

BLACK PLAIN 817

Chapter 817 Expansionist State: A Sure Failure

The advantage of what that employee was talking about was that, when receiving payments from customers, the member establishments of the bank's accredited network would not have to pay fees beyond those 400 crystals.

That is, of course, considering that the establishment would do all its operations through the array of its establishment.

In other words, by receiving the crystals directly into their account through such array in their establishment, i.e., without going to the bank, that account holder would not have to pay any fees for receiving them, regardless of the amounts!

That was obviously not advantageous for ordinary citizens who had no business. After all, such people could make transactions between accounts of up to 9,999 crystals without paying fees.

But for business owners who were perhaps going to make dozens, hundreds of sales a day, this was worthwhile.

If they did not pay the 400 crystals and still wanted to invest the profits, they would have to make regular deposits, that is, paying fees.

After all, to deposit, they would have to go to one of the bank tellers, paying the fixed fee of 5 crystals per transaction. In addition, they would also have to pay to invest.

So, it seemed more advantageous and practical for such people to have a business account in the long run!

In this option, besides the 400 low-grade crystals, the most an account holder would have to pay would be the transaction fee when investing his or her crystals.

Besides that, such a person would not need to pay any fees for young Stuart's sake!PANDA-NOVEL.COM

'So, that's how it is...' Edric thought about it, considering that it seemed worthwhile to have a business account.

He made a few thousand low-grade crystals a month and constantly had customers in his establishment placing orders. As such, if he could invest and pay for just those 400 crystals a year, it would be well worth it!

"The problem is that this will only be of great use once the bank reaches everyone in the city." He said as he considered this disadvantage.

The Bank of the Black Plains had just started its history. With that, it would take some time before transactions with physical crystals would no longer be the predominant ones.

Consequently, people like him would still have to make deposits directly with the bank, i.e., paying the transaction fees.

"It's not that simple." The officer said that, trying to encourage these two to think differently. "It's true that at an initial time, the advantages won't be so obvious. But once people like you offer that option..." He pointed to the local alchemist clothes of those two and continued. "Ordinary citizens will start creating their accounts to make their own lives easier."

"And then, you will be able to feel the advantages in no time!"

That was a fact. After all, ordinary citizens would also want to invest their reserves.

At the same time, the option of not having to use physical crystals was simply too practical. That's because most citizens in this region did not have storage items! PANDA NOVEL

As such, most people had to carry their crystals in their clothes, something that, depending on the amounts, could be dangerous or laborious.

Furthermore, crystals were relatively small things, and if one were careless, losing some of them would be very easy.

All this considered, there were several advantages to being able to use virtual crystals!

In any case, once commercial establishments began to offer such payment possibilities, citizens would undeniably be encouraged to rely on this option.

And everyone, especially Minos, would gain from it!

"Oh? The way you talk, it sounds like this bank expects us, merchants, to kick-start this business..." Edric realized this as he pondered for a few moments. "But even if what you say makes sense, we can't be sure of that..."

"That is true..." Davis agreed.

"Well, have you gentlemen read all the Written Laws of our city?" The said official asked, picking up a large book and opening it to a specific page.

'In 10 years from the publication of these laws, the main tax that the citizens of the Black Plain will have to pay will be the one on income. In this way, all employees and employers in this territory will have pay and receive wages virtually, through the means provided by the state...' ρ??(??????)

'- Infraction: failure to join the virtual payment system after the mentioned deadline or one year from the beginning of the establishment's operation;

- Punishment: 100 years in prison with hard labor; payment of 1,000% of the omitted tax; forfeiture of rights; blocking of possible accounts in local banks; confiscation of material goods to pay the debt; permanent closure of the business establishment; finally, extradition after serving the penalty.'

"What?" Davis said in surprise. He then looked at Edric and then at that official. "Was there such a rule?"

But that old man then said. "More importantly, aren't those punishments too heavy?"

"It seems that we will be forced to adhere to such a system..."

"Not exactly. After all, no one has an obligation to open trading posts on the Black Plain..."

PANDA-NOVEL "In any case, the government already decided years ago that it will replace the current tax."

"So, because the only way to ensure that local organizations pay their taxes is through virtual transactions, the only way to implement this is through harsh sentences."

That was a fact. With physical crystals, people could always find ways to hide their earnings and evade their taxes.

On the other hand, even if people could still do things like that in the future, it would already be significantly diminished.

That is, the salaries and incomes of most citizens would be made through virtual means, where the proper tax deductions would be made at the source.

Moreover, since the inhabitants would already receive their salaries directly into their accounts, they would do the most practical, economical, and profitable. That is, pay no fees to withdraw the crystals by simply using their IDs to make their purchases and necessary payments!

As a consequence of this, the big organizations, the people with the most crystals in Dry City, would be forced to receive, at least most of the time, crystals through virtual transactions.

And this the government would have complete control over and would, therefore, be able to deduct income taxes from the locals!

But do not misunderstand. Minos did not want to penalize the skills or efforts of his wealthier or talented inhabitants. He did not want to punish genuine wealth.

No, he valued each and every one of those people capable of taking advantage of opportunities to become rich since this generated benefits for himself.

But it was utterly senseless to levy the same tax on a person who, for example, earns 500 low-grade crystals a month as on another who earns 10,000 of the same.

For the time being, his territory was what one might call expansionist. A type of state that relies on expansion itself to increase internal wealth, lower taxes, hire as many citizens as possible.

But the world had its limits, and such a state would be doomed to failure!

And knowing this, Minos could not help but make his plans to transition from an expansionist state to a sustainable one!

Initially, he had to have an expansionist state since he had a lot of empty land in his territory that could be used in the future. But, on the other hand, he had weak inhabitants and needed mighty warriors to protect his territory.

And in the first moment of development, the expansionist state delivered just what Minos needed.

That's why he had chosen it.

But once he reached equilibrium, it would be imperative that his state no longer be expansionist or collapse would be his only destiny!

So, he would take steps to ensure the sustainability of his state in the future.

But to do this, he needed, among other things, to levy income taxes, making the richest pay more and the poorest pay less.

Everyone would still have the possibility to ascend economically, and the richest would still earn very well. But by earning a slightly smaller share of what they would typically earn elsewhere, these individuals could live in a stable, wealthy state where their investments would be secured.

Which, in itself, would generate benefits for themselves!

And precisely because of this, the punishments for that infraction were so heavy.

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