

EXPORT-IMPORT BANK OF WASHINGTON

PRESS RELEASE

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The Board of Directors of the Export-Import Bank of Washington today announced the authorization of a credit of \$35 million to the State of Israel to assist in financing the purchase in the United States of equipment, materials, and services required for the execution of various agricultural projects.

In addition to this credit for agricultural purposes, the Board announced that it has earmarked \$65 million to be available until December 31, 1949 for establishment of further credits to finance projects in the fields of communications, transportation, manufacturing, housing, and public works, which are now under study by the staff of the Bank.

The credit from the Export-Import Bank for the agricultural project as well as subsequent credits for projects to be approved under the \$65 million earmark will bear interest at the rate of  $3\frac{1}{2}\%$  per annum and will mature in 15 years.

The agricultural project to be financed under the credit of \$35 million includes the establishment and equipment of 8,000 new diversified farms, the rehabilitation, reequipment, and general improvement of some 16,000 farms and 6,000 citrus groves, and irrigation works to ensure the water supply to 42,000 acres of new farm land. It is believed that the credit extended by the Export-Import Bank to assist the agricultural development program of Israel will contribute substantially to the overall economic development of the country.

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Jewish agriculture was revolutionized during the '20s and '30s in a manner reminiscent of the change in Danish agriculture during the 1880s. In place of extensive, but subsistence, farming of previous times in which wheat formed the chief crop, intensive diversified farming for commercial purposes was developed. Irrigation was very important in this process. The total irrigated area in Palestine increased more than tenfold in the '20s and '30s.

The most striking development in Palestinian agriculture was the expansion of citriculture about thirty-fold during the two decades. During the latter part of the '30s, citrus comprised about three-fourths of the value of all Palestinian exports and accounted for about 25 percent of the value of agricultural production in Palestine. During the '30s, dairy products, eggs, vegetables and potatoes became increasingly important in Jewish agriculture.

The irrigated area devoted to mixed farming was more than doubled during the war and has expanded still further since 1945. Jewish agricultural output, exclusive of citriculture, increased by about 85 percent during the war period and rose by a further 50 percent during the first two postwar years.

The agricultural project as well as the projects to be covered by the \$65 million earmarked fund are part of the overall program of the State of Israel for the balanced economic development designed to establish a self-sustaining economy for the country. The State of Israel expects to finance this total investment program from local savings, contributions of World Jewry and private foreign capital investment as well as from the credits extended by the Export-Import Bank.