

EXAMINATION OF BUDGET STUDIES FROM OTTOMAN EMPIRE TO REPUBLIC OF TURKEY IN TERMS OF ACCOUNTING AND A CASE STUDY

Ozkan Sarisoy¹

Cagla Demir Pali²

Burcu Adiloglu³

ABSTRACT

Advanced accounting systems have been used for a long time in Anatolia. Especially in the Ottoman Empire period, these systems remained within the boundaries of state accounting since private companies could not develop because of strict ruling of the central statist structure of the Empire. In addition, the ladder method, which is a special method used in the Ottoman Empire, has evolved over time, but it has not been able to meet the needs of the 18th century and significant changes have been made towards the accounting and financial system in the second half of the 19th century. Although there are many aspects of these changes, this study examined the effects of these changes on the state budget in particular. Although there was no modern budgeting prior to the Tanzimat period, the accrual accounting method used for hundreds of years and facilitated budget implementations and modern budget approach had started to be used since the 20th century. In this study, especially the accounting aspects of these changes explained and the budget published in 1922 and 1926 was examined.

Key Words: Accounting System in Ottoman Empire to Republic of Turkey, State Budget and Accounting

Jel Code: M41, H61

¹ Dr., Tekirdag Namik Kemal University, Turkey, osarisoy@nku.edu.tr

² Dr., TYH Textile A.S., Internal Audit Department, Turkey, caglademir@tyh.com.tr

³ Assoc. Prof., Istanbul University, School of Business, Accounting Department, Turkey, adiloglu@istanbul.edu.tr

Atf: Sarisoy, O., Demir Pali, C., & Adiloglu, B. (2020). Examination of Budget Studies from Ottoman Empire to Republic of Turkey in Terms of Accounting and A Case Study. *Muhasebe ve Finans Tarihi Araştırmaları Dergisi*, (18), 115–133.

OSMANLI'DAN CUMHURİYET'E BÜTÇE DENEMELERİNİN MUHASEBE AÇISINDAN İNCELENMESİ VE BİR ÖRNEK

ÖZ

Anadolu coğrafyasında çok eskiden beri gelişmiş muhasebe sistemleri kullanılmıştır. Özellikle Osmanlı Dönemi'nde ileri düzeye taşınan muhasebe düzeni, imparatorluğun merkezi devletçi yapısı sebebiyle gelişemeyen özel işletmelerden dolayı devlet muhasebesi sınırları içerisinde kalmıştır. Kuruluşundan itibaren geliştirilerek kullanılan merdiven yönteminin 18. yüzyıldan itibaren ihtiyacı karşılayamadığı görülmüş ve 19. yüzyılın ikinci yarısında muhasebe ve mali sisteme yönelik önemli değişiklikler yapılmıştır. Bu değişikliklerin birçok yönü olmakla birlikte bu çalışmada özellikle ilgili dönemde muhasebe ile ilgili önemli ve nadir belgelerden sayılan devlet bütçeleri incelenmiştir. Tanzimat Dönemi öncesinde modern anlamda bir bütçeleme söz konusu olmamakla birlikte yüzlerce yıldır kullanılan tahakkuk muhasebesi yöntemi bütçe uygulamalarını kolaylaştırmıştır ve 20. yüzyıldan itibaren modern bütçe uygulamaları söz konusu olmuştur. Bu araştırma da söz konusu değişikliklerin özellikle muhasebeyi ilgilendiren yönleri ele alınarak incelenmiş ve örnek bütçe karşılaştırmasına yer verilmiştir.

Anahtar Sözcükler: Osmanlı'dan Cumhuriyet'e Devlet Muhasebesi, Bütçe ve Muhasebe

Jel Kodu: M41, H61

1. INTRODUCTION

When the economic and financial developments in the Anatolia are analyzed from the past to the present, it is seen that there are different developments in different periods. Certain military, religious and commercial changes have affected cultural and political life, and the financial system has shown some improvements in the face of these changes. Although there are many different components of the financial system, this study deals with the issue of accounting.

Due to the centralized state structure of the Ottoman state, the financial system has been shaped around the public authority, and accounting activity has been handled from the public perspective. In particular, the absence of large-scale private companies until the 19th century confined accounting to governmental boundaries. However, it is known that the state accounting system and accounting body have been improved since the beginning of the Ottoman Empire and reached an important level of development. In this respect, if it is wanted to examine the history of accounting in Anatolia, the examination of the Ottoman state accounting system is necessary.

The Ottoman state successfully developed the Ladder Method ("Muhasebe-i Usul") for nearly 600 years which was received from the Ilkhanians. However, Double-entry Bookkeeping ("Kaydı Muzaaf") method was adopted since the increase in the number of the private companies, lack of information for investment decisions and inadequacy of this method in profit

calculation. Especially with the Tanzimat Decree (1849), many changes have been made in the financial field, but this research has focused on the budget issue among these changes. In this period, although some studies were made on budget, it was observed that modern budget studies could find application area towards the end of 19th century.

A number of reforms carried out with the Tanzimat Period were continued in the early years of the Republic and an important transformation process has started. In this research, the oldest budget that can be reached by the researchers, which was for the years 1922 and 1926, was examined and the accounting items in this budget were examined.

2. OTTOMAN EMPIRE ACCOUNTING CULTURE

It is known that there are different categories in the studies conducted in the history of accounting in both Ottoman Empire and Anatolia. While regional distinctions are made in some studies, categories are considered within the periodical, political and managerial levels in others. As in many areas, the Ottoman Empire was influenced by the Seljuk Empire's administration and developed this system over time with the indirect help of some of the countries where it had positive or negative interaction. In terms of accounting, the Ottoman Empire was influenced by the previous Turkish principalities. It is known that the Turkish principalities were affected by Ilkhanians before the Ottoman Empire. In the Ottoman period, the fact that the Empire had to pay taxes to Ilkhanians affected the financial relations between the two countries. In addition, the intellectuals who came to Anatolia to escape the oppression of the Ilkhanians took part in the state administration and increased this interaction (Güvemli, Toraman and Güvemli, 2014: VI).

The Ottoman Empire has used the Ladder Method system for nearly 600 years since its establishment. It is known that the method was first used in the Abbasids (750-1258) since 770. It is stated that the system which developed in the period of Ilkhans (1251-1353) matured in the Ottoman period (1299-1922). Ladder method is used in Central Asia about 1100 years and it was for used about 600 years in the Ottoman Empire. The method characterizes as follows (Çabuk and Saygılı, 2013: 170):

- *The method used accrual basis. In accordance with the accrual basis, the tax to be paid by the taxpayers is determined at the beginning of the related year and applied by debiting the taxpayer on an account basis and deducting from the account when collection is made.*
- *The method is structured around government accounting. Although there is a daily book in which daily transactions are recorded, the secondary books are also used on account basis.*
- *Revenues and expenses are grouped separately by type and sub-regions.*

Depending on the developments in the accounting system within the boundaries of the state, the accounting organization in the Ottoman Empire was located in an organized structure. There were officials who lead the provincial treasuries and accountants reporting them. And these provincial officials are under a main financial official at the top of the treasury. Departments affiliated to Officer of the Treasury (Başdefterdar) are main accounting

department (Baş Muhasebe Kalemi), main capitation department (Cizye Kalemi), rent department (Mukataa Kalemi), military expenses and civil servant fees departments (Özerhan, Erkan and Nazlıoğlu, 2013: 92). Officer of the Treasury is a member of the council and is reported to the Grand Vizier (Sadrazam). Accounting personnel's are hired at a young age and trained in a mentor system (Güvemli and Güvemli, 2016: 18). It is known that because of the practical and theoretical training in the education system, qualified personnel are trained and they can reach the top positions by time. Decreasing incomes, long wars and defeats due to the unavailability of the silk road in Anatolia since the 17th century caused the income and expenditure balance of the state to deteriorate. These negativities have brought some reform efforts towards state accounting, especially in the organizational structure (Karabulut, Apak and Erol, 2019: 573-577).

The accounting system, which was developed in line with the changing needs over time, it was no longer sufficient. Therefore starting from the 19th century these needs have been brought to the attention of the authorities, and especially since the 19th century, significant changes have been made.

3. CHANGES IN FINANCIAL AREA DURING THE TANZIMAT PERIOD

Although there are different developments in each period, the 19th century is the most efficient time resulted with significant changes in accounting and financial system. In the previous section, it was stated that the ladder method was used for centuries in the Ottoman Empire. Although the method has been applied successfully, some measures have been taken to address the financial system which has suffered since 17th century, but there has been no significant change in the system until the 19th century. In this respect, the Tanzimat Decree is considered as an important turning point. Along with the Tanzimat Decree, there have been significant changes in the financial system among other areas. Although not all of these changes can be implemented, they are of great importance as they form the basis for future reforms.

As mentioned before, the accounting system in the Ottoman Empire is used within the state and the foundation levels. The fact that private companies are small in number and small in scale caused simple accounting procedures to be used in these companies. In addition, it is known that some foreign companies hold accounting records according to their country systems (Güvemli and Güvemli, 2006: 276). However, number of private companies increased in parallel with the developing and changing economic system since the 19th century, and the inadequacy of the existing system in the state accounting system became an issue needs to be developed.

Another aspect of the inadequacy of the ladder method in the Ottoman Empire was the necessity of a new organization in the government accounting. The first regulation related the budget was issued in 1845 with the name of general budget (Muvazene-i Umumiye), and the ladder method could not meet these needs. In this process, the process of conversion from accrual accounting to contemporary budget understanding has started (Çabuk and Saygılı, 2013: 173). In this process, different developments have been experienced in many areas, but

among these, the following changes are considered to be especially important in terms of affecting the accounting system.

- *The structure and operation of the finance and accounting system were changed,*
- *The collection of taxes by way of tax farming was abolished and collections had started to be done by state officials,*
- *In 1850, Code of Trade (Kanunname-i Ticaret) was published,*
- *In 1880 double-entry bookkeeping system has started to be used,*
- *Significant publications about accounting has been made (by writing or translating),*
- *Significant educational institutions that teach accounting have been established.*

One of the most important changes in this process was the abolition of the Treasury Department (Hazine-i Amire) and the establishment of Finance Department (Maliye Nezareti) (1838). With this change, the concept of finance was taken into the forefront and accounting was organized as a separate department (general directorate of accounting) (Güvemli and et al., 2019: 682-683). During this period, the tax collection procedure was initiated in which the civil servants were assigned to collect taxes.

One of the most important changes in the scope of modernization and approaching to the west culture movements after the Tanzimat Decree was the trade law adopted in 1850. 1807 Napoleon's Code de Commerce (1807) influenced the European trade rules considerably (Sipahi and Küçük, 2011: 183). Code of Trade (Kanunname-i Ticaret) was brought into the Ottoman legislation by the translation of Code de Commerce with the effect of close relations with France at that time. The commercial books to be kept related to accounting of the law, which contains important innovations for the trade and accounting world, are listed as follows (Güvemli, 2000: 78).

- **General Journal:** *It is the book in which the commercial transactions are carried out in the form of active and passive transactions day by day, allowing the declaration of the expenses and income amounts from month to month. It is kept separate from the other books, but its records are executed in accordance with them.*

- **General Ledger:** *A breakdown is made at the end of each year, this includes current, non-current assets, short-term liabilities and long-term liabilities.*

Many of the rules of the Code of Commerce have not found application areas, the first reason for that is the conflict of Islamic rules and trade regulations that were applied in the Ottoman Empire at that time. A similar situation exists for the transition to the double-entry bookkeeping system, but the reason for not implementing this system is mainly due to the fact that there was no application or training book that explained the double-entry bookkeeping method (Güvemli, 2018: 14). With this law, the effects of the practices in France continued for a long time in the accounting system. Prior to the said law, a commission within the body of the Ministry of Finance was appointed. The commission reported their findings as: the

shortcomings of the Ministry of Finance, accounting records that are not kept according to the double-entry bookkeeping method, revenues and expenditures that can not be recorded in a way that gives real information. Also the requirements of the double-entry bookkeeping method was emphasized (Yücel, 1982: 226).

Another development in this process has been in accounting-oriented teaching activities. Important educational institutions that are still operating such as Marmara University (Hamidiye School of Commerce) and Ankara Faculty of Political Sciences (Mekteb-i Mulkiye) have made significant contributions to accounting education. Again, during this period, many works related to the double-entry bookkeeping method was written/translated and by that these publications contributed to the development of the system. Behind all these developments, the Sultan's Decree (Abdulhamid II) passed and stated that the double-entry bookkeeping system will be used in state accounting as at 1880 (Yücel, 1982: 226). With this decree, the Ottoman Empire abandoned the ladder method which it had used for nearly 600 years and switched to the double-entry bookkeeping system.

4. APPLICATIONS IN THE REPUBLIC PERIOD

Westernization movements, which started especially in the early 19th century, did not find enough implementation area at that time, but provided an important background for the republic that was founded after 80 years. In particular, secular republic administration has found a wider field of application. Along with these revolutions, there have been significant developments in the economic and commercial fields.

In addition to economic and commercial developments, significant tax reforms were made in the early years of the republic. These developments, which are closely related to the accounting world, are in parallel with European countries (Güvemli, 2001: 125-126). Especially since the beginning of the 19th century, there have been significant developments in business accounting practices rather than government accounting (Yücel, 1982: 226). In the first years of the Republic, apart from the tax laws, the Turkish Commercial Code (1926), which was also compatible with Europe, was adopted. In this process, the abolition of the Sharia rules made important contributions to the implementation of the law. This law provides more detailed information related to accounting records and journals (Sipahi and Küçük, 2011: 185).

5. BUDGET APPLICATIONS FROM OTTOMAN EMPIRE TO REPUBLIC OF TURKEY

As mentioned before, state budgets are the subject of finance rather than accounting and therefore it has been generally considered in the literature in terms of finance. However, since the accounting in the Ottoman period was generally handled in terms of state accounting, it is inevitable that a researcher studying the history of accounting in this geography will be in contact with the state accounting system and therefore with the state budgets. The development of the accounting system in private companies in the Ottoman Empire was occurred too late. The basic data of the state budget system is provided from the state accounting information

system and therefore the budget system and the state accounting form an integral part (Kılıçer and Peker, 2018: 78). Therefore, in this section, budget culture and its applications from the Ottoman Empire to the early years of the Republic were examined.

Although there is different information about the history of budgets related to the changes until they reach the modern form, it is generally stated that the first budgets were organized in the Middle Ages. However, it took years till 18th century for the formation of modern budgets. This is similar for the budget culture in the Ottoman Empire. While the budgets in the early periods of the Empire were in the form of definite charts of income and expenses, it was only possible to transition to the modern budget after the Tanzimat Period. Also, it is seen that these definite tables, which are called as budget in that period, are not in a certain order and in a continuous structure (Dikmen, 2015: 811-812).

There is no document which includes the budget right or the state income and expenses related to the establishment period of the Ottoman Empire (Güçlü, Çiçek and Dikmen, 2015: 84). Even until the Tanzimat Period modern budgets can not be mentioned. Until this period, the documents prepared under the name of the budget are the income and expense statements and the actual amounts that entered to the treasury and exited from the treasury in the year, the amount collected and spent are stated (Sahillioğlu, 1967: 79-80).

In the Ottoman Empire, the 16th century was a period when the state was strong and stable. But after the early 17th century, it was known that the central government collected a significant portion of its tax revenues in cash and provided additional funding for wars through methods such as adulteration, internal borrowing and confiscation of wealth. Since the second half of the 18th century, defeats in the wars have put great pressure on the Ottoman Empire and a number of military and financial reforms have been initiated. (Karaman and Pamuk, 2009: 27-28).

It is stated that modern budget practices in the Ottoman Empire were implemented a little later than the European states. Although this delay has many different dimensions, it is emphasized that the earlier transition of European states to parliamentary systems is the most significant reason. (Karaman and Pamuk, 2009: 27).

The budget emerged after the Tanzimat Decree in the Ottoman Empire then the increasing debts in 1855 due to the Crimean War and establishment of Debts Administration (Düyun-u Umumiye) made significant effects in the improvement of budgeting. But although there are some kinds of practices, there were no budget in modern sense in the Ottoman Empire until 1863 (Çataloluk, 2015: 507). When the important developments related to the budget in the Tanzimat period are examined from a historical perspective, the following events draw attention (Öner, 2009: 6).

- *The first regulation defining the principles for preparing the central government budget (general budget) in the modern sense in the Ottoman Empire was made with the “Hazine-i Celile'nin Muvazene Defterinin Suret-i Tanzimine Dair Nizamname” dated 1855.*
- *The first modern budget in the Ottoman Empire was the budget for the fiscal year 1863–1864.*

- *The first regulation stipulating the necessity of issuing the final account showing the results of the budget implementation was made with the “State Budget Regulation” dated 1874.*
- *The law that accepted the budget right for the first time and regulates the final account is the Constitutional Law (Kanun-i Esasi) dated 1876.*
- *The first budget law adopted by the Ottoman Parliament in accordance with Constitutional Law (Kanun-ı Esasi) was the “(Muvazene-i Umumiye) Budget Law” of the fiscal year 1877.*
- *The first budget in which the budget right was enforced with its preparation, approval and implementation was the 1909 budget adopted during the II. Constitutional Monarchy.*

In the Ottoman Empire, the budget was introduced for the first time by Constitutional Law (*Kanun-i Esasi*) in 1876. This constitution is prepared based on the the French Constitution, defines the state budget. Rules such as the principles of annual taxation and approval of income and expenses by departments are included (Siverekli, 2002: 113).

Constitutional Law (*Kanun-i Esasi*) granted the budget right to the General Assembly (Meclis-i Umumi). This assembly was established by the first Parliament (Mebusan Meclisi) and Assembly of Notables (Ayan Meclisi). It is stated in the Constitutional Law that there can be no collection from the public under the name of tax and fee without any legal basis, and that the state income and expenses will be enforced after being approved by the General Budget Law every year. Also the tax law should be re-regulated every year. However, these regulations can not be applied until the declaration of the II. Constitutional Monarchy (1908). Again during this period, taxes were collected with the will of the sultans and spent on the places they deemed appropriate (Karta, 2018: 405).

After the War of Independence which resulted in victory, the first step was taken for economic independence and İzmir Economy Congress was organized for this purpose. During this period under Atatürk's leadership, two different policies were followed in the national economy and finance. While these policies were liberal in the period until the great crisis of 1929, they turned to the statist approach with the reflection of the developments in the world conjuncture after 1929 (Kaya and Durgun, 2009: 235).

The Republican regime policies envisaged encouraging entrepreneurship without deteriorating fiscal discipline. This approach is inspired by the economic policies adopted by the nation-states in Europe. Achieving fiscal discipline is based on budget balance and money management under the government's control. In the controlled money management approach, regulating and keeping the exchange rate constant is accepted since there is no absence of external deficit or deficit in the balance of payments (Kaya and Durgun, 2009: 236). In this process, the first issue considered in the restructuring of the state was regularity. Therefore, ensuring budget balance has become an important issue (Çoşar, 1995: 243).

6. SAMPLE BUDGET: EXAMINATION OF 1922 AND 1926 BUDGET

In this part of the study, 1922 and 1926 budgets, which is the oldest budget that can be reached before and after the republic period, are taken into consideration as an example. Although there were some budgets published before the republic, the budgets that were dealt with the Arabic alphabet were not taken into consideration within the scope of the research due to the necessity of transcription. In this section, general budget accounting items are examined without going into detail of the budget. The amounts in the tables are shown in Lira.

Table -1 Expense Accounts

1922 BUDGET A LIST		1926 BUDGET A LIST	
Grand National Assembly of Turkey	1,545,254	Grand National Assembly of Turkey	1,507,630
Presidency	208,791	Presidency	238,765
Council of Accounting	449,595	Council of Accounting	400,125
Prime Ministry	71,949	Prime Ministry	106,076
Ministry of Finance	11,174,057	Ministry of Finance	24,508,250
Directorate of Public Relations	13,767,694	Debt Administration	2,962,690
Management of Debt Administration	13,863,322	Debt Administration	10,136,108
Tax Management	4,583,114	Taxes	5,465,610
Land Registry Office	955,123	Land Registry Office	1,358,833
Ministry of Internal Affairs	4,949,616	Ministry of Internal Affairs	4,438,840
Directorate of Postal and Telegraph	5,815,823	Directorate of Postal and Telegraph	5,359,000
Police Department	3,802,296	Police Department	3,864,889

General Command of Gendarmerie	11,077,440	Gendarmerie	10,540,000
Ministry of Foreign Affairs	2,583,288	Ministry of Foreign Affairs	3,072,725
The Press	616,688	General Directorate of Press	564,655
Ministry of Health and Counseling	4,860,205	Ministry of Health and Counseling	3,649,005
Directorate of Religious Affairs	1,687,401	Directorate of Religious Affairs	1,598,600
Ministry of Justice	6,013,722	Ministry of Justice	5,651,609
Ministry of Education	7,742,508	Ministry of Education	7,478,106
Ministry of Public Works	19,667,285	Ministry of Public Works	14,279,631
Ministry of Commerce	3,270,403	Ministry of Commerce	1,872,928
Ministry of Defense	43,058,874	Ministry of Defense	64,004,925
Ministry of Navy	5,310,380	Ministry of Navy	5,105,158
Directorate of Housing	6,030,245	Housing	1,481,353
Directorate of Agriculture	6,421	Directorate of Agriculture	3,852,790
Manufacture of Military Directorate	4,272,273	Manufacture of Military Directorate	5,708,857
		General Directorate of Mapping	625,249
		Ports Administration	271,137
GRAND TOTAL	183,932,767	GRAND TOTAL	190,103,544

Table -2 Revenues Accounts

1922 BUDGET B LIST		1926 BUDGET B LIST	
Section 1 – Direct Taxes		Section 1 – Direct Taxes	
Eligibility, Land and Province Taxes	10,670,000	Eligibility and Land Taxes	13,420,000
Dividend and War Income Taxes	4,250,000	Income Tax	9,260,000
War Taxes	1,000,000		
Paid Military Service	2,500,000	Paid Military Service	4,000,000
		Fixed Tax	500,000
Maadin Tax	500,000	Maadin Tax	400,000
Special Forests Tax	150,000	Special Forests Tax	150,000
Tax Payments	50,000		
Taxpayer Transport Military Tax	300,000		
Cattle, Camel and Monster Mortar	5,100,500		
Crop Supply Tax	15,350,000		
		Counting Tax	9,451,000
		Inheritance Tax	1,000,000
		Transportation Tax	700,000
		Tractor Tax	30,000

		Electricity And Coal Gas Tax	300,000
Total	39,870,500	Total	39,211,000
Section 2 - Stamp, Fees, Slips, Penalties			
Stamp Duty	2,200,000	Stamp	4,200,000
Fees	1,025,000	Fees	1,506,500
Registration Fees	865,000	Registration Fees	950,000
Treasury Stamps	1,000,000		
Patent and Trademark	5,000		
Cash Penalties	350,000		
Total	5,445,000	Total	6,656,500
Section 3 – Direct Taxes			
Alcohol Fees	3,000,000		
Customs Tax	30,000,000	Customs Tax	39,750,000
Animal Health Tax	300,000	Animal Health Tax	100,000
Navy Tax	1,250,000	Navy Tax	800,000
Marine Tax	750,000	Marine Tax	1,050,000
		Property Taxes	37,046,000
Tobacco Tax	5,000		
Section 4 - Stamp, Fees, Slips			

Warehouse Tax	350,000		
Total	35,655,000	Total	78,746,000
Section 4 - Monopolies			
Salt Tax	8,350,000	Salt Tax	8,500,000
Tobacco Cigarette Paper Tax	10,500,000	Tobacco Tax	15,000,000
Match Tax	1,330,000	Match Tax	2,240,000
Coins	50,000	Coins	3,000
Postal, Telegraph, Telephone	7,570,000	Postal, Telegraph, Telephone	6,531,000
		Oil and Gasoline Tax	4,000,000
		Sugar and Sugar Products Tax	4,000,000
		Alcohol and Soft Drinks Tax	5,025,000
		Revolver, Explosion and Details	700,000
Total	27,800,000	Total	45,999,000
Section 5 - Institutions			
Section 5 - Institutions		Section 5 – Revenues from Government-owned Institutions, Real Estates and Securities	
Revenues from Public	350,000	Revenues from Public	400,000

Mechanical and Agricultural Revenue	75,000	Mechanical and Agricultural Revenue	65,000
Veterinary Income	125,000	Veterinary Income	50,000
Industrial Products Revenue	150,000	Industrial Products	25,000
Health Procurement	5,000	Health Procurement	60,000
Revenues from Medical Procurement	15,000	Medical Procurement	150,000
Revenue from Government Kinin	50,000	Revenue from Government Kinin	50,000
Official Printing Houses	150,000	Revenues from Official Printing	100,000
Shares of Treasury in the Orient Railways	100,000	Shares of Treasury in the Railways	3,100,000
		Real Estate Revenue	2,180,000
Share of Treasury from Ankara - Sivas Line	150,000		
Mining	550,000		
		Price of products to be Sold	1,250,000
		Interest, Dividend and Depreciation of Government Inspections and Bonds	500,000
		State Forests Revenue	2,100,000
		Revenue from Konya Plain Irrigation	50,000

		Railways	100,000
Total	1,720,000	Total	10,180,000
Section 6 - State Proceeds of Real Estate and Goods			
Real Estate Proceeds	2,250,000		
State Forests Revenue	1,500,000		
Cost of Goods Sold	50,000		
Konya Plain Irrigation	11,165,000		
Total	14,965,000		
Section 7- Other Revenues			
Revenue from Treasury Transactions	200,000	Section 6 – Other Gains	
Other Revenues	4,100,000	Revenue from Treasury Transactions	165,000
Withholding	3,750,000	Other Revenues	5,575,000
Inspection against German Companies	10,000	Withholding	3,500,000
Total	8,060,000	Total	9,240,000
Section 8 - Insurance			
Soma-Bandırma Railways	71,354	Section 7 - Insurance	
		Soma-Bandırma Railways	71,354

Consistency against the Concession	600,000		
		Payment	55,000
Total	671,354	Total	126,354
Section 9 – Exemption Tax			
Cigarettes and Playing Cards, Billiards, Checkers, Kav, Lighter etc.	16,360,000		
Total	16,360,000		
Section 10 - Warfare Warrants			
Share of Government from Anatolia - Baghdad Railways	2,000,000		
Transportation Fee	500,000		
Total	2,500,000		
GRAND TOTAL	153,046,854	GRAND TOTAL	190,158,854

The two oldest budgets of the 1922 and 1926, pre-republic and post-republican budgets, which can be reached by the researchers, appear to be very similar in shape and content. Considering the dates, it can be said that there was no significant policy change on budget culture in the early years of the republic.

Besides the amount differences between the budgets, the changes in the institutions depending on the organizational structure of the state are also noteworthy. When the 1926

budget is examined, it is seen that a new set of expense centers have been created. In both budgets, it is seen that the highest expenditure center is in defense expenditures in line with the war conditions of the period. As a matter of importance in terms of accounting, the budget of the Court of Auditors is determined as a separate center of expense from the directorate of finance.

When the table B, which includes the revenues of the state, is analyzed, the more detailed accounting items are observed. In the 1926 budget, which includes less income, the types of taxes added or removed according to the conditions of the period are noteworthy. It can be said that the main difference between the two budgets is there is a financial deficit of the 1922 budget. The 1922 budget had a deficit of about 18%, but there was no evidence of where or how this deficit would be financed.

7. CONCLUSION

Since its establishment, the Ottoman Empire has had a consistent accounting system and accountancy profession within itself. It is stated that there is no detailed document in the literature about accounting in the first years of the Empire. Particularly since the years when the Empire was strengthened (14th century), the available documents show that the Ottoman ladder method and a method allowing double-entry record was used.

The central statist structure of the Ottomans limited the formation of private companies and the development of trade. Therefore, the accounting profession in the Ottoman Empire has developed in terms of state accounting. For many years, government accounting has been formed around the activities of keeping some records of the treasury and preparing the tables in which tax revenues and some expenditures are recorded. One of the most important activities in terms of government accounting is the preparation of state budgets. Although there is no modern budget in modern sense, especially since the 15th century, there is evidence that definitive statements can be counted as budgets have been prepared. It is thought that these definite tables of accounts, which are handled with accrual system, are beneficial in transition to modern budget. However, the modern budget preparations in the Ottoman Empire could only be realized in the 19th century.

The 19th century was an important period in which many changes took place in the Ottoman Empire. A significant part of these changes are related to the financial field. In particular, taking into account the western countries with close relations, the transition to double-entry bookkeeping system, making the budget mandatory by law, changing the structure of the finance organization, increasing the number of private companies. All these changes are the major changes that deeply affect accounting system in the Empire and has affected the future trends even in the republic period.

As stated earlier, the absence of large-scale private companies in the Ottoman Empire, especially until the 19th century, confined accounting within the boundaries of the state. For this reason, the accounting history of the geography we live in was born with the state accounting system and has been discussed in this perspective for a long time. As researchers, in this study, we tried to briefly discuss the features of state accounting, the accrual system used

in the Ottoman Empire and the budget culture from the Empire to the early years of the Republic. And we have included two budgets that can be reached as an example.

REFERENCES

- Çabuk, A., Arıkan, T.S., (2013). “Transition from the Merdiban Method to Double Entry Bookkeeping For State Accounting Applications in the Ottoman State - 19th Century”, *Accounting and Financial History Research Journal*, 4, 168-196.
- Çataloluk, C., (2015). “Budget of the Ottoman Empire” *Journal of the Human and Social Science Researches*, 4-3, 497-515.
- Çiçek, H. G., Dikmen, S., (2015) “Historical Evolution of Budget and Power of Purse in the Ottoman State”: *The International Journal of Economic and Social Research*, 11 – 2, 83-98.
- Coşar, N., (1995). “Cumhuriyet Döneminde Denk Bütçe Politikasına Geçiş“, *Atatürk Araştırma Merkezi Dergisi*, 11-31, 239-257.
- Dikmen, S., (2015). “Bibliography Trial on Ottoman Budgets”, *Journal of the Human and Social Science Researches*, 4-3, 810-823.
- Güvemli, O., (2000), *Türk Devletleri Muhasebe Tarihi, Tanzimat’tan Cumhuriyet’e*, Chamber of Sworn-in Certified Public Accountantst of Istanbul: İstanbul.
- Güvemli, O., (2001). *Türk Devletleri Muhasebe Tarihi, Cumhuriyet Dönemi, XX Yüzyıl*, Proje Danış: İstanbul.
- Güvemli, O., (2018). *Çift Yanlı Kayıt Yönteminin Kısa Tarihi ve Bir Teori*, Ordu Chamber of Certified Public Accountants: Ordu.
- Güvemli, O., et al., (2019). *History of Middle East Accounting, Volume:III*, Turkish Court of Accounts: Ankara.
- Güvemli, O., Güvemli, B., (2006). “Osmanlı’dan Cumhuriyet’e Muhasebe Düşüncesinin Gelişimi” *Journal of Financial Analyze, Certified Public Accountantst of Istanbul*, 76, 275-290.
- Güvemli, O., Güvemli, B., (2015). “Effects of Turkish Commercial Codes on the Development of Turkish Accounting Thought”, *Accounting and Financial History Research Journal*, 8, 26-50.
- Güvemli, O., Güvemli, B., (2016). “Waqfs and State Accounting Systems in the Ottoman Administration”, *Journal of Waqfs Turkey*, 46, 9-21.

- Güvemli, O., Toraman, C., Güvemli, B., (2014). *State Accounting in the Ottoman Empire - Anatolian Accounting Recording Culture*, PCAOB Turkey Press: Ankara.
- Karabulut, R., Apak, S., Erol, M., (2019). *History of Middle East Accounting, Volume: II, Turkish Court of Accounts*: Ankara.
- Karaman, K., Pamuk, Ş., (2009). “Avrupa Devletleriyle Bir Karşılaştırma Osmanlı Bütçeleri ve Mali Yapının Evrimi”, *Toplumsal Tarih Dergisi*, 191, 26-33.
- Karta, N., (2018). “Budget Practices and One-Year Salary Case in the Ottoman Empire” *Press Academia Procedia*, 7, 403-407.
- Kaya, D.G., Durgun, A., (2009). “Fiscal Policies of Ataturk for the Period of 1923–1938: Budget and Tax Practices”, *SDÜ - Faculty of Science and Letters Journal of Social Sciences*, 19, 233-249.
- Kılıçer, E., Peker, İ., (2018). “The Role of Government Accounting in the Management of Government Budget: Turkey Evaluation”, *Journal of Accounting and Taxation Studies*, 11-1, 77-92.
- Öner, E., (2009). *Osmanlı Devleti 1912 Yılı Hazine Genel Hesabi ve Kesin Hesap Kanunu Tasarısı*, Maliye Bakanlığı Strateji Geliştirme Başkanlığı, Press No: 2009/398: Ankara.
- Özerhan, Y., Erkan, M., Nazlıoğlu, B., (2013). “Ledgers and Reports Written By Stairs Method in Ottoman Archives”, *Accounting and Financial History Research Journal*, 5, 88-120.
- Sahillioğlu, H., (1967). "Savaş Yılı Buhranları", *İktisat Fakültesi Mecmuası*, 27 (1-2), 75–111.
- Sipahi, B., Küçük, İ., (2011). “Effects of Turkish Commercial Laws to the Development of Accounting in Their 160 Years History”, *Accounting and Financial History Research Journal*, 1, 181-193.
- Siverekli, E., (2002). “Osmanlı Devleti’nde Bütçe Uygulamaları”, *Erciyes University Journal of Faculty of Economics and Administrative Sciences*, 18, 97-122.
- Yücel, G., (1982). “Muhasebenin Çağlar Boyunca Gelişimi”, *Journal of Istanbul University Business School*, 11-1, 217-227.