



NEWS RELEASE

\$40 billion settlement will likely spur more Indigenous claims

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For Immediate Release

CALGARY—Ottawa’s recent \$40 billion settlement of a First Nations claim following a Canadian Human Rights Tribunal decision will likely encourage more organizations and individuals to seek large settlements from governments across Canada, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Potential litigants respond to incentives and signals about the odds of victory and the expected size of settlements, which means this latest massive settlement may help produce more—not fewer—claims in the future,” said Tom Flanagan, senior fellow at the Fraser Institute and author of *A \$40 Billion Settlement for Indigenous Child Welfare: Is Anyone Minding the Fiscal Store?*

Announced by the federal government in January, the \$40 billion settlement—an unprecedented amount, at least five times larger than any previous such settlement—settled a class action lawsuit with First Nations organizations who claimed that child welfare services had been chronically underfunded.

As a result, the benchmark settlement amount for Indigenous class action suits has risen dramatically.

“As the number and scope of claims for compensation multiply, Ottawa’s Indigenous spending envelope will more closely resemble a program of reparations for past injustice rather than a source of funding to efficiently and effectively address the needs of First Nation communities today,” Flanagan said.

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