- --

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1999
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

As of April 30, 1999, there were 11,209,734 Common Shares (par value $1.00 per share) outstanding.

===

PART I - FINANCIAL INFORMATION

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME

<TABLE>
<CAPTION>

	(In Millions, Except Per Share Amounts) Three Months Ended March 31	
	1999	1998
<S>	<C>	<C>
REVENUES		
Product sales and services	$ 13.6	$ 27.2
Royalties and management fees	9.2	8.4
Total Operating Revenues	22.8	35.6
Interest income	1.4	1.4
Other income	.8	1.0
Total Revenues	25.0	38.0
COSTS AND EXPENSES		
Cost of goods sold and operating expenses	13.0	30.3
Administrative, selling and general expenses	3.7	4.7
Interest expense		.2
Other expenses	4.6	2.1

Total Costs and Expenses	21.3	37.3
INCOME BEFORE INCOME TAXES	3.7	.7
INCOME TAXES		
Current	1.0	.1
Deferred		.1
Total Income Taxes	1.0	.2
NET INCOME	$ 2.7	$ .5
NET INCOME PER COMMON SHARE		
Basic	$ .24	$ .04
Diluted	$ .24	$ .04
AVERAGE NUMBER OF SHARES (IN THOUSANDS)		
Basic	11,166	11,323
Diluted	11,216	11,403

</TABLE>

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<TABLE>
<CAPTION>
s

	(In Millions)	
	March 31 1999	December 31 1998
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 66.9	$ 130.3
Accounts receivable - net	21.0	58.8
Inventories		
Iron ore	[illegible]	

OTHER LIABILITIES	57.2	56.2
SHAREHOLDERS' EQUITY		
Preferred Stock		
Class A - no par value		
Authorized - 500,000 shares; Issued - none	-	-
Class B - no par value		
Authorized - 4,000,000 shares; Issued - none	-	-
Common Shares - par value $1 a share		
Authorized - 28,000,000 shares;		
Issued - 16,827,941 shares	16.8	16.8
Capital in excess of par value of shares	69.5	70.9
Retained income	511.7	513.2
Accumulated other comprehensive loss, net of tax	(4.5)	(4.3)
Cost of 5,618,207 Common Shares in treasury		
(1998 - 5,677,287 shares)	(154.6)	(155.9)
Unearned compensation	(3.7)	(3.1)
TOTAL SHAREHOLDERS' EQUITY	435.2	437.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 707.2	$ 723.5

</TABLE>

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS

<TABLE>
<CAPTION>

	(In Millions, Brackets Indicate Cash Decrease) Three Months Ended March 31	
	1999	1998
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$ 2.7	$ .5
Depreciation and amortization:		
Consolidated	2.1	2.1
Share of associated companies	3.3	3.1
Other	(2.4)	(3.5)
Total before changes in operating assets and liabilities	5.7	2.2
Changes in operating assets and liabilities	(56.1)	(46.4)
Net cash (used by) operating activities	(50.4)	(44.2)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated	(5.5)	(2.3)
Share of associated companies	(.3)	(1.3)
Investment in Cliffs and Associates Limited	(3.0)	(5.9)
Other		1.3
Net cash (used by) investing activities	(8.8)	(8.2)
FINANCING ACTIVITIES		
Dividends	(4.2)	(3.7)
Repurchases of Common Shares		(1.2)
Net cash (used by) financing activities	(4.2)	(4.9)
DECREASE IN CASH AND CASH EQUIVALENTS	(63.4)	(57.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	130.3	115.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 66.9	$ 58.6

</TABLE>

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1999

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the financial statement footnotes and other information in the Company's 1998 Annual Report on Form 10-K. In management's opinion, the quarterly unaudited consolidated financial statements present fairly the Company's financial position and results in accordance with generally accepted accounting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

References to the "Company" mean Cleveland-Cliffs Inc and consolidated subsidiaries, unless otherwise indicated. Quarterly results are not representative of annual results due to seasonal and other factors. Certain prior year amounts have been reclassified to conform to current year classifications.

NOTE B - ACCOUNTING AND DISCLOSURE CHANGES

In March, 1998, the Accounting Standards Executive Committee ("AcSEC") of the American Institute of Certified Public Accountants issued StaOate o

---------- ----------

Comprehensiv ş

FERROUS METALLICS

The Company will achieve a major milestone in its strategy to build a significant ferrous metallics business when Cliffs and Associates Limited (CAL) commences production of CIRCAL(TM) hot briquetted iron (HBI) at its plant in Trinidad and Tobago early in May, 1999. The plant, which is designed to produce 500,000 metric tons of HBI annually, will operate on a planned start-up curve with full year production volume in 1999 dependent on market demand.

Project capital expenditures through March 31, 1999 were $150 million (Company share - $70 million) with estimated cost to complete of $3 million (Company share - $1.4 million). Project capital expenditures do not include construction claims of approximately $22 million (Company share - $10.2 million), which are being contested.

The Company believes the claims are largely without merit; any payments on these claims are expected to be partially offset by recoveries from contractors and suppliers.

While the market for ferrous metallics has improved since reaching a low point in December, 1998, it continues to be soft. Imported pig iron, which is not covered under the trade actions that have been taken to curtail unfairly traded steel imports, is available at very low prices. Low priced pig iron has eliminated much of the market for HBI and other iron unit products and has caused many plants producing these products to shut down or curtail operation.

CAPITALIZATION

Long-term debt of the Company consists of $70.0 million of senior unsecured notes payable to an insurance company group. The notes bear a fixed interest rate of 7.0

Plan"). The IT Plan, initiated in 1996, involves the implementation of a purchased, mining-based, Year 2000 compliant, software suite to replace legacy programs for operations and administrative mainframe systems servicing most domestic locations. In addition to avoiding any potential Year 2000 problems, the IT Plan is expected to result in improved system and operating effectiveness. Implementation was achieved at the Michigan mines in the first quarter of 1999 and is expected to be installed in Minnesota, and in the corporate office and central services locations in the second and third quarter of 1999, respectively.

3 3 -5 The Company is charging to operations current state assessment, process re-engineering, and training costs associated with the IT Plan. For legacy programs and locations not included in the IT Plan, modifications and/or replacement of existing programs are underway for achieving Year 2000 compliance with an expected cost of $1.0 million.

In addition to addressing software legacy program issues, the Year 2000 Compliance Program is addressing the impact of the date changµ e da, 1nues, is&ĎÃIT

affect estimated environmental remediation liabilities;

- Changes in laws, regulations or enforcement practices governing compliance with environmental and safety standards at operating locations; and,

- Accounting principle or policy changes by the Financial Accounting Standards Board or the Securities and Exchange Commission.

The Company is under no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits - Refer to Exhibit Index on page 16.
(b) During the quarter for which this 10-Q Report is filed, the Company filed a Current Report on Form 8-K, dated February 10, 1999, covering information reported under ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS. There were no financial statements filed as part of the Current Report on Form 8-K.

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 5, 1999

By /s/C. B. Bezik
C. B. Bezik
Senior Vice President-Finance and
Principal Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit	
27	Consolidated Financial Data Schedule submitted for Securities and Exchange Commission information only	-
99(a)	Cleveland-Cliffs Inc News Release published on April 21, 1999, with respect to 1999 first quarter earnings	Filed Herewith

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
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.
</LEGEND>
<CIK> 0000764065
<NAME> CLEVELAND-CLIFFS INC
<MULTIPLIER> 1,000,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-START>	JAN-01-1999
<PERIOD-END>	MAR-31-1999
<CASH>	67
<SECURITIES>	0
<RECEIVABLES>	21
<ALLOWANCES>	2
<INVENTORY>	142
<CURRENT-ASSETS>	242
<PP&E>	216
<DEPRECIATION>	63
<TOTAL-ASSETS>	707
<CURRENT-LIABILITIES>	77
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	17
<OTHER-SE>	418
<TOTAL-LIABILITY-AND-EQUITY>	707
<SALES>	14
<TOTAL-REVENUES>	25
<CGS>	13
<TOTAL-COSTS>	16
<OTHER-EXPENSES>	5
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	4
<INCOME-TAX>	1
<INCOME-CONTINUING>	3
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	3
<EPS-PRIMARY>	.24
<EPS-DILUTED>	.24

</TABLE>

Exhibit 99(a)

NEWS RELEASE

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, Ohio 44114-2589

CLEVELAND-CLIFFS REPORTS

First Quarter 1999 Earnings

Cleveland, OH, April 21, 1999 - Cleveland-Cliffs Inc (NYSE-CLF) today reported earnings of $2.7 million, or $.24 per diluted share, for the first quarter of 1999. In the first quarter of 1998, earnings were $.5 million, or $.04 per diluted share. The Company emphasized that first quarter results are not representative of annual results due to seasonally low shipments of iron ore pellets on the Great Lakes.

Pellet sales in the first quarter were .3 million tons, roughly half of 1998 first quarter sales. The higher volume in 1998 was largely attributable to non-recurring rail shipments. First quarter 1999 revenues from product sales and services declined proportionately with the lower sales volume; however, the decrease in cost of goods sold and operating expenses was larger due to:

- refunds of prior years' state taxes in 1999.

- the Tilden Mine kiln outage in the first quarter of 1998. First quarter 1998 costs were adversely affected by the outage, while 1999 first quarter costs include an insurance recovery relating to the outage.

- lower mine operating costs in 1999.

Administrative expenses in 1999 were $1.0 million below 1998 mainly due to a decrease in the cost of the Performance Share Program, a key component of senior management compensation, and cost reduction initiatives.

Other expenses in 1999 were $2.5 million higher than 1998 principally due to increased costs of ferrous metallics activities and a $1.1 million pre-tax charge attributable to a reduction of corporate staff. Pre-tax costs of ferrous metallics activities were $2.4 million in 1999 versus $.7 million in 1998. The 1999 costs include $1.1 million of start-up costs from Cliffs' joint venture in Trinidad and Tobago.

IRON ORE

Iron ore pellet production at Cliffs-managed mines increased to 9.6 million tons in the first quarter of 1999, from 9.4 million tons in 1998, reflecting higher production at the Tilden Mine. Cliffs' share of the production was 2.8 million tons in 1999 versus 2.7 million tons in 1998. Following is a summary of production tonnages for the first quarter of 1999 and 1998:

<TABLE>
<CAPTION>

Performanpally

============== ============== ============== ============
</TABLE>

The six mines are currently scheduled to produce 41.1 million tons for the full year 1999. The current production schedule incorporates a one-month shut down of Wabush this summer, reflecting lower requirements of the mine owners. There could be additional changes to the production schedule depending on steel operating rates and Cliffs' sales.

COST REDUCTION

The 1998 Annual Report to Shareholders noted that each of the six mines managed by Cliffs is implementing comprehensive three-year cost reduction plans. Cost reduction actions initiated under these plans are building momentum. As an example, notable successes with significant benefits have recently been achieved by leveraging the buying power of the six mines. In March, an agreement was executed with a production truck supplier that makes the selected supplier the sole source of trucks and related parts for all six mines for the next five years. The new agreement will provide substantial savings to the mines over the five-year term of the contract.

Other cost reduction initiatives are focused on improvements in maintenance management systems and work practices. The implementation of a new company-wide information management system offers a unique opportunity to make improvements at this time. In February, the corporate staff was reduced by 10 percent and additional reductions were made in the central services' staff in Michigan.

FERROUS METALLICS

Cliffs will achieve a major milestone in its strategy to build a significant ferrous metallics business when Cliffs and Associates Limited (CAL) commences production of CIRCAL(TM) hot-briquetetetet ch

Although the Company believes that the forward-looking sn

Depreciation and amortization:		
Consolidated	2.1	2.1
Share of associated companies	3.3	3.1
Other	(2.4)	(3.5)
Total before changes in operating assets and liabilities	5.7	2.2
Changes in operating assets and liabilities	(56.1)	(46.4)
Net cash (used by) operating activities	(50.4)	(44.2)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated	(5.5)	(2.3)
Share of associated companies	(.3)	(1.3)
Investment in Cliffs and Associates Limited	(3.0)	(5.9)
Other		1.3
Net cash (used by) investing activities	(8.8)	(8.2)
FINANCING ACTIVITIES		
Dividends	(4.2)	(3.7)
Repurchases of Common Shares		(1.2)
Net cash (used by) financing activities	(4.2)	(4.9)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (63.4)	$ (57.3)

</TABLE>

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<TABLE>
<CAPTION>

	(In Millions)		
	Mar. 31 1999	Dec. 31 1998	Mar. 31 1998
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 66.9	$ 130.3	$ 58.6
Accounts receivable - net	21.0	58.8	45.2
Inventories	141.6	59.6	118.7
Other	12.5	11.2	14.4
TOTAL CURRENT ASSETS	242.0	259.9	236.9
PROPERTIES - NET	153.4	150.0	132.6
INVESTMENTS IN ASSOCIATED COMPANIES	235.3	235.4	222.3
OTHER ASSETS	76.5	78.2	82.8
TOTAL ASSETS	$ 707.2	$ 723.5	$ 674.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES	$ 76.6	$ 89.2	$ 72.2
LONG-TERM DEBT	70.0	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	68.2	70.5	69.9
OTHER LIABILITIES	57.2	56.2	56.6
SHAREHOLDERS' EQUITY	435.2	437.6	405.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 707.2	$ 723.5	$ 674.6

</TABLE>

==

UNAUDITED FINANCIAL STATEMENTS

In management's opinion, the unaudited financial statements present fairly the company's financial position and results. All supplementary information required by generally accepted accounting principles for complete financial statements has not been included. For further information, please refer to the Company's latest Annual Report.