

# Handout 16-1

## THE TRIAL OF MS. ANN FLATION

*Defendant:* Ms. Ann Flation

*Charge:* Assault on the Economy

*Witnesses for the Prosecution:*

Ms. Fix Ed Income

Mr. Con Glomorate

Professor I. Can't Getahead

*Witnesses for the Defense:*

Mr. I.O. "Manny" Bucks

Ms. Iona Lotts

Ms. Ann Flation

*Others:*

Judge

Prosecuting Attorney

Defense Attorney

Bailiff

Jury

JUDGE: Would the prosecution call its first witness.

PROSECUTING ATTORNEY: Our first witness is Ms. Fix Ed Income.

[MS. INCOME takes the witness stand.]

BAILIFF: Please state your name.

MS. INCOME: Ms. Fix Ed Income.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

MS. INCOME: I do.

PROSECUTING ATTORNEY: Ms. Income, would you explain to the jury the ways in which the defendant has caused you harm and mental anguish?

MS. INCOME: My late husband, bless his soul, and I scrimped and saved throughout our lives so we could live comfortably in our old age. Now he's gone, and because of the actions of that awful woman, I hardly have enough to eat.

PROSECUTING ATTORNEY: Could you be more specific, Ms. Income?

MS. INCOME: Well, only two years ago, food, rent, and my blood pressure pills took about 60 percent of my income. I had money to buy little gifts for my grandchildren and to have a little entertainment—I used to play bingo every Friday night. Now, the prices of everything have gone up so much I had to move to a smaller apartment, my food bills are much higher, and my medicine costs me a small fortune. Last Christmas I could only give a few home-made cookies to my poor grandchildren, although I love them dearly, and I can no longer afford to play bingo, so I must sit home every night.

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## Handout 16-1 (continued)

PROSECUTING ATTORNEY: Thank you, Ms. Income. You may step down.

The prosecution now calls Mr. Con Glomerate.

[MR. GLOMERATE takes the stand.]

BAILIFF: Please state your name.

MR. GLOMERATE: Mr. Con Glomerate.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

MR. GLOMERATE: I do.

PROSECUTING ATTORNEY: What business are you in, sir?

MR. GLOMERATE: We're diversified—plastics, textiles, small appliances.

PROSECUTING ATTORNEY: Could you tell us just what effects the defendant has had on your business?

MR. GLOMERATE: First of all, our costs have risen dramatically. Labor, raw materials, and all our other costs are higher. Of course, these increased costs force us to raise the prices of our finished products.

PROSECUTING ATTORNEY: Have there been any other detrimental effects?

MR. GLOMERATE: Yes, one with long-run implications. It's very difficult for us to make plans for the future. The prices of new capital goods—construction of plant, purchases of new equipment—lead us to be hesitant to expand our production capabilities.

PROSECUTING ATTORNEY: Thank you, Mr. Glomerate. The prosecution now calls Professor I. Can't Getahead.

[PROFESSOR GETAHEAD takes the witness stand.]

BAILIFF: Please state your name.

PROFESSOR: Professor I. Can't Getahead.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

PROFESSOR: I do.

PROSECUTING ATTORNEY: Professor, what has been your relationship to the defendant?

PROFESSOR: I teach economics and sociology, so I am well acquainted with Ms. Flation and the consequences of dealing with her. Unfortunately, the fact that I understand her does not make it easier to cope with the effects of what she does.

PROSECUTING ATTORNEY: Would you enlighten us, Professor?

PROFESSOR: We teachers do not have cost-of-living clauses in our contracts. Thus, we find ourselves reluctantly pursuing Ms. Ann Flation—unable to catch up, certainly never overtaking her. Additionally, we find the costs to our students and our college—textbooks, room and board for students, wages to support staff—rising. The increased costs we must pass onto our students threaten our very livelihood. We teachers live in fear that our student population will decline to the point that the knowledge we have so painfully accumulated will be forever lost to future generations. The great legacy we have ...

PROSECUTING ATTORNEY [Interrupting]: Thank you, Professor. That is all. Your Honor, the prosecution rests.

JUDGE: Mr. Defense Attorney, please call your first witness.

DEFENSE ATTORNEY: Yes, Your Honor. The defense calls Mr. I.O. "Manny" Bucks.

[MR. BUCKS takes the witness stand.]

BAILIFF: Please state your name.

MR. BUCKS: I.O. "Manny" Bucks.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

## Handout 16-1 (continued)

MR. BUCKS: I do.

DEFENSE ATTORNEY: Mr. Bucks, what has been your experience with Ms. Ann Ration?

MR. BUCKS: I know her well, and I just don't buy this argument that Ms. Ration is hurting the economy. I don't buy *anything* I can't get on credit. That's why I think Ms. Ration here is such a great gal.

DEFENSE ATTORNEY: Could you explain precisely what you mean?

MR. BUCKS: Well, see, I buy lots of things. Last week I got a new car, real nice, mag wheels ...

DEFENSE ATTORNEY [Interrupting]: The *explanation*, Mr. Bucks.

MR. BUCKS: Oh, yeah. See, the way I figure it, I buy all this stuff on credit. Later, when I pay it back, thanks to Ms. Flation over there, the dollars won't be worth as much as they are today. I look at it as kind of getting a long-run discount—like buying a Cadillac at a Volkswagen price.

DEFENSE ATTORNEY: Thank you, Mr. Bucks, you can step down. The defense calls Ms. Iona Lotts.

[MS. LOTTTS takes the witness stand.]

BAILIFF: Please state your name.

MS. LOTTTS: Iona Lotts.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

MS. LOTTTS: I do.

DEFENSE ATTORNEY: Ms. Lotts, what sort of business are you in?

MS. LOTTTS: I invest heavily in real estate. I purchased quite a bit of land, some apartment complexes, and some houses I rent out several years ago, when Ms. Flation was a mere child.

DEFENSE ATTORNEY: And have you found the defendant to be cooperative in your real estate ventures?

MS. LOTTTS: Most assuredly. My holdings are worth many times today what they were when I bought them. The return on my investment has grown tremendously, thanks to Ms. Ann Flation. If it weren't for her, I might have put my money into a new business venture. While that might have done more than my real estate investments to help the economy grow, I can make more in real estate investment. I don't feel it is my duty to provide charity. "Let the economy take care of itself," is my motto. People should help themselves. Thanks to Ms. Flation, I'm helping myself to quite a bit!

DEFENSE ATTORNEY: Thank you. Ms. Lotts. For our final witness the defense calls the defendant, Ms. Ann Flation.

[ANN FLATION takes the witness stand.]

BAILIFF: Please state your name.

MS. FLATION: Ann Flation.

BAILIFF: Do you swear to tell the truth, the whole truth, and nothing but the truth?

MS. FLATION: I do.

DEFENSE ATTORNEY: Ms. Flation, we have heard some serious allegations here today. Now we would like to hear your side of the story.

MS. FLATION: Gosh, I don't think I've done anything wrong. I can't help it that the little old lady is in trouble or that the professor's college has problems. I admit I've gotten a little out of hand lately, but it really isn't my fault. I'm a victim of circumstance.

DEFENSE ATTORNEY: Please explain.

MS. FLATION: It started out innocently enough—some hikes in prices here, more spending there, wage increases. Pretty soon it was out of control.

## Handout 16-1 (concluded)

I was caught in a wage-price spiral. Demand pulled on one side of me; costs pushed on the other. People started expecting me to increase, and that made them act crazily. I think that's been the hardest thing for me—everyone's expectations. I'm just caught doing what they expect me to do. Producers raise their prices, workers want higher prices, other business costs go way up, and prices do too. It's hard for many people to keep up. The banks and the government get into the action, but nothing seems to make any difference. As I say, I shouldn't be held responsible.

Circumstances are beyond my control.

DEFENSE ATTORNEY: Your Honor, the defense rests.

[MS. FLATION steps down.]

JUDGE: Ladies and gentlemen of the jury, you have heard the testimony.

What is your verdict?

[JURY deliberates.]

JURY: Your Honor, we have reached a decision.

JUDGE: Would the defendant please rise.

[MS. FLATION stands.]

JURY: Our economy needs to be strong;  
Inflation has gone on too long. The  
verdict, Your Honor, This girl is a  
goner. The jury finds her in the  
wrong.

JUDGE: The sentence is 20 months of tight money policy.