

After the unfortunate ending of the Greco-Turkish War of 1897, the military and political leadership of Greece, predicting the commencement of the struggle for liberation in Crete, the continuation of the Macedonian Struggle, as well as the various facts happening then in the Balkans, leaving no doubt about an impending generalised war not far away, decided to reorganise the Armed Forces on one hand and increase training on the other, while at the same time modernising the available assets.

Therefore in 1900 during the government of G. Theotokis who took office in 1899, the **General Army Command**

was established by Prince Constantine Heir to the Throne at the time, and three years later a new army organisation was being promoted, which was finally approved by vote in 1904.

In the same year (1904) a special fund was established by law, called the “National Defence Fund” located in Athens. The Fund’s purpose was to satisfy the needs of the Army from its own resources, offered exclusively for the provision of any kind of army materials and the construction and renovation of army buildings. The law also determined the Fund’s resources, its administration by a committee, consisting of the President of the Ministers’ Council, the Ministers of the Army and Economy, the Army General Commander and the Chief of Army Staff Agency, as well as issues pertinent to the management and realisation of revenue and expenses.

The first war material order from the resources of the National Defence Fund was realised in the same year and involved 60.000 Mannlicher rifles.

In 1906 the same government (Theotokis served as Prime Minister for the 4th time), after the improvement of public financial conditions, the first important measures of military reconstitution were taken, which were accelerated during the long term of the particular government. The National Defence Fund through a series of decrees was dowered with new Resources so that a new order, of 40.000 more MAnnlicher rifles, would be possible. They were delivered that year while a loan for 20.000.000 drachmas was raised and was offered to the aforementioned Fund for order concerning materials for conscription and construction of depots. The level of those orders as well as those of the years 1907, 1908 and 1909 (while Theotokis was in office) reached a total amount of 77.000.000 drachmas.

The aforementioned decrees also determined that the Fund's property would be given for the provision of war materials, the construction and renovation of the required military facilities, the provision of conscription materials, the construction of fortifications and the purchase of animals for military requirements.

The amounts given for military requirements, mainly after 1904 and especially during the period 1910-12, were quite large and exceeded the total State budget for about 20%. In 1904-12, 214.000.000 drachmas were given solely by the National Defence Fund for provisions and various works of this period. From this amount 115.000.000 drachmas were given after 1910. These amounts were mostly consumed for the provision of individual army gear, machineguns, ammunitions, vehicles, clothes and shoes, camping gear, horses and donkeys, construction of barracks, depots, fortifications and for other military requirements.

In 1926 the National Defence Fund was abolished and its property was transferred to the Air Defence Fund, a state Body functioning as public law body and institution.

In 1929 when Eleftherios Venizelos was in office, **under the Law 4407/1929**, the reconstitution of the National Defence Fund was realised, taking to its possession all of the landed properties held by the Army, among which were the ones allocated to the Air Defence Fund in 1926.

Law 4407/1929 constitutes the historical founding law for the National Defence Fund.

According to Article 2 of the founding law concerning the "Aim of the National Defence Fund", "The property of the National Defence Fund is exclusively offered for the sole aim of completing the assets of the country's land defence, meaning:

- a/ By providing conscription materials for every sector**
- b/ By building and renovating military buildings in general**
- c/ For the construction of fortifications**

The National Defence Fund has been functioning ever since, based on the said Law and on the pertinent decrees, focusing on the aforementioned Article 2 and with the basic mission of contributing to the completion and enhancement of the land defence of the country, through the correct management and utilisation of the landed property at its possession.

The National Defence Fund from 1935 until October 1940 has offered the Army 6.827.901.610

drachmas distributed as shown below:

For Artillery Materials	2.604.582.673
For Logistics Materials	1.507.424.819
For Engineer Materials	278.856.325
For Medical Materials	122.766.898
For Veterinary Materials	10.834.956
For Vehicle Materials	43.699.700
For Equitation Materials	108.783.456
For Railways Improvement Materials	88.466.000
For Fortification Materials	1.457.975.336
For Barracks and Disappropriation Materials	604.511.447
Total:	6,827.901.610

The National Defence Fund's contribution to the financing of works of military necessity and convenience, continued constantly after 1950. Its contribution during the period after 1974 was of great importance, when the large scale defensive reorganisation at Evros and the Eastern Aegean Islands began. In particular the National Defence Fund, aside from the works of defensive organisation also solely financed the building of Officers Quarters at the area of Thrace and the Eastern Aegean Islands, of total value 65, 6 million Euros. At the same time it continues to this day, to finance the construction and maintenance of large number of military works and buildings throughout the Greek territory.