

Americas

US-Cuba Normalization and 1960s “lost properties”: Cuba Seizures Now Present Opportunities

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MIAMI — It was a routine Saturday morning, almost two years after Fidel Castro took power in Cuba, when Lois and Roy Schechter went to check on their tobacco farm 100 miles west of their home in Havana.

The American couple encountered soldiers posted outside their property.

“My husband got out of the car, exchanged a few words with the soldiers, got back in the car, and we drove away,” Mrs. Schechter, of Saratoga Springs, N.Y., recalled of that day in October 1960. “Things were getting scary, and there was nothing else we could do.”

After nearly 60 years in the country, the Schechter family fled and never returned.

The Schechter family farm in Pinar del Río became one of almost 6,000 properties owned by American citizens and companies that were confiscated by the Cuban government. With the stroke of a pen or the pointing of a rifle, countless farms, oil refineries, homes, factories and other businesses were nationalized — losses that ultimately led the United States government to prohibit trade with Cuba.

On Wednesday, President Obama announced that the United States will begin normalizing relations with Cuba, bringing the Schechter family a step closer to resolving its decades-old property claims. Although the president did not mention the contentious issue in his announcement, lawyers are scrambling to determine whether normalized relations with Cuba will create an opportunity to get compensation for lost properties now estimated to be worth nearly \$7 billion.

Cuba’s gross domestic product is about \$68 billion, making cash payouts highly unlikely. But companies interested in foreign investment in Cuba are probably imagining how their settlements could be exchanged for other investment deals, said Robert L. Muse, a Washington lawyer who represents several claimants and watches the issue closely.

“I think a large flare has gone up over the corporate claimants. They are not going to miss it,” Mr. Muse said. “I think it’s unlikely that Coca-Cola’s highest aspiration is to recover a state-of-the-art 1950s bottling plant. If people approach it with the right flexibility, innovation is going to be key.”

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P.S.

* "Cuba Seizures Now Present Opportunities". From the New York Times. DEC. 21, 2014:
http://www.nytimes.com/2014/12/22/world/cuba-seizures-now-present-opportunities.html?_r=0