

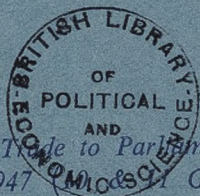
BOARD OF TRADE

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*The Report on the
Census of Production
for 1954*

Volume 3: Industry H

SCRAP METAL PROCESSING



*Presented by the Board of Trade to Parliament in pursuance of the
Statistics of Trade Act, 1947 (M.C.S. & Geo. 6 Ch. 39, Sec. 7)*

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The Report on the Census of Production for 1954

VOLUME 3, INDUSTRY H

SCRAP METAL PROCESSING

THIS REPORT on the Scrap Metal Processing Industry relates to establishments engaged wholly or mainly in the processing of scrap iron, scrap steel and non-ferrous scrap metals, including three Government establishments in 1948, two in 1951 and three in 1954.

The figures for 1948 are not strictly comparable with those for 1951 and 1954 as they include particulars of the merchanting and factoring of scrap metal, which were excluded for 1951 and 1954.

This industry corresponds to minimum list heading 99(8) (part) and 241(1) in 1948 and to 99(8) (part) in 1951 and 1954 in the Standard Industrial Classification.

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The following notes describe terms in general use in the tables of the report. More detailed explanations of the terms used and a description of the scope and method of taking the census are given in the separate booklet entitled 'The Report on the Census of Production for 1954 - Introductory Notes' (price 1s. 6d. net).

Industrial Classification: Establishments are classified to industries according to the nature of their output and, as far as possible, in conformity with the Standard Industrial Classification. Certain products are identified as the principal products of individual industries, the principal products for a given industry being of a similar nature or commonly associated in production. The principle of classification normally followed is that an establishment is classified to an industry if its output of the principal products of that industry accounted for a greater proportion of the value of its output than did its output of the principal products of any other industry.

Specialist producers normally comprise those establishments 50 per cent. or more of whose total output by value is accounted for by the characteristic products of the specialist group.

Intermediate products: For some industries figures are given showing the total quantities made during the year of intermediate products, i.e., products which may be further processed in the establishments in which they are produced.

Larger establishments: The information given in the report relates mainly to 'larger establishments', i.e., establishments of firms employing on the average more than 10 persons. In most cases an establishment comprises the whole of the premises under the same ownership or management at a particular address (e.g., a mine or factory). Offices, warehouses, laboratories and other ancillary places of business situated apart from the producing works are not regarded as separate establishments and are included in the return for the works.

Small firms are those employing on the average 10 or fewer persons.

The estimates for the industry as a whole given in Table 1 are normally obtained by increasing the other items shown in the same proportion as total employment.

Gross output (production) is the total value of goods made and other work done during the year: it is obtained by adjusting the value of sales and work done during the year for changes in the value of stocks of products on hand for sale and work in progress.

Net output is the amount left after deducting from the value of gross output the aggregate of the cost of materials and fuel used, the amount paid for work given out, and, for 1951 and 1954, any transport payments made. This represents the value added to materials by the process of production, and constitutes the fund from which wages, salaries, rents, rates and taxes, advertising and other selling expenses and all other similar charges have to be met, as well as depreciation and profits.

Sales means sales during the year of goods made in the establishment covered by the return or made on commission for it, whether produced in the year or not. The value of sales is the net selling value, i.e., the amount charged to customers, whether on an ex-works or delivered basis, and net of any trade discounts, agents' commissions, allowances for returnable cases, purchase tax, etc. For goods charged on a delivered basis to customers overseas, firms were required to give the f.o.b. value.

Materials and fuel: The total cost of materials and fuel purchased includes all purchases during the year of materials for use in production, and of fuel (includ-

ing oil, gas and electricity) for all purposes; packing materials, including the full cost of returnable cases when first purchased; workshop and office materials; water charges; materials for repairs to buildings, plant and vehicles when carried out by firms' own work-people included in their returns; consumable tools; and parts for machinery purchased as replacements. Purchases of goods for merchanting are excluded. The cost of materials and fuel used, given in Table 2, is obtained by adjusting purchases for changes during the year in the value of stocks.

Stocks: Firms were required to give stocks of materials and fuel, products on hand for sale, and work in progress, at income tax values.

Customs and Excise Duty paid on materials purchased is normally included in the cost of materials. Finished goods are similarly valued as they were sold, duty-paid or duty-free. The net amount of any duty paid is deducted in arriving at net output.

Employment: Total employment includes working proprietors, administrative, technical and clerical employees, and operatives, but excludes outworkers, canteen employees and persons engaged in merchanting or any other activity not covered by a firm's return, who are shown separately as excluded employees. Employees are persons on the pay-roll (i.e., persons whose National Insurance cards were held by employers), whether employed full-time or part-time.

Working proprietors are proprietors of businesses other than limited companies, together with members of their families who worked in the business without receiving fixed wages or salaries. Any persons working less than half the normal hours are excluded. For Northern Ireland directors of limited companies (other than those paid by fee only) are also included.

Administrative, technical and clerical employees include directors, other than those paid by fee only (except in Northern Ireland); managers, superintendents and works foremen; research, experimental, development, technical and design employees (other than operatives); draughtsmen and tracers; travellers; and office (including works office) employees.

Operatives include all other classes of employees, i.e., broadly speaking, all manual workers.

Outworkers are persons employed by the firm who work on materials supplied by the firm in their own homes.

Wages and salaries include all overtime payments, bonuses and commissions without any deductions for income tax, insurances, contributory pensions etc. They exclude payments to working proprietors.

Capital expenditure includes expenditure on new building work, and on plant, machinery and vehicles, charged to capital account during the year, including any transport and installation costs involved. It includes expenditure in respect of establishments in Great Britain which had not begun production before the end of the year (which has not previously been included in the Census of Production reports for individual industries).

Symbols used:

- .. for not available
- for nil or negligible (less than half the final digit shown).

Where figures are rounded, e.g., given to the nearest £ thousand, there may be apparent slight discrepancies between the sums of constituent items and the totals shown. In some cases, figures have been combined with others of a similar nature where publication of separate details might disclose information relating to an individual undertaking.

Industry summary Estimates for the industry as a whole

TABLE 1

	United Kingdom			Scotland 1954	Wales 1954
	1948	1951	1954		
Gross output (production)	£ million 92.8	£ million 54.2	£ million 65.7	£ million 5.49	£ million 2.59
Net output	15.9	9.6	7.3	1.74	0.81
Total stocks and work in progress					
At beginning of year	+ 5.3	+ 4.6	7.5	+ 0.36	0.15
Change during year	+ 1.3	+ 0.8	-	+ 0.05	- 0.01
Capital expenditure less disposals (a)	0.7	0.7	0.6	0.09	0.05
Wages and salaries	7.1	4.7	6.1	1.01	0.50
Total employment (including working proprietors)	Thousands 21.0	Thousands 12.5	Thousands 13.5	Thousands 2.29	Thousands 1.06

(a) Capital expenditure on new building work, plant, machinery and vehicles (including (except in 1948) that incurred in Great Britain for establishments not yet in production), less amounts received for plant, machinery and vehicles disposed of.

Summary of returns received

TABLE 2

	Unit	Great Britain 1948	United Kingdom	
			1951	1954(a)
FIRMS EMPLOYING ON AVERAGE MORE THAN 10 PERSONS				
Number of establishments	No.	326	220	255
Total value of sales and work done	£'000	68,510	40,515	49,884
Scrap metal on hand for sale	2,418	3,339
	{ at beginning of year	..	+ 472	+ 590
	{ change during year	..	40,987	50,474
Gross output (production) (b)	..	65,165	40,987	50,474
Purchases of materials and fuel	..	52,304	32,214(c)	40,316
Stocks of other goods, materials and fuel	..	3,709(d)	1,062	2,384
	{ at beginning of year	..	+ 892(d)	+ 606
	{ change during year	..	32,045	40,921
Cost of materials and fuel used	..	51,412	32,045	1,733
Payment for work done on materials given out	..	2,581	1,679	2,246
Payment for transport (e)	..	3,345	1,679	2,246
Net output	..	11,172	7,263	5,574
Average number of employees	{ operatives	11,694(f)	7,567	8,272
	{ others	2,965	1,820	2,031
Total employment (g)	..	14,756	9,432	10,343
Net output per person employed	£	757	770	539
Wages and salaries	£'000	3,627	2,606	3,534
	{ of operatives	..	923	1,154
	{ of others	1,376
Capital expenditure	..	129	68	60
New building work (h)	..	377	296	270
Plant and machinery	{ acquisitions (h)	..	226	17
	{ disposals	..	260	219
Vehicles	{ acquisitions (h)	..	33	47
	{ disposals
FIRMS EMPLOYING ON AVERAGE 10 OR FEWER PERSONS				
Number of returns	No.	1,050	478(i)	468
Total employment, including working proprietors	..	5,540	2,679(i)	2,575

(a) Included in this column are figures for the operations of a company which, if omitted, would amend the net output to £8,267,000 and net output per person employed to £802.

(b) For the year 1948 gross output excludes payments for transport services outwards on finished goods sold. For subsequent years gross output includes payments to other firms and undertakings and to firms' own separate transport organisations for transport services.

(c) Including payment for work done on materials given out.

(d) Including scrap metal.

(e) Payments to other firms and undertakings and to firms' own separate transport organisations. For the year 1948 payments cover only transport outwards of finished goods sold. For subsequent years they cover payments for transport of both finished goods sold and materials and fuel purchased.

(f) Number in week ended September 25, 1948.

(g) Excluding outworkers and including working proprietors.

(h) Excluding expenditure for establishments not yet in production.

(i) Excluding Northern Ireland. No information about small firms was collected in Northern Ireland for 1951.

SCRAP METAL PROCESSING

Analysis by size, 1954

Larger establishments in the United Kingdom

TABLE 3

Average number employed (a)	Estab-lish-ments	Gross output	Net output	Employees		Wages and salaries		Capital expenditure (b)	Net output per person employed (a)
				Operatives	Others	Operatives	Others		
11 - 24 (c)	118	7,584	1,507	1,378	354	556	197	101	859
25 - 49 (d)	79	20,057	- 299	2,133	552	900	362	185	- 111
50 - 99	37	14,689	1,953	1,977	512	835	304	113	784
100 - 199	17	6,838	1,765	1,942	490	844	214	107	724
200 - 299	4	1,306	648	842	123	399	77	43	671
Total	255	50,474	5,574(e)	8,272	2,031	3,534	1,154	549	539(e)

(a) Excluding outworkers and including working proprietors.

(b) Capital expenditure on new building work and on acquisition of plant, machinery and vehicles, excluding expenditure for establishments not yet in production.

(c) Including a small number of establishments with fewer than 11 persons employed, particulars of which were included with those for larger establishments on a single return.

(d) Included in this group are figures for the operations of a company which, if omitted, would amend the net output to £2,394,000 and net output per person employed to £888.

(e) See note (a) to Table 2.

Analysis according to specialisation within the industry, 1954

Larger establishments in the United Kingdom

TABLE 4

	Unit	Specialist producers of		Remainder of the industry	Total (b)
		Iron and steel scrap (a)	Non-ferrous scrap		
Number of establishments	No.	134	74	47	255
Total value of sales and work done	£'000	21,051	23,118	5,714	49,884
Sales of characteristic products	"	15,281	20,332		
Scrap metal on hand for sale	{ at beginning of year	899	1,999	441	3,339
	{ change during year	+ 225	+ 213	+ 152	+ 590
Gross output (production)	"	21,276	23,332	5,866	50,474
Purchases of materials and fuel	"	16,405	20,462	3,449	40,316
Stocks of other goods,	{ at beginning of year	2,168	84	133	2,384
materials and fuel	{ change during year	- 652	+ 46	+ 1	- 606
Cost of materials and fuel used	"	17,057	20,416	3,449	40,921
Payment for work done on materials given out	"	1,662	69	2	1,733
Payment for transport	"	1,573	419	254	2,246
Net output	"	984	2,427	2,162	5,574
Average number of employees	{ operatives	3,853	1,927	2,492	8,272
	{ others	968	610	453	2,031
Total employment (c)	"	4,844	2,549	2,950	10,343
Net output per person employed (c)	£	203	952	733	539
Wages and salaries	{ of operatives	1,645	739	1,149	3,534
	{ of others	526	381	247	1,154
Capital expenditure					
New building work (d)	"	32	24	3	60
Plant and machinery	{ acquisitions (d)	167	44	59	270
	{ disposals	11	1	5	17
Vehicles	{ acquisitions (d)	120	63	36	219
	{ disposals	29	13	4	47

(a) Included in this column are figures for the operations of a company which, if omitted, would amend the net output to £3,678,000 and net output per person employed to £759.

(b) See note (a) to Table 2.

(c) Excluding outworkers and including working proprietors.

(d) Excluding expenditure for establishments not yet in production.

SCRAP METAL PROCESSING

Sales of the principal products of the industry

Larger establishments in the United Kingdom

TABLE 5

	1951		1954		
	Quantity	Value	Quantity	Value	Entries
	Th. tons	£'000	Th. tons	£'000	Number
Scrap metal					
Iron and steel	2,061.0	12,426	2,502.0	18,418	197
Non-ferrous	123.8	19,647	135.1	21,202	189
	..	2,796	..	4,525	
Other scrap and waste reclaimed and sold	..	1,212	..	983	51
Machinery and parts reclaimed and sold (including reconditioned machinery)	..	875	..	604	56
Recovered re-usable steel and other metal material sold (a)	21.1	414	50.4	1,929	27
	..	1,128			
Other products	..	68	..	112	13
Contract and other work done for the trade or Government organisations or on commission, and repair work (b)					
Dismantling, demolition, ship-breaking and similar work done for other firms		1,474		1,918	42
Other work, including repair work		168		125	38
Total		40,208		49,816	225

(a) So far as recorded separately.

(b) Amount charged.

TABLE 6 - Sales of principal products of the industry by establishments classified to other industries

Larger establishments in the United Kingdom

This table is not applicable to the industry.

TABLE 7 - Sales in the industry of other than principal products

Larger establishments in the United Kingdom

The total value of sales in 1954 of other than principal products amounted to £68,000.

TABLE 8 - Total make of intermediate products

Larger establishments in the United Kingdom

This table is not applicable to the industry.

SCRAP METAL PROCESSING

Purchases of materials and fuel, 1954
Larger establishments in the United Kingdom

TABLE 9

	Quantity	Cost
	Th. tons	£'000
Materials		
Buildings for demolition	..	17
Plant, machinery and vehicles (including parts) for demolition, dismantlement or reconditioning	..	741
Scrap metal for breaking, cutting or compressing		
Iron and steel	2,103	10,894
Non-ferrous	134	18,297
	..	4,470
Replacement parts for plant, machinery and vehicles, and consumable tools bought as replacement, including engineers small tools, jigs, fixtures and measuring instruments	..	328
All other purchased materials including ships for breaking up	..	5,018
Fuel and electricity		
Coal	15	62
Coke	3	15
Liquid fuel (including creosote/pitch mixtures)		
For use in internal combustion engines	Th.gal.	
Motor spirit (petrol) for use in road vehicles and deriv. fuel	1,143	228
Other	148	12
For burning in furnaces, boilers, kilns, etc.	145	8
	..	11
Gas purchased	Th. therms	
From Gas Boards	201	13
From other sources, including other departments of the same firms	..	2
From other sources, including other departments of the same firms(a)	..	2
Electricity purchased	Th.kWh.	
From Electricity Boards	15,404	103
From other sources, including other departments of the same firms(a)	952	5
All other purchased fuel		89
Total cost		40,316

(a) No electricity was generated in firms' own establishments in this industry in 1954.

SCRAP METAL PROCESSING

Average number of employees and wages, salaries and superannuation payments (a)

Larger establishments in the United Kingdom

TABLE 10

	1951	1954
	Number	Number
Average number of employees		
Operatives	7,567	8,272
Administrative, technical and clerical employees	1,820	2,031
Total	9,387	10,303
Wages and salaries paid to	£'000	£'000
Operatives	2,606	3,534
Administrative, technical and clerical employees	923	1,154
Total	3,529	4,688
Wages and salaries per head	£	£
Operatives	344	427
Administrative, technical and clerical employees	507	568
		£'000
Superannuation and other pension funds for employees and dependents (b)		
Employers' contributions	..	44
		Number
Employees covered	..	1,152
		£'000
Pension, etc., payments to former employees and dependents (b)	..	9

(a) The following persons, not included above, were also employed by larger establishments in this industry ("other workers" includes, for example, employees engaged in merchanting):

	1951	1954
	Number	Number
Canteen workers		
Male	4	4
Female	66	86
Total	70	90
Other workers		
Male	798	1,338
Female	155	265
Total	953	1,603
Total excluded employees	1,023	1,693

(b) The figures given relate to larger establishments in Great Britain only.

Employment in a specified week (a)
Larger establishments in the United Kingdom

TABLE 11

	1951			1954		
	Males	Females	Total	Males	Females	Total
	Working proprietors	42	3	45	38	2
Operatives	7,206	370	7,576	7,984	322	8,306
Administrative, technical and clerical employees	1,238	743	1,981	1,351	699	2,050
Total employees	8,444	1,113	9,557	9,335	1,021	10,356

(a) Week ended September 22, 1951, or October 30, 1954.

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