

UNITED STATES TARIFF COMMISSION

BRASS KEY BLANKS FROM CANADA

**Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-71
Under the Antidumping Act, 1921,
As Amended**



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UNITED STATES TARIFF COMMISSION

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AA1921-71

BRASS KEY BLANKS FROM CANADA

Determination of No Injury

The Assistant Secretary of the Treasury advised the Tariff Commission on February 3, 1971, that brass key blanks from Canada are being, and are likely to be, sold at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted Investigation No. AA1921-71 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing was held on March 23, 1971. Notices of the investigation and hearing were published in the Federal Registers of February 10 and 24, 1971 (36 F.R. 2840, 3441).

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission has unanimously 1/ determined that no industry in the United States is being or is

1/ Commissioner Clubb did not participate in the decision.

likely to be injured, or prevented from being established by reason of the importation of brass key blanks from Canada sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons

In reaching its negative determination, the Commission was persuaded principally by the following factors:

- (1) Imports of brass key blanks from Canada sold at less than fair value are small in relation to the domestic output of such articles.
- (2) The domestic production of brass key blanks has grown in recent years.
- (3) The marketing of the Canadian key blanks sold at less than fair value in the United States has not adversely affected the prices of domestically produced brass key blanks. The prices of the Canadian blanks have generally been within the range of, or higher than, those of comparable domestic blanks to the same class of customer; the prices of domestic blanks, moreover, have increased sharply in recent years.

Description of product

Brass key blanks, used to make keys, are generally made from key blank stampings supplied by primary brass producers. The stampings are manufactured into key blanks by milling (grooving) on both sides. They may be coined (embossed), plated, and burnished (polished).

The U.S. industry

The Commission has considered the domestic industry to consist of the facilities in the United States for the manufacture of brass key blanks. Such key blanks are currently produced in the United

States by about 30 firms, most of which also manufacture locks, builders' hardware, and a variety of other products. Some produce key blanks primarily for sale to others, while some produce blanks chiefly for their own use.

Domestic production of brass key blanks increased from 239 million blanks in 1967 to about 260 million blanks in 1969 and 1970. This increase in production of brass key blanks was accompanied by a substantial increase in the domestic production of aluminum key blanks.

Imports at less than fair value

The Canadian brass key blanks which the Treasury found to have been sold at less than fair value have not been a significant factor in the U.S. market. Sales of such Canadian blanks--virtually the only foreign-made brass key blanks marketed in the United States--were equivalent to less than 3 percent of U.S. production of such blanks in both 1969 and 1970. Most of the imports, unlike shipments by domestic producers, have been sold to small lock manufacturers (some of which have never bought from domestic sources) for use in making keys to be sold with locks. The prices to such U.S. lock manufacturers by the Canadian supplier have been within the range of prices to the same class of purchaser by domestic producers. The remaining imports from Canada have been sold to distributors or wholesalers at prices generally above those charged by the principal domestic producers.

The evidence obtained by the Commission indicates that sales of LTFV brass key blanks from Canada have not adversely affected the prices charged by the domestic producers. In recent years, the U.S. demand for

key blanks has increased, and the prices charged by domestic manufacturers for brass key blanks have risen appreciably. Since 1967, for example, the prices of domestically produced key blanks sold to distributors have increased by more than 40 percent, while the wholesale price index for all commodities has increased by 13 percent and the index for builders' hardware, by 30 percent.

Conclusion

In light of the factors discussed above, the Commission has made a negative determination.