COUNCIL DECISION

of 25 April 1977

amending Decision 76/402/EEC on the level of interest rate subsidy provided for by Directive 72/159/EEC on the modernization of farms, to be applied in Italy

(77/343/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) 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 lower the minimum rate payable by beneficiaries to 2 % in certain regions;

Whereas the Italian Government has requested authorization to raise the level of the interest rate subsidy to 12 % in the mountain areas laid down within the meaning of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming in certain less-favoured areas (2);

Whereas this 12 % subsidy means that the beneficiary is called upon to bear a rate higher than the minimum rate provided for in Directive 72/159/EEC;

Whereas the requested increase in subsidy is necessitated especially by the fact that, given the present interest rate level, the rate of interest to be borne by the beneficiary is more than twice the minimum rate provided for in Directive 75/268/EEC, which should have a very adverse effect on efforts to modernize farms in these particularly less-favoured regions,

HAS ADOPTED THIS DECISION:

Article 1

The text of Article 1 of Council Decision 76/402/EEC of 6 April 1976 on the level of interest rate subsidy provided for by Directive 72/159/EEC on the modernization of farms, to be applied in Italy (3), shall, with effect from 7 December 1976, be replaced by the following text:

'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:

— 12 % in the mountain areas laid down within the meaning of Directive 75/268/EEC,

— 11 % in the Mezzogiorno and the less-favoured regions of northern and central Italy, other than the mountain areas referred to in the first indent, and

— 9 % for the other regions.'

Article 2

This Decision is addressed to the Italian Republic.

Done at Luxembourg, 25 April 1977.

For the Council

The President

J. SILKIN

(1) OJ No L 96, 23. 4. 1972, p. 1.
(2) OJ No L 128, 19. 5. 1975, p. 1.
(3) OJ No L 108, 26. 4. 1976, p. 39.