to assist his son in this case? Is there any provision which makes it possible for the son to be given assistance under those conditions?

Mr. Hays: I suppose if the man could not pay back his loan, the loan would not be granted. It is a matter of judgment as to how this would operate. The corporation, I believe, will co-operate with anyone to see that a combination of circumstances such as those to which the hon. member referred would be resolved, just as long as they were able to receive their money. If it were a father and son relationship they would probably work that out without too much difficulty.

Mr. Korchinski: Suppose a father and son have to make payments and the father makes his payments but the son does not, or refuses to do so; what happens in a case like that? Does the corporation foreclose on the father, or on the father and son? What is the situation?

Mr. Hays: The mortgage held on the father's farm would be dealt with separately, and we would deal with the son in so far as his mortgage is concerned. I suppose this would be the procedure. There are two separate mortgages.

Mr. Korchinski: I am suggesting that the father is making his payments and the son is not. What happens in a case like that? Why would the father be penalized for what the son is not doing?

Mr. Hays: We would do the same thing the hon. member would do. We would take a look at the situation objectively, approach it with great caution and dignity but with a sense of dispatch, and I think we would be able to resolve the problem. I can see the hon. member's concern in this regard, but I believe the supervisor of the Farm Credit Corporation would take everything into account, check the regulations and if it were a big problem he may even go to his superior. However, I feel we could resolve this problem. We are not trying to set up anything difficult, and it seems to me these problems could be handled.

Mr. Korchinski: What steps would the corporation take in the event the father passed away?

An hon. Member: Insurance.

Mr. Korchinski: All right, someone volunteered information about insurance. What happens if the father has been making his payments and the son is willing to continue making his payments? Is there any provision to take care of a situation like this?

Mr. Hays: It would be handled in the same manner as the case of a farmer who dies today. In some cases part III loans carry compulsory insurance. Insurance is not compulsory for farmers who have part II loans, but about 60 per cent of them are insured for the protection of the borrower. I suppose that situation would be handled exactly the same way today as when a person dies.

Mr. Korchinski: I think this is important because in some cases the son may have been making payments for 15 or 20 years. He does not want to find himself suddenly in a position where he may lose his property. Is there any provision or is there not, to safeguard against such a situation? It is quite possible to get into a situation such as this.

Mr. Herridge: Is it not true that every person who signs a document assumes an obligation? If as a result of unfortunate or unforeseen circumstances he is not able to meet this obligation on time, the corporation will accept its responsibility to the government and the people and also consider the circumstances in its usually humane manner to arrive at a satisfactory settlement?

Mr. Hays: I should like to thank the hon. member for his complete explanation. I am sure it will satisfy the hon. member for Mackenzie.

Mr. Korchinski: I thank the hon. member for his wonderful co-operation with the minister, but he still did not answer my question. Let me put it another way. In the event of the death of a father, would this debt be immediately recoverable or be considered a bad debt?

Mr. Hays: May I ask the hon. member to give a specific case?

Mr. Korchinski: I have not got a specific case because you have not got the bill before the house yet.

Mr. Hays: There are two separate loans and they would have to be repaid. Each one is treated as an individual loan. There are provisions in the agreement and these people are supposed to discharge their obligations. If one member dies, then the same thing would happen as if he died today and one loan was in existence. We have two loans here and we are dealing with two separate people. They are both obligated to discharge their own responsibilities.