Panama president to US: Stop 'lies and falsehoods' about canal

By **Elida Moreno**

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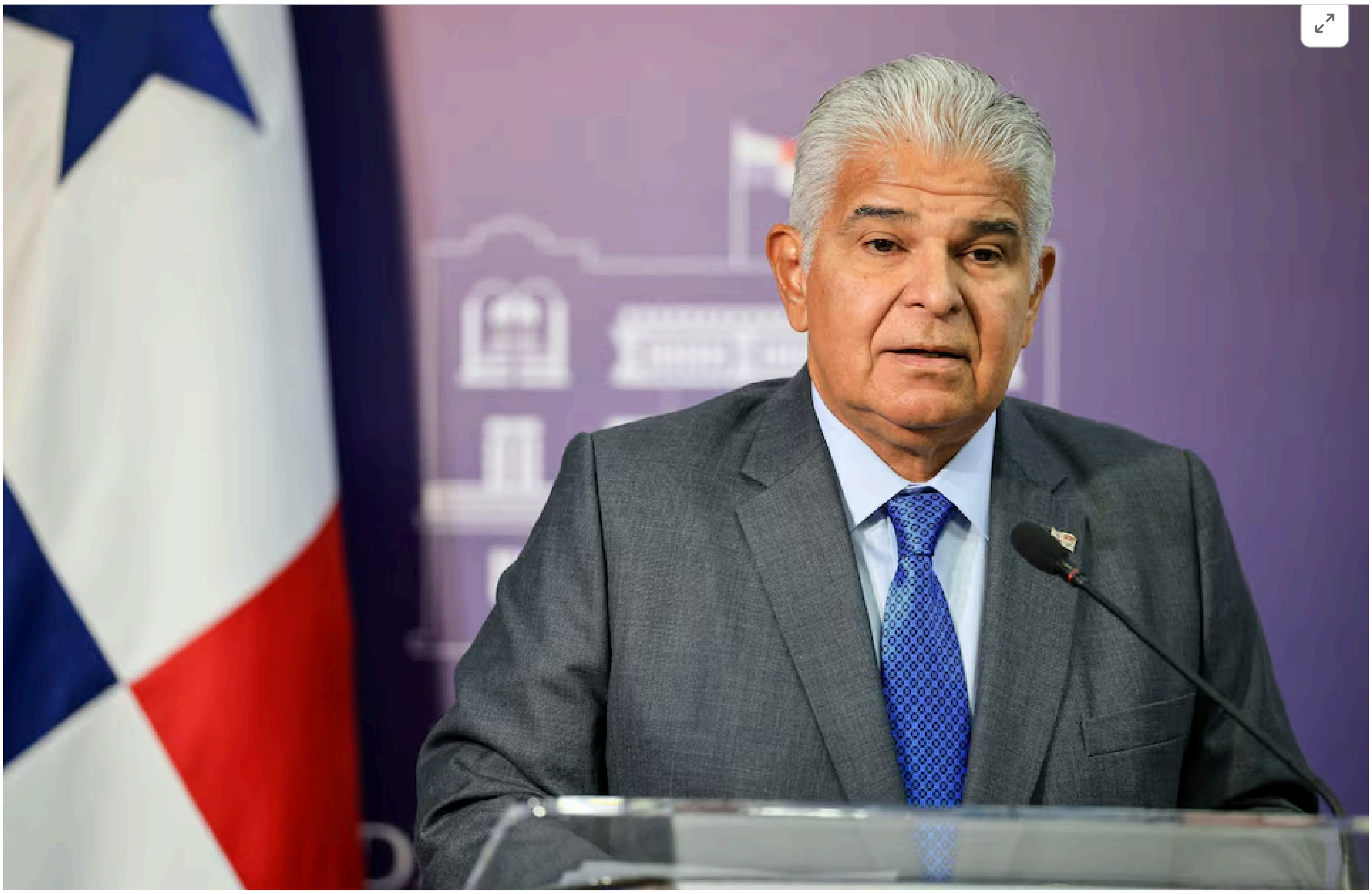

[1/3] Panama's President Jose Raul Mulino holds a press conference in Panama City, Panama, in this handout photo distributed on February 6, 2025. Presidencia de Panama/Handout via REUTERS/ File Photo Purchase Licensing Rights

PANAMA CITY, Feb 6 (Reuters) - Panama President Jose Raul Mulino said on Thursday the U.S. was spreading "lies and falsehoods" after the State Department claimed U.S. government vessels would be able to pass through the Panama Canal without paying.

The comments were likely to exacerbate tensions between the two countries after the U.S. had cited progress on military cooperation and confronting alleged Chinese influence over the canal.

Later, Mulino added on social media that he would speak to U.S. President Donald Trump on Friday afternoon.

Panama has been in the White House's crosshairs since Trump claimed the country's vital waterway had effectively been taken over by China and vowed the U.S. was "taking it back."

Speaking to journalists, Mulino expressed his "absolute rejection" that the two countries' relations be "based on lies and falsehoods."

The Panama Canal Authority issued a statement late on Wednesday, rejecting the State Department's claim that Panama's government had agreed to no longer charge crossing fees for U.S. government vessels, a move that would save the U.S. millions of dollars a year.

Trump has accused the Central American country of charging excessive rates to use its trade passage, one of the busiest in the world.

U.S. military vessels have priority of passage through the waterway, according to a 1977 neutrality treaty signed when the U.S. agreed to return the canal to Panama. But all ships, regardless of origin, destination or flag, must pay tolls that vary depending on size and type.

"Why are they making an important institutional statement from the entity that governs the foreign policy of the U.S., under the president of the U.S., based on a falsehood?" Mulino asked, calling the claim "simply and plainly intolerable."

Mulino said he asked his ambassador in Washington to take "firm steps" to reject the claims made by the Trump administration.

U.S. Secretary of State Marco Rubio, meanwhile, said at a press conference on Thursday he believed it was "absurd" that the U.S. Navy has to pay fees to transit the canal that it is obligated to protect under the U.S.-Panama treaty.

Rubio met Mulino earlier in the week during a trip through Central America.

"I'm not confused about Panama," he said. "We had conversations. I felt they were strong first steps. We have expectations ... They're going to follow their process, but our expectations remain the same."

After his visit to the country, Rubio welcomed in China's Belt and Road Initiative, a vast global infrastructure plan led by Beijing, calling the move "a great step forward" for bilateral ties.

On Thursday, Mulino said Panama had formally presented a document to exit the Belt and Road Initiative but denied the decision had been made at the request of the U.S., adding he was taking time to evaluate Panama's relationship with China and what was best for the nation.

Reporting by Elida Moreno in Panama City; Additional reporting by Matt Spetalnick in Washington; Writing by Brendan O'Boyle; Editing by Stephen Eisenhammer, David Gregorio and Matthew Lewis

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