

**Tribute to Sir James Fletcher – 4 September 2007**  
**Holy Trinity Cathedral – Auckland**  
(Delivered by David Sadler, his friend and business associate)

I have known and worked with members of the Fletcher family for 45 years. During that time I was presented with many tough tasks, but none have come anywhere near what I have been asked to do today on behalf of those who have worked with Sir James over the past seventy years.

To encapsulate the life of a man like Sir James Fletcher into the space of a few minutes is an impossibility. So great were his achievements. So inspiring was the man himself.

Young Jim Fletcher – or JC as he was always affectionately referred to throughout his working life – was appointed Managing Director of Fletcher Holdings Limited in 1942 – the company he helped to form as a publicly listed company in 1940.

He inherited his father's tight-knit team of practical, experienced men employed principally in the construction industry. But over the next few years he leavened it with his own appointments to bring additional skills into the company that was growing with and ahead of New Zealand's industrialisation.

To the existing concrete plants, marble yards, sawmills, steel yards and joinery operations he quickly added asbestos cement, building paper, linseed and builders supplies. But this was just for starters.

Continuing his father's quest for new industries that would help New Zealand to move from a land-based economy and limited secondary industry, JC travelled extensively but with special emphasis on North America.

The relationships he initiated and nurtured so well over almost 40 years were to prove to be of immense value to Fletchers and this country.

With New Zealand short of foreign currency and industrial skills, it was inevitable that many ventures were of a partnership nature and initially, none was more important than his 1945 introduction of the Australian, CSR Limited, as a one third shareholder in the parent company. Best known in New Zealand for its Chelsea Sugar refinery, it was a leader in its home country in the manufacture of a wide range of building materials.

They brought manufacturing and marketing skills and were active participants in the wider company planning. That association lasted

until 1979 – by then watered down to a 21% holding but substantially increased in dollar terms.

Personal relationships with world class contractors and industrialists such as Steve Bechtel (Senior), Edgar Kaiser and leading bankers in the USA and UK were cultivated by JC, which in turn smoothed the way for subsequent joint ventures in major civil construction; also new manufacturing and servicing industries.

Early construction joint ventures were the Auckland import wharf and the Caltex refinery in Sydney. The two partners in the import wharf contract – Merritt Chapman Scott and Raymond Concrete Pile operated with Fletcher Construction as Fletcher Merritt Raymond.

Following a request from JC to continue the partnership, it was agreed that the joint venture should tender to build the pulp and paper mill planned by the New Zealand Government to utilise the mature resources of the Kaingaroa forest - what was to become known as the Tasman Pulp and Paper Company.

When potential sponsors to own and operate the mill fell away, JC made the huge leap expanding Fletchers role from solely construction to project sponsor. This was an unbelievably large and complex undertaking for Fletchers, and it was not universally welcomed in Wellington, where certain civil servants believed Fletchers was getting too big for its boots.

The project required, in addition to the sawmill, pulp mills and newsprint machine, the creation of a new township, forestry operation, log handling, energy and chemical facilities and the waste disposal from this internationally sized pulp and paper complex. The Government's contribution was to be roads, railway, and power transmission and port facilities.

JC had to overcome local obstruction, and also the vested interests of existing suppliers of newsprint to Australia and New Zealand, in respect of ceding markets and providing technical support. This was just one aspect, at the same time he was quietly evolving a plan for Fletchers to become a substantial shareholder in the entire operation of Tasman.

But first he had to convince his directors to approve an investment equivalent to almost 50% of his company's then shareholders funds.

It was also essential to convince the existing major newsprint suppliers to become partners with Fletchers and the Government, and for Tasman to obtain the necessary financing for the project and the ongoing operations.

All of this at the age of 36 he had to demonstrate persistence and negotiating skills to win their support.

Thus was Kawerau born - from the beginning, a truly world class plant. The newsprint machine itself was then the fourth largest in the world, and the first to use radiate pine.

Subsequent expansion to three newsprint machines and increased pulp making facilities makes the Kawerau site the largest industrial complex in this country, earning and saving billions of foreign currency.

Last evening representatives of the Kawerau Iwi, including descendents of the original landowners, visited Hugh and Angus at Fletcher House to pay a tribute to Sir James, and to express their affection for him – a mighty Totara. They are also here today.

Kawerau was JC's finest achievement and the one in which he, justifiably, took great pride. He served as a director for twenty eight years including fourteen years as Chairman. Tasman alone has ensured him a lasting place in the history of New Zealand's industrial development.

However, JC was not one to rest on his laurels.

Following close on the heels of Kawerau he decided to bring together a complex grouping of steel suppliers from the United Kingdom and local steel interests to form Pacific Steel based on the collection of local scrap steel to produce light structural and reinforcing bar, also feedstock for a new wire drawing plant.

The eventual purchase of all the external shareholding interests in Pacific Steel and GKN during the seventies was a further major development to benefit New Zealand. I recall Guy Smith, lawyer and director of Fletchers, commenting in July 1974 "give that man a bar of steel and you will have a steel mill".

Tragically, Guy, brother of Construction's Jack Smith (and sons of William Smith – a colleague and cousin of the first Sir James) died that same month, so never saw the execution of JC's proposals.

The sixties saw the purchase of Australia based Kauri Timber Company interests in New Zealand which immediately thrust Fletchers to the forefront of timber and plywood processing and merchandising as well as particle board production. It also became a substantial forest owner in both islands.

Other initiatives included the creation of Marac Holdings in partnership with two overseas banks. Marac's operational base was initially that of factoring Fletcher subsidiaries book debts and the leasing of motor vehicles. This was not popular with all of the Fletcher team but it did spawn a leader in the finance industry which became very important to small and medium sized businesses in New Zealand.

Other achievements were the acquisition and integration of Firth Industries, with aggregate, concrete blocks and readymix, production of flooring tiles initially in partnership with Nairn Williamson of the UK, heavy engineering - Brownbuilt steel rolling, Armco guard rail and culverting, paints and resins, a joint venture with a USSR trading and fishing operation, Nylex plastic production, Light Leather tanning, dehydrated Lucerne, stock feed and major hotel ownership.

During the three and a half decades he was Managing Director, the roots of the Fletcher Group were not neglected. In 1973, the purchase of Beazley Homes took Fletchers strongly back into volume housing which had evolved out of the State housing scheme of the late thirties. Shopping centre development and ownership was pioneered at Pakaranga, and then extended nationally.

Major construction contracts were won, such as university buildings, Dunedin and Auckland hospitals, hydro intakes, the New Plymouth power station, two major gas and pipeline contracts, the Lyttelton tunnel, the Marsden Power Station and refinery as well as a number of significant hotels. Many of the civil engineering contracts involved joint venture partners as did some major commercial buildings.

None of the initiatives would have occurred without JC's full support and championing of them with his fellow directors.

He ensured executives had the opportunity to develop by encouraging business travel, educational advancements through such illustrious establishments as Stanford and Harvard, and encouraging visiting professors to conduct seminars – principally from Stanford University.

In the 1970's an employee share purchase scheme was introduced to encourage staff to think as shareholders but this scheme was not a no risks option based scheme, it was a commitment by employees that sometimes hurt.

His contributions were not restricted to the Fletcher Company however. His abilities and personal character saw him invited to become Chairman of the South British Insurance Company, BP New Zealand, Dalgety & Co Ltd, Marac Holdings and director of Alcan New Zealand, Nylex

Industries, NZ United Corporation, Australian Newsprint Mills and Lusteroid.

There was growing disquiet in some external quarters that Fletchers' was becoming like an octopus – but their growth and spread was a reflection of the “growing up” of this country and the relatively few organisations that could nurture new operations.

JC had assiduously created opportunities from 40 years of travel and the long term friendships with many business leaders in other countries.

In 1981, at the age of 66, he did not seek the role of Chairman of the merger that created Fletcher Challenge, but remained as a director and President for a further 10 years. Sir James, as he then was, continued a vigorous involvement at the board table.

He was trusted by all who knew him – his loyalty to family and friends was impregnable, and his word was his bond.

He had the love and support of Vaughan, Lady Fletcher, throughout all those exciting and often tension filled times, although she was not slow to voice a different view on matters if she disagreed, such as the positioning of paintings in Fletcher House.

His lifelong passion for horses brought him much success as a breeder and owner – apart from one occasion when he turned down purchasing a lovely colt that carried the name McGinty. His results at the hunt sometimes failed to come up to expectation – which is the politest way I can think of to put it....but his later weekend work with a chainsaw at Drury was of even more concern.

Amongst JC's many community involvements, a number reflected his passion for business and his belief in the importance of developing small business – for example, his championing of business mentoring. Vaughan was a long term and hard working officer and voluntary worker for the Mental Health Foundation.

It's no wonder then that he was knighted in 1980 for services to industry, and made an Officer of the Order of New Zealand in 1997.

But it was his distinctive human qualities that endeared him to the men and women who worked for him, be it on the factory floor, the warehouse, office or board room. He respected hard work, diverse achievements and took pride in remembering names. Who could forget him bounding up pulp and paper machines – around sawmills with all the energy and enthusiasm of a twenty year old. Meeting people with a ready smile and outstretched hand saying “Hello – I'm Jim Fletcher”

He was responsible for introducing the Credit Union, medical cover and superannuation schemes for employees which assisted retirement. The Fletcher Trust gave educational opportunities and hardship grants.

Very generous but never seeking personal gain, he once went for five years awaiting a salary review around the time of the Kapuni gas line project when the American welders were being paid twice his salary.

Modest – overly so. When then Chairman L. J. Stevens died in March 1972, I was amazed to realise at the April board meeting that JC had not made any overtures to assume the Chairmanship of Fletcher Holdings. I had to call for nominations and there was only one.

James Muir Cameron Fletcher, J.C., was the epitome of a decent human being. He exuded the qualities of courage, humour, compassion, loyalty, honesty, persistence, hard work and courtesy. Like the personal phone calls and handwritten cards on the occasion of birthdays, despite his own birthday being always overtaken by Christmas festivities.

They were all qualities that came naturally to him – not one was artificial.

Mind you, he could also be very stubborn. Put him in a situation where he believed someone (even a Prime Minister) was wrong, he would argue a point and believe me, shyness was not apparent then as many of us here today will testify. If he felt that someone was taking an unfair advantage that jaw of his was a signal to be very careful.

There is a poem “The Bridge Builder” which speaks of each generation’s responsibilities to its successors. To paraphrase the poem, an old man, having crossed the chasm, stops to build a bridge although he will never pass that way again, and is asked “Why build you the bridge at the eventide? He replies that he builds it for the youth who too must cross.

Sir James has done that in full measure for his own family, colleagues and industry generally.

He has left us all a legacy of fairness. He was incorruptible without thought of personal gain. He led by example and was exemplary in his dealing with all people regardless of rank.

As Michael King said in the foreword to “The Story of Jim Fletcher”, he exhibited the very best of his country’s virtues and values.

My colleagues and I enjoyed a challenging and demanding working life in an open environment where the atmosphere encouraged one to

perform to the utmost. He believed in decisions being made at the right level but responsibility going with that authority.

That environment came from Sir James's personal qualities and beliefs. He was a leader much loved by his troops – many of whom are here today to show their affection and respect.

David Sadler