

**ASSEMBLY CONCURRENT  
RESOLUTION No. 177**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

INTRODUCED MAY 14, 2020

**Sponsored by:**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Co-Sponsored by:**

**Assemblymen Freiman, Giblin, DeAngelo, Assemblywoman Swain and  
Assemblyman Tully**

**SYNOPSIS**

Urges United States Trade Representative to take all appropriate remedial actions granted under Section 301 of "Trade Act of 1974" concerning unpaid Peruvian agrarian reform bonds.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 6/30/2021)

1   **A CONCURRENT RESOLUTION** urging the Office of the United  
2   States Trade Representative to take all appropriate remedial  
3   actions granted under Section 301 of the “Trade Act of 1974”  
4   concerning unpaid Peruvian agrarian reform bonds.  
5  
6   **WHEREAS**, In 1969, Peruvian General Juan Velasco and his military  
7   government expropriated millions of acres of agricultural land  
8   and compensated thousands of landholders with agrarian reform  
9   bonds; and  
10   **WHEREAS**, In the 1980s and 1990s, Peru experienced severe  
11   hyperinflation and twice changed its currency, leaving the  
12   agrarian reform bonds worthless; and  
13   **WHEREAS**, During the 1980s Peru defaulted on the agrarian reform  
14   bonds, and by 1992 Peru’s government ceased making payments  
15   on the agrarian reform bonds; and  
16   **WHEREAS**, In 2001, Peru’s Constitutional Tribunal ruled that the  
17   agrarian reform bonds should be fully reimbursed by the  
18   Peruvian government based on the current value; and  
19   **WHEREAS**, Despite this court ruling, Peru has failed to make any  
20   payments to the holders of the agrarian reform bonds; and  
21   **WHEREAS**, Conservative estimates place the amount owed by the  
22   Peruvian government to agrarian reform bond holders between  
23   \$1 billion and \$3 billion, while other estimates place the amount  
24   owed between \$4.6 billion and \$8 billion; and  
25   **WHEREAS**, Since the 1990s, Peru has become one of the world’s  
26   fastest-growing economies, with free-trade agreements with  
27   China and countries in Europe; and  
28   **WHEREAS**, In 2018, the Gross Domestic Product (GDP) in Peru was  
29   worth \$222.24 billion dollars and the real GDP grew by four  
30   percent, well above the Latin American and Caribbean average  
31   of slightly above one percent; and  
32   **WHEREAS**, Peruvian agrarian reform bonds are beneficially owned  
33   by institutional investors that include approximately 200 U.S.  
34   state, municipal, and trade union pension funds located in  
35   approximately 25 states; and  
36   **WHEREAS**, The failure of the Peruvian government to repay the  
37   agrarian reform bonds affects the retirement of over 72,000 New  
38   Jersey union members; and  
39   **WHEREAS**, The Office of the United States Trade Representative  
40   (USTR) is responsible for developing and coordinating U.S.  
41   international trade, commodity, and direct investment policy, and  
42   overseeing negotiations with other countries; and  
43   **WHEREAS**, Section 301 of the “Trade Act of 1974” grants the  
44   USTR a range of responsibilities and authorities to investigate  
45   and take action, such as imposing trade sanctions, to enforce  
46   U.S. rights under trade agreements and respond to certain foreign  
47   trade practices; and

1 **WHEREAS**, It is fitting and in the interest of thousands of  
2 hardworking union members in New Jersey and across the nation  
3 for the Legislature to urge the Office of the United States Trade  
4 Representative to take all appropriate remedial actions granted  
5 under Section 301 of the “Trade Act of 1974” concerning unpaid  
6 Peruvian agrarian reform bonds; now, therefore,  
7

8 **BE IT RESOLVED** by the General Assembly of the State of New  
9 Jersey (the Senate concurring):  
10

11 1. The Legislature respectfully urges the Office of the United  
12 States Trade Representative to take all appropriate remedial actions  
13 granted under Section 301 of the “Trade Act of 1974” concerning  
14 unpaid Peruvian agrarian reform bonds.  
15

16 2. Copies of this resolution, as filed with the Secretary of State,  
17 shall be transmitted by the Clerk of the General Assembly or the  
18 Secretary of the Senate to the United States Trade Representative,  
19 the Assistant U.S. Trade Representative for the Western  
20 Hemisphere, and the Assistant U.S. Trade Representative for  
21 Monitoring and Enforcement.  
22  
23

#### 24 STATEMENT

25

26 This concurrent resolution urges the Office of the United States  
27 Trade Representative to take all appropriate remedial actions  
28 granted under Section 301 of the “Trade Act of 1974” concerning  
29 unpaid Peruvian agrarian reform bonds.

30 In 1969, Peruvian General Juan Velasco and his military  
31 government expropriated millions of acres of agricultural land and  
32 compensated thousands of landholders with agrarian reform bonds.  
33 In the 1980s and 1990s, Peru experienced severe hyperinflation and  
34 twice changed its currency, leaving the agrarian reform bonds  
35 worthless. Additionally, during the 1980s Peru defaulted on the  
36 agrarian reform bonds, and by 1992 Peru’s government ceased  
37 making payments on the agrarian reform bonds.

38 In 2001, Peru’s Constitutional Tribunal ruled that the agrarian  
39 reform bonds should be fully reimbursed by the Peruvian  
40 government based on the current value. Despite this court ruling,  
41 Peru has failed to make any payments to the holders of the agrarian  
42 reform bonds.

43 Conservative estimates place the amount owed by the Peruvian  
44 government to agrarian reform bond holders between \$1 billion and  
45 \$3 billion, while other estimates place the amount owed between  
46 \$4.6 billion and \$8 billion. Since the 1990s, Peru has become one  
47 of the world’s fastest-growing economies, with free-trade  
48 agreements with China and countries in Europe. In 2018, the Gross

1 Domestic Product (GDP) in Peru was worth \$222.24 billion dollars  
2 and the real GDP grew by four percent, well above the Latin  
3 American and Caribbean average of slightly above one percent.

4 Peruvian agrarian reform bonds are beneficially owned by  
5 institutional investors that include approximately 200 U.S. state,  
6 municipal, and trade union pension funds located in approximately  
7 25 states. Furthermore, the failure of the Peruvian government to  
8 repay the agrarian reform bonds affects the retirement of over  
9 72,000 New Jersey union members.

10 The Office of the United States Trade Representative (USTR) is  
11 responsible for developing and coordinating U.S. international  
12 trade, commodity, and direct investment policy, and overseeing  
13 negotiations with other countries. Section 301 of the “Trade Act of  
14 1974” grants the USTR a range of responsibilities and authorities to  
15 investigate and take action, such as imposing trade sanctions, to  
16 enforce U.S. rights under trade agreements and respond to certain  
17 foreign trade practices.