Tainted-Milk Victims Seek Compensation in Hong Kong

HONG KONG (AP) — Frustrated by their inability to get compensation in China, four parents whose children were poisoned in the country's tainted milk scandal on Tuesday took their cases to Hong Kong, a former British colony that maintains a Western-style judicial system.

The four parents are suing the New Zealand farmer-owned dairy cooperative Fonterra. Their children were among 300,000 sickened after consuming milk products deliberately contaminated with the industrial chemical melamine to fool inspectors testing for protein content.

Fonterra was never accused of wrongdoing, but through a Hong Kong subsidiary, it was a minority shareholder in the now-defunct Chinese dairy company Sanlu Group Co., one of the firms at the heart of the milk scandal.

Lawyer Peng Jian, whose firm represents about 200 parents of Sanlu victims, says the $132 million fund set up by the company to compensate victims requires an onerous application procedure and doesn't treat victims fairly, so four of his clients are seeking compensation in Hong Kong.

On Tuesday, Peng and client Chen Lu attended the first hearing in Hong Kong's Small Claims Tribunal. Chen said her 3-year-old daughter suffered from kidney stones after drinking baby formula made from Sanlu milk powder since birth and is currently too weak to attend kindergarten.

"I have paid medical expenses. I don't work so I can stay home and take care of my child. Fonterra should pay me appropriate compensation," Chen said after Tuesday's hearing.

Chen, from the central Chinese city of Zhengzhou, has been awarded 2,000 yuan ($300) in compensation in China and is seeking another 14,800 Hong Kong dollars ($1,900) in Hong Kong, which caps small claims compensation at HK$50,000 ($6,400). Other parents are seeking amounts ranging from HK$12,400 ($1,600) to HK$33,500 ($4,300).

Fonterra General Counsel and Company Secretary David Matthews, which represented the New Zealand company at Tuesday's hearing, told reporters the melamine scandal was a "very tragic event," but that the proper procedure was to seek compensation in mainland China, not Hong Kong.

"It's a matter that should be dealt with in China," Matthews said.

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