

ORIGINAL ABC NEWS BROADCAST

SHOW: WORLD NEWS TONIGHT WITH PETER JENNINGS (6:30 pm ET)

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HEADLINE: STRUGGLING TOBACCO FARMERS BLAME BIG COMPANY PRACTICES

BYLINE: BILL BLAKEMORE, PETER JENNINGS

HIGHLIGHT:

FARMERS SAY THEY ARE HURTING FROM OVERSEAS COMPETITION

BODY:

PETER JENNINGS: At the White House today President Clinton announced and put into effect -

(voice-over) - the new federal rules designed to keep cigarettes away from children. Stores must now ask customers who appear to be younger than 27 for a photo ID to prove they're at least 18 years old. They don't do it, they face a \$250 fine. Some critics say the new law will be very difficult to enforce.

(on camera) And now here is the story about tobacco you have not, we think, heard before. Some of the tobacco companies' most reliable supporters believe that the companies are harming their very way of life. This isn't about their health either. ABC's Bill Blakemore reports tonight that many tobacco farmers are mad as heck and do not want to take it anymore.

BILL BLAKEMORE, ABC News: (voice-over) A growing number of America's struggling tobacco farmers are now saying the biggest threat to their livelihood is from a surprising source -- the tobacco companies themselves.

RICKEY LEWIS, Tobacco Farmer: There's no doubt about it. Tobacco companies have been taking us for a ride.

BILL BLAKEMORE: (voice-over) In fact, tobacco companies are increasingly buying tobacco, cheap tobacco, from a competing source, and it's not American.

RICKEY LEWIS: They're going to get it cheapest they can get it, and they could care less if they get it overseas.

BILL BLAKEMORE: (voice-over) Not only are companies buying tobacco from farms in Africa, Asia and Latin America to make cigarettes sold in the U.S. and abroad, they're actually helping foreign tobacco farmers with training and supplies.

RICKEY LEWIS: They're teaching them how to grow tobacco in foreign countries.

RANDY BARKER, Tobacco Farmer: They build barns over there. They've taken our technology over there, and they're showing them how to raise it.

BILL BLAKEMORE: (voice-over) In Argentina, for example,

technical assistance from Philip Morris helped this tobacco farmers' co-op, which exports much of its tobacco to America. With labor far cheaper, this tobacco sells for half of what U.S. farmers get.

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(on camera) The money U.S. farmers get for tobacco is the same today as it was 15 years ago -- about \$1.90 a pound. Over the same period, their costs for equipment, for tractors, for labor, fertilizer and everything have soared.

(voice-over) Result -- the number of U.S. tobacco farms and acreage has plummeted, while imports of cheap foreign tobacco into the U.S. have soared. And all this while big American companies have been assisting foreign but not American farmers. Congressman Scotty Baesler, who grows tobacco in Kentucky believes his farmers' livelihoods are threatened by the big American companies.

Rep. SCOTTY BAESLER, (D) Kentucky: They could do without us. They could do without us because they could get all the tobacco they want to from the foreign countries.

BILL BLAKEMORE: (voice-over) RJ Reynolds and Philip Morris say high-quality U.S. tobacco is still critical to cigarettes they sell at home and abroad. But they acknowledge they do give assistance to farmers overseas that they don't give to American farmers.

TOBACCO TAX PROTESTORS: No more taxes!

BILL BLAKEMORE: (voice-over) A growing number of U.S. farmers say they feel used because they've often been the political muscle for the tobacco companies.

RICKEY LEWIS: We go to D.C. once a year.

UNIDENTIFIED TOBACCO FARMER: Well, tobacco companies want us to go up there and lobby for tobacco.

RICKEY LEWIS: They've done a lot of hard fighting to keep tobacco companies operating. They conned us into fighting their fight for them.

UNIDENTIFIED TOBACCO FARMER: Right.

SCOTTY BAESLER: We're sort of in a catch 22 here. We're -- we need the companies who at the same time are developing the competition against us.

BILL BLAKEMORE: (voice-over) By building up the tobacco supply overseas, the companies are helping to keep the worldwide price of tobacco down which, these Kentucky farmers acknowledge, is good business -- for the companies, but not for them. Bill Blakemore, ABC News, Flemingsburg, Kentucky.

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