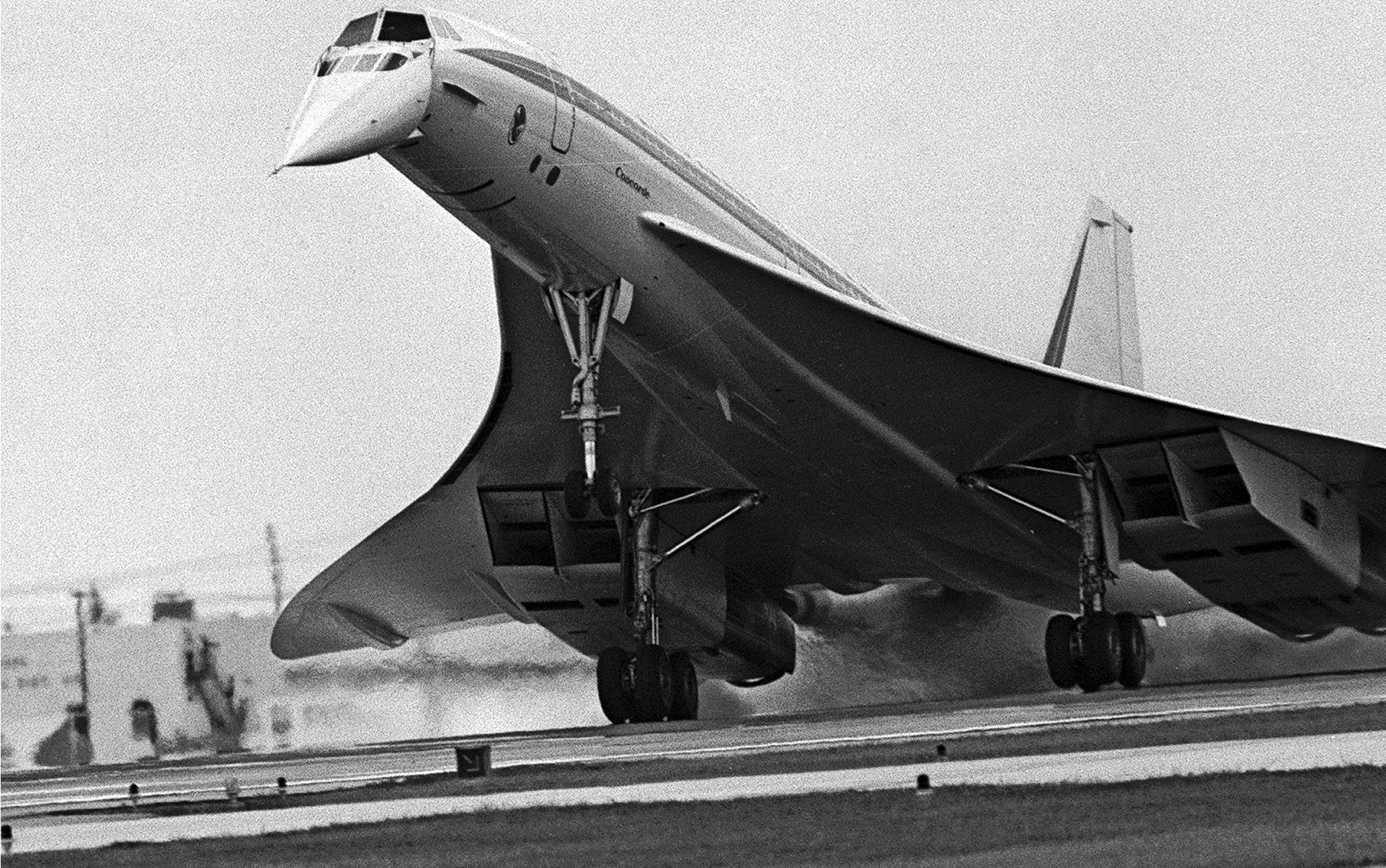


BUSINESS

Editorial: While there is no evidence that lockdown drills saved lives in Texas last week, studies have shown that these exercises cause real psychological harm to young people. **B4**



(Sonic) boom or bust

Inside the race to master air travel at faster than the speed of sound

By PRANSHU VERMA
The Washington Post

WHEN BRITISH Airways flew its supersonic Concorde jet for the last time nearly 20 years ago, the era of shuttling between New York and London in under four hours while indulging in champagne, caviar and lobster seemed to be gone forever.

Now, however, plane-makers and airlines are trying to revive that dream, and pouring millions into companies who say they are building better, cleaner and more cost-effective jets that can fly at supersonic speeds, meaning faster than the speed of sound. They are hoping to succeed by 2029, when travelers could fly business class between New

York and London in just over three hours — all for \$5,000 to \$10,000 round-trip.

But the race comes at a crucial moment. Airline revenue was decimated by the coronavirus pandemic, putting pressure on companies to find more revenue sources as they slowly recover. As climate change accelerates, carriers are facing pressure to expand their operations while keeping carbon emissions to a minimum.

Meanwhile, technical challenges remain. Jet engine technology, noise regulations and the shortage of clean and alternative aviation fuel will make it difficult for airlines to get government approvals on aircraft and keep ticket prices low, critics said. Bold corporate

claims of bringing back supersonic travel will run headlong into scientific challenges for years to come, they added.

“These manufacturers are trying to reinvent supersonic aircraft,” said Dan Rutherford, director of the aviation program at the International Council on Clean Transportation. “But they can’t reinvent the science — and the science is actually pretty damning.”

Supersonic travel has captured the imagination of aviators for decades. In 1947, U.S. Air Force Capt. Chuck Yeager became the first person to fly at supersonic speeds, inspiring commercial aviation companies to follow suit. In 1962, the British and French governments signed a pact to develop a supersonic

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TOP: PHIL SANDLIN/AP PHOTO; ABOVE: BOOM TECHNOLOGY
The Air France Concorde supersonic airliner, **top**, touches down at Miami International Airport in 1974 in Miami, Fla. **Above**, a rendering of the Boom Overture supersonic jet.

Economy shows resilience despite mounting recession fears

“I’m not sure what’s driving all the talk of recession. There’s a lot of negativity out there that’s not well founded.”

DOUG JOHNSON, PRESIDENT OF MARION MANUFACTURING CO. IN CHESHIRE, CONN.

By DAVID J. LYNCH
The Washington Post

IF THERE is a recession brewing in the United States, it would be news to Doug Johnson.

The president of Marion Manufacturing Co. in Cheshire, Conn., Johnson is enjoying some of the best times in his company’s 76-year history. Sure, he’s heard the negative chatter about rising prices, sinking stocks and mounting risks from trouble overseas. And he’s seen the polls showing that most Americans think the economy is headed for a tumble.

But as Johnson looks out over his 30,000-square-foot operation, all he sees are busy workers racing to keep up with new orders for a variety of vital steel and copper components, including those used in electrocardio-

grams and cable television hookups. His biggest problem is finding enough labor to handle all the metal-bending work that is coming his way.

“There’s so much pent-up demand, and everybody I talk to — our suppliers and our customers — says the same,” he said. “We’re up 40% over last year and climbing. This month, we were up 100% over last year. It’s incredible.”

Johnson’s upbeat view stands in stark contrast to more prominent figures’ deepening gloom. Just Wednesday, Jamie Dimon, chief executive of JPMorganChase, warned that “a hurricane” is bearing down on the U.S. economy.

Tesla chief Elon Musk and Lawrence Summers, a former treasury secretary, also have warned of a

looming recession. In a Quinnipiac University poll last month, 85% of Americans agreed a downturn was either “very” or “somewhat likely” in the next year.

Yet Marion Manufacturing’s good fortune — echoed by continued strength in consumer spending and signals from Wall Street — suggests that such dire assessments may be wrong. On Friday, the Labor Department said the economy gained 390,000 jobs in May, beating analysts’ expectations, while the unemployment rate remained at 3.6%.

“I’m not sure what’s driving all the talk of recession,” said Johnson. “There’s a lot of negativity out there that’s not well founded.”

The Federal Reserve’s recent change of course on monetary poli-

cy is the biggest source of recession fears. After repeatedly assuring investors last year that inflation would prove “transitory,” Fed Chair Jerome Powell this year has steered the central bank on a path of interest rate hikes designed to slow the economy and ease pressure on consumer prices.

The Fed’s about-face already has been bad news for financial markets. Lifting interest rates from near zero caused investors to rethink their portfolios, sending stocks plummeting and cementing the notion that something about the economy has gone seriously awry.

But recent indicators suggest that the two-year-old expansion — while slowing from an unsustainable pace

SEE FED PAGE B2

BRISTOL MYERS TO PAY \$4.1 BILLION FOR LUNG-CANCER BIOTECH FIRM

Bristol Myers Squibb Co. agreed to pay \$4.1 billion to acquire Turning Point Therapeutics Inc., the developer of a drug for lung cancer that’s expected to launch next year.

Bristol Myers will pay \$76 a share in cash to acquire all outstanding Turning Point shares, the companies said Friday in a statement. The moves reflect a wider movement among big drugmakers to return their focus to the lucrative cancer market as attention to the COVID-19 pandemic wanes.

Unlike Pfizer Inc., Eli Lilly

& Co. and some other drug giants, Bristol Myers has had relatively little involvement in developing pandemic vaccines and treatments. The company has been seeking to build out its pipeline as some of its older drugs face competition from lower-priced generic versions.

The transaction is expected to add to Bristol Myers earnings starting in 2025, according to the statement. The company said it expects to finance the acquisition with cash on hand.

— Bloomberg

A worried Elon Musk says Tesla needs to cut 10% of its workforce

Tesla CEO Elon Musk has a “super bad feeling” about the economy and wants to cut 10% of the EV maker’s jobs and freeze hiring, according to an email he sent to executives.

The email obtained by Reuters was sent Thursday under the title, “pause all hiring worldwide.” It comes just days after Musk declared “remote work is no longer acceptable” and ordered employees at both Tesla and his rocket company SpaceX to return to the office “at least” 40 hours a week or find a new place to work.

But such a retrenchment also parallels broader cutbacks in tech: The industry shed more than 15,000 workers in May, a level not seen since the early days of the pandemic, according to data from Layoffs.fyi. Few have been immune to the challenges wrought by surging inflation, the war in Ukraine and a checkered recovery.

— The Washington Post



JONATHAN NEWTON/THE WASHINGTON POST
Elon Musk gives a presentation at SpaceX’s spaceport launch facility in Boca Chica, Texas.