

# **USA – Panama**

## **Commemorative Note Issue**



Image Credit Danni Jensen – [History of the Panama Canal](#)

**Miguel Chirinos**

# U.S.A. - Panama Commemorative Note Issue

100<sup>th</sup> Anniversary of the Opening of the Panama Canal

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Panama is the southernmost country of Central America. Situated on the isthmus connecting North and South America, it is bordered by Costa Rica to the west, Colombia to the southeast, the Caribbean to the north and the Pacific Ocean to the south. The capital is Panama City. Explored and settled by the Spanish in the 16th century, Panama broke with Spain in 1821 and joined a union of Nueva Granada, Ecuador, and Venezuela, named the Republic of Gran Colombia.



Renowned leader Simón Bolívar chose Panama City as the site for his Latin American Congress, which met from June 22 – 15 July 1826. For Bolivar, Panama was the “*veritable capital of the world, the center of the globe, with one face turned toward Asia and the other toward Africa and Europe.*” Britain and the United States both sent delegates to this historic meeting. Bolivar was passionate about building the canal and after independence a stream of proposals

were put to him. The first by American army officer (a relative of Benjamin Franklin), then by a British naval captain and finally one by a Jamaican merchant. All were focused on the narrow Isthmus at Panama where the Bogotá government tried unsuccessfully to build the canal itself but was not able to get adequate funding from London.



Early attempts to create a bank in Panama date back to the time when that country was part of Gran Colombia. In 1826 the "Revenga Project" was promoted which sought to establish a *Banco Nacional Grancolombiano* to be based in Bogotá with three branches located in Caracas, Guayaquil and Panama City. However it was never able to be established and the project and the concept was discarded. When Gran Colombia dissolved in 1831, Panama and Nueva Granada remained joined. Nueva Granada later became the Republic of Colombia.



The first bank established in Panama dates back to 1861 and was known as the National Bank. It was responsible for circulating paper money which was printed in New York by American Bank Note Company. The *Bank of Perez & Planas* (S726-30) was replaced in 1869 by the *Bank of Panama* (S721-24). In

1866 there appeared the *Exchange Bank of Colon* (S896-99), also responsible for issuing some notes but it quickly disappeared for a breach of contract in 1873. In 1865 and 1867 two banks were created, first public *Sovereign State Bank of Panama* in 1880 would

become the issuer and the other *Ehermoan Bank* responsible for buying foreign currency, which continued for years after the separation of Panama from Colombia. In 1885 the *Saving Bank* based in Colon was created but a fire destroyed the bank and it disappeared from the scene.



The balboa replaced the Colombia peso in 1904 following the country's independence. The balboa has been tied to the United States dollar (which is legal tender in Panama) at an exchange rate of 1:1 since its introduction and has always circulated alongside dollars. It is named in honor of the Spanish explorer Vasco Nuñez de Balboa (1475-1519). He is best known for having crossed the Isthmus of Panama to the Pacific Ocean in 1513. The balboa is subdivided into 100 *centésimos*.

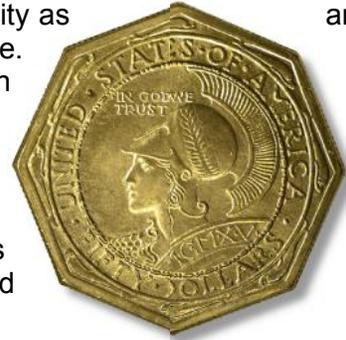
### **U.S.A. – PANAMA \$50 (P.362)**

With the backing of the United States, Panama seceded from Gran Colombia in 1903, allowing the Panama Canal to be built by the U.S. Army Corps of Engineers between 1904 and 1914, becoming an enormous canal lock system with artificial lakes created by dams. Approximately 5,600 workers died during the American construction period. During that time, the United States had spent almost \$375 million on the project. It was a huge sum of money at that time and included \$100 million paid to the Government of Panama. The Panama Canal was built under the supervision of Lt. Col. George W. Goethals. The canal is a 51.3-mile long transportation line and travel route which links the Pacific ports with the Caribbean ports. This was by far the largest American engineering project of that or any previous era. In 1977, an agreement was signed for the complete transfer of the Canal from the United States to Panama by the end of the 20th century.



On January 1, 1913, the United States began to publicize the upcoming 1915 Panama-Pacific International Exposition in San Francisco. It was to be a World's Fair

commemorating the completion of the Panama Canal and the 400th anniversary of the discovery of the Pacific Ocean, but it was widely seen in the city as an opportunity to showcase its recovery from the 1906 earthquake. The fair was constructed on a 635 acre (2.6 km<sup>2</sup>) site in San Francisco, along the northern shore now known as the Marina District. A special commemorative of \$50 coin was only produced in 1915 for the Panama-Pacific International Exposition celebrating the opening of the Panama Canal. Only 1,128 were made, 645 of which were octagonal; this remains the only U.S. coin that was not round as well as the largest and heaviest U.S. coin ever.



Meanwhile, Woodrow Wilson was Elected President in 1913, the Year the Federal Reserve System was established. He was the Democratic parties' nominee for President of the United States. He won the election in 1913 and served his first term until 1917. Mrs. Wilson became ill in the White House and died in 1914. The President was so saddened by her death that he nearly lost all interest in living. Wilson proclaimed the neutrality of the United States in his first term as President. During his second term he was elected by a narrow margin and served his term from 1917-1921. On April 6, 1917 Congress passed a resolution declaring war on Germany. President Wilson was a great leader during the war and fought for a peace treaty for all the European nations.

The opening of the canal in 1914 would shorten the distance to transport cargo and passengers from San Francisco to New York from 13,000 miles around South America's Cape Horn to just over 5,000 miles, halving a voyage of 60 days to one of 30. The Panama Canal or "Big Ditch," as it has often been called, officially opened on August 15, 1914 with the passage of the cargo ship SS Ancon, only a few days after the outbreak of World War I.



Federal Reserve System was established in 1913, in belated reaction to the financial panics of 1893 and 1907. Federal Reserve Notes were authorized by the Federal Reserve Act and became a law on December 23, 1913. The first notes issued were the 1914 series. These notes were issued at the discretion of the Federal Reserve Board and were released by the twelve Federal Reserve Banks. The original act provided for their

redemption in gold at the United States Treasury or lawful money at a Federal Reserve Bank. The Gold Reserve Act of 1934 provided that they be redeemable only in lawful money and not gold.

The first large-size Federal Reserve Notes were the Series 1914, which came in denominations from \$5 to \$100. There are two varieties of the Series 1914. The first notes had red seal and serial numbers while the later ones had a blue seal and serial numbers. The red seal and serial number variety is much tougher. Right down to the late 1920s, the series date remained 1914. On \$50 features the portrait of "President Ulysses Grant" in an oval frame at center.

The reverse has vignettes illustrating the joining of two oceans via the Panama Canal. The central allegorical female is **PANAMA** and she stands on pedestal marked PANAMA astride the canal and joins the Atlantic and Pacific oceans, each represented by a ship--a Titanic class ocean liner at left and a Dreadnought class battleship at right. In reality, this note is actually a **COMMEMORATIVE ISSUE** celebrating the opening of the Panama Canal which occurred in 1914, the series date on this note!



The design was chosen because of the completion of the canal in 1914. The vignette on the note's back celebrates this great American engineering and construction achievement, created by BEP engraver Marcus W. Baldwin (1853-1925). The first day of issue for this note was November 16, 1914. It was issued only from 1914–1925, just before the introduction of small size notes that we use today. This design appeared on both the red seal and blue seal notes of the series and a similar design was used on the Series 1918 Federal Reserve Notes.

This note of \$50 was also popularly known as 'Half C' note because the denomination of \$100 was nicknamed "C-note" (C being the Roman numeral for 100). These banknotes have different combination of signatures of the Treasurer of the United States and Secretary of the Treasury, respectively, as follow: Burke-McAdoo, Burke-Glass, Burke-Houston and White-Mellon. Printed by BEP. Dimensions are 189 x 79 mm.

The U.S. Gold Certificates were discontinued in 1934 - the same year as the U.S. ceased to issue Gold coinage and made it illegal for Americans to own Gold. While the statement

that the certificate is redeemable in Gold coin still appears, there is this ominous addition imprinted on the "Gold Certificate" stamp. Those notes are *"obligations of the United States"* and *"shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank."*

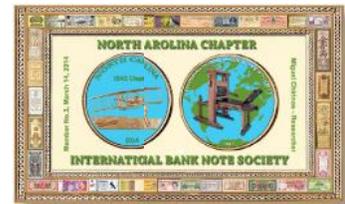
## Conclusion

Most of U.S. Catalogs don't consider this note as a commemorative issue which is not a surprise to me since the "commemoration" primarily takes place on the back of the note! In the market, this bill of \$50, which featured U.S. Grant on the face and a back of Panama between two ships is legitimately tough with a red seal at \$1,265 just in fine and \$14,000 in UNC condition. A blue seal remains the least expensive large-size \$50 you can find but they are \$175 in fine and \$1,750 in UNC condition.

In 1918, Federal Reserve Bank Notes (*not to be confused with Federal Reserve Notes*) were issued by the Federal Reserve Bank of St. Louis. The obverse was similar to the 1914 Federal Reserve Notes, except for large wording in the middle of the bill and a portrait with no border on the left side of the bill. Plates were for all twelve FR Districts but only St. Louis bank issued. The note was an obligation of the St. Louis Federal Reserve Bank and could only be redeemed there. Less than thirty notes are known today! The estimated value of this note can reach up to \$20,000 in EF condition.



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