

Incorporate I&P Societies into Enterprise Bill, says Thomas

Co-operative Party Chairman Gareth Thomas MP has given his backing to a Government sponsored Bill to extend consumer protection against cowboy builders and price fixing cartels. But he has called a clause to modernise insolvency procedures to be widened to include Industrial and Provident Societies.

The Enterprise Bill, which proposes to promote competition and modernise insolvency laws, was outlined by Trade and Industry secretary Patricia Hewitt in the Commons. Opening the bill's second reading debate, she said the aim was to provide and encourage "competition where possible and regulation where necessary" but without additional burdens for business.

Speaking in the debate, Gareth Thomas said: "Businesses registered as Industrial and Provident Societies are either bona fide co-operatives or societies run for the benefit of the community. Their business is regulated by the Financial Services Authority, and they often operate in the same marketplace as companies. They run funeral services, travel services and retail businesses. Why then should the same insolvency provisions that apply to traditional companies not also apply to Industrial and Provident Societies?"

"If the Bill were to make its way through the House without an opportunity arising to amend insolvency provisions for Industrial and Provident Societies, that legal model, which is important for many businesses and for many communities, would fall even further behind the company model".

Gareth is hopeful that the Government will agree to amend the Bill to help Co-operatives.

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