

UNITED STATES
SECURITIES AND EXCHANGES

754,500

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

N.A.

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.20%

12. TYPE OF REPORTING PERSON

HC

CUSIP NO. 18589610

13G

Page 3 of 8 Pages

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Farmers Group, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Nevada

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

-0-

6. SHARED VOTING POWER

754,500

7. SOLE DISPOSITIVE POWER

-0-

8. SHARED DISPOSITIVE POWER

754,500

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

754,500

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

N.A.

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.20%

12. TYPE OF REPORTING PERSON

IC

Page 4 of 8 Pages

Item 1(a). Name of Issuer:

CLEVELAND CLIFFS INC.

Item 1(b). Address of Issuer's Principal Executive Office:

1100 Superior Avenue
Cleveland, Ohio 44114

Item 2(a). Name of Person Filing:

B.A.T Industries p.l.c., an English corporation ("B.A.T"), and Farmers Group, Inc. ("Farmers"), a Nevada corporation; Farmers is the beneficial owner of the Issuer's securities identified in Item 2(d) below through various subsidiaries of Farmers, by insurance exchanges for which Farmers acts as attorney-in-fact or

by benefit plans for employees of Farmers and its subsidiaries for which Farmers has investment discretion. No such entity beneficially owns in excess of 5% of the class of shares in respect of which this report is being made; and B.A.T may be deemed to be the indirect beneficial owner of such securities by indirectly owning 100% of the issued and outstanding shares of Farmers through B.A.T's wholly-owned subsidiary, South Western Nominees Limited. The filing of this statement by B.A.T shall not be construed as an admission that B.A.T is, for the purposes of Section 13(d) or 13(g) of the Act or under the laws or regulations of the United Kingdom, the beneficial owner of any securities covered by this statement.

Item 2(b) Address of Principal Business Office or, if none, Residence:

B.A.T Industries p.l.c.
Windsor House
50 Victoria Street
London SW1H ONL
England

Farmers Group, Inc.
4680 Wilshire Boulevard
Los Angeles, California 90010
USA

Page 5 of 8 Pages

Item 2(c). Citizenship:

B.A.T Industries p.l.c. - England
Farmers Group, Inc. - Nevada

Item 2(d). Title of Class of Securities:

Common stock, par value \$1.00 per share

Item 2(e). CUSIP Number: 18589610

Item 3. This statement is filed pursuant to Rule 13d-1(b) by B.A.T, a Parent Holding Company, in accordance with Section 240.13d-1(b)(ii)(G), and by Farmers Group, Inc., an Insurance Company incorporated under the laws of Nevada.

Item 4. Ownership:

(a) Amount Beneficially Owned:

754,500

The shares being reported were acquired by various subsidiaries of Farmers Group Inc. by insurance exchanges for which Farmers Group Inc. acts as attorney-in-fact or by benefit plans for employees of Farmers Group Inc. and its subsidiaries for which Farmers Group Inc. has investment discretion. No such entity beneficially owns in excess of 5% of the class of shares in respect of which this report is being made.

(b) Percent of Class:

6.20%

(c) Number of shares as to which person has:

(i) sole voting power:	- 0 -
(ii) shared voting power:	754,500
(iii) sole disposition power:	

