Who Runs the Canal?

How treaties changed government control of the Panama Canal

WG.P.2.1.C "Analyze the impact of constitutions, laws, treaties, and international agreements, by comparing how various governmental powers and responsibilities have changed over time."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two powers the United States held under the 1903 treaty, circle the dates that limited those powers, and box one responsibility Panama holds after the handover.

A Canal Changes Hands

1. When the Panama Canal opened to traffic in 1914, ships could cross between the Atlantic and Pacific Oceans without sailing around South America. Who had the power to run this shortcut? A 1903 treaty between Panama and the United States gave the United States rights to use, occupy, and control a strip of land called the Canal Zone indefinitely. The United States built the canal and administered the zone, including its courts and police. Panama was an independent country, but its government could not exercise those powers in the zone. The treaty did not make the zone a U.S. state.

2. Over time, many Panamanians challenged U.S. control of territory inside their country. In 1977, the two governments signed the Torrijos-Carter Treaties. One treaty replaced the 1903 arrangement when it took effect in 1979 and set a schedule for transferring control. Panama gained authority over areas of the former Canal Zone in stages. The United States continued operating the canal during the transition, but its right to do so now had an end date: December 31, 1999. A treaty had changed the duration and limits of one government's powers while expanding the other's responsibilities.

3. On December 31, 1999, Panama took over canal operations and the remaining U.S.-controlled areas. Today, Panama's canal authority manages traffic and proposes toll rates, which Panama's cabinet approves. The second 1977 treaty, the Neutrality Treaty, established rules meant to keep the canal permanently neutral and open to ships of all nations on equal terms. It did not return day-to-day management to the United States. Together, the agreements changed who runs the canal but kept a shared international rule about access. A change in government control does not erase every obligation that countries accept through treaties.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the 1977 agreement change the control of the Canal Zone granted to the United States in 1903?

2. Compare who operated the canal during the transition with who operated it after December 31, 1999.

3. How did Panama's government responsibilities change from the period of the 1903 treaty to the period after the handover?

4. How did the Neutrality Treaty affect canal access differently from the other 1977 treaty's effect on canal management?

3 YOUR TURN

Your own words

Imagine a proposed 2030 agreement that would let a joint U.S.-Panama board set canal tolls while Panama still operates the canal. In four sentences, compare who decides toll rates now and under the proposal, name one responsibility Panama would keep, and explain one possible benefit or cost of the change.

ANSWER KEY

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HIGH SCHOOL · WG.P.2.1.C

PART 1 · READ AND MARK

Underline two powers the United States held under the 1903 treaty, circle the dates that limited those powers, and box one responsibility Panama holds after the handover. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the 1977 agreement change the control of the Canal Zone granted to the United States in 1903?	**The 1903 treaty gave the United States indefinite control of the Canal Zone. The 1977 agreement set a schedule for transferring that control to Panama.**
2	Compare who operated the canal during the transition with who operated it after December 31, 1999.	**The United States operated the canal during the transition. Panama took over operations on December 31, 1999.**
3	How did Panama's government responsibilities change from the period of the 1903 treaty to the period after the handover?	**Panama could not govern the Canal Zone under the 1903 arrangement. After the handover, it operated the canal and governed the former U.S.-controlled areas.**
4	How did the Neutrality Treaty affect canal access differently from the other 1977 treaty's effect on canal management?	**The Neutrality Treaty set an ongoing rule that the canal remain open to ships of all nations on equal terms. The other treaty set a schedule for transferring canal control and operations to Panama.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Today, Panama's canal authority proposes toll rates, and Panama's cabinet approves them. Under the proposed agreement, a joint U.S.-Panama board would set the rates instead. Panama would still operate the canal and manage ship traffic. Sharing toll decisions might give both governments a voice, but it would reduce Panama's control over canal revenue.

Accept answers that accurately distinguish control of the Canal Zone, canal operations, and the continuing rule about access. For Part 3, accept a plausible benefit or cost if the student explains how the proposed board would change decision-making.