

MNI POLITICAL RISK ANALYSIS - US Daily Brief 03-09-25

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 BST	President Trump greets the President of Poland
11:20 ET 16:20 BST	President Trump participates in a Bilateral Meeting with the President of Poland
11:50 ET 16:50 BST	President Trump participates in a Bilateral Lunch with the President of Poland

KEY DATES:

- ❖ End of Congressional recess: Today
- ❖ Government funding expires: September 30
- ❖ China tariff truce expires: November 10

Washington

President Donald Trump will meet newly minted Polish President Karol Nawrocki at the White House for a bilateral meeting and lunch today, starting at 11:00 ET 16:00 BST.

- Nawrocki took office last month after running a campaign that was boosted by Trump's MAGA movement and the nationalist opposition in Poland.
- Bloomberg notes that Nawrocki's election means that Prime Minister Donald Tusk's fragile pro-European Union coalition, "is already struggling to push through legislation that needs presidential consent on everything from aid for Ukraine to tackling the budget deficit."
- Bloomberg adds: "The bond between Warsaw and Washington [tightened] following Russia's full-scale invasion of Ukraine. There are currently about 10,000 US troops in Poland, and Nawrocki may seek Trump's commitment to keep them there."
- Peter Doran, an analyst at the Foundation for the Defense of Democracies, said: "The stakes are very high for President Nawrocki's visit. Trump will have an opportunity to size up Poland's new president, and Nawrocki also will have the chance to do the same. Failure in this meeting would mean a pullback of American force posture in Poland, and success would mean a clear endorsement of Poland as one of America's most important allies on the front line."

Secretary of State Marco Rubio is in Mexico City today to kick off his whistlestop two-day security-focused tour of Mexico and Ecuador. He will meet with President Claudia Sheinbaum at 09:00 ET 14:00 BST, where he is expected to sign a security agreement that could unlock a bilateral trade deal. (More on that below)

- At 10:45 ET 15:45 BST, Rubio will participate in a joint press conference with Mexican Foreign Secretary Juan Ramón de la Fuente in Mexico City.

Trump announced in Oval Office remarks yesterday that he will relocate US Space Command from Colorado to Alabama, long-expected move that reversed a decision by former President Joe Biden to keep the agency in Colorado.

- Axios notes that Huntsville's Redstone Arsenal in Alabama, "is already home to a significant military presence — and it's expected to play a central role in Trump's desire for a Golden Dome missile defense program."
- In press remarks at his Space Command announcement, Trump addressed social media speculation about his health over the holiday weekend: "I didn't do any [press conferences] for two days, and they said 'there must be something wrong with him.' Biden wouldn't do 'em for months. You wouldn't see him, and nobody ever said there was ever anything wrong with him."

Trump appeared to suggest to reporters yesterday that he will deploy National Guard troops to Chicago, but declined to outline a timeline. Trump said: *"We're going in -- I didn't say when, we're going in... I have an obligation. This isn't a political thing, I have an obligation. When 20 people are killed over the last two and a half weeks and 75 are shot with bullets."*

- CNN reports that Illinois officials received notice that ICE will start its enforcement operations in Chicago "later this week," per the state's Lt. Gov. Juliana Stratton.
- Politico notes: "Trump has for weeks indicated he was considering Chicago as a future location for his crackdown on crime. His definitive indication today he would deploy the National Guard is an escalation of past statements."

OMB Director Russell Vought, USTR Jamieson Greer, and White House border czar Tom Homan are among the speakers on day two of the National Conservatism Conference in Washington DC today.

- Other speakers include British Member of Parliament Nigel Farage, Senator Josh Hawley (R-MO), Director of National Intelligence Tulsi Gabbard, and former Trump advisor Steve Bannon. Full list and details [here](#).

The Beltway news cycle today is likely to be dominated by a press conference hosted by Reps Ro Khanna (D-CA) and Thomas Massie (R-KY) with 10 of Jeffrey Epstein's survivors. The presser, which kicks off at 10:30 ET 15:30 BST, is "part of a broad campaign to push the White House into a highly uncomfortable spot over Epstein," writes Politico.

- A bill sponsored by Khanna and Massie calling on the administration to release full and unredacted documents related to the Epstein case will hit the House floor if it obtains 218 signatures. With near-universal support from Democrats, the discharge petition will only need a handful of Republican signatures.

Federal Reserve

The DC District Court filed a 'joint status report' on Federal Reserve Governor Lisa Cook's request for a temporary restraining order (TRO) on President Trump's move to dismiss her. The report notes that the Plaintiff (Cook) and Defendant (Trump) "do not agree on the appropriate next steps."

- The report notes that Cook, "believes that the Court should grant a temporary restraining order (TRO) to preserve the status quo, and then move to expedited cross-motions for summary judgment on the merits."
- The report notes that Cook, "proposes a schedule whereby opening motions would be filed by September 9, 2025, with responses by September 15, 2025, and a hearing as soon as possible thereafter, and a ruling before expiration of any TRO."

- Cook's proposal would keep her in place at the Fed until the conclusion of the proceedings, which legal experts believe she is likely to win.

According to the report, the Department of Justice's legal team argue that an expedited timeline is insufficient to complete relevant legal investigations, including discovery, if required. The administration's strategy appears aimed at keeping Cook off the Fed board for the Central Bank's September rate-setting meeting.

- The DOJ, "requests that the Court adjudicate the pending motion by September 9, 2025, so that appellate relief can be secured, if necessary, before the Federal Reserve's next meeting on September 16, 2025," according to the report.

The director of the Federal Housing Finance Agency, Bill Pulte, spoke briefly to reporters at the White House on the Trump administration's case against Cook.

- Pulte deferred to the White House, when asked if Trump would name Cook's replacement while her appeal is ongoing: "I have no clue. You'd have to ask the President that."
- Pulte denied that the Cook investigation is part of a broader pressure strategy on the Fed: "...this really has nothing to do with the Fed. It has much to do with public officials. If you're gonna be in charge of the Federal Reserve, damn, you better sure know how to fill out a mortgage application."
- On Fed Chair Jerome Powell, Pulte said: "Why would [Powell], not come out and say, 'You know what, if Ms. Cook did this, she should resign?'" So it's becoming more and more concerning by the day... not only from a legal perspective with mortgages, but obviously the mortgage market is very dependent on the credibility of the Fed, and so it's concerning."

Semafor notes that the Senate may struggle to confirm CEA Chair Stephen Miran to the vacant Fed seat in time for the September 16 policy meeting. The timeline leaves 10 legislative days to hold a committee hearing, take a committee vote, and finish floor debate on his nomination.

- Republicans would need near unanimous support to move Miran's nomination that quickly — and some of them want the chance to press him. "I want to hear that he believes in the independence of the Fed," Senator John Kennedy (R-LA) said, per Semafor.

Mexico

The US and Mexico are likely to sign a security cooperation agreement during Secretary of State Marco Rubio's trip to Mexico City today. Bloomberg first [reported](#) that the agreement was close to completion last month, informing President Donald Trump's decision to postpone a plan to raise tariffs on Mexico and potentially laying the groundwork for a wider trade agreement.

- According to Bloomberg, the agreement is likely to cover "sharing more intelligence information, reducing the flow of fentanyl precursor chemicals into [Mexico] and cracking down on the flow of guns from the US."

- Bloomberg wrote: "Addressing [fentanyl trafficking] in the new security deal would make it easier for negotiators to find common ground on other areas of conflict, such as tomatoes and steel."

Mexican President Claudia Sheinbaum warned on Monday, in her first state of the nation address, that Mexico is willing to enter security agreements with the US around immigration and fighting cartels, but "without subordination," per Axios.

- PBS notes: "Sheinbaum has been able to dodge the brunt of Trump's tariffs by going after Mexican cartels and their fentanyl production more aggressively than her predecessor. In recent months, the government has delivered dozens of cartel figures long wanted by U.S. authorities to the Trump administration."
- Sheinbaum said on Monday: "Mexico is the country with the lowest average tariff percentage in the world, and we continue to work with the various state ministries of our neighboring country."

China

US Ambassador to NATO, Matthew Whitaker, told [Bloomberg](#) yesterday that the US has held back from imposing secondary sanctions on China over its support for Russia's war on Ukraine because broader trade negotiations are continuing.

- "President Trump has not put tariffs on China because those negotiations are ongoing. And the war in Ukraine is certainly part of that discussion," Whitaker said.
- "I don't disagree those would be effective," Whitaker said, adding that the last time Beijing and Washington were engaged in a tit-for-tat tariff battle, it culminated in 145% duties on both sides.
- "That's not the way it's going to resolve the situation both on trade with China and war of Russia and Ukraine," he added, in a nod to the complexities of deploying such economic leverage, per Bloomberg.
- Bloomberg notes: "The comments highlight how Trump's goals to resolve trade imbalances with the US may be hamstringing his options in how to bring about an end to Russia's war."

The Financial Times [reports](#): "China's currency has appreciated to its strongest level against the dollar since Donald Trump won the US presidential election in November last year, as Beijing signals to the market that it is willing to allow a gradual strengthening in the renminbi."

- FT notes: "Strategists said the appreciation was potentially significant for Beijing's negotiations with Washington over a trade agreement. The Trump administration labelled China a "currency manipulator" during the president's first term."
- Mitul Kotecha, head of foreign exchange and emerging markets macro strategy at Barclays, said: "It's sending a signal to the US. China wants to, at least in a good faith way, show they're not about to devalue the currency."

The Wall Street Journal [reports](#): "Russia and China advanced plans for a long-delayed natural-gas pipeline to funnel Russian fuel to the Chinese but left core terms unresolved, a sign of Beijing's growing leverage in its relationship with Moscow."

- Alexander Gabuev, the director of the Carnegie Russia Eurasia Center and an expert on China-Russia relations, said: *“The agreement shows that China is interested in the pipeline and in Russia’s energy resources but this isn’t a final deal. It shows how their relationship is increasingly asymmetrical and China has all the cards.”*
- Semafor summarises: “The project marks a “huge turning point in the geopolitics of energy,” a China energy expert wrote: It signals that Beijing is “hedging against overreliance” on US gas exports and “is no longer even pretending to comply with US sanctions.” The announcement came as the leaders of Russia and China hailed their friendship in Beijing on Tuesday, but “real frictions” between the two remain, a China academic noted.”

In response to the good-natured Shanghai Cooperation Agreement summit in Tianjin and displays of solidarity at a military parade in Beijing, Trump issued a sharply worded statement on Truth Social.

- Trump wrote: *“May President Xi and the wonderful people of China have a great and lasting day of celebration. Please give my warmest regards to Vladimir Putin, and Kim Jong Un, as you conspire against The United States of America.”*

Brazil

The Office of the United States Trade Representative will hold a public hearing at 10:00 ET 15:00 BST today on the “Section 301 investigation of Brazil’s acts, policies, and practices related to digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption enforcement; intellectual property protection; ethanol market access; and illegal deforestation.”

- The USTR notes: “The hearing is on the record but no external cameras or video recording will be allowed in the hearing room. The hearing will not be livestreamed. A full transcript of the hearing will be posted on ustr.gov after the hearing.”

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- 10:00 ET 15:00 BST: HOUSE Judiciary: “Europe’s Threat to American Speech and Innovation”
- 10:30 ET 15:30 BST: HOUSE Appropriations: Fiscal Year 2026 Financial Services and General Government Bill

The Senate will resume consideration of the fiscal 2026 National Defense Authorization Act at 10:00 ET 15:00 BST, with votes are expected later in the day.

- The House Judiciary Committee will hold a hearing on “European threats to American free speech and innovation”, with testimony from British MP Nigel Farage at 10:00 ET 15:00 BST. “It’s part of Republicans’ efforts to pressure Europe into loosening tech laws they feel unfairly target U.S. companies and silence conservative speech online,” according to Politico.

Government Funding

The risk of a government shutdown on October 1 has receded slightly after Politico reported that House Speaker Mike Johnson (R-LA) and House Minority Leader Hakeem Jeffries (D-NY) “last week discussed a short-term stopgap funding bill going into November or December.”

- According to Politico, “There is no official plan yet, one person said, but the two leaders floated the idea to avoid a government shutdown on Oct. 1.”
- The risk of a shutdown remains elevated as both Jeffries and Senate Minority Leader Chuck Schumer (D-NY) both maintain that they will not be jammed with a partisan funding extension. “We’re not going to support partisan funding legislation, period,” Jeffries said he told Johnson.

Punchbowl News reports that Republicans in Congress and the White House are pursuing three different strategies at the moment to avert a shutdown. The lack of a unified strategy also raises the risk of a shutdown.

- According to Punchbowl, “Senate Republicans are doubling down on bipartisan funding bills that call for tens of billions of dollars more in spending than House Republicans — or the White House — have proposed.
- “House Republicans seem to be gravitating toward a stopgap funding resolution that would keep the federal government funded through mid-November, giving Hill leaders and the White House more time to find a FY2026 spending deal – if possible.
- “But the White House isn’t interested in a short-term funding patch... Instead, administration officials want to fund federal agencies until the first quarter of 2026... This would avoid repeated shutdown deadline dramas. Yet it also opens the door to a year-long continuing resolution — something House and Senate appropriators desperately want to avoid.

Office of Management and Budget

Democrats on the House Appropriations Committee are expected to submit an amendment to the FY2026 Financial Services and General Government bill this morning to rein in the power of OMB Director Russell Vought, seen by Democrats as the architect of Trump’s move to coopt Congress’ spending authority.

- House Appropriations Committee ranking member Rosa DeLauro (D-CT) said: “At every turn Russ Vought has fought to centralize power for himself, steal enacted funding from other cabinet secretaries, and ultimately to keep promised investments from American taxpayers...”
- “[The OMB] plays a central role in shaping federal budgets and regulatory policy, yet it lacks a dedicated watchdog. It is not subject to the same independent oversight that applies to the rest of government — including agencies with far narrower missions and far less influence.”
- The amendment will not become law but signals that Democrats intend to challenge Vought’s strategy, with potential consequences for a government shutdown.

Venezuela

Trump confirmed on [Truth Social](#) yesterday that, on his orders, “US Military Forces conducted a kinetic strike against positively identified Tren de Aragua Narcoterrorists in the SOUTHCOM area of responsibility.”

- Trump continued: *“TDA is a designated Foreign Terrorist Organization, operating under the control of Nicolas Maduro, responsible for mass murder, drug trafficking, sex trafficking, and acts of violence and terror... The strike resulted in 11 terrorists killed in action... Please let this serve as notice to anybody even thinking about bringing drugs into the United States of America. BEWARE!”*
- Secretary of State Marco Rubio told reporters yesterday that Trump, “has been very clear that he is going to use the full power of America... to take on and eradicate these drug cartels no matter where they’re operating from...”
- When asked, “Will you act on Venezuelan soil against the Maduro regime?” Rubio said: “Well, this is a counterdrug operation and we’re going to take on drug cartels wherever they are and wherever they’re operating against the interest of the United States... I’m not going to speculate about what might come down the road.”

While Trump’s endgame in Venezuela unclear, President Nicolás Maduro warned that Rubio was trying draw Trump into a war in the Caribbean: “Mr. President, Donald Trump, watch out, because Mr. Rubio wants to stain your hands with blood,” Maduro said yesterday.

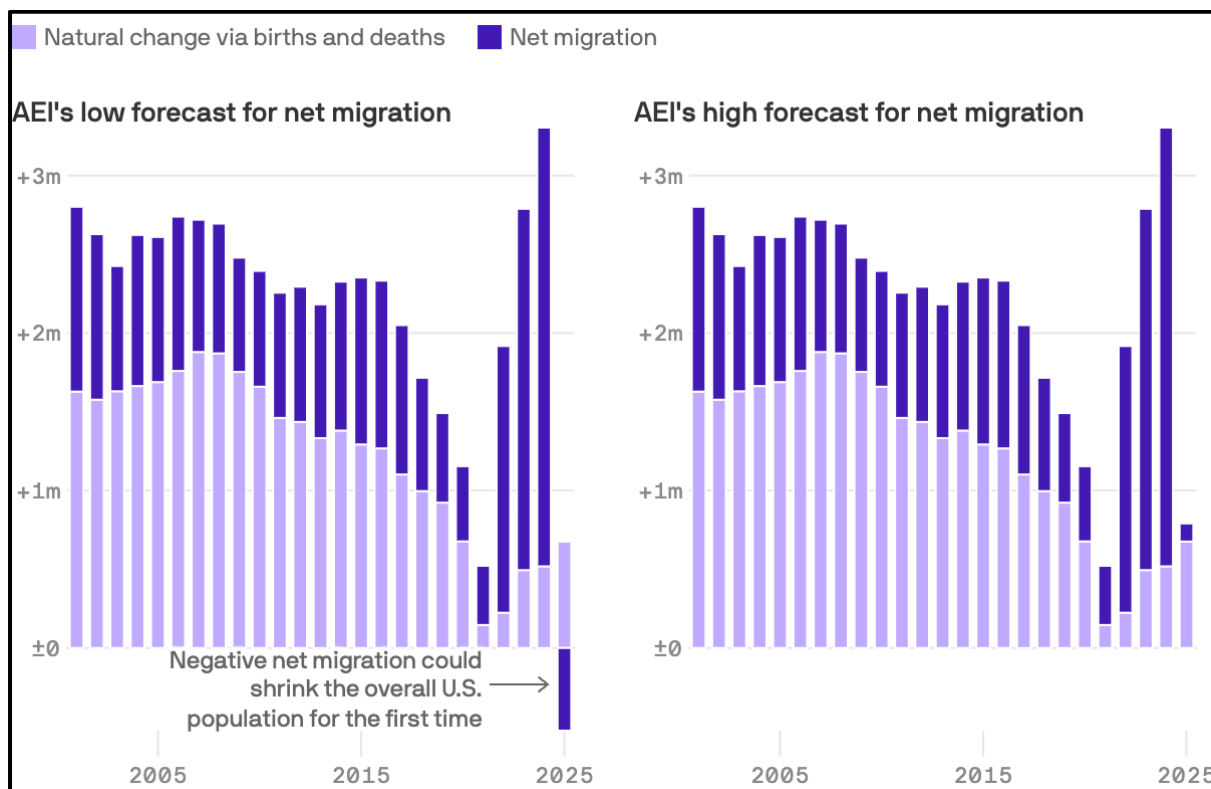
- The New York Times [notes](#) that the size of the military buildup has led to speculation over whether the real goal is to oust Maduro, through military action or other pressure.
- Jimmy Story, a former U.S. ambassador to Venezuela during Mr. Trump’s first term, said in an interview that using so much military might to take out drug trafficking boats was a bit like “using a blowtorch to cook an egg,” per the Times.
- Politico writes: “Venezuela has rejected the allegations as smears intended to justify a potential U.S. military intervention in the South American country and the overthrow of its leftist government. The country and its allies have also mobilized civilian brigades ahead of a potential invasion.”

Chart of the Day

Derek Thompson, co-author of the centre-left political policy book *Abundance*, writes on [Substack](#) that 2025 could be the first year on record in which the US population shrinks.

- Thompson writes: *“This would be a historic first. For nearly 250 years, America has only known growth. According to our best estimates, the nation’s population expanded throughout the Civil War, despite the deaths of more than 700,000 Americans. It grew throughout the Spanish Flu, both World Wars, and countless bloody entanglements with other countries. Even COVID, which killed more than a million Americans, didn’t reverse the trend. But Trump’s immigration crackdown may accomplish what no war, plague, or calamity has ever done.”*
- William Frey, at the Brookings Institution, said: “It’s certainly possible. My bet at the beginning of 2025 was that growth would be positive but very slow. But it’s certainly possible that the population could shrink this year.”

Figure 1: Annual Change in US Population



Source: American Enterprise Institute, Axios

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