

Roman Empire 151

Chapter 151: The Wind Rises

In the Munich Royal Palace (Munich Residenz), a meeting that would determine the fate of the Kingdom of Bavaria had begun.

“Your Majesty, your decision is too hasty. Aligning with Prussia at this time will undoubtedly provoke retaliation from Austria,” Prime Minister Ludwig von der Pfordten furrowed his brow as he spoke.

Not long ago, the Prussian government had proposed the establishment of a “Cabinet of Responsibility” consisting of Austria, Prussia, and Bavaria to jointly govern the German territories.

This proposal was a dream come true for King Maximilian I, and he had privately entered into an alliance with the Prussians without the consent of his government.

On the surface, this plan seemed like a path to success, as it aligned with Bavaria’s ultimate goal of “one-thirds of the world.” Given their limited power, Bavaria couldn’t realistically unify all of the German territories.

However, this apparent opportunity was a poisoned chalice. Currently, the Kingdom of Prussia’s reputation in Germany was badly tarnished, and they desperately needed to restore it. It was evident that the “Cabinet of Responsibility” plan was their way of doing so.

Now that Bavaria and the Kingdom of Prussia were getting entangled, it was considered a betrayal by Austria and would undoubtedly lead to retaliation.

As the dominant power in the German region, this so-called Cabinet of Responsibility couldn’t be established without Austria’s support, making Maximilian I’s dream of dividing the realm into three nothing more than an empty wish.

In reality, there were no tangible benefits that could be obtained, and now Bavaria was entangled with the notorious Prussian government.

Aside from that, when news of this alliance becomes public, the support for the government among the Bavarian populace would likely decrease by several percentage points.

Not all Bavarians shared the vision of dividing Germany into three parts. Many believed that Bavaria’s strength was too limited, and the best way to achieve the unification of the German people was to cooperate with Austria.

“Now Austria is in a strong position, and the Kingdom of Prussia has met its Waterloo. If we don’t support them, the balance of power in the German region will be disrupted.

Currently, the Austrian government is undergoing social reforms, and from the intelligence we’ve received, they’ve made some significant progress.

Austria, whether in terms of population or territorial size, exceeds the sum of all the other states. Once they transform this potential into national strength, who can stand against them?” asked Maximilian I.

Prime Minister Ludwig von der Pfordten also shared this view. That's why he supported an alliance with Austria to unify Germany and establish a Greater German Empire.

Since it's an alliance, they can naturally divide the spoils. The Austrians would be the major shareholders, and the Kingdom of Bavaria could become a secondary shareholder, holding a significant position in the future board of directors.

This is the choice that best ensures their interests, as cooperation with the powerful is the survival strategy for small nations. In history, Bavaria joined the German Empire in a similar manner.

These thoughts were best kept to themselves, as Pfordten didn't want to provoke Maximilian I further. If the Prime Minister lost confidence, then what remained for them?

"Your Majesty, the timing is not right. Prussia's reputation has taken a nosedive, and the public has no favorable opinion of them. Even if we were to consider cooperation, we should wait until this controversy subsides.

The Austrian government is preoccupied with internal reforms, and they won't take any actions for the next three to five years.

As long as our alliance remains intact, even just for the sake of their reputation, the Austrian government won't take such a risky move against us.

Currently, we and Prussia have halted Austria's progress toward unifying Germany. If they ever wish to achieve this goal, they will need our cooperation." Prime Minister Pfordten thought for a moment and said.

Prestige can be a double-edged sword. While Austria's prestige has made it the leading German state, it has also become a hindrance to Austria's unification of the German region.

"Nationalism has been on the rise, and the idea of a greater unification has already spread across Germany. If we don't take action in advance, the situation will only become less favorable for us as time goes on.

Since the establishment of the Holy Roman Economic Alliance, the Austrian government has accelerated its influence in the German region, and it's clear that we are unable to stop them directly.

If we wait another three to five years, Austria might be fully prepared to unify Germany by force. Austria's influence in Bavaria is already substantial, and we can't predict how many might collaborate with them.

I'm not sure that the Bavarian population will resist the Austrians as fervently as they would an external invasion. From the current situation on the ground, the Greater Germany Faction would practically welcome the Austrian army.

We all know that the primary obstacle to the Habsburgs unifying Germany is not military but diplomatic." As Maximilian I made this statement, his mood was quite heavy.

The "Austrian Threat Theory" had existed for hundreds of years, but now it seemed almost irrelevant. The Greater Germany Faction hoped for Austria to be even stronger, aiming to unify the entire nation sooner.

Due to Franz's butterfly effect, the Austrian government had intensified its influence on public opinion in the Southern German States, and an increasing number of people were identifying with Austria. Maximilian I was deeply concerned about this.

Rather than saying that Maximilian I favored Prussia, it could be argued that he was compelled by the circumstances. To preserve his power, forming an alliance with Prussia against Austria was the best choice.

In history, he had the same idea – he tried to maintain good relations with both Prussia and Austria, but he didn't anticipate that after the Austro-Prussian War, the Austrian government would simply withdraw from the German region.

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The die was cast, and the Bavarian government, despite objections toward the king's hasty decision, was powerless to reverse it. Having already offended Austria, they couldn't afford to antagonize Prussia now.

On July 21, 1850, the Kingdom of Prussia, in conjunction with Bavaria, Hanover, Brunswick, and other German states, submitted a proposal to the German Federal Council to form a Cabinet of Responsibility.

History was changing; due to their damaged reputation, the Prussians altered their strategy. Instead of pursuing the so-called "Three Emperors' League," they chose to join forces with Bavaria.

Vienna.

The actions of the Prussians, to some extent, also received Austria's tacit consent, or else their coalition would not have come together so easily.

As the situation unfolded, Bavaria's betrayal was met with intense anger from everyone.

Once the "Big Three" cabinet was established, Austria's influence in the German territories would be significantly diminished. Bavaria's betrayal was a significant blow to the Austrian government's prestige.

The Prussian conspiracy must be stopped, and Bavaria's betrayal must be met with retaliation. Otherwise, Austria will find it challenging to maintain its position in continental Europe.

Metternich proposed, "Your Majesty, to counter Prussian and Bavarian ambitions, the Foreign Ministry suggests engaging with the small states in the German territories to jointly establish a Cabinet of Responsibility."

Although small states may have less influence individually, their numbers are significant. When they come together, they can have a considerable impact. If all nations jointly create a cabinet of responsibility, it would not be much different from the current Federal Council.

Imagine a cabinet with over thirty members where disputes and disagreements arise regularly. It's evident that its effectiveness would be limited.

Based on the principle of equality among the states, Prussia and Bavaria would indeed see their authority reduced to an equal status with the smaller states. Austria, as the recognized leading German state, would play a more prominent role in this scenario.

Prime Minister Felix contemplated this and said, “It might not be that easy. The great powers don’t want the unification of Germany. It’s a fool’s errand to want to unify the nation through a cabinet of responsibility.

Even if we establish this cabinet, who would obey its commands? Neither us nor Prussia, nor the traitorous Bavaria, would take such a cabinet seriously.”

This is inevitable; an empty shell of a cabinet of responsibility cannot command the nation.

Finance Minister Karl suggested, “If that’s the case, why don’t we just stir up trouble and create chaos? The German Confederation cannot be without an emperor. Alongside the formation of a cabinet of responsibility, we should propose an election for an emperor, taking a significant step toward the unification of Germany.”

Indeed, it’s a significant step forward with the introduction of a common emperor and cabinet. With a shared purpose and formal recognition, the path toward German unification becomes more feasible.

However, it’s evident that the Kingdom of Prussia is unlikely to agree to this plan, unless they are willing to become subordinate to Austria.

The pursuit of titles and positions cannot be faked; this is a universal principle applicable in any country. In the German region, when it comes to electing an emperor, apart from the Habsburgs, it’s nearly impossible to find any competitors.

Influence, though intangible, is a force to be reckoned with. Legal legitimacy plays a significant role in determining the absolute factors regarding European thrones.

When you delve into the history of Germany, you will find that those who could compete with the Habsburgs have all disappeared into the long river of history.

The remaining royal houses, whether in terms of influence or legitimacy, are simply not on par with the Habsburgs.

If the Habsburg dynasty were to theoretically unite Germany under their name, it would be a resurrection of the Holy Roman Empire, wouldn’t it?

“If the great powers didn’t intervene, perhaps we could pressure the Prussians into accepting this, but it’s just not possible now.

I suspect that if this proposal were made, it would be met with collective opposition, and we wouldn’t be able to withstand such immense pressure,” Metternich shook his head.

Certainly, uniting the German region without bloodshed would be ideal. Even if it’s only nominal unity, Austria could gradually transform this “nominal” into reality.

However, it’s evident that the great powers won’t agree. Even Russia, allied with Austria, would immediately oppose it. This is a matter of principle.

Today is not like the Middle Ages; nationalism in the German region has awakened. Once the German region achieves unity, even if it’s nominal, the prospect of a Central European superpower is a daunting one.

Whether it's France to the west, Russia to the east, or Britain overseas, they will all perceive it as a threat.

From the perspective of European nations, Austria is not Russia or Britain. It lacks geographical advantages and doesn't have a natural defensive barrier like a strait.

Located in a region historically known for conflicts, the Austrian Empire must have allies in international politics. Isolation means danger.

Karl calmly explains, "So, this proposal can only muddy the waters. We don't expect to unify Germany through such a simple political maneuver.

The election of a German Emperor is just a test, but it's not a test of the various governments' attitudes; it's a test of the German people's attitude.

The idea of a grand unification has spread widely, but how high is the acceptance of Austria among the German people? We can only make a rough estimate at this point. Consider this as conducting a public opinion poll.

This data can serve as a crucial reference for us to formulate strategies for the German region, helping us avoid many detours."

Chapter 152: Billowing Clouds

No European country really wants to see the unification of the German region, whether it's the "Big Three Cabinet" jointly proposed by Bavaria and Prussia, or Austria's proposal for a "Federal Cabinet." These are not the outcomes the great powers want to see.

The arrival of Franz, like the flutter of a butterfly's wings, has also affected European history. The attitude of the Russians has shifted, and they are no longer interested in maintaining the status quo in Germany but would rather see the German Confederation directly split apart.

This sentiment is shared by the British and French as well. Having experienced the tumultuous events of the 1848 revolutions, they understand the dangers of nationalism.

Austria's successful reforms have raised concerns among these powers as they fear that binding the German region together might inadvertently lead to the resurrection of the Holy Roman Empire someday in the future.

The best choice is to divide into three parts: Austria, Prussia, Bavaria, and the remaining member states unite to form separate nations, or dissolve the German Federal Council to allow these states to become independent.

Independence?

This is the 19th century, not the 21st century. It's an era characterized by colonialism, where the law of the jungle prevails.

Don't be deceived by the apparent lack of effectiveness of the German Confederation; in reality, the Federation's existence guarantees their national security.

Without the protection of the German Confederation, these German states in the region could be annihilated in an instant.

Prussia seeks expansion, the French seek expansion, and Austria similarly desires expansion. Due to the balance of power within the Confederation, Prussia cannot act against them, the French are deterred from aggression, and Austria refrains from taking action.

The complex international situation is the reason for the existence of the German Confederation, a peculiar entity emerging after the fall of the Holy Roman Empire.

The smaller states band together for mutual support, and Bavaria becomes the natural leader, tasked with leading the collective resistance against Prussia and Austria.

Franz considered for a moment and said, "Continue to increase our penetration into Bavaria. We can't sway the higher echelons of the Bavarian government, but we can start by gaining the support of some of the mid-level and lower-level officials."

Winning hearts and minds also requires a cost. The upper levels of the Bavarian government may be resistant to their offers, but the mid-level and lower-level officials are more amenable. Offering them some benefits can easily change their stance.

Felix proposed, "Your Majesty, we should establish an organization for the unification of Germany, specifically tasked with wooing individuals from various sectors of society and undermining the determination of other countries to resist Austria.

Our strategy for the Southern German States should prioritize political persuasion, with military measures as a last resort. Apart from the hardliners who must be dealt with, we should try to win over the rest as much as possible.

Bavaria is an essential component because, due to its geopolitical importance, it wields considerable influence in Southern Germany.

If a war for unification were to break out, and we could swiftly occupy Bavaria, then it's highly likely that the remaining states would surrender without putting up a fight."

Franz knew that winning over individuals from various sectors of society was a front, and the real target was to court the lower-ranking nobility, especially the military nobility. If they sided with Austria, the war for unification would become much easier.

Franz nodded and said, "Then let's establish the German Unification Committee as an independent civilian organization dedicated to the cause of German unification, without any overt connections to Austria."

Such an organization certainly shouldn't be linked to Austria, both to avoid diplomatic complications and because the means and methods of recruitment would likely be more clandestine than they appeared on the surface.

Coercion and temptation could be considered relatively harmonious methods. When necessary, they might even need to employ assassins to eliminate stubborn elements, a responsibility that would likely fall to extremist nationalist elements.

These extremists might not mind bearing that burden; it's not like they'd be blamed for any wrongdoing. At most, they'd face some public criticism for the time being. However, once unification was achieved, they would become the heroes of Germany.

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The game of diplomacy has begun. In this era, the problems of the German region are not limited to the internal affairs of the German states; the attitudes of the great powers are also crucial.

The primary players are Britain, France, and Russia, and especially the positions of France and Russia are of paramount importance since these two nations have the capability to intervene militarily.

However, it's not yet the time for a showdown. The Prussian government is primarily seeking to demonstrate to the public that they support the idea of a unified Germany, in an attempt to restore their damaged reputation. This doesn't necessarily mean they are giving up on their ambitions in the German region and truly endorsing Bavaria's "Big Three."

Isn't the Bavarian government aware of this issue? It's clear that they must be aware, as otherwise, there wouldn't be any opposition to joining forces with Prussia.

Unfortunately, Maximilian I succumbed to temptation and saw only the benefits without recognizing the underlying dangers. Walking a diplomatic tightrope is precarious, and Bavaria lacks a skilled diplomat who can see the bigger picture.

In historical conflicts like the Austro-Prussian War, Bavaria wanted to be a mere spectator and didn't deliver the promised 100,000 troops in a timely manner. This directly led to the decisive battle, where Prussia had a 25% greater force than Austria.

Certainly, Bavaria wasn't the only one letting down their allies. Most of Austria's allies, except for Hanover, were easily defeated by Prussia.

If it weren't for Italy, who also turned out to be a pig teammate, the Austro-Prussian War might have ended even faster. Perhaps there was too much trust in their allies. The Austrian government failed to prepare adequately, didn't mobilize the nation, and only sent 300,000 troops directly into battle.

Clearly, from a strategic perspective, King Maximilian I's vision was lacking. He didn't anticipate that the Austrian government would give up so easily after a significant defeat, without a serious fight against Prussia.

After reviewing history, Franz realized that Austria and Prussia were the same kind, both sides possessing equally subpar skills when it came to selecting teammates.

In retrospect, Franz realized that from the Austro-Prussian War to the end of World War II, there were consistently pig teammates by his side.

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Paris.

After the Napoleonic Wars, the French Ministry of Foreign Affairs had rarely been so active. Austria, Prussia, and Bavaria were all seeking their diplomatic support.

President Napoleon was delighted, as he was interested in any opportunity to expand French influence.

Without a second thought, President Napoleon knew who to support. Splitting Germany into three and having Bavaria lead the small states against Austria and Prussia was the best choice for the French.

Unfortunately, at this time, France wasn't suited to be in the limelight. They hadn't resolved their domestic issues, and other European countries were very wary of them.

Talking big in diplomacy was one thing, but if they actually went to interfere in German affairs, it was highly likely that Austria and Prussia would join forces to push them back.

In any case, now, whatever the President supports, the parliament opposes, and whatever the parliament supports, the President vetoes. Louis Napoleon Bonaparte could simply muddle along.

As for the French parliament, their foreign policy was even more conservative, often gauging the reactions of the British.

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London.

Upon hearing the news of the German Confederation's plan to establish a cabinet of responsibility, Prime Minister John Russell's initial reaction was that it was impossible, and his second reaction was that it must be dismantled before it could be formed.

The balance of power on the European continent has always been a top priority for the British, and the unification of Germany would create a giant in central Europe.

The second-largest industrial nation in Europe, the second-largest territorial power in Europe, the largest economy in Europe, the most powerful land army in Europe, and the most populous country in Europe... Just thinking about it is frightening.

Prime Minister John Russell expressed his incredulity, saying, "What's happening? How is it that overnight, I feel like this world has become so unfamiliar? Can someone tell me why the German Confederation might actually unify!?"

Foreign Secretary Palmerston explained, "Prime Minister, it's not so easy for the German Confederation to unify. The 'cabinet of responsibility' is just a product of the struggles between the three states of Austria, Prussia, and Bavaria. It's a cabinet that is destined to have no real power."

Minister of State Edward furrowed his brow and said, "But the mere existence of this cabinet will disrupt the balance in Germany. Regardless of who wins or loses, as long as a cabinet of responsibility appears, the path to German unification takes a big step forward.

Especially with the 'Three Country Cabinet,' if Austria reaches a compromise with Prussia and Bavaria, it's quite likely that the German region could truly unite, at least in terms of politics and military alliance."

Everyone is involved in politics, so they naturally know that the fewer people there are, the easier it is to reach an agreement. Conversely, Austria's proposal for all states to form a cabinet together reduces the perceived threat.

With over thirty states in the German Confederation, each state requiring representation in the cabinet, such a large assembly is bound to lead to frequent disputes.

Is there a real possibility of an Austro-Prussian-Bavarian alliance?

From an analysis of interests, the answer is: yes. From a practical perspective, the answer is: no.

If Prussia is willing to give up its ambition to unify Germany, then Franz is also willing to give up his plans to annex Southern Germany.

This is somewhat reminiscent of the Three Jin States alliance during the Spring and Autumn Period. Once Zhao, Wei, and Han form an alliance, they could dominate the other states. In the present situation, the Austro-Prussian-Bavarian alliance is somewhat similar.

The difference is that once this alliance is established, both Prussia and Bavaria will have no opportunities for expansion on the European continent.

Bavaria is relatively small and sandwiched between Austria, France, and Prussia. After the alliance is formed, their security will be guaranteed, allowing them to focus on agricultural development and other areas, which aligns with their interests.

Austria can expand into the Balkans and also benefit from the human resources of the German region. This will help overcome the disadvantage of a smaller core population and allow Austria to focus more on overseas colonial expansion.

Moreover, given Austria's size and influence, it's only a matter of time before they achieve dominance within the alliance. Franz has no reason to oppose such an alliance.

The same cannot be said for Prussia because, despite its strong military power, the Kingdom of Prussia is not particularly large in terms of territory and population.

Maintaining a substantial army while trying to develop a navy is indeed a difficult balance, and Prussia's resources may not allow for both a strong army and a strong navy.

In theory, after the alliance is formed, Prussia shouldn't have to worry much about its security on the continent and could reduce its land forces to focus on developing a navy and overseas colonial territories.

However, the problem lies with the Prussian Junker aristocracy, who are unlikely to give up their own interests for the sake of the country's interests.

The issue is clear to Franz, but it doesn't mean that everyone sees it that way, especially maritime powers like Britain.

From their perspective, why would you take risks on the European continent when you can easily gain benefits from overseas?

In the current international situation, there is almost no chance of success for Prussia to expand on the European continent, according to the British perspective. They believe the Prussian government wouldn't be so unwise as to pursue continental expansion in such circumstances.

Prime Minister John Russell decisively stated, "Mr. Palmerston, the enemies of the British Empire are already numerous enough. We don't need to add another great adversary.

Right now, I don't care how your Ministry of Foreign Affairs handles it; the key is to prevent the emergence of a unified government in the German region, even if it's just in name.

It's best to have the German Federal Council (Bundestag) split up. I always have a feeling that having them gather together will eventually become a big problem for us."

Palmerston confidently replied, "Don't worry, Prime Minister. The German region is impossible to unify, and there are more than just us who want to break them apart!"

Chapter 153: Capital Influx (BONUS)

The Vienna Stock Exchange, established in 1771, was the largest stock trading center in Eastern Europe during that era. It attracted investors from various parts of Europe.

On the morning of June 11, 1850, at six o'clock, the Vienna Stock Exchange was already packed with people.

The reason for the early arrival of stockholders was a major event: the largest railway company in Austria, the Austrian Federal Railways, was going public on this day.

After considerable anticipation, railway stocks had become a hot commodity. Nearly everyone believed that this sunrise industry would yield substantial returns.

A middle-aged man dressed in fancy clothes stepped out of his carriage and, looking at the queue of people, muttered, "Damn, why are there so many people today? Are they all in a hurry? Gehschei?? en!" (Eat shit)

His behavior quickly drew disapproving glances from the crowd. A young police officer responsible for maintaining order approached and said with annoyance, "Sir, please mind your manners. This is a high-class establishment, and using foul language is not permitted here."

The man in fancy clothes wisely fell silent. He knew that if he continued, he might end up charged with disturbing the peace in a public place.

Normally, that wouldn't be a big issue. At most, he would have to make a trip to the police station, mutter a few vulgar words, and pay a fine. It wouldn't be a serious offense.

But today is different; IPOs have always been a favorite among the common people, especially when it comes to the promising railway stocks. If they miss out today, they might never get another chance at this price.

Seeing the man's response, the young police officer left with satisfaction.

Most people standing in line here aren't big shots. The real big shots have likely already entered the VIP trading room upstairs.

Vienna is never short of the elite. Don't underestimate these seemingly unimpressive young police officers; they might just belong to some noble family's distant branch.

You can actually tell this by their demeanor; nouveau riche and nobility stand out like a sore thumb, easily distinguishable at a glance.

As time passed, the doors to the trading hall opened promptly at eight o'clock. Despite everyone's eagerness, there was no rush to enter.

Decorum was highly regarded here. Seeing the row of police officers standing in front, nobody wanted to be invited to the police station for a cup of tea. If they missed the trading time because of this, they'd have every reason to cry.

In this era, there was no internet, no electronic displays, and not even electricity available. All trading was done manually.

There were large blackboards with staff members writing data on them. Stock market participants watched the data to decide whether to go to the brokers to register their trades.

At this moment, a stock exchange manager stepped forward and shouted loudly, “The Austrian Federal Railways is listed today on the Vienna Stock Exchange. The company’s total valuation is 100 million guilders.

A total of three million shares are issued to the public, accounting for 30% of the total capital. The issue price is ten guilders per share, with a planned capital raising of 30 million guilders. Interested friends are welcome to come and buy.”

As soon as he finished speaking, other staff members in the crowd repeated the announcement to ensure that everyone had received the information.

In those days, communication relied on shouting; if your voice wasn’t loud enough, you couldn’t make a living in this field.

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Trading had already begun. While they had announced the issue of three million shares to the public, the actual number of shares in circulation on the stock exchange was certainly less. Banks and securities companies had subscribed to a portion in advance.

This was a common method to boost stock prices. If there was an oversupply in the market, even high-quality stocks could plummet in value.

Many people were closely watching the stock price because it directly affected their investments. The share price of the Austrian Federal Railways Operating Group would determine everyone’s returns.

Even Franz paid close attention to this listing. If the railway company’s stock price soared, Austria’s upcoming major railway construction projects wouldn’t face financial issues.

Once the railways were built, the performance of the railway company would no longer concern Franz.

Unable to operate successfully? No problem, the Austrian government didn’t mind stepping in to support the venture.

In the worst-case scenario, they could introduce a regulation stating that railways unable to operate efficiently would be nationalized. Railways that didn’t generate profits would essentially be repurchased by the government at scrap iron prices.

The government and the companies had entirely different criteria for judging the value of railways. For the government, railways didn’t need to be profitable as long as they facilitated convenient transportation, leading to the development of other industries that paid taxes.

There were also political, military, and other benefits to consider, which were included in the calculations. That’s why even in the modern era, many railway lines operated at significant losses, and yet governments continued to allocate funding to maintain their normal operations.

In the evening, Sch?nbrunn Palace.

“Your Majesty, as of the close of trading this afternoon, the Austrian Federal Railway Operating Group’s stock price has increased by fifty-six percent, with a closing price of 15.6 guilders per share,” John Stuart said excitedly.

There's no doubt that when it comes to money making deals like the stock market, the Royal Bank of Austria, with its significant influence, wouldn't miss out.

For example, when the Austrian Federal Railways went public, not to mention the hefty fees for issuing stocks, even though it's a collective effort, the profits distributed are not small numbers.

Of course, the fees are just a minor income. The real bulk of the profit comes from being a banker. In this era, the stock market management system is not well-established, providing even more room for bankers to operate.

In traditional industries, the financial market share has long been divided among the established players. In normal circumstances, no one ventures into each other's territory, as today you might encroach on my market, and tomorrow I could disrupt yours, making it difficult for anyone to earn money.

However, it's a different story in emerging industries. This is the time for competition, and even the Royal Bank, with its substantial financial power, can't prevent new entrants from entering the field.

Stuart is also active in the financial industry and understands the unwritten rules. In this context, it's all about assessing the backer, capital, and capabilities.

The Royal Bank's capital is undoubtedly unmatched, and their trading abilities surpass those of newcomers. However, their advantage is dwarfed by their competitors' powerful backers.

Given this situation, the only option is to cooperate.

Experiencing a soaring stock price on your first trade is undoubtedly a great start, and Stuart was naturally excited.

Franz jokingly said, "Well done, it looks like your year-end bonus is secured this year."

Once a management system is established, it cannot be haphazardly tampered with. In Franz's view, issuing bonuses arbitrarily without adhering to regulations is not possible.

Since they have set out rules and procedures, they must abide by them. Whatever performance is achieved corresponds to the rewards that are given.

Overindulging in bonuses might make everyone happy in the short term, but over time, it becomes evident that breaking the rules is easy, while reestablishing them is difficult.

Not all projects yield quick profits. Some require significant effort and investment, and their returns might not be visible in the short term. However, someone needs to work on them, right?

When a boss disregards the rules, it causes substantial trouble for the management, which is often impossible to remedy.

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The surge in railway stocks was related to the global economy. Since the outbreak of the British economic boom in 1847, which triggered the 1848 European Revolutions, the world economy experienced varying degrees of recession.

By 1850, the global economy had emerged from the crisis and started experiencing periodic growth. Austria's economic growth rate even outpaced the global economic growth rate.

Austria's ambitious railway expansion plans, supported by capital from across Europe, led to a significant influx of hot money, naturally causing a surge in stock prices.

When it came to such capital, Franz always had an open-door policy. He believed money had no sins, and it didn't matter who the capital's owner was.

Even when some people acquired shares of railway companies from shareholders, he chose to turn a blind eye, as long as the government received its due taxes. It was all within the bounds of the law.

During this era, the Austrian government had no intention of rejecting foreign capital. Instead, it needed a substantial infusion of capital to drive industrialization.

Relying solely on domestic capital wasn't enough to meet the requirements. The inflow of foreign capital had the potential to accelerate this process, so Franz would never consider rejecting foreign investments.

Just think about the British investment in the construction of American railways. From 1848 to 1858, they built over 30,000 kilometers of railroads, and it ended up being a disastrous investment.

In this era, the United States had only about two-thirds of Austria's population, and its vast land with sparse population density was quite discouraging. From an investment perspective, Austria's railroads were clearly more economically valuable.

The inflow of capital into Austria didn't come as a surprise, but Franz still underestimated the extent of British capital surplus.

As the first nation to industrialize, the British took advantage of this time lag and earned substantial profits from all over the world. These profits then transformed into cash flowing into Britain.

Money is always meant to be spent, and the British, with their ongoing colonial expansion and frequent uprisings in their colonies, found investing in those areas too risky.

As a result, they started looking for markets all around the world, and in this context, Austria's grand railroad plan captured their attention.

A brief analysis would reveal that Austria had a population density ten times greater than the United States. Since the Austrian government's reform, the domestic economy has been on the fast track to development.

Even in a place as distant as the American continent, British capitalists didn't hesitate to invest. So when it came to Austria, located much closer in Europe, it was certainly not something to overlook.

A significant influx of hot money occurred, and these funds weren't solely directed towards the railroad industry. Capital was also heavily invested in the government-supported agricultural processing and manufacturing sectors.

By the latter half of 1850, the Austrian economy had experienced an explosive growth, with virtually all industries experiencing rapid expansion.

During this era, governments rarely directly intervened in markets, as people hadn't yet developed this awareness.

Franz knew that such unbridled economic growth was highly unhealthy. Without regulation, Austria would likely face an economic crisis due to overproduction within just a few years.

The question of whether to impose limitations troubled Franz at that moment. Economic crises could lead to devastating losses, but the explosive economic growth had also driven significant industrial development in Austria, bolstering the country's power.

This was a classic case of riding a wave, involving rapid expansion of production capacity within a short period. But when this expansion reached its limit, an economic crisis was likely to follow.

After much consideration, Franz decided to wait and observe. The surge had just begun, and there was still a long way to go before overproduction became a concern.

Since another global economic crisis wasn't expected in the near future, the government could intervene before reaching a crisis point if necessary.

Chapter 154: Many Things Grow In The Garden That Were Never Sown

Ever since the establishment of the Holy Roman Economic Alliance, the economies of the member states have been closely interconnected, and trade volumes between the alliance countries have seen rapid growth.

Taking Bavaria as an example, in 1850, total trade with Austria increased by 23%, with imports growing by 32% and exports by 7%.

For the Kingdom of Bavaria, this meant a trade deficit of 8 million guilders with Austria, which severely affected the development of Bavaria's capitalist economy.

However, it's important to note that situations have two sides. Due to geographical proximity, Austria's trade with other states in Southern Germany has to pass through Bavaria for transit. This, in turn, has also boosted the development of Bavaria's domestic transportation and logistics industry.

Whether it's a loss or a gain is difficult to say for sure. However, one thing is certain: those engaged in import and export trade are profiting.

Many of these individuals have a common trait: they are often powerful local factions, predominantly from the nobility. European nobility, for the most part, do not discriminate against business; they don't shy away from dealing with wealth.

To ensure the smooth establishment of the economic alliance, Austria naturally courted a significant portion of these powerful noble families. It's the efforts of these individuals that drove the establishment of the economic alliance.

Interests are always the best catalyst, and even though Bavaria is aligning diplomatically with the Kingdom of Prussia, it hasn't seen a significant impact on economic ties.

Maximilian I certainly didn't dare to tamper with the interests of these powerful groups. If trade were to be cut off, the royal family would be among the biggest losers, and it might lead to internal unrest.

The fervor for building railways in Austria inevitably affected the Kingdom of Bavaria as well, and there was a growing call for privately-funded railway construction.

Under the facilitation of the German Economic Exchange Organization, economic experts proposed a main railway line connecting the various states in Southern Germany which quickly garnered attention and heated public discussions.

Numerous economic experts and scholars came forward to promote the idea of becoming a railway powerhouse, listing a series of benefits associated with railway construction.

The public discourse also captured the attention of capitalists, especially those involved in the transportation sector who were well aware of how profitable railways could be.

Bavaria did have some railways, but they were far from being a comprehensive network. What it truly lacked was a main railway line that would traverse the Kingdom of Bavaria from east to west.

From an economic development perspective, establishing such a main railway line would significantly boost Bavaria's economic growth.

Munich.

Internally, within the Royal Bavarian State Railways, discussions were underway regarding the construction of this main railway line.

Following the recommendations of economists, the railway was planned to extend westward into Baden and eastward to merge with the Austrian railway network in Salzburg.

The current discussions focused on the technical and economic feasibility of the project. The Royal Bavarian State Railways was a state-owned enterprise, so efficiency was naturally a bit lower.

Engineer S?ll replied with a serious expression, "From a technical perspective, there shouldn't be significant issues. Apart from a few sections where we'll need to take detours, constructing this railway shouldn't pose major technical challenges."

Indeed, from a technical standpoint, there shouldn't be significant difficulties. This so-called main line is approximately three to four hundred kilometers, and most of it traverses the Bavarian plains.

"But what about the economic aspect? Let's not forget that we have the Danube River between us and Austria. Water transport plays a vital role in trade between our two countries.

Now, in building this railway, our primary objective is to make money. Can our railway compete with water transport?" inquired the Railway Company's President, Molka.

Business Operations Manager Wilkes responded, "It's true that water transport is cost-effective, but the reach of the Danube River is limited. The river's course is beyond human control, unlike our railway, where we can extend the tracks wherever needed.

Once this railway is completed, we will have control over the economic lifelines of the entire Southern Germany. Given the current volume of commercial transportation, achieving profitability is not a concern.

If we're worried about the risk, we can also consider external investment through issuing shares. There are plenty of people interested in investing in this railway project.

If we don't proceed with the project promptly and obtain the railway construction rights from the government, we might end up losing out to others."

It shouldn't be assumed that state-owned enterprises have no competition. During this era, private individuals in Bavaria can also build railways as long as they can afford it. They can build them as they please.

Competition isn't too fierce in this era, but by the early 20th century, there might be several railway companies competing between two cities.

After a moment's pause, Molka made a decision: "Since everyone is on board, let the engineering department move forward with the railway project, produce the design drawings, and have the operations department immediately apply to the government for the right to construct this railway."

The Royal Bavarian State Railways, despite being a state-owned enterprise, had its fair share of stakeholders who were instrumental in promoting this railway construction.

While it might not compare to Austria's grand plans for thousands of kilometers of railway, once this mainline was completed, it would inevitably lead to the development of supporting branch lines.

Building over a thousand kilometers of railway during this era was undoubtedly a major project, and the interests involved were far from insignificant.

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In the Munich Palace, plans for the construction of a major railway artery have already been presented to Maximilian I. It's not just from the Royal Bavarian State Railways, but also from the Bavarian Watson Railway Company.

Interests always serve as the best catalyst, and it's evident that there won't be just a few people eyeing this railway. If the Bavarian government doesn't make a decision promptly, they can expect to receive even more applications for railway construction in the future.

In this era, the military value of railways has not yet received significant attention, and Maximilian I has not considered the military threat that Austria might pose to Bavaria after the railway is built.

Mainly, considering it wouldn't change the situation; the power disparity between the two sides is too great. Munich is only a little over 70 kilometers from the Austrian border, and the notion of national defense security concerns is simply a fallacy.

Over such a short distance, even on foot, it would take at most two days, whether there's a railway or not. Relying on transportation to obstruct an Austrian invasion is less reliable than hoping for international intervention.

Maximilian I places significant importance on domestic economic development, and he is also internally supportive of building a railway that can stimulate domestic economic growth.

Furthermore, this railway doesn't just bring economic benefits to Bavaria. It also expands their political influence and solidifies their position among the German states.

"Building this railway would require coordination with several countries along the route. Are there any diplomatic issues?" Maximilian I inquired.

The Foreign Minister replied, "Your Majesty, according to the rules of the Holy Roman Economic Alliance, allied nations investing in railway construction and their domestic railway companies are entitled to equal treatment. We can communicate with the governments of these countries.

If they have railway companies willing to participate, we can work together, each completing the construction of sections within our own nations and establish a joint railway operating company.

If no railway companies are interested, we can also invest in building this railway according to local legal regulations.”

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Vienna.

Upon receiving the Kingdom of Bavaria’s railway construction plan, Franz’s initial reaction was that the Bavarian government had gone mad.

Building such a railway would make it easier for Austria to invade, right? After careful consideration, Franz realized he was overthinking it.

Bavaria’s territory was relatively small, and its capital, Munich, was already close to Austria. With or without this railway, it wouldn’t eliminate the military threat Austria posed.

The railway, at best, made Austria’s military actions more convenient, but not against Bavaria. Rather, it facilitated Austria’s campaigns in more distant German states like Baden and Württemberg.

Franz smiled and said, “If the Bavarian government wants to build this railway, let them go ahead. If they need our cooperation, we will cooperate with them. If they lack funds, they can raise money on the Vienna stock exchange.”

He didn’t mention the benefits that the completion of this railway project would bring to Austria. Some things are best kept quiet for the sake of future gains.

When the German Economic Exchange Organization initially proposed pushing for this railway’s construction, Franz had already prepared for strong opposition from the Bavarian government.

He was also prepared to use public opinion to force the Bavarian government to build this railway. But now, the Bavarian government has taken the initiative.

For Franz, it couldn’t be better. Naturally, the Bavarian government will be responsible for coordinating the relationships among the Southern German States, and the Austrian government won’t have to do anything to enjoy the benefits.

As for the Royal Bavarian State Railways, which will earn huge wealth from this railway in the future, Franz is very generous in saying that they deserve it.

If this railway brings convenience to the unification of the Southern German region for Austria, then Franz doesn’t mind awarding them a large medal.

He might even consider renaming it the Royal Austrian Railway Company in honor of their outstanding contributions to the cause of German unification.

Chapter 155: The Grand Reserve Strategy

On October 23, 1850, the German Federal Council convened in Frankfurt. Austria proposed a joint cabinet for all member states and quickly gained support at the assembly.

The support from the smaller member states mainly served to bolster Austria’s position, but the ultimate decision-making power still rested with the larger member states.

Prussia and Bavaria, on the other hand, vehemently opposed this proposal. Forming a joint cabinet where each country would send a representative was a problematic idea in their view, and they had every reason to object.

Austria was the predominant power among the German states, and once this joint cabinet was formed, it was a given that the Prime Minister would be an Austrian representative. There was no doubt about it.

As long as you think about it, you would know that a cabinet of over thirty people would inevitably lead to disputes when decisions had to be made. Ultimately, the Prime Minister would be the one to make the final call.

In such a system, the influence of Bavaria and Prussia would naturally be reduced to a minimum, not much different from the smaller member states.

While they might have some influence over the smaller states in the short term, over time, the smaller states would be less likely to listen. After all, in the federal system, everyone's rights are equal, so even if they have a problem, what can they do?

After winning over the smaller states, Austria could proceed with unifying the federation, such as adopting a unified federal currency, establishing a unified federal military force, and implementing unified federal finances...

There was not a need to rush; it's better to take it slowly and gradually boil the frog in water. A hundred and eighty years later, the German Confederation was indeed unified.

That was the ideal scenario, but reality was different. After Prussia and Bavaria's opposition, even the British, French, and Russians voiced their objections.

In short, the unification of Germany wasn't possible, not even in name.

The British even suggested dissolving the German Federal Council and having Bavaria and the smaller German states merge to form a new country, which would naturally exclude Austria and Prussia.

This proposal was supported by the Kingdom of Bavaria, and France and Russia had no objections. However, it faced strong opposition from the representatives of Prussia and Austria.

Just a moment ago, they were enemies, but under the proposal of John Bull (a colloquial term for Britain), Austria and Prussia instantly joined forces. This once again confirms that among nations, there are no eternal friends or eternal enemies, only eternal interests.

Seeing the situation was taken over by the British, with their goals having already been achieved, the Austrian representative naturally wouldn't propose the election of an emperor again to avoid provoking the Prussians.

The British had also achieved their goals, successfully planting the seeds of division. All three countries - Austria, Prussia, and Bavaria - now had conflicts, and the support of the great powers undoubtedly stimulated Bavaria's ambitions, just waiting for the right moment to take root and sprout.

If the Kingdom of Bavaria's power were to increase two or threefold, with the support of the great powers, it might indeed have a chance to divide Germany into three.

After all, the balance of power is the most stable; as long as the weak unite against the strong, under the intervention of other European countries, both Prussia and Austria would lose their opportunity to unify Germany.

However, Maximilian I, despite his ambitions, lacks both the strength of Bavaria and the political acumen to pursue such an ambitious goal.

Given Bavaria's relatively limited power, challenging Prussia and Austria would require the Bavarian king to gather support from other smaller states.

In theory, when you add up the populations of all the small states in the German region, it comes close to nearly 17 million people, and their combined strength isn't much different from that of the Kingdom of Prussia.

By joining forces with Prussia and proposing the establishment of the "Three Kingdoms Cabinet," Bavaria undoubtedly harmed the interests of these small states.

In this situation, Bavaria's leadership among the small states was undermined. For the sake of elusive benefits, they sacrificed their own foundation. Franz involuntarily lowered the threat level of Bavaria by two notches.

Schönbrunn Palace, Vienna.

The Ministry of War has proposed to the Austrian government to expand the reserve forces. Currently, the Austrian Empire has over 300,000 active-duty troops and more than 500,000 reservists.

In theory, if a war were to break out, the Austrian government could mobilize an additional 500,000 troops within a month.

However, the actual experience in 1848 demonstrated that the Austrian government's mobilization mechanisms were inadequate. It took just as long to mobilize around 200,000 troops.

Of course, this was partly due to the inefficiency of the Austrian government at that time. With improved efficiency, the mobilization process should be significantly faster now.

Mobilizing the reserves is not just about calling people up; it also requires training to restore combat readiness. Having weapons, equipment, and ammunition reserves is equally indispensable.

Prince Windisch-Grätz analyzed, "To ensure the national defense security of the Austrian Empire, the current mobilization mechanism is no longer adequate for the present needs.

Since the February Revolution (Révolution de février) in Paris, the French have broken free from the constraints of the Vienna System, and their military strength is rapidly recovering over these past two years.

Once the internal struggles within the French government are resolved, will they provoke a new round of expansion abroad? Where will that expansion occur?

Nobody knows the answer to this question, so we must be prepared to face the challenges that lie ahead."

He continued, "Prussia, our neighbor, has not exactly been idle in recent years. Their military expenditures have not dropped below 40%, have they?

Such high military spending cannot be without purpose. Over the past few decades, Prussia has expanded its territory several times, and now they want to unify the German territories. Whether it's a pipe dream or not, we must deter their attempts.

Furthermore, we have Russia as our ally. I understand it's immoral to doubt our allies, but the Russian Empire's strength is indeed overwhelming. In case a day comes when our interests clash, the Austrian Empire cannot be without any means to defend itself, can it?

To secure the national defense of the Austrian Empire in the face of future international developments, our military strength must be enhanced.

Considering our fiscal capacity, expanding the number of active-duty troops is a daunting task. So, we believe that increasing the number of reserves to two million is a reasonable figure while we reorganize our mobilization mechanisms."

The "French threat theory," the "Prussian threat theory," and the "Russian threat theory" – he has certainly presented three major threats. It's clear that Prince Windisch-Grätz has done his homework.

Finance Minister Karl smiled and said, "The Ministry of War wants to increase the reserves by two million, and I fully support it, as long as it doesn't increase military expenditure."

Not increasing military spending? How is that possible? Even though reserves are much cheaper than active-duty troops, there's still an annual cost for basic military training, right?

Austria's reserves, like most countries, are made up of retired officers. To increase the number, they can either extend the length of reserve duty or shorten the active-duty soldiers' service time.

To increase the number of reserves to two million is theoretically a simple task, except for the need for funds.

Now, if the Finance Minister won't provide the money, doesn't this plan sound like a joke? This financial gap isn't just a few million; it's over ten million.

Prince Windisch-Grätz reluctantly said, "Mr. Karl, please don't joke around. Two million reserves, with regular training for all these people every year. If your finance department doesn't provide the money, should I go out in the streets and beg for it?"

There's no doubt that the military's proposal to expand the number of reserves at this time is primarily aimed at competing for next year's fiscal budget.

With a significant influx of foreign capital, Austria in 1850 was already showing signs of prosperity. Factories sprang up, and even though many of these enterprises were tax-exempt, they still contributed substantial tax revenues to the government.

This isn't a contradiction. Some tax-exempt companies don't mean their upstream raw material suppliers and downstream sales channels are also tax-exempt.

Although the concept of an industrial chain hadn't deeply penetrated people's minds, it was indeed emerging. The benefits generated by a single factory were not limited to the factory itself.

Apart from driving direct upstream and downstream industries, they also stimulated the development of ancillary industries like restaurants, clothing, and groceries in the vicinity.

No matter whether the capitalists' investments are rational or not, the fact remains that they've driven the rapid growth of Austria's economy.

Economic growth implies a rapid increase in fiscal revenues, and when the government has money, everyone wants a piece of the budget. The Ministry of War just seems to have particularly big ambitions.

Finance Minister Karl remained unfazed and said, "Expanding the reserves to two million can't be done all at once, can it? Given the current situation, even if we add 200,000 reserves each year and subtract over-age personnel, it will still take a decade to complete.

Your 'Grand Reserve Strategy' budget, you can actually remove one zero from the end, and you can squeeze out a few million guilders on your own."

Indeed, none of them are easy to deal with. No matter how Prince Windisch-Grätz tries to conceal it, this weakness has been exposed.

Prince Windisch-Grätz explained, "We can't put it that way. The international situation is highly complex, and should Russia decide to intervene and disrupt the balance, we must take action and enhance our military strength as effectively as possible to ensure the security of the Austrian Empire.

There are many ways to increase the size of our reserve forces. It's not necessary to wait for soldiers to retire; we can organize simple military training for young and able individuals.

In the event of war, they can become qualified soldiers in just one or two months, which is much faster than recruiting and training entirely new soldiers from scratch."

Karl thought for a moment and said, "This approach is not bad, but it's too costly. Even if the Russians take action, the war is unlikely to end quickly, and the Ottoman Empire is no pushover.

Based on past experience, the shortest war will still take two to three years, and if it drags on, a ten or eight-year conflict is not out of the question.

When the time comes, you can do it as you wish. Rest assured, once there's an international shift in circumstances, the government's focus will shift to the military, and there won't be any problems with how you want to expand."

Franz had encountered these situations many times, and essentially every year before the fiscal budget discussions, there would be a showdown, and Karl was often at the center of the debate.

"All right, we have time to discuss the financial issues in the annual budget. You can go and deliberate further. Let's first discuss the proposed reserve plan from the Army. Is it feasible?"

Prime Minister Felix replied, "Your Majesty, establishing a large reserve force is indeed crucial for our national defense. Especially in our future strategies, being able to mobilize a substantial army in the shortest time possible can minimize risks."

Franz knew that they were preparing to adopt a Russian-style human wave tactic. In the era of matchlocks, having a large number of soldiers on the battlefield does provide an advantage.

In terms of population, Austria was comparable to France. Except for that eccentric Russian Bear, competing with numbers on the European continent was a viable strategy for the Austrian Empire.

“Support!”

“Support!”

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On this issue, everyone quickly reached a consensus, reaffirming the practicality of the principle that more people meant more strength.

Franz asked with seriousness, “So, my Minister of War, how do we ensure the combat effectiveness of such a massive army?”

They couldn’t simply treat the soldiers as cannon fodder because Austria wasn’t Russia, and there were obligations to provide compensation for soldiers who die in battle.

Franz didn’t believe that talking to the soldiers about patriotism and enthusiasm was the solution. Instead of discussing high-minded theories, he was more interested in practical measures.

It would be better to simply tell them that winning will earn them land, money, spoils of war, noble titles... these tangible rewards are more reliable.

Prince Windisch-Grätz responded, “Your Majesty, one of the most critical aspects of ensuring the army’s combat effectiveness is the officers. The Army is planning to increase the number of officers and provide two deputy positions to frontline unit officers.

During wartime, this would enable us to rapidly expand our forces to one million, allowing us to gain an advantage at the outset of the war.”

Franz nodded in agreement. Given the current international situation, a decisive initial strike in a war often led to a swift conclusion.

The Kingdom of Prussia’s limited resources meant they could only make one strong effort, and if that failed, they’d be unable to mount another one in the short term. As for the French, a major defeat on the battlefield would likely lead to political upheaval.

As long as Austria didn’t engage in the foolish venture of invading mainland France, a new French government would find itself mired in internal strife. Once their internal conflicts were resolved, the opportunity might have already passed them by.

Chapter 156: No Eternal Enemies

The “Grand Reserve Strategy” has been approved, and it’s inevitable that military spending will increase. In the short term, the growth in military spending isn’t very significant, but as the number of reserves increases, it will be a different story.

Maintaining the reserve may be cheaper, but military expenditure is unlikely to be less than 15% of regular forces’ costs. While you can use outdated equipment and reduce soldier salaries, training expenses cannot be easily cut.

Typically, Austria’s reserve units have a training period of no less than two months per year, and after training, the government often provides a substantial allowance.

Calculating this based on an annual addition of 200,000 reserve soldiers, the expenses would be equivalent to expanding the army by 30,000 annually, reaching a maximum of 2 million reserves and effectively increasing the active-duty forces by 250,000 (after subtracting the existing 500,000 reserves).

Considering the pace of Austria's historical fiscal revenue growth, it's estimated that this plan won't last very long and may encounter challenges.

Franz couldn't help but feel fortunate that the Industrial Age had arrived because, without it, Austria, primarily an agrarian nation, wouldn't have been able to sustain such a large military force.

"Considering the need for close cooperation between the land and naval forces in our future overseas colonial strategies, I've decided to establish a General Staff, with Marshal Radetzky serving as its first Chief of the General Staff," Franz dropped a bombshell.

Undoubtedly, this General Staff would be independent of the army and navy and would be nominally responsible for coordinating the army and navy's cooperation. However, during wartime, this staff would take precedence over both the army and navy.

How can coordination occur without authority? Do we have to send someone to reason with the lower-level units?

Particularly, with Marshal Radetzky as the first Chief of the General Staff, being such a highly respected figure in the Austrian military, can they really sideline the General Staff?

"Your Majesty, our overseas colonial strategy hasn't reached the implementation stage yet. Isn't it a bit too early to establish the General Staff now?" Prince Windisch-Grätz opposed it.

Opposition was necessary. Adding a General Staff at this stage would inevitably encroach on the powers of the land and naval ministries in many areas.

Compared to the strong reaction from Prince Windisch-Grätz, the Navy Minister, who had relatively little presence, was indifferent.

The establishment of an institution to coordinate the two forces was only a matter of time. Having Marshal Radetzky, an army officer, as the Chief of the General Staff clearly indicated the dominance of the army.

Similarly, for an army officer to get involved with the navy would be challenging. Under these circumstances, the renowned Marshal Radetzky wouldn't likely interfere with naval matters, given the mismatch in their expertise.

The establishment of the General Staff marked the official confirmation of Austria's overseas colonial strategy, making the construction of a large navy inevitable.

With Austria's international status, the navy must rank among the world's top five, as otherwise, they would lack the confidence when venturing abroad to expand territories.

Given the potential returns on investment, the Navy Ministry could easily accept some loss of authority. Not to mention, this year's naval military budget could increase by several million.

Franz casually offered a reason, saying, “Better to be well-prepared in advance to avoid last-minute panic. While the current balance on the European continent is still maintained, we do not know when this situation might change.

Although we suspect that the Russians might target the Ottoman Empire, everything carries an element of uncertainty. If the Russians were to expand into Central Asia or the Far East, our previous strategic plans would become impossible to implement. So, let’s prioritize the overseas colonial strategy.”

It would be foolish for the Russians to ignore the opportunity to strike at the Ottoman Empire, so running off to Central Asia or the Far East seems unlikely.

Regardless of whether Prince Windisch-Grätz accept it or not, accommodating his concerns is a matter of giving face. Presenting it for discussion among all is a democratic practice and also an opportunity to spot any shortcomings.

If everyone opposes it, it means the plan isn’t feasible. It could be too forward-thinking, and people might not be ready to accept it, or it might not align with Austria’s national situation for successful implementation.

In such a situation, Franz will naturally be flexible and consider the consensus. Even if Prince Windisch-Grätz opposes it now, the resolution is already considered passed.

Franz made a strategic choice by selecting the highly respected Marshal Radetzky as the first Chief of the General Staff. This decision was meant to minimize any resistance from the army generals who might oppose the General Staff.

Once the first Chief of the General Staff establishes his position, subsequent generations will become accustomed to it. During peacetime, the General Staff does not have significant authority and would not be capable of training and commanding during these times.

Checks and balances of power are necessary. The General Staff can command the country’s military during war but Franz will ensure that it doesn’t usurp responsibilities like recruiting, training, and logistical support systems, which will remain under the purview of the army and navy ministries.

Franz is cautious and is well-prepared to prevent a situation where the General Staff could potentially undermine the authority of the emperor, as it happened historically in Germany.

Apart from these checks and balances, the Imperial Guard and the Vienna garrison report directly to the emperor, and neither the Ministry of War nor the General Staff has command over them.

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Munich.

Maximilian I had hoped that, with the support of the great powers, the Kingdom of Bavaria could integrate the small states in Germany. However, reality delivered a blow to his ambitions.

People were not willing to be annexed by Austria, Prussia, or Bavaria. They maintained good relations in peacetime, as it was in their best interest to band together against threats from Prussia and Austria.

This also explains why Prussia had a poor reputation within the German Confederation. The threat from Austria was somewhat mitigated by Bavaria, which made it less apparent. As neighbors, the smaller states felt the threat from Prussia more acutely.

“Has Württemberg also rejected our attempts to win them over?” asked Maximilian I, his brow furrowed.

“Yes, Your Majesty,” the Foreign Minister replied straightforwardly.

Württemberg is also considered a “major power” within the German Confederation, with a territory ranking just below Austria, Prussia, and Bavaria.

For the Kingdom of Bavaria to achieve autonomy and assert itself, it needs the support of Württemberg. Clearly, no one is willing to be a stepping stone for another, and the Württemberg government is not inclined to become a vassal state of Bavaria.

Even if it’s only a nominal merger where Württemberg retains nearly all its rights, it’s still not acceptable.

No one is a fool. If all the German states were to merge now, Austria, which holds a dominant position, would also retain its rights. There’s simply no way to swallow them whole.

Similarly, if Prussia were to annex the smaller states apart from Austria, they wouldn’t be able to do it and would have to make compromises.

Now, Bavaria is in the same situation. Don’t be fooled by the small territorial size of the remaining German states; they are, in fact, economically prosperous and densely populated regions.

So when Maximilian I presented his generous conditions, everyone simply refused. With Prussia and Austria still watching, does Bavaria really dare to threaten them with force?

Do they truly believe that having the support of the great powers means they can make everyone yield? Let’s not forget that Prussia and Austria are great powers too, and nobody is willing to compromise with them!

Well, to be precise, Prussia can only be considered a quasi-great power. They have the military strength of a great power but lack the economic power.

In a way, Prussia’s insistence on maintaining a powerful military is driven by their fear of being annexed by Austria.

If given the choice, Frederick William IV of Prussia wouldn’t want to pretend to be something they’re not either. Prussia’s government is at the brink of financial collapse, but their military expenses have never fallen.

Undercurrents are already surging within the Kingdom of Bavaria. With Austria’s numerous German exchange organizations, how could they not play a role in this?

News of Bavaria’s desire for independence has leaked, and preparations for an anti-secession demonstration are underway.

To avoid suspicion, those responsible for planning this demonstration are all German nationalists. Organizations and individuals associated with Austria are merely cheering from the sidelines.

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Berlin.

Since the end of the Prussian-Danish War, the Kingdom of Prussia embarked on a path of reform. The first and foremost issue the government had to deal with was its finances.

Unlike in history, this time, the Prussian-Danish War lasted a bit longer, increasing military expenses by around fifty to sixty million thalers.

In theory, if they could get the funds collected from the German population in the German territories, they could mostly cover this gap.

However, it's apparent that this was not possible. They couldn't even secure the remaining funds. Presently, the Kingdom of Prussia's embassies and consulates in various states are regularly harassed by creditors seeking repayment.

Faced with these aggrieved citizens, the government couldn't confront them or insult them, let alone reason with them. The citizens were adamant that the government was nothing but a bunch of swindlers.

In desperation, these government officials dared not even leave their homes to buy groceries, fearing being hit by unidentified flying objects. They shifted their responsibility for daily life issues to the host governments.

In an attempt to divert the attention of their citizens, the Prussian government was even willing to make concessions and, together with the Kingdom of Bavaria, proposed a "Three Kingdoms Responsibility Cabinet."

This unexpected move aroused suspicion among the great powers. Under diplomatic pressure, this plan was swiftly abandoned soon after its implementation.

If one were to claim that Frederick William IV didn't hold any resentment in his heart, that would be impossible. Unfortunately, he had no outlet to express his frustrations.

Throughout this series of measures, the Prussian government acted in a moderate manner and didn't make any significant mistakes. Thus, the blame for the failures can't be laid at their feet.

Austria, Bavaria, and other nations had predictable reactions, as each country prioritized its own interests. No one owed anything to anyone else in this situation.

"Prime Minister, how has the matter of borrowing from the British progressed?" Frederick William IV inquired with concern.

"Your Majesty, it seems borrowing from the British is out of the question. They have presented us with an unacceptable condition," Prime Minister Joseph von Radowitz replied with a bitter smile.

"What kind of condition leaves no room for negotiation?" Frederick William IV asked, puzzled.

Joseph von Radowitz sighed and said, "The British are demanding that we permanently withdraw from the German Confederation!"

"What?" Frederick William IV asked in disbelief.

Withdraw from the German Confederation? If the Kingdom of Prussia were to withdraw from the German Confederation, it would shatter Prussia's dreams of being a major power, leaving them as nothing more than a mid-sized country given their current size.

Frederick William IV was certain that once Prussia withdrew from the German Confederation, the British would then join forces with France and Russia, pressuring Austria into making the same decision.

In such a scenario, the remaining German states would merge, forming another mid-sized country. While this new entity might lack aggressive ambitions in a complex international landscape, it would surely have enough means for self-preservation.

After a moment of pause, Frederick William IV realized the situation and said, "No, we absolutely cannot accept such conditions. We must quickly contact the Austrian government, as they surely wouldn't want to leave in such an underhanded manner!"

Undoubtedly, Frederick William IV had misunderstood the situation, thinking that the British were fully prepared to dismantle the German Confederation.

However, despite their constant desire to challenge Austria's dominance in the German Confederation, if a real split were to happen, their greatest concerns wouldn't be Austria.

Even if they left the German Confederation, the Austrian Empire would still be a major European power. In contrast, Prussia would lose out on any further opportunities if they chose to exit.

Prime Minister Joseph von Radowitz analyzed, "Your Majesty, we must not rush with this issue. The Austrians won't give up on the German territories either.

We only need to discreetly convey the information to the Austrian government. The British may have their desires, but making this plan a reality is beyond them.

Even if the British, French, and Russians join forces to apply pressure, as long as we and Austria stand firm, they can't do much. They wouldn't start a war with us just because of this matter, would they?"

Prussian-Austrian cooperation also hinges on the issue of initiative. If Prussia simply came to their door, wouldn't that mean giving up their initiative within the alliance?

Chapter 157: A Wonderful Misunderstanding

Ever since receiving the message from the Prussian government, the top echelons of the Austrian government immediately sensed something amiss.

Could the British have actually done this? Nobody had any doubt about John Bull's obstinacy.

During the previous Frankfurt Assembly, the British had already proposed the idea of dismantling the German Confederation. Now, in order to execute this plan, they were exerting diplomatic pressure on Prussia, which was entirely standard practice.

Franz was also taken aback, realizing that the British had all the motivation to pursue such a course of action, given their national policy, which revolved around the European balance of power.

According to this plan, the German Confederation would be transformed into one major power and two medium-sized countries.

This arrangement would theoretically create the most stable European structure, capable of blocking any further expansion by France and Russia into Central Europe, without posing a direct threat to their respective positions. With British support, this arrangement seemed solid.

Anyone aiming to unify the German territories would need to be prepared to face off against all major European powers. Even if Austria were to gain Russia's support, there would be little chance of success.

It's not that Franz underestimated himself, but a united Germany, even if it were disorganized states individually, could muster a formidable army if consolidated – a force to be reckoned with.

With the participation of the British and the French, unless Austria pulls the Kingdom of Prussia into their side to jointly annex this new country, the situation would indeed be a complex alliance.

It would likely result in a confrontation of Russia and Austria against Britain, France, Prussia, and the German states. Other European countries might also get involved.

Franz had no doubt about the cunning ways the British employs for winning over allies. Belgium and the Netherlands would likely join to prevent the unification of the German territories, and even Switzerland might take a stance against Austria.

As for the chances of victory, Franz couldn't know at this point. Unless the battlefield were shifted to Russia's territory, where the enemies might freeze to death in winter.

However, despite these concerns, the Austrian government remained undaunted.

The belief in Russia's strength as a continental power was shared by many, and in their eyes, Russia could potentially handle a land battle against Britain and France. Austria, on the other hand, could deal with Prussia and the German states.

In their view, the only trouble lies in the geographical location. They fear that if Britain and France were to leave Russia alone and focus their offensive on Austria, it could spell disaster.

Confidence is always good, at the very least, it demonstrates that the Austrian Empire has not fallen into decline, and the pride of a major power remains. If the government were to back down upon hearing this news, then Franz would truly be unable to lead.

Metternich angrily said, "Your Majesty, given the current situation, we need to support Prussia. As long as they hold their ground, the sinister intentions of the British cannot succeed."

Although he had previously been against expanding into the German territories, that was in the past. Since the signing of the Russian-Austrian Secret Treaty, Metternich had gradually changed his stance.

He understood that Austria could not turn back now. Apart from expanding its influence abroad and strengthening its own power as much as possible, there were no other options. Moving west into the German territories was an indispensable part of this strategy.

Without the population of Southern Germany, Austria's ambitions for external expansion would likely take two to three decades to digest, even with the implementation of the Balkan strategy.

In such a long time, it's hard to predict how much the strength of various countries would have grown. In this dog-eat-dog era, falling behind could mean that danger is fast approaching.

Prime Minister Felix pondered for a moment and said, “This information was released by the Prussian government, and it’s likely they don’t want to compromise.

Mr. Metternich, considering your understanding of Prussia, what are the chances of them agreeing to a joint partition of the German territories if we propose it now?”

Metternich analyzed, “That would depend on how the partition is proposed, but I estimate that reaching a consensus would be quite difficult. The failure of the Prussian-Danish War has dealt a blow to the radical factions within the Prussian military, but they still wield considerable influence over the government.

According to our original plans, we intended to annex the Southern German territories, while whatever we could grab in Northern Germany is a bonus.

Even if we make concessions now, we would probably only give up on Northern Germany.

These concessions might not be enough to satisfy the ambitions of the radical elements within the Prussian military, but many within the Prussian government might be content. Not everyone harbors such grand ambitions.

If the pressure exerted by the British becomes too intense, it’s possible that someone within the Prussian government might push Frederick William IV to compromise with us.”

At present, the relationship between Prussia and Austria is still relatively stable. Although there is a fair amount of covert maneuvering, both nations have not yet openly clashed. They continue to cooperate on many issues.

Following the British plan, Prussia would end up with almost nothing and be expelled from the German Confederation.

However, if they were to join forces with the Austrian government to partition the German territories, they could gain control of the prosperous Northern Germany. This would also help Prussia increase its population by half.

These gains would position Prussia more firmly among the great powers, alleviating its current awkward situation of being neither here nor there.

Franz thought for a moment and said, “Then let’s first make secret contact with the Prussian government. They may not be aware of the Russian-Austrian Secret Treaty.

Even if the news of the partition of the German territories leaks out, as long as we deny it, the British and the French won’t be able to do much to us.”

Archduke Louis suggested, “Your Majesty, if we take some action now and use the British’s influence to push Prussia out of the picture, wouldn’t it be more advantageous for us? We could enjoy the spoils without having to share.”

The idea here is to let Austria benefit independently without involving Prussia.

If Britain and France join forces to pressure Prussia, and Austria simultaneously makes covert moves in that direction, Prussia might not withstand the combined pressure.

This time, the Russians will certainly not support Prussia. There’s no other reason – the great Tsar is vengeful.

Given the tendency of Russian bureaucrats to curry favor, they'll likely get the job done first and then report the victory to Nicholas I.

For a specific example, you can refer to the last Christmas gift, where the Russian representative pressured the Prussian government to withdraw its troops before Christmas.

Taking everything alone is certainly good, but one should be prepared for Prussia to stab them in the back. If they can suppress Prussia, then of course, they can go ahead.

As long as the Austrian Empire becomes a bit stronger, and the Russian Empire doesn't really collapse, Franz doesn't mind taking everything alone.

Franz shook his head and said, "It's not that easy. At such a critical moment, having one more friend is better than one more enemy. After Austria's annexation of Southern Germany, we will have achieved our strategic goals, and if the Northern German states give up, so be it.

Being too greedy can backfire. Our trump card is the Russian-Austrian Secret Treaty, but the Russians might not be that reliable. In case they don't pull their weight, and we can't suppress Prussia, we'll have to fight on two fronts."

Under normal circumstances, the Prussian government wouldn't agree to Austria's distribution plan. But once news of the Russian-Austrian Secret Treaty is revealed, the Prussian government will most likely compromise.

That's the reality, no matter how many promises Britain and France make, they won't have any effect.

It's mainly because Prussia is too close to Russia and Austria. If they dare to get mixed up with Britain and France, they would probably be defeated before the English and French reinforcements arrive.

The Alliance of the Three Northern European Courts is essentially a result of geopolitics. Austria and Russia joined hands, and Prussia doesn't want to be in a precarious position, so it has to join this alliance too.

Otherwise, after the Russian-Austrian Secret Treaty was concluded, Nicholas I's initial reaction wouldn't have been to invite Prussia to join. It's not because they have good relations, but because there was a high likelihood that Prussia would join.

Due to the Prussian-Danish War, the Russian government had to temporarily abandon this enticing plan. The Russians were still concerned that the Prussian government might leak the information.

If they couldn't catch Britain and France off guard, the Russian strategy would be challenging to succeed. If Britain and France got the upper hand, the potential combat capability of the Ottoman Empire can muster should not be underestimated.

This is also the key to the success of the Austrian government's strategy of moving west. After all, they are following the Russians, waiting for Britain and France to team up to confront the Russians before Austria takes action.

Thanks to the Vienna System, the military strength of the French has been significantly weakened, and their mobilization mechanisms are no longer effective.

In order to avoid pressure from various European countries, King Philippe has not deployed many troops in his homeland, let alone maintained a large reserve of conscripts.

The French active-duty army comprises just over 300,000 troops. If tens of thousands of them are sent to engage with the Russians, their capacity to intervene with the Austrian forces becomes quite limited.

Mass production of soldiers can lead to a qualitative change in military capabilities. As long as Austria prepares adequately and mobilizes a sufficiently large army, they could effectively repel any French intervention.

The French, if defeated just once, would likely be severely weakened. In such a situation, Napoleon III might not even have the opportunity to deal with domestic issues, let alone focus on Austria.

As for Prussia, when Franz initiates his move, he plans to position 500,000 troops on the Prussian-Austrian border. He will also use strategic resources to entice the Russians, redirecting their forces from the eastern front to the Prussian-Russian border.

If Austria decides to gobble up the entire territory on its own, Prussia might even attempt a military gamble to salvage the situation. However, Franz will be also providing them with an incentive, which could push the Prussian government to compromise.

Everyone has their own interests and responsibilities, and those governing Prussia are not naive. They wouldn't blindly take unnecessary risks.

Even the more radical factions are likely to opt for swallowing Northern Germany first before proceeding. Once this bait is taken, Prussia would be forced to halt and digest its gains.

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The Prussian government, which had been open to the idea of forming an alliance with Austria, naturally wouldn't reject the olive branch extended by the Austrian government.

It turns out that the Austrian government's assessment of Prussia was incorrect. After the failure of the Prussian-Danish War, many within the Prussian government lost confidence in the strategy for German unification.

This is the tragedy of small states; they can't withstand failure.

After the Prussian-Danish ceasefire treaty was signed, internal conflicts in Prussia erupted. The revolutionary elements once again initiated uprisings, although these uprisings were quickly suppressed by the military.

In this context, Frederick William IV didn't even have time to secure his rule, let alone pursue a strategy to unify Germany.

In history, after Prussia's plans suffered setbacks, the nation entered a period of decline. It was only when the Iron Chancellor, Otto von Bismarck, came to power that Prussia's morale was restored through a series of alliances and victories, including the Second Schleswig War (Second Prussian-Danish War).

Under Bismarck's leadership, Prussia gained the confidence to challenge Austria, resulting in the Austro-Prussian War, which Prussia won. It was after these victories that the Prussian army underwent its transformation.

Many experts and scholars believe that Prussia's decision to spare Austria after the war was part of its diplomatic strategy to avoid Austria becoming an adversary during a potential future Franco-Prussian War.

Bismarck's concerns about the religious implications of absorbing Austria and the potential for increasing the number of Catholics within the newly unified German Empire were valid. He was mindful of the domestic religious conflicts that might arise.

However, Franz, on the other hand, had a different perspective. He believed that even if Austria couldn't be absorbed, perhaps territorial concessions or reparations could be an alternative solution.

Historically, during the Austro-Prussian War, Austria primarily suffered political losses, and the material costs were not substantial.

Living in this era, Franz understood that Prussia's financial situation was indeed dire. Considering the circumstances of the time, Austria was not without the strength to fight it out.

After the decisive battle ended in failure, Austria's mobilization of its reserves on the home front was nearly complete. If Prussia didn't decide to make peace, it could have turned into a protracted war.

However, observing the dwindling resources in his coffers, Bismarck made a resolute decision to seek an amicable settlement.

He realized that benefits are ultimately secured through strength, and if Austria still had the potential to resist, the price of a prolonged conflict might not be worth it.

If, at that moment, the Austrian government had opted to take a scorched-earth approach and stubbornly clash with Prussia, it might have been possible to secure a favorable outcome without the need for concessions. As Prussia's resources dwindled, they would naturally withdraw its troops.

Chapter 158: Marriage?

Certainly, the Prussian government, lacking confidence, was more eager for an alliance with Austria. Soon, both sides reached an agreement on opposing foreign intervention.

On November 11, 1850, Prussia and Austria signed the "German Treaty" in Vienna, which stipulated that both nations would collaborate against foreign forces meddling in German affairs...

Interestingly, this treaty did not encompass the two duchies of Schleswig and Holstein, which were occupied by the Danish.

Evidently, after experiencing a defeat, the Prussian government lacked internal confidence and, while opposing the British, dared not offend the Russians any further.

Since the Prussian government did not insist on it, Austria naturally did not push further. Regardless of whether these two duchies could return to the German fold, Austria had no stake in it.

Franz certainly wouldn't follow the historical example of the Austrian government, which had been misled into a joint military campaign by the Prussians.

What's the use of these enclaves? Did they think Austria's defense challenges weren't challenging enough?

Vienna Palace

Metternich said, “Your Majesty, the Prussian government has requested a loan from us. It seems that their financial crisis is even more severe than we anticipated.”

Franz replied without hesitation, “This is good news. If they are seeking our help, it means they have faced difficulties in securing loans from other financial markets.

We can find a reason to decline their loan application. Everyone seems to doubt their creditworthiness, so why should we wade into these troubled waters?”

Extending a helping hand doesn’t make sense, as Austria doesn’t have so much capital to lend, and Franz wouldn’t want to nurture potential competitors.

If there were credit ratings in this era, they would likely have been given the lowest rating of ‘C’.

Just looking at their debt, Prussia’s external debt totals a whopping 370 million thalers, with an annual fiscal income of just over 40 million thalers.

In 1847, Engels published an article in the Northern Star newspaper, pointing out Prussia’s financial difficulties, roughly meaning: “If the Prussian government announces bankruptcy tomorrow, I won’t be the least bit surprised.”

What should the Prussian government do when they’re short on money?

The answer is quite simple—cut expenses and find ways to increase income.

Whether it’s reducing military spending or cutting investments in industry or domestic infrastructure, it’s all good news for Austria.

As for increasing income, that’s not something that can be accomplished in the short term. Just coming out of a revolution, they wouldn’t dare resort to excessive taxation, would they?

“Yes, Your Majesty,” Metternich responded.

The partition of the German territories? Unfortunately, it’s not suitable to discuss this matter right now. If the radical elements within Prussia were to find out and initiate a war prematurely, Austria might end up in a difficult situation.

This possibility shouldn’t be ignored; the Japanese aren’t the only ones who can do such actions.

The Prussian military of this era is quite capable as well. However, their officers are mostly nobles, a bit more knowledgeable, and they have their families and estates to consider. They typically won’t act recklessly.

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The thawing of relations between Prussia and Austria was most awkward for the Kingdom of Bavaria. It once again demonstrated how walking a tightrope can easily lead to a fall, and Maximilian I is currently experiencing this.

Easing relations with Austria has become his top priority.

In the Munich Palace.

Maximilian I asked with hope, “Do you have any solutions to help us get out of our current diplomatic predicament?”

In this era, it might seem amusing to worry about diplomatic difficulties while having the support of both Britain and Russia. If this were to be known, it would likely be seen as a joke.

However, in the case of the Kingdom of Bavaria, the joke had become a reality. What can the support of great powers achieve?

Their support is often just lip service, and if it were to be taken too seriously, then be prepared for disappointment!

The suggestion originally came from the British, but now, when the Kingdom of Bavaria needed their actual support, John Bull was beginning to feign ignorance.

“Your Majesty, a royal marriage!” the Prime Minister promptly proposed.

A marriage alliance between the Bavarian and Austrian royal families had a historical tradition. Franz’s mother herself came from the Bavarian royal family, and the two royal families had maintained good relations.

To mend relations with Austria, the least costly option would be a royal marriage. By marrying a princess to Austria and becoming the Empress of the Austrian Empire, the House of Wittelsbach wouldn’t be at a disadvantage.

King Maximilian I considered it and said, “Hmm, Franz does need a queen, and Helene is a suitable match.”

However, pushing for a continued marriage alliance between the two royal families was not so simple. Many influential nobles were interested in the position of the Austrian empress, making it a challenging endeavor.

Nevertheless, Princess Helene had an advantage - her aunt was the Austrian Archduchess. This fact alone could outshine many other contenders. But she also had her drawbacks; her indirect lineage and distant relation to the king.

Maximilian I had considered finding a more noble Bavarian princess to marry into the Austrian royal family, but circumstances were not favorable.

There was an age gap issue that couldn’t be readily solved. It would be rather awkward to tell Franz, “Just wait a bit; your wife is still in her mother’s arms, nursing.”

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Vienna

The news of the Bavarian royal family’s interest in a new marriage alliance was met with enthusiasm from Archduchess Sophie. It seemed like a perfect match at first glance.

However, Franz was not the same Franz from history, and Sophie’s influence had significantly waned compared to history.

In history, Franz was able to succeed to the throne early, thanks in large part to Sophie’s efforts. She even gathered a party to support her cause.

Now the situation was different. Franz had taken the opportunity to consolidate power while suppressing the Vienna Uprising. Naturally, the empress had no chance to perform.

Missed opportunities and the lack of a strong political following meant that any attempts to interfere in politics were unlikely to succeed.

If there's no opportunity, then there's none. Ambition isn't something one is born with. After Franz ascended to the throne, Archduchess Sophie enjoyed her days without harboring any desire to seize power from her son.

Of course, the possibility of seizing power existed. The position of Archduchess was indeed prestigious, but Archduchess Sophie faced the strong-willed Franz. Naturally, she couldn't become another Empress Dowager Cixi.

In other matters, she might not have been as concerned. But when it came to Franz's marriage, she, as a mother, felt the need to be directly involved.

In this era, Europe was no different from other regions, as arranged marriages were the norm. The concept of free love and marriages based on personal choice was a rarity, even among commoners, let alone nobility.

Franz's situation was quite good, and as the Emperor, his opinions had to be considered. If he strongly opposed something, no one could force him.

Upon receiving this news, Franz was utterly puzzled. How did it happen so early? Could it be that the two royal households had been preparing for this marriage for a long time?

Then he considered the current international situation, and it became clear that this was indeed a political marriage, a sign of Bavaria's need to improve its relationship with Austria.

Franz straightforwardly said, "Mother, given the current international situation, it's not suitable for Austria to form a union with Bavaria."

Upon hearing this, the expression on Archduchess Sophie's face darkened, but she didn't voice her opposition.

Members of the royal family aren't fools, and despite her reluctance, Archduchess Sophie didn't reprimand Franz.

From her perspective, the interests of the Austrian royal family clearly outweigh those of the Bavarian royal family. She couldn't allow Franz to sacrifice the interests of the royal family to promote this marriage.

This situation is different from historical events where Napoleon, while fighting Austria, also married a Habsburg princess. In that case, Napoleon's own background wasn't aristocratic enough, and he needed such a marriage to gain more recognition and support from the nobility.

In contrast, Austria's marriage to Bavaria involves Franz marrying a lesser princess from the House of Wittelsbach. It's not a prestigious match, and sacrificing political interests for such a union wouldn't be worthwhile.

Archduchess Sophie pondered for a moment and then asked, "Has the relationship between Austria and Bavaria deteriorated to such an extent?"

Having been disengaged from politics for a long time, she was unaware of Austria's deliberate distancing from Bavaria. Now, with Bavaria seemingly turning against Austria, it's clear that their relations have taken a hit.

Franz calmly replied, “Yes, not long ago, the Bavarian government broke the alliance between our countries and sided with the Kingdom of Prussia. With Austro-Prussian relations improving, Bavaria will naturally have to face the consequences.”

Archduchess Sophie looked troubled, understandably so, as she found herself caught in the middle of this difficult situation.

Seeing his mother in this dilemma, Franz reassured her, “Don’t worry, Mother. This is just a normal clash of interests between nations and won’t affect the relationship between our royal families.

It’s just that, during such conflicting moments, if news of the marriage were to spread, it could have a very negative impact among the public.”

Upon hearing this explanation, Archduchess Sophie’s expression eased a bit. At the same time, she couldn’t help but feel a hint of discontent regarding the proposed marriage with her family.

Even if she wanted her niece to become the Empress, she wouldn’t compromise her son’s reputation. In such matters, all parents are the same.

Archduchess Sophie thought for a moment and said, “Let’s set this matter aside for now and revisit it in a couple of years.”

Noble marriages in Europe often happened later in life, and Franz was not too old for marriage. Her niece was even younger, so postponing the marriage didn’t seem problematic.

Seeing his mother’s reluctance to let go of the idea, Franz didn’t say much. Delaying the decision was a good idea. If he outright refused, a new marriage proposal might emerge soon.

With this card to play, he could buy himself a few years. During that time, he could travel and perhaps encounter true love of equal status. If not, he could marry a beautiful princess.

Having ideals is essential, and what if somehow they do become a reality?

Franz’s persona was now defined; his personal integrity had to be impeccable. He couldn’t afford to act impulsively in his personal life, at least not before he’d firmly established his authority.

This was the cost of being an emperor. Given the choice, Franz would still choose to be an emperor, despite the sacrifices.

The cost was high, but so were the rewards. In these dark times, having control over one’s destiny was no small feat.

Are ordinary people free from pressure? Are nobles free from pressure?

Not long ago, Austria was still executing people left and right. How many prominent nobles were sent to the guillotine? Were they all truly guilty?

How many were caught up in the turmoil and unable to escape, ending up in the same tragic fate?

Franz was well aware of these situations, but being aware didn’t mean he could exonerate those involved. Whether voluntarily or not, participation in the rebellion carried consequences.

Looking at the everyday struggles of the common people for their livelihoods, Franz felt fortunate.

Chapter 159: Ambitious Navy Ministry

Franz couldn't help but sigh that European politics could be quite chaotic. During his two years as emperor, Austria had signed treaties with almost all of Europe's great powers.

He guessed that future historians studying international history would be astounded by this array of treaties. They'd marvel at the prowess of the Austrian Foreign Ministry and be left with a bunch of unresolved political mysteries.

First, there was the "Franco-Austrian Secret Treaty," which had originally aimed to enjoy the spoils of dividing up the Kingdom of Sardinia, but was thwarted by the outbreak of the French June Days uprising.

Then there were the "Anglo-Austrian Memorandum on the Balkans" and the "Anglo-Austrian-Italian Memorandum on Italy." The latter had been accomplished, but whether the former could be fulfilled depended on the British's conscience.

Needless to say, the Russian-Austrian Secret Treaty is nothing more than the continuation and expansion of the alliance between the two countries. The two countries have been allies for decades, and the two sides are each other's most important ally.

Not long ago, Austria also signed a secret treaty with Prussia, focusing on jointly opposing foreign interference in German affairs. This treaty will be made public when the timing is right, essentially serving to deter the British, so naturally, it is kept confidential.

Is that really all of it? Facts have proven that the Austrian government truly enjoys making deals. Austria recently concluded secret negotiations with Spain, resulting in the "Austro-Spanish Colonial Treaty."

According to the treaty's provisions, both countries mutually recognize each other's sovereignty over overseas colonies and agree to provide assistance as needed in colonial activities, such as obtaining logistical support in each other's colonies...

At the moment, Austria doesn't have any overseas colonies, so it may seem like the Spanish are at a disadvantage. However, in reality, the Spanish government values this treaty even more than Austria.

In this era, Spain has suffered a significant decline, losing its strength as the once-mighty empire. The sun has set on their global dominance, and both the British and the French built their colonial empires on the ruins of the Spanish colonial empire.

Now that the Austrian Empire is preparing to venture into overseas colonial activities, the Spanish are right to be cautious. They don't want to end up as a stepping stone for others again.

In this case, cooperation might be the best option. Austria's conditions aren't unreasonable; they simply want to obtain supplies from Spanish ports during overseas colonial endeavors and are willing to pay for it.

Indeed, this seemingly unremarkable treaty was driven by the Austrian Navy. While the idea of picking on the weak might be valid, Franz wasn't prepared to start off with a confrontational approach.

If it weren't for the fact that Spain had been steadily declining, Franz would likely have considered forming an alliance with them. Such an alliance could serve as a direct challenge to France and make them feel the pressure of being caught in a sandwich between Austria and its allies.

No matter what, the prestige of the Spanish empire still remains, and the declining Spanish navy is slightly stronger than the Austrian navy.

It's not just Spain; even small naval powers like the Netherlands and Portugal take their naval ministries seriously, and negotiations are currently underway.

This is the cost of entering later – using the ports of these small countries as a stepping stone is a wise choice because it's more feasible than relying on the ports of Britain and France.

Expanding colonies is not easy; the first issue is logistics and supplying the necessary goods, most of which need to be shipped from abroad.

Looking at the map, it's clear that Austria's geographic location makes the journey to open overseas colonies quite far. In this situation, being able to procure supplies and support locally is very important.

In history, the Russian Pacific Fleet expedition serves as a cautionary tale. Under British blockade, they lacked effective supplies along the way and fell into Japanese ambush as soon as they arrived.

Franz naturally wants to learn from these lessons. No matter what, it's always a good idea to establish strong relationships with colonial nations.

Securing a stable foothold comes first, and learning from the experience of overseas colonization is essential. Austria is now sending people to collect intelligence deep within various colonies to learn from their management experiences.

However, this method of gathering information is not very reliable; it can only provide a superficial view, and deeper insights require actual learning.

Despite modern-day criticisms of colonial management systems, it's essential to understand that, in this era, the ability to establish colonial rule with a small number of people governing vast territories and ultimately profiting from them, is a skill.

By collaborating with other colonial powers, there's an opportunity to gain a more profound understanding and learn from their successful experiences. This way, Austria can avoid facing significant losses shortly after the establishment of its colonies.

In the end, overseas colonization is driven by profit. If it remains an unprofitable venture, it's likely that participation in such activities would diminish quickly.

The Navy did not work in vain; they brought the signed treaty and then requested funding from the government.

According to the shipbuilding plan proposed by the Navy Ministry, the government has to allocate 50 million guilders for shipbuilding expenses, with the aim of constructing a navy fleet second only to that of Britain and France within five years.

This is not an exaggeration at all. During this era, the naval capacities of various countries were not substantial. Even the total tonnage of the British fleet is only a little over a hundred thousand tons. As long as a navy had a total tonnage exceeding ten thousand, it was considered a significant naval power in the world.

In terms of tonnage, the Austrian Navy ranks just below the four major naval powers of Britain, France, Russia, and Spain. Clearly, tonnage doesn't directly translate to combat effectiveness.

Austria's navy primarily operates in coastal waters, such as the Mediterranean, so it can handle such regions well. However, as for long-distance voyages, it remains to be seen if they can manage.

Given this circumstance, who really knows? With a total tonnage of only 18,000 tons in their navy, Franz considers it a relatively small navy. It doesn't compare to a battleship of the later generations, but in this era, naval vessels generally had smaller tonnage, so this size is not too shabby.

To put it simply, if the French suddenly launch an offensive, they could still compete with the British in a showdown for the position of the world's top naval power, as the gap between the British and French navies is not as significant as it would be in later centuries.

At least in terms of tonnage, the gap is not that significant. At their closest point, the difference in total tonnage between the two navies is less than twenty percent. In theory, with a surprise attack, they might have a chance to win.

After all, everyone is using wooden warships, and the shipbuilding technologies of various countries haven't seen a considerable gap. The world's first ironclad warship is still a decade away from being born.

Looking at the shipbuilding plan in his hand, Franz didn't mince words and asked, "I recall that last year, the French Navy built the 'Napoléon,' which is powered by a steam engine.

You're constructing a bunch of sailing warships. When the wind is favorable, that's fine, but when it's against you, can you outrun others?"

Navy Minister Filkos explained, "Your Majesty, French steam-powered battleships have high construction costs and are difficult to maintain. After running at full power, they require a major overhaul.

Steam-powered battleships haven't demonstrated a clear advantage on the battlefield. The force of navies in various countries is still sailing warships. Adopting new technology hastily poses too great a risk."

Franz didn't bother with more explanations and asked directly, "With our shipbuilding technology, can we build one?"

Filkos pondered for a moment and replied, "In theory, it's not a problem. Applying steam engines to ships for propulsion, since we have mature experience in building merchant ships, applying this on a warship shouldn't be a big issue."

Franz didn't feel like criticizing the situation any further. During this era, naval conservatism was prevalent. It's likely that many people couldn't have imagined that the leaders of the naval technology revolution in this era weren't the British but the French.

In 1849, the French were the first to apply steam engines to warships, marking the beginning of the naval ship power revolution.

In 1859, the French constructed the world's first ironclad warship, ending the era of sailing warships.

Then, in 1863, the French employed compressed air engines in submarines, ending human-powered propulsion and increasing the operational range of submarines...

The naval technology revolution was initiated by the French, but it still couldn't change their position as the second most powerful nation in the world.

It took considerable effort to change that position, but the French would probably have preferred to remain second best rather than dropping down to third, fourth, or fifth place...

The Austrian Navy is undoubtedly a representative of conservatism. When it comes to naval technology innovation, it's evident from Austria's naval budget that they lack the funds to be willful.

This is what baffles Franz. Typically, new technologies are initially employed in the military and then adopted for civilian use.

How is it that in Austria, this process seems to have been reversed? With so many steamships running in the Danube River, why hasn't the Austrian Navy considered building steam-powered battleships?

The argument that maintenance is difficult doesn't seem to hold up. Why haven't steam-powered merchant ships continued using sails if maintenance difficulties were such a significant concern?

Franz emphasized with great conviction, saying, "The navy must also prioritize the application of technology. Even if you can't lead technological innovations yourselves, shouldn't you at least learn to apply the achievements made by others?"

Otherwise, what's the use of an outdated navy, no matter how large its size? When it comes to the battlefield, it can only serve as a target!"

"Yes, Your Majesty!" Navy Minister Filkos replied with a bitter smile.

There's no doubt that the Navy Ministry's shipbuilding plan met an untimely demise in Franz's hands.

From a technological perspective, constructing the earliest ironclad ships wasn't particularly challenging. As early as 1578, the Japanese developed iron-plated ships, essentially naval vessels covered in a layer of iron.

Franz didn't want to build a fleet of sailing warships only to offer them as targets, even though the likelihood of sea battles for the Austrian Navy in the short term was relatively low.

While he couldn't create groundbreaking inventions, he believed that embracing innovative military technologies in principle shouldn't be that difficult.

After all, once the French introduced ironclad warships, it only took a few months for others to follow suit, with minimal technological obstacles.

The age when shipbuilding technology reflected the industrial capabilities of nations hadn't yet arrived. By this point, the technology for constructing sailing warships had matured significantly, and the performance differences between naval vessels from different countries were not substantial.

While Franz might have considered innovations like ironclad ships, he didn't immediately propose such ideas. This wasn't a task for an emperor to handle directly, and if it was to be pursued, it had to be done discreetly.

After all, Emperor Wilhelm II of Germany served as a warning. He personally designed a warship that promptly sank upon launch. If there was no issue, it would have been quite a surprise. Was it possible that Germany's technical experts were so foolish that they couldn't advise the emperor on the matter?

Franz had no intention of providing anyone an opportunity to take advantage of him. Pushing technological innovations discreetly was the wiser approach. Even if there were failures along the way, that was normal, as any technological revolution typically involved multiple attempts.

Success, on the other hand, would demonstrate that under the leadership of the great emperor, Austria's technological innovation had taken another step forward. As an emperor, he didn't need credit for inventing or creating things.

Chapter 160: Arms Race

The navy's shipbuilding plan was vetoed by Franz, but in the 1851 navy budget, an additional million or so guilders were allocated, reaching a total of 12,681,000 guilders.

The Austrian government attached great importance towards the navy, but no matter how much they emphasized it, they couldn't change the fundamental nature of Austria as a land power.

In 1851, the army budget increased even more rapidly, soaring to 61,246,200 guilders, and the Grand Reserve Strategy was officially launched. According to the plan, starting from now, 200,000 reservists would be added annually.

The total budget for military expenses in the Austrian Empire in 1851 increased by nearly 20% compared to 1850, with the footsteps of war were drawing near.

As neighbors, it's impossible for Austria not to be aware of Russia's actions. Not long ago, Nicholas I levied a war tax using the excuse of expanding towards distant lands.

Without the Russian-Austrian Secret Treaty, people might still have doubts and not be certain about Russia's war objectives. However, the Austrian government, who knew the truth, was almost 100% sure that another Russo-Turkish war was about to break out.

In this scenario, as an ally, the Austrian government naturally followed suit. Without Russia's major moves, how could Austria's strategy proceed?

Thanks to Russia's actions, the Austrian government's increase in military spending raised no eyebrows. From the perspective of external observers, this was a normal response; having a neighbor like the Russian Bear made vigilance quite justifiable.

European politics has always been interconnected, and arms races tend to spread. Even though Russia and Austria had no intention of initiating an arms race, everyone followed suit.

Various governments increased military spending, but the British stood out as an exception, as they rarely engaged in land-based arms races.

Not all countries had a favorable fiscal situation, like the financially troubled Kingdom of Prussia, which didn't follow suit this time.

Frederick William IV was no fool, and following Russia and Austria in an arms race was financially unsustainable for the Kingdom of Prussia. Military spending was already surpassing half of their revenue, and further increases could lead to bankruptcy.

France, despite its financial difficulties, followed suit in the arms race. The French government might have been short on cash, but private financial institutions and banks had money to lend.

This was the foundation of an old empire like France, as it had ample financial resources to draw from. It's also why France, after Britain, became the second major industrialized nation among the Great Powers.

Belgium was close to completing industrialization around the same time as the British, but their industrial system was less developed, and many industries didn't exist.

Although Belgium was ahead in the race for industrialization, they couldn't match several Great Powers in terms of industrial strength and only held advantages in specific areas.

Vienna

Prime Minister Felix spoke up, saying, "Your Majesty, under the influence of Russia's military preparations, and with the exception of Prussia, which is facing financial difficulties and hasn't taken action yet, countries across Europe are expanding their armed forces and preparing for war.

Just a week ago, with the support of Louis Napoleon Bonaparte, the French government passed a bill to expand the army, adding another 50,000 troops. After this expansion, their total strength will reach 436,000, second only to Russia.

For our upcoming strategic plans, the French have now become the primary concern, and we must be vigilant and prepared to respond accordingly."

France has historically been a traditional European land power and has clashed with the Habsburg dynasty for centuries. During the Napoleonic era, the French army reached its zenith.

When it comes to the French, everyone holds a very high level of vigilance. Upon learning of France's military expansion plans, the Austrian government immediately convened a cabinet meeting.

Franz furrowed his brow, knowing that this was not an overreaction. The threat from the French had to be taken extremely seriously.

"How many troops do they have stationed in mainland France?" Franz inquired with concern.

The number of troops in France's overseas territories wasn't of much concern; they always required garrisons for them. What mattered was how many of their forces were concentrated on the mainland, as that was the presence that could potentially threaten Austria.

Prime Minister Felix replied, "Before the military expansion, they had 221,000 troops, and it's uncertain how many will remain after the expansion. The worst-case scenario is that all 271,000 troops remain on the mainland."

Franz breathed a sigh of relief. Once the Russians made their move, it was certain that the British and French would assist the Ottoman Empire, and in that case, France wouldn't have so many troops left on the mainland.

Due to the state of their reserve system, the French military expansion would take some time to become combat-ready, and this presented an opportunity.

What worried Franz the most was the potential for the French government to reinstate their reserve system and return to the days of Napoleon, with the ability to call up millions of troops for war at any time. Such a war mobilization mechanism posed the greatest threat.

Clearly, Louis Napoleon Bonaparte's military abilities were not that great. Otherwise, during the Franco-Prussian War, they wouldn't have rushed into a battle with the Prussians with only 220,000 troops, ultimately getting soundly defeated by the Prussian forces that outnumbered them by more than twice.

Perhaps their sense of injustice from that defeat, combined with a little prodding from the British, had turned France and Germany into bitter rivals with seemingly irreconcilable differences.

Franz asked with uncertainty, "If the French only deploy this many troops for intervention, should we be able to handle it?"

It's a specialized question, so it requires specialized knowledge.

Franz believed he had a certain level of military knowledge, mainly in terms of strategy. When it came to specific tactical matters, he believed that those with expertise in commanding units below the division level should be consulted.

In a situation where battles involved tens of thousands of troops, it was the Chief of the General Staff, Marshal Radetzky, who had more authority. He had firsthand experience from facing the French army during its peak.

Marshal Radetzky thought for a moment before responding, "Your Majesty, the current French army is no longer the unstoppable force of the Napoleonic era. After years of attrition, they have lost that aura of invincibility.

In a situation with roughly equal forces, we can engage the French in a decisive battle. If we wait for the Kingdom of Bavaria to complete the construction of the railway, and then take military action, within a week, we can advance as far as Baden, keeping the French beyond our borders."

Ever since he saw the strategic railway network of the Austrian government, Marshal Radetzky realized the immense military utility of railways.

If railways could be used for transporting goods, they could naturally be used to transport troops and provide effective logistical support.

Southern Germany was not an impenetrable fortress, and Austria had been operating in these regions for many years. Mobilizing troops was almost a sweep, and with the help of nationalist sympathizers as guides, these small states would find it difficult to resist.

As long as they moved quickly, denying these small states the chance to collude with the French, there would be no major disruptions.

And it wouldn't take too long, just two or three months. After politically settling things with the leaders of various countries, the armies of these Germanic states could change their allegiance and join the Austrian forces to resist French invaders.

With the support of the local population, Austria would be in an unbeatable position. France today is not the same as the era of Napoleon; it can't push forward all the way anymore.

Minister of War Prince Windisch-Grätz spoke up, saying, “It’s not just in Southern Germany; if the French intervene, they might also join forces with the Kingdom of Sardinia, making us fight on two fronts.”

Marshal Radetzky shook his head and replied, “It doesn’t matter. They fight their battles, and we’ll fight ours. If France dares to send its main forces to the Italian region, we can simply march on to Paris.

In terms of distance, we have the advantage. I can’t say for sure if we can capture Paris, but we can certainly gamble with the French government. If we lose the bet, we might give up Lombardy, but if we win, France will have to pay a hefty price.”

Seeing the debate between the two, everyone instinctively refrained from getting involved. This was precisely the effect that Franz wanted. If the Ministry of War and the General Staff had no disagreements, he would consider replacing them.

It had nothing to do with trust; it was an instinct for maintaining the balance of power as an emperor.

If he allowed his subordinates to collude too much, they might become overbearing and deceitful. In history, many emperors were sidelined. Similarly, he couldn’t allow his subordinates to engage in endless conflicts, as that would hinder productivity.

After some consideration, Prince Windisch-Grätz countered, “The French aren’t pushovers. How can we expect to capture Paris within a short amount of time?

Once we fail to capture Paris, the war will reach a stalemate, and the advantage of the French fighting on their home soil will become evident. They can swiftly mobilize hundreds of thousands of cannon fodder troops.

While these troops lack training, in times of defending their homeland, they can compensate for their lack of preparation with sheer morale.

At that point, hindered by logistical constraints, we would still have to withdraw without achieving our objectives, and retaking Italy, which we have lost, would become challenging.”

Not willing to be outdone, Marshal Radetzky responded, “Even if we can’t capture Paris, we can still severely weaken the French. They might concentrate their forces to defend Paris, leaving other areas vulnerable. If they refuse to compromise, we can go on a rampage, burning, looting, and destroying their industrial and commercial infrastructure in the northeastern regions.

I dare not say much, but if we create millions of homeless refugees and incite them to loot and pillage, we can spread chaos across all of France. With turmoil within their borders, can they afford not to withdraw from Italy? Can the Kingdom of Sardinia alone prevent us from reclaiming Italy?”

Indeed, these old veterans are quite ruthless. If they were to carry out such actions, it’s likely the French would take more than a decade to recover, and the enmity between Austria and France would solidify, making the main international conflict in the future the Austro-French rivalry.

If Franz had to choose, what would he do? Of course, he would go ahead with it. Since they’ve become enemies, what’s the difference between doing it halfheartedly and doing it wholeheartedly?

If they're already enemies, why be afraid of them? At worst, they could just pretend to be submissive to the British and avoid challenging their naval supremacy, as Austria's geographic location makes it virtually impervious to threats from the sea.

Having successfully subdued the French, their military spirit would be ignited. Once they unified Southern Germany, the Austrian Empire would undergo a complete transformation.

Metternich took on the role of peacemaker, smiling as he said, "Gentlemen, there's no need to be so agitated. As long as we choose the right moment and establish the facts, the French are likely to accept it.

They're not fools, and if we deploy 300,000 to 400,000 troops in South Germany without an equivalent force on their side, how could they risk intervening?

Moreover, if the French intend to interfere, the most feasible route for them to deploy troops is via the Rhineland. Would the Kingdom of Prussia dare to allow them passage?

When we take action, Prussia is likely to follow suit. Would the French be willing to watch the Kingdom of Prussia unify Northern Germany? They have their eyes on the lands west of the Rhine, and a powerful Kingdom of Prussia wouldn't align with their interests.

In the future, in dealing with the French, we and Prussia will remain allies."

After hearing Metternich's explanation, the people in the room were pleased. It's a common theme in this era to pick on the weak and avoid the strong.

The French want things that are not in Austrian hands, and even if they interfere in the unification of the German regions, it's essentially for their own interests.

On the contrary, the Kingdom of Prussia wants to preserve its territory west of the Rhine, and they must contend with the French. Would they want to compromise? Would the nationalist elements within their country allow it?

Franz spoke slowly, saying, "Alright, let's put the French issue aside for now. The current concern is the arms race among European nations, and our good neighbor, the Kingdom of Prussia, is struggling.

It seems that the Prussian-Danish War was not fought in vain. In the short term, Prussia will have a hard time recovering, which is a good thing for us.

From the current situation, it appears that the Russian Empire is likely to launch a war in 1851, at the latest by 1852. Should we consider escalating the arms race?"

There's no doubt that on the European continent, the only nations whose land armies pose a threat to Austria are Russia, France, and Prussia. Now that Prussia is grappling with a financial crisis and is unable to keep up, this is an opportune time to elevate the arms race to a new level, involving Russia, France, and Austria.

Prime Minister Felix clenched his teeth and said, "Your Majesty, we can gamble on Russia provoking a war, and then Britain and France intervening. That's when the opportunity to unify Southern Germany may arise.

Now, by escalating the arms race and eliminating Prussia first, with one less competitor, we have a better chance of success. If we lose the gamble, we can always implement the Balkan strategy; it won't be a total loss!"

How could it not be a loss? In Prime Minister Felix's view, not moving west into Germany and instead heading to divide the Balkans was originally an unprofitable deal.

However, to gain the support of the Balkan faction, he was willing to take the risk. If the opportunity for unifying Southern Germany arises, it's a win. If not, they can resort to other means in the Balkans to compensate for their losses.

Marshal Radetsky exclaimed enthusiastically, "Your Majesty, this risk is worth taking! If we lose, it's just a few million guilders, but if we win, it's Southern Germany!"

Indeed, if they lose, it's just a few million guilders in military expenditure. It wouldn't be a complete waste, as it would still enhance their military capabilities.

The Austrian government isn't stubborn; they can always adapt to challenging situations.

If the international situation turns unfavorable and they can't move west, they can head south and deal with the Ottoman Empire, compensating for their losses. Even if Russia decides to go eat ice cream in the Far East, Austria can go solo.

Thinking this through, Franz had already made up his mind.