

The morning Lobby was repeated.

### REAGAN

We advised the Lobby that it had been decided after consultation that an invitation should be issued to President Reagan to address Members of both Houses of Parliament in the Royal Gallery during his visit to Britain as a guest of The Queen from June 7-9. (See Mr Ingham's minute to Mr Mower of 24 March.)

In briefing the Lobby we covered the following points which are not contained in Mr Ingham's minute:-

- This would not be a joint issue on Parliament.
- The Government had not made a mistake; Westminster Hall had been suggested but nothing had been tied up.
- When Deaver visited on 15 February he did not look at the Royal Gallery.
- We could not say precisely how any invitations would be issued. The mechanics had still to be worked out.
- The Prime Minister had not spoken to President Reagan.
- There was no question of any snub.
- The address would probably take place during the morning of 8 June.
- We took the Lobby through the programme for President Giscard's address in 1976. Members had been informed of that address by an all-party notice.
- President Reagan would not object in the slightest to the Royal Gallery; in all likelihood he would much rather be there than in Westminster Hall.
- We knew of no plans for The Queen to be present.
- The final consultations with the Americans and other parties took place earlier today.

### EC BUDGET

Yesterday's proposals were not put to us when Thorn and Tindemans called on the Prime Minister last week. The proposals<sup>proposed</sup> to be looked at in detail and much work had to be done on them. They were an indication that Community Members were moving in our direction and recognising the problem. It was a question of screwing up the necessary political will. Amongst some of the points to be clarified was the question of degressivity which was not mentioned although might be an element of the new proposal. On linkage, we stressed that all three chapters of the Mandate were inextricably linked and had to be dealt with in parallel. Because of the special Foreign Ministers meeting in Luxembourg on 3 April it was unlikely that there would be substantive discussions on the Mandate at next week's European Council. The matter would come back to the European Council at their meeting in Belgium at the end of June.