SECRET FALKLAND ISLANDS: FCO SITREP 0730 HRS, 20 MAY 1982 UN Developments The Secretary-General has handed an aide mémoire to the UK and Argentine Governments setting out his proposals for resolving the outstanding questions in the negotiations. The following events took place before the delivery of the Secretary-General's aide mémoire: (a) The text of the Argentinian reply to our proposals was handed over by the UN Secretariat during the morning of 19 May. This was a great deal worse than expected and the Argentinians appeared to have reverted to the negotiating position they occupied at the beginning of the Secretary-General's initiative. (b) The Secretary-General telephoned the Argentine Foreign Minister during the morning and was contemplating despatching envoys to London and Buenos Aires. At a working lunch with the Secretary-General, Sir A Parsons asked him to tell the Argentines that HMG had found their response totally unacceptable. Although the Secretary-General undertook to pass this information he indicated that he still intended to keep his options open. The Secretary-General subsequently telephoned President (c) Galtieri and the Prime Minister. Reportedly, his conversation with Galtieri had been 'grotesque'. latter argued that the British were inflexible and suggested a meeting of Foreign Secretaries in New York. Conversely, the Secretary-General was 'delighted' with his conversation with the Prime Minister. (d) There was an informal meeting of the Security Council to hear a report by the Secretary-General on the progress of his initiative. The meeting went well and there was no call for a formal meeting of the Security Council. EMERGENCY UNIT 20 MAY 1982 SECRET