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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.20549

FORM 10-Q

 X   QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
---   SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1996
OR

        TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
---   SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______ .
Commission File Number:1-8944

CLEVELAND-CLIFFS INC
(Exact name of registrant as specified in its charter)

Ohio	34-1464672
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

1100 Superior Avenue, Cleveland, Ohio 44114-2589
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (216) 694-5700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO
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As of May 3, 1996, there were 11,757,217 as Common Shares (par value $1.00 per share) outstµs of May 3,

INVESTMENTS IN ASSOCIATED COMPANIES	150.8	152.0
OTHER ASSETS		
Long-term investments	15.7	16.3
Deferred income taxes	11.0	11.2
Other	54.5	52.4
TOTAL OTHER ASSETS	81.2	79.9
TOTAL ASSETS	$ 627.6	$ 644.6

LIABILITIES AND SHAREHOLDERS' EQUITY

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CURRENT LIABILITIES	$ 85.8	$ 103.5
LONG-TERM OBLIG SD N	BLIG D	NNN[illegible]

NOTE D - SHAREHOLDERS' EQUITY

The 1987 Incentive Equity Plan authorizes the Company to make grants and awards of stock options, stock appreciation rights and restricted or deferred stock awards to officers and key employees, for up to 839,045 Common share. Comparable earnings in the first quarter of 1995 were $5.0 million, or $.41 per share. First quarter results are traditionally not representative of annual results due to seasonal effects.

The $1.4 million decrease in first quarter net income was mainly due to higher operating costs (principally the effect of unusually severe winter weather) and lower North American sales volume, partially offset by higher Australian earnings.

Australian pre-tax earnings were $3.5 million and $1.0 million in the first quarter 1996 and 1995, respectively. The Australian operation is projected to cease operations in the first quarter of 1997.

* * *

The Company's managed mines in North America produced 9.0 million tons of iron ore pellets in the first quarter, unchanged from 1995. Production shortfalls due to the adverse weather effects in the first quarter of 1996 were offset by the mid-1995 expansion of Northshore Mining Company capacity and additional production at certain mines.

The Company's North American iron ore pellet sales in the first quarter of 1996 were 1.0 million tons versus 1.2 million tons in 1995. This decline reflected seasonal variations and the shutdown of McLouth.

LIQUIDITY
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At March 31, 1996, the Company had cash and marketable securities of $127.6 million, including $8.4 million dedicated to fund Australian mine obligations.

Since December 31, 1995, cash and marketable securities have decreased $21.2 million due to increased working capital, $22.7 million, capital expenditures, $4.1 million, and dividends, $3.8 million, partially offset by cash flow from operating activities, $9.2 million. These changes since year-end 1995 reflect the normal seasonal pattern.

Capital additions and replacements, at the six Company-managed mines in North America, are projected to total approximately $70 million in 1996. The Company's share of such 1996 expenditures is expected to approximate $19 million.

On April 15, 1996, the Company announced an international joint venture to produce and market premium quality reduced iron briquettes to the steel industry. All definitive project documents were subsequently signed on May 8, 1996. The venture's participants, through subsidiaries, will be Cleveland-Cliffs Inc, 46.5 percent; The LTV Corporation, 46.5 percent; and Lurgi AG of Germany, 7 percent. The Company will manage the $150 million project, to be located in Trinidad and Tobago, and will be responsible for sales by the venture company, Cliffs and Associates Limited. The Company's share of capital expenditures is estimated to be $70 million, of which $17 million is expected to be spent in 1996. No project financing is envisioned.

The Company has $70.0 million of senior unsecured notes outstanding with a group of private investors. The notes which have a fixed interest rate of 7.0 percent are due in December, 2005. In addition, the Company has a $100 million revolving credit agreement. No borrowings are outstanding under this agreement which expires on March 1, 2000. The Company was in compliance with all financial covenants and restrictions of the agreements.

In January, 1995, the Company commenced a program to repurchase up to 600,000 shares of its common shares in the open market or in negotiated transactions. Under the continuing program the Company has repurchased 389,200 shares through May 8, 1996.

The Company initially established a reserve in 1983 for expected costs of reorienting its mining joint ventures and facilities to adjust to changed market conditions. The reserve balance is principally for the planned shutdown of Savage River Mines in Tasmania, Australia, in the first quarter of 1997, and the permanent shutdown of the Republic Mine, which was announced on January 30, 1996. The Republic Mine has been idle since 1981. The Savage River Mines shutdown provision has been funded. Expenditures in 1996, for both Savage River Mines and Republic Mine, are expected to approximate $10.5 million.

Pursuant to the Coal Industry Retiree Health Benefit Act of 1992 ("Benefit Act"), the Trustees of the UMWA Combined Benefit Fund have assigned responsibility to the Company for premium payments with respect to retirees, dependents, and "orphans" (unassigned beneficiaries), representing less than tons of pellets in 1996, which is slightly more than 1995 and the highest output since 1981. Production at capacity levels in 1995 and 1996 has resulted from U.S. and Canadian integrated steel producers increasing pellet consumption to maximize blast furnace production. Pellet exports from eastern Canadian mines to Europe have also increased, creating a tighter interior North American market.

The six North American mines managed by the Company are operating at nearly full capacity and are scheduled to produce 40.6 million tons of iron ore up slightly from 39.6 million tons produced in 1995. The Company's share of scheduled production is 10.3 million tons in 1996 compared with 9.8 million tons in 1995.

The Company's North American iron ore pellet sales for the year 1996 are now estimated to be 10.6 million tons, up slightly from the 10.4 million tons sold in 1995. Average pellet price realization is expected to increase over 1995 due to the market strength and contractual increases.

BUSINESS RISK

The North American steel industry has experienced high operating rates in recent years. The Company's steel company partners and customers (with the exception of McLouth) have generally improved their financial condition as a result of higher earnings and increased equity capital.

The improvement in most steel companies' financial positions has reduced the major near-term business risk faced by the Company, i.e., the potential financial failure and shutdown of one or more of its significant customers or partners, with the resulting loss of ore sales or royalty and management fee income. However, if any such shutdown were to occur without mitigation through replacement sales or cost reduction, it would represent a significant adverse financial development to the Company. The iron mining business has high operating leverage because "fixed" costs are a large portion of the cost structure. Therefore, loss of sales or other income due to failure of a customer or partner would have an adverse income effect proportionately greater than the revenue effect.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits - Refer to Exhibit Index on page 14.
(b) There were no reports on Form 8-K filed during the three months ended March 31, 1996.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLEVELAND-CLIFFS INC

Date May 13, 1996 By /s/ J.S. Brinzo

J. S. Brinzo
Executive Vice President-Finance and
Principal Financial Officer

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number	Exhibit	
<S>	<C>	<C>
11	Statement re computation of earnings per share	Filed Herewith
27	Consolidated Financial Data Schedule submitted for Securities and Exchange Commission information only	

</TABLE>

Exhibit 11

COMPUTATION OF EARNINGS PER SHARE

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

	(In Millions, Except Per Share Amounts) Three Months Ended MARCH 31	
	1996	1995
Primary and fully diluted earnings per share:		
Average shares outstanding	11.8	12.1
Net effect of dilutive stock options and performance shares based on treasury stock method using average market price	--	--
Average shares and equivalents	11.8	12.1
Net income applicable to average share and equivalents	ui ui ui uOn	

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This schedule contains summary financial information extracted from statements of consolidated income, consolidated financial position and computation of earnings per share and is qualified in its entirety by reference to such financial statements.
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