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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________.

Commission File Number: 1-8944

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

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

1100 Superior Avenue, Cleveland, Ohio 44114-2589
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (216) 694-5700

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

YES __X__ NO ____

As of April 24, 1998, there were 11,353,655 Common Shares (par value $1.00 per share) outstanding.

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PART I - FINANCIAL INFORMATION

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED INCOME

<TABLE>
<CAPTION>

	(In Millions, Except Per Share Amounts) Three Months Ended March 31	
	1998	1997
<S>	<C>	<C>
REVENUES		
Product sales and services	$ 27.2	$ 20.5
Royalties and management fees	8.4	8.3
Total Operating Revenues	35.6	28.8
Investment income (securities)	1.4	2.2
Other income	.8	.3
TOTAL REVENUES	37.8	31.3
COSTS AND EXPENSES		
Cost of goods sold and operating expenses	30.1	21.0
Administrative, selling and general expenses	4.7	3.7
Interest expense	.2	.9
Other expenses	2.1	1.3

TOTAL COSTS AND EXPENSES	37.1	26.9
INCOME BEFORE INCOME TAXES	.7	4.4
INCOME TAXES		
Currently payable	.1	.6
Deferred	.1	.8
TOTAL INCOME TAXES	.2	1.4
NET INCOME	$ .5	$ 3.0
NET INCOME PER COMMON SHARE		
Basic	$ .04	$ .26
Diluted	$ .04	$ .26
AVERAGE NUMBER OF SHARES (IN THOUSANDS)		
Basic	11,323	11,375
Diluted	11,403	11,423

</TABLE>

See notes to financial statements

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<TABLE>
<CAPTION>

	(In Millions)	
ASSETS	March 31 1998	December 31 1997
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 58.6	$ 115.9
Accounts receivable - net	45.2	73.4
Inventories		
Finished products	104.5	45.7
Work in process	.9	.6
Supplies	13.3	15.1
	118.7	61.4
Federal income taxes	7.9	7.5
Other	6.5	7.6
TOTAL CURRENT ASSETS	236.9	265.8
PROPERTIES	188.9	272.3
Allowances for depreciation and depletion	(56.3)	(138.3)
TOTAL PROPERTIES	132.6	134.0
INVESTMENTS IN ASSOCIATED COMPANIES	222.3	218.3
OTHER ASSETS		
Prepaid pensions	41.3	40.4
Other	41.5	35.8
TOTAL OTHER ASSETS	82.8	76.2
TOTAL ASSETS	$ 674.6	$ 694.3

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES	$ 72.2	$ 91.8
LONG-TERM OBLIGATIONS	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	69.9	70.1
OTHER LIABILITIES	56.6	55.0

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;	16.8	16.8
Issued - 16,827,941 shares		
Capital in excess of par value of shares	72.4	69.8
Retained income	468.9	472.1
Accumulated other comprehensive loss, net of tax	(.3)	(2.0)
Cost of 5,483,336 Common Shares in treasury		
(1997 - 5,519,027 shares)	(146.2)	(146.2)
Unearned compensation	(5.7)	(3.1)
TOTAL SHAREHOLDERS' EQUITY	405.9	407.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 674.6	$ 694.3

</TABLE>

See notes to financial statements

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED CASH FLOWS

<TABLE>
<CAPTION>

	(In Millions, Brackets Indicate Cash Decrease) Three Months Ended March 31	
	1998	1997
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$.5	$3.0
Depreciation and amortization:		
Consolidated	2.1	1.7
Share of associated companies	3.1	2.8
Provision for deferred income taxes	.1	.8
Other	(3.6)	(7.3)
Total before changes in operating assets and liabilities	2.2	1.0
Changes in operating assets and liabilities	(46.4)	(38.5)
NET CASH (USED BY) OPERATING ACTIVITIES	(44.2)	(37.5)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated	(2.3)	(3.1)
Share of associated companies	(7.2)	(10.3)
Sale of marketable securities	-	2.0
Other	1.3	.8
NET CASH (USED BY) INVESTING ACTIVITIES	(8.2)	(10.6)
FINANCING ACTIVITIES		
Dividends	(3.7)	(3.7)
Repurchases of Common Shares	(1.2)	(1.7)
NET CASH (USED BY) FINANCING ACTIVITIES	(4.9)	(5.4)
DECREASE IN CASH AND CASH EQUIVALENTS	(57.3)	(53.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	115.9	165.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$58.6	$111.9

</TABLE>

See notes to financial statements

CLEVELAND-CLIFFS INC

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1998

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the financial statement footnotes and other information in the Company's 1997 Annual Report on Form 10-K. In management's opinion, the quarterly unaudited financial statements present fairly the Company's financial position and results in accordance with generally accepted accounting principles.

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

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

NOTE B - ACCOUNTING AND DISCLOSURE CHANGES

In June, 1997, the Financial Accounting Standards Board ("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 statement was adopted in the first quarter of 1998. Prior financial statements have been restated to reflect this change in disclosure.

In June, 1997, the FASB issued Statement 131, "Disclosures About Segments of an Enterprise and Related Information." This statement changes the way that segment information is defined and reported in annual and interim financial statements. Statement 131 is effective for fiscal years beginning after December 15, 1997, although segment information is not required to be reported in interim financial statements in 1998. Management is evaluating the new standard and has not determined what effect, if any, it may have on future disclosure.

In February, 1998, the FASB issued Statement 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." The overall objective of this statement is to improve and standardize disclosures about pensions and other postretirement benefits and to make the information easier to prepare and more

understandable. Statement 132 is effective for fiscal years beginning after December 15, 1997. This statement addresses disclosure issues only and does not change the measurement or recognition of pensions or other postretirement benefits.

In March, 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The statement is intended to eliminate the diversity in practice in accounting for internal-use software costs and improve financial reporting. The statement is effective for fiscal years beginning after December 15, 1998. The Company is evaluating the new standard but does not expect it to have a material impact on the Company's consolidated financial statements.

NOTE C - 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.

At March 31, 1998, the Company had an environmental reserve, including its share of the environmental obligations of associated companies, of $22.4 million, of which $2.0 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 Rio Tinto and Cliffs-Dow. The City of Marquette, Michigan has purchased the Cliffs-Dow plant site, located within the City, from the Company and has agreed to assume any future environmental responsibilities with respect to that site.

- 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 D - COMPREHENSIVE INCOME

Comprehensive Income is "the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources." It includes Net Income and Other Comprehensive Income, net of tax, consisting of unrealized gains (losses) on securities, foreign currency translation adjustments and minimum pension liability adjustments. Components of Comprehensive Income include:

	(In Millions) March 31	
	1998	1997
Net Income	$ .5	$3.0
Other Comprehensive Income - Unrealized Gain on Securities	1.7	.4
Comprehensive Income	$ 2.2	$3.4

MANAGEMENT'S DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

COMPARISON OF FIRST QUARTER - 1998 AND 1997

Earnings for the first quarter of 1998 were $.5 million, or $.04 per diluted share (all per share earnings are "diluted earnings per share" unless stated otherwise). In the first quarter of 1997, earnings were $3.0 million, or $.26 per share. First quarter results are not representative of annual results due to seasonally low shipments on the Great Lakes.

The $2.5 million decrease in first quarter net income was mainly due to the March, 1997 termination of Savage River Mine operations in Australia. Savage River, which produced its last iron ore pellets in December, 1996, earned $2.5 million in the first quarter of 1997 on sales of its remaining inventory. The reduction in first quarter sales margin was due to the non-recurring favorable impact of the sell-off of remaining Savage River inventory on 1997 earnings. Excluding the impact of the Savage River sales, 1998 earnings were unchanged, with higher earnings from an increase in North American sales volume offset by higher administrative expenses, increased costs of reduced iron development activities and higher operating costs due to the kiln outage at the Tilden Mine (owned 40 percent by the Company).

The $1.0 million increase in administrative expense principally reflects the effect of a 17 percent increase in the Company's stock price in the first quarter of 1998 on the cost of Performance Share grants, a key component of senior management compensation. Grant expense is accrued over a three-year vesting period, with stock prices marked to market on a cumulative basis. Lower investment income as a result of lower cash balances was largely offset by reduced interest expense due to increased capitalization of interest on the Company's share of construction costs on the Cliffs and Associates Limited reduced iron project.

The Company's North American iron ore pellet sales in the first quarter of 1998 were .7 million tons, up from .3 million tons in 1997. The increase reflected new sales arrangements, a relatively mild winter which allowed additional lake shipments, and certain all-rail shipments.

The Company's managed mines in North America produced 9.4 million tons of iron ore pellets in the first quarter, compared with 9.6 million tons in 1997. The Company's share of the production was 2.7 million tons in 1998 versus 2.6 million tons in 1997.

LIQUIDITY

At March 31, 1998, the Company had cash and cash equivalents of $58.6 million. Since December 31, 1997, cash and cash equivalents have decreased $57.3 million primarily due to increased working capital, $46.4 million, and project investments and capital expenditures, $9.5 million (mainly Cliffs and Associates Limited, $5.9

million), dividends, $3.7 million, and repurchases of common shares, $1.2 million, partially offset by cash flow from operations, $2.2 million, and sale of certain Republic Mine assets, $1.3 million, having a net book value of $1.2 million (property, plant and equipment of $85.3 million, less allowance for depreciation of $84.1 million). The $46.4 million increase in working capital was primarily due to increased inventories, $57.3 million, which is normal for the first quarter. Inventories at March 31, 1998 increased $12.3 million from March 31, 1997.

Capital additions and replacements at the six Company-managed mines in North America are expected to total approximately $98 million in 1998. The Company's share of such 1998 expenditures is expected to approximate $37 million.

Construction is progressing on the Cliffs and Associates Limited joint venture project, located in Trinidad and Tobago (owned 46.5 percent by the Company), to produce and market premium quality reduced iron briquettes. The facilities are scheduled to start up in the fourth quarter of 1998 and are expected to be producing at the design level of 500,000 tons per year by mid-1999. Total estimated cost of the project is $160 million, with the Company's share equal to $74.4 million. The Company's cumulative share of spending as of March 31, 1998, was $62.3 million, with $12.1 million to be spent in the remainder of 1998.

The Company anticipates further investment in ferrous metallic projects. During the first half of 1998, the Company and Mannesmann Demag are completing an engineering study for a plant to produce 700,000 metric tons of high quality pig iron per year at the Company's wholly-owned Northshore Mine in Minnesota. The plant would employ the "Redsmelt" process developed by Mannesmann Demag that combines the technologies of a rotary reduction furnace, using coal as the reductant fuel, and a submerged arc furnace. The Company has initiated the environmental review and permitting process with the Minnesota Pollution Control Agency for the potential facility in Silver Bay, Minnesota. If the results of the engineering study are positive and other economic and marketing issues are satisfactorily resolved, a decision whether to proceed with the project will likely be made in mid-1998.

Under the Company's program to repurchase up to 1.5 million of its Common Shares in the open market or in negotiated transactions, the Company has repurchased 921,400 Common Shares through March 31, 1998, at a total cost of $36.7 million, including 28,000 Common Shares repurchased in the first quarter of 1998, at a total cost of $1.5 million (including $.3 million accrued at March 31, 1998).

CAPITALIZATION

Long-term debt of the Company consists of $70.0 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, the Company has a $100 million revolving credit agreement. No borrowings are outstanding under this agreement, which

expires on March 1, 2002. The Company was in compliance with all financial covenants and restrictions of the agreements.

The fair value of the Company's long-term debt (which had a carrying value of $70.0 million) at March 31, 1998, was estimated at $70.9 million based on a discounted cash flow analysis and estimates of current borrowing rates.

Following is a summary of common shares outstanding:

	1998	1997	1996
March 31	11,344,605	11,377,322	11,832,767
June 30		11,374,448	11,614,517
September 30		11,379,357	11,367,717
December 31		11,308,914	11,369,717

TILDEN MINE KILN OUTAGE

Welding repairs on one of the mine's two pelletizing kilns were completed earlier than expected, and the kiln was put back in service on April 9. Production at the Tilden Mine for the full year is now expected to be 6.8 million tons, up from the prior estimate of 6.7 million tons. The mine was scheduled to produce 7.0 million tons prior to the kiln outage. The lower production level at Tilden will have no effect on the Company's 1998 planned sales volume. Expected production of 6.8 million tons is .8 million tons, or 13 percent, above 1997 production. The Company's share of the kiln repair costs, $.6 million, was recorded in the first quarter.

OUTLOOK FOR 1998

Steel markets in the U.S. and Canada continue to be strong with producers generally reporting high operating rates and good shipment levels; however, steel imports are an increasing concern due to the Asian crisis, unfair trading practices and the strength of the U.S. dollar. The Company remains optimistic about the outlook for iron ore and expects record North American pellet sales in 1998. International pellet prices have increased by about 3 percent and will favorably affect the pricing on most of the Company's multi-year sales contracts. The Company's North American iron ore pellet sales for the full year 1998 are expected to be at least 11.5 million tons, which would be a new record and represent an 11 percent increase over 1997 sales.

The six North American mines managed by the Company are expected to produce a record 40.5 million tons of iron ore in the full year 1998, with the Company's share being a record 11.4 million tons. In 1997, the mines produced 39.6 million tons, with the Company's share being 10.9 million tons. The increases in 1998 production are mainly due to higher scheduled production at the Tilden Mine.

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. A substantial portion of year 2000 information technology compliance will be achieved as a result of the Company's Information Technology Plan ("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). Since implementation and through March 31, 1998, $5.5 million (Company's share - $1.5 million) was expended with $2.7 million (Company's share $.7 million) charged to operations as incurred. 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. 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 information technology not covered by the IT Plan, process control systems, transmission facilities, technical infrastructure, and other systems. Costs of achieving year 2000 compliance are charged to operations as incurred. Completion of this program is targeted for mid-1999. Year 2000 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, including the availability and cost of trained personnel, the ability to locate and correct system codes, and similar uncertainties;
- 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.

Most steel company partners and customers of the Company have improved their financial condition due to improved operating results and increased equity capital. The improvement in most integrated steel companies' financial positions has reduced a major 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.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits - Refer to Exhibit Index on page 14.
(b) There were no reports on Form 8-K filed during the three months ended March 31, 1998.

SIGNATURE

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

CLEVELAND-CLIFFS INC

Date May 1, 1998

By /s/ C. B. Bezik

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

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number	Exhibit	
<S>	<C>	<C>
10(a)	Amendment No. 1 to Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (as amended and restated effective January 1, 1997), effective as of November 1, 1997, dated March 31, 1998.	Filed Herewith
10(b)	Amendment No. 1 to Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (amended and restated effective December 1, 1996), effective as of November 1, 1997, dated March 31, 1998.	Filed Herewith
10(c)	Amendment No. 1 to Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc (as amended and restated as of February 1, 1997), effective as of November 1, 1997, dated March 31, 1998.	Filed Herewith
27	Consolidated Financial Data Schedule submitted for Securities and Exchange Commission information only:	
27.1	March 31, 1998	--
27.2	March 31, 1997	--

</TABLE>

Exhibit 10(a)

AMENDMENT NO. 1 TO CLEVELAND-CLIFFS INC
SUPPLEMENTAL RETIREMENT BENEFIT PLAN
(as amended and restated effective January 1, 1997)

Cleveland-Cliffs Inc ("Cleveland-Cliffs") hereby amends the Cleveland-Cliffs Supplemental Retirement Benefit Plan (as amended and restated effective January 1, 1997) (the "Plan") pursuant to Paragraph 8.A. as follows:

1. Paragraph 3(c) of the Plan is amended by inserting the words "or inactive" after the word "active" and before the word "Employee" in the last proviso of such paragraph.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc pursuant to the order of its Board of Directors, has executed this Amendment No. 1 to the Plan this 31st day of March, 1998, to be effective November 1, 1997.

CLEVELAND-CLIFFS INC

By: /s/ R F Novak

Vice President - Human Resources

Exhibit 10(b)

Amendment No. 1 to Cleveland-Cliffs Inc
Voluntary Non-Qualified Deferred Compensation Plan
(amended and restated effective December 1, 1996)

Cleveland-Cliffs Inc ("Cleveland-Cliffs") hereby amends the Cleveland-Cliffs Voluntary Non-Qualified Deferred Compensation Plan (as amended and restated effective December 1, 1996) (the "Plan") pursuant to Paragraph 9.1. as follows:

1. Paragraph 6.5(c) of the Plan is amended by inserting the words "or inactive" after the word "active" and before the word "Employee" in the last proviso of such paragraph.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc pursuant to the order of its Board of Directors, has executed this Amendment No. 1 to the Plan this 31st day of March, 1998, to be effective November 1, 1997.

CLEVELAND-CLIFFS INC

By: /s/ R F Novak

Vice President - Human Resources

Exhibit 10(c)

AMENDMENT NO. 1 TO
SEVERANCE PAY PLAN FOR KEY EMPLOYEES
OF CLEVELAND-CLIFFS INC

Cleveland-Cliffs Inc ("Cleveland-Cliffs") hereby amends the Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc (as amended and restated as of February 1, 1997) pursuant to its reserved powers under Section 4.a. of the Plan, as follows:

1. Section 12 of the Plan is hereby amended to read as follows:

12. LEGAL FEES AND EXPENSES a. It is the intent of the Company that no Key Employee be required to incur any expenses associated with the enforcement of his or her rights under this Plan by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Key Employee hereunder. Accordingly, if it should appear to the Key Employee that the Company has failed to comply with any of its obligations under this Plan or in the event that the Company or any other person takes any action to declare this Plan void or unenforceable, or institutes any litigation designed to deny, or to recover from, the Key Employee the benefits intended to be provided to the Key Employee hereunder, the Company irrevocably authorizes the Key Employee from time to time to retain counsel of his or her choice, at the expense of the Company as hereafter provided, to represent the Key Employee in connection with the initiation or defense of any such litigation or other legal action, whether by or against the Company or any Director, officer, stockholder or other person affiliated with the Company, in any jurisdiction.

Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to the Key Employee's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Key Employee agree that a confidential relationship shall exist between the Key Employee and such counsel. The Company shall promptly pay or cause to be paid and shall be solely responsible for any and all attorneys' and related fees and expenses incurred by the Key Employee as a result of the Company's failure to perform under this Plan or any provision hereof or as a result of the Company or any person contesting the validity or enforceability of this Plan or any provision thereof.

b. To ensure that the provisions of this Plan can be enforced by the Key Employee, certain trust arrangements ("Trusts") have been established between KeyTrust Company of Ohio, N.A., as Trustee ("Trustee"), and the Company. Trust Agreement No. 1 (Amended and Restated Effective June 1, 1997) ("Trust Agreement No. 1") dated June 12, 1997, and Trust Agreement No. 2 (Amended and Restated Effective June 1, 1997) ("Trust Agreement No. 2") dated June 12, 1997, as amended and/or restated, between the Trustee and the Company, are attached as Exhibits C and B, respectively. A Trust Agreement No. 7 ("Trust Agreement No. 7") dated April 9, 1991, as amended, between the Trustee and the Company, is attached as Exhibit D. Each such Trust Agreement shall be considered a part of this Plan and shall set forth the terms and conditions relating to payment under Trust Agreement No. 1 of compensation and other benefits pursuant to Sections 5 and 7 and pension benefits pursuant to Sections 5 and 6 owed by Cleveland-Cliffs or the Company, payment from Trust Agreement No. 7 of certain pension benefits pursuant to Sections 5 and 6 owed by Cleveland-Cliffs or the Company, and payment from Trust Agreement No. 2 for attorneys' fees and related fees and expenses pursuant to Section 12.a. hereof owed by the Company. The Key Employee shall make demand on the Company for any payments due the Key Employee pursuant to Section 12.a. hereof prior to making demand therefor on the Trustee under Trust Agreement No. 2.

c. Upon the earlier to occur of (i) a Change of Control or (ii) a declaration by the Board that a Change of Control is imminent, the Company shall promptly to the extent it has not previously done so, and in any event within five (5) business days:

(A) transfer to Trustee to be added to the principal of the Trust under Trust Agreement No. 1 a sum equal to (I) the aggregate present value on the date of the Change of Control (or on such fifth business day if the Board has declared a Change of Control to be imminent) of the payments to be made to each Key Employee under the provisions of Sections 5, 6 and 7 hereof, such present value to be computed using the assumptions set forth in Section 5.a. hereof and the computations provided for in Section 7 hereof less (II) the balance in the Key Employees' accounts provided for in Section 7(b) of Trust

Agreement No. 1 as of the most recent completed valuation thereof, less (III) the balance in the Key Employees' accounts provided for in Section 7(b) of Trust Agreement No. 7 as of the most recent completed valuation thereof, as certified by the Trustee under each of Trust Agreement No. 1 and Trust Agreement No. 7; provided, however, that if the Trustee under Trust Agreement No. 1 and/or Trust Agreement No. 7, respectively, does not so certify by the end of the fourth (4th) business day after the earlier of such Change of Control or declaration, then the balance of such respective account shall be deemed to be zero. Any payments of compensation, pension or other benefits by the Trustee pursuant to Trust Agreement No. 1 or Trust Agreement No. 7 shall, to the extent thereof, discharge Cleveland-Cliffs' and the Company's obligation to pay compensation, pension and other benefits hereunder, it being the intent of the Company that assets in such Trusts be held as security for Cleveland-Cliffs' and the Company's obligation to pay compensation, pension and other benefits under this Plan; and

(B) transfer to the Trustee to be added to the principal of the Trust under Trust Agreement No. 2 the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000) less any principal in such Trust on such fifth business day. Any payments of a Key Employee's attorneys' and related fees and expenses by the Trustee pursuant to Trust Agreement No. 2 shall, to the extent thereof, discharge the Company's obligation hereunder, it being the intent of Cleveland-Cliffs that assets in such Trust be held as security for the Company's obligation under Section 12.a. hereof. The Key Employee understands and acknowledges that the entire corpus of the Trust under Trust Agreement No. 2 will be $250,000 and that said amount will be available to discharge not only the obligations of the Company to the Key Employee under Section 12.a. hereof, but also similar obligations of Cleveland-Cliffs and the Company to other Key Employees and employees under similar provisions of other agreements and plans.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc pursuant to the order of its Board of Directors, has executed this Amendment No. 1 to Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc (as amended and restated as of February 1, 1997) at Cleveland, Ohio, this 31st day of March, 1998, to be effective as of November 1, 1997.

CLEVELAND-CLIFFS INC

By: /s/ R F Novak

Vice President - Human Resources

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