

NEWS AT A GLANCE

■ Israeli Prime Minister Benjamin Netanyahu lost a no-confidence motion called to protest rising unemployment, but kept his job. The 49-44 vote fell short of the 61 votes needed to oust him from office. Coalition members from the National Religious Party abstained.

■ Palestinian security agents uncovered a Hamas laboratory in Bethlehem that contained explosives as well as army uniforms, yarmulkes and other Jewish religious garb for disguises. The agents reportedly knew about the lab weeks ago, but only recently decided to act on the information.

■ The U.S. Department of Education released guidelines in response to a Supreme Court decision allowing public school teachers to offer remedial instruction courses at parochial schools. The guidelines state that teachers should not enter classrooms with religious symbols and should not become involved in the religious activities of the school. [Page 3]

■ The U.S. House Judiciary's Subcommittee on the Constitution is slated to hold a hearing Tuesday on a proposed "Religious Freedom Amendment" to the Constitution. The amendment, authored by Rep. Ernest Istook (R.-Okla.) and opposed by most Jewish groups, would allow prayer in public schools.

■ An Australian Jew won an estimated \$150,000 from the Union Bank of Switzerland as the heir to a dormant bank account opened by his late grandfather. It was not clear that the settlement would set a precedent for others, but a World Jewish Congress official called the reported amount "significant." [Page 3]

■ Israeli Cabinet Secretary Danny Naveh is scheduled to hold talks Tuesday in Washington with U.S. Middle East peace envoy Dennis Ross. The meeting is expected to center around a call to accelerate final-status talks.

■ Turkey's new secular government gave final approval to a trade agreement with Israel. The pact foresees the creation of a free-trade zone by the turn of the century.

NEWS ANALYSIS**Knesset to consider changing law to ease premier's removal**

By David Landau

JERUSALEM (JTA) — When two old warriors put their heads together, as Ariel Sharon and Shimon Peres recently did, younger politicians should start worrying.

Sharon is by most accounts on the warpath against Prime Minister Benjamin Netanyahu, who recently denied the national infrastructure minister a promotion to head the Finance Ministry.

He is vigorously campaigning for an amendment to the election law that would make it easier for the Knesset to vote Netanyahu out of office without the legislators losing their own seats.

Sharon met last Friday with Peres, who recently stepped down reluctantly as Labor Party leader, to discuss the amendment, which would lower the Knesset majority needed to depose a prime minister — while keeping the Parliament intact — from 80 to 61.

The initiative, coming on the heels of a coalition crisis over how Netanyahu would fill the Finance Ministry slot, which eventually went to former Justice Minister Ya'acov Ne'eman, is the latest sign of the erosion of support for the premier from one of his Likud allies.

But if Sharon and Peres fail to muster broad support for the amendment, the move may become just another irritant for a prime minister who has been beleaguered by crises.

Under the law that went into effect for last year's elections, a vote by 61 of the Knesset's 120 members against the prime minister would lead to the legislature's automatic dissolution and the holding of elections, within 60 days, both for premier and for a new Parliament.

If 80 Knesset members voted against the premier in a no-confidence vote, new elections would be held for the premier, but the Knesset would not be dissolved.

These provisions of the election law have proven Netanyahu's staunchest ally during the tempestuous troubles he has faced since taking office in June 1996.

Netanyahu has a 66-54 majority in the Knesset, which makes the 80-vote hurdle in a no-confidence vote difficult to achieve.

Knesset members disillusioned with his leadership have proven reluctant to vote against him in a no-confidence vote because if only a 61-vote majority were achieved it would mean that they, too, would be toppled from their Knesset seats.

Netanyahu survived a no-confidence motion Monday, when Knesset members voted 49-44 against him.

The prime minister's aides stated this week that he remains implacably opposed to any change in the election law.

Sharon takes the high ground

Sharon, for his part, insists that his support for the amendment should not be seen as a personal assault on Netanyahu.

Rather, he maintains that he is seeking to change the situation created by the new election law so that "no prime minister can take weighty national decisions entirely unilaterally, without reference to his own key ministers."

Sharon told Israel Radio this week that consultation by Netanyahu "with ministers who have a contribution to make" to national security matters is "almost non-existent."

Sharon says if his proposed amendment goes through, it will result in Netanyahu's "functioning better" as prime minister.

Sharon launched his initiative in the wake of his recent, chastening experience of being passed over by Netanyahu for the prime post of finance minister, even though he was repeatedly touted in the media as the frontrunner for the job.

His candidacy ran into trouble when Sharon insisted on being made a member of Netanyahu's prestigious Kitchen Cabinet, along with Foreign Minister David Levy and Defense Minister Yitzhak Mordechai.

Both bridled at the prospect of the veteran Likud hard-liner joining their deliberations. Netanyahu's efforts, moreover, to placate Sharon and

assure him that he would be consulted — privately — on major national policy issues have left the infrastructure minister unconvinced.

Sharon has already met privately with Labor Knesset member Moshe Shahal, who has introduced a bill proposing the amendment to the election law.

Sharon has also met with one of his longtime political foes — Dan Meridor, whose resignation as finance minister triggered this latest crisis.

Both Shahal, the Laborite, and Meridor, a member of the Likud, are reported to have promised Sharon their backing in his bid to rally parliamentary support for the proposed amendment.

Meridor is said to be organizing his own challenge to Netanyahu's Likud Party leadership.

Peres, too, in an interview Sunday, maintained that his uppermost consideration was the preservation of Israel's democracy, rather than any design to rid the country of Netanyahu.

Peres noted that even ardent advocates of the new election law are now having second thoughts about some of its provisions.

By strengthening the prime minister, for example, the law was intended to clip the wings of the smaller parties.

But many believe that the law seems to have left these parties stronger than ever.

Sharon and Peres are very old friends as well as political rivals.

Their warm relationship transcends their obvious doctrinal differences.

It goes back decades to the period when Peres served as a key aide to Prime Minister David Ben-Gurion and Sharon was a rising young officer and commander of the elite paratroopers brigade.

But in their present quest, the two face a difficult problem of credibility.

Both are aging politicians in the waning period of their careers — and both are loath to see their star dimming.

Each has said during the past year that he was in favor of a national unity government — purportedly in order to save the country from looming military and diplomatic disaster.

Peres faces imminent deadline

Needless to say, in a national unity government, which they would have helped to bring about, their own standing and influence would have been dramatically enhanced.

Peres, moreover, faces an imminent deadline: Under a "gentlemen's agreement" with his successor as head of the Labor Party, Ehud Barak, Peres has until September to pursue his efforts to create a unity government — in which Peres would serve as Labor's senior minister.

But Barak's aides insist that the Labor leader neither wants a unity government nor believes that it is possible to set one up at this time.

Labor's goal, they maintain, should be to bring about the earliest possible demise of Netanyahu's premiership.

Peres no doubt subscribes to that goal, as indeed does Sharon.

As political veterans, they both know that if the prime minister goes, in the context of a major political upheaval, their own decades-long careers would probably be finished as well.

This accounts for the widespread suspicion that Peres and Sharon have a personal agenda in seeking the amendment's passage. □

Religious freedom threatened in areas of former Soviet Union

By Lev Krichevsky

MOSCOW (JTA) — Religious freedom is a threatened commodity in the former Soviet Union.

Two former republics, Belarus and Armenia, are considering legislation similar to a bill adopted by the Russian Parliament that would limit religious activity.

The Va'ad, the umbrella organization for Jewish groups in Russia, has urged President Boris Yeltsin to reject the measure, which would deprive religious groups that have been registered in Russia for less than 15 years the ability to own or rent property, hold public worship or do charitable work.

In a letter sent this week to Yeltsin, the Va'ad said the bill fundamentally conflicts with the principles of an open society.

The bill, overwhelmingly approved by Parliament earlier this month, has been sharply criticized by Russian and international human rights activists as discriminatory.

The U.S. Senate voted last week to cut foreign aid to Russia if Yeltsin signs the bill into law.

Yeltsin has until the end of next week to decide whether to veto or sign it.

Diederik Lohman, director of the Moscow office of Human Rights Watch/Helsinki, said there is "a lot of pressure on Yeltsin to veto the bill," though it enjoys wide public support. The Russian Orthodox Church lobbied for the bill.

Roman Spektor, the acting president of the Va'ad, said that the bill is "especially dangerous" to adherents of Reform Judaism and other streams of Judaism that have come to Russia in recent years.

Belarus follows suit

In Belarus, similar legislation may be introduced that would give privileged status to the four "traditional" faiths of the country — Orthodox Christianity, Roman Catholicism, Judaism and Islam.

Other religions would be divided into two categories: "non-traditional" faiths, which would be allowed to function under restrictions reminiscent of those of the Soviet era; and "destructive" faiths, which would be banned outright, according to the Keston Institute of Oxford, England, which monitors religious freedom in former Communist states.

The proposal, which is believed to be sponsored by the Belarussian Orthodox Church, has been sent to the Belarus Parliament.

Similar to the proposed Russian legislation, the Belarussian measure is supposedly aimed at cults and sects that have become active in the former Soviet Union during the past few years.

But human rights organizations believe that the laws would have dangerous ramifications for many religions, including Judaism. There are about 100,000 Jews out of a total population of 10.2 million in Belarus.

Meanwhile, Armenian President Levon Ter-Petrosyan has refused to sign amendments to a religion law and sent it back to the National Assembly for further consideration.

The bill would have introduced serious restrictions on religious organizations except for the Armenian Apostolic Church, to which over 90 percent of Armenians belong.

Earlier, Armenia's Parliament overwhelmingly approved the measure. It is unclear how the proposed law would affect the status of Armenia's 500 Jews, who comprise the smallest Jewish community in the former Soviet republics. □

Education guidelines: Keep classes free of religious symbols

By Daniel Kurtzman

WASHINGTON (JTA) — Parochial school classrooms should be free of religious symbols when public school teachers are providing remedial instruction, according to the U.S. Department of Education.

The recommendation is part of a new set of guidelines released this week in response to a Supreme Court ruling allowing public school teachers to offer special needs instruction at religiously affiliated private schools.

In a 5-4 decision last month, *Agostini vs. Felton*, the justices overturned a 1985 high court ruling barring such visits.

The court's action is expected to provide better access to federally supported remedial aid for thousands of low-income Jewish students attending parochial schools across the country.

The new guidelines, many of which were in place prior to 1985, are intended to ensure that remedial instruction programs in parochial schools remain completely secular.

They state, among other things, that teachers should not take part in team-teaching with parochial school employees and that they should not become involved in the religious activities of the school.

The American Jewish Congress, which had earlier requested such guidelines to protect against church-state entanglement, said it was satisfied with the Education Department's move.

"Now it just remains to be seen whether the schools will follow this guidance," said Marc Stern, co-director of the AJCongress' legal department.

He noted that the Department of Education's guidelines are not binding. □

Swiss banks set to disclose names of unclaimed accounts

By Fredy Rom

ZURICH (JTA) — The Swiss Bankers Association is set to announce this week the names of 775 people who opened Swiss bank accounts during World War II that have remained unclaimed.

The names of the 775 holders of dormant accounts are expected to be published Wednesday in newspapers around the world, including publications in the United States, Israel and Australia.

The names will also be made available Wednesday on the Internet.

Swiss banks will cover the cost of placing the advertisements, which are expected to total several million dollars.

The names of an additional 20,000 holders of dormant accounts, all of whom are Swiss nationals, will be published by Oct. 20, according to a spokesman for the Volcker Commission.

The Volcker Commission, as the Independent Commission of Eminent Persons is informally known, was created by the World Jewish Restitution Organization and the Swiss Bankers Association in May 1996 to investigate the dormant accounts.

The Volcker panel, which also studied how the Swiss banks handled inquiries from potential heirs of the dormant accounts, has agreed with the banks' critics and created a new system to resolve claims.

As a result, Hanspeter Hani, the ombudsman appointed by the Swiss Bankers Association to handle claims against the dormant accounts, will be replaced as of

July 23 by the international auditing firm ATAG Ernst & Young in Basel, Switzerland.

At that time, the auditing firm will have sole responsibility for handling such claims.

The company is scheduled to set up offices in countries such as the United States and Israel to assist claimants.

Claims must be submitted within 6 months of the publication date of the names of account holders.

If claimants are rejected, they will be referred to an international appeal panel to be appointed by the Volcker Commission.

There will be no charge for processing the claim forms, copies of which will be available in Hebrew. □

Australian will receive \$150,000 to settle Swiss account claim

By Jeremy Jones

SYDNEY (JTA) — After a hard-fought battle to claim the dormant bank account of his late grandfather, an Australian Jew has won a settlement estimated at more than \$150,000 from the Union Bank of Switzerland.

News of the settlement came as the Swiss Bankers Association readied to release this week a list of 775 people who opened Swiss bank accounts during World War II that have remained unclaimed.

Whether the settlement announced here would set a precedent for others who have claims against Swiss banks was unclear, but a senior World Jewish Congress official in New York called the reported amount of the settlement "significant."

Stephen Baruch, a Sydney accountant, had been working for more than 30 years with his family to regain the money held in his grandfather's dormant account.

Salem Budzyner had placed the money in a secret account before fleeing the Nazis in 1938.

Budzyner, a Polish mill owner, later died in Trieste, Italy.

The family has held on to the bank account number and other details of the deposit since the end of World War II.

The successful claim against the UBS was filed for Baruch by lawyer Henry Burstyner, who met Baruch after placing an advertisement in 1995 in the local Jewish press offering his services to readers who had reason to believe family assets deposited during the war years were still held by Swiss banks.

According to Burstyner, most of the letters he received were general and seemed to offer little hope that a successful claim could be made.

But the documentation held by Baruch encouraged Burstyner to believe that this was a case worth pursuing.

Burstyner discovered that the UBS had a statement indicating that Budzyner had made a deposit of some \$460 in 1938.

Based on what that money would be worth today and calculating interest due, Burstyner responded by lodging a claim for \$600,000.

A confidentiality agreement prohibits Baruch or his lawyer from divulging details of the settlement.

But local news reports indicate that Baruch has received more than \$150,000, which he says he will use to try to move his grandfather's remains from Trieste to Israel.

The Swiss ambassador to Australia told the Australian newspaper that he was "comforted by the fact that there has been some positive attitude on the side of the Swiss banks on this particular case."

"I hope the family feels they have now found justice," the ambassador added. □

'The Lost Museum' aids efforts to recover art taken by the Nazis

By Lee Yanowitch

PARIS (JTA) — Francis Warin is a man with a purpose.

Warin, the grand-nephew of the Jewish art collector Alphonse Kann, has devoted his life to tracing dozens of works of art the Nazis stole from his grand-uncle's villa in a posh Parisian suburb just three months after they overran France.

"The entire collection of Alphonse Kann was looted in October 1940. Apparently, the Nazis had a very good informer because they knew exactly where to go and it didn't take them long to achieve their goal," Warin said.

Earlier this month, Warin's efforts finally began to bear fruit. Acting on behalf of Kann's heirs, Warin recently recovered a painting by the French Cubist Albert Gleizes from the Pompidou Center's National Museum of Modern Art.

Kann's collection of several hundred works, which included Impressionist pieces and an important series of Cubist works, was just one of several valuable art collections the Nazis looted from Jewish homes and galleries.

After the war, some 61,000 works were returned to France from Germany, and 44,000 were quickly returned to their rightful owners.

Following an auction by the French state of some 13,000 works of lesser quality, the remaining works — known as MNRs — were temporarily entrusted to France's state museums.

"Alphonse Kann's archives and inventories were stolen with the paintings. So when the collections were returned to France in 1945, we had no idea how much there was," said Warin. "He was very ill and couldn't take care of things or even tell us precisely what he had lost."

Kann died in 1948 at the age of 78.

'We had to wait 50 years'

Warin first realized three years ago that the Gleizes, a 1911 oil entitled "Landscape," and a more valuable work by Picasso, "Woman's Head," were in the Pompidou after he read "The Lost Museum," a book by the journalist Hector Feliciano that traces the fate of art works the Nazis stole in France.

The book explores how the Nazis confiscated "degenerate" art — Impressionists, Cubists and other modern works — and then traded them with collaborationist dealers for works they valued, such as the Dutch and Flemish Old Masters.

"I was stupefied to learn that so many people were involved," said Warin. "It woke me up with a jolt."

"We had to wait 50 years and the release of Feliciano's book to know that many works were drifting about, without our having been able to recover them," he added.

Feliciano found the Gleizes painting listed on documents of the Nazi's government branch that supervised the confiscation of art works in France.

The Nazis kept meticulous records of the paintings they stole, including precise descriptions of the works and the names of their original owners.

In 1953, these documents were stored in the French Foreign Ministry, which made no effort to contact the owners of the artworks.

But once Warin knew the whereabouts of at least two of the paintings that had belonged to his grand-uncle, he obtained the Foreign Ministry documents.

After months spent researching and compiling evidence, he asked the French state to return the paintings that belonged to Kann.

"Museums never like to give up what is within their walls," Warin said.

"It was a real struggle. There was a moment when the museum tried to prove that the Gleizes had been informally donated," he said.

Warin is not alone in questioning the French museums' goodwill.

In a report leaked to the press last January, France's powerful state-spending watchdog accused the national museum network of failing in its legal obligation to try to return the works still in its possession.

In the wake of the report, the museum network, seeking to dispel charges they were harboring stolen works, put some 900 MNRs on exhibit in five state museums, including the Louvre and the Pompidou.

But at the same time, museum network officials insisted that an overwhelming majority of the works were not taken from Jewish collectors, but had been "openly and publicly" sold on the wartime Paris art market.

It is widely believed, however, that many were looted from Jewish-owned collections or sold for below their value by Jews in desperate straits.

Feliciano says the French museums are faced with dozens of claims for art that disappeared during the war, and the Gleizes is a first step in proving they have been negligent.

"It is the first MNR painting to be given back. It's a vindication because they weren't doing their job," he said in an interview. "You cannot find this out unless you look hard."

For now, Warin and his relatives have put the Gleizes painting in a safe place — they hope to recover the Picasso this fall.

He is actively pursuing other works he believes are in the United States. "Of course, we are very happy to have recovered it. But what is important is that it is the first step in righting a wrong that has gone on for so long," Warin said. □

Victim of right-wing attack decries pace of investigation

By Deidre Berger

FRANKFURT (JTA) — German novelist Gunter Grass has accused prosecutors in the northern German city of Lubeck of deliberately obstructing their investigation of a recent series of right-wing extremist attacks.

Several weeks ago, the walls of Grass's Lubeck office were smeared with swastikas.

But Grass later said that police did not develop pictures they took of the attack on his office for more than a week. In addition, Grass said the investigating prosecutor showed no serious intent to investigate the crime, which the prosecutor called a "stupid boyish prank."

Three churches in Lubeck have recently been the targets of arson attacks.

The attacks appear to be in retaliation for the policies of several pastors who had offered church asylum to refugees threatened with deportation.

Grass, the author of "The Tin Drum" and other works, criticized the German government's strict immigration policies, calling the arson attacks a sign of a "devilish interplay between government policies and right-wing youths." Government officials rejected Grass' claim.

Lubeck has previously been in the headlines because of incidents that police suspect were carried out by right-wing extremists.

In 1994 and 1995, the local synagogue was firebombed. Thousands of city residents turned out for spontaneous demonstrations after those attacks to protest right-wing extremism. □