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In 1959 Sir Frank Packer decided to launch Australia's first bid for the America's Cup, the coveted trophy that had remained in the hands of the New York Yacht Club for over a century. Well before the Australian yacht Gretel arrived in Newport in 1962, the syndicate was embroiled in controversy. This article: based on previously overlooked archival records in Sydney and New York, explores the geo-political dimensions of the challenge. It considers the diplomatic fracas that arose when Britain learned of Australia's plans; the Menzies government's attitude to the challenge; Labor and newspaper criticisms of the Australian bid; and American and Australian responses to the vigorous but unsuccessful challenge mounted by Packer and his crew in Newport in 1962.

The America's Cup is the world's oldest and most prestigious yachting challenge. By the 1950s no foreign nation had succeeded in wresting custodianship of the century-old mug from the New York Yacht Club. In 1959 Sir Frank Packer, a keen sportsman as well as a prominent media proprietor, decided to spearhead Australia's first bid for the America's Cup. Before long, Packer and his syndicate were propelled into a world of imperial jealousies, political scepticism, American condescension and public controversy. The Duke of Edinburgh, Prince Philip, felt compelled to intervene when Sydney and London yacht clubs fought for the right to challenge for the 1962 America's Cup; the Menzies government questioned the value of being associated with the Australian challenge; when the government finally lent some support to the bid, Labor politicians erupted in protest; the American press ridiculed the Australians' ambitions when they arrived in Newport in 1962; and Packer's activities and actions attracted censure. This article documents how Australia's bid for the 1962 America's Cup developed, and explores the geo-political dimensions of the challenge.

The America's Cup had its origins in Britain's Great Exhibition of 1851. Commodore John Stevens, a wealthy New Yorker, entered his schooner, the America, in a yacht race around the Isle of Wight during the exhibition. Stevens won the prize -- a remarkably unattractive silver mug -- and in 1857 donated it to the New York Yacht Club (NYYC) to be used as a trophy in a "friendly competition". It was renamed the America's Cup and held in trust for a challenge from any foreign yacht club. One condition of entry was that challengers had to sail their yachts to the United States. This meant that yachts from Britain had to be sturdy enough to make the voyage across the Atlantic, while the American defenders could concentrate on constructing lightweight hulls.(1)

The NYYC's rules were so strict that nobody bothered to challenge until 1870, and this bid for the cup was unsuccessful. In 1888 a syndicate of Sydney yachtsmen sent a naval architect, Walter Reeks, to New York to investigate the possibility of an Australian challenge. The venture was deemed to be impractical, as the boat would have to sail by way of Cape Horn, the Cape of Good Hope or the Suez Canal. In 1956 the NYYC finally amended the cup's deed of gift to allow the challenge match to be sailed in international twelve-metre class sloops that could be shipped to the United States.(2)

The first postwar challenge was mounted by England in 1958. Spectre was hopelessly outclassed by the defender, meaning that all seventeen challenges sponsored by Britain and Canada since 1870 had failed. Many Australians learned of the America's Cup for the first

time when clips of the 1958 series were shown on TCN-9 in Sydney.(3) The television station was controlled by Sir Frank Packer, the volatile, rumbustious and highly interventionist managing director of Australian Consolidated Press Ltd (ACP). A former boxing champion and an accomplished polo player, Packer had joined the Royal Sydney Yacht Squadron (RSYS) in the 1930s and won a number of sailing races in his father's superb yacht, the Morna.(4)

By mid-1959 Sir Frank had decided that he would custom-build a large sailing cruiser. Knowing that he loved a challenge, two fellow members of the RSYS lured Packer into a convivial luncheon. As the afternoon wore on, the pair urged their guest to build a twelve-metre yacht to contest the prized America's Cup. William H. Northam, an Olympic gold medallist and head of the Australian branch of the American firm Johnson & Johnson, was one of the hosts. "We kept the grog flowing pretty fast", he recalls, "and Frank soon got excited about having a go at the Yanks".(5)

Although he had to concede that the America's Cup was a "dilapidated, and intrinsically valueless trophy", Packer desperately wanted to win the "glamor sailing race of the world". The fact that no other nation had managed to successfully challenge for the cup only fueled the enthusiasm of the 52-year-old millionaire who liked to win. Packer also reasoned that competing in the 1962 challenge would strengthen Pacific relations and boost Australia's profile in the United States. Packer had served as president of the New South Wales branch of the Australian-American Association in 1950-51 and had only recently stepped down as vice-president. Since its formation in 1936, the association had aimed to "anchor and mobilize public opinion behind some form of understanding" with the United States and Packer's participation in the organisation stemmed from his fear that Australia would find herself "alone, a tiny white population on the perimeter of Asia". In a foreword to a book about the America's Cup, Packer wrote that the amount of goodwill a challenge would generate towards Australia would be more effective than a multi-million dollar public relations campaign promoting Australians and Australia to the United States.(6)

The America's Cup deed of gift specified that each challenge must be issued by a recognised yacht club and that this club must undertake all direct negotiations with the NYYC. In July 1959 the RSYS agreed, in principle, to issue a challenge for the America's Cup in 1962. The Australian America's Cup Challenge Committee was registered in Canberra, with four members of the RSYS forming its management committee. Packer became chairman and his close friend L.K. ("Keith") Martin, assistant managing director of ACP, was appointed general manager. Bill Northam and Richard A. Dickson, the president of the Yachting Association of New South Wales and vice-commodore of the RSYS, also joined the committee.(7)

Almost immediately, Packer wrote to Prime Minister Robert Menzies to outline his plans. Somewhat surprisingly, the pair had been in regular, personal contact for less than a decade. Packer had participated in delegations to Canberra to discuss newsprint rationing in the early years of the war, but he seems to have made very little impact on Menzies during his first term as prime minister. In correspondence blaming the Daily and Sunday Telegraphs for helping to destabilise his wartime prime ministership, Menzies had failed to mention their proprietor by name. Packer's newspapers had first advocated a vote for the conservative parties in the 1946 election, and they had drifted further to the right as the Cold War entered its darkest days. But it was only in 1950 that Menzies, now back in the Lodge, made a personal approach to Packer. When the prime minister complained about the way in which the

Daily and Sunday Telegraphs were covering a financial issue,(8) this was the beginning of a long and complex relationship with Australia's most controversial press proprietor.

Extant correspondence suggests that by 1950 Menzies had come to realise the importance of securing the support of the man who controlled the most popular morning newspaper in New South Wales. Packer, of course, wanted to do what he could to keep the Liberal and Country Party coalition in office and it is also clear that he strove to earn the prime minister's respect and affection. Packer admired men like Menzies who were bastions of the establishment and were patrician and well-educated. Appreciating the value of Packer's editorial and material support, the prime minister handled the media proprietor cleverly. His letters and telephone conversations with Packer were invariably smooth, courteous and friendly, but he kept Packer in awe of him by maintaining a certain distance and not recommending him for a knighthood until the Queen's Birthday honours list in 1959.(9)

On 10 August Packer informed Menzies that ACP, in association with the RSYS, intended to build a twelve-metre yacht and send it, along with an all-Australian crew, over to New York to challenge for the 1962 America's Cup. He advised the prime minister that his syndicate intended to purchase Vim, an American yacht that had been used to train against the defender in the 1958 contest. Vim would be brought to Sydney and used for training the crew while the Australian challenger was constructed.(10)

Between August and September 1959, Packer sought to obtain concessions from the government for the importation of the yacht. John McEwen, the minister for trade, was prepared to issue an import licence; Denham Henty, the minister for customs and excise, agreed to accord duty-free admission to Vim; treasury, however, believed that it would be illegal to waive sales tax. While some government ministers and bureaucrats believed that Packer's venture was of considerable national significance, Menzies himself was cautious. When Packer invited him to be patron of the race committee, the prime minister replied that although the project was an admirable one, "I should like to see your plans become a little more advanced before deciding whether or not I should become Patron of the event".(11)

Plans for the challenge advanced relatively swiftly. On 27 October the RSYS held a farewell party for its commodore, Sir William Slim, who was leaving Australia on relinquishing his office as governor-general. In his farewell address, Slim announced that the RSYS intended to enter a challenge for the America's Cup in 1962, the squadron's centenary year.(12)

Packer's emissaries, meanwhile, were negotiating the acquisition of Vim. Colin Ryrie, an Australian Olympic yachtsman who was competing in the United States, conferred with Vim's owner. Captain John Matthews was uneasy about the Australian proposal, saying that his American counterparts would accuse him of being a traitor if he sold the yacht. Ryrie did his best to convince Matthews that Packer was not a "muck-about type". By the end of October Packer himself had arrived in New York. After considerable horse-trading, Matthews agreed to lease the yacht to the Australians for US \$80 000 for four years. Syndicates from both Britain and Canada had also been considering chartering a trial yacht. On the morning the deal with Australia was clinched in Matthews's Wall Street office, he received a telephone call from London. The captain told the anxious Englishman on the other end of the line that the Australians had won the first leg of the race.(13)

Officials of the RSYS were engaged in discussions with the NYYC to ascertain whether they would accept an Australian challenge for the historic trophy. On 2 March 1960 Packer requested the secretary of the RSYS to fire the "first shot" by formally asking whether they

would be prepared to accept a challenge. On 7 April the NYYC informed the RSYS that they would accept a challenge from Australia for the America's Cup in 1962.(14)

However, the exchange of formalities and pleasantries between the New York and Sydney clubs was soon complicated by a disquieting development in England. In April 1960 the Royal Thames Yacht Club learned that the Australians definitely intended challenging for the cup. By this time Lord Craigmyle and another member of the "Red Duster" syndicate had already put up 40,000 [pounds sterling] to mount a new British challenge. In mid-April the Duke of Edinburgh, who was patron of the RSYS, intervened. Prince Philip suggested that a Commonwealth coordinating committee should be set up to co-ordinate any challenges.(15)

The Australians were understandably alarmed that all of the time, energy and money they had invested in the venture might go to waste. Packer contacted the commodore of the Royal Thames Yacht Club, Captain John Illingworth, who had dashed to New York to confer with NYYC officials. Packer was firm, saying that Australia was the first and valid challenger for the 1962 series and the situation called for "no solution". His cable concluded with an appeal to imperial sentiment in London:

AFTER ALL YOU HAVE HAD A LONG UNINTERRUPTED RUN STOP MAYBE WE WON'T DO ANY BETTER BUT EVERY NOW AND THEN YOU HAVE TO GIVE THE YOUNG FELLOW IN THE FAMILY HIS HEAD STOP (16)

On 27 April 1960 Dickson sent a cable to William Slim in London explaining that Australia had been unaware that Britain wanted to stage another challenge, and that the NYYC had already accepted Australia's challenge. Asking Slim to "SMOOTH DOWN ANY WAVES", he concluded "WE THINK AND HOPE WE CAN WIN". Matters were not helped much the next day, when the NYYC ruled that it was up to Britain and Australia to decide whether they should stage elimination trials to determine which country should challenge for the cup.(17)

An embarrassing rift in sporting and diplomatic circles had opened and newspapers in Australia, Britain and the United States had a field day. ACP's editor-in-chief, David McNicoll, who was visiting London, wrote a letter to the Times arguing Australia's right to challenge for the America's Cup. On 3 May the newspaper ran an editorial explaining that challenges had historically been confined to the United Kingdom. But the editorial went on to declare that the failure of the English challenge in 1958 had been so complete "that it would be presumptuous for anyone in Britain to claim any special national privilege as challengers". In the same issue, a Times journalist based in Sydney reported that one prominent Australian yachtsman had expressed indignation that Britain should try to "horn in" on Australia's challenge, particularly after the Spectre fiasco.(18)

On 3 May Slim sent a cable to Dickson reporting that he had convened a meeting at Buckingham Palace to resolve the matter. Rear Admiral C. Bonham Carter and Major Charles Ball, the vice-commodore of the Thames Yacht Club, had agreed that the RSYS should proceed with its challenge. Prince Philip read and approved Slim's cable, which stated that the Thames Yacht Club had no wish to "horn in" on Australia's bid. The cable also expressed the wish that a committee would be formed to co-ordinate challenges after the 1962 match.(19)

On 31 May Bill Northam, who was visiting London, was invited to attend a meeting of the Thames Yacht Club to discuss the formation of the coordinating committee. Northam's account of the meeting says something about the exclusive and elevated circles in which Packer was now mixing. And the fact that Northam was prepared to write such an irreverent

letter to Packer reflects the Australians' private willingness to cock a snook at the international yachting establishment:

... unlucky me arrived two-and-a-half minutes late and I walked into the room and there were twenty blokes, mostly Lords and Earls, and at the head of the table my old cobber the Duke [Prince Philip]. I don't mind telling you I started to feel nervous, as nobody told me he was to be present. However, he left his chair despite the stony stares at me and walked over and shook me by the hand and said he was glad I could attend and I sat down at the opposite end of the large table like a shag on a rock, facing H.R.H. at the other end.

... I chipped in when H.R.H. asked me whether we had changed our minds with regard to elimination tests and I swear you could have heard a pin drop when I took it upon myself to say NO and believe me he really grinned and asked why not. I explained that it was in my opinion too late to alter [our plans]. Owen Aisher (a big shot) and Lord Craigmyle surprised me by saying 'hear, hear'. Then we got cracking.

He directed more questions at me than anyone in the room and I swear that at the finish I had 95 per cent on our side and it was unanimous that Australia was the logical challenger and we all had their good wishes and definite offers to help.

... we all had lunch and a few snorts and everyone was happy and I finished up in a corner with H.R.H. and we had a long friendly yam.

The crux of it, Frank, [is] they want a Commonwealth challenge after '62. (20)

By the end of May 1960, then, the nationality of the next America's Cup challenger had been resolved to the satisfaction of the RSYS and apparently, to the relief of some members of the Thames Yacht Club. Nevertheless, newspapers such as the Sydney Sun, which were being given very few details about the challenge, continued to snipe at the activities of the Packer syndicate. While the frustrated RSYS attempted to hose down ill-informed stories about an ongoing rift with the Thames Yacht Club,(21) plans for the Australian challenge proceeded apace.

The Australian America's Cup Challenge Committee undertook financial responsibility for the challenger, training the crew, and sailing the match. The costs of the venture were underwritten by ACP, and Ampol Petroleum Company Ltd and the British Tobacco Company (Australia) Ltd took out substantial shares in the syndicate.(22) From over two hundred applicants, twenty-eight people, including Packer and Martin, were chosen for training as crew members. Jim Perry, manager of the RSYS boatyard, made models of the challenge yacht for tank-testing purposes. English-born Alan Payne, the only naval architect in Australia engaged exclusively in designing yachts, was hired to design the challenger. Packer hoped that building would start at the workshop of Lars Halverson and Sons Pty Ltd on the

Parramatta River in October 1960 and that the yacht would be on the water by August 1961.(23)

However, Packer's work for the America's Cup tapered off somewhat in the second half of 1960. In July he succeeded in buying into the Melbourne television station GTV-9. In August he flew his wife, Gretel, to a clinic in the United States for specialist treatment for a heart condition, and he was by her side when she died.(24) The RSYS was anxious to ensure that under no circumstances would it be left to pay for the costs of the America's Cup challenge. On 14 July the secretary asked Packer to guarantee that, in the event of his death, Martin or ACP would "carry the project through".(25) The RSYS must have been unnerved when ten weeks elapsed before it received a response to the letter.

In September Packer himself underwent what was described as "quite a serious operation", and then he had further surgery to remove a cataract. At the end of the month Packer informed the RSYS secretary that he understood and accepted the terms of the letter of 14 July. After breezily declaring that that "at the moment, the medical fraternity are very satisfied with me", he stated that, if an "unhappy event" did occur, he would do his best to ensure that the RSYS got a "favourable wind". But Packer said that he was unable to go to New York in October, as planned, as his doctors had advised him not to travel overseas until 1961.(26) Nevertheless, Packer was well enough to seize control of the Bulletin and launch an unsuccessful takeover bid for Angus & Robertson as 1960 drew to a close.(27)

In January 1961 Packer was finally ready to travel to the United States to make arrangements for the challenge. On their arrival in New York, Packer and Dickson held talks with the America's Cup Committee to discuss the conditions governing the match in September 1962. Packer also visited the Stevens Institute in Hoboken, New Jersey, where Alan Payne had put twenty-eight models for the Australian yacht through the towing tanks.(28)

In June 1961 Packer again wrote to Menzies about the challenge. Although the letter was ostensibly designed to show how much progress the syndicate had made, it actually revealed that Packer had underestimated what was entailed in designing and building a competitive yacht. Work on the yacht had only commenced a few weeks earlier, and Packer was now indicating that the yacht would not enter the waters until December. Packer skimmed over these delays, instead boasting with typical enthusiasm that the syndicate had trained more than two dozen crew members in twelve-metre sailing.

Packer also suggested that, even though the Pioneer Shipping Line had agreed to freight Vim and the challenger to the United States free of charge, an Australian aircraft carrier might be made available to transport the yachts.(29) Packer's attempts to convince the prime minister of his patriotic intentions again failed. Internal government records show that Menzies' response to the proposal was "guarded". In August he informed Packer that although a great deal of goodwill would "no doubt" result from an Australian carrier transporting the yachts, the navy would not be able to release a ship for eleven or twelve weeks and the cost of fuel would be prohibitive. Packer replied that he was sorry that 8000 tons of fuel "should come between us": "If the economy were more buoyant we would undertake to provide the fuel, but as things are" the syndicate would accept the offer of free carriage from the Pioneer Shipping Line. A bureaucrat realised that this oblique comment was a sarcastic reference to the government-induced credit squeeze. He scrawled on Packer's letter "Not what I'd call a generous acknowledgement".(30)

In September, with a federal election approaching, Packer again tried to entice Menzies to involve himself in the America's Cup challenge. He wrote to the prime minister inviting him to come to Sydney to look over the challenger yacht and to become patron of the syndicate. Menzies replied that he would very much like to talk about the arrangements for the challenge but that "with the best will in the world" he might not be able to find the time to inspect the yacht. The prime minister did, however, attach a personal note to his letter asking Packer to give his love to a Daily Telegraph cartoonist. Menzies was delighted that the newspaper was publicising the fact that executives at the John Fairfax & Sons Pty Ltd organisation were helping the ALP in the lead-up to the election.(31) William McMahon, a Liberal minister and Packer's political protege, later claimed that the support of the Daily and Sunday Telegraphs was instrumental in the Menzies government being returned with a one-seat majority.(32)

The margin of time for preparation for the America's Cup challenge was narrowing alarmingly. On 19 February 1962, just seven months before the match was to be sailed, the Australian challenger was launched from Halvorsen's yard on the Parramatta River. The appearance of the yacht aroused intense interest amongst the sailing community and the public because her construction had been veiled in secrecy. Yachting experts concluded that the "beamy" hull design would make the yacht a better performer in strong winds than in light breezes.(33)

The naming ceremony took place at the RSYS landing stage in Kirribilli on 28 February. Packer cagily decided to hold the launch at 5 p.m., too late for afternoon newspapers but in nice time for the Daily Telegraph. Naval chaplains led brief prayers before the yacht was christened Gretel by Dame Pattie Menzies. Packer's pivotal support in the recent election appears to have finally convinced the prime minister that the Menzies name should be associated with the challenge. When the formalities were over, the guests watched as Gretel and Vim cruised to and fro in a light breeze and brilliant sunshine.(34)

Despite the appearance of tranquillity, Packer was soon confronted by another threat to the Australian bid. In April Harry S. Morgan, the chairman of the America's Cup Committee, reminded the RSYS that the deed of gift specified that the competing yachts must be designed and constructed in their own countries. He claimed that reports that the mast extrusions and steering gear for Gretel had been obtained from American sources had raised considerable comment in the United States. It must have been with some alarm that Packer asked Alan Payne to provide him with a report on the components used in constructing the yacht. In May, while in New York to finalise details for the challenge match, Packer gave Morgan a list of the components. He explained that a lack of facilities in Australia had compelled the syndicate to import the extrusions from the United States. However, they had been welded and taped in Australia and "we have never considered that the word 'constructed' should imply the exclusive use of home produced materials". Morgan immediately reassured Packer that the America's Cup Committee was completely satisfied by this answer. Many journalists subsequently concluded that the NYYC had grown so secure in its possession of the cup that it quite overlooked the enormous potential advantages it was giving away. It is also possible that the club was prepared to make some concessions to the challenger so as to avoid a repeat of the embarrassing 1958 match.(35)

In June 1962 Packer and the rest of Gretel's squad were given a civic farewell at Sydney Town Hall. The City of Sydney officially bestowed its blue and gold flag, emblazoned with a traditional sailing ship, on the gleaming yacht and the Australian-American Association also honoured the challenger with its flag. "If we win", Packer declared, "we will be the most elated people in the world and very hard to live with".(36) On 14 July Gretel and Vim arrived

in New York, with just two months in hand for trials and training over the actual America's Cup course. Packer arranged for the department of external affairs and the Australian ambassador to the United States, Sir Howard Beale, to obtain customs free entry and cruising licences for the two yachts.(37)

Applause and cheers followed the passage of Packer and his sailors through the streets of Newport to an official welcoming ceremony at Colony House. Packer rented the shingled Castle Hill Hotel on the cliff overlooking Rhode Island Sound to accommodate the crew. The rolling lawn outside the main entrance to the hotel was dotted with gifts, including a Land Rover, a panel van, a station wagon, four convertibles and a speedboat, from Australian and American firms for the duration of the series.(38)

Packer hired a cook and a chauffeur and imposed a strict 11 p.m. curfew on Gretel's crew. The men, who had agreed not to talk publicly about the challenge until six months after the cup match, nicknamed Packer "Big Daddy". He was joined in Newport by a number of his friends, including Adrian Quist, a former Davis Cup tennis champion; Lennox Bode, a stockbroker; Peter Reid, who came from a leading timber and pastoral family; Sir Ian Potter, a prominent stockbroker, and his wife Patricia; Peter and Edwina Baillieu, members of the Victorian pastoral, mining and retailing dynasty; and the socialite Florence Vincent (whom Packer later married). Resolving to return the sort of hospitality American multimillionaires were used to, Packer threw the biggest parties of the social season, with Mrs Baillieu acting as hostess.(39)

The world's media and the yachting fraternity became used to seeing this giant of a man lumbering around Newport dressed in his navy RSYS blazer and a jaunty white yachting cap. Observers began to detect what Gretel's crew members already knew -- that Packer could not leave well enough alone and continually made arbitrary decisions about the day to day running of the challenge. Packer tailed after Gretel and Vim in a tender, Sara, barking suggestions via walkie-talkie radio. The skipper, Jock Sturrock, was constantly shifted from Gretel to the helm of her training partner. Experimentation always takes place on any new yacht, but the number of changes made to Gretel was truly phenomenal. The layout of her cockpit was radically altered on her arrival in the United States; just two weeks before the races were due to begin, her mast was resteped 19 1/2 inches forward to correct a weather helm; winches "came and went like autumn leaves". Alan Payne likened his task to digging a ditch through heavy clay: "There was no end to it".(40)

On 26 July Packer was guest-of-honour at a luncheon hosted by the American-Australian Association. Lord Casey, a former Australian minister for external affairs, Harry Morgan and other distinguished citizens and yachtsmen attended the function. In his address, Packer acknowledged that inexperience placed the Australian challengers at a considerable disadvantage:

We think the boat is good and the crew is good and we sail well, but we are not too familiar with 12 metres or with match races.

But if we lose we'll be back like [General Douglas] MacArthur -- we'll be back.

Win, lose, or draw, however, we hope we'll be as welcome as we are now.

Packer also joked that the Australians were like an invading force: "The natives are friendly at the moment -- but later they may attack from the sea".(41)

Unbeknown to Packer, native Australians were carping about his activities. In April he had suggested to the department of external affairs that the challenge should be used to focus attention on Australia in influential official and business circles in the United States. As his syndicate was spending more than 250,000 [pounds sterling] on the challenge, Packer felt that the government should be prepared to sponsor an Australian banquet in the United States and a photographic display about the challenge. Although the request was wholly reasonable, officials in the departments of trade and external affairs were initially resistant to the idea. One bureaucrat feared that the proposal might be a "raw ploy" and a "crude sales effort"; another asked on "what possible conceivable ground is this the concern of the Department of Trade" and sarcastically scrawled on a memo to a colleague "Perhaps we are in the market for exporting Gretels!"(42)

Given his volatile temper, it is perhaps just as well that Packer was blissfully unaware of these private expressions of dissent. However, he responded quickly when he learned that government departments were concerned that Australian companies who had offered to help sponsor the banquet might commercialise the event. Even though Lindemans and Penfolds had agreed to supply five hundred cases of wine, Packer said that "Australia" would simply be advertised as the source of the wine. This did not stop political enemies from attacking plans for the dinner, which was to be hosted by the Australian ambassador to the United States. The venue was "The Breakers", the sprawling Newport mansion that had been built by the Vanderbilt family and was now being leased by Howard Beale for the America's Cup series. The veteran left-wing Labor MP Eddie Ward had little time for either Packer or Beale, a former federal Liberal minister. Declaring that some people would "always avail themselves of the opportunity to have a guzzle at public expense", Ward lambasted the Australian government for allocating \$8100 to spend on a dinner for "the snobocracy of America".(43)

On 14 September, the night before the first race for the America's Cup, Beale presided over the dinner for three hundred guests, including seventy-six Australians. Packer sat at the long table at the head of the room, along with the American president and his wife. John F. Kennedy was a keen yachtsman, having seen every America's Cup series since 1934. A few days before the banquet, the crews of Gretel and the American defender Weatherly had been entertained at the Newport home of Jacqueline Kennedy's stepfather.(44)

Qantas flew in Australian produce specially for the banquet: guests dined on West Australian crayfish tails thermidor, roast Riverina lamb, ice cream with Hawkesbury Valley passionfruit, and Murwillumbah crystallised pineapple. The great hall of the seventy-room mansion, which resembled a sixteenth century Italian palace, was decorated with Australian wildflowers. An eight-piece orchestra played tunes such as "Waltzing Matilda", "Botany Bay", "Click Go the Shears" and "Tie Me Kangaroo Down, Sport".(45)

Packer became increasingly edgy as Beale and then the president proposed toasts and delivered speeches. With an eye on fostering American-Australian relations, Kennedy declared that Australia had proved herself a great leader in sport, was one of the world's freest nations, and was closely tied to the United States in war and peace. Never an accomplished speaker, Packer drank several whiskies in an effort to relax his nerves before he had to get to his feet. Adrian Quist, who was present at the dinner, recalls that his friend's speech was not his "finest hour". Packer's address, in which he again emphasised that Gretel was the underdog, appeared disjointed after the seasoned presentations by Beale and Kennedy. Quist had to agree when Packer asked him "Didn't go so well, did I?" The president's speech was broadcast on TCN-9; Packer's, apparently, was not.(46)

Packer had been dogged by controversy just hours before the banquet. A reporter from Associated Press had bailed him up at the Port O' Call marina to ask him whether he thought Weatherly could win four of the seven races straight. When Packer replied "I suppose she could", this was written up as a prediction that he tipped four straight wins to the Americans. Packer responded to the reports by saying that Gretel had a "very good chance" of bringing the America's Cup back to Australia, but he again stressed that the American yacht had much more experience. He was also forced to deny reports that the Australian crew was dispirited. Morale was indeed low: Packer refused to announce the make-up of the crew until just before the race, and he suddenly replaced Terry Hammond, the crack navigator, with another crew member.(47)

The spectator fleet of around 3500 craft delayed the start of the first race on Saturday 15 September by an hour. The coastguard desperately tried to herd back the enormous fleet, which included President Kennedy in a destroyer. The hopes of Australian spectators were raised when Jock Sturrock momentarily out-maneuvred his opponent, Emil ("Bus") Mosbacher, at the start of the 24-mile course. However, the race was at least partially lost by the Australians when the novice navigator held Gretel on the wrong tack for two minutes. Moschaber won by 3 minutes, 46 seconds; for Packer and his crew, the result was disappointing but by no means disgraceful.(48)

Jacqueline Kennedy sent Packer the president's flag from the destroyer he had sailed on that day: "It comes with the deepest admiration for the spirit and sportsmanship of you and your countrymen. The race is still on as I write this -- so I say to you Good Luck". Delighted by the gift (even if it was from a Democrat), Packer later framed and hung the flag in the billiard room of his Bellevue Hill mansion. Other members of the exclusive American yachting fraternity, however, were not so gracious after the first race. A journalist in the Boston Herald ridiculed the Australian challengers for using a very fractured version of the English language, suggesting that Australian newspapers might tell their readers of Gretel's preliminary defeat in these terms: "Instead of a bottler, Gretel's first race turned out to be a blue duck. All of which makes it tougher to capture the pickled biscuit". In an article for another Boston newspaper, George O'Day, the technical adviser to Weatherly, accused Packer of interfering with his crew:

When he called tacks for either Gretel or Vim they tacked regardless of whether or not they would run ashore or run into one another.

... The skipper cannot be told over a walkie-talkie how to handle the boat or what to do. This just doesn't work.

... Sir Frank has given confidence to no-one and is running the show himself.

Packer tried to maintain a dignified silence, refusing to comment on O'Day's remarks. When told that O'Day had described the Australians as "novice skiers following in the tracks of a professional", Packer publicly stated "I don't believe he ever said it".(49)

Exercising their right to a day off, the Australians used the Sunday and the Monday to repair the damage that had been done to Gretel's backstay in the first race. Hammond was reinstated as navigator and a new sail was installed. The strong westerly wind suited Gretel during the race on Tuesday 18 September. On the final leg, she found a private wave, mounted it and literally surfed past the luckless defender, which ran into trouble with her spinnaker. The Australian crew whooped for joy as Gretel surged over the finish line 45 seconds ahead of

Weatherly. After the race, so great was the crowd around Gretel that the pontoon where she was berthed began to sink, obliging the photographers and reporters to carry on with their work ankle-deep in water. That night yachtsmen from the two nations surrounded Packer at the Cameo Bar, near where Gretel was docked. The Australian contingent sang "Waltzing Matilda" and their unofficial theme song, "Beer is Best".(50)

Gretel had broken the course record, and the win made the Australians the first challengers since 1934 to beat an American defender. Reports of the stunning upset made front-page news around the world. Packer's own newspaper smugly headlined its report "The critics eat humble pie". Footage of the race was rushed by chartered aeroplane to New York and then back to Sydney for TCN-9 viewers. The Australian government, now fully appreciating the national significance of the America's Cup challenge, disregarded any lingering concerns about being associated with the event. Menzies, who was attending the Commonwealth Prime Ministers' Conference in London, issued a statement saying that he was "very pleased" with the win. Cabinet sent Sturrock a cable congratulating him and his crew on their "magnificent performance".(51)

By now, however, the Australians had made a major tactical error. Instead of taking advantage of their psychological edge, they called for another lay day so that Payne could make minor repairs to Gretel. This meant that the yacht lay idle through a day of strong winds -- her favourite conditions. When the third race was held on Thursday 20 September, Gretel suffered one of the most frustrating experiences that can befall a yacht. She ran out of wind and lay almost becalmed at a crucial stage in the race. At one point Gretel was a disastrous 24 minutes behind Weatherly, but she picked up speed in the third and fourth legs and lost by only 8 minutes, 40 seconds. Determined to make the best of every day legally available to them under cup rules, the Australians asked for another lay day before the next race. This again gave them the Sunday and the Monday to reconsider their techniques and wait for stronger winds.(52)

The fourth race was a heart-stopper. Although Gretel closed in on her opponent in the final leg of the race, Weatherly held on to win by 26 seconds--the narrowest margin in America's Cup history. Some Australians, believing that Gretel was just beginning to find her form, approached their bookmakers with cash in hand. But Packer knew that the chances of winning three straight races from the Americans were slim. The Daily Telegraph asserted that although Australia had proved that she had the boat designers, the builders and the yachtsmen to win the cup, victory would probably not come "this year".(53)

On the morning of the fifth race on 25 September, Packer conferred with Sturrock for twenty minutes in the cockpit. Gretel lost the race by 3 minutes, 40 seconds, dashing Australia's hopes of taking home the America's Cup. The crew members of Weatherly joined their tired and wet Australian counterparts at the Cameo Bar after the race. Packer, Sturrock, Mosbacher, Henry Mercer the owner of Weatherly, and H. Irving Pratt, commodore of the NYYC, held a press conference later that night. After thanking the Americans for their hospitality, Packer announced:

You were too damn good.

We'll probably be back. And whether we lost or not, the sun will come up tomorrow just the same.(54)

And so the 1962 challenge for the America's Cup ended in apparent good humour, with gracious cables of thanks and hearty congratulations circulating between the RSYS, the

NYYC, Packer, Pratt and Kennedy.(55) Packer argued, and most observers agreed, that Gretel had not had "quite enough time to be ready". While American and British syndicates had spent decades designing, building, tuning and training earlier challengers, the Australians had contested a series a mere three years after first countenancing the idea. Nevertheless, in the final months of the 1962 challenge, Packer's meddling had damaged his team's chances of winning the cup. The respected American yachting journalist Norris Hoyt concluded that Packer's "bluster and brass was a stalking horse for a mind as devious and sly as a barrel of snakes".(56)

By marshalling his company's money and staff, Packer had propelled himself and his compatriots into more than just the world of twelve-metre yachting. Packer's relationship with the establishment had long been ambivalent. He and his father had made their fortunes through some controversial business transactions in the 1920s and the 1930s, and they had always been regarded as "new money" by families such as the Fairfaxes and the Murdochs. As a young man, Packer had self-consciously taken up the hobbies of Sydney's elite, such as polo and yachting, and at the time of his first marriage he had established a grand home in the eastern suburbs.(57) This is not to suggest that his interest in yachting was not genuine, or to call into question his impressive sporting credentials. Once Packer took up yachting, he pursued the sport with predictable passion and vigour.

Deciding to challenge for yachting's most coveted trophy propelled Packer and the RSYS into a world of princes and presidents, of imperial jealousies and political intrigue. Within months of the formation of the Gretel syndicate in 1959, the British yachting establishment determined that the Australians were not just ambitious, but presumptuous. It was only when Gretel performed impressively in Newport that the Australian government became convinced that the challenge could boost both Australia's profile abroad, and the Australian people's confidence to strut on the world stage. Gretel's results, coupled with Packer's ruthless commitment to the challenge and his spectacular hospitality, also came as something of a surprise to American yachting commentators and the NYYC, which had become rather complacent about retaining the America's Cup.

Like his hero General Macarthur, Packer was indeed to return: denied the opportunity to stage the Australian challenge for the America's Cup in 1967, Packer was to reappear in Newport in 1970 and provoke an even greater storm of controversy. Incidents came thick and fast before, during and after the series. In the most sensational happening, Packer's yacht, Gretel II, was disqualified after crossing the finishing line ahead of the defender in the second race. Packer was heard to say that "protesting to the New York Yacht Club is like complaining to your mother-in-law about your wife". After losing the series 4-1, Packer sold Gretel I and Gretel II to a young Western Australian entrepreneur named Alan Bond.(58) In 1983 Bond -- who was, ironically, reinventing himself as a media tycoon -- finally brought the America's Cup to Australia amidst another burst of nationalist fervour.

(1) Max Tennison, "History of the America's Cup", *Prime Time*, October 1986, pp. 12-13; Jon Simonds, "The business of winning the cup", *Australian Business*, 24 March 1983, p. 45.

(2) Tennison, "History of the America's Cup", pp. 12-13; W. Baverstock, *The America's Cup: Challenge from Down Under* (Sydney: K. G. Murray, 1967), pp. 39-42, 44; Peter Campbell, "21 years of challenge: The America's Cup race", *This Australia*, 2, 4 (Spring 1983), p. 23.

- (3) P.R. Stephensen comp., *Sydney Sails: The Story of the Royal Sydney Yacht Squadron's First 100 Years (1862-1962)* (Sydney: Angus & Robertson, 1962), p. 229; *Bulletin*, 11 October 1983, p. 99.
- (4) Information from RSYS archivist. See also, for example, *Sydney Morning Herald*, 13 November 1933, p. 15 and 8 January 1934, p. 13.
- (5) David MacDonald, "Frank Packer sets sail for the race of his life", *Reader's Digest*, August 1970, p. 50.
- (6) Frank Packer, "Foreword" to *Baverstock, The America's Cup*, no pagination. See also David S. Kent, "A History of the Australian-American Association", *History honours thesis*, University of Sydney, 1980, p. 28; Bridget Griffen-Foley, *The House of Packer: The Making of a Media Empire* (Sydney: Allen & Unwin, 1999), p. 151; *Daily Telegraph*, 20 October 1945, p. 3.
- (7) Stephensen, *Sydney Sails*, pp. 239 and 244.
- (8) Griffen-Foley, *The House of Packer*, pp. 103, 157-9. See also Menzies to Packer, 5 October 1950; Folder 201; Series 1; MS 4936 Menzies Paper; National Library of Australia (NLA).
- (9) The relationship between Packer and Menzies is dealt with at greater length in Bridget Griffen Foley, *The Young Master: A Biography of Sir Frank Packer* (Sydney: HarperCollins, forthcoming 2000).
- (10) Packer to Menzies, 10 August 1959; Folder 404; Series 2; MS 4936 Menzies Papers; NLA.
- (11) Packer to Menzies, 10 August 1959; John McEwen to Menzies, 3 September 1959; Denham Henty to Menzies, 7 September 1959; Menzies to Packer, 17 September 1959; Folder 404; Series 2; MS 4936 Menzies Papers; NLA.
- (12) Stephensen, *Sydney Sails*, p. 229.
- (13) *Bulletin*, 15 September 1962, p. 13.
- (14) Stephensen, *Sydney Sails*, p. 231. Packer to RSYS secretary, 2 March 1960; W. Mahlon Dickerson to Lloyd T. Burgess, 7 April 1960; 25/3/14; Royal Sydney Yacht Squadron Archives (RSYSA). Dickerson to Burgess, 28 April 1960; New York Yacht Club Archives (NYYCA).
- (15) William Slim to R. A. Dickson, 3 May 1960; 25/3/14; RSYSA.
- (16) *Bulletin*, 15 September 1962, pp. 14-15.
- (17) Prince Philip to Australian Yachting Federation, 19 April 1960; Dickson to Slim, n.d. (?27 April 1960); Dickerson to Burgess, 28 April 1960; 25/3/14; RSYSA.
- (18) *Baverstock, The America's Cup*, p. 54; *Times*, 29 April 1960, p. 12, 30 April 1960, p. 7, 3 May 1960, p. 13.

- (19) Slim to Dickson, 3 May 1960; 25/3/14; RSYSA.
- (20) Baverstock, *The America's Cup*, pp. 56-7. See also minutes of meeting and press release, 31 May 1960; 25/3/14; RSYSA.
- (21) Dickson to Ball, 31 May 1960; 25/3/14; RSYSA.
- (22) Baverstock, *The America's Cup*, p. 61. Packer to Menzies, 21 June 1961, p. 2; Folder 513; Series 2; MS 4936 Menzies Papers; NLA.
- (23) Stephensen, *Sydney Sails*, pp. 232-3, 240-1, 244. Packer to RSYSA secretary, 24 June 1960; 25/3/14; RSYSA. Packer to Menzies, 21 June 1961, p. 1; Folder 513; Series 2; MS 4936 Menzies Papers; NLA.
- (24) Griffen-Foley, *The House of Packer*, pp. 250-1, 262-3.
- (25) Burgess to Packer, 14 July 1960; 25/3/14; RSYSA.
- (26) Burgess to W.A.W. Stewart, 26 September and 6 October 1960, Packer to RSYSA secretary, 29 September 1960; Burgess to Dickerson, 6 October 1960; 25/3/14; RSYSA.
- (27) Griffen-Foley, *The House of Packer*, pp. 234-5, 252-4.
- (28) Ball to Burgess, 17 February 1961; ? to Burgess, 21 February 1961; 25/3/14; RSYSA. See also Packer to Menzies, 21 June 1961, p. 1; Folder 513; Series 2; MS 4936 Menzies Papers; NLA.
- (29) Packer to Menzies, 21 June 1961; Folder 513; Series 2; MS 4936 Menzies Papers; N LA.
- (30) A. L. Moore to John Gorton, 2 August 1961; Gorton to Menzies, 15 August 1961; Menzies to Packer, 16 August 1961; Packer to Menzies, 18 August 1961; Folder 513; Series 2; MS 4936 Menzies Papers; NLA.
- (31) Packer to Menzies, 29 September 1961; Menzies to Packer, 4 October 1961; Folder 513; Series 2; MS 4936 Menzies Papers; NLA.
- (32) Gavin Souter, *Company of Heralds* (Melbourne: Melbourne University Press, 1981), pp. 379-84; R. S. Whittington, *Sir Frank: The Frank Packer Story* (Sydney: Cassell Australia, 1971), p. 270; Griffen-Foley, *The House of Packer*, p. 245.
- (33) Baverstock, *The America's Cup*, pp. 66, 68; Stephensen, *Sydney Sails*, pp. 248-9.
- (34) RSYSA: 25/3/14; Dickson to W. E. Crowder, 7 February 1962; Dickson to L. K. Martin, 12 February 1962; Naming Ceremony, 28 February 1962. See also MacDonald, "Frank Packer sets sail", p. 50; Stephensen, *Sydney Sails*, p. 250.
- (35) Morgan to Burgess, 11 April 1962; Morgan to Packer, 18 May 1962; Morgan to Burgess, 21 May 1962; 25/3/14; RSYSA. Packer to Morgan, 16 May 1962; NYICA. See also Ian Dear, *The America's Cup: An Informal History* (London: Stanley Paul, 1980), p. 134.
- (36) *Christian Science Monitor*, 12 July 1962, p. 9.

(37) Department of external affairs savingram no. 413, 12 April 1962; savingram no. 445, 19 April 1962; J. B. Davies to G. Hartley, 17 July 1962; 1525/3/266 Part 1; A1838/386; National Archives of Australia, Australian Capital Territory (NAA/ACT). See also Baverstock, *The America's Cup*, p. 68.

(38) *Sunday Telegraph*, 15 July 1962, p. 2, 29 July 1962, p. 31; *Daily Telegraph*, 14 September 1962, p. 46.

(39) *New York Times*, 15 September 1962, p. 17; *Australian Women's Weekly*, 26 September 1962, p. 15; Whittington, Sir Frank, p. 246; MacDonald, "Frank Packer sets sail", p. 50; interview with Lady (Florence) Packer, 25 January 1996.

(40) Whittington, Sir Frank, p. 246; MacDonald, "Frank Packer sets sail", p. 50; Dear, *The America's Cup*, p. 137; Stephensen, *Sydney Sails*, p. 70; *Sunday Telegraph*, 2 September 1962, p. 21.

(41) *Daily Telegraph*, 27 July 1962, p. 5; [No known author], *Thirty Years of Service: The American Australian Association, 1948-1978* (New York: no publisher, 1978), p. 52.

(42) Department of external affairs memos, 9 April 1962, 12 April 1962, 16 July 1962; 1525/3/266 Part 1; A1838/386; NAA/ACT.

(43) Department of external affairs savingram no. 570, 22 May 1962; G. Hartley to Mr Forsyth, 22 June 1962; 1525/3/266 Part 1; A1838/386; NAA/ACT. See also *Commonwealth Parliamentary Debates, House of Representatives*, volume 36, 23 August 1962, pp. 745-6; volume 37, 23 October 1962, pp. 1851-2.

(44) *Daily Telegraph*, 11 September 1962, p. 5; *Australian Women's Weekly*, 26 September 1962, p. 15. *America's Cup Race Dinner*, 14 September 1962; 1525/3/266 Part 1; A1838/386; NAA/ACT.

(45) *America's Cup Race Dinner*, 14 September 1962; 1525/3/266 Part 1; A1838/386; NAA/ACT. See also *Australian Women's Weekly*, 26 September 1962, p. 15.

(46) Whittington, Sir Frank, p. 247; *Sunday Telegraph*, 16 September 1962, p. 3; *Daily Telegraph*, 19 September 1962, p. 3.

(47) *Daily Telegraph*, 15 September 1962, p. 1; Dear, *The America's Cup*, p. 137.

(48) Dear, *The America's Cup*, pp. 138-40; Stephensen, *Sydney Sails*, pp. 253-5.

(49) Whittington, Sir Frank, pp. 247-8; *Herald* (Melbourne), 18 September 1962, p. 28; *Daily Telegraph*, 19 September 1962, pp. 1, 3.

(50) Stephensen, *Sydney Sails*, pp. 254-6, 258; Dear, *The America's Cup*, p. 140; *Daily Telegraph*, 27 September 1962, p. 5.

(51) Stephensen, *Sydney Sails*, p. 255; *Daily Telegraph*, 14 September 1962, p. 29, 20 September 1962, pp. 1, 5. See also Prime minister's department note for file, 20 September 1962; C3691; A4940/1; NAA/ACT.

(52) MacDonald, "Frank Packer sets sail", p. 51; Stephensen, Sydney Sails, pp. 257-8; Dear, The America's Cup, p. 140.

(53) Dear, The America's Cup, p. 140; Baverstock, The America's Cup, p. 89; Daily Telegraph, 24 September 1962, p. 5. 54 Daily Telegraph, 26 September 1962, p. 5, 27 September 1962, p. 5.

(55) Cables, 26 September 1962; Pratt to Packer, 9 November 1962; Packer to Pratt, 10 November 1962; 25/3/14; RSYSA. See also Daily Telegraph, 27 September 1962, p. 1.

(56) Packer, "Foreword" to Baverstock, The America's Cup, no pagination; Baverstock, The America's Cup, p. 90; Dear, The America's Cup, p. 137.

(57) See Griffen-Foley, The Young Master (forthcoming).

(58) Campbell, "21 years of challenge", pp. 25-6.

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