

The Advices of Accountants and the Precautions Taken in State Accounting During the Economic Crisis in the XVII Century Ottoman Empire(*)

Doç. Dr. Recep Karabulut

İnönü University-İİBF

Doç. Dr. Can Tansel Kaya

Yeditepe University-İİBF

Yard. Doç. Dr. Bilal Solak

Şırnak University-İİBF

Abstract

Income and expenditure balance of the Ottoman State has deteriorated and the State had begun experiencing financial crisis depending upon the reasons such as long wars at 17th century and failure to use the silk road (Tekir, 1989; Varcan & Çakır, 2000; Uzunçarşılı, B-1988). In order to find a solution to this position, the Ottoman State had applied also to the accountants and got their advice. Then it is seen that the by restructuring of the accounting organization, the State had started to take measures in order to increase revenues. (Tabakoğlu, 2005; Genç & Özvar, 2006)

It is observed that the accountants' recommendations stand on the reasons such as taking under the control of costs by reducing the number of civil servants

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and soldiers (Danışman, 1971) and the emphasis on honesty and transparency or prevention of corruption etc.

The reorganization of the accounting departments were focused on bringing together according to subject matters not by geographic regions as usual in order to achieve this objective. Thus it was possible to get information about a business, not from a department of the dispersed geographical area, but from the collection of all the works department of business issues. It is also seen that the interim final accounts were prepared by adding the provisional estimate of three months to the first nine months' actual results (Güvemli, 1998). Since accrual accounting should be applied in government accounting; referring to previous year, the expense account had to be removed as soon as possible at dizzy so that the amount of taxes were reported to the rate payers in that year. After these measures, it is observed that the expense account may be removed in the first month of the year with annual revenues of about data.

It is also known that with the help of the measures on the revenue upward - the balance of income and expenses could be created and confrontation with the state's fiscal crisis was prevented during the 17th century's first 75-80 years.

Key Words: 17th century, Financial crisis in the Ottoman Empire, Accounting reorganization.

Jel Classification: M41, M42, N25

1. Introduction

As it is usual in the Middle East countries, it is observed that statist economy perception was dominant in the Ottoman Empire too (1299-1922). This statist structure caused the development of the thought of accounting in the governmental accounting. It is known that the need of business accounts for the small and medium sized enterprises were supplied by simple accounting records as the private sector could not be developed enough and accordingly, there could not be large scaled private institutions (Tekir,1989; Varcan &

Çakır, 2000; Uzunçarşılı, B-1988; Güvemli, 1998; Halaçođlu, 1991).

On the other hand, it is clearly seen that a method of governmental accounting known as staircase method, which was first seen in the Abbacies (750-1258), and then developed in the Ilkhanids (1256-1353) and then transferred to the Ottoman Empire, was used in the Ottoman Empire. The staircase method was used in the Ottoman Empire until double entry bookkeeping method was started to be used in 1879 (Güvemli, 2000, pp.220).

XVII century was the century in which the Ottoman Empire experienced the period of stagnation. Military conquests were stopped and the Silk-road, which was one of the most important source of income for Anatolia, lost importance as the Portuguese and Spanish people could reach India by passing around Africa. In addition to this, the long term wars period started. For example, the wars of the Ottoman conquest of the create island started in 1645 and ended in 1660. Ottomans also experienced some kinds of adverse events with their war equipments and the Ottoman galleys moving by shovels were insufficient against Venice and Spanish galleon revolution that started the sailing period in the seas and could carry more balls in the Mediterranean. Although the cost of a galleon was equal to the cost of two galleys, it was obliged to produce galleons.

All of these factors damaged the economic status of the Ottoman Empire in the first half of the XVII. century and the balance of income and expenditures started to have important deficits in the budget. We can examine this situation in the following table (Tabakođlu, 2005, pp. 188)

Table I

The income and expenditures in the final account of Ottoman Empire in XVII. Century (1.000 Lucre (Akçe))

	Years	Income	Expenditures	Difference
Hijri - Gregorian				
1001	1592	293.400	363.400	-70.000
1017	1608	503.691	599.191	-95.500
1053	1643-44	514.467	513.818	- 649
1060	1650	532.900	687.200	-154.300
1064	1654	537.356	658.358	121.002
1072	1661-62	581.270	593.604	-12.334
1079	1669-70	612.529	637.206	-24.677
1099	1687-88	700.357	901.003	-200.646
1102	1690-91	565.751	812.878	-247.127
1106	1694-95	946.680	1.114.192	-167.512
1110	1698-99	1.147.718	1.211.379	-63.661

Ottoman governors started to take precautions against the deterioration of the balance of income and expenditures in the middle of the aforecited century (Güvemli, 2014; Danişman, 1971).

At first they wanted some reports from the top executives of the government accounting. Then they started to take precautions. By means of the taken precautions during the second half of the century, the deterioration of the balance of income and expenditures got considerably better in the XVIII. century.

We can examine this situation in the following table (Genç & Özvar, 2006, p.152)

Table II

The balance of income and expenditures of Ottoman Empire in the first half of the XVIII. century (1.000 Lucreş (Akçe))

Years	Income	Expenditures	Difference
Hijri - Gregorian			
1112 1700-01	1.173.142	1.109.781	+63.361
1122 1710-11	1.295.082	1.000.684	+294.398
1161 1748-49	1.648.953	1.710.656	-61.703
1175 1761-62	1.741.680	1.687.800	+53.880
1199 1784	1.738.560	1.896.960	-158.400
1200 1785-86	1.777.200	2.243.160	-465.960

According to the data in this table, it can be concluded that in the Ottoman Empire, the balance of income and expenditures could be managed in the first 70-80 years of the XVIII. century as the result of the taken precautions in the second half of the XVII. century. However, it draws attention that the balance of income and expenditures deteriorated again in the last quarter of the aforesaid century because of the Russian wars (İnalçık, 1985).

In this paper, at first the advices of the accountants will be underlined and then the taken precautions will be explained.

Before explaining our subject, the power of state accounting organization in the Ottoman financial management should be noticed. Primarily, it should be underlined that Ottoman governmental accounting was a big organization both at the center of the government and its provinces under the name of *Hazine-i Amire* (State Treasury). There was the head provincial treasurer at the head of the organization who undertook the tasks of Finance Minister (*Güvemli*, 1988, p.99). The head provincial treasurer was responsible

for the state treasury and collecting the incomes. He paid the expenditures and payments. He was the head of the governmental accounting. Nobody could give or take any Lucre to/from the treasury without his permission. He counted the annual final accounting. He presented the annual income-expenditure accounting to the supreme court in ottoman empire (Divan-ı Humayun) .There were two other provincial treasurer to help him. And there were also some senior accountants working for these provincial treasurers (Danışman,1971).

The decisions related to the financial administration were made in Divan-ı Humayun, which worked as today's council of ministers, in which the head provincial treasurer was a member and responsible for revealing the decisions to whom it might concern (Güvemli, Toraman, and Güvemli, 2015, p.373).

The number of accounting departments that worked connected to provincial treasurers (most of the twenty-five departments of this organization were accounting departments and some of them were related to financial administration (Güvemli, Toraman, and Güvemli, 2015, p.379). were organized for producing and conveying information for two main purposes. The first one was governing the state treasury and the second purpose had the quality of creating income and expenditure account (Güvemli, 1998, pp.646-670).

It was the accountants who worked for this strong accounting organization, and took the necessary precautions in the second half of the XVII. century against the deterioration of the balance of income and expenditure.

2. The Advices of the Accountants in Order to Overcome the XVII. Century Economic Crisis

It was first in the Turkish History to request an opinion from the officials involved in financial administration and governmental accounting. This method was not used neither before nor ever after.

The opinions of the accountants, who were at the top of their careers and became the head of financial administration, dated back to 1640s and lasted till the beginning of the XVIII. Century (Güvemli, 2014).

2.1. The Advices of Koçibey

He was a statesman descended from Albania. He took many important charges in both central administration and in the palace. It is known that he lived in the first half of the XVII. century. He presented a few booklet reports related with the financial administration of the government in 1640s to that term's sultan (Danışman, 1971).

Koçibey's most important report was the booklet which was prepared according to the examination of the past sixty years' progress of the government. In this report, it was stated that the number of the workers in the finance and accounting organization increased from 139 to 263 between the years 1574 and 1631 and the number of the soldiers in the military units only in İstanbul increased from 33.500 to 88.000 and it was also emphasized that these increases also caused the increase in the expenditures of the government. He advised these numbers to be decreased (Danışman, 1971)..

The advices related to the incomes of the government: he put forward that the manorial system that was used for collecting the revenue from the agricultural areas(hire out the revenue of land) did not perform well.

In his advice, he emphasized that it was necessary to be selective in giving missions in the manorial system and assigning to those who did not involve in corruption.

Koçibey's advices about various subjects were as in the following (Danışman, 1971).

Government officials: it was advised that *“the grand vizier and viziers (the prime minister and the ministers) should not be interfered with but on the other hand the control over them should not be delayed.”*

Giving importance to the financial administration: *“The governmental accounting and its records should be kept in secret. And it was necessary to prepare financial reports to see and analyze the source and the amount of the incomes. In addition, it was also necessary to ask for reports of the expenditures frequently. So that The sultan could make an inspection.”*

Government's tahrir (counting, writing) system: *“Government's income scheme was depended mostly on counting the houses, people, land, agricultural products and animals periodically. As the counting and writing formed a basis for the tax assessment, it was also suitable for bribery. For that reason, it was necessary to make a preparation before the counting and to take precautions for the corruption.”*

The duties of the accounting organization: *“The primary duty of the accountancy was to record the amount of the Lucre as income and expenditure during a year. At the end of the year the final account was drawn out.”*

Koçibey presented his reports directly to the sultan.

2.2. Tarhuncu Ahmed Pasha's Proposal (Statement of Opinion Report)

He was from Albania. He was a statesman who grown up in accounting. He was the grand vizier (prime minister) in the mids of the XVII. century. In those years when the balance of income and expenditures deteriorated (H. 1064, M. 1653), he prepared a proposal(opinion, draft) and he put forward the first budget idea in which the expenditures should be according to the incomes. He was the first person who used the term muvazene (balance) in the sense of budget. The following paragraph contains Tarhuncu Ahmed Pasha's opinions about the income and expenditures of the government (Vefik, 1992, pp.328-331).

“Last year(it must be 1651), while the income and expenditures of the government were being presented at the Divan-ı Humayun (supreme court in ottoman empire), the expenditure surplus was indicated as 14.072 Pockets of Lucres(each pocket contains 50.000 Lucres. Getting some of the amount of the incomes late, caused to have this budget deficit. However, it is known that this kind of a delay is always common. That is to say, the arrival of the income in a mukataa contract (hiring the profitable areas as salterns or duties) may come in the months to come. This causes the postponement of income. On the other hand, it is obligatory to pay such expenditures as salaries on time. In addition to the salaries of the soldiers in the birthplace of the incomes, there is also the application of appropriation of incomes. This situation causes the offsetting in the birthplace of the incomes.

As these explanations clearly underline, Tarhuncu Ahmed Pasha always paid regard to the balance of income and expenditures. In other words,

Tarhuncu, examining and analyzing the balance of income and expenditures, was a foreseeing statesman in his time. It is appropriate to say that Tarhuncu told about the types of income and expenditures and focused on the balance of them in his report.

2.3. Katip Çelebi's Opinions

Katip Çelebi's real name was Abdurrahman (1609-1657). He worked in the governmental accounting throughout his life. But in reality, he was a historiographer. The famous Ottoman historian Hammer said "*if Katip Çelebi had not written the history books, we, as European historians, would have difficulty in writing the Ottoman history.*" The name *Katip* was given to him because of his accountancy and authorship and the name *Çelebi* was given to him due to his tasks in military units.

Katip Çelebi wrote and his booklet demanded from him in Hijri 1063 and Gregorian 1652-53 years and presented it to the governors. Some of the opinions included in that booklet is given as a summary below (Gökyay,1991, pp.3-93).

These statements are taken from the beginning of the booklet:

"-The government chose the way of collecting some of the future incomes earlier and spent them. This situation creates a financial difficulty now and a 100 million Lucre deficit in the balance of income and expenditures. A meeting in order to discuss the latest situation was held in Divan-ı Humayun (supreme court in ottoman empire). Nevertheless, there were not a favorable result. The sultan attended the next meetings and they invited me to attend those meetings and demanded me to write a report.

The report continues as following:

“-The governments have a lifespan as human beings. This lifespan can divide into periods. Ottoman Empire is in tevakkuf (period of stagnation) now. The precautions about the deterioration of income and expenditures should be taken according to this situation.” (The term period of stagnation is one of the terms to be used for dividing the Ottoman History into periods and Katip Çelebi was the first historian who use this expression).

-Ottoman social structure- in terms of efficacy- is composed of four main parts-classes. These are ulema (wise men, scholars), soldiers, mesne lords (the ruling class of the land and agricultural production) and rayah (peasants). If these four components work in harmony the society will have an order. I have been participating in military expeditions for twelve years. I saw all the towns destroyed. Heavy duties and illegal compulsions caused this situation. If any precaution would not be taken, this situation might get worse.”

“-The number of serfs in other words the soldiers is high and getting higher. Yet, the number of the soldiers was tied to be limited and some precautions were tried to be taken in the previous years. However, some precautions could have been taken without this limitation. The top executives had stars in their eyes. The middle class also emulated them. And as a result of inevitable expenditures under these conditions started to create problems.” Katip Çelebi, in this chapter of his report, put forward how the expenditures that belong to the ten years before H.1060 (Gregorian 1650) were inclined to increase continually and claimed that the precautions could be possible with controlling the expenditures.

Katip Çelebi was an expert who was grown up in the governmental accounting. His area of expertise was political history. But he was working at the governmental accounting. So that, even though he took the subject matter as an analysis of social structure and the poverty of the peasants, after examining the expenses, he listed his advices as getting the expenditures under control. It will be appropriate to say that the most scientific approach belongs to Katip Çelebi among other accountants.

2.4. The Advices of Provincial Treasurer Sarı Mehmed Pasha

In this short research, we will finally emphasize the opinions of Sarı Mehmed Pasha. Sarı Mehmed Pasha, who was grown up in the financial administration and accountancy and worked as a provincial treasurer, explained his opinions in his booklet which he prepared at the beginning of XVIII. century (Uğurlu,1992, pp.28,90,100,102). He did not present his advices about the deterioration of income and expenditures but presented them as advices for the governors. One another reason for this can be that in those years, when Sarı Mehmed Pasha gave his advices, the necessary precautions were taken at the governmental accountancy and the balance of income and expenditures could be managed. So that Mehmed Pasha's opinions should be taken as words spoken in a positive environment after the improvement of financial structure.

Sarı Mehmed Pasha's writing is summed up with main topics below.

- *“The importance of justice: the justice begins with sultan, in a fair government the treasury becomes rich, the public lives in wealth and the growth of the population becomes easier; the treasury of the government at the same time comes (increases) from crowdedness and the prosperity of the public. The cure for*

the bribery is justice.”

- *“The enthronement (clus bahřıřı- disbursing gratuity after a sultan’s accession to the throne) disbursed in H. 1115, Gregorian 1703: I was a provincial treasurer(the head of the finance and the accountancy departments) when Ahmed III inherited the throne(1703). After the fourteen years wars, the country became poor and the public housing was hindered and there were not any Money in the treasury. However, as a tradition, the sultan was expected to give clus ulufe (service pay/ gratuity in ottoman empire)after inhering the throne. I had great difficulty, collected the Money and paid it in two instalments. The number of the soldiers all in the country was 96.720. We need to add 6000 levents in the navies to this number. And also it is necessary to add 70.000 soldiers who serve in the remote region castles and being paid with the mukataa (hiring the profitable state lands) incomes. And finally there are civil-servants and retireds and their number is 23.500. all of their fees need to be paid. In order to meet the deficit –each was tried- there were several ways as increasing the taxes, pre-collecting the future incomes and borrowing.”*

Sarı Mehmed Pasha, wrote his words as an old retired accountant’s memories, but it is clear that he has the knowledge of accountancy as a provincial treasurer and has full knowledge of all the expense items. He goes on like this:

- *“The need for reform: It will be suitable to employ a commander for determining the soldier surplus and cutting the staff. Then some precautions should be taken to calculate the expenses of soldiers according to their real numbers.(sending the money of the soldiers*

who left the army or died to their military units was always a common corruption). It is necessary to make a population census every thirty years in order to behave honest and respectful to Reaya (peasants) and determine the ratepayers. The most important thing that should be taken into consideration is that the experienced governors should come into power, in the times when the incomes could not meet the expenses,. There are many experienced people who were grown up in financial issues and accountancy and we need to benefit from them. One of the first things to be done by these experienced ones is to revise the timar charters (a kind of a certificate of incumbency that is given to the person who collects the incomes from the lands –agricultural products), cancel the ones' charters who do not protect the interests of the state and deliver the incomes to the treasury properly and give the task to the ones who will do it as it should be”.

Sarı Mehmed Pasha, as a statesman worked at the top managements, sees and evaluates the events from the top and reveals his advices as his memories.

2.5. The Interpretation of the Advices of the Accountants

The common points of the ideas of the statesmen, whose advices are mentioned above, worked in the financial administration and accountancy, their remarkable advices and their interpretation will be underlined below.

- All the four focused on controlling and decreasing the expenditures in order to balance the income and expenditures. So that it is clear that their advices focus on decreasing the number of the soldiers. Nobody advised to investigate the alternatives for increasing the incomes but only it was criticized the collection of the early delivery of the governmental incomes.

- It is known that the census of the houses, population, animals and agricultural production in the Ottoman Empire was made periodically (Tekir,1989; Varcan & akır, 2000). It is observable that they sensitively focused on the censuses (tahrir) to be done in honesty without any ignorance.

- Another focus point is to prevent the corruption. Sarı Mehmed Pasha's words "*The cure for the bribery is justice*" (Uğurlu,1992) became a famous statement that extents still today.

- The advice of giving importance to the wise men and appreciating the top executives, is remarkable. Besides, the close interest of *Divan-ı Humayun* (council of ministers) in governmental accounting and the revision of annual income and expenditures accounting at this council in detail, clearly reveals the existence of a control mechanism like budgetary control. The budget application in the Ottoman Empire started in the mids of the XIX. Century. According to the accrual basis of accounting, the thing that the Ottoman Empire did was to inform the ratepayers about the tax to pay at the beginning of the year and collect it in that year. Accounting the final accounts at the end of the year was a tool for both controlling the balance of income and expenditures and informing the ratepayers about the next year's taxes.

3. The Reconstruction of Governmental Accounting Organization in the Second Half of the XVII. Century and Jizya Reform Reorganization of the 30. Governmental Accounting Organization

At first, it will be beneficial to say that the reorganization of the Governmental Accounting Organization in the second half of the XVII. century and the efforts of increasing the incomes were not the results of the advices of the accountants. Because, there were not any idea about both of these questions among the advices of the accountants. The reports prepared

by the accountants had the characteristics of general warnings and advices. Without any doubt, it will not be true to limit the advices and opinions with those reports written in the second half of the XVII. century and extended till today. It is known that there were many other ideas that could not extend today. For example, there were high ranking accountants working in the accountancy departments. These people had a great knowledge about the structure of the accountancy organization, prepared the accountancy reports and provided information transfer. So that it is possible that the ideas of the accountancy workers about organization had great importance.

The mentioned reorganization was carried out especially in the central accountancy organization. For that reason there were two main points to be focused on. First of them was provincial treasury institution on which the financial administration and accountancy departments rode. The second one was the accountancy departments and their functions. It will be beneficial to dwell on these two subjects.

3.1. The Institution of Provincial Treasury in the Governmental Accountancy

The term provincial treasurer is still used in Turkey for the top executives of financial administration of the government at the provinces. The term provincial treasurer comes from notebook, and its lexical meaning is the protector of the notebook. Here, the notebook in question is the accountancy notebook. The name provincial treasury is given to the place where the notebooks are kept. The provincial treasurer is the top executer and all the accountancy departments work under him. The accountants working in these departments also had titles. The ones who started to work newly were called as şakird (apprentice). The term Katip(clerk), in addition to the meaning of accountant, means registering accountant at the accountancy organization. The next one was assistant master accountants who worked as chiefs. And then halife came as an assistant manager; and then serhalife accountant came

as the manager. At the top of all, there was a head accountant. The provincial treasurer was the head of all the departments in which all these accountants work (Tekir,1989; Varcan & akır, 2000; Kütükođlu, 1994).

At the beginning of the XVII. century, there were three top executives working in the governmental financial administration and accountancy, in other words working as department managers. First of all was the head provincial treasurer who worked as today's finance minister. There were two other helper provincial treasurers of the head provincial treasurer. The first one was the Anatolian provincial treasurer. This provincial treasurer ruled the departments working for the income and expenditure areas in the Anatolian territories until the half of the XVII. century. This provincial treasurer was also called as Őikk-1 Sani Defterdarı (second provincial treasurer). There was also a Őikk-1 Salis Defterdarı, in other words the third provincial treasurer. This provincial treasurer ruled the accountancy departments working for the income and expenditure areas in the European territories of the empire until the mids of the XVII. century (Uzunarřılı, 1988, pp.330- 332).

According to these explanations, the governmental accountancy departments were divided into three geographic locations among the head provincial treasurer, the Anatolian the provincial treasurer and the third provincial treasurer at the beginning of the XVII. century. In addition to the daily book of accountancy department and the treasury management, some of the income areas in İstanbul and the accountancy of the allowance of the military units in İstanbul were under the responsibility of the head provincial treasurer (Kütükođlu, 1994).

It is necessary to state immediately that the income and expenditures departments in their own geographical regions' being under the control of the Anatolian provincial treasurer and the third provincial treasurer, made it difficult to put the information together. For example; there were two different departments for the non-muslem people's taxes called cizye paid for not to be taken in the military service in both European and Anatolian sides. The calculations of cizye were taken from both of these departments. The

presence of similar businesses in different departments made it difficult to determine the norms of accountancy. The most important disadvantage was the mistakes made in gathering the monthly and yearly data. The things that revealed the need for the reorganization in the accountancy organization were the drawbacks listed above.

In order to clarify this situation, it will be beneficial to glance at the accountancy departments of XVI. and XVII. centuries.

3.2. The Financial Administration and Accountancy Departments in XVI. and XVII. Centuries

3.2.1. The Accountancy Department in the Second Half of XVI. Century and at the Beginning of the XVII Century

The accountancy departments were listed as following in the Finance Corps Codes (Maliye Teşkilatı Kanunnamesi) (Akgündüz, 1992, pp.594-606), published by Kanuni Sultan Süleyman near the end of his reign(1520-1566). The publication of this law is approximately in 1560. For that reason the following information belong to the end of XVI. century and the beginning of the XVII. century. In other words they show us the period before the reorganization of the accountancy.

The Departments of the Head Provincial Treasury

1. Ruznamçe (daily journal/notebook) department.
2. Rumeli accountancy -jizya department: The accountancy department where the jizya(it is a kind of tax paid by the non muslim people for not to be taken in the military service) tax records of the regions in the European side were kept.
3. Anatolian Accountancy-Jizya department: the accountancy department related with the Jizya taxes collected from Anatolian regions. At the same time, the accountancies of the foundations were controlled in this departments.

4. Replication Department (accounting control department): the department that is responsible for controlling at first the military wages and then other governmental expenditures.
5. Mukataacı-i evvel Department (the first muqataa department): the department of the accountancy of the muqataas (hiring the profitable areas as salterns or duties) in Thrace region.
6. Mukataacı –i sani department (second muqataa department): the department of accountancy of the hired mines.
7. Mevkufat department: the department of the accountancies of the incomes of the unclaimed animals and unexpected incomes of the government.
8. Kale (castle) tezkiresi department: The department of the accountancy of the soldier wages who serves at the Anatolian castles.
9. Varidat department (Income department): the department that collects and records the incomes of other departments under the head provincial treasury.
10. Rumeli ahkam tezkeresi department: the department that prepares and announces the financial provisions in the profitable areas in the European side.

Departments of the Anatolian Provincial Treasury

11. Mukataacı-i evvel department (first muqataa department):the department of the accountancy of the hired income places in the Middle and East Anatolian regions.
12. Mukataacı-i sani Department (second muqataa department):the department of the accountancy of the muqataas in the Mediterranean region.
13. Mukataacı-i salis department (third muqataa department):the

department of the accountancy of the muqataas in the Eagean region.

14. Mevkufat department: the department of the accountancies where the unexpected and extraordinary incomes of the government are observed and recorded in the Anatolian region.
15. Varidat department (Income department): the department that collects and records the incomes of other departments under the Anatolian provincial treasury.
16. Anatolian ahkam tezkeresi department (fiscal decisions department): the department that announces the fiscal decisions in the profitable areas in the Anatolian region.

Departments of the Third Provincial Treasury

17. Mukataacı-i evvel department (first muqataa department): the department of the accountancy of the muqataas in the thrace region.
18. Mukataacı-i sani Department (second muqataa department): the department of the accountancy of the muqataas in İstanbul and of the records of sheep and goat farming incomes of the government.
19. Mukataacı-i salis department (third muqataa department): the department of the accountancy of the muqataas in the Eagean region and some of the muqataas in the European region.
20. Mevkufat department: the department of the accountancies of the extraordinary incomes coming from the European lands of the government
21. Varidat department (Income department): the department that gathers the collected incomes from its own region.

22. Third provincial treasury ahkam tezkeresi department (fiscal decisions department): the department that announces and observes the fiscal decisions related with its own region.
23. The castle tezkeresi department: The department of the accountancy of the soldier wasges who serves in the castles of its region.
24. Mevcudatçı (treasurer), Teřrifatçı (the person who deals with the presents fort he sultan) and Teslimatçı (the person who deals with the clothes sent from the palace to be sewed by the tailors) department: among these, the most important one is mevcudatçı department that is related with the management of the government treasury.

The names and the functions of the financial administration and accountancy departments of the government namely Hazine-i Amire (state treasury) functioned till the end of XVI. and the mids of XVII. centuries are summed up above. The evaluation of this order is given below.

- The regions of the empire were shared among the provincial treasuries. The head provincial treasurer undertook the ruling responsibility of daily book/journal department and Jizya taxes - separately in Rumelia and Anatolia- departments and supervision department. The other provincial treasurers shared the income areas in Rumelia and Anatolia geographical regions.

- It is clear that there were many muqataa departments (hiring the income areas of the government) on which most of the governmental incomes depend. However, it must be noted that the calculation operations of the other income and expenditures of the government were shared by these departments. Nonetheless, the number of the departments that had the same name was always high.

- Every provincial treasurer had a varidat (income) department. That

is to say, either monthly or yearly, the collection calculation of the incomes of the region was organized in the region of the provincial treasurer. And the knowledge of the income and expenditures calculation made in the head provincial treasury was taken from this income departments.

- The departments of Hazine-i Amire were generally accountancy departments. Each provincial treasury had its own departments dealing with the announcement of the fiscal decisions. But the number of the departments dealing with the financial administration was only three of all the twenty four. The other departments were related with accountancy. In other words, the number of the accountancy departments were higher than the number of the financial administration departments in Ottoman central organization.

Towards the mids of the XVII. century when the annual final account gained importance to be count as soon as possible against the deterioration of the balance of income and expenditures, many disadvantages of the mentioned organization started to come to light. These disadvantages are summed up below.

- In order to draw out an account of income and expenditure annually, each provincial treasury counted the income and expenditures of its department and the annual final account was composed by gathering the data of the three provincial treasuries. These operations caused difficulties and elongations in the process of the annual final account and also probably caused mistakes.

- Each provincial treasurer's having his own varidat (income) department increased the need of the labour force. Because, each of them got information from regional departments carrying the same name. Putting the departments having the same function together, would provide to decrease the number of varidat(income) department to one. Thus, with the reorganization in the second half of the XVII. century, all the varidat (income) departments

were closed and the head provincial treasury undertook the task of collecting and gathering the income and expenditures.

- Doing similar jobs in different departments, created variety in determining the norms of accountancy and this situation also caused the information generated with different standards to come together. This situation, which will be underlined later, was also inconvenient as it might cause different standardization in such incomes as jizya taking a long time to be prepared. So that, the department of jizya became single after the reorganization.

- There were eight muqataa departments. In other words, one third of the twenty four departments were functioning for accountancy. It is clear that this number is too many. So that this number was tried to be decreased.

- In order to open new departments as the need of the increasing bureaucracy in the years of financial crisis, it was necessary to put the departments having the same function together as soon as possible. These circumstances were taken into consideration during the reconstruction period and the experienced governors were brought into power in the new departments.

- In short, it can be claimed that the idea of changing the division into geographical regions system and instead, gathering the same or similar jobs at one or at least at a few departments, became a current issue.

- Finally, it is necessary to say that the number of the provincial treasury was not changed but, the idea of employing the provincial treasurers according to the quality of the duties was adopted instead of the division of geographical regions.

It is observed that the organization of the division into geographical regions started in 1560s and lived approximately a hundred years, and in 1670 the new organization was made.

***3.2.2. The reorganization of the accountancy departments
in the second half of the XVII. century***

The document recorded with the number 3208 in the Ottoman archive, has the title of the situation of the present departments in Bab-ı Âli in the second half of the XVII. century. Under this title, there were the departments of the grand vizier on the first page and on the second page, there were accountancy departments under the name of Bab-ı defteri (the place where the book of accounts were kept). In this document belonging to the year Hijri 1081 (Gregorian 1670), the departments of governmental financial administration and accountancy were listed as following.

The Present Departments and Their Functions in Bab-ı Defteri (the Place Where the Book of Accounts were Kept)

1. Ruznamçe (daily journal/notebook) department.
2. Senior accountancy department: It was a big department where the accountancy records of such institutions as royal mint, matbah-ı amire (kitchen of the palace), shipyard, gunpowder factory were kept and of the accountancy of the annual income and expenditures.
3. Haremeyn accountancy department: the department where the controls of the accountancy of the charitable foundations were performed. It became the Ministry of Charitable Foundations in XIX. Century.
4. Jizya accountancy department: the department of the accountancy of Jizya taxes collected from the non-muslims living all around the empire.

5. Anatolia accountancy department: the department of some of the muqataas in Anatolia.
6. Sipahi mukabelesi (cavalryman reciprocation) department (the agricultural lands given to the commanders in return for being ready with cavalry units during the time of war): the department where the contracts of the cavalry commanders were prepared and submitted to them. The term mukabele means to supervise.
7. Sipahi (cavalryman) department: the department where the records of the pension funds of the retired cavalryman commanders were kept.
8. Silahdar (armorer) department: the department of the records of the fees of the military units who carries and repairs the weapons.
9. *Mevkufat department: the department of the accountancies of the extra taxes collected during the war time (avarız ve nüüzil vergileri: extraordinary taxes collected during the war time in ottoman empire)*
10. Finance department: the department where the decisions financial administration were made and announced. (It will gave its name to the ministry(ministry of finance) founded in the mids of XIX. century)
11. Piyade mukabelesi (infantry reciprocation) department: the department where the wage bordereaus of the land forces were prepared. The term mukabele (reciprocation) was used as the wages of the soldiers were always under control.
12. Küçük evkaf accountancy department: the department of the control of the accountancies of the charity foundations in the empire.
13. Haremeyn muqataa department : department : the department of the control of the accountancies of the charity foundations founded by high state officials.

14. Büyük kale (big castle) department: The department of the accountancy of the soldier wages who serves at the big castles within the boundaries of the empire.
15. Küçük kale (small castle) department: The department of the accountancy of the soldier wasges who serves at some of the Anatolian castles.
16. Haslar (fine/specific) muqataa department (Has(fine/specific), was the land, the income of which was devoted to the statesmen): the department of the records of the lands devoted to the senior executives working in the palace.
17. Başmukataa (Main-muqataa) deparment: the department where the muqataa contracts were prepared and records of the muqataa incomes were kept. (muqataa means hiring the income areas of the government)
18. Salyane department: the department of the records of the financial aids for the beyliks in Kırım and of some of the customs revenues.
19. İstanbul muqataa department: the department where the muqataa contracts were prepared and records of the muqataa incomes were kept in and around İstanbul.
20. Bursa muqataa department: the department where the muqataa contracts were prepared and records of the muqataa incomes were kept in and around Bursa.
21. Avlonya and Agriboz department: the department where the muqataa contracts were prepared and records of the muqataa incomes were kept in these regions
22. Mektubi-i defteri department: the department of the correspondence of governmental accountancy administration.

23. Ganem kitab-1 department: the department of the records of sheep and goat farming(ađnam) taxes.

It is clear that the number of the departments did not increase in the new organization structure, which was the result of reorganization of the accountancy departments in the second half of the XVII. century. In addition, it is observed that the number of muqataa (leasing the income areas of the government) departments was high again, new departments as the need of the bureaucratic structure were opened, the financial administration had a single department, inspection was important, and finally there were two different departments to control the charity foundations.

It is necessary to say that this new organization structure had the quality of being assistant for making the account of annual income and expenditures in a short time. It was because the data, collected from the departments decreased in number, could be able to be gathered in the head of provincial treasury in a short time.

It is seen that the precautions continued in order to be able to organize the income and expenditure account in a short time, even after the reorganization efforts in the governmental accountancy organization (Güvemli, 1998, pp.646-647). As it is seen in the example/MAD 22249) of the year Hijri 1112 (Gregorian 1700), the annual income and expenditures could be accounted by adding the last three months' estimated results to the nine months actual results, approximately in the muharram ul haram (Muharram month) which is the first month of the hijri year. The final account was organized later in the year and the temporary account was corrected. The importance of this method was the necessity of informing the ratepayers at the beginning of the year about their tax to pay in that year. The estimated results of the previous year were benefitted to inform the ratepayers.

3.3. The efforts to increase the governmental incomes in the second half of the XVII. century and the Jizya reform

It is clear that in addition to reorganization of the governmental accountancy reorganization and making the annual income expenditures ready at the beginning of the next year, the efforts to increase the governmental incomes were also considered as important. The most important practice among these was about Jizya tax which was a kind of tax paid by the non-muslem people for not to be taken in the military service. In order to explain the reform that was called as jizya tax reform by the historians and performed towards the end of XVII. Century (Sariyannis, 2011, pp.39-61) it will be suitable to give information about the procedure of jizya tax at first (Güvemli, Toraman, and Güvemli, 2015, pp.454-459).

Jizya tax was the field in which the accrual accounting was applied to Ottoman governmental accountancy. In the regions where the non-muslims lived, the males were the taxable people. These taxable people were informed about the taxes to pay county-by-county and the taxes were collected in that year. This application, which continued till the mids of the XIX. Century, was applied by determining the taxpayers according to the censuses took every two to three years.

A new method started to be applied in this application which was started as a result of the conquest of Crete island (1669) towards the end of the XVII. century. According to this new application, the censuses in the empire were re-conducted every two years and the determined taxpayers were divided into three classes according to their financial situations as; high, middle and low income. In order to show their classes, every people in each classes were given varaks (documents) in different colours and they were expected to pay their taxes according to their varaks. The records were continually renewed

by investigating the taxpayers who left the region or died and the new-comers. The annual taxes were imposed with low level in general. It is observed that this application seemed as a fair approach in taxation and the tax collection considerably increased.

According to a XVIII. century document (Bab-ı Defteri D.BŞM 3655), the number of the jizya taxpayers in the empire in H. 1175, Gregorian 1761 is as following.

Table III

Jizya taxpayers in Gregorian 1761 (Hijri 1175) year

Taxpayer class	Number of the taxpayers
High (âlâ)	87.870
Middle (evsat)	720.263
Low (edna)	414.344
Total:	1.222.477

Source: Prime Ministry Ottoman Archives, Bab-ı Defteri, Code No: D.BŞM 3655.

It was stated before that the total amount of the year 1761 income was 1.741 million Lucre (Tablo II). According to the document given in the table above, the jizya income in the year 1761 was about 600 million Lucre. Accordingly, it is understood that 35 percent of the governmental income in the mids of the XVIII. century was consisted of jizya incomes.

In order to evaluate this proportion, it will be appropriate to examine the previous century in which the accountancy reorganization was reorganized.

A hundred years ago, when the jizya reform had not been applied yet, the total amount of the governmental income was 553.429.179 Lucre in the final account of the year Hijri 1077, Gregoirian 1666-67 (MAD 22249) . In this total amount, the total amount of jizya income was 111.734.609 Lucre (Güvemli, Toraman, and Güvemli, 2015, pp.541-542). According to these data, the proportion of the jizya income in the total incomes was 20 percent. According to this, the jizya income considerably increased in one hundred years time both in the amount and in proportion. It is known that this increase was the result of jizya reform.

It is admitted that it was the success of Ottoman accountants to enable the increase in the tax incomes by rescheduling the jizya taxes at the end of the XVII. century.

4. Conclusion

It is seen that the XVII. century was an important period for Turkish accountancy history in which crucial developments were experienced. The government at first took opinions of the accountants about the financial crisis. It is observed that controlling of the expenditures was paid more attention in the advices of the accountants during the second half of the XVII. Century (Danışman, 1971; Genç & Özvar, 2006; Gökyay, 1991).

Moreover, it was also given importance to make the accountancy information ready in short time to get out of the financial depression. In the same direction, the departments were reorganized in order to make it possible to gather accountancy information quickly (Güvemli, 1998; Halaçoğlu, 1991; Güvemli, Toraman, and Güvemli, 2015).

In addition to these reorganization efforts, it was a first that an approximate annual income and expenditure account could be prepared in

the first month of the year by adding the three months' estimated results to nine months' actual results. Thus, it became possible to inform the taxpayers in accordance with accrual accounting about the taxes to pay in that year by analyzing the previous year's data (İnalçık, 1985; Tekir, 1989 ; Varcan, & Çakır, (2000) .

Besides, the efforts to increase the incomes brought successful conclusions and thus, in the first 75-80 years of the XVIII. century, financial crisis was not experienced and the balance of income and expenditures could be managed (Tabakođlu, 2005; Genç & Özvar, 2006).

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