II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DIRECTIVE

of 2 October 1974

on the level of the interest rate subsidy referred to in Article 8 (2) of Directive No 72/159/EEC

(74/493/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Directive No 72/159/EEC [1] of 17 April 1972 on the modernization of farms, and in particular the first indent of the second subparagraph of Article 8 (2) and the second subparagraph of Article 19 (1) thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas the first indent of the second subparagraph of Article 8 (2) of Directive No 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;

Whereas the current situation of the capital market in the Member States, and the exceptional burdens this is placing on farmers wishing to modernize their farms, is threatening the modernization of agriculture which last is the aim of Directive No 72/159/EEC; whereas the granting of interest rate subsidies exceeding 5% is therefore justified;

Whereas under the second subparagraph of Article 19 (1) of Directive No 72/159/EEC, any increased expenditure incurred by Member States as a result of an increase in the interest rates subsidy may be declared eligible for assistance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund,

HAS ADOPTED THIS DIRECTIVE:

Article 1

Member States shall be authorized to increase to 6%, for the period from 7 October 1974 to 31 December 1975, the interest rate subsidies referred to in the first subparagraph of Article 8 (2) of Directive No 72/159/EEC.

Article 2

Expenditure incurred by Member States pursuant to Article 1 shall be eligible for assistance from the Guidance Section of the EAGGF under the first subparagraph of Article 19 (3) of Directive No 72/159/EEC.

Article 3

This Directive is addressed to the Member States.

Done at Luxembourg, 2 October 1974.

For the Council

The President

Ch. BONNET

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[1] OJ No L 96, 23. 4. 1972, p. 1.