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ROMANIA:	Situation Report	
Struggling To Form a Government	Ion Iliescu, former Foreign Minister Corneliu Manescu, and prominent dissident Doina Cornea have joined in a provisional government called the National Salvation Front. They have issued a sweeping program that calls for a free election in April and continued participation in the Warsaw Pact. Scattered resistance by Ceausescu supporters continues in Bucharest and elsewhere. Comment: Longtime Western-oriented opponents of President Ceausescu, backed by top military personnel, appear to be rapidly filling the power vacuum. The new leaders are already demonstrating their ability to pull together quickly a comprehensive program under extreme pressure. Their ability to complete the agenda depends on maintaining unity.	
Ceausescu's Fate	Unconfirmed Romanian press reports ind and presumably his wife were arrested in attempting to flee the country. His son Ni day and paraded on Romanian television rally security forces in Sibiu and to take he the new government has deputize pro-Ceausescu agitators; security forces are popular vengeance. Comment: The Ceausescu family and polithe first targets for popular retribution. Al calling for due process, the potential for in executions is high.	Tirgoviste yesterday while cu was captured later in the after allegedly trying to ostages. The content to arrest the already the target of the content to be though the government is
Soviet Response	The Congress of People's Deputies yesterd Gorbachev's proposal declaring support for a desire for continued close relations. A For said Moscow hopes there will be a peaceful possible and expressed concern about instruction and expressed concern about instruction and	r the Romanian people and oreign Ministry spokesman all resolution as soon as ability. The Soviets ence to the Romanian is session of the Congress oldavian concern about the of the Moldavian Popular cracy in Romania.
	Romanian television and radiobroadcasts; following events there closely. The Moldav	they undoubtedly are vian Republic consists of continued
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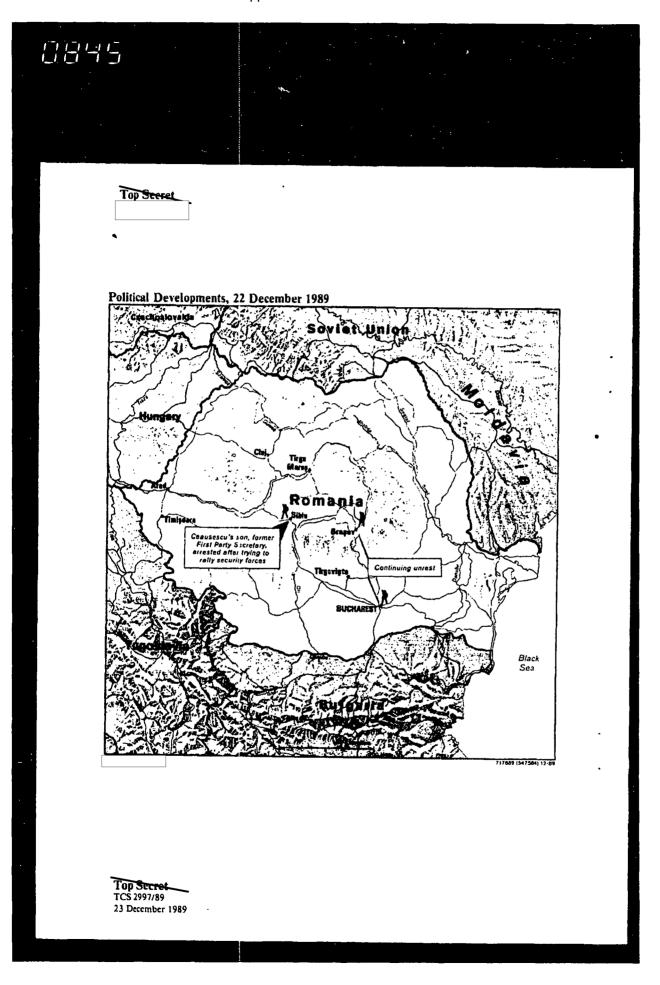
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	the Soviet Moldavian ASSR, established in 1924, and Bessarabia, annexed by the USSR from northeastern Romania in 1940 under the Molotov-Ribbentrop Pact. Soviet leaders fear, probably correctly, that a more liberal regime in Romania will fuel Moldavian nationalism and induce nationalists to seek reunification with Romania.	
Other Foreign Reactions	East European governments unanimously welcomed Ceausescu's overthrow and expressed hope it would lead to the democratic renewal of Romania. Hungary, Yugoslavia, and Bulgaria expressed optimism that their currently strained relations with Bucharest will improve.	
	Comment: Ceausescu's fall will probably bring about an immediate decrease in the tension between Hungary and Romania. Any long-term improvement in ties, however, requires pledges from the new Romanian regime that it is prepared to protect the cultural rights of Hungarians living in Transylvania. Romania's neighbors almost certainly are concerned that the collapse of authority may unleash a wave of refugees.	
Foreign Aid Needs	One of the new government's priorities probably will be to improve economic and political relations with its neighbors and the West. Hungary has already shipped some humanitarian assistance, probably medical aid to Timisoara, and Bulgaria is discussing measures for providing aid, including food.	
	Comment: Initially, the new government is likely to call for immediate shipments of food and other humanitarian aid to relieve domestic shortages. Over the longer term, the government probably will use Ceausescu's ouster to seek trade concessions and broader financial and technical assistance.	
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