

Le Fanu, James - The Rise and Fall of Modern Medicine

Basic Books, 2012 2nd ed, [Surrounding Knowledge] Grade ★★★★★

You should only invest within your own circle of competence – but you should also always try to increase that circle. Before Phoenix Asset Management ventured the fund's money in health care stocks they ploughed through 30 books on the sector. According to portfolio manager Gary Channon, as stated at last years London Value Investor conference, two of these stood out. One was *The Rise and Fall of Modern Medicine*. The author is a practicing medical doctor and a journalist. The book is written with the explicit intent to question the present state of medicine and the health care sector.

The first two hundred pages reads like Bill Bryson's *A Short History of Nearly Everything*, when Le Fanu tells the tale of the twelve definitive moments of medical development. This is the story of the medical triumphs such as the discovery of penicillin and cortisone, open heart surgery etc. that dwarves all that was accomplished prior to that through history. It's an exposé of remarkable persons who push on endlessly pursuing their idea of how illnesses could be remedied. It's also a journey in suffering and death. It is at times incomprehensible to me how those people could keep their trial and error processes going when "error" at times meant huge numbers of casualties.

The following 300 pages then convey what the author really wants to advance. The argument is that despite the hard work behind many of the discoveries, a large amount of them were also due to pure luck and during the 70s the medically important discoveries pretty much dried up. Deprived of discoveries that cured serious or common diseases and influenced by the social engineering of the times the focus of medical science shifted to what in the book is called the social theory, i.e. that it is by changing the diet of the population or by fighting environmental pollution that various unwanted conditions should

be prevented. The problem is that much of the science in this case depended on a combination of bad or manipulative use of statistics and media hype. The beliefs around how cholesterol in the food of the Western World caused heart attacks; how various diets were important with regards to the risk of cancer; and how oestrogen from PCB in plastics could leak out into the ground water and cause male infertility are some of the many examples where the reality got seriously distorted.

Further, partly due to the lack of innovation, the health care companies instead turned to the profitable so-called lifestyle drugs handling - for example depressions, obesity or erection problems. The hope was then spectacularly raised again with the triumphs of biotechnology and specifically with the mapping of the human genome. Sadly, Le Fanu comes to the conclusion that very little has actually come from all this. Partly this is because the complexities were larger than initially anticipated but more importantly it is due to the fact that few of the remaining frequent and serious diseases actually are genetic.

The author's conclusion is that we are in an intellectual vacuum right now; doctors are unsatisfied despite being able to treat so very much more than a doctor could 100 years ago; the population is healthier than ever – yet they worry constantly and are obsessed over every media report that we should eat the exact opposite to what was recommended in the paper the last week; and alternative medicine is gaining popularity. We have seen the rise and fall of modern medicine.

Not being a MD or a health care analyst I find it hard to argue against Le Fanu's convincing narrative. It is certainly an argument that rimes well with the well-discussed patent cliffs of the pharma companies. At the same time there seems to be a new wave of innovation in the biotech companies again so perhaps there is a light in the tunnel?

Mats Larsson, February 20, 2014