

COUNCIL DECISION

of 6 April 1976

on the level of the interest rate subsidy, provided for by Directive 72/159/EEC on the modernization of farms, to be applied in Italy

(76/402/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms ⁽¹⁾, and in particular the second subparagraph of Article 8 (2) and the second subparagraph of Article 19 (1) thereof,

Having regard to the proposal from the Commission,

Whereas the second subparagraph of Article 8 (2) of Directive 72/159/EEC provides that Member States may be authorized to grant interest rate subsidies exceeding 5 %, if such action is warranted by the situation of the capital market in the Member States, and to reduce to 2 % the minimum rate payable by beneficiaries in certain regions;

Whereas the Italian Government has requested authorization to raise the level of the interest rate subsidy to 9 % and, in the Mezzogiorno and the less-favoured regions of northern and central Italy including their mountain areas, to 11 %;

Whereas the Italian Government has requested that the minimum rate payable by beneficiaries in the Mezzogiorno and in the less-favoured regions of northern and central Italy be reduced to 2.4 % without, however, affecting Article 9 (1) of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas ⁽²⁾;

Whereas the Italian Government has furthermore requested that the expenditure resulting from the increase in the subsidy be declared eligible for assistance;

Whereas the current rate of 13.4 % in Italy for long-term agricultural loans and the interest rate subsidies

provided for of 9 and 11 % will mean that the beneficiary is called upon to bear a rate of interest in excess of the minima laid down by Directive 72/159/EEC;

Whereas the economic and agricultural development of the Mezzogiorno and the less-favoured regions of northern and central Italy, including their mountain areas, is clearly less advanced than that of the other regions;

Whereas participation by the European Agricultural Guidance and Guarantee Fund in the expenditure resulting from the increase in the subsidy is recommended,

HAS ADOPTED THIS DECISION:

Article 1

The Italian Republic is hereby authorized to increase the interest rate subsidy provided for in the first subparagraph of Article 8 (2) of Directive 72/159/EEC to 11 % for the Mezzogiorno and the less-favoured regions of northern and central Italy, including their mountain areas, and to 9 % for the other regions.

Article 2

The Italian Republic is hereby authorized to reduce the minimum rate payable by the beneficiary provided for in the first subparagraph of Article 8 (2) of Directive 72/159/EEC to 2.4 % in the Mezzogiorno and the less-favoured regions of northern and central Italy.

However, the provisions referred to in the first subparagraph shall not affect Article 9 (1) of Directive 75/268/EEC.

⁽¹⁾ OJ No L 96, 23. 4. 1972, p. 1.

⁽²⁾ OJ No L 128, 19. 5. 1975, p. 1.

Article 3

The expenditure incurred by the Italian Republic pursuant to Article 1 of this Decision shall be eligible for assistance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund within the limit fixed by the first subparagraph of Article 19 (3) of Directive 72/159/EEC.

Article 4

This Decision shall apply until 31 December 1977.

Article 5

This Decision is addressed to the Italian Republic.

Done at Luxembourg, 6 April 1976.

For the Council

The President

J. HAMILIUS
