

# 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 1-3	American Bank Note Company Production
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## 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.

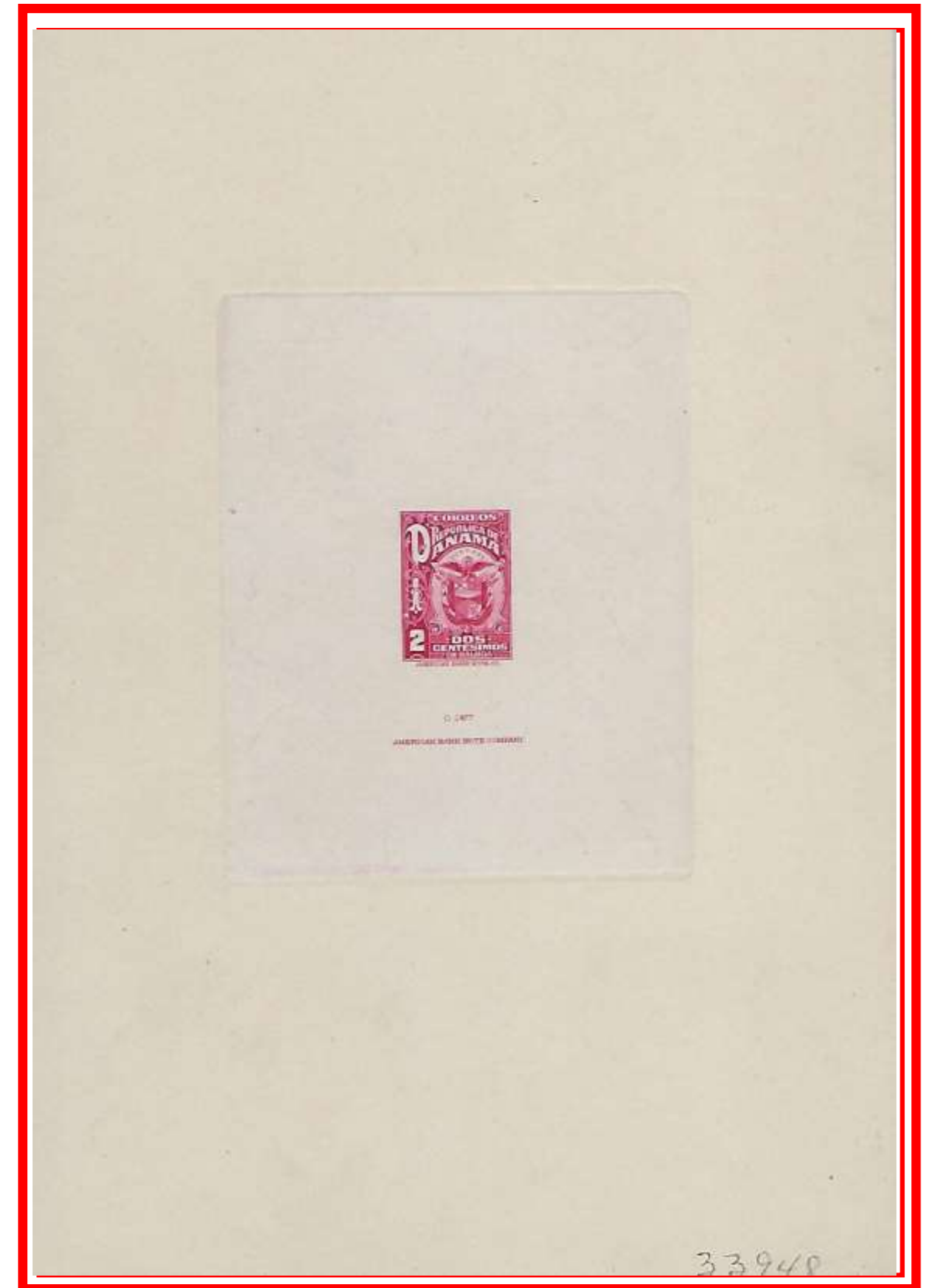
Existing stock of Panamanian stamps in 1923 was insufficient to meet the anticipated needs of Panama and the CZ for 1924. Panama placed an order with the American Bank Note Co. and Waterlow & Sons on May 28, 1923 requesting an artist design a single color stamp with a vignette depicting the arms of Panama 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following the first use of the overprinted 1c green and 2c carmine, the Taft Agreement was abrogated and the stamps withdrawn from the post office.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.**



Unfinished die proof printed on watermarked tracing paper  
Vignette missing stars, background, and 'PRO MUNDI BENEFICIO' on banner. Frame design value not completed and American Bank Note Co. missing from bottom as compared to finished proof to right.

The 2c die was produced first due to immediate need of 2c stamps by the Canal Zone. It was used for initial approval and the template for other denominations.



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.



Further information of Canal Zone Philately can be found in this APS Stamp Chat.

Items considered significant are noted in red frame.



Magnifying glass denotes original discovery

# American Bank Note Company Production



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-1 Balboa (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 Production

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 order number 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.

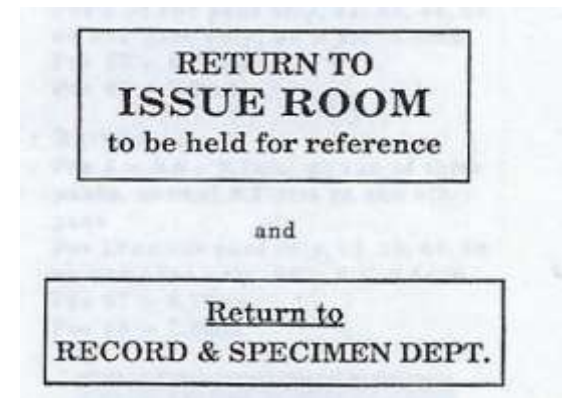
The flat top "A" Canal Zone overprint used in the 1920 and 1921 overprints was used for the 1924 issue.

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

The 5th overprint used in the Canal Zone characterized by the flat top A's.



and

RETURN TO  
ISSUE ROOM  
to be held for reference

Return to  
RECORD & SPECIMEN DEPT.

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

**SPECIMEN**

SPECIMEN overprint type B used by the ABNCo stock.



# 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.



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.



1 cent dark green and 2 cent carmine block of 6. Note order number F-7427 in top right of block added to each printed sheet by the ABNCo. The same order number as Panama's original order.



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.

Issue	Quantity Delivered	Destroyed August 1937
1 cent green	500,000	250,000
2 cent carmine	1,000,000	490,000
5 cent dark blue	250,000	249,400
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



Back image at 150%

An unknown supply of 1c dark green and 2c carmine were marked with a perfin 'P' for official use. A personal survey through the Canal Zone Study Group has located 6 used copies and 2 mint copies of the 1c and 5 used and 2 mint of the 2c.

There are **no known covers** in the official Canal Zone Study Group perfin 'P' cover census.



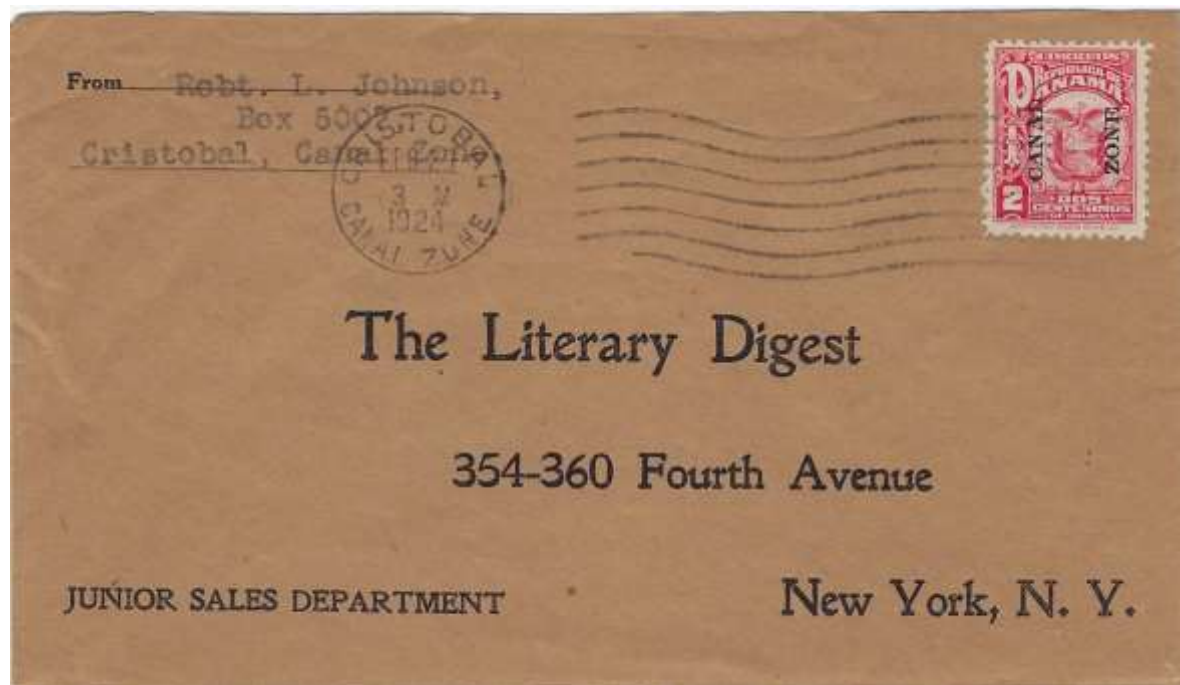
The 2 cent carmine rose postmark on February 11, 1924 in **Cristobal, Canal Zone** to Amherst, Massachusetts. The 2 cent rate paid the **2 cent letter rate to the United States**.





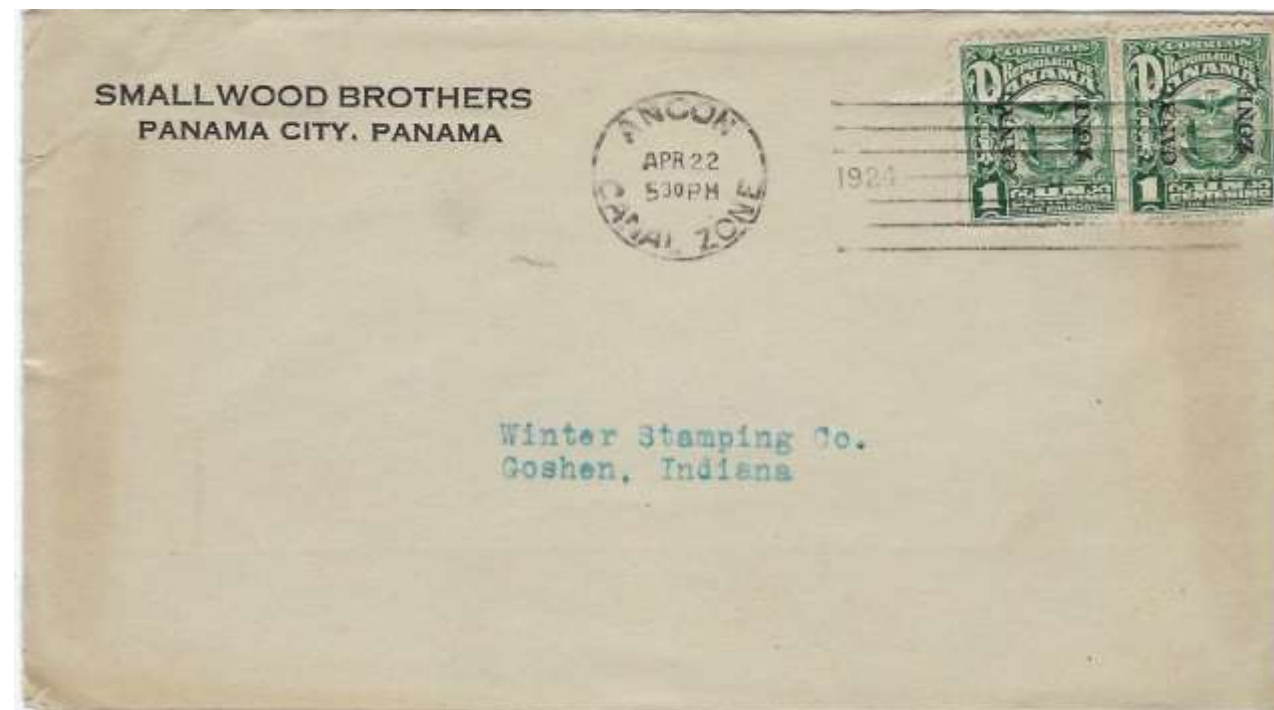


## Canal Zone Overprint Issue: Letter Rate



Postmark February 29, 1924 in **Cristobal, Canal Zone** to New York. The 2 cent carmine 2 cent letter rate to the United States.

Leap Day Cover



Postmark April 22, 1924 **Ancon, Canal Zone** to Goshen, Indiana. The 1-cent green pair paying 2 cent letter rate to the United States.

Postal Rate at Time of Issue	
Local and US Letter per ounce	2 cents
UPU Letter	5 cents
UPU additional ounce	3 cents
Registration fee	10 cents



Postmark May 6, 1924 in **Balboa, Canal Zone** to Somersetshire, England. The 2-cent carmine pair plus 1-cent green pays the 5-cent UPU letter rate.



Postmark April 11, 1924 in **Cristobal, Canal Zone** to **Copenhagen, Denmark**. Triple letter rate 11-cents + registration 10-cents.

**One of 2 foreign registered covers.**



## Canal Zone Overprint Issue



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%



Example of pair of 1-cent green from **Balboa** (May 22, 1924) to Rockville Center, NY paying the **2-cent letter rate to the United States.**

Left stamp with dropped 'E' and right stamp normal.



Example of 2-cent carmine dropped 'E' on cover from **Cristobal** (May 14, 1924) paying the **2-cent letter rate to the United States.**

## Canal Zone Overprint Unissued Values

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.



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 on August 14 and 16, 1937.



# Canal Zone Overprint Unissued Values

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.



Three specimen uncut booklet panes of 1 cent green with ABNCo order F7428 at top margin. Three of 69 panes in ABNCo archives.

Three specimen uncut booklet panes of 2 cent carmine.

Three of 71 panes in archive.

# Epilogue

At the close of business on June 30, 1924, all Panama stamps overprinted "Canal Zone" were withdrawn from the post office. Panama overprints were valid until August 31, 1924. The period from June 30th to August 31st is known as the grace period. No further Panama overprinted issues were sold and remaining stock was destroyed on August 14 and 16, 1937.



Last known Arms cover legal used during the grace period.

August 29, 1924 Cristobal to San Francisco paying 2-cent rate to United States.

Originally deposited in Colon, Panama post box on August 28, 1924.

Last non-philatelic use of Arms issue.

November 7, 1924 Balboa Heights to Panama City, Panama paying 2-cent rate to Panama.

