

OMB APPROVAL

EXPIRES: October 31, 1994

ESTIMATED AVERAGE BURDEN

BURDEN

7. SOLE DISPOSITIVE POWER

NONE

8. SHARED DISPOSITIVE POWER

801,379

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

801,379

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

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.0%

12. TYPE OF REPORTING PERSON*

HC, CO

*SEE INSTRUCTION BEFORE FILING OUT!

Page 3 of 13 Pages

CUSIP NO. 18589610 13G

1. NAME OF REPORTING PERSON

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

Merrill Lynch Group, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing

(a) []

(b) []

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

NONE

6. SHARED VOTING POWER

800,000

7. SOLE DISPOSITIVE POWER

NONE

8. SHARED DISPOSITIVE POWER

800,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

800,000

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

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.0%

12. TYPE OF REPORTING PERSON*

HC, CO

*SEE INSTRUCTION BEFORE FILING OUT!

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CUSIP NO. 18589610

13G

1. NAME OF REPORTING PERSON

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

Princeton Services, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing

(a)

(b)

3. SEC USE ON ''

SCHEDULE 13G

ITEM 1 (a) Name of Issuer:

Cleveland Cliffs, Inc.

ITEM 1 (b) Address of Issuer's Principal Executive Offices:

1100 Superior Avenue
18th Floor
Cleveland, OH 44114-2589

ITEM 2 (a) Name of Persons Filing:

Merrill Lynch & Co., Inc.
Merrill Lynch Group, Inc..
Princeton Services, Inc.
Merrill Lynch Asset Management, L.P.
Merrill Lynch Capital Fund, Inc.

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

Merrill Lynch & Co., Inc.
World Financial Center, North Tower
250 Vesey Street
New York, New York 10281

Merrill Lynch Group, Inc.
World Financial Center, North Tower
250 Vesey Street
New York, New York 10281

Princeton Services, Inc.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

Merrill Lynch Asset Management, L.P.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

Merrill Lynch Capital Fund, Inc.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

ITEM 2 (c) Citizenship:

See Item 4 of Cover Sheet

ITEM 2 (d) Title of Class of Securities:

~~Common Stock~~ (~~0~~ & 0 E- (~~B2~~ @ % \$ (\$) (16\$ = \$ ~~0.01~~ (~~10~~)

ITEM 2 (e) CUSIP NUMBER:

18589610

ITEM 3

Merrill Lynch & Co., Inc. ("ML&Co."), Merrill Lynch Group, Inc. ("ML Group") and Princeton Services, Inc. ("PSI") are parent holding companies, in accordance with (S) 240.13d-1(b) (ii) (G) of the Securities Exchange Act of 1934, ("1934 Act"). Merrill Lynch Asset Management, L.P. (d/b/a Merrill Lynch Asset Management ("MLAM")) (ill Lset Managn

ITEM 4 Ownership

(a) Amount Beneficially Owned:

See Item 9 of Cover Pages. Pursuant to (S) 240.13d-4 of the 1934 Act, ML&Co., ML Group, and PSI disclaim beneficial ownership of the securities of Cleveland Cliffs Inc. (the "Company") referred to herein, and the filing of this Schedule 13G shall not be construed as an admission that such persons are, for the purposes of Section 13(d) or 13(g) of the 1934 Act, the beneficial owner of any securities of the Company covered by this statement.

(b) Percent of Class:

See Item 11 of Cover Pages

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

(i) sole power to vote or to direct the vote:

See Item 5 of Cover Pages

(ii) shared power to vote or to direct the vote:

See Item 6 of the Cover Pages

(iii) sole power to dispose of or to direct the disposition of:

See Item 7 of Cover Pages

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(iv) shared power to dispose of or direct the disposition of:

See Item 8 of Cover Pages

ITEM 5 Ownership of Five Percent or Less of a Class.

Not Applicable

ITEM 6 Ownership of More than Five Percent on Behalf of Another Person.

MLAM is an investment adviser registered under Section 203 of the Advisers Act and acts as an investment adviser to several investment companies registered under Section 8 of the Investment Company Act and private accounts. With respect to securities held by those investment companies and private accounts, several persons have the right to receive, or the power to direct the receipt of dividends from or the proceeds from the sale of, such securities. Merrill Lynch Capital Fund Inc., a reporting person on this Schedule 13G for which MLAM serves as investment adviser, has an interest that relates to more than 5% of the class of securities reported herein.

ITEM 7 Identification and Classification of the Subsidiary Which

Acquired the Security Being Reported on by the Parent Holding Company.

See Exhibit A

ITEM 8 Identification and Classification of Members of the Group.

Not Applicable

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ITEM 9 Notice of Dissolution of Group.

Not Applicable

ITEM 10 Certification

By signing b

***** Signed pursuant to a power of attorney, dated December 18, 1995, included as Exhibit F to this Sched[†]¥

EXHIBIT F

POWER OF ATTORNEY

The undersigned, Merrill Lynch Capital Fund, Inc., a corporation dully organized under the laws of the State of Maryland, with its principal place of business at 800 Scudders Mill Road, Plainsboro, New Jersey 08536 does hereby make, constitute and appoint Richard B. Alsop, Andrea Lowenthal, Richard D. Kreuder, Gregory T. Russo, or Dauna R. Williams, acting severally, each of whose address is Merrill Lynch & Co., Inc., World Financial Center, North Tower, New York, New York 10281, as its true and lawful attorneys-in-fact, for it and in its name, place and stead to execute and cause to be filed