SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For fiscal year ended December 31, 1997 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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares - par value $1.00 per share	New York Stock Exchange and Chicago Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of the Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of March 16, 1998, the aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, based on the closing price of $53.125 per share as reported on the New York Stock Exchange - Composite Index was $581,090,494 (excluded from this figure is the voting stock beneficially owned by the registrant's officers and directors).

The number of shares outstanding of the registrant's $1.00 par value common stock was 11,361,732 as of March 16, 1998.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of registrant's 1997 Annual Report to Shareholders are filed as Exhibits 13(a) through 13(j) and are incorporated by reference into Parts I, II and IV.

2. Portions of registrant's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held May 12, 1998 are incorporated by reference into Part III.

PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES.

INTRODUCTION

Cleveland-Cliffs Inc (including its consolidated subsidiaries, the "Company") is the successor to business enterprises whose beginnings can be traced to earlier than 1850. The Company's headquarters are at 1100 Superior Avenue, Cleveland, Ohio 44114-2589, and its telephone number is (216) 694-5700.

BUSINESS

The Company owns, directly or indirectly, three major operating subsidiaries, The Cleveland-Cliffs Iron Company ("CCIC"), Cliffs Mining Company ("CMC") and Northshore Mining Company ("Northshore"). A fourth operating subsidiary, Pickands Mather & Co. International ("PMI"), terminated production at the end of 1996. CCIC and CMC hold interests in various independent iron ore mining ventures ("mining ventures") and act as managing agent. The operations of Northshore are entirely owned by the Company. CCIC, CMC and Northshore's business during 1997 was the production and sale of iron ore, principally iron ore pellets. Collectively, CCIC, CMC and Northshore control, develop, and lease reserves to mine owners; manage and own interests in mines; sell iron ore; and provide ancillary services to the mines. The operations of each mine are independent of the other mines. Iron ore production activities are conducted in the United States and Canada. Iron ore is marketed by the subsidiaries in the United States, Canada, and Europe.

For information on the iron ore business, including royalties and management fees for the years 1995-1997, see Note B in the Notes to the Company's Consolidated Financial Statements in the Company's Annual Report to Security Holders for the year ended December 31, 1997, which Note B is contained in Exhibit 13(g) and incorporated herein by reference and made a part hereof.

For information concerning operations of the Company, see material under the heading "Summary of Financial and Other Statistical Data" in the Company's Annual Report to Security Holders for the year ended December 31, 1997, which Summary of Financial and Other Statistical Data is contained in Exhibit 13(j) and incorporated herein by reference and made a part hereof.

NORTH AMERICA. CCIC owns or holds long-term leasehold interests in active North American properties containing approximately 1.4 billion tons of crude iron ore reserves. CCIC, CMC and Northshore manage six active mines in North America with a total rated annual capacity of 40.8 million tons and own equity interests in five of these mines (see Table on page 4).

CCIC, CMC and Northshore's United States properties are located on the Marquette Range of the Upper Peninsula of Michigan, which has two active open-pit mines and pellet plants, and the Mesabi Range in Minnesota, which has three active open-pit mines and pellet plants. CMC acts only in the capacity of manager at one of the Mesabi Range facilities. Two railroads, one of which is 99.5% owned by a subsidiary of the Company, link the Marquette Range with Lake Michigan at the loading port of Escanaba and with Lake Superior at the loading port of Marquette. From the Mesabi Range, pellets are transported by rail to shiploading ports at Superior, Wisconsin and Taconite Harbor, Minnesota. At Northshore, crude ore is shipped by rail from the mine to the processing facilities at Silver Bay, Minnesota, which is also the upper lakes port of shipment. In addition, in Canada, there is an open-pit mine and concentrator at Wabush, Labrador, Newfoundland and a pellet plant and dock facility at Pointe Noire, Quebec. At Wabush Mines, concentrates are shipped by rail from the Scully Mine at Wabush to Pointe Noire, Quebec, where they

are pelletized for shipment via vessel to Canada, United States and Europe or shipped as concentrates for sinter feed to Europe.

CCIC leases or subleases its reserves to certain mining ventures which pay royalties to CCIC on such reserves based on the tonnage and the iron content of iron ore produced. The royalty rates on leased or subleased reserves per ton are subject to periodic adjustments based on changes in the Bureau of Labor Statistics producer price index for all commodities or on certain iron ore and steel price indices. The mining ventures, except for LTV Steel Mining Company which is wholly-owned by LTV Steel Company, include as participants CCIC or CMC and steel producers (who are "participants" either directly or through subsidiaries).

CCIC and CMC, pursuant to management agreements with the participants having operating interests in the mining ventures, manage the development, construction and operation of iron ore mines and concentrating and pelletizing plants to produce iron ore pellets for steel producers. CCIC and CMC are reimbursed by the participants of the mining ventures for substantially all expenses incurred by CCIC and CMC in operating the mines and mining ventures. In addition, CCIC and CMC are paid management fees based on the tonnage of iron ore produced. A substantial portion of such fees is subject to escalation adjustments in a manner similar to the royalty adjustments.

With respect to the active mines in which CCIC and CMC have an equity interest, such interests range from 15% to 40% (see Table on page 4). Pursuant to certain operating agreements at each mine, each participant is generally obligated to take its share of production for its own use. CCIC and CMC's share of production is resold to steel manufacturers pursuant to multi-year contracts, usually with price escalation provisions, or one-year contracts. Pursuant to operating agreements at each mine, each participant is entitled to nominate the amount of iron ore which will be produced for its account for that year. During the year, such nomination generally may be increased (subject to capacity availability) or decreased (subject to certain minimum production levels) by a specified amount. During 1997, the Tilden Mine reduced production from 7 million to 6 million tons of iron ore pellets.

Cliffs Minnesota Minerals Company, a subsidiary of the Company, owns an iron ore operation ("Northshore") and power plant (Silver Bay Power Company ("Silver Bay Power")) in Minnesota with 4.3 million annual tons of active capacity for production of standard and flux pellets (equivalent to 4.8 million tons of standard pellet capacity), supported by a 115 megawatt power generation plant, and an estimated 1.2 billion tons of magnetite crude iron ore reserves, leased mainly from the Mesabi Trust. Production in 1997 was 4.2 million tons of standard and flux pellets.

Effective January 1, 1997, CMC acquired the 15.1% interest of Inland Steel Company ("Inland") in the Wabush Mines, an iron ore joint venture interest in Canada, for $15 million, which acquisition raised CMC's ownership interest in the Wabush Mines to 22.8%. The acquisition adds .9 million tons to CMC's share of production capacity. Separately, CCIC revised its existing iron ore pellets sales arrangements with Inland to supply Inland's pellet requirements beyond Inland's 40% ownership in the Empire Mine and Inland's wholly-owned Minorca mine.

In January, 1998, the Tilden Mine announced that it experienced a crack in a riding ring on one of the mine's two pelletizing kilns, and it is expected that the kiln would be out of service for about three months to complete welding repairs. As a result, mine production is expected to be reduced by approximately 0.3 million tons, lowering the anticipated full year production to 6.7 million tons.

Following is a table of production, current defined capacity, and implied exhaustion dates for the iron ore mines currently managed or owned by CCIC, CMC and Northshore. The exhaustion dates are based on estimated mineral reserves and full production rates, which could be affected, among other things, by future industry conditions, geological conditions, and ongoing mine planning. Maintenance of effective production capacity or implied exhaustion dates could require increases in capital and development expenditures. Alternatively, changes in economic conditions or the expected quality of ore reserves could decrease capacity or accelerate exhaustion dates. Technological progress could alleviate such factors or increase capacity or mine life.

<TABLE>
<CAPTION>

Name and Location	Type of Ore	Company's Current Operating Interest	Current Pellet Production 1995	1996	1997	Current Annual Capacity	Operating Continuously Since	Implied Exhaustion Date (1)
			(Tons in Thousands)(2)					
Mining Ventures								
Michigan								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Marquette Range								
-Empire Iron Mining Partnership (3)	Magnetite	22.56%	7,910	8,084	8,353	8,000	1963	2019
-Tilden Mining Company L.C.(3)	Hematite and Magnetite	40.00%(4)	6,186	6,702	6,016	7,000(4)	1974	2037
Minnesota								
Mesabi Range								
-Hibbing Taconite Joint Venture (5)	Magnetite	15.00%	8,615	8,120	7,670	8,000	1976	2029
-LTV Steel Mining Company (5)	Magnetite	0.00%	7,757	7,457	7,709	7,500	1957	2053
Canada								

-Wabush Mines (Newfoundland and Quebec) (5)(6)	Specular Hematite	22.78%(6)	5,295	5,309	5,581	6,000(6)	1965	2042
Wholly-Owned Entities								
Minnesota								
Mesabi Range -Northshore Mining Company	Magnetite	100.00%	3,791	4,252	4,245	4,300(7)	1989	2081
Australia								
-Savage River Mines (8) (Tasmania)	Magnetite	100.00%	1,557	1,583	- (8)	- (8)	(8)	(8)
TOTAL			41,111	41,507	39,574	40,800		

</TABLE>

==

(1) Based on full production at current annual capacity without regard to economic feasibility.
(2) Tons are long tons of 2,240 pounds.
(3) CCIC receives royalties and management fees.
(4) Annual production capacity is targeted at a minimum of 6 million tons annually (7 million tons are initially nominated for 1998). Expenditures in 1998 are expected to increase capacity to 7.8 million tons in 1999. The predominant ore reserves are hematite.
(5) CMC received no royalty payments with respect to such mine, but did receive management fees.
(6) In 1996, the mine's annual production capacity was increased to 6 million tons per year from 4.5 million tons per year. Effective January 1, 1997, CMC's ownership in the Wabush Mines increased from 7.69% to 22.78%.
(7) Northshore can produce 4.8 million tons of standard pellets.
(8) Savage River Mines terminated operations at the end of 1996 and terminated shipments in the first quarter of 1997. (See discussion on page 5.)

With respect to the Empire Mine, CCIC owns directly approximately one-half of the remaining mineral reserves and leases the balance of the reserves from their owners; with respect to the Tilden Mine, CCIC owns all of the mineral reserves; with respect to the Hibbing Mine, Wabush Mines and Northshore Mine, all mineral reserves are owned by others and leased or subleased directly to those mines.

Each of the mines contains crushing, concentrating, and pelletizing facilities. The Empire Iron Mining Partnership facilities were constructed beginning in 1962 and expanded in 1966, 1974 and 1980 with a total cost of approximately $367 million; the Tilden Mine facilities were constructed beginning in 1972, expanded in 1979 and modified in 1988 with a total cost of approximately $523 million; the LTV Steel Mining Company facilities were constructed beginning in 1954 and expanded in 1967 with a total cost of approximately $250 million; the Hibbing Taconite Joint Venture facilities were constructed beginning in 1973 and expanded in 1979 with a total cost of approximately $302 million; the Northshore Mining Company facilities were constructed beginning in 1951, expanded in 1963 and significantly modified in 1979 with a total cost estimated in excess of $500 million; and the Wabush Mines facilities were constructed beginning in 1962 with a total cost of approximately $103 million. The Company believes the facilities at each site are in satisfactory condition. However, the older facilities require more capital and maintenance expenditures on an ongoing basis.

Production and Sales Information

The Company's managed capacity is approximately 40.8 million tons, or 47% of total pellet capacity in North America, and the Company's annual North American pellet sales capacity increased in 1997 from 10.9 to 11.5 million tons. In 1997, the Company produced 10.9 million tons of pellets in North America for its own account.

In 1997, the Company produced 28.7 million gross tons of iron ore in the United States and Canada for participants other than the Company. The share of participants having the five largest amounts, Algoma Steel Company, Bethlehem Steel Corporation, Inland Steel Company, LTV Steel Company and Stelco Inc., aggregated 25.4 million gross tons, or 88.8%. The largest such participant accounted for 34.2% of such production.

During 1997, 100% of the Company's sales of iron ore and pellets, that were produced in the United States and Canada for its own account or purchased from others, were to 12 U.S., Canadian and European iron and steel manufacturing companies.

In 1997, Weirton Steel Company, AK Steel, and Inland Steel Company, directly and indirectly accounted for 20%, 13%, and 10%, respectively, of total revenues.

AUSTRALIA. PMI formerly owned 100% of Savage River Mines, an open pit iron ore mining operation and concentrator at Savage River, Tasmania, and a pellet plant with offshore loading facilities at Port Latta, Tasmania. Production at Savage River Mines was terminated prior to year-end 1996 due to exhaustion of the economically recoverable iron ore from surface mining. Remaining inventory was shipped during the first quarter of 1997. Savage River contributed $3.1 million to the Company's earnings in 1997. The mine operated two years beyond the original schedule established when the Company acquired full ownership in 1990. On December 5, 1996, PMI and the State of Tasmania entered into a Deed of Arrangement whereby the assets (including $8.6 million in cash) and all environmental and rehabilitation obligations of the Savage River Mines were transferred to the Tasmanian government on March 25, 1997.

RAIL TRANSPORTATION. The Company, through a wholly-owned subsidiary, owns a 99.5% stock interest in Lake Superior & Ishpeming Railroad Company. The railroad operates approximately 49 miles of track in the Upper Peninsula of Michigan, principally to haul iron ore from the Empire and Tilden Mines to Lake Superior at

Marquette, Michigan, where the railroad has an ore loading dock, or to interchange points with another railroad for delivery to Lake Michigan at Escanaba, Michigan. In 1997, 84.7% of the railroad's revenues were derived from hauling iron ore and pellets and other services in connection with mining operations managed by CCIC. The railroad's rates are subject to regulation by the Surface Transportation Board of the Department of Transportation.

Reduced Iron and Ferrous Metallics

The Company's strategy is to grow its basic iron ore business domestically and internationally and to extend its business scope to produce and supply "reduced iron ore feed" for steel and iron production. Reduced iron products contain approximately 90% iron versus 65% for traditional iron ore pellets and contain less undesirable chemical elements than most scrap steel feed. The market for reduced iron is relatively small, but is increasing at a greater rate than other iron ore products.

On April 15, 1996, the Company announced an international joint venture to produce and market premium quality reduced iron briquettes for the steel industry, and all definitive project agreements were signed in May, 1996. The venture's participants, through subsidiaries, are the Company, through Cliffs Reduced Iron Corporation, (46.5 percent), The LTV Corporation, (46.5 percent), and Lurgi AG of Germany, (7 percent). The Company, through Cliffs Reduced Iron Management Company, manages the reduced iron project, located in Trinidad and Tobago, and will be responsible for sales by the venture company, Cliffs and Associates Limited. The total project is estimated to cost $160 million, with total capital expenditures of $142.5 million, of which the Company's share is estimated to be $66.3 million, with $48.9 million spent through 1997 and $17.4 million expected to be spent in 1998. No project financing will be utilized.

The plant is designed to produce at least 500,000 metric tons of briquettes per year. Construction and operations planning activities are steadily progressing. The facilities are scheduled to start up, as planned, in the fourth quarter of 1998. The plant will operate on a planned start-up curve and is expected to be producing at the design level of 500,000 tons per year by mid-1999. The plant will employ approximately 70 people upon completion.

The Company is studying the feasibility of a midwestern U.S. project to produce "pig iron" from North American iron ore with coal as the reductant. Markets for the product would be primarily electric furnaces and foundries.

During 1995, the Company suspended its iron carbide development activities but continues to believe that iron carbide has long-term potential. The Company is a joint holder of iron carbide process licenses in Venezuela with North Star Steel and in Australia with Mitsubishi Corporation.

Credit Agreement and Senior Notes

In 1995, the Company entered into a Credit Agreement ("Credit Agreement") with Chemical Bank (now Chase Manhattan Bank), as Agent for a six-bank lending group, pursuant to which the Company may borrow up to $100 million as revolving loans until March 1, 2000. In 1996, the Credit Agreement was amended to extend the expiration date by one year, and in 1997, the Credit Agreement was further amended to reduce interest rates and fees and extend the expiration date by one additional year to March 1, 2002. Interest on borrowings will be based on various interest rates as defined in the Credit Agreement and as selected by the Company pursuant to the terms of the Credit Agreement. There were no borrowings under the revolving credit facility.

In 1995, the Company placed privately with a group of institutional lenders $70 million 7% Senior Notes, due December 15, 2005, the proceeds of which Senior Notes

were used to retire the Company's $20 million 8.51% Senior Notes and $50 million 8.84% Senior Notes.

COMPETITION

The iron ore mines, which the Company's subsidiaries operate in North America and Canada, produce various grades of iron ore which is marketed in the United States, Canada, and Europe. In North America, the Company is in competition with several iron ore producers, including Iron Ore Company of Canada, Quebec Cartier Mining Company, and Evtac Mining Company, as well as other steel companies which own interests in iron ore mines and/or have excess iron ore purchase commitments. In addition, significant amounts of iron ore have, since the early 1980s, been shipped to the United States from Venezuela and Brazil in competition with iron ore produced by the Company.

Other competitive forces have effectively become large factors in the iron ore business. With respect to a significant portion of steelmaking in North America, electric furnaces built by "minimills" have replaced the use of iron ore pellets with scrap metal in the steelmaking process. In addition, operators of sinter plants produce iron agglomerates which substitute for iron ore pellets. Imported steel slabs also replace the use of iron ore pellets in producing finished steel products. Imported steel produced from iron ore supplied by international competitors also effectively competes with the Company's iron ore pellets.

Competition among the sellers of iron units is predicated upon the usual competitive factors of price, availability of supply, product performance, service and cost to the consumer.

ENVIRONMENT, EMPLOYEES AND ENERGY

ENVIRONMENT. In the construction of the Company's facilities and in its operating arrangements, substantial costs have been incurred and will be incurred to avoid undue effect on the environment. The Company's commitment to environmental preservation resulted in North American capital expenditures of $6.1 million in 1996 and $6.9 million in 1997. It is estimated that approximately $7.7 million will be spent in 1998 for environmental control facilities.

The Company received notice in 1983 from the U.S. Environmental Protection Agency ("U.S. EPA") that the Company is a potentially responsible party with respect to the Cliffs-Dow Superfund Site, located in the Upper Peninsula of the State of Michigan, which is not related to the Company's iron ore mining business. The Cliffs-Dow site was used prior to 1973 for the disposal of wastes from charcoal production by a joint venture of the Company, the Dow Chemical Company and afterward by a successor in interest, Georgia-Pacific Corporation. The Company and certain other potentially responsible parties have agreed upon allocation of the costs for investigation and remediation. The Company and other potentially responsible parties voluntarily participated in the preparation of a Remedial Investigation and Feasibility Study ("RI/FS") with respect to the Cliffs-Dow site, which concluded with the publication by the U.S. EPA of a Record of Decision dated September 27, 1989 ("ROD"), setting forth the selected remedial action plan adopted by the U.S. EPA for the Cliffs-Dow site. The Company and other potentially responsible parties have largely implemented remedial action satisfactory to the U.S. EPA at an estimated total cost of $8 million, of which the Company's share is $1.7 million. Upon the advice of counsel, the Company believes it has a right to continued contribution from the other potentially responsible parties for the costs of any further remedial action required at the Cliffs-Dow site.

A second disposal area at the Cliffs-Dow charcoal production plant site is on the list of priority sites issued by the Michigan Department of Natural Resources (now the Michigan Department of Environmental Quality). The Company and certain other

potentially responsible parties have agreed upon allocation of investigation and remediation costs at this site. The Company participated in a RI/FS of this site, which study has been completed and is being reviewed by the Michigan Department of Environmental Quality. The Company has joined with the other potentially responsible parties in an interim removal action at the site which has been completed at an estimated total cost of $18 million, of which the Company's share is $4.5 million. In the fourth quarter of 1997, the Company and other potentially responsible parties accepted a proposal from the City of Marquette ("City") that the City assume all environmental responsibilities with respect to the plant site located within the City (which proposal did not include a secondary disposal site within the County of Marquette) in exchange for a conveyance of the 77 acre plant site. On October 31, 1997, title to the plant site property was conveyed to the City in exchange for the assumption of all environmental liabilities by the City with respect to the plant site.

The Company has sufficient financial reserves at December 31, 1997 to provide for its expected share of the cost of the remedial actions at the above mentioned sites. (See "Legal Proceedings" for additional information concerning environmental matters.)

Generally, various legislative bodies and federal and state agencies are continually promulgating numerous new laws and regulations affecting the Company, its customers, and its suppliers in many areas, including waste discharge and disposal; hazardous classification of materials, products, and ingredients; air and water discharges; and many other matters. Although the Company believes that its environmental policies and practices are sound and does not expect a material adverse effect of any current laws or regulations, it cannot predict the collective adverse impact of the rapidly expanding body of laws and regulations.

EMPLOYEES. As of December 31, 1997, CCIC and CMC and the North American independent mining ventures had 4,972 employees, of which 4,085 were hourly employees. The hourly employees are represented by the United Steelworkers of America ("United Steelworkers") which have collective bargaining agreements. In 1993, a six-year "no strike" labor agreement was entered between the Hibbing Taconite, Tilden and Empire Mines and the United Steelworkers covering the period to August 1, 1999, but with provisions for a limited economic reopener on August 1, 1996. In 1996, the labor economic reopeners at the Hibbing Taconite, Tilden and Empire Mines were settled based on the pattern of recent steel company settlements. In 1994, a new United Steelworkers labor agreement was entered into covering employees of LTV Steel Mining Company, which agreement will expire on August 1, 1999. In 1996, a new United Steelworkers labor agreement was entered into covering the employees of the Wabush Mines, which agreement will expire on March 1, 1999.

As of December 31, 1997, Northshore had 511 salaried employees, none of whom are represented by a union.

As of December 31, 1997, Cliffs Reduced Iron Management Company had 3 salaried employees and Cliffs and Associates Limited had 14 salaried employees.

In addition, as of December 31, 1997, Cleveland-Cliffs Inc and its wholly-owned subsidiary, Cliffs Mining Services Company, had 276 salaried executive, managerial, administrative and technical employees.

ENERGY. Electric power supply contracts between Wisconsin Electric Power Company ("WEPCo") and the Empire and Tilden Mines, entered into in December, 1987, provide that WEPCo shall furnish electric power to these Mines, within specific demand limits, pursuant to price formulas. The term of these contracts covered ten years through 1997. In return for a substantial reduction in rates, the Tilden Mine converted a portion of its firm power contract to curtailable power beginning in 1993.

In January, 1996, the Empire and Tilden Mines entered into new seven-year power supply contracts with WEPCo, which included the two years remaining on the previous contracts. Various terms and conditions of the power contracts were revised to better accommodate the operation of those Mines. The new power supply contracts became effective March 1, 1996.

Electric power for Hibbing Taconite is supplied by Minnesota Power & Light Company under a recently executed agreement, which became effective January 1, 1998 and continues to December, 2008. The Agreement provides for significant cost reduction, reduction in certain take-or-pay commitments, and an energy price cap. Electric power requirements will continue to be specified annually by the Hibbing Taconite venturers corresponding to Hibbing's operating requirements.

LTV Steel Mining Company is currently generating the majority of its requirements, and an interchange agreement with Minnesota Power & Light Company provides backup power and allows sale of excess capacity to the Midwestern Area Power Pool. Effective May 1, 1995, the interchange agreement was extended to April 30, 2000 to provide additional backup power and other cost-effective services.

Silver Bay Power Company, an indirect subsidiary of the Company, provides the majority of Northshore's energy requirements, has an interchange agreement with Minnesota Power & Light Company for backup power and sells 40 megawatts of excess power capacity to Northern States Power Company. The contract with Northern States Power extends to the year 2011. Effective November 1, 1995, the interchange agreement was extended to October 31, 2000 to provide additional backup power and other cost-effective services.

Wabush Mines owns a portion of the Twin Falls Hydro Generation facility which provides power for Wabush's mining operations in Newfoundland. A twenty year agreement with Newfoundland Power allows an interchange of water rights in return for the power needs for Wabush's mining operations. The Wabush pelletizing operations in Quebec are served by Quebec Hydro on an annual contract.

The Company has contracts providing for the transport of natural gas for its North American iron ore operations. Several interruptions of supply of natural gas occurred during early 1997, requiring use of alternate fuels.

The Empire and Tilden Mines have the capability of burning natural gas, coal, or, to a lesser extent, oil. Wabush Mines has the capability of burning oil and coke breeze. Hibbing Taconite, Northshore and LTV Steel Mining Company have the capability of burning natural gas and oil. During 1997, the U.S. mines burned natural gas as their primary fuel. Wabush Mines used oil, supplemented with breeze.

Any substantial interruption of operations or substantial price increase resulting from future government regulations or energy taxes, injunctive order, or fuel shortages could be materially adverse to the Company.

In the paper format version of this document, this page contains a map. The map is entitled, "Cleveland-Cliffs Inc and Associated Companies Location of Iron Ore Operations". The map has an outline of the United States and Canada. Located specifically on the map are arrows and dots representing the location of the properties described in the Table on page 4 to this report.

ITEM 3. LEGAL PROCEEDINGS.

Rio Tinto.
- ----------

On July 21, 1993, CCIC and Cliffs Copper Corp, a subsidiary of the Company, each received Findings of Alleged Violation and Order from the Department of Conservation and Natural Resources, Division of Environmental Protection, State of Nevada. The Findings allege that tailings materials left at the Rio Tinto Mine, located near Mountain City, Nevada, are entering State waters which the State considers to be in violation of State water quality laws. The Rio Tinto Mine was operated by Cliffs Copper Corp from 1971 to 1975 and by other companies prior to 1971. The Order requires remedial action to eliminate water quality impacts. In 1996, CCIC and other responsible parties entered into an Administrative Order on Consent with the Nevada Division of Environmental Protection, which provides for the completion of remedial action to occur in 1996 and 1997. CCIC and the other responsible parties have entered into a Participation Agreement to equitably share the cost of the remediation. The total projected cost of remediation is $2.8 million of which CCIC's share is $.6 million. As of December 31, 1997, the remediation has essentially been completed.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Position with the Company as of March 16, 1998	Age
J. S. Brinzo	President and Chief Executive Officer	56
W. R. Calfee	Executive Vice President-Commercial	51
T. J. O'Neil	Executive Vice President-Operations	57
C. B. Bezik	Senior Vice President-Finance	45
J. W. Sanders	Senior Vice President-International Development	55
A. S. West	Senior Vice President-Sales	61

There is no family relationship between any of the executive officers of the Company, or between any of such executive officers and any of the Directors of the Company. Officers are elected to serve until successors have been elected. All of the above-named executive officers of the Company were elected effective on the effective dates listed below for each such officer.

The business experience of the persons named above for the last five years is as follows:

J. S. Brinzo
- Executive Vice President-Finance, Company, September 1, 1989 to September 30, 1993.
- Senior Executive-Finance, Company, October 1, 1993 to September 30, 1995.
- Executive Vice President-Finance, Company, October 1, 1995 to June 30, 1997.
- Executive Vice President-Finance and Planning, Company, July 1, 1997 to November 9, 1997.
- President and Chief Executive Officer, Company, November 10, 1997 to date.

W. R. Calfee
- Senior Executive Vice President, Company, September 1, 1989 to September 30, 1993.
- Senior Executive-Commercial, Company, October 1, 1993 to September 30, 1995.
- Executive Vice President-Commercial, Company October 1, 1995 to date.

T. J. O'Neil
- Senior Vice President-Technical, Company, November 18, 1991 to September 30, 1994.
- Executive Vice President-CCI Operations and Technology, Company, October 1, 1994 to September 30, 1995.
- Executive Vice President-Operations, Company, October 1, 1995 to date.

C. B. Bezik
- Manager-Financial Planning, Company, December 1, 1991 to April 30, 1994.
- Director-Financial Planning, Company, May 1, 1994 to September 30, 1994.
- Treasurer and Director-Financial Planning, Company, October 1, 1994 to September 30, 1995.
- Vice President and Treasurer, Company, October 1, 1995 to November 9, 1997.
- Senior Vice President-Finance, Company, November 10, 1997 to date.

J. W. Sanders
- Senior Vice President and General Manager, Copper Range Company, June, 1991 to June, 1994.
- President and Chief Operating Officer, Copper Range Company, July, 1994 to September 30, 1995.
- Senior Vice President-Technical, Company, October 1, 1995 to June 30, 1997.
- Senior Vice President-International Development, Company, July 1, 1997 to date.

A. S. West
- Senior Vice President-Sales, Company, July 1, 1988 to date.

PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The information required by this item is incorporated herein by reference and made a part hereof from that portion of the Company's Annual Report to Security Holders for the year ended December 31, 1997 contained in the material under the headings, "Common Share Price Performance and Dividends", "Investor and Corporate Information" and "Summary of Financial and Other Statistical Data", such information filed as a part hereof as Exhibits 13(h), 13(i) and 13(j), respectively.

ITEM 6. SELECTED FINANCIAL DATA.

The information required by this item is incorporated herein by reference and made a part hereof from that portion of the Company's Annual Report to Security Holders for the year ended December 31, 1997 contained in the material under the headings, "Summary of Financial and Other Statistical Data" and "Notes to Consolidated Financial Statements", such information filed as a part hereof as Exhibits 13(j) and 13(g), respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information required by this item is incorporated herein by reference and made a part hereof from that portion of the Company's Annual Report to Security Holders for the year ended December 31, 1997 contained in the material under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations", such information, filed as a part hereof as Exhibit 13(a).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item is incorporated herein by reference and made a part hereof from that portion of the Company's Annual Report to Security Holders for the year ended December 31, 1997 contained in the material under the headings "Statement of Consolidated Financial Position", "Statement of Consolidated Income", "Statement of Consolidated Cash Flows", "Statement of Consolidated Shareholders' Equity", "Notes to Consolidated Financial Statements" and "Quarterly Results of Operations", such information filed as a part hereof as Exhibits 13(c), 13(d), 13(e), 13(f), 13(g) and 13(h), respectively.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information regarding Directors required by this Item is incorporated herein by reference and made a part hereof from the Company's Proxy Statement to Security Holders, dated March 23, 1998, from the material under the heading "Election of Directors". The information regarding executive officers required by this item is set forth in Part I hereof under the heading "Executive Officers of the Registrant", which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item is incorporated herein by reference and made a part hereof from the Company's Proxy Statement to Security Holders, dated March 23, 1998 from the material under the headings "Executive Compensation (excluding the Compensation Committee Report on Executive Compensation)", "Pension Benefits", and the first five paragraphs under "Agreements and Transactions".

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required by this Item is incorporated herein by reference and made a part hereof from the Company's Proxy Statement to Security Holders, dated March 23, 1998, from the material under the heading "Securities Ownership of Management and Certain Other Persons".

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)

(1) and (2)-List of Financial Statements and Financial Statement Schedules.

The following consolidated financial statements of the Company, included in the Annual Report to Security Holders for the year ended December 31, 1997, are incorporated herein by reference from Item 8 and made a part hereof:

Statement of Consolidated Financial Position - December 31, 1997 and 1996
Statement of Consolidated Income - Years ended December 31, 1997, 1996 and 1995
Statement of Consolidated Cash Flows - Years ended December 31, 1997, 1996 and 1995
Statement of Consolidated Shareholders' Equity - Years ended December 31, 1997, 1996 and 1995
Notes to Consolidated Financial Statements

The following consolidated financial statement schedule of the Company is included herein in Item 14(d) and attached as Exhibit 99(a).

Schedule II - Valuation and Qualifying accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) List of Exhibits - Refer to Exhibit Index on pages 18-27 which is incorporated herein by reference.

(b) There were no reports on Form 8-K filed during the three months ended December 31, 1997.

(c) Exhibits listed in Item 14(a)(3) above are included herein.

(d) Financial Statements and Schedule listed above in Item 14(a)(1) and (2) are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 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

By: /s/ John E. Lenhard

John E. Lenhard,
Secretary and Associate General Counsel

Date: March 25, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

Signatures	Title	Date
J. S. Brinzo	President and Chief Executive Officer and Principal Executive Officer and Director	March 25, 1998
C. B. Bezik	Senior Vice President-Finance and Principal Financial Officer	March 25, 1998
R. J. Leroux	Controller and Principal Accounting Officer	March 25, 1998
R. C. Cambre	Director	March 25, 1998
R. S. Colman	Director	March 25, 1998
J. D. Ireland, III	Director	March 25, 1998
G. F. Joklik	Director	March 25, 1998
L. L. Kanuk	Director	March 25, 1998
F. R. McAllister	Director	March 25, 1998
M. T. Moore	Director	March 25, 1998
J. C. Morley	Director and Chairman	March 25, 1998
S. B. Oresman	Director	March 25, 1998
A. Schwartz	Director	March 25, 1998
A. W. Whitehouse	Director	March 25, 1998

By: /s/ John E. Lenhard
(John E. Lenhard, as Attorney-in-Fact)

</TABLE>

Original powers of attorney authorizing John S. Brinzo, Cynthia B. Bezik, Joseph H. Ballway, Jr., and John E. Lenhard and each of them, to sign this Annual Report on Form 10-K and amendments thereto on behalf of the above-named officers and Directors of the Registrant have been filed with the Securities and Exchange Commission.

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number		Pagination by Sequential Numbering System
	Articles of Incorporation and By-Laws of Cleveland-Cliffs Inc	
3(a)	Amended Articles of Incorporation of Cleveland-Cliffs Inc (filed as Exhibit 3(a) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable

3(b)	Regulations of Cleveland-Cliffs Inc (filed as Exhibit 3(b) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
	Instruments defining rights of security holders, including indentures	
4(a)	Form of Common Stock Certificate	Filed Herewith
4(b)	Rights Agreement, dated September 19, 1997, by and between Cleveland-Cliffs Inc and First Chicago Trust Company of New York, as Rights Agent (filed as Exhibit 4.1 to Form 8-K of Cleveland-Cliffs Inc filed on September 19, 1997 and incorporated by reference)	Not Applicable
4(c)	Credit Agreement, dated as of March 1, 1995, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank, as Agent (successor to Chemical Bank) (filed as Exhibit 4(o) to Form 10- K of Cleveland-Cliffs Inc filed on March 27, 1995 and incorporated by reference)	Not Applicable
4(d)	Amendment dated as of July 19, 1996, to the Credit Agreement dated as of March 1, 1995, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank, as Agent (filed as Exhibit 4(a) to Form 10-Q of Cleveland-Cliffs Inc filed on November 13, 1996 and incorporated by reference)	Not Applicable

</TABLE>

<TABLE>

<S>	<C>	<C>
4(e)	Amendment dated as of June 1, 1997, to the Credit Agreement dated as of March 1, 1995, as amended, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank, as Agent (filed as Exhibit 4(a) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
4(f)	Note Agreement, dated as of December 15, 1995, among Cleveland-Cliffs Inc and each of the Purchasers named in Schedule I thereto (filed as Exhibit 4(n) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
	Material Contracts	
10(a) *	Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (as Amended and Restated, effective January 1, 1997), dated April 24, 1997 (filed as Exhibit 10(l) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(b) *	Cleveland-Cliffs Inc Amended and Restated Employment Agreements with certain executive officers, dated as of June 30, 1997 (filed as Exhibit 10(j) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(c) *	Amendment No. 1, dated as of December 31, 1997, to Amended and Restated Employment Agreement of John S. Brinzo	Filed Herewith
10(d) *	Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan, dated as of January 1, 1994 (Summary Description) (filed as Exhibit 10(g) to Form 10-K of Cleveland-Cliffs Inc filed on March 27, 1995 and incorporated by reference)	Not Applicable

</TABLE>

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

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(e)	Instrument of Assignment and Assumption dated as of July 1, 1985, by and between The Cleveland- Cliffs Iron Company and Cleveland-Cliffs Inc (filed as Exhibit 10(i) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(f)	Form of indemnification agreements with Directors (filed as Exhibit 10(j) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(g) *	Cleveland-Cliffs Inc 1987 Incentive Equity Plan, effective as of April 29, 1987 (filed as Exhibit 10(h) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(h) *	Cleveland-Cliffs Inc 1992 Incentive Equity Plan (as Amended and Restated as of May 13, 1997), effective as of May 13, 1997 (filed as Appendix A to Proxy Statement of Cleveland-Cliffs Inc filed on March 24, 1997 and incorporated by reference)	Not Applicable
10(i) *	Form of Nonqualified Stock Option Agreement for Nonemployee Directors	Filed Herewith
10(j) *	Form of Instrument of Amendment of Nonqualified Stock Option Agreements for Nonemployee Directors, dated as of March 17, 1997 (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on May 9, 1997 and incorporated by reference)	Not Applicable
10(k)*	Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors effective as of July 1, 1995 (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on November 13, 1996 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(l) *	Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan and certain employment agreements (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(m) *	Trust Agreement No. 2 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc, the Cleveland-Cliffs Inc Retention Plan for Salaried Employees, and certain employment agreements (filed as Exhibit 10(b) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(n) *	First Amendment to Trust Agreement No. 2 (Amended and Restated effective June 1, 1997), dated July 15, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(c) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(o) *	Trust Agreement No. 4, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Plan for Deferred Payment of Directors' Fees (filed as Exhibit 10(p) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be

filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(p) *	First Amendment to Trust Agreement No. 4, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee and Second Amendment to Trust Agreement No. 4 dated as of March 9, 1992 by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(q) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(q) *	Third Amendment to Trust Agreement No. 4, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(d) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(r) *	Trust Agreement No. 5, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (filed as Exhibit 10(r) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(s)*	First Amendment to Trust Agreement No. 5, dated as of May 12, 1989, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio N.A., Trustee, Second Amendment to Trust Agreement No. 5 dated as of April 9, 1991 by and between Cleveland- Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee and Third Amendment to Trust Agreement No. 5 dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(s) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(t) *	Fourth Amendment to Trust Agreement No. 5, dated November 18, 1994, by and between Cleveland- Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(dd) to Form 10-K of Cleveland-Cliffs Inc filed on March 27, 1995 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(u) *	Fifth Amendment to Trust Agreement No. 5, dated May 23, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(e) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(v) *	Amended and Restated Trust Agreement No. 6, dated as of March 9, 1992, by and between Cleveland- Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to indemnification agreements with directors (filed as Exhibit 10(t) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(w) *	First Amendment to Amended and Restated Trust Agreement No. 6, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(f) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(x) *	Trust Agreement No. 7, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, as amended by First Amendment to Trust Agreement No. 7 by and between Cleveland- Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, (filed as Exhibit 10(u) to Form 10-K of	

	Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(y) *	Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland- Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, (filed as Exhibit 10(ee) to Form 10-K of Cleveland-Cliffs Inc filed on March 27, 1995 and incorporated by reference)	Not Applicable
10(z) *	Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(g) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(aa) *	Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(h) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(bb) *	Trust Agreement No. 8, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors, as amended by First Amendment to Trust Agreement No. 8 by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(v) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1996 and incorporated by reference)	Not Applicable
10(cc) *	Second Amendment to Trust Agreement No. 8, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(i) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(dd) *	Trust Agreement No. 9, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan (filed as Exhibit 10(v) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>	<C>	<C>
10(ee) *	Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan(filed as Exhibit 10(w) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(ff) *	Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc (as Amended and Restated as of February 1, 1997), dated June 26, 1997 (filed as Exhibit 10(k) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(gg) *	Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan, Amended and Restated as of December 1, 1996 (filed as Exhibit 10(z) to Form 10-K of Cleveland-Cliffs Inc filed on March	

		26, 1997 and incorporated by reference)	Not Applicable
10(hh)	*	Cleveland-Cliffs Inc Long-Term Performance Share Program, effective as of March 31, 1994, as amended as of January 13, 1997 (filed as Exhibit 10(n) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(ii)	*	Cleveland-Cliffs Inc Nonemployee Directors Supplemental Compensation Plan, effective as of July 1, 1995 (filed as Exhibit 10(b) to Form 10-Q of Cleveland-Cliffs Inc filed on November 13, 1996 and incorporated by reference)	Not Applicable
10(jj)	*	Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of July 1, 1996 (filed as Appendix A to Proxy Statement of Cleveland-Cliffs Inc filed on March 25, 1996 and incorporated by reference)	Not Applicable
10(kk)	*	First Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of November 12, 1996 (filed as Exhibit 10(dd) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S>		<C>	<C>
10(ll)	*	Second Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of May 13, 1997 (filed as Exhibit 10(m) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(mm)		Stock Purchase Agreement, dated as of September 30, 1994, among Cleveland-Cliffs Inc, Cliffs Minnesota Minerals Company and Cyprus Amax Minerals Company (filed as Exhibit 2 to Form 8-K of Cleveland-Cliffs Inc filed on October 13, 1994 and incorporated by reference, and to which certain portions of which were accorded "Confidential Information" pursuant to order of the Securities and Exchange Commission, dated December 21, 1994)	Not Applicable
13		Selected portions of 1997 Annual Report to Security Holders	
13(a)		Management's Discussion and Analysis of Financial Condition and Results of Operations	Filed Herewith (Page 28-38)
13(b)		Report of Independent Auditors	Filed Herewith (Page 39)
13(c)		Statement of Consolidated Financial Position	Filed Herewith (Page 40-41)
13(d)		Statement of Consolidated Income	Filed Herewith (Page 42)
13(e)		Statement of Consolidated Cash Flows	Filed Herewith (Page 43)
13(f)		Statement of Consolidated Shareholders' Equity	Filed Herewith (Page 44)
13(g)		Notes to Consolidated Financial Statements	Filed Herewith (Page 45-62)
13(h)		Quarterly Results of Operations/Common Share Price Performance and Dividends	Filed Herewith (Page 63)

</TABLE>

- --------

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

<TABLE>

<S> <C> <C>

13(i)	Investor and Corporate Information	Filed Herewith (Page 64)
13(j)	Summary of Financial and Other Statistical Data	Filed Herewith (Page 65-66)
21	Subsidiaries of the registrant	Filed Herewith (Page 67-69)
23	Consent of independent auditors	Filed Herewith (Page 70)
24	Power of Attorney	Filed Herewith (Page 71)
27	Consolidated Financial Data Schedule submitted for Securities and Exchange Commission information	
27.1	December 31, 1997	--
27.2	December 31, 1996	--
27.3	December 31, 1995	--
99	Additional Exhibits	
99(a)	Schedule II - Valuation and Qualifying Accounts	Filed Herewith (Page 72)

</TABLE>

Exhibit 4(a)

COMMON SHARES

THIS CERTIFICATE IS TRANSFERABLE
IN NEW YORK

NUMBER
CU 19992

CUSIP 185896 10 7
SEE REVERSE FOR CERTAIN DEFINITIONS

INCORPORATED UNDER THE LAWS OF THE STATE OF OHIO

CLEVELAND-CLIFFS INC

<TABLE>
<CAPTION>

<S> CERTIFICATE NUMBER	<C> REFERENCE	<C> DATE	<C> SHARES

THIS CERTIFIES THAT

IS THE OWNER OF

</TABLE>

FULLY PAID AND NON-ASSESSABLE COMMON SHARES OF THE PAR VALUE OF ONE DOLLAR EACH
OF

Cleveland-Cliffs Inc, transferable on the books of the Company by the registered holder in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Articles of the Company filed in the office of the Secretary of State of Ohio (copies of which are on file with the Company and with the Transfer Agent) to which the holder by acceptance hereof assents. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

[SHARE CERTIFICATE]

Witness the seal of the Company and the signatures of its duly authorized officers.

/s/ John E. Lenhard — SECRETARY

/s/ John S. Brinzo — PRESIDENT AND CHIEF EXECUTIVE OFFICER

[CLEVELAND-CLIFFS INC OHIO CORPORATE SEAL]
AMERICAN BANK NOTE COMPANY.

COUNTERSIGNED AND REGISTERED:
FIRST CHICAGO TRUST COMPANY OF NEW YORK
TRANSFER AGENT
AND REGISTRAR,
BY /s/ Joseph F Spadaford
AUTHORIZED SIGNATURE

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -as tenants in common

TEN ENT -as tenants by the entireties

JT TEN -as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-____________Custodian______________
(Cust) (Minor)
under Uniform Gifts to Minors

ACT__________________________
(State)

Additional abbreviations may also be used though not in the above list.

CLEVELAND-CLIFFS INC

A COPY OF THE EXPRESS TERMS OF THE SHARES REPRESENTED BY THIS CERTIFICATE AND OF ALL OTHER CLASSES AND SERIES OF SHARES WHICH CLEVELAND-CLIFFS INC IS AUTHORIZED TO ISSUE WILL BE MAILED TO ANY SHAREHOLDER WITHOUT CHARGE WITHIN FIVE DAYS AFTER RECEIPT FROM SUCH SHAREHOLDER OF A WRITTEN REQUEST THEREFOR. SUCH

REQUESTS SHOULD BE ADDRESSED TO THE SECRETARY OF CLEVELAND-CLIFFS INC, 18TH FLOOR, DIAMOND BUILDING, 1100 SUPERIOR AVENUE, CLEVELAND, OHIO 44114-2589

For value received,______________herby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

- --

- --
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE.

- --
____Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint____

- --
Attorney to transfer the said shares on the books of the within-named Company, with full power of substitution in the premises.
Dated,________________________

X ---------------------------------

This Certificate also evidences and entitles the holder hereof to certain Rights as set fourth in a Rights Agreement between Cleveland-Cliffs Inc and First Chicago Trust Company of New York, dated as of September 19, 1997 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of Cleveland-Cliffs Inc. The Rights are not exercisable prior to the occurrence of certain events specified in the Rights Agreement. Under certain circumstances, as set forth in the Rights Agreement, such Rights may be redeemed, may be exchanged, may expire, may be amended, or may be evidenced by separate certificates and will no longer be evidenced by this Certificate. Cleveland-Cliffs Inc will mail to the holder of this Certificate a copy of the Rights Agreement without charge promptly after receipt of a written request therefor. Under certain circumstances, Rights that are or were beneficially owned by an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and any subsequent holder of such Rights may become null and void.

X NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

Exhibit 10(c)

AMENDMENT NO. 1 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amendment No. 1 to the Amended and Restated Employment Agreement ("Agreement"), dated as of December 31, 1997, by and between Cleveland-Cliffs Inc, an Ohio Corporation ("Cleveland-Cliffs"), and John S. Brinzo, Social Security No. , who is currently President and Chief Executive Officer (the "Executive"), amends the Agreement, dated as of June 30, 1997, as follows:

Section 5(a)(i) is amended by restating the last paragraph thereof to read as follows:

For purposes of this Agreement, Average Incentive Pay for any 12-month period shall mean an amount which is the greater of (III) the sum of (aa) the average amount of payments to the Executive under the Management Performance Incentive Plan ("MPIP"), plus (bb) the average value (determined as of the Change of Control) of the target awards granted to the Executive under the Long-Term Performance Share Program ("LTPSP") in each case for the three calendar years immediately prior to the Termination Date, or (IV) the sum of (cc) the amount of the most recent payment to the Executive under the MPIP, plus (dd) the value (determined as of the Change of Control) of the most recent grant to the Executive under the LTPSP; provided, however, that for any Termination Date occurring prior to the payment by Cleveland-Cliffs to Executive of a 100% target bonus under the MPIP for the position of President and Chief Executive Officer, and the grant by the Compensation Committee to Executive of a 100% target performance share grant under the LTPSP for the position of President and Chief Executive Officer, respectively, Average Incentive Pay shall be the sum of (ee) the MPIP bonus target and (ff) the LTPSP target award in each case for the position of President and Chief Executive Officer.

IN WITNESS WHEREOF, Cleveland-Cliffs has caused this Amendment No. 1 to the Agreement to be executed on its behalf by its duly authorized representative and Executive has hereunto set his hand, all as of the date and year first above written.

CLEVELAND-CLIFFS INC

By: /s/ John C. Morley
JOHN C. MORLEY

Its: Chairman, Compensation and Organization Committee

/s/ John S. Brinzo
JOHN S. BRINZO

Exhibit 10 (i)

NONQUALIFIED STOCK OPTION AGREEMENT

FOR

NONEMPLOYEE DIRECTORS

, Optionee

Cleveland-Cliffs Inc (the "Company") pursuant to its 1992 Incentive Equity Plan (the "Plan") has this day granted to you, the above-mentioned optionee, a nonqualified option to purchase 500 shares of the Company's common stock, par value $1 per share ("Common Shares") at the price of $ per share, and agrees to cause certificates for any shares purchased hereunder to be delivered to the Optionee upon payment of the purchase price in full, all subject, however, to the terms and conditions hereinafter set forth.

1. (A) This option (until terminated as hereafter provided) shall become exercisable upon the expiration of a period of 6 months from the date of this Agreement during which the Optionee shall have continuously served as a Director of the Company. To the extent exercisable, this option shall be exercisable in whole at any time or in part from time to time.

(B) If the Optionee should die or become permanently and totally disabled while a Director of the Company, the option covered by this Agreement shall become immediately exercisable in full.

2. The option price shall be payable (a) in cash or by check acceptable to the Company, (b) by actual or constructive transfer to the Company of nonforfeitable, unrestricted Common Shares already owned by the Optionee for more than six (6) months prior to the date of exercise and having a value at the time of exercise equal to the option price, or (c) by combination of such methods of payment.

3. This option shall terminate on the earliest of the following dates:

(A) Three months after the date on which the Optionee ceases to be a Director of the Company (during which period the option shall be exercisable only to the extent exercisable on the date of termination in accordance with the provisions of paragraph 1(A) hereof), unless he or she ceases to be a Director of the Company by reason of death or permanent disability (in which case this option shall be immediately exercisable in full pursuant to paragraph 1(B));

(B) One year after the death of permanent disability of the Optionee if the Optionee dies or becomes permanently disabled while a Director of the Company (in which case this option shall be immediately exercisable in full pursuant to paragraph 1(B)); and

(C) Ten years from the date on which this option was granted.

4. This option is not transferable by the Optionee otherwise than by will or the laws of descent and distribution, and is exercisable, during the lifetime of the Optionee, only by him or her or by his or her guardian or legal representative.

5. This option shall not be exercisable if such exercise would involve a violation of any applicable Federal or state securities law, and the Company hereby agrees to make reasonable efforts to comply with such securities laws. If the Ohio Securities Act shall be applicable to this option, it shall not be exercisable unless under said Act at the time of exercise the Common Shares or other securities purchasable hereunder are exempt, are the subject matter of an exempt transaction, are registered by description or by qualification, or at such time are the subject matter of a transaction which has been registered by description.

6. The Committee of the Board described in Section 16(a) of the Plan (the "Committee") shall make such adjustments in the number or kind of Common Shares or other securities covered by this option as the Committee in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of the rights of the Optionee that otherwise would result from (i) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company or (ii) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete

liquidation of the Company or other distribution of assets, issuance of rights or warrants to purchase securities of the Company, or (iii) any other corporate transaction or event having an effect similar to any of the foregoing.

7. Upon any change in control of the Company, the option granted to the Optionee in this agreement shall become immediately exercisable in full.

For purposes of this grant, the term "change in control" shall mean the occurrence of any in the following events:

(A) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(B) The Company shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial Position of the Company as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors of the Company, the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(C) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

(D) During any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

8. This grant of an option to purchase Common Shares is made pursuant to the Plan, a copy of which is attached hereto. This award is subject to all of the terms and provisions of the Plan, which are incorporated herein by reference.

Dated this   day of   199 .

CLEVELAND-CLIFFS INC

By:

Name:
Title:

Accepted and agreed to:

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

Date:

In 1997, Cleveland-Cliffs earned $54.9 million, or $4.80 per diluted share (following references to per share earnings are "diluted earnings per share" unless stated otherwise) including the effects of a $5.6 million tax credit resulting from settlement of prior years' tax issues, and a $3.2 million after-tax reversal of Savage River closedown obligations. Earnings for the year 1996 were $61.0 million, or $5.23 per share, including a $1.3 million after-tax property damage insurance recovery on a train derailment. Excluding the special items in both years, 1997 earnings were $46.1 million, or $4.03 per share, down $13.6 million, or $1.09 per share, from comparable 1996 earnings of $59.7 million, or $5.12 per share.

<TABLE>
<CAPTION>
Following is a summary of results for the years 1997, 1996 and 1995:

	(In Millions, Except Per Share) 1997	1996	1995
<S>	<C>	<C>	<C>
Net Income Before Special Items and Extraordinary Charge			
- Amount	$ 46.1	$ 59.7	$ 55.4
- Per Share (Basic)	4.05	5.15	4.64
- Per Share (Diluted)	4.03	5.12	4.62
Special Items			
Prior Years' Tax Credit	5.6		12.2
Closedown Accrual Reversal	3.2		
Environmental Reserve			(6.7)
Property Damage Insurance Recovery		1.3	
	8.8	1.3	5.5
Income Before Extraordinary Item			
- Amount	54.9	61.0	60.9
- Per Share (Basic)	4.83	5.26	5.10
- Per Share (Diluted)	4.80	5.23	5.08
Extraordinary Loss on Early Extinguishment of Debt			(3.1)
Net Income			
- Amount	$ 54.9	$ 61.0	$ 57.8
- Per Share (Basic)	$ 4.83	$ 5.26	$ 4.84
- Per Share (Diluted)	$ 4.80	$ 5.23	$ 4.82
Average Number of Shares (In Thousands)			
- Basic	11,371	11,594	11,944
- Diluted	11,456	11,678	11,993

</TABLE>

Earnings per share in 1997, 1996 and 1995 reflect the cumulative favorable effect of repurchasing shares under the Company's stock repurchase program ($.33 per share -1997; $.24 per share - 1996; $.07 per share - 1995). Repurchases in 1997, 1996 and 1995 were 113,100, 495,800 and 284,500 shares, respectively.

1997 VERSUS 1996

Revenues were $455.7 million in 1997, a decrease of $62.4 million from 1996. Revenues from product sales and services in 1997 totaled $391.4 million, a decrease of $60.3 million from 1996, mainly due to the planned termination of Savage River Mines' operations in Australia and lower North American sales volume. North American iron ore sales were 10.4 million tons in 1997 compared to 11.0 million tons in 1996. Savage River Mines' sales in 1997 were .3 million tons as compared to 1.7 million tons in 1996. Royalty and management fee revenue in 1997, including amounts paid by the Company as a participant in the mining ventures, totaled $47.5 million, a decrease of $4.0 million from 1996, mainly due to lower volume.

Net income for the year 1997 was $54.9 million, or $4.80 per share, including two special items: a $5.6 million tax credit resulting from settlement of prior years' tax issues, and a $3.2 million after-tax reversal of Savage River closedown obligations recorded in prior years. Excluding the special items, earnings for 1997 were $46.1 million, or $4.03 per share.

Net income for the year 1996 was $61.0 million, or $5.23 per share, including a $1.3 million after-tax property damage insurance recovery on a train derailment. Earnings for 1996, excluding the special item, were $59.7 million, or $5.12 per share.

The $13.6 million decrease in 1997 earnings, excluding special items, was mainly due to the planned termination of Savage River operations in Australia, lower North American sales volume, and higher mine operating costs, including the effect of the Company's share of the one million ton production cutback at Tilden mine, partly offset by a lower effective tax rate. Savage River earnings in 1997 were $3.1 million versus $12.9 million in 1996. The Australian operation terminated production as planned in December, 1996 and shipped its remaining inventory in the first quarter of 1997.

1996 VERSUS 1995

Revenues were $518.1 million in 1996, an increase of $45.0 million from 1995. Revenues from product sales and services totaled $451.7 million in 1996 compared to $411.2 million in 1995. The $40.5 million increase was due to higher sales volume and higher average price realizations. North American iron ore sales were 11.0 million tons in 1996 compared to 10.4 million tons in 1995. Royalty and management fee revenue in 1996, including amounts paid by the Company as a participant in the mining ventures, totaled $51.5 million, compared to $49.5 million in 1995.

Net income for the year 1996 was $61.0 million, or $5.23 per share, including a $1.3 million after-tax property damage insurance recovery on a train derailment.

Earnings for 1995 were $57.8 million, or $4.82 per share, including an extraordinary after-tax charge of $3.1 million on the early extinguishment of debt as part of a $70 million long-term debt refinancing.

Net income before the extraordinary item for the year 1995 was $60.9 million, or $5.08 per share. Included in 1995 earnings were two special items: a $12.2 million tax credit resulting from the settlement of prior years' tax issues, and a $6.7 million after-tax increase in the reserve for environmental expenditures.

Excluding the special item, 1996 earnings were $59.7 million, or $5.12 per share, an increase of $4.3 million from comparable earnings in 1995 of $55.4 million, or $4.62 per share. The $4.3 million increase in comparable earnings was mainly due to increased North American sales volume and price realizations, higher Australian earnings, a non-recurring $1.8 million after-tax reserve against accounts receivable in 1995 and lower interest expense, partly offset by higher operating costs and a higher effective income tax rate in 1996.

Australian after-tax earnings were $12.9 million, or $1.10 per share in 1996. Comparable earnings in 1995 were $8.5 million, or $.71 per share.

CASH FLOW AND LIQUIDITY

At December 31, 1997, the Company had cash and cash equivalents of $115.9 million. In addition, the full amount of a $100 million unsecured revolving credit facility was available. No principal payments are required to be made on outstanding debt until senior unsecured notes in the amount of $70 million mature in 2005.

In 1997, cash and cash equivalents decreased $49.5 million, primarily due to project investments and capital expenditures, $76.9 million, increased working capital, $32.0 million, dividends, $14.8 million, payments associated with closing Savage River Mines, $11.6 million, and repurchases of common shares, $4.9 million, partially offset by cash flow from operations, $85.9 million.

North American pellet inventory investment at December 31, 1997 was $44.6 million, an increase of $22.8 million from December 31, 1996. The increase was mainly due to lower sales volume (primarily due to certain customers reducing purchases to correct inventories) and increased capacity, partially offset by the Tilden mine production cutback and lower purchased ore.

FOLLOWING IS A SUMMARY OF 1997 CASH FLOW:

	(In Millions)
Project Investments and Capital Expenditures	$(76.9)
Dividends	(14.8)
Savage River Closedown	(11.6)
Repurchases of Common Shares	(4.9)
Cash Flow from Operations:	
Before Changes in Operating Assets and Liabilities	85.9
Changes in Operating Assets and Liabilities	(32.0)
Net Cash From Operations	53.9
Other (net)	4.8
Decrease in Cash and Cash Equivalents	$(49.5)

FOLLOWING IS A SUMMARY OF KEY LIQUIDITY MEASURES:

	At December 31 (In Millions)		
	1997	1996	1995
Cash and Cash Equivalents	$115.9	$165.4	$139.9
Marketable Securities	--	4.0	8.9
Total Cash and Temporary Investments	115.9	169.4	148.8
Long-Term Debt	70.0	70.0	70.0
Net Cash	$ 45.9	$ 99.4	$ 78.8
Working Capital	$174.0	$195.3	$189.2
Ratio of Current Assets to Current Liabilities	2.9:1	2.9:1	2.9:1

Additionally at December 31, 1997, the Company had long-term investments of $8.3 million, consisting of .8 million shares of The LTV Corporation ("LTV") Common Stock.

In 1997, the Company and the Internal Revenue Service reached agreement on several issues raised during the examination of the Company's Federal income tax returns for tax years 1991 and 1992. As a result of the settlement and its related impact on tax years 1993 through 1995, the Company made additional tax and interest payments of $3.3 million and is entitled to tax and interest refunds of $.8 million. Additional cash benefits of the tax settlement will be realized for tax years 1996 and thereafter. A $5.6 million reversal of prior years' tax was recorded.

NORTH AMERICAN IRON ORE

The six North American mines managed by the Company produced 39.6 million tons of iron ore in 1997, a slight decrease from the record production of 39.9 million tons in 1996. The Company's share of the North American production was 10.9 million tons in 1997 versus 10.4 million tons in 1996, which mainly reflects the acquisition of Inland Steel Company's ("Inland") .9 million ton interest in the Company-managed Wabush Mines in Canada, partly offset by the Company's share of the one million ton production cutback at Tilden mine.

Steel industry analysts are projecting a continuation of strong steel demand in the United States and Canada in 1998. As a result, the six North American mines managed by the Company are scheduled to operate at nearly full capacity and produce a record 40.4 million tons of iron ore pellets in 1998. The Company's share of scheduled capacity is a record 11.4 million tons. Production schedules are subject to change during the year.

In January, 1998, Tilden mine experienced a crack in a riding ring on one of its two pelletizing kilns. It is expected that the furnace could be out of service until mid-April, resulting in anticipated 1998 production of 6.7 million tons.

In late 1997, Algoma Steel Company, Inc. ("Algoma") announced that it will close its wholly-owned underground iron ore mine in Canada in June, 1998 and will take additional tonnage from Tilden mine. The Tilden owners (subsidiaries of Algoma 45 percent; Stelco, Inc. 15 percent; and the Company 40 percent) are planning to spend $11 million commencing in 1998 to prepare the mine to be capable of producing 7.8 million tons beginning in 1999.

Over 90 percent of the Company's scheduled production in 1998 is expected to be sold under multi-year sales contracts. The Company's current multi-year contracts expire in various years starting in 1999. Maintenance of present sales volume is dependent on renewal of such contracts and the general iron ore demand level. The Company has demonstrated its ability to sustain sales volume through renewed or new contracts.

During 1997, the Company entered into a new 10-year sales agreement to supply Inland's pellet requirements beyond Inland's 40 percent ownership in the Company-managed Empire mine in Michigan and Inland's wholly-owned Minorca mine in Minnesota. The Company also reached agreement in 1997 to significantly increase its sales to Weirton Steel Corporation through 2002.

Three U.S. iron ore mining operations managed by subsidiaries of the Company are operating under six-year, no strike labor agreements with the United Steelworkers of America. The contracts, which expire August 1, 1999, cover the Empire and Tilden mines in Michigan and the Hibbing mine in Minnesota. Limited economic re-openers were settled in 1996 based on the pattern of steel company labor contract settlements, plus certain features to motivate productivity. The Wabush Mines' labor agreement, effective March 1, 1996, will expire March 1, 1999.

During 1997, the Company received cash of $1.1 million and property in satisfaction of its secured claim resulting from the June 26, 1996 bankruptcy court approved sale of McLouth Steel Products Company's ("McLouth") assets. The Company's total shipments in 1996 were not affected by McLouth's bankruptcy filing or the shutdown of its operations. Although sales to McLouth in 1996 were only .3 million tons prior to shutdown in the first quarter, compared to 1.3 million tons for the full year 1995, sales of remaining available tons in 1996 were made to other customers.

AUSTRALIA

Savage River Mines in Tasmania, Australia which had an annual production capacity of 1.5 million tons of pellets, terminated production in December, 1996 due to exhaustion of the economically recoverable iron ore from surface mining and shipped its remaining inventory in the first quarter of 1997. Savage River contributed $3.1 million to 1997 earnings compared to $12.9 million in 1996.

On March 25, 1997, the remaining assets (including $8.6 million cash) of Savage River Mines and all related environmental and rehabilitation obligations were transferred to the Tasmanian government. The release from these obligations includes not only release from previously identified environmental and rehabilitation obligations but also release from any such obligations that may be asserted in the future, whether presently known or unknown.

Estimated costs associated with the planned closure of Savage River Mines, including estimates of previously agreed environmental and rehabilitation obligations, had been fully provided for in the capacity rationalization reserve. With completion of the transaction with the Tasmanian government, the Company recorded a $3.2 million after-tax ($5.0 million pre-tax) credit in 1997.

CAPITAL INVESTMENT

North American Iron Ore
- -----------------------

The Company and its North American mine partners have substantially increased capital expenditures in recent years to reduce operating costs and satisfy orebody development requirements for maintenance of high production rates. Capital equipment additions and replacements, including equipment acquired through lease, totaled approximately $71.7 million (Company share - $25.8 million) in 1997 for the six Company-managed mines and supporting operations in North America, of which $41.3 million (Company share - $19.9 million) was classified as capital expenditures. Capital additions and replacements, including leased equipment, are projected to total approximately $151.8 million (Company share - $48.9 million) in 1998, with approximately $88.1 million (Company share - $37.6 million) classified as capital expenditures, at the six Company-managed mines and supporting operations in North America.

The Company acquired Inland's 15.1 percent interest in the Wabush Mines iron ore joint venture in Canada for $15.0 million effective January 1, 1997. The acquisition raises the Company's interest in the Company-managed venture to 22.78 percent. Depending on the magnitude of future tonnage, additional payments to Inland may be required, but are not expected to be material in any year.

Reduced Iron
- ------------

The Company's strategy includes extending its business scope to produce and supply reduced iron products primarily to electric arc furnace steelmakers. Reduced iron products contain 90 percent or more iron versus approximately 65 percent for traditional iron ore pellets and are higher quality than most scrap steel feed. The market for reduced iron is relatively small, but is projected to increase at a higher rate than other iron ore products.

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 project documents were executed on May 8, 1996. The venture's participants, through subsidiaries, are Cleveland-Cliffs Inc, 46.5 percent; The LTV Corporation, 46.5 percent; and Lurgi AG of Germany, 7.0 percent. The Company is managing the project, located in Trinidad and Tobago, and will be responsible for sales by the venture company, Cliffs and Associates Limited. Construction and operations planning activities are steadily progressing. The project is estimated to cost $160.0 million of which project capital expenditures are estimated to be $142.5 million, with actual expenditures of $77.0 million and $28.2 million in 1997 and 1996, respectively, and estimated 1998 expenditures of $37.3 million. The Company's share of capital expenditures is estimated to be $66.3 million, of which $35.8 million and $13.1 million were spent in 1997 and 1996, respectively, and $17.4 million is expected to be spent in 1998. No project financing will be

used. The facilities are scheduled to start-up as planned in the fourth quarter of 1998. The plant will operate on a planned start-up curve and is expected to be producing at the design level of 500,000 tons per year by mid-1999.

The Company is examining opportunities for further investment in reduced iron or ferrous metallics projects.

Other
- -----

The Company is seeking international investment opportunities to broaden its scope as an operator of mining and pelletizing, reduced iron or ferrous metallics projects. The Company periodically examines opportunities to increase profitability and strengthen its business position by increasing its ownership of existing iron ore mining ventures.

CAPITALIZATION
- --------------

Long-term debt of the Company consists of $70 million of senior unsecured notes payable to an insurance company group. The notes, placed in December, 1995, bear a fixed interest rate of 7.0 percent and are scheduled to be repaid with a single principal payment in December, 2005. In addition to the senior unsecured notes, the Company's share of mining ventures capital lease obligations at December 31, 1997 was $4.9 million.

The Company also has a $100 million revolving credit agreement. No borrowings are outstanding under this agreement, which was amended in June, 1997 to extend the expiration date by one year to March 1, 2002.

Through December 31, 1997, the Company has purchased 893,400 of its Common Shares at a total cost of $35.2 million (1997 - 113,100 shares, $4.9 million; 1996 - 495,800 shares, $19.5 million; 1995 - 284,500 shares, $10.8 million) or an average price of $39.41 per share under its announced program to repurchase up to 1.5 million Common Shares in the open market or in negotiated transactions. The shares will initially be retained as Treasury Stock.

ACTUARIAL ASSUMPTIONS

As a result of a decrease in long-term interest rates, the Company re-evaluated the interest rates used to calculate its pension and other postretirement benefit ("OPEB") obligations. Financial accounting standards require that the discount rate used to calculate the actuarial present value of such benefits reflect the rate of interest on high-quality fixed income securities. The discount rate used to calculate the Company's pension and OPEB obligations was decreased to 7.25 percent at December 31, 1997 from 7.75 percent at December 31, 1996. The assumed long-term rate of return on pension assets was increased to 9.0 percent at December 31, 1997 from 8.75 percent at December 31, 1996. The Company also increased its assumed long-term rate of return on deposits on life insurance contracts to fund retiree life insurance benefits to 6.5 percent at December 31, 1997 from 6.0 percent at December 31, 1996. The medical cost trend rate assumption used in the calculation of its OPEB obligation reflects medical cost growth of 7.5 percent in 1998, decreasing by .5 percent per year to a growth rate of 5.0 percent in the year 2003 and annually thereafter.

The changes in actuarial assumptions did not affect 1997 financial results; however, in 1998 and subsequent years, the changes are projected to decrease pension and OPEB expense by approximately $.4 million.

The Company makes annual contributions to the plans within income tax deductibility restrictions in accordance with requirements of the Employee Retirement Income Security Act. For Plan Year 1997 (largely funded in calendar year 1998), the Company plans to contribute $2.9 million, including its share of associated companies' funding, a decrease of $.1 million from Plan Year 1996.

COAL INDUSTRY RETIREE HEALTH BENEFITS

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 one-half of one percent of all "assigned beneficiaries." The Company is making premium payments under protest and has contested assignments that it believes were incorrect. Premium payments by the Company were $.8 million ($1.2 million, less a $.4 million refund of contested premiums) in 1997, and $.8 million in 1996. Additionally, in December, 1993, an action was filed by the Trustees of the United Mine Workers of America 1992 Benefit Plan ("Trustees") against the Company demanding the payment of premiums on additional beneficiaries related to two formerly operated joint venture coal mines. The Company has contested the claims on constitutional grounds. An adverse 1997 court decision is being appealed. Monthly premiums are being paid into an escrow account (80 percent by a former joint venture participant and 20 percent by the Company) by joint agreement with the Trustees, pending outcome of the appeal. Company payments in 1997 and 1996 were less than $.1 million. At December 31, 1997, the Company's coal retiree reserve was $9.5 million, of which $.9 million was current. The reserve is reflected at present value, using a discount rate of 7.25 percent. Constitutional and other legal challenges to various provisions of the Benefit Act by other former coal producers are also pending in Federal Courts.

ENVIRONMENTAL COSTS

The Company has a formal code of environmental conduct which promotes environmental protection and restoration. The Company's obligations for known environmental conditions at active mining operations, idle and closed mining operations and other sites have been recognized based on estimates of the cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being most likely, the minimum of the range is accrued in accordance with generally accepted accounting principles. Estimates may change as additional information becomes available. Actual costs incurred may vary from the estimates due to the inherent uncertainties involved. Any potential insurance recoveries have not been reflected in the determination of the financial reserves.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

At December 31, 1997, the Company had a reserve for environmental obligations, including its share of the environmental obligations of associated companies, of $22.7 million ($23.7 million at December 31, 1996), of which $3.3 million was current. During 1997 and 1996, the Company provided $1.4 million and $2.4 million of additional environmental reserves, respectively. The additional environmental provisions reflect the Company's continuing review of estimated investigation and remediation expense at all known sites. Payments in 1997 were $2.4 million (1996 - $1.6 million).

YEAR 2000 TECHNOLOGY

The Company is in the process of identifying and assessing various areas of risk and implementing strategies to resolve the year 2000 technology issue. The year 2000 technology issue results from the inability of computer technology to distinguish between the years 1900 and 2000 because programs were designed to recognize only the last two digits of the year's date. Failure to modify or replace affected technology could result in incorrect recognition of time sensitive data.

A substantial portion of year 2000 information technology compliance will be achieved as a result of the Company's Information Technology Plan ("IT Plan"). The IT Plan, initiated in 1996 to standardize and increase the functionality of the Company's information technology, involves the installation of a mining based year 2000 compliant software suite to replace legacy programs for operations and administrative mainframe systems servicing most domestic locations. In mid-1997, the Company assembled a team, consisting of both internal and external professionals, with responsibility for implementing the IT Plan. Implementation of the IT Plan is estimated to cost approximately $25 million, $17 million of which will be classified as capital expenditures and $8 million charged to operations (Company's share $6.9 million total; $4.6 million capital, $2.3 million operating). During 1997, $3.9 million (Company's share - $1.0 million) was expended with $2.0 million (Company's share $.5 million) charged to operations as incurred. Expenditures in 1996 of $.5 million were funded by the Company and charged to operations. Project completion is expected in the third quarter of 1999. The Company is charging to operations current state assessment, process re-engineering, and training costs associated with the IT Plan. The Company is also either installing or upgrading information technology to improve functionality and achieve year 2000 compliance at remaining sites not covered by the IT Plan.

In addition to the IT Plan, a year 2000 compliance program has been initiated to identify, assess and mitigate the impact of the date change on process control systems, transmission facilities, technical infrastructure, and other systems of the Company and managed ventures. The Company is also communicating with external suppliers and service providers to ensure that they are taking appropriate actions for year 2000 preparedness. The program is in the planning and project management phase. A cost estimate for this program has not yet been developed. Costs of achieving year 2000 compliance are charged to operations as incurred. Completion of this program is targeted for mid-1999. Year 2000 technology compliance is not expected to have a material adverse impact on the operations of the Company.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. In addition to historical information, this report contains forward-looking statements that are subject to risks and uncertainties that could cause future results to differ materially from expected results. Such statements are based on management's beliefs and assumptions made on information currently available to it.

The Company's dominant business is the production and sale of iron ore pellets, which is subject to the cyclical nature of the integrated steel industry. Factors that could cause the Company's actual results to be materially different from projected results include the following:

- Changes in the financial condition of integrated steel company partners and customers;

- Domestic or international economic and political conditions;

- Unanticipated geological conditions or ore processing changes;

- Substantial changes in imports of steel or iron ore;

- Development of alternative steel-making technologies;

- Displacement of integrated steel production by electric furnace production;

- Displacement of steel by competitive materials;

- Energy costs and availability;

- Difficulties or delays in achieving Year 2000 compliance;

- Major equipment failure, availability, and magnitude and duration of repairs;

- Labor contract negotiations;

- Changes in tax laws directly affecting mineral exploration and development;

- Changes in laws, regulations or enforcement practices governing environmental site remediation requirements and the technology available to complete required remediation. Additionally, the impact of inflation, the identification and financial condition of other responsible parties, as well as the number of sites and quantity and type of material to be removed, may significantly 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 North American integrated steel industry has experienced high operating rates in recent years. Most steel company partners and customers of the Company have improved their financial condition due to improved operating results and increased equity capital. However, the integrated steel industry continues to have relatively high fixed costs and obligations.

The improvement in most integrated steel companies' financial positions has reduced the major integrated 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.

Additionally, the Company's projection of construction cost, start-up date and production rate for its reduced iron project could change due to inherent risks such as construction delays, process difficulties, or increased costs.

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.

Exhibit 13(b)

REPORT OF INDEPENDENT AUDITORS

Shareholders and Board of Directors
Cleveland-Cliffs Inc

We have audited the accompanying statement of consolidated financial position of Cleveland-Cliffs Inc and consolidated subsidiaries as of December 31, 1997 and 1996, and the related statements of consolidated income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1997. Our audits also included the financial statement schedule listed in the index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cleveland-Cliffs Inc and consolidated subsidiaries at December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Cleveland, Ohio
February 12, 1998

STATEMENT OF CONSOLIDATED FINANCIAL POSITION Exhibit 13(c)
Cleveland-Cliffs Inc and Consolidated Subsidiaries

<TABLE>
<CAPTION>

	(In Millions) December 31	
	1997	1996
ASSETS		
CURRENT ASSETS		
<S>	<C>	<C>
Cash and cash equivalents	$115.9	$165.4
Marketable securities	--	4.0
	115.9	169.4
Trade accounts receivable (net of allowance, $1.0 in 1997 and $1.1 in 1996)	55.5	53.6
Receivables from associated companies	17.9	16.6
Inventories		
Finished products	45.7	28.7
Work in process	.6	.9
Supplies	15.1	15.4
	61.4	45.0
Deferred income taxes	7.5	4.4
Other	7.6	11.8
TOTAL CURRENT ASSETS	265.8	300.8
PROPERTIES		
Plant and equipment	253.1	249.7
Minerals	19.2	19.6
	272.3	269.3
Allowances for depreciation and depletion	(138.3)	(141.6)
TOTAL PROPERTIES	134.0	127.7
INVESTMENTS IN ASSOCIATED COMPANIES	218.3	161.9
OTHER ASSETS		
Prepaid pensions	40.4	34.8
Long-term investments	8.3	10.8
Deferred charges	9.1	9.3
Deferred income taxes	3.2	11.9
Miscellaneous	15.2	16.5
TOTAL OTHER ASSETS	76.2	83.3
TOTAL ASSETS	$694.3	$673.7

</TABLE>

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
Cleveland-Cliffs Inc and Consolidated Subsidiaries
<TABLE>
<CAPTION>

	(In Millions) December 31	
	1997	1996
LIABILITIES AND SHAREHOLDERS' EQUITY		
<S>	<C>	<C>
CURRENT LIABILITIES		
Trade accounts payable	$ 13.4	$ 11.9
Payables to associated companies	22.6	19.6
Accrued employment costs	21.9	26.5
Accrued expenses	15.7	19.2
State and local taxes payable	10.2	10.4
Income taxes payable	.3	5.3
Reserve for capacity rationalization	4.6	11.1
Other	3.1	1.5
TOTAL CURRENT LIABILITIES	91.8	105.5

LONG-TERM OBLIGATIONS	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	70.1	67.5
RESERVE FOR CAPACITY RATIONALIZATION	8.2	15.5
OTHER LIABILITIES	46.8	44.6
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	69.8	68.8
Retained income	472.1	432.0
Foreign currency translation adjustments	--	.1
Unrealized loss on available for sale securities, net of tax	(2.0)	(1.0)
Cost of 5,519,027 Common Shares in treasury (1996 - 5,458,224 shares)	(146.2)	(142.5)
Unearned compensation	(3.1)	(3.6)
TOTAL SHAREHOLDERS' EQUITY	407.4	370.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$694.3	$673.7

</TABLE>

See notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED INCOME Exhibit 13(d)

Cleveland-Cliffs Inc and Consolidated Subsidiaries

<TABLE>
<CAPTION>

	(In Millions, Except Per Share Amounts) Year Ended December 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
REVENUES			
Product sales and services	$391.4	$451.7	$411.2
Royalties and management fees	47.5	51.5	49.5
Total Operating Revenues	438.9	503.2	460.7
Investment income (securities)	6.3	9.5	9.3
Recovery of excess closedown provision	5.0	--	--
Property damage claim recovery	--	2.0	--
Other income	5.5	3.4	3.1
Total Revenues	455.7	518.1	473.1
COSTS AND EXPENSES			
Cost of goods sold and operating expenses	354.5	392.9	356.4
Administrative, selling and general expenses	17.1	16.7	15.1
Interest expense	2.6	4.6	6.5
Other expenses	8.9	8.4	23.5
Total Costs and Expenses	383.1	422.6	401.5
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	72.6	95.5	71.6
INCOME TAXES	17.7	34.5	10.7
INCOME BEFORE EXTRAORDINARY ITEM	54.9	61.0	60.9
EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT (NET OF TAX BENEFIT, $1.7 MILLION)	--	--	(3.1)
NET INCOME	$ 54.9	$ 61.0	$ 57.8
NET INCOME PER COMMON SHARE			
Basic			
Before Extraordinary Item	$ 4.83	$ 5.26	$ 5.10
Extraordinary Item	--	--	(.26)
Net Income	$ 4.83	$ 5.26	$ 4.84
Diluted			
Before Extraordinary Item	$ 4.80	$ 5.23	$ 5.08
Extraordinary Item	--	--	(.26)
Net Income	$ 4.80	$ 5.23	$ 4.82
AVERAGE NUMBER OF SHARES			
Basic	11.4	11.6	11.9
Diluted	11.5	11.7	12.0

</TABLE>

See notes to consolidated financial statements.

Exhibit 13(e)

STATEMENT OF CONSOLIDATED CASH FLOWS
Cleveland-CLiffs Inc and Consolidated Subsidiaries

(In Millions, Brackets indicate Cash Decrease) Year Ended December 31	1997	1996	1995
OPERATING ACTIVITIES			
Net income	$ 54.9	$61.0	$ 57.8
Adjustments to reconcile net income to net cash from operations:			
Depreciation and amortization:			
Consolidated	6.7	6.6	6.1
Share of associated companies	12.2	11.0	10.7
Provision for deferred income taxes	16.4	10.9	5,5
Tax credit	(5.6)	--	(12.2)
Increase (decrease) in capacity rationalization reserve	(13.8)	(1.1)	.5
Increases to environmental reserve	1.2	2.4	13.2
Extraordinary loss on debt extinguishment	--	--	4.8
Other	2.3	(1.2)	(1.7)
Total before changes in operating assets and liabilities	74.3	89.6	84.7
Changes in operating assets and liabilities:			
Marketable securities	--	(4.0)	--
Inventories and prepaid expenses	(13.3)	11.3	(15.7)
Receivables	(3.2)	(8.4)	3.9
Payables and accrued expenses	(15.5)	(.9)	(6.8)
Total changes in operating assets and liabilities	(32.0)	(2.0)	(18.6)
Net cash from operating activities	42.3	87.6	66.1
INVESTING ACTIVITIES			
Purchase of property, plant and equipment:			
Consolidated	(14.1)	(16.5)	(16.6)
Share of associated companies	(47.8)	(20.2)	(5.9)
Purchase of Wabush interest	(15.0)	--	--
Sale of long-term investments	.8	4.0	8.8
Sale of marketable securities	4.0	--	--
Other	.1	.4	(4.4)
Net cash (used by) investing activities	(72.0)	(32.3)	(18.1)
FINANCING ACTIVITIES			
Dividends	(14.8)	(15.1)	(15.5)
Repurchases of Common Share	(4.9)	(19.5)	(10.8)
Principal payments on long-term debt:			
Consolidated	--	--	(75.0)
Share of associated companies	--	(3.9)	(4.3)
Debt prepayment fees	--	--	(4.8)
Proceeds from long-term debt	--	--	70.0
Other	--	--	.4
Net cash (used by) financing activities	(19.7)	(38.5)	(40.0)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(.1)	(.2)	(.6)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49.5)	16.6	7.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	165.4	148.8	141.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	$115.9	$165.4	$148.8
Taxes paid on income	$ 17.1	$ 20.6	$ 29.0
Interest paid on debt obligations	$ 4.9	$ 4.9	$ 7.2

See notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY Exhibit 13(f)
Cleveland-Cliffs Inc and Consolidated Subsidiaries

<TABLE>
<CAPTION>

(In Millions)

	Common Shares	Capital In Excess of Par Value Of Shares	Retained Income	Foreign Currency Translation Adjustments	Available For Sale Securities	Common Shares In Treasury	Unearned Compensation	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE December 31, 1994	$ 16.8	$ 63.1	$343.8	$ .9	$ 1.5	$(113.4)	$ (1.3)	$311.4
Net income			57.8					57.8
Cash dividends - $1.30 a share			(15.5)					(15.5)
Change in unrealized gains, net of tax					(1.4)			(1.4)
Stock plans								
Restricted stock/stock options						.3		.3
Performance shares		2.1					(.8)	1.3
Repurchases of Common Shares						(10.8)		(10.8)
Other				(.6)		.1		(.5)
BALANCE December 31, 1995	16.8	65.2	386.1	.3	.1	(123.8)	(2.1)	342.6
Net income			61.0					61.0
Cash dividends - $1.30 a share			(15.1)					(15.1)
Change in unrealized gains, net of tax					(1.1)			(1.1)
Stock plans								
Restricted stock/stock options		.4				.8	(1.1)	.1
Performance shares		3.2					(.4)	2.8
Repurchases of Common Shares						(19.5)		(19.5)
Other				(.2)				(.2)
BALANCE December 31, 1996	16.8	68.8	432.0	.1	(1.0)	(142.5)	(3.6)	370.6
Net income			54.9					54.9
Cash dividends - $1.30 a share			(14.8)					(14.8)
Change in unrealized gains, net of tax					(1.0)			(1.0)
Stock plans								
Restricted stock/stock options		.2				.4	(.5)	.1
Performance shares		.8				.7	1.0	2.5
Repurchases of Common Shares						(4.9)		(4.9)
Other				(.1)		.1		

BALANCE December 31, 1997	$ 16.8	$ 69.8	$472.1	$ --	$ (2.0)	$(146.2)	$ (3.1)	$407.4
	======	======	======	=====	======	=======	======	======

</TABLE>

See notes to consolidated financial statements.

ACCOUNTING POLICIES

BASIS OF CONSOLIDATION: The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries, and references to the "Company" include the Company and consolidated subsidiaries. "Investments in Associated Companies" are comprised of partnerships and unconsolidated companies ("ventures") which the Company does not control. Such investments are accounted by the equity method and include, where appropriate, capitalized interest incurred during the construction phase of qualifying assets (see Note B). The Company's share of earnings of mining partnerships and companies from which the Company purchases iron ore production is credited to "Cost of Goods Sold and Operating Expenses" upon sale of the product. Pre-operating expenses incurred during construction of the Trinidad reduced iron project are charged to "Other Expenses" as incurred.

BUSINESS: The Company's dominant business is the production and sale of iron ore pellets to integrated steel companies. The Company controls, develops, and leases reserves to mine owners; manages and owns interests in mines; sells iron ore; and owns interests in ancillary companies providing services to the mines. Iron ore production activities are conducted in the United States and Canada.

Iron ore is marketed in North America and Europe. The three largest steel company customers' contribution to the Company's revenues were 20 percent, 13 percent and 10 percent in 1997; 15 percent, 12 percent and 11 percent in 1996; and 17 percent, 11 percent and 10 percent in 1995.

The Company also has an equity interest in an international joint venture, located in Trinidad and Tobago, to produce and market reduced iron briquettes. The venture is under construction and is scheduled to start-up, as planned, in the fourth quarter 1998. (See Note B - Reduced Iron.)

The Australian Savage River Mines operation terminated production, as planned, in December, 1996 and shipped its remaining inventory during the first quarter of 1997. The wholly-owned Australian operations had total revenues and pre-tax operating profit of $10.9 million and $4.6 million, $58.4 million and $20.2 million, and $47.2 million and $12.9 million, in 1997, 1996 and 1995, respectively. Total consolidated Australian assets were $24.9 million at December 31, 1996 (none at December 31, 1997).

On March 25, 1997, the remaining assets (including $8.6 million cash) of Savage River Mines and all related environmental and rehabilitation obligations were transferred to the Tasmanian government. As a result of completion of the transaction, the Company recorded a $3.2 million after-tax ($5.0 million pre-tax) reversal of Savage River closedown obligations recorded in prior years.

REVENUE RECOGNITION: Revenue is recognized on sales of products when title has transferred and on services when services have been performed.

Royalty revenue from the Company's share of ventures' production is recognized when the product is sold. Royalty revenue from ventures' other participants is recognized on production.

BUSINESS RISK: The North American steel industry experienced high operating rates and generally positive financial results in 1997, 1996 and 1995. The Company's integrated steel company partners and customers have generally improved their financial condition over the three-year period as a result of continued earnings and increased equity capital.

In recent years, the improvement in most steel companies' financial positions has significantly reduced the major business risk faced by the Company, i.e., the potential financial failure and shutdown of significant customers or partners with a resulting unmitigated loss of ore sales or royalty and management fee income.

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, unmitigated 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.

McLouth Steel Products Company ("McLouth"), previously a significant customer, ceased operations on March 15, 1996 after filing for protection under the U.S.

Bankruptcy Code on September 29, 1995. Although sales to McLouth in 1996 were only .3 million tons prior to shutdown in the first quarter, compared to 1.3 million tons for the full year 1995, sales of remaining available tons were made to other customers. During 1997, the Company received cash of $1.1 million and property in satisfaction of its secured claim resulting from the June 26, 1996 bankruptcy court approved sale of McLouth's assets.

USE OF ESTIMATES: 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 estimated.

CASH EQUIVALENTS: The Company considers investments in highly liquid debt instruments with an initial maturity of three months or less, or with put options exercisable in three months or less, to be cash equivalents (see Note A - Accounting Policy and Disclosure Changes).

INVESTMENTS: The Company determines the appropriate classification of debt and equity securities at the time of purchase and reevaluates such designation as of each financial statement date. Securities are classified as held-to-maturity when the Company has the intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at cost and investment income is included in earnings. Certain highly liquid securities are classified as trading securities, and are stated at fair value with unrealized holding gains and losses included in income. Securities that are not classified as held-to-maturity or trading are classified as available-for-sale. Available-for-sale securities are carried at fair value, with the unrealized holding gains and losses, net of tax, reported as a separate component of shareholders' equity.

DERIVATIVE FINANCIAL INSTRUMENTS: The Company does not engage in acquiring or issuing derivative financial instruments for trading purposes. Derivative financial instruments, in the form of forward currency exchange contracts, are used by the Company to manage foreign exchange risks. These forward exchange contracts are hedging transactions that have been entered into with the objective of managing the risk of exchange rate fluctuations with respect to the ordinary local currency obligations of the Company's operations. Gains and losses are recognized in the same period as the hedged transaction.

INVENTORIES: Product inventories, primarily finished products, are stated at the lower of cost or market. The cost of product inventories is determined using the last-in, first-out ("LIFO") method. The excess of current cost over LIFO cost of product inventories was $2.9 million at December 31, 1997 and 1996. The cost of other inventories is determined by the average cost method.

PROPERTIES: Properties are stated at cost. Depreciation of plant and equipment is computed principally by the straight-line method based on estimated useful lives, not to exceed the life of the operating unit, and is not reduced when operating units are temporarily idled. Depreciation on buildings, mining and processing equipment is provided over the following estimated useful lives:

Buildings	45 Years
Mining Equipment	10-20 Years
Processing Equipment	15-45 Years

Depletion of mineral lands is computed using the units of production method based upon proven mineral reserves.

ENVIRONMENTAL REMEDIATION COSTS: The Company accrues environmental remediation obligations when the obligations are probable and can be reasonably estimated. Costs of future expenditures are not discounted to their present value. Recoveries from insurance companies or other parties are not recognized until they become probable.

STOCK COMPENSATION: The Company applies the provisions of the Accounting Principles Board Opinion No. 25 ("APB 25") and related Interpretations in accounting for its stock option plans. Accordingly, compensation expense is not recognized for stock options when the stock option price at the grant date is equal to or greater than the fair market value of the stock at that date.

EXPLORATION, RESEARCH AND DEVELOPMENT COSTS: Exploration, research and continuing development costs of mining properties are charged to operations as incurred. Development costs which benefit extended periods are deferred and amortized over the period of benefit. At December 31, 1997, deferred development costs were less than $.5 million.

INCOME PER COMMON SHARE: Basic income per common share is based on the average number of common shares outstanding during each period. Diluted income per common share is based on the average number of common shares outstanding during each period, adjusted for the effect of outstanding stock options, restricted stock and performance shares.

RECLASSIFICATIONS: Certain prior year amounts have been reclassified to conform to current year classifications.

NOTE A - ACCOUNTING POLICY AND DISCLOSURE CHANGES

In June, 1997, the Company redefined its accounting policy for cash equivalents to include highly liquid debt instruments with a put option. Included in cash equivalents at December 31, 1997 are $4.9 million ($13.1 million at December 31, 1996 - reclassified) variable rate demand notes. These investments are revalued every seven days and can be put with seven days notice. The notes are guaranteed by letters of credit from highly rated financial institutions. The carrying value of these instruments approximates fair value on the reporting dates.

In October, 1996, Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 96-1, "Environmental Remediation Liabilities," the purpose of which is to improve the manner in which existing authoritative accounting literature is applied in recognizing, measuring and disclosing environmental remediation liabilities. The adoption of this statement in the first quarter of 1997 did not have a significant effect on the Company's consolidated financial statements.

In February, 1997, the Financial Accounting Standards Board ("FASB") issued Statement 128, "Earnings per Share," which simplifies the standards for computing earnings per share and makes them comparable to international standards. Under the new requirements, basic earnings per share approximates previously reported earnings per share, and diluted earnings per share takes into account the effect on average common shares of stock options, restricted stock and performance shares. The statement was adopted in December, 1997 and earnings per share for all prior periods presented have been restated.

In June, 1997, the FASB issued Statement 130, "Reporting Comprehensive Income," which establishes standards for the reporting and display of comprehensive income and its components in a full set of financial statements. The standard is effective for years beginning after December 15, 1997. Management is evaluating disclosure alternatives of this statement.

In June, 1997, the FASB issued Statement 131, "Disclosures About Segments of an Enterprise and Related Information." This Statement, effective for years beginning after December 15, 1997, changes the way that segment information is defined and reported in annual and interim financial statements. Under current accounting standards, the Company's operations are considered to be a single reportable segment. Management is evaluating the new standard and has not yet determined what effect, if any, it may have on future disclosure.

NOTE B - INVESTMENTS IN ASSOCIATED COMPANIES

NORTH AMERICAN IRON ORE
- ----------------------

The Company's investments in the ventures are accounted by the equity method and consist of its 40 percent interest in Tilden Mining Company L.C. ("Tilden"), 22.5625 percent interest in Empire Iron Mining Partnership ("Empire"), 15 percent interest in Hibbing Taconite Company ("Hibbing"), and 22.78 percent (7.69 percent in 1996 and 1995) interest in Wabush Mines ("Wabush"). These ventures are managed by the Company in North America. The other interests are owned by U.S. and Canadian integrated steel companies.

Following is a summary of combined financial information of the operating ventures:

<TABLE>

<CAPTION>

	(In Millions) 1997	1996	1995
INCOME			
Gross revenue	$1,027.0	$1,043.7	$1,025.9
Equity income	111.1	121.0	143.3
FINANCIAL POSITION			
Properties - net	$ 713.8	$ 745.6	$ 761.5
Other assets	173.9	163.4	138.6
Debt obligations	--	--	(22.5)
Other liabilities	(217.7)	(204.9)	(163.9)
Net assets	$ 670.0	$ 704.1	$ 713.7
Company's equity in underlying net assets	$ 196.7	$ 189.2	$ 195.7
Company's investment	$ 160.8	$ 147.5	$ 152.0

</TABLE>

The Company manages and operates all of the ventures and leases or subleases mineral rights to certain ventures. In addition, the Company is required to purchase its applicable current share, as defined, of the production decided by the venture participants. The Company purchased $243.3 million in 1997 (1996-$228.0 million; 1995-$217.8 million) of iron ore from certain ventures. During 1997, the Company earned royalties and management fees of $47.5 million (1996-$51.5 million; 1995-$49.5 million) from ventures, of which $11.8 million in 1997 (1996-$14.4 million; 1995-$13.7 million) was the Company's share as a participant in the ventures. The payments made by the Company, as a participant in the ventures, are reflected in royalties and management fees revenue and cost of goods sold upon the sale of the product.

Costs and expenses incurred by the Company, on behalf of the ventures, are charged to such ventures in accordance with management and operating agreements. The Company's equity in the income of the ventures is credited to the cost of goods sold and includes the amortization to income of the difference of the Company's equity in the underlying net assets and its investment on the straight-line method based on the useful lives of the underlying assets. The difference between the Company's equity in underlying net assets and recorded investment results from the assumption of interests from former participants in the ventures, acquisitions, and reorganizations. The Company's equity in the income of ventures was $23.1 million in 1997 (1996-$24.1 million; 1995-$24.3 million).

The Company acquired Inland Steel Company's ("Inland") 15.1 percent interest in the Wabush Mines iron ore joint venture in Canada for $15.0 million effective January 1, 1997. The acquisition raises the Company's interest in the Company-managed venture to 22.78 percent. Depending on the magnitude of future tonnage, additional payments to Inland may be required, but are not expected to be material in any year.

The Company's effectively serviced share of long-term obligations of ventures, including the current portion, was $4.9 million as of December 31, 1997 (1996-$2.9 million), principally capitalized leases.

REDUCED IRON
- ------------

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 project documents were executed on May 8, 1996. The venture's participants, through subsidiaries, are the Company, 46.5 percent; The LTV Corporation ("LTV"), 46.5 percent; and Lurgi AG of Germany, 7 percent. The Company manages the project, located in Trinidad and Tobago, and will be responsible for sales by the venture company, Cliffs and Associates Limited. The total project is estimated to cost $160.0 million of which project capital expenditures are estimated to be $142.5 million, with actual expenditures of $77.0 million and $28.2 million in 1997 and 1996, respectively, and estimated 1998 expenditures of $37.3 million. The Company's share of capital expenditures is estimated to be $66.3 million, of which $35.8 million was spent in 1997, $13.1 million in 1996 and $17.4 million is expected to be spent in 1998. No project financing will be used. The facilities are scheduled to start-up, as planned, in the fourth quarter of 1998.

The Company's investment in the venture is accounted by the equity method. The investment at December 31, 1997 was $57.5 million ($14.4 million at December 31, 1996) and includes capitalized interest on qualifying assets of $2.6 million ($.3 million - 1996). A pre-operating loss of $1.5 million in 1997 (none in 1996) resulting from cost incurred during the construction period has been included in other expenses.

NOTE C - INVESTMENTS

Following is a summary of investment securities:

<TABLE>
<CAPTION>

	(In Millions)		
	Cost	Gross Unrealized (Losses)	Estimated Fair Value
<S>	<C>	<C>	<C>
December 31, 1997			
Long-Term Investments			
Available-for-Sale			
LTV Common Stock	$11.5	$(3.2)	$ 8.3
December 31, 1996*			
Long-Term Investments			
Available-for-Sale			
LTV Common Stock	$11.5	$(1.5)	$10.0
Held-to-Maturity			
Australian Government Securities	.8	--	.8
Total Long-Term Investments	$12.3	$(1.5)	$10.8
Marketable Securities			
Debt Instruments			
Available-for-Sale	$ 4.0	$ --	$ 4.0

</TABLE>

* Reclassified - see Note A - Accounting Policy and Disclosure Changes.

In 1997 and 1996, $.8 million and $3.8 million of Australian government securities, respectively, matured and were converted to cash and cash equivalents. The redemption of these investments, previously classified as held-to-maturity securities, did not result in the recognition of a gain or loss.

NOTE D - RESERVE FOR CAPACITY RATIONALIZATION

The Company initially established a reserve of $70 million in 1983 to provide for expected costs of reorienting its mining joint ventures and facilities to adjust to changed market conditions. During 1990, the Company increased the reserve by $24.7 million as a result of a restructuring of Savage River Mines under which the previous participants in the venture paid $19.0 million to the Company for closedown obligations. In 1997, $13.8 million was charged to the reserve including a $5.0 million recovery of closedown provision for Savage River Mines. During 1996, $1.1 million was charged to the reserve, and during

1995, $.5 million was credited to the reserve. The balance principally for the permanent shutdown of the Republic Mine, at December 31, 1997 was $19.9 million, with $7.1 million classified as a reduction of other current assets. The Republic Mine shutdown was announced on January 30, 1996. Site expenditures are expected to be completed by 2002.

NOTE E - ENVIRONMENTAL RESERVES

The Company has a formal code of environmental conduct which promotes environmental protection and restoration. The Company's obligations for known environmental problems at active mining operations, idle and closed mining operations and other sites have been recognized based on estimates of the cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being most likely, the minimum of the range is accrued in accordance with generally accepted accounting principles. Estimates may change as additional information becomes available. Actual costs incurred may vary from the estimates due to the inherent uncertainties involved. Any potential insurance recoveries have not been reflected in the determination of the financial reserves.

The Company provided $1.4 million and $2.4 million of additional environmental reserves in 1997 and 1996, respectively. The additional environmental provisions reflect the Company's continuing review of estimated investigation and remediation expense at all known sites. Payments in 1997 were $2.4 million (1996 - - $1.6 million).

At December 31, 1997, the Company had an environmental reserve of $22.7 million ($23.7 million at December 31, 1996), of which $3.3 million was classified as current. The reserve includes the Company's obligations related to:

- Federal and State Superfund and Clean Water Act sites where the Company is named as a potentially responsible party, including Cliffs-Dow and Kipling sites in Michigan and the Rio Tinto mine site in Nevada, all of which sites are independent of the Company's iron mining operations. The reserves are based on engineering studies prepared by outside consultants engaged by the potentially responsible parties. The Company continues to evaluate the recommendations of the studies and other means for site clean-up. Significant site clean-up activities have taken place at Cliffs-Dow and Rio Tinto.

- Wholly-owned active and idle operations, including Northshore mine and Silver Bay power plant in Minnesota. The Northshore/Silver Bay reserve is based on an environmental investigation conducted by the Company and an outside consultant in connection with the 1994 acquisition.

- Other sites, including former operations, for which reserves are based on the Company's estimated cost of investigation and remediation of sites where expenditures may be incurred.

NOTE F - LONG-TERM OBLIGATIONS

Long-term debt of the Company consists of $70 million of senior unsecured notes payable to an insurance company group. The proceeds from these notes were used to retire existing notes held by another group of insurance companies in December, 1995. The current notes, due in December, 2005, have a fixed interest rate of 7.0 percent and replaced notes which had an average interest rate of 8.77 percent. The retiring of the notes resulted in an extraordinary charge of $3.1 million after-tax ($4.8 million before-tax) in 1995. The senior unsecured note agreement requires the Company to meet certain covenants related to net worth ($229.1 million at December 31, 1997), leverage, and other provisions. The Company was in compliance with the debt covenants at December 31, 1997.

The Company's $100 million revolving credit agreement was amended in June, 1997 to extend the expiration date by one year to March 1, 2002, and to reduce interest rates and fees. No borrowings are outstanding under this agreement. Additionally, the Company, including its share of the ventures, has outstanding $5.2 million of unsecured letters of credit.

NOTE G - LEASE OBLIGATIONS

The Company and its managed ventures lease certain mining, production, data processing and other equipment under operating leases. The Company's operating lease expense, including its share of the ventures, was $8.7 million in 1997, $7.6 million in 1996 and $6.9 million in 1995.

The Company's share of properties of the Company's managed ventures at December 31, 1997 and 1996 included $8.0 million and $4.5 million, respectively, of production equipment and service vehicles acquired under capital leases. The Company's share of accumulated amortization of capital leases included in respective allowances for depreciation, was $3.3 million and $2.0 million at December 31, 1997 and 1996, respectively.

The Company's share of future minimum payments under capital leases and noncancellable operating leases at December 31, 1997 was:

Year Ending December 31	Capital Leases (In Millions)	Operating Leases (In Millions)
1998	$1.7	$ 9.0
1999	1.5	8.1
2000	1.4	7.0
2001	.9	5.5
2002	.5	3.7
2003 and thereafter	.4	6.8
Total minimum lease payments	6.4	$40.1
Amounts representing interest	1.1	
Present value of net minimum lease payments	$5.3	

The Company's share of ventures lease obligations are largely non-recourse to the Company.

NOTE H - RETIREMENT BENEFITS

Pensions

The Company and its managed ventures sponsor defined benefit pension plans covering substantially all employees. The plans are noncontributory and benefits generally are based on employees' years of service and average earnings for a defined period prior to retirement.

Components of the pension cost (credit), including the Company's proportionate share of the costs of ventures, were as follows:

(In Millions)	1997	1996	1995
Service cost	$ 3.6	$ 3.8	$ 3.4
Interest cost	13.7	13.2	15.3
Actual (return) on plan assets	(40.2)	(32.4)	(42.6)
Net amortization and deferral	20.5	14.4	22.7
Total pension cost (credit)	$ (2.4)	$ (1.0)	$ (1.2)

Most of the Company's pension funds are held in diversified collective trusts with the funds contributed by participants in the ventures. Plan assets principally include diversified marketable equity securities and corporate and government debt securities, which are selected by professional asset managers.

The following table presents a reconciliation of the funded status of the Company's plans, including its proportionate share of the plans of ventures, at December 31, 1997 and 1996:

	(In Millions) 1997	1996
Plan assets at fair value	$ 270.6	$ 247.9
Actuarial present value of benefit obligation:		
Vested benefits	161.1	152.1
Nonvested benefits	20.3	21.5
Accumulated benefit obligation	181.4	173.6
Effect of projected compensation levels	14.8	14.0
Projected benefit obligation	196.2	187.6
Plan assets in excess of projected benefit obligation	74.4	60.3
Unrecognized prior service costs	5.7	7.0
Unrecognized net asset at date of adoption of FAS 87, net of amortization	(21.2)	(23.7)
Unrecognized net (gain)	(24.6)	(14.1)
Prepaid cost	$ 34.3	$ 29.5

At December 31, 1997 and 1996, the Company recorded an intangible asset and an additional liability of $1.5 million and $2.3 million, respectively, for certain plans where the fair value of plan assets was less than the accumulated benefit obligation.

The discount rate and weighted average rate of increase in compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.25 percent and 4.29 percent at December 31, 1997 (7.75 percent and 4.30 percent at December 31, 1996), respectively. The expected long-term rate of return assumption utilized for determining pension cost (credit) for the years 1997, 1996 and 1995 was 8.75 percent, 8.75 percent and 8.5 percent, respectively. The assumption was increased to 9.0 percent on December 31, 1997 for year 1998 pension cost (credit) determination.

The Company makes annual contributions to the plans within income tax deductibility restrictions in accordance with the requirements of the Employee Retirement Income Security Act of 1974. For Plan Year 1997 (largely funded in calendar year 1998), the Company plans to contribute $2.9 million, including its share of ventures' funding, a decrease of $.1 million from Plan Year 1996. In the event of plan termination, the sponsors could be required to fund shutdown and early retirement obligations which are not included in the accumulated benefit obligation.

Other Postretirement Benefits ("OPEB")

In addition to the Company's defined benefit pension plans, the Company and its managed ventures currently provide retirement health care and life insurance benefits to most full-time employees who meet certain length of service and age requirements (a portion of which are pursuant to collective bargaining agreements). These benefits are provided through programs administered by insurance companies whose charges are based on the benefits paid during the year. If such benefits are continued, most active employees would become eligible for these benefits when they retire.

The following table presents a reconciliation of the funded status of the Company's OPEB obligations, including its proportionate share of the obligations of ventures, at December 31, 1997 and 1996:

<TABLE>

<CAPTION>

	(In Millions) 1997	1996
Accumulated postretirement benefit obligation:		
Retirees	$ 55.9	$ 54.6
Fully eligible active plan participants	9.3	6.2
Other active plan participants	23.2	20.7
Total obligation	88.4	81.5
Plan assets	(17.3)	(14.3)
Accumulated postretirement benefit cost obligation in excess of plan assets	71.1	67.2
Unrecognized prior service (cost)	(.7)	(.1)
Unrecognized gain	3.6	6.5
Accrued postretirement benefit cost	$ 74.0	$ 73.6

</TABLE>

Net periodic postretirement benefit cost, including the Company's proportionate share of the costs of ventures, includes the following components:

<TABLE>
<CAPTION>

	(In Millions) 1997	1996	1995
Service cost	$ 1.3	$ 1.3	$ 1.2
Interest cost	6.2	5.9	5.8
Return on plan assets	(1.0)	(.9)	(.6)
Net amortization and deferral	--	--	(.4)
Net periodic postretirement benefit cost	$ 6.5	$ 6.3	$ 6.0

</TABLE>

The Company's medical cost trend rate assumption reflects projected medical cost growth of 7.5 percent in 1998, decreasing by .5 percent per year to a growth rate of 5 percent for the year 2003 and annually thereafter. The medical cost trend rate assumption has a significant effect on the amounts reported. For example, changing the assumed medical cost trend rate by one percentage point in each year would change the accumulated postretirement benefit obligation, as of December 31, 1997 by $13.1 million, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for 1997 by $1.2 million. Amounts include the Company's proportionate share of the costs of ventures.

Plan assets include deposits relating to funded life insurance contracts that are available to fund retired employees' life insurance obligations. Additionally, as part of the 1993 labor contracts at Empire, Hibbing, and Tilden, Voluntary Employee Benefit Association Trusts ("VEBAs") were established. Funding of the VEBAs began in 1994 to cover a portion of the postretirement benefit obligations of these ventures. As a participant, the Company's minimum annual contribution is $.7 million per year. The Company's estimated actual contribution will approximate $1.5 million per year based on its share of tons produced. The discount rate used in determining the accumulated postretirement benefit obligation was 7.25 percent at December 31, 1997 (7.75 percent and 7.25 percent at December 31, 1996 and 1995, respectively). The expected long-term rate of return on life insurance contract deposits was increased to 6.5 percent at December 31, 1997, from 6.0 percent at December 31, 1996. The expected return on VEBAs was increased to 8.0 percent at December 31, 1997 from 7.75 percent at December 31, 1996.

NOTE I - INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities as of December 31, 1997 and 1996 are as follows:

	(In Millions) 1997	1996
Deferred tax assets:		
Postretirement benefits other than pensions	$22.3	$21.2
Other liabilities	14.7	18.8
Reserve for capacity rationalization	8.0	8.2
Deferred development	--	8.0
Product inventories	4.2	1.9
Other	2.4	4.5
Total deferred tax assets	51.6	62.6
Deferred tax liabilities:		
Investment in ventures	23.0	25.2
Other	17.9	21.1
Total deferred tax liabilities	40.9	46.3
Net deferred tax assets	$10.7	$16.3

The components of provisions for income taxes before the extraordinary item are as follows:

	(In Millions) 1997	1996	1995
Current	$11.9	$23.6	$11.9
Deferred	5.8	10.9	(1.2)
	$17.7	$34.5	$10.7

In 1997, the Company and the Internal Revenue Service reached agreement settling issues raised during the examination of the Company's federal income tax returns for the tax years 1991 and 1992. As a result of the settlement and its related impact on the tax years 1993 through 1995, the Company made additional tax and interest payments of $3.3 million and is entitled to tax and interest refunds of $.8 million. Additionally, a reversal of prior years' tax accruals of $5.6 million was recorded.

In 1995, a tax settlement was reached resolving audit issues previously arising from the Company's restructuring program in the late 1980s. The settlement resulted in the Company making additional tax and interest payments of $11.8 million, recording a tax credit of $12.2 million in 1995, and entitling the Company to refunds of $5.3 million in subsequent years.

The provision for income taxes included Australian federal income taxes of $2.1 million, $7.5 million, and $3.7 million for the years 1997, 1996 and 1995, respectively.

The reconciliation of effective income tax rate before the extraordinary item and United States statutory rate is as follows:

	1997	1996	1995
Statutory tax rate	35.0%	35.0%	35.0%

Increase (decrease) due to:			
Percentage depletion in excess of cost depletion	(5.8)	(5.9)	(7.8)
Effect of foreign taxes	3.0	5.3	1.7
Prior years' tax adjustment	(10.0)	(.2)	(15.2)
Other items - net	2.2	2.0	1.3
Effective tax rate	24.4%	36.2%	15.0%

</TABLE>

Prior years' tax adjustments in 1997 and 1995 include the effects of the $5.6 million and $12.2 million tax credits, respectively.

NOTE J - FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of the Company's financial instruments at December 31, 1997 were as follows:

<TABLE>
<CAPTION>

	(In Millions)	
	Carrying Amount	Fair Value
Cash and cash equivalents	$115.9	$115.9
Long-term investments	8.3	8.3
Long-term debt	70.0	70.7

</TABLE>

The fair value of the Company's long-term debt was determined based on a discounted cash flow analysis and estimated borrowing rates.

The Company had $22.0 million and $7.1 million of Canadian forward currency exchange contracts at December 31, 1997 and 1996, respectively, and $2.7 million at December 31, 1996 (none in 1997) of Australian forward currency exchange contracts. The fair value of the Canadian currency exchange contracts, which have varying maturity dates to December 1, 1998, was estimated to be $21.3 million, based on the December 31, 1997 forward rates.

NOTE K - STOCK PLANS

The 1987 Incentive Equity Plan authorized 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 750,000 Common Shares (plus an additional 89,045 Common Shares reserved for issuance, but not issued, under the Company's 1979 Restricted Stock Plan). During the term of the Plan, 838,144 Common Shares were granted or awarded. Under the terms of the Plan, effective April 29, 1997, no further grants or awards may be made from this Plan.

The 1992 Incentive Equity Plan was amended in May, 1997 to authorize the Company to issue up to 1,150,000 Common Shares (previously 595,000 Common Shares) upon the exercise of Options Rights, as Restricted Shares, in payment of Performance Shares or Performance Units that have been earned, as Deferred Shares, or in payment of dividend equivalents paid with respect to awards made under the Plan. Such shares may be shares of original issuance or treasury shares or a combination of both.

Stock options may be granted at a price not less than the fair market value of the stock on the date the option is granted and must be exercisable not later than ten years and one day after the date of grant. Stock appreciation rights may be granted either at or after the time of grant of a stock option. Common Shares may be awarded or sold to certain employees with restrictions as to disposition over specified periods. The market value of restricted stock awards and Performance Shares is charged to expense over the vesting period.

The 1996 Nonemployee Directors' Compensation Plan authorizes the Company to issue up to 50,000 Common Shares to nonemployee Directors. The Plan provides for the grant of 1,000 Restricted Shares to nonemployee Directors first elected after June 30, 1995 and also provides that nonemployee Directors must take at least 50 percent of their annual retainer and may elect to take the balance of their retainer and all other fees in Common Shares. The Restricted Shares vest five years from the date of award.

In accordance with the provisions of FASB Statement 123, "Accounting for Stock-Based Compensation," ("Statement 123") the Company has elected to continue applying the provisions of APB 25 and related Interpretations in accounting for its stock-based compensation plans. Accordingly, the Company does not recognize compensation expense for stock options when the stock option price at the grant date is equal to or greater than the fair market value of the stock at that date. However, the Company recorded $3.0 million, $2.7 million, and $1.3 million in 1997, 1996 and 1995, respectively, relating to other stock-based compensation.

Statement 123 requires pro forma information on net income and earnings per share as if the fair value method for valuing stock options, as prescribed by Statement 123, had been applied. The Company's pro forma information follows:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
Net Income (Millions)	$54.9	$61.2	$57.9
Earnings Per Share:			
Basic	$4.83	$5.28	$4.84
Diluted	$4.79	$5.25	$4.82

</TABLE>

The fair value of these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 1997, 1996 and 1995:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
Risk-free Interest Rate	6.04%	6.04%	6.15%
Dividend Yield	2.97%	3.00%	3.01%
Volatility Factor - Market Price of Company's Common Stock	.221	.220	.227
Expected Life of Options - Years	4.31	4.23	2.81

</TABLE>

Compensation costs included in the pro forma information reflect fair values associated with options granted after January 1, 1995. Pro forma information may not be indicative of future pro forma information applicable to future outstanding awards.

Stock option, restricted stock award, and performance share activities under the Company's 1987 and 1992 Incentive Equity Plans, and the 1996 Nonemployee Directors' Compensation Plan are summarized as follows:

<TABLE>
<CAPTION>

	1997		1996		1995	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Stock options:						
Options outstanding beginning of year	157,425	$35.99	72,775	$23.66	82,182	$22.19
Granted during the year	114,950	43.38	109,500	44.82	5,000	39.55
Exercised	(3,000)	21.52	(6,250)	20.29	(14,407)	20.77
Cancelled	(16,750)	43.95	(18,600)	45.00	--	--
Options outstanding at end of year	252,625	39.00	157,425	35.99	72,775	23.66
Options exercisable at end of year	96,925	31.10	72,525	25.45	72,775	23.66
Restricted awards:						

Awarded and restricted at beginning of year	39,665	10,854	13,264
Awarded during the year	13,200	30,000	--
Vested	(816)	(1,189)	(2,410)
Cancelled	(2,600)	--	--
Awarded and restricted at end of year	49,449	39,665	10,854
Performance shares:			
Allocated at beginning of year	145,167	88,767	41,317
Allocated during the year	63,126	57,400	47,450
Issued	(45,293)	--	--
Forfeited	(2,000)	(1,000)	--
Allocated at end of year	161,000	145,167	88,767
Required retainer and voluntary shares:			
Awarded at beginning of year	3,150	--	--
Awarded during the year	4,540	3,150	--
Issued	(3,142)	--	--
Awarded at end of year	4,548	3,150	--
Reserved for future grants or awards at end of year	718,640	339,007	469,457
Weighted-average fair value of options granted during the year	$8.65	$8.75	$6.48

</TABLE>

Exercise prices for options outstanding as of December 31, 1997 ranged from $8.51 to $45.00, with 75 percent of options outstanding having exercise prices in the range of $40.00 to $45.00 per share. The weighted-average remaining contractual life of options outstanding is 7.4 years at December 31, 1997.

NOTE L - SHAREHOLDERS' EQUITY

As of December 31, 1997, the Company is authorized to issue up to 500,000 shares of Class A voting preferred stock, without par value, and up to 4,000,000 shares of Class B non-voting preferred stock, without par value.

On September 9, 1997, the Company announced the adoption of a new share purchase rights ("Rights") plan that replaced an existing rights plan that expired on September 18, 1997. The Rights plan became effective September 19, 1997. A Right is attached to each of the Company's Common Shares outstanding or subsequently issued. Each Right entitles the holder to buy from the Company one-hundredth of one (.01) Common Share at an exercise price per whole share of $160.00. The Rights expire on September 19, 2007 and are not exercisable until the occurrence of certain triggering events, which include the acquisition of, or a tender or exchange offer for, 20 percent or more of the Company's Common Shares. There are approximately 168,000 Common Shares reserved for these Rights. The Rights become exercisable if a person or group acquires, or tenders for, 20 percent or more of the Company's Common Shares. The Company is entitled to redeem the Rights at one cent per Right upon the occurrence of certain events.

Through December 31, 1997, the Company has purchased 893,400 of its Common Shares at a total cost of $35.2 million (1997 - 113,100 shares, $4.9 million; 1996 - 495,800 shares, $19.5 million; 1995 - 284,500 shares, $10.8 million) or an average price of $39.41 per share under its announced program to repurchase up to 1.5 million Common Shares in the open market or in negotiated transactions.

NOTE M - EARNINGS PER SHARE

The following table provides a reconciliation for the computation of basic and diluted earnings per share from continuing operations:

<TABLE>
<CAPTION>

	(In Millions, Except Per Share)		
	1997	1996	1995

<S> <C> <C> <C>

Net Income From Continuing Operations, before Extraordinary Item	$ 54.9	$ 61.0	$ 60.9
Basic Weighted-Average Shares	11.4	11.6	11.9
Effect of Dilutive Shares:			
Stock Options/Performance Shares	.1	.1	.1
Diluted Weighted-Average Shares	11.5	11.7	12.0
Basic Earnings per Share	$ 4.83	$ 5.26	$ 5.10
Diluted Earnings per Share	$ 4.80	$ 5.23	$ 5.08

</TABLE>

NOTE N - LITIGATION

The Company and its managed ventures are periodically involved in litigation incidental to their operations. Management believes that any pending litigation will not result in a material liability in relation to the Company's consolidated financial statements.

QUARTERLY RESULTS OF OPERATIONS-(Unaudited) Exhibit 13(h)
(In Millions, Except Per Share Amounts)

	1997				
	Quarters				
	First	Second	Third	Fourth	Year
Total Revenues	$31.3	$122.1	$148.9	$153.4	$455.7
Gross Profit	7.8	19.0	28.5	29.1	84.4
Net Income					
Amount	3.0	12.9	21.1	17.9	54.9
Per Common Share					
Basic	.26	1.14	1.86	1.57	4.83
Diluted	.26	1.13	1.85	1.56	4.80
Average Number of Shares					
Basic	11.4	11.4	11.4	11.4	11.4
Diluted	11.4	11.4	11.5	11.5	11.5

Second quarter results included a $2.8 million after-tax credit, and fourth quarter results included a $.4 million after-tax credit, both resulting from reversal of Savage River Mine closedown obligations recorded in prior years. Earnings for the third quarter included a $5.6 million tax credit resulting from the settlement of prior years' tax issues.

	1996				
	Quarters				
	First	Second	Third	Fourth	Year
Total Revenues	$59.8	$140.8	$166.7	$150.8	$518.1
Gross Profit	10.4	30.1	37.1	32.7	110.3
Net Income					
Amount	3.6	17.8	21.3	18.3	61.0
Per Common Share					
Basic	.30	1.52	1.84	1.60	5.26
Diluted	.30	1.51	1.83	1.59	5.23
Average Number of Shares					
Basic	11.8	11.7	11.5	11.4	11.6
Diluted	11.9	11.7	11.6	11.5	11.7

Second quarter results included a $1.3 million after-tax property damage insurance recovery on a January, 1996 ore train derailment.

Earnings per share reflect the periodic repurchase of shares under the Company's stock repurchase program. Total shares repurchased through December 31, 1997 were 893,400 shares (through December 31, 1996 - 780,300).

COMMON SHARE PRICE PERFORMANCE AND DIVIDENDS

	Price Performance				Dividends	
	1997		1996			
	High	Low	High	Low	1997	1996
First Quarter	$45-7/8	$41-1/2	$46-7/8	$40-1/4	$ .325	$ .325
Second Quarter	43-1/2	40	44-1/4	37-3/4	.325	.325
Third Quarter	44-7/8	40-11/16	40-1/8	36-1/4	.325	.325
Fourth Quarter	47-1/8	40-7/8	46-1/8	38	.325	.325
Year	47-1/8	40	46-7/8	36-1/4	$1.30	$1.30

STOCK EXCHANGE INFORMATION

The principal market for Cleveland-Cliffs Inc common shares (ticker symbol CLF) is the New York Stock Exchange. The common shares are also listed on the Chicago Stock Exchange.

SUMMARY OF FINANCIAL AND OTHER STATISTICAL DATA Exhibit 13(j)
Cleveland-Cliffs Inc and Consolidated Subsidiaries

<TABLE>
<CAPTION>

		1997	1996	1995	1994
<S>		<C>	<C>	<C>	<C>
FINANCIAL DATA (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)					
FOR THE YEAR					
Operating Earnings From Continuing Operations:					
Operating Revenues	- Product Sales and Services	$391.4	$451.7	$411.2	$334.8
	- Royalties and Management Fees.	47.5	51.5	49.5	44.7
	- Total	438.9	503.2	460.7	379.5
Cost of Goods Sold and Operating Expenses and AS&G Expenses		371.6	409.6	371.5	315.8
Operating Earnings.		67.3	93.6	89.2	63.7
Net Income (Loss)	- From Continuing Operations (a)	54.9	61.0	57.8	42.8
	- From Discontinued Operations	---	---	---	---
	- Total.	54.9	61.0	57.8	42.8
Net Income (Loss) Per Common Share					
Basic	- From Continuing Operations (a)	4.83	5.26	4.84	3.54
	- From Discontinued Operations	---	---	---	---
	- Total.	4.83	5.26	4.84	3.54
Diluted	- From Continuing Operations (a)	4.80	5.23	4.82	3.53
	- From Discontinued Operations	---	---	---	---
	- Total.	4.80	5.23	4.82	3.53
Distributions to Common Shareholders:					
Regular Cash Dividends	- Per Share.	1.30	1.30	1.30	1.23
	- Total	14.8	15.1	15.5	14.8
Special Dividends	- Per Share	---	---	---	---
	- Total	---	---	---	---
Spin-off of Securities	- Per Share.	---	---	---	---
	- Total	---	---	---	---
Repurchases of Common Shares.		4.9	19.5	10.8	---
Capital Expenditures (c).		76.9	36.7	22.5	10.9
AT YEAR-END					
Cash and Marketable Securities.		115.9	169.4	148.8	141.4
Total Assets.		694.3	673.7	644.6	608.6
Long-Term Obligations Effectively Serviced (c).		74.9	72.9	76.3	84.2
Shareholders' Equity.		407.4	370.6	342.6	311.4
Book Value Per Common Share		36.02	32.59	28.96	25.74
Market Value Per Common Share.		45.81	45.38	41.00	37.00

Iron Ore Production and Sales Statistics (Millions of Gross Tons)				
Production From Mines Managed By Cliffs:				
North America	39.6	39.9	39.6	35.2
Australia	---	1.6	1.5	1.5
Total	39.6	41.5	41.1	36.7
Cliffs' Share	10.9	12.0	11.3	8.3
Cliffs' Sales From:				
North American Mines	10.4	11.0	10.4	8.2
Australian Mine	0.3	1.7	1.5	1.5
Total	10.7	12.7	11.9	9.7
Other Information				
Common Shares Outstanding (Millions) - Average For Year	11.4	11.6	11.9	12.1
Common Shares Outstanding (Millions) - At Year-End	11.3	11.4	11.8	12.1
Common Shares Price Range - High	$47-1/8	$46-7/8	$46-3/4	$45-1/2
Common Shares Price Range - Low	40	36-1/4	36-1/8	34
Employees at Year-End (d)	5,951	6,251	6,411	6,504

</TABLE>

(a) Results include after-tax special items of $8.8 million ($.77 per diluted share) in 1997, net contributions of special items and extraordinary charge of $2.4 million ($.20 per diluted share) in 1995, recoveries on bankruptcy claims of $23.2 million ($1.92 per diluted share) and $47.1 million ($4.00 per diluted share) in 1993 and 1990, respectively, and a $38.7 million ($3.23 per diluted share) after-tax charge for accounting changes in 1992. Operating results reflect the acquisition of Northshore Mining Company in the fourth quarter of 1994.

<TABLE>
<CAPTION>

1993	1992	1991	1990	1989	1988
<S>	<C>	<C>	<C>	<C>	<C>
$268.1	$266.9	$271.6	$272.2	$294.9	$247.9
39.7	43.8	45.8	37.7	55.6	50.2
307.8	310.7	317.4	309.9	350.5	298.1
268.5	275.5	275.0	279.7	257.8	227.6
39.3	35.2	42.4	30.2	92.7	70.5
54.6	(7.9)	53.8	73.8	62.5	42.6
---	---	---	---	(1.9)	(3.4)
54.6	(7.9)	53.8	73.8	60.6	39.2
4.55	(.66)	4.55	6.31	5.37	3.12
---	---	---	---	(.17)	(.26)
4.55	(.66)	4.55	6.31	5.20	2.86
4.53	(.66)	4.51	6.26	5.32	3.08
---	---	---	---	(.17)	(.26)
4.53	(.66)	4.51	6.26	5.15	2.82
1.20	1.18	1.03	.80	.40	---
14.4	14.1	12.1	9.3	4.7	---
2.70 (b)	---	4.00	---	---	.79 (b)

32.4 (b)	---	47.0	---	---	12.8 (b)
---	---	---	---	---	3.55 (b)
---	---	---	---	---	41.3 (b)
---	---	---	---	---	125.2
5.0	5.2	7.3	11.2	14.6	8.4
161.0	128.6	95.9	96.0	95.5	52.4
549.1	537.2	478.7	510.9	415.2	390.6
88.6	92.1	65.0	82.4	93.4	145.7
280.4	269.5	290.8	290.8	226.0	168.6
23.25	22.47	24.40	24.88	19.36	14.53
37.38	35.63	36.13	27.13	29.00	26.63
32.3	32.9	32.1	31.7	39.3	39.0
1.5	1.5	1.3	2.2	2.3	2.4
33.8	34.4	33.4	33.9	41.6	41.4
6.8	7.3	7.0	6.6	8.9	9.1
6.4	6.0	6.0	6.5	7.5	6.7
1.4	1.3	1.3	0.3	---	---
7.8	7.3	7.3	6.8	7.5	6.7
12.0	12.0	11.8	11.7	11.6	13.2
12.1	12.0	11.9	11.7	11.7	11.6
$37-1/2	$40-3/8	$36-1/2	$35	$34	$28
28-3/4	29-1/2	25	19-5/8	25-3/4	14-1/4
6,173	6,594	6,709	6,900	7,729	7,832

</TABLE>

(b) Includes securities at market value on distribution date.

(c) Includes Cliffs' share of ventures and equipment acquired on capital leases.

(d) Includes employees of managed mining ventures.
At December 31, 1997, the Company had 3,051 shareholders of record.

Exhibit 21

<TABLE>
<CAPTION>

Subsidiaries of Cleveland-Cliffs Inc

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Cleveland-Cliffs Company (1)	Ohio
Cleveland-Cliffs Ore Corporation (1), (2)	Ohio
Cliffs and Associates Limited (3)	Trinidad
Cliffs Australia Company (4)	Delaware
Cliffs Biwabik Ore Corporation (2)	Minnesota
Cliffs Copper Corp.	Ohio
Cliffs Empire, Inc. (1), (5)	Michigan
Cliffs Engineering, Inc. (1)	Colorado
Cliffs Forest Products Company (1)	Michigan
Cliffs Fuel Service Company (1)	Michigan
Cliffs IH Empire, Inc. (1)	Michigan
Cliffs International Inc.	Delaware
Cliffs Marquette, Inc. (1), (2)	Michigan
Cliffs MC Empire, Inc. (1), (5)	Michigan
Cliffs Mining Company	Delaware
Cliffs Mining Services Company	Delaware
Cliffs Minnesota Minerals Company	Minnesota
Cliffs Oil Shale Corp. (2)	Colorado
Cliffs of Canada Limited (1)	Ontario, Canada
Cliffs Reduced Iron Corporation	Delaware
Cliffs Reduced Iron Management Company (6)	Delaware
Cliffs Resources, Inc.	Delaware
Cliffs Synfuel Corp. (2)	Utah
Cliffs TIOP, Inc. (1), (7)	Michigan
Empire-Cliffs Partnership (5)	Michigan
Empire Iron Mining Partnership (8)	Michigan
Escanaba Properties Company (1), (9)	Michigan
Escanaba Properties Partnership (9)	Michigan
Hibbing Taconite Company, a joint venture (10)	Minnesota
Kentucky Coal Company	Delaware
Lake Superior & Ishpeming Railroad Company (11)	Michigan
Lasco Development Corporation (11)	Michigan
Marquette Iron Mining Partnership (2)	Michigan
Mattagami Mining Co. Limited (12)	Ontario, Canada
Mesabi Radio Corporation (12)	Minnesota
Minerais Midway Ltee-Midway Ore Company Ltd. (12)	Quebec, Canada
Mines Hilton Ltee-Hilton Mines, Ltd. (12)	Quebec, Canada
Northshore Mining Company (13)	Delaware
Northshore Sales Company (14)	Ohio
Peninsula Land Corporation (12)	Michigan

</TABLE>

- --

See footnote explanation on pages 68-69.

<TABLE>
<CAPTION>

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Pickands Erie Corporation (12)	Minnesota
Pickands Hibbing Corporation (10)	Minnesota
Pickands Mather & Co. International	Delaware
Pickands Mather Services Inc. (12)	Delaware
Pickands Radio Co. Ltd. (12)	Quebec, Canada
Robert Coal Company (15)	Delaware
Savage River Motor Inn Pty. Ltd. (16)	Tasmania
Seignelay Resources, Inc. (12)	Delaware
Silver Bay Power Company (14)	Delaware
Syracuse Mining Company (12)	Minnesota

Tetapaga Mining Company Limited (1)	Ohio
The Cleveland-Cliffs Iron Company	Ohio
The Cleveland-Cliffs Steamship Company (1)	Delaware
Tilden Mining Company L.C. (7)	Michigan
Virginia Eastern Shore Land Co. (1)	Delaware

</TABLE>

- --

(1) The named subsidiary is a wholly-owned subsidiary of The Cleveland-Cliffs Iron Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(2) Marquette Iron Mining Partnership ("Marquette Partnership") is a Michigan partnership. Cleveland-Cliffs Ore Corporation and Cliffs Marquette, Inc., wholly-owned subsidiaries of The Cleveland-Cliffs Iron Company, have a combined 100% interest in the Marquette Partnership. Cleveland-Cliffs Ore Corporation also owns 100% of Cliffs Biwabik Ore Corporation. The Marquette Partnership owns 100% of Cliffs Oil Shale Corp. and Cliffs Synfuel Corp.

(3) Cliffs and Associates Limited is a Trinidad corporation. Cliffs Reduced Iron Corporation has a 46.5% interest in Cliffs and Associates Limited.

(4) The named subsidiary is a wholly-owned subsidiary of Cliffs International Inc., which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(5) Empire-Cliffs Partnership is a Michigan partnership. Cliffs MC Empire, Inc. and Cliffs Empire, Inc., wholly-owned subsidiaries of The Cleveland-Cliffs Iron Company, have a combined 100% interest in Empire-Cliffs Partnership.

(6) The named subsidiary is a wholly-owned subsidiary of Cliffs Reduced Iron Corporation, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(7) Tilden Mining Company L.C. is a Michigan limited liability company. Cliffs TIOP, Inc., a wholly-owned subsidiary of The Cleveland-Cliffs Iron Company, has a 40% interest in Tilden Mining Company L.C.

(8) Empire Iron Mining Partnership is a Michigan partnership. The Cleveland-Cliffs Iron Company has a 22.56% indirect interest in the Empire Iron Mining Partnership.

(9) Escanaba Properties Partnership is a Michigan partnership. Escanaba Properties Company, a wholly-owned subsidiary of The Cleveland-Cliffs Iron Company, has a 87.5% interest in the Escanaba Properties Partnership.

(10) Cliffs Mining Company has a 10% and Pickands Hibbing Corporation, a wholly-owned subsidiary of Cliffs Mining Company, has a 5% interest in Hibbing Taconite Company, a joint venture.

(11) Cliffs Resources, Inc. owns a 99.5% interest in Lake Superior & Ishpeming Railroad Company. Lasco Development Corporation is a wholly-owned subsidiary of Lake Superior & Ishpeming Railroad Company.

(12) The named subsidiary is a wholly-owned subsidiary of Cliffs Mining Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(13) The named subsidiary is a wholly-owned subsidiary of Cliffs Minnesota Minerals Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(14) The named subsidiary is a wholly-owned subsidiary of Northshore Mining Company, which in turn is a wholly-owned subsidiary of Cliffs Minnesota Minerals Company.

(15) The named subsidiary is a wholly-owned subsidiary of Kentucky Coal Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(16) The named subsidiary is a wholly-owned subsidiary of Pickands Mather & Co. International, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Post-Effective Amendment Number 1 to the Registration Statement (Form S-8 No. 33-4555) pertaining to the Restricted Stock Plan of Cleveland-Cliffs Inc, in the Registration Statement (Form S-8 No. 33-208033) pertaining to the 1987 Incentive Equity Plan of Cleveland-Cliffs Inc and the related prospectus, in the Registration Statement (Form S-8 No. 333-30391) pertaining to the 1992 Incentive Equity Plan (as amended and restated as of May 13, 1997) and the related prospectus, in the Post-Effective Amendment Number 1 to the Registration Statement (Form S-8 No. 33-56661) pertaining to the Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan and the related prospectus and in the Registration Statement (Form S-8 No. 333-06049) pertaining to the Cleveland-Cliffs Inc Nonemployee Director's Compensation Plan of our report dated February 12, 1998, with respect to the consolidated financial statements and schedule of Cleveland-Cliffs Inc and consolidated subsidiaries included in this Annual Report (Form 10-K) for the year ended December 31, 1997.

ERNST & YOUNG LLP

Cleveland, Ohio
March 20, 1998

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers of Cleveland-Cliffs Inc, an Ohio corporation ("Company"), hereby constitute and appoint John S. Brinzo, Cynthia B. Bezik, Joseph H. Ballway, Jr., and John E. Lenhard and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their name, place and stead, to sign on their behalf as a Director or officer of the Company, or both, as the case may be, an Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 1997, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney or attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Executed as of the 10th day of March, 1998.

<TABLE>

<S>	<C>
/s/ J. S. Brinzo	/s/ M. T. Moore
J. S. Brinzo President and Chief Executive Officer and Director (Principal Executive Officer)	M. T. Moore, Director /s/ J. C. Morley J. C. Morley, Director and Chairman
/s/ R. C. Cambre	/s/ S. B. Oresman
R. C. Cambre, Director	S. B. Oresman, Director
/s/ R. S. Colman	/s/ A. Schwartz
R. S. Colman, Director	A. Schwartz, Director
/s/ J. D. Ireland	/s/ A. W. Whitehouse
J. D. Ireland, III, Director	A. W. Whitehouse, Director
/s/ G. F. Joklik	/s/ C. B. Bezik
G. F. Joklik, Director	C. B. Bezik Senior Vice President-Finance (Principal Financial Officer)
/s/ L. L. Kanuk	
L. L. Kanuk, Director	/s/ R. J. Leroux
/s/ F. R. McAllister	R. J. Leroux Controller (Principal Accounting Officer)
F. R. McAllister, Director	

</TABLE>

<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> 12-MOS
<FISCAL-YEAR-END> DEC-31-1997
<PERIOD-START> JAN-01-1997
<PERIOD-END> DEC-31-1997
<CASH> 116
<SECURITIES> 0
<RECEIVABLES> 73
<ALLOWANCES> 1
<INVENTORY> 61
<CURRENT-ASSETS> 266
<PP&E> 272
<DEPRECIATION> 138
<TOTAL-ASSETS> 694
<CURRENT-LIABILITIES> 92
<BONDS> 0
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 17
<OTHER-SE> 390
<TOTAL-LIABILITY-AND-EQUITY> 694
<SALES> 391
<TOTAL-REVENUES> 456
<CGS> 355
<TOTAL-COSTS> 371
<OTHER-EXPENSES> 9
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 3
<INCOME-PRETAX> 73
<INCOME-TAX> 18
<INCOME-CONTINUING> 55
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 55
<EPS-PRIMARY> 4.83
<EPS-DILUTED> 4.80

</TABLE>

<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 it's entirety by reference to such financial statements.
</LEGEND>
<RESTATED>
<CIK> 0000764065
<NAME> CLEVELAND-CLIFFS INC
<MULTIPLIER> 1,000,000

<S>	<C>
<PERIOD-TYPE>	12-MOS
<FISCAL-YEAR-END>	DEC-31-1996
<PERIOD-START>	JAN-01-1996
<PERIOD-END>	DEC-31-1996
<CASH>	165
<SECURITIES>	4
<RECEIVABLES>	70
<ALLOWANCES>	1
<INVENTORY>	45
<CURRENT-ASSETS>	301
<PP&E>	269
<DEPRECIATION>	141
<TOTAL-ASSETS>	674
<CURRENT-LIABILITIES>	106
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	17
<OTHER-SE>	354
<TOTAL-LIABILITY-AND-EQUITY>	674
<SALES>	452
<TOTAL-REVENUES>	518
<CGS>	393
<TOTAL-COSTS>	409
<OTHER-EXPENSES>	8
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	5
<INCOME-PRETAX>	96
<INCOME-TAX>	35
<INCOME-CONTINUING>	61
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	61
<EPS-PRIMARY>	5.26
<EPS-DILUTED>	5.23

</TABLE>

```
<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 entirely by reference to such
financial statements.
</LEGEND>
<RESTATED>
<CIK> 0000764065
<NAME> CLEVELAND-CLIFFS INC
<MULTIPLIER> 1,000,000

<S>                             <C>
<PERIOD-TYPE>                   12-MOS
<FISCAL-YEAR-END>                          DEC-31-1995
<PERIOD-START>                             JAN-01-1995
<PERIOD-END>                               DEC-31-1995
<CASH>                                             149
<SECURITIES>                                         0
<RECEIVABLES>                                       70
<ALLOWANCES>                                         8
<INVENTORY>                                         56
<CURRENT-ASSETS>                                   293
<PP&E>                                             260
<DEPRECIATION>                                     140
<TOTAL-ASSETS>                                     645
<CURRENT-LIABILITIES>                              104
<BONDS>                                              0
<PREFERRED-MANDATORY>                                0
<PREFERRED>                                          0
<COMMON>                                            17
<OTHER-SE>                                         326
<TOTAL-LIABILITY-AND-EQUITY>                       645
<SALES>                                            411
<TOTAL-REVENUES>                                   473
<CGS>                                              356
<TOTAL-COSTS>                                      371
<OTHER-EXPENSES>                                    24
<LOSS-PROVISION>                                     0
<INTEREST-EXPENSE>                                   7
<INCOME-PRETAX>                                     72
<INCOME-TAX>                                        11
<INCOME-CONTINUING>                                 61
<DISCONTINUED>                                       0
<EXTRAORDINARY>                                    (3)
<CHANGES>                                            0
<NET-INCOME>                                        58
<EPS-PRIMARY>                                     4.84
<EPS-DILUTED>                                     4.82


</TABLE>
```

Exhibit 99(a)

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES
Schedule II - Valuation and Qualifying Accounts
(Dollars in Millions)

<TABLE>
<CAPTION>

Classification	Balance at Beginning Of Year	Additions: Charged to Cost and Expenses	Additions: Charged to Other Accounts	Deductions	Balance at End Of Year
Year Ended December 31, 1997:					
Reserve for Capacity Rationalization	$33.7	$4.2	$ --	$18.0	$19.9
Allowance for Doubtful Accounts	1.1	--	--	.1	1.0
Other	8.3	.1	--	1.0	7.4
Year Ended December 31, 1996:					
Reserve for Capacity Rationalization	$34.8	$6.6	$ --	$ 7.7	$33.7
Allowance for Doubtful Accounts	7.7	--	--	6.6	1.1
Other	12.8	.7	1.5	6.7	8.3
Year Ended December 31, 1995:					
Reserve for Capacity Rationalization	$34.3	$2.7	$ --	$ 2.2	$34.8
Allowance for Doubtful Accounts	19.5	--	.2	12.0	7.7
Other	18.6	2.5	2.2	10.5	12.8

</TABLE>

Additions charged to other accounts in 1996 and 1995 were charged to revenues.

Deductions to the reserve for capacity rationalization represent charges associated with idle expense in 1997, 1996 and 1995. Deductions to the allowance for doubtful accounts in 1996 and 1995 represent write-off of bankruptcy receivables against the reserve.