

EIR Daily Alert Service

P.O. BOX 17390, WASHINGTON, DC 20041-0390

- Evidence of Lunacy and the Need for Strategic Sanity
- Putin Warns Geopolitical Processes Are Eroding Security and International Law, at Moscow Security Conference
- Ryabkov Cautions There Can Not Be a One Way Street with U.S.-Russian Talks
- Russian Military Fires Warning Shots at British Ship in Federation Waters in Black Sea
- Former British Ambassador Craig Murray Denounces British Black Sea Provocation ‘Lunacy’
- Russia’s Embassy in Washington Calls for NATO To Refrain from Black Sea Drills
- U.S. Justice Department Seizes Iranian News Websites
- Venezuela and Russia Discuss Need for New World System, without Sanctions
- People’s Bank of China Cracks Down on Bitcoin; Where’s the SEC?
- Crypto Bubble Is Pure Speculative Arbitrage
- China’s President Xi Jinping Talks with the Space Station Crew from Beijing Aerospace Center
- El Salvador Asserts Government Responsibility for Clean Water and Decent Hospitals
- U.K. Is No Model of Human Rights, China’s Foreign Ministry Reminds World

EDITORIAL

Evidence of Lunacy and the Need for Strategic Sanity

June 23 (EIRNS)—In a press conference immediately following his June 16 summit discussion with President Biden, Russian President Vladimir Putin was asked about the future of U.S.-Russian relations.

“As for sanctions and economic restrictions, I have already pointed out that we are not aware of the domestic political mood and the line-up of forces [in the U.S.], or rather we know, but we cannot fully understand the developments. Some forces are against improving relations with Russia, and others support this. I cannot say which of them will win.”

The LaRouche Organization and the Schiller Institute have been the most consistent and clearest voices for strategic sanity, uniquely presenting Lyndon LaRouche’s policies for constructing a durable peace based on the bankruptcy reorganization of the global financial system, and providing for the accelerated development of the impoverished developing sector, in particular.

The most consistent and clearest voice for strategic lunacy, and driving the world to the brink of nuclear war in order to defend that same bankrupt financial system, has been that of the British Empire.

Today, the Royal Navy’s guided missile destroyer *HMS Defender*, operating in the Black Sea, intentionally crossed 3 km over into Russian territorial waters off the coast of Crimea, and only departed 30 minutes later after a Russian border guard patrol ship twice fired warning shots across its bow, followed by a fighter jet dropping four bombs in front of the *HMS Defender*’s path.

As former British Ambassador Craig Murray commented: “There are those who see this activity as evidence of the U.K.’s continued great power status. I see it as evidence of lunacy.”

Indeed. All the more so since Putin and other Russian government officials have this week presented the U.S. with concrete initiatives to get the security dialogue underway, and reiterated their government's willingness to put Russia's hypersonic and other advanced weapon systems on the negotiating table, so long as serious overall talks occur.

And all the more so since the Chinese government has similarly presented the West with an honorable exit from their dead-end economic policies which have unleashed a deadly pandemic which threatens the entire planet, offering instead agreements for economic cooperation that can begin with the establishment of a worldwide system of advanced health-care systems to address the current, and likely future, pandemics.

A week ago, Putin stated "I cannot say which of them will win," referring to the policy battle in the U.S. and the West in general over cooperation or confrontation to address the global crises. The answer to that question, in significant measure, will be provided by those participating in the ongoing process of policy discussion at the Schiller Institute's international conferences, including the upcoming one to be held this weekend on June 26-27.

- Watch [Harley's Updates](#) with Harley Schlanger on Thursday, June 24, 2021: Every weekday morning on [The LaRouche Organization](#) website, Harley will give you the strategic briefing on what you need to know to start your day.

STRATEGIC WAR DANGER

Putin Warns Geopolitical Processes Are Eroding Security and International Law, at Moscow Security Conference

June 23 (EIRNS)—Welcoming participants via a video message to the [Fourth Moscow Conference on International Security](#), Russian President Vladimir Putin denounced geopolitical approaches as responsible for the worsening security situation and erosion of international law.

“However, unfortunately, geopolitical processes are becoming increasingly turbulent despite isolated positive signals. The erosion of international law continues as well. The attempts to use force to push through one’s own interests and to strengthen one’s own security at the expense of the security of others continue unabated,” Putin said according to the transcript posted on the Kremlin website.

“Regional armed conflicts, the risks of proliferation of weapons of mass destruction, the activity of cross-border criminal groups, drug trafficking and cybercriminals are causing us serious concern. International terrorism continues to pose a particular threat.

“To reiterate, the scale and the global nature of the above challenges require that all states join their efforts. Of course, this collective work must be based on international law and the UN Charter goals and principles. Any new rules should be formulated under the auspices of the UN. All other avenues will lead to chaos and unpredictability.”

He further explained, “I would like to remind you in this connection that earlier Russia suggested developing a new ‘security equation.’ It should take into account all the factors influencing strategic stability in their interconnection. We are confident that political will and readiness to compromise can produce a positive effect. Clear evidence of this is Russia and the United States extending the Strategic Arms Reduction Treaty until 2026.

“Naturally, we cannot but be concerned over the continuous build-up of NATO military potentials and infrastructure in the vicinity of Russian borders, as well as over the fact that the Alliance is refusing to consider in a constructive manner our proposals on de-escalating the tension and reducing the risk of unpredictable incidents. We really do hope that common sense together with the desire to promote constructive relations with Russia will eventually prevail.”

Stressing Russia’s efforts in the settlement of regional conflicts, Putin said: “Our military aid helped to liberate the greater part of Syrian territory from international terrorists and to prevent the disintegration of the Syrian

state. The political and diplomatic work within the Astana format that is pursued jointly with Turkey and Iran has made it possible to start the process of Syrian settlement under the UN aegis.”

In the Caucasus conflict over Nagorno-Karabakh, the President described: “The Russian peacekeepers reliably guarantee peace and security in the region.... Russia never forgets its responsibility for the security and prosperity of neighboring countries, with which we are brought together by inextricable historical, cultural and human ties” and “continue promoting the de-escalation of regional conflicts and strengthening peace and stability on our common continent.”

Ryabkov Cautions There Can Not Be a One Way Street with U.S.-Russian Talks

June 23 (EIRNS)—Russia’s Deputy Foreign Minister [Sergey Ryabkov](#) keyed a video session of the Carnegie International Nuclear Policy Conference on June 22, stating: “Our hope is that the pragmatic approach will prevail, like in the situation with the extension of the Treaty on the Measures for the Further Reduction and Limitation of Strategic Offensive Arms (New START), and the U.S. will look for solutions together with Russia. For it to happen, the talks should be based on reciprocity. We are not going to move down a one-way traffic street. There cannot be any unilateral concessions on our side, in this sensitive area,” TASS quoted him as saying.

“Our colleagues in Washington should see it as a matter of course,” he continued. “If the political will from both sides is strong enough to respect the balance of interests, then the agreements can ensure transformation of the world into a much safer place.”

He also stressed Russia will not join the U.S. attempts to expand the arms control regime to other countries: “We will not join in the U.S. efforts to either pressure or convince others to join just because some think that it is time to move to a trilateral or multilateral format. It is not up for discussion.”

One of Russia's key issues of concern, with the end of the Intermediate-Range Nuclear Forces Treaty (INF) as of 2019, is control over short-and medium-range missiles: "We are convinced that the issue of land-based intermediate and shorter-range missiles, whether nuclear or conventional, requires priority attention. Russia has proposed an initiative aimed at maintenance of predictability and restraint in this area, including through reciprocal verification and confidence-building measures...."

"Moreover, as a gesture of good will, we will include in our moratorium the 9M729 missile, that has a range below the INF limit. We strongly reject NATO claims that these missiles fell into scope of the INF treaty," he continued. "To claim otherwise means to create a deliberately false picture and to cover up the actions of those who bear the actual responsibility for the current situation...."

"Let me also state it again: we have proposed to develop verification and confidence-building regime for a mutual moratorium on ground-based INF missile deployment. This is an honest offer. We will still be prepared to discuss the urgent matter of restraint on missiles on the basis of mutual respect for each other's concerns. We hope that our potential counterparts will choose wisely and act in a responsible manner."

Russian Military Fires Warning Shots at British Ship in Federation Waters in Black Sea

June 23 (EIRNS)—The Russian Defense Ministry issued a statement this morning announcing that a Russian warship fired warning shots at the Royal Navy destroyer *HMS Defender*, which it said had violated Russia's maritime border around Crimea in the Black Sea. "At 11:52 am on 23 June, the *HMS Defender* of the British Royal Navy, operating in the northwestern part of the Black Sea, violated the border and entered 3 km into Russian territorial waters in the region of Cape Fiolent," the ministry statement said, reported Sputnik International. The statement further said that warnings had been issued to the British ship but were ignored.

"At 12:06 and 12:08, a border patrol vessel carried out warning shots. At 12:19 a Su-24M carried out a warning bombing run using 4 OFAB-250

[high-explosive fragmentation] bombs at the *HMS Defender*'s path of movement," the statement added. "At 12:23 the combined actions of the Black Sea Fleet and the Border Forces of the FSB forced the *HMS Defender* to leave the territorial waters of the Russian Federation."

The British Ministry of Defense not only denied that there were any warning shots fired at the *HMS Defender* but denied that there was any incident at all. "We believe the Russians were undertaking a gunnery exercise in the Black Sea and provided the maritime community with prior-warning of their activity," the MOD press office said on Twitter. "No shots were directed at *HMS Defender* and we do not recognize the claim that bombs were dropped in her path."

The MOD insisted that "The Royal Navy ship is conducting innocent passage through Ukrainian territorial waters in accordance with international law," on its way from Odessa to Georgia. Prime Minister Boris Johnson's official spokesman elaborated: "As you know, the U.K. does not recognize Russia's claim to Crimea."

Sputnik reported that the *Defender*'s automatic identification system signal showed the ship to be situated about 40 km off Crimea as of 14:15 local time on June 23, and to be sailing southeast. The Russian Defense Ministry has summoned the attaché on Defense Matters from the British Embassy in Moscow over the incident.

Not mentioned in the press coverage, is that a U.S. Air Force RC-135V reconnaissance aircraft was flying over the Black Sea and was off the west coast of Crimea at the time the Russians report they were firing warning shots at the *HMS Defender*. The U.S. aircraft was visible on flight tracking websites such as [Flightradar24](#). Its presence raises the question of whether the *Defender* was engaged in deliberate provocation so that the RC-135 could collect signals intelligence generated by the Russian response to the *Defender*'s presence.

Ukrainian Foreign Minister Dmytro Kuleba claimed in a Twitter posting that the incident is "proof" of the threat that Russia supposedly poses to Ukraine. "Russia's aggressive and provocative actions in the Black and

Azov Seas, its occupation & militarization of Crimea pose a lasting threat to Ukraine and allies,” he said. “We need a new quality of cooperation between Ukraine & NATO allies in the Black Sea.”

The incident followed by one day the signing of an agreement—on the deck of the *HMS Defender* in Odessa—between the U.K. and Ukraine for a \$1.7 billion sale of eight Barzan-class fast-attack missile boats to the Ukrainian Navy.

Former British Ambassador Craig Murray Denounces British Black Sea Provocation ‘Lunacy’

June 23 (EIRNS)—Former British Ambassador Craig Murray, an outspoken dissident and supporter of Julian Assange, issued a sharp warning very quickly upon hearing the news of the Black Sea incident provoked by the Royal Navy. Murray’s comments, “[Black Ops in the Black Sea](#),” were reprinted by *Consortium News* this morning from Murray’s website.

“Sometimes it is worth stating the obvious. The United Kingdom does not have a coast in the Black Sea. British warships are not infesting the Black Sea out of a peaceful intent, and there is no cause for them to be entering disputed waters close to anybody’s coast. This is not a question of freedom of navigation under the UN Convention of the Law of the Sea. There is nowhere that a British warship can be heading from the U.K. under the right of innocent passage that would require it to pass through coastal waters by Crimea. The Black Sea is famously a cul-de-sac.

“I expect we will now be in for a mad frenzy of Russophobia, yet again.... The U.K. needs to lose its imperial delusions. Sending gunboats to the Crimea is as mad as—well, sailing an aircraft carrier expressly to threaten the Chinese. There are those who see this activity as evidence of the U.K.’s continued great power status. I see it as evidence of lunacy.”

Russia's Embassy in Washington Calls for NATO To Refrain from Black Sea Drills

June 23 (EIRNS)—The Russian Embassy in Washington issued a statement yesterday calling on NATO to refrain from holding military drills in the Black Sea in a Twitter post: “The scale and obviously aggressive nature of the military drills #SeaBreeze in no way match the real security needs in the Black Sea region. Increase risks of unintended incidents. Inspire militaristic ambitions in Flag of Ukraine#Kiev.

“We call on the #US and its allies to stop military operations in the Black Sea. The example of multilateral efforts on maintaining stability in the region is #Blackseafor aimed at strengthening confidence-building measures at sea.

“Every problem emerging in the region can be resolved by the littoral states themselves without ‘imposing’ help from the outside,” read the three-part tweet.

The Sea Breeze drills from June 28-July 10, cohosted by the United States and Ukraine, will involve 32 countries, providing 5,000 troops, 32 ships, 40 aircraft, and 18 special operations and dive teams scheduled to participate, announced the U.S. Sixth Fleet on June 21.

U.S. Justice Department Seizes Iranian News Websites

June 23 (EIRNS)—The U.S. Justice Department announced yesterday the seizure of websites operated by Iranian news organizations, including PressTV, for allegedly violating U.S. sanctions. A total of 33 websites operated by the Iranian Islamic Radio and Television Union were seized, along with three more operated by Kataib Hezbollah in Iraq. These organizations are all “Specially Designated Nationals” because they are owned or controlled by the Islamic Revolutionary Guard Corps Quds Force (IRGC) which the Trump Administration designated a terrorist organization.

According to the Justice Department release, the Office of Foreign Assets Control “explained” that these organizations “disguised as news

organizations or media outlets, targeted the United States with disinformation campaigns and malign influence operations.” Iran’s Arabic-language Al Alam television news network, Yemen’s al-Masirah TV channel and Bahrain’s Lualua television network were included among the seized outlets. At least two of the organizations, [PressTV](#) and [Al Alam](#), are still available on their .ir domains.

COLLAPSING WESTERN FINANCIAL SYSTEM

Venezuela and Russia Discuss Need for New World System, without Sanctions

June 23 (EIRNS)—Russian Foreign Minister Sergey Lavrov told reporters after meeting with Venezuelan Foreign Minister Jorge Arreaza in Moscow yesterday, that the two had spoken about the need to form “a fairer democratic international system,” strongly rejecting “attempts to replace international law with a ‘rules-based order.’ ”

The West’s devastating economic sanctions were clearly central to their discussions of the current, outlaw order. Both agreed on the importance of rallying “healthy forces in the UN in order to uphold the UN Charter’s principles and against the policy of imposing illegitimate unilateral coercive measures that the West has been using increasingly often.”

When Arreaza spoke the same day to the Valdai Discussion Club, he recounted Venezuela’s inability to purchase sufficient vaccines because of the illegal international economic sanctions imposed on it. The COVAX facility has refused to release any of the 5 million vaccine doses allocated to Venezuela under the program, he reported, because Venezuela had not paid their full cost of \$119 million. But when Venezuela, which had already paid \$109 million to COVAX, tried to transfer the remaining \$10 million due, UBS bank seized the funds, citing U.S. sanctions.

Arreaza demanded: “Let them return the money and with that money, we will purchase vaccines from Russia, China, Cuba or whomever!” Venezuela finds itself, in the midst of the pandemic, with \$6 billion of its reserves held abroad frozen, and “we have not been able to purchase

enough vaccines.” Arreaza thanked China and Russia for selling Venezuela vaccines, reporting that his country has received 1.2 million doses of an agreement with Russia for 10 million, and he expects they will want more.

He went on: “If the U.S. wants to do business with Venezuela, it is welcome.” He urged the Biden administration to “rectify” the policy toward Venezuela, lift the illegal sanctions, and return the industry and companies which it has taken from us “by force.”

Arreaza commented that “We know that the person who sits in the Oval Office does not make the decisions in the U.S., but they, and their team also, have some influence.” He expressed hope that they could “reflect” and “return to the legality” of the UN Charter.

People’s Bank of China Cracks Down on Bitcoin; Where’s the SEC?

June 23 (EIRNS)—The Chinese government is continuing its regulatory crackdown on bitcoin “mining” and payment services, with a June 21 notice by the central bank, People’s Bank of China: “Virtual currency trading activities disrupt the normal economic and financial orders, breed the risks of illegal cross-border transfer of assets, money laundering and other illegal and criminal activities, and seriously infringe the people’s property safety.” Chinese banks are prohibited from being involved in these transactions. MarketWatch added that the PBC announcement came a day after the regional Chinese government in Sichuan announced it would close more than two dozen suspected cryptocurrency-mining operations.

They go on to quote Sarah Brennan, an attorney at the law firm Harter Secrest & Emery that deals in this area: “The SEC has been...really mum on their agenda and their enforcement priorities” regarding cryptocurrencies.

The Chinese crackdown appears to be the major cause for a dramatic fall in bitcoin prices by more than 50% from its record high earlier this year.

According to The Verge multimedia site, an April 2020 study by the University of Cambridge estimated that China provided 65% of Bitcoin’s

hashrate (i.e., “mining”), with three main provinces making up the bulk of that computing power: Xinjiang led the way with about 30% of world total, followed by Sichuan and Inner Mongolia. Current shares are thought to be similar to those from a year ago. The Verge goes on: “The Chinese government has been tightening the screws on Bitcoin for years—it banned banks from handling Bitcoin in 2013, and banned initial coin offerings in 2017.... Iran issued a temporary ban on mining during the summer months, and India is potentially making ownership of crypto illegal. El Salvador has gone the opposite direction, becoming the first country to make Bitcoin a legal tender.”

Crypto Bubble Is Pure Speculative Arbitrage

June 23 (EIRNS)—It should come as no surprise to learn that the cryptocurrency bubble is entirely based on speculative arbitrage activity by hedge funds, who have been buying crypto on the spot market, and locking in long-dated future shares sales at what was assumed would be a predictably higher price forevermore. But, like all speculative bubbles (tulips, chain letters, etc.), this continues to work only so long as it continues to work, i.e., there has to be a sucker born every minute to make sure it keeps working.

But now, according to an anxious article in Bloomberg, things have begun to go south on “one of the crypto market’s most ubiquitous plays. Hedge funds piled into the trade, which could previously reliably produce double-digit annual gains. Even better, the arbitrage was virtually risk-free.... However, the trade existed because long-dated futures were more expensive than shorter-dated ones, given that Bitcoin is inherently scarce and theoretically should rise—a structure known as contango. The breakdown of that dynamic implies that built-in bullishness has disappeared gradually as prices declined.”

Nic Carter, founding partner at Castle Island Ventures and one of the market luminaries on this subject, explained what’s going on: “It could mean that some traders unwind their positions to meet margin calls, i.e. via auto-liquidation mechanisms on exchanges, the futures trade below the

spot.” He also said that this could persist as long as sentiment remains negative and deleveraging trades continue.

SCIENCE AND INFRASTRUCTURE

China’s President Xi Jinping Talks with the Space Station Crew from Beijing Aerospace Center

June 23 (EIRNS)—President Xi Jinping went to the Beijing Aerospace Control Center to speak with the three astronauts who arrived June 17 on the Tianhe module of the Chinese Space Station. “How are you doing?” he asked. “And is everybody healthy?” Mission commander Maj. Gen. Nie Haisheng assured the President that they were all doing well. “This is my third space mission. I work and live in Tianhe, and the conditions are getting better and better. Now we have a permanent home operating in orbit, and we are proud of our great Party and motherland.”

Nie, 57, came from a poor family in what was then a drought-ridden region of Hubei province. He had eight siblings and sometimes had to wear some of his sister’s flowery clothes to school, and taking a terrible ribbing from his classmates. He was known, however, as the “king of mathematics” and although he almost had to leave middle school to go to work when his father died, one of his teachers saw to it that that his tuition would be waived allowing him to stay in school.

Astronaut Tang Hongbo, the youngest of the three, was on his first venture in space, said that he was happy that he could have a video talk with his parents while at the station. “Our home in space is very cozy and comfortable, and we have full confidence in completing the upcoming tasks,” said Tang.

Xi expressed his delight to learn that the astronauts’ work was progressing smoothly, saying, “The construction of the space station is a milestone in China’s space industry, which will make pioneering contributions to the peaceful use of space by humanity.”

El Salvador Asserts Government Responsibility for Clean Water and Decent Hospitals

June 23 (EIRNS)—Salvadoran President Nayib Bukele sent a draft Water Bill to the National Assembly on June 19, which declares affordable access to clean water to be a human right, which it is the government's responsibility to secure. Given that the government's "New Ideas" party has a majority in the Assembly, the bill could pass within 90 days. The bill's Article I asserts the crucial principle:

“Article 1. The human right to water and sanitation is the right of all people to have sufficient, healthy, safe, acceptable, clean water available to them, accessible in amount, quality, continuity and coverage at an affordable price.

“The state, in all its basic authorities and institutions of government has the obligation and paramount responsibility to guarantee, without any discrimination whatsoever among persons, the effective enjoyment of the human right to potable water and sanitation for its population, for which purpose it must adopt all policies, legislation and measures which lead to the full realization of this right.”

It is no wonder that most Salvadorans are now more optimistic about their future than they have been for decades. The Bukele government at the same time is celebrating the arrival of enough new, modern hospital beds to replace 50% of the existing beds in the country's public hospitals. Those new beds are already being distributed around the country. The other 50% of old beds will be replaced in the second phase. Pictures of the existing, decrepit beds, many dating back to the 1950s, are sickening. As President Bukele pointed out: These beds have been used during 10 governments—not counting the coups d'état.

BRITISH EMPIRE

U.K. Is No Model of Human Rights, China's Foreign Ministry Reminds World

June 23 (EIRNS)—“I wonder What gives the U.K. the confidence and makes it feel it's in a position to stand on the moral high ground and demand that ‘the Chinese authorities must abide by their international human rights obligations,’ ” Chinese Foreign Ministry spokesman [Zhao Lijian](#) demanded to know in response to a media question today.

This time, Zhao stuck to British current human rights violations, leaving the United Kingdom's genocidal colonial history for another day. He cited “the increasing number of people living below the poverty line” in the U.K., its “indifference to people's right to life and health, deteriorating living conditions for ethnic minorities, acute Islamophobia, growing deficiency and injustice in education, record-high crime rate, modern slavery, attempt to cover up a number of war crimes, and the list goes on and on.”

He cited the UN High Commissioner for Human Rights' recent warning that the Overseas Operations Bill (covering British service personnel and veterans) which the U.K. Parliament is reviewing, “could lead to shielding military personnel operating abroad from due accountability for acts of torture or other serious international crimes,” which “could potentially be an obstacle to full accountability for international crimes perpetrated by individuals. It is a despicable double standard approach for the U.K. to seek legal justification for the abuses and suffering inflicted on innocent civilians by British troops during the wars in Afghanistan and Iraq.

“The U.K. is by no means a model of human rights, and is in no position to lecture others. We urge the British side to look at itself in the mirror and repent its own serious human rights violations.”