

Abstract

The Bachelor's thesis investigates the impact of the first oil crisis, which meant an end of era of cheap oil. Because of the energy crisis at the beginning of the 1970s, when oil supply almost did not suffice to high demand, producing countries associated in Organization of the Petroleum Exporting Countries had for the first time a favorable position in negotiating with oil companies. In October 1973 representatives of the producing countries reduced drilling of oil and imposed embargo on the United States of America as retaliation for American support to Israel during Jom Kippur war. Thus they abused dangerous situation to cause shortage in oil market. Rising price of oil should have compensated growing inflation and compel the United States to change its policy toward Israel. Other argument of OPEC countries was that until oil is cheap, this non-renewable source will be wasted.

The aim of this thesis is to find an answer to the question, how much the first oil crisis influenced the United States and compare whether the greatest changes happened in the field of oil trade and oil market, politics or in economy. After brief introduction of the first oil crisis, the thesis is subdivided into three main chapters, which deal with changes in oil trade and oil market, politics and in economy

In the United States consequences of the first oil crisis were in many ways different from other members of OECD (Organisation for Economic Co-operation and Development), because government regulated oil price, the most of oil companies were in American hands and Americans had to behave more responsible and reserved than Europeans on the field of international relations to not endanger its Middle East allies and incipient peace talks between Egypt and Israel.