

FOR A NEW QUIET REVOLUTION

CHAMBRE DE COMMERCE

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Let me say what a very great pleasure it is to be here with you today. I want to begin by thanking the Chambre de Commerce. I also want to extend my personal congratulations to Chambre de Commerce President Isabelle Hudon, who is being honoured elsewhere today, for her leadership and her outstanding contributions to Canada.

My first presentation to the Chambre de Commerce was in 2003 and at that time I said, as is true today, that my life has changed, immeasurably for the better, since I chose to return to my birthplace.

I have benefited, perhaps too much, from the wonderful food that is offered in our Montreal restaurants. I have gone from wearing the colourless “banker’s suit” that was my uniform in Toronto, to wearing the beautiful colours and stunning designs of our French and Quebec designers.

I have made an extraordinary number of wonderful new colleagues and friends from different walks of life and different cultural backgrounds, for the simple reason that here in Quebec, we kiss all the time.

But these differences are at the surface, comparing life in one place to life in another. It is the deeper character of Montreal and Quebec; the blood and bones of this wonderful place, that give us so much to celebrate, and at the same time give us a deep incentive and urgent requirement that we act now to protect and build our future.

Last month, McGill University hosted, with the Chambre de Commerce, and the Human Capital Institute, a conference that highlighted many of the issues facing our community. The conference was built around the first anniversary of the publication of “Pour un Québec Lucide”.

A number of people expressed surprise that this conference was being held at McGill. Perhaps they see McGill as an English fortress in a French city, or an ancient English battleship in an ancient French harbour. But such people are looking backwards.

McGill may sit in a French harbour, but McGill is not a battleship. It is a bridge belonging to the people of Québec – a bridge that reaches out in every direction, a bridge that links the people of Québec to the great enterprises of the world around us.

And I am grateful for the participation of the Chambre de Commerce in contributing to making our conference on the future of Québec a great success.

I come to you today with the perspective of someone who, after a lifetime away, decided to return to the place of my birth, with a strong conviction that Montréal and Québec were uniquely positioned to play a leadership role in Canada and on the world stage.

But make no mistake – Quebec has come to a social and economic moment of decision. For all the progress that we have made, we are now stalled. The social values we embrace, and the public policies put in place to express them, once helpful, once pioneering, no longer work in harmony. The first and second periods of the renewal that took place during the Quiet Revolution are over. We are in the final intermission, and the third period is about to begin.

Some of you may recall the famous Aislin cartoon that was published on November 16th, 1976, the morning after that particular Québec election had changed everything. Terry Mosher, who penned the cartoon the day before the election results were known, captured perfectly the mood of the day – it was a drawing of René Levesque, with a caption that read: “Okay everyone. Take a Valium.”

Thirty years and five days later, the time has come to update that prescription. The final intermission is no time to take a tranquilizer. We need to approach the issues that are facing Québec with a sense of urgency but, also with energy and a sense of optimism. We need a new prescription for change. And we need it immediately. It is absolutely essential that we build a consensus for change, that we launch a new Quiet Revolution. Perhaps the prescription for this moment is a triple espresso – to jar us into action.

While Québec has some great players, the imperative for change lies in the fact that at this moment, each of us, and our institutions and organizations, whether we know it or not, are in the most intense competition ever experienced around the world. Competition for talent, investment, knowledge, and jobs. We in Québec have only two choices: to move forward, or, to fall back. Status quo no longer exists as an option.

Without being overly pessimistic (I’m known to be the opposite, perhaps to a fault), there are signs that the progress we have realized over the last thirty years is at risk, and that we are beginning to slide backwards. In recent years, Québec investment in university research has been declining year over year, across every disciplinary field. And this is happening at the very time that other regions around the world have launched their regional strategies to win in this world-wide competition; when other jurisdictions are doubling their research efforts and their efforts to recruit and retain the very top talent. Singapore, Melbourne, Raleigh-Durham, Shanghai, Mumbai, Stockholm, Austin, Boston and San Diego all have disciplined and effective city-region strategies to build their capacity for education, graduate education, advanced research and the attraction of talent and investment to distinctive business sectors.

And, it is my duty to tell you that these strategies are working for them.

At the same time, Québec is economically much more fragile than the rest of Canada and the United States (coming 54th out of 60 among the 50 states and 10 provinces) (And Canada itself is at risk according to the Conference Board of Canada recent report).

Montréal fell victim to Toronto’s innovative and aggressive city strategy with its raiding of Tom Hudson. And, for the first time in recent history, thirteen Québec universities fell back last year in their research achievements – the worst showing in Canada. The proportion of GDP that all of Quebec invests in education is falling steadily, year over year, while health care spending increases.

Québec’s university participation and graduation rates have declined. For example, post-secondary education graduation rates rose to 32% in Québec in the mid-1990’s, an astonishing record of success, and then declined to 27% by 2001. And they continue to stagnate. Ontario, on the other hand, has reached 36% university degree completion, and Canada, 31%. And both are rising. We are falling behind in key areas.

In spite of very significant Québec government support, Québec’s universities are systematically under-funded against their Canadian peers, and all are carrying deficits. The current Québec university funding model is simply unsustainable.

As if this were not bad enough, our team - Québec - displays from time to time an almost suicidal capacity to undermine its competitive assets. Take for example, the biomedical and life sciences sector. While Montréal boasts about competing with Boston as one of the top two cities in North America with respect to the number of university students per capita, we treat as a disadvantage what Boston and other great world cities celebrate, that is, the fact that we have two faculties of medicine in our city. Our two medical faculties boost our ability to compete on talent, education, service and innovation, not only with Boston, but also with New York, Los Angeles and many other great cities that also have multiple medical faculties. Indeed, Montréal is the only city in Canada to have two faculties of medicine.

Some among us have become so addicted to petty politics and hurtful and regressive positioning, that Montréal has, for over a decade, deprived its citizenry of powerful and cutting-edge academic hospitals; that it requires to urgently serve the health needs of its citizens; to generate the knowledge, technology, innovation and service upon which all modern jurisdictions depend.

Closer to home, look at Toronto: with approximately one third more people than Montréal, Toronto has five outstanding modern, innovative, progressive academic hospitals, all tied to one Faculty of Medicine. But forget Toronto - Hamilton, Ontario, with a population of just over 500,000, has three.

Our paralysis in creating the great academic hospitals that will uniquely benefit all Quebecers is an outrage that none of us should stand for. That no other city-region in the modern world would accept. It is an opportunity that must be seized and will be seized.

I am confident that the full potential of the CHUM and the MUHC will finally be realized. We will not be paralysed by this small-mindedness. We, Luc Vinet and I, Drs. Arthur Porter and Denis Roy, Deans Jean Rouleau and Rich Levin, will snatch victory out of the defeatist jaws that would turn a Montréal advantage into a tragedy.

One of the top magnets in attracting new international business is the quality of healthcare, and the double-barrelled resources of McGill medicine and Université de Montréal medicine, and, despite the difficulties of the moment, these are extraordinary assets in this regard.

Those of you who follow hockey will understand – to be great, a team needs to be able to put at least two good lines on the ice.

As we in Montréal and Québec weigh our strengths and our weaknesses to formulate our new strategy, I want to speak for a moment about the role of size in positioning Montréal and Québec for success. Fact number one: British Columbia and Alberta together recently surpassed Québec in total population. Fact number two: population growth in Toronto, Calgary and Vancouver offer Canada great potential to offset the economic costs of an aging population.

But it is important to remember two other facts: first, for the last three years consecutively, Québec has experienced an increased birth rate, and also, consistently growing in-migration. This is occurring for the first time in a very long time, and our universities are strong contributors to this trend. Second, size is important but it is only one benchmark of the importance of a city or a jurisdiction.

Strong social values and cultivated citizenship in combination with economic dynamism and innovation, are, in many ways, more important than population growth alone. Think of David and Goliath – intelligence and strategy can outperform brute size.

I entitled today's presentation "For a new Quiet Revolution" because the time is here for Quebecers to come up with a new game plan, an action plan, for our "third period" of positive change. One that builds prosperity, alongside social development; one that will have as much of an impact on the realities of today's Québec, as the original plans had for the Québec of Jean Lesage and René Lévesque.

Amazing changes have been unleashed over the span of five decades. Not only have Quebecers served on the International Space Station, but when they fly from Montreal to Houston, or to the Kennedy Space Center, there is a very good chance that they are traveling on a Bombardier jet, made with Alcan advanced materials, outfitted with CAE avionics, and guided by computers using Matrox video systems. And there's a good chance that their fellow astronauts and cosmonauts on the Space Station are playing Ubisoft's "Prince of Persia" in their downtime, and that their cell phones hold content from Airborne Entertainment.

For all of the challenges we are facing, Québec has a foothold in the new global economies, often partnered in doing so with the *Caisse de Dépôt* or the Banque nationale. Footholds in such sectors as aerospace, financial services, information technology, pharmaceuticals and biotechnology, advanced materials, and the creative industries.

And, we have the opportunity to bring innovation to traditional sectors such as manufacturing where we can retain a Québec advantage if we move to deploy new technologies, and innovate on our processes and products so as to give us an edge on the world stage. Education and the development of knowledge have been, are, and always will be, the main path to prosperity and social progress. For our children, and for their children, it is up to us to carve that path into the future. And to do so now.

Just to put things into perspective, the students who will be studying in our universities in just a few years, are the grandchildren of the students who turned our world upside down, largely for the better, during the 1960's. When you think about how much has changed since then, how we are now in a post-globalization, post-China and India, post-9/11 flood of accelerating change – isn't it time we did some serious, forward-looking, strategic positioning for Montréal and Québec?

The Organization of Economic Cooperation and Development, recognizing that cities drive the success of regions, has written that Montréal must aim immediately to increase its innovation, reinforce existing economic clusters, and, create "value-added" processes and products which compete with the best on the world stage, in order to strengthen Québec's economy and standard of living. We must reduce regulation, trade barriers and bureaucracy, be light on our feet and celebrate and value our successes and our successful institutions.

Like many of you, I take comfort in our friend Richard Florida's characterization of Montréal as one of North America's most creative and tolerant cities, with solid potential to retain and attract the "creative class" leaders, who are so vital to a modern economy. But Richard Florida also notes that creativity and tolerance must be combined with knowledge, technology and innovation in order to attract and retain the next generation of Quebecers, to position Montréal as a true world city, and to make Québec a place that people from around the world want to come to.

Having a "worldly mentality" is not simply having a cultural stance of receiving others. Being globally connected and internationally successful depends primarily on creative strategies for reaching out. And in that regard, Québec has a way to go. And it does not serve Québec well to under-price itself in the

world market, to under-value the world-class people, institutions, services and products that we provide to the international community in education and other sectors.

As the Principal of a university that has hired more than seven hundred new professors over the past seven years, over two-thirds of whom (plus their families) represent a brain gain for Québec, I can tell you, Québec is still viewed by many as a great place to live, to work, to raise a family, to conduct research, and to collaborate in distinguished international networks of talent. But this is a very fragile asset. And like any other enterprise, our universities' key competitive advantages must be sustained and grow to guarantee Québec's future economic prosperity and social well-being. And we have to roll up our sleeves and get things moving.

Our biotechnology sector is competing intensely with strong clusters around Vancouver, Toronto, and Edmonton in Canada, as well as with Boston, New York, San Diego and the "research triangle" in North Carolina. And that is just in North America. We also compete for talent, investment and jobs with powerhouses in France, Switzerland, Australia, and the U.K., and the growing leadership of China, India and Singapore.

And the innovation, talent and economic strategies that have been so successfully developed and implemented in other jurisdictions, are enabling them to compete with us in every single sector where we have, over recent decades, created a Québec advantage. Sector by sector. Those of you who export products know this well.

Every jurisdiction faces intense competition, and every successful jurisdiction has made a plan, and made it a priority within its plan, to educate people at the university level, and to invest in excellence in education, research development, and innovation, and, to create strong clusters across sectors to advance synergistically distinctive strengths.

So what constitutes the third period of the Quiet Revolution?

For starters, we need a new Parent Commission with clear targets for university participation and degree completion tied to clear timelines; we need increased production of masters and doctoral degrees and post-doctoral education – currently the United States far outstrips Canada in these areas, and China and India far outstrip the United States. We must target the development of a globally competitive university system, and we must do so in a responsible and effective manner with a realistic, effective and sustainable funding model – something we do not have today.

A successful Québec strategy to advance our competitiveness, inextricably linked to our powerful and important social values, will require not only clear targets with respect to university education, but also a new model of internationalization – one that values the services and products that we create; one that provides young Quebecers with an opportunity for experience in other countries; and one that reinforces Québec's image as a progressive and economically successful jurisdiction.

Québec's next Quiet Revolution – our third period – must advance innovation and agility, as well as education. We require a strategy where we create incentives, as opposed to disincentives for attracting people, jobs, and investment into Québec leveraging competitive successes with governments at home and in other countries, and with research and industry partners here and around the world.

We require a strategy to grow our own investments and to leverage external resources to grow world-changing research in our universities.

We require an industry strategy for the Montréal city-region, in which universities, governments and industry work together.

Just two weeks ago, I hosted a meeting with the leaders of Université de Montréal, Concordia and UQAM, to look at how we can work together in this regard, and we will have some exciting joint announcements to make in the weeks and months to come.

We need to develop multi-sectoral plans that harmonize our efforts to attract and retain talent. These plans must also stimulate investment, increase economic growth and opportunities, and build our profile on the world stage in those sectors where we have a distinctive advantage.

Speaking as Principal of McGill and someone who loves Montréal and Québec as the home of my heart, and my future, it is clear that this is no time to take a nap. The reality is that we will probably never again be as big a city as Toronto. But it is also the reality that this just doesn't matter, if we play it smart. It is clear that we have to focus on our distinctive advantages, of which there are many. No, Montréal will not compete on size. We will compete on smarts and creativity and action. We need to skate quickly, and play with elegance and finesse.

These are all themes on which Québec is uniquely positioned to excel. In the past, Québec has proven its ability to come together to address difficult fundamental challenges, and we will do so again.

One can live life without education but it is not a complete life. One can live in a society that does not educate fully its citizenry, but that will be an incomplete society. We aim, rather, to fully realise our potential as individuals, and, as a society. We must make tough choices but this is not a zero sum game between change and solidarity. We must find a new balance. To succeed, we must align progressive new public policies and public institutions with governments, communities and private sector organizations, strategically. We need to foster a clear sense of the targets we are setting for ourselves and what is required to reach them, and measure our success against these. And I believe we will do this.

We will bring together our values and our energy, and build our competitiveness, in order to bring social and economic benefits to ourselves, to our children, and to our grandchildren. This is the only way to achieve social justice.

We will build together, the “rayonnement du Québec”.

And we will win.

Merci beaucoup.