

MISSOURI RURAL REHABILITATION  
CORPORATION:  
AGRICULTURE:  
DEPARTMENT OF AGRICULTURE:

The Secretary of Agriculture or his delegatee does not have the power and authority to cancel State Rural Rehabilitation Corporation debts and obligations under the provisions of Public Law 518 (12 USCA § 1150 et seq.).



August 13, 1956

Honorable L. C. Carpenter  
Commissioner of Agriculture  
Jefferson Building  
Jefferson City, Missouri

Dear Mr. Carpenter:

Under date of May 1, 1956, this office forwarded to you an official opinion holding that the Secretary of Agriculture of the United States or his delegatee has the power and authority under the provisions of Sec. 261.026 RSMo Cum. Supp. 1955, and by the terms of an agreement entered into between the United States Department of Agriculture and the Commissioner of Agriculture of the State of Missouri to compromise, adjust, and cancel State Rural Rehabilitation Corporation debts under the provisions of 7 USCA, § 1015(g). You now inquire whether the Secretary of Agriculture has the power and authority to cancel said debts in accordance with the provisions of Public Law 518 (12 USCA, § 1150 et seq.).

As pointed out in the previous opinion, the General Assembly of the State of Missouri authorized and directed the State Commissioner of Agriculture to enter into an agreement with the Secretary of Agriculture of the United States, authorizing the Secretary to accept, administer, expend, and use in the State of Missouri all of the trust assets of the Missouri Rural Rehabilitation Corporation. Such authority is contained in Sec. 261.026 RSMo Cum. Supp. 1955, which section provides as follows:

"1. The commissioner of agriculture is authorized and directed to enter into agreements with the Secretary of Agriculture of the United States pursuant to section 2(f) [40 USCA 440f] of the aforesaid act of Congress of the United States, upon such terms and conditions and for such periods of time as may be mutually agreeable, authorizing the Secretary of Agriculture of the United States to accept, administer, expend and

use in the state of Missouri all of such trust assets for carrying out the purposes of Titles I and II of the Bankhead-Jones Farm Tenant Act [7 USCA §§ 1001-1007a], in accordance with the applicable provisions of Title IV thereof [7 USCA §§ 1030-1039], as now or hereafter amended, and to do any and all things necessary to effectuate said agreements."

It is to be noted from the foregoing section that the funds are to be accepted, administered, expended and used for carrying out the purposes of Title I and II of the Bankhead-Jones Farm Tenant Act "in accordance with the applicable provisions of Title IV thereof [7 USCA §§ 1030-1039], as now or hereafter amended."

While Public Law 518 (Title 12 USCA §1150 et seq.) does authorize the Secretary of Agriculture to cancel indebtedness arising under the Bankhead-Jones Farm Tenant Act, and while the agreement entered into between the Commissioner of Agriculture of Missouri and the Secretary of Agriculture does purport to convey such cancellation authority on the secretary, (Sec. 5(a) of the Agreement reads thus:

"the power and authority to compromise, adjust or cancel obligations which shall be deemed to include, but not be limited to, the powers vested in the Secretary of Agriculture of the United States to compromise, adjust, or cancel obligations in accordance with the provisions of the Act of December 20, 1944 (58 Stat. 836; 12 U.S.C. 1150), and Section 41(g) of the Bankhead-Jones Farm Tenant Act, as amended (60 Stat. 1065; 7 U.S.C. 1015(g));".

said law does not constitute a part of Title IV of the Bankhead-Jones Farm Tenant Act. Under such circumstances we are of the opinion that the authority of the Commissioner of Agriculture to cancel indebtedness arising as a result of administration of Missouri Rural Rehabilitation Corporation trust funds is limited to the authority granted by a valid agreement entered into under the provisions of Sec. 261.026 RSMo Cum. Supp. 1955, and that the attempt to convey the cancellation authority contained in Public Law 518 upon the Secretary of Agriculture is a nullity, since the State Commissioner of Agriculture had no such authority under the provisions of Sec. 261.026.

#### CONCLUSION

Therefore, it is the opinion of this office that the Secretary of Agriculture or his delegatee does not have the power and authority to cancel State Rural Rehabilitation Corporation debts

Honorable L. C. Carpenter

and obligations under the provisions of Public Law 518 (12 USCA § 1150 et seq.).

The foregoing opinion, which I hereby approve, was prepared by my assistant, Donal D. Guffey.

Very truly yours,

John M. Dalton  
Attorney General

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