

The real (and rising) cost of Indigenous reconciliation

The Globe and Mail Editorial Board | Published February 27, 2026 | 6-minute read

[Reconciliation](#) with [Indigenous](#) peoples is not just about the rest of Canada recognizing past injustices in words. There is a cost attached to reconciliation – one that is showing up increasingly, if not entirely clearly, in the [federal budget](#).

Ottawa has been tracking a portion of the rising price tag for claims and pending and possible litigation under existing treaties – under a budget line called “contingent liabilities.”

That’s the running tally of settlements-to-be in any given year. In the fall budget, the federal government said it is “advancing reconciliation, supporting Indigenous Peoples’ right to self-determination, and addressing historical wrongs and systemic racism” with over \$60-billion in spending since 2016.

Contingent liabilities are an opaque accounting and do not spell out the actual cost of modern-day reconciliation – more transparency would help Canadians understand not only that the bill is coming due, but that each year of delay adds to costs.

The vast majority of Canada’s contingent liabilities relate to Indigenous land claims and related litigation. Canada earmarked \$54.7-billion for such settlements in the fiscal year 2024-25, up from almost \$12.6 billion in 2016.

One such liability that might be included – or might not, the federal government won’t say – stems from the 2025 BC Supreme Court ruling on the Cowichan Tribes’ claim to privately owned lands in Richmond, B.C. Those properties are currently [assessed at more than \\$1.3 billion](#). The decision is being appealed, but landowners will be looking to the Crown to assume liability.

Contingent liabilities reflect matters that are in active negotiations, and pending or potential litigation. Each year previously recognized contingent liabilities may be reduced or extinguished through payments, while new obligations or – mostly – revaluations are added.

There are vast parts of Canada where the boundaries of Aboriginal title are clear, and the liabilities on those lands relate to specific claims regarding alleged breaches of lawful obligations toward First Nations. But there are also places from the Maritimes to the West Coast where uncertainty remains because treaties have not been negotiated and they are subject to comprehensive claims.

Nowhere is that uncertainty more of a problem than in British Columbia, where treaty-making fell apart more than 160 years ago because the province balked at the costs.

British Columbia also does not earn any badges for transparent accounting of its costs and potential liabilities. It notes that it has current commitments to provide Crown land – more than 137,500 hectares in total for various settlements, but it does not provide a dollar value for those land transfers.

In a [report in 2024](#), the Parliamentary Budget Officer looked at the growing cost of contingent liabilities, and urged parliamentarians to push for more disclosure, noting that “it can at best be challenging, and often nearly impossible,” to follow the money through financial documents.

The Liberal government revealed in its 2024 [fall economic statement](#) that it had blown past its deficit target, which was supposed to be at or below \$40.1-billion. The update put the deficit at \$61.9-billion for the fiscal year that ended March 31, 2024. Most of this overshoot was blamed on one-time costs tied to booking contingent liabilities for Indigenous claims. Given the recurring nature of those supposedly one-time costs, there should not have been a surprise.

Naturally, Ottawa pledged to do better: “Key ministers will develop a clear plan forward to ensure that financial predictability and sustainability is interwoven with the federal government’s reconciliation efforts,” the government promised.

A year later, they were still professing to be surprised by these costs, and still promising to sort it out. The 2025 economic update said “actions are underway to manage this uncertainty through improved visibility and oversight on large areas of contingent liabilities, such as Indigenous-related claims process. In addition, experts are also being engaged on how to improve public communication of contingent liabilities.”

It is time to deliver a plan to improve oversight and management of costs. Cloudy accounting and continued budget surprises can only undermine Canadians’ broad support for reconciliation.