Can Trump 'take back' the Panama Canal?

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Donald Trump has said repeatedly that he wants to "take back" the Panama Canal but has not offered specifics about how he would do so. Here is an explanation of the history and laws governing the critical waterway.

WHY IS THE PANAMA CANAL IMPORTANT?

The Panama Canal, located at the narrowest part of the isthmus between North and South America, is one of the most strategically important waterways in the world. Last year, the canal logged 11,240 crossings totaling more than 235.5 million tons of cargo.

Over two-thirds of all cargo passing through the canal today originates from, or is destined for, the U.S.

If the Panama Canal were blocked or unavailable, ships would need to make the long voyage around the southern tip of South America to cross between the Atlantic and Pacific Oceans.

The U.S. completed construction of the canal in the early 20th century but signed treaties handing it over to Panama in 1977 in response to political pressure and unrest in Panama over U.S. ownership.

WHAT HAS TRUMP SAID ABOUT THE CANAL?

Trump claims Panama charges excessive tolls for U.S. ships to pass through the canal, calling them "ridiculous" and "very unfair."

The canal's fee structure is based on type of vessel and size, combined with auctions for ships arriving without reservations and a variable water surcharge. U.S. military ships have priority of passage, but its commercial vessels are not entitled to lower rates.

Trump has also asserted that the U.S. needs to take back the canal because China controls it and could use the waterway to undermine American interests.

There is no evidence to support this claim, though Chinese companies have made significant investments in Panama that some U.S. lawmakers and maritime experts say could give Beijing leverage over the canal's operation.

A group backed by U.S. investment company BlackRock recently agreed to buy a controlling stake in ports on either side of the canal from a Hong Kong-based conglomerate, a deal Trump hailed as an initial step in reclaiming the canal.

"My administration will be reclaiming the Panama Canal, and we've already started doing it," Trump told the U.S. Congress on March 5.

Panamanian President Jose Raul Mulino said in a social media post that "the Panama Canal is not in the process of being reclaimed."

WHAT ARE THE LAWS GOVERNING THE CANAL?

The Panama Canal is owned and operated by the Panama Canal Authority, an autonomous agency overseen by the Panamanian government.

Under the Treaty Concerning the Permanent Neutrality of the Panama Canal, Panama pledged to charge "just, reasonable and equitable" transit fees to all nations. The treaty runs only three pages and does not elaborate on the meaning of those terms, nor does it specify an enforcement mechanism.

The U.S. and Panama could potentially bring disputes to their domestic courts, though the U.S. judiciary's authority over treaties is ambiguous and has not been standardized.

Either nation could also take disputes to the United Nations International Court of Justice, though that court has no way of enforcing its decisions.

But Trump may be unlikely to seek UN help, having frequently criticized it as weak, incompetent and unfair to the U.S.

WHAT IF A COUNTRY TRIES TO TAKE THE CANAL BY FORCE?

Any move by a foreign power to take the canal by force would almost certainly violate international law.

The U.S. and Panama are treaty-bound to defend the canal against any threat to its neutrality and are permitted to take unilateral action to do so.

An amendment to the treaty clarifies that the U.S. does not have a right to interfere in Panama's internal affairs or undermine its territorial integrity and political independence.

The U.S. Southern Command holds regular military exercises with Panama and other regional powers to prepare for possible attacks on the canal.

The exercises do not include scenarios where the U.S. invades Panama.

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