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C O N F I D E N T I A L SECTION 01 OF 02 ROME 000128

SIPDIS

NOFORN

FROM THE AMBASSADOR TO THE SECRETARY

E.O. 12958: DECL: 02/10/2019

TAGS: PREL PGOV NATO IT

SUBJECT: FINAL THOUGHTS ON THE U.S.-ITALY RELATIONSHIP:

WHAT WE CAN ASK FROM...

Classified By: Ronald P. Spogli, Ambassador, for reasons 1.4 (b) and (d).

 $\underline{\mathbb{I}}$ 1. (C/NF) Madame Secretary, as I depart Rome after three and a half years, permit me the privilege of passing on my thoughts to you on the state of U.S. - Italian relations. Throughout the post-war period, in particular since the end of the Cold War, Italy has been a staunch, reliable, and

serious partner to the U.S. on the international issues that matter most to us. When all is said and done, Italy has come through every time, providing substantive contributions to our shared tasks operationally and politically, although we have not always given the GOI the level of recognition offered to other important allies. Given the strategic tasks ahead and the asks we will shortly make of Italy on issues ranging from Afghanistan to the shutdown of Guantanamo, it would be worth expending a little capital up front to smooth the way.

- $\P2.$ (C/NF) Italy is one of the pillars of our relationship with Europe and is indispensable to any effort to harness European resources to address our common global concerns. As a member of NATO, the European Union, and the G8, Italy has participated in the heavy-lifting of international efforts to defeat the Taliban and establish a democratically-based government in Afghanistan, to end the bloodshed and bring stability to the Balkans, to protect Israel from the effects of extremist attacks and provide stability to Lebanon, and to help Iraq recover from years of repression by assisting in the economic and political development of the country, in particular in the development of its security sector. Italy provides a unique geostrategic platform within Europe for U.S. forces, allowing us to reach easily into troubled areas throughout the Middle East, Africa and Europe. And because of that advantage, Italy is home to the most comprehensive set of military capabilities - from the 173rd Airborne to cutting edge Global Hawks - that we have anywhere outside the United States. Most importantly, Italy has shown a willingness, and even an eagerness, to partner with the U.S. in addressing many of the most pressing global challenges of our age.
- $\underline{\mathbb{I}}$ 3. (C/NF) This is not to say that Italy is always an ideal partner for U.S. efforts. Italy's slow but real economic decline threatens its ability to play in the international

arena. Its leadership frequently lacks strategic vision - a characteristic developed through decades of unstable and short-lived coalition governments. Italy's institutions are not as well- or as properly-developed as one would expect for a modern European country. Italian leaders' unwillingness and inability to address many of the chronic problems that plague their society - an non-competitive economic system, decaying infrastructure, rising debt, and endemic corruption - have caused concern among Italy's partners and given the impression of feckless and inefficient governance. PM Silvio Berlusconi has inadvertently come to symbolize this image. His frequent verbal gaffes and poor choice of words have offended nearly every demographic in Italy and many EU leaders. His perceived willingness to put personal interests above those of the state, his preference for short-term solutions over long-term investment, and his frequent use of public institutions and resources to gain electoral advantage over his political adversaries has harmed Italy's reputation in Europe and has provided an unfortunately comic tone to Italy's reputation in many quarters of the U.S. government.

 $\P4.$ (C/NF) That said, on foreign policy, Italy has made many efforts - some serious and some not - to maintain a position of global relevance and influence. Italy often has not allocated sufficient military, economic, or diplomatic resources to lead, or often even to participate, in many of the international community's challenges, but when asked by us, has come through and supported our leadership, whether in Iraq, Afghanistan, or the Middle East. While stagnant growth has produced budgetary pressures, much more worrisome is the GOI's unwillingness to make smart choices in support of alliance requirements. Frequently, Italy has tried to compensate for its lack of resource allocation by proposing to be the world's great mediator - a self-appointed role which politicians (particularly Berlusconi) believe can confer great visibility with virtually no expense. With no outside coordination, Italian leaders have tried to mediate

the West's relationship with Russia, engage with Hamas and Hizballah, establish new channels of negotiation with Iran, and expand the G8's agenda and mandate beyond recognition.

 $\P5.$ (C/NF) The combination of Italy's economic decline and political idiosyncrasies have caused many European leaders to denigrate the contributions of Berlusconi and Italy. We should not. We should recognize that a long-term engagement with Italy and its leaders will provide us important strategic dividends now and in the future. Italy's influence in the Balkans will help us consolidate gains painstakingly made over the last two decades. Italian troops will continue to play an important role in peacekeeping operations in Lebanon and Afghanistan. With the establishment of AFRICOM, Italy has become an even more significant partner in our power projection calculations. As we look to the future, we must recognize that Italy's buy-in will be crucial to any common U.S.-EU energy security policy to counter Putin's increasingly blatant and aggressive use of energy as a tool for increasing Russia's influence (a Kremlin strategy that Italy's energy players have been supporting, unfortunately). Italian economic pressure, if we make a serious push, could be critical in sending a clear and powerful message to Tehran as we look to resolve the nuclear issue, and Italy's voice will be important as the EU and NATO look to forge stable, prosperous and democratic nations out of aspirant countries. Already, they are preparing for what they believe will be among the first U.S. requests - resettlement of Guantanamo detainees and making a broader and deeper effort in Afghanistan.

 $\underline{\P}6$. (C/NF) PM Berlusconi regularly stresses the significance of Italo-American ties. While he is not as attuned to our political rhythms as he is wont to believe, he is genuinely and deeply devoted to the relationship with the U.S. His re-entry into national politics last spring brought about almost overnight a palpable improvement in our ability to get

things done on an operational level. FM Frattini is a serious and experienced statesman. As Berlusconi becomes increasingly absorbed in domestic (i.e., economic) challenges confronting Italy, Frattini is increasingly charting the course of Italian foreign policy. Both are eager to engage with you and seek direction on many of the world's immediate problems. Behind them you will find a cadre of politicians and government officials who see coordination and contact with U.S. leaders and officials as fundamental to forging Italy's policy path in the world, and even within the EU. To the degree you and your closest advisors maintain close contact and coordination with Italian leaders, I am convinced you will reap great dividends. To the degree you find ways to include Italy in the group of nations that we work with most closely on key issues - in particular in the Middle East, Iran, and Afghanistan - I am convinced that you and the President will find myriad ways to harness Italy's great potential in support of U.S. strategic goals. Most importantly, I would say, from a vantage point of having come to know Italy and its people over the course of some forty years, that it is well worth looking beyond the occasional misfires or missteps by Italian officials to recognize a close ally and a true friend, ready and indeed eager to renew a relationship of close collaboration.

 $\underline{\P}7$. (C/NF) It has been an enormous privilege to serve the American people and government here. I wish you and the President the best of luck and success in working with this great ally.

SPOGLI