

Roman Empire 141

Chapter 141: A Headache of a Strategy

What Franz saw as a problem wasn't seen as a problem by the people of this era.

When analyzing the construction costs, the maximum difference between these four standards was only little, meaning that construction costs weren't the primary determining factor.

Indeed, during this era, railway gauges were generally larger. The first Russian railway gauge was even 1829mm, and it was only later that bureaucrats changed it to 1524mm based on the recommendations of American engineers, all in pursuit of profit.

How much cost was saved by shrinking from six feet to five feet?

It saved about 3 rubles in the budget, although given the practices of the Russian bureaucrats, it probably didn't save much money in the end.

The standard gauge was something the British promoted worldwide. Starting in 1846, with John Bull's introduction of the law, the 1435mm gauge became the standard for both Britain and its colonies from that time onwards.

However, India soon became an exception as the standard gauge couldn't meet their transportation needs. The British were pragmatic – if it didn't fit, they would make it larger. As a result, most of India's railways adopted the 1676mm standard gauge, and there were also various other non-standard gauge railways.

After nearly a century of British efforts, the 1435mm gauge system became the international standard gauge by the mid-20th century. Originally, John Bull's intention was to promote British technology.

Whether there was an aim to restrict the freight capacity of continental countries is unknown, but Franz didn't believe John Bull would be that benevolent.

In the mid-19th century, with the technology available at that time, wide-gauge railways had higher freight capacity, safety, and speed compared to narrow-gauge railways. This was quite different from the 21st century.

In later years, technology advancements addressed stability issues in narrow-gauge railways, increasing their freight capacity and speed. However, this was not achievable in the era Franz was dealing with.

Maintenance costs for railways were actually quite similar. Once a railway was constructed, the structure itself was essentially the same. The difference was primarily in the length of the sleepers (railroad ties), so the notion that narrow-gauge railways were simpler to maintain was not entirely accurate.

The issue of land area is indeed a bit of a stretch. Who leaves a buffer zone on both sides of their railway tracks? Are they going to utilize the land underneath the trains?

Let's not dwell on that; it's practically turning into a lecture.

“Your Majesty, since we want to standardize the gauge, why not invite the Holy Roman Economic Alliance to join us and establish a common standard together?”

Creating a unified standard among all of us might be a better approach," suggested Metternich.

"Do we have enough time? Our railways have already begun construction," Prime Minister Felix asked in a concerned tone.

"There's no problem, railway construction has just begun. Making a decision within a year will not affect the construction progress," replied the Minister of Railways, Stein.

Railway construction in this era is indeed quite slow. They've just started demolishing, and after that, they'll need to excavate and fill, and it will take at least a year or two to reach the trackbed construction stage.

"Then let's get everyone together to work on this. The Ministry of Railways will be responsible for selecting the optimal solution as our recommendation, and we'll try to persuade everyone to adopt it.

If there's too much disagreement, we'll present these different standards and let everyone vote. Anyway, all these options are suitable for Austria," Franz said indifferently.

"Let's go with 1676mm then. This standard should already meet our needs, and it ensures safety," Stein quickly provided the answer.

As for international railway standards, did they even exist in this era? Who would recognize them?

Keep in mind that the British had to switch to a wider gauge during the construction of the Western Railway because of safety concerns due to their technology at the time. They only reverted to the standard gauge by the late 19th century once technology had improved.

If the Holy Roman Economic Alliance were to establish new standards, it could potentially result in two competing international railway gauge standards in the future.

Setting aside other factors, if the railway standards in the Southern German States are unified, would Prussia follow suit or not?

If Prussia doesn't follow suit, it would lead to economic division between the two sides. If it does, it would unify the standard system in Central and Southern Europe, which would undoubtedly have significant geopolitical implications.

As an emperor, many decisions must consider political and military aspects. For example, if the Austrian Empire were to unify railway standards with Russia, Franz would immediately be cautious.

The reasons need not be stated, as any country neighboring Russia must exercise caution. Even if they are allies, it's essential to remain vigilant.

During this period, the major European powers all had their strengths and weaknesses, and Austria was no exception. Social reforms had just begun, and Austria hadn't yet fully converted them into national power.

The British Empire wasn't at its zenith either. India wasn't completely under their control, Australia and New Zealand still had indigenous influences, in South Africa they had only established a few

coastal footholds, Southeast Asian colonization was ongoing and Egypt was under French dominance. The great colonial empire had yet to complete its puzzle.

The French were preoccupied with internal struggles, and Russian internal contradictions were merely suppressed, waiting for an external force to trigger them.

The Kingdom of Prussia also relied on external wars to divert social tensions, and internal reforms were just beginning. While they appeared to have strong military power, their domestic economy was struggling.

Spain continued its decline, with no social reforms initiated yet. On the other side of the ocean, the United States, at this time, was just an agricultural nation with a population of slightly over 20 million. Its primary economic income came from exporting cotton, and the North-South divide was already emerging as a contentious issue.

Thinking about this, Franz suddenly had an idea: should he consider an opportunity to get involved in South Africa?

South Africa was vast, and the British had only established colonial control along the coast. The interior regions remained unclaimed, except for Cape Colony. This could be a potential opportunity to expand Austria's influence.

The British are currently preoccupied and may not pay much attention to more regions in Africa. There are numerous entry points, and if Austria joins in now, there might be an opportunity to claim a piece of the pie.

If necessary, Austria could start by entering Namibia, then occupy Botswana as a strategic move. Alternatively, they could enter through Tanzania, occupy Zambia, and Zimbabwe, and then advance into the heartland of South Africa.

In theory, these plans sound good, but in practice, it might not be so straightforward. Africa in this era is far from welcoming. It's plagued by diseases, dangerous creatures, and venomous pests. To colonize these lands, one must be prepared to face a significantly high mortality rate.

In theory, the mortality rate may not be excessively high, as long as precautions are taken. If it can be kept below 10%, it might be manageable.

That's easier said than done. When it comes to implementation, people may not be as brave as they initially think. Most would prefer to stay safe when they have a comfortable life.

However, when there are strong economic incentives, like the discovery of gold in South Africa, people's courage can suddenly surge. Diseases, dangerous creatures, and wild animals become secondary concerns.

The unfortunate reality is that once gold is discovered, the opportunity might slip away from Austria. Unless they could somehow occupy these territories in advance and form alliances, like with the Boers, they might not stand a chance against the British.

Despite rational thinking, once an idea like this takes root, it can be difficult to get rid of.

Well, since it will be quite some time before the discovery of gold in South Africa, they can always lend their support to the domestic African colonization factions. Let them go ahead and establish their strongholds.

By the time the Anglo-Boer War erupts, Austria will likely have risen in power. At that point, whether they support the Boers to cause trouble for John Bull or participate in dividing the spoils, they'll need a solid foothold.

The timing for action must be chosen carefully, preferably when the British are too preoccupied to respond, so they can suddenly create a *fait accompli*.

In this era, the international laws regarding unclaimed territories generally favor the first occupier, provided they can maintain control.

It was still early; there was no need to rush. Franz wasn't one to act impulsively. At this point, it seemed prudent to promote the construction of the Suez Canal.

While Austria may not possess the capacity to unilaterally dominate the canal, with some strategic persuasion, transforming it into an internationally managed waterway becomes a plausible task.

Historically, during the excavation of the Suez Canal, the British government fiercely opposed the project, fearing it would jeopardize their maritime trade supremacy.

Even the British populace had reservations, questioning whether the canal could accommodate large vessels, resulting in the shares of the canal company receiving minimal attention in the British market.

On the contrary, it sold quite well in France, and there were even financial difficulties during the construction of the canal, leading to a temporary halt in the project. It was on the verge of becoming abandoned. Ultimately, it was only with the intervention of the Rothschild family that the canal was completed successfully.

Historically, the Suez Canal became navigable in 1869. Over such a lengthy period, Austria might have developed a noteworthy naval presence already.

While other aspects may be uncertain, becoming shareholders in the canal company seems achievable.

In history, France succumbed to British pressure and faced financial troubles, forcing them to relinquish control. However, if it were a joint venture between France and Austria leading the Suez Canal, the outcome might have been quite different.

The specific course of action was causing Franz a headache. The relationships between the great powers were exceedingly complex, characterized by a mix of cooperation and backstabbing.

Today, they might join forces in one place, and tomorrow, they could be at odds in another.

Reducing conflicts would require something akin to the Austro-Russian Secret Treaty, where everyone delineated their spheres of influence in advance to meet their respective needs.

However, that was simply inconceivable. Austria had only made concessions to Russia because their core strategies didn't clash.

Franz also knew that once Russia's strategy was in motion, it would face a joint assault from three great powers - Britain, France, and the Ottoman Empire. Russia's national strength wouldn't be able to withstand such a protracted war. Failure was inevitable.

Unless Britain and France initiated an invasion of Russia, where Austria would be drawn into the conflict by the alliance. However, just looking at the map made it clear that unless Russia took the lead, it would be difficult for Britain and France to attack Russia.

Obviously, this kind of situation couldn't happen a second time. Austria had to choose a major power as an ally because being a wavering neutral country could easily lead to its downfall.

Chapter 142: Devious Tactics

At the same time as the railway project was launched, Franz did not forget the other two core industries, although government intervention was much less direct in these two industries.

In a sense, manufacturing and processing industries can be viewed as one. While the food processing industry is separate from it. Disregarding other factors, it is simply a matter of making money.

Currently, the Austrian Empire's largest source of foreign exchange is the export of agricultural products. This includes two parts: the export of processed agricultural products and the export of natural agricultural products.

Undoubtedly, exporting processed grains yields significantly higher profits, generates a substantial number of employment opportunities, and contributes significantly to the country's tax revenue.

From an economic development perspective, this is a catalyst for GDP growth. Franz also held high hopes that the profits garnered from agricultural product exports would help counterbalance the persistent trade deficit.

In international trade, the Austrian Empire found itself in a perpetual deficit, a primary driver behind the continuous depreciation of the Austrian guilder.

During this era, currency systems weren't reliant on modern credit systems; instead, they were backed by tangible gold and silver. Settlements in international trade transactions universally employed gold and silver.

When it comes to a dominant international currency, the British pound could be considered to some extent, though it didn't hold the prominent status it would later achieve in the late 19th century. Most countries and regions did not officially recognize it.

Given this context, persistent trade deficits would lead to wealth outflows, affecting domestic economic development.

After Franz took office, he prioritized stabilizing the value of the Austrian guilder to facilitate normal economic growth domestically. Swiftly addressing the trade deficit became a top government priority.

In the short term, the only way for the Austrian government to achieve trade balance was to earn added value by exporting processed agricultural products.

In August 1849, the Austrian government implemented regulations to lower the tax rates for agricultural processing companies by 2 percentage points, while also announcing that starting in 1850, tariffs on the export of raw agricultural products would be increased by 1 percentage point.

To encourage more people to invest in this industry, the Austrian government also stipulated that newly established agricultural processing companies would enjoy tax exemptions in their first year and half-tax treatment for the following three years.

Under the influence of this policy, Austria saw the addition of 221 agricultural processing companies in the months following August 1849, including Franz himself.

Austria was already a major exporter of agricultural products, and developing the agricultural processing industry was a natural advantage for the country. The policy incentives were effective in encouraging its growth.

Manufacturing, on the other hand, posed more challenges. The sector was quite diverse, and while Austria had advantages in certain areas, most industries were beginning to lag behind.

However, this lag was relative to industrialized countries like Britain. In Southeastern Europe, Austria still maintained advantages in its industrial sector.

In Franz's view, advancing the development of manufacturing was essentially about accelerating the pace of industrialization. Mechanized production had significant advantages over manual labor.

This was not something that could be achieved in the short term. However, the government still supports heavy industries, such as the steel industry and machinery manufacturing.

This support included not only lowering tax rates but also assisting with infrastructure issues, such as industrial water supply and transportation, at the local level.

Developing manufacturing industries required endurance and the ability to withstand initial setbacks. Even though results might not be visible in one or even three to five years, persistence over a decade or two would eventually yield positive outcomes.

Innovation?

It's a bit too early to discuss innovation at this point. Before achieving industrialization, Austria's manufacturing industry was mostly following in the footsteps of the British. Of course, there were occasional unexpected discoveries, which were quite delightful.

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In general, the economic reforms carried out by the Austrian government from the second half of 1848 to the end of 1849 were aimed at removing obstacles to domestic economic development.

As a unique country with a semi-planned and semi-market economy, Austria achieved remarkable economic success in 1849. The most noticeable impact for the citizens of Vienna was a 15% decrease in food prices compared to 1847.

Indeed, even though this data may seem insignificant at first glance, it's crucial in the industrial context. A decrease in food prices implies lower costs for feeding the workforce.

The reduction in the cost of living also improved the lives of lower-class citizens. Many people accumulated small savings, some chose to save while others opted for increased consumption.

While individually these changes might appear minor, when multiplied across a large population, they contribute significantly to overall market prosperity.

Indeed, these seemingly inconspicuous consumer choices ultimately feed back into industrial production. With a market in place, there's a natural demand for production, which in turn drives improvements in industrial capacity.

Truly, if these effects are deemed negligible, then the opening of the market in the Hungarian region after the removal of internal tariffs has had a significant impact.

Even if the economy lags behind, it still has a population of over ten million. The emancipation of serfs and land redemption programs have transformed these people into property owners.

Having assets naturally means having purchasing power. Perhaps this market hasn't fully matured yet, but the increase in overall consumption is an undeniable fact.

Without tariffs, Austrian industrial and commercial products saw a significant increase in competitiveness in the Hungarian region. Coupled with the expansion of the market in Hungary, this naturally stimulated the development of domestic industry and commerce, resulting in an emerging prosperity.

According to statistics from the Ministry of Industry, Austria's industrial capacity increased by 15% in 1849 compared to 1847. This data was both unexpected and within reason for Austria.

Industrial capacity doesn't skyrocket overnight, and expanding production takes time. In this era, it's not like the later years where you could place an order and immediately receive equipment.

The next few years would be the period of Austria's industrial capacity boom.

In addition to the expansion of the domestic market, the establishment of the Holy Roman Economic Alliance has provided domestic industry and commerce with a broader market, naturally stimulating industrial production.

While Franz was envisioning a bright future, some bad news arrived.

"Your Majesty, news has arrived from St. Petersburg. The Russians have run out of patience.

A week ago, after Prussia declared a nationwide mobilization, Tsar Nicholas I made a decisive move. Russian Imperial troops are now gathering along the Prussian-Russian border.

Yesterday morning, the Russian Ministry of Foreign Affairs delivered a 72-hour ultimatum to the Prussian ambassador in Russia.

Unless there are unexpected developments, it is likely that the Prussian government will soon surrender to the Russians. They dare not go to war with Russia." Metternich said with a furrowed brow.

The Prussian-Russian standoff over the Schleswig-Holstein issue was indeed aligned with Austria's interests. It not only drained Prussia's resources but also worsened their relations with Russia, highlighting the importance of the Austro-Russian alliance to the Russians.

However, with the Russians running out of patience, the Prussian government found it increasingly difficult to persist.

Initially, they were confident about annexing the duchies of Schleswig and Holstein, but as they witnessed the resolute stance of the Russians, their confidence began to wane.

Now, what's keeping them from giving up is not just the annexation of Schleswig and Holstein but the fact that public sentiment in the German states won't let them back down.

The Russians are formidable, and this is most acutely felt by their neighbors. However, the German states separated from Prussia and Austria don't feel it in the same way.

To appease domestic public opinion, the government of the Duchy of Saxe-Gotha declared boldly, "For the territorial integrity of the German Confederation, we are ready to fight to the death against the Russians!"

Even the Kingdom of Hanover made a strong statement, saying, "If the Russians dare to invade Schleswig-Holstein, we will fight to the death against them!"

Even Franz had to express, "If it's necessary to send troops to defend Schleswig-Holstein, Austria won't lag behind."

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The staunch statements from these kingdoms and duchies were initially just words, but the Free Cities, governed by public opinion, had already taken practical actions.

The German National Expeditionary Corps in Hamburg, the German National Guard in Lübeck, the German National Volunteer Army in Bremen...

There's no need to overstate it; these units with impressive names were, in reality, composed of nationalist enthusiasts numbering in the low hundreds, with political significance outweighing their practical impact.

With everyone stepping up to this extent, the Prussian government naturally felt compelled not to back down.

Frederick William IV knew he had to save face. Without a convincing reason, how could he remain relevant in the German region?

But he also understood that being too stubborn wouldn't work either. If Prussia went to war with Russia, those who had been shouting slogans in support of war might quickly change their stance.

In the eyes of politicians, principles and integrity often counted for very little. There were countless excuses at their disposal, so finding one wasn't a problem.

As a last resort, every country could organize a group of volunteers to act as reinforcements, using this opportunity to send off those troublesome individuals who were eager for war as cannon fodder. There were always ways to make it work.

Indeed, the Austrian government's approach was quite telling. Anyone who wants to go to the front lines could sign up, and once the war breaks out, they would be sent there.

In the end, even the protest marches dwindled, and the Austrian government didn't resort to repression or expulsion. Instead, they appointed a few clerks to record the names of those participating in the marches.

These names on the list were enthusiastic supporters of the German Confederation, ready to go to the front lines. If a war comes, the Confederation would need them for defense. Mere slogans wouldn't do; they will have to prove their patriotism through action.

The armchair warriors are cowards. They're fine with shouting slogans, but when it comes to going to the frontlines and putting in real effort, they'd rather let others handle it.

The student force, which should have been the main force, is still in school studying. Although they care about what's happening outside, they can't participate.

Moreover, with the government's proactive stance, it seems that there's no need for them to do anything, and it's not worth violating school rules.

For the common people, supporting the recovery of the two duchies of Schleswig-Holstein is one thing, but participating in street protests is another. Can protests really lead to the recovery of their territory?

People are rational. They all have jobs, and while they support the cause, they understand that protesting in the streets may disrupt economic development.

"The Prussian government wants to compromise, and there's nothing we can do about it. After all this time, I believe the Kingdom of Prussia is going to have a tough year ahead.

Frederick William is probably regretting his decisions. He's invested so much and now it seems like he's going to come up empty-handed," Franz said with a wry smile.

He wasn't taking pleasure in their misfortune. If the Prussians hadn't provoked the Russians into a nationwide mobilization, Nicholas I wouldn't have been so quick to act. This could have prolonged the Prussian-Danish War until next year.

By that time, Franz would have recouped a portion of the invested funds, and with the savings accumulated by the Royal Bank from abroad, he could fill the gap left by the misappropriated donations.

Currently, it's evident that the Prussians can't hold out any longer, so they deliberately provoked the Russians, leveraging the military threat posed by Russia to persuade their internal nationalists to compromise.

Otherwise, would Frederick William IV, who is well-fed and content, order a nationwide mobilization?

Prussia already has enough troops for the war with the Kingdom of Denmark. But if they were to go against the Russians, a nationwide mobilization wouldn't be sufficient.

The nationalists within Prussia can be convinced because, after all, everyone is apprehensive about going to war with the Russians. In this nationwide mobilization, the Prussian government has even incorporated them into the military.

Advocating for war may make everyone feel resolute, but once they get into the military camps, many start to reconsider. Is it worth risking their lives for the sake of two duchies, Schleswig and Holstein?

If Prussia and Russia go to war, even with the support of all the German states, Prussia would still suffer the most significant losses. Losing such a war wouldn't just mean failing to recover those two duchies; they might even have to cede territory.

With such low chances of military success, people's enthusiasm naturally wanes. As long as they can persuade the domestic population, the Prussian government will have weathered this crisis.

Frederick William IV has clearly given up on public sentiment in the German states. In such an evident situation, how could they expect to easily reverse the obstacle placed by the German states' united front?

If they're going to be criticized, they might as well endure it, as losing a piece of land is a more significant loss.

While they have ambitions to unify the German states, they lack the corresponding power. Even if they gain the support of the people, it's pointless if they can't win on the battlefield.

Prussia's government has made the right choice. When the situation is not favorable, it's crucial to cut losses and prioritize practical interests over reputation.

Without the prestige in the German states and with deteriorating Prussia-Russia relations, it's safe to say that Prussia's chances of unifying Germany are quite slim.

From a strategic standpoint, Austria has achieved victory. However, Franz couldn't exactly celebrate; after all, money is essential.

After some contemplation, Franz gritted his teeth and decided to employ the strategy of dragging things out. If the Prussian government were to make concessions and give up the two duchies of Schleswig and Holstein, he would then demand donations from the Royal Bank to be returned by the Prussian government.

Considering that the war has been dragging on, the Royal Bank has already paid over four million guilders to the Prussian government. It's highly unlikely that Prussia would agree to return the funds.

Delaying for time under the pretext of recovering donations and creating an opportunity for repayment, while it may seem somewhat unscrupulous and certainly antagonizing the Prussian government, Franz had little choice in the matter.

Without this approach, how could he possibly repay the donations to the citizens?

If he followed through with the initial commitment to reimburse based on the remaining funds, Franz's misappropriation would quickly be exposed.

As long as he firmly accused the Prussian government of deceiving donations and represented all the donors demanding refunds, shifting everyone's attention, Franz could gain enough time to raise sufficient funds.

"Contact the governments of the various German states. Once the Prussian government abandons the two duchies of Schleswig and Holstein, we'll all make a fuss together and encourage the people to demand back the money they donated to the Prussians," Franz contemplated and suggested.

"Yes, Your Majesty," Metternich responded.

Chapter 143: Laundered

Indeed, the timing of the Russian ultimatum was quite calculated. With the ultimatum set to expire on December 24th, the day before Christmas, the Prussian government faced a challenging choice.

They had to decide whether to hold firm or make concessions during a time when everyone would rather be celebrating Christmas. This added pressure and inconvenience may have been part of the Russian strategy to unsettle Frederick William IV and the Prussian leadership.

Berlin.

Upon receiving the final ultimatum from the Russians, the Kingdom of Prussia was in turmoil, with the war and peace factions arguing vehemently. Plans to instigate Polish independence were once again brought up.

Prime Minister Joseph von Radowitz exclaimed passionately, “No, this won’t work. Poland simply can’t stand on its own. Even if we were to relinquish our Polish territories and allow them to form an independent state, it wouldn’t stop the Russian military onslaught.

On the contrary, it would anger the Russians, and they might unite with Austria and France to attack us. Prussia would have no chance of winning such a war!”

The newly appointed Foreign Minister, Alfa, disdainfully remarked, “Prime Minister, there’s no need to be so alarmist. At worst, we’ll be dealing with the Russians.

The French are deeply divided in their internal struggles. The President supports one side of the parliamentarians, while the parliament passes bills that the President vetoes. How could they possibly get involved in this war?

Austria is supporting us this time, and even if the Austrian government has ulterior motives, the Austrian people are our steadfast allies.

If the Austrian government dares to join forces with the Russians to attack us, even before the action begins, there will be a revolution in their country. They won’t take such risks.

He paused for a moment and continued to rally, “The Russian Empire is already decaying; it’s a giant empire that can be easily broken apart. Since they’re standing against us this time, why not break them apart?

As long as we step up this time, all the people in the German territories will become our loyal supporters, and the great task of unifying Germany will be accomplished in our hands.”

Unfortunately, the senior members of the Prussian government were not teenagers with a penchant for fantasy anymore. While it was true that the Russian Empire was decaying, challenging such a decaying empire was not something Prussia could easily undertake.

The strength of their allies? Don’t be ridiculous. Using that to dupe teenagers is one thing, but where were Prussia’s allies?

Many German states are just bystanders who love to watch the show. They shout slogans that sound impressive, but if they were to face Russia, it would be a different story.

If it were to be analyzed carefully, it would be found out that the so-called defense of the territorial integrity of the German Confederation doesn’t include parts of Prussian Poland and East Prussia.

It’s a blatant trap, and once Prussia jumps in, it’ll have to face Russia head-on. Of course, there will be some support, as there are plenty of countries that don’t like Russia.

Finance Minister Holder replied coldly, “Mr. Alfa, unless all the German states simultaneously declare war on Russia, it’s impossible for us to win this war on our own.

Perhaps you haven’t noticed, but for the Prussian-Danish War, we’ve already emptied our treasury. Government officials haven’t received their full salaries for the past six months, and in the last three months, they haven’t received a single penny.

With the country under full mobilization, our strategic resources can support at most two weeks of fighting. Unless our army can win this war within two weeks, there’s no need to initiate this conflict.

The lack of funds is indeed one of the major problems. The Prussian-Danish War began in March of the previous year, and although there have been temporary ceasefires, both sides’ armies have remained in a standoff.

The Prussian treasury has been running a deficit for years, and they’ve been doing everything possible to raise funds to support this war.

At this point, they’ve exhausted most options. International loans are unavailable, government bonds are unsellable in the financial markets, and the domestic population has donated multiple times, emptying their wallets to support the war effort.

Indeed, raising funds has been a desperate effort, and while they managed to gather some money from the German territories, most of it quickly slipped through the Prussian government’s fingers.

Lack of funds is only one aspect; the other critical issue is the real possibility of losing the war. In the era of musket warfare, the strategy of using large numbers of troops, often referred to as “human wave” tactics, can be highly effective.

The Prussian-Russian border is not easily defensible, and if a war breaks out, once the main Prussian army is engaged elsewhere, Cossack cavalry could easily penetrate deep into Prussian territory, posing a significant threat.

“Russia’s interference makes it impossible to continue the Prussian-Danish War. At this point, the most important thing is to find a way to persuade our domestic population, explain the difficulties we face, and make them understand the government’s predicament.

This issue will be addressed by the Prime Minister, and the Foreign Ministry will send representatives to communicate with the Russians and reopen negotiations with the Kingdom of Denmark. We will also invite Austria to mediate in this war.

To demonstrate our sincerity, once negotiations commence, the Kingdom of Prussia will demobilize its forces.” Frederick William IV calmly laid out the plan.

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On December 23, 1849, under the armed mediation of the Russians, the Prussian government announced its acceptance of the Russian proposal to reopen negotiations with Denmark on the Schleswig-Holstein issue, simultaneously lifting the nationwide mobilization.

As soon as this news spread, it caused an uproar in the German region. Anti-Russian sentiments among the populace began to surge, and disappointment with the Prussian government grew.

During the period when the Kingdom of Prussia was under nationwide mobilization, many people were deeply moved, and there were numerous donations of money and goods. However, now that the Prussian government appeared to back down suddenly, it seemed like a betrayal of the emotional support people had given.

While the Prussian government had backed down, the question of what to do with the Schleswig and Holstein duchies remained. In the eyes of the people, this was a matter of principle that could not be easily abandoned.

Everyone turned their attention to Vienna, as Austria, being the leader of the German Confederation, had to present a clear stance at this critical moment.

Metternich was an experienced diplomat; he wouldn't easily jump in to help Prussia out of this predicament.

On Christmas Day, the Austrian Foreign Ministry announced: "The Austrian government will convene a meeting of the Confederation in the near future and send a delegation from the German Federal Council to participate in the upcoming negotiations.

Prior to that, the Austrian government hopes that the Kingdom of Prussia can assume the responsibility of a major power and defend the duchies of Schleswig and Holstein."

At this point, people remembered that there was still the German Federal Council in the German Confederation.

However, for the Prussian government, the emergence of the German Federal Council at this time was simply adding more trouble.

It was clear that reaching a compromise within the German Federal Council was highly unlikely, as everyone there had their pride to maintain.

Even if the German Federal Council were to make a decision to declare war on Russia, it would primarily concern Austria and Prussia, and those smaller member states in the hinterland wouldn't be directly affected. They had little reason to fear the consequences.

Getting the German Federal Council to agree to relinquish Schleswig and Holstein at this point was simply out of the question.

If Prussia were to give up Schleswig and Holstein, all responsibility would fall squarely on their shoulders.

At this point, rumors were already circulating that the Prussian government had used people's patriotic fervor to provoke this war as a means to divert attention from domestic issues. Public opinion was turning heavily against the Prussian government.

On Christmas Day in 1849, the entire German region didn't celebrate the holiday with much enthusiasm. Newspapers were filled with news of the Prussian-Danish War, and the festive atmosphere was rather subdued.

To express their dissatisfaction with the Prussian government's retreat, Franz ordered the cancellation of Christmas celebrations. The royal banquets and government festivities were called off.

The Russian stance was extremely firm. If the two countries' borders weren't restored to their pre-war positions within a month, the Tsar's troops would march into the Kingdom of Prussia. This directly jeopardized any potential gains that the Prussian government might have made.

The Prussian government was not foolish and understood that the longer the situation dragged on, the more problematic it would become. Even before the negotiations began, Prussian troops had already started withdrawing from the Jutland Peninsula.

One of the reasons for this withdrawal was the lack of funds. Maintaining an army of over a hundred thousand troops deep inside enemy territory posed significant logistical challenges. Since they had already decided to concede, it made sense to retreat early to save on expenses.

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Sch?nbrunn Palace, Vienna.

Franz's mood was not good at all. The Prussian government backed down too quickly, and there was no longer a chance to delay using negotiations.

He now finally understands why so many people get caught when embezzling public funds; there are simply too many unexpected situations, making it difficult to maintain effective control.

His investments in the food processing industry have only finished establishing factories. To make a profit, it required at least some time for the factories to start operating.

The investments in the mines are also not going well at all; the time is too short, and they've hardly been effectively developed.

The only mining operation that is underway is for sand and gravel. However, railway construction has just begun, and while the profits are promising, it's still just a drop in the bucket.

The total savings in the Royal Bank have reached 2,768,900 guilders, but there are monthly administrative expenses of 18,000 guilders that must be deducted, and a portion of the funds must be reserved for the bank's operations. The amount of money available to fill the gap is insufficient.

In theory, around three million guilders from the donations would become bank deposits, but in reality, this remains uncertain. Franz doesn't want to take that risk.

When it comes to year-end settlements, the House of Habsburg's assets are quite substantial. However, using those funds to cover his own shortfall could easily lead to internal conflicts.

These industries already have a mature management system in place. Aside from supervising their operations, Franz only takes his rightful share of the profits each year.

Since his uncle is still alive and holds the position of patriarch within the House of Habsburg, Franz receives a significant discount on his share, which amounts to only 300,000 guilders in profit dividends.

If it weren't for the fact that the annual royal pension is about to be disbursed at the end of the year, Franz would indeed have a difficult time figuring out how to cover this financial gap.

He certainly can't resort to borrowing money or withholding government donations—after all, it wouldn't look good for the emperor to be seen doing such things, and it's unlikely the Ministry of Finance would come knocking at his door demanding repayment.

Indeed, with the impending conclusion of the Prussian-Danish War, Emperor Franz understood that it was time to make adjustments to Vienna's court expenditures. Cutting back on lavish court banquets was one way to reduce unnecessary expenses, and the Prussian situation provided him with a convenient excuse.

Franz had already instructed his advisors to calculate the annual costs of various court events, and the total expenses for these festivities often exceeded half a million guilders, and in more extravagant years, they could easily surpass one million guilders.

"Your Majesty, with the Prussian-Danish War nearing its end, we need to prepare to refund the donations to maintain the bank's credibility," reminded John Stuart.

For a bank, maintaining its reputation is of utmost importance. To safeguard the credibility of the Royal Bank, Franz decided to forgo any opportunities for personal gain by retaining the substantial donations.

Otherwise, if he had chosen to siphon off the donations held in the Royal Bank, those funds would have been depleted entirely. By firmly stating that all the donations should be handed over to the Prussian government, he ensured that it remained a mystery without a culprit.

Franz thought for a moment and said, "Let's hold a press conference to explain the whole situation, inviting Prussian representatives and notaries to be present to verify the accounts.

We'll announce publicly that if the negotiations proceed smoothly, we will start returning the portion of donations that hasn't been used yet. We'll ask people to bring their original bank receipts to the designated banking locations for a proportional refund.

This year's royal pension will be deposited directly into the Royal Bank, and the dividends from the royal assets will also go into the bank. So, the financial gap won't be an issue.

Furthermore, we should settle the previous matters as soon as possible, complete the commercial loan procedures, leaving no traces behind."

"Yes, Your Majesty," John Stuart replied.

With money at hand, many problems become more manageable. Once the financial gap was filled and the loan procedures completed, the matter could be considered resolved.

After these operations, Franz's misappropriation of donations would appear as a legitimate commercial loan from the bank. The initial investment would be effectively laundered.

Chapter 144: Budget

After Christmas, the Austrian government's annual budget meeting for the next year began once again.

In reality, the budget battles within various departments had already concluded by this point, and this was the final round of approvals.

If they were to bring up the budget for discussion during the meeting, it would likely take several days, and there wouldn't even be enough time to review the project documents that everyone had prepared.

Prime Minister Felix handed a report to Franz and said, “Your Majesty, this is the annual budget plan for the year 1850. The main expenses include military expenditures, government administration, educational expenses, land redemption payments, infrastructure development, and cultural unification, these six major categories.

Among them, military spending has decreased by 27% compared to 1849, while educational expenses have increased by 31%, cultural unification spending has increased by 32%, government administrative expenses have increased by 9%, and infrastructure development expenses have increased by 44.5%.”

In summary, except for the decrease in military spending, all other expenses have increased significantly. Land redemption payments are an exception as they didn’t exist previously.

While expenses were increasing, government revenue also increased; otherwise, this budget would never have passed.

Franz took the budget report and briefly scanned the summary table.

Military expenses amounted to 61,568,400 guilders, with the navy accounting for 10,652,300 guilders and the army for 50,916,100 guilders.

The war had already ended, and demobilization was completed in 1849. Therefore, a significant reduction in military spending in 1850 was expected.

However, the decrease in military spending only applied to the army, as naval expenses increased by 1.5 million guilders compared to the previous year. It seemed that the colonial faction within the government was gaining influence.

Educational expenses amounted to 68,509,400 guilders, including 40,164,100 guilders for compulsory education, 20,563,200 guilders for university education (including funding for university laboratories and research), and 7,782,100 guilders for secondary education.

The educational expenses turned out to be much lower than Franz’s estimate. One reason was that compulsory education was still being expanded and not yet completed. Another reason was that families with means chose to send their children to private schools to provide them with a better future.

On the surface, it may appear that the Ministry of Education allocates the same educational budget for all compulsory education level students. However, in reality, compulsory education schools also provide students with free meals, uniforms, and accommodation.

While the expenses for a single child might not be significant, the costs can add up substantially when there are many students. Preliminary estimates suggest that this could result in a reduction of around 10 million guilders in the total budget.

Infrastructure construction expenditure amounts to 48,203,800 guilders, including allocations for railway construction (20,152,000 guilders), post-war reconstruction costs (15,416,000 guilders), urban infrastructure renovation costs (10,263,200 guilders), and other expenses.

It’s unavoidable. Some railways have no commercial value but are of vital military importance, so they must be constructed.

In later years, some would criticize the Austrian Empire's railways for prioritizing military use at the expense of commercial interests.

To prevent such situations, the Austrian government had to fund the construction of these railways, as relying on private investment would likely delay construction indefinitely.

Fortunately, these railways are relatively short, typically ranging from about 100 to 180 kilometers in length. Even the longest ones don't exceed 400 kilometers. When you add up the total mileage, it's only around two to three thousand kilometers.

Once these railways are completed and integrated into Austria's railway network, they will enable the rapid deployment of national troops to the front lines.

The government administrative expenses include 53,282,100 guilders in total. This consists of 11,261,000 guilders for corporate management administrative expenses and 42,021,100 guilders for government agency administrative expenses.

Upon seeing this, Franz furrowed his brow. It appears necessary to let state-owned enterprises operate independently. Merging them in the short term is fine, but in the long run, relying on government management for these enterprises may lead them off track from the market.

The cultural unification budget is 23,160,800 guilders, which is dedicated to efforts in unifying language and script.

Due to the influence of the Austrian government's policies, it's well-known that learning the common language is beneficial for finding employment. Promoting this in urban areas has been relatively successful, but it's more challenging in rural regions.

Franz doesn't have a perfect solution for this issue. Coercion isn't a viable option and would likely make things worse. It seems that achieving language and script unification in this generation is impossible; it will have to be accomplished by the next generation.

All schools in the country are now required to offer Austrian language courses, and teacher training is underway. The goal is to eliminate regional dialects as soon as possible.

Exactly, in Austrian official documents, there's no longer any mention of ethnic languages. At this point, there's only one language in the country, Austrian, while the rest are regional dialects.

If everything goes as planned, starting from 1850, all elementary and secondary school teachers must participate in an Austrian language examination. Those who pass will receive an increased salary and benefits level, while those who fail must prepare for a makeup exam.

If they fail the assessment for three consecutive years, they will likely have to find another profession. To promote the Austrian language as quickly as possible, both the Ministry of Culture and the Ministry of Education are putting in considerable effort.

Regarding land redemption funds, there's no need to explain further. The government annually allocates 105 million guilders, which serve as compensation to the nobility for their land. The burden falls on the farmers who acquire the land; the government merely facilitates the process.

Just these six expenditures alone total a whopping 359,724,500 guilders. Beyond that, there are numerous smaller budget items. In total, Austria's fiscal expenditure for the year 1850 amounts to 423 million guilders.

If officials in Austria had seen this budget figure two years ago, they would likely have been shocked. It's almost three times the government's fiscal revenue. However, given the circumstances now, it doesn't seem to have generated much reaction.

(Author's Note: Two years ago, the finances of Hungary and Austria were separate.)

The annual land redemption payments from farmers amount to approximately 158 million guilders. After the government pays 105 million guilders to redeem noble lands, there is still an income of 53 million guilders.

However, this income is not very stable and is subject to fluctuations due to natural disasters. In the event of a major calamity, the government might have to cover a portion of the expenses.

Additionally, there is the tithe paid to the Church, which fluctuates annually, totaling around 93.5 million guilders. This is also influenced by fluctuations in agricultural product prices. Furthermore, a portion of this tax, amounting to twenty percent, is deducted to be paid to the Church.

Making the clergy members collect taxes comes with its own costs, and they often labor diligently while also taking the blame for any unpopular tax policies. It's not possible to expect them to work for free.

Once the government deducts the expenses related to land redemption payments and portion of the tithe paid to the Church, it is left with approximately 74.8 million guilders.

At the moment, there may seem to be some surplus funds available for educational expenditures. However, it's important to note that once compulsory education is fully implemented, these funds may fall short, and the government might need to allocate additional money.

Taking these two expenses into account, the Austrian government's budget appears to be more manageable and less daunting.

Furthermore, the salaries of enterprise management personnel can also be offset by the profits contributed by state-owned enterprises, even though they have been consolidated.

The Ministry of Finance has provided an estimated fiscal revenue of 230 million guilders for 1850, with a total government revenue projection of 480 million guilders. This total includes land redemption payments, tithe, state-owned enterprise profits, real estate leasing and sales, and various other sources of income.

After subtracting the 423 million guilders budget, it might appear that there is a fiscal surplus.

However, in reality, this is not possible. The Austrian government also has debts to repay, including bank loans, various bonds, and debts from enterprises and individuals, totaling 542 million guilders.

All of this money needs to be repaid on schedule. In theory, if no unexpected events occur, the Austrian government would achieve fiscal balance.

These are all ideal conditions, and whether there will be a surplus or deficit will only become clear by this time next year.

In 1848, the Austrian government achieved a fiscal surplus by confiscating assets from households. However, in 1849, the Austrian government experienced a fiscal deficit of 7,256,800 guilders.

While this number may not seem significant, continuous deficits over time can become a problem, especially during a critical period like the outbreak of the Crimean War. Accumulating debts, especially to countries like Britain and France, can have diplomatic implications.

In history, Austria leaned towards Britain and France partly due to these factors. France, in particular, relied on loans to sway Russia away from the Three Emperors' League.

Unless Austria follows the strategy of Prussia, which involves accumulating debt for development, launching a war when it's economically strong, and winning the war to pay off debts. If they lose, then that would be the end of them.

Austria has a solid financial foundation, and Franz isn't inclined to take such risky gambles. This is a strategy more fitting for the rise of smaller nations and not applicable to major powers.

After some consideration, Franz said, "Let's proceed with the fiscal budget as outlined. Leave a reserve budget of twenty million guilders for dealing with unexpected situations."

Cutting the budget?

The contents of this budget report have already been reviewed by various departments and submitted to him. Unless there are significant budget overruns, Franz wouldn't disrupt the process.

"Yes, Your Majesty," Prime Minister Felix responded.

In the presence of a strong-willed monarch, the ministers naturally couldn't assert their authority. The unequal status between monarch and ministers gave the monarch an inherent advantage.

At the beginning of his regency, Franz needed to use his Foreign Minister, Metternich, to balance the power of the influential Prime Minister, Felix. However, after more than a year of adjustment, this situation had undergone a significant change.

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Without waiting for a negotiating delegation from the German Federal Council, under the strong pressure of Russian Foreign Minister Karl Nesselrode, on January 6, 1850, the Prussian army completely withdrew from Danish territory, including relinquishing the recently acquired Duchies of Schleswig and Holstein.

Everyone knew that the next day was the Russian Christmas, and after suppressing his emotions for so long, Tsar Nicholas I naturally needed to let off some steam.

As one of his trusted confidants, Karl Nesselrode wanted to present a special gift on this occasion, and unfortunately for the Prussian government, they became the backdrop for this.

At first, Franz thought the same way, but when he saw the brilliant smile on Metternich's face, he knew that things weren't so simple, and the Austrian Foreign Ministry may have played a less than honorable role in this situation.

Franz naturally was completely unaware of anything. The rivalry between Austria and Prussia, the two major states in the German region, was quite normal. They had both cooperation and conflicts over the years.

In recent decades, it seemed like everyone was friends. However, starting from the Frankfurt Assembly, Prussian-Austrian relations began to rapidly deteriorate.

It was more of an alienation than an escalation, and there hadn't been any direct conflicts between the two sides. Prussia's attempt to establish the "Three Emperors' League" was thwarted by the Austrian Foreign Ministry right after it began its operations.

The Austrian government also took advantage of Prussia's involvement in the Prussian-Danish War to establish the Holy Roman Economic Alliance, isolating Prussia in the German region.

All of this underscores the idea that there's no room for two tigers in one mountain, and Prussia, unfortunately, ran into Franz. The Austrian government had effectively resolved internal conflicts in advance and had the energy to trip them up.

"Should we issue a diplomatic note to the Kingdom of Prussia in the name of the German Federal Council and force them into submission?" Franz asked hesitantly.

Metternich pondered for a moment before replying, "Your Majesty, if we do that, it's highly likely that the Prussian government will comply, and then won't the Russians hold it against us?"

Indeed, at this point, with the German Confederation becoming involved, there was a real possibility that the Prussian government would drag everyone into the conflict.

Everyone knew that the Russians didn't really want to resort to force. Once the Prussian government showed determination by relinquishing its independent foreign policy and letting the German Federal Council take over, things could get complicated.

If they back down, they'll all be scolded alongside the Prussian government, and no one will have it easy; if they resist stubbornly, the Russians might truly come to hate Austria.

The Russian government holds grudges, and Franz knew that well. The overall situation has already settled; there's no need to invite trouble.

Franz shook his head and said, "Let's forget about it. After the Prussian government withdraws its troops, we can mobilize the people to hold them accountable.

At the same time, we should expose the sinister intentions of the Prussian government in using the war to divert domestic attention, causing the German people to despise them."

"Yes, Your Majesty!" Metternich replied.

Although he didn't think this small trouble would have a significant impact on the Kingdom of Prussia, it was still satisfying to give them a hard time.

At the very least, not whitewashing this bad reputation would make it more difficult for the Kingdom of Prussia to annex Northern Germany.

Using military force to annex territory was actually the least desirable option. Without the approval of the people, it would be challenging to convert the added land and population into national strength.

Chapter 145: What to Do When the Loot Is Unevenly Divided

Vienna in January was immersed in the cold winds, with snow lightly falling from the sky like a gentle rain. When the wind blew, it scattered like fine salt, creating a fairy-tale-like icy world at the Vienna Palace.

Franz had abandoned his habit of winter swimming. He couldn't risk falling ill in this icy winter, as he had little confidence in the medical practices of this era.

The artificial lake had frozen over with a thick layer of ice, and his younger brothers were playing on it.

If someone fell in? No problem. They'd consider it a refreshing ice bath, get back up, change their clothes, and continue playing.

They were not pampered. All the brothers had received military training from a young age, and their strategic skills were unquestionable. Otherwise, Franz would not have had the confidence to command armies in history.

As snowflakes danced around him, Franz stood in a pavilion gazing into the distance. The water in the teapot beside him had already started boiling.

Making tea had become a habit for Franz, though he couldn't remember when it started. Yes, just making it. He enjoyed the aroma of the tea brewing.

How much tea was wasted each day was not a concern for Franz. There were so many sycophants around him, so if he doesn't spend a little more, where will they get the chance?

Coffee was the main beverage at the Vienna Court, and tea was just an occasional treat, often black tea with added sugar and milk, making it what they referred to as "milk tea."

"Your Majesty, the Archbishop of Carinthia is requesting an audience," a maid's clear voice sounded nearby.

The Church had come to visit, and Franz furrowed his brow. Since the Austrian government had taken action against the Church within the country, there had been a rift in the relationship between the Church and the Vienna Court.

Even the Archbishop of Carinthia, who had a good relationship with the royal family, had reduced his interactions with the Court. If he was coming to visit now, it was likely not for good news.

"Bring him in," Franz said in a subdued tone.

Since the Archbishop had come all the way to the palace, Franz couldn't simply avoid seeing him, given their past relationship.

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Crisis erupted in the Holy Land, skipping the details as to avoid touching on religious matters.

"Your Majesty, what do you think?" the Archbishop of Carinthia asked anxiously.

As a devout Catholic, he was a true believer, quite different from the pseudo-faith of someone like Franz. He was deeply upset by what was happening in the Holy Land.

"I understand. This issue involves many complexities. I will consult with my cabinet before making any decisions," Franz replied with a furrowed brow.

He was already beginning to feel apprehensive. If his suspicions were correct, this crisis could be the spark that ignites the Crimean War, and Franz had no intention of getting embroiled in it.

There was nothing the Archbishop of Carinthia could do if he couldn't achieve the outcome he desired. It was no longer the Middle Ages, and in Austria, secular authority had clearly surpassed ecclesiastical authority.

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"Your Majesty, Louis Napoleon Bonaparte is ambitious and seeks to restore France's great power status in Europe. This could be an opportunity for them. We should let the French take the lead in this matter," Metternich suggested.

If Austria doesn't want to stand out, it has to find another country to take the fall. There are many Catholic countries in Europe, but there are only three big countries: Austria, France, and Spain.

However, Spain was facing its own internal issues and was not in a position to intervene in this matter.

France seemed like the most suitable candidate, given their ambition and current international standing.

Louis Napoleon Bonaparte's desire to secure France's position was not only about international standing but also about gaining the support of the people to legitimize his rule.

If he were to pursue other agendas, the parliament would undoubtedly oppose him and obstruct his efforts. Therefore, intervention in the Crimea crisis was the best choice. Even his political rivals would be hesitant to stand against him on this issue.

"Then let's give the opportunity to the French. The government should appease the domestic public sentiment, and the News Supervision Bureau should pay attention to guiding public opinion, not letting others take advantage of us.

The Ministry of Foreign Affairs should coordinate relations with allies, and the government should allocate a special fund of two million guilders for propaganda in the Southern German region.

We need to find ways to gradually control public opinion in these regions. It would be best to secretly acquire some newspapers and publishing houses in the area and strongly support the pro-Austrian and Greater Germany Unification factions.

For these matters, the government may not be able to act directly. We can let intelligence organizations or private exchange organizations take the lead.

The German Confederation is one body, we can also establish some comprehensive civilian organizations, such as the German Writers Association, the German Art and Music Association, and so on," Franz thought and said.

He didn't realize it at first, but upon reflection, Franz discovered that Austria in this era still had advantages in the arts and culture.

Of course, these advantages couldn't compare to France, which was the leader of Romanticism, or Italy, the birthplace of the Renaissance, with Rome as the cultural center of Europe.

However, in the German region, especially the smaller states, it was a different story. Their influence was limited.

Prussia, being a military-dominated state, didn't prioritize the arts. So, wasn't it somewhat absurd to discuss art with them? Their system inherently hindered their cultural development.

Bavaria had many qualities, but it was a bit financially challenged, which was an awkward problem because the arts also required financial support.

In this context, Austria stood out. Vienna, being a historical city, had a cultural heritage that surpassed any other German state.

In modern times, the saying "the misery of the state leads to the emergence of great poets" rang true. As a multi-ethnic country, Austria was a melting pot of various cultural and intellectual influences, sparking creative brilliance. In this era, Austria reached its peak culturally.

Since Austria had these advantages, they naturally had to make use of them. When comparing, there's bound to be an impact. The idea of Greater Germany Unification had begun spreading across the German region. When it comes to supporting a cultural cause, who do you think the intellectuals would favor? This choice was quite straightforward when compared to the rigid Prussian state.

Don't underestimate the power of these intellectuals; it seems like they might not have much influence, but once Austria annexes the Southern German States, having them as supporters rallying the masses will allow Austria to digest these regions quickly.

"Yes, Your Majesty," Prime Minister Felix replied.

As a staunch advocate of the Greater Germany cause, he supported any decisions that were favorable to the unification of Germany. In history, had he not died so early, the task of Prussia unifying Germany might not have been as straightforward.

Metternich said, "Your Majesty, the Prussian-Russian conflict is about to end, and at this time, crisis had erupted in the Holy Land. The Russians are likely to intervene, and they might even use this as a pretext to take action against the Ottoman Empire.

Based on the intelligence we've received, the Russian Empire is preparing for war, and it's evident that they don't intend to wait for us to be fully prepared before launching hostilities.

If the war starts prematurely, we'll have to make a choice. Austria's resources can't support a two-front war. So, we must decide between seizing the opportunity to unify the Southern German States or focusing our efforts on the Balkan Peninsula."

Franz furrowed his brow. The idea of fighting on two fronts was too risky, and he thought this was sugarcoating the situation.

Without major foreign powers intervening, Franz might have considered it. However, in reality, except for the Russians that have already been deceived, none of the other major powers supported Austria.

Leaving aside whether the British were willing to invest money, Prussia was likely to turn against Austria, and the possibility of French military intervention was very high.

If they will only fight on a single front, Austria, with its concentrated forces, could still pose a certain level of deterrence. However, if they split their forces into two fronts, it wouldn't be very intimidating to anyone.

Minister of War Prince Windisch-Grätz suggested, “Your Majesty, I propose prioritizing expansion into the Balkans. In this matter, we can potentially secure the support of the German Confederation. We have also reached an agreement with the Russians, so our main opposition would come from the British and the French.

The Russians aim to annex the Ottoman Empire, and the primary target for the British and French will likely be the Russians. If we act prudently and expand into the Balkans, they may be more inclined to accept our expansion.

At this point, if we also send troops to unify the Southern German States, we would find ourselves opposed by all the German states. Due to geographical factors, it would be more challenging for the French to intervene militarily, and we might face a united front of France, Prussia, Bavaria, and other nations.

If our strategic endeavor were to fail, Austria could find itself isolated from the German Confederation. The Holy Roman Economic Alliance that we’ve worked to establish might crumble as well.”

Understanding history, Franz knew that if Austria expanded into the Balkan Peninsula at this time, it would almost be a win without much effort.

Even in history when Austria sided with the wrong factions, there were opportunities to annex Wallachia and Moldavia, only that Vienna was unwilling to give up the Italian territories as a cost.

Author’s Note: Wallachia is in present-day southern Romania, and Moldavia is in present-day northeastern Romania, Moldova, and parts of Ukraine.

Prime Minister Felix quickly opposed, saying, “No, Austria doesn’t lack territory; what we lack are sufficient numbers of core ethnic groups. Even though we’ve started implementing ethnic integration, it’s not something that can be achieved in the short term.

Expanding into the Balkans at this time may indeed be easy to succeed in, but the more we acquire, the harder it will be for us to achieve integration.

Let’s do some calculations: a small part of Serbia has a population of five to six hundred thousand, Bosnia and Herzegovina has four to five hundred thousand, Wallachia has nearly a million, and Moldavia has over a million and a half.

This means that Austria would suddenly gain a population increase of ten percent, and they would all be ethnic minorities, different from our domestic ethnic groups. They won’t have a sense of belonging to this country.

How much effort will it take for us to assimilate these people? Twenty years, thirty years? Before completing ethnic integration, we can’t do anything.”

He continued: “If we annex the South German States, it’s a different story. The people there have a strong sense of identity, and with just three to five years of effort, we can establish effective governance and convert their potential into national strength.

We can always turn to expanding into the Balkans afterward, and there will be plenty of time for it.

As for the risks, they can actually be controlled. If Prussia objects, we can threaten their unification with the Russian-Austrian Alliance. If the French have objections, we can cede all territories west of

the Rhine to them, make bigger concessions in the Italian region, and even support them in annexing Belgium.

In this world, so-called conflicts are ultimately about interests. As long as everyone takes what they need, there's nothing that can't be resolved!"

It's undeniable that Felix is quite ruthless. If they really go through with this plan, it will become a collective expansion of territories by the European powers.

If Prussia, Austria, France, and Russia all simultaneously start expanding, is there a solution to this problem? Even if the remaining countries unite to resist, it might not be of use. Even if the British take a stance against it, they can just be ignored.

But why haven't European politicians thought of this? Why hasn't it been implemented?

Clearly, the situation isn't that simple. The problem lies in the unequal distribution of spoils. Russia is getting too much, and everyone is dissatisfied with that.

Additionally, Russia's sheer size has caused fear among the others, as they worry about Russia's continuing expansion, which would then become unstoppable.

And the British are always causing trouble on the sidelines, which significantly reduces the practicality of any united plan for external expansion.

Chapter 146: Purge of the Bureaucracy

The debate over the course of action is present in any idealistic nation. It's an unsolvable dilemma, with no clear right or wrong, only what is most appropriate.

At present, both the Balkanists and the Southern Germanists have valid reasons for their positions.

From a development perspective, the Balkans has more fertile land and abundant resources, which could accelerate Austria's economic growth. Meanwhile, the Southern German region provides the population that Austria needs the most.

Both are essential, but considering the issue of ethnic integration, Franz is inclined to prioritize the Southern German region.

Once the Southern German region is annexed, the Austrian Empire will become more stable. The government can promote ethnic integration by encouraging various ethnic groups to live together and accelerate the process.

In Franz's view, the best way to expedite ethnic integration is through intermarriages. The birth of a child from an intermarriage represents the recognition of two families, and it can influence the stance of many relatives and friends.

With a higher number of intermarriages, the next generation will be of mixed ethnicity, and these individuals will be the most significant products of ethnic integration, with a naturally higher level of identification with the unified nation.

Metternich spoke slowly, saying, "Whether to move westward or southward, this issue must be approached with caution. The international situation is ever-changing, and even if we make a decision now, unforeseeable circumstances may force us to abandon it.

Russia may potentially take action against the Ottoman Empire, but it's not guaranteed that they can swiftly conquer them. The Ottoman Empire has withstood numerous Russo-Turkish conflicts, so we cannot assume Russia's success.

What we need to consider is the reaction of Britain and France. If they choose to enter a war in support of the Ottomans against Russia, then we might have opportunities, whether we decide to expand westward or southward.

However, if Britain and France abstains from the conflict, our ambitions in both regions could prove to be mere dreams, as they may intervene if we seek substantial gains in the Balkans."

The historical Crimean War was full of coincidences. Louis Napoleon Bonaparte had just come to power in France and needed a military victory to consolidate his position. The British were hoping to weaken Russia to protect their interests in the Mediterranean.

At the same time, Russia was seeking control of the Black Sea Straits, which threatened British and French economic interests. When the governments in London and Paris discussed this, they decided to take action.

This led to the brutal Crimean War, which was, to put it bluntly, a disastrous conflict. Whether on the British and French side or the Russian side, more soldiers died due to logistical issues than on the battlefield.

No matter how historians try to downplay it, the fact remains that when soldiers go to war, their biggest enemies are often not the enemy's forces but diseases and logistical problems.

It was a brutal war, and in the end, all sides were greatly damaged. Russia suffered defeat on the Crimean battlefield, but it managed to regain its footing in the Caucasus, defeating the Ottoman Empire there, which left the Ottomans in a dire state.

The final outcome of the war was no reparations and no territorial changes. Ironically, the Ottoman Empire, the apparent victor, suffered the most and revealed its inherent weaknesses, making it a prime target for the subsequent division by the major powers.

Britain and France achieved a strategic victory by pushing Russia away from the Black Sea and disrupting the "Three Emperors' League," effectively ending Russia's dominance in Europe.

Franz agreed with Engels' assessment, describing the war as a "grand comedy."

Under his butterfly effect, will history change, and where will it lead?

What if the Russians choose to change the battlefield? For instance, focusing on the Caucasus as the main attack direction, launching a preemptive attack on Bosphorus, or even advancing through the Balkans.

There are so many "what ifs," all of which are possible. With the Russian-Austrian Alliance, Austria wouldn't turn against Russia. The Russians have more strategic flexibility now.

This could set off a chain reaction. If the Russians act preemptively, before Louis Napoleon Bonaparte completes his restoration efforts and the French government remains embroiled in internal strife, it's unlikely that even John Bull would be able to enter the fray.

Without Britain, France, the Ottoman Empire fighting against Russia, Austria has no opportunity to expand westward to follow its planned expansion in the Balkans.

“Mr. Metternich is correct. It’s too early to make strategic decisions at this point. What we need to focus on now is addressing internal issues within the government.

The first issue is the lack of execution capability within the government. From the central government to local authorities, there is a prevailing problem of insufficient execution capability, which is the biggest problem in the current government.

If officials cannot effectively implement the government’s orders, then what use are they? The Austrian government is not a retirement home for them. Officials with insufficient abilities, a lack of commitment to their work, and those attempting to coast along should be sent home to grow potatoes as soon as possible!”

The debate over the course of action couldn’t be resolved quickly, so Franz decisively chose to change the topic. Domestic issues had been on his mind for a while, but he hadn’t found the opportunity to address them.

In 1848, the government was too busy with the war to focus on these matters, only briefly addressing them and cracking down on a few bureaucrats with clouded minds.

In 1849, the government was still overwhelmed with various issues, and Franz, who had recently ascended to the throne, needed to ensure domestic stability. It was during this time that he initiated compulsory education, introduced a creative civil service examination system, and identified Austria’s core industries.

Now that the government had some free time, Franz certainly wouldn’t let the cabinet sit idle. With no other pressing matters, the purification of the bureaucracy seemed like a good course of action.

Anti-corruption measures are powerful tools, but Emperor Franz couldn’t openly call for them. The Austrian government was riddled with corrupt officials, making it easy for everyone to be on edge.

In fact, since Franz ascended to the throne, the Austrian bureaucracy had become cleaner to some extent. Faced with a strong emperor, many individuals had consciously reined in their behavior.

When the upper echelons of the government became more virtuous, it inevitably had an impact on the middle and lower levels. Those who could enter politics were not fools; they knew when to act wisely.

During the reign of Emperor Ferdinand I, he was unable to handle state affairs, and power fell into the hands of the governing commission.

A group of power-hungry officials engaged in internal struggles, trying to win over subordinates as quickly as possible. In such a chaotic environment, it’s unlikely that they would go to great lengths to combat corruption.

It’s not about wielding a heavy-handed approach, but rather improving the execution capability of the government. Emperor Franz wasn’t planning a major crackdown; he simply intended to remove incompetent officials from their positions.

If someone happened to be unlucky and got caught for corruption, then there’s not much that can be done. Austria is a nation governed by the rule of law, and those who break the law must face the consequences.

Compared to corruption, incompetence can be even more frightening. Being both corrupt and incompetent is a grave offense.

It doesn't take much; just sending one percent of the incompetents back home and making examples out of a few unlucky ones will help curb Austria's governance issues.

The idea of eliminating all corrupt officials with a radical approach isn't something Franz is considering. In a well-established empire like Austria, interest groups have long been intertwined.

As an emperor, every time he strikes at a small group of those who act without restraint and defy authority, as long as he has a suitable excuse, people will be quite cooperative.

However, if he were to try to eliminate all the interest groups in one fell swoop, and the situation became desperate, they might even consider changing emperors to protect their interests.

Franz can't expect bureaucrats to have unwavering principles, but as long as they don't cross certain boundaries, he would be quite tolerant.

Good officials are valuable, but even corrupt ones can be useful. In fact, sometimes even those who are less competent can be retained, as long as they are placed in appropriate positions where they can contribute unexpectedly.

"Very well, Your Majesty," Prime Minister Felix responded.

He was already preparing to push for the performance assessment system, which is a measure designed by the Austrian government to prevent officials from becoming lazy or unproductive.

The standards for this assessment aren't very high; as long as an official can fulfill their duties within their scope of responsibility and follow the government's rules and regulations, they are considered qualified.

If, on top of that, they achieve significant results, then congratulations, they're on their way to a promotion.

Conversely, those who fail to follow the government's rules and regulations and can't present noteworthy achievements will be identified as incompetent and subject to removal.

Developing the economy is a political achievement, promoting ethnic integration is a political achievement, popularizing compulsory education is a political achievement, and implementing the government's directives effectively is also a political achievement.

The scope is quite broad, and any achievements in a particular area are considered political accomplishments.

The Austrian government aims to target officials who are both disobedient and incompetent.

If the central government instructs you to promote the use of the Austrian language, and you instead promote local dialects, it would get you into trouble.

Checking your wallet is inevitable when you're a target of the government. If problems are found, it serves as a good example to make others behave.

How many officials lose their positions or get promoted as a result doesn't concern Franz too much; he cares more about the ultimate outcome.

Chapter 147

On February 21, 1850, under diplomatic pressure from Britain, France, and Russia, a treaty of peace between Prussia and Denmark was signed at Berlin.

The Prussian government recognizes the sovereignty of the Kingdom of Denmark over the two duchies of Schleswig and Holstein, officially ending the Prussian-Danish War.

Prior to the signing of the treaty, under strong pressure from the Russians, the Prussian army had already withdrawn from the Kingdom of Denmark, and both the duchies of Schleswig and Holstein had been abandoned.

After the treaty was signed, the delegation from the German Confederation angrily left the scene, refusing to acknowledge Denmark's sovereignty over the duchies of Schleswig and Holstein.

The Prussian government was indeed tricked in this situation, and they were not only deceived by the various states within the German Confederation but also by the Russians. It seems that Nicholas I was using hands-on actions to warn the Prussians to be more cooperative.

During the negotiations, initially, the German Confederation delegation supported Prussia and had heated arguments with the Russian delegation. However, due to the unified stance of Britain, France, and Russia, the German Confederation delegation quickly backed down and accepted the mediation by these three powers.

Originally, the plan was for everyone to sign the treaty together, but after the Prussian government signed it, the German Confederation delegation immediately left, shifting all responsibility onto the Prussian government.

Yes, they left abruptly. The so-called "angry departure" was likely just a show for the public, as the German Confederation delegation did not sign the treaty, so they could present it however they wanted.

The Prussians mistakenly believed that Britain, France, and Russia would pressure the German Confederation to sign the treaty, thereby resolving the Schleswig-Holstein issue once and for all. However, the Russian delegation left the negotiations satisfied, and without the Russians, Britain and France had little interest in continuing.

Since the only bordering states of Schleswig-Holstein were Prussia and the two duchies themselves, the other German states' slogans and declarations were essentially empty words.

In this matter, the attitude of the German Confederation was not significant. In fact, this international organization couldn't be considered a single country, and each state within it had the freedom to conduct its own foreign affairs. They did not have the authority to sign diplomatic treaties on behalf of everyone.

Under the influence of the Prussian-Danish Berlin Treaty, the Kingdom of Prussia's prestige in the German region suffered greatly, and they would be unable to compete with Austria for leadership in the German territories.

At this time, outside the Prussian embassies in various German states, crowds gathered to demand the return of donations, protesting and demonstrating with signs demanding repayment, occasionally even throwing stones.

The public opinion campaign was a success. When the donations were initially raised, newspapers had reported on the Prussian government's strong stance. Some of it was true, but most was embellished by the editors.

However, these details didn't matter; the public believed it was all true. They had been promised a fight to the death against the Russians, but when the war actually began, Prussia backed down. The disillusioned public was venting their anger in this manner.

Money was definitely not going to be returned. The Prussian government was flat broke, and no matter how harshly they were criticized, they couldn't produce the money.

In the end, various governments had to send troops to protect the Prussian embassies and provide for their basic needs. In the midst of public outrage, Prussian embassy staff dared not go out to buy groceries.

After thoroughly undermining Prussia, the friendly relations between Austria and the German states also began to cool.

The German states, led by Bavaria, did not want to see German unification and aimed to play a balancing act between Prussia and Austria.

The closeness of these German states to Austria was not only influenced by religious and political factors but also related to the expansionist ambitions of the Kingdom of Prussia.

Prussia, originally a small state, had grown into the second-largest state in Germany, and its territorial expansion raised concerns among neighboring states.

This rapid territorial expansion in just a few decades contributed to suspicions and wariness among other German states.

The diplomacy of the Metternich Era still held value, as it made the German states believe that Austria had no ambitions of unifying Germany. This led them to underestimate the shift in Austria's foreign policy and the changes in its national strategy.

The recent revelations about Prussia's involvement in the Frankfurt Assembly indeed caused a stir, and Austria used this evidence to rally support from other German states.

Now that the Kingdom of Prussia has been suppressed, the stance of the Kingdom of Bavaria has once again changed. They do not want to see an imbalance of power between Prussia and Austria, leading to a situation where one dominates.

In a normal situation, the second and third powers would unite to counterbalance the first power. Austria's ability to form an alliance with the third power to suppress the second in diplomacy was already a significant victory.

With things returning to a more balanced state, the Bavarian government's diplomatic stance underwent another change.

The influence of the 1848 revolutions led to the abdication of King Ludwig I of Bavaria. Before his abdication, on March 6th, he issued a declaration promising that the Bavarian government would work for the cause of freedom and unity in Germany.

This declaration set the stage for a political challenge for his son, Maximilian I, who succeeded him as king.

Compared to the idea of German unification under Prussian leadership, the nationalist forces within Bavaria were more inclined toward a German unification led by Austria, which shared their religious beliefs.

In history, Maximilian initially supported the constitution of the Frankfurt Assembly and advocated excluding Austria from the German region. However, to maintain stability in his rule, he later shifted toward a pro-Austrian stance in 1851.

Regardless of their inclination, the Bavarian government's ultimate goal is to establish a tripartite power structure known as "Aus-Pru-Bav" in which Austria, Prussia, and Bavaria are all prominent players. However, Bavaria's actual strength falls far short of Austria and Prussia, making it unable to achieve this on its own.

The Kingdom of Bavaria's move towards alignment with Prussia is seen favorably by the Austrian Western Expansionists Faction. Taking harsh measures against their ally would have detrimental consequences for Austria's reputation, and the Austrian government is also mindful of its image.

If Austria is unable to take decisive action against these regional states, even if it succeeds in unifying Southern Germany, these states will continue to exist independently and potentially challenge Austria's central authority.

The primary among these regional states is Bavaria, as the other smaller states are relatively weaker and would not dare to disrupt the central government without Bavaria, their leading figure.

The emergence of King Maximilian I, who is pro-Prussian, undoubtedly provides an opportunity for the Austrian government to annex the Kingdom of Bavaria.

Now, it depends on his actions and whether he can create a pretext for Austria to legitimately abolish the Bavarian monarchy.

In the office of the Austrian Prime Minister, Felix spoke in a solemn tone: "Austria's alliance with Bavaria has become an obstacle to our goal of unifying Germany. It is imperative to terminate this alliance, but Austria cannot be seen as the one breaking it.

Ideally, we should make Bavaria's government voluntarily betray the alliance. Timing for the termination of this alliance is crucial; it cannot be too early or too late."

Finding the right balance in this situation is indeed a challenging task. If the alliance is terminated too early, Austria's influence within the German Confederation may be significantly affected due to geopolitical reasons, and the Holy Roman Alliance could also be impacted.

If Austria initiates a war of unification while both sides maintain their alliance, there's a chance that Maximilian I could have declared Bavaria's allegiance to another power directly.

Anyone in Bavaria can be the leading figure in that except for the king as the cost of this would be too great.

If such a scenario had actually unfolded, it would have been a significant predicament for the Austrian government.

Taking a reference from the historical German Empire, the Kingdom of Bavaria retained independent political rights and could recruit its own army.

They also had the power to veto unfavorable terms in the German Federal Council, the highest legislative body in the German Confederation, along with several other states. The central government had little control over this semi-sovereign state within a state.

Metternich, with a furrowed brow, said, "There will always be excuses to be found, but the question is, can our plan succeed? If it backfires, the favorable situation of the Austrian Empire will be lost."

He didn't like taking risks and was not in favor of the Russian-Austrian Secret Treaty. However, he couldn't impose his will anymore; the current Austrian government was not a one-man show.

Felix thought for a moment and said, "Mr. Metternich, the risk in Austria unifying Southern Germany doesn't lie in the military aspect. If we were to march under the banner of German unification, there's a significant likelihood that the forces of these individual states would defect to us as most of them actually support German unification.

If the enemy's soldiers lose their will to fight, our chances of military failure are almost zero. The real risk lies in diplomacy, and in this regard, you have the most influence. The Russian-Austrian Secret Treaty has already been signed, and barring any unexpected developments, the Russians will stand by our side.

The British are too distant to pose a real threat. The danger comes from two directions: France to the west and Prussia to the north. If we can manage to deal with one of them, we'll be victorious.

If the Austrian government can make concessions in other areas, do you think it's possible to persuade the French to support us? We don't need their active support; just having the French government remain neutral would suffice.

Even causing internal divisions within the French government, delaying their decision-making, would allow us to join forces with the Russians and overpower Prussia!"

Metternich fell into deep thought. It's easier said than done when it comes to influencing diplomatic outcomes, especially when a nation's destiny is at stake. There are many factors to consider, and careful planning is essential.

After some consideration, Metternich furrowed his brow and said, "Making significant concessions in the Italian region, promising to cede all territories west of the Rhine, could give us a threefold chance of securing French support and a sixfold chance of French neutrality. As for delaying the French government's decision-making process, with the current French administration, even if we do nothing at all, they would likely drag the issue on for several months."

In Metternich's view, Felix seemed to have lost his senses. Is it really a good idea to be neighbors with the French?

In the future, Austria would have to allocate a significant portion of its defense budget to guard against the French threat, and that's precisely why the Russians were allowing Austria to swallow up Southern Germany.

Moreover, these so-called strategic assessments are hardly reliable. Who knows when the French government might change its stance again?

Finance Minister Karl expressed his discontent, "Prime Minister, can we discuss this issue later? Let's not forget our current task. Until we sort out our domestic matters, I am against any expansionist actions."

Initially, the Austrian government's finances were quite comfortable. In 1848, they confiscated a significant portion of the aristocratic wealth and extorted a substantial sum during the Austro-Sardinian War.

However, since the Russian-Austrian Secret Treaty, the Austrian government has been observing Russia's military preparations and has predicted that the continental balance of power in Europe is on the brink of disruption. Consequently, these funds have been earmarked as a war reserve.

This situation has forced the Ministry of Finance to manage its budget meticulously, focusing on balancing income and expenses.

Recently, a dispute over the course of action erupted within the palace, and was not resolved until His Majesty the Emperor suggested a purge of the bureaucracy, effectively ending the disagreement.

The original topic was the purge of the bureaucracy, but now it has been diverted due to news of Bavaria's foreign policy shift.

Without a doubt, Prime Minister Felix wants to gain support for his western expansion strategy, but unfortunately, not everyone is interested in expansion.

Felix laughed and said, "I'm sorry, that was my mistake! Recently, my mind has been full of issues related to the Southern German region, and I couldn't help but digress. Let's continue with today's topic, the specific plan for cleaning up the bureaucratic ranks."

Chapter 148: Meritocracy

The topic of purging the bureaucracy is quite heavy for Metternich. Although no one has accused him of anything, it is indeed a mess he left behind.

Being the "Prime Minister of Europe" isn't an easy role. Metternich has been tirelessly working for the prosperity and stability of European nations, leaving him with little energy to address corruption issues while also battling domestic political opponents.

As a result, over the decades, minor problems have grown into major ones, and the entire Austrian bureaucracy is as corrupt as can be.

Now, the Austrian government doesn't even dare to raise the banner of anti-corruption and integrity because not everyone seated at the table may have clean hands.

Franz was very considerate of everyone's face. He didn't want to know about problems prematurely and just brushed them aside.

However, the current issues had to be addressed. In order to improve the government's performance, he insisted on getting rid of the incompetent officials. This was the minimum requirement he set.

After witnessing Franz's methods, no one dared to underestimate this young emperor.

Just thinking about the 1848 uprising, where the Austrian government used it as an opportunity to purge many interest groups and eliminate influential figures, showed how ruthless this emperor could be.

Under normal circumstances, having killed so many people and antagonized so many interest groups, not labeling the emperor as an incompetent ruler would be unthinkable given their methods.

However, reality is quite the opposite. Those who opposed the emperor are all dead, and those who survived are loyal patriots. All the resentment has been directed towards the rebel factions, and the blame has fallen on the military leaders and the cabinet.

Even if some people criticize the government for its excessive methods, they are primarily criticizing the cabinet. The emperor remains forever great.

Immediately after quelling the rebellion, the nobles who lost their land exerted the greatest pressure on the government, and Prime Minister Felix was even prepared to resign to take responsibility.

As a result, he did indeed shoulder the blame and was called the “Butcher.” However, he didn’t need to resign because the emperor, with great resolve, resisted the pressure. By using redemption money as bait, he diverted everyone’s attention.

No one wanted to bear the infamy and step down, especially to cleanse the reputation of being the Butcher. Felix had to work hard to deliver results and make them shut up. His push for expansion into the German territories was also influenced by these factors.

Metternich was also lured out of retirement by such circumstances. With his reputation tarnished in the country, he had no choice but to find a way to clear his name, and the best way was to achieve indisputable success.

If Metternich had resigned before 1848, he might have left with a distinguished reputation, seen as a symbol of his era. Unfortunately, he was caught up in the midst of the revolutions and became a target of the revolutionary forces. His hasty escape became a stain on his life’s work.

For the sake of his own reputation and his family’s honor, even if he had strong reservations about launching a war to unify Southern Germany, he still worked diligently to achieve it.

Those who accomplish the great feat of national unification become heroes, even if they only complete half of the task. They become national heroes of Germany, enough to overshadow any prior shortcomings.

“Prime Minister, since we are implementing a merit-based system, let’s do it thoroughly. Link the promotion of officials in the future directly to their achievements.

Status and lineage should no longer be the criteria for officials’ promotions. We should focus solely on their performance—those who are capable move up, and those who aren’t should be dismissed,” Metternich firmly stated.

If Emperor Franz were to learn that the Cabinet was advocating for a meritocracy, he would surely be astonished. The Austrian government was actually making such progressive changes.

While meritocracy might still have its flaws, it was much more reliable compared to the old system that considered nobility and lineage when promoting officials.

What’s superior is always relative; there’s no absolute “best” system. As long as the new system is more suitable for the current situation compared to the old one, it can be considered a successful reform.

“Agreed, but we must also add a condition that political ideology must meet the most basic requirements,” Felix added after some thought.

Debts may accumulate, and criticism may grow, but as long as they remain in power, they don't care much about it. After all, as long as they stay in office, no one would dare criticize them directly.

Once the results of the reforms are realized, those promoted within this system will naturally become staunch defenders of it. In Austria's history, these reformers will undoubtedly leave a significant mark.

Successful individuals are not subject to criticism. Those who criticize them will find themselves on the opposing side, underestimating the efforts made by these reformers.

Appointments should be based on merit, and personal flaws can be tolerated to some extent. However, one must not have flawed political beliefs.

No matter how capable someone is, if they are not loyal to the great Emperor Franz, they have no value in terms of promotion. This is the most fundamental principle of personnel selection in the Austrian government.

For the same task that costs 200,000 guilders to complete, an official with impeccable personal integrity who completes it for only 100,000 guilders, thus saving the country 100,000 guilders, is considered a "pillar of the nation" and should be promoted as a top priority;

Similarly, if another individual with high moral standards needs 200,000 shields to complete the same task effectively, they are considered an "efficient bureaucrat" who can diligently carry out leadership assignments and can be promoted to special positions;

If the same task is accomplished by a competent corrupt official who uses 100,000 guilders but embezzles 50,000 guilders for themselves, ultimately saving 50,000 guilders for the state, the cabinet would consider them a "capable bureaucrat" who can be used but should be closely monitored;

If the same task is accomplished by a corrupt official who uses 100,000 guilders but embezzles another 100,000 guilders without saving any costs for the state, the cabinet would evaluate them as a "mediocre bureaucrat" fit for lesser responsibilities;

If the same task requires spending 300,000 guilders to accomplish, even if the official is exceptionally clean, the cabinet's evaluation would still be "incompetent official," and they would remain to bear the blame or advised to go back home and grow potatoes;

If the same task requires spending 300,000 guilders to accomplish, and the official also overstates the budget by 50,000 guilders, pocketing it for themselves, then there's no need for an evaluation – they should be sent directly to prison for rehabilitation.

The types of officials mentioned above all have their value and purpose. Competent officials with high integrity can be reassigned to special positions if their abilities fall short in their current roles.

Corrupt officials, as long as they are capable, have their own uses and can serve both in carrying out tasks and as a means to gain public favor, while also contributing to the treasury when their time comes.

However, the last type – officials who are both incompetent and corrupt – are considered beyond redemption.

The Austrian government's standards for personnel appear to be influenced by Franz's principles: talent is the primary consideration, and as long as someone is capable, they can be employed. There's no need to worry about being cast aside until their value has been fully squeezed out.

If one can achieve great merits, then congratulations, they are safe and don't need to worry about settling scores later. Franz never kills those who have achieved great deeds; this is one of the methods to attract people to serve faithfully.

Of course, those who rebel or betray the country are exceptions.

In Franz's view, the contribution of one Heshen far exceeds that of a hundred Ji Xiaolan. A minister who can help the Emperor get things done smoothly, bear all kinds of accusations on behalf of the Emperor, and even be used as a source of funds when the treasury is in need. Such a minister is truly a role model of a minister!

Unfortunately, there are no such ministers in the Austrian government. Although there are many willing to bear the blame for the Emperor, their embezzlement skills are clearly lacking. Not to mention embezzling two hundred million taels of silver, even those who embezzle two million guilders are extremely rare.

(1 guilder \approx 11.69 grams of silver)

Because the amounts involved are just too small, His Majesty the Great Emperor cannot bring himself to completely disown those who cross him; he can only make a note of it for now.

One cannot argue that the wealth of corrupt officials is all ill-gotten gains; capable individuals can also make money grow. Embezzle a million, then earn ten million – those are the kinds of corrupt officials Franz likes the most.

Once they become exceedingly wealthy, settling scores will become an option. Even if it's just embezzling ten thousand guilders, Franz doesn't mind confiscating their entire fortunes worth billions.

So, for Austrian government officials, venturing into corruption is very risky. If they don't get rich, it's one thing, but if they do, they must seriously consider whether their butts are clean or not.

It's quite the pity that, up to this point, His Majesty the Great Emperor has never eliminated a minister on charges of corruption.

There's no way around it; these ministers are all shrewd individuals who haven't given the Emperor a valid excuse to act against them. Many officials who have come under the scrutiny of the anti-corruption agency have been quite cowardly and admitted their guilt.

They hand over their ill-gotten gains and continue their official duties. This is the politics of Austria.

Since these officials all come from noble backgrounds, those who stubbornly deny their wrongdoing can be brought to trial in the Noble Court once solid evidence is presented. When dealing with individuals who readily admit their guilt, the Emperor doesn't have much leverage against them either.

In terms of self-interest, Emperor Franz is unlikely to disrupt this set of rules. By protecting the interests of the nobility, he also protects his own interests.

In simple terms, in this system, the nobility must align themselves with the Emperor to ensure the preservation of imperial authority. If imperial power declines, their hidden privileges will also fade away.

The Austrian Empire is still primarily led by the nobility, and in Franz's view, this situation is unlikely to change significantly for at least fifty years.

Only when the commoners receive compulsory education, accumulate talent over a long period of time, and have a sufficient pool of qualified individuals can they challenge this system.

In today's Austria, Franz can confidently say that the number of talented individuals within the nobility exceeds the total number in all other classes. Even under fair competition, commoner children have little chance of success.

According to Franz's reform plan, the Austrian nobility will continue to absorb new blood in the future. Outstanding talents from commoner backgrounds, through their contributions to the state, can transform into members of the nobility.

This is a principle of allowing actions to determine social status, as the Emperor cannot afford to watch the decline of the nobility, which would lead to an imbalance of power within the country.

Besides the nobility, Franz doesn't see any other force in Austria capable of suppressing the growing bourgeoisie and ensuring the Emperor's supremacy.

The initial experiment within the city defense forces was a successful example. After experiencing the baptism of the battlefield, those hundreds of noble children had become qualified military officers.

Clearly, the Austrian nobility hasn't completely decayed yet, unlike during the historical period of the Austro-Hungarian Empire when they were truly beyond redemption.

The arrogance of the nobility was diminished during the wars, and after losing their ideals, many of them became idle.

Presently, at least the Austrian nobility has a common goal, the idea of Greater Germany, which is a powerful motivator. Most of them are striving towards the grand objective of German unification.

Under this influence, nobles who were previously just idling in the military now have to undergo strict military training, regardless of the specific unit they are in.

Anyone wishing to run away must first acquaint themselves with Austrian military law before making a decision.

Of course, as long as they can afford to lose face, one can apply for early retirement. It's best to consult with their parents before making this decision; otherwise, they might return home battered and end up back in the military camp.

There have been numerous examples of this already as nobles value their reputation. This is especially true for nobles in the German region; if they don't serve in the military, they can forget about holding their heads high in front of relatives and friends.

It could even affect the family's reputation, which is hard to build. While some parents might be unwilling to see their sons suffer, they are even more unwilling to see the family's honor tarnished.

Under Prince Windisch-Grätz's personal supervision, any soldiers or officers who dared to evade training were first brought back, given fifty lashes, and then sent back home.

No one's reputation held any sway here; the Austrian government was preparing for war, and there was no way they would allow a few idle rich kids to affect the army's combat readiness.

Chapter 149: Disbanding the Juvenile Officer Corps

As history's currents rolled forward, after the end of the Prussian-Danish War, the situation in Europe underwent a dramatic transformation where reform suddenly became the mainstream in society seemingly overnight.

Except for the Russians in their icy realm who continued to follow their own path, most countries on the European continent were carrying out social reforms. Austria was reforming, France was reforming, Prussia was still in the process of starting to reform...

With reforms progressing well, everyone was busy with internal changes, and there was little energy left for external conflicts. The European situation calmed down, as if returning to the Metternich Era.

Franz knew that this was all an illusion; the contradictions hadn't disappeared but were merely lurking beneath the surface. With the ever-present threat of the Russian Bear ready to disrupt the international order and Britain the troublemaker, how could Europe truly be at peace?

The Austrian government accelerated its internal reforms. Today, an official would receive a warning and reprimand, tomorrow another would leave in disgrace, and occasionally, an unfortunate soul would find themselves in court facing charges brought by the anti-corruption agency.

Since the issuance of orders to cleanse the bureaucracy, life has become increasingly difficult for government officials. Starting in March, nearly every day there were dismissals and resignations of dozens of officials for various reasons, with about one in ten of them facing legal action.

As far as Franz knew, the government was showing leniency in these cases; otherwise, the number could easily have been multiplied tenfold. Perhaps they believed that the higher-ups were too distant to notice, and this emboldened bureaucrats in the remote regions.

For example, in the province of Dalmatia, there was a mayor named Aliges who firmly believed that Latin was the best language in the world. He tirelessly promoted Latin for decades.

However, for such audacious and defiant officials, the Cabinet government did not show any mercy.

In the case of this troublemaker, they ordered one-third of the officials in the province of Dalmatia to go home and start farming, with three hundred unlucky ones accompanying him to prison.

In a fit of anger, Prime Minister Felix reassigned all of them to the railway construction laborers to contribute to Austria's modernization efforts.

Since it's about setting an example, there's no room for leniency.

Not receiving the death penalty doesn't mean the Austrian government is being soft. It's about making someone's life a living hell and becoming a deterrent for others for a longer period of time than simply sending them to meet their maker.

For ordinary officials involved in corruption and bribery, most of the time, their ill-gotten gains are confiscated. What happens next depends on the severity of the case—they might either be sent home or imprisoned.

As for officials who go against government orders, regardless of their integrity, they are the ones who must go to prison, and they are considered “special cases” who receive “special attention.”

This time, no one’s social status or background was of use. Some prominent individuals didn’t just go to prison alone but took their entire families with them, and even the nobility wasn’t exempt from this.

Prime Minister Felix, known as the “Butcher,” certainly lived up to his reputation. He struck fear into the hearts of bureaucrats, and even if they were deeply dissatisfied, they dared not make any move for fear of getting burned.

It’s not just the government making significant changes; the Austrian military is also overhauling discipline. The Ministry of War has dismissed 12 generals and 361 field officers, while numerous lower-ranking individuals have been weeded out.

Most of these individuals were dismissed for negligence or slacking off, while a small minority faced military tribunals for corruption and bribery.

It’s worth noting that the nobility in the military seem to be mindful of their public image, probably fearing that any misappropriation of military funds might come back to haunt them on the battlefield. So, while there are relatively few cases of embezzlement within the military ranks, many engage in under-the-table dealings, such as selling military supplies or taking kickbacks during procurement.

Ironically, some high-ranking officers with questionable personal ethics still maintain a good reputation within the military.

Unfortunately, these individuals seem to have chosen the wrong stage. They might have thrived in government positions, but in the military, they’re simply out of luck. If they are discovered, they would be dealt with. There were no exceptions.

The lower-ranking soldiers might not be fully aware, but the military leadership has already realized that the government is preparing for a major war.

Anyone or any interest group that affects the military’s combat effectiveness is being dealt with.

Just look at the current training situation; generals and marshals often personally supervise the training of officers and soldiers. Sometimes, when they’re not satisfied, they even use whips to motivate the troops.

In addition to improving training across the board, the military has established officer training programs aimed at enhancing their professional qualities. Many nobles who were slacking off are now frequently at the receiving end of canes and whips during training.

In the evening, at a military camp just outside of Prague, exhausted noble officers return to their dormitories to rest.

“Kasamen, you’ve always been well-informed. Do you know when this special training will end?” Gellnia asked.

"Isn't that nonsense, Gellnia? If I knew the news in advance, I would have found a way to escape long ago, and I wouldn't be suffering here with you," Kasamen replied wearily.

"But your uncle is at the headquarters, isn't he? Don't you have any information at all?" Gellnia asked in confusion.

"He did tell me that I need to perform well, or else I'd be in big trouble. Now it's exactly as he said. Look at poor Sarkes, they beat him so badly that his butt is all bruised. The Military Justice people are ruthless, not leaving him any dignity," Kasamen replied with a bitter smile.

"That's not even the worst of it. In the neighboring unit, Altar tried to escape over the wall, and one of the guards shot him in the right leg. He almost had to have it amputated.

Even so, he was sent to a military court on charges of desertion. His life is pretty much over," Gellnia said with a shudder.

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Sch?nbrunn Palace, Vienna.

Prince Windisch-Gr?tz handed a document to Franz and said, "Your Majesty, this is the improved reform plan of our Ministry of War, please review it."

Austria's military reform plan had been originally formulated by the late Archduke Charles, and Franz had been involved in it. The plan had some of Franz's own ideas added to it, and now the Ministry of War was working on refining it.

During the battles of 1848, the Austrian army had shown several shortcomings, prompting informed individuals within the military to propose reforms. It was during this time that Franz brought out the reform plan that Archduke Charles had taught him before his death.

Although implementing this plan would continue to elevate Archduke Charles's influence within the army, Franz chose to carry out the reforms under his name.

In Franz's view, the status of a deceased military hero, no matter how high, doesn't amount to much. Having Archduke Charles, the acknowledged top figure in the Austrian military, propose the reforms was more influential than if Franz, the Emperor, had proposed them.

Leaders of reform movements typically didn't fare well; no matter how much praise they received, they would face an equal amount of criticism. It was even possible for them to be targeted by interest groups seeking revenge. When someone was already deceased, they had nothing to lose, making it difficult for others to seek retaliation.

Many of the generals in the Austrian army had been influenced by Archduke Charles. For example, the most esteemed Marshal Radetzky had served as his chief of staff, and Prince Windisch-Gr?tz regarded himself as his successor.

Now was the ideal time for military reform. If they waited another decade or so until the older generation had retired, it would become much more challenging to push for these changes.

Thinking about this, Franz felt a headache coming on. There were signs of a shortage of talent in the Austrian army, even though the generals in the Austrian army were currently no weaker than those in any other country.

These famous generals from the Napoleonic Wars were slowly getting older, and the younger generation had not yet produced many outstanding leaders.

After flipping through it, Franz asked with interest, “Expelling overage officers from the army, are you planning to let the old veterans retire?”

Allowing the old veterans to retire was a plausible idea in theory, but it would be quite challenging to implement in practice.

People like them have made remarkable contributions to Austria, and they still believe they can continue to serve the country. It wouldn’t make sense to send them home on the grounds of age, would it?

Moreover, in Franz’s view, age often came with experience, and when it came to actual warfare, the qualities of the younger officers might not compare to those of the older generation.

Troubled times produce talents, and the older generation had grown up during the era when Napoleon was dominating Europe. Austria, as a major force resisting Napoleon, had fought in dozens of battles, honing its military skills.

They had achieved significant victories, and many military leaders were convinced that if it weren’t for the government holding them back, they could have won even more.

The Austrian military spirit was indeed forged during that era. In history, during the Napoleonic Wars, the Austrian monarch himself took to the field to command, resulting in an epic defeat that crushed that military spirit.

Without that military spirit, the fighting capabilities of the army naturally declined. By the time of the Austro-Hungarian Empire, they were barely able to hold their own, perhaps only against Italy.

Prince Windisch-Grätz explained, “No, Your Majesty. These veteran officers are treasures of the Austrian army, and we are currently grooming the next generation of officers within the army. The Ministry of War would never consider retiring them!

Our plan is to remove officers from the army who are currently under 16 years of age and cannot serve in the military.”

Franz nodded; this was indeed about disbanding the legendary “Juvenile Officer Corps.” There was no shortage of young officers like this in the Austrian army, and the imperial family was leading the way.

Franz himself had benefited from this policy in the past, so naturally, he had fully supported it. However, his position had now changed, and this policy was no longer beneficial to him. Franz’s stance had shifted.

If, upon reaching the age of military service, nobles became officers due to their exceptional military qualities, no one would have any objections. The army revered strength, after all.

However, this “juvenile officers” situation was simply unbearable, and no Austrian soldier would believe that their military knowledge was inferior to infants still in nursing.

Franz thought for a moment and said, “Then let’s change ‘overage’ to ‘underage.’ Remove the ranks of all juvenile officers who haven’t reached the age for military service and haven’t served in the army, including the imperial family.”

He didn’t believe that the Ministry of War was unaware of the situation, mistaking “underage” for “overage.” Clearly, this was a way to clear out the juvenile officers while leaving a backdoor open.

The purpose was simple: the imperial family’s reputation had to be preserved. They couldn’t be treated the same way as everyone else. Franz’s three younger brothers were among those affected.

However, in Franz’s view, this was an unnecessary move. The juvenile officers had no substantive role and, for the sake of a supposed prestige, it disrupted the principle of fairness within the army. It was truly not worth it.

“Yes, Your Majesty,” Prince Windisch-Grätz replied.

With the imperial family taking the lead, what more could the nobles say? In any case, it was only a matter of losing a title for the younger generation, with no substantive losses.

The initial purpose of implementing these juvenile officers was to motivate the next generation to study diligently and constantly remember that they were officers.

So far, this educational model has both succeeded and failed.

The aristocratic youths indeed developed a sense of superiority through their education, becoming competitive in their studies. If they managed to surpass their peers through hard work, this motivation would continue to drive their progress.

On the other hand, if they couldn’t catch up with their peers despite their efforts, this pride would gradually wear away, leading to a sense of decadence.

Chapter 150: The Rule-Abiding Tsar

Any reform comes with a cost, and Franz quickly realized this. As the victims of his military reform, Franz’s three younger brothers came to protest.

It was clear that the three young rascals were subjected to his brutal suppression, as they left speechless and slinking away.

In fact, Franz also wanted to establish a school for young noble officers but had to temporarily abandon the idea due to financial constraints.

There was no other way; this was determined by Austria’s national circumstances. Currently, the cost of military education for noble children is borne by the nobility themselves. If the government were to establish a school for young noble officers, then the expenses would fall on the government’s shoulders.

The education of these noble children couldn’t be taken lightly. It required an elite curriculum that came at a substantial cost. The annual education expenses for tens of thousands of noble children could easily reach tens of millions of guilders, and even surpass a hundred million.

In addition to military and academic subjects, they needed instruction in etiquette, arts, horsemanship, hunting, fencing, religion, and social events, among others.

This elite education was something regular noble families couldn't afford. So, what was the solution?

The answer was quite simple: the parents themselves would educate their children, or they would have their children learn from relatives and friends.

These were established noble families with the means to provide their children with such high-quality education. However, the nouveau riche nobility didn't have the capability to offer their children this kind of education. They couldn't cultivate the noble qualities so people referred to them as upstarts.

In Austria, like the rest of Germany, regular schools also included basic military training in addition to academic subjects. It was a tradition that mimicked the behaviors of the ruling class.

As the saying goes, "imitation is the sincerest form of flattery," and it's a common social phenomenon for people to imitate the behaviors of the ruling class. While Austria's compulsory education schools might have had poor conditions, they still included basic military training.

The disbandment of the "juvenile officers" was just a minor episode in the military reform, and its actual impact wasn't significant. These honorary officers didn't receive salaries from Franz's coffers.

A significant part of the military reform was focused on the logistical management system. With the continuous advancement in military weaponry, the demands for logistical supplies have also increased. The traditional logistical support system was no longer sufficient to meet the needs of modern warfare.

In simple terms, a specialized logistical support system has been established, and the logistical units within the military have been expanded.

It's worth mentioning that a medical support system has also been introduced into the Austrian military. It's considered an important part of the logistical system, with medical and health units established in every battalion and dedicated field hospitals at the division level.

Unfortunately, the medical system is still somewhat underdeveloped, and the current structure is more of a theoretical one. The number of medical personnel in field hospitals remains limited, primarily focusing on safeguarding the lives of officers.

According to the current situation, Franz estimates that it will take at least three to five years for these units to be fully staffed, and training medical personnel will also take time, even for simple battlefield first aid.

Considering the medical technology level of that era, having some medical and healthcare infrastructure is better than having none. Franz doesn't expect them to be able to treat seriously wounded soldiers, as long as they can save the lives of lightly wounded soldiers, it would be sufficient.

In that era, the mortality rate on the battlefield was indeed very high, and one of the main reasons for it was infection from external injuries, as there was a lack of advanced antibiotics. As for alcohol, Austria was not short of it at the time.

Not long ago, Franz even sent people to produce the miracle drug penicillin, originally planning to make money by selling it.

Unfortunately, even if they can produce penicillin using primitive methods, this penicillin is not the same as the life-saving penicillin G, as it involves some specialized knowledge.

The scientists involved in the production were indeed amazed, but experiments must continue. If they cannot find the right balance, the miracle drug intended to save lives could turn into a deadly poison.

Historically, penicillin was discovered in 1928, but it wasn't until late 1940 that clinical trials were completed, with research interruptions in between.

When they will be able to stabilize the properties of the drug and produce the most suitable penicillin for human use is a matter of the scientists' efforts, and Franz acknowledges that there's little he can do in this regard.

Bringing laboratory products into industrial production is indeed a challenging process. Historically, due to the outbreak of World War II, there was a significant acceleration in the development of drugs. From the laboratory confirmation of efficacy in 1940 to industrial production starting in 1942, the Americans set a new record in the history of drug development.

Franz doesn't believe that Austria's current industrial technology can compare to the Americans during World War II. If they manage to achieve this goal within ten years, it would be a cause for celebration.

Franz could only sigh, realizing that anti-Japanese dramas were causing more harm than good.

The Americans achieved mass production of penicillin in 1943 and then supplied it to the Allies. It's really a mystery where the penicillin that the Japanese seized from a fake drug dealer came from, as it seemed to be available earlier than laboratory-produced penicillin.

After this failure, Franz immediately abandoned the idea of making money by selling medicine.

In an era where biotechnology, medical technology, and industrial technology all fell short of the requirements, and without a systematic approach at his disposal, what could he do?

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St. Petersburg.

Ever since the Russian-Austrian Secret Treaty was signed, the Russians have been gearing up for war.

The Russian government was not foolish; they were well aware that after the recent upheaval in Europe, where various countries were busy consolidating their power and undertaking social reforms, it was the perfect opportunity for them to expand.

"Finance Minister, when will we be able to raise enough funds for the war?" a discontented Nicholas I inquired.

Preparing for war naturally required money. After almost a year, the Treasury had still not managed to gather enough funds for the war, which understandably left Nicholas I dissatisfied.

In the eyes of future generations, Russia, seen as a backward agrarian nation, was considered one of the poorer great powers. However, during this era, the Russian Empire was by no means poor, with a fiscal income of as much as 200 million silver rubles.

One gold ruble was equivalent to 10.3 silver rubles, and approximately half a tael of silver.

As a feudal monarchy, the industrial and agricultural development of the Russian Empire was indeed not particularly advanced. Nevertheless, they had one advantage: abundant mineral resources.

In the mid-19th century, the Russian government discovered vast reserves of gold and silver in the newly acquired territories. In 1840 alone, the Russian government minted 439.9 million silver coins and 134 million gold coins.

The extensive production of gold and silver coins not only demonstrated the financial might of the Russian government but also had another unfortunate reason – their paper currency was not reliable.

During the reign of Alexander I, Russia followed the trend and issued paper money. However, European merchants believed that the Russian government lacked credibility and refused to use the paper ruble. As a result, the value of paper rubles depreciated rapidly.

In 1817, Alexander I and the Russian government changed its monetary policy, prohibiting the issuance of paper money. They adopted a policy of withdrawing paper currency from circulation and gradually recalled the paper money in circulation.

With paper currency trade effectively halted, the reliance shifted to gold and silver coins. The return to the gold and silver standard immediately gained favor among European merchants.

From these data, it seems that the Russian government of this era should be quite wealthy, with 100 million silver rubles before the devaluation, which is not a small amount, much higher than Austria before the reforms.

As a feudal monarchy, the Russian Empire did not have many social welfare expenses to cover, and the government's main expenditures were for the military and administrative agencies, which should have been sufficient.

Nicholas I and Franz faced a common social problem - corruption. Even in prosperous countries, if this problem cannot be solved, there is no hope for a wealthy treasury.

“Your Majesty, this expense is too huge; it might have to wait until the second half of next year,” replied the Finance Minister, Fyodor Vronchenko.

Nicholas I furrowed his brow and asked, “Hasn’t a war tax already been levied once?”

“Your Majesty, the nobility has not yet paid this war tax. They insisted on paying it after the outbreak of war, which is why the current war tax falls below our expectations,” explained Fyodor Vronchenko.

This is all part of normal operations. Collecting taxes from the nobility in the Russian Empire has always been a challenge. The Tsar’s reputation isn’t the best, and the nobility is wary of being deceived by the Tsar. Unless the war has already broken out, it’s difficult to collect taxes in advance.

Of course, if Nicholas I were more forceful, he could have collected the taxes in advance, but this would have affected domestic unity and stability.

However, Nicholas I wouldn’t do that. Everyone in Europe has a very clear understanding of their rights and obligations.

During wartime, the Tsar has the right to levy war taxes, and the nobility has an obligation to pay these taxes. However, since the war has not yet broken out, it's challenging to collect these taxes in advance.

"Can't we have them pay their taxes ahead of time in various areas?" Nicholas I asked with a furrowed brow.

"Your Majesty, we have commercial contracts in place. If we were to demand advance tax payments, the cost to us would be too great," Finance Minister Fyodor Vronchenko patiently explained.

Indeed, this is what is known as the "tax-farming" system.

Nowadays, most European countries have abolished this system, but due to the vastness of Russia, the government finds it too costly and challenging to directly collect taxes. Thus, the tax-farming system has not been abolished in Russia.

Nicholas I furrowed his brow and said, "Well, let it be. We still need time to gather strategic resources. However, the Ministry of Finance must hurry up with raising military funds. I don't want our military actions to be delayed due to lack of funds."

Unlike other tsars, Nicholas I was a responsible individual who didn't like breaking rules. Once he set a goal, he would persistently pursue it.