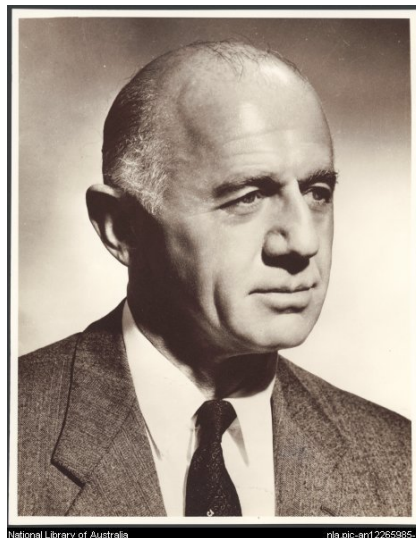


William McMahon: the first Treasurer with an economics degree

John Hawkins¹

William McMahon was Australia's first treasurer formally trained in economics. He brought extraordinary energy to the role. The economy performed strongly during McMahon's tenure, although there are no major reforms to his name, and arguably pressures were allowed to build which led to the subsequent inflation of the 1970s. Never popular with his cabinet colleagues, McMahon's public reputation was tarnished by his subsequent unsuccessful period as prime minister.



Source: National Library of Australia.²

1 The author formerly worked in the Domestic Economy Division, the Australian Treasury. This article has benefited from comments provided by Selwyn Cornish and Ian Hancock but responsibility lies with the author and the views are not necessarily those of Treasury.

Introduction

Sir William McMahon is now recalled by the public, if at all, for accompanying his glamorous wife to the White House in a daringly revealing outfit (hers not his). Comparisons invariably place him as one of the weakest of the Australian prime ministers.³ Indeed, McMahon himself recalled it as 'a time of total unpleasantness'.⁴ His reputation as treasurer is much better, being called 'by common consent a remarkably good one'.⁵ The economy performed well during his tenure, but with the global economy strong and no major shocks, this was probably more good luck than good management.⁶ His 21 years and four months as a government minister, across a range of portfolios, was the third longest (and longest continuously serving) in Australian history.⁷

In his younger days he was something of a renaissance man; 'a champion ballroom dancer, an amateur boxer and a good squash player – all of which require, like politics, being fast on his feet'.⁸ He suffered deafness until it was partly cured by some

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- 2 'Portrait of William McMahon, Prime Minister of Australia from 1971-1972/Australian Information Service', Bib ID: 2547524.
 - 3 MacCallum (2012, p 145) quips he was not so much 'first among equals' as 'worst among sequels'. Among critical commentators are Errington and van Onselen (2007, p 275) who call him 'the prime minister the Liberal Party is most ashamed of'; Megalogenis (2011, p 31) who refers to him as 'the shorthand for national failure' and Mackerras (2008) who believes he had 'no achievements beyond actually getting the top job' and Hancock (2001, p 196) who describes him as 'generally inept' as prime minister.
 - 4 Interview cited in *Canberra Times*, 10 April 1988, p 4.
 - 5 Williams (1968, p 2). Bob Hawke referred to his tenure as 'widely recognised as a successful one'; *Hansard*, 12 April 1988, p 1403. Veteran journalist Alan Reid (1971, p 70) reports 'he was regarded, even by his enemies within the Liberal Party, as doing a highly competent and technically accomplished job' as treasurer.
 - 6 Hancock (2001, p 211) says McMahon 'was fortunate to hold the office in fair economic times and to be assisted by a strong department'. Similar views were held by McMahon's ministerial colleagues Don Chipp, who opined that 'he inherited that [favourable] set of conditions from Harold Holt and there were few outside influences placed on the economy during his tenure as treasurer to disturb it'; Chipp and Larkin (1978, p 125), and Billy Snedden (1976) who described McMahon as treasurer 'during a fortunate era and it was not his doing but 'if the cricket team wins then the captain is a good captain'.
 - 7 John McEwen and George Pearce served for longer but with breaks. McMahon's portfolios were navy; air; social services; primary industry; labour and national service; treasury; external (renamed foreign) affairs; and prime minister.
 - 8 Aitchison (1971, p 278). Even as treasurer, he kept fit through playing golf and squash. Weller, Scott and Stevens (2011, p 72) remark 'in a couple of cases, recruitment to PM&C was said to be determined by the Prime Minister's need for a squash partner, someone who would not mind being hit with a swirling racket and who knew how to lose'.

operations in the 1960s. Possibly as a result, he had a quavering voice that was a gift to mimics and his public speaking style was described as 'dreadfully boring'.⁹

McMahon was the first treasurer with a degree in economics. He was 'fascinated' by economics.¹⁰ He commented while treasurer: 'I had always felt I was cut out for the life. I was born in a financial and economic mould. I trained myself for it ... I know it backwards ... I speak the lingo'.¹¹ According to his wife, 'he only ever wanted to be treasurer'.¹² But he once mused 'life was never intended to be pleasant for a treasurer'.¹³

McMahon claimed to be an intellectual who also read extensively on theology and communism.¹⁴ In a more reflective piece, McMahon defined politics as the 'study of human nature in society with emphasis on the parliamentary and economic aspects of man's activities'.¹⁵ He styled himself as a 'genuine liberal in the sense of feeling that the less interference there was with people...the better kind of society developed'.¹⁶ But most commentators believed there had 'never been any evidence that he is an initiator or an original thinker'.¹⁷ As he progressed in politics he became more cynical. Asked what politics is about at one question time, McMahon replied 'trying to get into office'.¹⁸ Asked what had gone wrong for Gorton he replied 'he tried to do things'.¹⁹

He was regarded as ungrateful²⁰ and a demanding boss.²¹ An example of his attitude, and the responses it could provoke, was that he once rang treasury secretary Wheeler

9 Chipp and Larkin (1978, p 125). Press gallery veteran Rob Chalmers (2011, p 120) referred to McMahon's 'total lack of eloquence'.

10 Rodan (1977, p 223) and Reid (1969, p 31). His wife recalled 'he loved the world of economics; Mitchell (2007, p 46). Reid (1969, p 126) described him as 'engrossed in his portfolio'.

11 Interview cited in Williams (1968, p 2).

12 Sonia McMahon, cited by Leeson (2010).

13 *The Sun*, 19 August 1977.

14 McMahon (1974, p 43) and in an interview with Peter Coleman (1963, pp 17-18).

15 McMahon (1954, p 29).

16 Interview by John Edwards (1972, p 3). In McMahon (1954) he discusses conclusions reached from this study and shows he had read widely.

17 Whittington (1972, p 119). Similarly, Hastings (1965, p 9) opined that he was 'not...either a very original man or a very imaginative one'. *Time* called him 'a man of limited vision'; when asked during an interview for his thoughts on Australia's future, 'McMahon shuffled rapidly through his papers. He found no brief on the future, no position paper filed under F...he said 'I'll have to send you a note on that'. But he never did'; 24 May 1971, p 36.

18 *Hansard*, 23 February 1972, p 6.

19 Cited in Oakes and Solomon (1973, p 64).

20 Heather Henderson, then an ambassador's wife in Geneva, recalls McMahon arriving an hour and a half late for a dinner without apology or thanks; Menzies and Henderson (2011, p 36).

after midnight requesting information. Wheeler rang McMahon back at 2.30 am and when McMahon asked why he was being called at such an hour, Wheeler replied that McMahon had said he needed the information as soon as possible.²²

The paradox of his career is how he reached the summit of Australian politics despite being poorly regarded by his peers and lacking in charisma. Menzies apparently 'did not trust him and doubted whether McMahon had that high standard of incorruptibility that Menzies himself would set for the Treasury'.²³ There is a long list of Cabinet colleagues on the record as highly critical of him.²⁴ He was particularly notorious for leaking to the press.²⁵ Contemporary journalists were also not favourably impressed.²⁶ There was considerable mirth when, interviewed by David Frost, McMahon said 'I have never, ever told a lie'.²⁷

21 Whittington (1972, p 149). Weller, Scott and Stevens (2011, p 70) say 'McMahon was impossible to work for: paranoid, inconsistent, demanding and unreasonable'. His private secretary reported being sacked and reinstated several times; Mitchell (2007, p 40).

22 Brown (2002, p 107).

23 Hasluck (1997, p 128); Howson (1984, p 589). In his early retirement, Menzies wrote of him as 'that untrustworthy little scamp'; Menzies and Henderson (2011, p 224).

24 Holt's biographer says it was a problem for Holt that 'very few members of cabinet trusted his treasurer's integrity'; Frame (2005, p 237). Leslie Bury (1975) said 'I have an intense antipathy...I don't like anything about him'. Snedden recalled him as 'conspiratorial, devious, untrustworthy'; Snedden and Schedvin (1990, pp 126-7). John Gorton called him 'utterly untrustworthy'; *Sydney Morning Herald*, 2 October 1987, p 11. Hasluck is particularly scathing: 'the longer one is associated with him the deeper the contempt for him grows...disloyal, devious, dishonest, untrustworthy, petty cowardly...I find him a contemptible creature'; Hasluck (1997, p 185). (These comments from 1968 were not made public by Hasluck, but published after his death, which may account for their candour.) In general 'in the Country Party he was detested'; Golding (1996, p 182). Even speaking in a condolence motion Ian Sinclair said McMahon was 'not the easiest of men with whom to be associated'; *Hansard*, 12 April 1988, p 1405.

25 In the press gallery he was known as 'Billy the Leak'; Chalmers (2011, p 155), Davey (2011, p 91); Hancock (2002, p 101). Malcolm Fraser recalls Menzies saying he kept in his desk a signed confession from McMahon about leaking which Menzies would release if too provoked; Fraser and Simons (2010, p 162). Another story has it that once when McMahon left a cabinet meeting early, Menzies looked at the clock, sighed and said 'oh dear, just in time for the final edition!' Golding (1996, p 350).

26 Mitchell (2007, p 38) remarks that leading journalists recalled him as a 'pathological liar' and 'fantasist'. Whittington (1972, p 153) points out that as prime minister he foolishly put out a press release describing himself as 'soldier, barrister, economist and parliamentarian' when he had never fought in a battle, been admitted as a barrister or worked as an economist. There were claims that while treasurer he would punt on the stockmarket using inside information; Buckley (1991, pp 211-2).

27 Jim Killen referred to it as 'the end of Diogenes' search'; Chalmers (2011, p 93). (Diogenes was a legendary figure in ancient Greece who roamed the countryside in search of an honest man.)

The answer to this paradox seems to be that McMahon was at least grudgingly admired for his energy and diligence. In a much-cited quotation upon becoming prime minister, McMahon described himself as a 'tremendous worker'.²⁸ Even a harsh critic said McMahon was 'able and hard working'.²⁹ He also benefited from being a member from New South Wales at a time when there was growing resentment of the dominance of Victorians in the Liberal Party.³⁰ Furthermore, McMahon was driven.³¹ He stood for the deputy leadership on Menzies' retirement in part so that he could claim the treasurer's job.³² In many ways he was a political professional in a party still with many amateurs.³³

McMahon's life before politics

William McMahon was born on 23 February 1908 into a wealthy family. He recalls being shunted between relatives by his father after his mother died when he was four, and his father died while Billy was in his teens. McMahon attended Sydney Grammar (shining neither academically nor at sports) and subsequently took a law degree at the University of Sydney. Shy as a boy, at university he was described as 'a cheerful, rowdy extravert individual of thalamic mentality'.³⁴ He had an early interest in politics, stimulated by his uncle, a lord mayor of Sydney.³⁵

He practised as a solicitor with the prestigious establishment firm of Allen, Allen and Hemsley. He specialised in commercial law and acted for the banks on the bank nationalisation cases, rising to junior partner. He enlisted in the army, rising to major although his hearing problems and a knee injury precluded overseas service.

28 Press conference, 10 March 1971.

29 McEwen and Jackson (1983, p 75). Downer (1982, p 24) and Hancock (2002, p 101) describe him as indefatigable. McMahon (1974, p 44) claimed to need only four hours sleep a night.

30 Successive leaders Menzies, Holt and Gorton all represented Melbourne electorates as did rising stars Snedden and Peacock. Once deputy leader Eric Harrison retired in 1956 and Garfield Barwick went to the High Court in 1964, McMahon was the senior NSW Liberal.

31 Golding (1996, p 181) writes his 'ambition to succeed knew no bounds...he would use any device to advance his own interests, even if this meant undermining a colleague'. Whittington (1972, p 145) and Oakes & Solomon (1973, p 77) both refer to his 'tremendous determination'. McMahon himself reflected 'it is a strange thing but everyone seems to think I am a person of tremendous ambition' at a press conference on 10 March 1971.

32 Golding (1996, p 228).

33 Reid (1971, p 74). Don Chipp described him as a 'consummate politician'; Chipp and Larkin (1978, p 124). Jones (1971, p 6) called him 'totally obsessive about politics'.

34 Cited in Oakes & Solomon (1973, p 67). McMahon (1974, pp 34 and 42) described himself as 'wild' gambler with a 'libertine sort of life' at this period.

35 Sir Samuel Walder was also vice president of the United Australia Party 1933-1939 and a member of the NSW Legislative Council from 1932 to 1943; Edwards (1972, p 2).

After the war he travelled for over a year in Europe and the Americas and then took an economics degree at the University of Sydney.³⁶ At this time he was regarded as 'small, dapper....garrulous, a...gadabout from a wealthy family' and known as a heavy gambler at the racetrack.³⁷

Parliament

McMahon was elected member for Lowe in 1949.³⁸ As a candidate he advocated splitting the Commonwealth Bank into separate trading, saving and central banks and believed tariffs should only be provided to infant industries³⁹.

In his first speech McMahon, starting as was to go on, made almost no personal reflections but quoted masses of statistics. He cited approvingly two liberal economists, Keynes and Beveridge, but no conservative ones.⁴⁰ Much less liberal was his attitude towards academic freedom: in parliament he attacked Heinz Arndt's appointment as a professor of economics on the grounds that he was a Fabian and a supporter of bank nationalisation.⁴¹

McMahon was promoted to the ministry in 1951, a very rapid rise. In an unexpected move, he was appointed minister for primary industries in 1956 despite his city background.⁴² When Holt was promoted to treasurer, McMahon moved up to the labour and national service portfolio, but (unrealistically) thought he should have been given treasury.⁴³ He had a parliamentary reputation as an 'attack dog' in debates. He defeated Hasluck for the deputy leadership when Holt succeeded Menzies as leader.

36 He completed the four-year course in two years, including three politics subjects, and winning the Frank Albert Prize.

37 Golding (1996, p 180), See also Waterford (1982, pp 2 and 148) and Whittington (1968, p 7).

38 His preselection was almost by accident. He attended to speak on behalf of another candidate but made such a good impression he was asked to stand despite not being a party member; excerpt from unpublished autobiography; NLA MS 8725, box 97, folder 130/20.

39 Excerpt from unpublished autobiography.

40 *Hansard*, March 1950.

41 *Hansard*, 11 October 1950, p 591. At this time, support for bank nationalisation was not even an extreme position. It was a key issue at the election the year before when Labor had won 49 per cent of the two-party preferred vote advocating it.

42 McMahon commented at the time 'I have two pot plants on my front balcony and I know a little bit about it', cited by Ian Robinson, *Hansard*, 12 April 1988, p 1410.

43 Rodan (1977, p 52), based on interviews with Liberal MPs. McMahon was a member of cabinet's economic committee.

In 1965 he married socialite Sonia Hopkins and they were to have a son and two daughters.⁴⁴

Treasurer

Holt appointed McMahon as treasurer, the first with a university degree in economics. It was 'the role for which he had so assiduously prepared himself'⁴⁵. Being deputy leader strengthened his claim on the job⁴⁶ and few on the front bench of the Liberal Party were interested in economic policy.⁴⁷

He was not blind to the challenges of the post; commenting that the treasurer's 'role traditionally is supposed to be that of a watchdog against optimists, a man whose leading joy in life is to deflate enthusiasm and cut idealists down to size'.⁴⁸

The generally free trader McMahon had many fights in cabinet with the protectionist Country Party leader McEwen. McMahon generally believed governments should not try to preserve inefficient industries. But he also once claimed 'ours is a protectionist government which will always see to it that manufacturing gets a fair go — even perhaps more than a fair go'.⁴⁹

McMahon 'consulted widely and acted indecisively; he fussed about policy options and deferred hard decisions'.⁵⁰ McMahon used to include a lot of statistics in his speeches to give the impression of mastery of detail, with his staff correcting the figures when the draft Hansard appeared.⁵¹

McMahon and Treasury

McMahon (1972) said he had 'very deep liking and respect' for Treasury. The Department would have been pleased when McMahon made the Government's

44 Mitchell (2007, p 192) claims McMahon relied on his wife for political advice as 'he never felt he could trust anyone else'. Sonia claimed 'I changed the budget once. I didn't think there was enough in there for mothers and families and I convinced him to give them more money'; Mitchell (2007, p 25). Their son Julian is now a Hollywood star, best known as Dr Doom in the *Fantastic Four* films, and was briefly married to Dannii Minogue. While elder daughter Melinda (born while McMahon was treasurer) occasionally appears in the press as a socialite, she and younger sister Debbie (born while McMahon was prime minister) generally have a low profile.

45 Sekules (2000, p 319). Oakes & Solomon (1973, pp 73-75) paint a similar picture.

46 The other name mentioned was Alan Hulme; Frame (2005, p 141). McMahon also had the backing of the Packer press and some NSW business leaders.

47 Walsh (1971, p 4).

48 *Hansard*, 9 March 1966, pp 89-90.

49 *Hansard*, 9 March 1966, p 93.

50 Schedvin (1992, p 429).

51 Alex Millmow, *The Age*, 16 June 2009; Mitchell (2007, pp 39, 44).

response to the Vernon Report, and rejected the idea of an Advisory Council on Economic Growth as Treasury already has 'men of ability, knowledge, qualifications and experience of an order most unlikely to be surpassed by anybody of persons within Australia'.⁵² McMahon called the report's conclusions unacceptable and stated the Government had no intention of setting economic growth targets. Furthermore, he said the Committee was 'over cautious in its views on the future possibilities of this country'.⁵³

McMahon's respect for Treasury was apparently not always reciprocated. The Treasury secretary, Sir Roland Wilson, often regarded as the outstanding public servant of his generation and one of the greatest economists to serve there, resigned in part because he could not abide McMahon.⁵⁴

McMahon 'fought relentlessly to maintain Treasury's influence, prestige and power'.⁵⁵ Gorton, however, had a dislike of Treasury which he regarded as 'conservatively sterile' and 'obstructive and slow moving', and which intervened to prevent worthwhile initiatives in areas such as education. Gorton's permanent head, Lenox Hewitt, was a disgruntled former Treasury officer.⁵⁶ As a result Gorton insisted that he and Hewitt were closely involved in preparation of budgets.⁵⁷

Views differ about McMahon's willingness to dispute and reject Treasury advice.⁵⁸ He talked to as many as a hundred Treasury officials in the course of preparing the budget.⁵⁹

McMahon spent a lot of time talking to business leaders by phone, so was not reliant on Treasury's advice in assessing the state of the economy. He travelled overseas extensively to gain insights into the global economy. He later described Treasury as 'not conversant with the lines of ordinary people or what's happening in the business world'.⁶⁰

52 *Hansard*, 9 March 1966, p 95.

53 *Hansard*, 9 March 1966, p 89.

54 Cornish (2007, p 314).

55 Reid (1971, p 126).

56 Reid (1971, pp 119, 123).

57 McMahon was somewhat exasperated by Gorton's involvement, complaining to a colleague that Gorton does not understand 'the elementary facts of Keynesian economics'; Peter Howson's dairy entry, 21 July 1968, in Howson (1984, p 441).

58 McEwen and Jackson (1983, p 79) describe him as 'always been very willing to accept the guidance of his treasury advisers', while Frame (2005, p 161) suggests he would dispute it.

59 *Canberra Times*, 11 March 1971, p 2.

60 Interview cited in *Canberra Times*, 10 April 1988, p 4. In McMahon (1973, p 21) he said 'it was a constant struggle to prevail upon the Treasury to discuss problems with industry'.

McMahon's budgets and macroeconomic policy

As treasurer McMahon delivered four budgets. Despite inheriting what he regarded as a 'fully employed economy', McMahon characterised the 1966 budget as 'expansionary'.⁶¹ There had been a drought-related slowdown in 1965-66, with real GDP growing by 2½ per cent rather than the over 6 per cent experienced in the three preceding years. In his budget speech McMahon emphasised increased spending on defence and age pensions.

When the sterling devalued by 14 per cent in November 1967, the cabinet agreed to McMahon's submission that the Australian dollar should only partly follow it.⁶² The decision was taken while Country Party leader McEwen was out of the country, but Holt supported McMahon when McEwen tried to have the decision reversed upon his return.

In his 1967 budget, which he dubbed a businessman's budget,⁶³ McMahon warned that growth in government spending could be crowding out the private sector and so the Government would 'draw the reins'.⁶⁴ But the reigning back was a modest one, from growth in outlays of 12 per cent to growth of 10 per cent.

The 1968 budget was damned by some as inflationary and by others as deflationary, and was regarded as reflecting Gorton's priorities.⁶⁵ There were increases in company tax and sales tax, largely offset by significant increases in social security payments. Indeed, with a 'generally buoyant economy'⁶⁶, McMahon opened his 1968 budget speech by emphasising social welfare payments, which had been reviewed by a cabinet committee and ended by referring to giving the 'aged and infirm, sick and handicapped...an honoured place'.⁶⁷ The budget also featured the introduction of 'drought bonds' which farmers could purchase with a tax deduction and redeem during droughts.

The 1969 budget was more expansionary than its predecessor notwithstanding warnings from Treasury of 'developing hypertension'.⁶⁸ Treasury had suggested increases in sales tax but the idea was rejected by Gorton due to the approaching

61 *Hansard*, 16 August 1966, pp 12-13.

62 The Reserve Bank opposed devaluation from concern about its inflationary consequences: Cornish (2010, p 58).

63 *Sydney Morning Herald*, 21 August 1967.

64 *Hansard*, 15 August 1967, p 8. Treasury had made this point in its 1967 survey; cited by Whitwell (1986, p 155).

65 Hancock (2002, pp 192-3). McMahon would have preferred a more cautious, less expansionary budget; Aitchison (1971, p 140).

66 *Hansard*, 15 August 1967, p 36.

67 *Hansard*, 15 August 1967, p 35.

68 Hancock (2002, p 229).

election.⁶⁹ Max Walsh said this 'permissive' budget 'ushered in the era of cost inflation'.⁷⁰ Even more so than in 1968, the budget was regarded as largely reflecting Gorton's priorities.⁷¹

Around this time the Reserve Bank relied on requesting banks to rein in their lending. McMahon felt the Reserve Bank was too gentle and offered to speak to the banks himself.⁷² He also supported an increase in bank interest rates in July 1969 and rises in the SRD ratio. Real interest rates were at post-war highs.

For McMahon 'growth and development...are magic words' and the 'remarkable series of mineral discoveries during the 1960s raised the horizons of Australian growth'.⁷³

Other policies

While McMahon was away, Gorton as acting treasurer prevented a foreign takeover of insurance company MLC. Unlike McMahon, Gorton was sceptical about Australia's reliance on foreign capital and thought Treasury was too sympathetic to it.⁷⁴ This purportedly led to a long and heated argument between McMahon and Gorton.⁷⁵ Concerns the decision would unduly deter foreign investment, however, proved unfounded.

McMahon produced a plan for a consortium of banks to form the Australian Resources Development Bank, an alternative to the government owned Australian Industry Development Corporation which McEwen proposed to encourage Australian ownership of large projects. In 1967 the Holt Government rejected McEwen's idea but in 1968 the Gorton Government adopted it.

69 Whitwell (1986, p 186).

70 Walsh (1971, p 4).

71 Reid (1971, pp 119, 296).

72 Schedvin (1992, p 445).

73 McMahon (1969, p 2).

74 As Gorton put it, 'until very recently it has seemed to me that the posture of Australia in seeking overseas capital has been the posture of a puppy lying on its back with all legs in the air and its stomach exposed saying please, please, please give us capital. Oh, tickle my tummy. On any conditions'. Reid (1971, p 119).

75 The argument lasted two hours according to Reid (1971, p 126). McMahon (1969, p 4) believed 'foreign investment supplemented our own savings and permits us to undertake [extra] development'.

Prime minister

When Holt disappeared in December 1967, McMahon aspired to the top job⁷⁶ but Country Party leader McEwen threatened to take his party out of the coalition and the Liberals instead chose Gorton. McMahon unsuccessfully challenged Gorton for the leadership after the October 1969 election, but was re-elected deputy leader. Gorton then shifted McMahon from treasurer to minister for external affairs (soon renamed foreign affairs).⁷⁷

By March 1971, undermining by McMahon and others led Gorton to seek a vote of confidence in his leadership. After a tied vote led Gorton to fall on his sword, McMahon was chosen as leader.⁷⁸ McMahon initially considered being both prime minister and treasurer (as Fisher and Chifley had been) but felt 'it is a pretty difficult if not impossible task'.⁷⁹ He initially left Leslie Bury in the post but shortly after replaced him with Billy Snedden.

While McMahon improved relations with the states, overall 'an air of disorganisation at times verging on panic permeated the new government'.⁸⁰ By 1972 unemployment was at a ten-year high and inflation at a twenty-year high, particularly bad news for a prime minister whose strong suit was economics. The McMahon Government fell at the December 1972 election.

Subsequent career

In the tradition of earlier leaders such as Hughes and Scullin, McMahon stayed in parliament for many years after being prime minister. He initially stayed on the frontbench but was dropped after the 1974 election. Unlike Hughes he was never again

76 According to Warrender (1973, p 169) McMahon even rang Bolte in the afternoon of Holt's disappearance seeking support for the job, although McMahon denied this; Ramsey (1968, p 7). There are claims that McMahon was planning to challenge Holt before his death. Holt's housekeeper, Mary Lawless, recalled an agitated conversation Holt had with McMahon the morning of his death; Butt (2008). McMahon denied this, but it is hard to see any reason for the housekeeper to lie. McMahon's lobbying for a leadership vote before the memorial service, 'only seemed to confirm his opponents in their opinion of him as a man without decency'; 't Hart (2006, p 16). After his victory Gorton agreed with McEwen that they would never be out of Australia at the same time to avoid McMahon being acting prime minister; Davey (2011, p 123).

77 According to Reid (1971, p 78) Gorton had been planning to shift McMahon at least as early as March 1969.

78 McMahon sought the leadership while holidaying in Capri (Queensland) leading Whitlam to quip he was like 'Tiberius with a telephone'. Edwards (1972, p 2) believes the party wanted 'someone safe' after the turbulence of Gorton.

79 Press conference, 10 March 1971. McMahon acted as treasurer for a month in September/October 1971 when Snedden was overseas.

80 Sekules (2000, p 321).

to serve as a minister and unlike Scullin he never became a respected elder statesman and adviser. Instead, he became a backbench critic of the Fraser Government, especially on economic issues, and wrote many newspaper articles.⁸¹ Some consolation was a companion of honour in 1972 and a knighthood in 1977. McMahon tried unsuccessfully to publish his memoirs.⁸² He retired from parliament in 1982 and died on 31 March 1988.

81 For example, he said 'I didn't like the [1981] budget at all' saying it should have included tax cuts; *Australian Financial Review*, 5 January 1982, p 3.

82 The memoirs, titled *A Liberal View* or *Sir William McMahon on Politics*, were rejected by six publishers. They apparently included vast slabs of budget speeches verbatim; *Sydney Morning Herald*, 5 July 1986, p 1; 3 October 1987, p11 and 11 April 1988, p 11. Barry Jones, one of the few to read them, called them 'dreadful'; *Hansard*, 12 April 1988 and Philip Adams had a similar view. Jones has subsequently lost his copy, as has Sonia McMahon; Mitchell (2007, p 47). Some drafts of the work are in the National Library but only a very small portion is publicly available. McMahon is one of the few prime ministers not to be the subject of a full-length biography.

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William McMahon: the first treasurer with an economics degree

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