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Administration Welcomes 'Encouraging' Sign

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Amid increasing signs of significant changes inside Iran and hints of secret diplomacy, the Bush administration yesterday welcomed "encouraging" signals from Tehran on the fate of the American hostages.

In Tehran, President Ali Akbar Hashemi Rafsanjani told journalists that Iran wanted to solve the hostage problem. "My feeling is that the issue of the hostages is moving towards a solution," he said at a news conference after the return of Mahmoud Hashemi, his brother, from visits to Syria and Lebanon where he met with officials and Shiite Moslem leaders.

U.S. government and outside experts on

Iran said that Rafsanjani, after several months in office marked by a power struggle with extremists who oppose his plans to improve relations with the West, is now consolidating his control. That consolidation, they said, was the most positive sign that five years of Western efforts to free 18 hostages might reach fruition.

Officials yesterday cited as a significant sign the arrival of a special mission from the World Bank in Tehran to review an Iranian request for economic assistance. The negotiations followed a two-month battle in the Iranian parliament, which approved a Rafsanjani plan to borrow about \$27 billion from foreign countries despite initial opposition from hard-liners. The money would finance an ambitious five-year project to

rebuild Iran's economy and infrastructure, devastated by the war with Iraq.

White House press secretary Marlin Fitzwater said the administration was "encouraged by the comments" of Rafsanjani. The remarks, Fitzwater added, "are certainly more hopeful than we have heard in the more distant past."

A senior administration official described the attitude of officials at the White House as "one of we wait and sit and read tea leaves and read cables and feel optimistic, but many of us have been through this before. We are more optimistic, yes, but there is no sign of imminent release" of the hostages. Another senior official said: "We think nothing is going to happen immediately. But I think only three people know what

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really is happening—the president, [Secretary of State James A.] Baker and [national security adviser] Brent Scowcroft."

Gary Sick, who handled Iranian matters on President Jimmy Carter's National Security Council staff and now observes Iran from Columbia University, said yesterday: "I am as optimistic as I have ever been. I think this is it. I really do . . . I see this [release of the hostages] as the next step. He [Rafsanjani] needs it and he is doing this not because he cares about the hostages but simply to reinforce his position domestically."

Sick interpreted Rafsanjani's decision to publicly predict a solution to the hostage crisis as a sign of his growing control of the government. But like several administration of-

officials, Sick cautioned, "Things can always go wrong, especially in Lebanon."

In Lebanon yesterday, a group calling itself the Revolutionary Justice Organization said it had no intention of releasing two American hostages it has been holding. They are Joseph Cicippio of Pennsylvania and Edward Austin Tracy of Vermont, an author. There are six other American hostages among the 18 from the West.

The new optimism was triggered by a series of editorials in Iran's Tehran Times over the past 10 days calling for the first time for an "unconditional" release of foreign captives held by pro-Iranian groups in Lebanon.

In addition to the editorials, a senior Hezbollah official, Hussein Mussawi, has ex-

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pressed hope for an early release of the hostages, according to the official Iranian news agency. In the past, Mussawi spoke out strongly against concessions to the West and unconditional release of the hostages. Hezbollah's spiritual guide, Sheik Mohammed Hussein Fadlallah, last week voiced optimism and called for an end to the hostage crisis in his Friday sermon.

Two Iranian government envoys went to Damascus and Beirut in an unannounced visit two days ago to consult with Syrian officials and Shiite clerics. Sources in Beirut said Mahmoud Hashemi, director of the Middle East department at the Iranian Foreign Ministry, and Mahmoud Akhtari, Iran's ambassador to Syria, traveled to Beirut from Syria.

Sources in Washington said Syrian Foreign Minister Farouk Charaa was planning to visit the Iranian capital in the next two days.

The mission from the World Bank is the second to Tehran in the past three months. The bank had cut off loans to Iran after the 1979 explosion in oil prices raised Iran's income beyond the ceiling for bank assistance. The move coincided with the seizure of U.S. hostages.

Iran, again eligible for assistance, requested it in September, prompting the visits by the World Bank teams. While the United States has no direct control over World Bank loans, its voting rights and pressure on allies could thwart an Iranian effort to obtain the credits. A White House official said the United States would oppose such funding,