

**As Prepared for Delivery**

**Chairman Jack Kingston  
Rural Development FY 2012 Budget Hearing  
March 31, 2011  
Opening Statement**

Good morning and welcome to today's hearing on USDA's rural development programs.

Specifically, we extend our welcome to the Under Secretary for Rural Development, Mr. Dallas Tonsager. We are glad to have you with us today. We also welcome your colleagues: Mr. Jonathan Adelstein, Administrator of the Rural Utilities Service; Mrs. Judith Canales, Administrator of the Rural Business-Cooperative Service; and Ms. Tammy Trevino, Administrator of the Rural Housing Service. We also thank Mr. Mike Young, USDA's budget officer for joining us again today.

USDA is proposing \$2.2 billion in budget authority to support a program level of \$36 billion in loans and grants for rural development programs. Rural Development plays an important role in the lives of the nearly 50 million Americans who live in the rural parts of this country. Through the loans, loan guarantee and grant programs that USDA administers, rural Americans can have the water, telecommunications and housing services just as those who live in urban and suburban areas.

However, last week, the president of the Dallas Federal Reserve Bank said that the United States is approaching insolvency, and that policy makers are at a tipping point. I think he's right. It's also scary. In February, the Federal Government posted its largest monthly deficit in history -- \$223 billion, according to preliminary estimates from the Congressional Budget Office. That figure tops last February's record of \$220.9 billion. It marks the 29th straight month the government has run in the red — a modern record.

Like you, I know that discretionary spending is a relatively small portion of the budget crisis this nation faces. But as we begin to develop the fiscal year 2012 agriculture appropriations bill, we simply must be mindful of the federal budget deficit and do our part. I look forward to working with USDA Rural Development on this.

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