

## 11. The Prime Minister Disappears

Harold Holt was fated. History will remember him for his dramatic and mysterious death off Cheviot Beach on Victoria's Mornington Peninsula, south of Melbourne, on Sunday, 17 December 1967. He had become Australia's seventeenth Prime Minister less than two years earlier, in January 1966. Apart from his dramatic death, he will be remembered unkindly for his statement at the White House, when he was visiting US President, Lyndon Baines Johnson, declaring Australia would be 'all the way with LBJ' in the Vietnam War. This is unfair. 'All the way with LBJ' had been Johnson's Senate election campaign slogan. Holt was merely being jocular and displaying to Americans he was no ignorant foreigner when it came to US politics.

Harold Holt was cursed. When elected unopposed to succeed Menzies, he had been in the House of Representatives for 30 years in Menzies' shadow—the longest wait any successor to the prime ministership has ever endured. Despite Holt's many years in senior positions in the Liberal parliamentary party, both in government and in opposition, it seemed the voting public was uninterested in him. What fame he had was as much because of his marriage to the lively and interesting Zara than for any of his own deeds.

Holt was nevertheless a popular figure, both in his own party and with the press gallery. In the gallery, he was referred to with the familiar 'Harold', not 'Holt'. Smooth, urbane and handsome—in preparation for taking over from Menzies—Holt, at considerable expense, had all his teeth capped. He was adequate, but not inspiring in the house. The words came out efficiently and the sentences were not clumsy, but somewhat like John Howard, they lacked conviction. Nor was he as eloquent as Menzies, Calwell, Whitlam, Beazley sr, Killen and many others. The author cannot remember Holt ever having a press secretary before he became Prime Minister, when Tony Eggleton moved smoothly from Menzies to Holt. In all his portfolios, Holt handled the press adroitly and charmingly.

When Holt announced his first ministry, he surprised the gallery by holding an unprecedented press conference to discuss the new Cabinet and outer ministry. Previously, prime ministers simply put out a press release listing their ministry after an election or a reshuffle, avoiding questioning as to why certain government MPs had missed out, or why newcomers had been favoured with promotion. At Holt's press conference, George Kerr (*Sydney Morning Herald*) asked why Reginald (Curley) Swartz had been promoted to Minister for Civil Aviation. Holt replied that Swartz 'hadn't put a foot wrong'. George Kerr interjected: 'Neither had he put a foot right.' Holt merely smiled.

Holt scored a stunning victory in the only election he fought as Prime Minister, in November 1966, defeating the divisive Opposition Leader, Arthur Calwell. Having lost the 1961 and 1963 elections, Calwell pleaded with the Labor Caucus not to dump him as leader, but to give him one more try. Caucus, reluctantly, agreed. Calwell declared he would fight the 1966 election on one issue: the conscription of eighteen-year-olds to fight in Vietnam. Ironically, 11 months later, public opinion turned against the war. In October 1967, Holt announced a further 1700 troops would go to Vietnam, plus a tank squadron and more helicopters, bringing the Australian forces in Vietnam to more than 8000. *The Age* commented that Holt's statement said very little to clarify the Government's belief about the course of the war:

It did not satisfy the public nervousness that escalation may have already gone past the point of logic, it did not adequately relate our new commitment to an overall strategy, it did not indicate that the government has any view of the war's future, other than to accept Washington's decisions and accede to reasonable requests for help. All these doubts demand satisfaction during the election campaign debate. It is a pity the Labor Party has not given Mr Whitlam [who had replaced Calwell as Labor leader] a Vietnam policy, which might put Mr Holt under test.

In 1966 there was a range of views within the Labor Caucus about Vietnam. The anti-communist Right felt the war was necessary and Australian participation justified; the Left called for immediate withdrawal of Australian troops and an end to the fighting, despite Dr Jim Cairns, the leader of the Caucus left, expressing surprise that other Asian countries were not perturbed about Australian troops operating in Vietnam. He said he believed 'immediate withdrawal' would be not only impracticable but also inhumane.<sup>1</sup> The Left felt Cairns had betrayed them and Labor principles. This division in the Caucus explains the reference in *The Age* to Whitlam not being given a Vietnam policy to test Holt.

There was no doubt Holt was under pressure from Washington to do more in Vietnam. In 1967, President Johnson sent General Maxwell Taylor and his then civilian adviser (later Secretary of Defence), Clark Clifford, on a special mission to Canberra to seek more troops for Vietnam. Holt explained to his visitors Australia had defence obligations in other areas such as Malaysia while at the same time telling the Americans he was in favour of continued bombing of North Vietnam. This did not satisfy Clifford who later reported to Washington that Holt was not doing enough. Clifford was still unimpressed, even after Holt

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1 COD, 28 October 1966, p. 305.

had increased the Australian effort in Vietnam to three battalions. Clifford said that in World War II Australia, with a much smaller population, had maintained 300 000 troops overseas and yet had been able to send only 7000 to Vietnam.<sup>2</sup>

Holt was in trouble in 1967. The new leader of the Labor Party, Gough Whitlam, was clearly besting him in Parliament at Question Time. While the majority of voters did not know this, it mattered mightily to those who sat behind the Prime Minister and the Leader of the Opposition, and Whitlam got off to a flying start. When Whitlam first faced Holt in the house, Holt said Whitlam's first speech would reveal whether he would be a better Opposition Leader than Calwell. Whitlam responded, provoking mirth on the Labor side, 'Thank you, Mr Prime Minister...Actually I always thought that you would make a better Opposition Leader than either Mr Calwell or myself.' When Whitlam became Opposition Leader, noted red baiter Bill Wentworth warned Holt the Government was almost entirely dependent upon the communist issue:

[Although] our electoral position is excellent and I think you are a better vote-getter than Menzies...the reaction towards Whitlam is quite strong and could be overwhelming if he took a strong anti-Communist line. Under such circumstances many of our marginal seats would go at the next election and we might even lose government.<sup>3</sup>

Holt was criticised by many of his backbenchers for his handling of two hot issues: allegations of misuse of the RAAF VIP 34 squadron and demands for a second royal commission into the *Voyager* disaster. The former arose from mischief conceived by Labor's Fred Daly when he asked Holt, by way of a Question on Notice in November 1965, about flights in VIP aircraft and their cost. His purpose was to embarrass Calwell, who had been granted use of a VIP plane by Menzies to attend a weekend State ALP conference in Perth. As the house, unusually, had sat on a Friday, Calwell could not keep his appointment by using a commercial airline. Daly's objective was to embarrass Calwell so as to advance the cause of Whitlam becoming ALP leader. In the event, Calwell and Daly buried the hatchet before the answer to the question could be given. Calwell assured Holt that Daly would not press for an answer; in the Senate, Vince Gair, the DLP leader, asked for flight details. Government Senate leader, Denham Henty, told him, wrongly, that flight details were not recorded.

The VIP affair at its core was about misuse of taxpayers' money. Taxpayers funded the RAAF, and it was clear ministers were using the VIP squadron as a right, not a privilege. Rather than ministers travelling on commercial airlines like other Australians, RAAF aircraft were whistled up. Stories of misuse of taxpayer money by politicians, then as now, are invariably given a big splash

<sup>2</sup> Frame, *The Life and Death of Harold Holt*, p. 199.

<sup>3</sup> *Ibid.*, p. 205.

by the media. As the probing by the ALP in the Senate continued, the issue became not so much the misuse of VIP aircraft, but the claim by Harold Holt and Air Minister, Peter Howson, that there were no records of passengers carried on VIP flights. In the gallery, it was taken for granted that the Government was covering up and undoubtedly there were records of flights and passengers.

Gorton, Leader of the Government in the Senate, in an act of seeming honesty—knowing it would damage Holt's leadership—decided to clear the air. Howson, with responsibility for the RAAF as Air Minister, was overseas. Reg Swartz, Minister for Civil Aviation, was acting Air Minister in Howson's absence and Gorton went around Swartz. He phoned A. B. (Tich) McFarlane, Secretary of the Air Department, and asked him directly whether there were passenger manifests on VIP flights. Indeed there were, said McFarlane, and, in accordance with RAAF regulations, they were retained for 12 months. On 25 October 1967, without any explanation, Gorton tabled the passenger manifests. On his return, Howson offered Holt his resignation, which was not accepted. Gorton was lauded for his honesty and, doubtless, after Holt's disappearance, it was a significant factor in the Liberals deciding that he, not Paul Hasluck, would be Prime Minister.

Since the 11 September 2001 attacks in the United States, concerns about security have led to a situation in which the RAAF VIP squadron routinely carries MPs around Australia and overseas. Gorton became Prime Minister on 10 January 1968, taking over the ministry from Jack McEwen, who was sworn in as Prime Minister immediately after Holt's death. McEwen in turn had inherited the Holt ministry. Howson was dumped from the ministry when Gorton reshuffled it 18 days later. Alan Reid wrote that before announcing his ministry, Gorton called Howson in to the Prime Minister's Melbourne office in Treasury Gardens to tell him he would not be in the ministry.<sup>4</sup>

Despite the longstanding antipathy between the two, Howson said, 'Good luck to you in your new post, John', and put out his hand. Gorton rejected the offered handshake. Reid says this was the version Howson gave his friends immediately after the meeting and when he asked Howson to confirm the story, Howson replied, 'No comment'. McMahon, after defeating Gorton in the party room, restored Howson to the ministry as Minister for Aborigines—a portfolio in which he showed great energy and concern to improve the lot of Aborigines.

The *Voyager* disaster was even more damaging to Holt's leadership than the VIP affair. The destroyer *HMAS Voyager*, commanded by Captain Duncan Stevens, was cut in half in a collision with the aircraft carrier *HMAS Melbourne*, under the command of Captain John Robertson. The royal commission established by

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4 Reid, *The Gorton Experiment*, p. 34.

Menzies found the *Voyager* was to blame, although three officers on the bridge of the *Melbourne* at the time, including its Captain, John Robertson, were also criticised. In the press gallery, the theory was that someone living had to be found to blame and Robertson was it. When he was transferred to a training establishment, Robertson resigned from the Navy.

Subsequently, an ex-*Voyager* executive officer, Peter Cabban, recorded a sensational statement to the effect that the Captain of the *Voyager*, Duncan Stevens, was a chronic alcoholic, and he cited numerous instances of the captain's sickness on a voyage to South-East Asia in 1963. In his book *Breaking Ranks*, Cabban stated Captain Stevens never drank at sea, only whilst in port, but that his recovery sometimes took several days. It emerged that Stevens was known in the Navy as 'Drunken Duncan'. Cabban would not accept the evidence to and the finding of the first royal commission. He made a most damaging statement about the heavy drinking of Stevens and this statement was taken up by Liberal backbencher John Jess, in demanding that Holt hold a second inquiry.

Holt did not know that during the drama over *Voyager*, Cabban was using as his base Gough Whitlam's Deputy Opposition Leader's office in Parliament House. Under pressure from his own side, Labor and now the gallery, Holt agreed to a debate on the *Voyager* Royal Commission on 16 May 1967. At this point, Holt had only seven months to live. The Government line was that no new inquiry was needed, and the Cabban statement was uncorroborated and irrelevant. Edward St John QC, a brilliant Sydney barrister and a loner whose independence of mind made him unusual in politics, was the key speaker. This was St John's maiden speech. The convention was and still is that MPs making their maiden speech should not be subjected to interjections.

On the conclusion of their speech, it was traditional they were congratulated on the floor of the chamber with a handshake by their colleagues and, if he was in the house, their leader. The next speaker (even though from the other side of the house) would utter a few words of congratulations to the maiden speaker—but not this time. The author was in the house for the debate. St John spoke from his seat in the back row of the house, directly behind the front bench of ministers and the Prime Minister's seat at the table.

It was a brilliant speech, methodically pulling apart the first royal commission and the Government's attempt to dismiss the Cabban statement. His speech was late in the afternoon of 16 May 1967 and was interrupted by the two-hour dinner adjournment. Resuming after dinner, St John was dealing with the assertion of the Government that Cabban's statement about the drunken behaviour of the Captain of the *Voyager*, Duncan Stevens, was irrelevant. Then this exchange occurred:

St John: Are we playing a battle of semantics? What is the meaning of the word 'irrelevant'?

Holt: What is the meaning of the word 'evidence'?

St John: I did not expect to be interrupted by the Prime Minister. We all have been invited to debate what comes to us second hand. The Prime Minister's interruption demonstrated better than anything else that this kind of matter can be sifted only by a proper judicial inquiry, by a select committee or otherwise.

The house fell silent. The Prime Minister, of all people, had breached a convention protecting maiden speakers. Worse, St John's retort had been cutting and to the point. Two days later, Holt announced there would be a second *Voyager* royal commission, despite a clear majority of Cabinet being against him, including the Attorney-General, Nigel Bowen, and Gorton. Holt was on the skids from this point on.

The second royal commission heard testimony that Captain Stevens was regularly taking amphetamines and consumed a triple brandy on the evening of the collision. The commission found this account might have been mistaken and, explicitly, that he was unimpaired by alcohol at the time of the collision. It also found that while Captain Stevens had concealed a recurrence of stomach ulcers, which should have disqualified him from command, this had no bearing on the accident. The second commission found that the accident might have resulted from *Voyager* being mistaken as to what side of *Melbourne* she was on during her final manoeuvre. It is notoriously difficult to judge a carrier's course at night by her lights, and *Melbourne* was utilising experimental red deck floodlights that might have been deceiving.

Holt's death was the most dramatic Australian political event since World War II. On Sunday, 17 December, Holt was at the family beach house at Portsea, the Parliament having risen for the year; the last Cabinet meeting finished in the early hours of Friday. Holt and four others drove to Point Nepean to watch the entry into Port Phillip Bay of Alec Rose, who was attempting an around-the-world solo journey in his yacht, *Lively Lady*. Holt suggested to the party they go to Cheviot Beach for a swim. The beach was rough and looked dangerous, yet shortly after noon, Holt, wearing a pair of lace-less sandals, entered the water, stating, 'I know this beach like the back of my hand'. Soon after, he disappeared in the boiling surf.

The alarm was raised. More than an hour later, three amateur skin divers arrived at the beach to begin a search, but found the sea too difficult. The largest maritime search-and-rescue operation in Australian history was mounted, with Tony Eggleton handling the media, which had hastily thrown every resource

available in this holiday period into covering the sensational story. Eggleton was the obvious person to do the job and he held two to three press conferences a day until late in the evening of the following Tuesday. He became a national figure within a few days, appearing every night on TV news bulletins around the nation.

By Tuesday, all hope of finding the Prime Minister alive had disappeared. The body was never recovered, experts declaring that sea lice and crayfish would have stripped the body of all flesh within 24 hours. All sorts of ludicrous stories were to appear in the media, including Holt being picked up by a Chinese submarine and that the Prime Minister of Australia was in reality an agent of the Communist Chinese Government in Peking. Zara Holt went to the nub of the matter in dismissing the theory: 'Harry didn't like Chinese food.' Holt was a keen spear fisherman and a well-known media photo was of him in his black wetsuit, surrounded by beautiful young women. But without flippers, Holt was not a strong swimmer and he had made the mistake of going into the water wearing sandshoes, thereby weighing down his legs and making swimming difficult.

When told of the disappearance, Zara immediately inquired whether Holt was wearing flippers or sand shoes. When told it was sandshoes, she immediately declared: 'He's gone.' Suicide was soon raised as an explanation for Holt's disappearance, but colleagues such as Sir James Killen and Alexander Downer sr rejected this. Yet the suicide line was given some credence by friend and beachside neighbour Marjorie Gillespie, who was a member of the party accompanying Holt to the beach. Gillespie in an interview in 1968 rejected the idea of suicide, but in a TV documentary, *The Harold Holt Mystery*, put to air in 1985, Gillespie stated Holt 'had put himself in a situation where he was almost certain to die'. She had also revealed in 1988 that she was 'Harold Holt's lover'—a claim repeated in several magazines and newspapers. Gillespie was interviewed by journalist Simon Warrender, who reported:

I referred to constant rumours since the Cheviot tragedy that she and Harold were having an affair. Impudently, she did not deny the rumours. 'Of course, Simon', she said 'what is your interpretation of an affair?' I told her. She said that there were various types of affairs—intimate affairs and sordid affairs and emotional affairs. Hers with Harold, she said, was an emotional affair based on 'mutual intellectual admiration and respect'.

In November 2007, with the approach of the fortieth anniversary of Holt's death, journalist Ray Martin in a Nine Network documentary, again raised the suicide theory. Martin claimed Doug Anthony, Cabinet colleague of Holt, had said it was possible Holt had committed suicide, yet in an interview with the

ABC Anthony said he did not give such an interview. Malcolm Fraser and Holt's biographer, Tom Frame, dismissed the suicide theory. Fraser, Australia's twenty-second Prime Minister and Minister for the Army in the Holt ministry, revealed Holt had been in discussions with him about the Government's future foreign policy and a Cabinet reshuffle. 'Now, if somebody is planning to jump off a cliff, they are not at the same time planning to have a major Cabinet review of the direction Australia is taking,' Fraser said.

Whatever the nature of Gillespie's 'affair' with Holt, I have always believed he went into the boiling surf because he was showing off to Gillespie. Tony Eggleton agrees with me. Holt fancied himself as a ladies' man and his actions fitted his own view of himself. I had known Holt for 15 years and was on good terms with him before his death. He, like nearly all politicians, had a positive view about the future and an ambition to play a role in it. He was certainly not suicidal and I have a previously undisclosed piece of evidence to rule it out altogether.

In the week before he left for Melbourne, Holt hosted a cocktail party for the gallery at the Lodge, either on Wednesday or Thursday. My first wife, Lesley, accompanied me to the party, where she fell into conversation with her best mate and golfing companion Joan Comans, wife of the ABC bureau head in the gallery, Jack Comans. Both had won the ladies' championship at Royal Canberra. Joan had told Lesley previously she and Holt had an affair some years earlier. Holt, playing the perfect host, came up to them with a plate offering them pieces of abalone and urging them to try his offering, explaining he had dived for the abalone himself.

Holt was full of beans, enthusiastic in talking about Zara Holt's redecorating of the Lodge—something wives of incoming prime ministers often feel compelled to do. Joan, archly, asked what the bedrooms were like. Grinning, Holt said they were fine and offered an inspection to the two women. They accepted and Holt conducted them through the Lodge and upstairs to the main bedroom. Entering, Joan said, 'Oh, two single beds, Harold, that's nice'. Sitting on one end of a bed, Joan sang to him, 'I can do anything better than you can', and a knowing Holt, sitting on the other end, sang the reply, 'No, you can't, no, you can't'. This was certainly not behaviour suggesting suicidal tendencies had gripped Holt.