

DOMESTIC DEVELOPMENTS

1. Senate passes \$9B cuts to foreign aid and public broadcasting (<u>Associated Press,</u> <u>July 17</u>)

On July 17, 2025, President Donald Trump signed legislation canceling approximately \$9 billion in previously approved federal spending, of which \$1.1 billion targeted the Corporation for Public Broadcasting (CPB), effectively eliminating funding for NPR, PBS, and over 1,500 local public stations. The cuts drew strong criticism from public broadcasters and lawmakers, who warned the move could result in station closures, especially in rural and Native communities, and disrupt vital services such as news, emergency alerts, and cultural programming. Republicans justified the decision, citing alleged political bias in public media and fiscal restraint, while Democrats denounced the measure as jeopardizing educational and humanitarian programming both domestically and abroad.

2. Appellate court lifts stay on immigration protections for Afghans and Cameroonians (CBS, July 21)

On July 21, 2025, a U.S. appellate court ruling allowed the Trump administration to end Temporary Protected Status (TPS) for approximately 11,700 Afghan and 5,200 Cameroonian nationals, removing protections that had shielded them from deportation due to unsafe conditions in their home countries. While the court acknowledged that the plaintiffs, led by advocacy group CASA, had a credible legal case, it declined to pause the termination of TPS while litigation proceeds, instead directing lower courts to fast-track the matter. Though individuals may still pursue asylum or other relief, losing TPS leaves them vulnerable to deportation. The Department of Homeland Security and the White House defended the move, arguing that TPS was always meant to be temporary and that conditions have improved. However, immigrant advocates, Afghan evacuee groups, and U.S.-based resettlement organizations condemned the decision, warning it erodes trust in America's commitments to wartime allies and threatens to uproot long-established communities.

3. Trump files \$10 billion defamation suit against The Wall Street Journal (Reuters, July 22)

Donald Trump filed a \$10 billion defamation lawsuit against *The Wall Street Journal*, Dow Jones, News Corp, Rupert Murdoch, and two reporters, alleging that a Journal article falsely linked him to Jeffrey Epstein through an alleged birthday greeting and drawing from 2003. Trump claims the story was recklessly published to

damage his reputation and must now prove "actual malice" to succeed, a high legal bar for public figures. Legal experts view the \$10 billion figure as extraordinarily inflated, and the suit may face procedural challenges under Florida law, which requires pre-suit notice. Trump has also sought to fast-track a deposition of Rupert Murdoch due to his advanced age. The Journal has stood by its reporting and plans a vigorous legal defence.

4. White House unveils bold AI export and funding strategy (<u>Economic Times, July 23</u>)

On July 23, 2025, the White House rolled out "Winning the AI Race: America's AI Action Plan", launching over 90 federal initiatives structured around three pillars: Accelerating AI Innovation, Building American AI Infrastructure, and Leading in International AI Diplomacy and Security. Key measures include promoting open-source AI models and open weights, easing regulations (such as permitting for data centers and semiconductor fabs), withholding federal AI funding from states with what the administration called "burdensome" regulations, and creating export packages of AI hardware and software to allied nations. The plan also mandates screening Chinese AI models for censorship alignment, limiting federal contracts to "ideologically neutral" AIs, and prioritizing workforce retraining and infrastructure expansion to maintain U.S. technological dominance globally.

5. Fatal Midtown office shooting in NYC (New York Times, July 28)

A 27-year-old gunman, Shane Devon Tamura, who drove cross-country from Las Vegas, opened fire inside the skyscraper at 345 Park Avenue, which houses the NFL's headquarters and several major firms, killing four people before taking his own life. Victims included NYPD Officer Didarul Islam, a Bangladeshi immigrant working a security detail; Blackstone executive Wesley LePatner; security guard Aland Etienne; and Julia Hyman, a young Cornell graduate employed by Rudin Management. Tamura purportedly targeted the NFL, believing he suffered from chronic traumatic encephalopathy (CTE), a claim referenced in a note found on him, and authorities plan to examine his brain for confirmation. An injured NFL employee survived after alerting colleagues, and the incident has prompted calls for stronger gun control measures and deeper security reviews.

6. Trump approval rating drops to 40% (Reuters, July 29)

On July 29, 2025, a new Reuters/Ipsos national poll revealed that President Trump's approval rating has dropped to 40%, marking the lowest point of his second term. Public confidence in his economic leadership also fell, with only 38% approving of his handling of the economy despite recent GDP growth, and 43%

supporting his immigration approach. The data highlights a widening partisan divide–88% of Democrats disapprove, while 90% of Republicans continue to support him. The sharp drop comes amid rising inflation fears, controversial executive orders, and global trade tensions, all of which appear to be eroding confidence among independents and swing voters ahead of the 2026 midterms.

7. U.S. Senate backs more Ukraine military aid (Washington Post, July 31)

On July 31, 2025, the Senate Appropriations Committee, under Republican leadership, approved an \$852 billion defense spending bill for fiscal year 2026 that notably includes \$800 million for Ukraine military assistance and \$225 million for Baltic security, defying the Trump administration's budget request which excluded funding for Ukraine. The committee vote was 26–3, reflecting growing bipartisan support in Congress for continued aid to Kyiv. The legislation also funds expanded defense readiness–including increased production of munitions and naval assets–and is seen as a strategic counterbalance to the administration's wavering position on Ukraine, while President Trump continues to push for tougher sanctions on Russia and a shortened ceasefire deadline.



IN THE WORLD

1. Water and sanitation projects stalled globally due to aid cuts (Reuters, July 20)

On July 20, 2025, Reuters revealed that the Trump administration's aggressive reduction of U.S. foreign aid has left more than 20 vital water and sanitation projects stalled across 16 countries, including irrigation canals in Kenya, water towers in Mali, and over 100 drinking-water systems in Nepal. The defunding has created partial construction sites, open trenches, unguarded materials, and collapsed infrastructure, that place millions of people at heightened risk of flooding, disease, and even violence. Humanitarian experts warn this disruption could deepen regional instability, weaken U.S. goodwill abroad, and fuel extremist recruitment. While some projects, like a desalination plant in Jordan, have been revived through diplomatic intervention, most remain cut off, compounding long-term health and educational setbacks.

2. Sri Lanka penalized via reciprocal tariffs pathway (<u>Sri Lanka Guardian, July 23</u>)

Sri Lanka is bracing for a steep 30% U.S. tariff on exports, especially apparel and rubber goods, effective August 01, 2025, following negotiations that reduced the original 44% rate. This tariff shock threatens livelihoods in rural communities and export-driven factories, as Sri Lanka earns approximately \$3 billion annually in U.S. trade, 40% from apparel alone, with millions potentially at risk of falling below poverty. Exporters and industry bodies like SLAMERP warn dwindling competitiveness may drive U.S. buyers toward lower-tariff suppliers like Vietnam or India, while Sri Lankan policymakers push for urgent talks with the U.S. to seek relief. Economists caution that the tariff regime may entrench Sri Lanka's economic crisis unless structural reforms and trade diversification are accelerated, aligning with IMF advisories to sustain macro stability amid recovery.

3. China blocks U.S. government employee from leaving the country (<u>CNN, July</u> <u>22</u>)

Chinese authorities imposed exit bans on at least two U.S. citizens, Chenyue Mao, a senior Wells Fargo banker based in Atlanta, and a U.S. Department of Commerce employee working for the Patent and Trademark Office, effectively preventing them from leaving the country. The Commerce official, visiting China on personal matters, was reportedly banned after failing to disclose U.S. government employment on his visa application and possibly due to prior military service. Mao was officially confirmed by China's Foreign Ministry to be

involved in a criminal investigation, prompting the ban. These cases have raised alarm about China's opaque and growing use of exit restrictions, especially against Americans, and have prompted Wells Fargo to suspend all travel to China. Experts warn these bans are increasingly used as diplomatic leverage or coercive tools and are contributing to erosion of confidence among foreign businesses and travelers.

4. U.S. exits UNESCO again (PBS, July 22)

On July 22, 2025, the Trump administration announced that the United States will again withdraw from the UN's cultural and education agency UNESCO, just two years after President Biden had rejoined following the earlier Trump-led exit. White House and State Department officials cited UNESCO's acceptance of Palestine as a member state, its promotion of what they called "divisive social and cultural causes," and ideological misalignment with the U.S. "America First" agenda. The withdrawal will take effect on December 31, 2026, according to formal notice sent to UNESCO. U.S. contributions once made up about 20% of its budget during earlier membership cycles, but now represent roughly 8%, as UNESCO has diversified its funding. Agency officials, including Director-General Audrey Azoulay, expressed regret but noted they are prepared for the exit and will continue working with U.S. partners in academia and civil society.

5. U.S.-Japan landmark trade deal secured (CNN, July 23)

President Trump unveiled a high-profile trade deal with Japan on July 22–23, reducing planned tariffs on Japanese exports—especially autos—from 27.5% to 15%, and leveling fees at 15% across a broad range of goods instead of imposing multiple sectoral levies. In exchange, Japan committed to a \$550 billion investment package in the U.S., including loans and corporate investments in industries from semiconductors to energy and auto manufacturing. Japan also agreed to loosen restrictions on U.S. exports, including cars, rice (within existing tariff-free quota), and agricultural products, while maintaining existing tariffs on steel and aluminum. Japanese automakers saw stock rallies, but U.S. automakers voiced concern over the lower Japanese rate versus continued tariffs on North American-made vehicles. The accord breaks from Trump's earlier tariff template and signals momentum for similar deals with other partners before a looming August 1 tariff deadline.

6. U.S. issues new sanctions related to North Korea (Reuters, July 24)

On July 24, 2025, the U.S. Treasury Department announced new sanctions targeting three individuals and one company based in North Korea and China, citing their roles in facilitating financial transactions that support North Korea's weapons of mass destruction (WMD) and ballistic missile programs. Though the U.S. did not

publicly name the sanctioned entities at the time, officials stated they are part of a broader network helping Pyongyang evade international restrictions and move illicit funds through overseas shell companies and middlemen. The sanctions freeze any U.S.-based assets and bar Americans from conducting transactions with those listed. This move underscores the Biden-era policy continuity on North Korea, with the administration reaffirming its commitment to economic pressure alongside diplomatic efforts. The action also comes amid rising concerns over recent missile tests and intelligence reports suggesting renewed enrichment activity at Yongbyon.

7. U.S. weighs strategic access to Myanmar's rare-earth resources (Reuters, July 28)

On July 28, 2025, Reuters reported that a high-level U.S. delegation led by senior Trump administration officials met with executives from mining firms, including India's Adani and Qatar's Maersk Electrolyte, to explore agreements that would secure Myanmar's rare-earth elements for U.S. defence and technology use. The negotiations reflect America's growing strategic emphasis on diversifying critical mineral supply chains and reducing reliance on China. Officials emphasized potential tri-lateral coordination with Quad allies and local stakeholders—including military-controlled and ethnic rebel groups—to consolidate access, while proactively addressing legal and governance challenges in Myanmar's complex political landscape. The talks underscore how resource diplomacy is being integrated with broader security and regional alignment objectives.

8. Trump pushes for ceasefire amid Thailand-Cambodia border violence (ABC News, July 29)

A senior Cambodian official, the Director General of Cambodia's National Assembly, Lim Menghour, publicly praised President Trump for "bringing about peace" after Cambodia and Thailand agreed to a ceasefire following their deadliest border clashes in over a decade. Menghour confirmed that Prime Minister Hun Manet accepted Trump's offer to mediate, delivered via a phone call, and described the negotiations in Malaysia as "a good meeting with a good result." He emphasized that Cambodia fully supports the U.S. initiative and highlighted that both countries moved to de-escalate the conflict amid assurances of trade resuming only once peace was restored.

9. Landmark U.S.-EU trade framework announced (White House, July 28)

On July 28, 2025, the White House released a fact sheet unveiling a sweeping new U.S.—EU trade framework in which the U.S. will impose a 15% tariff on most EU imports—notably cars, semiconductors, and pharmaceuticals—while retaining 50% tariffs on steel and aluminum. In exchange, the EU is expected to invest \$600 billion in the U.S. and purchase \$750 billion in American energy products and military equipment by 2028. The agreement eliminates all tariffs on U.S. industrial exports to the EU, addresses non-tariff barriers affecting agricultural and digital trade, and establishes rules to prevent third-country firms from reaping benefits. Though not legally binding, the deal is framed as historic, designed to avert a threatened trade war, deepen transatlantic cooperation, and refocus global commerce around a "Made-in-America" economic agenda. It has drawn mixed reactions—praised as a major win in the U.S. but criticized in Europe for potential asymmetries and future price pressures.

10. U.S.-China trade talks resume in Stockholm (<u>Reuters, July 29</u>)

On July 29, 2025, U.S. and Chinese officials concluded two days of constructive trade negotiations in Stockholm, aiming to extend their 90-day tariff truce set to expire on August 12. While no final agreement was reached, Treasury Secretary Scott Bessent emphasized that negotiations were progressing well, but stressed that the President, Donald Trump, will make the final decision on whether the truce is extended, warning that tariffs could otherwise revert to triple-digit levels. U.S. Trade Representative Jamieson Greer echoed that the pause's extension hinges entirely on Trump's approval. Both sides continue engaging on issues including rare-earth control, tech export restrictions, and restructuring China's growth model toward consumer demand. The meeting could pave the way for a potential Trump-Xi summit by year-end, but only after resolving key sticking points around tech, tariffs, and supply chains.

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11. Bipartisan bills target China's human rights and regional influence (Epoch Times, July 29)

At the same time President Trump pursued trade agreements with Beijing, a bipartisan group of U.S. lawmakers introduced three new bills on July 28-29, 2025 targeting China's human rights and security abuses. The measures would: bar entry to Chinese officials involved in Uyghur forced repatriation, support diplomatic recognition for Taiwan by Latin American and Caribbean countries, and combat "transnational repression", the intimidation of dissidents abroad. Sponsors from both parties, including Sen. Jeff Merkley, Sen. John Cornyn, Rep. John Curtis, and Sen. Dan Sullivan, warned that trade cannot eclipse core U.S. values. The effort

reflects growing congressional concern that Trump's trade-first approach may overlook critical geopolitical and humanitarian risks.

12. Trump launches sweeping new tariffs (CNBC, July 31)

On July 31, 2025, President Trump activated his sweeping tariff policy, dubbed "Liberation Day" imposing double-digit reciprocal tariffs on dozens of countries (from 10% to 41% depending on trade balances), set to take effect on August 07. The tariffs, aimed at elevating U.S. manufacturing and coercing trade partners into fresh agreements, cover nations such as Canada (35%), Brazil (50%), India (25%), Taiwan (20%), and Switzerland (39%). While the EU, UK, Japan, and South Korea negotiated flatter 15% rates through side agreements, many countries remain exposed to steep duties. Markets reacted instantly: global stocks fell, and job growth data, anticipating lower-than-expected gains, and rising consumer prices heightened concerns. Economists warned the tariffs could spark long-term economic risks, from disrupted supply chains and inflation to retaliation, legal challenges, and possible recession. Despite limited gains in trade diplomacy, experts stress the strategy may impose significant costs on U.S. businesses and households.



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