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Hughes is host to Chinese delegation

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Vice Premier Deng (center) and members of his party are shown with Hughes Tool Chairman Raymond M. Holliday (wearing raincoat) and Hughes Tool President James R. Lesch (behind Deng) as they arrived at the company's facilities in Houston.

Hughes Is

Hughes Tool Company, a client of our Houston office, was host to His Excellency Deng Xiaoping, Vice Premier of the State Council of the People's Republic of China. Vice Premier Fang Li and other members of the Chinese delegation that visited the United States earlier this year.

Hughes Tool was one of only three manufacturing facilities toured by the mainland Chinese during their stay in this country. According to Gene Harris, DH&S partner in charge of the Hughes Tool engagement, the press party was so large — some 250 representatives of local, national and international communications media — that it was necessary to limit their number to a pool of sixty during the tour of the Hughes facilities.

At least one of the reasons for the visit to the Houston headquarters of Hughes may have been the long-standing business relationship between Hughes Tool and the People's Republic of China. China is an important customer of Hughes in the Far East. Since 1973, it has been a

In lab building, Hughes President James Lesch (light suit at left) pauses with H.C. Dill (l.), director of research for Hughes Tool, and Bob Lockhart (2nd l.), China sales representative for the company, as Vice Premiers Fang Li (r., foreground) and Deng (2nd r., foreground) study special exhibit of products of Hughes Tool Co. and its subsidiaries.

Host to Chinese Delegation

multimillion-dollar market for rock bits and tool joints manufactured in Houston and tool joints made in a relatively new plant in Singapore, where tool joints are welded to Japanese-made pipe.

Rock bits are used in the drilling operation enabling those searching for oil, gas or water to penetrate even the hardest rock. Tool joints are the threaded connectors welded to pipe that permit new lengths of pipe to be added to the drill "string" as the hole becomes deeper.

The Chinese are reported to have also expressed interest in another Hughes Tool product line — large-diameter combination shaft drills. This equipment is used primarily in mining applications for underground mineral deposits, such as coal. China is said to have put top priority on the development of its mineral resources.

Among the reception committee of city, state and federal officials and representatives who met Vice Premier Deng and his party on their arrival aboard Air Force One at Houston's Ellington Field were Raymond M. Holliday and James R. Lesch and their wives. Mr. Holliday is chairman and chief executive officer of Hughes Tool Company, and Mr. Lesch is president and chief operating officer.

The Hughes Tool plant in Houston is made up of eighty-one buildings spread out on an eighty-four-acre site. During its visit, the Chinese delegation inspected a display of historic drill bits, toured various testing facilities and watched certain stages in the manufacture of drill bits, tool joints and other product lines.

At the conclusion of the tour, Vice Premier Deng was presented with a special rock bit, which was to be mounted above a granite block with the bit pattern cut into it before being shipped to him in China.

Hughes Tool Company was founded in 1909 by Howard R. Hughes, Sr., inventor of the first successful rotary rock bit utilizing rolling cone cutters. The rolling cone cutter principle not only increased the effectiveness and efficiency of the drill bit, but greatly prolonged its life. Today the company and its subsidiaries operate ten manufacturing plants in the United States and eight in other countries, producing rock bits and tool joints, rig tools, subsea wellhead and completion systems for offshore operations, production equipment and services, and various lines of equipment for the construction, mining and water-well-drilling industries. In addition, Hughes provides oil-well cementing and stimulation services for oil and gas wells.

A profile of Hughes Tool Company, a client of DH&S since 1927, appeared in the spring 1976 issue of *H&S Reports*. □

Hughes President James Lesch (c.) discusses historic rock bits on display in lobby of administration building. Vice Premier Fang Li is directly behind Mr. Lesch's left shoulder, Vice Premier Deng to his left. Tall individual behind them is official Chinese interpreter.

RIGHT PHOTO

Hughes Chairman Raymond Holliday (in hat) presents the rock bit shown in photo to Vice Premier Deng. Bit later was mounted before being shipped to the vice premier in China.