



# US & CANADA

## *Newsletter*

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## CONTENTS

### United States

- **US Politics**  
    Birthday Parade caps a summer of turmoil
- **India-US Relations**
- **Diaspora News**

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### Canada

- **Canada Politics**  
    Carney reshapes the economy and repairs relations  
    amidst global tensions
- **India-Canada Relations**
- **Diaspora News**



MANOHAR PARRIKAR INSTITUTE FOR  
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## US POLITICS

### Trump's Birthday Parade caps a summer of turmoil

The month began with President Trump deploying 2,000 National Guardsmen to Los Angeles, California in response to protests related to immigration enforcement activities. It was the first time since 1965 that a president had bypassed a state governor to activate that state's National Guard force for law enforcement or civil unrest purposes. Gov. Gavin Newsom of California called Trump's order "[purposefully inflammatory](#)" and said there was no shortage of law enforcement resources to deal with the protests. The [protests](#) erupted after camouflage-clad and masked federal agents began combing the garment district in Los Angeles in search of people suspected of being immigrants in the country without legal permission. While many demonstrations remained peaceful, others escalated into violent clashes with law enforcement, involving arson, looting, and over 575 arrests. Federal-state tensions were exacerbated by President Trump's decision to federalise the California National Guard and deploy seven hundred Marines without the state's consent. California governor Gavin Newsom condemned it as a violation of state sovereignty while other state leaders condemned the military response as authoritarian and politically motivated. Anti-ICE protests also took place in cities like Chicago, New York, and Dallas. The protests in California continued for more than 2 weeks, re-erupting every time there was an immigration raid. California's legal pushback against the federal response led to a tense constitutional standoff but produced mixed legal outcomes.

The Big Beautiful Bill continued to meander its way through the Senate markup sessions which only increased spending. Increased allocations included an \$150 billion in defence spending, \$170 billion for immigration and ICE related goals, targeting 1 million deportations annually. To make good the spending, the Bill proposed Medicaid reduction of \$1.2 trillion over 10 years, with 8 to 12 million people expected to [lose](#) coverage over the same period on not meeting the requirements for coverage.

An unexpected side effect of the bill was the fallout between President Trump and Elon Musk over the bill which happened in full public glare with both titans using their respective social media outlets as megaphones to trade insults, accusations and threats at each other. Musk called the bill "a disgusting abomination," talked about floating a new political party, and even [suggested](#) that Trump be impeached before later deleting those posts. Trump responded by accusing Musk of selfish motives tied to lost EV subsidies and questioned his mental health.

President Trump took time off to attend the US Army's 250th Anniversary Parade, held on June 14, 2025, in Washington, D.C., which also coincided with his 79th birthday, leading to some controversy and accusations that it was another instance of [politicization](#) of the military. The parade was sparsely attended, especially in comparison with the No Kings protests that place on the same day in an estimated 2,100 cities and towns across the U.S., with [more](#) than five million participants.

The saga over trade tariffs continued with the U.S. Court of Appeals for the Federal Circuit upholding the tariffs for the time

being while it expedited review of the U.S. Court of International Trade ruling that Mr. Trump had overreached himself by imposing universal global duties. Given the ["issues of exceptional importance"](#) at stake, the Appeals Court stated that it will expedite its review of the case. In a post on Truth Social, Mr. Trump referred to the ruling as a "great and important win for the U.S." In the meantime, the [US economy shrank](#) by 0.5% in Q1 2025 due to fears of President Trump's trade war on American trading partners.

Trump's intervention in the Israel-Iran conflict laid bare the [schism](#) in his support base about the meaning of "America First". Prominent MAGA figures like Tucker Carlson and Marjorie Taylor Greene argued that intervention contradicts Trump's original non-interventionist promises on the basis of which he was elected while traditional GOP hawks like Senators Lindsey Graham and Ted Cruz supported the move.

## INDIA-US RELATIONS

- An All-Party Parliamentary Delegation from India, visited Washington, D.C. from June 3–5 and 7-9, 2025. The delegation, led by Dr. Shashi Tharoor (Congress), Chair of the Standing Committee on External Affairs in Lok Sabha, comprised of Shri Bhubaneswar Kalita (BJP), Chair of the Standing Committee on Science & Technology in the Rajya Sabha, Shri Milind Murli Deora (Shiv Sena), former Minister of State for Communications, Dr. Sarfraz Ahmad (JMM), member of the Standing Committee on Railways in Rajya Sabha, Shri Tejasvi Suryanaryana (BJP), Shri Shashank Mani Tripathi (BJP), member of the Standing Committee on Defence in Lok Sabha, Shri Ganti Harish Madhur Balayogi(TDP), member of the Standing Committee on

Labour in the Lok Sabha, and Amb. Taranjit Singh Sandhu, former Ambassador to the U.S.

In the first leg, the group met with the India Caucus, think tanks, media, and the Indian American community. In the second leg, the delegation met with U.S. Vice President JD Vance and Deputy Secretary of State Christopher Landau, and also engaged with members of the House Foreign Affairs Committee and Senate Foreign Relations Committee.

- Furious negotiations to finalise an interim trade deal continued all through June with a US trade team led by assistant US trade representative for South and Central Asia Brendan Lynch [camping](#) in Delhi from June 4-10. These talks built on earlier meetings held in May between Commerce and Industry Minister Piyush Goyal and U.S. Secretary of Commerce Howard Lutnick and U.S. Trade Representative Ambassador Jamieson Greer. An Indian delegation led by Special Secretary and Commerce Secretary Designate Rajesh Agrawal left for the US on 26 June and twice [extended](#) their stay to continue negotiations. On April 2, the US had imposed an additional 26 per cent reciprocal tariff on Indian goods but suspended it for 90 days ending July 9. However, the 10 per cent baseline tariff imposed by America remains in place. India is seeking full exemption from the additional 26 per cent tariff. Even the universal 10% tariff in the US has made it more expensive for Indian products to compete in the American market. Trade negotiations have centred around concessions that each side can give the other. India is seeking duty concessions for labour-intensive sectors like textiles, gems and jewellery, leather goods, garments, plastics, chemicals, shrimp, oil seeds, grapes, and bananas. Meanwhile, the US is looking for

concessions for certain industrial goods like automobiles (electric vehicles in particular), wines, petrochemical products, dairy, and agriculture items such as apples and tree nuts.

- In a 35-minute [phone](#) call on June 17, 2025, Prime Minister Narendra Modi and U.S. President Donald Trump discussed India's firm response to the April 22 Pahalgam terror attack through Operation Sindoor, emphasising India's shift from viewing terrorism as a proxy war to treating it as direct warfare. Modi [detailed](#) India's precise and non-escalatory strikes on terrorist camps in Pakistan and Pakistan-occupied Kashmir, and reiterated that India would never accept third-party mediation in its bilateral matters with Pakistan. The leaders also exchanged views on global conflicts, including Israel-Iran and Russia-Ukraine, and affirmed the strategic importance of the QUAD in the Indo-Pacific. Modi invited Trump to the next QUAD Summit in India, which Trump accepted. Prime Minister Narendra Modi [declined](#) an invitation to visit Washington on his way from Canada, citing prior commitments.

- External Affairs Minister S. Jaishankar [travelled](#) to the US on a four-day visit from June 30 to July 2, 2025, to participate in the QUAD foreign ministers' meeting. He was also scheduled to hold a number of bilateral meetings at the State Department and the Department of Defence.

## DIASPORA NEWS

- Indian origin [Zohran Mamdani](#), a Democratic Socialist and New York State Assembly member, won the Democratic primary for New York City Mayor. He is the son of Academy Award winner Indian-American director [Mira Nair](#). His victory

over former Governor Andrew Cuomo, who is a seasoned politician signals at the changing political landscape. He focused his campaign on affordability, [promising policies](#) like free public transport, minimum \$30 wage, and rent freeze. These promises resonated with young working-class population, especially immigrant voters from South Asia and Indo-Caribbean neighbourhood.

- Chennai-born Prof [Anantha Chandrakasan](#) has been [named](#) the next provost of the Massachusetts Institute of Technology (MIT), becoming the first Indian-American to hold the key leadership position at the prestigious US institution. He will assume charge on July 1.

## CANADA POLITICS

### Carney reshapes the economy and repairs relations amidst global tensions

Prime Minister Mark Carney has [moved](#) swiftly to repair the Canadian economy and firewall it, to the extent possible, from the actions of its moody Southern neighbour. Canada's Bill C-5, the One Canadian Economy Act, passed in June 2025, aims to fast-track major infrastructure projects by reducing regulatory hurdles and enhancing interprovincial trade and labour mobility. The bill has two parts: one eliminates interprovincial trade and labour barriers, while the other controversially empowers the federal cabinet to expedite projects deemed in the "national interest." While business groups [praised](#) the move, seeing it as a necessary response to U.S. economic threats and domestic regulatory gridlock, critics—including Indigenous leaders and environmentalists—warned it risks bypassing constitutional rights and environmental safeguards. The bill received royal [assent](#) on June 26.

There were a number of international engagements, including the G7 [Summit](#) hosted by Canada in Kananaskis, Alberta, from 16-17 June. The summit focussed on global issues such as energy security, innovation, and the Israel-Iran conflict. The summit also provided a platform for key bilateral meetings, including [between](#) India and Canada. Carney also attended the NATO summit in Hague from 24-25 June where leaders signed a pledge to raise defence spending to 3.5% of GDP over a decade. Canada had already announced a major [increase](#) in defence spending, raising Canada's NATO contribution to 2% of GDP this year. Carney also signed a security pact with the EU, paving the way for joint defence procurement and granting access to the EU's €150 billion defence loan (SAFE) program. He also [met](#) with European defence manufacturers, and is reportedly considering an alternative to its [collaboration](#) in the US F35 program which has considerably over-run its budget, increasing from \$19.9 billion (2022) to over \$27 billion, according to the Canadian auditor general. Carney has previously said that Canada should stop sending the vast majority of its defence dollars to the US. The [prices](#) of American defence equipment made with foreign iron and steel are also expected to soar with the imposition of tariffs on these metals.

## INDIA-CANADA RELATIONS

- PM Modi met with Canadian PM Mark Carney during the G7 Summit held in Kananaskis, Canada. This meeting marked a significant step in [mending the strained](#) relations between India and Canada, which had been affected by diplomatic tensions in recent years. During their discussions, Modi and Carney agreed to appoint new high commissioners for both countries, aiming to restore regular diplomatic services for citizens and businesses. This meeting was

particularly notable as it was the first between Modi and Carney since the latter took office in March 2025, following a period of diplomatic friction under former Prime Minister Justin Trudeau. Both leaders expressed optimism about rebuilding trust and fostering a stronger partnership, with Modi stating that India-Canada relations are "extremely important" and should focus on achieving mutual benefits. The meeting is seen as a pivotal moment in resetting the relationship between the two nations, which have significant cultural ties due to the large Indian diaspora in Canada.

## DIASPORA NEWS

- Canada's newly introduced [Bill C-3](#) aims to reform the Citizenship Act by removing the "first-generation limit" on citizenship by descent, which previously barred Canadian citizens born abroad from passing citizenship to their children also born outside Canada. Under the proposed law, parents must demonstrate a "substantial connection" to Canada—defined as at least 1,095 days of physical presence before the child's birth or adoption. The bill is expected to [benefit](#) many in the Indian diaspora and other immigrant communities. It must still pass through Parliament and receive Royal Assent before becoming law.

- Seven Indian-Origin Men were [arrested](#) by the Canadian police for Smuggling Cocaine Worth \$48 Million after a year-long investigation dubbed Project Pelican. 478kg of cocaine was smuggled from the US using commercial trucking routes. The operation, the largest drug bust in the department's history, uncovered links to Mexican cartels, U.S.-based distributors, and alleged Khalistani networks involved in anti-India activities. The probe involved multiple agencies, including the Canada Border Services Agency and U.S. Homeland Security,