

PHILATELIC GEMS OF THE CANAL ZONE - INCLUDING THE THATCHER BRIDGE ERROR

INTRODUCTION

When the U.S. government began operations in 1903 in the strip of land on which the Panama Canal was eventually built, the newly formed Canal Zone government quickly realized that it could not rely on the postal system of Panama to service its needs. It created the Canal Zone Postal Service (CZPS) which operated from June 24, 1904 until September 30, 1979 when the first step in returning the Panama Canal to Panama took place.

OBJECTIVE OF THE EXHIBIT

This exhibit shows representative stamps of the Canal Zone, a U.S. Possession listed in the back of the *Scott Specialized Catalogue*, from each of the major philatelic periods of the CZPS, and links the stamps issued during those periods to the historic and political climate in the Canal Zone and Panama at the time. In addition, representative examples of errors, freaks, and oddities from each period are included, reflecting the types of mistakes unique to Canal Zone stamps from each of these major periods.

ORGANIZATION OF THE EXHIBIT

The exhibit is organized chronologically presenting representative stamps and errors from each of the periods of Canal Zone philately:

- 1) The provisional first series stamps valid for 24 days beginning on June 24, 1904
- 2) The first overprinted U.S. stamps valid only until December 12, 1904 due to Taft agreement
- 3) The map stamps of Panama created from stamps of Colombia and overprinted CANAL ZONE
- 4) The portrait and other stamps of Panama printed by Hamilton and American Bank Note Companies and overprinted CANAL ZONE
- 5) The second phase of U.S. stamps overprinted beginning in 1924 by the Bureau of Engraving and Printing (BEP) after the abrogation of the Taft Agreement
- 6) Stamps prepared by the BEP specifically for use in the Canal Zone beginning in 1928.

This year celebrates the 100th Anniversary of the opening of the Panama Canal in 1914. The final period of Canal Zone stamps includes both the 25th and 50th Anniversary series, as well as the 4c Thatcher Bridge stamp issued in 1962; an example of the missing bridge error on this stamp is included in the exhibit.



Thatcher Ferry Bridge as it appears today

1. Provisional First Series Stamps

When the Canal Zone government decided in 1904 to establish its own postal service, there was not enough time to order, to have printed, and to receive overprinted U.S. stamps by the opening date of the first post offices on June 24, 1904. In the interim, a provisional issue was prepared by applying with a handstamp the words CANAL ZONE to stamps that had been purchased from Panama. Panama had been part of Colombia until 1903, but broke away with help from the United States. They retained stamps of Colombia (the map series) and converted them to their use by overprinting the stamps with a bar to obliterate the word COLOMBIA, and adding the word PANAMA reading vertically on both the left and right sides of the stamps. The three provisional stamps, in values of 2c, 5c, and 10c, were valid for postage for only 24 days, after which they were demonetized at the close of business on July 17, 1904, retaining value only to stamp collectors and dealers.

The numbers issued of the stamps in the first series are very small: 2c – 2600 copies; 5c – 7800 copies; and 10c – 4946 copies.



Examples of each of the three values of the provisional first series of Canal Zone stamps

Many used examples of these first series stamps have town cancels applied directly to the stamp with a circular date stamp from the originating post office. At the time the CZPS began operations, there were only nine operating post offices. With one additional post office added in early July 1904, canceled stamps with the town identifiable in the postmark is an area of collecting interest in Canal Zone philately. In fact this collecting interest extends to other eras in Canal Zone history, as only 46 post offices ever existed, with the maximum number operating at any one time being only 24 in 1946.

Though the first day of operations of the CZPS was June 24, 1904, only a couple of post offices opened that day, and examples of stamps and covers cancelled that day are very scarce. A small number of examples of stamps or covers cancelled on the first day have survived. A stamp with a first day cancellation from Cristobal is shown below.



Unique first Canal Zone stamp with first day cancel – one other example exists with an inverted CANAL ZONE overprint

1. Provisional First Series Stamps: errors in applying CANAL ZONE handstamp

Stamps created by the application of a handstamp bring unique possibilities for errors being created by omitting the handstamp overprint, applying it twice, or applying it inverted. The feature that makes the varieties different from later issues with overprints applied with a printing press is that by applying them one stamp at a time, the variety can occur on a single stamp rather than on a whole pane. Examples of handstamp errors shown here are inverted overprints, double overprints, and omitted overprints.



2c and 10c values with inverted handstamp CANAL ZONE overprint



5c provisional first series stamp with overprint omitted on right stamp in pair with normal (4 known)



LR stamp in block of 4 of 5c provisional first series stamp with double CANAL ZONE handstamp (10 known)



Example of 10c first series provisional stamp with double CANAL ZONE handstamp (2 known)

2. Second series: first overprinted U.S. stamps

The order of U.S. stamps overprinted CANAL ZONE/PANAMA arrived on July 13, 1904 and constituted the second series of Canal Zone stamps. The denominations were 1c, 2c, 5c, 8c, and 10c. They went on sale on July 18, 1904. Their use was short-lived however, because the decision to discontinue purchasing stamps at a discount from Panama created a political problem, as it denied Panama a revenue source that was very beneficial to them. Secretary of War William Howard Taft was sent to Panama by President Theodore Roosevelt to negotiate an agreement with Panama. That was completed in late 1904. The Taft Agreement stipulated that the Canal Zone government would purchase at 40% of face value from Panama stamps that had been overprinted CANAL ZONE, thus providing both the CZPS and the Panama government with revenue from the postal service in the Canal Zone. The implementation of the Taft Agreement resulted in the second series having a useful life of a little less than five months.



U.S. stamps overprinted CANAL ZONE/PANAMA constituted the second series of Canal Zone stamps

The number of copies of these stamps sent to the Canal Zone was overwhelming, with the observation made at the time that there were enough to last fifty years. For example, 1,000,000 copies of the 10c value were prepared and sent to the Zone. During the approximately five months they were on sale, only 6522 of the 10c stamp were sold, less than 1% of those produced. The remainders were burned in a huge bonfire in 1906.

Despite the huge number of stamps sent, there were no errors sold to the public. The only varieties were broken letters, which were originally thought not to be consistent varieties but which now are believed to be consistent and plateable, although more than one overprint form was probably used for each value.



Example of block of four of the 2c second series stamp from the reference sheet 5-I pos. 56-6, 65-6; broken letters include LL showing scrunched 3rd A in PANAMA on the UL stamp, filled E in ZONE on LL stamp, and broken P and A in PANAMA at LR

Examples of single stamps from the positions with the broken letters can be found, and are identical in the details of the breaks. They can be matched to the breaks of these letters from the reference sheet.



Broken letters on the 2c value of the second series match each other and the reference sheet block shown above: the broken 3rd A in PANAMA, the broken P and A in PANAMA, and the skinny-legged 3rd A in PANAMA

3. Map Stamps of Panama created from stamps of Colombia: overprinted for use in the Canal Zone

With the signing of the Taft Agreement, the CZPS agreed to use stamps of Panama bought at a discount and already overprinted CANAL ZONE. Most values were originally stamps of Colombia, which had a bar obliterating the word Colombia at the top and the word PANAMA running vertically along the left and right margins. The 1c and one of the two 2c values lacked the bar and added PANAMA overprint. Examples are shown below.



Examples of map series stamps with CANAL ZONE overprint, each of which shows a noteworthy variety

This series, along with the first series, produced numerous examples of errors in the PANAMA overprint.



Pair of 10c map series stamps with double PANAMA overprint on the left stamp



Block with PANAMA overprint shifted left; also UL stamp has one overprint that reads PANAWA and the other is extra long



Block of the 8c value with the PANAMA overprint shifted upward so there is no bar on the bottom two stamps, the bar on the top two stamps is at the bottom of the stamp, and the left PANAMA on the UL stamp reads P NAMA

3. Map Stamps of Panama created from stamps of Colombia: overprinted for use in the Canal Zone with added 8 cts. surcharge

When the switch to the map stamps occurred on December 12, 1904, there was no 8c Panamanian map stamp available, but one was needed to pay the fee for registered mail. To meet this need, copies of the 50c stamp were overprinted CANAL ZONE and surcharged 8 cts. Surcharged regular issue stamps existed only during the era when the Taft Agreement applied. Several errors arose from the incorrect application of the 8 cts. surcharge.



There are five different 8 cts. stamps recognized by Scott. They differ in the typeface of "8cts." or the characteristics of the Panama overprint. Each of the stamps above has a recognized error, variety, or freak.



Block of four of 50c stamp with 8cts. surcharge missing on the two right stamps



Two examples with double 8 cts. surcharge. The style of the 8 cts. surcharge is different on the two errors. In the irregular block of seven of the 50c stamp with 8 cts. surcharge, the surcharge is double on the left three stamps, but the four stamps at right are normal

4. Portrait Stamps of Panama overprinted CANAL ZONE

In 1906 PANAMA began to issue stamps of its own designs, rather than using the overprinted Colombia map stamps. First the Hamilton Bank Note Company and later the American Bank Note Company (ABNCo) provided stamps with a Republic of Panama frame and the bust of a Panama figure as the vignette in black. A CANAL ZONE overprint was then applied to create the Canal Zone stamp.



The eight 2c stamps in the portrait series have very similar appearances, but differ in the type used for the overprint, the overprint orientation, or the specific underlying stamp

There are many errors in the application of the overprint to the portrait series, including double overprints which can be found on many of the stamps in the portrait series.



Double overprint varieties abound on the portrait stamps: shown above are 1c with double overprint, one inverted; 2c with double overprint; and 2c with double overprint, one diagonal reading ZONE CANAL (7 copies on record)

Other types of errors can be found as well, particularly on the stamps prepared by the Hamilton Bank Note Company.



On the left above is a vertical pair, one without overprint; the horizontal pair at right is the variety imperforate between

4. Portrait Stamps of Panama overprinted CANAL ZONE: vignette errors

Errors on Canal Zone stamps that are unique to the portrait stamps occurred when the underlying stamp was printed in two passes through the press. If the sheet was fed into the press on the second pass inverted with respect to the first pass, stamps with inverted centers were created. Three examples on Canal Zone stamps are shown.



Used stamps prepared by the Hamilton Bank Note Co. with the center vignette inverted with respect to the frame

Stamps from the pane used to prepare handmade booklet panes were prepared by ABNCo. with the center inverted. Handmade booklet stamps are characterized by perforations being cut bluntly as at left below, and, in this case, by the stitching used to secure the stamps in the booklet pane covers as seen at the top of the stamp in this case. This particular booklet pane was prepared by cutting away the stamps on the edge of a pane to be assembled between two covers to make a booklet. The stamps in the center were sold as ordinary postage stamps. But in this case the pane being used was printed with the center inverted, creating both booklet panes and individual stamps with the inverted center error.



ABNCo. 2c stamp with inverted center

An error of a type that is extremely rare in philately occurred on one of the Canal Zone portrait stamps, where the frame and vignette do not match. In the case of the Canal Zone variety, the error stamp in the middle has the frame of the 5c stamp printed correctly in blue, but it is combined with the vignette for the 2c variety. In addition to being an exceedingly rare type of error, this particular Canal Zone example is also very scarce, with only nine copies recorded.



The error in the middle is a hybrid consisting of the vignette from the normal 2c value at the left and the frame of the normal 5c stamp at the right

5. U.S. stamps overprinted CANAL ZONE by the Bureau of Engraving and Printing

Beginning on July 1, 1924 with the abrogation of the Taft Agreement, the Canal Zone again began using U.S. stamps overprinted CANAL ZONE. The series then in current use in the U.S. is called the fourth Bureau issue. For the 10c value, four different similar appearing Monroe stamps in the fourth Bureau issue were prepared for use by the CZSP. Other values have some or all of the different versions which differ in the press used to print them, the type font of the overprint, and the gauge of the perforations. Two examples below are flat plate stamps; the other two were printed on a rotary press. The earliest were flat plate stamps issued July 1, 1924 with the CANAL ZONE overprint type A, characterized by the flat A in CANAL. When supplies of the flat A overprinted stamps ran out, the next shipment sent by the BEP to the CZPS had a slightly different overprint with somewhat larger letters and the type B style, referred to as the sharp A overprint. This sharp A overprint was also used on the rotary press stamps beginning in August 1926, first on stamps perforated 10 and later for those perforated 11x10½.



Four different types of the 10c Monroe stamp from the fourth Bureau issue overprinted CANAL ZONE by the BEP. The two at left are flat plate stamps, one with the early flat A overprint and the other with the later sharp A type, which also was used on the two rotary press stamps with different gauge perforations on the two stamps at right

In general, stamps prepared by the BEP had relatively few errors. In the category of Errors, Freaks, and Oddities were stamps with unusual appearances because something happened in the printing process. An example in which the corner of the pane of stamps was creased and folded over the front of the pane is shown below. Note that the underlying U.S. 10c stamp is normal, indicating that the fold took place after the 10c stamps were printed, but before the overprint was applied. In this case, the CANAL Z part of the overprint is missing from the front, but does appear on the reverse side of this pair, as shown in the scan at right below.



Example of 10c flat plate stamp with sharp A overprint missing CANAL on the left stamp and part of the C at right, but which the scan of the reverse side reveals has the missing part of the overprint on the reverse side due to a paper fold-over

5. U.S. stamps overprinted CANAL ZONE by the Bureau of Engraving and Printing

Overprinting was done by setting 400 CANAL slugs and 400 ZONE slugs in the form used to overprint one full sheet of 400 flat plate stamps. In the case of the first printing of the sharp A stamps, an error was made in setting the type in the form, and in one position, No. 18 on the LR pane, two ZONE slugs and no CANAL slug were used, producing the scarce ZONE ZONE varieties on several values. Their discovery prompted the CZPS to search the panes in the post offices and to remove the stamps from positions LR 8 and 18 to avoid selling the ZONE ZONE errors over the post office counters. Some, however, did reach the hands of the public. The ZONE ZONE errors of several values are very scarce.



ZONE ZONE overprint errors on 10c Monroe stamp with sharp A overprint (3 copies known)

A consequence of the creation of the ZONE ZONE was that there was an insufficient number of ZONE slugs to complete the 400 subject overprint form. It is believed that the shortage caused a rush order for an additional pair of CANAL and ZONE slugs. When they were delivered, it was not noticed that they were in a slightly different type font. As a result, one position (UL51) had the CANAL slug in the wrong font, and another position (UL82) had the ZONE slug in the wrong font, as noted in the *Scott Specialized Catalogue* following Canal Zone No. 95. These wrong font varieties are hard to distinguish, but can be identified with experience.



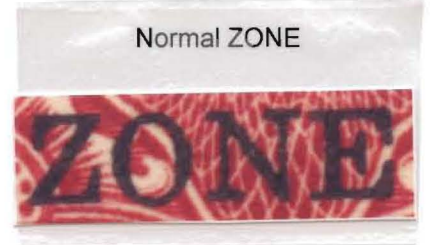
Normal CANAL



Wrong Font CANAL



Normal ZONE



Wrong Font ZONE

Wrong font CANAL and ZONE on the 3c Lincoln: expanded view compares normal and wrong font CANAL and ZONE, and the stamp on the left has a wrong font CANAL, the stamp in the middle has both CANAL and ZONE normal, and the one on the right has a wrong font ZONE. The wrong fonts are characterized by the more nearly complete closure of the C and thinner vertical and diagonal parts of the letters A, A, and L in CANAL, and Z, N, and E in ZONE

5. U.S. stamps overprinted CANAL ZONE by the Bureau of Engraving and Printing

One class of errors involved **typesetting mistakes**. In one position on the LL pane of the 1c Franklin with flat A overprint the ZONE slug was inverted when it was inserted into the overprint form. The result was that the stamp in the LL pane in position 30 had the ZONE part of the overprint inverted. As with other typesetting errors, there is one stamp in the pane on which the inverted slug is evident; the adjacent stamps are unaffected.



1c Franklin with flat A overprint with ZONE inverted

A second example of a **typesetting mistake** occurred in the block of the 20c Golden Gate with sharp A overprint. The lower left stamp from position LL91 has the overprint reading ZONE CANAL because the ZONE and CANAL slugs were interchanged. Note that in the case of a ZONE CANAL variety produced by a typesetting error, the adjacent stamps are normal.



ZONE CANAL typesetting error on the lower left example in the block of 20c Golden Gate stamps (3 copies known)



Other errors are the result of **printing mistakes**. The errors in the two blocks shown below arose when the paper was fed incorrectly into the press. This caused ZONE CANAL errors, but unlike the ZONE CANAL errors produced as a result of typesetting mistakes, the adjacent stamps are also affected here.



The 1c flat A stamps in the block at left were overprinted too low, resulting in the overprints on the top row of the pane reading CANAL only, and the overprints on the remaining stamps reading ZONE CANAL; on the 17c Wilson stamp the overprint is too high, causing the bottom row to have ZONE only varieties, and the overprint on the remaining stamps to read ZONE CANAL

6. Stamps prepared by the BEP specifically for use in the Canal Zone - Air Mail Issues

Beginning in 1928 Air Mail stamps were prepared specifically for the Canal Zone by the BEP. These included the anniversary issues in 1939 and 1964.



1939 Air Mail Issue celebrating the 25th Anniversary of the Opening of the Panama Canal



1964 Air Mail issue celebrating the 50th Anniversary of the Opening of the Panama Canal

Few major errors were produced on the Canal Zone stamps in the era from 1928 to 1979. Two varieties that were produced are shown below.



At left a pair of 31c Air Mail stamps imperforate vertically; at right an example of the 20c provisional air mail stamp with dropped "2" variety accompanied by a normal stamp



Two freaks on 6c Winged Globe Air Mail stamp with pre-printing paper fold at left and paper fold-over at right

6. Stamps prepared by the BEP specifically for use in the Canal Zone – Anniversary Issue

Beginning in 1928 the Canal Zone Postal Service began issuing stamps of their own design, rather than overprinting U.S. stamps. These were prepared by the BEP in Washington, D.C. Generally, very few Canal Zone stamps were issued. But on the occasion of the 25th Anniversary of the Opening of the Panama Canal, on August 15, 1939, a set of 16 stamps was produced to commemorate the event. The stamps were designed in pairs, with the two stamps in each pair showing a before and after Canal Zone scene. For example, the 1c and 2c stamps show before and after views of Balboa, and the 3c and 5c values show before and after views of the Gaillard Cut. The paired designs were supported by President Franklin D. Roosevelt, a keen philatelist, who visited the Canal Zone shortly before the 25th Anniversary. The designs of the 16 stamps in this series are among the most beautiful engraved stamps produced by the BEP.



25th Anniversary of the Opening of the Panama Canal issued August 15, 1939

CANAL

ZONE

STUDY

GROUP

Exhibit for

The Collectors Club

October 2015

Celebrating the

100th Anniversary

of the Opening of

the Panama Canal

August 15, 1914

6. Stamps prepared by the BEP specifically for use in the Canal Zone: The Thatcher Ferry Bridge stamp and Missing Bridge Error

Between 1940 and 1961, the CZPS issued 11 commemorative stamps (including one commemorative air mail), a rate of one every two years. But in 1962, one of three commemoratives issued that year brought philatelic notoriety to the Canal Zone. That stamp was the Thatcher Ferry Bridge stamp, commemorating the opening of the first bridge to span the Canal. The name is derived from the ferry at that point which was the previous means of crossing the Canal, which in turn was named for one of the early Governors of the Canal Zone. The stamp's pathway to fame was created when a number of copies were printed missing the bridge that was part of the design. This was the first major printing error on a Canal Zone stamp in the over 30 years since the era during which overprinted U.S. stamps were used for Canal Zone postage.

The design of the stamp consisted of two parts: first, a map scene showing parts of the continents of North and South America connected by Central America was printed in black in one pass through the press, and then in a second pass, an image of the bridge in silver was added connecting the two continents. Both passes were done on the Giori press, which had the ability to print both colors in a single pass. But the decision was made to print the two colors in two separate passes, inadvertently enabling the error to be created. Sheets of 200 subjects were printed, then broken into four panes of 50. One of these error panes was included in a shipment to Boston stamp dealer Henry Harris in fulfillment of a standing order.

The error occurred not long after the Dag Hammarskjold commemorative stamp had been issued by the U.S. Examples of the Hammarskjold error that reached the hands of the public had the yellow background inverted. The postal authorities decided to reprint the error to prevent financial speculation and to provide the opportunity for all collectors to afford a copy. Similarly, the CZPS announced that it too would reprint the missing bridge error to make it available in large numbers to the public. There was great controversy, with many favoring the reprinting, while roughly equal numbers were opposed to it. Henry Harris, the purchaser of the original pane, objected and used the court system to block the plan to reprint. Eventually an agreement was reached, and the CZPS assured Mr. Harris and the public that the stamp with the error would not be reprinted.

The agreement actually had a more far reaching impact as it applied to errors on all U.S. stamps as well as those of the Canal Zone. As a result, no errors on U.S. or Canal Zone stamps have been reproduced once they have been discovered, leaving the philatelic pursuit of errors, freaks, and oddities unaffected by reproduction in large numbers of the varieties discovered.



NORMAL



MISSING BRIDGE

At left: The 4c Thatcher Ferry Bridge stamp issued in 1962 when the bridge opened to traffic; at right: the Thatcher Ferry bridge stamp with the bridge missing