KOREAN AFFAIRS

*Korean independence - Political kaleidoscope - Beginning and end of a Korean minister - The archives of the Oi-pu - Collection of taxes in geometric progression - Gin-seng, the man-plant - Minister Yi Yong lk and his financial policy - The value of paper - Story of a ship.*

We come now to the ministers and their occupations.

Korea's independence was always a myth. With great pomp and vain display of words, it was duly proclaimed on 1 August 1894, while the sovereign publicly disowned the ties that bound him to China. A new era seemed to be dawning for the energies of the nation. A new era did indeed begin, but it was an era of double servitude, not of the independence for which young Koreans, still new to the hypocrisies of Western civilization, had dared to hope.

Japan, with the war of 1894-95, had been the direct cause of the declaration of Korean independence - an independence officially recognized in the Simonoseki treaty – and Japan was undoubtedly determined to have a free Korea; but the Japanese had their own interpretation of the adjective “free”: Korea would be free from the influence of a third power.

 The simplest logic dictated that the independence thus proclaimed could not be applied to Korea’s relations with Japan. Why would Japan have embarked on a war with China in order to declare Korea independent, if Korea was then to deny Japan itself any major role in the affairs of its government? Moreover, did not the most elementary duty of gratitude oblige the Koreans, having obtained their freedom solely thanks to Japanese arms, to pursue the course which Japan preferred them to follow?

In failing to acknowledge this obligation, the Koreans committed the very serious error, in Japanese eyes, of forgetting that their independence was indeed a good and beautiful thing, but a thing to be exercised in respect of everyone except the Japanese.

Consequently, as soon as the Sino-Japanese war ended, the Japanese Minister in Seoul believed for some time that it was his absolute right to occupy the same position at the Korean Court as the Chinese Resident, who represented, at the time of China’s dominance, the wishes of the Chinese empire.

Now, while China's interests were at odds with those of Japan, Japan’s interests were at odds with those of Russia; as a result, immediately after the war of 1895, the struggles and intrigues between the Chinese and the Japanese ended, only to flare up again at once between the Japanese and the Russians. So Korea, while under the overt protection of neither Russia nor Japan, was in reality under the protection of one or the other of these States by turns, depending on which of their Ministers interfered the most, or from which of the two the Emperor thought he could gain the greater advantage, or rather suffer the least damage.

Thus, the people who have effectively run things in Korea until now have been the ministers of Russia and Japan, alternately representing government and opposition. In this state of affairs, Korean cabinet ministers naturally came and went in incredibly quick succession. In the year 1898 alone, for example, there were nine successive foreign ministers.

Now, in Korea as elsewhere, the first concern of a minister is undoubtedly to revoke all the measures, orders and regulations, good or bad, but especially good, put in train by his predecessors; and with nine ministers a year, I leave you to imagine the anarchy and economic disorder that inevitably ensue.

I note in passing that, as a general rule, the minister who ceases to hold office is certain to be exiled to a distant province or to one of the islands of the archipelago, perhaps in order to avoid the painful sight of his own work being undone by his successor. In some special cases, the dismissed minister may also be imprisoned and possibly even beheaded.

If the end of a minister’s career seems strange enough, the beginning of a ministerial career is also somewhat unusual. Custom dictates that when the Emperor appoints someone to be the head of any department, that person must first immediately send his resignation to the throne, protesting that he is unworthy to occupy such a high office. The resignation is generally refused, but the new minister must insist and cannot take up his post until his resignation has been refused three times by the Emperor. If he behaved otherwise, he would certainly incur the imperial wrath, and if not his head, at least his freedom, would be in serious danger. The reason for this strange custom is perhaps to be found in the fact that it offers the sovereign a legitimate opportunity to go back on a decision which he may have made too quickly, but given the unfortunate end which usually awaits these poor ministers, it is no wonder that they adhere so scrupulously to the observance of this ancient custom. Hope sustains them until the end that the Emperor will repent and their resignations will be accepted. As can be seen, being appointed a minister in Korea is tantamount most of the time to living under a sword of Damocles – a sword that may even fall and decapitate him!

While all this merry-go-round of appointments and resignations is going on, time passes, and with no minister in place - in Korea there is no deputy responsible for the discharge of on-going business – the ministries remain closed, the employees do no work and the administration falls apart.

When at last the minister takes office, he begins by spending a fortnight exchanging congratulatory visits (!) with all the authorities in the capital. After that, if yet another Cabinet reshuffle has not taken place in the meantime, he will finally take possession of his department, where you can be sure to find him every day, excluding holidays - and there are many of these in Korea -, from two to three in the afternoon.

If you are only making a courtesy visit for the pleasure of his company, you can certainly set out with an easy mind, for you will usually find a handsome old man, elegantly dressed in silk clothes, and armed with a powerful pair of round glasses, who will give you the warmest of welcomes. He might offer you some bad champagne and mouldy cigars; he will politely ask your age, and your father’s age, and your mother’s too, and extol their old age, intending by that to pay you a compliment; and you will leave the interview with the impression that you have spent a few moments with the nicest and most courteous person on this earth.

But if by chance you go to see a minister to discuss some business that is close to your heart, then you must arm yourself with all the courage and Christian resignation you can muster, and be prepared to repeat the visit five, ten or twenty times, and remember that the proverb *time is money* was not written for Koreans.

For months and months you have been begging for a solution to a question, you have written hundreds of letters on the subject, and of course you are convinced that everyone in the appropriate ministry is informed of your affair. In reality, nobody knows anything about it. You protest, recall the letters you have written, but these are not found; you are assured that they do not exist, that you might think you have written them, but that you will end up convincing yourself that things are exactly as you have been told - so write again and you will see that everything will be arranged.

And next time you are back to square one.

The Minister of France told me the following story and it gives a very vivid idea of ​​the Korean bureaucracy. After a little scene of the kind just described at the Foreign Ministry, the Frenchman, who had a good knowledge of Chinese, insisted on seeing the archive, ensuring the Foreign Minister that a letter, which he had taken great care to have delivered, must be there, and that he could not fail to track it down. The Foreign Minister willingly agreed to this request, even though it was unusual, and turning to a servant told him to “go and fetch the French sack”. The servant disappeared and returned shortly after with a big bulging sack. At a sign from the minister, he promptly turned it upside down and emptied its contents on the floor. There at his feet the representative of France saw in a great jumble all the letters, notes and dispatches which his Legation had sent to the Korean Government over the past few years: some had been opened, some were still sealed and therefore unread, and some were in half or torn or mixed up with pages of other letters. Patiently the two ministers began sorting them; the famous letter, needless to say, was found and, strangely, it was not even one of the unopened letters. After that the servant thrust all the papers back into the sack, loaded it on his shoulders and triumphantly carried it back "to the archives," while the minister, delighted with the lucky discovery, good-naturedly restarted discussion of the business in question.

Hundreds of similar anecdotes could be told, and they would all show, not only that the Korean administration is very disorganised, but also that the Koreans themselves find it organically impossible to understand and therefore to apply our systems of government.

What of the public finances? Korea is a very fertile country, rich in gold deposits, and its people, with their simple customs, are used to work, so everything should contribute to making it a financially strong state. Instead the coffers are always empty, debts are added to debts, officials are not paid and the people are literally crushed under the weight of taxes, established and collected by the most inhuman system that can be imagined.

I have already said elsewhere that whoever wishes to obtain a position in government must begin by paying a large sum to the department of the Imperial Household, a sum that naturally varies according to the importance of the desired position, and this system has still not disappeared in Korea. Once he has been appointed, the official knows perfectly well that in less than two years his job will be taken by someone else, and so he must hurry while still in office to accumulate what he needs to compensate him for the sum already paid and still leave him with enough to spend the remainder of his days in *honest* comfort.

We also note that the governor of a province, the prefect of a district or the magistrate of a village is always held responsible by the central government for the amount of the taxes previously fixed for each territorial subdivision of the state. If when the time comes he is not in a position to send the full amount to Seoul, he runs the risk of being personally held liable for the remainder, and if he cannot pay it within a given period, he risks being dismissed, imprisoned, exiled and heavens knows what else.

So what does the provident official do? He decrees additional taxes for his own sake. Thus, for example, the governor who should annually deliver a sum of 100,000 dollars, based on the tax of one tenth of the income of each of the inhabitants of his province, will naturally fix the amount to be paid at, shall we say, two tenths instead of one, to offset possible non-payments and provide for his own compensation. The various district prefects, who in turn are answerable to the governor, will raise these two tenths to four. The magistrates of the individual villages will unfailingly increase them to eight, and finally there is the person who has to collect the taxes, usually an unpaid official, who will add another tenth for his trouble.

So the poor peasant who has sweated painfully all year is left with at least the satisfaction of enjoying a tenth of his harvest.

The rapacity of Korean officials is really astonishing, and quite often exasperated peasants end up killing one of them.

Still, the law and established custom do not allow the authorities to leave the farmer with less than he needs to live on. The farmers know this and they also know that anything they produce from their land over and above this strict minimum would not be for their own benefit, but for the benefit of the magistrates; so they arrange things in such a way as to produce only what is strictly necessary.

Moreover, apart from these illegal exactions, the Koreans pay more taxes than any other nation on earth, and God knows they pay taxes elsewhere too!

According to an accurate study published in the *Korea Review*, there are some twenty or so different taxes in force in the peninsula, the main ones being: land tax, house tax, salt tax, customs, *gin-seng* monopoly, mining tax, fishing tax, fur tax, tobacco tax, forest tax, trade corporation tax, tax on boats, tax on skins, tax on paper, pawn tax, etc. etc.

The land tax should be imposed at the rate of one tenth of the harvest on cultivated land only, and for this purpose a cadastral map, with precise indications of the different crops grown on each plot of land, should always be kept up to date in every magistrate’s office. In practice, these maps are always in the utmost disorder and decisions based on them are as arbitrary as for other things. This tax yields about six million Korean dollars in nickel for the central government, an amount equal, depending on exchange rate fluctuations, to ten or twelve million Italian lire, which suggests that the people actually pay at least thirty million.

By virtue of an ancient privilege granted by King Tai-Giò himself, the inhabitants of Seoul and of the suburbs to the south and west of the capital up to the river are exempt from house tax. The owners of all the other houses on the peninsula, regardless of their position or size, have to pay a fixed sum of forty cents, or about sixty hundredths of a lira. This tax yields a total of half a million Korean dollars.

*Gin-seng*, the wonderful plant particularly associated with Korea, the only place where it is found in the wild, the universal panacea of ​​Korean medicine, constitutes one of the imperial monopolies. When granting a private citizen a licence to grow the plant, the Government obliges him to hand over his whole harvest to its own agents, and then sends it to the markets of China, making a net profit of between twenty-five and fifty percent.

Since the opportunity has arisen, some remarks will not be out of place about this extraordinary plant, whose root has a human shape, hence the name *gin-seng*, man-plant. There are two species, the red, cultivated in various parts of Korea, but more especially in Song-do where there are vast plantations, and the white, which is very rare and grows wild in the northern forests of the peninsula. White *gin-seng* is of course the most valuable. The most extraordinary tales of miraculous cures obtained with this sovereign drug are on everyone's lips: an infusion of a few grams of the precious root is enough to restore all the vigour and vitality of his early youth to an octogenarian. The discovery of a white *gin-seng* root, which only happens once in many years, is immediately known throughout the peninsula and is spoken of as an exceptional event. As a rule, it is immediately brought to Seoul and offered to the Emperor, the legitimate owner of all the *gin-seng* that Korea produces. If then someone especially dear to him becomes ill, the Emperor will exceptionally have a special decree published in the Official Gazette, authorizing the gift of a few grams of the precious root; and if, nevertheless, the sick person dies, it can only be from the emotion caused by such a singular favour. Various European doctors also wanted to experiment with the therapeutic qualities of this drug, but, whether because of a difference in organic constitution, or atavistic habit, or simply an effect of auto-suggestion, the fact is that while on the Koreans and the Chinese it undoubtedly presents all the characteristics of an energetic stimulant, it produces disastrous effects on Western organisms.

A few years ago the *gin-seng* harvest was exceptionally good and the government was very afraid that, when the Chinese buyers got to know about it, prices would drop sharply. It then had an imperial decree published in the *Official Gazette*, by which the Emperor, recognizing that the quantity of *gin-seng* collected that year was much too high compared with the harvests of previous years, ordered that on a certain day at a certain time seventy crates were to be burnt on the highest point of the island of Roze! And on the appointed day and time, the inhabitants of Cemulpo could actually see 70 boxes burning on the island opposite their port.

Of course, none of them contained *gin-seng*!

One of the most important taxes is the tax on fishing boats, collected on the basis of the number of men on board and the size of the nets used. We note that many of these junks are part of the empire's “navy” and are leased by the State to fishermen for an appropriate fee, which in no way exempts them from paying the fishing tax itself.

It is impossible to discuss Korean finances without mentioning the famous Yi Yong Ik, who was the feared Finance Minister. This was far from being the only office he held, for in addition to being a *brilliant* colonel of cavalry, in whose uniform he is portrayed here, he was also Commander of the Imperial Guard, Director of the Mint and the Government Printing House, Keeper of the Imperial Treasury, Director of the *Gin-seng* Administration, First President of the High Court of Justice, and so on and so forth.

A son of the people, who had received a decidedly mediocre education, in a country where the nobility has, and always has had, the exclusive direction of affairs, Yi Yong Ik worked his way up from the modest profession of miner to the highest positions of the official hierarchy. In this prodigious career he was greatly aided by the Russians, who constantly favoured him, and he came to be regarded as the most influential leader of the party loyal to them; but he owed much to his own shrewdness and to his apparently sincere and continuous devotion to His Majesty the Emperor, who, as we have seen, owed his successful escape to the Russian Legation in February 1896 in great part to him and to Lady Om.

Blindly subservient to his master in the exercise of his most important office of finance minister, continually targetted by the snares of innumerable enemies at home and abroad (primarily Americans and Japanese, whose designs for economic and political hegemony he always hindered), Yi Yong Ik understood that the only way to preserve his position was to ensure that he was absolutely indispensable to the Emperor. Making himself the blind instrument of imperial authority and facilitating the unconscious oniomania of the Korean Court, he withdrew from the public coffers entrusted to him whatever sum the Emperor requested, however large the sum and however meagre the resources of the treasury.

It is to him that Korea owes its monetary reform, which gave rise to a complete mint, set up in Seoul with modern improved machinery, and to a new nickel currency that replaced the ancient *yup*, those small bronze coins with a square hole in the middle, which are still used in China. Today, due to the continuous depreciation of nickel, to the excessive minting of broken pieces, to the truly extraordinary number of counterfeit coins reportedly introduced every day by bag from Japan, but above all to the wonderful ignorance of Yi Yong Ik in economic matters, it appears that the reform did more harm than good to Korea’s finances. But he certainly promoted it in good faith, believing that by not adopting ​​the Japanese currency, an alternative proposed by some, the empire would avoid becoming even more dependent on its powerful neighbour.

The following anecdote gives an idea of ​​his highly personal approach to financial matters. On one occasion he found himself faced with the absolute necessity of making a certain payment of a few hundred thousand dollars; since, as usual, he did not have the necessary sum in cash, he thought of solving the problem by having the mint, of which he was director, print the necessary quantity of one-dollar stamps, which he immediately sent to his colleague the Director of Posts and Telegraphs, requesting him to send back the equivalent amount in cash "at his earliest convenience". The colleague naturally refused, and a highly irritated Yi Yong Ik very nearly had him dismissed. But there was no way he could ever be made to understand the absurdity of his project.

Recently he took it into his head to open a Korean national bank, and I was able to see the banknotes that were being printed for this purpose at the mint, which he himself wanted me to visit. Naturally, the capital for this bank was lacking, but that did not worry him in the slightest, as he thought all he had to do was print large-denomination notes: “and then” - he said – “as soon as we have some payments to make, we will do it with our own notes, and since we have plenty of paper, we will always be able to meet our commitments and soon Korea will become the richest country in the world”. He was amazed that such a simple idea had never occurred to anyone else.

 It was the Japanese themselves who set him a bad example in this banking business. The *Dai Ici Ginko*, Japan's First National Bank, has a branch in Seoul that issues special banknotes which are only valid for Korea, and are not guaranteed by anyone. This same bank is authorized in Japan to issue notes, but there it is under the immediate supervision of the Government, whereas in Korea it is free from any control. Now it happened last winter that, as this bank had to make a payment to the Korean government, it thought it best to do so in paper money. The government refused to accept it, demanding payment in gold instead. Pandemonium broke out: the Japanese minister was on leave in Japan at the time and the young chargé d'affaires deputising for him covered himself in glory by sending an ultimatum to the Korean government, giving it twenty-four hours to accept the whole mountain of paper at its face value of over five hundred thousand dollars, and demanding that a notice be posted on all the city gates ordering everyone to accept this paper currency in their daily transactions, failing which the Japanese troops in Seoul would seize the Imperial Palace and the Tombs of the Emperor's ancestors. At the same time the telegraph announced the departure from Japan of a squadron of warships. What else could poor Korea do except submit and be content with lots of paper instead of lots of gold? Knowing this, one cannot reasonably blame Yi Yong Ik if from then on paper has assumed such great importance in his eyes.

Lately the Japanese had managed to convince the Korean government that it was absolutely necessary for Korea to start acquiring a large navy. The Korean ministers were immediately convinced of this; a country like theirs most definitely could not do without such an instrument of civilization, especially since, although they still had no ships, they had plenty of personnel - the staff of the General Directorate of the Navy already included a large number of officers, among them no less than twelve admirals. To save them any trouble, the Japanese themselves resolved to provide Korea with its first warship, and to this end, there arrived one day at Cemulpo a decrepit coaling-ship, painted white for the occasion, equipped with four 6-cm guns and baptized with the pompous name of cruiser. One may be Korean, but one cannot ignore certain things, and the Ministry vigorously refused to accept this instrument of war, provoking anger in Japan. Yi To Ciai, the Foreign Minister, no longer knew what to do: he was pressed on one side by a furious Minister of Japan threatening reprisals, and on the other by the Minister of War and acting Minister of the Navy, who did not want to yield - and as if that were not enough, Yi Yong Ik, claiming he had not been consulted, refused to recognise the contract as valid and declared that on no account would he pay. But there is no point going into the details of this affair any longer, as the conclusion is already predictable: poor Korea took the beautiful instrument of war and was obliged by Japan not only to pay the six hundred thousand and more dollars specified in the contract, but also a penalty of goodness knows how many hundreds of dollars a day for as long as the dispute lasted.

And the payment was not made in paper money!