

As Introduced

**134th General Assembly
Regular Session
2021-2022**

H. C. R. No. 12

**Representative Kelly
Cosponsor: Representative Lepore-Hagan**

A CONCURRENT RESOLUTION

To urge the United States Secretary of State and United States Secretary of the Treasury to take action regarding unpaid Peruvian agrarian reform bonds.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF OHIO (THE SENATE CONCURRING):

WHEREAS, In 1969, Peruvian General Juan Velasco Alvarado and his military government expropriated millions of acres of agricultural land and compensated thousands of landholders with agrarian reform bonds; and

WHEREAS, In the 1980s and 1990s, Peru experienced severe hyperinflation and twice changed its currency, leaving the agrarian reform bonds worthless; and

WHEREAS, During the 1980s, Peru defaulted on the agrarian reform bonds, and by 1992, Peru's government had ceased making payments on the agrarian reform bonds; and

WHEREAS, In 2001, Peru's Constitutional Tribunal ruled that the agrarian reform bonds should be fully reimbursed by the Peruvian government based on the current value; and

WHEREAS, Despite this court ruling, Peru has failed to make any payments to the majority of the holders of the agrarian

reform bonds; and 19

WHEREAS, Most estimates place the amount owed by the 20
Peruvian government to agrarian reform bond holders at 21
approximately \$5 billion, although estimates of the amount owed 22
range from between \$1 billion and \$10 billion; and 23

WHEREAS, Since the 1990s, Peru has become one of the 24
world's fastest-growing economies, with free-trade agreements 25
with China and countries in Europe; and 26

WHEREAS, In 2019, the Gross Domestic Product (GDP) in Peru 27
was worth \$226.85 billion dollars and the real GDP grew by two 28
per cent, above the Latin American and Caribbean average of 29
slightly below one per cent; and 30

WHEREAS, Peruvian agrarian reform bonds are beneficially 31
owned by institutional investors that include approximately 216 32
U.S. state, municipal, and trade union pension funds located in 33
approximately 33 states; and 34

WHEREAS, The failure of the Peruvian government to repay 35
the agrarian reform bonds affects the retirement of thousands of 36
Ohioans; and 37

WHEREAS, Peru has consistently failed to report the amount 38
of debt Peru owes on the agrarian reform bonds to the 39
International Monetary Fund (IMF), of which the United States 40
has an interest as the largest shareholder, in breach of Peru's 41
membership obligations to the IMF to disclose all debt; now 42
therefore be it 43

RESOLVED, That we, the members of the 134th General 44
Assembly of the State of Ohio, urge the United States Secretary 45
of State to take action concerning unpaid Peruvian agrarian 46
reform bonds to ensure the retirement security of the thousands 47
of union members in Ohio and across the nation by encouraging 48
the Peruvian government to negotiate with U.S. bondholders, 49

including pension funds, regarding repayment of the debt owed on 50
the agrarian reform bonds; and be it further 51

RESOLVED, That we, the members of the 134th General 52
Assembly of the State of Ohio, urge the United States Secretary 53
of the Treasury to submit a complaint to the IMF Managing 54
Director to be communicated to the IMF Executive Board to 55
recommend that the IMF Board of Governors take remedial actions 56
or other sanctions against the Government of Peru for its 57
consistent failure to accurately report the amount of debt Peru 58
owes on the agrarian reform bonds; and be it further 59

RESOLVED, That the Clerk of the House of Representatives 60
transmit duly authenticated copies of this resolution to the 61
United States Secretary of State, the United States Secretary of 62
the Treasury, the United States Ambassador to Peru, and the 63
members of the Ohio Congressional delegation. 64