

The world in brief

Catch up quickly on the global stories that matter



Photograph: AFP

Donald Trump threatened **Canada** with 35% **tariffs** from August 1st, unless it can [agree](#) a new trade deal. Around three-quarters of Canada's exports go to America, including important automotive parts. The Trump administration has already imposed a 50% levy on Canadian steel and aluminium and 25% on cars. The president has sent letters threatening high tariffs to more than 20 of America's trading partners this week.

Marco Rubio, America's secretary of state, said he had a "frank conversation" with **Sergei Lavrov**, his Russian counterpart, at an **ASEAN** meeting in Malaysia. Mr Rubio expressed frustration that Russia had not shown "more flexibility" to end its war in Ukraine. [Russia](#) has recently intensified its aerial attacks, killing at least two people on Thursday. Mr Rubio will meet Wang Yi, his Chinese counterpart, on Friday.

The **European Union** struck a deal with **Israel** to expand humanitarian aid to **Gaza**, including a "substantial increase" in the number of food trucks entering the enclave. Earlier an Israeli air strike killed at least 15 people waiting for medical supplies near a clinic in [Gaza](#). Israel said it was targeting a militant and would review the incident.

Britain's economy shrank for a second straight month in May. GDP declined by 0.1% after contracting by 0.3% in April. The figures are a further blow to the Labour government, which put growth atop its list of “missions” after winning power last July. The party's first year of [economic policymaking](#) has been listless.

Britain and **France** unveiled a pilot programme to deter [migrants](#) from entering Britain illegally. Under the scheme, Britain would return to France migrants who attempt to cross the English Channel in [small boats](#); in return it would grant an equal number of people asylum via “a safe route”. The two countries also agreed to co-ordinate the use of their nuclear weapons.

America's **State Department** told staff that it would begin firing some of them “in the coming days”. The Trump administration thinks the department is too bureaucratic and plans to cut around 15% of its workforce. In May a federal judge temporarily blocked the attempt to [downsize](#), but on Tuesday the Supreme Court ruled that it could continue.

A federal judge temporarily blocked **Mr Trump** from [restricting birthright citizenship](#)—the constitutional right of anyone born in the United States to become a citizen. Last month the [Supreme Court](#) in effect sided with the president, but activists filed a class-action lawsuit on behalf of babies who would have been denied citizenship.

Figure of the day: 123m, the number of people worldwide who have been forcibly displaced due to war or persecution, as of the end of 2024. [Read the full story.](#)



Photograph: Getty Images

Trump faces blame over Texas

Donald Trump is due to visit Texas's Hill Country on Friday, one week after flash floods [killed more than 100](#) people, including more than two dozen children at a Christian summer camp. His administration has been accused of [contributing to the deadly disaster](#) by firing federal workers at the National Weather Service. The White House has denied responsibility: "blaming President Trump for these floods is a depraved lie," said its press secretary.

She has a point. Texas's weather officers were well-staffed with meteorologists on July 4th. However, the administration's cuts to research will make preparing for and responding to such unpredictable weather much harder in the future. The Atlantic Oceanographic and Meteorological Laboratory in Miami, which sends drones into thunderstorms to collect data, and the National Severe Storms Laboratory in Oklahoma, which conducts flash-flood forecasting, are among the many climate labs that have been stripped of federal funds and are scheduled to close next year.



Photograph: Getty Images

Chinese cars race to the bottom

China's electric vehicles keep getting **cheaper and cheaper**. A price war among the country's many automakers has seen several companies slash prices in recent months. This is good for consumers. Some sales figures for June show car sales rose for the fifth straight month and that EVs accounted for roughly 53% of those sales. That, in turn, is good news for an industry that needs to eke out revenues with ever-thinning margins.

The China Association of Automobile Manufacturers will release more data on last month's performance on Friday, probably confirming that sales keep going up. But China's car industry as a whole faces big questions in the remainder of 2025. One of those concerns is the increasing number of "zero-mileage" used-car sales, or when new cars are sold overseas as used ones in order to make them more price-competitive, and to inflate sales. In an industry that has been touted as China's next big thing, this is a bad indicator.



Photograph: Getty Images

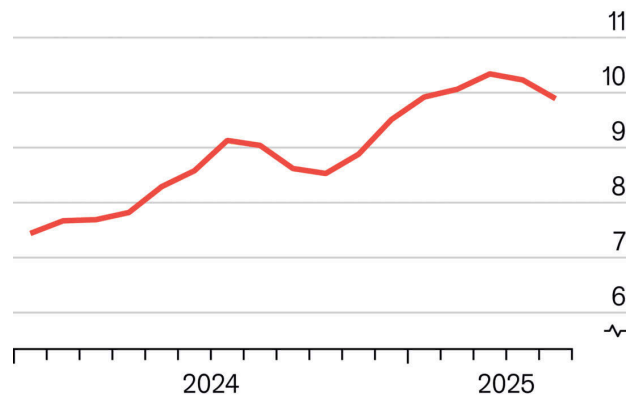
Russia's economy looks for a landing

Figures out on Friday are expected to show that Russian inflation in June was 9.5% year on year. It continues a streak of two recent declines after reaching a peak of 10.3% in March. Inflation that high is still bad, of course. Still, things are improving as a result of the central bank's doggedly tight monetary policy. Even after a recent cut, Russia's policy rate remains at a painful 20%, making it expensive to borrow and incentivising people to save rather than spend.

The big question for Russia is similar to one faced by many rich countries a few years ago: can it achieve a soft landing, where inflation falls without crushing the economy? Even at this early stage, the omens do not look great. [GDP growth has slowed](#) sharply in recent weeks, as have increases in real wages. Russia could soon learn that when an economy overheats, the needed cooling off can be unpleasant.

A lighter load

Russia, consumer prices,
% increase on a year earlier



Source: Haver Analytics



Photograph: Alamy

Ain't no party like a political party

Break out your bowtie, or other young-conservative affectation of choice. Student Action Summit, a three-day celebration of MAGA, starts in Tampa, Florida on Friday. Expect frontliners from the Trump administration, including Pete Hegseth, the defence secretary, and Kristi Noem, the homeland security secretary. Also there will be luminaries of the right-wing commentariat, including Steve Bannon, a bolshie former adviser to Donald Trump, and Jack Posobiec, a booster of the “Pizzagate” conspiracy theory. So will colourful characters like Russell Brand, a disgraced British comedian, and [Ross Ulbricht](#), creator of the first dark-web drug-trading network.

Turning Point USA, the organiser, claims to have a presence on 3,500 campuses. It started in 2012 with a focus on fiscal responsibility and free markets but has since embraced MAGA and Christian Nationalism. The organisation expects 5,000 attendees at their jamboree, all young enough to be extremely online. MAGA machers know that winning them over will reinforce the movement.



Illustration: The Economist

Daily quiz

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Friday: Psittacines are another name for what type of bird?

Thursday: In Arthurian legend, Sir Galahad finds which sacred object?



Illustration: The Economist

The winners of this week's crossword

Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

Andrew Kasaine, Nairobi, Kenya

Ozlem Sumnu, Barcelona, Spain

Andy Cayley, Mt Claremont, Australia

They all gave the correct answers of [Rwanda](#), lights, scruff and [Rachel Reeves](#).

Reading well is one of the great pleasures that solitude can afford you.

Harold Bloom