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Obituary

Douglas Henry McKAY, CBE, 1923–2012



Douglas Henry McKay was born in North Sydney on 5 September 1923 and grew up around Tumbarumba then Narrandera in southern NSW. This idyllic childhood ended abruptly in 1934 when his father, Oswald McKay, a postmaster, suffered a disabling stroke.

A meagre pension, plus the Depression, left his mother unable to feed and clothe, let alone educate, six children, so Doug and three of his siblings were sent to board at the William Thompson Masonic School in Baulkham Hills. There, McKay secured both sustenance and education: he attended Parramatta Intermediate and Parramatta High schools.

After taking his Leaving Certificate at 15 and working for a brief time at Austral Bronze, McKay moved to work at the Taxation Office. The NSW Masonic organisation paid his fees to the University of Sydney, where he studied economics part-time.

In 1942, McKay enlisted in the AIF. He became a sapper in the Engineering Corps and was quickly deployed to the 2/4th Field Company, 18th Brigade, 7th Division, at Milne Bay in New Guinea. Later campaigns included Buna, Gona and Sandana.

In March 1945, his commanding officer learnt that McKay had university training, so he was promptly demobilised and sent back to the university. He graduated when he was 21 and soon afterwards married his wartime sweetheart, Ruth Irwin.

Attracted by the idea of combining economics and work outdoors, McKay joined the Bureau of Agricultural Economics in Canberra in 1948. In 1960, he was appointed the agricultural representative at the Australian High Commission in London.

McKay became director of the BAE in 1963, deputy secretary of the Department of Trade in 1968, and Secretary from 1971 to 1977.

He was appointed Secretary of the Department of Primary Industry in 1978, where he provided clear-sighted, considered, often very direct, advice to his ministers John McEwen, Doug Anthony, Jim Cairns, Frank Crean, and Ian Sinclair and accompanied prime ministers Gough Whitlam and Malcolm Fraser on overseas visits.

McKay made several important contributions to domestic agricultural policy. In delivering the Presidential Address to the Eleventh Annual Conference of the Australian Agricultural Economics Society in February 1967, McKay, then Director of the Bureau of Agricultural Economics, presented the first detailed analysis of the small farm problem in Australia – and, in doing so, laid the foundations for debate in government and university circles about the implications for the welfare of farming families and the need for structural adjustment. McKay's analysis showed that incomes too low to either sustain a family or allow for reinvestment in their farms was not a new problem, the result of occasional poor seasons or periods of low prices. It was systemic, reflecting in various proportions inadequate farm size, marginal land, limited managerial ability and lack of capital. He also recognised that on many of these farms, prospects to improve productivity were limited: *while ever costs continue to increase at a faster rate than the prices ... general measures* (devaluation, international commodity agreements, input and output subsidies) *can do no more than slow down the rate at which farms may fall into the low-income category.* In his address, McKay raised an issue that continued to influence agricultural policy over many decades: whether structural adjustment should be left to economic forces or whether steps would be required to ease the process of change.

McKay's keen intellect, ability to glean information from disparate sources, understanding of agricultural production and economics, pithy way with words, physical stamina and hard-headed determination made him an outstanding negotiator. He took the most personal satisfaction from the role he played in securing an international sugar agreement in 1968.

In a memoir prepared for family and friends, he recalled his involvement in creating the 1968 International Sugar Agreement as his most difficult negotiation. The year long negotiations began just months after his

Presidential Address to the Australian Agricultural Economics Society. He was, in reality, the lead negotiator, but had McEwen, Anthony, the Queensland premier Joh Bjelke-Petersen (plus press secretaries) and several Australian industry advisers looking over his shoulder.

In 1968, the international sugar market was oversupplied, prices depressed and international relations fraught. The United States had cut-off imports from Cuba after the missile crisis. The Soviet Union then became a major importer (and unhelpful re-exporter) of Cuban sugar. Britain, also a major importer, was again considering entering the European Economic Community, while the EEC was raising its own sugar production.

Sugar was a highly politicised commodity, subject to a number of closed and very different marketing regimes. An agreement had been sought for years among sugar-producing countries who sold into the world 'free' market where, as described by McKay, the price through the sixties was '*...as cheap as if it were sand scooped from the beaches...*' Although a number of key players did not want an agreement for geostrategic reasons and most sugar exporters were developing countries who expected Australia to cede them space in the shrinking free market while the Australian sugar industry was suffering financially, through skill, patience, and a detailed knowledge of the industry and its disparate participants, McKay steered the Conference to an historical agreement that established a more stable market that endured for many years. This, in turn, allowed the Australian sugar industry to get back on its feet and increased the sugar revenues of the many poor exporting countries selling into the world market.

In his youth, McKay played rugby league, moving later to golf. However, from childhood, his passion was fishing. After his retirement in 1980, he largely abandoned trout fishing to concentrate on the NSW South Coast estuaries. He fished to catch fish, indifferent to his own discomfort, oblivious to shivering companions and approaching bushfires. In his mid-1980s, he still managed to ford the Thredbo River, stand at the head of a pool that a dozen others had fished that morning and land a very substantial trout.

Doug McKay is survived by his widow Ruth, daughters Robyn, Julienne, and Wendy, five grandchildren and five great-grandchildren.

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