

# 1924 Panama Arms Issue for Use in the Canal Zone

## Purpose:

This single frame exhibit explores the development and use of the 1924 Panama Arms issue within the United State Administered Panama Canal Zone.

## Scope:

Material includes the 1924 Panama Arms issue overprinted for use in the Panama Canal Zone. The use on mail originating in the Canal Zone is considered within the scope of the exhibit.

## Plan:

Pages 2-6	Proofs and Specimens
Page 7-13	Canal Zone Overprint Issue
Page 14-15	Unissued Material
Page 16	Epilogue

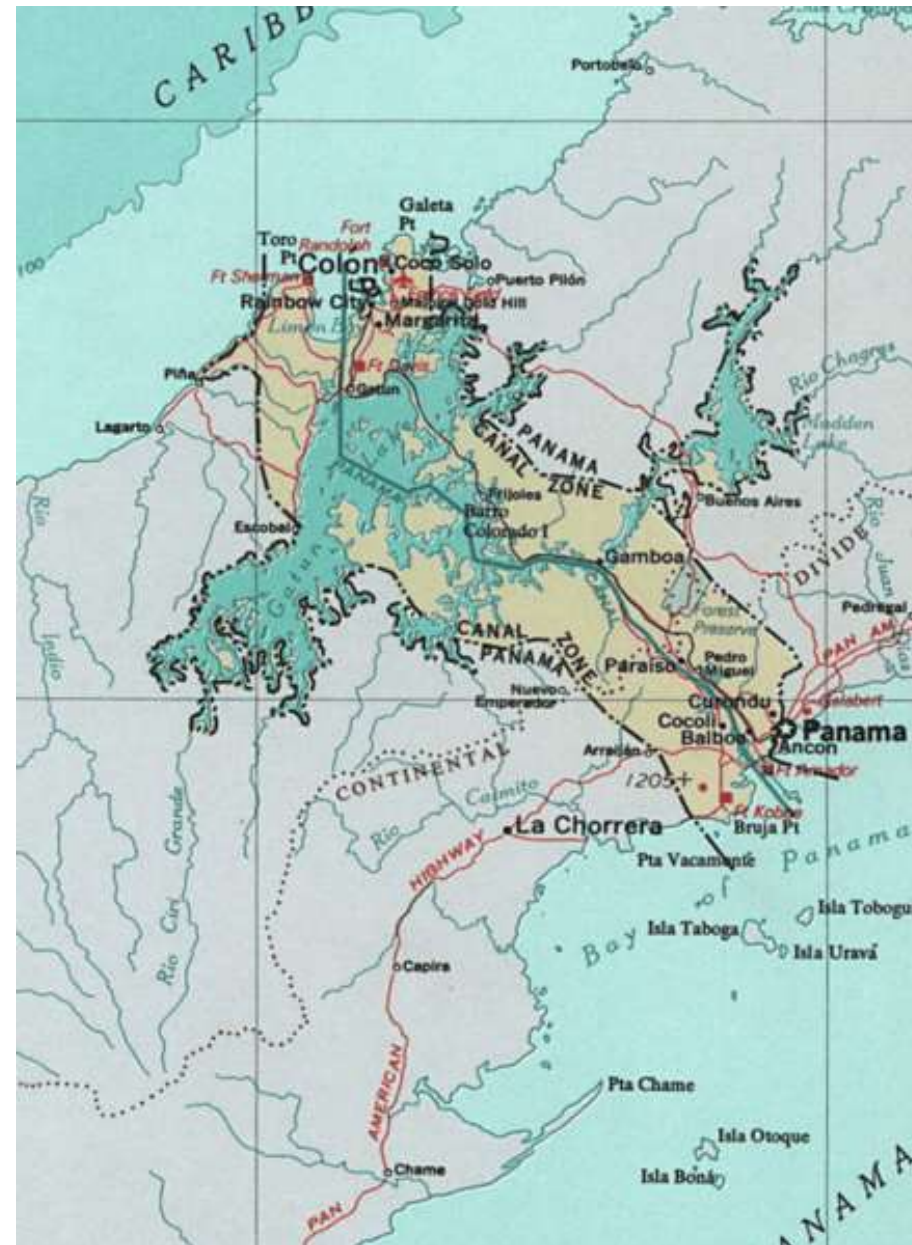
## Background:

The Taft Agreement of December 3, 1904 between the United States of America (USA) and Panama required the Canal Zone (CZ) Postal Service to purchase stamps from Panama at 40% of face for use within the CZ. This compensated Panama for lost revenue from Panamanian mail posted at Canal Zone post offices.

Existing stock of Panamanian stamps in 1923 was insufficient to meet the anticipated needs of Panama and the CZ for 1924.

Panama placed an order with the American Bank Note Co. and Waterlow & Sons on May 28, 1923 requesting an artist design a single color stamp with a vignette depicting the arms of Panama and a frame with the words “República de Panamá” .

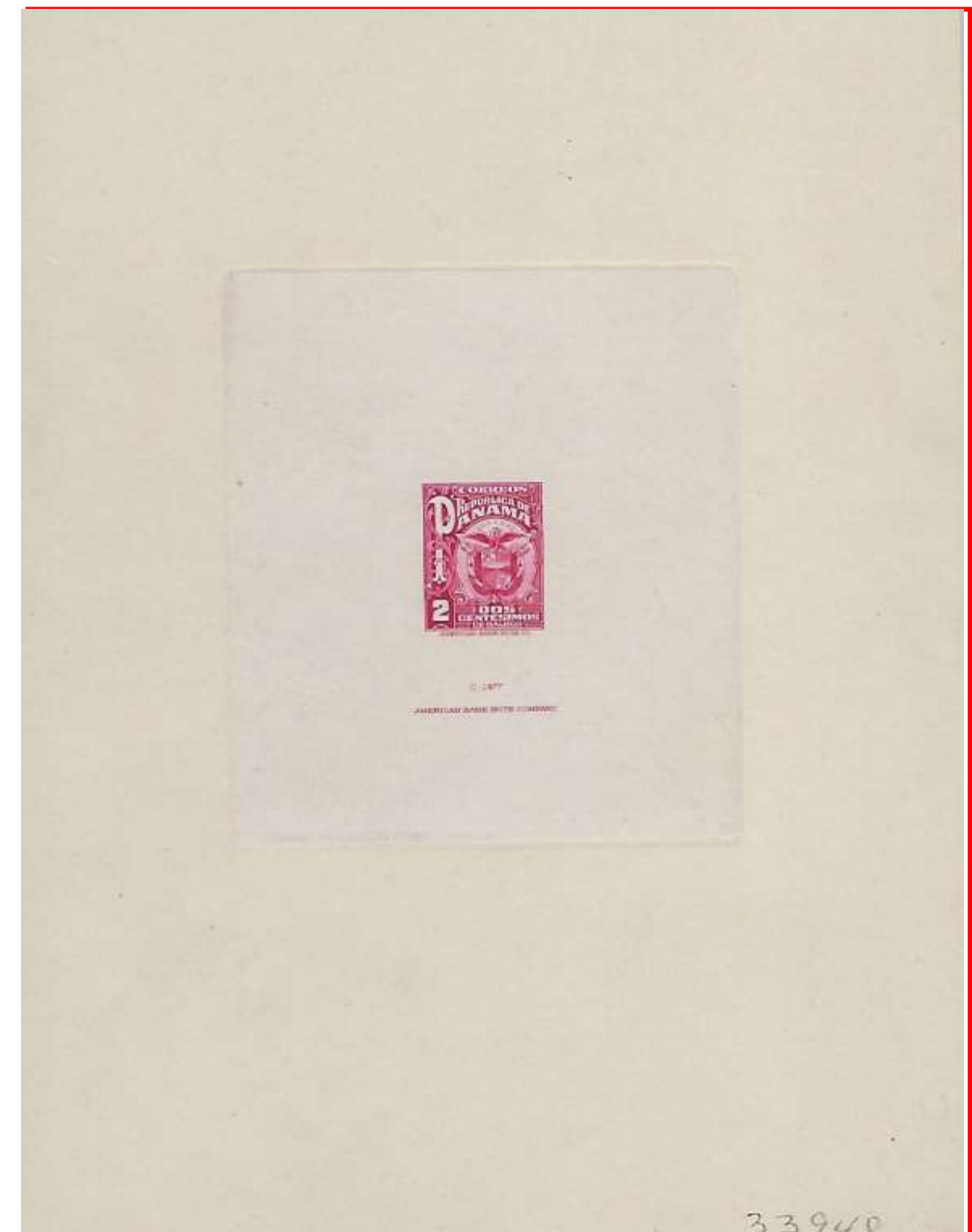
At the time of the order, that USA was negotiating with Panama to abrogate the Taft Agreement. This left concern about the need for the overprinted issue to be created. Less than 6 months following the first use of the overprinted 1c green and 2c carmine, the Taft Agreement was abrogated and the stamps withdrawn from the post office. Other denominations were not officially issued.



Items considered significant are noted in red text and outline.



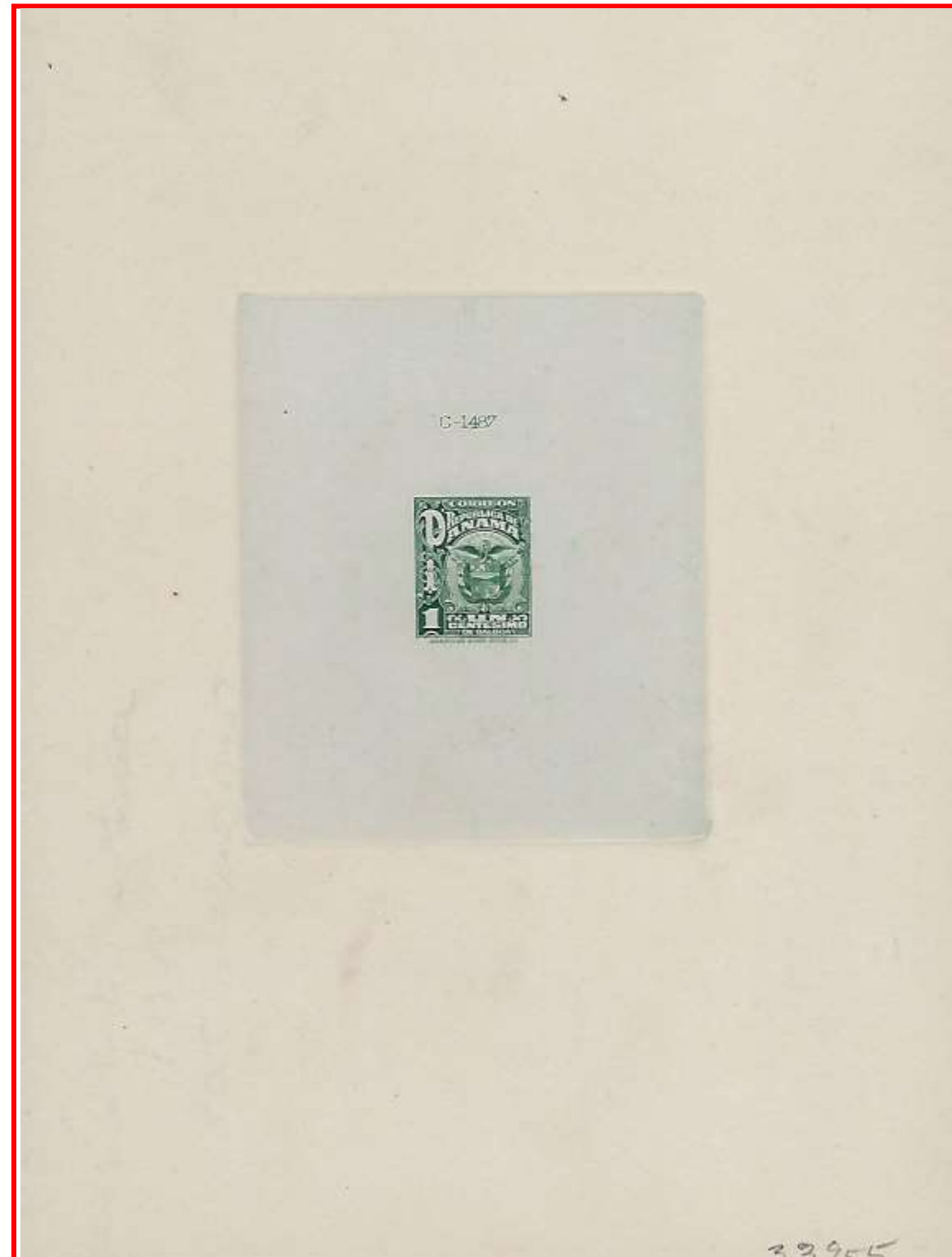
Magnifying glass denotes original discovery



The 2c carmine (Die C-1477) American Bank Note Company Sunken Die Proof with die number and penciled file number from the 1924 renumbering of the ABNCo proof library. The C-1477 was the master die used for the remaining issues.



# American Bank Note Company Panama Arms Proofs



The 1c green (Die C-1487) American Bank Note Company Sunken Die Proof with die number above and penciled file number at lower right corner.



Panama 1924 Arm proofs in issued colors on card from American Bank Note Company archives. Archive included 1/2c (200 stamps), 1c (400 stamps), 2c (400 stamps), 5c-1b (200 stamps)



The American Bank Note Company archive included one sheet (2 panes x 100 stamps) of 10c dark violet on gummed stamp paper with security punctures.

No other proofs on gummed stamp paper are known.



# American Bank Note Company Panama Arms Proofs

The stamps were prepared as two panes of 100 (10x10) arranged horizontally with a gutter between panes.



1c cent dark green and 2 cent carmine gutter strips of 6 on card.

Each is 1 of 20 possible examples that could exist demonstrating the gutter between panes.



Specimen 10 cent dark violet top block of 12. One of 3 examples from the ABNCo archives. The October 17, 1923 date is the date the order was entered into the ABNCo Foreign department's order book.

The flat top “A” Canal Zone overprint used in the 1920 and 1921 overprints was used for the 1924 issue.

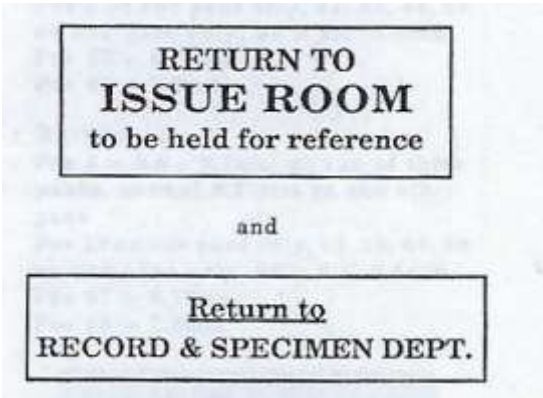
American Bank Note Company archive included 3 panes of 100 copies each of all values except the 2 cent carmine. Only 194 copies of the 2 cent red remained.



CANAL ZONE  
overprint type V



SPECIMEN overprint  
type B



Ten of the twenty-six panes were hand stamped at the top with one of the above return handstamps.



# Canal Zone Overprint Issue

By the time the print order arrived in the Canal Zone in January and February 1924, the prior stock of 1 cent and 2 cents sheet stamps were nearly exhausted. The 1 cent dark green and 2 cent carmine were used to fill orders on February 2nd and 5th 1924. .



1 cent dark green and 2 cent carmine block of 6. Note order number F-7427 in top right of block. The same order number as Panama’s original order.

Issue	Quantity Printed	Destroyed August 1937
1 cent green	500,000	250,000
2 cent carmine	1,000,000	490,000
5 cent dark blue	250,000	24,940
10 cent dark violet	75,000	74,400
12 cent olive green	50,000	49,400
15 cent ultramarine	25,000	24,400
24 cent yellow brown	10,000	9,400
50 cent orange	5,000	4,400
1 dollar black	5,000	4,400



The 2c issue was shipped December 29, 1923 from New York on the *S.S. Calamares* as the first issue shipped. The 1c issue followed on January 30, 1924 on the *SS Metapan*. Both were considered rush orders by Panama to supply the Canal Zone Postal Service.

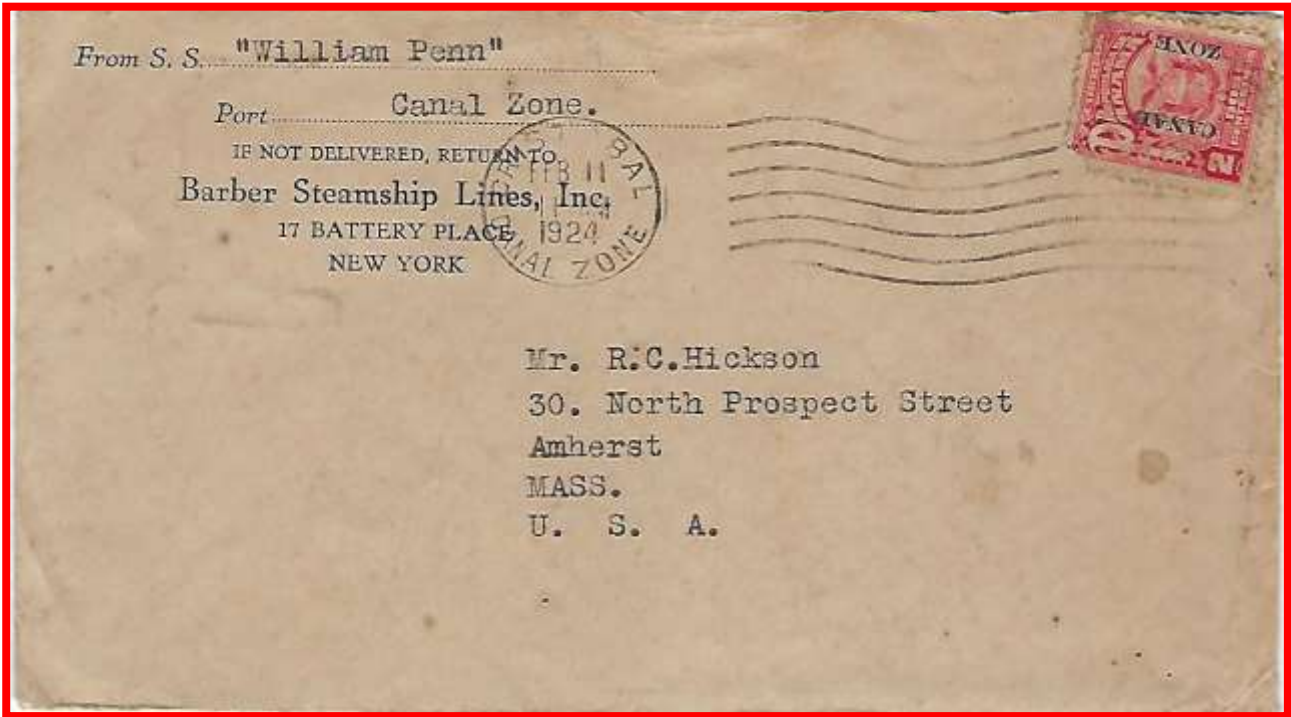


2 cent Carmine Rose      2 cent Carmine

The only listed color variation is the 2c carmine rose



New earliest known use of the Panama Arm overprint issue February 11, 1924.  
Discovered by author March 2021.  
Previously reported earliest known use was February 12, 1924.



The 2 cent carmine rose postmark on February 11, 1924 in Cristobal, Canal Zone. The 2 cent rate paid the letter rate to the United States, United States Possessions and Postal Union of the Americas and Spain (PUAS) member nations.



# Canal Zone Overprint Issue



Postmarked March 1, 1924 in Ancon, Canal Zone. The 1 cent dark green pays the 1 cent post card rate to the United States, US Possessions and Postal Union of the Americas and Spain (PUAS) member nations

Postal Rates at Time of Issue	
Local and PUAS Postcard Rate	1 cent
Local and PUAS Letter Rate	2 cents
UPU Postcard Rate	2 cents
UPU Letter Rate	5 cents
Registration Rate	10 cents

Postal Union of the Americas (PUAS) extended local postal rates between members of the union. The union included the United States, Spain and most countries within Central and South America.

Note top of “E” in top row of stamps is slightly below the top of the other letters. Referred to as the dropped E variety. The dropped “E” variety is found in approximately 10% of issues.



Enlarged to 200%



The 2 cent carmine dropped E variety on cover. Cristobal, Canal Zone to Lebanon, Pennsylvania March 29, 1924.

The 2 cent rate paid the letter rate to the United States, United States Possessions and Postal Union of the Americas and Spain (PUAS) member nations



## Canal Zone Overprint Issue — Post Office Location Errors



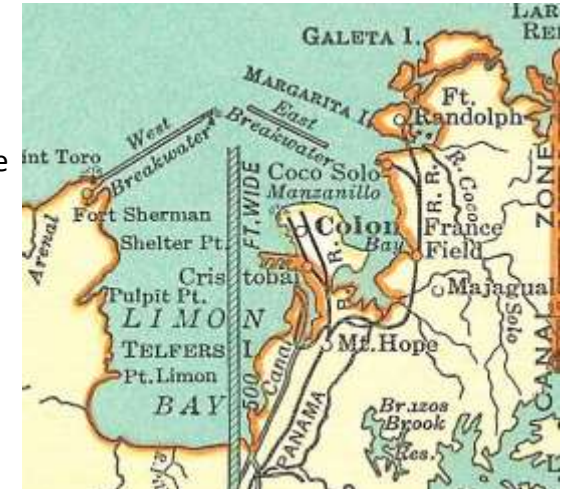
Postmarked March 21, 1924 in Ancon, Canal Zone to Germany. The 2 cent carmine pays the UPU foreign postcard rate.

'BUZON PANAMA' marking indicates the postcard was deposited in a Panama City street mail drop box. It was cancelled at Panama City post office before being forwarded to the Ancon post office for processing.



The proximity of Ancon, Canal Zone to Panama City, Panama could lead to incorrect mail deposits, often by tourists.

Likewise postcards and letters posted with Panama issues appeared in Canal Zone drop boxes such as these examples from Cristobal, Canal Zone and Colon, Panama.



Top of message states Cristobal/Colon May 28, 1938. Card is cancelled with a May 28, 1938 postmark in Cristobal, follow by a Colon cancel on May 31, 1938. The card was run upside down at Cristobal so as not to cancel the stamp. The 2 cent carmine pays the UPU foreign postcard rate.



Postcard postmarked in Cristobal, Canal Zone with 1 cent green Panama stamp attached for postage. No Panama markings applied. Appears the postcard was accepted and processed by Canal Zone post office.

The 1 cent rate paid the postcard rate to the United States, United States Possessions and Postal Union of the Americas and Spain (PUAS) member nations.





# Canal Zone Overprint Issue



Postmark March 24, 1924 in Balboa, Canal Zone to Sweden. The 1 cent dark green used with 1921 1 cent green Balboa issue to pay 2 cent UPU foreign postcard rate.

# Canal Zone Overprint Unissued Values

Discussion on abrogation of the Taft Agreement had started as early as 1910. Panama mentioned the concern during the 1923 correspondence with the American Bank Note Co. placing orders for the Canal Zone overprints. Passing on lower per unit pricing on a higher volume order due to the uncertainty.

The Taft Agreement was dissolved effective June 1, 1924. Panama stamps overprinted “Canal Zone” were replaced by stamps of the United States overprinted “Canal Zone” on July 1, 1924. This led to a short window of use of overprinted Panama Arms stamp in the Canal Zone. Only the 1 cent dark green and 2 cent carmine were issued by the Canal Zone Post Office prior to the withdrawal. A grace period from July 1, 1924—August 31, 1924 allowed the use of Panama overprint stamps already in consumer hands. Other values were not issued and later destroyed.



Postmark June 27, 1924 in Balboa, Canal Zone to Cristobal, Canal Zone. The 2 cent carmine pays the local postage rate.



On February 27, 1924 Panama requested 600 sets of the 1c-1b Canal Zone overprints for submission to the United Postal Union. At that time the United Postal Union required 480 copies of each new issue. Shortly after the delivery of stamps to Panama, the unissued stamps appeared in dealer stocks in Panama, England and France.

The additional 120 sets of unissued stamps requested for the UPU appear to have been improperly diverted to the philatelic market.



## Unissued Booklet Panes

Booklet panes were printed and shipped to the Canal Zone in February 1924.

American Bank Note Company order F7428.

4 pane booklet of 6 stamps of 1 cent dark green	5,000
2 pane booklet of 6 stamps of 2 cent carmine	30,000
4 pane booklet of 6 stamps of 2 cent carmine	5,000

Due to adequate supply of earlier booklets, the booklets were not issued prior to the abrogation of the Taft Agreement. The entire stock of 40,000 booklets was destroyed August 14, 1937. There are no known covers with booklet stamps or panes other than specimen from the American Bank Note Company archives.



Two specimen uncut booklet panes of 1 cent dark green and 2 cent carmine. American Bank Note archive included 69 and 71 booklet panes respectively.

## Epilogue

At the close of business on June 30, 1924, all Panama stamps overprinted "Canal Zone" were withdrawn from the post office. The stamps were replaced with United State Bureau of Engraving and Printing issues overprinted "Canal Zone". No further Panama overprinted issues were sold and remaining stock was destroyed on August 14 and 16, 1937.



The 1 cent deep green paid the 1 cent post card rate to the United States, US Possessions and Postal Union of the Americas and Spain (PUAS) member nations.

Paqueboat mail from *SS Ulua* of  
the United Fruit Company

The Republic of Panama continued to utilize the standard Arms issue into the 1940s as the primary definitive issue.

Earliest know use of an Arms  
issue in Panama was  
April 4, 1924.

Triple rate SCADTA cover  
from Panama City to Bogota.

