

**SENATE CONCURRENT
RESOLUTION No. 141**

**STATE OF NEW JERSEY
219th LEGISLATURE**

INTRODUCED FEBRUARY 9, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator TROY SINGLETON

District 7 (Burlington)

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)

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- 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

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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 Senate of the State of New Jersey (the
9 General Assembly 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.
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25 STATEMENT

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

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

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

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

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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.