

## **WikiLeaks: Washington behind Rudd's Demise as PM**

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### **A Yank in the Ranks -- High Treason, Mark Arbib is U.S. Agent**

THE federal Labor minister and right-wing powerbroker Mark Arbib is one of the US embassy's valued confidential contacts, providing inside information and commentary on the workings of the government and the ALP.

Secret embassy cables obtained by WikiLeaks and made available exclusively to this website reveal that Senator Arbib has been in regular contact with US embassy officers. His candid comments are incorporated in reports to Washington with requests that his identity as a "protected" source be guarded.



***Arbib, Traitor and Spy***

Embassy cables refer to Senator Arbib as a strong supporter of Australia's alliance with the US. They identify him as a valuable source of information on Labor politics, including the former prime minister Kevin Rudd's hopes to forestall an eventual leadership challenge by his deputy, Julia Gillard.

"He understands the importance of supporting a vibrant relationship with the US while not being too deferential. We have found him personable, confident and articulate," says an embassy profile written in July 2009. "He has met with us repeatedly throughout his political rise."

Senator Arbib issued a short statement this morning in response to the revelations.

Other Labor politicians reported as regular contacts include the former minister Bob McMullan and Michael Danby, a serving MP.

A former state secretary of the NSW branch of the Labor Party, Senator Arbib was a key backroom figure in the "coup" last June in which Ms Gillard replaced Mr Rudd. He has been a senator since July 2008 and was appointed a parliamentary secretary for government service delivery under Mr Rudd in February 2009. Mr Rudd elevated him to minister for employment participation from June

last year.

Since the election in August Senator Arbib has been the Minister for Indigenous Employment and Economic Development, Sport and Social Housing and Homelessness.

US diplomats were quick to focus on Senator Arbib as a "right-wing powerbroker and political rising star" who had made "a quick transition from the parliamentary back-rooms into the ministry".

The US embassy noted that "the NSW Labor Party's kingmaker was integral in raising the numbers for Rudd to overthrow Kim Beazley as Australian Labor Party leader in 2006", and that Senator Arbib was "a close adviser to Rudd and is his key conduit to the ALP factions".

"Arbib is an influential factional operator who has forged strong political connections with Rudd," the embassy noted. "We have been told that Rudd respects Arbib's political expertise, and a contact noted that Arbib is brought into Rudd's inner circle when politically important decisions are made.

"Arbib is said to be loyal to, but frank, with Rudd, and is one of Rudd's closest advisers. Yet, publicly, Arbib has denied being part of Rudd's inner circle."

US diplomats also found Senator Arbib was "an astute observer and able conversant on the nuts and bolts of US politics".

Senator Arbib first appears as a contributor to US embassy political reporting while he was NSW secretary.

In May 2006 Senator Arbib told diplomats Australia was at risk of becoming a "quarry for the Chinese and a tourist destination for the Japanese".

He warned that it would be "a tough struggle for the Labor Party to win the federal elections in 2007" but that he thought Mr Beazley, because he was the opposite of the volatile Mark Latham, was the right man to lead the ALP at the present time.

Senator Arbib also told embassy officers that, unlike Mr Beazley, he supported Australia's military commitment in Iraq "as well as the war on terrorism in general".

After the election of the Rudd government, Senator Arbib offered reassurance about Ms Gillard's political leanings, describing her as "one of the most pragmatic politicians in the ALP".

He confirmed Mr Rudd's tendencies towards micro-management and told the embassy "Rudd's staff would like to get their boss to spend less time on foreign policy and delegate more, but that they recognise that this is a hopeless task".

In October last year, as Mr Rudd's popular support began to sag, Senator Arbib openly canvassed leadership tensions within the government, telling diplomats Mr Rudd wanted "to ensure that there are viable alternatives to Gillard within the Labor Party to forestall a challenge".

Mr Rudd's brother, Greg, told embassy officers a similar story.

Senator Arbib said Mr Rudd still appreciated Ms Gillard's strengths, while another unidentified adviser to Mr Rudd told diplomats that "while the PM respects Gillard, his reluctance to share power will eventually lead to a falling-out, while Gillard will not want to acquiesce in creating potential

rivals".

Last June Senator Arbib threw his hand in with other Labor Right figures moving to depose Mr Rudd from the leadership, thereby precipitating the events that led to Ms Gillard's becoming prime minister. In recent months there have been media reports that Senator Arbib has been undermining Ms Gillard but Labor insiders deny this.

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