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COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(77) 722 final
Brussels, 3 January 1978

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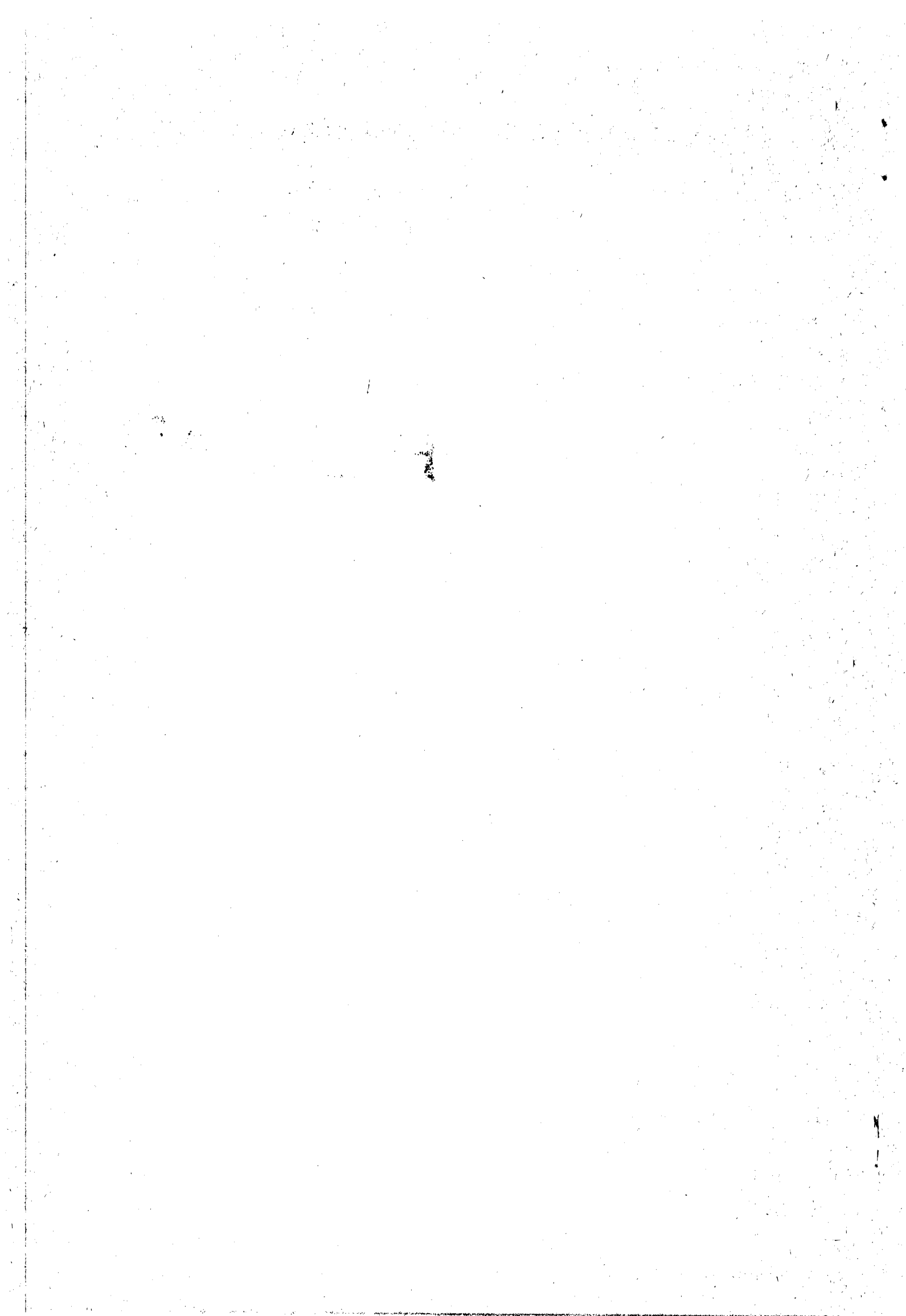
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Proposal for a
COUNCIL DECISION

prolonging Decision 76/402/EEC 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

(submitted to the Council by the Commission)

COM(77) 722 final



Nationality: Non-resident.

1. Following the request of the Italian Government and on the proposal of the Commission, the Council has on several occasions increased year after year the interest rate subsidy granted for long term loans, in the Decision of 6 April 1976 on the level of the interest rate subsidy granted for by Directive 72/159/EEC on the agricultural loan of 1976 (1), to be applied in Italy (2), authorized the Italian Government to increase the interest rate subsidy to:
 - a) 12 % in the areas defined within the meaning of the Directive on mountain and hill farming and farming in certain less-favoured areas (3);
 - b) 11 % in the Mezzogiorno region and in the depressed regions of the Centre and North of Italy, other than the areas referred to under a) and
 - c) 9 % in the other regions.
2. In addition the Council decided in this Decision that the expenditure of the Italian Government resulting from this increased level of interest subsidy rate shall be eligible according to the provisions of Directive 72/159/EEC.
3. The above mentioned Council Decision is applicable until 31 December 1977. The situation on the capital market in Italy is practically unchanged with regard to that of the Spring of 1976. The interest rate for long term agricultural loans has even increased slightly. The Italian Government consequently requested a prolongation of the Council Decision which appears completely justified having regard to this situation.

(1) O.J. n° L 96, 23.4.1976, p. 1

(2) O.J. n° L 108, 26.4.1976, p. 39

(3) O.J. n° L 128, 19.5.1975, p. 1



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 modernisation of farms (1), and in particular the second subparagraph of Article 5 (2),

having regard to the proposal from the Commission,

whereas the Italian Government has requested the prolongation of the authorisation of Council Decision 76/402/EEC of 6 April 1976 on the level of the interest rate subsidy, provided for by Directive 72/159/EEC on the modernisation of farms to be applied in Italy (2), as last amended by Decision 77/681/EEC (3), which is applicable until 31 December 1977;

whereas the current rate of interest in Italy for long-term agricultural loans is 15,45% which is 2% greater than the rate on which Decision 76/402/EEC was based;

whereas an interest rate of 15,45% and interest rate subsidies of respectively 9%, 11% and 12% will mean that the beneficiary is called upon to bear a rate of interest in excess of the minimum laid down by Directive 72/159/EEC;

HAS ADOPTED THE FOLLOWING DECISION :

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- (1) OJ No L 96, 23.4.1972, p. 1
(2) OJ No L 108, 26.4.1976, p. 39
(3) OJ No L 281, 4.11.1977, p. 19
1. 2

Article 1

Article 4 of Decision 76/402/EEC is hereby amended as follows:

"Article 4

This Decision shall apply until 31 December 1979"

Article 2

This Decision is addressed to the Italian Republic.

Done at Brussels, 3 January 1978

For the Council

(1) OJ No. L 281, 4.11.1977, p. 19



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