

NEWS RELEASE

Settling First Nation grievances could cost Ottawa almost \$6 billion over next five years

November 6, 2018
For immediate release

VANCOUVER—The cost to compensate Indigenous people for perceived past injustices could hit \$5.7 billion over the next five years, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Ottawa’s plans to reconcile with Indigenous people include major financial costs, and Canadians should be aware of those costs,” said Tom Flanagan, Fraser Institute senior fellow, professor emeritus of political science at the University of Calgary and co-author of *The Costs of the Canadian Government’s Reconciliation Framework for First Nations*.

The study estimates how much the federal government must pay to settle ongoing litigation including the Newfoundland and Labrador Residential Schools settlement, the Sixties Scoop settlement, the class-action lawsuit against “Indian hospitals,” settling Metis land claims, and Bill S-3, which could substantially expand the Indian registry.

In total, the study finds costs could range from a low of \$1.7 billion over five years to a high of \$5.7 billion (the median estimate is \$3.4 billion).

Crucially, this money is separate from federal spending on First Nations (which itself increased from \$8.2 billion in 2015/16 to more than \$10 billion in 2018/19), the value of land obtained via land claims and any money associated with provincial settlements.

“These federal settlements, which will soar into the billions, affects overall federal spending, which already exceeds available revenues,” Flanagan said.

“Given the huge dollar figures involved, it’s legitimate to ask how these payouts will lead to greater prosperity and opportunity for Indigenous people.”

(30)

MEDIA CONTACTS:

Tom Flanagan, Senior Fellow
Fraser Institute

To arrange media interviews or for more information, please contact:

Bryn Weese, Media Relations Specialist
(604) 688-0221 ext. 589

bryn.weese@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute’s independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org