COUNCIL DECISION

of 24 June 1982

authorizing certain Member States to raise the level of the interest rate subsidies provided for by Directive 72/159/EEC on the modernization of farms

(82/438/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], as last amended by Directive 82/436/EEC [2], 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, under the first indent of the second subparagraph of Article 8 (2) of Directive 72/159/EEC, the 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;

Whereas the interest rates currently applicable in Member States to long-term agricultural loans and the exceptional burden placed on farmers wishing to modernize their holdings by these interest rates, which are well in excess of the minimum laid down by Directive 72/159/EEC, may adversely affect, or even make impossible, the modernization of agriculture which this Directive aims to achieve;

Whereas it is therefore necessary to grant further interest rate subsidies;

Whereas the second subparagraph of Article 19 (1) of Directive 72/159/EEC stipulates that increased expenditure incurred by Member States as a result of an increase in the interest rate subsidies may be declared eligible for assistance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund; whereas the Fund must make a financial contribution towards such expenditure,

HAS ADOPTED THIS DECISION:

Article 1

Belgium, Denmark, Germany, Greece, France, Luxembourg, the Netherlands and the United Kingdom are hereby authorized to increase by 3 % the interest rate subsidies referred to in the first subparagraph of Article 8 (2) of Directive 72/159/EEC and in Article 9 (1) of Directive 75/268/EEC, provided that the interest rate which remains to be paid by the recipient of the aid is not less than that laid down in the Articles concerned, and provided that the increased interest rate subsidy shall be limited in application only to the first 10 years of the duration of a loan.

Article 2

Expenditure incurred by Member States pursuant to Article 1 shall be eligible for assistance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund within the limits fixed in the first subparagraph of Article 19 (3) of Directive 72/159/EEC.

Article 3

This Decision shall apply until 31 December 1983.

Article 4

This Decision is addressed to the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the French Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland.

Done at Luxembourg, 24 June 1982.

For the Council

The President

F. AERTS

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[1] OJ No L 96, 23. 4. 1972, p. 1.
[2] See page 37 of this Official Journal.