

US will not let China disrupt Panama Canal: Pentagon chief

AFP- The United States will not allow China to “threaten” the operations of the Panama Canal, US Defense Secretary Pete Hegseth warned during a visit to the Central American nation on Tuesday.

Hegseth is the second senior US official to visit Panama since President Donald Trump took office in January vowing to “take back” the US-built canal to counter what he sees as China’s influence over the waterway.

“Today, the Panama Canal faces ongoing threats,” Hegseth said in a speech at a police station located at the entry to the shipping route.

“The United States of America will not allow communist China or any other country to threaten the canal’s operation or integrity,” he added.

The United States built the more than century-old canal and handed it over to Panama in 1999.

Hegseth met with Panama’s President Jose Raul Mulino, with the two issuing a joint statement that affirmed security ties – though there was a notable discrepancy in the versions released by both sides on the issue of Panama’s sovereignty over the canal.

“Secretary Hegseth recognized Panama’s leadership and inalienable sovereignty over the Panama Canal and its adjacent areas,” read a Spanish-language statement released by Mulino’s office.

That sentence did not appear in the English-language statement released by the US government.

– ‘Wonder of the world’ –

A Hong Kong company operates two ports at either end of the canal connecting the Atlantic and Pacific, through which five percent of all global shipping passes.

The Trump administration has put immense pressure on Panama to reduce what it calls Chinese influence on the canal, which Washington sees as a threat to US national security.

Panama has denied the assertions that China exercises undue control over the waterway, but its protests on the subject have grown weaker and on the eve of Hegseth's visit it accused the Hong Kong company of failing to meet its contractual obligations.

“I want to be very clear. China did not build this canal. China does not operate this canal. And China will not weaponize this canal,” Hegseth said, calling it a “wonder of the world.”

Speaking alongside Mulino, Hegseth said the US and Panama together would “take back the Panama Canal from China's influence” and keep it open to all nations, using the “deterrent power of the strongest, most effective and most lethal fighting force in the world.”

He claimed that China's control of critical infrastructure in the canal area gave Beijing the power to conduct spying activities across Panama, making Panama and the United States “less secure, less prosperous and less sovereign.”

The Chinese Embassy in Panama issued a statement refuting Hegseth's claim that Beijing interferes in the operations of the canal.

“China has never taken part in the management or operation of the Panama Canal, nor has it interfered in issues” concerning the waterway, the statement said, calling on Washington to

halt “blackmail” and “plundering” of Panama and other countries of the region.

It labeled Hegseth’s comments “not at all responsible or founded” and said the United States “has orchestrated a sensationalist campaign based on the ‘China threat theory’ so as to undermine cooperation between China and Panama.”

It added: “China has always respected Panama’s sovereignty with regard to the canal.”

– Pressure on port company –

The concession to the HK-based company’s subsidiary to operate Balboa port on the Pacific side of the canal and Cristobal port on the Atlantic side was first granted in 1997 and renewed for another 25 years in 2021.

But faced with Trump’s repeated threats to seize the canal, Panama has put pressure on CK Hutchison to pull out of the country.

In January, it began an audit of Panama Ports – the subsidiary – to determine if it was honoring its concession contract.

On the eve of Hegseth’s visit Panama’s comptroller announced that the audit had revealed “many breaches” of the contract and said Panama did not receive \$1.2 billion it was owed from the operator.

In March, CK Hutchison announced an agreement to sell 43 ports in 23 countries – including its two on canal – to a group led by giant US asset manager BlackRock for \$19 billion in cash.

A furious Beijing has since announced an antitrust review of the deal, which likely prevented the parties from signing an agreement on April 2 as had been planned.

Hegseth’s visit to Panama comes two months after that of US Secretary of State Marco Rubio.

Shortly after that visit Panama announced it was pulling out of Chinese President Xi Jinping's landmark global infrastructure program, the Belt and Road Initiative.

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