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Kealey and supporters in Ottawa; Inkster (below): after three years, a hearing into allegations against some 'big fish'

One citizen's crusade

How to take top Tories—and Mounties—to court

Ever since November, 1988, he has been a fixture on Parliament Hill: a sometimes lonely, often abrasive and undoubtedly quirky protester against the Tory government. Occasionally armed with a stuffed pig—intended to symbolize pork-barrel politics—and bellowing his allegations of corruption within hailing distance of Prime Minister Brian Mulroney's office, former Hull, Que., businessman Glen Kealey has been a daily irritant to the Conservative government. But after a surprise legal ruling last week, Kealey's claims came under new scrutiny, transforming the onetime political pest into a further threat to the credibility of a government that is already vulnerable. After a 17-day private hearing into Kealey's allegations of bribery and kickbacks in the awarding of federal government contracts, Ontario justice of the peace Lynn Coulter authorized him to lay criminal charges in provincial court against 13 prominent Tories and three current or former RCMP officers. "The accused are big fish," declared a jubilant Kealey afterwards, adding: "Now all the evidence is going to be made public."

Big fish, indeed. The Tories charged in Kealey's sweeping indictments with conspiracy to defraud the federal government include

Sports Minister Pierre Cadieux, Senator Michel Cogger, former federal cabinet minister Roch LaSalle and Montreal lawyer Bernard Roy, Mulroney's principal secretary between 1984 and 1988 and a close friend of the Prime Minister's. As well, Kealey accused RCMP Commissioner Norman Inkster of conspiring to hinder or halt his own force's investigations into the alleged misconduct. The accused are scheduled to appear in the Ontario Court of Justice (provincial division) on Sept. 16—coincidentally, the day that Parliament reconvenes. But whatever the outcome in the courts, by rekindling memories of the Conservatives' scandal-struck first term, Kealey's allegations have the potential to cause the beleaguered Mulroney government fresh embarrassment.

Indeed, the scale of the potential damage to the government was quickly underscored on international money markets. In the first 24

hours after Kealey laid his charges, investors dumped Canadian dollars, sending the value of the currency plunging by three-quarters of a cent to 86.36 cents (U.S.). By week's end, the dollar had slid to 86.30 cents (U.S.), despite intervention by the Bank of Canada, which raised its trendsetting lending rate on Thursday, the first increase since March.

The scope of Kealey's charges is wide. He alleges that the Tories he names conspired to defraud the government "by bribery, bid-rigging, kickbacks, deceit, falsehood or other fraudulent means" in connection with federal contracts. The allegations are not the first to focus on Tories from Quebec. In 1988, former Tory cabinet minister Suzanne Blais-Grenier told the RCMP that an organized party network existed in the province to accept kickbacks from government contractors, but she offered no proof.

Still, the RCMP has investigated allegations of corruption against several Quebec Tory MPs since 1984, including former MP Michel Gravel, who pleaded guilty to fraud charges in 1988. Indeed, the RCMP also investigated Kealey's complaint—but could not find sufficient evidence to justify laying charges. That appears to lie behind Kealey's decision to include senior RCMP officers in the net of his own accusations.

Those accusations arise



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from an ambitious construction project that Kealey conceived in the early 1980s. At the time, Kealey was president of Advertising Products House Ltd., a Hull-based graphics and computer equipment company. His plan called for the construction of a \$160-million office building, equipped with sophisticated computer and communications systems designed to attract tenants. In order for the project to be viable, Kealey said, he required the federal government to lease five per cent of the space. But when he approached then-Public Works Minister Roch LaSalle with the proposal at a breakfast meeting in an Ottawa delicatessen in 1986, Kealey alleged that LaSalle demanded \$5,000 cash and further kickbacks amounting to five per cent of the \$160 million.

LaSalle, who retired from politics in 1987, has vigorously denied Kealey's allegations. Said LaSalle last week in an interview from his home in Crabtree, Que.: "Kealey is trying to accuse people of a system of corruption which the police have already studied and refused to proceed with."

In order to lay his own charges, Kealey chose an unusual legal path. Invoking a seldom-used section of the Criminal Code, he took his allegations to Coulter, whose duties include screening applications by private individuals who wish to lay criminal charges. In closed-door proceedings in which the accused

people were neither present nor represented, Coulter heard testimony from more than 10 witnesses, including four RCMP officers, Blais-Grenier and Gravel. Coulter's conclusion: there were reasonable and probable grounds to believe that a crime had been committed. "The test is less than the burden of proof required at a preliminary hearing," acknowledged Richard Bosada, Kealey's lawyer. "But she was saying that the evidence she heard was compellable."

At the least, Coulter's decision ensures that Kealey's allegations will now be subject to renewed official examination. But the Quebec businessman's unusual legal tactic and his own eccentric personality also served to mute their immediate political impact. For their part, opposition politicians were divided over whether Cadieux and Inkster should resign while the accusations against them are under investigation. The federal New Democrats called on both men to step down. But Liberal finance critic Herb Gray said that he saw no need for resignations—"yet."

Deputy Prime Minister Don Mazankowski, noting that the case falls under Ontario's provincial jurisdiction,

said that "we have to await the results of their review and we would be premature to make any decisions at this time." The Ontario attorney general could proceed with the charges, stay proceedings or ask for an independent

police review of the case. For his part, Kealey said that he would pursue the case in court with a private lawyer if the Ontario attorney general does not.

Meanwhile, some of the accused Tories called it strange that Kealey claims that the RCMP would act improperly to protect Quebec MPs. Indeed, several Quebec Tories have complained that the RCMP has used unparalleled zeal in investigating allegations against them. And last month, a special judicial inquiry found that the force employed flawed judgment in the course of an investigation of Cogger, who had complained that the RCMP had tried to entrap him into committing a crime. Cogger said last week that he finds it "a serious twist of the imagination to be a co-defendant with the RCMP, which has pursued me so vigorously for so long."

But Kealey maintained that the alleged conspiracy to protect the Tory network of kickbacks and fraud is widespread. In a news conference called two days after his courtroom victory, he made expansive and unsubstantiated accusations against numerous Tories, government officials and journalists, linking them among other things to "10 suspicious deaths" and secret bank accounts in Liechtenstein.

Still, Kealey has already scored a victory of sorts against the government. For three years, his cries of "resign" and warnings to tourists to "watch your wallets, the Prime Minister is in the building" made him a persistent—but largely ineffective—critic. But with his legal stroke last week, few Tories were laughing. Said Manitoba MP Felix Holtmann: "If any of the charges come to fruition, that would be very damaging." For the moment at least, the once lonely protester was something more than a political joke.

BRUCE WALLACE with
GLEN ALLEN in Ottawa



Cadieux: no dismissals or resignations—for now

THE POWER OF A JP

When Ottawa justice of the peace Lynn Coulter approved the laying of charges last week against 13 prominent Conservatives and three current and former senior RCMP officers, her action brought a new prominence to a JP's role in the administration of justice. The powers that the provincially appointed court officers wield, which differ from province to province, can be considerably broader than their more familiar functions of performing marriages or levying traffic fines. In Ontario, 560 JPs—many of whom are full-time officials, while others have part-time duties and work at other jobs—hold hearings on matters involving provincial statutes and have the power to fine and jail offenders, set bail conditions and issue search warrants. And, as in the Glen Kealey case, they can decide whether

charges sworn by individuals, or police, may proceed to trial. Indeed, the Kealey case has a well-known precedent: a JP approved charges pressed by a private citizen against Ernst Zundel, an Ontario graphic artist who claimed that the Holocaust was a hoax, resulting in Zundel's 1985 conviction for promoting hatred. That conviction is now under appeal.

Across the country, justices of the peace exercise widely varying powers. For example, Nova Scotia's 350 JPs, all of whom are part-time appointees, are limited to remanding cases—processing charges for the future attention of magistrates or judges. But all JPs are nominated by a province's attorney general and appointed by cabinet. In Ontario, according to Senior Judge Gerald Lapkin, who is also supervisor of the province's JPs, there are "no formal criteria" for the office, but each JP must be assessed and certified by a judge before taking office—and then receive training afterwards. They are chosen from a variety of occupations related to the judicial system—social workers and civilian officials in police

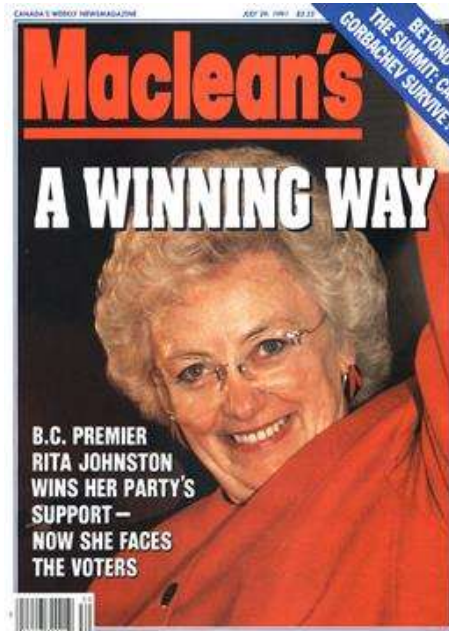
departments are commonly appointed, lawyers less often—and they earn up to \$56,000 a year.

Coulter herself is a former court administrator who was appointed justice of the peace by the Ontario cabinet in 1959. Last year, she became senior regional JP for eastern Ontario—one of eight judicial regions in the province—with responsibility not only for hearing cases, but also for training other JPs. She has also earned high marks from Ottawa's legal community for her knowledge of the law. "I have always been most impressed by her," said Robert Beaudoin, eastern Ontario regional director of courts administration. Indeed, it was Coulter's reputation, as well as the authority of her office, that gave some weight to the charges that Glen Kealey had pressed for three years against influential Canadians—and may have taken them a long step closer to receiving a full judicial hearing.

GLEN ALLEN in Ottawa

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