

# Brunei is America's East Pacific Cash Cow and Military Base

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Due to the shutting down of the U.S. government over a budget battle, President Barack Obama was forced to pare back and then cancel altogether planned visits to four Southeast Asian nations. The first two casualties were planned trips to two nations, Malaysia and the Philippines, where Obama hoped to cement economic and trade relations under the umbrella of the Trans-Pacific Partnership. With no end in sight to the U.S. government's paralysis, Obama reluctantly canceled his planned attendance at the Asia Pacific Economic Cooperation (APEC) summit in Bali, Indonesia and the East Asia Summit in Brunei.

Although Obama always enjoys visiting Indonesia, the country of his childhood, it was the cancellation of Obama's planned trip to the oil-rich Sultanate of Brunei that not only prevented Obama from being hosted by Sultan Hassanal Bolkiah, one of the world's wealthiest men, but prevented him from cementing ties with a nation that enjoys a special relationship with the United States, particularly the Department of Defense and the Central Intelligence Agency... Brunei's Sultan was to provide Obama and his staff with the entire palace of the Crown Prince for the duration of his visit.

Ever since its independence from Britain in 1984, Brunei has served as a virtual cash cow for covert and overt U.S. operations, from covertly supporting the Nicaraguan contras during the Reagan administration and contributing to the CIA-linked Bosnia Defense Fund in the 1990s, to pumping tons of cash into Bill Clinton's Foundation and Library in Little Rock, Arkansas. When he decided he had to cancel his attendance at the East Asia summit, Obama personally informed Brunei's Sultan of his decision.

The cancellation of Obama's visit was bittersweet for Brunei. Brunei timed the presidential visit to the Sultanate with the delivery to Royal Brunei Airlines of the Brunei's first Boeing 787 Dreamliner. Brunei, of course, realizes that Boeing is headquartered in Obama's hometown of Chicago and the \$290 million price tag for the long-haul aircraft was sure to get Obama's attention and gratitude.

Brunei has always had an interest in garnering the affection of American presidents. It was more than willing to step up and help provide \$10 million to President Ronald Reagan's main money bagmen, Oliver North and Elliott Abrams, for the Nicaraguan contras. Unfortunately, North provided the Bruneians with the wrong bank account number for a CIA front company called Lake Resources in Geneva and the money ended up in the wrong Swiss bank account.

A month before Brunei became independent, the CIA issued a December 1983 SECRET report on the oil-rich sultanate, titled «Brunei: A New and Well-Heeled Ministate.» [emphasis

added]. The CIA obviously saw Brunei as a «well-heeled» country, in other words, a subservient vassal state, which Langley could rely on for the most important element for executing covert activities in Asia and beyond — cash and lots of it. The CIA analysis of Brunei as an important cash source came during the same time that Barack Obama was working at the CIA's front company in Manhattan, Business International Corporation.

Brunei was no stranger to Obama's grandmother «Toot,» Madelyn Dunham, whose Bank of Hawaii handled much of Brunei's secret cash transactions involving the U.S. government. Honolulu's CIA front, Bishop, Baldwin, Rewald, Dillingham & Wong (BBRDW), provided confidential investment services to the government of Brunei before the firm collapsed in the months prior to Brunei's independence.

The U.S. already had a military relationship with Brunei through Britain. Brunei was the location of the British Army's only jungle warfare training facilities, to which U.S., Australian, and New Zealand troops had full access during the Vietnam War. Britain's Gurkha troops in Brunei also rotated to serve in then-British ruled Hong Kong. Singapore also used Bruneian training facilities for training its troops and the training was kept very low key in order that Malaysia's suspicions about Singapore's intentions were never aroused.

The CIA had maintained an interest in the security of Brunei ever since 1962, when a rebellion, aimed at overthrowing the Sultan, aimed to establish a North Borneo people's republic incorporating Brunei, Sabah, and Sarawak. After the 1962, the Sultan ruled Brunei with an iron hand and political parties remain banned in the sultanate.

The CIA feared that after independence, Bruneian Muslim students studying in Britain would return to Brunei with the intent of challenging the Sultan and demanding an Islamic state. The Sultan trumped any such development by declaring upon independence in 1984 that Brunei was a Malay Muslim Monarchy, a status that continues to dominate Brunei's political scene. Troubled relations with Malaysia, which had hoped to incorporate Brunei into the Federation of Malaysia, were smoothed over when the CIA arranged personal liaison between Brunei's royal family and those of the Malaysian sultanates that made up the federation.

Royal Dutch Shell is prevalent in Brunei because of its long-held monopoly over Brunei's oil production. Local oil workers joke that the Bruneian flag sports the same yellow and red colors as the flag of Shell Oil. The CIA-connected Bechtel construction firm has also been a major fixture in Brunei, having built much of Shell's infrastructure in the country. The Bank of America and Citigroup also had major operations in Brunei before and after independence.

The 1983 CIA report stated that Brunei, upon independence, was already so pro-Western the country was undecided on whether to join the Islamic Conference because it did not want to get involved in Arab politics or the Arab-Israeli dispute.

In December 1983, the CIA foresaw the United States playing an increased role in Bruneian affairs. Bruneian officials had been approached for many years by U.S. diplomats and CIA personnel attached to the U.S. embassy in Kuala Lumpur, Malaysia. But it was access to Bruneian cash and military bases that excited the CIA first and foremost. The December 1983 CIA's SECRET report on Brunei states:

«Underscoring Brunei's interest in strengthening ties with the United States was its decision

last August to shift the management of investment funds totaling \$5 billion from British to US banks (Citibank and Morgan Guaranty). The Bruneians have also shown an interest in US security assistance programs, and an early request after independence is anticipated. Like Singapore, Brunei would be prepared to pay cash for equipment and training, according to the US Embassy. It apparently hopes to capitalize on its location along air routes and sea lanes between US bases in the Philippines and facilities in Singapore, Australia, and New Zealand. Brunei has some of the world's best jungle warfare training facilities and modern 2,500-meter runway near the capital city (Bandar Seri Begawan), which it may envisage as a refueling stop for US military flights. In view of Brunei's outgoing attitude toward the United States, Bruneian-US relations after independence should get off to an amicable start.»

Given Brunei's importance to the CIA, Obama's cancellation of his trip to Brunei was obviously as disappointing as the cancellation of his trip to Indonesia, the country where his mother, Ann Dunham Soetoro, was working with the post-CIA coup regime of General Suharto to make Indonesia Communist-free. Nevertheless, Brunei, always an important ally of the United States, will continue to serve as an important cog in Obama's anti-Chinese geo-political strategy known as America's «pivot to Asia».

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