

80 Years Ago in Mekeel's:

Establishment, Panama Canal Zone Postal System, 1904

by Harry E. Huber (From Mekeel's Weekly, June 25, 1928, with photos added)

After their liberation from Spanish rule on Nov. 28, 1821, the Isthmian provinces of Veraguas and Panama joined the Colombian Confederation as the Department of the Isthmus, and continued as a part of it until the revolution of November 3, 1903. The formal declaration of independence was made November 4th, when the Municipal Council of the City of Panama met, and...unanimously voted that Panama should be declared a free and independent republic. This resolution was ratified at a mass meeting of the people of Panama City held that afternoon at 3 o'clock in Cathedral Plaza, and nine days later, the new republic was recognised by the United States.

By a treaty between the two Governments, signed November 18, 1903, the U.S. acquired the right to construct a canal across the Isthmus, and a strip of land ten miles wide (five miles on either side of the proposed Canal route), excluding the terminal cities of Panama and Colon, except in matters of sanitation and quarantine. For this Panama received 10 million dollars, and an annual payment of \$250,000, after nine years. The treaty was ratified by the U.S. Senate, February 23, 1904, and proclaimed February 26th.

The purchase of the Canal properties was completed on April 23rd, by the payment of \$40,000,000 to the French Canal Co., and on May 4th...formal transfer of them was made.... On May 7th, the French Co. transferred 68,887 of the 70,000 shares of the Panama R.R. Co. stock to the authorised agent of the U.S. Government.



An 1894 cover with a rare "Colon/25 Nov 94/Canal de Panama" French Canal Company marking (right side). The cover to France bears a strip of five of the 1¢ on 2¢ rose with two different type surcharges (Sc. 22-24) and a 5¢ on 20¢ black single.

Six days after the ratification of the Canal treaty by the U.S. Senate, President Roosevelt appointed an Isthmian Canal Commission, of seven members.... On May 9th the President issued an Executive Order placing the work of the Isthmian Canal Commission, both in the construction of the Canal and in the exercise of governmental powers, in the Canal Zone, under the supervision and direction of the Secretary of War (William H. Taft). In the same order power was given to the Commission to legislate and Maj. General George W. Davis, U.S.A., a member of the Commission, was appointed Governor of the Canal Zone.

Gov. Davis entered upon his duties on May 17th.... On June

16th an agreement was signed with the officials of the Panama Government containing a provisional delimitation of the Zone as described in the Canal treaty.

By sections 1 and 2, of Order 551, dated June 2nd, 1904, of the Postmaster General of the U.S., H.C. Payne, the domestic rates of postage were made to apply to or from all possessions of the U.S. named in section 3—

"3.—In this order, Hawaii and Porto Rico are included in the term 'United States'; and the Philippine Archipelago, Guam, Tutuila (including all adjacent islands of the Samoan group, which are possessions of the United States), and the Canal Zone, are included in the term 'Possessions of the United States.' The term 'Canal Zone' includes all the territory purchased of Panama, comprising the 'Canal Zone' proper, and the islands in the Bay of Panama named Perico, Naos, Culebra and Flamenco."

The postal system of the Canal Zone was inaugurated by an Executive Order of June 24, 1904—

"War Department, Washington,
June 24, 1904.

To the Chairman of the Isthmian Canal Commission:— Sir—
The necessities of the inhabitants and the due administration of the affairs of government in the Canal Zone at Panama require the establishment of post offices and postal service in that territory. It is therefore ordered: That a Post Office be established in each of the following named towns of the Canal Zone, to wit: Cristobal, Gatun, Bohio, Gorgona, Bas Obispo, Empire, Culebra, La Boca and Ancon.

...The Governor of the Canal Zone is hereby authorised to appoint Postmasters for the Post Offices herein established and fix the compensation therefor, subject to the approval of the Isthmian Canal Commission.

The Governor of the Canal Zone is directed to formulate a plan for a practical and efficient postal service in said Canal Zone...

By direction of the President. Signed, Wm. H. Taft,
Secretary of War."

The Treasurer of the Canal Zone, Paymaster E.C. Tobey, U.S.N., was delegated by the Governor to supervise the opening of Post Offices, and the operation of the postal system.

"Executive Office, Canal Zone,
CULEBRA, June 24th, 1904.

Paymaster E.C. Tobey, U.S.N., Treasurer of the Canal Zone, is charged with the work of establishment and operation of the Postal Service in the Canal Zone....

Signed, George W. Davis, Governor."

Although only nine offices are mentioned in the Executive Order, ten Post Offices were actually opened on June 24, 1904, with Panama R.R. agents in charge as Postmasters. Matachin was substituted for Bas Obispo, and a tenth office opened at San Pablo. A small quantity of postage stamps (2¢, 5¢ and 10¢) was secured from the Panama Government, and rubber stamped "Canal Zone," in one line, as a temporary issue pending receipt of U.S. stamps similarly marked. In the circular published concerning the establishment of the postal service, persons were warned not to purchase more stamps than were

absolutely necessary for immediate use, as after receipt of U.S. stamps, those of Panama overprinted "Canal Zone" would not be valid for use, or redemption.

The overprinted stamps were placed on sale June 24, 1904, and precautions were taken to confine their sale strictly to postal use; the supply was only sufficient for the estimated postal necessities. Postmasters were instructed to sell only \$1 worth silver, or 50¢ gold, to an applicant, but blocks and sheets are known in mint condition, with greater face value.



2¢ rose cancelled by "Matachin/Canal Zone/Jun 25, 1904", the first day of Post Office operation and second day of issue.



1905 2¢ rose with "Panama" overprint inverted, Sc. 11b. The bar that is supposed to obliterate "Colombia" also is inverted so it appears at the bottom.

The stamps supplied by Panama were of the 1892 issue from Colombia, Map design, [not to be confused with the U.S. 1893 Columbian issue—Panama having been a Department of the country of Colombia] engraved and printed by the American Bank Note Co. of New York, in sheets of 100 (10x10), perforated 12, single line, and locally overprinted at Panama City, with a bar cancelling "COLOMBIA" at the top, and adding "PANAMA—PANAMA" at the sides.

The 2¢ furnished the Zone authorities was with the overprint of the 3rd Panama setting. In these stamps "COLOMBIA" was first obliterated with a bar in the color of the stamp before applying the PANAMA—PANAMA overprint from a setting of 50 (5 horizontal by 10 vertical). Two impressions from this setting were required to completely overprint the sheets of 100 stamps. Usually, the overprint reads up on both halves of the sheet (i.e., left half and right half), but where the sheet was reversed after the left half had been overprinted, the overprint on the right half is in an inverted position, i.e., PANAMA—PANAMA reads down. Normally, the length of PANAMA is 13-1/2mm, and the letters are 1-3/4mm, high, reading up at both sides. But on [position] Nos. 46, 47, 48, 49, 50 (of the 50 subject setting) the word measures 15mm, and the letters are 2mm high. On No. 1 of the setting, PANAMA measures 13x1-3/4mm, and reads down at the left, and up at the right. Varieties in the left half of the sheet are repeated in the right half, although the positions (in the



Vertical pair with "Panama" reading up both sides on top stamp and down on bottom stamp, Sc. 1f.



2¢ rose, Sc. 1, strip of three tied by purple "Canal Zone Cristobal Jul. 2, 1904" c.d.s. on cover to the American Consul, Colon



1904 5¢, top center stamp with "Canal Zone" omitted, Sc. 2c



1904 5¢ horizontal pair with "Canal Zone" inverted, Sc. 2a. (Stamps are placed on cover inverted, so that "Canal Zone" appears upright.) Cover to American Vice Consul, Colon, bears "Canal Zone/Ancon/Jul. 9, 1904" c.d.s.

100 stamp sheet) are not always the same—depending on whether the sheet received the overprint in two applications of 50, side by side, normally, or 50 normal (reading up) by 50 inverted (reading down). There are in addition numerous minor varieties where letters of different font were used, etc.

The 5¢ and 10¢ stamps supplied, however, were of the 4th Panama setting, the bar and PANAMA—PANAMA 15x2mm, being printed at one operation, from a setting of 50 (5 horizontal by 10 vertical), side by side. The bar is spaced normally 2-1/2mm above the word PANAMA; there is a variety where this distance is but 2mm. On the 5¢ a few sheets contained a colon between the bar and PANAMA, at the right; and on the 10¢, this took the form of a vertical bar, perhaps a raised "space."

The CANAL ZONE overprint, in one line of caps, was applied,



1904 10¢ yellow with “Canal Zone” inverted, Sc. 3a



1904 10¢ with “Canal Zone” double impression, Sc. 3b



U.S. 10¢ with “Canal Zone/Panama” overprint, Sc. 8

in blue-black ink, with a rubber handstamp, by a clerk in the Executive Offices at Culebra. All three values are known with the Canal Zone overprint double, and all three with the overprint inverted. (Of the latter variety, one sheet each of the 2¢ and 5¢ exists, and of the 10¢ two sheets.) On one sheet of the 5¢ the overprint was applied diagonally instead of horizontally. Of the 5¢ and 10¢, horizontal pairs exist with one stamp minus the CANAL ZONE overprint, occasioned by a vertical row in two sheets of the 5¢ and in one sheet of the 10¢ not receiving the overprint. The

2¢ is also known with double overprint, both inverted, and the 5¢ double, both diagonal.



1904-06 1¢-10¢ and 8¢ on 50¢ issues, Sc. 9-14, on a business reply cover of stamp dealer Theodore Champion with “Canal Zone Ancon Mar. 12, 1905” c.d.s.

The quantities of Panama stamps overprinted and sold between June 24th and July 17, 1904 (U.S. overprinted stamps were issued July 18th) and the remainders, later destroyed, are shown below:—

	Issued.	Sold.		Remainders	
2¢	2,650	2,500	\$ 50.00	150	\$ 3.00
5¢	7,500	6,775	338.75	725	36.25
10¢	<u>5,250</u>	<u>5,025</u>	<u>502.50</u>	<u>225</u>	<u>22.50</u>
	15,400	14,300	\$891.25	1,100	\$61.75

This figure of “value of stamps sold” (\$891.25) is \$35.35 less than that given in the First Annual Report of the Isthmian Canal Commission, dated December 1, 1904, i.e. “The receipts from the sale of Panama postage stamps surcharged Canal Zone, from June 25th to July 16th, 1904, \$926.60.” Evidently a greater quantity was



Block of four of the 1904 8¢ on 50¢ with “8” missing from upper left stamp, Sc. 14g.



2¢ rose, Sc. 10a, with “Republica de Panama” inscription and “Canal Zone” overprint inverted

sold, and a less number destroyed (\$26.40), than shown in this tabulation.

Summary

June 24, 1904. Colombian postage stamps, 1892 series, Map design, engraved and printed by American Bank Note Co. of New York. Overprinted at Panama City, in carmine, with a bar cancelling “COLOMBIA” at the top, and adding “PANAMA—PANAMA” at the sides. Additionally hand-stamped at Culebra, Canal Zone,

“CANAL ZONE” in one line of caps, in blue black, perforated 12, single line.

2¢ rose, PANAMA reading up, 13x1-3/4mm.

a. reading down, 13x1-3/4mm.

b. reading down and up, 13x1-3/4mm.

c. reading up, 15x2mm.

d. reading down, 15x2mm.

e. CANAL ZONE inverted.

f. CANAL ZONE double.

g. CANAL ZONE double, both inverted.

5¢ blue, PANAMA reading up and down, 15x2mm.

a. Distance between bar and PANAMA 2mm instead of 3-1/2mm.

b. Colon between bar and PANAMA, at right.

c. CANAL ZONE inverted.

d. CANAL ZONE double.

e. CANAL ZONE double, both diagonal.

f. CANAL ZONE diagonal.

g. horizontal pair, one without CANAL ZONE overprint.

10¢ orange PANAMA reading up and down, 15x2mm.

a. Distance between bar and PANAMA 2mm instead of 3-1/2mm.

b. vertical line between bar and PANAMA at right.

c. CANAL ZONE inverted.

d. CANAL ZONE double.

e. horizontal pair, one without CANAL ZONE overprint.

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