

New Zealand withdraws millions in aid from Cook Islands

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New Zealand has abruptly halted nearly \$NZ20 million (\$US11 million) in funding to the Cook Islands in retaliation for a partnership agreement the tiny Pacific Island nation concluded with China in February without consulting Wellington.

NZ Foreign Minister Winston Peters informed the Cook Islands government of the decision early this month, but it only became public on June 19 after a Cook Islands news outlet saw its brief mention in a government budget document.

The New Zealand government declared it will not consider significant new funding “until the Cook Islands government takes concrete steps to repair the relationship and restore trust,” a spokesperson for Peters said.

Cook Islands Prime Minister Mark Brown told parliament that the “punitive” financial decision was “patronising” and would hit core sectors including health, education and infrastructure. “It also disrupts long-term planning and the sustainability of vital public services,” he said, adding it would “harm the country’s most vulnerable citizens.”

New Zealand has long maintained a neo-colonial relationship with the Pacific nation as one of its so-called “Realm” countries along with Niue and Tokelau. The Cook Islands, with a population of just 15,000, has been a self-governing territory in so-called “free association” with New Zealand since 1964, administering its own affairs with Wellington providing oversight in the key areas of foreign affairs and defence.

In 2001, New Zealand and the Cook Islands signed a Joint Centenary Declaration, which broadly states that the two governments must “consult regularly on defence and security issues.” Peters demanded that the Cook Islands share the proposed text of the agreement with China before it was signed, which Brown flatly refused to do.

The declaration nowhere defines the scope and nature of bilateral “consultations.” It explicitly affirms the Cook

Islands’ right to enter independently into “treaties and other international agreements” with any governments and international and regional organisations.

Brown maintained that Wellington was advised the China deal would not include matters of security and that there was “no need for New Zealand to sit in the room” while it was drawn up. He declared that his government was legitimately exercising the Cook Islands’ autonomy and its ties with both New Zealand and China should not be construed as a threat.

The “comprehensive strategic partnership” is broad in scope, referring positively to China’s Belt and Road Initiative and the US-backed Blue Pacific development strategy adopted at the Pacific Islands Forum (PIF) in 2022. It pledges cooperation over economic and environmental resilience, infrastructure, including port and wharf facilities, and cultural exchanges. It also promises to “explore areas for further cooperation within the seabed minerals sector” and offers joint consultations over regional forums.

In response, Peters made increasingly belligerent threats, seeking to destabilise the Brown government. He warned that if the Cook Islands opted for more “independence,” beyond the “free association” framework, its citizens would lose their New Zealand citizenship. This would call into question the status of 80,000 of Cook Islanders living in New Zealand and another 28,000 in Australia.

The China-Cook Islands agreement was hysterically denounced by the entire New Zealand political and media establishment as an existential danger and used it to justify the country’s further integration into US-led plans for war against China. Right-wing *New Zealand Herald* columnist Matthew Hooton provocatively declared that NZ troops should be sent to invade the Cook Islands.

In a complete inversion of reality, Martyn Bradbury, editor of the pro-Labour *Daily Blog*, wrote on June 21 that

the Cook Islands was “seeking to destabilise NZ” by publicising the fact that NZ aid had been stopped on the eve of NZ Prime Minister Christopher Luxon’s visit to China last week. Bradbury denounced the Cooks as “acting as an enemy to us” and engaged in “treason.” The blog’s unvarnished belligerence reflects the attitude of the NZ ruling class to the entire Pacific, which has not changed in the past century.

The funding halt by Peters, who is leader of the far-right NZ First Party in the governing coalition, is a brutal reprisal. New Zealand is the Cook Islands’ major source of development aid. The money is part of \$NZ200 million directed to the country over the past three years as part of an almost 60-year arrangement. Peters’ Trump-like ultimatum that the Cooks must scrap its deal with China is a clear threat that the funding could be permanently stopped.

Significantly, Peters has refused to criticise the Trump administration’s cuts to USAID funding in the Pacific. The Biden administration had pledged \$US1 billion to help counter China’s influence. All aid has now been frozen, which along with Trump’s planned tariffs, is deepening the economic crisis in the region.

Diplomatic relations between the Cook Islands and China were first established in 1997. Beijing has consistently defended its pacts, saying in February that the deals were not intended to antagonise New Zealand. China’s ambassador to Wellington, Wang Xiaolong stated that as far as China was concerned, the Pacific was “not a chessboard and should not become one.”

New Zealand is now considering additional national security clauses in its agreements with Pacific Island nations. These would be modelled on the neo-colonial deals Australia has signed with Tuvalu, Papua New Guinea and Nauru which explicitly give Canberra the right to veto engagements with any other states on security and defence-related matters.

In a Pacific-France summit convened in Nice last week by French President Emmanuel Macron, Peters mounted a thinly disguised attack on China, urging Pacific leaders to “stand together as a region” against “external forces” which he declared are seeking to “coerce, cajole and constrain.” Peters explicitly criticized countries he claimed pressured Pacific partners “not to publish agreements or avoid the [Pacific] Forum Secretariat when organising regional engagements.”

The propaganda that China wants a military foothold in the Pacific turns reality on its head to justify the accelerating preparations for war by the US and its

regional allies.

New Zealand, under the previous Labour Party government and the current National Party-led government, has been intent on rolling back Chinese influence in the region. While engaged in strengthening security and defence ties with both Canberra and Washington, Peters has made multiple visits across the Pacific to cajole and bully island governments into line.

The small impoverished island nations are caught in a fraught balancing act. Brown’s visit to China in February followed similar trips last year by Fiji’s Sitiveni Rabuka, Jeremiah Manele and Charlot Salwai, the prime ministers of the Solomon Islands and Vanuatu, and Fiam? Naomi Mata?afa of Samoa. All met with President Xi Jinping and secured economic agreements.

In response to the NZ government’s funding freeze, the opposition Labour Party’s Pacific spokesperson Carmel Sepuloni wrote on Facebook that “the Cook Islands signing the agreement with China was out of step with our free association agreement.” She merely criticised the “timing” of the government’s decision and called for diplomatic negotiations.

Former Labour prime minister Helen Clark, who was a signatory to the 2001 Declaration, told Radio NZ last week that the Cook Islands had “caused a crisis for itself” by not consulting Wellington before signing the deal. “There is no way that the 2001 declaration envisaged that Cook Islands would enter into a strategic partnership with a great power behind New Zealand’s back,” Clark told RNZ.

In fact, the regional imperialist powers—Australia and New Zealand—have maintained neo-colonial control over the Southwest Pacific, keeping the fragile island nations in a state of dependency with conditions of poverty and under-development endemic. New Zealand is now working to further cement its interests in the region in collaboration with Australia, France—which placed New Caledonia under an armed occupation last year following anti-colonial riots—and the United States. All these countries are rapidly building up their militaries in preparation for a US-led war against China.



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