



US & CANADA

Newsletter

September 2026

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MANOHAR PARRIKAR INSTITUTE FOR
DEFENCE STUDIES AND ANALYSES

मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

US POLITICS

- The Supreme Court handed the administration a partial win in *Trump v. California*, lifting one of two injunctions [blocking the president's executive order](#) directing the Postal Service to restrict mail ballots ahead of the November midterms. The order remains legally blocked by a second injunction, and the Postal Service had issued final implementation rules while saying it would not apply them for November unless the Court cleared the way. Justice Ketanji Brown Jackson dissented, noting the district court [had found the order unlawful](#).

- Interim Senator Darline Graham defeated Rep. [Ralph Norman in South Carolina's Republican special primary runoff](#), winning the nomination for the seat formerly held by her brother, the late Sen. Lindsey Graham, who died of a heart condition on July 11. She led roughly 52% to 48% with nearly all votes counted. The closing week was dominated by a debate stumble in which she said she was not well informed on national security when asked about Taiwan and the South China Sea. Trump had recruited and endorsed the political newcomer, [campaigning for her at a Myrtle Beach rally](#) days before the vote. The same night, Trump-backed Mike Mazzei won Oklahoma's GOP gubernatorial runoff - welcome results after six of the president's primary picks lost earlier in the month. Graham faces Democrat Annie Andrews in November.

- Three states voted on August 18, producing several surprises. Former Rep. Mary Peltola won Alaska's [Democratic Senate nomination](#) with 48% of the vote, finishing about six points ahead of

incumbent Sen. Dan Sullivan; if she wins in November, she would be the first Alaska Native woman in the Senate. In Florida, scandal-plagued [Republican Rep. Cory Mills lost renomination](#) in the 7th District to former TV anchor Ryan Elijah, while state Rep. Angie Nixon, a democratic socialist, won the Democratic Senate special primary over former National Security Council official Alexander Vindman and will face GOP Sen. Ashley Moody. Florida's races were the first held under a new [congressional map redrawn ahead of the midterms](#). Wyoming's incumbent superintendent Megan Degenfelder also lost her gubernatorial primary.

- August marked twelve months since Trump declared [a crime emergency in the federal capital](#). What looked like a temporary deployment has been extended through January 2029, and as of August 4 more than 4,600 military personnel from D.C. and 24 states and territories [remained deployed alongside federal law enforcement officers](#). The Congressional Budget Office estimated the cost at more than \$3 million a day. Crime in D.C. had already fallen to a 30-year low before the surge began, and a nonpartisan study concluded the deployment was an [expensive tool used](#) in the wrong places for the wrong types of crime. Residents and local officials continue to describe it as an unacceptable federal intrusion on the heavily Democratic city's autonomy.

- The Senate voted 86–11 to pass the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, authorising the president to impose tariffs of up to 100% on goods from the world's top five [buyers of Russian crude or natural gas](#) - a group that currently

comprises India, China, Azerbaijan, Hungary and Slovakia. The bill sets a ceiling rather than an automatic rate, leaving the USTR to determine the actual level, and includes a presidential waiver subject to review every 180 days. It also extends the Iran Sanctions Act of 1996 to 2031 and sanctions Russian officials, banks and reflagged tankers. The revised text dilutes an earlier 500% blanket proposal and adds European exemptions. India imports over 88% of its crude, with Russia supplying more than half - about 2.7 million barrels per day in June–July, per Kpler.

- The Trump administration [paused immigrant visa applications globally](#), saying consular officers need in-depth training to screen applicants who might become dependent on public benefits. A State Department spokesperson said a prosperous America means ensuring applicants are not likely to become a public charge under US law. The [department launched the global training initiative](#) at all embassies and consulates in early August, and applicants with scheduled interviews received emails saying their appointments were being rescheduled with no new dates given. The American [Immigration Lawyers Association](#) reported cancellations worldwide, and immigration attorneys said many applicants had already spent thousands of dollars and completed security vetting before their interviews were pulled at short notice. Indian nationals, who make up one of the largest green-card queues, are among the most exposed. No resumption date was announced.

INDIA-US RELATIONS

- The White House Office of Trade and Manufacturing Policy released a 25-

page report, “[The Great Transshipment Scam](#),” championed by trade adviser Peter Navarro, naming more than 40 economies it says are used to route Chinese goods around US tariffs. India was placed in Tier 1 – “Diversified Scale Leaders” - alongside Canada, the EU, Israel, Japan, Mexico, South Korea and Taiwan, a category where the report says illegal transshipment risk sits embedded [within otherwise legitimate trade](#). India, Mexico and Vietnam were identified as the top hubs for China-origin goods in 2025, together accounting for roughly \$67 billion. The report flagged the Pune–Gujarat–Chennai belt covering pumps and [compressors as a representative corridor](#). No new tariffs were announced and no Indian company was named, but exporters may now face tougher rules-of-origin checks.

- US Ambassador Sergio Gor told the [Indo-American Chamber of Commerce](#) national convention in New Delhi - themed on redefining the comprehensive strategic partnership - that the two countries [must address friction points](#) as true partners and work toward predictable taxation and regulatory frameworks so business can thrive. He pressed for candid, trust-based engagement on export controls and what he called rock-solid intellectual property protections, arguing innovators need confidence to invest and scale without fear. Gor said the US embassy in India ranked first among American [missions worldwide in attracting investment](#), citing more than \$20 billion, and framed Indian investment in the United States as mutually beneficial. The remarks came with the bilateral [trade agreement still unfinished](#) more than six months after the February interim deal cut US tariffs on Indian goods to 18%.

- The Department of Homeland Security unveiled a rule attaching a non-refundable fee of \$103,265 - roughly ₹98.6 lakh - [to every cap-subject H-1B petition](#), on top of existing filing costs and payable regardless of whether the applicant clears the annual lottery. DHS projects the charge would raise \$8.8 billion a year and frames it as cost recovery rather than restriction. The scope is wider than the September 2025 proclamation imposing a \$100,000 entry fee, which a federal judge in Massachusetts struck down in June as an unauthorised tax only Congress could levy: the new rule reaches change-of-status applications from people already in the US, including graduates on Optional Practical Training. DHS warned that if the earlier fee survives appeal, employers could face upwards of \$200,000 per worker. Indian nationals hold roughly 70% of H-1Bs.

- India and the United States entered a government-to-government agreement for the [Javelin anti-tank guided missile system for the Indian Army](#), with the Indian Army signing a Letter of Offer and Acceptance under the Foreign Military Sales process. The cost was not disclosed, but the State Department had estimated \$45.7 million when it approved the possible sale in November; [the Defence Security Cooperation Agency said the package covers 100 FGM-148 rounds](#) and 25 Javelin Lightweight Command Launch Units, [plus trainers, simulation rounds, manuals, lifecycle support and spares](#). The Javelin is a man-portable, medium-range fire-and-forget weapon with infrared guidance and top-attack capability, built by the Lockheed Martin–RTX joint venture. Ambassador Sergio Gor called it a step forward that [opens the door to co-production](#), echoing

plans announced in February and at the May Shangri-La Dialogue.

- Indian Oil, BPCL and HPCL were reported to be negotiating term contracts for US liquefied petroleum gas as [the government pushed to diversify supplies away](#) from West Asia and simultaneously narrow the trade surplus with Washington - a dual objective that [makes energy the most tractable lever](#) in the trade talks. The urgency is a direct consequence of the Iran war: Iran's near-total blockade of the Strait of Hormuz has disrupted a large share of India's crude imports and around 90% of its LPG imports, a supply category that reaches Indian households [directly through cooking gas cylinders](#). Larger American energy purchases have featured in every round of the bilateral negotiations since February, when India also committed to reducing Russian crude intake in exchange for the removal of punitive tariffs.

DIASPORA NEWS

- Indian American Congressman Shri Thanedar was unseated in [the Democratic primary for Michigan's 13th District](#) by state Rep. Donavan McKinney, a 34-year-old democratic socialist, who won 51.5% to 47.7% with all precincts reporting. McKinney was backed by Bernie Sanders, Rashida Tlaib and Lt. Gov. Garlin Gilchrist, and ran on Medicare for All, [a Green New Deal and restrictions on military aid to Israel](#). Thanedar's campaign had drawn scrutiny for losing more than \$2 million on cryptocurrency investments, while a crypto-industry PAC spent over \$2 million supporting him. The result means Detroit, which is roughly 75% Black, will likely [regain Black congressional representation](#) for the first time since Thanedar took office

in 2023. Thanedar, 71, who emigrated from India in 1979, conceded and called serving the district the honour of his life; his term runs to January 2027.

- An analysis of [State Department data by the Center for Immigration Studies](#) found the US issued 22,149 F-1 visas to Indian nationals between May and August 2025, down from 58,694 in the same window a year earlier and about 60% below the average of the 2017-19 and 2021-24 admission seasons. [The four-month period is decisive](#) because 77% of all F-1 visas granted to Indian students in 2024 were issued then, making the fall a strong signal of new enrolment. Chinese issuances also dropped, but less severely, falling 34% to 40,034. The decline came even as India held its position as [the largest source of international students](#), with 363,019 enrolled in 2024-25 - 31% of the total 1.18 million. Analysts attributed the drop to a month-long suspension of student visa interviews, expanded social media vetting and longer administrative processing.

- Venkata Narsamamba Vasamsetty, an Indian-origin grandmother and green-card holder of 27 years, was taken [into ICE custody at a scheduled check-in in Charlotte](#), North Carolina on August 11. Her lawyers argued the detention was unlawful because an immigration judge had already terminated removal proceedings; a government filing on August 15 acknowledged she was entitled to a bond hearing. DHS data show ICE detained more than 27,800 Indian nationals between 2022 and 2025. Analysis cited from Stop AAPI Hate found Indians accounted for nearly 28% of the 14,402 Asians arrested between January 2025 and March 2026, and about

28% of the 6,218 Asian nationals deported in that window - the largest share of any Asian nationality. India's Ministry of External Affairs reported 2,273 people removed from the US between January 1 and July 31, 2026.

- New York hosted three days of events from August 14 to 16, opening with a Times Square flag hoisting at 10 a.m. on August 15 and an Empire State Building tricolour illumination, and culminating in the 44th FIA India Day Parade on August 16 - themed "[Harmony in Heritage](#)," running down Madison Avenue from East 38th to East 27th Street, with more than 40 floats and Bollywood actor Pooja Hegde as chief guest. Organisers describe it as [the largest parade of its kind outside India](#), drawing over 150,000 attendees. In California, FOG India Day in Fremont ran August 15-16 with Sanya Malhotra and Abhimanyu Dassani as grand marshals. Other events included IAGB's India Day Festival in Boston, Atlanta's Festival of India, and AIACPA's India Day in Harrisburg on August 8.

- Newly [released FBI figures for 2025](#) showed law enforcement agencies recorded roughly 189 anti-Sikh and 32 anti-Hindu hate crime offences. Of 2,703 single-bias religious hate crime offences, anti-Sikh bias accounted for 7% and anti-Hindu bias 1.2%; anti-Jewish bias made up the largest share at 62.3%, followed by anti-Muslim at 9.6%. Among 7,200 offences motivated by race, ethnicity or ancestry, anti-Asian bias accounted for 5.8%, or about 418 offences. Agencies reported 10,881 hate crime incidents overall. The [data carry an important limitation for the community](#): the FBI does not classify Indian Americans as a

separate racial or ethnic group, so Indian-origin victims may be recorded under anti-Asian, anti-Hindu, anti-Sikh or other categories depending on how local authorities classify the offence, leaving no national count of [Indian American victims](#).

CANADA POLITICS

- Carney pulled Canada's negotiators from the table late on Friday, August 21, after nearly two weeks of intensive talks, and [50% U.S. duties took effect at midnight](#) on roughly \$27.6 billion of Canadian goods - covering hockey sticks, building materials, liquors, dairy, cement, plywood, electronics and clothing, and applying even to CUSMA-compliant products with no expiry date. Carney called the move a [miscalculation and said Washington had proposed terms](#) that were uneconomic, unfair and undermined the net benefits for Canada, later specifying late demands on culture, autos and sovereignty. Asked why it felt like he was going to war, he replied that Canada had been attacked. USTR Jamieson Greer rejected that account, saying [Ottawa introduced new demands](#) and backed away from commitments even after the US offered to reduce tariffs on steel, autos and lumber.

- Finance Minister François-Philippe Champagne released a near-100-page list imposing surtaxes of 15%, 25% and 50% on 874 tariff items covering \$27.6 billion in US imports, effective September 8, [with each product's rate matched to the corresponding American rate](#). The 50% band doubles the existing 25% counter-tariff on US steel and aluminum in place since March 2025; 25% applies to appliances, dairy including cheese, and certain steel and aluminum derivatives.

Existing [counter-tariffs on autos](#) remain, as does the tariff remission framework. The product selection carried visible political intent ahead of the US midterms: Ottawa noted that nearly \$3 billion of imports from Ohio - a state with two competitive House races and roughly 33% of imports from Maine, a Senate battleground, fall within the measures. A Canada Strong Diversification Fund will support affected firms.

- At the Davie shipyard in Lévis, with Quebec Premier Christine Fréchette present, Carney announced more than \$11 billion, reported at \$11.3 billion to build six Polar Class 3 program icebreakers for the Canadian Coast Guard in partnership with [Chantier Davie Canada](#). He said the first steel would be cut next fall; the first ship delivered five years later and the full fleet in service five years after that. Ottawa projects nearly 5,000 [construction-phase jobs](#) and roughly \$650 million a year in GDP, with vessels built from Canadian steel under the Buy Canadian Policy. It was his first major regional funding announcement after the collapse of trade talks. Asked about the trilateral ICE Pact [supplying icebreakers to Washington](#), Carney called it a reminder of the many things the United States needs from Canada.

INDIA-CANADA RELATIONS

- Finance Minister François-Philippe Champagne hosted Indian Finance Minister Nirmala Sitharaman in Toronto for the first-ever Canada-India Finance Ministers' Economic and Financial Dialogue. Ottawa framed the visit around diversifying partnerships in a rapidly changing world, describing India as the [fastest-growing major economy](#) and an extraordinary

opportunity. The dialogue covered macroeconomic developments, the financial sector, bilateral investment, capital markets, fintech, [financial stability and critical minerals](#), and the two ministers took part in a public conversation hosted by the Canadian Club Toronto. It delivered on a commitment made by Carney and Modi in New Delhi in March. Sitharaman's wider mission across Canada and the United States ran from August 25 to September 2, and included investment roundtables, meetings with [Canadian companies in energy](#), AI and critical minerals, and engagements with business chambers and alumni associations.

- Both sides agreed to support engagement between authorities and stakeholders on cross-border [remittances and merchant payments](#), and welcomed opportunities to broaden UPI use in Canada through partnerships with payment service providers arguing faster, cheaper payments would support trade, tourism, education and small businesses in both countries. Champagne put the student case plainly, saying [financial services offered](#) one of the biggest opportunities for closer cooperation and noting that Canada hosts around 400,000 Indian students whose remittances run to roughly C\$45,000 each, which both ministers committed to facilitating. The idea traces back to the March joint statement, which envisaged inviting the National Payments Corporation of India and Payments Canada to participate. It runs in interesting parallel with Washington, where US firms have been pressing India to abandon zero [merchant discount rates on UPI](#).

DIASPORA NEWS

- CBSA data reported by PTI showed Canada [removed 3,323 Indian nationals](#) in the first half of 2026, already about 88% of the 3,779 removed in all of 2025, itself a record, putting Indians at the top of [the deportation list](#) for the first time since 2020. Mexicans, who had led in each of the previous five years, accounted for 1,573 removals, followed by Haiti at 431. The trajectory is steep: 603 Indians in 2021, 786 in 2022, 1,132 in 2023, 2,004 in 2024. Indians also form the largest group in Canada's [removal-in-progress inventory](#) at 7,669 people, ahead of Mexico's 6,561. Removals stem mainly from [immigration non-compliance](#), rejected asylum claims, overstays and visa fraud, amid Ottawa's broader push to reduce temporary residents.

- Tanveer Shahnawaz won the Beaches–East York federal byelection, one of [three Liberal victories](#) that restored the Carney government's majority. A former constituency staffer for outgoing MP Nate Erskine-Smith, Shahnawaz [secured the nomination](#) in July over a field that included John Tory Jr., and told [supporters it was a very good time](#) to be a Liberal. His win adds to a notable Indian-origin presence in the current government, which includes Deputy Minister of Foreign Affairs Arun Thangaraj, and International Trade Minister Maninder Sidhu- the minister leading both the CEPA negotiations and October's trade mission to India. The Indo-Canadian community's political weight has been a persistent theme in the bilateral relationship, cited by New Delhi as a bridge and by critics in Canada as a [channel through which diaspora politics](#) has complicated foreign policy.