

Interlocks or Ownership: New Zealand Boardroom Power

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Abstract

Interlocks – so what do they add to an understanding of the power of the boardroom? Here it is argued that the sociological study of interlocks (that is, the links created by a director who is on the board of more than one company or organization) will reveal some but not all dimensions of corporate power. The study of directional interlocks (using only board members from primary organizational positions) will reveal the following tracteries of power: first, a map showing inter-firm power links; second, the direction of the flow of corporate information. Third, the links will identify which sector (e.g. productive, financial or service) is at the political center of business relations. A case study of New Zealand big business is chosen here to illustrate the centrality of interlocks. It is shown that industrial companies dominate the interlocking network with the most heavily interlocked director being (verified through other sources) class leaders. However, a triangulation of the interlock data with ownership data from annual company reports, shows that ownership of the means of production is still the key to power relations in this context. The ownership of top companies in New Zealand is, primarily, in the hands of a consortium of overseas finance capital.

Key words

directional interlocks, globalisation, collusion, cohesive capital, cartels, social embeddedness, social structure, concentration, finance capital, productive capital.

Introduction

Interlocks occur when one director sits on his or her own, but also on at least one other, company's board of directors. Tracing interlocks is a potent navigational tool used to trawl and help understand power relations in business. Power, in this context, means having a key member of your board inter-lock with (or sit on) someone else's board, thereby feeding you information from a wide corporate environmental scan about the machinations of inter-firm politics. These interlocking directorates can therefore be read as maps of power that display directors' informational links, both within and across corporate organizations. They also show which sector of business is at the political center of business.

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This article examines interlocks in relation to the top thirty New Zealand companies. It begins with a summary of the interlock literature. Primary data from annual company reports is then used to test hypotheses arising from the literature and interviews done with directors². Finally, there is a discussion on the interpretation of these patterns and their significance for the sociology of New Zealand business

The Interlock Literature

Three excellent summaries of the interlocking data literature (Scott, 1985, Glasberg, 1987, Mizruchi, 1996) show why the study of interlocks is important. These theorists classify perspectives on interlocks into four groups according to the emphasis on 1) control, 2) collusion 3) discretion and 4) social embeddedness. Two traceable threads underlie these perspectives. The first, emphasizing *control* is Weberian and it aims to provide independent motives for the actions of interlocking directors. These Weberian-based theorists want us to see the issue of interlocking as one of managers' control and power rather than ownership or class collusion. Power is treated as multifaceted because it resides with many shareholders rather than capitalist-owners. The companies that managers control are characterized as relatively democratically run in ways that are answerable to the wider community, and diversely owned by 'mum and dad' shareholders.

² These interviews with directors were part of a 1992 study done in conjunction with Dr. Malcolm Alexander. We were using a Large ARC Grant called *Economic Power in Australia*.

A hypothesis taken from this model is that if ownership is no longer fundamentally significant then managers (unlike owners) are free to be civically responsible and not motivated by economic self-interest.

The second thread to the literature is Marxist and includes the majority of theorists that write in groups two, three and four. These theorists are generally critical of the role of capital and see interlocking boards as a strategy to reproduce advantage and further exploit workers and/or consumers. The *collusive model* looks at interlocks as structural mechanisms that cement collusion and subsequently help the development of business cartels. Hilferding in *Finance Capital* (1910) worked on material provided by Jeidels (1905) to find why “if you took possession of six large Berlin Banks [it] would mean taking possession of the most important spheres of large scale industry” (*op cit*, 1910:368). He saw bank interlocks as the vital dynamic within this system of collusion. Banks were shown to act to make finance capital dominant in early twentieth century capitalist Germany (also see Lenin, 1916 or Fennema and Schijf, 1979). According to Hilferding (1910: 225) finance capital is an -

[E] ver increasing part of the capital of industry, [it] does not belong to the capitalists who use it. [Industrialists] are able to dispose of capital only through banks, which represent the owners. On the other side, the banks have to invest an ever-increasing part of their capital in industry. [Finance capitalism gives] rise to a desire to establish a permanent supervision of company affairs, which is best done by securing representation on the boards of directors..

Hilferding’s central argument is that the most significant development facing capitalism is the concentration of banking and industry. Having bank representatives on the

productive companies' boards establishes permanent supervision of the companies' affairs and protects the ownership interests of banks.

New Zealand collusive interlock research includes the empirically untested work of O'Brien (1976) who suggests that-

About 100 men control the decision making process in the bulk of New Zealand industry, commerce and finance. Control is through a network of interlocking directorates, professional activities and executive positions, which add up to a formidable pool of knowledge contacts and power. The fact that these men are only a small proportion of the companies that they control, (in most cases) is irrelevant to their power. People acquainted with the real structure of business power in this country, usually academics... have fostered a belief that ownership, and therefore control, of companies is widespread... The myth over-looks the fact that the directors of the institutions and some of the executives are drawn from the same one hundred or so who sit on the important boards throughout the country (O'Brien, 1976).

By 1980 the hundred pivotal decision-making men had been reduced to "no more than a few dozen, whose influence in New Zealand business is all pervasive" (Simpson, 1984).

The first to empirically test this sense of collusion was Laurent (1971). He used a sample of one hundred and sixty companies to show how five per cent of the companies held twenty-one per cent of directorships. Collusion was further suggested by twenty-nine per cent of the interlocks being with customers, twenty-three per cent with financial institutions and sixty-four per cent of the interlocks were shared between seventy-six directors who formed a "power elite" (Laurent, 1971). Later Fogelberg (1980) showed in the period 1962-1972 that large shareholders, who represent only one half of one percent of all shareholders, have "substantially increased their potential influence". He argued that within the top forty-three companies institutional investment grew seven fold

between 1962-1974. Firth (1987) concluded from his study of all listed companies in 1972 and 1984 that the practice of -

corporate interlocks...is widespread in New Zealand [and] maybe due to the desire of firms to collude with one another in various aspects of their business... the use of interlocks via common directors may provide the avenue for collusive behaviour in (at least) exporting companies. This may explain the high level of interlocking in New Zealand (Firth, 1987: 280).

The first hypothesis that arises from the tension of these two New Zealand theoretical threads (collusive individuals versus collusive capital) is that collusion is endemic to capital organization in New Zealand. And the second hypothesis is that if bank ownership in the top companies is high then this will be reflected in dense patterns of interlocks between banks and industrials.

Another bank-centered model is the *discretionary model*. Finance capital's discretion, in controlling the direction of lending, is the key to understanding the role of interlocks within this perspective. Mintz and Schwartz, in *The Power Structure of American Business* (1985) argue that it is the direction of credit through interlocks (and other methods) that is the central function of finance capital. According to this analysis 'Interlocking directorates are not a source of hegemony but a method for managing discretion... bank centrality in this context reflects the dominant position of financial institutions in capital-flow decision making' (Mintz and Schwartz, 1985: 250).

Mintz and Schwartz also argue (according to Mizruchi, 1996) that banks use interlocks to mediate inter-firm disputes thereby allowing business to approach the state as one actor. This is closely parallel to Useem's (1984) view of an inner circle comprised of the CEO's

of banks and non-financials who form a lobby group to influence the state with one voice. In Australia's case this is done through the Business Council of Australia (BCA). Intergenerational support for this thesis, or that part of it which argues a strong business unity as a continuing phenomenon, comes from Mizruchi (1982) who studied 167 large firms between 1912-1935. International comparative support also comes from Stokman *et al* (1985), who show the result of interlocks across twelve countries.

The hypothesis that arises from this discretionary perspective is that directional clusters of directors from banks can be assumed to reflect the dominant position of financial institutions in capital-flow decision-making.

The *embeddedness perspective* focuses on the directors' social location providing an awareness of class formation missing in much interlock analyses. Interlocks are seen as a mechanism for capitalist class reproduction (i.e. 'jobs for the boys') and class cohesion (i.e. 'don't rock the boat; employ your own'). Although these two ideas are implicit in many interlock studies prior to the 1980s (e.g. Ratcliffe, 1975, Mizruchi, 1982, Scott, 1985) it was not until the 1980s that such social embeddedness was systematically explored. Embeddedness in interlocking research, Mizruchi suggests, began with Granovetter's 1985 journal article 'Economic action and social structure: the problems of embeddedness' which demanded an understanding of the social embeddedness of all networks. He stresses the importance, amongst business actors of social, rather than just economic profit-driven, motives for involvement with each other. Granovetter suggests

that interlocks between companies could influence a wide range of organizational behaviour, such as strategies, structures and performances (Granovetter, 1985).

Interlocks as a communication node or information conduit are another focus in the literature (Scott and Griff, 1983, Useem, 1984, Mizruchi, 1996). In Useem's *The Inner Circle*, (1984) he sees this inter-communication as the most important aspect of the interlocks, and he writes of a firm's interlocking directorates as providing the business scan they need to give it an "awareness of its environment" (Useem, 1984). Following on from this perspective, Davis (1991) argues that central interlockers are the key carriers of social capital (Bourdieu, 1977) within the class. The most heavily interlocked individuals are a vanguard of the corporate elite and its most likely innovators.

Scott and Griff's (1983) writing had previously made a major contribution to embeddedness theory when they argued that interlocks encapsulate practices and strategies of transformation. Transforming, coordinating and organizing board relations happen on a variety of levels; through personal relations and creating a community of interests (that can result in joint ventures, mergers, takeovers and amalgamations). However, according to Scott, a primary function of interlocks is as a conduit for information flows (Scott, 1985).

What follows are the data used to test these hypotheses: the results of a study of New Zealand interlocks and their relationship with the different sections of capital both financial and productive.

The New Zealand Study Results

The New Zealand data comes from a variety of sources. The map (figure 1) is drawn from the 1998 annual company reports. Where the 1998 information was unavailable then the 1999 annual company reports were used. The 1998 top thirty New Zealand companies were found in the journal *Management*, 'Top 200 NZ Companies', (1998:76). The centrality, depth, breadth figures from 1966 through to 1986 came from my PhD thesis (Murray, 1990).

New Zealand Interlocking Directorates

Figure 1 shows the 1998 interlocked figures as a map. This indicates the centrality of the companies and the names of the interlocked directors. Three central clusters can be seen.

I refer to these clusters as *old capital*, *new wealth* and *cooperative capital*.

[Figure 1 goes here]

Old Capital

Within the old capital cluster of five companies, two are New Zealand family dynasties – Fletcher Challenge (FCL) and Fisher and Paykel - the other three are not, but are old established companies, this includes, Dominion Breweries (DB Group), Progressive and Independent Newspapers. Typically by 2000 globalisation, the spread of capitalism has swallowed up these family dynasties (with the Australian Murdoch family excepted).

Sir Colin Maiden, is the director who dominates old capital's interlock cluster, he is a much-honored establishment figure. As may be expected from the social embeddedness

hypothesis, Maiden enjoyed an establishment education (Auckland Boys' Grammar, Auckland University and Oxford). He has social capital (Bourdieu, 1977) evident in the many medals that he has received and his status as the ex-Vice Chancellor of Auckland University. He typifies the type of director found in an earlier study (Murray, 1990) that showed top company directors had fathers' who were owners or directors of large companies (thirty four per cent).

Sir Colin James Maiden

Qualifications: Doctor of Philosophy, former Vice-Chancellor of Auckland University.

History: Born Auckland 5 May 1933. Married 1957 Jenefer Rowe, has four children. Educated at Auckland Grammar School, Auckland University 1951-55, gained an ME in 1955, Oxford University 1956-58 and Rhodes Scholar 1955. Awarded the Queen's Silver Jubilee Medal 1977, the Medal of the University of Bonn 1983, and the Thomson Medal 1986. Created a Knights' Bachelor 1992.

Career: Defense Research Board of Canada 1958-60, Senior Executive General Motors 1961-70. Vice Chancellor of Auckland University 1971-94, Company director of Independent News (Chairman), The NZ Refining Co, Fisher and Paykel (Chairman), The National Insurance Co. Progressive Ltd., DB Group, Trans Power NZ Ltd., Sedgwick (NZ) Ltd, Tower Corp. Honorary Treasurer Ass. Commonwealth Universities, former chairman NZ Vice chancellors Committee, Past President of the Spirit of Adventure Trust Board and NZ Metric Advisory Board.

Address: Remuera, Auckland.

Source: 1996 *NZ Who's Who, Aotearoa*, Mt View Trust.

Old capital was unswayed (at least initially) by the 1984 Lange Government and its politics of economic liberalism or Rogernomics (so called after Roger Douglas, Minister of Finance, 1984-1988.) An original New Zealand Business Round Table (NZBRT) member, from this old capital cluster, when interviewed in 1987, spoke of the NZBRT as "a lot of aggressive people who take confidence in being part of a select little group" (Murray, 1990). However, by 1992, the same man had re-assessed the NZBRT as "doing a very good job".

New Capital

New capital has as its base, company asset-raiders or those raided, that is, newly privatised state enterprises. The key company in the cluster is Brierley investments (BIL) or what Eldred-Grigg calls 'the bag-lady of business' (Eldred-Grigg, 1997). At its centre was Brierley or that 'dull young hustler' (Eldred-Grigg, 1997) who in 1961 formed

Brierley Investments. By the 1970s Brierley became renowned as one of "those canny capitalists who had worked out new ways to manipulate the elaborate controls of the welfare state" (Eldred-Grigg, 1997). This was also the case for another prominent Brierley director, Sir Roger Douglas.

Sir Roger Douglas

Estimated Wealth: Salary from Brierleys (1998) \$NZ306,000.

Position: Chairperson of Brierley Investments Ltd and Executive Director, first appointed 1990, 18 October.

Biographical Details:

Director of Aetna Health, John Fairfax Holdings Ltd. and Director of the Tasman Institute.

Career: Was Minister of Finance 1984-88 'where he was responsible for the widespread reforms in the New Zealand Economy' in the Lange Labour Govt. 1984-1989.

Publications: Wrote *There has got to be a Better Way* (1980).

Clubs/ Societies: Deputy chairperson of the New Zealand Business Roundtable.

Sources: Brierley's Annual Report 1999

Jesson (1989) argues that Douglas' *muse* was Roderick Deane, who through Douglas was able to become the architect of New Zealand's economic liberal policy framework. Deane learnt his economic liberalism as an alternate executive director for the International Monetary Fund (IMF), from 1974 to 1976. He was also the mentor and teacher of Roger Kerr (managing director of the NZBRT).

Dr Roderick Sheldon Deane

Qualifications: Received a PhD in 1967, B.Com (Hons) in 1964, FCA in 1988, FCIS in 1987, FCIM in 1991, FNZIM in 1992. And was awarded the NZ 1990 medal.

Position: Chairperson of Telecom.

Biographical Details: Born April 8, 1941. Married one child. Educated Victoria University. Was awarded a postgraduate scholarship 1960-64.

Career: Held an administrative position at Union Steamship Co. 1960-63, Part-time Lecturer in Economics at Victoria Uni. 1964-78, Reserve Bank 1963-74, 1976-86. Chief Economist and head of the Economic Dept. 1976-82, Deputy Governor of the Reserve Bank, Alternate Executive director of the IMF, 1974-1976, CEO Electricity Corp of NZ 1987-92. Company directorships – ANZ Bank, AMP 1990-92, Chairperson of Transpower NZ, Powermark NZ, Design Power NZ 1987-92, State Services Commission 1986-87, Vice President of the Electricity Supply Industry of East Asia and the Western Pacific 1991-92, Past Council member of NZ Ass of Economics. Publications include *Foreign Investment in New Zealand Manufacturing* (1970), *Policy and the NZ Financial System* (1979), *Financial Policy Reform* (1986). Executive Council Member and Board member of the Institute of Policy Studies.

Clubs/ Societies: Member of the New Zealand Business Roundtable

Sources: New Zealand Who's Who Aotearoa 1996, p. 165.

Co-operative Capital

Co-operative capital, based in farmer-owned-companies, is both highly profitable and efficient. The Dairy Board and NZ Dairy Board Group of companies are New Zealand's two top companies. Cooperative capital has been the focus of attack from economic liberals, within new capital, who want to reconstitute their cooperatives as companies with shares (Kerr, 1997). Like Kerr, Charles Bidwell, is an economic liberal, he explains that-

The main area still to be deregulated now in New Zealand are the producer boards, which are these monopoly outfits that the farmers have. ... These organizations are products of the highly regulated last thirty years or so. In my view they are not doing the farmers any good and not doing the New Zealand economy any good and it would be excellent if they can be deregulated. And the New Zealand Roundtable has been working very hard to educate the farmers and the politicians about the advantages from deregulating agricultural exports. This focus on the producer boards has been one of the NZBRT prime agenda items (Charles Bidwell, Interview, 1994).

Kerr, has written in the NZBRT's Producer Board submission to government that the producer boards should be wound up and their assets sold (Kerr, 1997). Farmers, whilst continuing to make huge profits from their company, sensibly reject the NZBRT logic.

In sum figure one showed that in 1998 the directional interlocks between companies, through their interlocked directors, have been dominated by productive capital (that part of capital invested in sectors where surplus value is directly produced). This dominance of productive capital at the level of interlocking goes back to 1966 (Murray, 1990).

Shareholdings in the Top thirty New Zealand companies

The data on finance capital complicates this picture of three powerful, competing, clusters of productive capital in New Zealand.

[Table 1 goes here]

Table 1 shows that on average, thirty seven per cent of the top thirty companies (who list the top shareholders in their annual company report) are owned by a single nominee company, a custodial depository of the Reserve Bank of New Zealand (or RBNZ), called The New Zealand Central Securities Depository (or NZCSD). NZCSD is a nominee holding company for an array of finance capital that is primarily Australian banks (see box below). This concentration of capital represented by 37 per cent ownership/control of top business by the NZCSD, is very large considering that even five per cent shareholder ownership of a company can give strategic corporate control (O'Lincoln, 1996).

New Zealand Central Securities Depository (NZCSD)

New Zealand Central Securities Depository is a wholly owned subsidiary company of the Reserve Bank of New Zealand (RBNZ). NZCSD provides a custodial depository service to institutional shareholders and does not have a beneficial interest in these shares. It allows electronic trading of its securities by its members. It operates as a bare trustee to facilitate the efficient clearing and settlement of securities in the New Zealand financial market. As at 30 June 1998, the value of the NZCSD securities was \$82.2 billion; comprising \$63.1 billion of fixed interest securities and \$21 billion equities. The securities are held in NZCSD on behalf of the members of the Austraclear New Zealand system who are the beneficial owners of the securities. RBNZ is a member of the Asia Pacific Central Securities Depository Group (ACG). That group has 21 members from the Asia Pacific Region and was formed in 1997.

Members include: National Nominees, AMP Custodians, ANZ Nominees, NZGT Ltd, AIF Equity Fund, AMP Life, The National Bank NZ, Tracker Nominees, Trustee Executors & Agency Co. of NZ AC/40, Citibank Nominees, Trustee Executors & Agency Co of NZ AC/65.

Owns: Thirty six per cent of the top thirty companies (with listed top ten shareholders).

Sources: NZ top thirty Annual Reports 1999, http://www/rbnz.govt.nz/registry/About_ACGhtml, <http://www/rbnz.govt.nz>.

This finance capital control/ownership of New Zealand's top companies is symptomatic of a wider regionalism happening to New Zealand. (Regionalisation associated with the development of the *Australia-New Zealand Closer Economic Relations Trade Agreement*, 1983, and the complete free trade of goods achieved in 1990.) According to Robinson (1998), there is a ubiquity of foreign bank ownership in New Zealand with ninety per cent of the country's banking assets being foreign owned and 70 per cent of that ownership is by Australian banks. The New Zealand managers of these Australian banks,

are autonomous in their day-to-day running, but the Australian parent makes the big decisions. Even those banks that are most nationally integrated; their manager's report directly to Australia. 'Australia is the conduit for New Zealanders' money to go to the rest of the world' (Rich, quoted in Robinson, 1998).

What this data shows is that finance capital is the first tier of power in New Zealand.

Rather than the second tier of political control by productive capital through their interlock networks or the lobby group interlocks (Murray, 1990). Finance capital's very large nominee company stakes, created with the help of successive governments economic liberal strategies, have given predominantly Australian finance capital, pivotal power in New Zealand. Bedggood argues that Keynesian policy and protectionism not the dominance of overseas finance capital is the anomaly (Bedggood, 2000).

Conclusion

This work shows that finance capital is ubiquitous through all sectors of capital. Directional interlocks in New Zealand form information and discretion conduits but they do not empower industrial capitalists to make final decisions without a keen awareness of the interests of their major bank shareholders. The evidence shown here is of an extremely high concentration of finance capital ownership (through nominee companies) and is both a manifestation of regionalization and globalization. Globalization, (that is, the process of spreading capitalism and its accompanying economic liberal myth) because capitalist leaders (for example, Deane) waged a successful economic liberal assault on the state's Keynesian mechanisms set up to protect domestic capital. Finance capital in New Zealand is only a part of the circuit of production but it is a dominant part

that controls and organises productive capital. The emergence of key interlocking directors (e.g. Deane) is crucial to leadership and direction within this class.

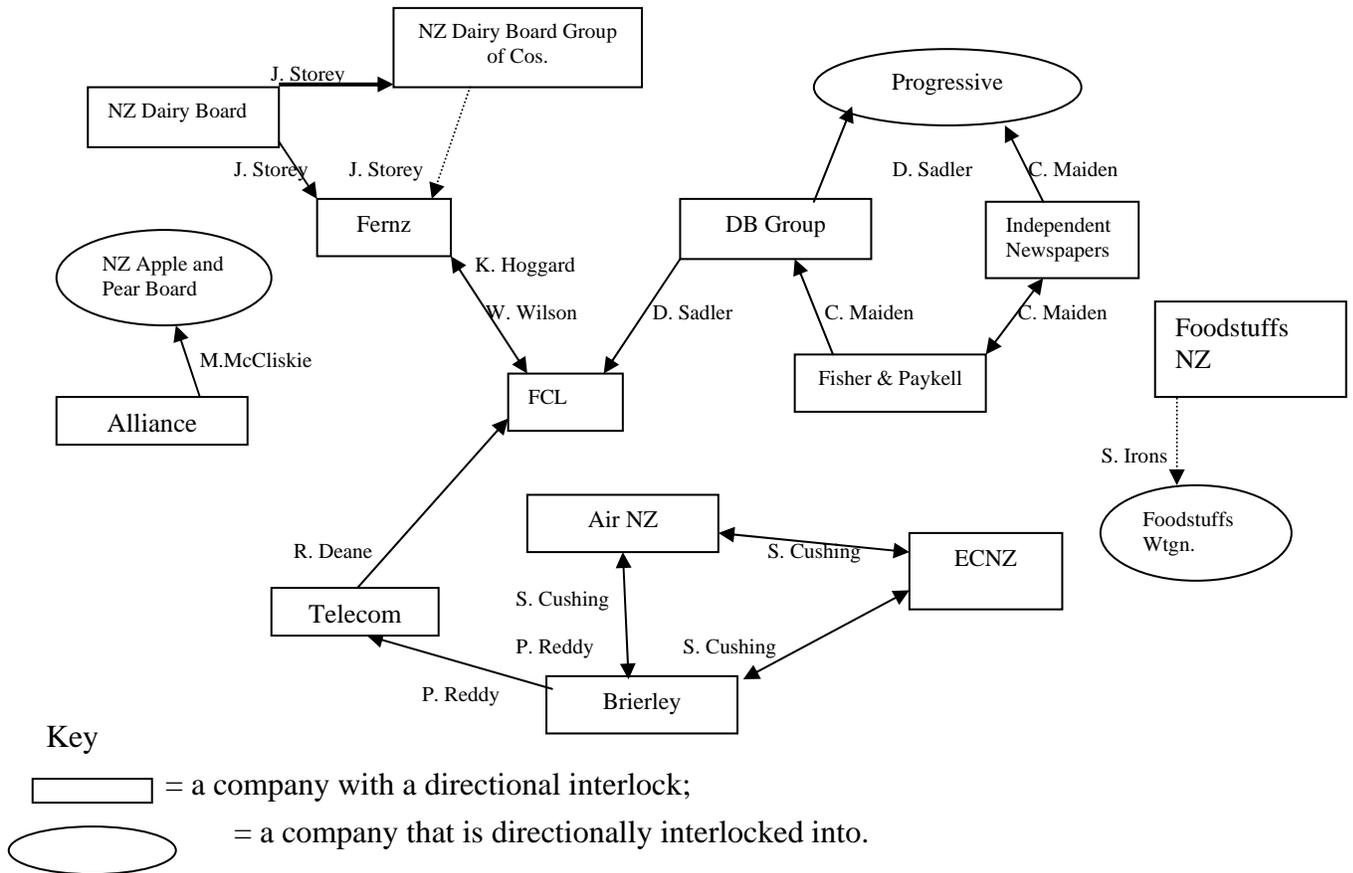
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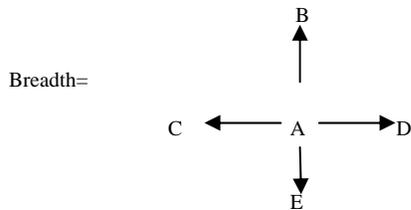
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FIGURES AND TABLES

Figure 1: Interlocking Directorates 1998



1. Type of interlock – number,
 - Total number includes non directional interlocks,
 - Breadth measure the immediate span of the interlocks. The following example would be 4.



- Depth equals the number of vertical interlocks. In the following way. The following example would be 2.



- Centrality is a total of these two indices. The following example (a combination of the above two would be 5.)

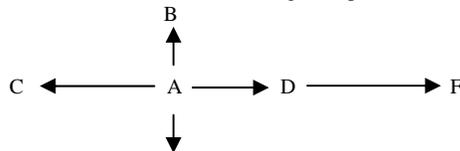


Table 1: Ownership of the Available Top Thirty Companies 1999

Company	NZCSD %	ANZ nominees%	National Nominees%	Citibank %	AMP %	Other
Air NZ	38	.85	-	-	-	<ul style="list-style-type: none"> • AMFI In=28% • Urtica In.= 8% • Portfolio=7%
The Ware House Group	28	-	-	-	-	<ul style="list-style-type: none"> • S. Tindall=29% • Tindall Foundation=23% • The Warehouse management Trustee=1.5% • National Mutual Ass. Of Australasia=1.4%
FCL	-	-	-	-	-	<ul style="list-style-type: none"> • CDS&Co=48% • Crown Forest=27% • 3.442576 BC =24% • CIBC Mellon Trust=.33% • Cede &Co=.18% • Auele Med. 1% • Southern Cross 1% • St Kentigens 1% • SAS Trustees=2%
Fernz	-	5	16	-	-	<ul style="list-style-type: none"> • JWG Hest & Co=3% • QBE Insurance=1.3% • Woolf Fisher=1% • Fisher/Agar/Norton/Colli nson/Robinson=1%
Brierley	-	45	12	2	3	
Fisher & Paykel	64	-	-	-	-	<ul style="list-style-type: none"> • Asia Pacific Breweries=58% • Bell=25% • Chase=1.01% • NZ Guardian=.65% • News Ltd=49% • Guardian Ass=.6% • Salpean Nm=.3% • Toocooya=19.27 • Green & McCahill=10.14 • Dairy Meats Ltd=10% • Hendy Nominees=2% • Perpetual Tr.=2.5% • Westpac=3% • Chase Man.=1.6% • MLC=1.5%
DB Group	-	3	3	4	1.47	
Telecom	57	-	.53	-	-	
Independent News	34	-	-	.32	-	
AFFCO Holding Ltd	16.78	-	-	-	-	
Lion Nathan	76	-	-	-	-	
Total	36.76	0.6	0.71	0.11	0.29	

Source: 1999 annual company reports

Appendix 1 Interlocking Directors in the Top Thirty Companies, 1998.

company	No of interlocks				Director's name & Company of origin	Share s of direct or	Status	Directi onHS/P /T/L/N	Top Share-holding
	N	B	D	C					
New Zealand Dairy Board	4	2	3	4	<ul style="list-style-type: none"> J. Van der Heyden (NZ Group of Dairy Boards) J. Storey (NZ Grp Dairy Bds) G. Fraser (NZ Grp Dairy Bds) J. Storey (Fernz) 		<ul style="list-style-type: none"> NE C NE C 	N T N P	NZ Dairy Board shares (a farmers cooperatively owned enterprise)
New Zealand Dairy Group of Boards	4	1	2	2	<ul style="list-style-type: none"> J. Van der Heyden (NZ Dairy Board) J. Storey (NZ Dairy Bd) G. Fraser (NZ Dairy Bd) J. Storey (Fernz) 		<ul style="list-style-type: none"> NE C NE C 	N T N P	Parent company 43.8% Remainder registered cooperative dairy companies
Air NZ	3	2	2	3	<ul style="list-style-type: none"> P. Reddy (Telecom) P. Reddy (Brierley) S. Cushing (Brierley) S. Cushing (ECNZ) 	<ul style="list-style-type: none"> 80 0 6 19 0 9 0 	NE E C C	N P P P	1.NZCSD=38%; 2. AMFI Inv.=28%; 3.Urtica Inv. =8%; 4. Portfolio Management=7%; 5. ANZ staff=.85%
FCL (Paper & Energy)	4	1	1	1	<ul style="list-style-type: none"> P. Baines (NZ Post) K. Hoggard (Fernz) D. Sadler (DB Group) W. Wilson (Fernz) R. Deane (Telecom) G. Nicol (Alliance) 	23562 62240 7 11565 5 53988 2517	<ul style="list-style-type: none"> NE NE NE C NE NE 	N N N P N N	1.CDS &Co=48% 2.Crown Forest Industries Ltd=27%. 3.442576 BC Ltd=24%. 4.CIBC Mellon Trust Co=.33% 5. Cede & Co=.18%
Fernz	3	1	1	1	<ul style="list-style-type: none"> K. Hoggard (FCL) J. Storey (NZ G. of D.Bd) J. Storey (NZ D Bd.) W. Wilson (FCL) 		<ul style="list-style-type: none"> MD NE NE NE 	P N N N	1.National Nominees=16%; 2. ANZ Nominees=5% 3.Auele Medical Research Fd=1% 4.Southern Cross=1%; 5.St Kentigens Trust=1%
Brierley (1999-Camelin Group)	2	2	2	3	<ul style="list-style-type: none"> S. Cushing (ECNZ) S. Cushing (Air NZ) P. Reddy (Telecom) P. Burdon (NZ Post) 		<ul style="list-style-type: none"> C C E NE 	P P P N	1.ANZnominess=45% 2.National Nominees=12% 3.AMP=3% 4.Citibank=2% 5.SAS Trustees=2%
Fisher & Paykel	2				<ul style="list-style-type: none"> C. Maiden (Progressive) C. Maiden (DB) N. Geery 	4,923,034	<ul style="list-style-type: none"> C C 	P P	1.NZCD=64%; 2.J.W.G. Hest & C. Maiden=3% 3.QBE Insurance=1.3% 4.Woolf Fisher Trust=1% 5.Fisher/Agar/Norton/Collinson/Robinson=1%

DB Group	2	2	1	2	<ul style="list-style-type: none"> D. Sadler (FCL) C. Maiden (Fisher & Paykel) 		<ul style="list-style-type: none"> C NE 	P NE	<ol style="list-style-type: none"> Aisa Pacific Breweries 58%; Citibank 4%; National Nm 3% ANZ Nm 3% AMP 1.47
Carter Holt Harvey1996International Federal Paper)					(O/S)		-	-	•
Lion Nathan					(N/A)	4,269,884	-	-	<ul style="list-style-type: none"> NZSD=75.9% Perpetual Tr. 2.5% Westpac= 3% Chase =1.6% MLC = 1.5%
Kiwi Co-operative Dairies					- (N/A)		-	-	<ul style="list-style-type: none"> 4000 NZ farmers
Shell NZ Holding Company					-(OS)		-	-	-
BP NZ Holding Co					-(O/S)		-	-	-
Mobile Oil (Exxon)					-(O/S)		-	-	-
Caltex Oil (Exxon)					-(O/S)		-	-	-
Foodstuffs Wellington					(N/A)		-	-	-
Food Stuffs South Island					(N/A)		-	-	-
AFFCO Holdings					<ul style="list-style-type: none"> A. W. Young (Kiwi Managements Ltd) 		<ul style="list-style-type: none"> NE 	N	<ul style="list-style-type: none"> Toocooya Nominees=19.27% NZCSDL=17% Green & McCahill= 10% Dairy Meats NZ = 10% Hendy Nominees=2%
ECNZ					•		•	•	
NZ Apple & Pear					<ul style="list-style-type: none"> M. McCliskie (Alliance Grp.) 		<ul style="list-style-type: none"> NE 	N	
Alliance Group					<ul style="list-style-type: none"> M. McCliskie (Apple & Pear Marketing); G. Nicol (FCL) 		<ul style="list-style-type: none"> NE E 	N P	
HJ Heinz (NZ)					(O/S)		•	-	
The Ware House Group					(N/A)		•	-	<ul style="list-style-type: none"> NZCSD=28% S. Tindall=29% Tindall Foundation=23% The Warehouse management Trustee=1.5% National Mutual =1.4%
NZ Post					<ul style="list-style-type: none"> P. Baines (FCL) P. Burdon (Brierley) J. Nicol (NZ Dairy Bd) 		<ul style="list-style-type: none"> NE NE NE 	N N N	• -

Foodstuffs NZ	2	1	1	1	• S. Irons (Food Stuffs Wtgn)		• C	P	•
Foodstuffs Wtgn	2	0	0	0	• S. Irons (Foodstuffs NZ)		• C	P	•
Independent News Ltd	1	1	1	1	• Sir Colin Maiden (Progressive)		• C	P	1. News Ltd=49% 2.NZCSD=34%; 3. Guardian Ass=.61%; 4. Citibank Nominees=.32%; 5. Salpean Nominees=.30%
Telecom	1	1	2	2	• Roderick Deane (FCL) • Alan Gibbs (Lion Nathan) • Patsy Reddy (Brierley)		• MD • NE • NE	P N N	1.NZCSD=57% 2. Bell Atlantic Holds.=25% 1. Chase=1% 2. NZ Guardian Trust=.65% 3. National Nom.=.53%
Progressive	1	0	0	0	• Sir Colin Maiden (Indep. News)		NE	N	

Source:

1. *Management*, Dec, 1998, p.76
2. Individual annual company reports 1998.

Key:

- I. Status of director- NE = Non Executive, MD= Chief Executive Officer, C=Chairperson, E=Executive;
- II. Directional interlock –P= primary, I= induced, t=tight, HS= high shareholding;
- III. Type of interlock-N=total number, C=centrality, B=breadth, D=depth.
- IV. Ownership detail- NZCSD (New Zealand Central Securities Depository)= National Nominees, AMP Custodians, ANZ Nominees, NZGT Ltd, AIF Equity Fund, AMP Life, The National Bank NZ, Tracker Nominees, Trustee Executors & Agency Co. of NZ AC/40, Citibank Nominees, Trustee Executors & Agency Co of NZ AC/65.
- V. Ownership Detail (Continued) CDS & Co = a nominee group whose name a re registered securities that are held in the book based depository system maintained by various banks, investment dealers and investment custodians in Canada. (Source FCL Annual report p.129, 1999).
- VI. N/A= There are no interlocking directors within the top thirty companies.
- VII. O/S= The directors are Overseas directors in their parent companies and not interlocking within the top thirty New Zealand companies.