

Traders on Reservations Probed for Violating Consumer Rights

Commissioner of Indian Affairs Louis R. Bruce announced that public hearings have been scheduled August 28 and 29 at Window Rock, Ariz., to probe charges that traders on the Navajo Indian Reservation have violated consumers' rights.

A joint investigation currently being concluded by officials of the two agencies has looked into Navajo consumers' complaints of deception, fraud, threats and manipulation.

At the request of Navajo Tribal Chairman Peter MacDonald and Dinebeina Nahiilna Be Agaditahe, Inc., (DNA), an OEO-funded legal aid program, the federal agencies moved to conduct pricing surveys and business practice inquiries of more than 100 trading posts on the reservation.

Over one hundred consumer interviews have been completed.

The most common complaints include the withholding of checks, unmarked prices, usurious credit practices, and truth in lending violations.

The hearings will receive testimony from tribal officials, Navajo consumers, D.N.A., economists, BIA officials and traders.

Following the Window Rock hearings, other hearings will be conducted throughout the reservation to permit consumers living in isolated areas to relate their personal experiences with various trading posts.

A principal objective of the investigation is to revise and enforce federal regulation of traders in Indian country.

The Federal Trade Commission's Los Angeles Regional Director, Richard B. Lavine has assigned a substantial part of his staff to the undertaking. The trading post pricing survey has been completed.

It indicates that the trading

posts are charging exceedingly high prices compared to prices at off-reservation stores.

Ernest L. Stevens, the BIA's Director of Economic Development is coordinating the activities of the Navajo Tribe and the Federal agencies involved.

Stevens, an Oneida Indian, has worked closely with Chairman MacDonald since the project's inception in developing alternatives to the trading posts.

MacDonald recently said, in a message to the Navajo Tribal Council, "I do not propose to run non-Navajo traders off the reservation any more than I propose to do without white experts in the construction business.

"We need to learn to have the opportunity to try, and even to make mistakes . . . I call now for a strict enforcement of all those rules and regulations to which traders are subject . . . We must make sure that no owner can continue to exploit the Navajo people."

Testimony will also be taken concerning the difficulties experienced by Navajos with off-reservation new and used car dealers and the lack of dealerships on the reservation.
