

MISSOURI RURAL REHABILITATION
CORPORATION:
AGRICULTURE:
DEPARTMENT OF AGRICULTURE:

The Secretary of Agriculture of the United States or his delegatee has power and authority under provisions of Sec. 261.026, RSMo Cum. Supp. 1955, and under terms of agreement entered into

between the United States Dept. of Agriculture and the Commissioner of Agriculture of the State of Missouri under date of January 23, 1952, to compromise, adjust and cancel under provisions of 7 USCA, Sec. 1015(g), State Rural Rehabilitation Corporation's debts and obligations to be administered by said officer under terms of 40 USCA, Sec. 40.

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May 1, 1956

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

Dear Mr. Carpenter:

From information on file in this office we find that the Missouri Rural Rehabilitation Corporation was incorporated on September 5, 1934, for the purpose of facilitating the administration of a rural rehabilitation program in the State of Missouri with grants made by the Federal Government. Thereafter it became necessary by reason of a rule of the Comptroller General to administer the program as a direct federal activity and, therefore, on October 31, 1936, the Missouri Rural Rehabilitation Corporation transferred its assets to the United States in trust for the purpose of carrying on a rural rehabilitation program in the State of Missouri. According to information received from the Farmers Home Administration the Missouri corporation was dissolved on March 7, 1940.

Subsequently Congress by the "Rural Rehabilitation Corporation Trust Liquidation Act" (Public Law 499, 81st Congress) authorized return of the funds held by the Federal Government. Said Act provided that application for a return of the assets held by the Federal Government be made to the Secretary of Agriculture by the State Rural Rehabilitation Corporation or if the Corporation had been dissolved by such other agency or official of the State as designated by the State Legislature. Title 40, Sec. 440(c) USCA.

In view of the fact that Missouri Rural Rehabilitation Corporation has been dissolved the Missouri General Assembly enacted Section 261.025 RSMo Cum. Supp. 1955, authorizing the Commissioner of Agriculture to make application to and receive from the Secretary of Agriculture of the United States the trust assets held by the United States as trustee in behalf of the Missouri Rural Rehabilitation Corporation. Pursuant to

Honorable L. C. Carpenter

an appropriate application dated December 21, 1951, and a certain instrument of transfer dated January 17, 1952, the assets being administered by the Federal Government were returned to the Commissioner of Agriculture.

Title 40, Sec. 440(f) further provided that the Secretary of Agriculture of the United States could enter into agreements with any state rural rehabilitation corporation or other state agency or official to accept, administer, expend and use in the state all or any part of the assets as might be again transferred to the Secretary. Said subsection more fully provides as follows:

"The Secretary is authorized to enter into agreements with any state rural rehabilitation corporation or other State agency or official having jurisdiction of the trust assets which have been returned pursuant to application made therefor under subsection (c) of this section, and upon such terms and conditions and for such periods of time as may be mutually agreeable, to accept, administer, expend and use in such State all or any part of such trust assets or any other funds of such State rural rehabilitation corporation or State agency, which are transferred to the Secretary for carrying out the purposes of sections 1001-1005d, 1007, 1008 and 1009 of Title 7 and in accordance with the applicable provisions of sections 1014-1029 of Title 7 as now or hereafter amended. Funds appropriated for the administration of sections 1000-1025 and 1027-1029 of Title 7 shall also be available for carrying out such agreements. May 3, 1950, c. 152, Sec. 2, 64 Stat. 98."

In accordance with the terms of the foregoing section the Missouri General Assembly authorized and directed the Commissioner of Agriculture to enter into an agreement. Said authority and directive is contained in Section 261.026, RSMo Cum. Supp. 1955, 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

Honorable L. C. Carpenter

aforesaid act of the 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 Title I and II of the Bankhead-Jones Farm Tenant Act (7USCA § §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.

"2. The United States and the Secretary of Agriculture thereof shall be held free from liability by virtue of any transfer of such assets to the commissioner of agriculture."

Pursuant to such authority the State Commissioner of Agriculture entered into an agreement dated January 23, 1952, a copy of said agreement has been submitted for our consideration.

From the correspondence attached to your request we understand the question to be whether the Secretary of Agriculture of the United States has authority in regard to liquidating the trust assets above referred to, and the authority to compromise, adjust and cancel debts and obligations as provided in Section 1015(g) of Title 7 USCA. Since there is no dispute as to the provisions of Section 1015(g) and in view of the extensiveness of said provision, it will not be set forth at length herein.

It is to be noted that Section 261.026, RSMo Cum. Supp. 1955, authorizes the Commissioner of Agriculture to enter into an agreement (pursuant to 40 USCA, Sec. 440) authorizing the Secretary of Agriculture of the United States to accept, administer, expend and use in the State of Missouri the trust assets "for carrying out the purposes of Titles I and II of the Bankhead-Jones Farm Tenant Act (7 USCA, Secs. 1001-1009,) in accordance with the applicable provisions of Title IV thereof, (7 USCA, Secs. 1014-1029) as now or hereafter amended and to do any and all things necessary to effectuate said agreements."

Section 1015(g) of Title 7, USCA, to which you refer is included in Title IV of the Bankhead-Jones Farm Tenant Act referred to in Section 261.026, supra, and we are of the opinion that the term "administer" as contained in said section is sufficiently broad to encompass the power and authority of the Secretary of Agriculture to

Honorable L. C. Carpenter

compromise, adjust and cancel debts and obligations as provided by 7 USGA, Sec. 1115(g).

Likewise, the agreement entered into contains sufficiently broad authority. Section 5 of said agreement provides, in part, as follows:

"In administering and expending such assets the Secretary of Agriculture of the United States or his delegatee shall have and may exercise in his official capacity with respect to any account receivable transferred hereunder or any indebtedness arising from loans or payments made under authority of this Agreement.

"(a) 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 * * * and Section 41(g) of the Bankhead-Jones Farm Tenant Act, as amended (60 Stat. 1065; 7 USGA 1015(g));"

CONCLUSION

Therefore, it is the opinion of this office that the Secretary of Agriculture of the United States or his delegatee has the power and authority under the provisions of Section 261.026, RSMo Cum. Supp. 1955, and under the terms of a certain agreement entered into between the United States Department of Agriculture and the Commissioner of Agriculture of the State of Missouri, under date of January 23, 1952, to compromise, adjust and cancel, in accordance with the provisions of 7 USGA, Sec. 1015(g), State Rural Rehabilitation Corporation's debts and obligations to be administered by said officer under the terms of 40 USGA, Sec. 440.

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

Yours very truly,

John M. Dalton
Attorney General

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