

Roman Empire 441

Chapter 441: Making Money is Only Incidental

If the Christmas Eve of 1868 brought worldwide fame to the Austrian New Energy Power Company with the “City That Never Sleeps,” then 1869 established the company’s dominance in the industry.

With the completion of a series of patent authorizations, the Austrian New Energy Power Company’s standards also became the international standards for electrical systems.

Breaking this set of standards isn’t difficult. As long as one is willing to spend enough money, it can always be broken. However, how much money it would take, no one knows.

If this were a highly profitable industry, the consortiums might give it a try. Unfortunately, the electric power industry was just beginning to emerge, and city power supply systems, although appearing attractive, were difficult to make profitable.

No one knew when the market would mature, but everyone was clear about when the patented technologies would expire.

This era had not yet entered the fast-paced stage, and people’s sense of crisis was not that strong. They did not believe that within 20-30 years, electricity would become the mainstream of the era.

Take the steamship as an example. In 1796, John Fitch manufactured one. At that time, it was also considered an era-changing technology. However, more than seventy years have passed, and the main vessels in the sea are still wind-powered.

There are many such examples. From the appearance of a technology to its large-scale application, there is a time period in between. The length of this period directly determines the commercial value of the technology.

To promote the advancement of electric power technology, Franz invested several million guilders. If the later promotion costs are included, the cost has already exceeded ten million guilders.

It is important to note that this is not a single technology but an entire industrial system. It includes upstream industries such as steel, copper smelting, rubber, and other raw material industries, as well as downstream industries such as power transmission, generators, electric lights, and electric meters.

Without significant investment, this cannot be achieved. It is not something that 1-2 scientists and dozens of engineers can complete. It tests the industrial strength of a nation.

This is also why most technological inventions and creations in the 19th century were concentrated in Europe and America. Without a supporting industrial system, even if you were given the technology to build an atomic bomb, you wouldn’t be able to create it.

Franz was in a good mood. The Austrian New Energy Power Company had made a profit. Even though it was through selling technology, this was still a good start.

If everything goes as expected, a consortium centered around the Austrian New Energy Power Company will soon emerge.

Since the advent of the capitalist era cannot be stopped, then they should control it.

Those who follow me will prosper; those who oppose me will perish!

As an emperor, Franz did not lack boldness. Leveraging his foresight and the advantage of his power, he began to lay out his industrial plans in advance. It was not impossible for him to secretly control the empire's economy.

This thick stack of commercial contracts was his confidence. So far, the Austrian New Energy Power Company has signed strategic cooperation agreements with over a hundred cities.

These cities were not only in Austria but also in other European countries. The main reason for their cooperation was mutual benefit.

Simply put, the Austrian New Energy Power Company provided technology at a discounted rate, along with part of the funding, to establish joint ventures with local governments. Everyone was contributing to advancing the lighting revolution for humanity.

Letting foreign companies monopolize the country's power supply would surely cause concern, but turning it into a domestic company makes a difference.

Many local governments do not directly invest in enterprises, so these shares can be taken up by private capital. The specific distribution of shares would naturally be calculated based on the investment from both sides.

In the face of mutual benefits, everyone can become good friends. No one doubts the prospects of electricity, but considering the costs, everyone tacitly agreed to delay the construction timeline.

This arrangement satisfies everyone's needs. The Austrian New Energy Power Company completed its strategic layout, extending its influence to various European countries.

Politicians secured contracts that pleased the public. When these would actually be realized, it didn't matter; they already had their political achievements in hand.

Investors were investing in the future. For now, they only signed commercial contracts and provided a small amount of capital to establish shell companies. When it becomes profitable, that's when the real money would be spent.

As a result of these contracts, gas company stocks fell significantly. Ordinary people were unaware of the high current cost of electricity, and many assumed that electric lights would soon replace oil lamps.

This assumption wasn't entirely wrong. The cost of oil illumination was also high, though cheaper than pre-popularized electricity. Once the power system is complete, monthly lighting costs would actually be more cost-effective.

An average household had only a few light bulbs, usually only one turned on at a time, consuming just a few kilowatt-hours per month, costing just a few schillings in total.

The main expense was the power supply equipment, leading to high connection fees. The installation cost alone required at least dozens of guilders, which ordinary people simply couldn't afford, becoming the biggest obstacle to the widespread use of electricity.

This was under the condition of a high installation rate. If the installation rate in an area was low, the cost could potentially rise to thousands of guilders.

After all, even a single household still needed a power line, but so do dozens of households, and the more households sharing the cost, the lower the per capita expense.

No matter what, as long as these contracts become a reality, the Austrian New Energy Power Company will have secured a long-term source of income.

Even if these subsidiaries aren't very profitable, just providing them with technical services and selling supporting electrical equipment would be enough to keep the Austrian New Energy Power Company well-fed.

Even if they did nothing else and remained idle until the 21st century, they would still be a Fortune 500 company. Fortunately, no one in this era thinks that far ahead, otherwise, these deals wouldn't be so easily secured.

It's not accurate to say they secured the deals. It seems more like the deals were delivered to their doorstep. The Austrian New Energy Power Company didn't even need to go out and solicit business; clients came to them.

However, complacency is unacceptable. A company that does not strive to improve cannot become a great enterprise.

"Tell Marc-Oliver to keep up the good work and expand as much as possible. Seize more territories while there are no major competitors involved, and bring more cities into our fold.

Additionally, rebrand the company. The Austrian New Energy Power Company is not just an ordinary company. It is an enterprise with a great vision.

Our goal is to light up the world. Making money is only incidental.

If some partners have doubts, allow them to hold a majority stake in the subsidiaries. The key is to expand quickly, complete the European strategic layout as soon as possible, and then extend our reach globally."

Monopolizing the power supply is impossible, but what can be done now is to leverage the first-mover advantage and capture as many cities as possible.

As for the countryside, money-losing ventures are the government's responsibility and are not currently part of the Austrian New Energy Power Company's plans. The future, however, is uncertain.

Such public infrastructure and livelihood projects will inevitably have their profits capped by governments around the world. Otherwise, the backlash from the public could be severe.

When that time comes, rural electricity can be considered. The costs of new construction and maintenance will directly dilute the subsidiary's profits.

No longer being a highly profitable industry means the public won't criticize as much. Retaining a reasonable profit margin of around ten percent is something no one will complain about.

Moreover, lower subsidiary profits do not equate to lower overall company profits. While dividends might decrease, the costs for later-stage equipment maintenance and parts procurement will rise.

Even if there are calls for the nationalization of electricity, it depends on whether local governments are willing to take over. The increased costs of converting private enterprises to state-owned ones

are not just a few percentages. Turning a profitable business into a loss-making one is not uncommon.

If a government does move to nationalize, Franz wouldn't mind selling for a good price. Enterprises with strong backgrounds never worry about being swallowed up. Being a legitimate business, nationalization must follow proper procedures, with the government buying company shares at a premium.

By that time, they would have already made enough profit. The additional benefits gained in other areas might far exceed direct profits.

This is the advantage of a conglomerate: one industry drives a series of others. Even seemingly unprofitable industries can generate returns in other areas.

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"This is truly a city that never sleeps. It really is the most beautiful city in the world, far beyond Tokyo!"

"Of course. Only London and Paris can compare to this place. Tokyo would need a long time to reach this level."

The speakers are Toshimichi Okubo and Hirobumi Ito. After the victory in the Boshin War in 1868, the Meiji Government was established and headed by Emperor Meiji.

To reclaim sovereignty, Emperor Meiji dispatched a delegation to Europe to negotiate with various governments. The negotiations also involved on-site investigations to learn the methods of powerful nations in Europe.

The more they saw, the more they could feel the gap between them. The Japanese of this era had no arrogance whatsoever and presented themselves completely as diligent learners.

It was evident that their spirits were low. They had visited many countries along the way, but the negotiations were progressing very poorly.

The European countries did not take them seriously at all. Wanting to revise treaties and reclaim sovereignty was a pipe dream! Expecting them to give up what they had already taken was impossible in the survival-of-the-fittest mentality of the 19th century.

It was uncertain whether they were lucky or unlucky. At this time, Franz was inspecting the Balkans, accompanied by several cabinet ministers.

With the key figures absent, it was naturally impossible to persuade Austria to make concessions with mere eloquence.

The Austrian Ministry of Foreign Affairs had already given their answer: treaty revisions could be negotiated in exchange for benefits, or the Japanese could buy their way out with money. Empty promises were out of the question.

The conversation was in a stalemate that it couldn't continue. The Ministry of Foreign Affairs also rejected their request to meet high-level government officials. The reason was simple: disdain.

Japan's international status at that time was very low, even lower than that of the Principality of Montenegro. European countries treated them as if they were natives.

Hirobumi Ito and others had visited six or seven European countries, but none had extended appropriate diplomatic courtesies. To meet senior government officials, they had to pay bribes; otherwise, the officials were too busy to meet them.

With negotiations failing, they could only conduct on-site investigations to learn the methods of powerful nations. Despite all three claiming to be constitutional monarchies, the systems of Britain, France, and Austria were quite different.

Through initial observations, Hirobumi Ito realized that the models of Britain, France, and Austria were not ones they could emulate.

These three were all old empires that remained European powers even during their weakest periods in the last century, facing mostly internal problems without the risk of becoming colonies.

Japan couldn't compare, as they lacked the foundation to resist external threats.

Toshimichi Okubo asked, "Ito-san, did you notice that we haven't seen thick black smoke in Vienna, unlike in Paris and London?"

It's said that Europe is currently in an economic crisis, and many factories have closed. Now, with the Austrian Emperor personally inspecting the regions, does it mean Austria's economic crisis is so severe that no factories are operating in Vienna?"

Looking at the bustling streets, Hirobumi Ito pointed with his finger and said, "It doesn't seem like it. This looks like a prosperous scene. If the economic crisis were that severe, these ordinary people probably wouldn't be smiling.

Moreover, Vienna is a city that never sleeps. With so many streetlights, the monthly electricity bill must be no less than 400,000 to 500,000 taels of silver."

Electric lights were a new phenomenon they had encountered in London, challenging their perceptions.

However, in London, electric lights were a luxury for the wealthy, and to avoid losing face for their motherland, Japan, they only observed from a distance and never got up close.

It was different in Austria. The power company was already promoting electric lights, with streetlights everywhere and even electric lights installed in their hotel. Seeing them so frequently, they became accustomed to it.

Hirobumi Ito's estimate of a monthly electricity bill of 400,000 to 500,000 taels of silver left the entire delegation in stunned silence. They couldn't help but compare this to Japan and were embarrassed to find that Vienna's electricity bill equaled half of Japan's financial revenue.

Of course, this number was inaccurate. The cost of electricity for street lighting and residential use was different, and the actual monthly bill was about tens of thousands of taels of silver.

This expense wasn't covered by the Vienna city government but was passed on to the merchants. This tax was gladly paid, as the city had become more prosperous since Vienna lit up.

The fame of being the "city that never sleeps" attracted many visitors, boosting commerce. Vienna was already showing signs of becoming a tourist city.

The delegation leader, Tomomi Iwakura, waved his hand and said, “No need to delve into it. This is Austria’s territory. Whatever the case, it has nothing to do with us. Perhaps this city doesn’t have any industry!”

Even he didn’t believe his own words. In this era, large cities without industry did exist, but only in backward areas.

In the great powers’ countries, almost every city was filled with thick smoke. Austria was no exception, and Vienna was only an anomaly due to Franz’s intervention.

The thick smoke rising into the sky was considered by many to be a sign of a powerful nation. Even the foul-smelling London was seen by many as an ideal place.

The Japanese, known for their extreme views, were no exception. If one were to carefully examine their literary works from this period, there were many positive descriptions of these conditions.

In short, this exhaust was considered fragrant back then.

Chapter 442: Dream of Being a Strong Nation

Unable to obtain everything they wanted in Austria, the Japanese delegation conducted some investigations and then left, leaving behind a newly established Japanese embassy in Vienna.

One must admire the foresight of the Japanese. Despite being extremely poor, they gritted their teeth and set up embassies in several major European countries.

The cost of living in Vienna was high, especially compared to Japan, with housing prices being particularly astronomical. This wasn’t due to real estate speculation but was entirely the result of market self-regulation.

As Vienna’s largest, and essentially only, land supplier, Franz responsibly stated that speculating in real estate in Austria had no future.

The rise in Vienna’s housing prices was significantly contributed to by the words “city that never sleeps.” Just for this reputation alone, people were eager to buy property in Vienna.

With more people buying houses, the market supply couldn’t keep up with demand, and prices naturally went up. Currently, there was nothing in Vienna for less than 800 guilders, doubling from the same period last year.

Ordinary residential properties had seen significant increases, but the most dramatic rises were in luxury homes, with higher-end properties seeing the most substantial price hikes.

Especially in the noble districts, most estate prices had increased seven or eight times, with the cheapest ones costing over ten thousand guilders. Don’t think it’s too expensive; without noble status, you couldn’t buy them no matter how much money you had.

To save on expenses, the Japanese did not move into the Vienna embassy district but instead chose to buy and renovate several houses two kilometers away.

This was a smart move, saving at least 50,000 to 60,000 taels of silver by choosing a different location.

Moreover, playing poor had its advantages—it could reduce the great powers' inclination to pry. If one's own strength was insufficient yet they tried to put on a facade of power, wouldn't that just be an invitation for others to come and take advantage?

As for face, Japan never had much of it, to begin with. In this era, which European country respected them?

Given this, there was no need to put on airs. From the very beginning, the Japanese were prepared to act humbly, and they maintained this stance for decades.

This is also why Japan was able to complete the Meiji Restoration without interference from the great powers. They behaved so well that no one considered them a threat.

By the time Franz returned to Vienna, the Japanese delegation had already left. Such minor matters were not worth his attention, and the officials who stayed behind only mentioned it in passing during their reports.

Had he known that Hirobumi Ito and others had visited, Franz might have struggled with the decision of whether to eliminate them. This wasn't about interests; the memories from his past life alone would have been enough for him to make that decision.

Since he didn't know, there was no need to worry. Hirobumi Ito and his group were currently investigating in the Kingdom of Prussia, probably never dreaming how close they came to losing their lives.

Even though they were a diplomatic mission and would be protected by various countries, there were plenty of potential accidents at sea—storms, pirates, and other dangers.

They were not yet allies of the British, and before the Meiji Restoration, they weren't even significant enough to be considered pawns. If an accident happened, no one would care.

Without Franz's intervention, history resumed its course. The Japanese government learned about the navy from the British and about the army from Prussia, and they brought back "Monarchism" with them.

As for learning from France and Austria, it was impossible because maritime countries couldn't emulate continental ones. France and Austria were already European powerhouses, merely suffering a temporary setback akin to a cold, which they have now overcome with such ease.

Being the underdog, the Kingdom of Prussia's defiant comeback against the mighty Russian Empire served as an iconic inspiration for the Japanese, so profoundly motivating that failing to learn from it was simply unacceptable.

Learning from Britain was out of necessity. How could a maritime nation survive without a navy? The 19th century was the era of sea power, and all the great powers were racing to conquer the oceans.

Franz was unaware of these minor episodes. He was currently troubled by the recently reclaimed Prussian-controlled regions of Saxony and Silesia, having been outmaneuvered by the Prussians this time.

Although the land was successfully handed over, the population had left. The initial plan to limit the development of the Kingdom of Prussia by reducing the core ethnic population was only half successful.

The total population of the Kingdom of Prussia had already surpassed the twenty million mark, with about 13.5 million being of the core ethnic group and Germanized population. This ratio was sufficient to ensure the stability of the country.

Nevertheless, at least East Prussia had been depopulated, so the effort wasn't entirely in vain. Silesia also still had around 60,000 to 70,000 people who remained.

This was the result of proactive intervention by the Austrian government, which managed to retain this portion of the population. It wasn't that the Prussian government was willing to give them up; these people simply didn't want to move.

The attachment to one's homeland is always strong. No matter how much the Prussian government promised, these people just wouldn't move.

They had no psychological barrier to staying under Habsburg rule. If they didn't want to move, they would not move, and with Austrian intervention, the Prussian government couldn't use force and had to accept it.

Although the land was transferred to Austria, the property on it still had owners. This was not a major concern, and Franz wasn't worried. It was the property owners who should be anxious.

If Silesia remained undeveloped, Austria would still be Austria. However, for the property owners, if Silesia wasn't developed, many of their assets would become worthless.

For example, if the land was left uncultivated, it would soon be overgrown, yet taxes would still need to be paid.

Similarly, commercial properties and factories wouldn't generate any income for their owners if they couldn't operate normally.

What was needed now was for these property owners to calm down and understand how to cooperate in the future. Unless the Prussian government bought these assets and operated them behind the scenes, these owners wouldn't last long.

Franz's biggest headache was the Saxon government constantly submitting proposals to the central government, demanding that the new Holy Roman Empire sanction the Kingdom of Prussia.

They had spent a lot of money to reclaim the Prussian-controlled Saxon region, and now there were only a few thousand residents left. Developing this area would require significant investment and immigration.

The Kingdom of Saxony couldn't tolerate being outmaneuvered. If not for the vast disparity in military strength, Franz suspected they would have taken direct action.

Instead of using force, the Kingdom of Saxony resorted to its own methods of retaliation, such as closing trade routes between the two countries and banning the sale of Prussian goods in Saxony.

But this wasn't enough for them; they wanted the entire new Holy Roman Empire to sanction Prussia. Even though they knew this would be a mutually damaging approach, the Saxon people were fearless and determined to take a stand.

Franz naturally found this situation headache-inducing, as such sanctions were meaningless. Even if the new Holy Roman Empire blockaded Prussia, they could still obtain goods from Britain and France.

Moreover, after the economic crisis, tariffs between countries had almost halted import and export trade. The total foreign trade between Prussia and Austria was less than ten million guilders, less than a third of what it was before the crisis.

Policies cannot be crafted on a mere whim; haphazardly enacting them out of spite will inevitably impair the interests of businesses. What if it leads to increased unemployment and exacerbated social conflicts? The repercussions would far outweigh any perceived benefits.

There was no rush to retaliate against Prussia—there would be plenty of opportunities in the future. Acting blindly and damaging public relations would be detrimental.

There was no choice; if the Kingdom of Saxony wanted to act on its own, it had the right to do so, and Franz couldn't be bothered to interfere.

Every family has its own troubles. Comparing his situation, Franz felt more at ease. The British were still dealing with troubles in Ireland and Scotland, and the French were creating their own problems. By comparison, Austria was doing quite well.

The constituent states were relatively obedient, with none clamoring for independence. The current outburst from the Kingdom of Saxony was also understandable.

The recently reclaimed Prussian-controlled Saxon region accounted for more than forty percent of their total area, originally home to a million people, now reduced to just a few thousand.

Any country that suddenly lost 30-40% of its population would be infuriated. Saxony was relatively restrained, merely demanding economic sanctions against Prussia.

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After placating his allies, Franz turned his attention to the Balkans. Industrial development was out of the question; the French treated the region as a colony, so high-end industrialization was nonexistent.

The remnants of the Ottoman Empire's industry had already collapsed, first due to the Near East War, then under French colonial rule.

In a way, this was beneficial. Purely agricultural areas were easier to govern, and radical ideas were less likely to spread in conservative rural areas.

Thanks to the French, many hardline elements had been exiled. Although the French left behind many hidden problems, there was little chance for these to manifest.

Franz's inspection of the Balkans wasn't a leisurely tour. It was an excuse for major reforms in the region.

With the emperor personally inspecting the area, security naturally had to be tightened, leading local governments to investigate safety issues. This scrutiny exposed many problems.

Under Austrian law, there were many criminal offenders. Regardless of the severity of the crime, any offense meant facing legal consequences.

Why did Austria wait so long to take action in the former French-controlled Balkans? To allow the locals to commit crimes.

The legal differences between French colonial rule and Austrian direct rule were vast. Actions permissible under French rule might be illegal under Austrian law.

Illegal activities had to be punished, so anyone caught had to face severe legal consequences. There was no such thing as collective immunity: if an entire village committed crimes, the entire village would be held accountable; if a whole town did, the whole town would be held accountable.

The French holdovers were undoubtedly removed, and the local ruling class was largely replaced.

Everything was done according to the law, so no one could complain. Regardless of the number of people implicated, the dignity of the law had to be upheld—it was definitely not about suppressing dissent.

Political prisoners spreading illegal ideas were sentenced to lifelong labor, while others were punished according to the severity of their crimes. Instead of being exiled, they were made to stay and work on improving the transportation infrastructure in the Balkans.

Franz was still very hesitant about whether to develop the newly acquired previously French-held Balkan territories. Austria's resources were limited, and investing in the Balkans felt like it might be a waste.

The newly acquired territory in the previously French-held Balkans was not small, encompassing future Albania, Kosovo, Macedonia, half of Greece, and half of Istanbul.

However, the population was less than three million, with even fewer able-bodied workers. This was largely the fault of the French, as the French government had long realized that the French-held Balkans, being contiguous with Russian and Austrian territory, were indefensible militarily and thus not worth developing seriously.

As a colony, it naturally received no special treatment. To develop the African continent, the French had relocated many people from the Balkans. Compared to the native African population, Balkan residents were considered high-quality labor.

The successful completion of the Suez Canal owed much to the contribution of Balkan labor, which was a major reason for the labor shortage in the Balkans.

Due to Franz's butterfly effect, the scale of the project increased, naturally leading to a higher demand for labor. Egypt, with a population of only 3.5 million, simply could not provide sufficient labor.

In the later stages, the enormous number of casualties exceeded Egypt's limits, forcing France and Austria to find solutions from their colonies.

Austria's African colonies contributed 400,000 laborers, while the Balkans provided another 200,000. The heavy casualties from such a large project were inevitable.

Moreover, the project's completion did not mean the laborers could return home. Especially after France sold the Balkans to Austria, there were no more ships sent to return them, and Austria did not promptly dispatch ships to retrieve them.

Subsequently, the Franco-Egyptian War broke out, leaving the surviving laborers stranded in Egypt. With no one providing for them, their whereabouts became unknown, and no one could ascertain how many remained.

Austrian troops stationed on the Sinai Peninsula now only protect the Suez Canal. If someone reaches the canal and seeks help, arrangements are made to bring them back on passing ships.

Gradually, around ten thousand laborers have been brought back. Perhaps the harshness of war or the grueling work conditions subdued them, making these individuals quite compliant.

Of course, their gratitude for being rescued also played a role, leading them to accept Austrian rule. Experiencing the harsh realities of the world firsthand highlighted the importance of a strong homeland.

The lack of sufficient labor significantly increased the cost of developing the Balkans. For long-term stability, Franz was wary of introducing foreign populations.

Additionally, with the potential future rise of the Russian Empire, if they aimed to enter the Mediterranean, they would need to take the Dardanelles Strait.

In the event of encountering a negotiable Tsar, trading the Balkans for territories in Ukraine would be highly advantageous.

The Ukrainian borderlands are rich with fertile black soil, making any acquisition there highly valuable. Given the Russian disregard for these areas, the possibility of hoodwinking them is quite high.

Since the land might be used for future transactions, investing in its development now would be wasteful. Maintaining local stability is sufficient for the time being.

Of course, this plan hinges on Russia winning the next round of Eastern European conflicts, reclaiming Ukrainian territories occupied by Poland.

Without such victories, the Russian government is unlikely to develop ambitions for the Mediterranean. Having been previously beaten down, the Russians would be cautious not to repeat past mistakes.

Chapter 443: Development of Bosnia

On April 6, 1869, the weather in Stockholm was exceptionally clear. Amid the joyous laughter and cheers of the people, the Nordic Federation was established.

After the collapse of the Kalmar Union, the three Nordic countries achieved unity once more. The only regret was the absence of Finland, and the Baltic regions were no longer part of their domain, lacking the glory of their peak.

The emergence of the Nordic Federation meant that Sweden, Denmark, and Norway, three peripheral European countries, could now make their voices heard in the world.

Franz did not attend the ceremony in person, as traveling long distances in this era was truly inconvenient. Unless someone enjoyed social gatherings, most people were not enthusiastic about traveling abroad.

The unification of the Nordic countries had little impact on Austria, but it was a headache for the Russians. One can imagine that at this moment, Alexander II's expression must have been quite

interesting, as the appearance of the Nordic Federation significantly increased the defense pressure on Russia's northern border.

With Prussia setting a precedent, who could guarantee that the Nordic Federation wouldn't follow suit? If they were to somehow seize Finland, the Russian Empire might have to relocate its capital.

St. Petersburg was indeed a great place, but the national defense pressure was a bit high. It wasn't an issue when the Russian Empire was strong, but in a state of decline, it became dangerous.

In comparison, Moscow was much better. Located in the center of Russia's Eastern European territory, it was strategically almost completely secure. By the time an enemy reached Moscow, winter would have already defeated them.

The area around Moscow was a granary, ensuring food supply wouldn't be an issue. Additionally, there were rivers facilitating material transportation, making the logistics convenient, and building a few more railroads would make it perfect.

Of course, as long as Poland wasn't lost and sea routes were available, St. Petersburg still had more advantages. Moscow, on the other hand, required development, and relocating the capital would at least necessitate completing the railway network first.

Alexander II certainly didn't think that far ahead. Under the dual pressure of political and military strife, he had only just managed to confine the rebels to the Moscow region.

After all the turmoil, Moscow's economy had suffered devastating blows. The bourgeoisie, who supported the revolutionaries, ended up shooting themselves in the foot.

It was easy to start an uprising, but controlling it was far more difficult. Initially, they supported the revolutionaries to gain some rights, but instead of gaining those rights, they ended up losing their assets.

When the civil war broke out, faced with a matter of life and death, the revolutionary party did not treat them kindly, requisitioning what they could and issuing IOUs.

In short, the bourgeoisie suffered greatly. Unless the rebels won, their initial investments would be unrecoverable.

If the rebels failed, these supporters would face the risk of being purged by the Russian government. Alexander II might have had a broad mind, but he had no tolerance for traitors.

Franz naturally capitalized on this negative example, spreading it widely. Recently, Vienna's newspapers had significantly increased their coverage of the Moscow rebels, with their stance shaping their viewpoint.

The flaws and misdeeds of the rebels were magnified, while the Russian government was portrayed in a more favorable light. As monarchies, they had to support each other.

Otherwise, after losing the Russo-Prussian War, Alexander II would have been labeled as a tyrant long ago. How could he have earned the title of a reformist ruler?

Not only Austria, but most of Europe's media refrained from blaming the war's failure on Alexander II. Instead, the ousted bureaucrats were made to bear the brunt of the blame.

In the coverage of the Russo-Prussian War, there was a deliberate effort to downplay the significance of the Kingdom of Prussia, focusing instead on the corruption within the Russian

bureaucratic group that led to the war's failure. It was clear that many were still unwilling to accept the rise of Prussia.

Although the Kingdom of Prussia had defeated the Russian Empire and joined the ranks of European great powers, it had not supplanted Russia's position.

Originally, European affairs were dominated by four major powers. With Russia out of the picture, it became the three great powers of Britain, France, and Austria dominating Europe. Prussia did not gain the international standing it desired.

In this era, international standing was not just about prestige but also about the division of interests. As the existing beneficiaries, the three countries—Britain, France, and Austria—had no intention of sharing their influence with Prussia.

This left the Prussian government feeling quite hurt. The three great powers could all be considered world empires, each with vast colonies, having divided the world along with Spain, Portugal, and the Netherlands.

As a newly emerging power, Prussia found itself in an awkward position. Now at the tail end of the colonial era, the established colonial empires had already completed land grabbing, staking their claims even without actual occupation.

What was left for Prussia was hardly even scraps. Besides a small colony in Asia, Prussia's presence was barely noticeable.

This was highly disadvantageous for the post-war economic recovery of the Kingdom of Prussia. However, the world was only so large, and there simply wasn't much left.

In the original timeline, there was a conference to divide up the African continent for colonization, but now it was unnecessary. Most areas had already been divided up, so there was no need for an international conference.

In the original timeline, there was a conference to divide up Africa, but that wasn't needed now. Most of the coastal regions were already divided among Britain, France, and Austria, with Portugal and Spain holding parts as well, while the Netherlands had been pushed out.

Discussions about acquiring colonies are unnecessary at this point, as there is hardly any territory left to colonize. Moreover, Prussia didn't have the strength to invest overseas; maintaining a small colony in Southeast Asia was already a significant achievement.

With no other options, Prussia could only focus on developing itself. The Prussian government welcomed the arrival of the Japanese delegation at this time.

Even a small gain was valuable; gaining an overseas trade partner could potentially boost the domestic economy.

The Prussian government took the opportunity to sell various products to the delighted Japanese delegation, with second-hand military equipment being the best-selling items.

Strengthening the military was the first and most crucial step of the Meiji Restoration. The Japanese were not wrong in this approach. In this era of survival of the fittest, without sufficient military power, any amount of wealth was simply to benefit others.

Prussia's efforts to expand its market in East Asia did not attract much attention from the outside world. In everyone's impression, the Japanese government was extremely poor, and even Franz overlooked the Japanese obsession with military development.

In 1869, the Japanese delegation signed a foreign trade deal with Prussia worth 1.58 million guilders. This was no small figure and ranked among the top twenty annual foreign trade contracts.

The surprise in the newspapers merely caused capitalists to regret missing out on a lucrative opportunity. Such commercial news was something Franz typically ignored.

He was currently reviewing the development strategy plan for the province of Bosnia. As one of Austria's poorest provinces, the current provincial government of Bosnia did not intend to continue in its passive state.

This change was forced upon them. Previous provincial governments had only needed to focus on one key task to show progress, but those tasks had already been completed by their predecessors.

The population of Bosnia was not large, to begin with, and it had also undergone a thorough purge. After more than a decade of unwavering efforts, the assimilation work had preliminarily reached a conclusion.

The language and script had been unified, and customs and habits had largely been reformed. By the time the current government took office, these traditional measures of achievement were no longer viable.

Time waits for no one, and many members of the Austrian cabinet have aged, with a reshuffle expected within a few years.

Those qualified to step up were typically those with outstanding local governance records. This did not mean that local officials had no chance. With remarkable achievements, they too could rise through the ranks.

Even if they were to fall short, becoming a minister in one of the departments would still be a significant step forward. Ambitious individuals would naturally seize this opportunity.

Franz was not afraid of his subordinates having ambition as it also represented motivation. Having a group of lazy, indifferent officials would be disastrous.

Austria's bureaucratic system required officials to climb the ranks step by step. Without achievements in local governance, one couldn't even enter the cabinet.

Even those who wished to form factions and act in their own interests needed the opportunity to do so. Without accomplishments, they couldn't climb the ladder, and no matter how extensive their connections, they would remain stuck at the lower levels.

Breaking up a faction was much easier than establishing one. The bureaucrats were also competing with each other. Once the main figures within a faction became political enemies, they would turn against each other.

Often, just one position could achieve this purpose. If bureaucrats ever formed a unified group, it would only indicate that the emperor was unbelievably foolish.

Bosnia was not without its advantages; at least it had minerals. This included coal, iron, copper, manganese, lead, mercury, silver, lignite, bauxite, lead-zinc ores, asbestos, rock salt, barite, and other mineral resources.

These were gifts from nature and the foundation of Bosnia's economic development. The Bosnian government planned to exploit these minerals, focusing not only on mining but also on developing heavy industry.

Simply put, they aimed to produce steel and smelt copper, along with selling salt. Other minerals would be developed as well, but these three were seen as the most profitable in the immediate future.

Franz recalled that in the original timeline, the heavy industry in Bosnia had developed quite well but later declined due to war.

Despite the mountainous terrain, the region had rivers that could support water transportation. If the railway lines could be extended, then developing heavy industry would have potential.

Austria's heavy industry was overly concentrated in Bohemia. This was fine during peacetime, but during wartime, Bohemia would be too close to the front lines.

The conditions in Bosnia were naturally not as favorable as those in Bohemia, but establishing a smaller heavy industrial base was still feasible.

Not only in Bosnia but many areas in the Balkans also had the potential for developing heavy industry. Compared to the rest of the European continent, the Balkans had relatively rich mineral resources.

Even if they don't consider long-term development, at least in the early stages of the industrial era, the necessary resources could still be met. However, in terms of development costs, the amount needed for the Balkans was still relatively high.

Since Bosnia had already been assimilated, Franz was willing to invest some resources. If the region could develop, it would be profitable. Even if the economic development didn't take off, having more heavy industry would still be a good outcome.

Without much hesitation, Franz marked a "√" on the document, thereby approving the plan. He didn't need to worry about the rest. After setting the policy, the bureaucrats would handle the implementation.

As long as the plans weren't overly extravagant, Franz rarely rejected development plans submitted by local governments.

No large strategic plan could guarantee success, but without trying, success was impossible.

For a country, the margin for error was quite high. Especially for a poor province like Bosnia, economic development plans could fail several times without shaking the foundation.

The province already required central government subsidies for administrative expenses, so things couldn't get much worse.

But if a plan succeeded even once, the benefits would be tremendous. It wouldn't necessarily make Bosnia a prosperous region, but achieving financial self-sufficiency would be a significant victory.

After the news spread that the Bosnian province planned to establish itself as a heavy industry powerhouse, it immediately caused a stir in capital circles.

For outsiders, it was just a spectacle, but insiders saw real potential.

Heavy industry always requires substantial and long-term investments. It's normal for an investment to take years, even decades, to break even.

On the flip side, once a company grows in this industry, the profits can be significantly higher. The high entry barrier eliminates most competitors, so heavy industry companies face far less competition compared to other sectors.

Austria's economy was just emerging from a crisis and entering a period of rapid growth, with skyrocketing demand for steel and copper, leading to a supply shortage.

In theory, as long as production was achieved, these two products would have no trouble finding buyers. However, joining this industry wasn't simple and would not yield results for 1-2 years.

Based on past experience, from finding a suitable site to producing the first product, it would take at least 2-3 years.

In reality, the timeframe was even longer. Preparatory work, like internal planning, was essential. Such significant investments required organizing professionals for mining exploration, conducting comprehensive cost evaluations, considering transportation logistics, and performing market analysis.

There were no specialized agencies to handle these tasks back then; investors had to organize and make all the judgments themselves. Even with bank loans, the initial investment would be at least several hundred thousand guilders.

This high barrier to entry eliminated most people from the outset. Without sufficient funds, there was no point in trying. This industry was the domain of capital giants, leaving no room for survival to small workshops.

Trying to get something for nothing was impossible. Banks were privately owned and each had stringent auditing processes. Without collateral, no one could secure large loans.

In this era, heavy industrial investments had already climbed to millions of guilders, and spending tens of millions was not out of the question.

The most valuable assets weren't the machinery but the raw material mines. Austria had no shortage of cheap mines, but their low cost implied significant extraction difficulties or low-grade ores of marginal value.

Experienced professionals knew better than to go for such bargains. If production costs couldn't be controlled, the enterprise would collapse at the first sign of an economic crisis.

Operating mines and smelters separately was unheard of. The trend was toward conglomerates and integrated supply chains, typically offering services from upstream raw material production to downstream product sales.

Industry segmentation only happened when local raw materials were exhausted, necessitating external purchases. This would significantly increase costs, which capitalists disliked.

The biggest problem in French industry was the need to import coal, which increased production costs. This was also why Napoleon III coveted the Rhineland region.

The Vienna Starbucks Club, with a name reflecting Franz's quirky sense of humor, was a testament to his habit of bringing to life any famous company he remembered.

Of course, many of these had changed. Over time, memories could become fuzzy, and companies with familiar names might operate in completely different fields.

Michelin could become an ice cream brand, Country Garden could be a park, and many company names had been playfully altered. If another time traveler appeared, they'd be thoroughly confused. These changes were destined to remain unknown.

Inside a private room, several middle-aged men played bowling while chatting leisurely.

A middle-aged man threw a ball and, smiling, asked, "Thor, are you really planning to invest in heavy industry in Bosnia?"

Thor smiled slightly and said, "A strike, Wells, your skills have improved."

Walking up, he threw his ball, sighed, and added, "Yes, I do have such plans. Most industries in the country are saturated. Emerging industries seem promising, but we can't get into them.

The Austrian New Energy Power Company has too much of an advantage. Even if we joined now, we would only get a small share of the pie.

Continuing solely in finance isn't reliable either. Our investments are too concentrated, making us vulnerable to risks. Although heavy industry requires significant upfront investment, it has great development potential.

Compared to emerging industries, these technologies are already mature. You know, I still own a half-dead steel factory, so entering this industry isn't completely without foundation."

Everyone present was shareholders of the Austrian Savings Bank and also the behind-the-scenes bosses of several securities companies. Some had even transitioned to noble status.

However, these big shots also felt a sense of crisis. As financial regulations became more standardized, the risks of manipulating the stock market grew increasingly high.

As members of the emerging nobility, they were also keen to preserve their reputations. No one wanted to struggle to climb into high society only to be immediately disgraced.

It should be noted that their titles as non-hereditary nobles also had another name: quasi-nobles, or probationary nobles.

During this stage, old aristocrats would scrutinize them closely. If they made any mistakes, they could easily be knocked down from their positions.

Austrian noble titles were not cheap. If you were lucky, you might secure a title for tens of thousands of guilders, but if unlucky, even millions could be wasted without success.

The military merit system for ennoblement was biased against these moneyed newcomers. Even if they organized expeditions to colonies to earn military merits, the rewards would be distributed among the participants, not solely to the financiers behind the scenes.

Gaining a noble title domestically was even harder. Only those who made significant contributions to society and gained Franz's recognition had a chance of receiving a title.

Since Franz's ascension, only two capitalists had achieved this feat. In contrast, more than twenty scientists have been ennobled due to their technological inventions.

Wells shook his head and said, "Thor, you're too optimistic. I think mining salt in Bosnia would be more profitable than heavy industry, at least the return on investment would be quicker.

The heavy industry sector is dominated by the Austrian Steel Group, a state-owned enterprise with a significant advantage, monopolizing nearly half of the country's steel production.

Trying to outcompete them is too difficult. Other industries might be a better bet. Even the newly rising Austrian New Energy Power Company doesn't have such a significant edge."

Thor threw another bowling ball and said, "It seems we are unlikely to convince each other.

The Austrian New Energy Power Company relies on a win-win cooperation model, launching attacks across the European continent. Even in Britain and France, they have a significant market share.

Although this share is currently potential only, they have already established a system. Most power companies have become their strategic partners, and unless something unexpected happens, this potential will become a reality.

Once copper production increases and the cost of electrical equipment decreases, the majority of Europe's power supply will be monopolized by this alliance. I don't think the power company you're dabbling in can break through.

On the other hand, the Austrian Steel Group is easier to deal with. They are a state-owned enterprise, and apart from normal business competition, they won't completely crush us.

As long as the supply-demand relationship doesn't change, there won't be direct conflict. This gives us plenty of time to develop and grow."

This is a fact. The monopoly established by the Austrian New Energy Power Company is mainly based on their standards system, which also promotes their equipment.

In the subsidiaries established in various regions, the Austrian New Energy Power Company doesn't hold a dominant share; most of the shares have been distributed. In some regions, they have simply taken a stake based on their technology.

This is the benefit of having core technology. Even if they are not the majority shareholders, their influence in the company remains significant, ensuring they aren't sidelined.

As newcomers, breaking such a monopoly is extremely difficult. The biggest challenge is the lack of core technology, making it impossible to overcome patent barriers.

No one knows when they might develop another system. The market waits for no one; once a standard is widely adopted, it becomes difficult to enter.

It's not a matter of whether it's feasible to replace an existing power supply network with new technology standards, but rather why anyone would want to switch.

Without significant benefits, who would abandon established equipment for new, unproven power equipment?

Only if they can introduce a new technical system before the current standards become ubiquitous, and successfully implement it in practice, would they stand a chance of competing.

Wells waved his hand, showing an innocent expression, and said, “Alright, I give up trying to persuade you. But, my friend, who said I was going to compete with them?”

Yes, I’m investing in a power company, but the disparity in our capabilities is too great. Jumping into the power supply system would be suicidal.

According to the engineers, not to mention circumventing patent barriers, even without patent restrictions, it would take at least three to five years to completely replicate their technology.

This is a complete technical system, not just a single technology. Every component is essential. Otherwise, the British and French wouldn’t be purchasing patent licenses but would be creating their own systems.

My investment in the power company focuses on the industrial applications of electricity, using electrical machinery to replace the steam engines currently on the market. We are not competitors at all.”

Theoretically, these technologies have unlimited potential, but the required investment is substantial. Wells’ attempt to persuade Thor was essentially a matter of funding.

It’s not that he lacks money. It’s mainly that the research and development of new technology is fraught with uncertainty, so he needs to find someone to share the risk.

Judging by the current market situation, these new technology companies have the shortest lifespans and are the main contributors to lowering the average lifespan of Austrian enterprises.

In contrast, traditional businesses are much more resilient. Surviving for 20-30 years is normal, and there are even quite a few century-old enterprises.

After all, traditional industries are asset-based, and their assets can be sold off. Many companies have changed hands multiple times and still managed to survive.

On the other hand, high-tech innovation industries are different. If they are lucky and develop new technology, the company has value; if not, the company is worthless.

Companies without tangible results don’t last long, as investors’ patience is limited, and no one is willing to wait ten years for a breakthrough.

The shortest-lived technology companies have only a few months of life. If they fail to develop a technology before a competitor does, investors will consider them unviable and abandon them.

The capital market is that ruthless—survival of the fittest.

It’s not surprising that capitalists are reluctant to invest in new high-tech companies. The risks are too high, and even if they succeed, the innovations may not have commercial value.

As a result, most technological inventions and innovations in the 19th century were driven by individuals. Once they had results, capital would then flock to them, spurring a technological revolution.

If it weren't for the sudden rise of the Austrian New Energy Power Company, which turned Vienna into a city that never sleeps and demonstrated the importance of electricity, the electric power industry wouldn't be receiving so much capital interest.

Even so, capitalists are still trying to mitigate risks. This is one of the reasons why the strategic expansion of the Austrian New Energy Power Company has been so smooth.

The debate between the two men is one of investment philosophy, with no right or wrong, only what is suitable.

Their decision not to enter the fiercely competitive light industry sector is proof of their foresight. Of course, the recently ended economic crisis must have been a significant influencing factor.

Capital does not shy away from risk, but capitalists have an inherent instinct to avoid it. Everyone knows that an industry with overcapacity is a sunset industry.

Surviving in a sunset industry is challenging enough. Expecting to make huge profits is clearly unrealistic.

Seeing the situation was getting a bit awkward, their colleague Lawrence Lofsky changed the subject, saying, "It's almost 12 o'clock, we should have lunch. I think the beef at that restaurant next door is pretty good, why don't we give it a try?"

Thor smiled and said, "I prefer their roast goose. What about you?"

Chapter 445: Worn Out with Worry

Capitalists are always in pursuit of profit. Following the announcement of Bosnia's heavy industry plan and its accompanying preferential policies, many people have rushed to the region for assessment.

However, whether or not to invest will depend on the findings from these assessments. Typically, companies will only commit to investing after securing a mine.

In this era, the idea of importing ore from overseas is virtually unheard of. Although Austria's colonies possess abundant mineral resources, the cost of extraction and transportation would be prohibitive for any enterprise.

Except for minerals not found domestically, importing ore was rare at this time. The primary industrial nations in Europe largely relied on domestic sources for their industrial raw materials, with colonies serving as supplementary sources.

Franz believes that capitalists are shrewd and will handle everything efficiently. Those lacking business acumen have likely already failed.

Now, his attention is focused on the African front. After the British deployed troops to Tunisia, the French quickly followed suit.

The struggle between Britain and France over control of the Tunisian Strait has intensified. As for the Tunisian government, it can be ignored; with two creditors at their doorstep, they can only act like ostriches.

Meanwhile, in the Red Sea, the competition between the Franco-Austrian alliance and the British has also become fierce. The successful opening of the Suez Canal exceeded British expectations, with the Franco-Austrian forces pushing them out of Egypt.

Currently, French forces occupy most of Egypt, and Austrian forces in Libya have pushed their border forward by several kilometers. Franz remains uncertain about the exact amount of territory occupied.

Ultimately, the actual territorial gains will be determined once the Egyptian government surrenders and after negotiations between France and Austria. After all, according to their agreement, Egypt was designated for the French, and any opportunistic land grabs would be seen as illegitimate.

It is understandable that the colonial government, due to its lower rank, might be unaware of the Franco-Austrian alliance. Such situations are normal and can be resolved through negotiations.

It is certain that the prime areas of Egypt were under French control, with Austria's reach not extending as far with their occupied territories consisting mainly of a few oases and large desert areas.

These are minor issues that will not cause a rift between France and Austria. In any case, occupying these areas prematurely is pointless as they hold no value for the next century.

To counter the British incursion into Ethiopia, Austria deployed troops to the Arabian Peninsula, specifically the future Yemen, in March 1869.

In short, the Red Sea region cannot be entirely controlled by the British. Although Yemen's ports are not as significant as Djibouti, with some modifications, they can still accommodate warships.

Britain and France have not taken direct action because they still wish to maintain their image, and the Ottoman Empire is still technically their ally. The Arabian Peninsula has always been considered within the Ottoman sphere of influence.

Without sufficient benefits, it is rare for countries to act against their allies. For the French, controlling the Suez Canal was sufficient, as Austria would not block the canal anyway.

As for the British, facing the exclusion of France and Austria, any attempt to establish a blockade could provoke unpredictable reactions from the Franco-Austrian alliance.

In monarchies, interests alone do not dictate their actions; often, the emperor's stance becomes the national stance. If Britain pushes France and Austria too far, the two could unite against Britain, causing serious repercussions.

The Ottoman Empire, as the affected party, has its envoy in Vienna protesting daily, and the Austrian Foreign Ministry is currently negotiating terms with them.

There already is a *fait accompli*, and Austria is not going to relinquish the territory. If the Ottomans want it back, they can try to take it by force. Otherwise, they can discuss it at the negotiation table.

This strategy follows the American approach: occupy the land first, then negotiate. This method not only keeps costs low but also avoids legal complications.

This approach is not limited to the Ottoman Empire but extends to all of Austria's colonies in Africa. Austria acquired these territories through "legal" means by purchasing them from local indigenous tribes, complete with written agreements.

The validity of these agreements, including who signed them and their legal effectiveness, is obviously questionable.

In essence, the colonial government signed treaties with indigenous tribes, which included provisions for relocating the tribespeople to better living conditions in exchange for their land.

The colonial government strictly adhered to these treaties, ensuring that the tribespeople achieved their “great goal” of moving from Africa to better places like America, fulfilling their promise.

Beyond international conflicts, changes on the African battlefield have also caught Franz’s attention. Many African tribes have acquired muskets, indicating that someone is trying to disrupt Austria’s strategic plans.

The population of Austrian Africa has now exceeded seven million, significantly altering the balance of power and potentially turning the continent into Austria’s private domain.

The rapid population growth is due to two main factors: immigrants from East Prussia and the influx of people driven by the European economic crisis.

Due to its growing population, Austrian Africa has developed relatively well, far surpassing the colonies of other European countries in Africa and increasingly attracting immigrants.

This change has naturally caused concern among other nations, as a significant population shift can lead to substantial transformations. Without Austria’s support, these millions might be disregarded by Britain and France.

However, with a powerful Austria that is ready to integrate Africa, everyone must remain vigilant.

If it weren’t for the Greater France Plan distracting the French, it wouldn’t be Austria and France driving the British out of the Mediterranean. Instead, it would be Britain and France jointly encircling Austria.

Fortunately, Napoleon III has performed quite well. First, he annexed the Kingdom of Sardinia, then launched the Egyptian War, and now he’s competing with the British over the Strait of Tunisia, drawing much of John Bull’s attention.

Despite this, actions have consequences. Austria’s support of Ethiopia’s resistance against the British invasion hasn’t gone unnoticed by Britain.

They not only sold weapons to indigenous tribes but also sent numerous military instructors to train their armies. Luckily, these efforts have not been very successful. Otherwise, Austria would have been in significant trouble.

“Gentlemen, does anyone have ideas on how we can accelerate the French in their Greater France Plan? Their progress is too slow, so we need to give them a push.”

To ruin them, first, make them overextend.

Franz has been quite concerned about the French Greater France strategy. As long-time rivals, the Habsburgs understand France better than any other country, possibly even better than the French understand themselves.

In the original timeline, it was World War I that broke France’s back, at the cost of the German Empire’s downfall and the Austro-Hungarian Empire’s dissolution. Franz certainly does not want to follow that path now.

Even if Austria appears much stronger, Franz is still unsure how powerful it can be in combat.

He's not worried about uniting the various states' forces. In fact, it doesn't require much effort. These states will give their all in war.

The reason is apparent just by looking at the map. Most of Austria's national defense pressure falls on these states. If war breaks out, they will be the first to suffer. Anyone not cooperating would essentially be committing suicide.

The only problem is that there will be no winners if there's a war. France hasn't declined, and Franz doesn't believe Austria will get as lucky as Prussia did in the original timeline.

Napoleon III might have underestimated Prussia in the original timeline, but facing present-day Austria, unless he's severely overconfident, the same mistakes won't happen.

As long as no major mistakes are made, the contest will be one of strength. After defeating France, Austria would then lack the power to dominate the European continent and could even face encirclement and destruction.

Given this, the only option is to let France decline on its own. Achieving this is very difficult, and the best strategy is to let the French self-destruct.

Challenging Europe is impossible. The French have tried many times, with their closest success being during Napoleon's era. They certainly won't attempt it again now.

The Greater France Empire is the grand vision Napoleon III painted for the public, and now Franz intends to use popular sentiment to force Napoleon III to make that vision a reality.

The dream of becoming a great nation is not only a driving force for a country's success but also a force that can lead it into the abyss.

Foreign Minister Wessenberg responded, "Your Majesty, this may be very difficult. It's not that the French don't want to implement the Greater France strategy. It's mainly that they lack the strength.

The scramble for overseas colonies has already diverted much of the French's energy. Egypt, Tunisia, and Mexico are all battlefronts, and the newly occupied Kingdom of Sardinia isn't stable either.

For them to advance further, they would need to resolve these issues. Otherwise, the French are incapable of annexing the Italian region, let alone making a move on Belgium."

The Austrian government studied the situation and concluded that the best way to bring Belgium back into the Holy Roman Empire was to let the French annex Belgium first.

Only after enduring hardship would they see the value of the Holy Roman Empire. The same strategy could apply to Switzerland, but since the French have no interest in Switzerland, this tactic won't work there.

Franz was well aware that the French were pushing their limits. With three distant battlefronts, the sheer military expenditure alone was enormous.

Currently, there are 72,000 French troops in Mexico, 127,000 in Egypt, and 48,000 in Tunisia—together, they've deployed over half their forces abroad.

If not for geographical constraints, now would be the perfect time to launch a surprise attack on France, as their domestic strength has reached its lowest point.

Clearly, that's impossible. Although Austria and France share a border in Italy, neither has control over the core regions. Marching through the Alps would be a significant challenge, so it's better to let go of the idea.

Prime Minister Felix pondered and said, "Perhaps we can provoke them a bit. The French aren't entirely powerless. The issue of manpower can be resolved by expanding their military.

As for financial issues, with the full support of the French populace, this becomes less significant. Napoleon III's government has also accumulated considerable reserves, so depleting some of them shouldn't be a major problem."

Provoking the French, or rather, inciting the radical expansionist groups within France, might be more appropriate. If the French expand their military, they will have the means to expand their territories.

Whether this impacts France's economic development is of no concern to the radical factions, and Austria certainly doesn't mind either.

The only issue is that if France expands its military, Austria would also need to do the same to maintain the balance.

Franz contemplated for a moment and said, "Provoking the French is acceptable, but we must ensure the situation doesn't spiral out of control. We are not yet prepared for war."

Chapter 446: The Path to Self-Destruction

Since the opening of the Suez Canal, Austria's export trade to Asia has surged, accompanied by a sharp increase in the number of ship accidents.

To maintain smooth maritime trade routes, the Austrian navy has repeatedly deployed to eliminate multiple pirate strongholds.

The number of pirates hanged at ports has already exceeded three figures, with even more being directly shot dead.

The results of the anti-piracy efforts have been significant. Regardless of any potential covert support, no country publicly supports the pirates.

During the pirate eradication operations, navies from various countries participated. Recently, the probability of ships encountering accidents has approached one percent.

Rumors of sea monster incidents have also been frequently reported. Franz couldn't ascertain the truth, but there have been over a thousand alleged eyewitnesses from various nations claiming to have seen these sea monsters.

Of course, these sea monsters aren't that terrifying, as the eyewitnesses are still alive. These sea monsters still fall within scientific explanations; they are merely large in size and relatively formidable.

There are no fire-breathing sea monsters, but there are quite a few that spray water. They don't have magical abilities and can't fly or vanish; they just cause disturbances in the ocean.

Many sea monsters only have a peculiar appearance and appear briefly in people's sight without attacking ships.

It's unclear whether their temperaments are gentle or if ships simply aren't on their menu. It makes sense, after all, who would be interested in lumps of wood or iron?

Saying they attack ships for human flesh is laughable—such a small amount of meat wouldn't even fill the gap between the teeth of these behemoths. There's simply no reason for them to attack ships for it.

Catching these sea monsters isn't within the Austrian Navy's responsibilities. Although biologists are eager, Franz has no intention of indulging them.

Meanwhile, whoever is behind the mischief, catching and eliminating pirates is always the right move. Even if mistakes are made, it doesn't matter—pirates are never innocent.

Every cause has its effect. Choosing this path of no return means being prepared to be killed. Those who kill will, in turn, be killed.

The anti-piracy campaign continued until the end of 1869. First, Mediterranean pirates were severely beaten, then Indian Ocean pirates faced misfortune, and finally, Southeast Asian pirates didn't escape scot-free either.

Protecting shipping lanes, training troops, and occasionally seizing some spoils made this meaningful activity increasingly beloved by the Austrian Navy.

Eliminating pawns of Britain, France, and other nations was just a bonus. Since no one would admit to having ties with pirates, there were no complaints about the thousands of pirates eradicated.

Each country's media boasted about their anti-piracy achievements. If all the reported numbers were added up, the pirates would be numerous enough to encircle the globe hand in hand.

Whether there were actually that many pirates is unimportant. Ultimately, after the anti-piracy campaign, the thriving pirate groups were severely crippled.

With the increasing number of laborers at hand, Franz was considering whether to dig another large canal. In the original timeline, the Austro-Hungarian Empire had the Ubersichts-Karte canal plan, which was abandoned due to the World War.

Now, there's a similar proposal to dig a canal from Vienna to Trieste. Along the route, there are several rivers that, in theory, only need to be connected.

However, Franz is uncertain. Would this large canal truly be useful once completed?

It's important to note that the railroad from Vienna to Trieste has long been operational. If the canal's capacity is insufficient, it would lose its economic value in competition with the railroad. But if the canal's capacity is large enough, it might render the railroad economically unviable.

In any case, the end result would be that either the railroad or the canal would fail. The Suez Canal and the Suez Railway are clear examples of this, with the British Suez Railway Company now bankrupt.

From an investment perspective, it doesn't seem very profitable. However, a country cannot focus solely on short-term gains. The operational cost of a canal is much lower than that of a railroad, and this canal could potentially become another major artery for Austria.

Given the involvement of tens of millions of guilders in investment, Franz is very cautious. The issue has been temporarily shelved, and to be safe, Franz has decided to organize several more field surveys.

As for the captured pirate prisoners, they will join the road construction army. The scale of the road construction army has drastically decreased. On the one hand, the world is relatively peaceful, so there aren't as many "serious offenders" joining. On the other hand, casualties have been high, and the initial batches of road construction army members have been exhausted.

In this era, large-scale projects are often built on the backs of human lives. For example, each meter of the Suez Canal was dug at the cost of many lives.

While railway construction isn't as extreme, it still averages a few casualties per kilometer, especially in cliffside areas where construction losses are more severe.

Partly, this is due to the construction teams' lack of safety awareness and inadequate safety education. It's also because these convicts were destined to be expendable from the start, and their casualties did not attract much attention from the railway companies.

By the time Franz realized the severity of this problem, it was already too late. He didn't have the means to reform these people. And since they were destined to be enemies, it was naturally impossible to release them.

Filled with hatred and seeing no hope, these people were not easy to manage.

There were prisoner riots almost every month, and to guard these people, an entire division of troops was stationed nearby.

The internal situation didn't need much description—overall, it was very dire. The capitalists' management model was designed to minimize costs and maximize profits.

Franz was no saint; he never showed mercy to his enemies. For the long-term stability of Austria, he chose to turn a blind eye.

Because of this, Austria's prisoner labor camps were widely criticized across the European continent, and Franz's reputation suffered as a result.

If it weren't for the fact that governments across Europe were firmly on the same page, Austria would have faced serious difficulties. Many people sympathized with the rebels, and many self-righteous individuals engaged in empty rhetoric.

Austria also had its fair share of these armchair critics. Franz didn't hesitate to invite them to reform the prisoners directly.

Simply put, they were sent to live with the convicts and engage in ideological work. After experiencing it firsthand, these individuals often changed their stance upon leaving.

Of course, some never left at all. Those who believed they were dealing with good people paid for their naivete with their lives.

It was only normal—besides political prisoners, the camps were filled with hardened criminals. Many of them deserve the death penalty, and sending them here is just a way to make use of them, extracting their last bit of value.

If anyone wants to try reforming them with love, Franz won't oppose it. Whoever wants to go can do so themselves.

Adults must be accountable for their words. They can't just talk the talk; if they dare to preach in the newspapers, they must practice it in the prisons.

It may be very cruel, but the world is even more cruel. You can't sacrifice the interests of millions for the sake of one fool.

Strict law enforcement brings social stability. Once someone has chosen the wrong path, they must pay the price, even if that price is extremely harsh.

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In Mexico, Maximilian I showed a rare moment of wisdom by accepting Franz's suggestion to contract the task of suppressing the rebels to the French.

The proud French were unaware that they were taking on a huge problem. As Maximilian I's reform measures were implemented, the rebels' strength continued to grow.

Not only was he imitating Austria, but many of his policies were even more thorough than Franz's.

For instance, he legally established that: Laborers have the right to leave their place of employment freely, regardless of any debts owed to their employers. All debts over ten pesos are canceled.

Working hours are limited, and the use of child labor is restricted. Corporal punishment of workers is prohibited.

At the same time, he restored the property rights of Native American communities and redistributed village lands to those without community land.

In simple terms, he freed the serfs, canceled the national debt, and redistributed land to the people.

Clearly, this aligns with the interests of the lower classes. In theory, such a land revolution should be very popular, and an emperor with the support of the people should be able to quickly quell the rebellion.

In reality, the opposite was true. The unorganized lower classes passively accepted the reforms without actively supporting the emperor, and many even sided against him.

The problem was that social power didn't lie with the emperor or the lower classes. Without the cooperation of the ruling class, Maximilian I's edicts didn't extend beyond the palace.

Landowners and capitalists, whose interests were harmed by the reforms and who received no compensation, were naturally very dissatisfied. In addition to resisting the reforms, they tacitly supported the rebels.

These people held the social narrative, and soon Maximilian I became notorious in Mexico, labeled as greedy, ruthless, indifferent to human life, capricious, and autocratic...

All the terms used to describe a tyrant became his titles. The only supporters of the emperor were idealists, who were all talk and no action.

They seemingly lacked any real capability, otherwise, such policies that alienated the entire ruling class would never have been implemented.

Even if reforms were necessary, they should have been implemented gradually. Trying to achieve everything at once doesn't lead to ascension to heaven but rather a fall into hell.

In the original timeline, Maximilian I met his end at the guillotine, having personally alienated the constitutionalists and the church who initially supported him.

Franz's intervention hasn't changed his self-destructive tendencies at all. Having just hoodwinked the French, he thought everything was fine and that he could continue his reckless actions without consequence.

The domestic turmoil was one thing, but this delusional emperor went on to make political statements about reclaiming lost territories. He truly believed the Americans could be easily pressured into returning what they had taken.

This move clearly angered the federal government. With Britain, France, and Austria pressing on, the U.S. wouldn't dare act openly, but covert actions were another matter entirely.

And it didn't stop there—another blood-boiling event for Franz occurred.

Since the emperor and empress had no children, they adopted the grandsons of former Mexican Emperor Agustín de Iturbide, young Agustín and Salvador, bestowing upon them the title of Prince of Iturbide and naming young Agustín as the heir to the Mexican throne.

Announcing an heir to the throne without a word meant directly declaring that the Mexican throne had nothing to do with the House of Habsburg anymore.

At this point, Franz really had nothing to say. Even if the Habsburgs weren't interested in the Mexican throne, they should have at least been informed about appointing a new heir!

Did Maximilian truly believe he was the chosen one? In the original timeline, he was executed in 1867, but now he was alive, energetically stirring up trouble on the throne, thanks in large part to the efforts of the Habsburgs.

When the news came back, Franz was held accountable by a group of Habsburg archdukes who demanded an end to any support for Maximilian I. The argument was that the family's resources were finite and shouldn't be wasted on outsiders.

The opinions of family members had to be considered. Though they seemed to have little influence, they contributed significantly to the family through political marriages.

This is why European royal families are often considered one big family. The number of children produced by emperors and kings alone wouldn't be sufficient for all the necessary political alliances.

Franz did not hesitate and immediately agreed. His support for his brother had already gone far enough. The resources spent on Maximilian were substantial, enough to provoke protests from other family members.

Given the age of Maximilian and his wife, Charlotte, they were far from being unable to have children. Charlotte was not even thirty yet and still had the potential to bear offspring.

Now, to gain the support of the previous regime, appointing young Agustín as the heir to the Mexican throne was an utterly foolish move.

Not to mention how to handle things if he had a biological son, just considering the reaction of the House of Habsburg alone should have made him think of his family members first.

Maximilian I had no son, but he had plenty of nephews, with more than a dozen having the appropriate status.

Even if the direct line wasn't interested, weren't there still the collateral lines? No matter how distant the blood relation, as long as they were still family members, there wouldn't be such resistance.

Political resources have always been limited; the game has always been that if you take more, others get less.

In Franz's generation, there were no ambitious individuals. Aside from the idealistic Maximilian I, his other two brothers were of average ability, as were several princes from the collateral lines.

Otherwise, they would have already jumped out to compete for resources. Don't underestimate these political resources; invested in one person, they could now contend for the thrones of Spain or Poland.

Alternatively, they could go to South America, align with a constitutionalist faction in some country, and vie for a throne.

These are the legacies left by their ancestors. Many noble families in South America still have some ties to the Habsburgs.

This dates back a century when the Spanish Habsburg dynasty died out, and the crown passed to the House of Bourbon. The saying "new king, new officials" holds true everywhere.

Those nobles who were too close to the Habsburgs were gradually pushed out of the core of power, with many family members forced to join the colonial expansion movements.

Many of these people have now become rulers of various South American countries. The relationships among the nobility are always tangled, and covert connections still exist.

Especially after Austria's rise, these potential networks were re-established, but it was impossible to expect their continued loyalty.

However, in some countries with severe internal strife, the constitutionalists still dream of restoration. After all, South America has only been independent for a few decades, the leading republic, the United States, has been beaten down, and monarchy remains the world's mainstream.

A constitution naturally requires a king, and the House of Habsburg happens to be one of the options. With personal connections in place, everyone naturally prefers to support someone they know.

If there were an ambitious person in the family, Franz would not mind giving them a push. They could simply learn from Napoleon III, appear directly as a presidential candidate, and then transition from a republic to an empire.

Fortunately, there was no such person, otherwise Maximilian I would have truly been a tragedy. If his political resources were divided, he would be in danger, possibly ending up on the guillotine again.

There is a world of difference between a valued family member and an undervalued one.

In the original timeline, because Austria declined and the Habsburg dynasty was limited in power and unable to intervene in Mexico, Maximilian I ended up on the guillotine.

If an army had appeared right at their doorstep, the Mexican revolutionaries would have reconsidered. Even if they didn't calm down on their own, the cannon fire would have made them rethink.

Sighing, Franz sent a letter to Maximilian I, directly conveying the House of Habsburg's stance that from now on, they would go their separate ways.

Chapter 447: Scientific Research

As the sun set, the colorful clouds rose on the horizon, making Vienna even more vibrant and beautiful.

The busy people had no time to appreciate this picturesque scene. Olabiv was an exception; the lab had recently assigned him an easy task, giving him a sort of vacation.

Basking in the sunset, Olabiv didn't forget his work. He picked up something that looked like both a receiver and a microphone and shouted into it.

Yes, this was his daily task. Since it was a vacation, there wasn't much to do. His job was to perform three call tests a day.

Initially, he did this just outside the lab, but the distance gradually increased. Now, Olabiv was over twenty kilometers away from the lab; if he went any farther, he would be outside Vienna.

Olabiv had been working at the Royal Academy of Sciences for five years, and unsurprisingly, working overtime was commonplace in research institutions.

In five years, Olabiv's longest vacation had been less than three days. The so-called long vacation was merely a position adjustment to a less demanding role to relieve some stress.

Telephone research had always been one of the lab's key projects. The term "telephone" had been used in Europe as early as the 18th century, and in 1860, Antonio Meucci of Italy invented the telephone.

However, it was not very useful or even completely unusable. Historically, it was generally accepted that Bell invented the telephone in 1876, simply because Bell's improvements made it practical.

Now, naturally, they couldn't wait that long. Franz had long set his sights on this relatively accessible technology.

The testing distance clearly shows that the Royal Academy of Sciences has made the first step in telephone research and is close to success.

If call quality is not considered, the telephone can now facilitate "same-city voice calls," which has some commercial value.

The birth of the telephone was originally intended to make communication more convenient for people. Achieving coverage over just a few dozen kilometers is obviously not enough to meet Franz's demands.

Improving call quality has also become the biggest challenge. Once the technology for voice transmission is perfected, extending the call range will be relatively easy.

Manual switching is always an option. Franz does not have such high expectations to assume that it can achieve intelligent switching in one go.

On the other end of the phone, Oscar complained excitedly, “Olabiv, keep your voice down, I’m not deaf.”

Olabiv was delighted; the call quality had improved. They were almost daily replacing new equipment, testing all sorts of random ideas.

Invention and creation are often very tedious processes. It takes the creative ideas of researchers and a lot of experimentation to achieve the final results.

Of course, the most important factor is luck. Almost all scientists agree that research relies on luck, and those who are unlucky are not suited for scientific research.

In high spirits, Olabiv retorted, “Got it, Oscar. If you were deaf, you wouldn’t be complaining about my loud voice.

However, I think your focus should be on something else right now. It seems the call quality has improved, and success is just around the corner.”

Improved call quality doesn’t equate to success. After all, this is just a dedicated line phone, which doesn’t have economic value in practical applications.

However, the advantage of the lab is that tasks can be divided, allowing multiple technologies to be researched simultaneously, with even each technology being studied by several teams.

This quantity-driven approach offers a significant advantage over individual researchers.

For instance, in telephone research, a key project, there are over a hundred participants. This includes groups focused on voice quality, telephone switches, telephone lines, and so on, divided into more than a dozen teams conducting simultaneous research.

Any technological advancement is crucial for this project. Naturally, bonuses are inevitable, and Franz has always been generous in this regard.

Research can’t run on passion alone; that small spark can’t sustain the entire industry. In recent years, Austria’s scientific research field has developed quite well, with the Royal Academy of Sciences playing a significant role.

The annual investment of millions of guilders has become the driving force behind Austria’s scientific and technological progress.

Compared to the telephone, phonograph technology is more mature, with related patents already fully registered. It is expected to be on the market for sale after this Christmas.

Well, having snatched yet another of Edison’s patents, Franz was beginning to seriously doubt what new tricks this inventor could come up with if things continued this way.

These inventions and creations made Franz less fixated on famous individuals. The fact is, as long as you are willing to invest, these technically feasible inventions, which are just short of conceptual innovation, can be produced through sheer effort.

Given this, Edison's value greatly diminished. It is far easier to attract a scientist than a businessman. Instead of spending a large amount of money to chase successful "businessmen," it is better to use the same money to support hundreds of researchers.

These are the ones who can truly enhance national strength. Behind every powerful nation in modern times, there has always been a group of researchers and engineers holding it up.

Without industrial support, the great ideas of scientists will always remain ideas. To turn them into reality, a solid industrial foundation is essential.

Even scientific and technological progress are closely related. While people focus on giants like Edison and Einstein, they often overlook the unsung heroes of basic scientific research.

These individuals have no fame and no inventions that directly impact daily life, yet all inventions and creations depend on them.

Since the 19th century, most scientific inventions and creations have been concentrated on the European continent, which reveals the issue.

It's not that other regions lack geniuses, but the absence of basic industry prevents these geniuses from inventing and creating, forcing them onto other paths.

In a corner of the research institute, the internal combustion engine project team was still working hard.

This technology has very early origins. In the 17th century, Dutch physicist Christiaan Huygens conducted research on obtaining power from gunpowder explosions, but due to the immaturity of gunpowder technology and the difficulty in controlling the results, the research failed.

In 1794, the British inventor Robert Street proposed obtaining power from fuel combustion and, for the first time, introduced the concept of mixing fuel with air.

In 1833, another Briton, Wright, proposed a design that directly utilized combustion pressure to drive a piston.

By the mid-19th century, scientists had developed theories for converting the heat generated by burning gas, gasoline, and diesel into mechanical power, laying the foundation for the invention of the internal combustion engine.

Since the introduction of the piston internal combustion engine in the 1860s, it has undergone continuous improvements and development, becoming a relatively perfected machine.

In 1860, the Frenchman Lenoir designed and manufactured the first practical gas engine, modeled after the structure of a steam engine.

These external factors led to the establishment of the internal combustion engine project. Given that the foundation was already laid, Franz naturally did not overlook this epoch-making invention.

Technically speaking, internal combustion engine technology could have emerged in the 18th century. Of course, scientific research is not easy, and in the original timeline, breakthroughs were delayed until the late 19th century.

Franz's promotion merely accelerated this process. Two years ago, the internal combustion engine was already born in the laboratory.

However, due to its very small power output, it had no practical value and could only be displayed in a museum for public viewing. The current model is the second-generation internal combustion engine.

When this technology can be applied to everyday life depends on luck. After all, laboratory results and commercial applications are two different concepts.

The Royal Academy of Sciences has many advanced technologies that, for various reasons, cannot be released to the public. Among them, medicine and biology are the most prevalent fields, with many highly effective drugs that cannot be industrially produced.

It's not just that industrial technology can't keep up; many materials are simply too scarce. Especially those drugs made from herbs that take hundreds of years to grow—the lab itself often lacks the raw materials for research.

There's no doubt that Franz is the main supporter behind these various research projects.

The projects being researched in Vienna are relatively safe but some of the ones in African laboratories are much more dangerous. There was even an incident where laboratory wastewater led to the extinction of several African tribes.

This can be considered the earliest form of biochemical weapons. Fortunately, Franz had the foresight to place the lab in Africa, or the consequences would have been disastrous.

Franz has always believed that every excellent scientist is also a bit of a daredevil. They dare to research many things they don't fully understand, which is quite admirable.

Many of these random research projects have led to unimaginable consequences. If Franz wanted, he could produce biochemical weapons now.

Obviously, his peace-loving nature prevents him from doing so. No one knows how severe the consequences of releasing scientific by-products could be, and Franz is not willing to find out.

Given the limited medical technology of this era, releasing an unknown virus that could wipe out humanity is not impossible.

Scientists are aware of these risks and handle the waste from their experiments with great care after collecting data.

If someone intended to play a mean joke, rounding up this waste and sending it over for storage would definitely work. That said, Franz would never indulge in such unscrupulous behavior.

To dispose of laboratory waste, he has made significant investments. Typically, the waste is first incinerated at high temperatures and then buried in remote areas, never within the country.

Chapter 448: The Poorest Tsar

Time flew like an arrow; the days and months flashed by like a shuttle. After so many years of effort, Austria has risen to become the world's second-largest colonial empire, with its influence spanning the six continents and the seven seas.

One has to be thankful that this era lacks satellite maps; otherwise, Austria's strategic layout would immediately cause a huge uproar.

In the Americas, Austria occupies Central America, effectively dividing North and South America. The famous Panama Canal from the original timeline has now become a distant possibility.

Unless Austria becomes powerful enough to handle all challenges or the United States undergoes another split, rendering it no longer a threat, this canal will remain out of consideration.

The situation in Africa is even more alarming. If anyone pays attention, they will notice that Austria has divided other nations' colonies, preventing them from forming contiguous territories.

Of course, the French have a large area in North Africa, but once the desert areas are considered, this perspective changes.

Having a large area is good, but if most of it is desert, the situation changes. Apart from the coastal regions, only a few oases in the vast desert hold any value.

There might be mineral resources, but in Africa, they are not very valuable. If they are beneath the sand, they are even less valuable.

The British territories in South Africa are actually in a precarious situation. Austria hasn't seized them yet simply because Franz does not want to confront the British too early.

The French colony in Egypt looks good but is actually fraught with crisis. If they can't quickly take over Sudan and connect the two territories, they will be surrounded by the British and Austrians.

Purely from a military perspective, it seems like a plan to monopolize the African continent.

In reality, this is just idealistic daydreaming. Currently, the forces of five nations—Britain, France, Austria, Spain, and Portugal—are converging on the African continent, so how could they be easily expelled?

Moreover, Austria doesn't have the population to fill this massive pit. Franz is very wary of turning from an emperor into an African tribal chief.

TN: “非酋” is an internet slang term that literally translates to “African tribal chief.” It is often used by netizens to refer to the unluckiest person, someone who is so unlucky that they are considered to have the worst luck possible. It is mostly used for self-deprecating humor. (Double-meaning usage in this scenario. This is also used where they say you have European luck or African luck to indicate how lucky you are in gacha games.)

In the original timeline, many Africans claimed to be French, just darkened by the African sun, turning them black.

Whether true or not, the mere possibility makes Franz hesitant to take reckless actions.

Against the backdrop of the integration policy, if the African population were to exceed that of the homeland, people would cry and shout to move the capital, which would be a headache.

Well, these are minor issues that Franz is unlikely to encounter. The main concern is still the lack of strength as being too aggressive can lead to trouble.

On the European continent, it goes without saying that if it weren't for the decisive creation of conflicts and the behind-the-scenes manipulation to instigate the Russo-Prussian War, Austria's current national defense pressure would be enough to cause collapse.

There's no way around it—Austria's geographical location both blesses and limits it.

If not for Franz's flexible diplomatic measures that divided the great powers, Austria would have long become the target of everyone's hostility.

The current situation in Europe can be said to be largely engineered by Franz. There have been some unexpected changes, but overall, things are still within the planned scope.

Eastward, Austria faces Russia; to the west, it blocks France; and in the middle, it suppresses Prussia. While this strategy might seem satisfying, in practice, it would lead to a more thorough demise than that of the Second German Empire.

The "Austrian threat theory" hasn't become mainstream in public discourse, but it has emerged in the minds of many politicians. The reason it hasn't erupted yet is due to the overly active French.

After all, the Habsburg dynasty was once even more glorious than now, but even they failed to unify Germany. Additionally, Franz's inability to realize this feat made them tolerable for everyone.

Many are likely calculating that another German regional conflict could pull the Habsburg dynasty down once again.

Perhaps the prestige earned during Napoleon's era has fostered arrogance among the French, who now consider themselves as the best army in the world. They didn't even fear the Russian Empire at its peak, so Austria was hardly a concern for them.

Although France attracted hatred from many, they have been fortunate. Spain has declined due to its own turmoil and is now on the brink of civil war over a succession dispute.

With no threats from the rear, France isn't intimidated by any single country, giving Napoleon III the confidence to stir things up.

Of course, this is both an advantage and a disadvantage. France's path to expansion is difficult, and the French people's dreams of being a superpower are hard to fulfill.

Napoleon III is not young anymore, and his son is still a child. Accelerating the pace of expansion is a sign of Napoleon III's urgency.

If Napoleon III doesn't stay in power until his son is ready to take the throne, he must first create a Greater French Empire. Otherwise, France, or rather the House of Bonaparte's throne, will be in jeopardy.

This is also why Austria and France can form an alliance. With Franz manipulating public opinion, the French people's spirit has been kept highly enthusiastic.

The desire for greatness has deeply ingrained itself in the French psyche. While Napoleon III can still maintain control, the next generation might not be able to.

In this situation, they either achieve this goal or suppress it and change people's mindsets.

Undoubtedly, the latter is impossible. Even if Napoleon III wanted to attempt it, the capitalists who would suffer from his reforms would not allow it.

If expansion succeeds, the increased market can satisfy the capitalists. If it fails, it will trigger political changes, and replacing the government with one of their own will still bring them significant benefits.

The danger of an overt plot compared to a conspiracy lies here. France's internal conflicts are severe, and the best way to alleviate these internal conflicts is through expansion.

Using the wealth obtained through plunder can compensate those who suffer losses from the reforms. In modern times, successful reforms have almost always used this approach.

After the revolutions, Britain expanded its colonies and used the colonies to resolve its internal conflicts.

During Austria's reforms, it also relied on external expansion to solve internal issues.

The Kingdom of Prussia did the same. It wasn't until after the Russo-Prussian War that the conflicts between capitalists and Junker aristocrats were resolved.

France's current stability is also built on external expansion. If the government hadn't opened up so many colonies, the capitalists who suffered losses would have rebelled long ago.

Alexander II, who is currently undergoing reforms, is facing the same problem. The Russian Empire has plenty of land, but those who suffer from the reforms still need compensation.

Money is something Alexander II cannot afford to give. In the original timeline, many criticized Alexander II for not reforming thoroughly enough, leading to the fall of the Russian Empire. In reality, he had no choice; he really did his best.

As a representative of the noble class' interests, cutting into his own class' privileges meant that a thorough reform would have led to a change in tsars before it was even completed.

Even so, the Russians still expanded in Central Asia, the Far East, and the Near East, using external plunder to alleviate internal conflicts.

Now, with the Russian Empire losing its opportunities for expansion, internal conflicts have become even more intense. If not for a massive purge, Alexander II's reforms wouldn't have been possible at all.

In St. Petersburg, Alexander II has replaced the top levels of government once again. There's no other choice. After three ministers were assassinated, the remaining officials became cowards, so he had to choose new people.

Every country always has passionate young men, and now the reformists in power are a group willing to shed blood for the Russian Empire.

Alexander II understood the art of compromise, and his reforms were not overly radical, with many policies taking into account the interests of the nobility.

In terms of land distribution, he made further concessions. Nobles who refused to sell their land were not forced, and the government funded the organization of peasants to clear new land.

The Russian Empire had plenty of land that was simply undeveloped. Not only was there undeveloped land in Europe, but even the Siberian Plain could theoretically accommodate millions of people. In later times, farms were established even in the Far East.

Peasants at the bottom of society did not mind remote areas. As long as the government was willing to fund their efforts to clear the land, they were willing to endure hardships.

This policy shift significantly reduced the nobility's resistance. In the age of mechanized agriculture, the demand for labor was no longer as high.

As a consequence, the Russian government's treasury quickly dried up. Government funding required real money, at least to provide tools, seeds, and food.

The newly liberated peasants were extremely poor, so the cost of land development had to be borne by the government. This money was considered an interest-free loan from the government to the people, to be repaid in the future, but that was a concern for later.

Currently, millions of people are relying on the Russian government for sustenance. Financial issues had become the biggest challenge for Alexander II's administration.

Chapter 449: Bankruptcy

Lack of money is always the most painful issue, especially when there's a large group of people relying on you for their livelihood. Solving the financial crisis had become an urgent matter.

Winter Palace, St. Petersburg

The newly appointed Finance Minister, Evgeny, reported with a mournful expression, "Your Majesty, this is the expenditure report for the past month. If we don't take measures, we'll be bankrupt in three months at most."

Financial bankruptcy was not a new occurrence for the Russian government. Under normal circumstances, they could simply default.

The current problem, however, was that the newly organized land reclamation campaign couldn't be halted. Otherwise, millions of people would go hungry. This would not only ruin the reforms but could also lead to the collapse of the Russian Empire.

After briefly glancing at the report, Alexander II threw it aside and began pacing the room.

Plans could never keep up with changes; the actual number of people participating in the land reclamation campaign far exceeded the government's estimates. More people naturally meant greater costs.

After a long period of hesitation, Alexander II finally asked, "If we stop paying our international debts now, can we get through this crisis?"

Defaulting was not an ideal choice, but the Russian government truly had no money. They had already tried obtaining international loans and issuing bonds.

No one was willing to lend money to the impoverished, even if the Russians could offer collateral. People were still worried that they would not be able to fulfill their promises.

Due to the war, the Russian government lost some fertile land in Eastern Europe, leading to a significant reduction in financial revenue.

If it hadn't been for a substantial windfall from confiscations, the government would have already gone bankrupt. War is expensive, and so is reform; Alexander II had very few options left.

After considering the situation, Finance Minister Evgeny replied, “If we suspend some projects and focus entirely on the land reclamation campaign, we should be able to manage.”

It was time to make a decision. After suffering a setback due to poor transportation, Alexander II devised an ambitious Russian railway plan.

The plan called for a total of 150,000 kilometers of railway tracks. Once completed, it would connect Russian-held Eastern Europe, effectively spelling the end for Prussia and Poland.

Alexander II decisively ordered, “Alright, let’s do that!”

The issue of development would have to be put on hold as solving the immediate problem was more important. On the surface, the large-scale land reclamation seemed beneficial, increasing the amount of land and providing farmers with plots.

In reality, there were significant hidden dangers. The biggest problem was the inevitable future overproduction of grain, which would lead to low prices, harming the farmers.

While increased grain production might be good for a capitalist economy by lowering the cost of feeding workers, it would be a disaster for farmers and nobles. Many nobles were dragging their feet, mainly because they feared for their future profits.

The Russian Empire was already a major grain exporter. If production continued to increase, domestic consumption would not suffice, making export the only option.

From the beginning, the Russian government was prepared to drive down European grain prices. Just as other countries could dump industrial products on them, they could reverse the process by dumping agricultural products.

Ideally, they would monopolize the grain supply for the European continent. Achieving this required ensuring that Russian grain could be transported out of the country.

Railroads were an essential part of this plan. Without solving the transportation issue, the plan would remain just that—a plan on paper.

No one opposed Alexander II’s plan. Compared to a grand vision, it was more crucial to solve the immediate crisis.

As long as they survived the first year and the land produced enough to meet the basic needs of the people, subsequent issues would be easier to manage.

At this time, Russian peasants were not difficult to satisfy. Having just transitioned from serfdom to free citizens, they had few demands beyond having enough to eat.

As long as they survive the most critical period, it would make future problems more manageable.

On July 7, 1869, the Russian government issued a notice to its major creditors, declaring that the Russian Empire was financially bankrupt and unable to continue meeting its debt obligations.

The announcement caused an uproar across Europe. For several years, no European country had defaulted, leading the public to believe that governments had become more reliable.

The Russians have now shattered everyone’s illusions. The lack of defaults was only because the countries’ finances were relatively stable, and the need to default hadn’t arisen.

When the money runs out, defaults become inevitable. If a country has no money and refuses to pay, the creditors are left to deal with the consequences.

Apart from the creditors, the general European public became spectators, casting their eyes toward Vienna with expressions of *schadenfreude*.

Austria's recent success had naturally aroused jealousy. As Russia's largest creditor, many people were now watching Austria's reaction with amusement.

It's worth noting that Russia was supposed to pay 3,068,400 guilders in interest and principal each month, totaling 36,820,800 guilders annually.

This astronomical figure was enough to shatter the Russo-Austrian alliance. No matter how strong the relationship, it could not withstand such financial strain.

Franz was not as alarmed as the outside world might have imagined. He had already prepared for the possibility of Russia defaulting when he refused to extend more loans to the Russian government.

In fact, this mental preparation had been in place even earlier, considering the Russian government's perpetually poor financial state. The fact that they had held on this long was remarkable.

Regardless of how well-prepared he was, aftercare was still necessary. Most of these loans were guaranteed by the Austrian government. Otherwise, few banks would have taken on the risk.

Now that issues had arisen, the Austrian government was also responsible. Fortunately, most of the loans were secured with collateral, and the Austrian government's current task was to ensure the Russians honored these securities.

Prime Minister Felix frowned as he reported, "Your Majesty, based on the contracts we've signed, our preliminary estimate is that even if the Russians honor their collateral obligations, we will still need to cover 38 million guilders within the scope of the guarantee.

We cannot directly bear this cost. The Russians must be held accountable. Since our finances are currently strained, we should allow them to defer repayment. The Russian government cannot remain bankrupt indefinitely."

Franz nodded in agreement. While he can disregard others' debts, he must recover his own funds. Even if they are out of money, the Russian government must acknowledge the debts or the Austrian government will struggle to explain it to the public.

"Have the Foreign Ministry communicate with the Russians and urge them to honor the contract. If they are unable to repay the debt, they can defer the payment."

In this situation, the debtor holds the power, and the Russian government is currently in that position.

Using military force to collect the debt is out of the question, as the amount owed doesn't justify the military expense. Unlike Mexico, Russia is not easily bullied and they still have considerable strength.

While the Russian government may be out of funds, the Russian nobility is not necessarily in the same position. With centuries of accumulated wealth, they can still support a war effort.

The nobility and the Russian government share the same fate; when faced with foreign invasion, they will quickly unite.

The Russians owe debts to many creditors. Following the principle of bullying the weak and fearing the strong, they are likely to default on debts owed to smaller countries while deferring payments to major powers.

Deferred debts are also prioritized. Debts guaranteed by national governments are repaid first, while private commercial loans without such guarantees are mostly defaulted on if possible, or otherwise deferred indefinitely.

After carefully selecting and prioritizing, the Russians managed to reduce their foreign debt by at least 400 million guilders through this debt repudiation. The reduction could be even greater if the Russian government was strong enough.

What comforted Franz was that the Russians had already repaid most of the foreign debt from the Near East War. Even without considering interest gains, at least the principal had been recovered.

However, the debts from the Russo-Prussian War remained unpaid. The most skilled banks could only recover 30-40% of the costs at best.

The Austrian government did not suffer losses since most of the loans came with additional conditions. Over the years, through bilateral trade and economic growth, the increased tax revenue was sufficient to cover the losses.

For financial institutions, their circumstances differed. Loans guaranteed by the Austrian government were relatively secure. Even if the Russians defaulted, the Austrian government would ensure the principal's safety.

However, commercial loans without such guarantees were problematic, and financial institutions had to handle them on their own.

Philippot was one such unlucky individual. He was not a banker but merely the owner of a securities company.

Lured by the high commissions offered by the Russians, he had helped the Russian government sell a batch of bonds. Now, with the Russians declaring bankruptcy, Austrian law stipulated that his securities company was responsible for joint and several liabilities.

A middle-aged, overweight man hurriedly ran in and said, "Mr. Philippot, the news of the Russian bankruptcy has spread, and people outside are demanding we redeem the bonds ahead of schedule."

At this time, Austria's securities regulation was notably stringent: securities companies issuing bonds were required to take responsibility for the bondholders.

Simply put, the authority to review bonds lies with the securities company. This isn't just a privilege; holding the review authority also comes with corresponding responsibilities.

For example, the company must ensure the bonds can be redeemed normally, inform bond purchasers of the risks in advance, and if there's a default, the securities company must bear some compensation responsibility.

The securities company and the government jointly determine the compensation standard. The government's minimum requirement is no less than 50% of the principal, but securities companies often set a higher standard to attract business.

Austria has more than a few securities companies that promise capital protection, and Philippot's company happens to be one of them.

According to their commitment, now that the Russians have defaulted and can't redeem the bonds, Philippot's securities company must repay the principal.

A promise made must be kept. Philippot now regrets his decision. The 15% commission offered by the Russians was suspiciously high, but he couldn't resist the temptation at the time.

Philippot anxiously asked, "Berg, how much money do we have left in our accounts?"

Running away wasn't an option—the police were already watching him. If he tried to flee, he'd likely be caught before he could even leave Austria.

Finding a way to manage the aftermath was crucial. Paying compensation was inevitable. These bonds clearly couldn't be sold at face value anymore, but perhaps someone might buy them at a discount.

After all, these were government bonds issued by the Russian government. Even if they were currently bankrupt and unable to redeem them, the Russians might still repurchase them in the future to rebuild their credit.

Ordinary people can't see that far ahead, or they simply can't wait that long.

Berg thought for a moment and said, "We have a total of 3,894,600 guilders in the account, but after deducting the operating expenses of the securities company, we only have 3,560,000 guilders available.

Mr. Philippot, there are many people outside demanding early redemption, and this money won't be enough to cover the payments."

Philippot sighed and said, "I understand. First, send someone out to appease the crowd. Tell them we agree to the early redemption according to the contract.

I remember there was a clause in the sales contract that stipulated if the bonds couldn't be redeemed due to force majeure, we were indeed responsible.

However, this responsibility kicks in after the bonds mature. Now, their demand for early redemption is a breach of contract, which incurs a 20% penalty. We only need to pay 80% of the principal.

Spread the word that we will start early redemption in three days, with only one window open and increased verification steps to delay as much as possible.

I also need to gather more information to see if there are any changes. Such a significant event can't go unnoticed by the Austrian government.

Don't worry, this won't ruin us. We issued just 8 million guilders in Russian bonds, and not all bondholders will demand early redemption, right?

Also, try to find out if anyone in the market is willing to buy Russian bonds. Even if they are sold at half price, we might consider it.”

The profits from the securities company had always been substantial. When Philippot founded the company ten years ago, he invested less than 300,000 guilders, and now, just the working capital alone is several times that amount.

Over the years, he has drawn dividends of over a million guilders from the company. This crisis has caused significant losses, but if handled properly, there is hope for overcoming it.

Philippot couldn't help but be thankful that Russian bonds were inherently poorly regarded and unpopular in the market. If they had managed to sell tens of millions of guilders worth of bonds, he would already be contemplating jumping off a rooftop.

Of course, if he had been able to sell tens of millions of guilders worth, he wouldn't have been able to handle the business. Austrian law is no joke. The government would intervene if bond issuance exceeded the company's capacity.

Otherwise, one could simply set up a shell securities company, issue bonds to raise funds, sell them off, declare bankruptcy, and run away, quickly amassing wealth.

Clearly, this method of getting rich overnight is well documented in legal texts.

Unlike other companies, bankruptcy and liability issues are strictly enforced for securities companies. Management and shareholders face thorough investigations, and unless everything is strictly in compliance with regulations, it's unlikely anyone would escape unscathed.

Strictly speaking, Philippot's issuance of bonds for the Russians was already pushing the boundaries of legality.

If nothing had gone wrong, there wouldn't have been a problem. But now that something has happened, if he doesn't quickly handle the aftermath, and the police get involved, he's likely headed for prison.

Chapter 450: Fishing in Troubled Waters

The negotiations between Russia and Austria have already begun. Alexander II is not a reckless person; defaulting on debts is mainly due to a lack of funds, but he understands the consequences of losing credibility.

Even if they have to default, the impact must be minimized as much as possible because one day the Russian government will need to rebuild its credibility.

The worse the current impact, the harder it will be to restore their reputation in the future. The Russian Empire still needs to export its grain, so it cannot completely sour its relations with European countries.

Otherwise, even if they offer grain at rock-bottom prices, no one will want it. That would be disastrous, as overproduction of grain can also lead to an economic crisis.

The Russian Empire's market alone cannot sustain an economic cycle. The era of self-sufficiency had already ended since the Industrial Revolution.

Austria is not only Russia's biggest creditor and occasional ally but also the most crucial link in Russia's foreign relations.

If they can't appease Austria, there's no point in attempting to address other issues. Russia would essentially be sidelined in European affairs.

In this era, many still consider Russia an Asian country. After all, the continents are human constructs, and the division between Europe and Asia is not universally agreed upon.

Most of the Russian Empire's territory is in Asia, with just over a quarter in Europe, so calling it an Asian country isn't entirely inaccurate.

Of course, the Russians would never admit to being an Asian country, and even Franz would deny it. If countries were classified by the location of their land area, they would be considered "African."

Just the name itself is already very unpleasant, so it is more scientific to classify which continent a country belongs to based on the location of its capital. It is absolutely not appropriate to classify it based on the location of the majority of its territory.

At the Austrian Foreign Ministry, Wessenberg summoned the Russian envoy to discuss the Russo-Austrian debt issue.

"Mr. Sorev, your country's sudden announcement of financial bankruptcy seems rather excessive! As far as I know, your country's finances, though difficult, have not yet reached the point of immediate bankruptcy."

Indeed, it has not reached the point of immediate bankruptcy, but it will be in a few months. After the civil war ended, the Russian government had to pay debts amounting to more than half of its current financial revenue each year.

In this situation, defaulting on debts was inevitable. Of course, if the Russian bureaucracy suddenly became honest and incorruptible, they might be able to fill this gap.

Obviously, that's impossible. In this era, the bureaucracies of all countries were not that clean, and so-called "good governance" was only relative.

Compared to the Russians, the bureaucrats in European countries were considered clean. It doesn't mean they took fewer bribes, but they had evolved to know which money they could take and which they could not.

Few fools wanted money at the cost of their lives. Most European countries had supervisory agencies, and bureaucrats under such supervision naturally behaved better than those without such constraints.

Envoy Sorev very frankly pleaded poverty, "Minister, you don't understand our hardships. Continuous wars have brought devastating blows to our domestic economy.

To be honest, this year's financial revenue may not even reach 200 million rubles, taking us back twenty years.

However, the annual debt repayment is as high as 120 million rubles, and the remaining money is simply not enough to keep the government running.

From the outbreak of the Russo-Prussian War until now, our annual financial deficit has exceeded our revenue. Here are the detailed documents for your reference, Minister."

Looking at the thick stack of documents, Wessenberg did not reach out to take them. These were all open secrets; the Austrian government was fully aware of how dire the Russian government's financial situation was.

It was entirely normal for the current financial revenue to be less than 200 million rubles. Losing so much territory and devastating the Moscow area, it would be surprising if the revenue did not decrease.

"Mr. Sorev, we are not here today to discuss your country's financial problems. You should raise those with your Ministry of Finance, as they are the ones responsible.

The purpose of our meeting today is solely to discuss the debt issue between our two countries. Repaying debts is endorsed by God; your country must give a clear response."

Failing to steer the conversation off-topic, Sorev was not disheartened. Dodging the issue temporarily was not a long-term solution. Such a large debt could not be resolved with mere words.

"I'm very sorry, Minister. Given our current financial situation, we are unable to continue fulfilling our debt obligations. We request a deferment of five years. During this period, we hope to have the loan interest and default penalties waived. Otherwise, we won't be able to repay even after five years."

Paying only the principal and not the interest would cut the total debt between Russia and Austria in half, reducing the actual payment required by the Russians to less than one-third of the original amount.

This clearly exceeded the Austrian government's bottom line. Complying with such terms would mean Vienna would have to compensate for the Russians' shortfall.

Wessenberg shook his head and said sternly, "Sorry, we cannot accept these terms. Many of your government's loans were guaranteed by us. Otherwise, you wouldn't have been able to secure them at such low interest rates.

Now that you are defaulting, we have to assume this debt, and as allies, you can't leave us in the lurch like this. We insist on adhering to the contractual terms. We can discuss extending the repayment period, but we cannot further reduce the already favorable loan interest rates we provided."

No one wants to engage in a losing deal, and the Austrian government certainly does not want to be taken advantage of. The Russian government, forced by circumstances, might have abandoned its creditworthiness by declaring bankruptcy, but Austria cannot afford to lose credibility too.

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Negotiations remained at a standstill, with both sides trying to secure more favorable terms. This news was not welcomed by Austria's financial sector, especially for the securities companies that privately underwrote Russian bonds and the banks that extended loans to the Russians. International private debt has always been the hardest to collect.

Generally, compared to commercial loans, government bonds are considered the safest, as countries rarely default. Unfortunately, dealing with the Russians proved problematic. If it were a smaller

country, they might just announce a suspension of payments and then come forward to negotiate a debt extension.

The current situation was dire; the Russian representatives were now nowhere to be found. If the Russian government hadn't acknowledged the existence of this debt, the creditors might have suspected fraud.

Acknowledgment aside, they still had no money. No one could provide a clear answer on when the debt would be repaid.

Their only hope was the ongoing Austro-Russian negotiations. If the Austrian government couldn't come to a settlement with the Russians, the debt would become a lost cause for everyone.

Anyone in finance likely has a few bad debts. If not for Austria's stringent regulations, they would have shifted the losses onto private investors and reopened under a new name.

Unfortunately, Austrian laws are very strict. Even if they avoided punishment, the law also stipulates that after the bankruptcy of any financial institution, all management and shareholders are barred from similar businesses for three generations.

This severely restricts financial magnates. The usual tactic of shedding liabilities and starting anew was no longer viable. When speculating, they now had to consider the risks, as any issue could implicate even those hiding in the background.

Otherwise, from the moment Russia announced its debt default, there would have been a wave of bankruptcies among Austrian financial institutions.

So far, due to Russia's debt default, more than a hundred financial institutions across the European continent have declared bankruptcy, while Austria's financial industry is still struggling to hold on.

For the sake of long-term interests, capitalists, if they can hold out, are unwilling to exit the market at this point.

Philippot was just one of them. After running around for answers, he still didn't get the result he wanted.

High profits always come with high risks. If you want to reduce risks, it's simple: when selling bonds, don't promise guaranteed returns and clearly inform investors of the risks.

Issuing bonds is not about relying on reputation, but about providing collateral. As long as the bonds undergo strict scrutiny, even if there are problems with the debt in the end, it won't result in a total loss.

Returning to his office in a daze, Philippot sat down and started smoking. He began to ponder whether he should raise funds from other sources to fill the gap.

With high commissions and early redemption penalties, after accounting for operating costs and taxes, the estimated loss from this crisis was about 5.6 million guilders.

As for operating costs and taxes, the commissions earned earlier and the returns generated from those in the financial market had already covered them.

If everything is accounted for, the actual loss from this deal might be even smaller, which is why the financial industry is often considered highly lucrative.

Even if all bondholders demand early redemption, the total amount needed would be just 600,000-700,000 guilders. The company's project funds can cover half of this amount. Selling some of the long-term stocks and bonds held can raise another 1.5 million guilders.

Selling a few mansions under his name can raise another 400,000-500,000 guilders, leaving a final gap of just 1 million guilders.

As long as the company is preserved, these funds can be earned back. After all, Philippot's securities company isn't operating in isolation; it also holds shares in a bank.

The profits Philippot earned from the company were largely reinvested into other fields, with a significant portion going into banking.

Even in this critical moment, he had no intention of selling his bank shares. Without the status of a bank shareholder, financing for the securities company would become difficult.

While he was contemplating how to raise the funds, a familiar voice came from outside.

"Mr. Philippot, good news, good news!"

Philippot, feigning calm, said, "Alfa, speak slowly, don't get excited."

The young Alfa, panting, said, "We just received news that Wells Fargo Securities is buying Russian bonds on the market. However, the price is a bit low. They're only offering 20% of the face value, which is even lower than the current market value, and they're only buying the bonds issued by Russians specifically to Austria."

After the Russian government announced a default, Russian bonds devalued. They didn't become worthless overnight since there was still a slim hope that the Russians might pay up, although it was highly unlikely.

The bonds still had value, but unfortunately, there was no market for them. Regardless of the price, nobody dared to buy them. Collecting debts from the Russians was not something people believed they had the capability to do.

The actions of Wells Fargo Securities undoubtedly provided a boost to the market. However, this had little to do with Philippot. Repurchasing Russian bonds was already a significant risk, so trying to profit from arbitrage by buying bonds from the market was out of the question!

Such high-risk ventures were only for the big players. As a small player in the capital market, it was better to stay out of it.

"Contact them immediately. We have a large number of bonds on hand. Ask them if they want to buy. If they are willing to pay 50% of the face value or even 40%, I'll sell to them!"

This was a test. Compared to the financial giants, Philippot was not well-informed.

Whether Wells Fargo Securities was spreading misinformation or if there was a real turnaround was entirely unknown.

After all, the amount of bonds held by major institutions was much larger than theirs. Financial institutions being forced to repurchase bonds in advance were not just one or two.

To stabilize the situation, it's entirely possible that a false rumor was spread. It wasn't just Philippot who was skeptical; many financial institutions in Austria were also doubtful.

The stalemate in Russo-Austrian negotiations was an open secret, and most people in the financial sector were closely monitoring the progress of the talks.

It wasn't hard to find out specific details. Getting information from Austrian diplomats might be difficult, but figuring out the negotiation process from the Russians was just a matter of money.

However, the authenticity of the information couldn't be verified. Typically, Russian bureaucrats were quite reliable and known for their professional ethics of getting things done for a fee.

If they couldn't accomplish the task, they might even offer a refund, which many people have experienced.

But this time was different as the stakes were too high. If someone offered a high price to make them play along, it wasn't out of the question.

The most reliable method would be to get confirmation from the Foreign Minister directly, but nobody dared to do something so foolish. The Austrian government's dignity was not to be challenged, and spying on state secrets was a deadly offense.

Testing Wells Fargo Securities became the only option. If the negotiations had made progress, holding a large amount of Russian bonds would be highly profitable. If not, the situation would remain the same as it is now.