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Will Communist Cuba Ever Pay Back the Billions It Confiscated?

With Cuba in dire economic crisis, people whose properties were seized by its government decades ago say it's time to resolve thorny compensation claims.



Teo A. Babún, Jr., in Miami this month. Consultants hired by his family estimated the value of its lost holdings in Cuba to be in the hundreds of millions of dollars by 2018. Scott McIntyre for The New York Times



By Frances Robles

Frances Robles has written about Cuba for more than 20 years.

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Teo A. Babún, Jr., has fond memories of the large blue and white corner house in Santiago de Cuba where his grandmother, a wealthy matriarch in pre-revolutionary Cuba, hosted family gatherings for her eight children and 21 grandchildren.

The Babúns were industrialists who, like about 200,000 other affluent Cubans, fled the island after Fidel Castro took power. The Babúns left behind a railroad, sawmill, shipyard and cement factory — and the grand estate called “La Mesquita.”

For a time, Raúl Castro, Fidel’s brother and the former president, lived there. Nearly seven decades later, the Cuban government uses it to house an Arab civic association.

Known as “Casa del Arabe,” the house, which includes a restaurant, is among thousands of properties seized by the Communist government from people who left Cuba, some with just the clothes on their backs, and never received compensation.

Cuba’s system appears to be on the edge of collapse, and the United States government is eager to hasten the fall.

As the two sides negotiate in secret, a decades-old thorny issue has resurfaced: the untold billions of dollars’ worth of homes, factories, farms, sugar mills and other businesses confiscated in the years after a socialist revolution nationalized businesses and instituted sweeping land policies.

“If you own something and someone took it away from you without any kind of compensation or resolution, it’s just not fair,” Mr. Babún said. “My family just wants justice.”

If the United States has a hand in negotiating Cuba’s future, former property owners are hopeful that the issue will be addressed.



A corner house in Santiago de Cuba where Mr Babún's grandmother lived. Teo A. Babun, Jr.



A photo showing land that Mr. Babún has claimed in Cuba. Scott McIntyre for The New York Times

Resolving confiscations is complicated and would take years. But experts say there is plenty of precedent around the world, from Vietnam to Germany to China, that offers a road map.

For years, Mr. Babún's late father, Teófilo Sr., dedicated himself to helping exiles take up arms against the Castro government, including in the failed Bay of Pigs invasion.

The younger Mr. Babún, 78, ran a religious nonprofit financed by the U.S. government and tried to create a registry of properties taken from Cubans, hoping the U.S. State Department would lobby the Cubans over those losses.

But the endeavor proved too time-consuming and difficult and his project ended with 8,000 claims registered, a small fraction of potential cases. (He said many people seemed hesitant, fearing that joining a pooled claim would nullify their ability to negotiate larger individual deals with the Cuban government.)

His family hired consultants in 2018, who estimated the value of the family's holdings by that point at \$874.2 million, including \$9 million for the house, he said.

But Mr. Babún said the passage of time and his homeland's worsening crisis have softened his perspective.

"You've got to find the solution that protects the current occupants if it's a home and doesn't displace anybody," Mr. Babún said. "And at the same time find justice."



Mr. Babún at the Outreach Aid to the Americas, a nonprofit he founded in Miami. Scott McIntyre for The New York Times

Before 1959, Cuba was run by a dictator, Fulgencio Batista, and known as a playground for American elites. Wealthy Cubans were often regarded as oligarchs who exploited the poor.

The Castro brothers, seeking to end rampant corruption, severe economic inequality and dependency on the United States, led an armed guerrilla movement that toppled Mr. Batista.

A few months after they took over, an agrarian law expropriated farmlands over 1,000 acres and forbade foreign land ownership. In 1960, Cuba confiscated American-owned oil refineries and nationalized large businesses.

As payback, the United States announced a crippling trade embargo against Cuba that remains in place.

A U.S. government commission documented losses by U.S. companies and citizens, certifying nearly 6,000 claims with a value of \$1.9 billion. With 6 percent interest the commission tacked on, the claims are now estimated to be worth about \$9 billion, an amount Cuba would be hard-pressed to pay.

Five of the top 10 claimants were U.S. sugar companies. Others included Exxon, Coca-Cola, Colgate-Palmolive and Woolworth's.



A faded Coca-Cola sign in Havana. The company's losses in Cuba were among those examined by a U.S. government commission. Lee Lockwood/Getty Images

By U.S. law, for the embargo to be lifted, the Cuban government must return property or businesses or compensate American owners whose confiscations were certified by the U.S. government.

U.S. officials meeting with Cuban leaders for secret talks have made clear that compensation for Americans and U.S. companies remains a key priority.

Cuba's foreign ministry did not respond to requests for comment for this article.

In the early 1960s, the United States and Cuba held talks lasting almost a year around the question of what would count as “prompt and adequate compensation” for seizures, said William LeoGrande, an American University professor who wrote a book about the history of U.S.-Cuba talks.

“Cuba did not have the cash to pay immediately and instead Cuba offered long-term government bonds, which the U.S. said was neither prompt nor adequate,” he said.

While the U.S. government negotiates on behalf of Americans or American firms with certified claims, that is not technically the case for the many Cuban exiles who left homes and businesses behind.

Cuba considered those “abandoned” and they were taken as the government ostensibly set out to redistribute wealth. But the government held on to many itself. Only Cubans who stayed were compensated for lost properties, said Lisandro Pérez, a Cuba scholar at John Jay College of Criminal Justice in New York City who wrote a memoir about his family’s home in Cuba.



A painting that features a ship belonging Mr. Babún’s family in Cuba. Scott McIntyre for
The New York Times

No official tally has ever been made public of confiscations by the Cuban government. There is no reliable estimate of how many there are or how much exiles could be owed.

“We were not supporters of Batista, were not political or committing crimes — we should get it back,” said Nicolás J. Gutiérrez, a Cuban American lawyer in Miami whose family lost a fortune estimated in the early 1960s at \$50 million.

Their holdings included two sugar mills, 15 cattle ranches, a rice mill, a coffee plantation, a bank, an insurance company and a wholesale food distribution company.

Mr. Gutiérrez, the corporate secretary of the National Association of Cuban Landowners in Exile, also works as a consultant for other families whose properties were taken and is involved in a lawsuit against Expedia for booking customers to hotels the Cuban government built on confiscated beach property.

Expedia claims that the plaintiffs had no standing to sue though the case continues.

Mr. Gutiérrez, 61, has never been to Cuba. But he says if the government returns his family's properties, the family will put them back into production and help Cuba's battered economy.

"Not everyone in the family will rush back. I will rush back," he said. "My view is that Cuba is in such a deep hole that in order to get out of that hole, it's going to need to get serious new foreign investment."

Experts agree that it would be unfeasible to return houses that were given to renters or divided up into multifamily apartments. Nobody is advocating widespread evictions. But many majestic mansions are being used by international diplomats or government ministries.

One house the Gutiérrez family owned in Havana's Vedado neighborhood is occupied by Lloyd's of London. Neighbors on a Havana street where the family had another house said properties that were "abandoned" should not be returned.



Nicolás J. Gutiérrez at his home in Miami this month. The holdings his family left included sugar mills and an insurance company. Scott McInyre for The New York Times

“If they left the country,” one neighbor, Jorge González Amores, said, “that means they were not interested in the building.”

Experts have offered a variety of proposals, including setting up public-private funds to rebuild Cuba’s energy grid and using part of the profits to compensate former property owners, said Jason Poblete, a lawyer who represents American and Cuban property owners.

Experts point to Vietnam and Germany, which in the 1990s used frozen assets in the United States to pay property claims. But in the Soviet Union and China, property owners received only a fraction of the value of confiscated properties.

In other countries, compensation funds were generated by the privatization of state-owned companies.

But Cuba says it also has claims against the United States.

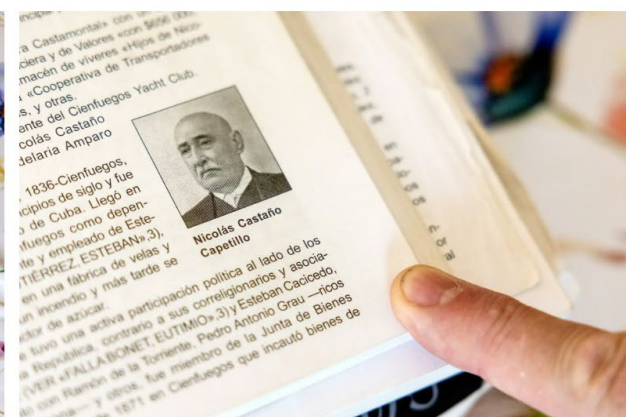
In 1999, a Cuban court found the U.S. government liable for deaths and damage caused by its “aggressive policies” against Cuba, including the Bay of Pigs invasion and the U.S. trade embargo. The tab then: \$181 billion.

Carlos Fernández de Cossio, Cuba’s deputy foreign minister, said in a recent interview with the website Drop Site News that in the 1960s Cuba had offered a “holistic agreement” over properties that belonged to Americans and U.S. firms with a lump-sum payment, but that the United States had refused.

Mr. Fernández de Cossio said a lump sum was the only solution. In that scenario, the Cuban government would pay the U.S. government, which would then have to distribute payments to those who lost property.



A book about Cuban property owners. Scott McIntyre for The New York Times



Mr. Gutiérrez pointing to a photo of his grandfather. Scott McIntyre for The New York Times

Richard Feinberg, a fellow at Florida International University who has studied property claims, said tackling the issue was important to normalizing diplomatic relations and establishing a trusted business environment in Cuba.

The topic was the subject of two meetings between Cuba and the Obama administration, but with no resolution. Mr. Feinberg held discussions with Cuban officials as part of his research and said they did not seem interested.

“The Cuban government didn’t seem to get it,” he said. “They would say to me: Richard, why are you making such a big deal about something that happened 50, 60 years ago?”

“It’s indicative of how little the Cuban government understood economics and capitalism,” he added. “They didn’t get private property.”

Enrique Carrillo, whose family owned the Santa Cruz rum distillery east of Havana, said he was anxious for Cuban families to be compensated and to help the country rebuild.

“We have been waiting a long time for this moment and for the stars to kind of align,” Mr. Carrillo said. “My father worked very hard for many years to build the company, and I am not planning to roll over. My family is not planning to roll over on history.”

Ed Augustin contributed reporting from Havana.

Frances Robles is a Times reporter covering Latin America and the Caribbean. She has reported on the region for more than 25 years.

https://www.nytimes.com/2026/04/28/world/americas/cuba-communist-government-confiscated-property.html?unlocked_article_code=1.eVA.v6C.ffjhWdS_915L&smid=nytcore-ios-share