

*Oral Questions***HAMILTON HARBOUR COMMISSION**

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is directed to the Minister of Transport and it concerns the continuing conflict of interest by the resigned Hamilton Harbour Commissioner, Peter Lush.

The legal opinion of a Toronto law firm, commissioned by the Minister of Transport, confirms that Hamilton Harbour Commission Chairman Peter Lush was in a continuing conflict of interest from day one.

How could the minister, a lawyer and the former Attorney General of Canada, have stood in his place and repeatedly denied the obvious? Will the minister admit that by ignoring the facts he was, in fact, part of the problem?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, when the allegations were first brought to my attention last March, we dealt with the situation to the satisfaction of all involved, including my hon. friend who first raised the matter.

When further allegations were brought to my attention, I engaged a lawyer from a reputable Toronto firm who rendered a decision which indicated that, in his opinion, there was a breach of conflict of interest.

I am in the process of writing to all the Crown agencies which have conflict of interest guidelines to apprise them of the report by the lawyer whom we commissioned.

Mr. Lush has resigned from the commission. The report has been made available to the RCMP and an investigation is ongoing. We consider the matter closed.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, in fact, what the minister said in a most recent exchange with me was, and I quote: "I looked into the allegations of last March", when I raised the issue nine months ago, "and found them to be untrue". Then he says he will look into this one, and I will bet the same answer stands. And yet, by the transport minister's own hand commissioning a law firm in Toronto to look into this—

An hon. member: A Tory firm.

Mr. Keyes: —the breach is there.

My supplementary is to the Deputy Prime Minister. Peter Lush has said that he would not have become a harbour commissioner if it meant giving up his listings, but the government made the appointment anyway. Since 1987, Mr. Lush has received over half a million dollars in commission fees while in a continuing conflict of interest. Will the Deputy Prime Minister seek to reclaim those moneys and then dismiss his Minister of Transport?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the report has been made available to the Hamilton Harbour Commission. Any further action of a civil nature would be up to the commission. I am sure that they will review this matter with their counsel.

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GOODS AND SERVICES TAX

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance. This government claims that the GST is going to help manufacturing companies in this country. Yet manufacturers which process and re-export U.S. goods, like Dart Machinery and ARD Industries which told me last week that on the contrary, the GST will hurt them badly. Why has the government forced these firms to pay GST when at this stage they do not pay the manufacturers' sales tax? Does the minister not realize that there is going to be serious damage to them in their competition with U.S. counterparts as a result?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it really does surprise me that the hon. member would ask this type of question. He is a member of the finance committee. He has participated in the studies of the GST. I am sure he knows that the GST will lower the cost of capital for all manufacturing companies, and for those manufacturing companies they are selling to.

I should also point out to him that there is indirect federal tax that these companies do not get credit for that they will get a credit for under the GST. This will result in substantial savings for them, a reduction in their cost of doing business and an improvement of their competitive position internationally.