

RELEASE IN PART
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From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Sunday, November 13, 2011 12:23 AM
To: H
Subject: Fw: Italy

Fyi

----- Original Message -----

From: Hormats, Robert D
Sent: Saturday, November 12, 2011 11:42 PM
To: Sullivan, Jacob J
Subject: Italy

As I indicated in our Thursday am briefing of S, much to her skepticism I am sure, italy seems to be improving -- although serious risks remain.

Below is Amb Thorne's latest reporting:

After Wednesday Italy moved, Berlusconi offered resignation, Napolitano accelerated approval of austerity measures and formation of new govt. Formal resignation and appointment of Mario Monti due Sunday night. Lot of political bickering going on but general direction fixed. Cast of new characters may change. [REDACTED]

[REDACTED] Merkle and Sarkosy have also chimed in. Spreads down off the peak but still very high. Italy knows what it has to do.

David

I hope Thorne is right -- that italy knows what it has to do. We shall see if Monte can get along with the fractious politicians and can keep the public with him. He is very smart -- but his political and motivational skills will be tested.

Bob

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