

A Currency War against Pakistan? The U.S. Puts “Pakistan on Notice” for Harboring Terrorists as Pakistan Considers Using the Yuan to Trade with China

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Region: [Asia](#), [USA](#)

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The Trump administration sent its U.S. Vice President Mike Pence to Kabul, Afghanistan in what was described as a surprise visit and warned Pakistan that they are “on notice” for being a “safe haven” for the Taliban and other terrorist organizations. It seems that the Trump administration is putting any nation on notice who defies the U.S. like they did last February when former National Security adviser Michael Flynn put Iran on notice because of its ballistic missile launch. Washington claimed that Iran violated the U.N.’s resolution forbidding the development of its nuclear program. The Pakistan-based daily newspaper ‘Dawn’ published a report ‘Trump has put Pakistan on notice,’ US VP Pence warns in surprise Kabul visit’ on what U.S. Vice President Mike Pence had said during his time in Kabul:

United States (US) Vice President Mike Pence during a surprise visit to Afghanistan on Friday issued a warning to Pakistan that it has allegedly provided safe haven to terrorists for too long but those days are over now, as President Donald Trump has now “put Pakistan on notice.” This is so far the harshest US warning to Pakistan since the beginning of the Afghan war more than 16 years ago and follows several recent statements, indicating US indignation with Islamabad

The report stated Pence’s claims that Pakistan provides a safe haven for terrorists including the Taliban:

“For too long has Pakistan provided safe haven to the Taliban and many terrorist organisations, but those days are over,” Pence told the troops. He reiterated word for word President Donald Trump’s warning that Pakistan must stop offering cross-border safe havens to Taliban factions and armed militant groups fighting US troops and their Afghan allies.

“President Trump has put Pakistan on notice. As the President said, so I say now: Pakistan has much to gain from partnering with the United States, and Pakistan has much to lose by continuing to harbor criminals and terrorists,” the US VP added

Washington and the Military-Industrial Complex along with several intelligence agencies

including the CIA have been blaming the Afghan insurgency on Pakistan's failure to defeat various factions of the Taliban including the Haqqani Network. The resurgence of the Taliban resistance has more to do with Washington and its NATO allies waging a brutal 16-year war of occupation including continuous drone strikes.

Despite the fact that the U.S. has spent more than a trillion dollars adding the deaths of more than 2,300 American troops, the Taliban remains a serious problem for US and NATO forces. Pakistani officials reject Pence's comments according to an article by 'Dawn' titled '*Allies do not put each other on notice: FO lashes out at US after Pence's scathing remarks*':

The Foreign Office (FO) on Friday lashed out at the United States (US) hours after Vice President Mike Pence's warning that the Trump administration has "put Pakistan on notice", claiming that the statements diverged from recent conversations between both countries' officials. "Allies do not put each other on notice," the FO statement said, noting that Pence's scathing remarks were "at variance with the extensive conversations we [Islamabad] have had with the US administration".]

The FO statement stressed the need for the US to create peace and reconciliation mechanisms instead of shifting blame onto Pakistan for its failures in Afghanistan. "Externalising blame should be put on notice," the FO said, in addition to a host of "factors responsible for exponential increase in drug production, expansion of ungoverned spaces, industrial scale corruption, breakdown of governance, and letting Daesh gain a foothold in Afghanistan"

Washington is blaming Pakistan, not its 16-year occupation for the resurgence of the Taliban and now ISIS (another U.S. creation) who is also gaining a foothold in Afghanistan. The U.S. government might also blame Pakistan for the massive opium production that has only increased under the U.S. occupation that provides enough heroin for the entire planet.

The U.S. has lost the War in Afghanistan yet the Trump Administration has a plan to win the war according to its *National Security Strategy* (NSS) report where Trump said that the U.S. faces unprecedented threats:

The United States faces an extraordinarily dangerous world, filled with a wide range of threats that have intensified in recent years. When I came into office, rogue regimes were developing nuclear weapons and missiles to threaten the entire planet. Radical Islamist terror groups were flourishing. Terrorists had taken control of vast swaths of the Middle East. Rival powers were aggressively undermining American interests around the globe

Interestingly, where the Trump Administration mentions Pakistan in the NSS report when it says that "*We seek a Pakistan that is not engaged in destabilizing behavior and a stable and self-reliant Afghanistan. And we seek Central Asian states that are resilient against domination by rival powers*" obviously talking about China and Russia. According to the NSS report "*We will help South Asian nations maintain their sovereign as China increases its influence in the region.*"

It is a coincidence that Pence's warning comes at a time when Pakistan is considering a move away from the U.S dollar to the Chinese yuan for bilateral trade with China. Is the U.S. trying to prevent Pakistan from bypassing the U.S. dollar and joining China's One Belt One

Road Initiative (OBOR) also known as the New Silk Road?

The Emerging Currency War Takes Hold in Central Asia

A few days before Pence's visit to Afghanistan, on December 19th to be exact, Reuters published a rather interesting report titled '*Pakistan considering plan to use Yuan in trade with China*' on Pakistan's growing interest in using the Chinese yuan for trade with China which does concern Washington:

Pakistan is considering a proposal to replace the U.S. dollar with the Chinese yuan for bilateral trade between Pakistan and China, the English-language daily newspaper Dawn reported on Tuesday

Reuters also mentioned the *China Pakistan Economic Corridor (CPEC)* which leads to the *Silk Road Economic Belt (SREB)*, an economic system based on land along with the *Maritime Silk Road (MSR)* which is based on maritime trade routes also known as the *One Belt One Road Initiative (OBOR)* introduced by China to the world in 2013. OBOR is a strategy based on China's ambition to have a major role in global economic affairs:

Interior Minister Ahsan Iqbal, who has been central to the planning and implementation of China-Pakistan economic ties, was reported discussing the proposal after unveiling a long-term economic development cooperation plan for the two countries. Iqbal said Pakistan would continue to use the rupee domestically.

The long-term plan highlighted key cooperation areas between the neighboring states including road and rail connections, information network infrastructure, energy, trade and industrial parks, agriculture, poverty alleviation and tourism. The plan marks the first time the two countries have said how long they plan to work together on the project, known as the China Pakistan Economic Corridor (CPEC), taking the economic partnership to at least 2030. China has already committed to investing \$57 billion in Pakistan to finance CPEC as part of Beijing's "Belt and Road" initiative to build a new Silk Road of land and maritime trade routes across more than 60 countries in Asia, Europe and Africa

China's rising economic power is a challenge to the U.S. as the world's economy is pivoting east. The long-term economic plan between Pakistan and China involves information network infrastructure, energy, agriculture, tourism and other areas of trade and commerce. Back in August, *Reuters'* had reported what the U.S. Secretary of State Rex Tillerson had said about Pakistan's "reluctance" to act against the Afghan Taliban and the Haqqani network terrorists:

U.S. officials are frustrated by what they see as Pakistan's reluctance to act against groups such as the Afghan Taliban and the Haqqani network that they believe exploit safe haven on Pakistani soil to launch attacks on neighboring Afghanistan. Pakistan denies it harbors militants fighting U.S. and Afghan government forces in Afghanistan.

Tillerson said the United States could consider withdrawing Pakistan's status as a major non-NATO ally, which provides limited benefits such as giving Pakistan faster access to surplus U.S. military hardware, if cooperation did not improve. "We have some leverage that's been discussed in terms of the amount of aid and military assistance we give them, their status as non-NATO alliance

partner – all of that can be put on the table,” he said

At this point in time, Pakistan seems more inclined to pivot towards the east than to continue being a puppet state controlled by Washington which is very unpopular among the Pakistani population. The last poll conducted by *Pew Research Center's Global Attitudes and Trends* from 2015 showed that Pakistan only had a 22% favorable rating towards the U.S. compared to a 62% unfavorable rating. The polls should not surprise anyone with the U.S. occupation of its neighbor, Afghanistan with relentless drone strikes since 2001 that has killed more civilians than actual terrorists in both Afghanistan and Pakistan. Various think tanks and human rights organizations reported that at least 70 percent of people killed by drones strikes were unarmed civilians. Since 2004, more than 3,450 Pakistanis have been killed with more than 400 drone strikes approved by Washington. By 2014, Washington stopped its drone program but Pakistani army (armed and funded by the U.S.) resumed operations by June of that year against Taliban fighters in Northern Waziristan that resulted in more than several hundred thousand people fleeing the region after the Pakistani army said anyone who stayed behind would be considered terrorists and can be targeted by drone strikes.

The Pakistani government has been a U.S. puppet state for quite some time. With that said, Pakistan has problems of its own especially with India. Historically and politically speaking, Pakistan and India has a complicated and uneasy relationship. However, the U.S. government has trained and armed the Pakistani military and helped establish a close relationship between the CIA and Pakistani intelligence services known as the *Inter-Services Intelligence (ISI)*. Pakistan has no power when it comes to Washington's decisions especially when fighting the Taliban, Al-Qaeda and others because Pakistan is controlled by Washington. The Pakistani government has another big problem on their hands and that is the Pakistani population who are in opposition to U.S. war operations taking place in their country thus creating an uneasy alliance between Washington and Islamabad. Both the U.S. and Pakistan are finding it more difficult to maintain an alliance with an angry Pakistani population who despises their government for having close ties to the U.S. government. Maybe the Pakistani government is finally looking for a way out of Washington's control.

Pakistan's *Foreign Office* declared that the US should create “*peace and reconciliation mechanisms*” in Afghanistan although there is a serious problem with opium production, rampant corruption and the spread of terrorist organization as a result from the U.S. occupation of Afghanistan. The Trump administration is blaming Pakistan for the major problems the U.S. occupation itself has caused in Afghanistan.

Pakistan also made it to the list of nations who rejected the Trump administration's decision to recognize Jerusalem as Israel's capital. Trump did say that he would cut U.S. funding to countries that were opposed to the idea, so it is most likely that the Trump administration would cut foreign aid to Pakistan.

The U.S. is using the Taliban and other terrorist organizations as an excuse to intimidate the Pakistani government from using the Chinese yuan instead of the U.S. dollar. Without the U.S. dollar dominating the economic landscape in Central Asia, Washington cannot dictate its policies upon Pakistan. Is Pakistan planning to bypass the U.S. dollar in favor of the Chinese yuan? Yes, it will eventually happen. Perhaps Pakistan joining China's New Silk Road initiative can be the answer to get rid of government's corruption, regain its sovereignty, make peace with India and respect the will of the Pakistani people.

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