

Politics : A Scandal Rocks Canada : One man's crusade against alleged corruption has the already troubled Mulroney government squirming.

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AUG. 2, 1991 12 AM

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TORONTO — Canadian Prime Minister Brian Mulroney has managed to survive a 16% popularity rating, a grueling recession, the rebirth of Quebec separatism and widespread calls for his resignation. But now, Canadians are wondering whether he can weather a weird but powerful attack by a lone, obsessed and bankrupt businessman.

Glen Kealey, 49, has put together a case against 13 senior members and former members of Mulroney's Progressive Conservative government and three top law enforcement officials, charging that they conspired to take kickbacks or to cover up a system of kickbacks in the government.

Under Canadian law, it is exceedingly difficult for private citizens to file criminal charges, but the dogged Kealey accomplished the feat earlier this summer.

Since then, he says his phone has been ringing off the hook with messages of support--and pledges of financial aid--from well-wishers.

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The specifics of what the Tory officials are supposed to have done have not yet been made clear--not even by Kealey himself. The Mulroney government has declined to comment.

The case is now working its way through the office of the Ontario attorney general, which is due to decide this fall whether to drop the matter, to ask for further investigation or to prosecute.

If the decision is to prosecute, the effect on the beleaguered Mulroney government would be incalculable. But even if the case fizzles, it has roused interest both because of the severity of the charges and because of the high level of the officials involved.

Among those named are Mulroney's former principal secretary, his sports minister and former solicitor general and the head of the Royal Canadian Mounted Police. There are also a senator, a former senator and the Speaker of the Senate; various former Cabinet ministers and ministerial aides; a former provincial premier, and a Quebec businessman.

The case is also attracting attention because up until the mid-1980s, Kealey himself was a loyal Progressive Conservative.

At that time, Kealey ran a successful advertising-production business. And in 1985, he made plans to get into real estate by developing a \$140-million office complex in Hull, Quebec, just across the river from Ottawa.

Kealey's plans called for convincing the city, the province of Quebec and the federal government to lease space in the building. The city and province agreed, but the federal government hedged.

Then came a fateful morning in July, 1986, when Kealey had breakfast with the then-federal Public Works minister, Roch LaSalle. Kealey says LaSalle told him that if he wanted to get the federal government's commitment to lease space, he would have to kick back 5% of the deal to

LaSalle--starting with a \$4,350 down payment. LaSalle, who has since quit politics, says he made no such demand and calls Kealey's charges "pure foolishness."

But Kealey, whose business subsequently collapsed, says he investigated the situation for months and concluded that LaSalle's behavior was part of an elaborate network of kickbacks among Progressive Conservatives--one that stretched all the way to Mulroney's office.

Kealey persuaded the Royal Canadian Mounted Police, Canada's top police force, to investigate. But the Mounties declared in 1989 that there was insufficient evidence to proceed. Kealey thereupon accused the Mounties of a cover-up.

He also hired his own lawyer to see whether he could bring charges as a private citizen. A justice of the peace ruled in July that there was reason to go ahead with the case.

Now, Kealey will have the satisfaction of seeing his 16 accused officials appear in court on Sept. 16--the same day Parliament is due to reconvene and, coincidentally, the time the hapless Mulroney had chosen to unveil an upbeat new scheme to overhaul the Canadian political system.