

National Steel Car’s “incentive pay” is a system of speed-up and murder: it must be abolished

The National Steel Car Rank-and-File Committee
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The strike at National Steel Car in Hamilton, Ontario, now in its fourth week, has brought to the surface a question that goes to the heart of the wage system under capitalism: the plant’s “incentive” pay scheme, a piecework system in all but name.

The National Steel Car Rank-and-File Committee has made abolition of this system a central demand: incentive pay must go, hourly wages must be based on the maximum day rate including the current incentive rate.

This is not merely a call for a raise but a demand to get rid of a payment mechanism whose logic is lethal. Between 2020 and 2022, the incentive system was behind the deaths of three workers: Fraser Cowan, Collin Grayley and Quoc Le. NSC owner Greg Aziz paid a combined \$650,000 in fines, roughly one day’s revenue for him.

The piecework scheme at NSC is simple: a worker gets a base wage plus a “bonus,” paid only if quotas are met—converting full wages from a guaranteed payment into something dependent on meeting a pace set by company.

As a rank-and-file worker explained, the company “steals from you, or attempts to steal from you, 25 percent of your wages ... unless you hop and skip and jump and dance to his tune, put your life on the line, wreck your body and potentially kill yourself.” This quota cannot be met at a regular pace, only by cutting corners, skipping safety checks and driving the body to its limit; a worker who stops the line to address a hazard, or rests when exhausted, forfeits a significant part of their pay.

The essential analysis of this brutal system was provided by the founder of scientific socialism, Karl Marx, more than 150 years ago in his monumental work

Capital. Under capitalism, workers sell their labour power for a wage, which is the “price” of the commodities needed to sustain a worker and replace him after his body is worn out. The new value created by the labour of workers not only covers the cost of labour power but produces a “surplus value,” which is pocketed by capitalists like Greg Aziz as profit.

The piece-rate is just a mathematical trick derived from time-wages. Management decides how many units an average worker should produce in a day and sets the price per piece to match the standard daily wage. The underlying dynamic remains the same. A fraction of the worker’s workday covers their wages, and every piece after that point is unpaid labour captured as profit.

Piecework is far more aggressive than time-wages because it weaponizes the worker’s own drive for survival. Management brands it an “incentive” because every extra piece means a few more dollars, driving workers to exhaustion. As Marx noted, the piece-rate itself becomes the overseer. It also enables wage-cutting: whenever workers mastered a technique and raised output, management historically slashed the rate, trapping them in an escalating cycle of speed just to maintain baseline pay.

This is the dynamic on the shop floor at NSC: the piece-rate forces workers to rush just to keep earnings from falling, and when speed overrides safety, the system extracts a fatal toll—as proven by the deaths at the plant.

Piecework declined after World War II in heavy industry, not out of benevolence but because the assembly line and later “lean” monitoring made the piece rate technically redundant. At the same time, globalization simply relocated piecework to Bangladesh’s garment sweatshops, where workers die in factory fires, to the maquiladoras of the US-Mexico border, and to US

warehouses, delivery fleets and “gig workers.”

The USW is not fighting to abolish this brutal system; it is an accomplice in its continued existence. USW officials negotiated the letter of understanding at NSC that makes piecework rates non-grievable and non-arbitrable—disarming workers in advance, then pointing to its own handiwork as the reason “nothing can be done.” During the 2023 strike, the USW apparatus starved workers on \$260 a week and pushed through a contract that left piecework intact.

In the current strike, it has abandoned the demand for abolition, proposing instead to administer the incentive program. As a rank-and-file worker put it, the USW gets “involved in the process of how this company makes profit,” co-opted to “do the dirty work of management.”

In a recent CBC News interview, USW Local 7135 President Frank Crowder tried to cast the union’s stance on piecework as a continuation of the fight by Hamilton’s workers in the 1870s for the nine-hour day. But the 19th-century workers fought to abolish an exploitative practice, not manage it on behalf of the corporations.

The fight to abolish piecework has been at the center of many class battles throughout North America. In 1937, the sit-down strikers in Flint, Michigan that forced GM to recognize the UAW made abolition of piecework a central demand, alongside their brothers at GM’s Oshawa plant. Garment workers in Chicago, New York, Toronto and Montreal fought the same piece-rate and contractor systems that drove the sweatshop; miners in Cape Breton and Estevan fought alongside American miners for a guaranteed day rate against payment per ton. In every case the point was the same: piecework individualizes the struggle and drives speedup to exhaustion and death. Today’s “pay-for-performance” and “profit-sharing” schemes attempt to drag us back 100 years or more. The answer, then as now, is united struggle.

Crowder admitted the quotas are set at levels workers cannot meet, leaving them no time to “rest our bodies because we’re overexerting ourselves” just to hit an “unattainable target.” But his complaint, CBC News says, is “the union has no say in the program.”

One last thing about this must be said. Crowder uses the royal “we” when he talks about not having time to “rest our bodies” as if union bureaucrats are subjected to the same exploitation as shop floor workers. Nothing is further from the truth. As local president, he spends the overwhelming majority of his time on “union business” not on his job in the equipment shop. This is even truer of his boss in the USW Canada headquarters, unless

National Director Marty Warren is suffering from exhaustion from all the hobnobbing he is doing with corporate bosses and Oshawa politicians while pocketing an annual salary of \$350,000.

The National Steel Car Rank-and-File Committee is fighting to put shop floor workers in charge of our own struggle. We urge workers to put together our own non-negotiable demands, including the complete abolition of the piecework system and an increase in hourly wages equivalent to the maximum day rate and current incentive pay. At the same time, we must defeat the bureaucracy’s effort to isolate us and starve us into submission with poverty strike benefits.

The only viable path forward is to broaden the strike across Hamilton, Canada and North America by linking with steel, railroad, auto and logistics workers through the International Workers Alliance of Rank-and-File Committees.

The nationalist “Team Canada” rhetoric pushed by the union bureaucracy is a trap that chains Canadian workers to Bay Street’s profit interests and divides the working class along national lines when corporate supply chains span the globe.

We have appealed to North American rail workers to set aside NSCX cars, cutting off Aziz’s revenue, and reviving a weapon of the 1894 Pullman Strike, when Eugene Debs’ American Railway Union refused to handle Pullman cars and shut down much of the nation’s rail transport during their battle to defeat piecework and wage cuts.

We welcome the statement of the Railroad Workers Rank-and-File Committee in the US endorsing our call to boycott NSCX cars. We could not agree more with their statement and its call to place at the center of our fight the mobilization of workers across North America: “The corporations organize production and profits across borders. Workers cannot defend jobs, wages or safety by allowing ourselves to be divided at those same borders.”



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