Forget the tech bubble. It’s the Biotech Pharma bubble you should worry about

While startups like Uber and Snapchat have garnered giant valuations recently, another sector looks like it might be getting just as excessive, overheated, overblown, overstated and a bubble ready to burst.

Watch: https://www.youtube.com/watch?v=h7SdouBc6eE

Big pharma firms and investors have been showering billions on speculative companies that have never produced a viable drug. For four years running, biotech stocks have risen faster than any other sector of the market in the United States. Health care set new records last year for both IPOs and M&A spending.

In the movies of Desire’ Dubounet there are 10 earth-changing words.

“If I were you I would sell my drug company stock”

These 10 words could start a chain reaction that leads to the total demise of the drug cartel. An idea whose time has come is powerful.

“Water Wine Homeopathy” https://www.youtube.com/watch?v=bQOTbv5jTSA
“Sworn on the Altar” https://www.youtube.com/watch?v=Z14C9n8XGCQ
“Healer” https://www.youtube.com/watch?v=aKcO81kvteE
http://syntheticissinthetic4u.com

And with just a bit of a nudge the investment walls could come tumbling down
What if the Truth of SINthetics was told?

The reason the bubble will burst is that the people will find out the truth of that SINthetics are an insult to the body, and that with their existing patents expiring and the cost of R&D climbing, many global drug companies are desperate for new ideas. Cheap debt, a frenzy of publicity for research that hasn’t yet led to any products, and obscenely high pricing for the medicines that make a difference are all adding fuel to the fire. Patients fear side effects and Big Pharma lies. The risk of this is that valuations could keep spiraling higher—until they come crashing back down, either because campaigns to lower drug prices succeed, or because too many of the hoped-for new drugs turn out to be duds. That could set scientists and investors back years, and deny life-saving treatments to suffering patients.

The biotech sector is exploding by almost every measure
Private biotech funding still isn’t as big as regular tech (i.e., internet and software) in dollar terms. Software companies raised $19 billion of venture capital in 2014; biotech and medical-device companies raised $8.6 billion, according to a report from PwC. Similarly, tech IPOs raised more money in 2014 than biotech ones—even when you subtract the year’s record-setting Alibaba IPO. And the amount raised by biotech IPOs increased only slightly from 2013 to 2014.

However, in the number of IPOs, biotech is exploding. There were 102 health-care IPOs in the United States alone in 2014, 71 of which were biotechs—one in four of all US IPOs. That easily crushes the 2013 record of 55 health-care IPOs (of which 47 were biotech), and is far more than at the height of the early 2000s genomics bubble, in which many startups went public, soared in value, then crashed.
The average return on last year’s biotech IPOs was 13% on the first day, and 21% through the end of the year. That made them by far the best-performing segment of the IPO market. In December, half of all IPO filings in were biotechs, according to Renaissance Capital, a manager of IPO-focused exchange-traded funds.

Tech companies have been criticized for burning through cash, acquiring other companies just for their engineering talent, and spawning the term “pre-revenue” as a euphemism for not making any money. But at least by the time they go public, they have a revenue stream. According to J.P. Morgan, most of the biotech companies that have gone public in the last two years have done so with either “preclinical assets”—i.e., drugs that haven’t yet been tested on people—or with drugs in phase 1 or 2, the smallest, earliest, and most fraught stages of human trials:

Percentage of IPOs with preclinical/phase 1 or 2 assets
To give a sense of how precarious that is, according to one survey (pdf) of leading drug companies, 97% of drugs in preclinical tests never make it to market, and nor do 95% of the molecules in phase 1 clinical trials and 88% of molecules in phase 2. Not until phase 3 do their prospects get much better: Of the ones that make it that far, 56% are approved.

That hasn’t stopped companies in these stages from reaching huge valuations. Juno Therapeutics raised $300 million in its December IPO (paywall), and is valued at $4.5 billion. Kite Pharma is worth $3 billion after debuting last year. And bluebird bio’s stock has tripled based on its experimental techniques for changing faulty genes. Spark Therapeutics, a “pre-revenue” company that is developing gene therapy treatments for rare diseases, went public in late January and is worth more than a billion dollars.

The sector’s overall stock-market performance has been extraordinary too. Last year, Nasdaq’s biotech index outperformed the broader market by 60%. Last July, Federal Reserve chair Janet Yellen took the rare step of singling out small-cap biotech stocks (as well as social-media stocks), describing their valuations as “substantially overstretched” (paywall). Since then, they’ve kept growing considerably faster than the rest of the market:
Last year was also record breaking for M&A. There were $379.5 billion (pdf) of deals throughout the pharma, biotech, and medical sectors, compared to $173.7 billion in 2013. There were also $224.1 billion in lapsed deals that didn’t quite make it to the finish line.

Investors are betting on untested business models

The biotech craze isn’t, of course, built entirely on hot air. There was a jump in drug approvals last year, there are some potentially revolutionary drugs in development, and the US Food and Drug Administration (FDA) opened up a few ways of getting promising drugs approved faster. Biotech saw its first true blockbuster for some time in Gilead’s Hepatitis C drug Sovaldi, which was approved in late 2013, and quickly set sales records. Companies that have products on the market and are growing their revenues may warrant their high valuations.
But others do not. According to Morningstar biotech analyst Karen Andersen, while some companies are still undervalued, a growing number have valuations that basically assume that the drugs in their pipeline will be successes. In reality, though, bringing a drug to market is one of the most expensive and difficult things in business. “We give firms more credit for early-stage programs than we ever have,” Andersen says. “I’m not sure how much more credit we can extend, without it becoming purely theoretical.”

Last year, admittedly, some deals were attempts at tax inversions, where an American company acquires a foreign business in order to move its tax domicile overseas and get a lower corporate tax rate. Analysts expect fewer of those this year, after the Obama administration implemented rules making the deals less attractive.

But the appetite for early-stage companies will continue. That demand is coming from both pharma companies and now the larger biotech firms, says S&P lead health care analyst Kevin Loo. “You are going to see a continuation of acquisition of small cap development just to fill in the pipeline.”

“Most of the large cap biotechs are flush with cash, and debt is still cheap,” Andersen concurs. “So they can afford to pay full price, particularly if they are trying to cobble together a complete regimen for say, cancer or hepatitis C. And some of the firms that have had very strong double-digit growth recently will need to make acquisitions that move the meter, in order to maintain strong growth.”

In short, the market frenzy is likely to continue or even intensify. When investors see that a company like Gilead added more than $100 billion to its market cap in three years based almost entirely on one
acquisition and one drug, it makes them bullish on both the industry and further acquisitions. Much of the current frenzy is focused on a particularly risky subset of treatments. **CAR T-cell therapy**, for example, genetically engineers the body’s own immune cells to attack tumors. It has shown the potential to rapidly eliminate some cancers. But the problem—besides the fact that it could cost $300,000 or more per patient for a one time treatment—is preventing the cells from attacking healthy tissues, or releasing dangerous chemicals into the bloodstream. And the research has yet to yield a commercially available treatment. But none of that has stopped the market going nuts on small bits of news about the therapy. In January, Intrexon, Ziopharm and MD Andersen Cancer Center announced a licensing agreement for this kind of technology at J.P. Morgan’s biotech conference. Intrexon’s stock almost immediately jumped $10 per share, adding a billion dollars to its market capitalization, while Ziopharm’s stock price nearly doubled.

The cause: **Big Pharma is suffering a science stagnation**

Momentum and market optimism have a lot to do with these surging biotech valuations. But a more basic reason is that major pharmaceutical companies, the ones worth hundreds of billions of dollars, badly need new drugs. A wave of patents on blockbuster drugs have expired in the past few years, hitting the industry’s profits—the phenomenon known as the “patent cliff.” But bringing new drugs to market has gotten more expensive. According to a [2012 study], pharmaceutical firms spend an
average of $4 billion in R&D for each drug that gets approval. For some companies it’s as much as $12 billion. (Research sponsored by the industry puts the figure at $2.6 billion per drug, but such estimates, according to the 2012 study, don’t sufficiently account for high failure rates.)

A key reason is that it’s become harder to find promising substances. Pharma’s traditional expertise, known as small molecule discovery (paywall)—screening large numbers of relatively simple chemicals to find effective ones—is seeing rapidly diminishing returns. Years of investment in attempting to streamline, speed up, and automate discovery haven’t panned out (pdf). A newer class of medicines called biologics (paywall)—made up of giant molecules that adapt or exploit processes that already occur in the body—are more promising, but need a lot more investment. Moreover, if companies try to research a broad portfolio of potential drugs—which might seem like a prudent way to ensure a few successes—they risk ending up with spiraling costs and low returns, according to a recent report from Deloitte (pdf, p.4). The internal rate of return on research and development (R&D) has fallen over the past few years, according to Deloitte’s analysis, which covers the 12 biggest R&D spenders (see chart below). On some other measures, R&D productivity has been declining for more than a decade.
As a result, Big Pharma has become reliant on drugs invented elsewhere. Nearly 60% of projected pipeline revenue—an estimate of how much income companies will get from drugs in development—comes from externally sourced products, according to the Deloitte survey. Last year’s study was the fifth in a row by the consultancy that found external candidates were more valuable than internal ones. It’s the creators of these potential drugs that investors are excited about. But they’re risky prospects. “Most of these companies out there, most of these academic groups, they all work on the same few ideas,” says Dr. Chas Bountra, the head of Oxford’s Structural Genomics Consortium and a former GlaxoSmithKline executive. “They work in parallel and in secret and they spend maybe five six or seven years, coming up with a proprietary molecule. The first time they test it in patients, in phase 2A, the failure rate is over 90%. I can’t imagine
another industry where you invest resources like that over seven years only to find out nine out of ten times you’ve failed.”

**The drug companies have a pricing problem**

Biotechnology companies often focus on so-called specialty drugs, which are hard to make or administer, and “orphan drugs,” for treating rare diseases. Both are expensive to sell and lucrative to make. Orphan drugs in particular are quicker to develop because rare diseases have a small and often genetically homogeneous patient population. Clinical trials are simpler, the FDA is a bit more lenient in approvals, the US’s Orphan Drug Act of 1983 gives developers of such drugs longer exclusivity and price protection, and there’s little or no competition, all of which gives the drug makers huge pricing power. The number of approvals for orphan drugs has shot up in recent years:

*Increase in FDA orphan drug approvals since 1983*
Specialty drugs often have similar pricing power. Many work only in small populations. A lot of them are biologics, which are harder for generic manufacturers to reproduce after patents expire. Pharmaceutical companies are both buying up companies that produce these drugs, and devoting more of their own development dollars to them. From 2005 to 2013, the price of the average cancer drug in the US jumped by 10%, or about $8,500, every single year. If prices were to drop suddenly, that could undermine the expensive economics of biotech research. The groups that pay for drugs in the US, a patchwork of private insurers and government plans, have long been thought of as far too fragmented to drive drug prices down. But just such a price drop is currently playing out in miniature, in the market for hepatitis C drugs.

Gilead’s Sovaldi and Harvoni were breakthrough treatments for the disease, but they were also the poster children of overpriced drugs. At list prices, a regimen of Sovaldi costs $84,000 for a one time course, and unlike with most specialty drugs, the potential patient population was huge—100 million or more worldwide. Sovaldi and Harvoni together accounted for $12.4 billion in sales last year, and are expected to exceed that total this year.

After a rival firm, AbbVie, had a cheaper, competing drug approved late last year, Express Scripts, the US’s largest pharmacy benefit manager—a company that handles prescription drug claims—said it would stop covering Harvoni and, in most cases, Sovaldi. Such “formulary exclusion” (offering one company’s drugs to patients and excluding others, often in return for a discount) is becoming more common. US pharmacy chain CVS has been a pioneer: In 2013, it excluded
six drugs(pdf), last year, there were 31, and the company expects the number to rise further.

Gilead’s reaction was to double the discounts on its hepatitis C drugs to large buyers (like government health plans and certain insurers). The company kept its upper hand in market share, but at great cost. The announcement sent share prices down for the entire sector.

**Where it could all unravel**

In some ways, the hepatitis C situation is unique. Most specialty drugs don’t have this level of competition. And even if Gilead has to cut prices, it might make up for that with higher volumes: Payers (insurers et al.) that had restricted the treatment to the most severely ill patients because of the cost may now agree to cover more people. But it’s a concrete and highly visible example of the sort of pricing pressure investors fear. The potential savings are so big that the experience with Gilead might prompt payers to get more aggressive, and move towards all-payer rate setting, where they negotiate together to wring a uniform low price from the drug firms.

If that were combined with more assertive efforts from the government, it could bring prices down for drugs more broadly. President Barack Obama’s latest budget proposes allowing Medicare, the government’s health-care program for seniors, to negotiate prices for the most expensive drugs—something that’s normal in other countries, where most prescription drugs are a fraction of their cost in the US. The Republican-controlled Congress is opposed, but pressure from payers and the public may force its hand.
But biotechnology companies, and their current valuations, are heavily reliant on prices staying high. If more sensible pricing takes effect, it could burst the bubble and bring those investments crashing down.

What are the Ideas that could cause this Biotech Bubble to Burst

There’s only one thing stronger than all the armies of the world—and that is an IDEA whose time has come.

Victor Hugo

https://www.facebook.com/groups/askandreveal/

SYNTHETIC IS SYNTHETIC

Pharmacology Fact: To Use a SYNTHETIC anything is an Insult to the Body

http://syntheticissynthetic4u.com/
A jump-start for electroceuticals

As we develop the technology of electroceuticals with safety and efficacy, the need for SINthetic pharmaceuticals will dwindle. First developed in 1997 Electroceuticals have developed well and achieved registration.
The International Journal of the Medical Science of Homeopathy

Special Issue for the Science of Electro Physiological Reactivity, the Xrroid Process

This journal is designed for peer review of the best in practical homeopathy for the practitioners who want to read about what works for healthcare. This special issue covers the topic of scientific analysis of Electrophysiological Reactivity.

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- A Short Review of the Experimental Work on Electrical Reactivity
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- Correlative Infection Comparisons to Xrroid Reactivity
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- Review of Hertzian and Non-Hertzian Treatment
- Bioresonance Treatment of Mastopathy
- A Comparison Study of ElectroPhysiological Reactivity to Hair Analysis
- Xrroid Reactivity Patterns of Cataract Patients
- Xrroid Analysis of a Toxic Water Exposure (a Multi Year Study)
- Aging Acceleration in the Toxic Water Patients
- Facilitated Diagnostics
ELECTROCEUTICAL

The EPFX measures the Electrophysiologic Reactivity intensity of the patient to many QGR tri-vector voltammetry patterns. These are patterns of reactions to Barcodes, Neuroses, Allergies, Idiosyncratic, Nutritional, Herbs, Imponderable, and Classic Homeopathics. The reaction patterns of products can relate disturbances of the patient. Therapies can then be arranged to develop harmonic reactions, desensitization, biological resonance or identification processes. All of these are applied and managed through biofeedback applications. Biofeedback is the operation that allows for the cybernetic loop of systemic feedback. The only indicated use of this device and all claims related to this device are under biofeedback. The loop of measured reaction and bio-varied resonance response allow for a true feedback for self corrective Electrophysiologic therapy. Hence it is called the Electro Physiological Feedback Xrroid.

Excerpt from the 510k registration of 1989

DEPARTMENT OF HEALTH & HUMAN SERVICES

Re: K0921444
Electro-Physio-Feedback-Xrroid System

Dated: Undated
Received: July 18, 1989
Regulatory Class: II

The CE mark Class 2 registration includes European Registration

The following excerpts from the medical claims part of the SCIO CE Mark:

The SCIO is indicated for use as a Universal Electrophysiologic Biofeedback System. The Universal Electrophysiologic Biofeedback System is made up of the following eight Universal items which are functions of the SCIO:

1. Stress Reduction and lifestyle Stressors Questionnaire
2. Simple EEG (electroencephalography) biofeedback brain wave stress reduction
3. Three-lead ECG (electrocardiography) simple heart awareness and biofeedback stress reduction
4. EMG (electromyography) biofeedback for simple reeducation of muscles
5. GSR (galvanic skin response) biofeedback and TVEP (transcutaneous voltammetric evoked potential) biofeedback (electrophysiologic reactivity):

TVEP = EPR

Since GSR biofeedback requires a microcurrent voltammetric stimulation to measure GSR, then the microcurrent has the following secondary therapeutic functions which function as performed through the biofeedback loop:

6. Microcurrent Transcutaneous electro nerve stimulation (MENS) for pain reduction in the cybernetic biofeedback loop
7. Cranial Electro Stimulation (CES) for anxiety and addiction
8. Trauma or wound healing in the biofeedback loop
9. Global Voltammetric Charge Stability in the biofeedback loop
QQC™ Electronic Trivector Tongue

Shape Receptors in the Tongue
Detect Shape and Trigger Brain

QQC Electronic Tongue Detects the Shape and the SCIO Eductor sends the Shape into the Body and the system Measures the Electro Physiological Reactivity EPR / TVEP

The QQC Trivector Electronic Tongue Technology has been Reviewed and Published in PEER Reviewed Medical Journals and printed in Medical University Textbooks

 Tested, Reviewed, + Recognized technology used throughout the world today.

Over 25 yrs Registered Technology
Big Pharma’s Patent Collapse will Sink Your Portfolio

By Alex Daley, Chief Technology Investment Strategist

Like it or hate it, prescription drugs are big business. The pharmaceutical and biotechnology companies of the world rake in billions of dollars per year in revenues and proportionately large numbers in profits. A large part of that power to make great profits comes from investing in proprietary intellectual property, i.e., brand-name drugs that the companies can patent and sell exclusively for a fixed period of time.

When those patents expire, generic drugmakers are quick to bring out cheaper versions of the drugs. Without having absorbed all of the high research and development costs that the original manufacturers fronted, these generic drugs tend to be much cheaper and eat up a large portion of the market.

Every year on average, a few billion dollars’ worth of brand-name drugs drop from patent protection and find themselves with generic competition. But 2012 is record setting. More of the most profitable drugs are coming out of patent protection than ever before, by a long shot.

Better than $35 billion in annual sales is at risk. Nine blockbuster drugs account for the majority of those sales – over $27 billion – with blood-thinner Plavix leading the pack. Plavix raked in more than $7 billion last year for Bristol-Myers, but is expected to see its sales fall by half or more in 2012, thanks to generic competition. Antipsychotic Seroquel and asthma medicine Singulair follow with $4 and $3.5 billion in sales, respectively.
The numbers would have been even higher if Pfizer had not won a high-stakes court battle against Teva last year, defending Viagra from generics until 2019 (that decision is still up for appeal, however).

With 401(k)s and pension plans around the world heavily invested in pharmaceutical companies—and many individuals relying on the steady dividends and, until now, rock-solid valuations—this spells an entirely new risk for portfolios across the board. Many of the world's largest drugmakers will see declines of 50% or more in their core revenues over the next few years, and that could spell significant trouble come earnings time.

Leading the downward charge is Eli Lilly. In 2011, the company saw global sales of $21.5 billion. In 2012, $7.2 billion worth of its products face patent expiration, followed by another $8 billion worth over the next three years. This means that some 71% of Lilly's total revenues will be pressured by generic competition. AstraZeneca, with $32 billion in annual revenue, also has more than 70% of its sales at risk over three years.

Nor is this problem unique to one or two companies. Takeda will see 67% of its revenue at risk. Pfizer, 66%. Bayer, 63%. Johnson & Johnson, 58%. The list goes on and on.

In a normal year, a few billion dollars in patent-protected drugs would be facing expiration, and the expectation would be for each company to have a rich pipeline of replacement drugs to fill the void created by those older therapies falling out of patent protection. This isn't likely in 2012. Not only is the number of expirations large, but the big pharmaceutical companies have also seen a considerable decrease in their research and development throughput over the past decade.
Where Is the Next Generation of Drugs?

Casual observers of the pharma industry, upon seeing the data on the massive number of patent expirations on the horizon right now, could easily conclude that company executives have been asleep at the switch. Maybe they failed to invest in research and development. Maybe they took too much in profits out of the business.

But it's not that simple. A number of factors have conspired to create the shortfall. One of the most commonly cited factors among pharmaceutical executives is the rapid increase in recent years in the amount of time and money it takes to bring a new drug to market.

With major lawsuits over the past few decades stemming from side effects of drugs like Accutane, Fen-Phen, and Vioxx resulting in multibillion-dollar settlements and fines, regulators have been feeling pressure for some time to increase the burden of proof that drugs are not just effective but also safe. The result is that the cost to bring the average drug to market has now soared to over $1 billion. And the length of time to market has been increased – by some estimates to as much as double what it once was. While costs and timelines vary greatly depending on the therapy and the disease targeted, it is clear to any industry observer that the bar is now higher.

Pharmaceutical executives are quick to place the blame for this on the regulators. But they themselves must share some of it. In 2010 alone, at least a dozen pharmaceutical companies were successfully sued by the Department of Justice or state attorneys general and paid out settlements in excess of $5 billion just for marketing drugs for "off-label" uses (i.e., when a drug is promoted to doctors to help cure a disease that regulators never explicitly allowed it to be marketed for; this is something that often arises organically after a drug has been readily available for some time and researchers have found other benefits). This kind of aggressive sales and marketing tactic has caused regulators to push back hard on drug companies, restricting labeling and rigorously enforcing prescription standards.

Nor is tighter regulation the sole culprit. These "big pharma" companies also have themselves to blame for supporting largely unsuccessful research and development programs for too long and failing to hold their developers accountable. In the past three years nearly every major pharma company has had to significantly reorganize its research and development efforts, lay off large amounts of staff, shutter programs, and in some cases dramatically reinvent the way they approach R&D.

The root of this big mess is that the science itself has changed, and the largest companies have failed to adapt.

The Year of the Small Guy

With the advent of entire new fields of study – like genomics or nanomaterials – smaller, more nimble companies have raced to the forefront... for instance, Curis Inc. This drug developer has been a pioneer in the field of pathway inhibitors. These biological drugs interfere with the replication pathways that enable cancerous cells to grow out of control. Pathway inhibitor research was born out of both academia and large commercial R&D labs like those in the pharmaceutical companies. And many major pharmaceutical companies have researchers working in that area, looking for
biological treatments for cancer. However, instead it was a small company – Curis – that was the first to successfully commercialize the technology.

Companies like Curis have emerged due to a mass defection from both big pharma’s labs and academic institutions. Our understanding of biological medicine in particular has increased greatly over the last 20 years, and that has led to a seismic talent shift from larger R&D efforts to small commercial development.

The reason is simple: incentive. As a researcher, you can strike proverbial gold with a valuable new approach, even if unproven, but you know it won’t happen if you’re lost inside a large organization. Better to concentrate solely on your narrower area of expertise, as the founder or early-stage member of a small private company with that specific focus. There are thousands of such biopharmaceutical startups in the United States alone, all of them aimed at producing drugs that serve a large – or even a small but now underserved – market. With a potential payoff that can run into the hundreds of millions or even billions of dollars in sales, the allure is clear.

And there is no shortage of venture capital available for the drug development industry. Companies seeking anywhere from $50 million to $250 million, on the back of promising early lab research, can usually count on finding enough money from private investors to fund the beginning stages of their work.

If they are successful and their drug shows promise in early human trials, even if it comes with a $1 billion price tag, there are ways to get a novel therapy to market. The two primary choices are: go public and raise the money from stockholders; or simply sell out to a large pharmaceutical company.

It is exactly this latter path that many small biopharmas want to follow. These small companies, in an environment where big pharma is starved for new products, hold a great deal of negotiating power. The formula du jour is to strike marketing partnerships, as opposed to wholesale acquisition. In these arrangements, small companies continue to work on the drug, using funds from their larger partners to sustain development, while giving their partners future rights to sell the drugs in one or more markets and keeping a royalty for themselves. This has transformed large pharmaceutical companies from drug developers into drug marketers. And it has created a massive market for entrepreneurs seeking the next Advair or Ambien.

With 2012’s patent-bubble bursting, that market has more potential than ever. After a very successful decade, large pharma companies are flush with cash. Yet with their R&D pipelines comparatively dry, they know that the gravy train is slowing quickly. So the pressure is on for them to make use of that cash and quickly refill their pipelines with new drugs. The only way to do that is to partner with or acquire an even larger number of small biopharmaceutical companies.

On their end, the little guys are in need of cash, in large amounts. Plus, the little guys don’t always have the political connections and necessary muscle to push something novel through a crowd of risk-averse regulators. It's a marriage made in heaven.
Surprising Links: How Big Banks Manipulate and Influence Your Health

July 15, 2012 | 220,739 views

By Dr. Mercola

Ellen Brown is a civil litigation attorney who has written 11 books on health and the politics of health, including the Web of Debt: The Shocking Truth About Our Money System (which focuses on the money and banking system itself), and Forbidden Medicine, which traces the suppression of natural health treatment back to the corrupting influences of our financial system.

In the course of writing her books, Brown was asked to join the legal team of Jimmy Keller, an alternative cancer therapist in Tijuana, who was jailed for, as she puts it, “the alleged crime of representing that he had a high rate of cure for cancer.”

“He always showed the movie World Without Cancer to his patients, which is by Ed Griffin,” she says, “so I read the book World Without Cancer, and it linked the cancer industry—the cancer cartel, basically—with the banking cartel. It showed they had the same roots.

It went back to the Rockefeller-Morgan cartel at the turn of the 20th century. Rockefeller, Morgan, and Carnegie supported drugs, funded the medical schools, and basically got the homeopathic schools shut down. (In the 19th century, the homeopathic schools were the leading health treatment.)

... I realized in the course of that that if you wanted to get to crux of the problem, you had to deal with banking, because that was actually where they got their power. They got their power from the power to create money.”

The Shocking Truth about Our Money System, and the Power it Wields Over Your Health

As Brown explains, the shocking truth about our money system is that virtually all of our money is created by banks when they make loans. It’s not created by the government, as most people believe. The way it works is that, while the banks create the principal, they don’t create the interest, so they’re always getting more back than they’re putting out.

“The thing that most people don’t realize is that banks don’t just take in people’s money, and then lend it out again,” Brown explains. “What they do is, literally, every time they make a loan, they create that money on their books. They need the deposits in order to clear the checks, but they’re basically double-counting the money.

... When you’ve put your money in the bank and then you go to withdraw it, they never say, “Sorry, we just lent your money out to your neighbor for 30 years. You’ll have to come back later.” No, they always give you your money. That’s because your deposit’s still there at the same time that they’ve lent it out. So, if you need the money, then they’ll
borrow it from somewhere else. But where do they borrow it from? Basically, from the very bank that the check just went into from the loan that they just made. It’s like a big check-kiting scheme, where you create the money; it goes into another bank; and then you borrow it back. The banks can borrow it back at 0.25 percent at the moment, which is the Fed funds rate. And of course, they lend it out at five percent, or on credit cards 18 percent... or outrageous industry rates. They get a huge spread on money that didn't actually exist until they created the loan.

... Their control over money is how they manage to corner politics, buy up the media, and basically monopolize the field.”

The Links Between Big Banks and the Drug Industry

Two good primers if you want to learn more about the banking system and the link between the pharmaceutical industry and banking, are The Creature from Jekyll Island, and World Without Cancer.

To me, this link between banking and Big Pharma intuitively makes sense. It was just earlier this year that I came to appreciate what Brown is talking about here. While the focus of this web site is on the damage done by the drug companies, it’s becoming increasingly clear to me that the banking system is the behemoth backing the Goliath-like drug industry.

As explained by Brown, the drug connection goes back to the 19th century. John D. Rockefeller’s father was actually, literally, a snake-oil salesman.

“He was a patent remedy seller. The drugs, of course, are oil-based, and John D. Rockefeller was an oil magnate. He also had a bank. So did J.P. Morgan. The drug industry—the patent remedy industry—was in competition with the natural herbal remedies, and the homeopathic remedies. And the way they prevailed in the whole system was that, first of all, they funded the American Medical Association—the AMA Journal, which got their funding from advertising. And if your drug was advertised in the AMA Journal, then you’ve got the AMA’s seal of endorsement... It was a cartel.”

Where the Federal Reserve Fits in

In this interview, Brown discusses far more than I have included here, so to learn more, I urge you to listen to this fascinating interview in its entirety. Of course, it’s virtually impossible to discuss the financial system without touching on the Federal Reserve. According to Brown, there’s an important distinction that needs to be understood regarding the role of the Federal Reserve, because while both banks and the Fed are creating money out of thin air, there are some differences:

“The Federal Reserve is the lender of last resort, so it is allowed to [create money] without actually backing the money from anywhere... There are basically two banking systems.
This is also very complicated, but there is what’s called ‘base money,’ and that’s created by the Federal Reserve. Those are the banks’ reserves. At one time the reserves were gold. You actually, literally, had to keep a certain amount of gold for your depositors, who could cash in their dollars for gold. But in 1933, everybody stopped trusting the banks, because they knew they didn’t have enough gold, so there were runs on the banks. At that time the dollar was 40 percent backed by gold. So, every time somebody would bring two dollars and cash it in for gold, the bank had to call in three dollars’ worth of loans. The whole money supply was just closing in on itself and collapsing. That’s why Roosevelt finally took the dollar off the gold standard. Then, to back the dollar, the Fed created “base money” for the banks to use as reserves. But it’s a separate system. We don’t actually get to borrow the Fed’s reserves. That’s the bankers’ money. The bankers’ bank is the Federal Reserve.”

The Economics of Our Medical System and the Drug Cartel

While at UCLA law school, Brown wrote an article about the economics of California’s regulations on doctors and other medical professions, and how these regulations effectively eliminate all competition to the conventional medical paradigm. It may not be immediately apparent, but the medical profession is very cleverly manipulated and influenced in such a way as to bolster profits for the pharmaceutical industry. It’s a tightly controlled profession, and any competition—such as alternative or integrative treatments related to natural health—is more or less illegal. You cannot claim to treat disease without a medical license.

“I think what’s even worse than that is they control information,” Brown says. “People don’t even know that there are alternative remedies. Or if they do hear about them, they think it’s quackery, and that it’s been disproven, because that’s what the conventional media says [which is largely owned by the same banking cartel as the pharmaceutical industry is]. You really have to dig to find out what’s out there, and how well natural remedies work. Also, you have to dig to find out how drugs don’t work, and how they’ve been over-hyped...”

How Can You Protect Your Health Freedom and Personal Liberty?

When asked to provide some recommendations for what you can do right now to take control of your own health, and how we can win this war on health freedom and personal liberty, Brown shares the following:

“I think the first thing you need to do… is get on the Internet and research what’s [been] done before; what the downside of the drug treatment that they’re trying to recommend for your condition is, for example. Then we really seriously need to get organized. I was in the alternative healthcare movement for a long time. It seemed to me that the medical doctors were all literally brainwashed… They keep you up all night, because you have to do your rounds… and
then, you’re force-fed this information. You want to pass the test; you haven’t had enough sleep; you’re looking at this data, and it says, “All right, give this drug for this condition.” You just accept that, because you’re sort of dazed, locked in a medical school.

The doctors are all trained in one discipline...

They won’t testify against each other in court. And so they’re like this strong wall of solidarity versus all the alternative people, who are all like mavericks and geniuses in their way but they all think the others are quacks. We need to, in some way, form a movement where we have to agree on some basics and worry about the details later.

We need a big umbrella that accepts what we’re going to [focus on]... We want something that’s for the body; that helps the body do what it’s trying to do.

Another thing is the cost. American medicine is the costliest in the world, and we do not get the best results. Body-supporting therapies are cheaper than the drugs that are trying to block what the body’s trying to do. Things that block what the body’s trying to do make you unhealthier, which means you have to add more treatment, which means you have to be hospitalized more often, and which means you run up more bills.

We could save a lot of money if our whole approach was to support what the body’s trying to do.

Natural treatments would be much cheaper for the whole country. We cannot afford our healthcare right now, so something has to be done about this whole parasitic medical system; the parasitic banking system; and the parasitic insurance scheme that is draining the profits out of our economy.”

**An Alternative Banking Plan that Could Save America, and the World**

Brown is also the president of The Public Banking Institute, which stands poised to serve as a powerful part of the solution to the financial debacle we’re currently in, not just in the US, but worldwide. From her research, she came to the conclusion that the main problem plaguing our financial system is the massive interest going into private coffers, and the remedy for that is to replace the privately owned banking system with a public one. She explains:

“After the whole system collapsed in the fall of 2008,... I became aware that there was one state that actually escaped the credit crisis, and that was the only state that had a publicly owned bank—North Dakota. The Bank of North Dakota is owned by the state. They’ve had this bank in place since 1919.

... The private banks are always siphoning off this extra money in interest that they don’t create as principal when they make loans. But if you have a public system—if banking [and]... credit were a public utility just like water should be, or electricity or highways... these are all blood systems of the economy—if money and credit were considered public utility, owned by the public, then the interest would go back to the public.

That is a sustainable system.

The original model is Benjamin Franklin’s Colony of Pennsylvania, which owned its own bank. The government both printed money, the way all the colonies did... [and] it had a
bank. So the bank lent the money, and the money came back to the government. The interest was sufficient to fund the government. During that period, the colonists paid no taxes, they had no government debt, and prices did not inflate. It was a sustainable model.”

From that idea, the Public Banking Institute developed the Return to Prosperity Plan.

It sounds incredible, but 40 percent of the cost of everything we buy is interest, according to research by Margrit Kennedy, a German researcher. This interest is entirely hidden, so you don't know you're paying it. This is because at every stage of development of a product, interest is paid, again and again. For example, a business must typically take out a loan in order to pay for raw materials and the workforce before it can have a final product to sell. The same goes for each of the businesses in the supply chain, and for each and every retailer.

“If the state owned the bank... then the people get the interest back...” Brown explains. “For example, in North Dakota, the state’s revenues, by law, go into the Bank of North Dakota, so they have a huge deposit base and a huge capital base.... That means the state could save 40 percent on its projects, which means we could either cut taxes by 40 percent, or we could have 40 percent more services provided with the same amount of taxes that we pay now. We just have to change bankers. Instead of banking with Wall Street, we should be banking in our own bank (where we get the profits) or cooperative system (where it all comes back). Banking, instead of feeding off the economy, should feed the economy. And it could be a sustainable system.”

More Information

According to Brown, 18 states have now introduced bills of one sort or another for state-owned banks. And the Public Banking Institute, which is run entirely by volunteers, is continuing to work on furthering this plan.

“We have a very active group.” she says. “People get really excited about this idea. We've got representatives all over the country and groups you can join if you want.”

To learn more, please refer to their [web site](#).

I've long been aware of the challenges with our whole economic model, but I've only recently begun to appreciate the connection between the banking industry and health, as discussed in this interview. Again, I highly recommend listening to it in its entirety, or reading through the transcript, to get a broader view.

The problem is so vast, and that's true for just about every problem we have these days. But a large portion of it can be traced back to an unsustainable, unscrupulous, parasitic, private banking system that does not benefit those who use it! It has become a fundamental pernicious evil that's ruining our culture. I think once people understand the concept proposed by this “Return to Prosperity Plan” at a deeper level, it's going to be an easy step to switch over. But of course, there's the logistics of educating the
public on how it works, and then developing the funding to get these ballot initiatives passed in each individual state.

But I think it’s a marvelous model, and I applaud Brown for what she’s doing to really wake us up—both to the roots of the problem and to sustainable solutions.

My approach as a physician is to treat the root cause of the problem. If you just treat symptoms like the drug model is doing, the industry makes obscene profits while the public health continues to suffer and decline. In many ways, we’ve done the same thing with Wall Street. We’re not treating the root problem, namely a corrupted banking system, which is what Brown’s Institute and economic plan addresses head on.

Creating a nation-wide public banking system for each state seems like a marvelous solution, and we know it works—it’s been proven in North Dakota. State banks can be more easily monitored than a nationalized bank, while providing more diversity to cater to each state’s own economic model.

To learn more about Ellen’s work, please see her web site, which contains more than 130 articles—mostly on banking, but also some on health—and over 500 interviews.
Big pharmaceutical fines

$3bn Glaxo SmithKline, 2012, over promoting Paxil for depression to under-18s

$2.3bn Pfizer, 2009, over misbranding painkiller Bextra

$2.2bn Johnson & Johnson, 2013, for promoting drugs not approved as safe

$1.5bn Abbott, 2012, over illegal promotion of antipsychotic drug Depakote

$1.42bn Eli Lilley, 2009, for wrongly promoting antipsychotic drug Zyprexa

$950m Merck, 2011, for illegally promoting painkiller Vioxx

Source: ProPublica

THESE MASSIVE FINES MEAN NOTHING TO BIG PHARMA

PROFIT OVER PEOPLE
"None are more hopelessly enslaved than those who falsely believe they are free." - Goethe

Fight For Freedom

There are those who want to take your freedom to choose away
Police are preparing to put those who refuse Vaccination into Concentration Camps

Police are preparing to put those who refuse ~Vaccination~ into Concentration Camps

Medication
“There is only one thing stronger than all the armies of the world: and that is an idea whose time has come.”

- Victor Hugo
"If I Were You, I'd Sell my Drug Company Stock"

Desiree Dubouret

THANKS DESI, IT IS TIME