opportunities for others except as he offers his own managerial services in the competitive effort to please customers. The manager offers his services, just as any other employee offers services, and the object of their bargaining is to determine a satisfactory exchange rate for what each has voluntarily offered. Their object is to combine their efforts to their mutual advantage.

The theory of the free market is that anyone who pleases may compete with other buyers and sellers. There are not to be any arbitrary barriers to competition and trade. It is recognized that many employees may be competing against one another for job opportunities. And the job-creating owners and managers of productive tools and facilities are competing against one another for the services of employees. The function of the market is to find a level of wages which will allow these competing forces to work toward a balance—a wage rate for every job which will satisfy both the employee and his employer without compulsion against any person.

That's really all there is to bargaining, just trying to find that point on the wage scale which satisfies both the employer and the employee, and which will continue to satisfy both of them throughout the life of their voluntarily arranged contract. An employer hurts his own interests just as much by paying less than the free market wage scale as he

does by paying more. His objective should be to find the scale of wages which just "meets the market." And that is, or ought to be, the employee's objective, too. The employee who holds out for a higher than market wage deprives himself of a chance for employment; and if he agrees to work for less than the market wage, he may thereby lose a part of his bargaining power as a consumer.

The Value of a Service

MUCH OF THE DISSENSION about wages arises from a failure to distinguish between the worth of an individual as such, and the value, for purposes of exchange, of the services offered by the individual. Among free men, the worth of an individual is not a matter to be determined in an economic sense. Certainly that problem is beyond the scope of this study, for we are not discussing the buying or selling of human beings. The purpose of bargaining, in this respect, is to arrive at the market value or exchange price of specific services voluntarily offered by individuals. A man offers to sell eight hours of his day in order that he may better utilize the balance of his day according to his own choice.

According to the expressions of preference in a free market, a higher exchange price may be offered for the services of one person than for another's services. There is great variation in the productive capacity of different