The War, the Weapon, and the Crisis:
The Arab Oil Embargo of 1973

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“The oil weapon has irrevocably altered the world as it has grown up in the postwar period.”
-Henry Kissinger, U.S. Secretary of State, 1973-1977

Just before 2:00 p.m. on October 6, 1973, 222 Egyptian jets soared into the sky and targeted Israeli command posts and positions on the eastern bank of the Suez Canal and the Sinai Peninsula. Minutes later, more than 3,000 field guns opened fire along the entire front. At almost exactly the same time, Syrian aircraft launched an attack on Israel’s northern border, followed immediately by a barrage from 700 pieces of artillery. Thus began a war with many names: the October War, the Ramadan War, and the Yom Kippur War. The armaments of both sides of the conflict were supplied by the superpowers of the day: the United States and the Soviet Union. The most potent weapon in the war was not guns or artillery, but the oil weapon wielded in the form of an embargo by the Arab members of OPEC to all allies of Israel. The translation of the “oil weapon” into politics marked a turning point in history, signifying the growing dependence of industrialized nations on foreign oil and a power shift in the global economy.

In 1948, after the horrors of the Holocaust had decimated the European Jewish population and left them without a home, the newly created United Nations decided to designate the Jews a country of their own in Israel, what was once their homeland.

(Appendix I). Immediately after this was decided, the first of the Arab-Israeli wars began

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when a coalition of Arab states attacked Israel, angered at what they perceived to be a violation of their homeland, Palestine. The first war lasted a few months as Israel, a newly formed country, beat back its stronger Arab neighbors and conquered large sections of Palestine. After this humiliating defeat, Arab nations such as Jordan, Iraq, and Egypt refused to accept Israel as a country, and continued to attack their own Jewish populations. The second part of this bloody conflict occurred in 1967, also known as the Six Day War. Egypt expelled United Nations Emergency Force observers and deployed 100,000 soldiers to the Sinai Peninsula and closed the Straits of Tiran to Israeli shipping. On May 30, 1967, Jordan signed a mutual defense pact. Egypt mobilized Sinai units and amassed soldiers on Israel’s southern border. On June 5, Israel launched a surprise attack on Egypt, destroying its air force and turning east to attack the Syrian, Jordanian, and Iraqi air forces. This strike was crucial to Israel’s swift victory in the Six-Day War, providing the power needed to acquire the Sinai Peninsula, the Gaza Strip, the West Bank, eastern Jerusalem, Shebaa Farms, and Golan Heights.

For the next six years, Israel and the Arab world were locked in a stalemated peace. Egypt was particularly frustrated; it was pouring over 20% of its gross national product into military expenditures. Anwar Sadat, the president of Egypt at the time, concluded that no settlement with Israel could occur while it sat on the eastern bank of

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8 Buckwalter, 93
9 Bregman, 143
10 Moshe, 76
13 Yergin, 555
the Suez Canal. The “no war-no peace”\textsuperscript{14} situation became too much for Sadat. He came to the conclusion that there was only one thing he could possibly do: go to war. On October 6, 1973, while all of Israel was shutting down to observe Yom Kippur, the most sacred of Jewish holidays, Egypt, allied with Syria, launched a surprise attack that caught Israel completely off-guard.

The choice of Yom Kippur as the day to launch the latest Arab attack was designed to catch Israel when it was least prepared. Despite the numerous warnings of impending attack, the Israelis and the Americans disregarded the signs of war\textsuperscript{15}. Some hours before the attack, when Israel finally accepted attack was inevitable, it was unable to mobilize its forces fast enough. Also, in a fatal piece of erroneous information, Israel believed the war would start four hours later than it actually did.\textsuperscript{16} The enormity of the surprise of the Arab attack was for the Israelis what Pearl Harbor had been for the United States.\textsuperscript{17} Israel fell back, disordered, by the terrible onslaught as Egypt and Syria scored massive victories.

The second big miscalculation on the part of Israel was assuming that it had enough supplies to last through the war, assuming the situation would be similar to the Six-Day War. Egypt and Syria, however, were richly equipped with Soviet weapons, and the Israelis soon realized they were fighting a very different battle than the one they’d fought only six years before. A distraught Moshe Dayan, Israel’s Defense Minister, informed Premier Golda Meir that the “Third Temple is going under.”\textsuperscript{18} These words

\textsuperscript{14} Patrick Mcdonald, telephone interview. 9 Nov. 2012.
\textsuperscript{16} Shalev, 63
\textsuperscript{17} Yergin, 551
\textsuperscript{18} Buckwalter, 97
were a result of the panic the immense power that the Arab states wielded caused Israel. The sheer scale of Soviet aid soon became apparent, and the United States realized that if Israel was not provided immediate relief with supplies, it might lose the war. Henry Kissinger, the Secretary of State, agreed to the necessity of alleviating the situation in Israel with supplies, in spite of the possibility of damaging U.S.-Arab relations. To avoid this, Kissinger instructed planes carrying aid to Israel to land in the cover of darkness on a Saturday night. Due to powerful crosswinds, the planes were delayed and instead lumbered out of the sky on Sunday morning (Appendix II). The United States, instead of keeping to its position of honest broker, was now portrayed as an active ally of Israel.

In correlation with the war, OAPEC, the Organization of Arab Petroleum Exporting Countries, was having hurried discussions in Kuwait and Vienna in order to gauge the impact of the war on its business transactions. OAPEC made the decision to take complete charge of setting the price of oil. It urged Saudi Arabia to use the oil weapon on the United States as punishment for providing such a public display of support to Israel. In retaliation for helping Israel, Saudi Arabia cut off all shipments of oil, every last barrel, to the United States. The oil weapon was now fully in battle-a weapon, in Kissinger’s words, “of political blackmail.”

The embargo signaled a turning point for world oil. It had two elements, the broader one composed of the rolling production restraints that affected the entire market: the initial cutbacks in production, then an additional 5 percent each month. The second

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24 Graf, 102
element was the total ban on the export of oil, which was initially imposed on two countries, the United States and the Netherlands, but later extended to other countries as well. Two weeks after the initial decision to use the oil weapon, the Arab ministers decided to increase the size of the across-the-board cuts. The cutbacks were not deemed severe at first, but in December, the most severe point of the embargo, the net loss of supplies was 9 percent of the total that had been available two months previously, but it amounted to 14 percent of internationally traded oil, a situation made more severe because of the rapid rate at which global oil consumption had been growing: 7.5 percent a year.25

The embargo and its consequences sent shock radiating through the social fabric of the industrial nations. The fear and uncertainty caused by the oil cutbacks had both oil companies and consumers frantically seeking additional supplies not only for current use but as a safeguard for future shortages26. Buyers were scrambling desperately to obtain any oil they could find. “We weren’t bidding just for oil, we were bidding for our life,”27 said an independent refiner who did not have a secure supply. The effects of the embargo on the psyches of the Western Europeans and the Japanese were dramatic. The disruption instantaneously transported them back to the bitter postwar years of deprivation and shortages. In West Germany, for example, the Ministry of Economics took on the task of allocating supply to desperately worried industries. In Japan, the embargo came as an

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even more devastating shock. The confidence built by strong economic growth was
suddenly shattered and ignited a series of commodity panics.\textsuperscript{28}

In the United States, the shortfall of oil struck at fundamental beliefs in the
endless abundance of resources, convictions rooted so deeply in the American character
and experience that a large part of the public did not even know until October of 1973
that the United States imported any oil at all. In a matter of months, however, the public
found out just how dependent the country was on Middle Eastern oil. Gasoline prices
quadrupled (Appendix V), rising from just 25 cents per gallon to over a dollar in
months.\textsuperscript{29} Gas lines became common sights as drivers became desperate to fill their tanks
before the gas ran out (Appendix III). There was an instant drop in the number of homes
built with gas heat and Congress issued a 55 mph speed limit on highways.\textsuperscript{30} Daylight
savings time was compulsory year-round in an effort to reduce electrical use and one of
the biggest long-term effects was the massive change in cars due to the oil embargo. The
production of gas guzzling cars was halted and the sale of Japanese cars increased
because they met efficiency standards that American cars did not.\textsuperscript{31} Americans lost the
confidence they had held for the future.

President Richard Nixon sought to restore that confidence. In a series of
presidential addresses focused on the energy crisis, he tried to calm an alarmed nation.
Nixon attempted to relax environmental standards and establish an Energy Research and
Development Administration,\textsuperscript{32} calling for a grand new national undertaking, Project

\textsuperscript{29} Horton, 2
30 Jan 1974.
\textsuperscript{31} Walter Tylick, personal interview. 1 Feb. 2013.
Independence, whose goal was to make America energy independent by 1980. Nixon’s efforts were partly an attempt to distract the nation from what Kissinger called a “hydra-headed monster”\textsuperscript{33}; the nascent Watergate Scandal. The mood in the country in respect to the government became more distrustful as time went on and the oil crisis contributed to the global economic recession, contributed to by emergence of industrialized countries and increased competition in the steel industry, where industrial core areas in North America and Europe were forced to restructure\textsuperscript{34}. The accompanying stock market crash of 1973-1974 only made the recession more evident and the oil embargo-and consequently the Nixon administration-more unpopular than ever.

After the initial panic and shock of the oil embargo, several countries began to respond to the crisis. Japan was committed to altering drastically its energy position, which since the early 1960s had been based on access to cheap and secure Middle Eastern oil. This included the acceleration of nuclear power development and the diversification of oil imports away from the Middle East and in the Pacific Rim.

“Resource diplomacy”\textsuperscript{35} came to the forefront in Japan’s international relations, as the country desperately sought to woo oil producers and energy suppliers, while France developed the most aggressive government policy on energy conservation. Inspectors recorded the inside temperature of buildings and made sure it didn’t exceed the approved 20 degree centigrade level, or fines were imposed upon the establishment. France also imposed a ban on all advertising that encouraged energy consumption\textsuperscript{36}. These actions

\textsuperscript{33} Yergin, 591  
\textsuperscript{35} Lutz Kilian, personal correspondence. 9 Nov. 2012.  
marked a turning point in the movement for both alternate sources of energy and environmental conservation as the world took stock of its overdependence on oil.

As time wore on the embargo began to lose momentum. Though it dragged on, more and more oil was seeping into the market and the cutoffs were becoming less and less effective. The Saudis indicated to the Americans that the embargo could not be brought to an end without diplomatic progress being made concerning the disengagement on the Golan Heights. In mid-February of 1974 the Arab oil ministers met to discuss the end of the oil embargo, led by the Saudis. In spite of dissent from Libya and Syria, the ministers agreed to the end of the embargo on March 18, 1974. ³⁷

The initial goal of the embargo was to exert political pressure on the forces supporting Israel in order to force it withdraw from the territories it occupied since the Yom Kippur War.³⁸ Israeli forces had neither withdrawn from the territories nor was there a clear implementation of UN Resolution 242 demanding this withdrawal. Since the embargo had not achieved its initial goal of forcing Western countries to comply with the demands of the Arab oil producers, political scientists soon considered it a failure. However, other historians and economists, such as Daniel Yergin, argued that if the embargo had not been an economic success, it had been a political one.³⁹ The embargo proved the possibility of collaborative Arab action and thereby gave OAPEC a stronger position within the international community. "The oil war...had the great merit of demonstrating in a striking manner the degree of interdependence which exists between countries,"⁴⁰ remarked Houari Boumediene, the Algerian Chief of Stare at the time. The

³⁸ Bahdri and el-Magdoub, 256
³⁹ Graf, 108
embargo and the production cuts were also important as they represented a turning point in history by manifesting the third world’s claim of permanent sovereignty on natural resources. The countries who imposed the embargo adjusted the goals and objectives throughout the duration of the embargo in order to claim its success, to prevent a loss of credibility, and to sustain their oil power.

The Arab oil embargo had multiple purposes as various actors tried to use the “oil weapon” for their own agenda. Since the embargo failed on the material level of completely depriving the target countries of oil, its symbolic level became more important. Due to the panic incurred by the embargo, several countries, like Japan, the United States, and the Netherlands, instituted domestic policy changes in order to conserve energy.\(^{41}\) In the United States, for example, energy conservation became an important aspect of both the Nixon and Carter administrations. After Richard Nixon resigned from office, he left behind his ideas for energy conservation. Jimmy Carter improved and expanded Nixon’s plans by forming the Department of Energy in 1978 and fostering the development of alternate sources of energy, even going so far as to put solar panels on the roof of the White House (Appendix IV).

The oil embargo featured prominently in contemporary debates about the global economic order and the future of the Western world because it coincided with the end of the postwar economic boom. While the oil weapon may not have played a causal role in these processes, the oil price hikes contributed to the economic crisis by straining the trade balances of oil-importing countries (Appendix V) and disturbing the international financial markets\(^{42}\). It redefined politics and attitudes towards the Middle East and other

\(^{41}\) Patrick Mcdonald, telephone interview. 9 Nov. 2012.
\(^{42}\) Sally M. Benson, personal correspondence. 25 Mar. 2013.
countries with abundant natural resources while also opening the world’s eyes to the realization about the scarcity of oil and how much depends on it. Today we are left with the same dilemma of 40 years ago: the heavy dependence the world continues to have on the Middle Eastern oil industry (Appendix VI). It remains to be seen whether we have learned our lesson, or whether another oil crisis will once again rock us to our very foundations.

\[43\] Vergin, 594
Selected Bibliography
Selected Bibliography
Primary Sources
Interviews


“There wasn’t anything the public could do but go along with it,” remarked Morris. Morris experienced the oil embargo at its very worst. She related some of the troubles she encountered as a result of the gas shortage every day, including the carefully planned trips to save gas, the “aggravating” lines that stretched down the street from the gas station, and the denial of service at gas stations if the gasoline ran out. Mrs. Morris also articulated the actions of the government in response to the embargo that included helping Americans realize the scarcity of oil and their dangerous reliance upon it. Pauline Morris granted me a personal look at life under the restrictions of the oil embargo and the opinions of those who endured it.


“We threw in our hat for Israel when it was attacked by four of its neighbors,” stated Tyllick. A college student at the time the embargo was enacted Tyllick, was an eyewitness to the tribulations the American population was subjected to when OPEC cut of the U.S. oil supply in 1973. He reminisced about the long gas lines that became a common sight at the time and expressed the rising frustration of consumers that boiled over and ended in cutting the gas hoses. Mr. Tyllick’s supportive view of Israel and his experience of the blow the embargo had upon American society provided me with information of an aspect of the embargo that I had not considered before.

Wolfgang, Marianne. Personal interview. 8 Jan. 2013

“I can certainly say that today I am more cautious and try to conserve gasoline as much as possible,” affirmed Wolfgang. Wolfgang, a student at the University of Central Florida at the time the embargo was enacted, related the effect it had upon her academic and personal life. She recalled the lines of cars at gas stations that were open two days a week, the carpools people participated in to save gas, and the hoarding of gasoline in plastic containers that became a trend and a necessity as gasoline prices skyrocketed. Ms. Wolfgang provided me with a primary account of the consequences of the oil embargo upon the social fabric of the United States at the time.

“The Middle East is like Europe was in the 17th century, torn by religious and sectarian conflicts,” stated Kissinger. Kissinger, Secretary of State for the Nixon administration, observed the present state of the Middle East and the ways it had changed since his tenure as Secretary of State. Kissinger also examines the continued importance of oil in the global economy and the vitality of developing alternate energy sources. I was better able to gauge the influence the Middle East still holds over foreign relations and oil diplomacy.


“The Arab embargo was meant to attract attention to the problem between the Palestinians and the Israelis,” commented Sheik Yamani. Yamani, the Saudi oil minister during the oil embargo, rendered an account of his time as the “face of the oil crisis.” Yamani spoke of the present situation of the oil industry and the changes several countries are trying to adopt in order to develop alternate sources of energy and stop depending upon foreign oil. This interview gave me reliable information about one of the leading figures of a major turning point in history.
Selected Bibliography
Primary Sources
Books


*Duel for the Golan* is the account of the largest tank battle since WWII. Syria and its Iraqi and Jordanian allies lost some 1450 tanks in the struggle for the Golan Heights in October 1973 while the Israelis lost 250 and won the battle in four days. The book provides a new political perspective, giving more weight to Syrian influence in the decision to initiate a combined effort with Egypt against Israel in 1973 while also giving an accurate account of the desperate efforts of Israel to mobilize its forces at the last minute amidst Yom Kippur observances. This book provided me with an excellent explanation on why Israel was able to win the war in spite of being taken by surprise with a full-scale invasion from Egypt and Syria.


Bahdri and el-Magdoub have written a thorough history of the fourth Arab-Israeli conflict, also known as the Ramadan War, the Yom Kippur War, and the October War. The war, a political ploy engineered by Egypt's Anwar al-Sadat in order to gain political ground over Israel, was another bloody chapter in the fight for dominance in the Middle East. Bahdri and el-Magdoub explain the causes of the war and give an accurate account of the battles and the eventual cease-fire that was maneuvered by the United States and the Soviet Union. I was able to gain a better idea of the Arab-Israeli conflict and its subsequent ramifications.


Davis' edition of *The Yom Kippur War* is a comprehensive history of Israel and the Jewish people from 1948 to 1973. It is comprised of letters, interviews, and government documents that have been painstakingly translated and edited in order to give a clearer understanding of Israel's history since its creation after World War II. Davis' book allowed me to have a better grasp of the Israeli point of view in the Arab-Israeli conflict, as well as the history behind the Arab-Israeli wars since their beginning.

*Economic Diplomacy* was written twelve years after the oil crisis that sent the West into a panic about their dependency on Middle Eastern oil. It provides an inside look at the developments that led to the oil crisis in 1973 that include the Arab-Israeli War and the economic recession that marked the end of the postwar boom and takes a look at the force of the oil industry in shaping modern global politics. This book was a good source of information on the way the oil embargo and subsequent panic proved to be a turning point in the global economy and Middle Eastern politics.


Luciani's book, is a chronological account of the formation of the oil companies that came to dominate world politics and the international economy. Luciani elaborates on the development of the Arab oil industry and the relationship that was born between the Middle East and the Western world out of mutual interest in the newly born oil industry after oil was discovered in Saudi Arabia in 1938. This book was useful in allowing me to trace the development of the industry that came to dominate the entire world.


Israel's flawed intelligence assessment in October 1973 has been studied extensively and been the subject of much public and professional debate. This book adds a unique dimension to previously disclosed material. Drawing on his personal records, Aryeh Shalev examines the preconceptions and common beliefs that prevailed around Israeli intelligence officials and ultimately contributed to their false assessment: the excessive self-confidence in Israel's prowess, the confidence that any surprise attack could be repelled, and the belief in Israel's correct understanding of Egyptian and Syrian operational plans. Shalev's book provided me with an excellent analysis of the reasons behind Israel's initial shock of the Arab invasion.


Yusif Sayigh was one of the few Arab economists to see oil policies in a wider perspective. His book defends the revolutionary decisions made by OPEC, OAPEC, and individual Arab states that led to the oil crisis of 1973. He then points out the incomplete nature of that revolution and the need for Arab countries to assure their future by new and more farsighted policies in both upstream and downstream operations, and especially in using oil wealth for development. Sayigh's book presents a new facet of the ongoing debate about the reasons behind the oil embargo of 1973 and the reverberating impacts it had on the international economic order.

This document is a discussion and assessment of the objectives of Egypt and the other Arab states and the likelihood of hostilities in the near future. It details the military moves made by Egypt and other Arab states in possible preparation for war, such as “movement of SA-6 surface-to-air missiles to firing sites within 20 miles of the Suez canal” and “reliable reports that Egyptians are trying to organize an oil boycott by the Arab producers against the United States and Western Europe.” I gained valuable knowledge on the psychological gambits that Egypt was undertaking in order to rattle Israel in preparation for armed conflict.


Henry Kissinger, Secretary of State, conducted this meeting of oil company executives in order to “outline where the diplomatic situation is...in the Middle East!” The meeting took place the day of the ceasefire between Israel and Egypt and discussed possible ways to convince Saudi Arabia to negotiate with the other Arab nations and Israel, the implications of an oil embargo, and what could possibly be done to prevent the oil crisis from worsening. This document shed light on the strategies the United States was planning to take in order to arrange the peace talks in the Middle East and to minimize the shock of oil reduction.


This government document, sent from NSC staffer William Quandt, demonstrates the willful ignorance of the U.S. government regarding the mounting tension between Israel, Egypt, and Syria. In spite of warnings and information from Israel’s Prime Minister Golda Meir that “Egyptian forces are on a high state of alert” and “Syrian forces have been repositioned along Golan Heights,” the American government continued to downplay the likelihood of an attack on Israel. I was able to learn of the U.S. government’s reluctance in heeding the warnings of imminent attack on Israel on the very day of the attack.

“Fighting broke out at about 2 p.m. local time...resulted from a coordinated Egyptian-Syrian initiative.” The memorandum was sent to Secretary of State Henry Kissinger in order to “review the situation as it has developed since Arab-Israeli hostilities began this morning.” It covers points such as the Soviet reaction to the conflict, the possible use of the oil weapon in case of an Arab defeat, and U.S. indecision on whether to remain an ally of Israel or conserve friendly Arab-U.S. relations. I received insight about the chaos and conflict that the Yom Kippur War brought upon the United States and Soviet Union and about the intense fear the United States harbored about the possibility of the “oil weapon.”


This declassified document details the situation in the Middle East some hours after Egypt and Israel declared a ceasefire. It describes the efforts to assess the situation in Egypt and the efforts of several other nations to make and keep peace while the cease-fire is ignored in several areas, creating further chaos and raising questions on the role of the Soviet Union in the struggle. I was able to obtain valuable information on the final leg of the war between Israel and Egypt and how other nations were reacting to it.


Henry Kissinger's grievances against the West Europeans mounted and in a few days he was quoted as saying: "I don't care what happens to NATO I'm so disgusted." The actions of the Western Europeans in response to the war between the Arab states and Israel stunned and angered the United States, in particular the negative behavior of West Germany. The West German ambassador, Herr Von Staden, apologized but replied that their “credibility in the Arab world was at stake.” With this document, my understanding of the attitude of Western Europe towards the October War and the United States was heightened.
While Henry Kissinger was trying to sort out the details of the ceasefire between Israel and Egypt, he met with his senior staff to give them his assessment of the situation since the 1973 war broke out. He spoke of the actions of the Europeans who were “behaving like jackals because they did everything to egg on the Arabs.” Kissinger also discussed new elements of the Arab strategy, interpretations of Soviet conduct, and the peacemaker position the U.S. found itself in. My knowledge of the United States’ efforts to bring about a ceasefire was increased, as well my understanding of the actions of Europe towards the war and the role of the United States.

**Selected Bibliography**

**Primary Sources**

**Speeches**


“I didn’t know it when I walked, but I’ve been trying to save energy ever since.” Jimmy Carter, President of the United States from 1976 to 1980, battled the effects of the oil embargo throughout his presidency, including the institution of a national energy program. In his State of the Union address, President Carter speaks directly to the people on the impact the energy crisis was having on the already-weak economy, reforms to foreign policy, and the strength of the American people that enabled them to live through those challenges. Carter gave me an idea of how the White House was handling the oil crisis and the concerns of the American people.


“The massive oil price increase in 1973-74 contributed to the double-digit inflation of 1974 and to the worst recession in 40 years.” President Jimmy Carter delivered his annual economic report to Congress some years after the oil embargo had passed. He spoke about the continued struggle to improve the economy after the embargo caused the recession that provoked the “large deficit in our international balance of payments,” as well as efforts to develop new, alternative sources of energy and the establishment of an effective energy program that would reverse growing U.S. dependency on oil imports. This speech provided me with a reference point of the long-term effects of the oil embargo as well as an accurate depiction of the U.S. economy at the time.

“This difficult effort will be the “moral equivalent of war.”” This televised speech was delivered by Jimmy Carter in orders to propose to the nation a series of energy conservation measures due to the “problem unprecedented in our history, the Arab oil embargo.” Carter enumerates the strategies needed to prevent future oil shocks, including “reducing demand through conservation” and “conserve the fuels that are scarcest.” Carter’s efforts to enhance alternate energy production allowed me a look into some of the policies implemented to offset the dangers of oil dependency.


“We enter 1974 not at the beginning of a historical cycle, but in the middle of one.” This State of the Union address was President Richard Nixon’s last due to the Watergate scandal that induced him to resign from office. Nixon focuses on the aspects of his presidency that characterized 1973, including the oil crisis, the initiatives to develop alternate energy sources as a response to the oil cuts, and the overall impact of the embargo upon the domestic and global economy. Nixon’s speech shed light on the most important aspects of the oil embargo imposed by OPEC and its changes to the global economy.
Selected Bibliography
Primary Sources
Newspaper Articles and Periodicals


“The widening of the Arab oil boycott of the Netherlands...has intensified anxiety over the availability of petroleum products this winter.” The end of the fourth Arab-Israeli war triggered a series of oil cuts all across Europe and the United States, aimed at punishing those who had helped Israel during the war. The boycott of oil was predicted to hit Europe with particular force due to the onset of winter and their “greater dependency on Middle Eastern oil than the United States.” This article enhanced my knowledge of the initial impact of the oil embargo upon countries besides the United States.


“The boycott is a serious threat to Israel.” Three years after the oil weapon was first implemented against Israel’s allies, the effects continued to be felt and in fact grew worse. American banks and companies were “blacklisted and barred” from trading in the Arab world if they sold arms to Israel or held any type of communications regarding trade that was suspected to aid Israel in its efforts against the Arabs in any way. I obtained information on continuing effects of the embargo upon the United States and Israel even years after it was first implemented.


“The oil revolution has changed relations between producing and consuming countries and it has changed the political map of the Middle East.” John Campbell, Director of Studies on the Council of Foreign Relations, reviewed the transformative effects of oil upon Middle Eastern countries. Campbell elaborates on the origins of the oil weapon including the formation of ARAMCO, the growing influence of oil-rich nations like Iran and Saudi Arabia, and the ever-increasing dependence of the West on Middle Eastern oil. Campbell also discusses the positive and negative impacts the lucrative petroleum industry has had on Middle Eastern economies and societies. This periodical contains relevant information about the turning point in Arab policies caused by the development of the oil industry.

“The Arab oil embargo staggered the American economy and helped push the world price of oil up by 400%.” The boycott of oil upon the United States was not taken seriously until the 1973 Arab-Israeli war. The boycott became a widely-contested issue in the United States’ business and politics, being termed “one of the bitterest issues in the election campaign,” with Jimmy Carter accusing President Ford of “violating American standards of freedom and morality by ‘condoning’ the boycott.” I was able to further gauge the effect of the Arab boycott upon American business and politics by learning of some of the problems it caused.

**Selected Bibliography**
**Primary Sources**
**News Conferences**


“Oil without a market does not do a country much good,” stated Richard Nixon. Nixon, enmeshed in the developing Watergate scandal, gave a news conference to the nation in order to address the questions put forth about various problems. He focuses on the fear Americans had of the forceful use of the oil weapon by the various Arab states on the United States and Europe as a means of derailing American support of Israel. Nixon also answers questions about the economy and the state of the presidential tape recordings and their respective court rulings. Nixon’s news conference provided me with a more thorough knowledge on the state of U.S.-Arab relations and the general opinion towards the possible use of the oil weapon on the vulnerable Western world.


“It is indispensable at this time that we avoid any further Mideast crisis so that the flow of oil to Europe, to Japan, and to the United States can continue,” affirmed Richard Nixon. The developing oil crisis caused Nixon to hold a news conference to announce the continuing cease-fire in the Middle East and the efforts of the Soviet Union and the United States to keep the cease-fire and mediate peace talks between the parties involved in the struggle. This news conference helped give me a better perspective of the efforts of both the Soviet Union and the Nixon administration’s efforts to keep the peace between Israel and the Arab states in the hopes of preventing a global oil crisis.
Selected Bibliography
Primary Sources
Visuals


The cargo planes taking off into the sky in this photograph are headed to supply the struggling Israel with some much needed aid in the October War. The United States decided to provide some help to Israel after realizing that it wouldn't last much longer against the onslaught of Egypt and Syria without aid. I gained knowledge of the desperate situation the Israeli army was fighting in and of American efforts to bolster Israel's morale in the weeks of fighting.


The panic of the American people at the imposition of the oil embargo can clearly be seen in this image. People rushed to fill their automobile tanks with gas, fearing a shortage of gas would severely hurt the economy and their jobs. This photograph showed the depth of the hysteria induced by the oil cutbacks in the United States.


This political cartoon is a satirical portrayal of the continued dependence of the world, and especially of the United States, on OPEC oil and their willingness to cooperate with the Western world. The war in Iraq that was currently in process in the Middle East renewed concerns on the shaky alliance of the West with oil-producing nations. It expanded my comprehension of the later oil-related crises after 1973.


As the oil crisis dragged on, political cartoons such as these were emerging, attempting to make sense of the situation that forced Americans to wait in line for hours at a time just to obtain gas. The frustrating lines at gas stations as well as rising gas prices were daily grievances of Americans at the time. I was visually aided in my knowledge of some of the effects of the oil embargo of 1973.

After the end of WWII the newly formed United Nations decided to partition Palestine into two separate states, Israel and Palestine. The decision caused tension to erupt in the Middle East and led to the first of the Arab-Israeli wars in 1948. I was able to understand the complex relationship between Israel and the Arab nations that developed after the UN resolution that formed the state of Israel.


This photograph depicts President Jimmy Carter giving a speech in front of the White House in 1979. The solar screens on the roof of the White House were an example of President Carter's alternative energy policies that were being developed as a safeguard against another oil crisis. I gained a more thorough knowledge of the efforts being made by the government to help America be energy independent in the wake of the oil embargo.

Selected Bibliography
Secondary Sources
Interviews


"The United States is likely to become increasingly independent of foreign oil due to new technology that has allowed us to produce oil from shale," shared Professor Benson. Benson, a professor and the research director of the Global Climate and Energy Project at Stanford University, discusses the current state of energy consumption and the development of alternate energy sources in the U.S. and around the world. Benson mentions the starting point for more alternative energy measures, the oil embargo, and the measures put into effect to improve energy efficiency: "sugarcane-based ethanol as a substitute, stop using oil to produce electricity, solar photovoltaics, and wind turbines for producing electricity.” This interview granted me an educated and well-rounded opinion of the history of energy conservation as well as examples of some other improvements already in the works.

“The complex questions that the oil embargo poses probe deeply into the state of the oil industry today,” affirmed Rudiger Graf, a Professor of History at the Ruhr Universitat Bochum in western Germany, spoke of the interdependence of the world on Middle Eastern oil as it has developed over the last 100 years. He expounded on the economic effects that the discovery of oil has had upon countries such as Iran, Iraq, and especially Saudi Arabia as well as the turning point the embargo proved to be as a way for Arab countries to gain political leverage on the West. Dr. Graf was a useful contact and provided me with information about the present state of oil-producing nations.

Kilian, Lutz. Personal correspondence. 9 Nov. 2012.

“The embargo was a sideshow, the real turning point being that the United States had become a net oil importer in 1972,” stated Professor Kilian. Kilian is a Professor of Economics at the University of Michigan. He offers an interesting opinion on the embargo, saying that the embargo was merely a small occurrence at a time when oil prices were rising due to the unprecedented rise in world demand for petroleum. Kilian also argues that the embargo had no long-term effects on the U.S. economy. With this interview I was able to learn of a different perspective to the oil crisis, namely the opinion that it didn’t affect oil policies or the economy.

McDonald, Patrick. Telephone interview. 9 Nov. 2012.

“The oil embargo that was placed upon the United States was devastating to the economy,” stated McDonald. McDonald, an Assistant Professor of Government at the University of Texas at Austin, gives an account of the forces that shaped the decision to install an embargo that marked a turning point in energy consumerism. He explained the sudden attack upon Israel that prompted the United States to send aid, the decision of the Arab members of OPEC to embargo, and the resounding blow it caused that sent the American economy into recession. Professor McDonald clarified some confusing aspects of the origins of the embargo for me, and I learned more about its global importance as a result.
Selected Bibliography  
Secondary Sources  
Published Interviews


“For many of our member nations, petroleum is the only source of revenue,” observed OPEC Secretary General Abdalla Salem el-Badri. In this exclusive interview, el-Badri discusses the dangers of a further dramatic rise in the price of oil, the failures of multinational oil companies and considerations within the cartel of oil-exporting nations to trade in Euros rather than dollars. The defensive stance taken by this representative of OPEC permitted me the opportunity to gauge the opinions of OPEC towards rising global energy consumption.


“Renewables can and must make a meaningful contribution to global energy production, or else much of our coastline will be underwater in a century.” Kwak, an economist and associate professor at the University of Connecticut School Of Law, takes a look at the current energy landscape and makes some observations about the future of America’s oil and gas boom, including “further economic growth” and a “shift towards renewable energy.” With this interview I was able to learn more about the present situation of the oil industry.


This interview follows the research of Mika Minio-Paluello on her book *The Oil Road: Journeys From the Caspian Sea to the City of London.* Paluello states that the aim of her research was to “get under the skin of the way the movement and pumping of crude oil works.” She also speaks of BP’s transformation of the oil industry with the construction of a pipeline in the Caspian Sea. Paluello’s comments upon her research were a useful aid in tracing oil productions around the world.
Selected Bibliography
Secondary Sources
Press Releases


"President Jimmy Carter proposed a new solar strategy to 'move our nation towards energy security.' The Carter Presidential Library and Museum gave a news release on President Carter's energy policies during his administration, including solar panels on the roof of the White House. The news release includes information on some of Carter's renewable energy policies and the placement of the White House solar panels in the Carter Library. I was able to understand how Carter's energy policies affected his administration and why they are still relevant today.

Selected Bibliography
Secondary Sources
Books


"Saudi Arabia is more and more an irrational state—a place that spawns global terrorism even as it succumbs to an ancient and deeply seated isolationism," writes Baer. A former CIA operative, Baer draws from his experience in the Middle East as well as the sources he cultivated for years to vividly portray our decades-old relationship with the increasingly dysfunctional and corrupt Al Sa’ud family, the fierce anti-Western sentiment that is sweeping the kingdom, and the desperate link between the two. Baer states that our dependency on Saudi oil will one day be used to "slit our own necks." Sleeping With The Devil is a thought-provoking book that was a valuable source of information into the world of Middle Eastern petropolitics.


*Four Arab Israeli Wars* focuses four major wars in the Arab-Israeli conflict from 1947 to 1979, all of them ending in agreed ceasefires, truces, or armistices. The author's account of each war follows the same format: the prelude to the fighting, a description of the main actors, the fighting and its aftermath, extracts from key documents and a critical analysis that comprises of the post-hostilities peace efforts that both Arabs and Israelis took part in. This book was an extremely useful analysis of the four major wars that have shaped Arab-Israeli relations since Israel’s creation in 1948 and consequently Middle Eastern relations with the United States.

Author and historian Beaubouef examines, for the first time, the interactions that have shaped the development of the Strategic Petroleum Reserve. He argues that the SPR has survived because it is a passive regulatory tool that serves to protect energy consumers and petroleum consumption and does not compete with the American oil industry. Signed into law by President Gerald Ford in 1975 after the shock of the oil embargo, the SPR has become the nation's primary tool of energy policy and a way to mitigate rising energy prices. This book is a definitive work on the history, economy, and politics of the oil and gas industry and permitted me a glimpse of the workings of the oil industry after the oil shock of 1973.


Israel's Wars offers an essential insight into the turbulent history of Israel. From the 1947–1948 Jewish-Palestinian struggle for mastery of the land of Palestine to the ongoing Al-Aqsa intifada and the second Lebanon war, this book exposes hitherto unknown facts, including details of secret Soviet involvement in inciting the 1967 Six Day War, Israeli bombing of the American warship the USS Liberty, and Israeli assassinations of leading Palestinians during the Al-Aqsa intifada. Israel's Wars carefully tells the story of the Arab-Israeli conflict and offered me insight into its origins.


Brown's book is an account of the extraordinary tale of what the U.S. State Department once called "the most valuable commercial prize in the history of the planet," the vast oil reserves of Saudi Arabia. Brown recounts the unceasing diplomatic and corporate maneuvers aimed at obtaining the wealth of Arabian oil with personal interviews and U.S. and British government documents. He examines the symbiosis of corporate and Saudi politics against the backdrop of the Cold War, the Arab-Israeli conflict, and the Iran-Iraq War, portraying the monumental role of oil and Aramco through it all. I gained valuable primary information about the importance of oil post WWII.

This book is the story of how oil came to dominate U.S. domestic and international affairs. Andrew Scott Cooper draws on newly declassified documents and interviews with some key figures of the time to show how Nixon, Ford, Kissinger, the CIA, and the State and Treasury departments—as well as the Shah and the Saudi royal family—maneuvered to control events in the Middle East. He details the secret U.S.-Saudi plan to circumvent OPEC that destabilized the Shah and reveals how close the U.S. came to sending troops into the Persian Gulf to break the Arab oil embargo. The Oil Kings is a brilliantly detailed history of an era that demonstrated to me how the momentous events of the 20th century are still influencing world politics and the international economy.


*Twilight in the Desert* reveals a Saudi oil production industry that is approaching a dangerous decline. This exhaustively researched book was written by veteran oil industry analyst Matthew Simmons. He uncovers a story about Saudi Arabia's troubled oil industry and its political and societal instability based on three decades of an inside perspective and more than 200 reports about Saudi petroleum resources and productions operations. Simmons book answers vital questions about Saudi oil and production industries and examines the impact of its influence on world markets.


Yergin's book chronicles the struggle for wealth and power that has surrounded the desire for oil for decades. Yergin, chairman of Cambridge Energy Research Associates and executive vice president of the Information Energy Service, addresses the present battle over energy that continues to fuel global rivalries. He explores the very origins of the "oil weapon," from the drilling of the first well in Pennsylvania, through two world wars, to Operation Desert Storm, and now to both the Iraq War and climate change. *The Prize* is the definitive work on the subject of oil, and broadened my knowledge of its vital importance in energy and global politics.

“Complacency and apathy dominate discussions about the future of energy in America.” Yael Abouhalkah analyzed the current state of American oil consumption in his news article. He claims that the country is far more dependent on foreign sources of energy than 30 years ago, when the 1973 oil crisis caused Richard Nixon to embark upon Project Independence in order to make the country energy-independent by 1980. Abouhalkah proposes some conservation methods that may relieve the country’s heavy use of oil, including requiring vehicles to be more energy efficient, increasing gas taxes, and continuing to promote environmentally sound ways to use coal, oil, and natural gas. This article contains a useful evaluation of American oil consumption and the dangers of relying upon Middle Eastern oil.


"The 1970s were a period of growing dependence on imported oil, unprecedented disruptions in the global oil market, and poor macroeconomic performance in the United States," state Barsky and Kilian. Robert Barsky and Lutz Kilian, Professors of Economics at the University of Michigan, approach the oil crisis from an economic point of view. They put forth the theory that oil price increases and recessions are only one part of the factors that create a recession, not necessarily pivotal. The professors also give a brief account of the history of oil-related economic crashes and emphasize the role of armed conflicts in dictating the relevance of oil to respective economies. I obtained an in-depth, economic perspective on the global economy in the 1970s in relation to oil shocks.


“The oil embargo worked as a means of political communication...it translated economic power into international politics.” Graf’s article delves into the complexity of the oil embargo that proved to be a turning point in history. He argues that he embargo was neither a success nor a failure but instead became a way to express the political and economic power the Middle East was able to exert over industrialized countries in the wake of the development of the oil industry. Graf provided me with a superb source of information on the more complex aspects of the oil embargo and the politics responsible for its creation and end.

"In October of 1973, Arab oil producing nations imposed an oil embargo on the U.S. because of its support of Israel after unexpected attacks by Egypt and Syria," writes Jay Hakes. Hakes, a former administrator of the Energy Information Administration and author of the book A Declaration of Energy Independence, analyzes the continuing impact of the 1973 oil embargo. He explains what led up to the decision of the Arab members of OPEC to boycott oil, the rise in the importance of OPEC, and its fall in the 1980s due to decreased demand of oil. I gained important information on the motives behind the decision to impose an embargo and its consequences.


"The embargo lasted 6 months and triggered a deep economic recession in the U.S. and other industrialized countries." This article illuminates the immediate long-term effects of the Arab oil embargo, including the fuel shortages, shortened work hours, and the perceived downfall of the American auto industry. I was able to gain further knowledge of the depth of the impact the unexpected embargo had upon the economy of the United States.


"The energy industry changed overnight in October 1973." The United States came to the aid of its longtime ally Israel in the Arab-Israeli War of 1973, and as a result the Arab members of OPEC imposed an oil embargo on the West, but on the United States in particular. The resulting panic "drove demand even more," and exposed the dangerous dependency the West had developed on foreign oil. I gained comprehension of the 1973 crisis and some of its important causes and effects.

“Oil is the bloodstream of the world economy.” Produced in Switzerland, this film is a record of the origins of the world’s heavy reliance on oil and gas to turn the wheels of the international economy. Full of interviews with experts on the oil industry and economy, it is a chilling prophecy of the consequences that will be brought about after oil production hits a peak and the global economy grinds to a halt. The film analyze the production and consumption patterns of the “black blood” and “devil’s excrement” that has made the development of technology and modern society possible and debunks myths of alternate energy resources as the world heads towards a devastating oil crash. This documentary provided me with a factual evaluation of the expansion of the oil industry and insight on the future of the world as it continues to consume oil at a rapid pace.


Investigative journalist Michael Ruppert gives his account of the rise and looming decline of the oil industry. After years of research and writing books upon the subject, Ruppert exposes his theories in an avant-garde soliloquy about the about the inexorable link between energy depletion and the collapse of the economic system that supports the entire industrial world. Using declassified documents from every presidential administration since the 1970s, Ruppert proves that the U.S. government has known about the impending oil crash for a long time and theorizes that the invasion of Iraq might not have been solely to free the people from Saddam Hussein. The archival footage used in this film as well as the factual information and personal opinions presented provided me with examples of some of the widely-differing perspectives on the oil industry.


“We will break the back of the energy crisis...1974 must be the year in which we organize a full-scale effort to provide for our energy needs not only in this decade but through the 21st century.” Richard Nixon’s words soon proved to be wishful thinking. An unsettling wake-up call to Americans, GasHole dissects the country’s dependence on foreign pipelines, exposes rich oil companies’ secretive dealings, and explores alternative fuels as a viable solution to our global energy crisis. The film includes interviews with government officials, scientific experts, academics and politicians from both sides of the aisle as everyone attempts to decide what will happen next and whether the world will be ready to meet the imminent collapse of the oil industry. This documentary was an excellent source of information about the present-day worries of foreign oil.
Houston, We Have a Problem. Dir. Nicole Torre. New Angle Media, 2008. Film.

"Americans are 5% of the world’s population and they use 25% of the world’s energy reserves." This documentary takes viewers inside the American oil industry and into the lives of those who see daily the ins and outs of the energy companies. It goes straight to the source in order to understand the global energy crisis and the voracious American appetite for oil that’s fueling it. I gained a more thorough view of the energy crisis due to the first-hand interviews in the film.

Selected Bibliography
Secondary Sources
Essays


“The Third Temple of Israel is going under,” commented Israeli Minister of Defense Dayan. This essay provides a succinct description of the brief but disastrous Yom Kippur War between Israel, Egypt, and Syria. It describes the momentous decisions that led Anwar Sadat of Egypt to declare war, including the desire to be on more even diplomatic ground with Israel, the lingering humiliation of the Six-Day War, and the culmination of all the frustration in the ultimate surprise attack that “left Israel reeling.” Buckwalter also includes accounts of the strategic attacks both sides inflicted on each other in order to bring about a cease-fire. I was able to learn of the intricate steps taken in order to provoke the war and later on to end it.


“The vulnerability of the Western world had truly been revealed,” stated Horton. Horton wrote a detailed account of the causes and effects of the Arab oil embargo of 1973. She examines the quadrupled price of gasoline, the 55 mph speed limit imposed by the government, and the development of alternate energy sources. Horton also recounts the changes in foreign policy that followed the visceral impact of the embargo on the West, such as the political and economic progress in the Middle East and the revelation that the United States was much more vulnerable that was previously thought. I learned of the changes the embargo caused worldwide and its role as a turning point in energy consumption.
Selected Bibliography
Secondary Sources
Websites


This website is dedicated to promoting jobs and fuel production in the energy sector of the economy. It “creates and supports thousands of jobs, generates billions of dollars in government revenues, and reduces our trade deficit.” The site holds information about the state of affairs of the oil and petroleum industry both in and out of the country as well as offering programs to train bright young minds in this important part of the economy. I was provided with information of the petroleum industry and its intentions for international trade.


BP is one of the largest promoters and providers of alternative energy in the United States. It gives excellent information about the development and research of alternative fuels as well as up-to-date news of the goings-on of the energy industry in several parts of the globe. This website provided me with news and several important sources to contact for the research of my project.
Appendix
The UN partition plan to split Palestine into two independent states, 1947. CIA records.

Appendix I

Appendix II
Line of cars waiting their turn at a gas pump after the declaration of the oil embargo, 1973. Anonymous photo.

Appendix III

Appendix IV
Political cartoon portraying the ever-rising price of gas, 1974. Drawing by Barbara Stoner.

Appendix V
Political cartoon depicting the overdependence of the world, and especially the United States, on oil-producing nations, 2004. Drawing by Mike Keefe.

Appendix VI