 1968, comprises some 15,000 square feet of floor space and houses facilities for painting, assembling, and packaging decoys, plus warehousing and office space.

Product

The only product manufactured by G & H from its inception in 1934 until 1969, was plastic goose decoys. However, in 1969 the firm expanded production to include plastic duck decoys and simulated-wood beams for commercial decoration; the latter product, however, accounts for \* \* \* of total sales.

Plastic decoys may be manufactured by a number of methods, such as vacuum forming, injection molding, rotary casting, or blow molding. Presently, G & H maintains its own facilities for vacuum-forming shell-type, field goose decoys. This involves placing a sheet of linear,

flexibility, and then vacuum-sucking it to fit the mold. When the plastic has cooled, the mold is removed, and the goose decoy is die-stamped away from the remaining plastic sheet; the scrap is reground and reused.

The duck decoys made by G & H since 1969, however, have been molded on order--in minimum lots--by two independent concerns, one situated in Fort Smith, Ark., and the other in Baraboo, Wis. The former firm injection-molds, a process in which an inner and outer mold have plastic squeezed into the space separating them, leaving two halves of a decoy that are glued together and then filled with a styrene foam. The latter firm manufactures by a blow-mold process, whereby hot plastic is formed within a heated tube and is blown under pressure into a cavity that, when separated, leaves a completed duck decoy.

The duck decoys molded by these two firms are then shipped to G & H for finishing, i.e., the removal of mold flashing; painting, which is accomplished with automatic spraying equipment; and assembly and packaging.

Shipments

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APPENDIX A  
STATISTICAL TABLES





Table 1.--Decoys: U.S. rates of duty, 1930-72

TSUS item	Description	1930 rate	Concession rates	Effective date
735.20	Puzzles; game, sport, gymnas- tic, athletic, or playground equipment; all the foregoing, and parts there- of, n.s.p.f.	Various <u>1/</u> (the ad valorem equivalent of the ap- plicable rates ranged from: 25% ad val.: to 80% ad val.)	20% ad val. <sup>2/</sup> 18% ad val. 16% ad val. 14% ad val. 12% ad val. 10% ad val.	Aug. 31, 1963 Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972

1/ For a description of the pre-TSUS tariff provisions and the rates of duty applicable to imports of decoys, see text on U.S. tariff treatment.

2/ This rate, established in the TSUS, reflects an approximate weighted average of the various rates of duty applicable in the pre-TSUS schedules. The statutory (column 2) rate is 40 percent ad valorem.



Table 2.--Decoys: U.S. producers' shipments, importers' shipments, exports of domestic merchandise, and apparent consumption, 1967-71

Year	Producers' shipments	Importers' shipments	Exports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity (dozens)					
1967-----	129,575	720	1,120	129,175	0.6
1968-----	137,042	618	1,144	136,516	.5
1969-----	130,383	1,411	5,463	126,331	1.1
1970-----	139,465	21,471	5,141	155,795	13.8
1971-----	162,217	48,163	1,620	208,760	23.1
Value (1,000 dollars)					
1967-----	1,346	25	16	1,355	1.8
1968-----	1,607	14	16	1,605	.9
1969-----	1,554	24	31	1,547	1.6
1970-----	1,736	312	46	2,001	15.5
1971-----	2,117	702	21	2,798	25.1

Source: Compiled from data submitted to the Tariff Commission by domestic producers and importers in response to questionnaires.

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Table 5.--Decoys: U.S. producers' shipments, by kinds and by types of material, 1967-71

Kind and type of material	1967	1968	1969	1970	1971
	Quantity (dozens)				
Duck decoys of--					
Plastics <u>1/</u> -----	71,483	85,004	78,119	82,226	97,339
Rubber-----	8,874	8,704	7,829	7,393	10,876
Wood fiber-----	27,887	20,006	19,896	22,108	21,041
Total-----	108,244	113,714	105,844	111,727	129,156
Goose decoys of--					
Plastics-----	9,161	11,211	10,602	15,000	18,022
Rubber-----	56	134	114	150	251
Wood fiber-----	7,940	7,960	9,385	8,881	10,340
Total-----	17,157	19,305	20,101	24,031	28,613
Other decoys-----	4,174	4,023	4,438	3,707	4,448
Total, all decoys-----	129,575	137,042	130,383	139,465	162,217
	Value (1,000 dollars)				
Duck decoys of--					
Plastics <u>1/</u> -----	662	887	858	948	1,144
Rubber-----	108	111	101	90	126
Wood fiber-----	253	184	187	212	247
Total-----	1,023	1,182	1,146	1,250	1,517
Goose decoys of--					
Plastics-----	199	286	250	341	418
Rubber-----	2	5	4	4	7
Wood fiber-----	81	87	105	96	129
Total-----	282	378	359	441	554
Other decoys-----	41	47	49	45	46
Total, all decoys-----	1,346	1,607	1,554	1,736	2,117

1/ Includes polystyrene foamed plastic and vacuum-formed and injection-molded plastic.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers in response to questionnaires.



Table 6.--Decoys: U.S. imports and shipments of imports, by kinds, as reported by importers, 1967-71

Item	1967	1968	1969	1970	1971
	Quantity (dozens)				
Duck decoys:					
U.S. imports-----	758	618	1,366	25,542	54,681
Shipments of imports--	720	618	1,330	21,183	46,318
Goose decoys:					
U.S. imports-----	-	30	34	223	1,314
Shipments of imports--	-	-	17	170	988
Other decoys:					
U.S. imports-----	-	-	64	116	1,214
Shipments of imports--	-	-	64	116	857
Total:					
U.S. imports-----	758	648	1,464	25,881	57,209
Shipments of imports--	720	618	1,411	21,471	48,163
	Value (1,000 dollars)				
Duck decoys:					
U.S. imports-----	6	5	10	143	331
Shipments of imports--	25	14	22	302	648
Goose decoys:					
U.S. imports-----	-	1	1	5	25
Shipments of imports--	-	-	1	8	41
Other decoys:					
U.S. imports-----	-	-	1	1	9
Shipments of imports--	-	-	1	2	13
Total:					
U.S. imports-----	6	6	12	149	364
Shipments of imports--	25	14	24	312	702

Source: Compiled from data submitted to the U.S. Tariff Commission by importers in response to questionnaires.

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APPENDIX B

LETTERS TO G & H DECOY MANUFACTURING CO.  
FROM VARIOUS FACTORY REPRESENTATIVES



A-37 through A-41

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