

OFFICIAL REPRINT  
**CANAL ZONE STAMPS**

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The shift of the inverted overprint apparently was caused by the way the press was set up. The press apparently was set up to center the overprint on panes that had wide margins at the right and narrow margins at the left because all unoverprinted panes sent by Panama seem to have been right panes. Thus when the pane was inverted in the press, the narrow margin was on the right, causing the stamps to go farther than normal toward the right edge of the press. This caused the overprint to be shifted to the left (viewed normally the stamps appear to have the overprint shifted to the right).

THE ELEVENTH SERIES—COAT OF ARMS, 1924,  
SCOTT NOS. 68-69

In the last half of 1923 the Panama postal officials informed the Canal Zone that they were ordering a new definitive series from the American Bank Note Company which would show the Coat of Arms of Panama. The Panama series of ten denominations, ½c, 1c, 2c, 5c, 10c, 12c, 15c, 24c, 50c, and 1b, Panama Scott Nos. 234-243, was placed on sale during May 1924. The CZPS ordered all denominations except the ½c overprinted for its use. The order was: 1¢ 500,000; 2¢ 1,000,000; 5¢ 250,000; 10¢ 75,000; 12¢ 50,000; 15¢ 25,000; 24¢ 10,000; 50¢ 5,000; \$1, 5,000; 1¢ booklet containing 24 stamps, 5,000; 2¢ booklet containing 12 stamps, 30,000; 2¢ booklet containing 24 stamps, 5,000; 1¢ postal card, 150,000; 1¢ stamped envelope, 150,000; and 2¢ stamped envelope, 250,000.

All denominations of the stamps were printed in sheets of 200 (20 x 10) with a narrow vertical gutter dividing the sheets into two panes of 100 (10 x 10). The sheets were cut apart through the center of the gutter—using short vertical lines at both ends of the gutters as cutting guides—into two panes of 100 stamps, in which form they were issued. All denominations have the same job number, F-7427, above Pos. 9-10L and Pos. 8-9R. There are four horizontal lines, similar to those in Figure 9.7, above Pos. 1L, below Pos. 91L, above Pos. 10R, and below Pos. 100R. There is a horizontal line beside and pointing between Pos. 41L and 51L and Pos. 50R and 60R. There were two plates of the 2¢, "1A" and "2A", with the numbers reversed, located between the job number and the four horizontal lines, above Pos. 9-10R. The imprint AMERICAN BANK NOTE CO. is at the bottom of all stamps of each denomination.

The C.Z. overprints were received from the United States via Panama in January and February 1924. Because of a shortage of 1¢ and 2¢ stamps, the 1¢ and 2¢ Coat of Arms were used to fill requisitions for the first time between February 2 and 5, and were placed on sale during February (before even the basic stamps were placed on sale in Panama). Both of these stamps picture the Coat of Arms of the Republic of Panama

and have the Type V overprint reading up in black. The 1¢ is dark green, Scott No. 68, Figure 9.19, and the 2¢ is carmine, Scott No. 69, Figure 9.20. Both



Fig. 9.19. 1¢ Arms of Panama, Scott No. 68; has E of ZONE dropped, CZSG No. 68.1



Fig. 9.20. 2¢ Arms of Panama, Scott No. 69

stamps were issued before the middle of February; the 2¢ exists on cover postmarked February 13, 1924. No error of either stamp is on record, but an overprint variety exists on both: E of ZONE dropped, CZSG Nos. 68.1 and 69.2. The E is only very slightly out of line and is a common variety. This happens to be illustrated on the 1¢ in Figure 9.19. There is a carmine rose shade of the 2¢, CZSG No. 69.1. It is estimated that 250,000 of the 1¢ and 510,000 of the 2¢ were issued, the remainders being burned in 1937.

In the meantime a decision was reached to use U.S. stamps overprinted for the Canal Zone starting July 1, 1924. Thus the other denominations of the Coat of Arms stamps were never issued in the Canal Zone. On February 27, 1924, the Canal Zone sent to Panama at her request 600 copies of each denomination of the stamps for transmittal to the International Bureau of the UPU at Berne, Switzerland for distribution to its members. Soon after these stamps were sent to Panama, complete sets from the 1¢ through the \$1 were offered for sale by stamp dealers in Panama, England, and France. Thus the copies of the 5¢ to \$1 denominations that are now available to collectors came from the 600 sets sent to Panama. These have the same design and overprint as Scott Nos. 68 and 69, and are: the 5¢ dark blue, CZSG No. 69.A, Figure 9.21; 10¢ dark violet, CZSG No. 69.B, Figure 9.22; 12¢ olive green, CZSG No. 69.C, Figure 9.23; 15¢ ultramarine, CZSG No. 69.D, Figure 9.24; 24¢ yellow brown, CZSG No. 69.E, Figure 9.25; 50¢ orange, CZSG No. 69.F, Figure 9.26; and \$1 black, CZSG No. 69.G, Figure 9.27. Each of these exists with the variety E of ZONE dropped, as Figure 9.23 of the 12¢ happens to show. The 5¢ to \$1 Coat of Arms stamps should be classified as stamps prepared for use but not issued. Thus, they are essays. These sets are very scarce and only occasionally come on the market. All copies of these stamps remaining in the possession of the CZPS were burned in 1937.



CHAPTER 10

TERMINATION OF THE USE OF  
OVERPRINTED PANAMA STAMPS, 1924

ABROGATION OF THE TAFT AGREEMENT

The Canal Zone Government regarded the Taft Agreement of 1904 (see Chapter 3) as a temporary measure designed to help the new Republic of Panama. As early as December 16, 1910, Director of Posts John K. Baxter wrote to ICC Chairman Col. George W. Goethals that there was no longer any reason to purchase stamps from Panama. Panama's budget was now balanced, its revenues were steadily increasing, and the young republic was firmly established. In fiscal 1909-10 the CZPS had revenues of \$106,804.45 and expenses of \$188,152.41. Of the expenses, almost \$60,000 was paid to Panama under the Agreement; this was equal to 40% of the face value of stamps purchased from Panama. The budget of the postal service would have been nearly balanced had this subsidy not been paid.

Again in 1914 Mr. Baxter pointed out that the CZPS had a deficit of \$64,521.19 for the fiscal year, of which approximately \$34,424 represented the 40% payment to Panama. In the 1921 fiscal year the cost of operating the CZPS was \$192,549.91 with revenues of \$155,160.46. Panama was paid \$40,000 for stamps that the BEP in Washington would have printed for \$2,000. The fiscal records for these three years are given here as examples of how the Taft Agreement affected the finances of the CZPS.

Crede H. Calhoun, who succeeded Mr. Baxter as Director of Posts, wished to stop purchasing stamps from Panama and called this matter to the attention of several officials. Finally in September 1922 President Warren G. Harding recommended to Congress that the Taft Agreement be abrogated. At first the effective date was set as May 1, 1924, but later the date was changed to June 1, 1924.

There was considerable ill feeling in Panama about the abrogation of the Taft Agreement. The C.Z. postal officials felt that they could and would be glad to continue to use overprinted Panama stamps even after the abrogation of the Agreement, to please Panama, if they did not have to pay 40% of the face value. In an effort to reach an understanding, the following letter from Executive Secretary McIlvaine was sent to Panama on March 28, 1924:

Honorable Narciso Garay  
Secretary of Foreign Relations,  
Panama, R. P.

Mr. Secretary:

I have the honor to call your attention to the copy of a letter from the Director of Posts, The Panama Canal, to the Director General of Posts and Telegraphs of your Government which is attached hereto.



Fig. 9.21. 5¢ Arms of Panama, Scott No. 69.A

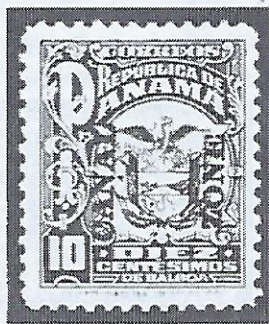


Fig. 9.22. 10¢ Arms of Panama, CZSG No. 69.B

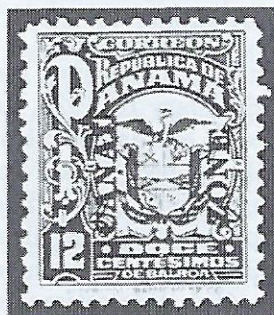


Fig. 9.23. 12¢ Arms of Panama, CZSG No. 69.C; has E of ZONE dropped, CZSG No. 69.C1



Fig. 9.24. 15¢ Arms of Panama, CZSG No. 69.D



Fig. 9.25. 24¢ Arms of Panama, CZSG No. 69.E



Fig. 9.26. 50¢ Arms of Panama, CZSG No. 69.F

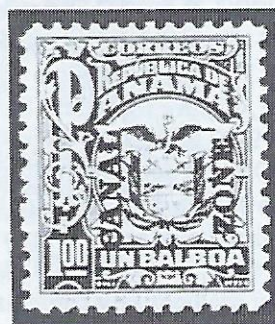


Fig. 9.27. \$1 Arms of Panama, CZSG No. 69.G



You will note that under this proposed arrangement the balance of the Panama postage stamps remaining after the abrogation of the Taft Agreement will be purchased from your Government at the actual cost laid down in Panama and that the use of these stamps will be continued, temporarily at least, in the Canal Zone subject to any subsequent agreement that may be made between our Governments in the treaty now pending.

As these unused stamps will be of no practical use to your government, and as approximately a year's supply has recently been received, it is presumed that this arrangement meets with your approval.

I am,  
Very Sincerely,  
C. A. McIlvaine,  
Executive Secretary.

Mr. Garay had a sub-secretary answer Mr. McIlvaine to the effect that the matter was being forwarded to the office of the Secretary of Government and Justice. Later a meeting was held between Mr. Calhoun, Mr. Neira, Panama's Secretary of Government and Justice, and Mr. Garay. A report of the meeting made by Mr. Calhoun stated that Mr. Garay objected to the sale of stamps to the Canal Zone at cost on the "general proposition that he is adverse to any action which might be construed as concurrence in the abrogation of the Taft Agreement."

On April 11, 1924, Mr. McIlvaine again wrote to Minister Garay, in part:

It is noted from the letter of your Sub-Secretary, and also from the telephone conversation I had with you, that you do not consent to the arrangement suggested. This is, of course, perfectly satisfactory to the Canal Zone Government. We have no interest in the matter whatever except that we thought it would be agreeable to your Government to have us continue the use of these stamps for a time at least, both as a matter of public economy and as a matter of sentiment in continuing the use of Panama stamps until some later date or subject to any agreement which may be made between our respective governments.

Arrangements have been completed, however, since the receipt of your letter to have United States stamps surcharged "Canal Zone" placed in use on May 1st, and the stock of unused Panama stamps is not essential to our operations. It is understood that your Government still has the matter under discussion, and if this office is promptly advised that the stock remaining on hand will be sold to us at cost we can still make arrangements to continue their use. As stated above, however, the matter is of no interest or importance to the Canal Zone Administration except that we do have a regard for public interest and sentiment of your government.

The above information is conveyed to you based upon cable advice received from the Governor, and by his direction.

At this time Ambassador Dr. Ricardo J. Alfaro of Panama, a special ambassador to the treaty discus-

sions then taking place, was in Washington attempting to have the Canal Zone continue the use of Panama stamps. Dr. Alfaro stated that he was quite satisfied that Panama should give up the 40% subsidy as provided in the Taft Agreement, since it no longer feared competition from the CZPS. Panama had signed the Madrid Postal Convention of 1920 and as a result granted domestic postage on letters to the United States, Spain, and the other signatory Latin American countries. Before Panama adopted these rates a Panama resident could have saved postage on a letter to the United States by mailing it in the Canal Zone. Also, Dr. Alfaro said that his country desired to maintain the "barren ideality" of Panamanian sovereignty over the Canal Zone and therefore wished the CZPS to continue the use of overprinted Panama stamps. He stated that Panama would be willing to sell these stamps to the United States at cost or even to make arrangements for the United States to overprint the stamps itself, provided that Panama stamps were used.

Charles Evans Hughes, U.S. Secretary of State, wrote to the Secretary of War about this proposal and received the following reply: "I have no objection to agreeing (by correspondence preferably) that we will perpetuate Panama's national ideals in the design of our stamps, but am totally opposed to giving [Panama] any control, any further subsidy, or using any language that could be construed as a recognition of sovereignty."

However, any move toward cooperation in Washington was blocked in Panama, perhaps in part due to the opposition of Minister Garay, and perhaps also because Panama may not then have been advised of the developments in Washington. Sub-Secretary Enrique Geenzier replied to Mr. McIlvaine's letter of April 11, in part:

The Secretary's declarations to you over the telephone as well as to Mr. Calhoun verbally in this office, have not changed in the least and they were limited to pointing out to you that the office of the Secretary of Foreign Relations is unable to enter into negotiations concerning a matter that is being handled by the diplomats in Washington.

The position assumed by the Panama Government in this matter, which has been publicly expounded in documents known to everybody, is that the Taft Agreement will be in force until such time as another agreement or treaty is adopted by both Governments to take its place.

The conclusions that you come to in your letter of the 11th instant, cannot at all be inferred from such attitude, but precisely the contrary, since the postal administration of the Zone not only *can* continue to use the Panamanian stamps after May 1st, but it is the opinion of this Government that it *must* do so in accordance with universally admitted principles in matters of international transactions.



Then on April 21, 1924, Mr. Neira, Secretary of Government and Justice of Panama, wrote to the C.Z. Director of Posts: "I beg to inform you for your guidance, that the Cabinet Council in its session of the 11th instant, decided not to grant the request made by the Canal Zone authorities for the sale to them at cost price of the surcharged postal stamps which the Government holds for the use of the said Zone."

The last letter of this exchange was sent by Executive Secretary McIlvaine to Mr. Geenzier on April 28, 1924, and said, in part:

The proposal made to you in this matter was in perfect good faith, a perfectly simple proposition to cover a future contingency which it was thought would appeal to your Government as good business policy, and a friendly consideration for a sentiment which had been expressed by certain of your officials regarding the continued use of stamps of Panama design.

I wish to express my regret to you that you have not been able to see the matter in the light in which it was intended . . .

Meanwhile, Mr. Calhoun had requested the Panama Canal Press to prepare a stamp design in case an emergency issue was necessary to provide stamps for the CZPS. A proof was prepared which is believed to have been similar to the design of the locally printed postal stationery of 1924-25, Scott Nos. U8, U9, and UX8. However, on April 28, 1924, Mr. Calhoun notified the printer that such stamps would not be necessary, since a shipment of stamps had been made from Washington on April 24 and would arrive on the steamer *Julia Luckenback*. Subsequently, U.S. Secretary of State Hughes postponed the effective date of the abrogation of the Taft Agreement until June 1, 1924, since discussions were continuing on a new treaty with Panama on aviation and radio.

The postage stamps and other stamped paper of the Republic of Panama overprinted for the Canal Zone were withdrawn from sale on June 30 and declared invalid for postage in the Canal Zone after July 31, 1924, as set forth in a circular issued June 25, 1924, at Balboa Heights by Director of Posts Calhoun. The part of this announcement of interest to philatelists is quoted in Chapter 11. The last date on which the overprinted Panama stamps and postal stationery were valid for postage was later extended to August 31, 1924. Thus postage could legally be prepaid with either overprinted Panama or overprinted U.S. stamps or both, from July 1 to August 31, 1924. Indeed, covers exist from this two-month period which have a combination of overprinted Panama and overprinted U.S. stamps.

There was an important exception to the August 31 deadline for the use of overprinted Panama postal paper: stamped envelopes and postal cards of Panama

overprinted for the Canal Zone were valid for postage indefinitely provided that they had a printed inscription such as a return address, or a notice on the message side of a postal card, added by the purchaser. Examples of such use, sometimes with additional overprinted U.S. stamps, exist as late as 1926. The latest legitimate uses on record of overprinted Panama postal stationery are May 28, 1925, for a stamped envelope (Scott No. U5) and September 8, 1926, for a postal card (Scott No. UX6).

In later years Dr. Alfaro continued his attempts to have the Canal Zone use Panamanian subjects on C.Z. stamps. In 1926 he said: "The circumstances existing today are exactly the same as those existing at the time Secretary Taft thus justified the action he had taken. There is, therefore, no reason whatsoever for changing a system which with the exception of the question of the amounts paid by the United States to the Republic of Panama and referred to by the Governor of The Panama Canal as a subsidy, has caused no complaint at any time."

In April 1935 Dr. Alfaro presented a memorandum which requested, in effect, that C.Z. post offices close their doors to business houses and residents of Panama, both for the renting of post office boxes and for the receipt and delivery of foreign mail. However, the Canal Zone never imposed any such restrictions on its postal service.

#### SETTLEMENT OF ACCOUNTS

The last quarterly payment made by the Treasurer of the Canal Zone to Panama for stamps before the abrogation of the Taft Agreement was for the quarter year ending March 31, 1924, and was for \$9,408.86. The subject of the settlement of the final quarter's account—April 1 through June 30, 1924—was a matter of correspondence and discussion for 13 years! Furthermore, both the Canal Zone and the American Bank Note Company possessed a large stock of postage stamps and postal stationery of Panama overprinted for the Canal Zone at the time the sale of those items was terminated at the close of business June 30, 1924. A dispute over the amount of money that the Canal Zone owed Panama for these stamps also continued for 13 years before it was finally settled.

On July 2, 1924, Executive Secretary McIlvaine wrote the following letter to Dr. Eusebio Morales, Panama's Secretary of Foreign Relations:

Mr. Secretary:

You are informed that effective July 1, 1924, the United States postage stamps surcharged "Canal Zone" were placed in use in the post offices of the Canal Zone on account of the abrogation of the Taft Agreement. As soon as the accounts of the postmasters have been audited the question of the final settlement with your Government for Panama stamps surcharged "Canal Zone" used in the Canal



Zone postal service, will be taken up with you. At the same time I shall take up the matter of the disposition of the Panama stamps surcharged "Canal Zone" now in the hands of the Collector [Treasurer] of The Panama Canal.

The Canal Zone proposed that Panama accept 40% of face value for the stamps issued by the C.Z. Treasurer to the Director of Posts from April 1 through June 30, 1924, and credit the Canal Zone 40% of the face value of the unsold remainder on hand in the various post offices on June 30, which had been called in and placed in the Treasurer's vault. Also, payment was offered for the printing cost of the other stamps already overprinted, which were those in the vaults of both the C.Z. Treasurer (never issued to the Director of Posts) and the American Bank Note Company. The Cabinet Council of Panama refused to accept this offer and also refused the return of the overprinted Panama stamps tendered by the Canal Zone.

Early in 1932 Panama's Comptroller General, Martin F. Sosa, ordered the suspension of payment of all Panama Canal bills against the Republic of Panama pending settlement of the postal claim. These other bills amounted to \$21,871.84 and were for health and sanitary services, municipal charges, and similar services. In August 1932 F. H. Baldwin, the Sub-Controller-Assessor of the Republic of Panama, once more began, informally, negotiations to obtain a settlement of the long outstanding stamp account. He put in a claim for \$17,924.39 as follows: 40% (\$3,259.17) of the face value (\$8,147.92) of stamps issued to the Director of Posts by the C.Z. Treasurer in April, May, and June 1924; a credit (\$1,617.62) to the Canal Zone for the unsold remainder on hand June 30, 1924; the cost (\$14,180.34) of printing stamps and booklets on hand in the vault of the Treasurer of the Canal Zone; and the cost (\$2,102.50) of finished stamps and postal stationery in the possession of the American Bank Note Company since 1924 and still not delivered.

The stamps and postal stationery in the possession of the American Bank Note Company were remainders of items previously ordered by Panama for the Canal Zone and printed by them in good faith. These were eventually delivered to the Canal Zone on June 18, 1937, in unopened cases. The shipment consisted of the following stamps and stationery: 1¢ 500,000; 2¢ 1,000,000; 5¢ 250,000; 1¢ postal cards 100,000; and 2¢ stamped envelopes 100,000. These were destroyed separately and *are not* included in any of the quantities of stamps on hand or of quantities destroyed that are discussed later in this chapter and listed in the tables.

On March 9, 1934, an audit was made of the quantity of stamps on hand in the C.Z. Treasurer's vault,

where they had been kept intact for ten years. An agreement was finally reached in 1937 with Ernesto Mendez, Comptroller of the Republic of Panama, for the payment of \$16,623.20 by the Canal Zone. This was slightly less than the amount asked by Mr. Baldwin in 1932. The Canal Zone agreed to pay \$14,982.26 for the printing costs of the unused stamps on hand in the vaults of the C.Z. Treasurer and the American Bank Note Company in New York, with the remainder, \$1,640.94, representing a settlement of 40% of the face value which was due Panama for stamps actually sold in C.Z. post offices from April 1 through June 30, 1924.

The settlement was submitted on March 5, 1937, to the U.S. Comptroller General for a decision as to whether payment should be made. W. R. Kromer, Comptroller of The Panama Canal, wrote to the Comptroller General stating that "I do not think that there is any question that the United States Government owes the Republic of Panama for the cost of engraving the postage which was not used, because Panama ordered the postage in good faith to meet the demand from the Canal Zone post offices, and the order which was in the hands of the engravers at the time the Agreement was abrogated could not be stopped. The postage was shipped to Panama and I am informed that Panama was compelled to pay the engravers. . . ." Mr. Kromer emphasized in his letter that the amount of \$14,982.26 represented only ". . . the cost to the Republic of Panama of producing and delivering such stamps." He further stated, "In any event, The Panama Canal never questioned the quantity on hand as being excessive, considering the circumstances, and was willing to pay Panama the actual cost thereof, but declined to consider Panama's claim for forty percent of the face value . . . I have gone into this matter thoroughly enough to be convinced that the amount offered in settlement, \$16,623.20, which the Comptroller General of the Republic of Panama is willing to accept in full and final settlement of this old claim, is correct and just, and should be paid."

A reply was made by the U.S. Acting Comptroller General on June 15, 1937. This letter contained a general resume of the claim and settlement and concluded: "In view of the explanation so made, it now appears that the Republic of Panama is entitled to payment in the amount claimed and the adjustment as proposed is authorized." A treasury check for \$16,623.20 was sent to the Republic of Panama. They returned the check almost at once, together with their own check for \$5,248.64, in payment for the old bills which had been outstanding since 1932. The long and sometimes bitter dispute thus ended on a note of generosity and cordiality between the participants.



## THE BURNING OF 1937

The Canal Zone then took up the question of burning the overprinted Panama stamps, which had a face value of \$367,115.62, according to the records of the quantities of stamps destroyed. It was decided at first to retain "one full sheet of each denomination of the stamps . . . for the official philatelic files; and . . . 25 each of the envelopes and postal cards." There were three full truckloads of stamps, approximately 60 cases, which were burned on August 14 and 16, 1937. The destruction was witnessed by S. C. Russell, Postal Inspector; L. C. Warner, representing the Panama Canal Collector (Treasurer); and W. L. Scofield, Chief Inspector of The Panama Canal, representing the Comptroller. The burning took place in an annealing oven of the Mechanical Division and in the crematory at Gorgas Hospital. On November 19, 1937, Chief Inspector Scofield and L. R. Cook of the CZPS burned a small remainder of approximately 2,000 stamps which had been retained at first for the official philatelic files, except for about 100 stamps and postal stationery items which were finally placed in the files of The Panama Canal.

A fortunate outcome of the long dispute between Panama and the Canal Zone is the existence of a complete record of the stamps destroyed: the exact

quantity of each denomination burned is known. Unfortunately no record was kept of the stamps other than by denomination, and in most cases the stamps destroyed of a particular denomination came from two or more series. Thus the relative proportions of the various series destroyed are not known and in most cases can only be estimated.

In order to estimate the quantity issued of many of these stamps by series it is important to know the approximate monthly and yearly use of stamps by denomination. An important variable bears on this matter: *time*, which often witnesses changes in postal rates and the economy, and such changes invariably affect the use of stamps. Thus one must analyze the relationship between time and the use of a given denomination, in such estimates as these, in order to avoid error in conclusions. Specifically, one needs to know not only the average monthly and yearly use of a denomination during the entire period of use of the overprinted Panama stamps, but also the specific use during one or more given years to weigh the possibility of dramatic fluctuations in use.

For example, the average yearly use of each denomination, as calculated from the quantity of that denomination used over a period of years, is listed in the second column of Table 10.1. The period used for the 1¢ through 10¢ is 14 years and 8 months prior to July

TABLE 10.1  
Sales for 1909-24 and Quantities Destroyed in 1937

Denomination	Quantities Sold 1909-24			Quantities Destroyed in 1937	
	Yearly average before July 1, 1924 (see text)	June 1924	Yearly projection for 1924 (June multiplied by 12)	Excluding Coat of Arms higher than 2¢ denomination (ordinary only)	Coat of Arms: 5¢-\$1 ordinary, booklets, and envelopes
<b>Ordinary</b>					
1¢	780,000	62,243	747,000	475,247	
2¢	1,300,000	104,350	1,252,000	629,160	
5¢	390,000	24,460	294,000	286,328	249,400
10¢	86,700	3,743	44,900	326,234	74,400
12¢	42,000	5,672	68,100	185,086	49,400
15¢	26,600	2,952	35,400	400,286	24,400
24¢	29,300	1,487	17,800	330,053	9,400
50¢	5,500	446	5,350	53,734	4,400
\$1	6,000	821	9,850	26,986	4,400
<b>Postage Due</b>					
1¢	7,000	11,583	139,000	39,386	
2¢	17,600	1,922	23,100	47,802	
4¢	7,790	2,305	27,700	64,305	
10¢	20,200	2,394	28,700	124,452	
<b>Booklets</b>					
1¢ (4-pane)	7,550	529	6,350	25,054	5,000
2¢ (2-pane)	20,500	1,717	20,600	20,854	30,000
2¢ (4-pane)	3,200	151	1,800	7,394	5,000
<b>Postal Cards</b>					
1¢	65,600	5,762	69,100	156,000	
<b>Stamped Envelopes</b>					
1¢	26,700	1,568	18,800	29,319	150,000
2¢	225,000	18,025	216,000	203,959	
10¢ Registry		2	24	5	



1, 1924; 7 years and 6 months for the 12¢ through 24¢; 3 years and 10 months for the 50¢ and \$1; 8 years and 8 months for the 1¢, 2¢, and 10¢ postage dues; 4 years and 7 months for the 4¢ postage due; 8 years and 3 months for the stamped envelopes; and 11 years and 4 months for the postal cards. Furthermore, records exist of the exact quantity of stamps by denomination sold during the month of June 1924 as listed in the third column of Table 10.1. The fourth column of Table 10.1 shows these quantities multiplied by 12 in order to obtain a probable yearly use. The average use of a given denomination obtained by these two methods agrees reasonably well, especially considering that two quite different periods are covered—the *construction* of the Canal and the huge work force employed to 1915, and the *operation* of the Canal from 1915 onwards, with a vastly reduced work force—and the fact that the use of a given denomination varies as postal rates and other conditions change. These average uses also agree quite well with Director of Posts Calhoun's 1921 letter to the USPOD inquiring about the cost of obtaining slightly more than a one year's supply of overprinted U.S. stamps, as quoted at the beginning of Chapter 11.

Some of the pronounced differences between columns two and four of Table 10.1 can be explained. For example, the decrease in use of the 10¢ and the corresponding increase in use of the 12¢ were undoubtedly connected with changes in the registry fee. The largest discrepancy is for the 1¢ postage due. Either a large mailing came through in June 1924 which required these stamps, or possibly a stamp dealer or collector obtained some during the last month they were on sale. An interesting point, however, is that most denominations show no unusual sale during June 1924, so there obviously was no last minute rush to purchase these stamps for philatelic purposes before they went off sale.

The fifth column of Table 10.1 lists the quantity of each denomination destroyed. These quantities do not include the quantity of 5¢ to \$1 Coat of Arms stamps which were destroyed; these figures are given separately in the sixth column. The 5¢ to \$1 Coat of Arms were all destroyed except for 600 of each which had been sent to the UPU. Thus the total destroyed of each of these denominations of the Coat of Arms issue is known.

A comparison of the yearly use of each denomination with the quantity on hand on July 1, 1924 (equal to the quantity destroyed in 1937) shows vast differences. For example, there were enough 15¢, 24¢, and 50¢ stamps on hand to last approximately ten years at the current rate of use. In contrast, there was on hand only about a half year's supply of the 1¢ and 2¢ ordinaries; less than a year's supply of the 5¢ ordinary; and less than a year's supply of the 2¢ stamped

envelopes. The 1¢ postage due was also in short supply, if the June 1924 sale was typical of the period, but was in ample supply compared to the average sales of previous years. Considerably more than a year's supply was on hand of all other postage dues.

Since the records show only the quantity destroyed of each denomination, it is not possible to conclude exactly how many were issued of each denomination in a given series except in those cases where a denomination comes from only one series. This is the case only for the 12¢ and \$1 ordinaries and the 1¢, 4¢, and 10¢ postage dues. Thus these are the only stamps for which the exact quantities issued are known. In the past, estimates have been made of the quantities sold of the other stamps and postal stationery. Some of these estimates formerly were published in the Scott catalog, but now have been deleted.

There is some value in educated guesses as to the quantities issued, provided that the quantities are clearly labeled as estimates. These are included in Table 10.2. The denomination is listed in the first column, the Scott catalog number in the second column, and the quantity delivered to the Canal Zone in the third. The quantity issued is given in the fourth column and these are labeled estimates in all cases for which the exact quantity is unknown. These estimates have been rounded off in all cases, so that the estimated quantity issued checks only approximately with the quantities printed and destroyed of each denomination.

The 1¢ stamps were the second most heavily used stamps in the Canal Zone with approximately 750,000 used annually. The stock of this denomination had completely run out in the Treasurer's vault in January 1924. The result was the emergency provisional Mount Hope Type III overprint on the 1¢ Vallarino, Scott No. 67. However, only about a week after this stamp was placed on sale, the 1¢ Coat of Arms, Scott No. 68, was received and immediately issued; therefore, it is believed that only a small quantity of the Type III stamp was sold. It is understandable that few of these were saved in unused condition, since most collectors did not learn of the stamp's existence until many years later. The small sale is confirmed by the fact that this stamp is very scarce unused and is scarce used. It is estimated that only 15,000 were sold based on its scarcity in both unused and used condition and on its short period of sale. Similarly, it is estimated that 250,000 were issued of the 1¢ Coat of Arms, Scott No. 68; this estimate is based both on its being readily available unused and used and on its five-month period of sale. The remainder of the 1¢ stamps *destroyed* would have to come from Scott Nos. 46, 55, and 60 in quantities that it is estimated were 170,000 of Scott No. 46, 20,000 of Scott No. 55, and almost none of Scott No. 60. One or more of these stamps



TABLE 10.2  
Quantities Printed and Quantities Issued,  
Scott Nos. 41/69, J7-J11, U1-U5, UF1, and UX4-UX6

Denomination	Scott Catalog Number	Quantity Printed	Quantity Issued
<b>Ordinary</b>			
1¢ Balboa Type III	46	249,400	80,000 (est.)
1¢ Balboa Type V	55	1,000,000	980,000 (est.)
1¢ Vallarino Type V	60	1,000,000	1,000,000 (est.)
1¢ Vallarino Type III	67	50,000	15,000 (est.)
1¢ Coat of Arms	68	500,000	250,000 (est.)
2¢ Type III	47	181,000	40,000 (est.)
2¢ Type IV	53	2,000,000	2,000,000 (est.)
2¢ Type V	56	3,000,000	3,000,000 (est.)
2¢ Centenary	61	2,000,000	2,000,000 (est.)
2¢ Coat of Arms	69	1,000,000	510,000 (est.)
5¢ Type III	48	149,700	70,000 (est.)
5¢ Type IV	54	500,000	500,000 (est.)
5¢ Type V	57	500,000	290,000 (est.)
5¢ Centenary	62	500,000	500,000 (est.)
10¢ Type II	41	500,000	275,000 (est.)
10¢ Centenary	63	250,000	150,000 (est.)
12¢ S.S. Panama	49	500,000	314,914
15¢ S.S. Panama	50	500,000	125,000 (est.)
15¢ Centenary	64	100,000	75,000 (est.)
24¢ S.S. Cristobal	51	500,000	170,000 (est.)
24¢ Centenary	65	50,000	50,000 (est.)
50¢ Drydock	58	50,000	6,400 (est.)
50¢ Centenary	66	25,000	14,900 (est.)
\$1 U.S.S. Nereus	59	50,000	23,014
<b>Postage Due</b>			
1¢ Type II in red	J7	100,000	60,614
2¢ Type II in red	J8	150,000	100,000 (est.)
2¢ Type III	J10	50,000	50,000 (est.)
4¢ Type III	J11	100,000	36,095
10¢ Type II in red	J9	300,000	175,548
<b>Booklet Panes</b>			
1¢ Balboa Type V	55e	100,000	10,000 (est.)
1¢ Vallarino Type V	60b	40,000	30,000 (est.)
2¢ Type V	56g	240,000	190,000 (est.)
2¢ Centenary	61f	50,000	30,000 (est.)
<b>Postal Cards</b>			
1¢ Balboa	UX4	700,000	674,000 (est.)
1¢ Vallarino	UX5	50,000	50,000 (est.)
1¢ Coat of Arms	UX6	150,000	20,000 (est.)
<b>Stamped Envelopes</b>			
1¢ Balboa	U1	350,000	350,000 (est.)
1¢ Vallarino	U3	50,000	20,000 (est.)
2¢ Cordoba	U2	1,512,000	1,512,000 (est.)
2¢ Land Gate	U4	300,000	300,000 (est.)
2¢ Coat of Arms	U5	250,000	46,000 (est.)
10¢ Registry	UF1	35,000	34,995

must have been unsold at some of the smaller, and perhaps larger, post offices on July 1, 1924, even though the Treasurer's vault had almost no 1¢ stamps on hand six months earlier. This shortage at the Treasurer's vault does not mean that all the previous 1¢ stamps had been sold out at the post offices. However, the 1¢ Centenary, Scott No. 60, probably was essentially sold out since postmasters were supposed to sell the Centenary issue first.

The 2¢ stamps were the most heavily used in the Canal Zone during this period, with approximately

1,300,000 used per year. It is estimated that 510,000 of the 2¢ Coat of Arms, Scott No. 69, were sold, based on its period of sale, as well as 40,000 of Scott No. 47, 2,000,000 of Scott No. 53, 3,000,000 of Scott No. 56, and 2,000,000 of Scott No. 61. The 2¢ Centenary, Scott No. 61, probably was essentially sold out because, again, postmasters were supposed to sell the Centenary issue first. The rarity of unused copies of the 2¢ Type III, Scott No. 47, which is also scarce used, determines the estimated quantity sold. This local overprint was issued only 12 days before the first delivery of the 2¢ Type V, Scott No. 56. The overprint of the 2¢ Type III had a poor appearance compared to the American Bank Note Company's overprint. It is believed that because of this poor appearance the authorities put the remainder of the Type III stamps in the "back" of the Treasurer's vault and that they were eventually destroyed in the burning. The rarity of Scott No. 47 suggests that Scott Nos. 53 and 56 were essentially sold out, because otherwise the estimated quantity issued of Scott No. 47 must be increased.

The estimates for the 5¢ stamps are perhaps the most uncertain of any, but are based on the period of use of each stamp and the fact that the postmasters were ordered to sell the Centenary issue before any other stamps.

Regarding the estimates of the 10¢ stamps, it is possible that some copies of other 10¢ stamps were destroyed, such as Scott Nos. 36, 37, and 45; however, if this was the case the quantities involved probably were negligible.

There is no point in commenting individually on the remainder of the estimates. In each case they are obtained from a consideration of the period of sale of the stamp, the average yearly use of that denomination, and the relative scarcity of the stamp.

There is always the possibility that some stamps from other series not included in Table 10.2 could have been destroyed. If this happened, the quantities probably were negligible.

## CHAPTER 11

### OVERPRINTED UNITED STATES ISSUES, 1924-39

The first U.S. stamps overprinted for the Canal Zone were definitives issued in 1904 (discussed in Chapter 3) and postage dues issued in 1914 (discussed in Chapter 17). Overprinted U.S. stamps were not issued again until July 1, 1924. The last such stamps were issued on September 1, 1939. From 1929 through 1948 the Canal Zone gradually replaced the overprinted U.S. stamps with stamps of distinctive C.Z.