

# Corruption allegations hurt dollar, could cause social unrest

By LAURIE WATSON

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OTTAWA -- Canada's political corruption crisis came to a head as an Ottawa real estate developer was allowed to bring formal criminal charges against 16 top officials of the ruling Conservative Party and law enforcement agents in an alleged widespread kickback scheme.

Under a little-known law, Glen Kealey Thursday was granted the right to lay the charges Wednesday after presenting evidence to an Ottawa judge of kickbacks, influence peddling and overcharging on government contracts, criminal actions related mainly to the leasing of public buildings.

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He also charged a coverup of the alleged scheme by the Royal Canadian Mounted Police, naming as a defendant the nation's top law enforcement officer.

'This is one for the little guy. This is Canada's Watergate,' Kealey told United Press International in an interview.

The charges, affecting the highest levels of the Canadian government, are likely to further erode the already record low popularity of Conservative

Prime Minister Brian Mulroney, whose nearly seven years in office have been plagued with scandals and resignations.

'My position is that all decisions on contracts are made by the prime minister's office,' Kealey said. 'All contracts are handed over to those who are prepared to pay a bribe.'

Kealey, who was dismissed as a crackpot by some and too honest by others, said he discovered the kickback scheme in 1985 when he was trying to interest the federal government in a proposed high-tech office building.

In a meeting with former public works minister Roch LaSalle, the developer was told to pay a bribe of 5 percent of the federal contract being sought and an immediate downpayment of \$5,000. Kealey refused, and the project collapsed in 1986.

The RCMP refused to take the kickback scheme seriously, even though Kealey passed a polygraph test administered by police. At the same time, other former Cabinet ministers were complaining that kickbacks were rampant.

Among those charged by Kealey were Royal Canadian Mounted Police Commissioner Norman Inkster, Deputy Commissioner Michael Shoemaker, former Deputy Commissioner Henry Jensen, Sports Minister and former Solicitor General, Pierre Cadieux and former cabinet minister Roch LaSalle.

Others named were Mulroney's principal secretary and personal friend, Bernard Roy, Conservative Senator Michel Cogger and former Senator Jean Bazin.

Kealey said the RCMP covered up evidence of kickbacks and bribes by senior Conservative officials and that fraud was widespread throughout the Conservative administration, touching on a wide range of government contracts from leasing of office space to defense procurement.

In the last five years, Kealey has become the country's most visible protester in front of the Parliament Buildings. His favorite battle cry, which eventually drove the government to erect police barricades to protect politicians from Kealey's heckling, was: 'Noriega! Ceausescu! Mulroney! Two down, one to go!'

In early 1990, Kealey went to court and asked a justice of the peace to hear his allegations of corruption. The federal government stalled the case for months, but Justice of the Peace Lynn Coulter finally spent 17 days listening to Kealey and several other witnesses, including former Conservative Cabinet ministers and a special RCMP task force that investigates politicians.

The judge ruled that there was sufficient evidence of corruption to support the criminal charges.

A 10,000-page transcript of the hearing is now being studied by prosecutors for the Ontario government who will decide if there is enough evidence to proceed to trial. The officials are scheduled to appear in court on Sept. 16 to answer Kealey's charges.

Even if the charges are dropped, Kealey said he would pursue legal action against the officials.

In Ottawa, University of Carleton political scientist David Bellamy said the charges could have serious long-term consequences for the social stability of the country, especially if the Royal Canadian Mounted Police lose their credibility.

Bellamy said Canadians have become alienated because they no longer trust the government. 'If you haven't got that bond between society, police, government and the judiciary, you have a serious problem,' he said.

In London, where he was attending the economic summit, Mulroney said, 'I have no comment at all on anything before the courts.'