

Gaspésie Railway Society president more confident than two weeks ago

Investissement-Québec grants \$100,000, unfreezing credit line

Gilles Gagné

NEW RICHMOND: - The president of the Gaspésie Railway Society, Éric Dubé, is more relieved now than at any time since the transporter filed for court protection on November 21. At that time one creditor was trying to seize the company's locomotives.

Over the first week of December, Investissement-Québec allocated \$100,000 to the Gaspésie Railway Society, consequently the amount had the effect of unfreezing its credit line.

"Now I'm not worried about a quick dismantling of the Society. The receiver will act as an administrator and assist the board in the preparation of a restructuring plan for the creditors. That and assuring the future of the Society are now our duties and we must succeed," explains Mr. Dubé.

The receiver, a member of

Lemieux Nolet, has had time to present a more accurate report on the situation since November 21. The company's debt load is higher than first presented, \$3.2 million instead of \$2 million. The receivables are also a bit higher, at \$1 million, including a grant of \$750,000 from Transport-Québec for work that has already been carried out. Canadian National also owes about \$200,000, the Gaspésie Railway Society's share for hauling freight shipped out of the region or delivered here.

"The accounts payable include an amount owed to the *Conférence régionale des élus* (CRÉ), the line of credit," points out Éric Dubé. The amount owed to the CRÉ hovers around \$300,000.

So far the company has laid off three employees that were working before November 21. Three maintenance employees, the track and bridge supervisor, two train crew men and an administra-

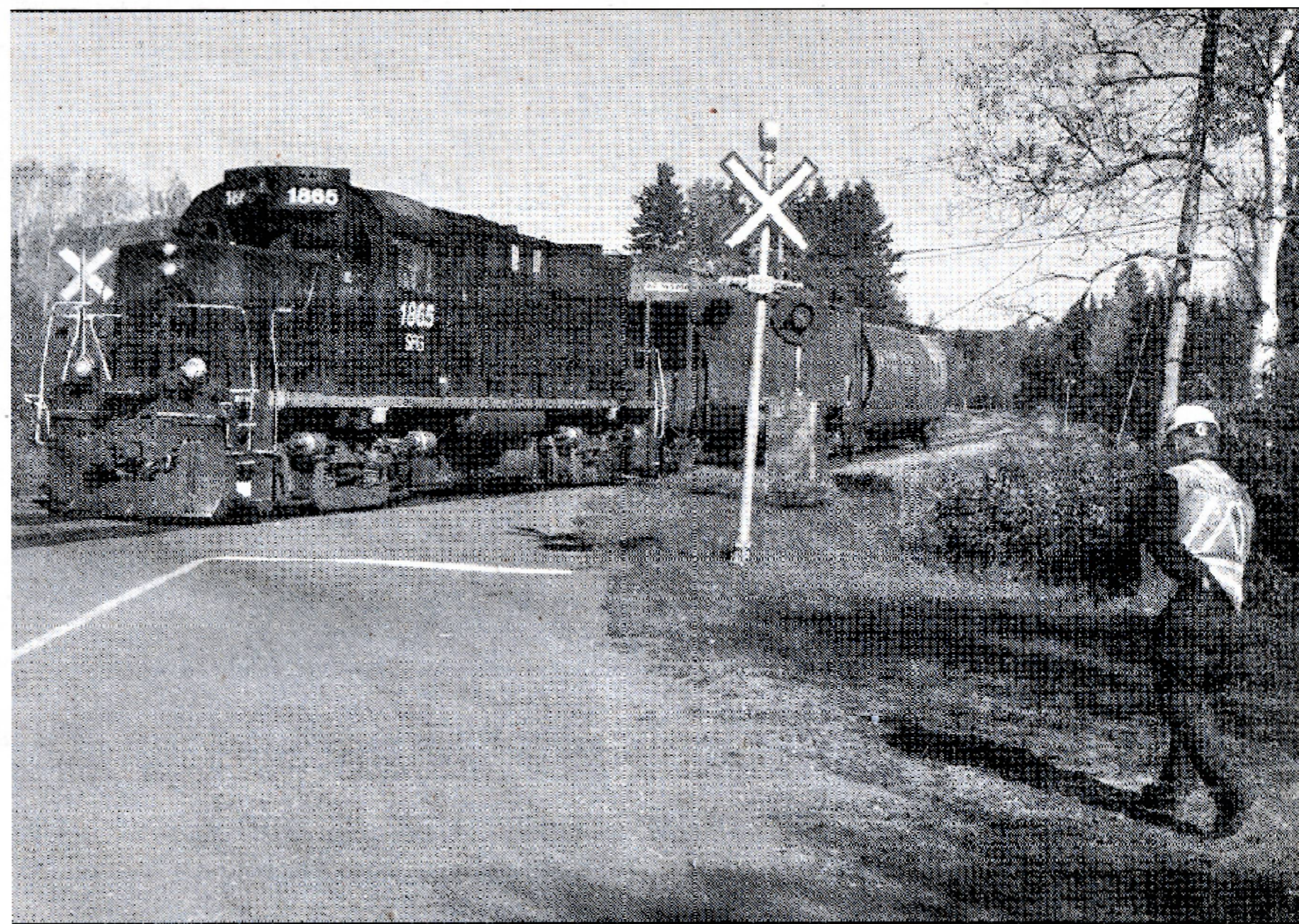


Photo: G. Gagné

The restructuring plan will deal with the necessity of increasing traffic along the line.

tive assistant remain at work.

Appointed in October, the director general of the Gaspésie Railway Society, Jacques Côté, has stepped down. "He sent me his letter of resignation, considering the fact that the receiver is now, and will be for a while, the administrator of the company," says Mr. Dubé.

As SPEC was reaching its

deadline, the board of the Gaspésie Railway Society was preparing for a December 9 meeting. "The members will be informed of the situation in detail. The receiver will not be there in person but he will be present through a conference call. I want to submit a restructuring plan as soon as possible, over the next few weeks," Éric Dubé

stated.

Current users are now involved in the talks that will lead to the preparation of that restructuring plan and the future exploitation of the company.

"I feel there is now more interest from potential users too. We need that interest. It was a long time in coming," concludes Mr. Dubé.