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May 10, 2012

For: Hillary
From: Sid
Re: Hollande's plans

Bill Drozdiak met in Berlin last night with Christof Heusgen, Merkel's national security adviser, and learned the following information:

Immediately after the ceremony taking the oath of office, that very day, Hollande will dramatically fly to Berlin to meet with Merkel.

Jean-Pierre Ayrault, the Socialist Party leader in the National Assembly, from the same area of Normandy, where Hollande was raised, will be named the new prime minister, possibly tomorrow, May 11, or when Fillon resigns, if not that day. Ayrault is a former professor of German and will be a key interlocutor with the Germans.

Merkel will not renegotiate the fiscal compact, but with Hollande will agree to new programs financed through the European Investment Bank in Luxemburg for infrastructure building throughout Europe, in effect an annex to the original compact aimed at economic growth. Note that the Bundesbank yesterday raised the level of acceptable inflation, another gesture to growth. Merkel and Hollande may also fly together to Washington for the G-8 summit to demonstrate new European unity.