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MY TELNO 1270 : US/PLO DIALOGUE

## SUMMARY

1. PRESIDENTIAL STATEMENT CONDEMNING YESTERDAY'S TERRORIST ATTACK. CONTINUING PESSIMISSM WITHIN ADMINISTRATION ABOUT PROSPECTS FOR THE US/PLO DIALOGUE.

2. WHITE HOUSE SPOKESMAN MADE THE FOLLOWING STATEMENT TODAY (31 MAY):

QUOTE PRESIDENT BUSH CONDEMNS THE TERRORIST ATTACK YESTERDAY IN ISRAEL, AND IS OUTRAGED BY WHAT APPEARS TO BE A COWARDLY ATTEMPT TO TARGET INNOCENT PEOPLE. THE PRESIDENT BELIEVES ACTIONS SUCH AS THESE ARE MOST REGRETTABLE, FOR THEY CAN ONLY JEOPARDIZE THE PROSPECTS FOR PEACE.

THE PRESIDENT COMMENDS THE ACTION OF THE ISRAELI DEFENSE FORCES IN THIS INCIDENT. THE UNITED STATES IS REVIEWING ALL AVAILABLE INFORMATION ON THE ACTION.

WE ARE DEEPLY CONCERNED ABOUT THE RESPONSIBILITY FOR THIS ATTACK, AND WE ARE LOOKING INTO IT. UNQUOTE

3. WE HAVE SPOKEN TO HAASS (NSC) AND BURNS (STATE) DURING THE DAY. (NEITHER, AT THAT STAGE, HAD A READOUT OF THE PELLETREAU/BELAWI MEETING OR ARAFAT'S PRESS CONFERENCE). BURNS SAID THAT THE ADMINISTRATION HAD TRIED TO AVOID BOXING THEMSELVES IN BY DECLARING TO STATE PUBLICLY WHAT THEY THOUGHT THE PLO RESPONSE SHOULD BE. BUT THEY WOULD BE PRESSING FOR THREE THINGS FROM ARAFAT: FORTHRIGHT CONDEMNATION OF THE ATTACK, A STATEMENT THAT HE HAD NOTHING TO DO WITH IT, AND ACTION TO DISTANCE HIMSELF FROM THE ABU ABBAS. HAASS SET OUT MUCH THE SAME REQUIREMENTS BUT SAID THAT THEY WOULD DEMAND ABU ABBAS' EXPULSION FROM THE PLO.

4. NEITHER BURNS NOR HAASS WAS OPTIMISTIC THAT ARAFAT'S RESPONSE WOULD MATCH UP TO THESE REQUIREMENTS. IF THIS WERE THE CASE, THEY THOUGHT THAT THE ADMINISTRATION WOULD HAVE NO CHOICE BUT TO BREAK OFF THE US/PLO DIALOGUE. THEY CITED

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NOT ONLY STRONG CONGRESSIONAL PRESSURE, BUT ALSO THE CREDIBILITY OF US POLICY ON THE PEACE PROCESS AND ON TERRORISM.

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