

**The Nature
of the
Pharmaceutical
Investment
Business
With Disease**

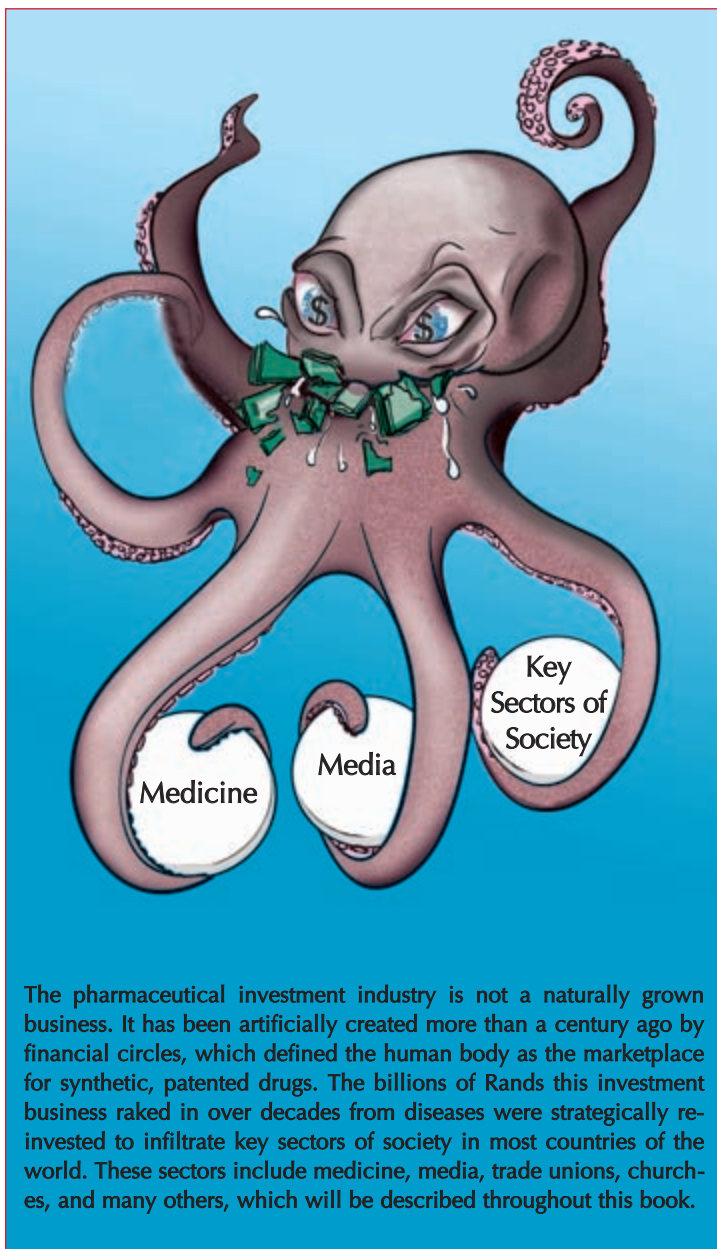
THE PHARMACEUTICAL INVESTMENT BUSINESS WITH DISEASE

In order to understand such inconsistent action and to elucidate the goals of an organisation that focuses on the promotion of ARV drugs and organises rented crowds for the drug industry, it is critical to address the basic principles of the pharmaceutical investment business.

The pharmaceutical business principles can be summarised as follows:

- 1. The industry is not a health industry, but an investment business based on the return on investment from patented synthetic drugs.**
- 2. The marketplace of the pharmaceutical industry is diseases and their continuation and expansion are a precondition for the continuation of this investment business.**
- 3. Prevention and eradication of diseases narrow or eliminate these multi-billion Rand disease markets for the drug industry and are therefore being actively fought by these interests.**
- 4. Micronutrients and other science-based natural – but non-patentable – health approaches that help correct diseases at the cellular level are the single biggest threat for the survival of the multi-billion Rand investment business and are therefore the target of its most vicious attacks.**

In order to mask its deceptive nature – pretending to fight diseases whilst actually being dependant on their expansion – the pharmaceutical stakeholders use their profits to finance one of the largest and most comprehensive army of lobbyists influencing essentially all parts of society.



The pharmaceutical investment industry is not a naturally grown business. It has been artificially created more than a century ago by financial circles, which defined the human body as the marketplace for synthetic, patented drugs. The billions of Rands this investment business raked in over decades from diseases were strategically re-invested to infiltrate key sectors of society in most countries of the world. These sectors include medicine, media, trade unions, churches, and many others, which will be described throughout this book.

CRITICISM OF THE PHARMACEUTICAL “BUSINESS WITH DISEASE” FROM WITHIN THE MEDICAL PROFESSION

The first Respondent has been among the first to expose the pharmaceutical business with disease and its business principles characterised above. In the meantime, profound criticism of the unscrupulous business practices of the pharmaceutical investment industry has increased exponentially and has become the subject of many best-selling books.

Particularly revealing has been the criticism from within the medical profession. A case in point is the book written by Dr Marcia Angell, M.D., the former editor in chief of the “New England Journal of Medicine”, the most influential medical journal in the world. Her book entitled: “The Truth About the Drug Companies – How They Deceive Us and What to Do About It” analyses the pervasive influence of the pharmaceutical industry on medicine and society at large and is annexed to this response.*

Of particular interest in this book are the following aspects:

- a. For more than two decades of work at the “New England Journal of Medicine,” including as editor in chief of this most influential medical journal in the world, Dr Angell has been a firsthand “eye witness” of the coercion of medicine by corporate greed on the part of the pharmaceutical industry.
- b. The harsh criticism of Dr Angell in her book about the business practices of the pharmaceutical industry has been translated in many languages and awarded, among others, the “Polk Award,” one of the most coveted awards in journalism in the USA. Moreover, it has received wide support from leading newspapers, including the “New York Times.”*
- c. In the introduction of her book Dr Angell clearly states: “This book will expose the real pharmaceutical industry – an industry that over the past two decades has moved



Crown Witness

Dr Marcia Angell, the former editor in chief of the world's most influential medical journal, the "New England Journal of Medicine", describes the pharmaceutical industry as a global fraud.

very far from its original high purpose of discovering and producing useful new drugs. Now primarily a marketing machine to sell drugs of dubious benefit this industry uses its wealth and power to co-opt every institution that might stand in its way, including the U.S. Congress, the Food and Drug Administration, academic medical centres and the medical profession itself. Most of its marketing efforts are focused on influencing doctors, since they must write the prescriptions." This statement bears particular relevance in light of the background to be revealed below about the current leadership of the South African Medical Association.

The significance of Dr Angell's book about the unethical business practices of the drug companies has a particular significance for this case: Dr Angell's "insider" report describes organisations, mech-

anisms and financial schemes which, as will be detailed in this response, are the hallmarks of organisations and individuals presented throughout this Application, including many of the “witnesses”.

The following chapters of Dr Angell's book are particularly relevant:

- **“The \$200 billion colossus”**

This chapter characterising the pharmaceutical investment business corrects the perceived view of it as a “health industry” and describes the multinational drug companies as “vast marketing machines with unprecedented control” over medicine, media, politics and – through this influence – on millions of people.

- **“The Hard Sell ... Lures, Bribes and Kickbacks”**

This chapter details the mechanisms by which this industry buys and coerces its influence on doctors and other health professionals to promote their often questionable drug merchandise.

- **“Marketing Masquerading as Education”**

This important chapter describes the ruse applied by drug companies to cover their multi-billion rand drug marketing expenses as “medical education” efforts, including the use of “third party” organisations “conducting this education” seemingly independent of the drug influence. This is particularly relevant for this Application in light of the funding of organisations in South Africa like the “Foundation for Professional Development” which will be elucidated below in the context of documenting the background of the current leadership of the South African Medical Association.

DID YOU KNOW THAT...

- The deadly side effects of pharmaceutical drugs have become the fourth leading cause of death in the United States and other industrialised countries, only surpassed by heart attacks, cancer and stroke?
- 80 % of the drugs currently manufactured do not cure diseases, rather cover symptoms?
- U.S. drug companies spent more than a billion dollars over the past years in campaign donations and lobbying that have produced favourable laws and tens of billions of dollars in extra profits?
- The political leaders of the leading pharmaceutical export nations (G8) announced in 2007 to take 60 billion Dollar – more than 430 billion Rand – from the tax money of their citizens, to subsidise the ARV business in Africa, conducted by the pharmaceutical multinationals headquartered in their respective countries?

- **Marketing Masquerading as Research**

A second ruse beside “Education” that is being strategically used by the pharmaceutical industry to mask its drug marketing efforts is “research.” As we shall see, millions of rand are also channelled to South Africa and other developing countries to promote ARV drugs under the pretext of “charity” and supporting medical research.

- **Buying Influence – How the Industry Makes Sure It Gets Its Way”**

This chapter details the influence of the pharmaceutical investment business on many parts of society.

THE CONNECTION BETWEEN THIS LITIGATION AND PHARMACEUTICAL INTERESTS

There is a close connection between the interests of the pharmaceutical industry and this Application. In fact this litigation is part of an ongoing effort by pharmaceutical interests to maintain its monopoly on patented drugs. This corporate influence on individuals and organisations named in the Application is documented in detail in part B of this response. The following paragraphs merely provide an introduction to this background.

The Treatment Action Campaign (“TAC”):

The connection between the “TAC,” the first applicant in this litigation, and the pharmaceutical industry has been the object of previous litigation at the High Court of Cape Town, Case number 2807/05.*

Even though the Court in its ruling on March 6, 2006, stated we could not – yet – conclusively prove that the “TAC” operates as a front for the pharmaceutical industry, the Court did not object – among others – the following statements characterising the “TAC’s” activities:

- 1. “The TAC organises rented crowds for the drug industry.”**
- 2. “The TAC pays people to participate in its demonstrations.”**
- 3. “The TAC encourages medicine which is harmful to them and will kill them.”**
- 4. “The TAC forces the government to spend millions of Rand on toxic drugs.”**



The South African Medical Association (SAMA).

SAMA, the second applicant, is represented in this litigation by its board. As will be detailed below, the leading SAMA board members are connected to the pharmaceutical investment interests through their professional careers and positions they hold in organisations heavily sponsored by the drug industry.

While the careers of most board members of SAMA remain dependent on the survival of pharmaceutical dogmas – explaining their adamant hostility towards nutritional and traditional medicines – it is a well known fact that a growing number of general practitioners and other doctors in South Africa consider these natural health approaches as a part of their daily practice.

The Advertising Standards Agency (ASA) of South Africa.

The ASA is being extensively used in this Application as an “expert witness.” Thus, the following facts needs to be documented:

The ASA is a private company, led by business tycoon Mervin King, was co founded by the Pharmaceutical Manufacturer’s Association of South Africa. To this day, this lobby group remains a financier and stakeholder within the ASA representing the interests of pharmaceutical multinationals in South Africa. This means that the ASA is not an independent, unbiased organisation and cannot be relied upon to exercise independent judgement on an issue that is likely to affect the interests of its financiers and members.

Moreover, under the pretext of protecting ‘standards’ in the media,’ the ASA is being used as a privately run “censorship” body to protect the business interests of its founding members. With the help of the ASA the pharmaceutical industry tries to eliminate any threats to its multibillion Rand market with patented AIDS drugs, e.g. by science based natural health approaches. In order to cope with this threat the ASA simply tries to ban the publication of the health benefits of non-patentable micronutrients across South Africa! This fact is documented by the ASA “ruling” - referred to in this Application – that tries to ban even textbook knowledge of biology about nutrition and micronutrients from being printed in South African Media and from reaching millions of people.

Willem Daniel Francois Venter

The witness Dr Venter is head of the HIV Clinicians Society, a so-called “special interest group” that focuses on the promotion of ARVs. By that very nature he serves the interests of the pharmaceutical investment business in the AIDS market. Moreover, as documented in the “publication list” attached to his affidavit, Dr Venter’s



Dr Francois Venter

entire academic career is dependent on the validity of the ARV dogma: essentially all his publications serve the promotion of ARVs, while not a single one of Venter’s publications serves to document the key role of micronutrients to improve immune function. Thus, while in his Affidavit Venter portrays himself as a representative of the “scientific” truth about AIDS, in his ARV focused career he fails to address the most basic facts of biological science: the essential role of micronutrients for optimum immune function – a fact taught in the first years of the university curricula in biology and other life sciences the world over.

Robert Edwin Dorrington

The witness Professor Dorrington has, according to the curriculum vitae attached to his own affidavit, for a number of years served as head of the UCT Retirement Fund. According to the UCT Website, the fund invests in “companies that have the best growth prospects in the world. For example, there are very few South African companies in the rapidly growing pharmaceutical and health care sector – internationally the Fund can get exposure to the best companies in this sector.”*

These are just a few examples of the connection between pharmaceutical interests and this case. A more comprehensive list of individuals and organisations named in this Application and their specific background is documented later in this book.

In addition to the above information, the public nature of this case requires the following clarification:

Foreign-owned media

Even though not part of this litigation, some South African media have openly taken sides with the promoters of ARVs and have tried to pre-try this case in the court of public opinion. Considering the fact that some of the largest media in South Africa are part of media conglomerates held by national and international investment groups, this biased reporting is no surprise either.*

So-called “Civil society”

In a similar way, the SAMA functionaries and the TAC continue to justify their action against me and the other Respondents as being in the interest of “civil society.” They are promoting coalitions of common interests with certain segments of this “civil society.” A closer look at these segments reveals the nature of these common interests:

- **The Congress of South African Trade Unions (COSATU).**

COSATU has pension funds in the range of billions of Rand. Among the investments made by the COSATU pension funds are huge direct and indirect investments in the pharmaceutical industry. Hence, some COSATU leaders have become outspoken promoters of ARV drugs because they have a financial interest therein.*

- **The South African Council of Churches (SACC).**

More than one quarter of the annual budget of the South African Protestant church comes from the Protestant church of Germany (Evangelische Kirche Deutschlands, EKD) and its

affiliates. Germany is one of the few countries in the world where the churches are funded by state taxes, essentially abandoning any separation between churches and state.*



One of the most outspoken promoters of ARVs within Cosatu is its Western Cape representative Tony Ehrenreich. He uses his function as a union leader to create the public impression that millions of trade union members support the distribution of toxic ARVs in South Africa. This is, of course, not the case. In May 2006, Ehrenreich was arrested in connection with street riots in Cape Town.

Germany is not only a leading export nation of pharmaceutical drugs but the German churches also play a role in the promotion of pharmaceutical drugs especially in the developing world and some church leaders have particular connections to this industry. A case in point is the current head of the Protestant Church in Germany (Evangelische Kirche Deutschlands, EKD), Dr Huber, who had parts of his academic career financed by the “Eli Lilly Foundation”, the tax-shelter of one of the largest pharmaceutical companies in the world.*

It is the very same EKD church of Dr Huber that finances more than one third of the annual budget of the Protestant church in South Africa. For more details I refer to Section II of this affidavit.

The promoters of the ARV drug business argue that their merchandise – patented ARV drugs – are the answer to the AIDS epidemic.

The facts on the following pages correct this myth.