

Under normal conditions the affairs of Dry Lake City might be expected to go on quite complacently. Employment is stable, the wage sufficient, and every man is under contract to hold his job. The whole term to be occupied in the completion of this great project might be counted on as remote from upheaval. This calm was broken by Martin and his theories of wealth.

Within two years, business and finance assumed bewildering complexity. The business element took the Martin theories for granted. Bankers recognized shovels as the basis of credit; they preferred shovels as collateral to ability of the borrower to produce earnings to pay. A huge artificial credit system was thus erected for which no one was responsible.

Martin utilized these developments as additional arguments for measures to sustain the value of shovels. He sought to demonstrate that shovel values could not be impaired without ruining the financial institutions and their depositors and crushing the city.

Morgan derided the credits and financial operations built on the inflated value of shovels. Use of shovels as a credit basis he held to be a questionable advantage. Men were buying shovels, gambling in shovels and borrowing and lending on shovels on the basis of \$7,500 per shovel