

# ***ONE FLU OVER THE CUCKOO'S NEST***

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H5N1 is the alphanumeric sequence code for a prolific strain of Asian bird influenza that already has caused human deaths in the backwaters of China, Thailand, Vietnam and most recently in the Indonesian capital of Jakarta. Earlier this year, *Fortune* (March 7, 2005) ran a feature article on H5N1. This article was an excellent primer on the potential ill-effects of the virus but was not read by many people that we know. Therefore, we offer a few sobering highlights:

- **The H5N1 flu strain originates in ducks and geese and is transmitted to other birds and poultry.** Unlike mad cow disease, it can be highly contagious and deadly if it jumps the species barrier, i.e., a progression from bird-to-bird to bird-to-human to human-to-human. There is mounting scientific evidence that this flu strain has the unique capacity to mutate into a human epidemic. It will be a biological weapon of mass destruction if vaccines and mass inoculation procedures are not in place.
- **In 1918-19, the world was overcome by a devastating influenza in which an estimated 40-50 million people died.** This was known as the Spanish Flu and is a forgotten chapter in history books as it was greatly overshadowed by the cessation of World War I hostilities. There also were few surviving eyewitness accounts. Even the most conservative estimate of fatalities suggests that a great many more people died from this flu epidemic in 6 months than from the entire war.

## ***Fluicide bombers...***

If and when the H5N1 flu strain reaches the stage where it can jump from human-to-human, the Department of Homeland Security's worst nightmare becomes a terrorist squad of influenza transmission agents, i.e., the equivalent of biological suicide bombers intentionally spreading the virus via human contact. Notwithstanding this possibility, the avian flu virus probably will have little trouble spreading on its own. We live on a highly mobile planet. Planes, trains and automobiles will be the likely facilitators of a major epidemic.

Scientists know that avian and human influenza viruses can exchange genes when a person is simultaneously infected with viruses from both species. This process of gene swapping inside the human body can give rise to a completely new subtype of the influenza virus to which few, if any, humans would have natural immunity. Moreover, existing vaccines, which are developed each year to match presently circulating strains and protect humans during seasonal epidemics, would not be effective against a completely new influenza virus.

If the new virus contains sufficient human genes, transmission directly from one person to another (instead of from birds to humans only) can occur. When this happens, the conditions for the start of a new influenza epidemic will have been met. Most alarming would be a situation in which person-to-person transmission resulted in successive generations of severe disease with high mortality.

## ***Dangerous flight path...***

Here is a scientific observation presented several months ago by [www.recombinomics.com](http://www.recombinomics.com):

*...H5N1 in northern Finland is [not a surprise](#), Birds from northern Siberia migrate to warmer locations in Europe and these birds fly over Finland. This is the right time of year for migration from northern Siberia and documented cases of infections in Russia strongly suggest the birds in northern Siberia are H5N1 positive. (Ed: Since this was written, H5N1 has infected birds within 100 miles of highly-populated Moscow and has been detected in Western Europe and the Mediterranean.)*

***Birds in northern Siberia also migrate to Alaska, and birds from Alaska spread out across North and South America. Thus, H5N1 in northern Siberia can widely disperse H5N1. H5N1 can replicate easily in a wide variety of tissues and has gained significant evolutionary advantage. Consequently, it is being established in a number of regions, and this increased gene pool will further the chance of recombination and acquisition of the mammalian receptor binding domain.***

*The receptor binding domain can be acquired from mammalian sub-strains, but can also be collected from the mammalian sequences in birds. Thus, an expanded host range offers many unique opportunities for recombination.*

*As H5N1 becomes endemic to more areas, its gene pool enlarges, facilitating productive recombinations. The prior acquisitions of mammalian polymorphisms increase the frequency of more recombinations.*

*Recombinations in birds would be cause for concern, because an efficiently transmitted H5N1 could spread among birds and then infect many people in many locations. These simultaneous outbreaks would limit an effective containment strategy that depends on treatment within one to two weeks of symptoms.*

*Thus, H5N1 is poised to go global and increase its geographical reach.*

## ***Killing the golden goose...***

The biggest wildcard in the economic and wealth equation is an outbreak of H5N1 influenza in China or India, the places where it is most likely to occur due to extremely high population densities. At the first whiff of trouble, the Chinese and Indian growth engines will go into gridlock as human contact and travel is restricted. This occurred several years ago in China and Hong Kong when the flu-like SARS epidemic was taking lives.

Japan, Korea, Taiwan and Hong Kong will mimic China and India in their attempts to prevent the H5N1 virus from spreading. As a result, fewer Asian goods and outsourced services will enter US markets, and that might be considered a good thing for job-starved Americans. However, substitute goods and services will become much more expensive due to our higher cost of labor.

In the event of slowing economic activity in the Far East, the talk behind closed doors is that Asian central banks will unload their hordes of US Government bonds in order to liquefy their stalled economies, and that will undermine US bond prices, the US stock prices and the US real estate prices

as long-term interest rates are pushed skyward due to a veritable ocean of bond sales flooding the market.

Of course, none of this may happen. But if it does, there will be little advance warning before the stealth tsunami of bond liquidations slams into the financial markets.

### ***No “lame duck” President...***

President Bush, reeling from criticism that his administration did not do enough to prevent loss of human life from Hurricane Katrina, has placed the prevention of an avian flu epidemic front and center on the White House agenda.

Official press releases are now appearing with regular frequency. The topic is being given air time in Presidential speeches. Bush has requested Congress to grant him emergency executive powers to order mandatory quarantines if the flu virus is detected on American shores. Top pharmaceutical company executives have been summoned to Washington to devise a work-around for the development, mass production and stockpiling of flu vaccines.

Nonetheless, these good intentions may be for naught as our Nation's Capital is in the thick of its own wild goose chases...the high-level investigations into the Valerie Plame leak...the controversial nomination of Harriet Miers as Supreme Court justice...the intense bickering over a reconstruction plan for New Orleans and the Gulf Coast.

Let us hope and pray that the White House is not turning into a political Cuckoo's Nest, for we must be on increasingly high-alert for the avian flu virus to wing its way across the Atlantic and/or Pacific, killing North American waterfowl and poultry and infecting livestock and humans. At that very moment, the President will need to make his voice heard above the wails and cries of the Congressional loons. He will need to order the military to enforce mandatory quarantines for days or weeks while halting air travel and public transportation within the highly-infectious zones.

Millions of Americans will not be able to go to the stores, perhaps millions more will be unable to show up for work and thousands of doctors will be unable to see patients. Stockpiling might eclipse stock car racing as a national pastime. People fearful of emergency quarantines (i.e., little or no advance warning) will be loading up on non-perishables and cooking fuels as there is no guarantee that power companies will have enough natural and human resources to fully operate the power grid when there are quarantines in effect. The consequence is that many Americans may need to turn to propane and kerosene in order to prepare their favorite canned or packaged food entrees.

In the years immediately preceding Y2K, we spent an inordinate amount of time trying to convince clients, relatives, friends and neighbors to prepare for a few weeks without electric power, empty shelves at the stores, acute gasoline shortages, no prescription refills and the inability to use a credit card. Although the disaster scenario fortunately did not come to pass, the planning and preparedness exercises were useful. To grizzled veterans of the Y2K readiness campaign, the possibility of a worldwide flu epidemic sounds like *déjà vu* all over again, but we have grim reminders each day that our world has become an increasingly dangerous place.

## ***Alfred Hitchcock is in the house...***

In 1963, producer Alfred Hitchcock released his thriller/masterpiece “*The Birds*” and took American movie-goers on a chilling journey that they would never forget. If Hitchcock were alive today, he would surely be working on a sequel adapted to the H5N1 threat.

If human-to-human transmission of the H5N1 virus becomes a reality, our wealth and investments will be the proverbial chickens crossing the road...and they will need to get to the other side quickly. Because there may not be much time to react, it is time to think ahead and at least map out strategies that will preserve wealth in the event of mass hysteria and possible human tragedy on a colossal scale. Such strategies would emphasize:

- Cash equivalents
- Tangible assets (e.g., precious metals)
- Life, disability and business interruption insurance

We urge you to switch on the H5N1 movie channel and pay attention to the unfolding plot. Very recently, there was a report that a Vietnamese woman contracted the avian flu virus from a sick relative despite the fact that an advanced flu vaccine (*Tamiflu*) had been administered to her. Pretending that H5N1 is a made-in-Hollywood drama and is not a potential threat to your health and wealth is neither responsible nor wise.

Please don't “duck” this issue...spread your wings, get educated on H5N1 and seek out advice on how you can protect your nest.

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