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Oil Embargo DBQ

Directions: Read each of the documents below and answer the questions that follow. When you have finished, use your knowledge from the documents and other prior knowledge to write an essay that answers the following question.

Historical Background: The **1973 oil crisis** began on October 17, 1973, when the members of Organization of Arab Petroleum Exporting Countries (OAPEC, consisting of the Arab members of OPEC plus Egypt and Syria) announced, as a result of the ongoing Yom Kippur War, that they would no longer ship oil to nations that had supported Israel in its conflict with Syria and Egypt (the United States, its allies in Western Europe, and Japan).

Question: Based on the following documents, evaluate the effects of the oil crisis of 1973-1974

Document 1

Source: Report from a meeting between oil executives and OPEC officials in Geneva at Intercontinental Hotel, 1972.

Present: (many other OPEC nations and oil executives were in attendance but are not listed below)

AZ Yamani (Saudi Arabia)

Hassan Kamel (Qatar)

A.R Martin (Gulf)

A.C. DeCrane (Texaco)

Yamani: ... We wish to discuss effective implementation of participation....We want a share in the equity capital of our existing concessions. We would start with a minimum percentage (20%) and build up to a maximum (51%) over a period of years....We (OPEC) don't want full control but we must have some.

DeCrane: Why are you unhappy with the existing arrangements?

Yamani: 1. We have the right to acquire all our natural resources but this is not our aim. We want to acquire part and stay with the companies.

2. From a legal point of view times have changed.... This is also a very important policy for each nation to control its own natural resources. We don't want full control but we must have some.

Martin: In spite of existing agreements?

Yamani: ...This is within our existing agreements...Why aren't we satisfied? Participation is only modestly satisfying and it varies from one member to another.

Kamel: ... Oil is the most important natural resource in all OPEC countries.

Yamani: ...If you say there is no right to ask for participation then that is the end of the matter. If you are prepared to discuss, then we will. We have the power to move in other directions.

1. What countries are represented here and by whom?

2. What is their most important natural resource?

Document 2

The New Highway Guerrillas. Time Magazine. December 17, 1973. Detailing why truckers were among those Americans hit hardest and earliest by fuel shortage.

What could cause the truckers, normally strong law-and-order men, to become a bunch of traffic-blocking guerrillas? The highway tie-ups that they organized last week were called to vent these gripes:
Lower speed limits: [. . .] Most hired drivers are paid by the mile, not the hour; the 400,000 who pilot their own rigs must try to haul as many loads as possible in a week. Averaging 55 rather than 70, they can cover 150 fewer miles in a ten-hour driving day; [. . .]

Fuel prices: Until three months ago, diesel fuel averaged around 27¢ per gal. Now it costs 45¢ to 51¢ and has gone as high as 80¢ at the pumps of at least one Ohio truck stop. Typically, a trucker grosses \$300 hauling a load between Pittsburgh and Chicago and keeps \$55 as profit. [. . .]

Fuel scarcity: When truckers say “Fill ‘er up,” they are calling for 100 more gallons; typically, tanks hold 120 to 140 gal.

3. How are truckers dealing with the problem?

4. Why was the scarcity of oil more difficult for truckers?

Document 3

Letter to the Editor of the Berkshire Eagle. January 7, 1974

To the Editor of The Eagle:

I have written as follows to the headquarters office of First National Stores, Inc., in East Hartford, Conn.:
With shoppers concerned with rising prices and the need for conserving energy, it was a shocking exhibit of corporate indifference for your North Street store in Pittsfield, at 3 P.M. on December 31 to have floodlights blazing from the roof and the exterior walls and parking lot lights in full force. I pointed this out to your store manager, Mr. Davey, who explained the lighting goes on automatically. You set a poor example for housewives who are asked to conserve electricity. You could easily find a way to reset your automatic switch in addition to cutting out every other floodlight.

5. How did average citizens deal with oil crises?

6. How is the store setting a poor example for housewives?

Document 4

Source: Miles Igotus, was a pseudonym that meant “unknown soldier” whose real name was Edward Luttwak. He was a defense expert who advised the Pentagon. His article is called Seizing Arab Oil, published in *Harper's* in March 1975.

...Meanwhile, economic growth in formerly developing countries, from Brazil to Taiwan, has stopped. India and the rest of the hopelessly poor have been driven into even deeper poverty. Virtually every industrialized oil importer is in deep recession, with its threat of social instability and, in turn political disarray...

7. Why is the author using a pseudonym for his article?
8. What has happened to the economic growth for the world?

Document 5

Source: Republican Party Platform, Position on Energy, July 15, 1980.

Energy is the lifeblood of our economy. Without adequate energy supplies now and in the future, the jobs of American men and women, the security of their lives, and their ability to provide for their families will be threatened and their standard of living will be lowered...

...This steady deterioration has not only compounded our economic problems of inflation, recession, and dollar weakness, but even more importantly, it has infected our confidence as a nation...

9. What does the Republican Party believe will happen to American men and women due to the scarce supply of oil?
10. What did they mean by “infected our confidence as a nation”?

Document 6

Source: William Casey, Undersecretary of State for Economics Affairs, *International Ramifications of the Energy Situation*, May 1973

OPEC nations, however, also have ... a real interest in cooperating with consuming nations. All of these producers require the technological, economic, and political cooperation of the developed consumer nations if they are to develop lasting benefits for their future generations during this favored period in their histories. Excessive price rises, could, however, create instability which affect producers as well as bring substitute fuels into the market quicker.

11. What is a consuming nation?
12. Why does OPEC have real interest in working with consuming nations?

Document 7

Source: Economist, British journal, *The Radical Specter of Libya*, May 10, 1973

If negotiations with Libya break down, the consequences could be serious. Should Libya cut off its oil, Europe and America would share out available supplies. But if the cut were to last much more than a month, both Europe and America would probably have to start thinking about rationing petrol [gasoline] and other oil products. Libya meanwhile could live on its accumulated gold and currency reserves. While no one knows for sure how much cash is in the Libyan reserves, it is thought to be sufficient for a year.

13. What were the consequences of the break down of negotiations with Libya?

14. How long could Libya hold out?

Document 8

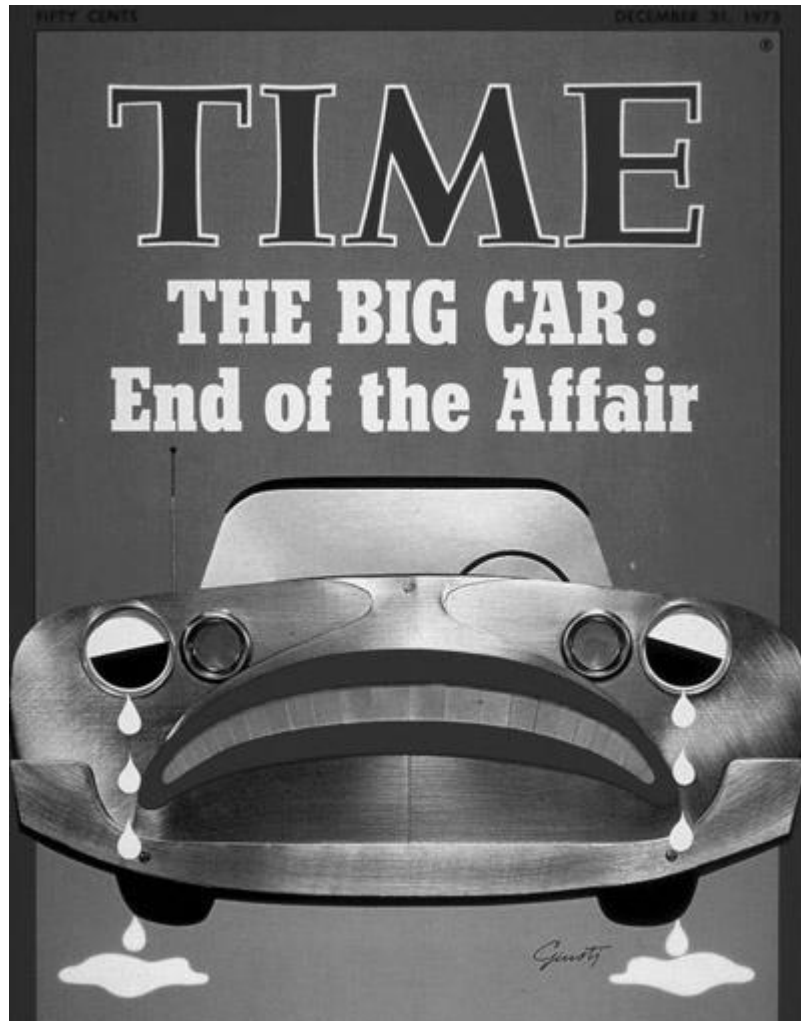
Source: Oliphant, "...But First, Let's Hear Your Position on the Alaska Pipeline and Independent Gas Distributors!" July 2, 1973



15. How is this cartoon critical of Big Oil?

Document 9

Source: Time Magazine, 1973



16. How is this cover critical of American drivers?