

# 1924 Panama Arms Issue for Use in the Canal Zone

## Purpose:

This 2-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 I. ABNCo Production/Archive Material

Page 4 II. Canal Zone Overprint Issue

Page 5-7 III. Postal Use

Page 8 IV. A Farewell to Arms



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

## 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following the first use of the overprinted 1c green and 2c carmine, the Taft Agreement was abrogated and the stamps withdrawn from the post office.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.

Items considered significant are noted in red frame.



Magnifying glass denotes original discovery



Trial Color Proof on card from ABNCo.  
Only known 1c black copy not cut  
down for ABNCo files.

Original center (vignette) die in 1923  
was C-1487, with the 1924 ABNCo  
renumbering of the dies, the number  
was changed to 33955



2c Carmine approved November 27,  
1923 by ABNCo officials, Approved  
2 weeks prior to the other issues.

HJB—H. Joseph Bagley, ABNCo Vice  
President

AR—Arnold Reese, Manager of  
Engraving Division - Bronx



1c Green approved December 11,  
1923 by ABNCo officials

HJB—H. Joseph Bagley, ABNCo Vice  
President

SHL—Sanford H Lane, ABNCo

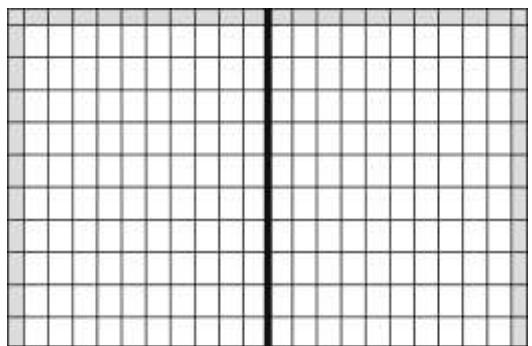
HRT—Henry R Treadwell, ABNCo  
VP

## I. Archive Material: Proofs



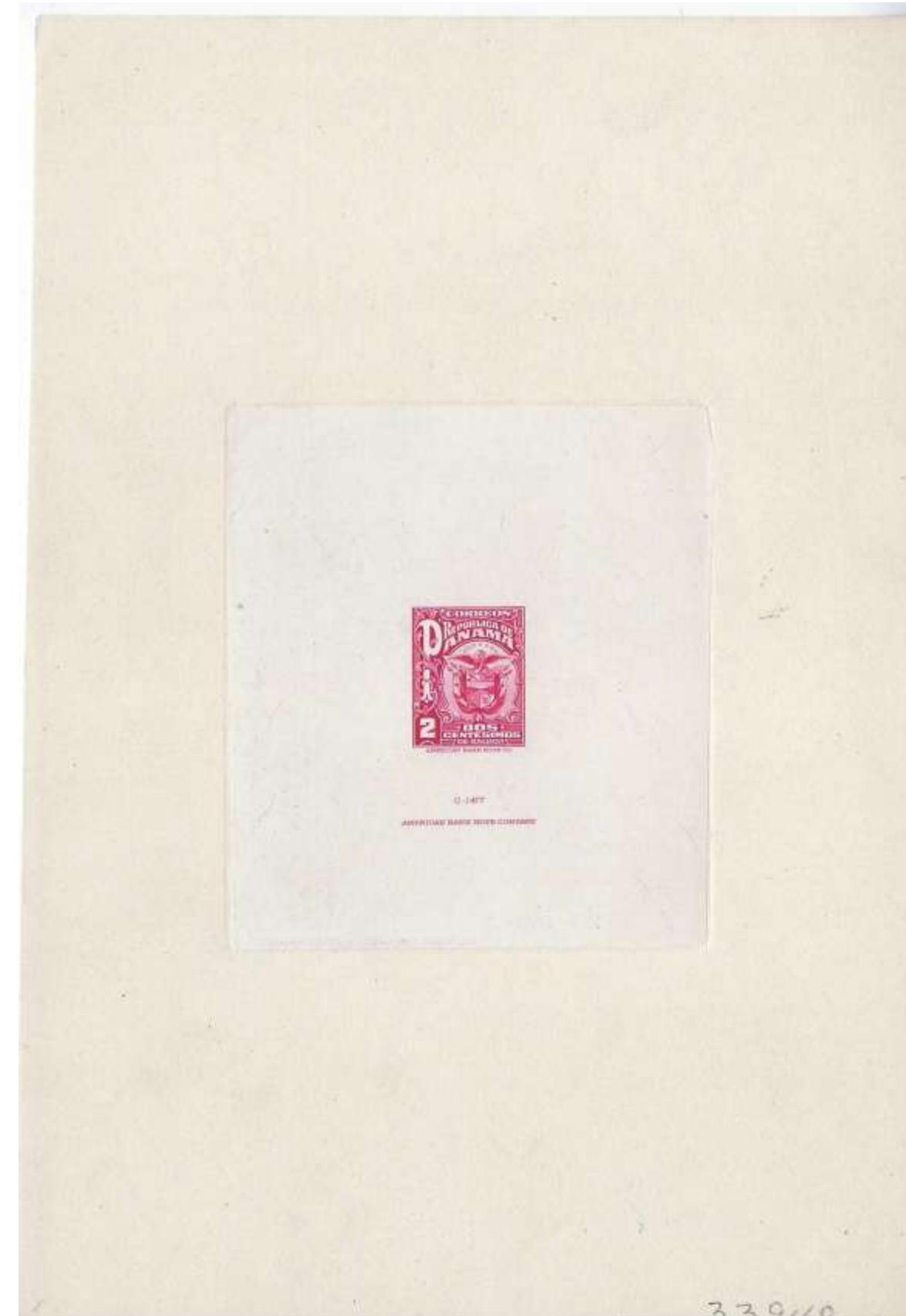
1c cent dark green and 2c carmine gutter blocks of 12 on card as examples of the proofs on card.

From the ABNCo archive approval sheet. F-7427 order number in upper right corner of left pane.



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

## I. Archive Material: Sunken Die Proofs



The 2c carmine (Die C-1477) American Bank Note Company Sunken Die Proof with 1923 die number and penciled 1924 die number (33948) in lower right corner assigned when all ABNCo dies were renumbered.

The 2c carmine was needed immediately and the die was created first.

The C-1477 was the master die used for the remaining issues.



Enlarged to 150%

## I. Archive Material: Specimens

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 ABNCo archives.

Panes were printed in sheets of 24, eight panes across and three panes down.



F7428



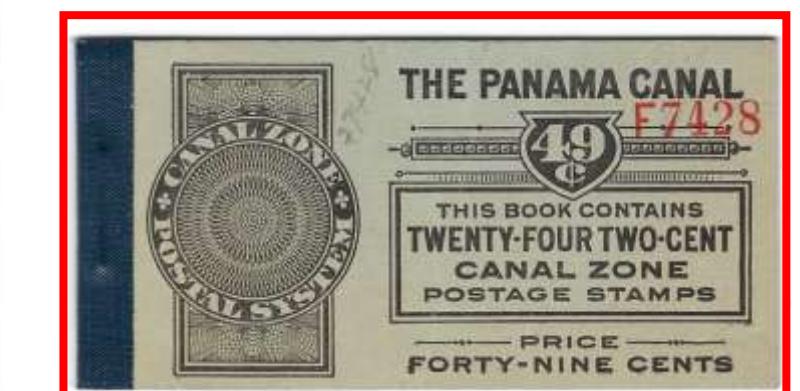
Six specimen uncut booklet panes of 1 cent green with ABNCo order F7428 at top margin. The ABNCo archive contained 69 panes.

CANAL  
ZONE

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

SPECIMEN

SPECIMEN overprint  
type B used by the  
ABNCo.



Six specimen uncut booklet panes of 2 cent carmine with ABNCo order F7428 at top margin. The ABNCo archive contained 71 panes.

DOMESTIC POSTAGE RATES.  
(Applies to mail matter for Canada, Cuba, Guam, Hawaii,  
Mexico, Philippines, Porto Rico, Republic of Panama,  
Trinidad and the United States.)  
FIRST-CLASS. Letters and sealed Matter: 2 cts. for each  
ounce or fraction. Postal Cards and Post Cards: 1 ct. each.  
SECOND-CLASS. Newspapers and Periodicals: 1 ct. for each  
four ounces or fraction.  
THIRD-CLASS. Miscellaneous Printed Matter: 1 ct. for each  
two ounces or fraction.  
FOURTH-CLASS. All matter not included in first three  
classes: 1 ct. for each ounce or fraction.

Back of booklet cover reduced 25%

## II. 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 added to each printed sheet by the ABNCo. The same order number as Panama's original order.



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



On February 27, 1924 Panama requested 600 sets of the 1 cent—1 Balboa 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.



Issue	Quantity Delivered	Destroyed August 1937
1 cent green	500,000	250,000
2 cent carmine/carmine rose	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



2 cent Carmine Rose      2 cent Carmine



The only listed color variation is the 2c carmine rose.

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.

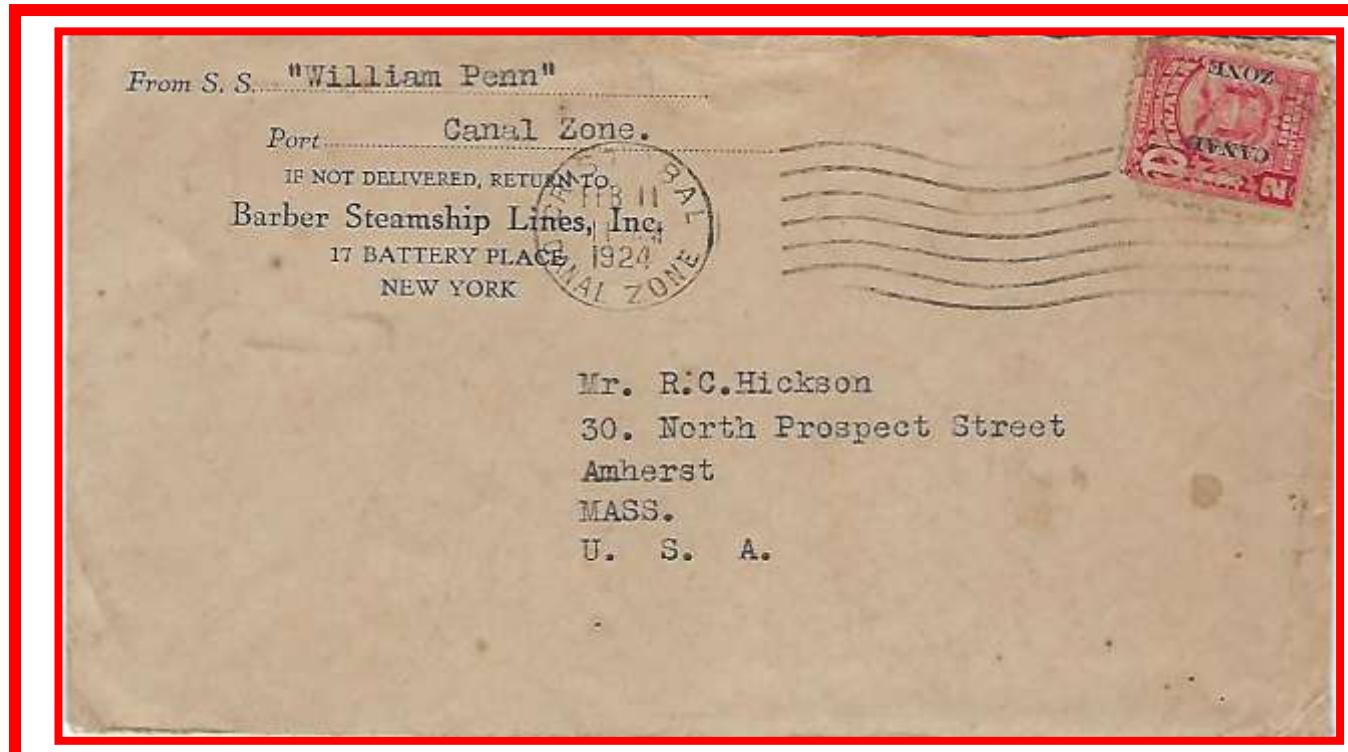
The Taft Agreement was dissolved effective June 1, 1924. Panama stamps overprinted "Canal Zone" were replaced by stamps of the United States overprinted "Canal Zone" on July 1, 1924. This led to a short window of use of overprinted Panama Arms stamp in the Canal Zone. Only the 1 cent dark green and 2 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.

### III. Postal Use: EKU and Dropped E



New earliest known use of the Panama Arms overprint issue February 11, 1924.  
Discovered by author March 2021.

Previously reported earliest known use was February 12, 1924.



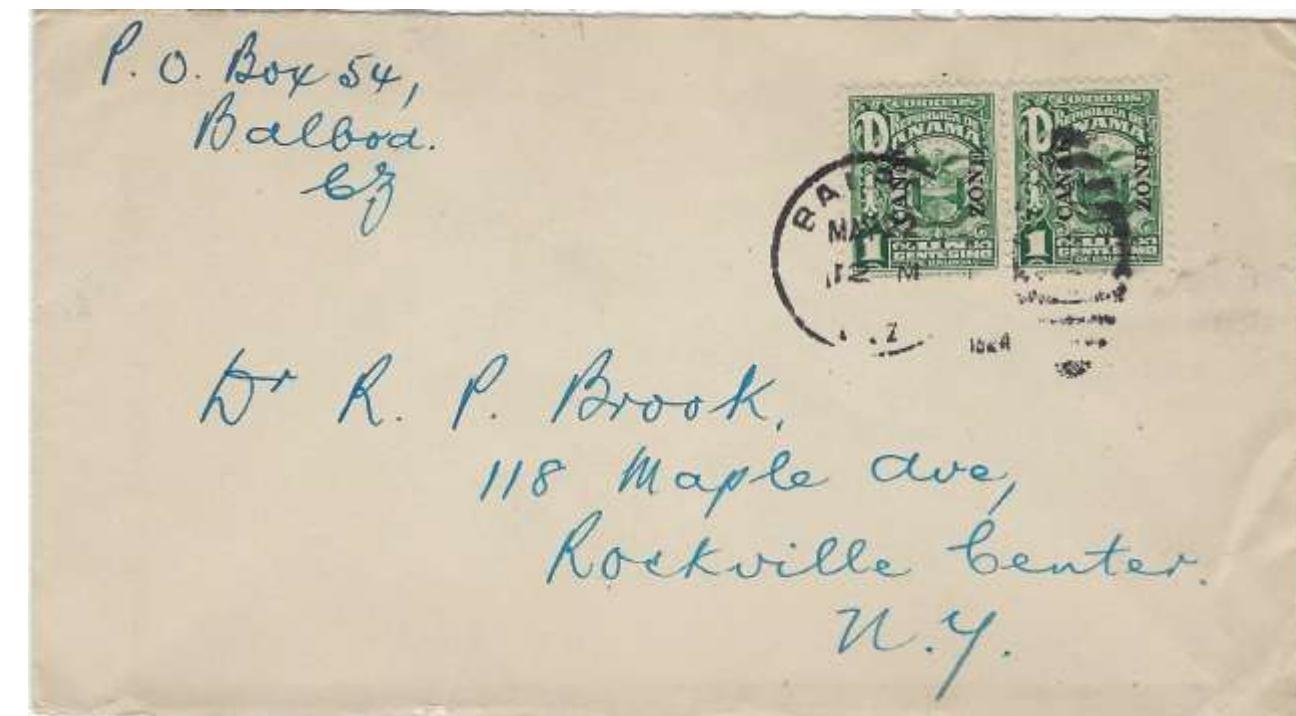
The 2 cent carmine rose postmark on February 11, 1924 in **Cristobal, Canal Zone** to Amherst, Massachusetts. The 2 cent rate paid the **2 cent letter rate to the United States**.



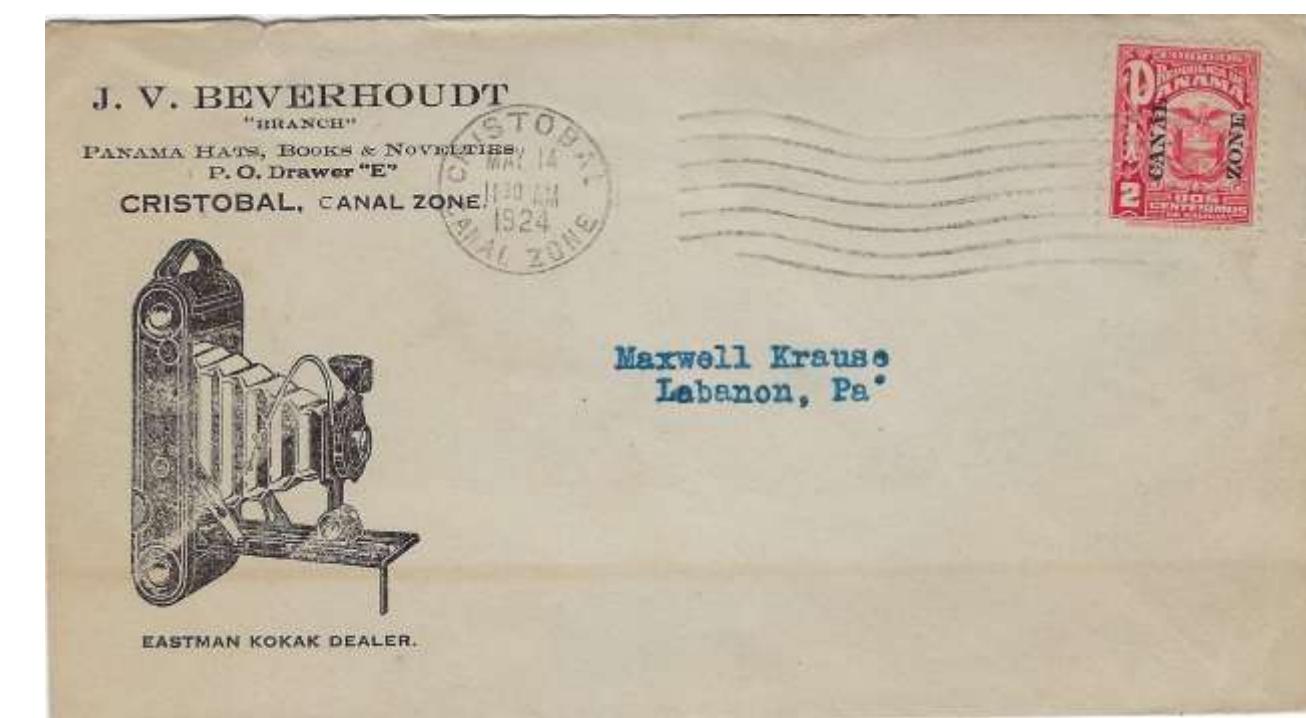
Note top of "E" in top row of stamps is slightly below the top of the other letters. Referred to as the dropped E variety. The dropped "E" variety is found in approximately 10% of issues.



Enlarged to 200%



Example of pair of 1-cent green from **Balboa** May 22, 1924 to **Rockville Center, NY**.  
Left stamp with dropped 'E' and right stamp normal.



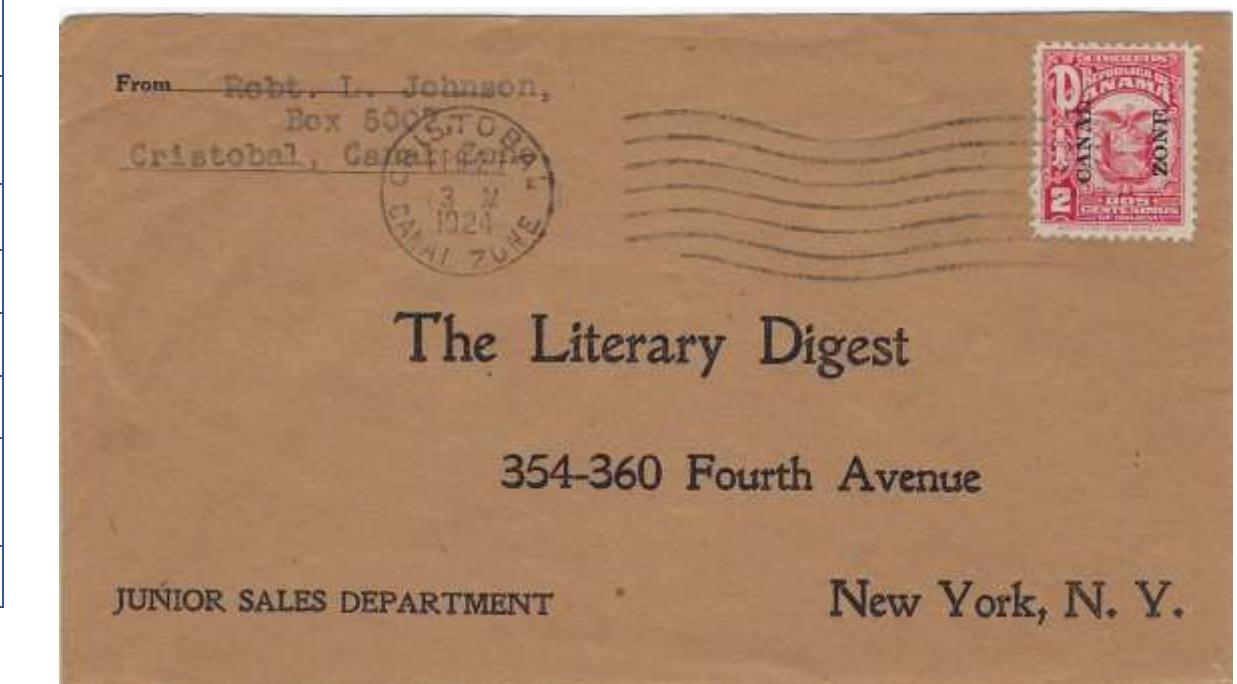
Example of 2 cent carmine dropped 'E' on cover from **Cristobal** May 14, 1924 paying the **2 cent letter rate to the United States**.

### III. Postal Use: Domestic



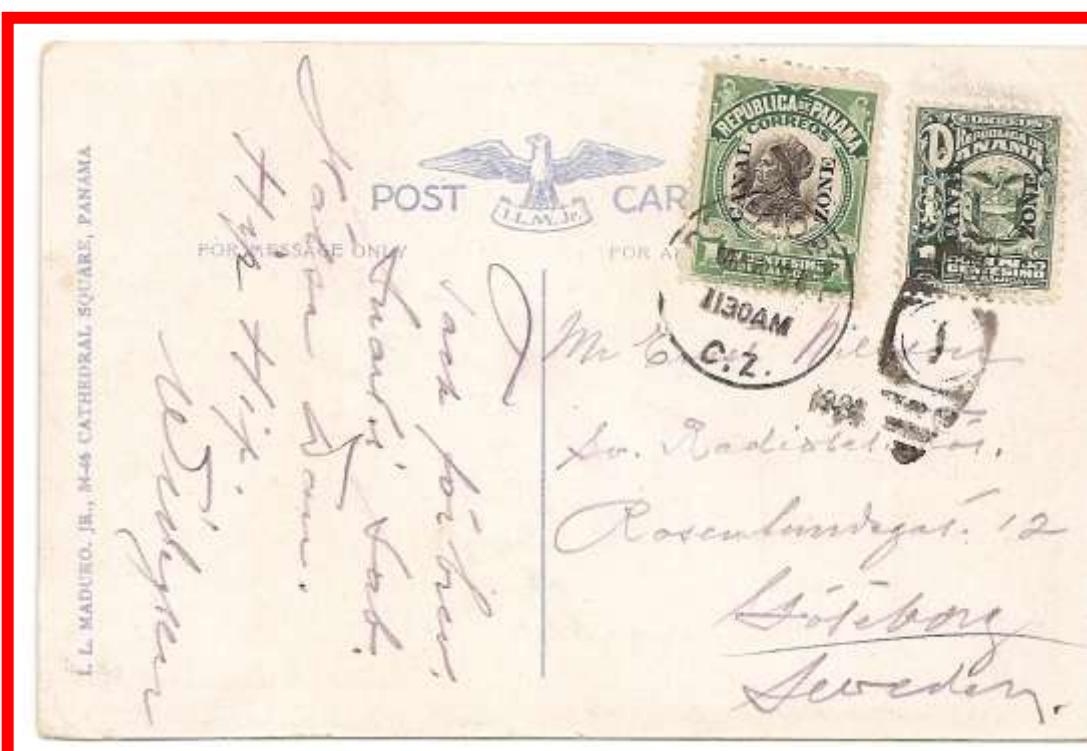
Postmarked July 1, 1924 in **Cristobal, Canal Zone** to Richmond Hill, New York. The 1-cent dark green with dropped 'E' pays the **1-cent postcard rate to the United States**.

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
Printed matter rate	1 cent
Local and US Postcard Rate	1 cent
UPU Postcard Rate	2 cents



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

Leap Day Cover



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**. One of six known postcards to foreign destinations and only postcard to Sweden.



Postmark July 11, 1924 **Ancon, Canal Zone** to **Balboa Heights, Canal Zone**. The 2 cent carmine paying **2 cent local letter rate**. Posted during the July 1—August 1, 1924 grace period after stamps withdrawn.

### III. Postal Use: Foreign Letter



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 3 foreign registered covers.



Postmark June 3, 1924 in **Cristobal** to **Vienna, Austria**. The 1 cent green and 2 cent carmine uprating the 2 cent postal stationery to the **5 cent UPU letter rate**. The 12c purple overpaying the 10 cent registration rate.

One of 3 foreign registered covers.



Postmark July 12, 1924 in **Cristobal, Canal Zone** to **Huddersfield, England**. The 1 cent in combination with the newly issued Fourth Bureau overprint to pay the **5 cent UPU letter rate**. Posted during the grace period.

### III. Postal Use: Printed Matter and Perfin P



Postmark June 26, 1924 in Ancon, Canal Zone to New Riegel, Ohio. The 1 cent green pays the **1 cent unsealed printed matter letter rate to the United States**.

### Perfin P Official Use



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.



Back image at 150%

### IV. A Farewell to Arms

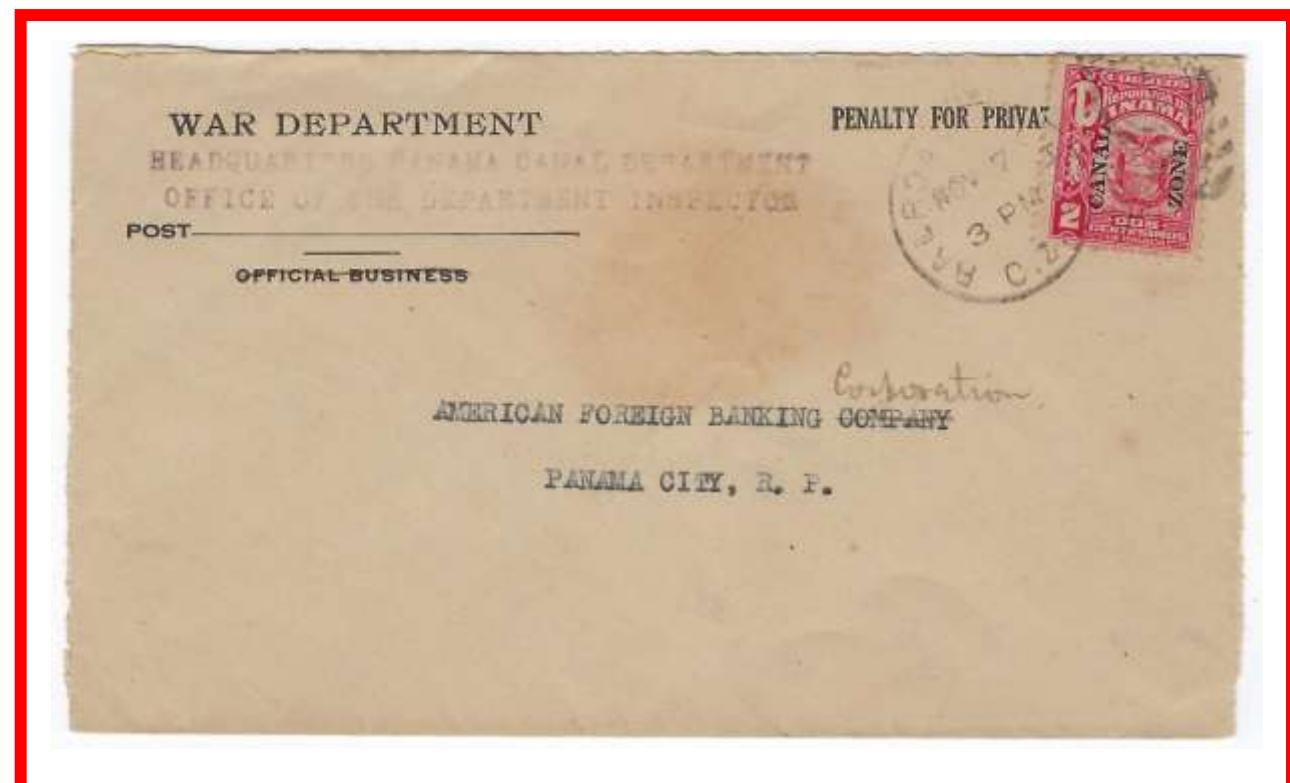
At the close of business on June 30, 1924, all Panama stamps overprinted "Canal Zone" were withdrawn from the post office. Panama overprints were valid until August 31, 1924. The period from June 30th to August 31st is known as the grace period. No further Panama overprinted issues were sold and remaining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



Last known Arms cover 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 reported non-philatelic use of Arms issue. November 7, 1924 Balboa Heights to Panama City, Panama paying 2-cent rate to Panama.