

Roman Empire 251

Chapter 251: Economic Transition

After the Vienna Peace Conference, peace returned to the European continent.

The signing of the “Four-Power Treaty” brought mixed feelings to different nations. For most countries, of course, it was a good thing, as restoring international order meant that they could now rest easy.

Order meant stability, and for the Kingdom of Prussia and the Kingdom of Sardinia, the stability of the European continent meant that they were now cut off from expanding on the continent.

They could not afford the cost of breaking the international status quo, which would inevitably lead to a backlash from the international order.

In Turin, Prime Minister Cavour, holding the “Four-Power Treaty” in his hands, was torn between joy and worry. A stable international situation was good for economic recovery, but it made the unification of Italy even more difficult.

After the Austro-Sardinian War, the path to Italian unification had changed for the Kingdom of Sardinia. Most people believed that it would be too difficult to regain Lombardy and Venice from Austria and that it would be easier to start with Tuscany, the Papal States, and the Kingdom of Naples.

Cavour also supported this approach. The strategy of unification, to tackle the easier goals first and the more difficult ones later, corresponded to the real situation of the Kingdom of Sardinia.

Despite the heavy losses it suffered in the Austro-Sardinian War and its continuing struggle to recover, the Kingdom of Sardinia remained one of the most powerful of the various Italian states.

However, with the emergence of the “Four-Power Treaty”, their plans were essentially thwarted. Even the British, who supported them, would not allow them to disrupt the situation on the European continent at this time.

Since Great Britain and France lost in the Near East War, the Kingdom of Sardinia, as one of the parties involved, naturally had to bear the losses. They sacrificed thousands of lives without gaining any benefits.

Lacking the power to secure advantages for themselves, they dared not seize them. France was able to carve out a part of the Balkans because of its formidable strength.

The effectiveness of the French army in the Near East War was widely recognized by other nations. Gaining a third of the Balkan Peninsula was no problem for them. Neither Russia nor Austria would likely engage in a bitter struggle with France over such a small gain.

The high cost of modern warfare had been a lesson to everyone that it was best to avoid war with great powers unless absolutely necessary.

“Prime Minister, are you suggesting that we reconcile with the Austrians?” Victor Emmanuel II asked in disbelief.

It was known that the Sardinian government had often emphasized the hostility between the two nations to bolster morale. Now, a sudden change of policy was a great shock to the delicate nerves of Victor Emmanuel II.

Cavour explained: "Your Majesty, the international situation has changed. After the restoration of the Vienna System, there will probably be no wars between the great powers for a long time.

Relying on our strength alone, it is very difficult to defeat Austria. Continuing to be hostile to the Austrians will only make them more vigilant.

Because of the political opposition between our two countries, we have also suffered great losses due to the economic blockades imposed by our enemies."

As a qualified politician, Cavour was able to calmly weigh the pros and cons, not allowing hatred to cloud his judgment.

Currently, the Kingdom of Sardinia is in a state of rebuilding. It's only been five years since the Austro-Sardinian War, and they have yet to emerge from the shadow of that conflict. To recover economically as quickly as possible, it's not wise to continue to confront Austria.

Historically, the unification of Italy was filled with coincidences. Now, while the Kingdom of Sardinia desires to unify the Italian region, this remains merely a wishful thought, with everyone still lacking confidence.

Especially after the failure of the unification war in Germany, the confidence of the Italian people was further shaken.

Apart from the British, which other great power wishes to see a unified Italy? The answer is none.

Even the support of the British is only verbal. To expect the British to take an active part in the war for the unification of the Italian region is a fanciful dream.

After hesitating momentarily, Victor Emmanuel II asked, "How do we explain this to the people? We have already deeply ingrained the hatred for Austria to inspire everyone's fighting spirit."

As he spoke, Victor Emmanuel II's expression showed traces of worry, clearly indicating his skepticism towards Prime Minister Cavour's proposal.

Cavour calmly replied, "Your Majesty, there's no need to do anything specific, just downplay the situation. The anti-Austrian faction in our country will explain it to us. After all, we are currently in a position of weakness and must exercise restraint."

He dared to propose an easing of relations with Austria, based on the presence of a significant anti-Austrian faction within the Kingdom of Sardinia. These people have lost their courage, fearing the outbreak of another war between the two nations.

Despite the loud calls for Italian unification, in reality, there aren't many among the general populace interested in this. Most people do not believe that the Kingdom of Sardinia is capable of unifying the Italian region.

Especially after experiencing one war, the majority of the Sardinian populace favors peace. The experience of mourning and crying, which every family went through once, is not something anyone wants to repeat.

The idea of growing stronger through adversity? That doesn't exist here!

Due to the war, the Kingdom of Sardinia is financially bankrupt. To pay off debts, even the army exists only in name now. With what resources could they seek revenge?

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Franz was completely unaware of the shift in the Kingdom of Sardinia's foreign policy; these were not his concerns.

With the end of the Near East War, Austria's opportunity to profit massively from the conflict also came to an end. The arms industry had just made a fortune, reaping substantial profits during the war, so there was no so-called economic crisis for them.

In this war, Austria exported a total of 1.2 million rifles and over 2,000 cannons to Russia, along with various types of weapons and ammunition totaling more than 100,000 tons, as well as a range of other military equipment.

The total transaction value of these weapons and ammunition reached an astonishing 250 million rubles, setting a record for the highest value in a single arms deal in human history, surpassing the total value of international arms transactions over the past hundred years.

This figure might seem insignificant in the future, but at that time, it represented a huge sum, sufficient for Austrian arms manufacturers to undergo a comprehensive technological upgrade.

The arms industry didn't need to worry; it's a sector known for making enormous profits every few years that sustain it for long periods.

Other industries, however, faced challenges because the end of the war led to changes in the supply and demand of products, necessitating adjustments in production lines.

Post-war reconstruction could have been a lucrative business, but unfortunately, the Russian government was too impoverished to afford it.

With the client lacking funds, Franz was powerless. Given the current international political situation, it remained extremely difficult for the Russian government to seek foreign loans.

It's foreseeable that in the upcoming year of 1855, the Austrian economy would inevitably face challenges. Of course, market feedback takes time, so an economic crisis wouldn't erupt immediately.

Although the war was over, Austria had captured a considerable share of various markets that could still sustain the nation's industry and commerce.

Vienna Palace

Franz spoke seriously: "With the end of the Near East War, our domestic economy will inevitably have to adjust. Private enterprises will make their own capitalist decisions; they don't need our interference. However, state-owned enterprises must be prepared for industrial transition.

Many materials that were consumed in large quantities during the war are no longer needed in the market, so those production lines must be adjusted accordingly. What needs to be cut should be cut, and what needs to be closed should be closed.

We should redirect production towards what the market needs. Industries that cannot adjust or those with too low profits can be auctioned off.

The government only needs to control industries vital to national welfare and maintain a certain influence in general industries.”

Franz did not adhere to the notion that state-owned enterprises were untouchable, as private capital dominated the economy at the time.

The Austrian government’s ownership of so many industries was due to special circumstances, not because it originally intended to manage so many. Franz was under no pressure to sell some of these enterprises.

Prime Minister Felix replied, “Your Majesty, now is not a good time to deal with these industries. Everyone knows the war is over, and without foreign trade orders, these businesses simply won’t sell for a good price.

In addition, the placement of personnel from state-owned enterprises is very troublesome. It would be better to wait and let the market adjust before addressing this issue.”

Franz shook his head and said, “No, by the time the market has adjusted, new enterprises will have already sprung up. Who will buy these low-value enterprises from us then?

The same enterprise, in the hands of the government and the hands of capitalists, is not the same concept. Based on past experience, many enterprises that failed under government management flourished after being sold to capitalists.

We can’t just look at the price issue, we have to look at the bigger picture and ensure the country’s rapid economic development.

Why worry about personnel arrangements? Just reassign them. The Balkan Peninsula requires administrative officials; some can be sent there.

If an enterprise has come to the point of auction under their management, can they still claim to be meritorious officials with a clear conscience?”

Others may not be aware of the impending economic crisis, but Franz senses something unusual in the capital market. Before the crisis erupts, gathering as much capital as possible is essential.

Franz is not worried about employee arrangements at all. Regardless of who the boss is, it’s all the same for the ordinary workers at the bottom.

The state-owned enterprises in Austria have not been around long enough to form interest groups, and they simply don’t have the power to negotiate with the government.

If the enterprises are sold, the leaders in charge should consider themselves lucky not to be held accountable. They can only dream of being treated as distinguished contributors!

Austrian state enterprises have a high degree of autonomy. The fact that they have fallen into difficulties or dead ends in the favorable environment of economic development demonstrates their incompetence.

Franz naturally won’t show any favor to these incompetent people. Not sending them all back home is already a form of mercy.

Of course, the severe shortage of entry-level civil servants in the Austrian-ruled portions of the Balkans is also a significant factor. These individuals may be of average ability, but they are safe to

use. There's no need to worry about them colluding with the remnants of the Ottomans who escaped capture.

Chapter 252: The Tsar Wants to Abolish Serfdom

January 1, 1855, marks a significant day in European history, as the "Four-Power Treaty" officially came into effect, ushering in the era of the New Vienna System on the European continent.

According to the provisions of the treaty, the nations began to fulfill their respective duties and obligations. British soldiers who had "strayed" into Serbian territory began to return home.

These British troops could have left at the beginning of the negotiations, but having spent a long time in Serbia, they did not remain idle.

Although the British government paid their living expenses, the soldiers had no extra pocket money — the bureaucrats in London would not send them their salaries.

Austria only disarmed them and didn't restrict their personal freedom. Aside from their designated accommodations and meals, they were free to roam within a few miles, and pubs became their favorite hangout.

The Austrian government was only responsible for providing three meals a day. Any additional expenses had to be covered by the soldiers themselves. Soon the days of living off their reserves led to poverty among the British soldiers. Life without money was difficult, and it was only a matter of time before they couldn't take it anymore.

Violating discipline? Currently, Serbia is under martial law, and getting caught could mean risking one's life.

At the time, the area was being rebuilt and there was a shortage of manpower. To make their days a little more comfortable, many soldiers began taking part-time jobs to earn some extra money.

With the local population of young and able-bodied men severely depleted, and a serious gender imbalance, some British soldiers, having spent a long time there, ended up starting families in the region.

Having families naturally created ties to the place. In these times, travel was inconvenient, and for most, saying goodbye meant saying goodbye forever. If it weren't for the persistent urging of the British government, they might have stayed even longer.

The Austrian government initially took in 2,183 British soldiers. By the time they left, that number had grown to 3,128, with the increase largely due to family members.

The reaction of the British cabinet to this news is one thing, but Franz was utterly bewildered when he received it.

But given the unique circumstances in Serbia, Franz understood the situation. Eligible women were supposed to marry, and with a shortage of local young men, they had to look elsewhere.

The British identity was still quite appealing in this era, at least to the local Serbs, and it had a certain appeal.

Transnational marriages were legal in Austria. As long as both parties consented and registered their marriage in a church, they were protected by law.

It wasn't just British soldiers; many Austrian troops stationed in Serbia found themselves in similar situations. This led to some controversy within the General Staff, but eventually, under the broader context of national integration, the government gave its approval.

Preventing these unions was out of the question; Franz had enough sense to respect voluntary relationships. Why stand in the way of willing couples? It was just an extra living expense for the families of British soldiers, which the British government had to pay.

Politically, this even became a testament to the friendship between Britain and Austria, at least that's how the British media reported it. The British cared about saving face, and the real reasons behind these developments were no longer pursued.

This was just a small episode that provided material for casual conversation at social gatherings, and it soon passed.

On the day the treaty took effect, Austria also completed a treaty exchange with the Ottoman Empire. The Ottoman Empire acknowledged its defeat and ceded the regions of Serbia, Wallachia, Moldavia, and Bosnia-Herzegovina to Austria, officially changing the territorial sovereignty of these areas.

There was no hesitation in the territorial cession; these regions were already separated by France and Russia, making them virtually useless to the Ottoman Empire even if they had retained them.

In contrast, the territorial trade between France and the Ottoman Empire led to a dispute. The French representative directly presented a loan receipt for payment, which naturally displeased the Ottomans.

The agreement was for a cash transaction, so why change now? The French didn't see it that way. Deducting 200 million francs from the debt was, in their view, tantamount to a cash payment.

Regardless of how the Ottomans protested, the French government was determined not to pay cash but to reduce the debt instead.

The French government had no choice; they were not financially well off at the time. The war in the Near East had been costly for France, with astronomical military expenditures, and Napoleon III was similarly plagued by financial problems.

Moreover, after losing the Balkan Peninsula, the Ottoman Empire's ability to repay its debts significantly decreased. If the debts were not reduced, it was uncertain whether these loans could be recovered at all.

Unwilling to take on this risk, capitalists urged the French government to take over the debt. To win public support, Napoleon III naturally agreed.

Despite the controversy, it did not affect the implementation of the treaty. International loans are often oppressive contracts, and soon the French found a clause in the loan agreement that justified their actions legally, forcing the Ottomans to reluctantly accept the situation.

With the treaty fully enforced and the New Vienna System established, the dark clouds of war that had loomed over the European continent dissipated.

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St. Petersburg

Celebrations of this great victory filled every street and alley, but this did not include the upper echelons of the Russian government. They were well aware of how much this victory was exaggerated.

If it hadn't been for the sudden epidemic that shattered the French's morale, it's likely that the Russian army would still be battling in Constantinople at this moment.

In the Winter Palace, Nicholas I roared, "How can the great Russian Empire not even muster a bit of pension for the war's aftermath?"

Although the spoils were not valuable, a victory had been won, and surely some compensation was due for the numerous dead. Those who survived deserved some reward; if not promotions or titles, at least some monetary bonus was in order!

If these matters were not handled well, who would be willing to risk their lives for the Tsar next time?

The Finance Minister, Vronchenko, replied with a wry smile, "Your Majesty, the casualties of this war have been enormous, and Constantinople requires reconstruction. The government's finances have long been in deficit. To come up with hundreds of millions of rubles all at once is truly too difficult."

Constantinople must be rebuilt; it's a dual demand of politics and religion. Even if they have to smash the cauldrons and sell the iron, the Russian government has no choice but to grit its teeth and do it.

Post-war pensions and bonuses must also be issued; both are equally important. This is undoubtedly a test for Russian finances.

The Russians must be thankful that the plague ended the war prematurely. Had it dragged on for another year or so, even selling everything they had wouldn't have raised enough money.

Nicholas I sternly reprimanded, "If there's no money, find a way. There's no need to remind me of the financial difficulties. The task of the Finance Ministry now is to find a solution to this financial crisis.

No matter what, the post-war pensions must be distributed, and the funds for rebuilding Constantinople must also be raised."

"Your Majesty, the best solution now is to raise donations from the private sector for the reconstruction of Constantinople. If that fails, we may have no choice but to raise taxes.

Since the government is short of funds, we can try to avoid giving cash as post-war rewards. For instance, we could grant the soldiers and their families the status of free citizens.

We could also follow the Austrian example by granting lands to ordinary soldiers based on their merits, thus reducing financial expenditure," replied Vronchenko.

In the Russian Empire, serfs could escape their status by serving in the Tsar's army and earning military distinctions, thereby becoming free citizens.

However, this path was very narrow. Serfs were the private property of the nobility, and the Tsar couldn't arbitrarily deprive them of their property. Granting free citizenship also meant compensating the serfs' masters.

Vronchenko's suggestion now was undoubtedly eyeing the lands of the newly occupied territories. Regardless, the lands in Bulgaria were more fertile than most parts of the Russian Empire.

These lands are also a form of wealth that can be used to negotiate with the nobility. Since serfs do not own private property, awarding lands to soldiers is essentially like awarding lands to the soldiers' masters.

Since everyone benefits, granting these serf soldiers the status of free citizens becomes unproblematic, and it also justifies the government in imposing taxes for the reconstruction of Constantinople.

This approach is predicated on the victory in the Near East War. Otherwise, granting so many soldiers free citizen status would likely not be so easily accepted by the nobility.

Emancipating serfs is not an easy task. As Finance Minister, Vronchenko did not dare to directly propose emancipation, but instead used a roundabout method, taking advantage of post-war rewards to free a portion of the serfs.

Nicholas I is no fool and quickly understood Vronchenko's intention. The number of Russian soldiers who took part in the Near East War was nearly two million.

Most of these soldiers were of serf origin, and turning them and their families into free citizens would undoubtedly be the beginning of the end for serfdom.

Nicholas I was acutely aware of the harms of serfdom. Had the resistance not been so formidable, he would have already taken action.

The outbreak of the Near East War exposed the Russian elite to the power of capitalist nations, making them realize the necessity of abolishing serfdom to catch up.

Taking advantage of the victory to grant rewards in this manner was highly feasible. Even if this trial failed, the government had not directly announced the abolition of serfdom, so there was still room for easing tensions with the nobility.

After thinking through all of this, Nicholas I nodded in agreement with Vronchenko's plan.

Chapter 253: The First Step to Seizing Power: Gold Standard Reform

The Austrian government began holding more frequent economic meetings at the start of 1855, with a primary focus on currency reform as well as the handling of non-performing assets.

Because Austria lacked sufficient gold and silver reserves at the start of Franz's reign, the government's economic priority was maintaining the value of the national currency.

Austria was in a terrible situation with insufficient gold and silver reserves until a significant amount of gold and silver came into the country through trade with Russia during the Near East War. Thus, the conditions were met for a gold standard reform.

Currency reform is too broad an issue to be decided by Franz with a snap of his fingers. The cabinet government had held multiple discussions and still had not reached a consensus.

During the period, the majority of nations used either a bimetallic standard or actual gold and silver coinage. The number of nations using the gold standard was quite low.

Advocates of the bimetallic standard were engaged in a debate with supporters of the gold standard reform inside the government building. This concluded Austria's discussion on the subject.

The winning perspective would dictate the monetary standard that Austria would follow for the foreseeable future.

The superiority of a system doesn't lie in the system itself. What's best is the most appropriate for the time. The best course of action is to adopt distinct monetary standards at different points in time.

To avoid becoming a martyr too far ahead of his time, Franz delegated the final decision to the elites of the era. The judgment of these professionals was far superior to his own as a layman.

Franz instructed, "This meeting is solely to discuss the monetary standard. Do not bring up any irrelevant topics or engage in personal attacks.

Please think carefully before voicing your opinion. Your opinions will determine the future of the New Holy Roman Empire and must consider all factors. Prime Minister, please chair the meeting."

Let the underlings handle the disputes!

When it comes to persuading cabinet ministers, Franz wouldn't mind intervening occasionally. But in such a public setting, it would be undignified for the Emperor himself to enter the debate.

Like Xiang Zhuang performing a sword dance, his target is actually the Duke of Pei, this currency reform isn't so straightforward; otherwise, Franz wouldn't have proposed the gold standard reform so early.

The deeper purpose of the currency reform is to unify the currency of the new Holy Roman Empire and centralize the coinage rights of the various states.

The time for power consolidation has come. The usually cautious Franz is naturally mindful of his manners now, ensuring that he gives ample respect on the surface.

A direct and abrupt change of the Austrian currency into the official currency of the Empire is obviously not advisable. What Franz wants to see is a united and harmonious Empire, not one that is full of internal conflicts.

Now, using the opportunity of currency reform, issuing a new currency to replace the original currencies of various states is intended to consider everyone's feelings.

Regardless of the outcome, coinage rights will be centralized by the central government.

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

After a brief pause, he continued, "The final expanded meeting of the New Holy Roman Empire Currency Standard Conference is now in session. Please speak in order, representatives."

There were many attendees, but only a few were qualified to speak. Apart from the various ministers in the cabinet, only representatives of the individual states had the qualification to speak.

Württemberg, Saxony, Frankfurt, Hesse, Lombardy, and Bavaria each had one representative, while Austria had four representatives.

This is based on the principle of appointing one representative for every ten million people (rounded up for fractions), with each state having no fewer than one representative, appointed by the respective state governments.

This system was personally designed by Franz with the primary goal of avoiding excessive talking that could lengthen the conference.

The outcome of the meeting will be determined by a joint vote of representatives from each state and five cabinet ministers. Well, this is a political show. A total of fifteen people can participate in the vote, eleven of whom are personally appointed by Franz.

Hans, the representative from Frankfurt, spoke, "Ladies and gentlemen, the gold standard system is not inherently bad. The problem lies in our domestic gold production not keeping up with the growth rate of commodities.

At the current rate of growth of our domestic industries, we would need to increase our gold reserves by at least ten to twenty tons annually to issue enough currency to maintain normal economic operations.

However, the current annual gold production of the New Holy Roman Empire can only meet a quarter of this demand. How can we fill this gap?

Rely on foreign trade, purchase gold from the international market?

The opportunity for war spoils, like in the recent Near East War, is gone. Achieving such a large surplus in international trade is nearly impossible.

To ensure the development of the domestic economy, the continuation of the current bimetallic standard system is the most suitable for us."

According to the current exchange rate of the Austrian currency, this would mean an annual trade surplus of 14 million guilders, which is obviously an idealistic figure.

In reality, it would be even more difficult to convert this surplus into gold and transport it back to the home country to serve as a reserve for issuing currency.

Jungle, the representative from Bavaria, disagreed: "Mr. Hans, you are overly concerned. The insufficient gold production is not without solutions.

Since we will be eliminating the bimetallic standard, we no longer need to stockpile large amounts of silver. We can use that silver to buy gold on the international market.

Currently, many countries around the world have adopted the bimetallic standard, and there are few obstacles to exchanging silver for gold.

If necessary, we can leverage our position further as long as the government's creditworthiness is assured and there is no deficit in international trade to prevent gold outflows that could lead to inflation.

Whether it's the gold standard or the bimetallic standard, it all comes down to credibility. If the government does not have sufficient credibility, then only direct use of gold and silver as currency would work.

Moreover, the bimetallic standard is not as great as it seems. On the surface, with more silver as a reserve, we can issue more banknotes.

In reality, however, we all know that the gold/silver ratio is constantly changing. The discovery of a new gold or silver mine is enough to change the gold/silver ratio of the market, causing significant fluctuations in the currency market.

Under the bimetallic standard, the currency market frequently experiences fluctuations, and the potential currency value changes can seriously impact the development of domestic commercial trade.”

The two have almost covered the advantages and disadvantages of both monetary systems. Of course, if there is a sufficient gold reserve, the gold standard has the advantage. Otherwise, they would have to make do with the bimetallic standard. A credit-based standard was not even worth considering in this era.

When settling international trade, a solid gold and silver settlement system was preferred. Who would trust “credit” in this age?

They couldn’t just adopt a silver standard, could they? Everyone knows that current global silver production is increasing every year, and the gold/silver exchange ratio is on a downward trend.

If a silver standard is adopted, the currency market might stabilize, but it would be stable in a state of long-term depreciation.

At present, the rate of devaluation is not particularly rapid, but by the end of the 19th century, as more and more silver mines were discovered, the currency may suffer a catastrophe.

Representative Frank of Saxony opened the discussion by asking, “Before we address this issue, should we clarify how much gold and silver the government currently holds?”

“The total gold reserves of the central government of the New Holy Roman Empire, including the local governments, amount to 382.6 tons, and the total silver reserves amount to 8,728.9 tons,” replied Finance Minister Karl.

This figure surprised many, as most were unaware that the New Holy Roman Empire had amassed such significant gold reserves.

There was nothing particularly surprising about it. Ever since Franz had ascended the throne, the Austrian government had instinctively begun to increase its gold reserves.

In particular, when settling foreign accounts, they sought to minimize gold expenditures and opted for silver payments. Under the bimetallic standard, governments treated gold and silver equally.

During the Near East War, the Russians contributed a substantial amount of gold and silver to Austria, further bolstering the government’s reserves.

Within the gold and silver reserves of the New Holy Roman Empire, the Austrian government held a 90% share, naturally elevating the domestic gold reserves.

While this gold seemed abundant, it was only sufficient for the initial phase of the gold standard reform. With continued economic development, the need for these reserves would continue to grow.

During this era, the total amount of gold was limited, and before many countries implemented gold standard reforms, most gold was kept in private hands as a form of luxury item.

Upon hearing this good news, Jürgen, representing Austria and advocating gold standard reform, spoke up and said, “Our gold reserves are already considerable. If we implement the gold standard reform now, we can also buy gold from the private sector.

At present, most countries still use the bimetallic standard. If we reform the gold standard early, we can take advantage of the opportunity to exchange silver for gold.

As various countries begin to implement currency reforms, the loss of silver’s monetary status will inevitably lead to a significant price decline. In the end, not even one-third of its current value will likely be preserved.

From the point of view of long-term development, it is crucial to stabilize the currency. The British have taken the first step. If we don’t follow suit, we may suffer losses in the future.”

The gold standard system was originally proposed by the British, who began implementing it as early as 1823. With many overseas colonies, the gold extracted from these colonies was sufficient to support the adoption of the gold standard.

Most European countries couldn’t do it, even though they understood the benefits of the gold standard. Without adequate gold reserves, they were reluctant to follow suit.

The bimetallic standard of gold and silver emerged as an alternative when gold reserves were insufficient. If the New Holy Roman Empire were to enter the era of the gold standard, this topic couldn’t be avoided.

Hans, the representative from Frankfurt, shook his head and said, “Currency reform is very important. Once we take a step forward, trying to take it back comes at a high price.

Even if we scour the international market now, the amount of gold we can get is limited. Acquiring about 180 tons would be a significant achievement.

While we can sustain the early stages of a gold standard system, what happens ten, twenty years, or even longer, when we discover that our gold reserves are insufficient?”

After listening to Hans’ explanation, Franz finally understood why they were so adamantly opposed to gold standard reform — it came down to insufficient gold reserves.

The development of the New Holy Roman Empire was very rapid. As the economy developed, the amount of currency needed for market circulation naturally increased.

In this era, expanding the currency supply wasn’t merely a matter of printing more banknotes; it also required sufficient reserves or, in other words, a substantial amount of gold and silver to instill confidence in the government’s credibility among the populace.

The idea of extracting gold from the colonies persisted in Franz’s mind.

It seemed the most effective and reliable solution. South Africa had the most gold mines, but unfortunately, the coastal areas were already under British control. Unless they could bypass the coastal areas and access the inland areas, the prospect seemed distant.

Given the impracticality of this option, Franz quickly dismissed the idea. The inland regions of Africa were difficult to navigate, truly wild and undeveloped lands.

Even if transportation routes were established and gold mines were developed, they would still face competition from various European nations. Austria lacked the power to cut off access to the spoils, unlike the British Empire.

Franz didn't want to invest significant capital only to have everyone else benefit equally in the end. He envisioned a scenario where Austria spent a significant amount of money, initiated the development, and ended up sharing the benefits. There was a risk that Austria might not even recoup its costs.

Reassessing other regions...

Chapter 254: Exporting Pounds

Before proposing the gold standard reform, Franz had already considered the issue of gold reserves. The optimal choice, of course, involved securing access to gold-producing regions and organizing efforts to extract gold.

Unfortunately, most of the world's primary gold-producing regions had no connection to the New Holy Roman Empire. The majority of these areas were under British control.

In this era, easily accessible gold mines were mainly distributed in regions such as South Africa, Russia, Canada, Australia, the United States, Zimbabwe, Ghana, Brazil, Colombia, the Philippines, Papua New Guinea, and others.

Under these circumstances, there were no substantial gold mines on the entire European continent. Even where there were some, they had mostly been developed, and the remaining gold deposits were buried underground. Open-pit gold mines were no longer available.

Franz wasn't an encyclopedia, and it was impossible for him to remember the location of every gold mine. Of course, he naturally couldn't locate all the gold mines in his own country.

In comparison to the small production of gold, Austria's production of silver was much larger. Under the bimetallic system, silver supported the value of the Austrian currency.

After a challenging negotiation, the New Holy Roman Empire barely passed the gold standard reform. This was the result of Franz not intervening, as there were also people within the Austrian government who voted against it.

Regardless, gold standard reform was inevitable, and initiating it earlier allowed for the preemptive purchase of some gold. If everyone started rushing for gold at the same time, the cost would be much higher.

While large gold mines were beyond their control, there were smaller gold mines, both domestically and in the Austrian colonies of Guinea and the Congo. Ignoring underground gold mines for the time being, there was hope in the exploitation of open-pit gold mines formed by alluvial deposits in riverbeds.

Franz's expectations were not overly optimistic, aiming only for a few tons of annual production to offset the domestic gold deficit.

As for other gold-producing regions, it seemed prudent to wait until the British were occupied with suppressing the Indian Rebellion before making any moves. For now, maintaining a low profile is essential to avoid becoming a target.

By that time, Austria's ironclad warships will also come out and occupy the first-mover advantage. Deploying multiple ironclads to the colonies and establishing regional naval superiority would change the dynamics of colonial influence.

Despite the British Navy's global dominance, it had numerous colonies to defend. Scattered around the world, apart from dominance in important waters, the remaining areas depend on the commitment of various countries.

The value of these regions before and after the discovery of gold mines are two completely different concepts. At the time, it was not worth the intense competition between nations.

Following Austria's operational model, investing heavily in local operations for over a decade and sending tens of thousands of immigrants made it less vulnerable to competition.

War also cost money, and unless it was a colossal mine like those in South Africa, gold mines with only a few hundred to a few thousand tons of reserves were insufficient to cover the costs of a localized war between two great powers.

Even though South Africa accounted for half of the world's gold, the British Empire's most important colony was still India, for a simple reason: gold mining was expensive.

Even at its peak, the profits the British made in South Africa were only one-fifth of those in India, making them incomparable.

Franz, of course, couldn't prioritize the pursuit of gold at all costs. Gold is only one manifestation of wealth; other industrial raw materials are equally valuable.

The most important aspect is still the development of domestic industry. Germany, with limited gold reserves in history, still managed to develop.

In the industrial age, the speed at which humanity creates wealth far exceeds what a few gold mines can achieve. Development is the most important aspect.

After the two world wars, the British still held on to regions such as India, South Africa, Australia, and Canada. Eventually, they willingly relinquished global dominance, confirming that domestic development is the most important thing.

With the decision on the gold standard reform settled, Franz left the remaining tasks to the cabinet.

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Franz still underestimated the impact of the gold standard reform. Not to mention the heated domestic discussion, it also caused a sensation on the European continent.

London

The sudden initiation of the gold standard reform by the New Holy Roman Empire immediately caught the attention of the British government. From the perspective of developing a capitalist market economy, the gold standard system would be more favorable for international trade.

For the British, the New Holy Roman Empire's entry into the gold standard system undoubtedly marked another significant step forward in their monetary hegemony.

During this period, the British had the largest gold reserves in the world, and London was the global financial center. Once various countries adopted the gold standard system, the settlement system they established for the pound sterling against gold would become the world's standard.

Countries without gold reserves would have to buy sterling as a reserve currency to stabilize their currency values. Of course, the use of sterling in international settlements would become inevitable.

Once the pound sterling became the world's currency, the benefits would be substantial, laying the foundation for British world domination.

Knowing it for what it was, even if he was aware of the British plan, Franz had no choice but to acknowledge it, albeit reluctantly.

You can't just neglect domestic economic development to prevent the British from establishing dominance, can you? The fluctuation of the gold-silver exchange rate is obviously detrimental to industrial and commercial development.

10 Downing Street, influenced by the recent failure in the Near East War, has changed hands once again. In the power struggles within the country, the George Cabinet has been ousted and is now replaced by the Grenville Cabinet of the Whig Party.

The former Prime Minister Palmerston, whose career had unfortunately been ruined in the last political turmoil, and with the failure of the Near East War, of which he had been one of the initiators, naturally could not make a comeback.

As a political party representing financial and business interests, the Whig Party is also an ardent supporter of the gold standard system. In the future, the shadows of their influence will be seen as European countries embark on gold standard reforms.

Prime Minister Grenville expressed some surprise: "The Austrians, who have always been conservative, have unexpectedly taken the lead this time in initiating gold standard reform.

I don't deny that Austria's adoption of the gold standard system is beneficial to Great Britain. However, this abrupt change is somewhat difficult to accept. Do you think the Austrian government's reform can succeed?

Foreign Secretary John Russell replied, "Prime Minister, the Austrian government's gold standard reform is more about power struggles this time. The central government wants more control over the state governments.

The New Holy Roman Empire essentially inherits the legal traditions of the Holy Roman Empire and is necessarily constrained by them. The autonomy of the various state governments is significant.

So far, the Austrian government has won only unified diplomatic authority and military command in times of war. Now they want to regain coinage rights, hence the initiation of the gold standard reform.

Although the timing is a bit hasty, Austria received a substantial war indemnity during the Near East War. At this point, the Austrian government should have sufficient funds for the currency reform.

Barring unforeseen circumstances, the New Holy Roman Empire's entry into the gold standard system should pose no significant problems."

After a moment's reflection, Prime Minister Grenville spoke: "The gold standard reform requires not only funds but a considerable amount of gold reserves. I assume that the Austrian government is in the process of purchasing gold on the international market.

However, the international market is unpredictable and gold is a scarce resource. It seems likely that Austria will have difficulty acquiring sufficient gold reserves, especially in light of the current rising prices.

Given the relationship between Britain and Austria, how about we make a loan to the Austrian government to help them reform the gold standard?"

No doubt Prime Minister Grenville was preparing for something. As a major player in the international gold market, controlling the price of gold exchanged for silver, the British had considerable leverage.

By manipulating gold prices, the British could make it difficult for Austria to acquire enough gold.

If Austria couldn't secure enough gold, the Austrian government would have no choice but to accept a loan from the British and establish a "sterling-gold system" as the basis for its currency.

This would greatly enhance the international status of the pound and lay the groundwork for international trade to be conducted in pounds.

The Anglo-Austrian friendship was nothing more than a joke. It was a deep friendship when it coincided with British interests. But when interests clashed, no matter how deep the friendship, it could turn into enmity.

Historically, Britain and Austria maintained a quasi-alliance, supporting Austria against Russia for nearly a century. However, in the early 20th century, to contain Germany, the British made a compromise with the Russians, abandoning this longtime ally.

After a brief silence, Chancellor of the Exchequer George Grey replied, "The Prime Minister's proposal is a good one. If the New Holy Roman Empire joins our monetary system, the rest will be easy."

Whether Austria accepts the loan is, of course, of secondary importance. The crucial aspect is to get the Austrian government to recognize the "sterling-gold system" and join the British-dominated pound as the international currency settlement system.

To reap the immense benefits of the pound becoming an international currency, the British embarked on an export frenzy in the mid to late 19th century. They used various means to force governments around the world to recognize the hegemony of the pound.

Historically, the global dominance of the British Empire was essentially built on the monetary hegemony of the pound sterling. The British accumulated enormous profits through the subtle means of the pound.

In the years that followed, as the British Empire's colonial dominance crumbled, monetary hegemony was the first to go. In pursuit of monetary hegemony, the Americans also adopted the strategy of exporting the dollar.

From investments in Europe after World War I, to financial aid for Germany's recovery, to the European Recovery Plan after World War II, these efforts were all part of the competition for monetary hegemony.

The British have vast colonies that even the Americans have given up on, but the monetary hegemony is firmly gripped in their hands. The benefits involved are obvious.

Concerned, Prime Minister Grenville asked, "Sir Russell, what do you think are the chances of the Austrian government accepting our goodwill?"

After a moment of thought, John Russell replied with a smile, "That depends on how high our offer is!

Although the New Holy Roman Empire has a large economy, it is at a disadvantage in terms of gold reserves. They are not qualified to compete in the quest for international monetary hegemony.

Currently, apart from the possibility of the French posing a threat in this regard, no European country has the strength for such competition. Of course, if the Russians complete their internal reforms, they could also become a threat."

After a moment's hesitation, Prime Minister Grenville made a decision: "Then we must speed up. We must act quickly, draw in more countries before our competitors realize it."

Chapter 255: Stirring Up a Storm

Vienna Palace

Franz's wedding has officially been scheduled. In this matter, he couldn't decide on his own. More than fifty million people in the New Holy Roman Empire were eagerly anticipating it.

An auspicious date had to be chosen. In case the day was filled with ominous clouds and continuous storms, wouldn't that imply that God disapproved of this union?

In an ordinary household, such a situation might lead to complaining about bad luck, and for devout believers, there might be a possibility of canceling the wedding. However, if this were to happen in a royal family, it would undoubtedly become a major political scandal.

Despite the diminished influence of religious authority, such feudal superstitions still prevailed in the conservative region of Austria.

After consultation with a group of theologians who were also amateur meteorologists, the final auspicious date was set for March 12, 1855.

Preparations were already underway, and Franz had to check on the progress from time to time, which was a testament to his commitment to this union.

Marriage is a good thing, especially to someone you like. Well, Franz admitted that his feelings for Princess Helena were nothing special, but for an emperor, it was already considered fortunate to be able to marry someone he didn't dislike.

Franz's good mood didn't last long as troubles soon followed.

"Your Majesty, our plan to buy gold has failed. The price of gold on the international market has risen by 20%, and continuing to buy would result in significant losses.

Through our investigation, we found that the rise in gold prices on the international market was orchestrated by the British, aiming to hinder our gold purchases,” said the Finance Minister, looking visibly exhausted.

It was evident that he hadn’t had a good night’s sleep in quite some time.

At a critical moment in the currency reform, the British raising the price of gold to prevent Austria from buying gold was undoubtedly a malicious move. Faced with such an incident, the Minister of Finance, who was leading the currency reform, was undoubtedly under tremendous pressure.

Franz frowned. Under normal circumstances, the British had no reason to obstruct the currency reform of the New Holy Roman Empire. An increase in the number of members in the gold standard system would also benefit them.

“Have you clarified the purpose behind the British actions?” Franz asked. He couldn’t believe the British were doing this just for profit. If their goal was to raise the price of gold and make a profit, they could have done it gradually.

As long as the increase was not too large, the Austrian government would have accepted it to increase its gold reserves.

To suddenly raise it by 20%, with such a significant disparity, only fools would continue to buy.

There was also a cost to forcing up the price of gold. Whether or not the capitalists who speculated on the price of gold were able to profit, once gold rose, the pound sterling, which was pegged to gold, would also rise.

This is equivalent to a sudden 20% increase in the value of the pound. With such a large increase, the cost of British industrial and commercial products would rise significantly. It would be difficult to maintain competitiveness in international trade.

Could it be that the British capitalists were weary of life and ready to play themselves to death?

It never occurred to Franz that this was being orchestrated by the British government. To do so would be killing 1,000 enemy soldiers but losing 800 of your own. Who would do such a thing?

Karl replied with an embarrassed look, “It’s supposed to prevent us from buying gold, making it impossible for us to gather enough gold as reserves.”

Even he didn’t believe that explanation. Austria, too, was an old empire with deep foundations. If the government was willing to pay the price, it could accumulate gold reserves domestically for the gold standard.

As long as the government’s credibility was high and it was recognized by the market, it could successfully implement the gold standard reform even if there was a slight shortage of gold reserves.

Ultimately, the issuance of paper currency depends on the credibility of the government. The Russians serve as a counterexample; they were not worried about insufficient reserves, but their earlier paper rubles were not accepted by the public.

The British couldn't directly undermine market confidence in the New Holy Roman Empire, could they? If they had that power, they would have used it to threaten the Austrian government during the Near East War.

Franz sneered, "Keep investigating. If we can't buy gold, so be it. We were prepared for this. The gold for the currency reform is just enough.

The remaining shortage is not much, in the worst case, we can trade with countries that use gold and silver currencies. While the British can raise the price in the European gold trading market, I don't think they can raise the price of gold around the world.

We'll keep up the appearance of continuing to buy gold and let the British keep the gold price high. Let's see how long they can keep it up!"

The lack of smooth communication was the biggest drawback of this era. In areas with poor information flow, the gold-silver ratio still maintained its original state.

To raise the global price of gold, the British would have to maintain high gold prices in Europe for several years. Otherwise, many regions outside Europe wouldn't follow suit.

If the British really did this, Franz would laugh. Delaying the gold standard reform by a few years wouldn't be a big deal. It wasn't urgent, and postponing it for a year or two wouldn't be fatal.

He wondered whether British industry and commerce could withstand it. The increase in production costs due to the rise in the value of the currency would inevitably require a significant reduction in the international competitiveness of British goods.

Of course, profits from overseas trade were relatively high in this era. Franz believed that capitalists engaged in long-distance trade could still make a 20% profit margin by taking such significant risks.

It was still possible to remain competitive without raising prices. However, trading on the European continent might not be as profitable.

Even though the British were the world's leading industrial power, that didn't mean they had an advantage in every sector. These industries might not survive the blow.

Franz even entertained the idea of artificially inflating the pound to undermine British industry and commerce, but he quickly suppressed that notion.

With Austria's limited capital, engaging in a direct confrontation with British capital in the financial markets was almost a guaranteed loss.

London

The Grenville Cabinet was stunned. They had indeed raised the price of gold, but they hadn't planned for such a large increase all at once!

The original plan was to raise it only a few percentage points, hoping that the Austrian government would see the difficulty and accept their terms. But they weren't prepared for such a significant rise in the price of gold.

Unfortunately, they overlooked a group in this world — speculators.

Excessive capital in Britain had long been a problem. Now, with rapid economic growth in the United States and Austria, both of which relied on British capital, the government's move to raise the price of gold received widespread attention. This rise went beyond their control.

The British government now had two options: either immediately sell a lot of gold to calm the storm in the capital markets, or devalue silver. If they devalued silver, the price of silver would fall and the current high exchange rate would return to normal.

One of the reasons gold is being sought so fervently now is the impending reform of the gold standard in the New Holy Roman Empire.

Once the Austrian government completes the currency reform, the New Holy Roman Empire will undoubtedly not hold as much silver. The influx of this silver into the market will inevitably cause a significant drop in the price of silver.

Speculators have keen eyes, and with the most basic information at hand, they have judged that the future price of silver will fall, and have begun to act.

To some extent, even if the British government does nothing, this situation will still occur. The rise in the gold-silver exchange ratio is an unstoppable trend.

The decision is a difficult one, and any action will have far-reaching consequences.

If they sell gold to calm the turmoil and stabilize the value of the pound, the plan to prevent the Austrian government from buying gold will be foiled. If they want to bring the New Holy Roman Empire into their pound-gold system in the future, they will inevitably have to pay a higher price.

Certainly, there are gains as well. The British government will make a profit from this operation, which can compensate for its wounded pride.

However, the devaluation of silver also has consequences. The most direct effect is the devaluation of the currencies of the silver-standard countries, which affects the economic aspects of these countries, especially making their exported goods more competitive.

Under this situation, which harms one side while benefiting the other, it will also affect exports of British industrial and commercial products, which in turn will affect the British economy.

Prime Minister Grenville anxiously asks, "Does the Treasury have any plans to quell this turmoil?"

Without hesitation, Chancellor of the Exchequer George Grey replied: "Prime Minister, the best course of action now is to sell the gold we have bought and allow the market to return to normal.

This is the method with the least impact on the domestic economy. Since we bought at a low price, selling now can still earn us a profit.

And it must be done quickly. The Austrian government has not abandoned its plan to buy gold. This is practically stimulating the nerves of speculators.

They may have already discovered our plan and deliberately made a seemingly inevitable move just to see us in a tight spot.

If we delay for too long, with more speculators joining in, it will be difficult to calm this storm when the time comes."

The gold purchased by the government and the reserve for issuing currency are completely different concepts, even managed by two different systems.

In the gold standard era, governments couldn't arbitrarily decide to reduce or increase reserves; these actions had to be based on actual needs.

The consequences of rash action were already being felt by the British government. A wrong signal unleashed a rush of speculators, and the final results were disastrous.

Because gold is a universally accepted hard currency, it simply won't depreciate much in the eyes of many people. Even if there is a loss, it won't be too harmful.

After much hesitation, Prime Minister Granville made a decision: "Regardless, we must first quell the turmoil in gold prices and stabilize the exchange rate of the pound.

The Treasury should immediately start selling gold, and we need to communicate with domestic financial institutions. We require their assistance!"

Despite knowing that this decision would come at a significant cost, Prime Minister Grenville chose to seek assistance from the financial institutions. Relying solely on the power of the British government would likely prove insufficient to calm the storm in a short period.

Chapter 256: The Grand Wedding

In reality, Prime Minister Grenville's vision proved too optimistic. The main culprits behind the skyrocketing gold prices were not just individual speculators, but rather the British financial consortium.

These financial institutions were not oblivious to the consequences of blindly raising gold prices; they were seasoned professionals, unlike the amateur enthusiasts in the cabinet government.

Driven by profit, however, the financial consortium still chose to act. Even the decision of Grenville's cabinet to artificially inflate the price of gold and prevent the Austrian government from buying gold was influenced by these financial groups.

Unlike the United States, where financial consortiums could wield overwhelming power, Britain still had some checks and balances in place. The financial groups operated discreetly, subtly influencing government advisors to propose such measures without directly taking center stage.

That wasn't the end of it; historically there have been instances where individuals have published articles in newspapers regularly read by cabinet ministers, thereby influencing British politics.

It was a reminder that elected politicians couldn't be experts in every field and were often on a par with average citizens, making them relatively easy to manipulate.

This silent and subtle manipulation often goes unnoticed by the politicians themselves. Many misguided policies are formulated through such means.

The financial consortium didn't inflate gold prices just to make a meager profit on the price differential. Instead, their primary motive was to strike a blow against their competitors.

As the rise in the price of gold increased the value of the pound, it inevitably affected the domestic industrial and commercial sectors. Large enterprises with considerable resources were able to withstand these short-term fluctuations.

For the majority of small and medium-sized capitalists, however, it was like passing through the gates of hell.

In a period of rapid economic development, when everyone was expanding, a sudden increase in costs led many businesses into a state of short-term losses, putting their capital chains at risk.

This situation provided an opportunity for the financial consortium. Businesses faced the choice of either accepting their conditions or preparing for bankruptcy. Regardless of the choice, it was a capital feast where the big fish devoured the small fish.

The London stock market has always served as a barometer of the British economy, and the fluctuations in the gold price first affected the stock market, leaving speculators in a dire situation.

The sharp rise and fall in gold prices caused leveraged players to suffer substantial losses.

Previously highly valued gold mining companies saw their market capitalization evaporate by 30% in a single day, causing a ripple effect across related industries.

According to economic experts, the adoption of the gold standard by the New Holy Roman Empire would inevitably lead to a significant increase in the demand for gold in the market, causing the price of gold to rise.

During the stock market boom, everyone believed the good news, and since it was considered favorable, companies naturally expanded their production. Expanding production was seen as a way to make more money in the market.

Now, with the sudden drop in gold prices, the market received a shock, and stock prices plummeted uncontrollably. Investors found themselves in a pit, and the financial consortium successfully completed the first round of harvesting.

Not only did the related companies suffer, but other industries were also affected. The rapid fluctuations in the value of the British pound led directly to significant losses for many companies.

Particularly for those involved in international trade, the sharp 20% rise in the British pound, followed by a return to normal levels, resulted in significant losses in terms of exchange rates alone.

For many small and medium-sized companies, this volatility led directly to their demise. Not all companies could be taken over by a financial consortium, and many with poor performance and low profits went bankrupt.

In just a few months, more than two hundred companies in the British Empire were merged and reorganized, and more than three thousand companies went bankrupt and were liquidated. The wave of bankruptcies came and marked the era of the great monopolies.

By the time the Grenville government realized this, it was too late. Even if they wanted to stop the financial consortium, the government could not revive these businesses.

10 Downing Street

Prime Minister Grenville sat there motionless and looking haggard, clearly deeply affected by recent events.

Before he could even begin to implement his ambitious plans, the first major action of his new administration turned out to be a disaster that severely dampened his confidence.

After collecting his thoughts, Prime Minister Grenville spoke: “Gentlemen, this time we have been fooled by the financial consortium. We have been completely outwitted by them.

It seems that we fell into their trap from the very beginning. Given the current situation, let’s not dwell on who is to blame. Now, what should we do to deal with the aftermath?”

The room fell silent. Aside from admitting their mistakes, what else could they do? Seek retribution against the puppeteers behind the scenes?

These individuals were just pulling the strings from behind, operating within the established rules. It’s not their fault that others lack sound judgment. They never overstepped their bounds, and everyone knows who to hold accountable if they want to settle scores.

The beleaguered Chancellor of the Exchequer, George Grey, replied with a tense expression: “Prime Minister, we must act quickly to salvage the situation, restore market confidence and prevent the situation from getting worse.”

While most bankrupt companies were relatively uncompetitive small and medium-sized enterprises, the resulting unemployment and stock market crisis were genuine.

If they don’t address the aftermath quickly, the current stock market crisis and the wave of bankruptcies could soon escalate into a nationwide economic crisis that would be difficult to control.

Prime Minister Grenville furrowed his brow and asked, “Are you suggesting that we continue to seek assistance from the financial consortium and risk being completely swallowed up by them?”

Chancellor of the Exchequer George Grey replied in a chilling tone: “But what choice do we have? If we don’t get out of this crisis quickly, we will all be nailed to the pillar of shame, a cautionary tale for the history books.

Perhaps they’ll write that the foolish Cabinet government, in its attempt to prevent the Austrian government from purchasing gold and implementing the gold standard reform, artificially created an economic crisis.

As for the financial consortium, isn’t there still a matter of settling the score? If they cooperate with us and help suppress this crisis, it could be overlooked.

If they continue their audacious behavior, dragging them down to hell before our downfall might not be a bad option.”

It has to be said that the Grenville Cabinet was lucky. Britain hadn’t yet experienced large-scale overcapacity, otherwise, their risky maneuver would have left an indelible mark.

If an economic crisis broke out in Britain, Austria wouldn’t escape unscathed. Once British capital was withdrawn, the Austrian government would lose the opportunity to stabilize the domestic economy and implement currency reform.

For the British, however, the completion of the gold standard reform in Austria was more in their interests. It would benefit trade between the two countries.

Trying to prevent Austria from reforming its currency and causing a domestic economic crisis would be detrimental to the interests of the British Empire, essentially manufacturing an economic crisis. If someone suggested that they were foreign spies, the British would probably believe it.

As for explanations? They wouldn't have a chance to explain; as losers, they wouldn't have a say. If the financial consortium couldn't clean themselves up, they wouldn't be true financial giants.

Even if they manage to explain themselves, they will rightly be regarded as one of the most stupid cabinets in British history.

They can't expect anyone to help them whitewash their image. If they're perceived as harming themselves and others for political purposes, there's a chance that people will try to clean up their image for future political needs.

They might even be hailed as the greatest government in history. They are well aware of such manipulations.

Now that the deed is done, rational politicians naturally want to minimize the consequences. Continued cooperation with the financial consortium becomes inevitable.

George Gray has even resorted to threats to force the consortium to contribute. While mutual destruction may not be possible, dealing a heavy blow to the consortium is certainly within reach, even if it comes at a high cost.

To put it plainly, the financial conglomerates were still in their growth phase in this era, far from reaching their peak. Within the government, there were bureaucratic and aristocratic groups that could keep them in check.

This is also the reason why, after the World War, the British government introduced a series of foolish policies that seemed to undermine the military aristocracy that had earned significant achievements during the war. The government seemed to be the gravedigger of the British Empire.

This can be seen as an extension of power struggles. The victorious capitalists, taking advantage of the weakened state of the aristocratic group, severed their sources of power.

As the executors produced by the capital conglomerate, they naturally reaped substantial rewards, earning high praise in history and being hailed as one of the greatest figures in British history.

Prime Minister Grenville nodded helplessly; he did not want to leave office in disgrace, so a compromise was inevitable.

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When the crisis broke out in Britain, Franz's grand wedding ceremony began. It followed the traditional practices of the House of Habsburg, characterized by grandeur, luxury, and high-class elegance. As for the romantic wedding depicted in the movies, Franz firmly asserted that it was purely fictional, a product of the director's imagination.

In keeping with tradition, the wedding took place in St. Stephen's Cathedral, where the hearts of many members of the royal family lie in eternal rest.

The idea of hearts being buried in the cathedral sent a chill down Franz's spine, as he couldn't understand why anyone would choose to have their heart removed and placed in a church after death.

Perhaps his lack of devoutness in matters of faith contributed to his inability to understand this practice. Regardless, Franz had no intention of emulating his ancestors in this regard.

During the wedding ceremony, Franz, like an actor, followed the rehearsed rituals, went through the predetermined procedures, and then received God's blessing. With that, he was married.

Although it was a bit of a hassle, Franz was satisfied. Once in a lifetime, a little trouble can be considered a beautiful memory.

Maybe it was a favor from the heavens, or maybe it was a blessing from God, but in any case, the 12th of March turned out to be a beautiful day with no unexpected mishaps.

With a multitude of guests attending the wedding, the banquet took place directly in the open square.

Representatives from virtually every prominent noble family in Europe rushed over. Thirteen kings personally attended the wedding, and if you add up the total number of princes, princesses, and grandchildren, the number easily surpasses three digits.

To Franz's surprise, he found that many of the kings who attended the wedding were surprisingly not within five degrees of kinship, despite the lack of it in the European nobility. This fact only served to emphasize the Habsburgs' formidable ability to make marriage alliances.

However, the duration of this splendid monarchy is an unknown factor. After all, there are not many distinctions in Germany, and there are simply many kings.

Now, none of these royal families has been abolished, which, from this perspective, makes Franz's situation more favorable compared to the historical Kingdom of Prussia.

The direct benefits of this fact add even more grandeur to his wedding. With so many kings gathered, it might even qualify for a Guinness World Record.

The only regret is that no emperor attended, otherwise the status of the event could have been even higher, leaving a benchmark for future generations.

Clearly, such an event was implausible. To bring all these kings together, the Foreign Ministry of the New Holy Roman Empire had to go to great lengths.

If relations were not exceptionally good, there would be no reason for them to come and add to the grandeur of the event. In essence, this is also a stage on which the Habsburgs demonstrate their soft power to the outside world.

The level of representation from various European royal families indicates the level of importance placed on their relationship. For smaller nations, this is tantamount to a political alignment, but this time there is no need to worry that choosing the wrong side will lead to trouble.

In this context, the several emperors of Europe naturally want to maintain their dignity. Sending royal representatives is already considered giving face.

For an emperor to attend in person is unlikely, unless they have an exceptionally close personal relationship. Unfortunately, Franz is not very close to them, so there is no reason for them to come and show their support.

Chapter 257: Aegis

The wedding celebration concluded, and Franz became even busier. With so many guests arriving, how could he, as the host, not entertain them properly?

Banquets, banquets, and more banquets — Franz was beginning to feel nauseated by the constant festivities. Nevertheless, there was no choice; etiquette could not be neglected.

His several younger brothers and a group of archdukes from the House of Habsburg had become his coolies. However, these individuals seemed to be enjoying themselves, leaving Franz at a loss for words.

Amidst the joyous news of Franz's grand wedding, the Austrian government's difficulties in obtaining gold were overshadowed. In the eyes of the common people, an imperial wedding was far more worthy of attention than the complications of gold procurement, which only attracted the interest of professionals.

After a busy month, all the guests were finally sent off. In the process, Franz made countless promises and commitments, so many that he couldn't even remember them. But that didn't matter, because there were dedicated staff members to keep track.

The kings who personally attended the wedding were certainly not there simply for familial ties. In an era with inconvenient transportation and numerous aristocratic relatives celebrating marriages throughout the year, it would be impractical for them to attend every relative's wedding. Wouldn't they be extremely busy?

Franz had no intention of stirring up trouble on the European continent, so it was only natural for him to foster good relations with everyone.

Although these small countries did not have much power or influence, it was because of this that everyone could feel comfortable being friends!

As an emperor who advocated pacifism, Franz preferred friendly exchanges over any form of conflict or aggression. A peaceful Europe was his preference, even as the rest of the world remained tumultuous.

While Europe enjoyed tranquility, Britain and France, with time on their hands, began to meddle again in world affairs.

In 1852, Lambert, the acting commander of the East India Company, set his sights on Burma. Using the pretext that the British representative had not been received by the Chief Commissioner of British Burma, he demanded 100,000 pounds from the Burmese king and issued a war ultimatum.

Franz was left speechless at such a flimsy excuse. Whether or not someone wanted to receive a visitor was their own freedom. It was normal not to receive an unwelcome guest.

During this period, however, the British adopted a domineering attitude in the East. Even the British diplomat, Sir Harry Parkes, boldly declared, "Nowhere in the East can we be kept out of the door."

The King of Burma was fortunate when the Near East War suddenly broke out, diverting the attention of the British government to the European continent. As a result, overseas colonial expansion activities inevitably diminished.

Having paid a sum of money, the Burmese government managed to navigate through the crisis.

Unfortunately, the Near East War did not persist, and the decadent Burmese government did not seize the opportunity to strengthen itself.

Now that the British were free again, they came knocking at the door. This time there were no other pressing matters to occupy the attention of the British government, so the war broke out without suspense.

As the war continued, British diplomat Sir Harry Parkes openly declared that Burma was now a colony of the British Empire.

This heavy-handed approach directly challenged Franz's values and caused him to reevaluate what colonialism really meant.

In the Pacific, both Britain and France competed fiercely, with the British generally coming out on top, although the French also made some gains.

Observing the land seizures of Great Britain and France, Franz could only feel envy. The colonization of the Pacific was a great challenge for Austria.

Justice was always within the range of cannons, and Austria's cannons couldn't reach that far. It was too easy to become prey while attempting to catch up.

Nations such as the Netherlands and Portugal were examples. As pioneers in the colonial movement, they had to tread carefully in the face of competition from Britain and France.

Of course, grabbing food from the tiger's mouth is also inevitable. The Dutch managed to secure the lucrative Indonesian region amidst the rivalry between Britain, France, and the Netherlands.

While there are certainly international political implications, the primary factor is that the Dutch have the upper hand in the Indonesian region. They have been there longer, which gives them an advantage over the British and French colonial forces in the same area.

If the Dutch did not have power in the region, Britain and France would not have given up the rich Indonesian territory, regardless of diplomatic maneuvering. Whether it is spices or various minerals, these are not things that anyone would willingly give up.

Currently, it is at the height of colonial division, with many unclaimed territories worldwide. Although competition is fierce, it is not as intense as it was in the late 19th century.

Austria did not join this wave of partition. Its government's main focus remained on currency reform. At best, there is a slow outward expansion of African colonies.

These are minor issues, as the attention of various countries is focused overseas. The African continent, full of poisonous insects and ferocious beasts, has not yet attracted widespread attention, and Austria's small actions have gone unnoticed.

Vienna Palace

The Minister of Finance, Karl, exclaimed angrily, "Your Majesty, the price of gold has suddenly plummeted, causing great turmoil in the London stock market. British financial consortium has begun to reap profits, and we were caught in the crossfire."

The logical conclusion that whoever profits is the mastermind naturally led the Austrian government to believe that the British financial consortium was behind it.

As for the British government's maneuvers? Either they've been played or they're really economically ignorant.

The current outcome is clear: the Austrian government has to spend more money to buy gold. However, no matter how great this loss is, it is still not as significant as the cost incurred by Britain itself.

Using a tactic where you kill a thousand enemies but lose eight hundred might be risky, but employing a tactic where you kill a thousand enemies and lose eight thousand is a strategy only someone truly ignorant of military matters would dare to use.

In the wake of the stock market turmoil, the London Stock Exchange has fallen by 7%, wiping out tens of millions of pounds in wealth. The number of bankruptcies has risen, adding more than a hundred thousand people to the unemployment list.

The only beneficiary seems to be the British financial consortium. Not only did they make a substantial profit, but they also strengthened their monopoly in the industry.

After extensive data analysis, Karl naturally concludes that Austria has been adversely affected. The amount of gold purchased is lower than expected, and the government's currency reform efforts have been affected, with the primary losses being in terms of time.

Franz thought for a moment and said, "Don't worry about them. As long as the price of gold returns to normal, we will start buying. As soon as the gold/silver ratio goes up more than 5%, we'll stop immediately.

We'll take what we can get. After all this turmoil, we must be prepared for a prolonged battle. When the price of gold goes down, we buy; when it goes up too much, we sell.

Since the British dared to disrupt the gold market, let's let the market continue to be chaotic and see whose losses are greater in the end."

Others may be unaware of the dangers of blind currency appreciation, but how can Franz not know it? As the price of gold rises, the value of the pound sterling naturally increases, leading to a subsequent rise in the cost of British industrial and commercial products.

Do not be deceived by these seemingly insignificant points; in reality, this means a decline in the profits of the British export trade. As the capitalists experience reduced profits, a decrease in investment and an increase in the exploitation of the working class are inevitable.

It may be manageable for a day or two, but over time social contradictions accumulate. Even if British families can hold out for a while, economic development will slow down without a solution.

This problem can be resolved in two ways. Either wait for the Austrian government to complete the gold standard reform and for the sake of their own interests, naturally contribute to maintaining the stability of the gold market.

Or, alternatively, allow the Austrian government to acquire enough gold. Once the quantity is sufficient, there will be no need to continue buying.

"Yes, Your Majesty!" replied Karl.

After a pause, he added, "Your Majesty, the currency of the New Holy Roman Empire has already been designed. Here is a sample for your review."

The new version of the Rhenish guilder features the emblem of the Habsburg monarchy and the emperor's portrait on the front. On the reverse are vast landscapes that resemble an artistic map of the New Holy Roman Empire.

Whether it's aesthetically pleasing or not doesn't matter to Franz; what matters is the political symbolism. As long as the symbolism is there, even if it's a little uncomfortable, it doesn't matter, because everyone will probably appreciate it anyway.

After examining it carefully, Franz asked, "How is the value of the new Rhenish guilder determined?"

When issuing currency, the value is often determined by market demand. If the value is too low, it's unacceptable because it would mean the face value would have to be increased. On the other hand, if it's too high, it's also problematic because it would make exchange very inconvenient.

Karl replied, "After our initial research, we came up with three proposals:

The first proposal suggests that 1 Rhenish guilder is equal to 3.66 grams of gold, about half the value of the pound;

The second proposal is that the Rhenish guilder and the pound be of equal value, equal to 7.32 grams of gold;

The third proposal suggests that the Rhenish guilder and the franc have the same value, about 0.29 grams of gold.

The main reason for such a design is to facilitate the convenient settlement of international trade. At present, our main trade partners are Britain, France and Russia. The Russians use metallic currency directly, which eliminates the need for currency exchange."

In fact, this is the simplest method of determining the value of the currency. The values of the pound sterling and the franc have been thoroughly researched by Britain and France and are currently circulating quite well in the market, being the two most common currencies in the world in the current era.

If the Austrian government wants to innovate and introduce a new currency value, it's not impossible, but it would require extensive research and consume valuable time.

After some thought, Franz said, "Let's just go with what Britain and France have done. If we come up with something completely different, we don't know how the outside world will criticize it. So let's go with 3.66 grams.

It's convenient for settlements, and the number is also auspicious. For now, the denominations will be 1 guilder, 5 guilders, 10 guilders, 20 guilders, 50 guilders, and 100 guilders. If needed later, we can always add more."

In this casual manner, Franz decided on the new currency values.

The full name is the Holy Roman Empire Rhenish Guilder, abbreviated as "Rhenish Guilder" or "Aegis," just one stroke away from being a movie title.

This name also has its origins. The Rhine River is the mother river of the Germanic region, and the most widely used currency in the Germanic region before was the Rhenish guilder issued by the Rhine Confederation.

Of course, to show the Austrian government's determination to unify Germany, the Rhenish guilder couldn't be abolished. Otherwise, the nationalists within the German Federal Empire would be displeased.

In this era, the purchasing power of the aegis is still very strong. Apart from the guilder, there also needs to be smaller currency units.

1 guilder = 100 schillings = 10,000 groschen

With so many units, it ensures that even the cheapest goods can be paid for with currency.

Chapter 258: The Rookies' First Steps

Austria is situated by the Adriatic Sea, and for overseas trade, one must navigate around the Italian Peninsula and pass through the Strait of Gibraltar to leave the Mediterranean.

Both in terms of distance and safety, this route is not very reliable. For future development, it is crucial to have control over a safe route out of the Mediterranean.

Four years ago, Franz proposed the idea of constructing the Suez Canal and even sent a team of experts to explore the area.

As for the masters of this region, the Egyptian government and suzerain state, unfortunately, the Austrian government forgot to inform them.

Once the technical feasibility was confirmed, the Austrian government strengthened its penetration in the Egyptian region. Franz, being self-aware, didn't rush to Cairo or compete with Britain and France for territory. Instead, he set his sights on the Sinai Peninsula.

Not to mention in this era, even in the 21st century, the Sinai Peninsula is considered the most underdeveloped region in Egypt. Now, it's viewed as a desert island in the eyes of the public.

The peninsula has arid and rainless areas, mostly covered by deserts. For generations, the local population has relied on camel herding for their livelihood.

Before the Age of Discovery, there was a trade route here connecting the Ottoman Empire and Egypt. The locals made a living by selling camels to passing merchants and were able to get by.

In the early 19th century, the region gained independence. This severed ties with the Ottoman Empire and led to a complete decline.

In the 61,000 square kilometers of the Sinai Peninsula, the permanent population is less than 30,000, and the largest city, Arish, is not comparable to a small town in Austria. Even a newly established colonial outpost in Africa is more prosperous than here.

To be exact, it was once a city, now reduced to the level of a village — the base of a nomadic tribe. Besides sand, there was more sand. And every now and then a small oasis would appear, which was a valuable resource.

In this impoverished setting, the Austrian government initiated colonial activities in the Sinai Peninsula.

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Staring at the endless desert before him, Leo Haval said incredulously: “Andrea, are you sure that the domestic orders are for us to create a pretext here and take the opportunity to conquer this barren land?”

What they saw was more than Leo Haval could accept. The terrain of the Sinai Peninsula was not bad, except for the lack of water; everything else was manageable.

Unfortunately, all of Egypt had only one river, the Nile. Rivers and even streams were rare in the Sinai Peninsula. This made the place unsuitable for human habitation.

Before the discovery of oil, there was absolutely no economic value to be found here. As for strategic value, that would be after the Suez Canal was opened to navigation. At present, there is no value to be found here.

The equally confused Andrea replied uncertainly: “I think so!”

The two exchanged a strange look and then fell silent for a long time.

After a moment of silence, Leo Haval suggested, “Why bother finding an excuse? Let’s just take Arish directly. Let’s take Arish directly. It’s just a native tribe anyway. If we gather the people we have on the ship, we can occupy it. There’s no need to wait for reinforcements from home.”

“That’s not right. We have to have an excuse, otherwise it will be a diplomatic challenge,” Andrea objected.

Leo Haval said indifferently, “What is there to fear? Everybody does it. The British and French colonizers do worse things. Let’s occupy this place first, then bring down some goods from the ship, and treat it as seized loot. If there are casualties, we will include them.

Let’s say it was our caravan that was attacked by the local nomadic tribe, and we merely organized a counterattack in self-defense. Let the diplomats handle the rest. For such small matters, no one cares; a plausible excuse is all that matters.”

After a moment’s hesitation, Andrea said decisively: “Wealth comes with risk. Let’s do it! This is our first pot of gold. Hopefully, we can grab some good things.”

Franz is very generous to the bold colonial expedition teams. All spoils will be distributed among the colonial teams, and the Austrian government will not covet them.

That is why they changed the plan. After all, if they personally took control of this place, then the wealth here would be their private property.

If they had followed the original plan, just causing trouble to create a pretext, they would have at most received a bonus.

Stimulated by the prospect of profit, this newly formed civilian colonial team has taken the first step toward colonization.

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The battle unfolded without suspense as the two, leading a colonial team of over 180 people, launched a surprise attack on the indigenous tribe that ruled the area and quickly achieved victory.

But when they saw the casualties, their faces immediately darkened. Three dead and seven injured was a devastating blow for this small colonial team.

Andrea complained unwillingly: “Damned bastards! They caused us such heavy losses. We absolutely cannot let them off lightly!”

Leo Haval said calmly, “Enough, Andrea. To walk this path is to be prepared for sacrifice. It’s said that thousands die every year in the colonial efforts of Great Britain and France.

For now, take stock of the spoils of war and arrange the scene to make it look like they acted out of greed.

Then signal the military to come and take over here; otherwise, when the regular Egyptian army comes, we won’t be able to hold on.”

Adjusting her emotions, Andrea said: “Don’t worry, I’m fine. It’s just hard to see some of the young men we brought with us die. I feel a little upset.”

Leo Haval calmly said, “Get used to it. You can’t avoid casualties in this line of work. People can’t come back to life. What we can do is provide some compensation to their families after we return.”

This colonization team was formed by the two of them in partnership. Due to their limited strength, they didn’t have the ability to establish overseas colonies on their own. Their main business was to take orders from the military.

They specialized in the dirty work that the military didn’t want to do, and they were paid in commissions.

If they were strong enough to conquer and rule land overseas on their own, Franz would not interfere either.

This is purely theoretical. Without a country’s support, even if they set up an overseas colony on their own, they wouldn’t have enough strength to maintain it.

Currently, Austria’s overseas colonial activities had just begun, and until they saw results, the major nobility back in the country wouldn’t invest much.

The civilian colonial teams that were now appearing were mostly small organizations of about a hundred people. They lacked the manpower and resources to maintain an entire colony.

These small teams could only follow the government’s pace and participate in colonial activities, such as exploring the African continent, suppressing natives that threatened the security of colonial outposts, or establishing their own outposts to sell to the government.

Teams with capabilities can also partner with the government to jointly manage operations. In other words, the government provides security, the colony team manages the colony and pays taxes to the government, while the profits from running the colony belong to the team.

Those who make a significant contribution to colonial activities may also receive titles and fiefs. Except for paying a small amount of taxes, all matters within the fief are handled by the nobles themselves.

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Clearly, these two novice colonizers are still unaware of the significant impact their actions will have on future generations. At the moment, they are still complaining about the meager harvest and feeling disgruntled.

Leo Haval exclaimed, “God, why is this tribe so poor? Besides a group of camels and sheep, all they have is a pile of hides. Where did the gold and gems that the natives supposedly used for rituals go?”

Andrea said sympathetically, “I also wonder where the gold and gems have gone! Just now I opened the deeply hidden treasure they hid, and inside were actually several jars of salt.

God, when did salt become a treasure? Wasn’t this place originally a transit point for trade between Egypt and the Ottoman Empire? How is it possible that there’s no treasure at all?”

Leo Haval, irritated, said, “Nonsense about being a trade transit point! That was all in the last century. After the trade routes were cut off, the natives all left, and now only nomadic tribes remain.

It’s not just here. It’s said that all the permanent inhabitants of the Sinai Peninsula are nomadic tribes. With no traveling merchants and severe water shortages making agriculture impossible, it has now regressed to primitive times!”

To primitive times, that was definitely an exaggeration. At least flintlock rifles had appeared among the nomadic tribes. Although it is still unknown what era the flintlocks belonged to, it meant that they were still in the era of hot weapons.

In terms of lifestyle, however, there was no difference from primitive societies. It was still stuck in the nomadic era, with no trace of modernity.

Chapter 259: Suez Canal

With circumstances constantly changing, plans can never keep up. Originally, the main goal of the Austrian government was to create conflict, use military threats against the Egyptian government, and force them to sign a treaty.

Anyway, the Sinai Peninsula was not valued; its only purpose was to serve as a buffer against the Ottoman Empire, with the local indigenous tribes simultaneously accepting the leadership of both governments.

The conflict was created as planned, but the operation was too aggressive and the area was occupied. The Egyptians did not take extreme measures either, they just came to protest.

If possible, Franz would prefer that the Egyptians attack recklessly, making the ensuing situation easier to handle, as he wouldn’t feel any pressure facing Egypt alone.

Obviously, the Egyptian government was not stupid and did not rush into conflict. Instead, they have sent representatives to discuss the matter. Now that it has come to this point, military threats are no longer appropriate.

Franz has always been mindful of appearances. Stirring up trouble by creating a pretext and inviting conflict would already push the limits of his ethical standards. He feels a great deal of discomfort with such tactics.

Now that they’ve occupied a place that could loosely be called a city, it would be excessive to go and cause them more trouble.

The Egyptian government ignored the cause and effect of the situation. Regardless of whose fault it was, since the parties involved are all dead, the debt has been settled through death. Now the Austrians are only withdrawing, without demanding any compensation.

Franz, who has a headache, asked, “What do you think should be done about this problem?”

He acknowledges that he is not cunning enough to pull off such domineering actions. If possible, he would prefer to resolve the issue through peaceful means.

Unfortunately, Austria’s influence in Egypt is not substantial enough to compete with Britain and France. Pushed into a corner, they have no choice but to resort to this kind of strategy to seek a breakthrough in the Sinai Peninsula.

Metternich calmly replied, “Your Majesty, the Sinai Peninsula itself offers little value. Our main concern here is to seize the initiative so that we can participate in the digging of the Suez Canal.

Since the Egyptian government wants to negotiate, let’s negotiate with them. At worst, we can spend money to buy these lands. After all, it’s just sand and not worth much anyway.

The British and French currently do not know our intentions. Even if they interfere, it would only be because they are afraid that we will continue to expand our influence in Egypt and affect their interests.

At most, we assure them that we won’t seek further expansion into the Egyptian region. On the issue of the Sinai Peninsula, even we, a great power, also need to save face!”

Although the methods were a bit excessive, this was indeed very much like a great power. Overseas colonization tended to be very overbearing, regardless of whether it was right or wrong.

If the Austrian government was willing to spend a symbolic amount of money, it would give the Egyptian government a way to back down. If the Egyptian government did not agree, they could just occupy the place and see what could be done about it.

Would Egypt fight a war with Austria in the Sinai Peninsula over a piece of barren desert? The Egyptian government probably did not have the guts. If they lost, it would cost them everything, and even end up being partitioned!

Despite the appearance that Egypt is preparing for modernization and showing signs of a strong and prosperous nation, in reality, they have realized their limitations since the last war in which they lost to the Ottoman Empire.

Prime Minister Felix recalled: “Your Majesty, the French have been given the right to dig the Suez Canal. Would that be an obstacle?”

Metternich declared, “Do not be concerned. Our attention to the Sinai Peninsula doesn’t require us to occupy the entire peninsula. It is enough to establish a foothold.

Construction of the Suez Canal has not even begun. Whether it will be navigable in the future is still unknown. We’re just preparing ahead of time.

As far as I know, the British are strongly opposed to digging the Suez Canal. With their superior geographical position, they can enter the Indian Ocean via the Cape of Good Hope and do not need this canal.”

In this era, the British attitude towards the Suez Canal is indeed indifferent. Many British people believed that the navigability of the Suez Canal would weaken their maritime trade advantage.

After all, from a distance perspective, the navigable Suez Canal would benefit Mediterranean countries more, making the journey to the Indian Ocean much shorter for countries like France, Austria, and Spain.

They who were originally the closest to the route suddenly became further than their competitors. This would undoubtedly make British sea freight costs higher than competitors, reducing market competitiveness.

Whether it was crying wolf or not, such crisis awareness was never wrong. It was this sense of crisis that brought the British Empire to where it is today.

It was not only the British who doubted that the Suez Canal could be made navigable. Many in the Austrian government also expressed doubts.

The length of this great canal, 190 kilometers in total, exceeds what many on the European continent can comprehend.

Franz couldn't convince everyone that the Suez Canal would ever be navigable. Even if it were to become navigable, its freight capacity would still be put to the test.

If only small boats could pass through, it would still be a failure. For strategic reasons, Austria needed the Suez Canal to be navigable for vessels of at least 40,000 tons in weight.

Otherwise, the canal would be useless in the age of dreadnoughts. At that time, if Austria wanted to continue to expand the canal, the British would undoubtedly obstruct its construction, forcing Austrian warships to pass through the Strait of Gibraltar, thereby gaining a strategic advantage.

Franz confidently said, "Don't worry about navigability. Historical records show that in the 6th century AD, an empire from the East, the Sui Dynasty, dug a north-south grand canal over 2,700 kilometers long.

Even after geographical changes and subsequent alterations, the new grand canal, which connects Beijing to Hangzhou, is still 1,797 kilometers long and can easily accommodate ships weighing up to 500 tons.

Given the technological capabilities of the ancient people who dug such a long canal using only human labor without any machinery, can't our current level of technology dig a canal less than 200 kilometers long?

From a geographical point of view, the difficulty of constructing the Suez Canal is nowhere near that of the Beijing-Hangzhou Grand Canal. So what is there to worry about?"

Prime Minister Felix exclaimed, "Your Majesty, are you sure there is such a long canal in the East?"

Franz affirmed: "Of course, do you think I would lie? The Beijing-Hangzhou Grand Canal is still functioning normally in the decadent Qing Empire. Check the information for yourself and you'll know."

Prime Minister Felix quickly explained: "No, I did not mean to doubt you. It is just too unbelievable that over 1300 years ago someone dug a grand canal over 2700 km long.

If true, this would be the greatest engineering feat in the history of mankind. This great empire must have been very powerful to accomplish such a massive project."

Franz smiled and remained silent. He couldn't explain that because of the excavation of the Grand Canal, the excessive depletion of labor caused the downfall of that empire, could he? Then everyone might...

Oh, there was absolutely no need to worry. There was no need to divert labor from Austria to dig the Suez Canal. All that was needed was money.

Even payment in grain was acceptable. Apart from the salaries of the technical staff and the management, the ordinary workers only had to be fed.

The most significant expense, labor, is thus saved. Historically, the Suez Canal cost a total of 18.6 million British pounds, twice the budgeted cost.

This was mainly because the British instigated slave labor riots and manufactured public condemnation, forcing the French to later pay wages to hire workers, resulting in a huge increase in construction costs.

As the price for making the canal navigable, 120,000 workers were buried there.

This issue was not in the scope of the Austrian government's considerations. Franz also decisively chose to turn a blind eye. All major projects in this era were built on human lives.

Austria's extensive railway network is a case in point. In just five or six years, Austria's domestic railways jumped to the forefront of Europe, but behind it lay tens of thousands of fallen workers.

It could be said that in this era, the faster the rate of construction, the greater the loss of life. Efficiency was achieved by piling up lives.

London

The first reaction of the British Cabinet to the news that Austria was moving into the Sinai Peninsula was that the Austrians wanted to invade Egypt. This cannot be allowed.

Prime Minister Grenville asked skeptically, "Can anyone tell me what the Austrians are up to? Has the government in Vienna lost its mind and decided to eat sand in the Sinai Peninsula?"

On the surface, the Sinai Peninsula had no colonial value whatsoever. The richest parts of Egypt were all along the Nile Valley, still hundreds of miles from Sinai, with deserts separating them. It doesn't even qualify as a springboard.

Foreign Secretary John Russell chuckled, "They say this is the work of an Austrian civilian colonial force. They originally wanted to stir up trouble in the Egyptian region, but found their own strength lacking. To recoup their colonial costs, they ran to the Sinai Peninsula, pillaged a tribe, and occupied an abandoned city."

Colonial Secretary William scoffed: "This rookie colonial team must be led by people with no brains. Perhaps their war spoils were not even enough to pay for the pension of their personnel losses.

We sent people to scout the Sinai Peninsula a long time ago. The nomadic tribes of the island have nothing but camels and sheep.

These camels and sheep are virtually worthless unless they can be transported back to their home country for sale. Locally, they can only fetch a price for their hides.

The locals are so poor they can barely survive, and even the Egyptian government is too lazy to collect taxes there. Nevertheless, some have still gone to rob them.”

Everyone laughed heartily. Such things were not uncommon during the colonial movement, and many fledgling civilian colonial militias often made such mistakes.

Sheep and camels are valuable commodities in certain places, but unfortunately, they are worthless in the Sinai Peninsula because there are no buyers.

At best, they could slaughter the animals, take the hides, and sell them to fur traders. Trying to transport these animals for sale might not even cover the transportation costs.

After the laughter subsided, Grenville said, “Then let the Foreign Office continue to keep an eye on the Austrian government, observe their next moves, and then we’ll decide what countermeasures to take.

Anyway, the French have the biggest interests in the Egyptian region. With the addition of a competitor, let them deal with the headache first!”

From the beginning to the end, Grenville didn’t take the matter seriously. Overseas colonization is a game, a game of plundering wealth, completely different from the situation on the European continent.

As long as it doesn’t pose a threat to India, the British government won’t react excessively. Otherwise, the news of the colonial conflict alone would make them furious every day.

This is no joke. In the 19th century, the British government faced an average of more than a hundred colonial conflicts a year.

Most of these minor conflicts were handled by colonial officials, and only when these conflicts escalated did their direct involvement become necessary.

If they don’t exercise restraint and resort to the use of force at the drop of a hat, it won’t take three months before they find themselves in conflict with every colonial empire in Europe.

The reason they paid attention to the Sinai Peninsula issue was mainly the fear of an Austrian invasion of Egypt. After confirming that it was the work of civilian militias, their interest naturally waned.

For reference, consider the British civilian colonial teams, with more prominent entities such as the East India Company, which conquered several overseas countries without the British government necessarily knowing all the details.

For weaker individual militias, they might raid one region today and another tomorrow, then provoke a powerful enemy the day after and get wiped out...

Such incidents are common. As long as there is profit to be made, the British government is willing to support them. If there’s no immediate profit, even if they face total destruction, the British government would be indifferent and would not handle the situation.

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Paris

Napoleon III confidently remarked, “The Austrians have extended their tentacles deep into Egypt. Shouldn’t we cut them off at once?”

France’s influence in the Egyptian region is not insignificant. All it might take is a little encouragement for the Egyptian government to expel the Austrian invaders.

However, it’s doubtful that the Egyptian government would be willing to listen at this point. After all, the Egyptian government was thoroughly deceived by the French in the previous war against the Ottoman Empire.

Promised aid from Paris quickly dissipated under pressure from various European countries. Without French arms and equipment, the Egyptian government was quickly defeated by the Ottoman Empire.

Foreign Minister Auvergne advised, “Your Majesty, let’s consider negotiations first! We can mediate this conflict, and if no agreement is reached, then we can consider more extreme measures.”

He did not have Napoleon III’s confidence that simply inciting the Egyptian government to attack would solve the problem.

If the situation spirals out of control and the Austrian government refuses to back down and chooses to deal with the Egyptian government, would the French get involved or stay out of it?

The French government, having just fought the Russians and suffered heavy losses, did not want another war against Austria. Nobody wanted to make a loss.

Napoleon III spoke only casually and did not really want to take any risks. As a ruler who has already achieved a prominent position, he is not as adventurous as he was in his younger, struggling days.

The reality of the Near East War told him that the France of today was no longer the France of the past that conquered Europe.

Napoleon III nodded and said: “Then let the Foreign Ministry come forward to mediate this conflict, as long as our interests are not compromised!”

Chapter 260: The True Nature of the Great Powers

Sinai Peninsula

At the colonial outpost camp, Peter Lariva, the representative of the Austrian military, arrived and was warmly welcomed by the colonial team.

“Mr. Peter, when will reinforcements arrive?” Andrea asked worriedly.

Peter smiled slightly and said, “I’m sorry, the French have stepped in to mediate this conflict, so we’ll have to wait for the results of the negotiations in Cairo.

Until then, you’ll have to hold out here on your own. If Egypt attacks, you can retreat directly to the coastal area where the navy will pick you up.

This is, of course, an ideal scenario. Under normal circumstances, the Egyptian government won’t escalate the situation. They don’t have the confidence to go to war with Austria.

“Sir Peter, this is already beyond the scope of our contract. We did not agree to act as bait for an Egyptian attack!” Leo Haval protested.

Acting as bait was undesirable. It was one thing to harass the local tribes with just their ragtag band of 180, but when faced with the Egyptian regular army, they clearly could not stand up to them.

If they were unlucky, the entire force could be wiped out. They had come to get rich, not to die. Of course, Leo Haval was not willing to take any chances.

Peter, calm and composed, said, “Mr. Haval, the original contract was for you to create a pretext, not to occupy this place. The current situation is a result of your unauthorized actions.

Everyone has to take responsibility for their actions, and the trouble you’ve caused is something you’ll have to answer for.

Moreover, we will not let your efforts go unrewarded. If you succeed in getting the Egyptian army to attack, you two will be the biggest contributors to this colonial operation. The authorities at home attach great importance to this mission, and you may even be knighted.

The two individuals asked excitedly, “Will there be fiefs?”

They were able to organize a group of about 180 people for colonization, clearly not afraid to take risks. The only question was the size of the return.

Peter humorously replied, “If the land you want is a stretch of desert, you can try applying for it. There’s a good chance it will be approved back home.”

The two individuals chuckled awkwardly, indicating that they didn’t see much value in the Sinai Peninsula. Of course, since there was a perceived lack of value, the prospect of sharing the profits from the colonization activity seemed unlikely.

Acquiring titles of nobility in Austria is no easy feat, and most are hereditary, making the acquisition of fiefs akin to reaching for the stars. Even discounted colonial fiefs aren’t so easy to obtain.

In theory, for colonies that were independently established by colonial teams, the team had the right to receive a portion of the colony as a fiefdom. Of course, after receiving a fief, the government would not pay out any rewards.

This was the life peerage system that Franz had specially invented for those whose contributions were insufficient for hereditary nobility, but who still wanted fiefs. No problem, that could be solved in the colonies.

With a title, these lands were fiefs. Without a title, they were private property that the government would not reclaim.

The situation in the Sinai Peninsula is similar, but with an endless expanse of desert, even if you converted all your achievements into a fiefdom, you would only end up with a few square kilometers of desert as your fiefdom. An ordinary person probably wouldn’t make such a choice.

Leo Haval and Andrea were sane people. Of course, they chose the bounty without hesitation. Not just them, even if it was Franz’s choice, it would still be the bounty.

Despite the strategic importance and abundant oil resources of the Sinai Peninsula, not every speck of sand had resources underneath it. Beneath most of the sand lies even more sand.

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Cairo

Under French mediation, negotiations have begun between Austria and Egypt over the Sinai conflict. Unsurprisingly, the initial discussions revolved around who was to blame.

The French diplomat in charge of mediating this conflict, De Lesseps, advised, "Both of you, calm down. The events have already happened, and now we must concentrate on how to deal with the aftermath.

Inevitably, the negotiations started on a rough note. Austria had no embassy in Cairo, only a consulate, and its diplomatic representative was also a businessman.

The Austrian government did not send any professional diplomats to these seemingly unimportant negotiations and appeared to be completely indifferent.

Amateurs did not mean that they would be easy to deal with, and they might be stubborn nitpickers.

The Austrian representative Jonas righteously said: "You are right, we should indeed consider addressing the aftermath now. Because of the greed of the Egyptian government, they robbed our caravans, causing significant casualties and heavy losses for us. Egypt must be held accountable for this."

Mahmoud objected, "No, Mr. Jonas. The reality of the situation is completely different from what you're saying. We haven't even established a government in the Sinai Peninsula. How could we have robbed your caravans?

It was clearly your people who plundered the Arikus Tribe and forcibly occupied Arish. You must stop this aggression immediately and compensate the Egyptian government for the losses."

Jonas replied sharply, "Nonsense! Who doesn't know that the nomadic tribes of the Sinai Peninsula are so poor that they have nothing but camels? Only an idiot would go and plunder them.

We have proof that the leader of the Arikus Tribe received an appointment from your government. Here are the appointment documents that we confiscated during the counter-offensive, along with the proof of tax payment submitted by the Arikus Tribe.

Mr. Mahmoud, you can check for yourself if it's real. The personal integrity of your officials is questionable, and you must take responsibility for it."

After speaking, he presented the evidence and handed it to Mahmoud. The documents were indeed genuine, a letter of appointment issued by the Egyptian government a year ago.

Why was there such a letter of appointment? Of course, because Austria had bought it from an Egyptian government official. A nominal tax officer in Arish, and was not even really considered an official but rather a temporary worker.

At this moment, it became the basis for argument. It could implicate the Egyptian government in this incident and make it difficult for them to extricate themselves.

After examining it carefully, Mahmoud wasn't sure if the document had been forged by the Austrians, but regardless of its authenticity, he would not acknowledge it.

Mahmoud asked, "Mr. Jonas, it is well known that the Sinai Peninsula is extremely poor. What were your trade caravans doing there?"

"Those idiots planned to reopen the closed ancient trade routes to restore land transport between your country and the Ottoman Empire."

Jonas answered through gritted teeth, an expression of deep resentment apparent on his face as if he felt that his peers had brought shame upon him.

In the age of great sea voyages, attempting to reestablish a land trade route seemed nothing short of foolish, and there's no better word than "idiots" to describe them.

This explanation was barely acceptable since there are all kinds of birds in a big forest. It wasn't so surprising to find a fool among the capitalists.

Of course, this explanation could only fool ordinary, uninformed people at best. Everyone present knew that the so-called trading caravan was nothing more than a colonial expeditionary force.

Mahmoud scoffed, "Mr. Jonas, your reasons are not valid. Now that all the people of the Arikus Tribe are dead, all your arguments are one-sided.

I don't think a nomadic tribe would have the guts to raid an armed trade caravan. Normal people wouldn't do that."

Jonas replied indifferently, "You're right, normal people wouldn't do that. But they did, which just means they are ignorant and have no idea how powerful firearms are.

There are a lot of ignorant people in the world. Many indigenous people think that firearms are witchcraft. It's not surprising that they do stupid things."

After hearing Jonas' twisted reasoning, the French diplomat, De Lesseps, knew they couldn't go on like this, or else the Egyptian government would be dragged into the situation.

In international negotiations during this era, the great powers could manipulate the situation, so it was best for smaller countries to reason carefully, otherwise they would end up in a disadvantageous position.

De Lesseps said: "Mr. Jonas, in any case, the people involved are already dead, no matter how serious the crimes, they can be written off.

As for the losses of your country, let it be compensated from the inheritance of those who have passed away. The assets of a tribe should be sufficient to cover the compensation."

Jonas' expression changed as he immediately refuted: "Are we the kind of people who covet mere pennies? The most important thing now is to seek justice for the dead. This is not something that can be solved with money. Talking about money is an insult to the great New Holy Roman Empire.

If we don't get a satisfactory explanation, our people won't leave. We will only discuss compensation once we get a satisfactory response."

De Lesseps was also powerless against Jonas' manipulations. The Austrian government clearly had no intention of invading Egypt, so it wouldn't affect French interests.

Since their own interests were not at stake, the issue of the Sinai Peninsula became a secondary concern. The French government would not intervene in favor of the Egyptian government.

Looking at the reaction of the British, it was evident that they were observing the situation with indifference, quietly watching this farce unfold.

This was a common practice in overseas colonies. When there were no conflicting interests, countries generally avoided direct conflict.

“Mr. Jonas, we will take action and forcibly expel your people if they do not leave Arish,” Mahmoud warned.

Expulsion by force? When Jonas heard Mahmoud’s threat, he scoffed and said, “Then go ahead and do it. After all, any action on your part in the Sinai Peninsula will be seen by us as a declaration of war against the great New Holy Roman Empire.

If your country believes it has the strength to challenge the New Holy Roman Empire, then let’s go to war! Mr. Mahmoud, I must warn you carefully. Once war breaks out, we cannot guarantee the extent of the conflict.”

Threats of force still depend on strength. Originally, this was just a negotiating tactic for Mahmoud, but now it is about to escalate into a full-scale war between the two countries.

Starting a war with the New Holy Roman Empire is obviously not a decision that Mahmoud can make, nor is it likely that the Egyptian government will make such a decision.

Simply put, the area being occupied now is just a small oasis in the desert. It is neither a strategic location nor of much economic value.

De Lesseps argued helplessly: “Calm down, gentlemen. War cannot solve problems, it will only complicate things.”

Jonas scoffed and said, “While war cannot solve problems, war can make some people sober up and stop threatening to use force.

Don’t think that just because we cherish peace, we are weak and easily bullied. If necessary, using war to resolve issues is not out of the question.

The New Holy Roman Empire is willing to live in friendship with countries around the world, and even if extreme measures are taken, we will safeguard the interests of all nations.”

A threat, this is the real threat. Once the Austrian government promises to safeguard the interests of all countries, the Egyptian government will be left to fight alone.

Despite the infiltration efforts of Britain, France, and Austria, Egypt is still an independent country, and each nation has not gained significant equity.

If Austria takes the lead in punishing Egypt and all countries share the interests in the Egyptian region, it is not impossible.

The moral integrity of the great powers is based only on interests. At present, Egypt’s strategic position is not as crucial as it would be after the opening of the Suez Canal.

Even if a war breaks out, it won't affect the balance of power between nations. In essence, Egypt is just a small country with a population of only three and a half million people, and its interests are not enough to be the cause of a major conflict.