

Foreign Military Sales Fund, Executive

This revolving fund was established under the authority of section 201 of the Foreign Assistance Act of 1965. The fund directly finances the sales of defense articles and defense services to foreign countries and international organizations on cash or credit terms, guarantees public and private credit for sales of defense articles and defense services, and absorbs gains and losses resulting from sales of defense articles and defense services under fixed-price negotiations.

The capital of the fund is provided by transfer of loans outstanding and appropriations from the military assistance appropriation, as authorized by the Foreign Assistance Acts of 1965 and 1966 (22 U.S.C. 2316).

Foreign Military Sales Fund
Financial Condition
June 30, 1966

(Millions of dollars)

Assets:	
Treasury balance	\$164
Loans receivable	135
Portion financed by	
Export-Import Bank	<u>-92</u>
Total	<u>\$207</u>
Liabilities and Government equity:	
Deferred credits	\$ 23
Government equity	<u>184</u>
Total	<u>\$207</u>

Defense Production Act Revolving Fund

Under the Defense Production Act of 1950, as amended, designated agencies are authorized, with Presidential approval, to incur obligations and make expenditures to expand production of critical materials for programs certified by the Office of Emergency Planning as essential to the national defense. The program is conducted primarily through a revolving fund financed by borrowing from the Treasury. The amount borrowed may not exceed \$2.1 billion outstanding at any one time.