COUNCIL DIRECTIVE

of 30 June 1981

amending Directive 72/159/EEC on the modernization of farms

(81/528/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the opinion of the European Parliament [2],

Whereas Article 16 of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms [3], as last amended by Directive 80/370/EEC [4], stipulates that the measures provided for therein are to be re-examined after five years by the Council upon a proposal from the Commission;

Whereas non-agricultural workers have to spend part of their income and part of their time travelling to and from their place of work; whereas farmers should be authorized to make a corresponding deduction from the comparable earned income;

Whereas it is the responsibility of the Member States to determine what constitutes an adequate return on the capital invested in the farm; whereas a single rate should be fixed for the return on the farmer's capital, for the purpose of calculating the earned income;

Whereas the funds available must be used as effectively as possible; whereas funds should be concentrated on development plans which do not provide for the attainment of an earned income far in excess of the comparable earned income and on farms which do not themselves have sufficient means for modernization;

Whereas, having regard to the rate of inflation in the Community since the entry into force of Directive 72/159/EEC, the maximum amount of investment per man-work unit should be increased;

Whereas special aid may facilitate the establishment of a farm development plan by young farmers after their first installation on a farm;

Whereas the Member States should be authorized to continue granting transitional aid in respect of investments to improve the situation of managers who do not at present, for various reasons, qualify for the agricultural reform measures,

HAS ADOPTED THIS DIRECTIVE:

Article 1

Directive 72/159/EEC is hereby amended as follows:

(1) Article 2 (2) shall be replaced by the following:

'2. its level of earned income is less than the modernization objective established by Member States in accordance with Article 4 (2) or whose earned income does not exceed 120 % of this modernization objective, and where its present structure is such as to jeopardize maintenance of that income at a comparable level; in the latter case, the interest rate subsidy provided for in Article 8 (1) (b) shall apply only to two-thirds of the loan referred to in Article 8 (2).';

(2) Article 4 (2) shall be replaced by the following:

'2. A comparable earned income as referred to in paragraph 1 means the average gross wage for a non-agricultural worker to which Member States may apply a 5 % general corrective abatement.

Member States may, where necessary, take account of disparities between the social security

(1) OJ No C 124, 17. 5. 1979, p. 1.
(2) OJ No C 85, 8. 4. 1980, p. 53.
(3) OJ No L 96, 23. 4. 1972, p. 1.
(4) OJ No L 90, 3. 4. 1980, p. 43.