1975  Baker serves as Under Secretary of Commerce under Gerald Ford.

1976  Democratic presidential candidate Jimmy Carter leads Ford in the polls by a wide margin. After serving as a delegate hunter for Ford, Baker takes over the directorship of his campaign and brings Ford to within one point of Carter on election day.


Bush accepts Reagan’s invitation to serve as his running mate.

November  Reagan and Bush win the election.

Baker joins Reagan’s transition team as a Deputy Director. Other members of the team include Chairman Anne Armstrong, Director Edwin Meese, and Deputy Directors Michael Deaver, Richard Wirthlin, William Timmons, Verne Orr, and Drew Lewis. (*The Washington Post*, 1/7/1980)

Reagan asks Baker to be his White House Chief of Staff. Baker calls Meese, whom Reagan selected to be Counsellor to the President, and discusses the matter. Five days later he calls Reagan and accepts the position. (*The Washington Post*, 1/18/1981)

Deaver is tapped to be Deputy White House Chief of Staff. (*The Wall Street Journal*, 11/17/1980)

December  As the economy declines, the incoming Reagan Administration considers the “Dunkirk” strategy proposed by Office of Management and Budget Director designate David Stockman. The plan calls for a 100-day legislative campaign to cut spending and reduce taxes. Baker tells the press that economic policy is Reagan’s top priority, and that incoming Cabinet members and Republican senators in control of committees affecting economic policy are meeting to discuss a possible “economic emergency” strategy. (*The Washington Post*, 12/18/1980)
Reagan and his advisers debate whether to form an official “supercabinet” composed of key Cabinet officials who will regularly counsel Reagan, or to form a more informal advisory group composed of the same members. Baker favors a less formal supercabinet that will not “downgrade the eleven other Cabinet members—and in so doing…irritate their constituencies within their departments,” or “antagonize the committee chairmen in Congress whose activity is related to the Cabinet members who are left out of the supergovernment.” *(The Christian Science Monitor, 12/19/1980)*

1981

*February*

In an address to the nation on the economy, Reagan tells the American people that the U.S. is in “the worst economic mess since the Depression” and calls for spending cuts. *(The Washington Post, 2/6/1981)*


*March*

Reagan is hospitalized after a failed assassination attempt. Upon hearing the news, Baker, Meese, Assistant to the President for Political Affairs Lyn Nofziger, and Deputy White House Press Secretary Larry Speakes leave the White House for the hospital. Baker provides updates on the President’s condition to officials at the White House throughout the day. *(Larry Speakes with Robert Pack, Speaking Out: Inside the Reagan White House, New York: Charles Scribner’s Sons, 1988, p. 6)*

After the assassination attempt, Reagan’s schedule is temporarily limited to two daily meetings, which are a national security briefing and a meeting with Baker, Meese, and Deaver. *(Michael K. Deaver with Mickey Hershowitz, Behind the Scenes: In Which the Author Talks About Ronald and Nancy Reagan…and Himself, New York: William Morrow and Company, Inc., 1987, p. 25)*

*June*

Baker predicts the Administration will be hit with a backlash against budget cuts when their effects begin to be felt later in the year. He warns, “The President has said all along that we didn’t get into this mess
overnight, so don’t look for instant gratification or relief as far as inflation is concerned.” (The Washington Post, 6/5/1981)

Baker responds to concern that foreign policymaking in the Administration is not operating smoothly, saying, “I don't think it's unusual for an Administration to have turf battles, particularly in the area of National Security Council operations and jurisdiction... We had ours, we got 'em over in a hurry, they're behind us. We have a procedure now that is working and working well.” (The Washington Post, 6/5/1981)

1982

January


In comments to reporters, Baker and Meese predict that the economy will make a “substantial recovery,” working its way out of the recession by late spring or early summer. (The Washington Post, 1/7/1982)

February

Baker says Reagan is ready to begin pushing legislation on social issues of concern to conservatives, including school prayer and anti-abortion and anti-busing measures. (The Christian Science Monitor, 2/9/1982)

As Congress considers the President’s budget, Baker warns that increases in defense spending and tax cuts scheduled for June and July of 1983 are “the heart and soul of the President’s program,” and changing either is “obviously totally out of the question.” (The Washington Post, 2/13/1982)

March


April

The lengthy search for a compromise on the budget comes to an end without a solution. (The New York Times, 4/30/1982)

May

Houston lawyer Clymer L. Wright writes to the White House and to Reagan supporters to allege that Baker is working against the Administration’s economic policy and making Reagan look like “an amiable, uninformed, lazy, slightly confused politician.” In response,
Reagan writes, “There has not been one single instance of Jim Baker doing anything but what I settle on as our policy.” (The New York Times, 5/20/1982)

December

Noziger sends a letter to Reagan officials and potential campaign members to arrange a meeting to initiate the 1984 campaign. In the letter he says he wants to ensure that the campaign will be a “Reagan-Bush campaign, not a Bush-Reagan campaign.” Baker and Deaver instruct Administration officials not to attend the meeting. (The Washington Post, 12/7/1982)

1983

January

Baker tells a Texas newspaper that Secretary of Labor Raymond Donovan is a liability to Reagan and should quit. Later Baker says, “I deeply regret that statements made by me…reflect unfavorably upon Secretary Donovan. I have apologized to the Secretary this morning that such views appeared in the public press, and I assured him that he continues to enjoy the full support and confidence of the President.” (The Washington Post, 1/11/1983)

At Reagan’s direction, Baker issues a memo informing White House staff that they must get clearance from the White House Communications Office before making contact with reporters. (The Christian Science Monitor, 1/12/1983)

June

Baker, Republican General Chairman Senator Paul Laxalt (NV), and others begin planning Reagan’s reelection campaign. (The New York Times, 3/3/1983)

Baker issues a statement refuting claims made by former Reagan campaign volunteer Wayne Valis that Baker was given a memo, dated October 21, 1980, which contained inside information on the Carter campaign debate plans. (The Washington Post, 6/29/1983)

July

Former Reagan campaign manager and current CIA Director William Casey says he does not recall giving Baker any Carter campaign briefing materials during the 1980 campaign, and that he thinks it unlikely he would forget the hundreds of pages of materials Baker says he received from Casey. (The Christian Science Monitor, 7/7/1983)

August

A Soviet plane shoots down a Korean Airlines flight traveling from Anchorage to Seoul. Reagan returns to the White House from Santa Barbara and meets with many of his top advisers, including Baker, Meese, Deaver, Clark, Shultz, Weinberger, Casey, and Chairman of the Joint Chiefs of Staff General John W. Vessey, Jr. (Speakes, pp. 118-121)
Baker turns over to the FBI detailed logs of his phone calls and meetings for the period of the 1980 campaign in which Carter briefing materials are said to have made their way into the Reagan campaign. ([The Washington Post], 8/23/1983)

**October**

On the eve of the U.S. invasion of Grenada, Reagan meets with Baker, Meese, Deaver, Shultz, McFarlane, Darman, and congressional leaders Thomas O’Neill, Howard Baker (R-TN), Robert Byrd (D-WV), Bob Michel (R-IL), and Jim Wright (D-TX) to make final plans. ([Speakes], p. 153)

Saying he is tired of “the eighteen-hour days, the pressure, the bickering and the cables in the middle of the night,” Clark leaves his post as national security adviser. ([The Washington Post], 10/15/1983)

**December**

Baker turns down an offer to become the Commissioner of Major League Baseball. ([The Washington Post], 12/8/1983)

David Gergen resigns as Reagan’s Communications Director. ([The New York Times], 12/9/1983)

**1984**

**January**

Reagan nominates Meese to succeed William French Smith as Attorney General. ([The Christian Science Monitor], 1/24/1984)


**February**

Baker and Stockman meet with members of Congress to discuss the Administration’s plan for reducing the deficit. ([The New York Times], 2/9/1984)

Baker attends an unannounced meeting of Reagan, Treasury Secretary Donald Regan and Federal Reserve Chairman Paul Volcker. White House and Federal Reserve spokesmen say the meeting had been scheduled for some time, and that Regan did not attempt to pressure Volcker into making any changes in monetary policy. ([The Washington Post], 2/16/1984)

**May**

In a television appearance, Regan comments on the Federal Reserve’s recent changes in monetary policy, saying “I see no evidence of overtightening, and I don’t agree with those who think they will overtighten.” Soon after, U.S. banks raise the prime lending rate to

**1985**

*January*  
Reagan nominates Baker to be Secretary of the Treasury, and names Regan White House Chief of Staff. Baker will remain a member of the National Security Council (NSC). *The New York Times*, 1/9/1985

The Senate approves Baker’s nomination as Treasury Secretary by a vote of 95 to 0. *The Christian Science Monitor*, 1/21/1985

*February*  
Baker says the Administration will finalize its plans for an overhaul of the tax system by mid-April, and will push for the legislation to be enacted by year’s end. *The New York Times*, 2/26/1985

*April*  
Baker leads a U.S. delegation to Paris for a meeting of the Organization on Economic Cooperation and Development (OECD). Baker’s mission on the trip is to help set the agenda for Reagan’s attendance at a seven-nation economic summit in Bonn in May. At the end of his address to the representatives of the 24 attending nations, he also announces, “The United States is prepared to consider the possible value of hosting a high-level meeting of the major industrial countries” with the goal of modifying the international monetary system. The announcement reverses the Administration’s policy regarding manipulation of the international currency market. *The New York Times*, 4/9/1985, 4/15/1985


*May*  

*July*  

*September*  
Baker and Volcker meet with finance ministers from Britain, France, West Germany, and Japan to work out a plan to devalue the U.S. dollar and increase the value of foreign currencies. *The Christian Science Monitor*, 9/23/1985

*October*  
At an annual meeting of the International Monetary Fund (IMF) and World Bank, Baker announces a new U.S. plan to deal with the international debt crisis. As part of the plan, Baker calls on the world’s
commercial banks to increase their lending to debtor nations. (The Christian Science Monitor, 10/7/1985)

November Baker indicates that the U.S. may be willing to consider further international monetary reform as he tells an international conference on monetary reform that the September agreement between the U.S. and its trading partners to check the dollar’s value was “one step in a continuous process of international cooperation.” (The Christian Science Monitor, 11/13/1985)

1986

January Baker says Ecuador, Colombia, Ivory Coast, Morocco, and Uruguay are most likely to be the first recipients of new loans under the “Baker Plan.” (The New York Times, 1/23/1986)

February In his State of the Union Address, Reagan says he has asked Baker “to determine if the nations of the world should convene to discuss the role and relationship of our currencies.” (The Washington Post, 2/5/1986)

Baker meets with Mexican Finance Minister Jesus Silva Herzog to discuss Mexico’s growing debt crisis. (The Christian Science Monitor, 2/27/1986)

March Baker says the dollar’s continued decline relative to the Japanese yen is “good news for exporters” and a help to the Administration’s efforts to resist congressional pressure for protectionist policies. (The Christian Science Monitor, 3/19/1986)

Baker and the rest of the Group of Five (G-5) coordinate a reduction in bank rates. (The New York Times, 2/1/1987)

April The G-5 (minus West Germany) make a second round of discount rate cuts. (The New York Times, 2/1/1987)

May Baker travels to Beijing to attend an annual meeting of the U.S.-China Joint Economic Commission. (The Christian Science Monitor, 5/14/1986)

At the Tokyo Economic Summit the G-7 agree to coordinate international monetary policy more closely. (The New York Times, 2/1/1987)

Baker says he doesn’t think it will be necessary to keep individual retirement account deductions for all taxpayers in order to get the current tax bill through the Senate. (The New York Times, 5/27/1986)
June  
Baker says increasing pressure from Canada will not cause Reagan to back away from controversial tariff measures, nor will it derail current negotiations over the development of a free trade zone between the two countries. *(The Christian Science Monitor, 6/5/1986)*

July  
Baker warns congressional tax writers that giving large tax breaks to the middle class could be harmful to the economy. *(The New York Times, 7/14/1986)*

September  
After both Japan and West Germany rebuff Baker’s call for lower interest rates, Baker announces, “Unless there are additional measures to promote higher growth abroad, there will need to be further exchange rate changes to reduce trade imbalances.” *(The Christian Science Monitor, 9/19/1986)*

October  
Japanese Finance Minister Kiichi Miyazawa makes an emergency trip to Washington in an effort to persuade Baker to stop any further climb in the value of the yen. *(The New York Times, 2/1/1987)*

November  
Baker meets with Miyazawa. Afterwards the two officials announce they have reached an agreement on the need for the two countries to cooperate on world economic problems. As part of this cooperation the Bank of Japan agrees to lower the discount rate it charges on loans to its commercial banks. In return, the U.S. will “resist protectionist pressures and work toward free and fair trade.” *(The Christian Science Monitor, 11/3/1986)*

1987  

January  
Bush and Baker meet with Canadian Prime Minister Brian Mulroney in Ottawa. They discuss the status of talks on a free trade agreement between the two countries, and hear Mulroney’s concern about protectionist sentiments in the U.S. *(The New York Times, 1/21/1987)*

Baker meets with Japanese Finance Minister Miyazawa to discuss ways Japan can stimulate its economy in order to lower the U.S. trade deficit with Japan. *(The Christian Science Monitor, 1/27/1987)*

Baker asks the IRS to revise the new W-4 tax withholding form to address complaints from lawmakers and taxpayers that the form is too complicated. *(The Christian Science Monitor, 1/23/1987)*

February  
In Saudi Arabia, Baker tells Saudi leaders the U.S. will not sell any more arms to Iran. *(The New York Times, 2/3/1987)*

Baker presents Congress with a 1,600-page document outlining the Administration’s plan to remedy several of the country’s structural
economic problems, including a lack of international competitiveness, the slow pace at which technological developments are moved from the laboratory to the marketplace, and the large trade deficit. (*The Christian Science Monitor*, 2/19/1987)

Baker and other top political advisers, including Bush, Regan, Laxalt, political consultant Tom Korologos, White House Press Secretary Marlin Fitzwater, presidential pollster Richard Wirthlin, Special Counsel David Abshire, White House Counsel Peter Wallison, and Regan’s Deputy Dennis Thomas meet with Reagan in the White House to discuss the upcoming release of the Tower Report. Baker, Korologos, and others reportedly urge Reagan to act quickly and decisively once the report is issued. (*The Washington Post*, 2/24/1987)

Baker travels to Paris for a meeting of the G-7 (minus Italy, which cancels shortly before the meeting). The finance ministers reach an agreement on ways to arrest the dollar’s decline and stabilize international monetary markets. During the conference, Baker, Miyazawa, and West German Finance Minister Gerhard Stoltenberg work behind the scenes to reach a consensus on how to achieve these objectives. The U.S. agrees to take steps to reduce its budget deficit while Japan and West Germany agree to stimulate their economies. (*The Christian Science Monitor*, 2/24/1987)


**March**

Baker withdraws a proposal for voting changes at the Inter-American Development Bank. The proposal was meant to address criticism from Latin American nations that the U.S. is keeping the Bank from increasing its lending. (*The New York Times*, 3/24/1987)

**April**

Baker’s deputy Darman leaves his post and is replaced by M. Peter McPherson. (*The New York Times*, 4/6/1987)

Baker makes a public plea for Japan to make policy changes and begin importing more U.S. goods. He makes the request as the U.S. prepares to impose tariffs on Japanese electronic goods. (*The New York Times*, 4/16/1987)

In an effort to increase confidence in the dollar and in U.S. economic policy generally, Baker voices “strong support for anti-inflationary policies of the Federal Reserve System.” (*The New York Times*, 4/21/1987)
Baker and White House Chief of Staff Howard Baker meet with Senate Majority Leader Robert Byrd and Senate Minority Leader Robert Dole and urge the lawmakers to pass legislation increasing the debt ceiling soon. (*The New York Times*, 4/27/1987)

**May**

At an OECD meeting in Paris, Baker urges those nations with low inflation and low private investment levels to ease monetary policy to stimulate their economies. (*The New York Times*, 5/13/1987)

**June**

Baker attends a meeting of the G-7 in Venice. He calls the summit a success, even though he says the media may have expected more from the gathering. In particular, he praises a summit communiqué calling for lower interest rates in countries with low inflation. (*The Christian Science Monitor*, 6/11/1987)

**August**

As the House and Senate prepare to reconcile their two versions of the trade legislation, Baker is designated the point man for the Administration’s effort to pass the bill. U.S. Trade Representative Clayton Yeutter, who would normally take the lead on trade legislation, says, “It is such a legislative challenge that it is necessary to deal with it on a full-scale interagency basis…There has never been a conference like this in the history of the U.S. Congress.” The legislation encompasses banking, energy, commerce, agriculture, and trade issues. (*The Christian Science Monitor*, 8/10/1987)

**September**

Brazilian Finance Minister Luis Carlos Bresser Pereira drops his plan to discount 50 percent of his nation’s bank debt after Baker rejects the plan as a “nonstarter.” (*The New York Times*, 9/9/1987)

Baker announces that the U.S. has shifted its position on the World Bank’s request for fresh capital. Saying that the World Bank has become a catalyst for economic reform in developing countries, Baker argues, “The general capital will have to be increased so those countries seeking reforms can continue to be supported.” Baker does not specify how much the U.S. is planning to contribute. (*The Christian Science Monitor*, 9/24/1987)

Baker meets with Canadian economic officials to pave the way for a resumption of talks on a potential free trade pact between the two countries. (*The New York Times*, 9/29/1987)

Baker meets with Pereira to discuss a new Brazilian proposal to its bank creditors. Though bankers continue to express reservations, Baker says the new plan deserves consideration. (*The New York Times*, 9/29/1987)
At an annual IMF and World Bank meeting, Baker proposes a new IMF External Financing Committee designed to protect developing countries against “unforeseen developments,” including higher interest rates, which would hinder their efforts to carry out IMF programs. Baker also says that the U.S. will consider using the prices of a basket of commodities, including gold, as a means to coordinate the economic policies of major industrial nations. (*The Christian Science Monitor*, 10/1/1987)

**October**

The stock market experiences its worst one-day collapse in history. Baker flies back to the U.S. from Stockholm, where he was preparing for a meeting with Swedish Finance Minister Kjell-Olof Feldt, to join in the Administration’s response to the crash. (*The Washington Post*, 10/21/1987)

Baker meets with German Finance Minister Stoltenberg. The two reach an agreement on cooperation to achieve exchange rate stability. (*The Washington Post*, 10/21/1987)

**November**

Media reports say Baker believes that the Federal Reserve should maintain “sufficient liquidity in the system,” even at the risk of a fall in the dollar’s value. Treasury sources later say that the media overstated Baker’s position. While Administration policy has shifted to emphasize a looser monetary policy, even at the risk of a decline in the dollar, the Administration remains committed to cooperating with its G-7 partners to stabilize currencies. (*The New York Times*, 11/5/1987, 11/6/1987)

Baker meets with Senate Finance Committee Chairman Lloyd Bentsen (D-TX) to discuss ways to raise the nine billion dollars in taxes called for in the deficit reduction accord. (*The New York Times*, 11/25/1987)

**1988**

**March**

In testimony before the Joint Economic Committee, Baker says the Reagan Administration needs to consult with the Federal Reserve Board on all economic policy issues. (*The New York Times*, 3/10/1988)

**April**

Baker travels to Canada, where the U.S. and Canada agree to a deal that would remove almost all tariffs between the two countries over the next ten years. Baker hails the agreement, which still faces resistance in Congress, and says it could serve as a “lever” with which the U.S. can push for more open trade worldwide. (*The Washington Post*, 4/22/1988)

**May**

The Working Group on Financial Markets, a panel headed by Baker and co-chaired by the heads of the Federal Reserve Board, the Securities and Exchange Commission, and the Commodity Futures Trading Commission, makes its recommendations on ways to avoid a repeat of the October 19
stock market crash to President Reagan. The panel proposes creating “circuit breakers,” or cross-market trading halts to go into effect under “dramatic” circumstances. (The Christian Science Monitor, 5/18/1988)

At an OECD meeting in Paris, Baker argues that current international mechanisms to coordinate economic policy should be strengthened, and rejects suggestions that a new international monetary system should be created. (The New York Times, 5/20/1988)


**June**
At an annual meeting of the African Development Bank, Baker announces that the U.S. will no longer oppose the negotiation of lower interest rates by creditor governments on loans that they have made to “the poorest of the poor.” He stresses that this move is not a significant alteration to current U.S. policy. (The New York Times, 6/2/1988)

**August**
Baker resigns from the Administration to assume the chairmanship of Bush’s presidential election campaign. Reagan selects Nicholas Brady to replace Baker at the Treasury Department. (The New York Times, 8/6/1988)

**November**
Bush is elected President.

President-Elect Bush nominates Baker to be Secretary of State. (The Washington Post, 11/10/1988)
1980 Election
- Did you have any discussions with Bush about a possible role as a vice presidential candidate before the end of his presidential campaign?
- Did you know Reagan before you joined his campaign?
- Describe your roles and responsibilities in the 1980 election campaign.

Joining the Administration
- How did you come to be selected as White House Chief of Staff? Describe any conversations you had with Reagan or Meese before accepting the position. What understandings did you have with Reagan or Meese about the position?

White House Chief of Staff
- Discuss your working relationship with Meese and Deaver. With whom else did you work closely in this position?
- What issues and events most occupied your time as White House Chief of Staff?
- How did the Administration go about setting its political agenda for the first term? What role did Reagan play in this process?
- Comment on the role and effectiveness of the Legislative Strategy Group.
- Discuss the Administration’s campaign to enact tax reform and the 1992 budget negotiations. How was strategy devised and implemented? How did Reagan react to the failure of the 1982 budget negotiations?
- What effect did the assassination attempt on Reagan have on him and Nancy Reagan? Did it affect his presidency in any significant way?

1984 Election
- What role did you play in the 1984 election?

Secretary of the Treasury
- Discuss the circumstances of your move from the White House to the Treasury Department.
- How much freedom did you have to select your own personal staff and Departmental staff?
- How involved was Reagan in setting economic policy?
- Discuss your campaign to modify international monetary policy. With whom in the Administration did you work most closely on this? How did you prepare for negotiations with other countries and international lending institutions?
- Describe the Administration’s response to the October 1987 stock market crash. How did this event affect economic policy in the Reagan Administration?
The Reagan Presidency in Retrospect

- What do you consider to be your greatest accomplishments as Secretary of the Treasury? As White House Chief of Staff?
- What were the strengths and weaknesses of the Reagan Administration?
- Discuss Reagan’s managerial and decision making style.
- Comment on Reagan as a popular leader and legislative leader.
- What features of the Reagan presidency were overlooked or misunderstood by the press?
- How should the Reagan presidency be viewed in history?
TIMELINES


SELECTED PUBLIC STATEMENTS BY JAMES A. BAKER, III


CAMPAIGNS AND TRANSITIONS

1980 Campaign

1980 Transition

1984 Campaign
WHITE HOUSE CHIEF OF STAFF

**General**


**“The Troika”**


**Tax Reform**


**1982 Budget Negotiations**


**Proposed Baker-Deaver Switch**


**Leaving the White House**
SECRETARY OF THE TREASURY

Going to Treasury

• “Remarks Announcing the Nomination of James A. Baker III to Be Secretary of the Treasury and the Appointment of Donald T. Regan as Assistant to the President and Chief of Staff,” Office of the Press Secretary, The White House, 1/8/1985.

General


Economic Policy Council

International Monetary Policy


Tax Reform Act of 1986


**Stock Market Crash**


President Ronald Reagan
Oral History Project

Briefing Materials

James A. Baker, III
June 15, 2004

Prepared by Kelli Schoen, Research Assistant
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