

## The common agricultural policy

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## The common agricultural policy

Under the Treaty establishing the European Economic Community (EEC), the common market extended to agriculture and trade in agricultural products. This was a particularly vital issue as the Treaty of Rome created an agricultural market of 200 million consumers. The Treaty assigned five objectives to the common agricultural policy (CAP):

- to increase agricultural productivity;
- to ensure a fair standard of living for the agricultural community;
- to stabilise markets;
- to assure the availability of agricultural supplies in the Six;
- to ensure that supplies reached consumers at reasonable prices.

However, the Treaty did not lay down implementing methods. After four years of bargaining, the following basic principles were finally selected:

- unity of the market, based on the free movement of agricultural products and on price unity within countries of the Community;
- Community preference;
- financial solidarity;
- common market intervention.

The prices of and systems for the various agricultural products had to be negotiated by the Commission, by the Council of Ministers and by the Economic and Social Committee of the European Communities (ESC).