

European Leaders Hold Berlusconi Accountable on Italian Financial Situation (TS//SI//NF)

(TS//SI//NF) A 22 October meeting attended by German Chancellor Angela Merkel, French President Nicolas Sarkozy, and Italian Prime Minister (PM) Silvio Berlusconi was later described by the Italian's personal adviser on international relations, Valentino Valentini, as tense and very harsh toward the Rome government. Merkel and Sarkozy, evidently brooking no excuses with respect to Italy's current predicament, pressured the PM to announce strong, concrete palliatives and then to implement them in order to show that his government is serious about its debt problem. Sarkozy was said to have told Berlusconi that while the latter's claims about the solidity of the Italian banking system may be true in theory, financial institutions there could soon "pop" like the cork in a champagne bottle, that "words are no longer enough," and that Berlusconi must now "make decisions." Also on the 24th, Valentini indicated that EU Council President Herman Van Rompuy had urged Italy to undertake policies aimed at reducing the impression within the EU that the country is weighed down with an enormous debt at a moment in time when it also is struggling with low productivity and showing little dynamism. In Van Rompuy's opinion, Spain is the model that Italy should now be seeking to emulate.

Unconventional

Italian leadership

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