

The Blacksmiths seemed more than content to feast on crab as Ludmila continued giving Frianne an overview of their metalworking company and its objectives. Frianne sipped on her fourth Summerberry Smoothie of the day – she couldn't stop drinking them for some reason – pondering Ludmila's resistance to the Guilds. While it was true that Nobles competed with them for influence, Frianne had never heard of anyone trying to eliminate them from their fief entirely. If anything, being important enough for the Guilds to set up a branch in one's territory was a waymarker for territorial development.

“On a societal level,” Ludmila said, “the Guilds perform several important functions. The first is that they provide education and training for the next generation of professionals in their ranks. This function, however, is being rendered obsolete by the new schools in the fief. Public schooling provides a basic education at a superior standard, allowing the companies to focus on vocational training.”

“Is the system here similar to the one in Corelyn Harbour?” Frianne asked.

“No,” Ludmila said. “Any similarities are the result of convergent development rather than being based on the same preceding system. More precisely, the public schools in Corelyn County are adapted from preexisting systems while my demesne was designed from the ground up for the specific needs of Warden's Vale. Corelyn's primary objective is to get her many subjects up to the new standards while my subjects – my Human subjects, anyway – are already in line with those standards. The Lizardmen should be there within two years or so.”

“Do the Lizardmen have their own schools? I haven't seen any around the harbour or the villages.”

“A Human teacher goes to their village daily,” Ludmila nodded. “Our Lizardmen have a far more sedentary nature than Humans, so only those with business in the harbour come by. If you happen to see one outside of the lake, they are most likely here for some specific task.”

“Will Lizardman Blacksmiths also join this company?” Frianne asked.

“Ideally,” Ludmila answered. “Their tribes didn't have any metalworkers until recently, but we haven't noted any hard barriers to them picking up the profession. Only time will tell how well suited they are to it, but their perspective and way of thinking will undoubtedly offer valuable new insights to the company.”

“Do you intend on having all of the Demihuman races in your territory work in your industries?”

“If possible,” Ludmila gestured across the table. “These fellows are already speculating what an Ogre or Troll might be capable of, though it seems a bit cruel to have a Troll work a forge. The next Demihuman to join them will most likely be an Orc, however.”

Dimoiya looked up from her plate, a crab leg in her hand.

“Why an Orc?” She asked.

“Because they already had Blacksmiths before coming here,” Ludmila answered. “They recognised nearly every workshop in the village. At least once they looked inside them. In terms of their technological advancement, the Orcs don’t seem like they’re very far behind Human civilisation despite living as a tribe in the wilderness.”

“Could be that they know things we don’t,” Smith Kovalev said. “Most of my advanced knowledge in the craft comes from Demihumans in places I never knew existed.”

“I’m surprised that you learned anything at all,” Frianne said. “The Empire has sent people to investigate the lands beyond Karnassus, but it seems that everyone guards their secrets jealously.”

“Hmm...yeah. Things are competitive out there. Cutthroat, even. What I learned wasn’t anything they considered a trade secret.”

“So what other advantages does this company structure offer?” Rangobart asked, “It is evident that you desire more control over the local economy, but it’s apparent that you have a special set of considerations that aren’t made anywhere else in the Sorcerous Kingdom.”

“Rather than any desire for control,” Ludmila said, “I decided it was the healthier course for the community here. This may not be the case in the Empire, but survival on the frontier is a collaborative effort. The companies that I’ve established are meant to preserve that spirit. They see to the needs of the community first and foremost.”

It was a nice sentiment, but it didn’t explain how they would survive the realities of a developing territory. By staying independent of the Guilds, they made the Guilds their competition. Exports of speciality goods were possible, but Ludmila wouldn’t be able to get far with mundane goods unless they had some sort of trade agreement that didn’t involve a middleman from the Guild.

*Ludmila did mention that her cargo traffic was primarily from contracts. She also said that Merchants don’t visit...*

Were the Guilds already retaliating against her decision? Frianne wouldn’t be surprised if they were.

“Could you elaborate on that?” Rangobart asked, “As you suggested, it isn’t the case in the Empire. At least for Imperial Knights. The Imperial Army is responsible for security and the seneschal managing the fief sees to it that the tenants perform according to the Imperial Administration’s expectations.”

“...when you say it like that,” Ludmila said, “It makes me glad I was born in Re-Estize. Do the Imperial Knights even get to know their people?”

“It depends entirely on where they’re deployed,” Rangobart replied. “The army tries to eventually get new Knights assigned near their new fiefs as a form of motivation.”

“I suppose that means the newly-promoted Knights in the Second get to stew in that jungle.”

“That’s the general sentiment,” Rangobart smirked.

*They really do get along well.*

Once again, Frianne wondered if Ludmila just felt more at ease around men or perhaps martial types. Rangobart had changed quite a bit from his academy days as well, adopting something like a mix between the quiet stoicism of the martial nobility and his highly aware and active younger self.

“Then, I suppose I should start with the basics,” Ludmila said. “The collaborative nature of frontier life stems from the notion that the survival of the community is more important than any particular individual. The self-serving, individualistic nature that one often finds in the cities and developed heartlands of Human civilisation would lead to the destruction of a frontier village. Rather than having my people shed the former to embrace the latter as my fief develops, I intend to preserve the former to create a society that continues along that course.”

“As laudable as that may be to those who share the same values as you,” Frianne said, “creating that society is probably more difficult than any of us can comprehend. Not only will you face external cultural pressure from the region, but also from within. With development comes changing realities, and what was necessary for a frontier community would be seen as a pointless effort or expenditure to an urban one. As much as you cherish your subjects, their priorities will inevitably change.”

“It’s been something on my mind since I started resettling my demesne. The new administration never recommended any particular societal course, so I saw the opportunity to do something interesting. My first step was to establish the institutions that would act as the pillars of the developing community here. The harbour, public schools, army base, and magical university are well on their way and the Temple of the Six is sending what staff they can afford. Now, I’m working on these companies to address the remaining commercial and industrial concerns.”

It was a level of government influence that even the Empire wouldn't dare try.

*No, it's more that Ludmila's goals aren't anything that the Empire would care about...*

As far as Frianne could tell, Ludmila's primary concerns were the preservation of the natural state of her territory and its 'frontier culture'. It was practically the exact opposite of the Empire, which had a policy of expansion and industrial development. Frontier territories were encouraged to adopt the wider norms of the Empire and culture was seen as a tool to manipulate the citizenry into achieving the Imperial Administration's goals.

"You mentioned that they were responsible for the vocational education that the guilds would otherwise handle," Rangobart said. "Is that education any different from what guild members offer?"

Ludmila looked across the table at Smith Kovalev, who took a moment to wash down a mouthful of food with a cup of ale before picking up the topic.

"Where do I begin...I guess it's easier to say that we adhere to our own standards rather than those of the Blacksmith Guild. I know it sounds like we're just replacing one thing with another, but we've become a whole other animal. From the bottom on up, everything's different. Apprentices don't even sign on the same way."

"You don't raise your sons as Apprentices?" Rangobart asked.

"Well, none of us had families coming in," Smith Kovalev replied. "All of the Apprentices that you see here came to us through the public school system. Normally, spares and random kids appear at the door asking if we're taking on anyone and we have to figure out whether we want them or not. Here, it's the company that takes them in on a school's recommendation and assigns them to us."

"So the company owns the contract of indenture rather than individual smiths?"

"Education is fully subsidised by House Zahradnik," Ludmila said. "Apprentices don't have contracts of indenture."

"How long does an Apprenticeship last? What happens if it doesn't work out for some reason?"

"Our selection process isn't arbitrary," Ludmila said. "We present students with career options upon investigating their potential, but the choice to become an Apprentice ultimately lies with the student."

*Do things really work so perfectly?*

While it was nearly unheard of for an Apprentice to quit, it was still possible. A contract of indenture made it legally impossible outside of the Apprentice committing a felony or being judged to be useless after years of instruction. Those contracts, however, weren't used in Warden's Vale.

Frienne looked around at the children enjoying their dinner. The Duchy of E-Rantel had been annexed at the end of the winter before the last, so it was likely that none of the children had been Apprentices for more than a year. It was hardly enough time to conclude that there would be no issues with their experimental education system.

"All of our kids are enthusiastic about their work," Smith Kovalev said. "Most move on pretty quickly from the basics."

"What do you mean by that?" Frienne asked.

"A regular apprenticeship is pretty boring...at least in my experience. Most of it involves doing an endless string of small, easy jobs for the workshop to pay off your indenture. You work using the workshop's facilities and materials, as well, so it's not as if you can do anything you want. In our company, Apprentices work and train in the morning, attend public schooling in the afternoon, and pursue personal studies in the evening. It's those personal studies that determine how they advance as Apprentices."

"Is there some system of ranks? Or perhaps a series of examinations?"

"There *are* ranks and examinations," the Blacksmith replied, "but those are their own thing. Students pursue their individual interests during personal studies, which leads them to their specialisations."

"That's..."

*Huh? What is that supposed to mean?*

Wizards commonly specialised in specific schools of magic, but was that the case for Blacksmiths? Certainly, some Blacksmiths were renowned for making one thing or the other, but they were still capable of the same work as every other Blacksmith. A specialist caster usually invested all of their resources into one or two schools, meaning that they wouldn't have spells from whatever they didn't study.

"Are there any Apprentices here who have 'specialised'?" Frienne asked.

“Most figure out what they want to do within half a year or so,” Smith Kovalev answered. “For instance, those four boys duelling with crab claws over there are Weaponsmiths. So is the girl in the pink dress who’s watching them.”

“Are they duelling with crab claws because they’re Weaponsmiths?”

The Blacksmiths gave her a funny look.

“...no, I don’t think that’s the case,” Smith Kovalev said. “Boys just like playing with swords and things, yeah?”

“They do?”

“Usually,” Ludmila said.

Smith Kovalev cleared his throat.

“At any rate,” he said, “Our part in personal studies is limited to advising the Apprentices on whatever they’re working on. So long as they have the time, materials, and motivation, they puzzle out most things for themselves.”

“That feels like a contradiction to what you mentioned earlier,” Rangobart said. “How can standards be maintained if your Apprentices can do whatever they want?”

“Our examinations and rankings take care of that. Honestly, technical skill is rarely a barrier with our kids – it’s the business side of things that usually trip them up.”

“Well, they *are* children,” Frianne said. “That aspect of being an artisan isn’t usually covered until the end of an apprenticeship if I’m not mistaken.”

“It’s not covered in any formal way at all,” Smith Kovalev snorted. “Presumably, an Apprentice picks up everything they need to know about running a workshop over the course of their apprenticeship, but the Guilds only maintain price and product standards while broadly promoting the industries that they represent. How one runs their business is their business.”

Frienne supposed that must be true. Every artisan was the lord of their own manor, so to speak. Workshop owners would educate the sons who would take over the family business, but unnecessarily investing any resources into training the future competition was a foolish venture.

“On that note,” Ludmila said, “each company has its own exclusive Merchants...or at least they will once they’re available. Our Blacksmiths develop a basic understanding of supply chains and commerce, but the business end of things will be run by company Merchants. I believe it’s for the best that each vocation focuses on what it excels at.”

“I see,” Rangobart nodded. “So, in a way, these companies are similar to how Nobles use exclusive Merchants to handle their exports and imports. “Since it can be done for agriculture, forestry, and mining, you’re extending that idea to manufacturing.”

“That may be the best way to put it,” Ludmila nodded. “It’s a new practice for me, however. Also, as far as I know, civilian Nobles keep their Merchant companies distinctly separate from their industries even if dealing with those industries makes up all of their business.”

“Is there some reason why you’ve deviated from the norm?”

“It’s difficult to maintain a collaborative effort if there’s too much segregation. I’d like to avoid a situation where a group that holds a central and essential role in society leverages their position to obtain power that it shouldn’t have.”

“...did a Merchant do something bad to you in the past?” Dimoiya asked.

“That’s beside the point,” Ludmila answered.

*Eh, something did happen?*

“What I’m trying to prevent is organisations like the Merchant Guild placing themselves on top of everyone else due to their control over trade,” Ludmila told them. “I’ve spoken quite a bit with Smith Kovalev about what he has seen on his travels. If one assumes that travelling southeast provides a sort of ‘window’ into the future, one finds that there are many undesirable outcomes that result from unbridled development. The Merchant Guild exerts more and more control the further southeast one goes and they use that control to promote the interests of their members. It’s to the point where they can topple countries not just through economic means, but also through military force if necessary.”

“To be honest,” Frienne said, “the Empire has always considered the state of the east to be a blessing. It keeps what could otherwise be expansionary threats fractured and focused on one another. Merchants make for poor governors and few consider kingdom building a worthwhile venture in the first place.”

“Of course they wouldn’t. Governments must at least maintain the pretence of legitimacy and accountability. Above all else, government is *expensive*. Most Merchants are perfectly happy to let others maintain infrastructure and public order in their stead. While I may be generous to my subjects, I have no intention of wasting resources playing some regulatory game with those who think they can exploit them.”

While her methods weren’t conventional, Ludmila seemed to harbour some of the same tendencies that rulers always seemed to have when it came to organisations that threatened what they considered the ideal state of affairs. Frianne should have long expected this, but Ludmila was always so reserved outside of her fief that it was hard to get any sort of read on her.

“Considering your stance,” Frianne said, “how will your Merchants function outside of your territories?”

“As I mentioned,” Ludmila said, “anything that leaves the harbour is already cleared to be traded with the outside world. They may operate as regular Merchants would outside of my territory.”

“Somehow, I don’t think that the Merchant Guild will take your policies lying down,” Rangobart said. “They will enact measures to counter yours. That’s the main problem in dealing with organisations that hold sufficient influence, after all.”

“I wonder if they’ll even notice those policies,” Ludmila said. “All of the artisans that migrated here are members of their respective guilds. Since no guild branches exist here, they’re in a blind spot as far as guild administrations are concerned. ‘Last seen headed to Warden’s Vale; never heard from again.’ ...or something like that.”

*This woman really has a way of subtly threatening everyone...*

The Guilds were unlikely to send someone to investigate. They would most likely send a query at some point and receive word that everything was still fine. The artisans in Warden’s Vale certainly wouldn’t report anything amiss lest they *actually* disappear as a result.

Much like any bureaucracy, the Guilds primarily functioned on a purely ‘paper’ basis. The Merchant Guild in Arwintar would receive semi-annual reports from a branch in an outlying town and the extent of their knowledge – and thus their ability to react – was limited to what the branch reported to them. The same thing would happen with the Merchant Guild’s affiliate guilds, creating layers of missing information that allowed a clerk to rationalise away a wide variety of anomalies as ‘normal’.

So long as nothing seemed to be amiss in Warden's Vale, the Guilds would operate as if nothing was amiss. They expected their members to report to them because it was usually in their best interests to do so. Since Warden's Vale was the way it was, that reliable failsafe was completely nonfunctional.

"I admit that this does buy you time," Frianne said, "but we must assume that they'll eventually catch on."

"Again, I'm not sure that they will," Ludmila said. "Bureaucracies, by nature, respond to problems. Nothing that we're doing here is explicitly against the regulations of the Guilds. Our artisans pay their dues and produce goods that don't fall short of guild standards. Can you imagine a guild official showing up to complain about nothing? Especially in the Sorcerous Kingdom?"

She had a point. The Sorcerous Kingdom had a million things going on and many of those things beggared belief. No one would go out of their way to pester a Frontier Noble for no good reason. Even the cocky scions of great houses in the Imperial Magic Academy knew that it was a terrible idea.

"In that case," Frianne said, "where do you plan on going with this concept?"

"I'll be happy if it helps to achieve my overarching goals for Warden's Vale," Ludmila said. "Where the companies themselves ultimately go is up to their shareholders, so long as they stay within the bounds of territorial regulations."

"Speaking of which," Rangobart said, "we were discussing some apparent disparities in the way you've set things up here..."

"Go on..."

Rangobart took a long draught of his ale and shifted slightly in his seat to better address Ludmila.

"As Nobles, ensuring equity between tenants is how we've traditionally done things. An agricultural tenant, for instance, receives a hide of land, and a hide of land is always what a farming household needs to adequately sustain itself after taxes. Even generous lords don't deviate much from this because they must consider the livelihoods of all of their subjects. In Warden's Vale, however, this idea has gone entirely out of the window. A Farmer with a hundred-hectare tenancy becomes obscenely wealthy while a Tailor in the same village makes very little by comparison. I find it difficult to imagine how you would reconcile those two extremes."

"I don't reconcile them," Ludmila replied.

“You don’t?” Rangobart frowned.

“Wealth is not a measure of happiness when everyone experiences a similar standard of living and has access to the same things. Everyone makes enough to live their lives with dignity. Also, our Tailors are fairly wealthy. There might not be much of a market for their goods in Warden’s Vale, but there are seventy thousand people in Corelyn County. The riverlands have always imported most of what they need since their industries are so narrowly specialised. Since those imports have historically come from outside of the Duchy, we outcompete everyone else from differences in transportation costs alone. Our Tailors can work as much as they want and still not make a dent in Corelyn County’s demand for goods.”

“I wasn’t aware of that,” Rangobart said. “How does that line up with your policy of natural preservation?”

“There is no problem with it,” Ludmila shrugged. “The way that I’ve framed things may have led you to think that I treat my territories as some sort of natural preserve, but it isn’t. Our world is a single, incalculably complex system and the way I govern my territories is in respect to that. I calculate the effect of any given policy as a benefit or detriment to that greater system.

“Take the tailoring company, for example. The overabundance of life in the lake includes an overabundance of the plants that we process into fabric. This is actually an *imbalance* that we must correct, and exploring bolts of cloth and sets of clothing is a part of that effort. At the same time, supplying Corelyn County reduces the demand for international imports. Not only does that mean it reduces the demand for agricultural land to grow flax or raise sheep or whatnot, but it also means that the logistical demands of importing those goods from the Empire of the Theocracy are eliminated. Of course, they can consume the resulting surplus on some other venture, but that is their responsibility.”

“And because the Sorcerous Kingdom’s methods are so efficient,” Frianne said, “you’ll eventually drive everyone who doesn’t employ something similar out of business unless they enact measures to protect their industries.”

“The Merchant Noble trio assert that it will happen,” Ludmila said. “Once my territories find their new equilibrium, however, we won’t be able to affect economic changes so directly anymore. Right now, it’s exaggerated as a consequence of recent land development.”

“Do you mean the five farming villages?”

“Four were entirely forest. Additionally, there’s all the reworked infrastructure. We must have three baronies’ worth of timber seasoning in the harbour.”

“So you can’t get rid of it all even if you tried,” Rangobart said.

Ludmila snorted.

“Not unless every house in Re-Estize just happened to fall over one day.”

Friane and Dimoiya stared at Ludmila.

“I was just trying to emphasise how ludicrously large our timber inventories are,” Ludmila smiled slightly at their discomfort. “Even so, Re-Estize is so stubborn that they probably wouldn’t buy anything from us. I suppose the highway to Roble should be complete before the wood is ready for export.”

“The highway to *Roble*?”

“Well, it’s a highway meant to connect the Abelion Hills to the Duchy of E-Rantel. Roble just happens to be right there. From what I understand, the Holy Kingdom lost nearly its entire navy, so I’m hoping it will be a market that can absorb all of that wood without imploding. Did I answer your question adequately?”

“I believe so,” Rangobart said. “Does this approach of yours also mean that you won’t import commodities for your industries for the express purpose of manufacturing and export?”

“It depends on what’s involved,” Ludmila replied. “We don’t have conventional mines in any of my territories, so unless the mages start conjuring metals, the metalworking company must import ore or metal bars.”

Friane shook her head at the idea of conjuring materials.

“Conjuring metals just isn’t worth it,” she said. “Iron requires a Third-tier spell and the rates for Third-tier spells make it ten times more expensive than conventionally-mined iron. You’re better off making a scroll of a popular Third-tier spell, selling it, and then purchasing iron ore with the proceeds.”

“Master LeNez told me the exact same thing,” Ludmila said. “But does that apply to conjured Mithril?”

“There is no spell that conjures Mithril,” Friane said.

“There is no spell that conjures Mithril yet.”

Ludmila clearly didn't understand what she was proposing. The rule of thumb for conjured materials was that the spells that summoned any particular material were at least one 'tier' above it. Mithril was considered a Fourth-tier material, so the theoretical 'Summon Mithril' spell required a Fifth-tier caster to even attempt researching. A country with the population of the Empire hadn't produced even *one* Fifth-tier caster, as Fluder Paradyne had come from somewhere beyond its borders.

*Maybe it exists and Ludmila's just waiting for it to become available.*

It was the Sorcerous Kingdom, after all. maybe they had a spell that summoned Adamantite, too.

“Looks like the kids are getting restless,” Smith Kovalev said. “We didn't even get to the crab ice cream yet.”

“I don't think I've ever seen a kid skip out on ice cream,” Dimoiya said.

“What can I say? They're excited about their projects. It looks like you still have plenty of questions for us, so how about we go over to the foundry and discuss things while we take a look at my Apprentices' work?”