

CONFIDENTIAL

October 21, 1975

MEMORANDUM FOR R.G. ROBERTSON

From: Mary Macdonald

Re: Your memorandum to the Prime Minister,
October 10, 1975:
"Reactions from Quebec to our latest
drafts for the proclamation on the
constitution"

The Prime Minister has made the following remarks:

Page 1, (a)

"Not raised by Bourassa but I agree."

Page 2, (b)

"Not raised by Bourassa. As a last concession I could go along. But I would hold out till the end. It is obvious that as months go by, B.'s package grows even bigger. I told him firmly that had to stop."

Page 3, (c) - first paragraph and (1)

"This was raised by Bourassa. I gave him the same answer as you."

Page 3, (2) and (3)

"But on this he had thought about it and said he would accept that the fiscal equivalent be paid to the taxpayers. This would leave the Province free to tax it away - something the equivalent of a tax point. (I don't know if he thought of the redistributive effect).

At any rate, I made it clear it could not be part of the package. But said that once the constitution had been repatriated, we would be prepared to discuss this and the other subjects which had been part of our proposals during the constitutional debate."

Page 4, first paragraph

"He did, and said the whole thing could take "quelques mois". But such is obviously not the case."

Page 5, final comments

"Bourassa phoned me around October 16th before leaving for Iran. He referred to the talks between Chouinard and you, and said things appeared to be going well. He hoped progress would be made while he was away, but felt that Chouinard being busy in the Courts, you would be getting a call from Cloutier or Arthur Tremblay. - I don't know if in this he is preparing to give us the run around, but I told him I did not appreciate his constantly escalating demands. That soon I would be tempted to move unilaterally. He said he understood this and had said so to his ministers. The latter did not have time to make up their mind on the package. - I think the time has come to be a bit tougher. Otherwise B. will drag us on forever."

1 Shelley Zuck.
ca M.E.M.