

only by the frustration facing the industry which the bill seeks to control.

As Chief Executive it is my duty to see, as far as possible, that the State government, which includes all its various agencies, functions efficiently and effectively under laws which not only protect the interested citizens but which preserve their rights. I believe that the effects of this particular bill would be in conflict with this principle. I do not believe that the Department of Assessments and Taxation could carry out the intent of this legislation in an efficient and effective manner under the language as contained in this bill.

Since this bill gives the Department of Assessments and Taxation no enforcement authority, I am repelled by the thought that many reputable men and women who are engaged in a perfectly legitimate phase of the economic life of this State would be denied the basic right to be regulated in their business affairs through orderly administrative processes where clear guides and standards and an opportunity to be heard before a properly constituted agency or other authority is guaranteed by a well-defined statute. Instead, the bill provides for enforcement only through criminal processes with the threat of extreme punitive provisions for any non-compliance however slight. This, to my mind, constitutes policing and not regulation, and I find it difficult to sanction this type of control over this or any other legitimate industry in our State.

It should be noted that many of the complaints which have come to my attention have been from persons out of this State whose business has apparently been solicited by means of false or misleading advertisement in their respective States. Much of this false and misleading advertising has led individuals to believe that these Maryland associations are insured either by the Federal government or by an approved State agency when, in fact, this is often untrue. Naturally, this type of advertisement is undesirable and should be controlled. However, this legislation contains no remedy for curbing such advertising.

I would like to call to your attention the provisions of the bill which require directors and officers of an association to have been citizens of this State for at least two years prior to their selection. On the surface, it would appear that as a result of such provision a non-resident of the State of Maryland could not be an officer or a director of an association in the State. I am advised that an association could easily circumvent this provision of the Maryland law by incorporating in a State other than Maryland and then establish branch offices in Maryland and operate as a non-resident corporation of the State of Maryland. By doing this, all of their officers and directors could be non-residents of Maryland. Yet, a domestic association could have no non-residents as officers or directors. This provision of the bill, to me, appears to be easy to evade and, in fact, is discriminatory against domestic associations.

I might say that there has been great temptation, advanced by some of the proponents of the bill, that any law containing any semblance of regulation is better than no law at all. The temptation of this argument is twofold in that the signing of this bill would quell the criticism to which I have referred. I cannot in good conscience accept this argu-