

The Antique Motorcycle



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Harley-Davidson's Oriental Interlude



A 1934 VL model with a unique (Japanese-built?) sidecar. The man is identified as Hirose, a colleague of Joseph Ryan, who, at Child's request, was the first Harley-Davidson employee to visit Japan. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.

The Harley-Davidson Motorcycle Sales Company of Japan, now its official title, set up headquarters in a rented building just off the Ginza at the Kyobashi crossing in Tokyo. One of the earliest native employees was Yamada, who became Rich Child's right-hand man, along with Morikichi Sakurai who was not only a skilled mechanic but also an ardent motorcycle enthusiast. Most of the subsequent staff became enthusiasts as time went on. Capital for the agency was provided by Genjiro Fukui of the Sankyo Pharmaceutical Company. The first shipments of machines to Kyobashi were the 1925 models.

When the new bulbous tank models were imported during January 1925, there were few domestic motorcycles manufactured in Japan, as, at that time, they had no such industry. Competition was provided by Indian, who was now marketing 800 to 1,000 machines per year. Various production and financial problems in Springfield had been making shipments somewhat erratic, however, and within a couple of years Harley-Davidson imports exceeded those of Indian. Other makes concurrently being imported included AJS, Matchless and Norton from England, Husqvarna from Sweden, Moto-Guzzi from Italy and after 1927, BMW from Germany. Realizing that the prime transportation requirement in Japan at this time was in the commercial field, Child wisely concluded that the rugged 74-cubic-inch models could be best utilized as sidecar, sidevan or for the powering of rear cars. Morikichi Sakurai designed both the heavyweight and light duty rear cars, the latter for use with the newly introduced 21 cubic inch side valve singles in 1925-26.

Limited competition from a native manufacturer soon appeared in the form of a rear car powered with a 500cc proprietary side valve JAP engine supplied by J.A. Prestwich of Great Britain. Another Japanese firm entered the rear car field with an exact copy of the 21 cubic inch Harley-Davidson design, built by a company that ultimately produced the contemporary rotary engine Mazda. As the Sankyo Company's original activity was the manufacture of pharmaceutical products, it quite naturally participated in contract sales of these products to certain government agencies, namely the Army and Navy. In time these Harley models became the standard military vehicles.

In addition, district police prefectures and the Post Office department purchased hundreds of Harleys. Through the Outer Mongolian contacts, numerous machines were sold to various Chinese and Manchurian Warlords, after

Left front shot of the 1930 VL. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.



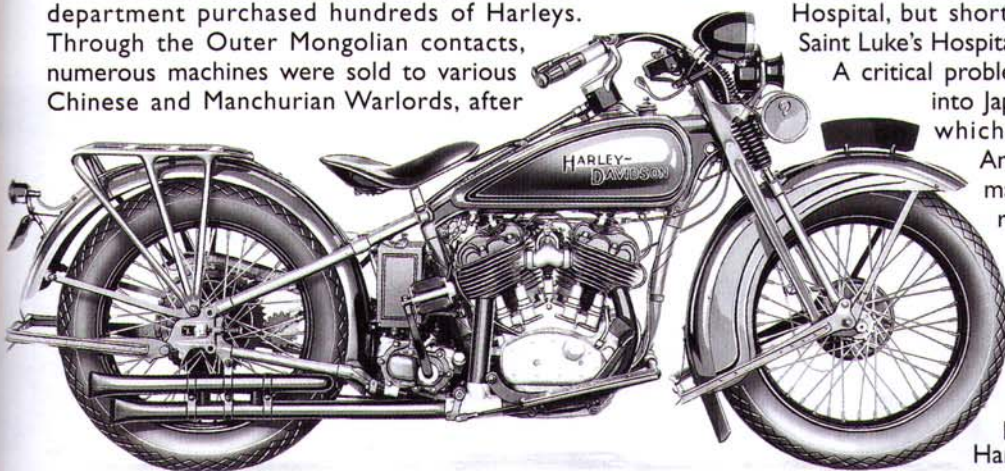
1929, such as Chang Tso Lin. His son, Chang Hsu Lian, as well as Chiang Kai-shek, purchased as many as 200 machines at a time, mostly sidecar outfits.

As business expanded, branch sales offices were opened in Osaka and Fukuoka, Japan, and Darien, Manchuria. In addition, a new four-story structure was built in the Temeike district of Tokyo containing a large spare parts warehouse and service facility. This building was used until 1973 when it was replaced by a larger facility. Spare parts distribution was handled from Tokyo, which allocated parts throughout Japan and Manchuria.

In addition, some 400 service and dealer outlets were established throughout the islands of Japan itself. Some of these were substantial operations, but the majority were characteristic Oriental single family enterprises, where the mechanics' families lived and worked in a one-room makeshift building on dirt floors. Such was characteristic of all engine and mechanical repair work undertaken in the Orient during those days, and Child reported that it was difficult to induce the mechanics to utilize the conventional work benches that he later provided.

After the inauguration of Harley-Davidson sales in Japan, Child made at least one journey a year to Milwaukee to maintain a close contact with the company and to suggest improvements in shipping methods. A particular problem of this period was the rough handling accorded crated machines in transit and Child had to insist on extra heavy packing of shipments to avoid damage. It was during this period that Child underwent treatment for a cancerous condition in the bone of his left hand. He was first treated in Milwaukee General Hospital, but shortly afterwards sustained an amputation in Saint Luke's Hospital in Tokyo.

A critical problem for all importers of American products into Japan arose in the fall of 1929 when the yen, which in 1924 was the equivalent of 49 1/4 American cents, suddenly dropped to approximately 25 cents. This meant that the ultimate retail price of machines would by necessity be doubled. In discussing this matter with me in an interview in the fall of 1978, Child stated that this new state of affairs indicated that either the export of Harley-Davidsons to Japan be terminated, or an agreement be reached with the company, whereby manufacturing of Harley-Davidsons would be secured for Japan. Not wishing to give up his lucrative business in



Line illustration of the 1930 Harley-Davidson VL. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.

Japan, Child conferred at length with the management of Harley-Davidson for the securing of such rights, along with the necessary blueprints, material lists and specifications, heat-treating formula, machine tool and die sequences, plus all other necessary data.

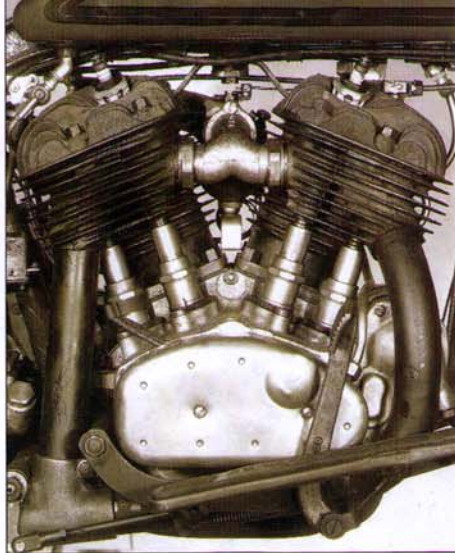
Sankyo's management agreed to Child's proposal, as well as offering the requisite financial backing, and Child set sail from Yokohama on the *Asama Maru* in company with Shiohara's son-in-law, who was to act as a liaison representative for Milwaukee.

At the initial meeting in Milwaukee, the founders were all skeptical of the engineering and mechanical abilities of the Japanese to produce workable copies of Harley-Davidsons, and further expressed their

surprise at Child's temerity for suggesting such an undertaking. After some considerable negotiating, however, and no doubt motivated by the sudden worldwide depression, together with the payment of \$75,000 as a royalty, they agreed to conclude an agreement with the Sankyo group for the manufacture of Harleys in Japan. The Company agreed to provide all necessary blueprints, material lists, metallurgy schedules, and all other directions for motorcycle manufacture, in return for an agreement that no Japanese-built Harleys would be exported. It was also agreed that while tooling up for production, and prior to the actual manufacture of machines, Sankyo would continue to import and market the Milwaukee-made product.

As part of the transaction, Child was able to hire Fred Barr, Harley's Assistant Factory Superintendent under George Nordberg, to supervise the setting up of Sankyo's manufacturing operation in Japan. Barr's title was now that of Chief Engineer, and he was offered a lucrative tax-free contract for three years. While Barr was a key man in the Milwaukee operation, Child believed that the Company was willing to let him resign due to the fact that they were already feeling the effect of the depression and were coincidentally cutting down on staff and production personnel.

Barr proved to be the key official in the Japanese operation as events were soon to show. Together with Mr. A. Sakurai, Sankyo's first engineering supervisor at the Kyobashi crossing in 1925,



Close up of the 1930 Harley-Davidson engine. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.

Barr put together a group of capable young engineering personnel and mechanics who had friends and acquaintances in allied lines who ultimately became subcontractors to produce various component parts for the Japanese built Harleys. These were submitted to the Shinagawa plant for inspection and evaluation by Fred Barr before production was inaugurated.

In retrospect, and in view of the fact that in 1929 the Shinagawa factory was the very first complete motorcycle manufacturing plant in Japan, it may well be said that Sankyo's effort here was the forerunner of the great Japanese motorcycle industry.

Incidental to the inauguration of Japanese production, the first shipments of the, initially ill-fated, VL 74 cubic inch model, began

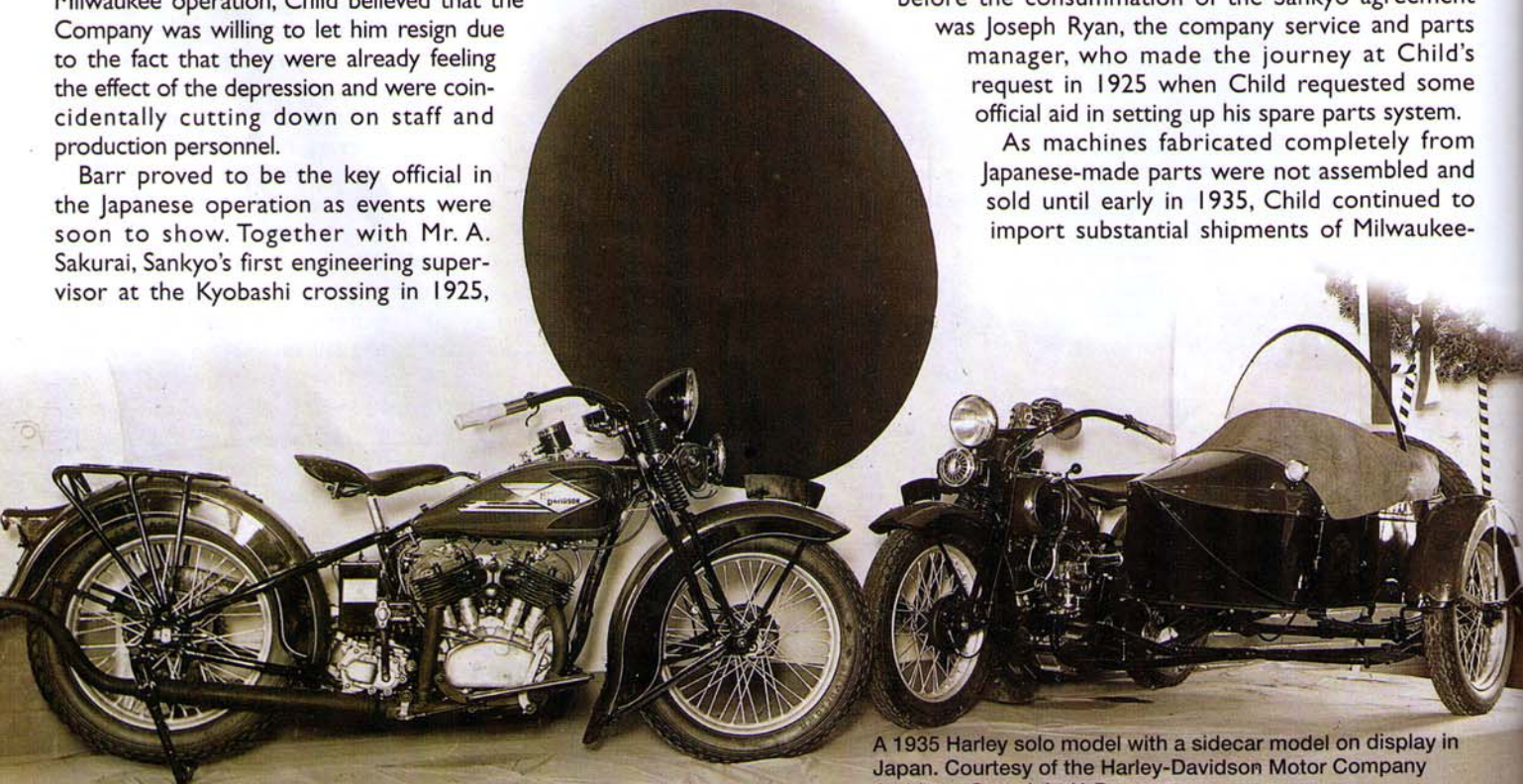
arriving in Yokohama as per the original licensing agreement. Of the initial production of 1,300 defective machines, Child was obliged to make good on 73 units. The details of this unfortunate episode in Harley-Davidson history will be described later.

In the meantime, and while Barr was coordinating Japanese production of component parts, certain surplus machine tooling was purchased from the parent company, some of which, no doubt, being declared surplus in Milwaukee due to the decline of U.S. motorcycle production. Additional tooling was purchased from the other U.S. manufacturers, as well as from Germany, due to a favorable exchange rate.

No Japanese personnel were ever sent to Milwaukee for training in the factory's Service School, due to language difficulties. Additionally, none of the four Founders or any members of the export department's staff ever visited Japan, except for a brief visit from Walter Davidson Jr., President Davidson's son, who passed through Japan on a brief pre-college tour.

The only company representative to ever visit Japan before the consummation of the Sankyo agreement was Joseph Ryan, the company service and parts manager, who made the journey at Child's request in 1925 when Child requested some official aid in setting up his spare parts system.

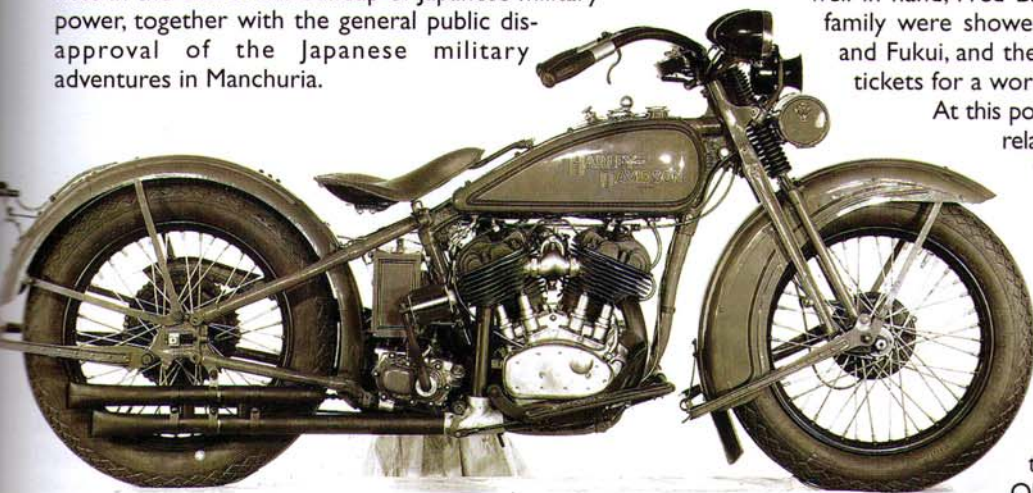
As machines fabricated completely from Japanese-made parts were not assembled and sold until early in 1935, Child continued to import substantial shipments of Milwaukee-



A 1935 Harley solo model with a sidecar model on display in Japan. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.

made machines. In recalling this phase of Harley-Davidson history, Child told me that the existence of the continuing five percent landed cost commission from the factory on such shipments was a potent factor in the continuation of his 1924 export agreement.

During the early negotiations for the Sankyo Company's manufacturing rights, and in the subsequent complete manufacture of machines in Japan, Harley-Davidson carefully avoided any public disclosure of either dealings with Sankyo or the fact that their machines were eventually built under license by a Japanese company. This was no doubt prompted by the growing awareness in the U.S. of the buildup of Japanese military power, together with the general public disapproval of the Japanese military adventures in Manchuria.




A studio shot, right side, of a 1930 VL. Courtesy of the Harley-Davidson Motor Company Archives. Copyright H-D.

As most motorcycle applications were still in the field of commercial transportation, most of the imported Milwaukee models were the 74-cubic-inch Big Twins, and 21-cubic-inch and 30.50-cubic-inch singles. These were shipped for adaptation to various types of Japanese manufactured rear cars, and consisted of complete machines, but with rear wheel and mudguard omitted. The 45-cubic-inch twin was not imported, as its general configuration and power development was considered not suited to rear car applications.

After the production of Japanese Harley-Davidsons was finalized by 1935, and the Japanese engineering crew had production well in hand, Fred Barr's contract was terminated. He and his family were showered with expensive presents by Shiohara and Fukui, and they were presented with first-class steamer tickets for a world tour that ended back in Milwaukee.

At this point in time, a problem in Japanese-Milwaukee relations appeared which presented diverse difficulties in the relations between Sankyo and Harley-Davidson. Harley-Davidson had just finalized the design of their new cradle-framed 61E model. The Knucklehead, as it came to be known, offered higher performance than the long popular VL side valve machines. The Founders now proposed that the Sankyo Company, together with the payment of a very substantial license fee, acquire the manufacturing rights to this new OHV model.

Stay tuned for part three in the Summer issue. 

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