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SPECIAL TO THE JTA
MAJOR SHIFT IN TURKEY'S POLICY TOWARD ISRAEL AND THE ARAB-ISRAELI CONFLICT
By Yitzhak Rabi

NEW YORK, Oct. 1 (JTA) -- Turkey is prepared to strengthen its economic, cultural and diplomatic ties with Israel. But, diplomatic sources told the Jewish Telegraphic Agency, Turkey in return wants Israel to use its alleged influence on the "Jewish lobby" in America to advance Turkish interests in Washington.

Foreign Minister Shimon Peres met here Wednesday with Turkish Foreign Minister Vahit Halefoglu. It was the first meeting in the last 20 years between the Foreign Ministers of the two countries.

Turkey, a Moslem country, does not have full diplomatic ties with Israel. The two countries only have consular level representations between them. Because of its solidarity with the Moslem Arab world, Turkey has been careful for years not to intensify its ties with the Jewish State, at least not openly.

The willingness of the Turkish Foreign Minister to meet with Peres represents a major shift in Ankara's policy toward Israel and the Arab-Israeli conflict.

'Israel Is No Longer Taboo'

In a special interview with the Jewish Telegraphic Agency following the meeting between the two Foreign Ministers, the spokesman for the Turkish Foreign Ministry, Ambassador Inal Batu, said:

"The meeting between Peres and Halefoglu constitutes by itself an improvement in relations between the two countries. In addition, we demonstrated to the whole Moslem world that Israel is no longer taboo." The Turkish official noted that Turkey is the only Moslem country in the world, apart from Egypt, which has diplomatic relations with Jerusalem.

Israeli and Turkish sources confirmed that the Turkish Foreign Minister accepted an invitation by Peres to visit Israel. If such visit indeed takes place it would mark a major progress in relations between the two countries.

Turkey seeks the influence of what it conceives to be the "powerful Jewish lobby" in Washington. The Turks believe that the Greek and Armenian lobbies in Washington are harming Turkish interests and they are convinced that the Jewish lobby is capable of turning things around to satisfy the Turkish request for American military and economic aid. Presently the Turkish government receives about $600 million annually in American foreign assistance.

Peres, in his meeting with Halefoglu Wednesday, discussed the prospects for an international peace conference on the Mideast. "We told Peres that we support an international peace conference but we stressed that such a conference must be attended by the PLO, which is the legitimate representative of the Palestinian people," the spokesman of the Turkish Foreign Ministry told the JTA.

The JTA has learned from reliable sources that the two Foreign Ministers also discussed cooperation in the fight against international terrorism. Turkey and Israel have been cooperating secretly on this problem for some years now. Turkey is a target of Armenian and Kurdish terrorists who launch hit-and-run attacks on Turkish citizens along the Turkish-Syrian border.

AN UNPRECEDENTED MEETING:
ISRAELI AND CHINESE F.M.S SAY CONTACTS BETWEEN BOTH COUNTRIES WILL CONTINUE IN THE FUTURE
By Yitzhak Rabi

NEW YORK, Oct. 1 (JTA) -- In an unprecedented meeting Wednesday evening between the Foreign Ministers of the People's Republic of China and Israel, it was concluded that contacts between representatives of both countries will continue in the future.

The meeting between Shimon Peres, Israel's Foreign Minister, and his Chinese counterpart, Wu Xuegian, was the first meeting ever between the Foreign Ministers of China and Israel. China and Israel have no diplomatic ties and China has been a strong supporter of the Arab side in the Arab-Israeli conflict.

The meeting between the two officials took place at the Chinese Mission to the United Nations. It lasted one hour and 45 minutes. Although representatives of China and Israel have met in the United Nations in the last few months, the Peres-Xuegian meeting was the highest level of contact between China and Israel. Moreover, the Chinese publicly announced the meeting and allowed photographers to take pictures of the two officials at the end of their meeting.

Peres, addressing Jewish leaders at a meeting of the Conference of Presidents of Major American Jewish Organizations shortly after his meeting with the Chinese official, said that he discussed with him the prospects for an international peace conference on the Mideast. The Chinese Foreign Minister said that his government will support any framework for an international peace conference agreed to by the Arabs and Israel, Peres said.

China is a permanent member of the UN Security Council and will, therefore, participate in any future international conference. According to Israeli diplomats, the Chinese Foreign Minister reiterated his government's position that any international peace conference must include the Palestine Liberation Organization.

U.S. WILL ALLOW ISRAEL TO SELL 14 KFIR FIGHTER JETS TO COLOMBIA
By Hugh Orgel

TEL AVIV, Oct. 1 (JTA) -- The United States will allow Israel to sell 14 of its Kfir jet fighter planes to Colombia -- a $100 million deal -- to help cushion the losses resulting from cancellation of the Lavi jet fighter-plane project, Israel Radio reported Thursday.

According to Israel Radio, Secretary of State George Shultz informed Foreign Minister Shimon Peres of the American decision at their meetings at the United Nations in New York last month.

The Kfir, the first supersonic combat aircraft designed and built in Israel, was the precur-

sor of the Lavi, a more advanced, sophisticated plane. Because its engines and other components were manufactured in America, the U.S. could exercise veto power over Kfir sales to third countries.

That restricted export opportunities, particularly to Latin American countries where the Kfir would compete with American aircraft sales. But Israel has leased a number of Kfir jets to the U.S. Marine Corps and other military branches which use them to simulate Soviet MIGs in air combat training.

The Lavi, like the Kfir, was manufactured by Israel Aircraft Industries (IAI) and was to have been Israel's second generation jet fighter. It was funded largely by U.S. military grants and Washington had been urging Israel for more than a year to abandon the project because of excessive costs.

The American position was supported by many senior Israel Defense Force and Air Force officers and by Defense Minister Yitzhak Rabin on grounds that the Lavi was absorbing funds from other vitally needed advanced weapons systems.

The government decided on August 30 to drop the Lavi, a decision that resulted in several hundred dismissals at the IAI plant with many more to follow. The U.S. has promised to assist Israel in making up the economic losses.

SHULTZ SEEKING 'KEY' TO MIDEAST PROGRESS
By David Friedman

WASHINGTON, Oct. 1 (JTA) -- Secretary of State George Shultz said Thursday that he hopes to find the "key" to progress in the Middle East peace process during his upcoming visit to the region.

"Everybody wants to move it (the peace process), and yet we can't seem to figure out the key to get it going," Shultz said on ABC-TV's "Good Morning America." "So I'm going to look around and see if I can find a key."

The Secretary denied that he will be bringing any "dramatic" proposals when he visits Israel, Jordan and Egypt on his way to the Soviet Union this month.

"I think sometimes when you sit down and really visit with people and try to find out what is bothering them, and what they really want to get, and sort of talk through that, and look at the full range of objectives that they have, that sometimes you can find a way," he said.

Shultz rejected a suggestion that he plans to put "pressure"on Israeli Premier Yitzhak Shamir to drop his objections to an international conference as a means to bringing about direct negotiations between Israel and the Arabs.

"It's not a question of pressure," he stressed. "It's a question of what's the problem, and how do we solve the problem. And we want to do it together with all of the leaders there."

At the same time, the Secretary seemed to caution against expecting any immediate results from his Mideast trip. "You can't be optimistic with the long time it takes," he said. "But you just have to keep working on small probabilities in the hope that sometime you'll break through."

Shultz indicated he hopes to also go to Saudi Arabia, although the State Department later could not confirm that Riyadh is on his itinerary. The Secretary noted that he plans to meet with Shamir and Foreign Minister Shimon Peres, King Hussein of Jordan, Egyptian President Hosni Mubarak and "I hope (Saudi) King Fahd."

MOVE IN CONGRESS TO ALLOW ISRAEL TO REFINANCE PART OF ITS DEBT TO THE U.S.
By David Friedman

WASHINGTON, Oct. 1 (JTA) -- A move to allow Israel to refinance part of its debt to the United States will be made in Congress, according to Sen. Lawton Chiles (D. Fla.).

Chiles told the Jewish Telegraphic Agency that he met with Israel Finance Minister Moshe Nissim Wednesday and told him he would make such a proposal to the Senate Appropriations subcommittee on Foreign Operations. The subcommittee's chairman, Sen. Daniel Inouye (D. Hawaii), favors the proposal, Chiles said.

Israel owes the U.S. nearly $10 billion for economic and defense purchases. About $1 billion of the defense loans were taken out when interest rates were at 12 to 14 percent.

Chiles said that while details have not yet been worked out, his proposal would allow Israel to "prepay" the $1 billion by refinancing the loan in the private market at the current interest rates of 10 to 11 percent, thus saving millions of dollars. This is similar to what many people in the U.S. are doing on their loans, he noted.

Congress would be asked to guarantee most of the new loan, Chiles said.

He said he believes the proposal is "feasible" since Israel's credit is good. However, he said the proposal still has to be worked out carefully since he does not want to set a "precedent" where other countries, who have not repaid their debts as faithfully as Israel, would ask for the same thing.

Chiles noted that Congress was "delighted" with the improvements Israel has made in its economy over the past several years. "I think they worked very hard and I think they did a very good job," he said.

Nissim, who was in Washington for the annual meeting of the International Monetary Fund, met with other members of Congress before leaving for Israel.

INDIA NIXES VISIT BY ISRAELI PROF

TEL AVIV, Oct. 1 (JTA) -- The Indian government has refused to grant a visa to Hebrew University Prof. Shlomo Avineri who has been invited by one of India's most prestigious "think tanks" to participate in a conference on Soviet bloc developments in December.

Avineri, an expert on Marx and Communist theory and one of Israel's leading Sovietologists, said he received his invitation a year ago from the Indian School of Political Economy. He said he has since received many inquiries from the school about the paper he was to present at the conference.

He said he would inform other prospective participants of the Indian government's refusal and expected that some would decide to boycott the meeting. Avineri served for a time as Director General of the Foreign Ministry under Shimon Peres.

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AMSTERDAM (JTA) -- Premier Rudolph Lubbers of The Netherlands will visit Israel next spring at the invitation of Premier Yitzhak Shamir. The trip will be the first by a Dutch Prime Minister to Israel. Lubbers heads the coalition cabinet of Christian Democrats and Liberals.

BATTLE SHAPING UP IN CONGRESS TO BLOCK ADMINISTRATION-PROPOSED ARMS SALE PACKAGE TO SAUDI ARABIA
By David Friedman

WASHINGTON, Oct. 1 (JTA) -- As the Reagan Administration prepares to submit to Congress a proposed arms sale package for Saudi Arabia, bipartisan majorities in both the Senate and House are making it clear that it will be rejected. A letter signed by 225 members of the House was delivered to the White House and the State Department Wednesday telling President Reagan that the package will be opposed.

A letter signed by 62 Senators was delivered to Reagan last Friday. Both letters cited a belief that the Saudis have not supported United States national interests in the Middle East nor have they helped combat international terrorism as evidenced by Saudi financial support for terrorist groups such as the Palestine Liberation Organization.

The House letter was initiated by Reps. Larry Smith (D. Fla.), Mel Levine (D. Calif.), Dante Fascell (D. Fla.), William Broomfield (R. Mich.), Vin Weber (R. Minn.) and Mickey Edwards (R. Okla.). Sens. Alan Cranston (D. Calif.) and Bob Packwood (R. Ore.) initiated the Senate letter.

In addition to those who signed the letters, spokesmen in both Houses said there are enough other members opposed to the sale to override a possible presidential veto.

On The Verge Of A Decision

The Administration, meanwhile, maintains it has not yet made any decision on a package which is expected to include 1,600 Maverick anti-tank missiles, F-15 jet fighters and other equipment.

"We have been engaged in full consultations with Congress," Phyllis Oakley, a State Department spokesperson, said Tuesday. "We intend to continue to consult fully with Congress on this important issue. We urge all Senators to keep an open mind on this issue during the consultation process."

But at a press conference Wednesday, Broomfield, the ranking Republican on the House Foreign Affairs Committee, said House members had not been consulted. "I think it's important if the Administration wants to get an arms package through it's going to require partnership on the part of Congress and the Administration working together." He said the Administration can not just decide on what will be sold and then submit it to Congress.

Smith noted that last August, just before Congress took a summer break, State Department and Pentagon officials told the House Foreign Affairs subcommittee on Europe and the Middle East that a package had not yet been agreed upon.

But a week after Congress adjourned, The Washington Post gave details of a $1 billion arms sale package the Administration was planning to submit, Smith said.

Smith said he believes the Administration is consulting with members of the Senate and with House Speaker James Wright (D. Tex.) and other House leaders but not with the members of the House Foreign Affairs Committee which will be the first to deal with any arms proposal. The Administration may be concentrating on the Senate since House rejection is a certainty and the fate of arms proposals usually lies in the Senate.

Smith noted that the Administration has to submit the proposal to Congress this week or next since it must give Congress the required 50 days to consider an arms proposal before its expected adjournment in November.

Another reason may be the scheduled visit to Washington in mid-October of Saudi Crown Prince Abdullah. This was denied by Oakley, who said the Administration has no timetable.

The Administration is "trying to do something to make the Saudis happy," Rep. John Kasich (R. Ohio) said. "They fully expect us to shoot it down."

This assessment appeared to be confirmed by Oakley Tuesday. When she was asked if she believed the Administration's plea for an open mind would convince some of those opposed, she replied, "I didn't say we could; I said we are urging them."

Oakley stressed that the Administration believes "the sales we are considering will indeed serve and protect the national interest of the United States in this important region of the world. These sales are not a spur of the moment gesture. They would be consistent with Middle East policy followed by Republican and Democratic Administrations."

Smith stressed Wednesday that Congress believes the relationship between Saudi Arabia and the U.S. is important. But he noted this would be the fourth sale to the Saudis in nine months. Levine said Congress this year approved the sale of attack helicopters, Bradley fighting vehicles and electronic equipment to the Saudis. A proposal to sell the Saudis the Maverick missiles was withdrawn last June because of Congressional opposition.

The Administration scaled down a $2 billion arms proposal to the Saudis in 1986 to $200 million because of Congressional opposition, Smith said. He said they are now using "salami" tactics, slicing up the proposals to submit them a bit at a time. He said he believed that this is only the beginning of the arms the Administration plans to sell the Saudis.

Israel Not Endangered

Oakley also stressed Tuesday that the proposed sale would not endanger Israel. "These arms sales would not affect the Arab-Israel military balance in any meaningful way," she said. "The Administration remains committed to maintaining Israel's qualitative edge."

But Weber said that concern for Israel was not the main reason for the Congressional opposition. He noted that in collecting Republican signatures for the House letters, Republicans stressed their concern that the Saudis have not cooperated in the Mideast peace effort.

"It is unfortunate that these sales are being opposed by some when the Saudis are providing critical support to U.S. Naval operations in the (Persian) Gulf in ways which many in Congress have long urged," Oakley said.

But several Congressmen at the press conference Wednesday said the U.S. operation in the Gulf is in the Saudi interest. Smith noted that for too long the U.S. has "substituted" arms sales for a long-term foreign policy."

KOZIY SANCTUARY IN COSTA RICA

By Susan Birnbaum

NEW YORK, Oct. 1 (JTA) -- A Ukrainian post-war emigre to the United States whose background as a Nazi collaborator was confirmed by U.S. federal court has received a temporary residency visa in Costa Rica, according to a report in the Sept. 20 edition of The Ukrainian Weekly, datelined San Jose, Costa Rica.

Bohdan Koziy fled to Costa Rica from the U.S. about three years ago to avoid impending deportation to the Soviet Union, where he is himself accused of the deportations and killings of Soviet (Ukrainian) citizens in World War II.

The Costa Rican Minister of the Interior, Ronaldo Ramirez, in announcing that Koziy and his wife, Yaroslava, had been granted the visas, expressed doubt about the sufficiency of the evidence against Koziy presented by the Soviets. "His supposed authorship of crimes against Jews has not been demonstrated," Ramirez said, adding that Koziy had not broken any Costa Rican laws and, therefore, the Costa Rican government had no reason to deport him.

On Aug. 14, 1985, NBC Nightly News revealed that Koziy was in Costa Rica, where he was reported living in a luxurious hacienda. On Sept. 14, 1985, The New York Times, in an article titled "Costa Rica's Image as Haven Fading," reported that Koziy had been in that country since October 1984.

Koziy had owned the Flying Cloud Motel in Fort Lauderdale, Florida, which he reportedly sold.

Some Startling Developments

In the report in The Ukrainian Weekly, Ramirez failed to mention any American findings against Koziy -- his age has been reported as both 64 and 67 -- who was stripped of his U.S. citizenship in March 1982 for having lied about his wartime activities when he entered the U.S. in 1949. He became a naturalized U.S. citizen in 1956.

Even more startling about the Costa Rican move to grant Koziy temporary residence are previous moves by the Costa Rican government itself to deport him. In August 1986, Costan Rican Deputy Interior Minister Alvara Ramos announced that the government was seeking a court order to expel Koziy.

Then, in March of this year, Koziy was ordered extradited to the Soviet Union by the Costa Rican Superior Penal Tribunal of Alajuela. At that time, the public prosecutor of San Jose said that the court's extradition ruling could not be appealed.

In 1979, the U.S. Justice Department's Office of Special Investigations (OSI) had filed a complaint seeking Koziy's denaturalization, which was followed by the 1982 trial in Federal District Court in West Palm Beach, Florida.

Former OSI director Allan Ryan Jr., in his book "Quiet Neighbors," described Koziy as a member of the Ukrainian police auxiliary in Stanislau that operated under German direction during the war. His identity and occupation were corroborated by German insurance documents found.

At his trial, the OSI presented, on videotape, several Soviet and Polish witnesses who testified that they had known Koziy. They described his role in the killing of Stanislau's Jews, particularly his singling out of Jewish children as victims. Their descriptions were graphic and horrifying.

Eli Rosenbaum, who was a prosecutor for the OSI during Koziy's trial in Florida, said, "What is doubly offensive is not only that the Costa Rican government is not extraditing him to stand trial in the Soviet Union, as its own courts have authorized, but they are not even moving to expel him from Costa Rica. Now the Interior Minister intercedes after all these proceedings and substitutes his own judgment that there is insufficient evidence. That's utterly fantastic. What more would he like to see?"

Ruben Robles, Ministerial Consul of the Costa Rican Embassy in Washington, told JTA that Ramirez granted the temporary visa because the extradition order is still in process of execution. "Extradition proceedings were started in the courts. Until final court notification regarding his extradition is taken, he (Koziy) may remain."

In 1982, West Germany refused to acquiesce to a Justice Department request to extradite Koziy from the U.S. and prosecute him despite conclusive evidence that Koziy had killed a four-year-old Jewish girl.

In August 1986, Kalman Sultanik, vice president of the World Jewish Congress and chairman of the U.S. Holocaust Memorial Council's Committee on Anti-Semitism, released Justice Department documents indicating that the West German government declined the American request despite agreeing with American authorities that the child had been murdered by Koziy.

A Child Was Murdered

At Koziy's 1982 trial, eyewitnesses described Koziy's snatching of Monica Singer, the four-year-old daughter of a local Jewish doctor, and his taking her to the police station. The witnesses described her crying, "Mother, he's going to shoot me," and "I want to live." Koziy took out his pistol; her mother turned her head.

In July 1982, the OSI wrote to the West German Ministry of Justice, suggesting that Koziy be extradited for "personally and single-handedly" murdering the girl "by shooting her at point-blank range." In the same letter, the OSI refers to Koziy actively participating in the murders of members of another Jewish family.

The West German Foreign Office declined the American request in a diplomatic note to the American Embassy in Bonn on March 28, 1983. The note, refusing "to initiate extradition proceedings in this case," nevertheless conceded "There is no doubt as to Koziy's participation in the two aforementioned shooting incidents."

The West German government described the crimes as "manslaughter" rather than "murder" because the killings could not demonstrate "cruelty, iniquity, lust for murder, and base motives." Therefore, the German document said, the crimes were no longer prosecutable because the statute of limitations on them had run out in the spring of 1960.

"Cruelty would exist only if the perpetrator, beyond the purpose of executing the killings, had imposed special pain or torture on the victims out of a mentality entirely devoid of feeling or mercy... The fact that one of the victims was a four-year-old child in itself does not suffice to establish a determination of a cruel or underhanded killing... The available documents do not show any indications that, according to the meaning of the law, Koziy acted out of a lust for murder."