

# Corporate Predators Want Compensation for Lost Cuban Assets They Stole

By [Stephen Lendman](#)

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*They never forget. Or forgive. Even for what happened over half a century ago. When Cuba got back what they stole.*

When Castro ousted Fulgencio Batista's despotic rule, he nationalized foreign corporate assets. Originally valued at around \$1.8 billion.

At 6% simple interest, now worth around \$7 billion. From sugar processing plants, other factories, mines, oil refineries, power plants, hotels, 75% of Cuba's arable land, cattle ranches, other assets.

US companies have 5,913 outstanding claims. Including from ExxonMobil, Coca-Cola, Freeport-McMoRan, Colgate-Palmolive, Procter and Gamble, Goodyear, Firestone, General Motors, Owens-Illinois, Avon Products, Starwood Hotels & Resorts Worldwide and many others.

Office Depot is the largest claimant. It wasn't around during the revolution. A Cuban Electric subsidiary supplied over 90% of the island's electricity.

Its nationalized operations included a utility plant. Worth over \$200 million at the time. In 1969, Boise Cascade became a majority Cuban Electric owner.

In 2003, it bought OfficeMax. Adopting the company's name. Last year merging with Office Depot. OD now claims rights to Cuban Electric.

Obama didn't mention asset claims during his announcement last week. The State Department is responsible for handling them.

It calls settling them an important part of normalization. On Friday, a spokesperson said:

"Reestablishment of diplomatic relations will allow the US to engage more effectively with the Cuban government on a range of important issues, including the claims of Americans."

"Resolution of outstanding US claims remains a priority for the US government, but we are unable to provide a specific time frame or details at this time."

According to Assistant Secretary of State for Western Hemisphere Affairs, Roberta Jacobson:

"We do not believe those things would be resolved before diplomatic relations would be restored, but we do believe that they would be part of the

conversation.”

Attorney Robert Muse specializing in Cuban affairs said major companies won't write off the kind of value involved.

In 1964, Congress directed the Justice Department's Foreign Claims Settlement Commission to determine the validity and value of claims filed.

Certification took six years to complete. Billions of dollars in nationalized assets are involved.

Rights linked to claims remain enshrined in US statutes. America's embargo was imposed largely in retaliation for nationalizations.

According to attorney Matias Travieso-Diaz familiar with US/Cuban relations, lifting the embargo may be illegal under US law. Without settling outstanding claims.

Sanctions give claimants other legal protections. Helm's-Burton legislation states:

“(A)ny person or government that traffics in US property confiscated by the Cuban government is liable for monetary damages in US federal court.”

Cuban specialist Julia Sweig believes outstanding claims aren't as big an obstacle to US/Cuban trade as they used to be.

Because they're over half a century old. Earlier negotiations over things went nowhere.

Cuba says America owes it hundreds of billions of dollars. For embargo caused harm.

International Law Professor Michael Kelly believes US companies can be compensated in ways other than cash. In development rights. Tax breaks. Other foreign investment incentives.

At the same time, he calls resolving outstanding claims “one of the first dominos that has to fall in a whole series of dominos for the embargo to be lifted.”

Former Foreign Claims Settlement Commission chairman Timothy Feighery said America has “a long history of making sure our citizens are compensated for losses suffered at the hands of foreign governments.”

Muse and other experts believe settling claims won't top the list of normalization priorities. At the same time, they call resolving them important. A process no expert expects to be easy.

It's unclear precisely how Obama officials intend doing it. A fact sheet released coincidentally with Obama's announcement didn't say.

For embargo conditions to be fully lifted, outstanding claims must be resolved. So far, the Foreign Claims Settlement Commission only said:

“Although the broad outlines of these changes have been unveiled, it is not yet

clear what effect such changes will have on the status of the claims previously adjudicated by the Commission.”

Some companies filing claims no longer exist. Some individual claimants died. In recent years, Cuban experts began studying how to resolve claims realistically and fairly.

In 1960, the Eisenhower administration sharply cut Cuban sugar purchases. Latin American Studies Professor Jonathan Hansen said “(w)e kin of went ballistic at the thought that anyone would take our property.”

Tempers were hot on both sides. Standoff followed. Cuban sugar purchases ended entirely. A near-total embargo was imposed.

Other countries were more amenable to Castro’s terms than America. Perhaps convinced some compensation was better than nothing. Even in Cuban bonds Castro offered.

American companies wanted cash. US/Cuban relations deteriorated. Diplomatic ties were cut.

For years, claims got little attention. According to former Foreign Claims Settlement Commission chairman Mauricio Tamargo:

“The corporations that have these claims are very sensitive to bad press, so they decide to keep a low profile and work quietly behind the scenes where possible.”

Cuban expert Professor Jorge Dominguez says Washington “is obligated by law to defend the claims of US citizens and enterprises whose properties were expropriated by the Cuban government.”

“(O)ne can imagine a range of possibilities,” he added. At the same time, resolving half century old claims won’t be simple.

[RT International](#) interviewed National Committee to Free the Cuban Five director Gloria La Riva.

Britain wasn’t compensated for lost assets after America’s revolution, she said.

Legislation affecting things today didn’t exist at the time. La Riva believes Cuba intends remaining true to its revolutionary principles. Despite economic changes underway.

“What is needed in terms of relations between the US and Cuba is respect for Cuba’s sovereignty, and independence, and the ownership of its wealth which is for the benefit of all the Cuban population,” she said.

“What the American owners, the corporations and landholders owned in Cuba was stolen wealth, and that is not going to be returned to them.”

How Cuban/American economic relations develop ahead remains to be seen, La Riva said.

"Already Cuba enjoys many relations economically, commercially, financially with many countries and many corporations around the world, other than the US," she explained.

"(M)uch of what Cuba claims is billions and billions of dollars..." Assets America froze. Stole from Cuba.

"So (it) has a great deal to claim against US corporations and the US government."

"The US from the 1800s until the Cuban revolution basically stole the land."

In 1959, Cubans got back what's rightfully theirs. Cuba has outstanding claims against America of \$1.2 trillion, said La Riva.

In damages. Economic "distraction." Economic embargo. Cuba is willing "to engage in mutually respectful negotiations on all issues," she explained.

America wants things its way. It remains to be seen how tough issues are handled. Expect months of negotiations to follow.

*Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." <http://www.claritypress.com/LendmanIII.html> Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.*

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#### About the author:

Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." <http://www.claritypress.com/LendmanIII.html> Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived

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