Your Committee is of the opinion that the law should provide for some extension of the scope of bargaining so as to include classification standards, and recommends as follows:

34. That, having regard to the established jurisdiction of bargaining agents in the Public Service, bargaining classification standards be interpreted to mean the determination of the relative worth of jobs within an occupational group.

35. That provision be made in the law for the bargaining of classification standards following the three-year period after promulgation.

36. That collective agreements incorporating classification standards be treated as "special agreements having their own duration".

37. That in accordance with regulations made by the Public Service Staff Relations Board, disputes arising in negotiations and involving the development or redevelopment of a classification standard be subject to reference to and arbitration by the Board.

38. That the provisions of the Act relating to the appointment of conciliation boards or conciliators not apply in cases of disputes arising out of the negotiations of classification standards, but that the Board be empowered to appoint a mediator.

39. That resort to strike or lockout to resolve classification disputes be prohibited.

40. That arbitration of the pay plan attached to a classification standard be dealt with by the Public Service Staff Relations Board only with the consent of both parties.

The bargaining agents all supported the view that adjudication should be broadened to include classification grievances. This proposal was concurred in by representatives of Treasury Board. Your Committee therefore recommends:

41. That classification grievances which are not resolved in the grievance process should be referrable to adjudication.

TECHNOLOGICAL CHANGE AND LONG-TERM LAYOFF

Modernization, technological change and economic adjustment to the market, or indeed any significant modification in the way in which goods are produced and distributed or services provided may seriously affect the terms and conditions of employment and the security of employees. The computer revolution and advances in transportation technology, agriculture or health are all obvious examples. Currently in the Public Service the automation of mail sorting is the largest and most evident example of "technological change" which may have a serious impact on the employees involved.

In April 1974, the Post Office dispute on technological change erupted into an unlawful strike which was resolved by an informal agreement. Your Committee heard several briefs from bargaining agents, especially from the postal unions, demanding that the impact of technological change on terms and conditions of employment be made negotiable.

Historically, employers have had the right to terminate an individual's employment temporarily or permanently, or to employ him in a less attractive position. *The Report of the Task Force on Labour Relations (1968)* whose studies and report preceded the revision of the federal labour law in 1971, used the term "industrial conversion" to emphasize the way in which any modification or modernization of industry can threaten the security of employees. In its report, the Task Force wrote:

"The term industrial conversion embraces all major changes that may have a permanent disruptive effect on the employment relationship. It covers far more than technological change or automation, since these are only one set of forces at work leading to such disruption . . .

Industrial conversion has a vital part to play in a dynamic growing economy. Change is essential to society and to individual enterprises. To society, change is the key to the increased productivity necessary to meet latent public needs and unsatisfied desires . . .

But industrial conversion is not without cost to those caught in its path. There is no evidence to suggest that change in general produces a net reduction in employment; but it is the cause of worker displacement and on-the-job disruption. The costs for those adversely affected can be great, and to them it is of little comfort that society as a whole, their employer, and even their fellow workers may benefit from the change. They want to know that is going to be done to protect them."

When the Federal Labour Code was modified in 1971, the statute imposed an obligation on employers to give notice and to re-negotiate "terms and conditions, or security of employment" when a significant number of employees would be affected by the "technological change".

In his *Supplementary Observations and Recommendations*, Mr. Finkelman wrote:

"In a public service where units are service-wide and very large, the question arises what would be a significant number of employees in any particular circumstances? Under the Code, the power to make regulations specifying the number of employees or the method of determining the number of employees to be deemed to be "significant" for the purposes of the technological provisions of the Code is vested in the Governor in Council on the recommendation of the Canada Labour Relations Board. In short, the legislation recognizes that there is a "political" element involved. If the same formula were applicable in the public sector, should the political consideration be left to the Governor in Council, in effect the employer, or should it be vested exclusively in the reconstituted Public Service Staff Relations Board?"

With respect to the provisions of the Labour Code which relate to the right of employees to strike where their interests are threatened by technological change, Mr. Finkelman wrote:

"...the Code provisions contemplate that a collective agreement can be reopened during its lifetime and the