

*Can you find out  
"Dudley B" from  
Al Kidson*

A. R. Child's recollections of Harley-Davidson Motorcycle Sales  
in Japan from 1922 to the present day

Nippon Jidosha K.K. of Tameike, Tokyo, of which company the young Baron Okura was President, and which had started importing automobiles some years earlier, sent Milwaukee a small trial order for 1200 c.c. H.D. Twin Cylinder machines early in the year 1922. From time to time they continued to purchase a very few machines, probably as customer requests were made, but spare parts were never purchased in spite of the factory pointing out the necessity of stocking spares if business was expected to increase.

About this time a San Francisco Importer and Exporter, Charles Cable Company, approached Milwaukee by mail stating that they were doing business with a merchant in Ulan Bator, the Capital of Inner Mongolia. If they could obtain the Distributorship for all Harley-Davidson products for Inner and Outer Mongolia they would be prepared to place fairly substantial orders, for which payment would be made against documents in San Francisco.

The Charles Cable Company placed some worthwhile orders for Motorcycles over the following year. Payments were made on delivery of shipments in San Francisco, and it was naturally thought in Milwaukee that the Charles Cable Company consolidated its shipments of Motorcycles with other commodities to Ulan Bator. However, it was a source of concern that no parts orders were received, and the excuse was made that the Mongolians much preferred to make their own replacement parts. This was unacceptable, since Ulan Bator is on the edge of the Gobi Desert, and its economy at that and earlier times was mainly in the raising and trading of Goats and Camels!

As Harley-Davidson's first and, at that time, only salesman traveling overseas, I returned to Milwaukee from an eight-month sales trip to South and East Africa and Europe and, after a couple of months' vacation, was planning a trip through Japan, China, the Philippines, Malaysia, Australia and then back home via Europe.

September first, 1923 was the date that at noon, the Kanto or Eastern Japan area was struck by a terrific earthquake; hundreds of thousands of people were killed or severely injured, steel railway rails were twisted into figure 8's-- examples are still exhibited in the Yokohama Museum --- and roads and streets became impossible except for rickshaws, hand trucks and pedestrians.

During my "Vacation" upon my return from Africa and while I was studying possibilities in the various countries I planned to visit, our Export Department, headed by Erich Von Gumpert, was visited by Mr. Charles Cable, president of the Charles Cable Company, whose object in visiting was to solicit the distribution rights to Japan, Korea and Manchuria.

Von Gumpert pointed out to him that Nippon Jidosha, the "Japan Automobile Company" of Tokyo, were the distributors for Japan, and that since Mr. Child as Export Sales Representative was planning a trip which would include Japan, they would make no appointments until he had looked the territories over.

During the Spring of 1924 the Congress of the United States passed a rigid law limiting Asiatics immigrating to the United States, which included Japanese. This was a tremendous blow to Japanese pride, and the Japanese Ambassador retaliated by threatening the United States with "serious consequences" unless the Japanese were immediately excepted from the ruling.

Well, you don't kick five or six hundred representatives of nearly a hundred million American individualists in the teeth without creating a back lash. The policy of exclusion hardened, and Japan erupted into violent demonstrations in every city from Hakodate to Kagoshima.

It was in this atmosphere that I stepped ashore in Yokohama in July 1924 from the Canadian Pacific's "Empress of Canada," after a pleasant trip with Captain Robinson, and checked into the Imperial Hotel in Tokyo.

Apparently, Mr. Charles Cable had friends in Japan as well as in Ulan Bator, Inner Mongolia, because I was visited by a Mr. Yamada a few days later, also by a representative of Nippon Jidosha, with an invitation to dine with Baron Okura, who had been educated in both England and the United States.

At this first meeting with Baron Okura, I pointed out to him that Harley-Davidson were dissatisfied with the sales results so far achieved by his employees of Nippon Jidosha, and that they had completely failed to appreciate the necessity of maintaining Spare Parts Stocks. His attitude, indicative of what I later on found, was that HIS employees could do no wrong. After several meetings with his top employees and one more with Baron Okura, in which he demanded that Nippon Jidosha be granted continuation of the yearly contract, I laid before him my requirements, which were pretty rough, and the party blew up with Nippon Jidosha outside looking in.

In the meantime, Yamada-san, an English speaking, American-slang-using individual, who had represented Izu Peninsula Tea Growers in Washington for eight years, had introduced me to a Mr. Genjiro Fukui, a courtly gentleman who had been educated in Poughkeepsie, New York, and who was one of three founders of Sankyo Company Ltd. of Muromachi Tokyo. The President of this large Pharmaceutical Manufacturing Company was Mr. Matasaku Shiohara, who was even then finalising an agreement with Dr. Baekland, the inventor of "Bakelite," to manufacture Bakelite in Japan.

Mr. Fukui, it later transpired, was, with Mr. Ichita Taguchi, the guiding light of "Koto Trading Company," an Import and Export subsidiary of Sankyo Company Ltd.

Becoming close to Yamada-san, I learned that Mr. Charles Cable had diverted "SOME" of his Mongolian motorcycles to Japan and that Koto Trading was disposing of them, all unbeknownst to Nippon Jidosha.

Proof of this was forthcoming when Yamada San brought me at the Hotel a dozen or so of Harley-Davidson shipping lists giving motor registration numbers, which, with letter covering events since landing, I mailed - Sea Post since no Air Mail was then - 1924 - in existence, to Milwaukee.

Finally concluding that Koto had received, and sold in Japan, completely without Nippon Jidosha's knowledge, all of the Mongolian shipments, I started to negotiate with Mr. Shiohara, Mr. Fukui and Mr. Ichita Taguchi the possibility that Sankyo Company could take over our Harley-Davidson sales in Japan in place of the prestigious Nippon Jidosha and Baron Okura, subject to conditions which I would check with Milwaukee.

It was obvious that both Nippon Jidosha and Sankyo realised, as did I, that with roads in their devastated condition, the heavy-duty Harley-Davidson 1200 c.c. engined side-car, Side-Van and three-wheeled Rear-Car would be, for several years, ideal transport vehicles.

Cables between myself and Milwaukee emphasised the necessity of my becoming the holder of the agency because of the "Hanky Panky" of the Charles cable Company and Koto Trading Company, plus the lethargy of Nippon Jidosha in not recognising the "bootlegging" of over 100 machines to Japan, and their sales right under their noses.

Baron Okura was adamant that it was quite unnecessary for me to remain in Japan indefinitely to protect the interests of Harley-Davidson, and as my observations convinced me that it was my opportunity, he automatically "lost the last bus".

Messrs. Shiohara and Fukui, on the other hand, were quite agreeable to the thought of my being the "keeper of the keys" between them and Milwaukee. Just 40 days and 40 nights after landing in Japan, in the midst of turmoil created by the Japanese Ambassador in Washington before the U. S. Senate, I boarded the Canadian Pacific Liner "Empress of Scotland" with a National City Bank of New York irrevocable letter of credit covering the purchase of 350 Big Twin Harley-Davidson Motorcycles, some equipped with sidecar, Twenty Thousand Dollars worth of "Factory Genuine" replacement parts and Three Thousand Dollar worth of Factory Dealer's repair tools.

It also covered an agreement that Alfred R. Child would be the Managing Director of Sales of the newly instituted "Harley-Davidson Sales Company of Japan", his recompense to be 5% of Landed Cost on all Harley-Davidson products

Needless to say, I was warmly received by all four of the founders of Harley-Davidson upon my return to Milwaukee. Arthur Davidson, who was Sales Manager and Vice President, had met with me in Vancouver before I sailed on the "Empress of Canada" (he had just returned from Australia and New Zealand) and had strongly advised me to pass up Japan entirely and go on to Shanghai because of the animosity created in the minds of even the lowliest laborer in Japan towards Americans, as a result of the Asiatic Exclusion Act which was still boiling in the Press of both the U.S.A. and Japan.

Early in August 1924, with a firm agreement with Harley-Davidson in my briefcase, and with my wife and daughter and a few belongings, I returned to Tokyo and set about the job of planning the sale of the 350 Harley-Davidsons and the \$20,000 worth of Spare Parts, which I had left in the hands of Harry Devine, the Parts Manager, who, with more than twenty years of experience in the demand for individual spares, made a most excellent selection. Harry also developed blue prints to construct, in Japan, wooden bins to hold the different sizes of parts, with his expert knowledge of the quantities of each part required for the sizes of each individual bin. Carpentry being one of Japan's specialties at that time, these bins were built of Philippine Mahogany in advance of the arrival of the parts from Milwaukee.

Harley-Davidson Motorcycle Sales Company of Japan set up shop in a rented building just off the Ginza at Kyobashi crossing in Tokyo. My earliest employees included Yamada-san, who became my right-hand man, also Morikichi Sakurai who had had considerable mechanical training and was also a Motorcycle enthusiast.

All employees became Enthusiasts as time progressed, and Sankyo Company and Koto Trading Company under the expert financial help and guidance of Mr. Genjiro Fukui furnished the capital for all requirements without question.

The hundreds of Harley-Davidsons which had been sold in Japan by Nippon Jidosha and the Charles Cable Company through Koto Trading Company in the two years prior to the set up of the Harley Davidson Motorcycle Sales Company at Kyobashi crossing contributed largely to the immediate success of the new company.

The first shipments of Motorcycles to Kyobashi crossing were 1925 models equipped with Bulbous gas tanks designed by William Harley's chief assistant Arthur Constantine. These tanks were the first such pressed steel tanks made by any Motorcycle Manufacturer in the World, and provided a tremendously improved appearance and a durable leakproof tank compared to the sheet steel, soldered jointed tanks previously seen on all makes of motorcycles.

At that time, January 1925, no Motorcycles were being manufactured in Japan. The Indian Motorcycle made in Springfield Massachusetts, for many years a competitor of Harley-Davidson in U.S.A., Australia, New Zealand, South Africa and England, was possibly more entrenched in Japan than was Harley-Davidson at that time, but within the next two or three years Harley-Davidson became the "King of the Road" and our company became the principal importer of Motorcycles, Sidecars and Replacement parts.

Other motorcycles being imported into Japan as the year 1925 passed were, in their order of acceptance, only as pleasure machines due to their lightweight construction, the NORTON, the A.J.S., the MATCHLESS from England, the MOTO-GUZZI from Italy, the HUSQVARNA from Sweden, and in 1927 appeared the first models of the shaft-drive B.M.W. from Germany.

Only Harley-Davidson was a ruggedly built, carefully engineered, heavy duty machine capable of being used as a commercial carrier of materials from Morinaga Candies to cement and gravel, and we took full advantage of this ability by having Mr. Morikichi Sakurai design light-weight and heavy-weight rear cars. We imported hundreds of both 1200 c.c. and a newer model of 350 c.c. single-cylinder machines, developed in 1925 - 1926 by Harley-Davidson, without rear wheels, to fit to these Japanese built rear cars.

Imitations of our REAR CARS by the keenly imitative Japanese back in 1925 - 1926 - 1927, plus the importing from England of "J.A.P." proprietary engines from the J.A. PRESTWICH Company, was the start of the present (1977) enormous, excellent, and remarkable Japanese Motorcycle industry, which has taken over world Markets in Motorcycles.

The MAZDA rotary-engined car of today had its origin back in 1927 in Kyushu as a three wheeled rear-car patterned exactly on our 350 c.c. commercial rear car.

To go back to Harley-Davidson Motorcycle Sales Company of Japan's early on successes, it should be noted that Sankyo Company Ltd. were the largest and most progressive manufacturer of Pharmaceuticals in Japan, having manufacturing agreements with a great number of English, German and American Pharmaceutical manufacturers. Sankyo, under the capable guidance of Matasaku Shiohara, whose father had built a modest fortune by supplying Foreign ships entering Yokohama with potable drinking water, taken out to the ships at anchor in huge wooden vats built into sampan boats, can be regarded as one of the Japanese men who had the vision to see the possibilities of the motorcycle for military as well as civilian uses, and, as Sankyo was supplying the Imperial Japanese Army with practically all of its Medical Necessities, it was natural that Harley-Davidson Motorcycles became the Standard vehicle for the Army.

The Imperial Navy, all Prefectural, City and Post Office Departments purchased hundreds of Harley-Davidsons. By 1929 we had sold to the Chinese and Manchurian War Lords, Chang Tsq Lin, his son Chang Hsu Liang, and Chiang Kai Shek as many as 200 Side-Car Outfits at a single shipment.

During this period between the opening of our first Sales Office at Kyobashi crossing and the middle of 1929 - a period of four and a half years, Harley-Davidson Sales Company of Japan, aided by ample financial funds from Sankyo Company Ltd., opened additional Sales Offices in Osaka and Fukuoka in Japan, in Dairen, Manchuria, and also built in Tameike, Tokyo a Magnificent four story and basement steel and concrete building with very large spare parts and Service department. The building was only replaced by a much larger Nissho-Iwai building in 1973.

Spare Parts, which were an all essential key in the development of sales of motorcycles, were controlled from Tokyo, which maintained very large stocks and fed them to the three branches in Japan and Manchuria. Weekly reports received from the branches enabled Tokyo to ship parts to the branches to maintain their stocks in advance of demand.

The policies which built Harley-Davidson's supremacy in Japan, are, of course, commonplace all over the world today, but at that time, all automobile engine and motorcycle repairs were done on dusty floors. Until we built work benches in our workshops, such an item as a work bench, or paraffin cleaning cans for cleaning spares before building them into a motor, were totally unknown.

During this period between the opening of our business in Japan and the middle of 1929 I made at least one trip each year back to Milwaukee to keep contact, to suggest improvements, and also to see the good Doctor Lilly in the Milwaukee General Hospital, who was treating a cancerous condition in my left hand, which condition eventually led to the amputation of the arm by Doctor Teusler in Saint Luke's Hospital in Tokyo.

Towards the end of 1929 the Yen-Dollar cross rate was becoming increasingly unsatisfactory to all Importers of American products into Japan. The yen, which was the equivalent of 49-1/2 American cents in and for some time after 1925, dropped to between 30 and then 26 cents, (and in fact for some time, 20 cents.)

This meant that to buy our Motorcycles from Milwaukee for resale in Japan cost us in Japanese currency twice as much, which of necessity practically doubled the retail price in Japan.

This situation could only be overcome either by winding up the business, or by seeking the cooperation of Milwaukee to enable us to continue by granting us manufacturing rights for Japan.

When the trend of the fluctuating Yen indicated very little or any chance for improvement, I suggested to Messrs. Shiohara and Fukui that we should negotiate with Harley-Davidson to purchase from them exclusive rights to manufacture all their products of machines and spare parts in Japan.

This would of course entail their supplying us with the multitudinous blue prints, material qualities, heat treating, etc., which would be essential to success.

So, with complete assurance of their financial cooperation, and accompanied by Mr. Shiohara's son-in-law, we sailed on the "Asama Maru" of the Nippon Yusen Kaisha from Yokohama.

Arriving in Milwaukee, we found the four founders of the business, Mr. William S. Harley, the Chief Design Engineer; Mr. William A. Davidson, the Works Manager; Mr. Walter Davidson, the President and Financial Manager; and Mr. Arthur Davidson the Sales Manager all sceptical of the ability of the Japanese to produce workable copies of Harley-Davidson motorcycles, which had occupied their waking hours for almost the past twenty-five years, and astounded at our temerity in suggesting it.

After considerable negotiation, and under the influence of the worldwide financial depression of 1929, plus a very substantial cash on the barrelhead Dollar payment, they agreed to grant us exclusive rights and all necessary blue-prints, material lists, etc., providing that we would never export Harley-Davidson designed machines, and, in the meantime, while tooling up in Japan, we would continue to make every effort to sell the Milwaukee-made product.

Before returning to Japan with this valuable concession I, with Harley-Davidson's approval and agreement, hired Mr. Fred Barr, who had been employed continuously by them for 24 years, the last ten of which had been as Assistant Factory Superintendent under Mr. George Nordberg, who had been with them as Chief Production Engineer almost since inception of the Company.

I secured Mr. Barr's services as our Chief Engineer by offering him a very lucrative tax-free three-year contract to come to Japan with his family, and I believe the only reason Milwaukee was willing to release him was that they were feeling the pinch of the depression.

Fred proved to be a most valuable acquisition to us in Japan, as the next three and a half years of effort were to prove. Together with Mr. Sakurai, our first and original Japanese engineer at Kyobashi crossing in 1925, they put together a group of young and capable Japanese engineers and mechanics, who had friends and acquaintances in mechanical lines who became sub-contractors of Shinagawa to produce relatively small quantities of Motorcycle parts from Harley-Davidson Milwaukee blue-prints and feed them into Shinagawa for careful inspection and evaluation by Fred Barr before their incorporation into Japanese-made Harley-Davidsons.

As we can look back at it now, in view of the fact that Shinagawa factory was the very first complete Motorcycle Factory in Japan, starting production in the year 1929 and producing complete duplicates of Harley-Davidson models by 1935 entirely of Japanese materials and, except for Mr. Barr and myself, entirely by Japanese men and women, it is fair to state that Fred Barr, Harley-Davidson, and Sankyo Company Ltd. are the Fathers of the Japanese Motorcycle Industry which in recent years has swept the world with its remarkably clever and efficient models.

The Shinagawa factory of Harley-Davidson Motorcycle Sales Company of Japan was built and equipped entirely with Japanese capital furnished by Sankyo Company Ltd., on land owned by Sankyo and adjacent to their ultra-modern Pharmaceutical factory. Many machine tools, some new, and some redundant due to the continuing 1929 World Wide depression, were shipped from Milwaukee all set up and ready to produce. Others were purchased direct from makers in the U.S.A. and also in Germany, primarily because of more favorable exchange rate.

No Japanese employees were ever sent to Milwaukee for training, due primarily to language difficulties, and no member of Milwaukee's Export Department Staff or any of the four founders of Harley-Davidson ever visited Japan, even after the start of complete manufacturing in Shinagawa, with the exception that the youngest son of the President, young Walter Davidson Jr., passed through Japan on a pre-College World Tour before the Shinagawa plant was built.

Joe Ryan, the ebullient Service Manager of Harley-Davidson Milwaukee, had spent some three weeks in Tokyo early in 1925 to give some service instructions to our newly employed people, and this was at my specific request.

Rather surprisingly, and largely due to increased sales efforts plus gradual improvement in the Yen-Dollar cross-rate, Tameike Sales Headquarters continued to purchase almost as many Milwaukee-made Harley-Davidsons, sold just as many in the Tokyo area and shipped quantities to our other three sales outlets. This continued on throughout the years of Shinagawa's preparation for complete quantity production. Possibly the fact that my income remained tied to 5% of landed cost in Yen induced extra sales push on my part!

During the years from 1925 to 1929 we had built a reputation with all our Dealers and Governmental outlets in Japan and Manchuria as the sole representatives in Japan and Manchuria of a high quality product entirely suitable to their requirements. Not only were we selling in quantity to the Imperial Japanese Army, but the Imperial Guard surrounded the Emperor's carriage with fifteen Harley-Davidson machines with Right-Hand Sidecars for the right side and another fifteen similar outfits, except for left-hand sidecars, for the leftside.

The Emperor on his travels was completely surrounded by Guards riding in Harley-Davidsons with special low-sided sidecars to enable the guards to debark instantler!

Our sales to the Navy Dept., the Post Office in all cities, the Prefectural and practically all Municipal Police Departments were constant and regular, and our commercial sales of Side and Rear Car three-wheelers with Harley-Davidson front ends led the way until the imitators began to imitate

the Rear Cars and fit British "J.A.P." engines in them, - an excellent engine built by the J.A. PRESTWICH Company. Kurogane and Mazda later made their own heavy-duty motors.

Things progressed satisfactorily in these years with our Dairen Manchuria branch sales and service set-up, plus my frequent personal visits to Dairen, Mukden and Harbin to contact the mainly English purchasing agents of the "War Lords" Chang Tso Lin and his son Chang ~~M~~su Liang. A little later we sold a nice order of 200 Side-Car outfits to Chang Kai Shek, who subsequently, in 1949, was chased out of North China and took refuge in Taiwan.

In 1930, following the "accidental" death of Chang Tso Lin at Mukden, the Japanese Army under General Hideki TOJO invaded North China and Manchuria, overthrew the War Lords and their "Governments," and captured all the Harley-Davidson Military machines we had previously sold there. Thereafter sales and parts were sold by our Dairen branch to the Japanese-Manchurian Army, a separate entity to the Imperial Japanese Army Dept. in Japan.

Latterly we had been selling in Manchuria specially built outfits with pull-out axles on all three wheels, and provision in the forgings for both high and low road clearances to meet the Winter requirements of frozen surfaces and the deep Spring muddy conditions, which needed at least a five-inch road clearance under the mudguards. We were prepared even to gold-plate handle-bars to get sales, but fortunately were never required to do this!

At no time did Harley-Davidson Motorcycle Sales Company of Japan sell engines or transmissions to outside interests to build into their own designs of rear cars. It is possible that in isolated cases complete Milwaukee made motorcycles were fitted to locally built rear-cars by our dealers or by our retail customers.

Our Sakurai San-designed rear-cars, both the heavy duty 1200 c.c. Big Twins and the 350 c.c. and 500 c.c. Single cylindered smaller rear cars were fitted to specially ordered from Milwaukee "front ends"; that is, Machines complete except for the rear wheels, chains, mudguards etc. Later on these "front ends" were made in Shinagawa.

As 1935 approached, Fred Barr and his family were very handsomely treated by Messrs. Shiohara and Fukui. They were given beautiful presents and first class steamer tickets back to Milwaukee around the world. Fred thoroughly deserved and thoroughly appreciated all that we had done for him, and we appreciated all that he had done for the success of Harley-Davidson in Japan.

And then, out of the blue, a problem arose which eventually proved almost impossible to solve.

For the past several years Milwaukee engineers had been busy designing and testing a new, and for most countries a vastly improved type of engine. It featured overhead Inlet and Exhaust valves, a very high output, light-weight frame and forks, a vastly improved appearance and was, for Solo or two-up Passengers, much to be desired.

It was, however, very much less desirable for the Military and Commercial uses that were the backbone of our voluminous business in Japan. Our "Flat Head Cylindered" Big Twin, which with improvements and modifications had been basically unchanged for many years, had a high-torque low-compression powerful engine which had enabled us to earn, in Japan and Manchuria, such a high reputation.

With the 1929 period of depression past and replaced by world-wide optimism, Harley-Davidson Milwaukee was fully aware that Shinagawa was prepared increasingly to take over all Harley-Davidson sales in Japan, and they apparently felt that the time had come to propose a new deal.

Their proposal was that Harley-Davidson Sales Company of Japan, entirely financed from its inception by Sankyo Company Ltd., should pay a second substantial license fee, and purchase, strictly for sale in Japan, complete sets of blue-prints, material lists, etc., of the new Overhead Valve Motor together with blue prints etc of all the other parts, frames, wheels, tanks, etc., which comprised an entirely new model.

Sankyo's position in refusing to take on this proposal was entirely understandable to me, but I could also justify to myself the Milwaukee position, which was that Sankyo, through me, had made an excellent deal in 1929 influenced in Sankyo's favor by the World Depression and by the violent fluctuations of the value of the Yen in its relation to the Dollar, which was by now stabilized.

At a meeting in the Muromachi Sankyo Building in Tokyo of some half-dozen financial associates of Mr. Fukui and auditors of the Sankyo Company, the discussion as to whether the Milwaukee proposal was acceptable became somewhat heated, all being against it, and against any attempt at negotiation.

One of the Auditors, (and I knew which, and why) took it upon himself to send a cable to Mr. Kusanobu, the New York representative of Sankyo Pharmaceuticals, and suggested that he proceed to Milwaukee and contact the four members of the Harley-Davidson firm, (whom, incidentally, he had never met previously) and advise them that Sankyo would no longer finance the shipments of Harley-Davidson products to Japan if I were continued as a representative of Harley-Davidson in that country!

He also suggested to Mr. Kusanobu that he should tell Milwaukee that Tokyo was not interested in producing the new overhead valve machine, but that now that Shinagawa was approaching full production of the long proven flat head machine they would continue its production under the name of "RIKUO" which in Japanese means "King of the Road," with which name "Harley-Davidson" had gradually become synonymous over the years.

Mr. Kusanobu's approach to the four Harley-Davidson owners was tough and forthright. He was born in Canada and married to a Canadian lady. His hard-boiled approach to the four founders of Harley-Davidson was a complete mistake, and Mr. William Davidson Jr., a burly six-footer, almost threw Mr. Kusanobu out of the office and the factory.

After several cables passed between Arthur Davidson and myself, the Milwaukee decision was made to cease all business with Harley-Davidson Motorcycle Sales Company of Japan, Sankyo Company Ltd. and the Shinagawa Factory. Milwaukee once again appointed me, — A. R. Child, — as their exclusive agent in Japan with the understanding that I should establish an entirely new sales office, spare parts depot, etc., and, for the first time in Harley-Davidson's history, they agreed to ship me on open account, with payments ninety days after the date of delivery to Dealers and Military customers.

I established my new Headquarters in Tokyo under the name "Nichiman Harley-Davidson Sales" near the corner of ~~Tameike~~<sup>Tsuyosawa</sup>. Fully appreciating the difficulties of the situation, Mr. Fukui remained friendly to me and, while striving to build up "Nichiman," we both worked closely together. I supplied several hundred outfits to him from my arriving stocks during the year 1936.

It should be remembered that each and every purchase of Motorcycles and Parts made by Harley-Davidson Motorcycle Sales Company of Japan were completely financed by Sankyo Company Ltd. during all the years from 1924 to early in 1936. Each order was accompanied a National City Bank of New York irrevocable letter of credit, payment by the Bank in New York against the shipping documents.

Harley-Davidson had no financial worries, neither did they pay me one red cent for acting as the "Key" between them and Sankyo; on the other hand they remained loyal to me in these difficult negotiations and for this loyalty I owe them a very great deal.

Christmas Day of 1936 opened with my entire family at the breakfast table of my Kamakura seaside home. Satisfaction and Happiness exuded from every pore as we all realised that I owned the exclusive sales agency for the whole of Japan, Korea, North China and Manchuria, with a financial set-up unparalleled in Harley-Davidson history for the well established and profitable Harley-Davidson motorcycle line of "Flatheads" and "Over Heads" and their replacement parts.

Additionally, my old Tameike Sales Dept. under the control of Mr. Fukui were continuing to make sales of the "Genuine" Harley-Davidson, which they had to purchase from me, to fill out their line of "RIKUOS," the "Imitation" Harley-Davidsons.

As I sat at the Breakfast table I reached for and picked up a copy of an English language translation of the headlines and current important news in the morning's Japanese newspapers, which was furnished to "Foreigners" by the translator for a weekly or monthly fee.

The most prominent front page headlines announced that the Government was convening the National Diet on January 20th 1937. The principal business at hand was to increase certain Import Tariffs, among them the tariff on Motorcycles from ¥74 to ¥560.

This incredible increase in the Import Duty came after a visit and quiet talk I had had a few days earlier with Colonel Fujii, who was one of the principal contacts I had with the Military, and who sincerely advised me to dispose of all my Japanese assets at the earliest possible moment and return to America with my family. He further advised me that arrangements could be made with Mr. Fukui to buy all my stocks and arriving shipments with Gold U.S. Dollars - which at that time were increasingly difficult to export. I had gently refused to take his advice at the time, pointing out that I loved Japan and had built three homes - in Yokohama, Kamakura and Karuizawa. After hearing or rather reading of the Government's plan to increase the tariff I realized that it was impossible to fight "City Hall."

Before "capitulating," however, and with heavy stocks of Machines en route from Milwaukee, I cabled them, explained the Tariff situation, and endeavoured to have them ship up to 300 Motorcycles in addition to those I had on order and en route. I further explained that the proposed increase in the tariff would not be applicable to machines actually en route at the time the increase went into effect.

Milwaukee understandably, in view of all that had been going on, were afraid to take any chances, and so advised me. Accordingly I started negotiations with Mr. Fukui to purchase all my on-hand and enroute Harley-Davidson machines and parts. Leaving my wife and children in my Karuizawa home, I sold the Kamakura home and returned alone to the U.S.A. where I had received some assurance of becoming the Bendix Corporation of South Bend Indiana's Sales Representative in North China, with which territory I was fairly well acquainted.

Sankyo Company Ltd. was never able to secure a contract with Harley-Davidson for Japan and Manchuria. The Shinagawa factory gradually ceased to make "Rikuo" Motorcycles after I left Japan. The Imperial Navy, with Navy mechanics and staff, started to produce Torpedoes - some of which quite possibly sank some of our American Navy Battleships in Pearl Harbor a few years later. (Some tail-end Rikuos were on sale in the Tokyo PX in 1946.)

My son Richard, who helped me set up Nichimo Harley-Davidson in 1935 - 1936, is the sole owner and President of Balcom Trading Company Inc. in Takanawa, Tokyo. He is the exclusive importer of Harley-Davidson Motorcycles, BMW Automobiles and Motorcycles into Japan, and has been for nearly thirty years.

Alfred R. Buehl  
17 Sept 17, 1977

and in Japan I am still  
Al Kodomo  
Mr Harley Davidson