



US & CANADA

Newsletter

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US POLITICS

- The [U.S. Supreme Court](#) delivered a major blow to the administration's "America First" trade agenda in a 6-3 ruling. The Court found that President Trump exceeded his constitutional authority by utilizing the International Emergency Economic Powers Act (IEEPA) to impose sweeping global tariffs. The majority opinion argued that the law is reserved for genuine national emergencies, not as a standard tool for economic policy. In immediate response, the President called the ruling "[deeply disappointing](#)" and invoked Section 122 of the Trade Act to implement a 10% across-the-board tariff as a temporary measure. This legislative workaround is valid for only 150 days without congressional approval, setting up a high-stakes showdown with a Congress that has shown little appetite for further [trade protections](#) ahead of the 2026 midterms.

- The brief, partial government shutdown that began on January 31, 2026, came to an end after the House narrowly passed a Senate-amended FY 2026 appropriations package. The deal included a stopgap continuing resolution for [the Department of Homeland Security](#) (DHS), which had been the primary point of contention. Despite this victory, the legislative landscape remains fractured. Republican leadership celebrated the passage of 11 out of 12 annual spending bills but acknowledged that further major legislation, including potential tax reforms, faces a "rocky" path. With the 2026 midterm elections approaching, many

members of Congress have pivoted to "[campaign mode](#)," effectively pausing bipartisan negotiations on high-profile issues like the Affordable Care Act (ACA) premium tax credits and housing affordability.

- In a proclamation designating February 2026 as [National Black History Month](#), the White House framed it within the context of America's 250th anniversary of independence. The proclamation emphasised a vision of national unity over "racial division," criticizing "progressive movements" while celebrating black American icons such as Booker T. Washington and Jackie Robinson. As part of the commemoration, the President authorised the construction of the [National Garden of American Heroes](#), a new statutory park.

INDIA-US RELATIONS

- Following a high-level call between Prime Minister Narendra Modi and President Donald Trump, the two nations announced a [historic bilateral trade deal](#). The United States slashed effective tariffs on Indian goods from a peak of 50% down to 18%. Crucially, [the US removed the 25% punitive](#) tariff previously imposed due to India's purchase of Russian oil. In exchange, India committed to a massive \$500 billion purchase of US energy, technology, and agricultural products over the next five years. This deal is viewed as a strategic "[de-escalation](#)" of the trade tensions seen in 2025 and positions India as an [alternative to China in global supply chains](#). While India excluded sensitive sectors like dairy to protect local farmers, it

agreed to reduce barriers for US industrial goods and soybean oil.

The geopolitical significance of this agreement was recently underscored by [S. Paul Kapur](#), the U.S. Assistant Secretary of State for South and Central Asian Affairs, during his testimony before the House Foreign Affairs Subcommittee. He argued that an economically robust, independent India serves vital American strategic interests. By keeping the Indo-Pacific free and open, a strong India naturally prevents any single hegemon- namely China- from establishing dominance or coercive leverage over the region. By resolving these long-standing economic frictions and trade barriers, Kapur noted that both nations can now fully concentrate on deeper, more fulsome [cooperation through frameworks](#) like the Quad and the 10-year US-India defence agreement.

- During the India AI Impact Summit in New Delhi, India formally became the tenth [signatory of the Pax Silica initiative](#). This US-led coalition focuses on securing strategic technology supply chains, critical minerals, and semiconductor manufacturing among trusted partners. The move signals India's decisive shift toward the [Western technological ecosystem](#). This framework now includes a roadmap for accelerating AI infrastructure and [co-producing high-end defence equipment](#). US tech giants like OpenAI and Anthropic also announced major partnerships with Indian firms during the summit, supported by a new "[AI Opportunity Partnership](#)" to build data centres and GPU facilities within India.

- Military cooperation reached a new peak with the commencement of the 16th edition of [Exercise Vajra Prahar in Himachal Pradesh](#). This joint special forces exercise focused on counter-terrorism and enhancing interoperability in mountainous terrain. Simultaneously, [the 24th India-US Joint Technical Group](#) (JTG) plenary meeting was hosted by the DRDO in New Delhi on February 3-4. These meetings finalized the "[10-year Master Defence Partnership](#)" (MDP) framework, which emphasizes multi-domain operations and the co-production of GE-F414 jet engines. Additionally, US INDOPACOM Commander Admiral John Paparo visited India's Western Army Command to discuss maritime security in the Indo-Pacific, further cementing the role of the INDUS-X ecosystem in linking defence startups between the two nations.

- India's External Affairs Minister S. Jaishankar visited Washington, D.C., to advance [high-level dialogue with U.S. officials](#). Jaishankar held substantive meetings with U.S. Secretary of State Marco Rubio and U.S. Treasury Secretary Scott Bessent on a wide range of bilateral and global issues- including trade, energy cooperation, critical minerals supply chains, and defence technology cooperation. The talks took place against a backdrop of recalibrated India-U.S. ties after a prolonged trade dispute and coincided with [negotiations on the interim commercial agreement](#). Indian officials emphasised collaboration on technology, nuclear energy, critical minerals, and enhanced bilateral economic security. The U.S. side underscored its readiness to

deepen cooperation and expand strategic engagement across sectors, reinforcing a shared agenda on Indo-Pacific stability and supply-chain resilience. Meanwhile, Ambassador Sergio Gore, the U.S. envoy to India, highlighted the “[unlimited potential](#)” of the relationship. The meetings set the stage for tangible follow-ups in commerce, investment, and security cooperation.

- Indian Commerce and Industry Minister Piyush Goyal announced that India was prepared to [resume formal trade negotiations](#) with the United States once Washington provided greater clarity on tariff policy. The announcement came after the U.S. Supreme Court [invalidated emergency tariffs](#) imposed by the Trump administration- prompting a temporary 10 % duty on all trading partners, including India. Goyal noted that India had postponed its planned delegation visit to Washington following that ruling. However, he reaffirmed India’s openness to negotiate broader market access and to integrate tariff stability into a long-term bilateral trade framework.

DIASPORA NEWS

- The U.S. Department of State released [the February 2026 Visa Bulletin](#), which offered “little to no relief” for Indian nationals waiting for employment-based Green Cards. The “Final Action Dates” for the EB-2 and EB-3 categories for India remained stagnant in July 2013 and November 2013, respectively. This lack of movement has intensified advocacy efforts by diaspora groups like Immigration Voice, who are lobbying Congress for [the “EAGLE Act” to eliminate per-country](#)

[caps](#). The stagnation is particularly acute as the administration implements tighter restrictions on H-1B visa renewals, creating a sense of “legal limbo” for hundreds of thousands of high-skilled Indian professionals and their families who have been integrated into the U.S. workforce for over a decade.

- The [Carnegie Endowment for International Peace](#) released its definitive 2026 survey, revealing a significant “softening” of the diaspora’s traditional Democratic loyalty. While 70% of Indian Americans still disapprove of the current administration’s performance, the survey found that Democratic support has not fully rebounded to 2020 levels. The data shows a shift toward the political centre, with “moderates” now forming the largest ideological bloc. Key drivers for this shift include “[pocketbook concerns](#)” like inflation and jobs, as well as a sharp rise in online hostility and anti-Indian rhetoric. Interestingly, the survey noted that despite high-profile appointments, the community feels increasingly targeted by discriminatory rhetoric, leading many to “[pre-emptively change](#)” how they participate in public life to avoid harassment.

CANADA POLITICS

“Defence Pivot and Diplomatic Recalibration”

- In response to increasing global instability, Prime Minister Carney launched Canada’s first comprehensive [Defence Industrial Strategy](#). The policy is designed to bolster Canada’s strategic autonomy by

incentivizing domestic production of high-tech military hardware and ammunitions. It earmarks significant funding for the [modernisation of the Canadian Armed Forces](#) and seeks to integrate Canadian defence startups into the North American and Indo-Pacific security architectures. This strategy signals a shift toward a more “pragmatic” foreign policy, prioritizing military readiness and secure supply chains for critical defence technologies over traditional peacekeeping-focused doctrines.

- Domestically, the government addressed the ongoing affordability crisis with the [passage of Bill C-19](#), the Canada Groceries and Essentials Benefit Act. The legislation received Royal Assent on February 12, authorizing a one-time “top-up” payment this spring for 12 million low- and modest-income Canadians. Finance Minister Chrystia Freeland framed the act as a “[responsible and pragmatic](#)” response to food prices rising faster than general inflation, providing immediate relief while the government works on long-term structural economic shifts.

- On the four-year anniversary of Russia’s full-scale invasion of Ukraine, the Canadian government reaffirmed its “[absolute](#)” [commitment to Kyiv](#). Foreign Affairs Minister Anita Anand announced \$2 billion in military assistance for the 2026-27 fiscal year, focusing on the procurement of armoured vehicles and energy equipment to repair infrastructure damaged by strikes. Canada also imposed fresh sanctions on 21 individuals, 53 entities, and 100 vessels [belonging to Russia’s “shadow fleet.”](#) Notably, Canada lowered its price cap for

Russian crude oil to US\$44.10 per barrel, aligning with G7 partners to increase economic pressure on Moscow. The government also extended Operation UNIFIER, the Canadian Armed Forces' mission to train Ukrainian recruits, through the coming year.

- The President of the Treasury Board, Shafqat Ali, tabled the Main Estimates 2026-27 in the House of Commons, presenting \$502.8 billion in planned budgetary spending. A significant portion- over \$48 billion- is dedicated to [the modernisation of the Canadian Armed Forces](#). However, the month ended on a note of controversy as the term of the interim [Parliamentary Budget Officer \(PBO\)](#) expired on February 23 without a successor being appointed. This has left the federal government without an independent fiscal watchdog to scrutinise the massive new spending plans. Opposition parties have criticized the vacancy as a “[failure of transparency](#)” at a time when the government is pivoting toward capital-intensive industrial and defence strategies.

INDIA-CANADA RELATIONS

- Driven by rising U.S. protectionism, Canadian Prime Minister Mark Carney shifted Ottawa’s diplomatic focus toward a “middle-power” economic alliance with India, ending years of bilateral frost. After signalling this pivot at Davos in January 2026, Carney and his [delegation travelled to India](#) to actively revive trade relations. Before his political summit in New Delhi, Carney spent February 27–28 in Mumbai laying critical corporate groundwork. He held intensive

roundtables with Indian and Canadian CEOs, innovators, and major pension funds. Throughout these engagements, he pitched Canada as a stable, [resource-rich partner](#) uniquely positioned to support India's rapid industrial expansion. Following the Mumbai leg, Carney and Foreign Affairs Minister Anita Anand met with Prime Minister Narendra Modi in the capital.

- Foreign Affairs Minister Anita Anand launched [the Canada-India Talent and Innovation Strategy](#) in Mumbai, witnessing the signing of 13 new institutional partnerships. This strategy, backed by over 20 top Canadian universities and colleges, aims to create [AI centres of excellence, hybrid campuses](#), and expanded student exchange programs. A notable highlight was the MoU between the University of Waterloo and Tata Consultancy Services (TCS) to collaborate on digital innovation. This educational surge—the largest academic delegation in Canada's history— is designed to align the diaspora's skills with India's "[Viksit Bharat 2047](#)" vision, creating a "talent corridor" that supports high-tech growth in both nations.

- In a major shift of stance, the Canadian government indicated during a background briefing that it no longer believes the Indian government is linked to violent activities on Canadian soil. This statement followed a two-day visit by [India's National Security Advisor Ajit Doval](#) to Ottawa. The two countries agreed to a shared workplan on national security,

including the posting of security liaison officers in each other's capitals and formalising cooperation on cybersecurity. This "[security reset](#)" was essential for the Prime Ministerial visit to proceed, as it signalled that both sides had reached a "measured" understanding to prioritize strategic cooperation over past investigative frictions.

DIASPORA NEWS

- A major point of concern for migrants to Canada in February 2026 was the looming expiration of temporary resident permits with approximately 315,000 permits set to lapse by the [end](#) of March 2026 alone. Data released in mid-February highlights that nearly half of the temporary work permits expiring in Canada through 2026 are held by Indian [nationals](#). New study permits for 2026 have been [slashed](#) by nearly 50% compared to last year. Reports from February indicate that refusal rates for Indian applicants remain high (peaking at over 70% in recent cycles) as the government prioritizes "in-demand" occupations like healthcare and STEM and tightens [scrutiny](#) of visa applications.

- On February 21, the United Immigrant Workers Front led significant [protests](#) in Brampton. Demonstrators demanded a clear pathway to permanent residency, arguing that many affected individuals—including truck drivers, construction workers, and former international students—filled critical labor gaps post-pandemic and should not be forced to leave.