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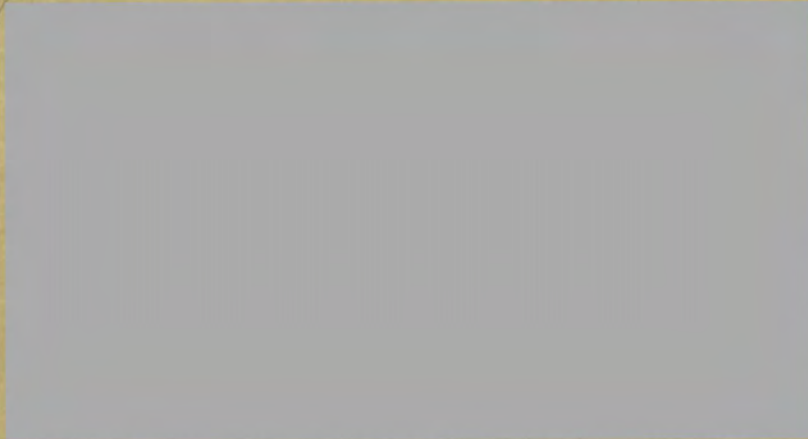


THE WORLD BANK  
Washington, D.C.

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OLIVER, COVEY T - ARTICLES and SPEECHES (1969)



The Weiss Book Group  
**Archives**  
1653641  
A1992-007 Other #: 13 212058B  
Oliver, Covey T. - Articles and Speeches (1969) - 1v

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OLIVER

FROM THE OFFICE OF THE  
EXECUTIVE DIRECTOR FOR  
THE UNITED STATES

DUDLEY 1 - 2776  
2777

*See top of page 5,  
C.T.O.*

With the Compliments of  
Covey T. Oliver

*gds*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL FINANCE CORPORATION  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
WASHINGTON, D.C. 20433



Address to the 1969 INTER-AMERICAN FORUM,  
New York, January 23, 1969

BENIGNO EL CONTINENTE

by

Covey T. Oliver

- - -

Institutions and groups that relate to the Inter-American affairs should be nurtured, for it is all too true that our generalized North American professions of interest as to Latin America transmit rather poorly into lines of action. I am glad that this Forum has spent two days on the Home Hemisphere, especially on the theme "Humanization and Modernization in the two Americas." I regret that my need to make a living and educate my children has kept me from spending more time with you. I shall do my very best here today to be helpful/<sup>to</sup>the greatest of our hemispheric causes, that of reform and modernization cast in "people" terms. The title of my talk comes from the last line of a poem written by a Latin American whose name I wish I could find again or recall.

I learned that poem in high school, taught by Mexican-American teachers and studying with young people of Mexican-American origin, about forty-two years ago. I shall be honest enough to tell you at the outset that the aspiration~~y~~ of that now to me unknown poet is still mine as to "el Continente" ...the New World, as it is sometimes called in nations to the south of us.

A new Administration has just taken office. As to inter-American affairs, I believe it inherits humane, idealistic and wise lines of action from the outgoing Administration. There can be improvement, of course. I hope it comes. I shall try to help it come whenever given an opportunity. But I want to make it clear ~~at the outset~~ today that I do not agree with the masochists, the nay-sayers

and the witch-hunters who continually, and inaccurately, seek to besmirch the much that is good, honorable, and sound in what in my time in it - the Executive Branch of our Government - tried to do to help in the Western Hemisphere.

I do not at the time of writing this talk have the slightest idea who my successor is going to be. But I do know that one of the first things that will be said of him is that he has one of the hardest jobs in Government. Not many breaths later, no matter what he does, will come words of criticism, of negativism, of suspicion. Let us all, I urge you, try to be helpful by being fair, even if this involves indulging an intendment or two in favor of an official of Government!

However, my successor should recognize that he has a great domestic responsibility: to reassure by deeds and to stay in touch with Latin America's constituency in this land. He must realize that for one reason and another large numbers of the interested clergy, universitarians, laity, and youth, are disaffected. In part this disaffection is a sort of cultural lag. The past never seems to get buried! It is with true modesty, however it may sound, that I express the hope that my successor benefits through this cultural lag from some of my own attitudes and expressions while in the position. But he will need to continue what I have been trying to do: to go out into meetings such as this, to the clergy, to the academicians, to the students, for honest and enlightened talk about inter-American relations.

This is not the day, though, for an apologia. It is a day for looking forward, for taking stock, for seeing what did not get done that is worthwhile trying to do.

Let us start with the professed developmental values that the Alliance countries have agreed upon. Do we agree now that the Punta del Este Charter,

summed up as Bienestar, Dignidad, Libertad, is still a valid guideline for total development? I do. I hope the new Administration does. The Charter of Punta del Este is not an international agreement, legally binding. But it is instinct with moral commitment to the shared expectations of the peoples of this New World. Nothing need be done to recast the goals it professes, but we should improve on the achievement of them wherever and whenever possible.

What do we do, then, about the gap between ideal and actuality? This is always a great problem of political and personal morality. We see it is a problem throughout our society today. The formulators of the ideals of our humanistic, populist national society in this country are now called "hypocritical", because they have managed to hold on to and to continue to profess their ideals under circumstances of societal underachievement. Which is better, to hold tenaciously and continue, or to give up and denounce? I admit only one answer to this: "hold on and continue the fight!". I took to heart years ago Thurman Arnold's criticism of too many of us in the humanistic sciences: the tendency to recoil in virtuous horror from a festering situation, instead of digging in.

But... "to continue..."; ah, there's the rub! Continue, how? Along what lines? With what groups? Continue---with what accommodations to reality and to circumstances?

Were it not for the recent coups in Latin America, I should be able to report fairly promising prospects for the continuation, in greater amounts and with greater certainty of effectiveness, of United States development assistance to Latin America, provided, of course, the Nixon Administration is energetic and clear in its support of what the Johnson Administration has left behind.

Let us look at what the new Administration inherits in the way of opportunities. First, there is the 1970 Budget proposal. The Johnson Administration

put aside that crippling bureaucratic practice of starting the new budget, not with the least you need but with the inadequate amount you got last time. The proposed FY 1970 assistance level for the Alliance for Progress will permit development to pick up and go forward. It deserves support by all those truly interested in benignidad in the Hemisphere. The fight will not be easy. The enemies of Foreign Assistance--especially those who have no other claim to fame--will, with great thunderings and copious shedding of crocodile tears, question whether there should be an Alliance assistance program, because there were coups. (For these almost any argument will do, including this one). It behooves the real friends of Latin America to stay out of this chorus.

The cause of equitable sharing of development costs also received a boost in the last days of the Johnson Administration from a distinguished source, the President's Advisory Committee on Foreign Assistance. The Committee's basic proposal was most moderate: restore and keep the United States' contribution to development in all forms and in all countries to its 1965 level of 1% (ONE PERCENT) of our Gross National Product. (At this moment our level of support is considerably less than 1%; for all Latin American programs, it is only 16/100 of 1%). The blue-ribbon committee advised the nation--and the New Administration:

"...if we fail to cooperate in the drive to improve the lot of the 2/3 of the world's people (stress supplied), we would deserve to lose the respect of both poor and rich nations for having forsaken our responsibilities...

"... friendly and mutually beneficial relations with the less developed world in the seventies will depend, more than on any other factor (stress supplied), on how the new administration uses the instrument of development assistance."

Among the instrumentalities that would be more continuously and more deeply effective in total development under a restoration of the 1% of GNP



formula is that entity in the World Bank family that can most readily help with "people programs", the lady known as IDA (the International Development Association). IDA lends for agriculture, education, institution building, and the like, for fifty years at low interest. It needs replenishment periodically, not because it is wasteful or poorly run, but because there is so much need for "soft" loans and so tragically little to lend. IDA's replenishment has been attended to by other leading development countries of the Free World. Let us see to it that the United States lags no longer.

In its closing days the Johnson Administration, through honest and informed men, spoke to the American public about some other aspects of foreign assistance---important, indeed crucial, but little understood aspects. On March 10, Mr. Stephen S. Rosenfeld of the Washington Post caught and presented clearly and effectively some views of mine on leaving office in the piece, "No Funeral for the 'Alianza'". I shall say no more as to my points on that occasion, except to express my thanks and admiration to the writer, not for writing about my views but for reporting so well in favor of the cause of total development in this Hemisphere. Of more importance for the immediate future of mutual development assistance is the helpful candor of the retiring AID Administrator, William S. Gaud, who said we had gone beyond the point of diminishing returns as to "additionality", that is, of attempting to improve our own exports through foreign assistance over and beyond the spending of the aid funds here and the maintenance of our traditional share of the market of an assisted country. I am so very glad that Mr. Gaud brought out this point. As to Latin America, I am convinced, on the basis of continuous, repeated and careful study during and before my tenure, that dollar assistance to the Western Hemisphere does not, (repeat not)

leak to the dollar-cashers-in for gold in other developed countries. It has been a source of very great concern to me for many months that "additionality" was seriously impeding the ~~spacial~~ capacities of the developing countries actually to use the inadequate assistance recourses that we could offer them. This is a complicated but important matter. Because of its technical nature, I hesitate to develop it any more fully here, but I do hope that the New Administration will do all it can toward a "rule of reason" as to "additionality."

Another positive inheritance is a record of good and effective administration of assistance programs, despite the sensationalism of some headline hunters who have successfully blown up minor and inevitable bobbles into "mess, chaos, and confusion." Not so; not so. Compared to the snafus traditional in a big military operation, AID has been almost perfectly administered--too well perhaps, for one should take some risks.

There is no sinister legacy as to the coups, because we did not: plan them, wish to see them happen, or have any capacity to keep them from happening. The coups are a bad set-back to the Punta del Este Charter, to total development. I am heartsick about them. But I am not--no Northamerican is-- to blame for them. It is important that as we go forward we do so with our minds both clear and healthy on this point. It is of the greatest importance for the New Administration, for if a populist party could be falsely and corrosively accused of being a covert conniver in the status quo in Latin America, a middle-of-the-road successor government is vulnerable even to innuendo as to being aligned with the dinosaurs of Latin America. We--especially the idealists and the fervent hoppers-for-reform and democracy in Latin America--must cease--as Mr. Nixon put it generally in his Inaugural Address=="shouting" and listen to and analyze more carefully and fairly what our Government is saying it is and is not capable of

- controlling.

controlling. If we really want to see equality among the peoples of this hemisphere, we have got to quit thinking of ourselves as so superior and so powerful as to be able to tell them when to wipe their noses--or be responsible for the consequences.

That is not the way it is! Why should it surprise anyone that the power to wipe out life on this planet by bombs does not give us the power, by will or ~~deus~~ fiat, to make other nations wise, good, fair, or honest! Does nothing come to us from a most fundamental theological parallel--if from no other source?

Now there can be improvement, of course, in how we handle ourselves. We must be sure that all our representatives overseas and all our key spokesmen here are unswerving in their devotion to freedom and democracy. As to our military assistance personnel, we should also ensure the following:

- (i) overseas representational duty in Latin America should be treated as ~~an~~ important as any other duty; not as a graveyard assignment;
- (ii) our military representatives should be in the best tradition of our services in that they are anti-praetorian, for us and for other countries;
- (iii) they should not be political dinosaurs themselves, even though they have never met a payroll or paid a hospital bill;
- (iv) they should know that our mutual development objectives in this hemisphere are not economic alone;
- (v) they should use all opportunities to escape rank, uniforms, and officers' clubs--get out into the country and into the barrios, with the ordinary people.

There are always some that meet these standards; there ought to be more. But make no mistake about it, the interdiction of United States military assistance

relationships is not, in and of itself, enough to ensure a reversion to democracy or steadfastness in its pursuit by the military in Latin America. The amounts of military help are small to begin with. Then, there are the alternative sources of collaboration if we renounce. It is very easy--and too, too irresponsible--to say, "Let them go elsewhere if they don't behave." How childish! Or, how imperial! But not wise, or therapeutic.

Better to keep contact, to keep trying, to suggest and lead. I should like to see less use of command and staff schooling for Latin American officers coming here and more opportunity for them to savor the real life of this country, warts and all, in association with civilian universities.

The problem is not, as I see it, that by continuing assistance the United States be thought to be sending a signal of approval or connivance. Rather, it is the problem of how can the people continue to be helped when short-sighted or stupid men with guns have, for their own little establishmentarian reasons, knocked off an elected civilian government.

The people are there and will still be there, in ever larger numbers, after the golpistas have gone. But it is difficult to help the people under the circumstances of a coup, because of two fundamental facts:

(i) Foreign assistance through other countries or international organizations inevitably involves work through, with, or toleration by, the government in control of the developing country. A coupist one is simply very difficult or damaging to work with.

(ii) Foreign assistance depends mainly on self-help within the country. A coup frequently presents a real question whether the coupists are technically and administratively competent to run a modern state, even if still developing. Also, self-help requires popular sacrifice. There is an Iron Law,

beyond ideologies, that development can only come from savings. Even where there are a few rich and many poor, it is the latter that will have to make the most sacrifices--inevitably. By definition, an imposed government is one in which the people do not participate. How can the foreign assisters, therefore, be sure of this aspect of self-help?

I find it impossible to foresee continuous, effective, total development in Latin America under conditions of a decade, a half-decade, or even twelve months of government by fiat in the countries that have suffered these terrible set-backs. But it is not for us to say who, when, where, or how, the return to popular participation in government shall come. We must not dictate, preach, or brandish either our aid or our arms.

We must be the torch of Liberty, shining thru, steadily, brightly, for men to see, and by seeing to know that we as a nation and as individuals want to help and will be able to help when the time is again right.

To be in that posture, our forward planning in the 1970 budget must not be despairing. It must be hopeful and expectant, despite our sorrow and our concern.

So, with the poet whose name I cannot now remember, let us say in hope, with determination:

No armada del puñal de la venganza,  
Ni teñida la vestre en sangre impura,  
Tal como la forjó nuestra locura;  
O, torpe iniquidad!

Pero placida cual la luz de la esperanza  
Con la paz y el perdón sobre su frente;  
Blanda la faz;

Benigno el continente.

Tal es la Libertad!