

Remarks prepared for Secretary Brinegar
To the Joint Meeting, Interagency Committee
on Transportation Security, and The
Transportation Cargo Security Council
March 7, 1973

I appreciate this opportunity to join you for a few minutes.

One can't be active in industry for 20 years, as I was, without being conscious of pilferage as a problem. But I must confess I was not fully aware of the extent of the theft situation, or how much was being done to correct it, until I reported in as Secretary.

One of the first papers to come across my desk was President Nixon's letter of February 1st indicating his pleasure at the progress made in cargo security and theft prevention over the past six months. I get a lot of mail, but when you see a letter signed personally by the President, you look at it carefully. Most of you, I know, have seen that letter.

The President's complimentary remarks regarding Secretary Volpe's initiatives prompted me to review the cargo security report compiled by this group and submitted to the White House. I certainly agree that the actions undertaken jointly by government and industry since the first National Cargo Security Conference in June 1971 are impressive. It

is indeed gratifying to see what has been accomplished in a relatively short period of time. My congratulations to those of you who have taken the lead in doing so much on this important job.

I have just two thoughts to express today. First, there is no doubt in my mind that theft and pilferage impair the performance of the transportation function and add to its costs--something in these days of inflation, balance of payment problems and devaluation, that we can ill afford; and that the responsibility for leadership in correcting the problem properly lies with the Department of Transportation. There's, of course, nothing new in those observations. It was Secretary Volpe's position, and Ben Davis has been implementing it quite effectively for the past two years. I want to assure you it is also my position.

My second thought, logically, relates to our future course of action. On this point, may I simply say that I have not yet studied the whole cargo security matter thoroughly enough to make specific recommendations. First, I'm in the process of being a railroad expert.

I believe the Cargo Security Advisory Standards, now being issued and which I have just signed, are a good move.

Generally, I am inclined to feel that a non-regulatory, self-help approach can be most effective in dealing with such a diverse and industry-wide problem as cargo theft. On the other hand, I am realistic enough to admit that such an approach may not produce the massive improvement in cargo security that the nation needs.

As you know, there is considerable sympathy in Congress for legislation to enforce better protection of goods in the custody of America's transportation system. The efforts of the 92nd Congress, while they fell short of actual legislation, suggest that the issue will come before the 93rd Congress and with the strong likelihood of a vote. With this in mind, we will be addressing ourselves to the question in the weeks ahead, and formulating the position we deem to be in the best interests of all sections--public and private.

I note that while this group's status report to the President was unable to substantiate an actual drop in overall cargo theft for the six months' period, the report did single out a number of examples of significant achievement in the reduction of cargo losses due to theft and pilferage. One of these--while not mentioned by name

in the report--was the Penn Central which cut theft and pilferage by 50 percent for a savings of a million dollars in the New York City area over loss figures for the previous comparable period.

Considering the financial plight of the Penn Central, and the importance of every cost-saving action, I would say that these early fruits of your cargo security activities are well worth the investment of time and energy.

In the Penn Central case, as in every instance of reduced losses cited in the report, there has been one common denominator: personal interest and firm determination on the part of top management, to the cause of cargo security. When those at the top put their heart into a program, and their weight behind it, people all along the line reflect that spirit and determination.

You have seen that kind of top-level support for cargo security here in the Department in the past. Let me just assure you that it will continue without let-up.

I look forward to seeing you and working with you and together we will figure out how to lick the cargo theft and pilferage problem.

Thanks very much for your good work and accomplishments.