

Bachelor thesis concerns itself with British economic policy of Conservative Heath government (1970-1974), the process of formulation of this policy during years in opposition 1965-1970 and reassessment of its principles in 1972. The emphasis is put on problematic aspects of the original policy and the analysis of a way how the experience from years 1970-1972 was reflected in the economic policy in years 1972-1974. There is also a scope given to an oil shock in 1973 and miner's overtime ban and subsequent strike in 1973-1974 as they are important factors testing the viability of the new direction of the economic policy. Thesis further examines the effects of the U-Turn in economic policy of the Conservative Party on its position among voters and the position of the leader of the party Edward Heath.