

The Grand Duchy is a tranquil place. From Place d'Armes, where besuited fund managers and their it-bag-toting wives sip local Bernard-Massard sparkling wine, to the Grund, where Eurocrats' children drink Bofferding beer, an air of moneyed contentment reigns supreme.

Even a political crisis that would have sent other countries into meltdown has been met with stoic, moneyed relaxation.

For months, political pressure has been building due to a series of revelations about the behaviour of the Luxembourg Secret Service, known as Srel. These are nothing to do with the high-tech scandals leaked by Edward Snowden. For much of the last decade, Luxembourg's spies were allegedly embroiled in a series of old-school scandals ranging from

nepotistic appointments to illegal wiretaps, topped off with some dodgy dealings in second-hand secret service cars. They have also indulged in some old-fashioned industrial espionage and financial speculation during trade missions to Iraq, Libya and Cuba.

The lurid details, which could have come straight out of an airport paperback, are explicitly detailed in a report drawn up by a parliamentary commission led by François Bausch, the leader of the Green party. The parliamentarians have called for Luxembourg's Prime Minister, Jean-Claude Juncker, to resign, saying he wasn't in control of the tiny country's misbehaving spooks.

The report said: "Above and beyond the manifest problems at the organisational and operational level of the Srel, the question of political



## *Luxembourg: Misbehaving spooks barely raise a stir*

responsibility must also be asked."

But there's a slight problem. Juncker is no ordinary Prime Minister. For a start, the 58-year-old has been in government for 30 years and has served as Prime Minister since 1995. Moreover, if things got a bit out of hand in the Grand Duchy, it was only because he was busy flying the flag for the country's 500,000 citizens on a much bigger stage.

Known for his mumbling

reflections made to journalists on the doorstep at all hours of the day and night – and his Burberry tie – he was a pivotal figure throughout Europe's debt crisis. But this vital role in European matters could also explain why he failed to adequately oversee what the report called the country's "dysfunctional" service.

A seven-hour parliamentary grilling of Juncker failed to provide conclusive answers. He said the parliament's own oversight committee could

have done more to curb the agency's misbehaviour, and that once he'd found out about problems, he'd pushed for reforms. He said: "It's true the secret service wasn't my top priority, but I hope, for Luxembourg, that it will never have a Prime Minister whose top priority is Srel."

The next morning, Juncker went to the Grand Duke, calling for early elections. The next vote is due in June 2014, but if his request is accepted, Luxembourg would go to the polls in October.

The likely outcome: Juncker can settle back into the PM's residence, where an elegant conservatory makes the perfect venue for press conferences.

The CSV Christian-Social party, which has led all but one Luxembourg government since the end of World War II, has already said he'll be their lead candidate in any election.

An opinion poll of 755 voters taken in late June indicated that while 71% of those polled held Juncker responsible for the secret service scandal, only 32% believed he should resign.

So even if Bausch gets his way and there are new elections – risking the first fall in government since 1916 – Juncker could expect to hold on to the top job.

In any case, nothing moves too fast in the sleepy landlocked country. The Grand Duke, the hereditary monarch, has said he needs time to think. The palace said: "His royal highness the Grand Duke met the Prime Minister to discuss the political situation of the country."

The Grand Duke "will take time to reflect and will embark on a series of consultations".

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