

Hughes Tool Company

Hughes Tool Company was established in 1909 as Sharp-Hughes Tool Company when [Howard R. Hughes, Sr.](#) patented a roller cutter bit that dramatically improved the rotary [drilling](#) process for oil drilling rigs. He partnered with longtime business associate [Walter Benona Sharp](#) to manufacture and market the bit. Sharp's widow, Estelle Sharp, sold her 50% share in the company to Howard Hughes Sr. following her husband's death in 1912. The company was renamed Hughes Tool at this point. When Hughes Sr. died in 1924, 75% of the company was left to [Howard Hughes Jr.](#), who at the time was a student at [Rice University](#). According to Howard Sr.'s will, his son was to initially receive a 25% share, his wife 50%, and the remaining 25% was to be divided between various family members. Since Howard Sr.'s wife had died some years earlier, and the will had not be updated to reflect that, Howard Jr. automatically inherited his mother's shares. Resentful of his relatives' attempts to run the business, Howard Hughes Jr. had himself declared a legal adult (21 being the age of majority at the time), and bought out his relatives' minority share in the business.

Under Howard Jr.'s ownership, Hughes Tool ventured into the motion picture business via Hughes Productions during the 1920s, and into the airline business in 1939 with the acquisition of a controlling interest in [Transcontinental and Western Air](#) (later renamed [Trans World Airlines](#)).

In 1932, Hughes formed [Hughes Aircraft Company](#) as a division of the Hughes Tool Company. Hughes Aircraft thrived on wartime contracts during World War II (though not on the only two contracts it received to actually build airplanes), and by the early 1950s was one of America's largest defense contractors and aerospace companies with revenues far outpacing the original oil tools business. In 1953, Hughes Aircraft became a separate company and was donated to the [Howard Hughes Medical Institute](#) as its endowment. Hughes Aircraft's helicopter manufacturing business was retained by Hughes Tool Co. as its Aircraft Division until 1972.

For a period of time in the 1940s to late 1950s, Hughes Tool owned the RKO companies, including [RKO Pictures](#), RKO Studios, RKO Theatres, and the [RKO Radio Network](#). For a brief period in the early 1960s, Hughes Tool held a minority stake in [Northeast Airlines](#). Hughes Tool's majority stake in TWA was sold off in [1966](#). Two years later, in 1968, Hughes Tool Company purchased the [North Las Vegas Air Terminal](#).

In the late 1960s, Hughes Tool ventured into the hotel and casino business with the acquisition of the [Sands](#), [Castaways](#), [Landmark](#), [Frontier](#), [Silver Slipper](#), and [Desert Inn](#), all in [Las Vegas](#). Hughes Tool also purchased [KLAS-TV](#), Las Vegas' [CBS](#) affiliate. In the early 70's, Hughes Tool ventured back into the airline industry with the takeover of the largest regional air carrier in the western United States: Air West, renamed [Hughes Airwest](#) following the purchase. Hughes Tool also briefly owned [Los Angeles Airways](#), a small airline operating a commuter service with a fleet of helicopters.

In 1972, Howard Hughes sold the Hughes Tool Company. This became the "new" Hughes Tool Company while the remaining