

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 26, 1998

Union Pacific Corporation  
(Exact Name of Registrant as Specified in Charter)

Utah (State or Other Jurisdiction of Incorporation)	1-6075 (Commission File Number)	13-2626465 (IRS Employer Identification No.)
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1717 Main Street, Suite 5900, Dallas, Texas (Address of Principal Executive Offices)	75201 (Zip Code)
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Registrant's telephone number, including area code (214) 743-5600

Item 5. Other Events.

Attached as an Exhibit is the Press Release issued issued by Union Pacific Corporation on February 26, 1998, which is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

- 99 Press Release dated February 26, 1998 describing first quarter 1998 results and current actions taken by Union Pacific Corporation's Board of Directors.

SIGNATURES  
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Pursuant to the requirements of the Securities Exchange Act of 1934, Union Pacific Corporation has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 26, 1998

UNION PACIFIC CORPORATION

By: /s/ Carl W. von Bernuth  
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Name: Carl W. von Bernuth  
Title: Senior Vice President, General  
Counsel & Corporate Secretary

Exhibit Index  
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Exhibit  
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Description  
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99

Press Release dated February 26, 1998 describing first quarter 1998 results and current actions taken by Union Pacific Corporation's Board of Directors.

UNION PACIFIC ANNOUNCES DIVIDEND REDUCTION, EQUITY  
OFFERING; FIRST QUARTER LOSS EXPECTED

Dallas, TX, February 26 -- Union Pacific Corporation announced today that its previously reported traffic congestion-related problems and the costs of implementing its recovery plan are likely to result in a first quarter loss. The company also announced that its Board of Directors has taken steps to ensure that its Union Pacific Railroad subsidiary maintains the financial flexibility critical to funding its capital improvement programs and restoring quality service to its customers.

The Board declared a first quarter 1998 common stock dividend of 20 cents per share, down from the 43 cents declared in the previous quarter. This would reduce the corporation's cash requirements by approximately \$230 million on an annualized basis.

In addition, the company announced that it plans to issue equity-related securities at a later date to guarantee the funds needed to restore quality service to customers and to meet future growth opportunities.

"While we regret not being able to maintain the high dividend payout ratio for our shareholders, we feel it is critical to make the investment necessary to meet the needs of our customers and to ensure the long-term growth of our company," said Dick Davidson, chairman and chief executive officer. "We realize these are strong measures, but they are absolutely essential to provide the financial flexibility we need to fund capital spending on the Union Pacific Railroad's critical merger-related projects, especially in the Texas-Louisiana area."

Davidson added that the funds raised through these steps would help underwrite needed rail yard expansions, double and triple tracking of key rail corridors and other facilities identified in the company's capital budget program. These projects are part of the Railroad's overall plan to strengthen rail infrastructure, particularly in the Gulf Coast area, and to provide the improvements necessary to meet customers' longer term service and capacity requirements.

Union Pacific is continuing to work through implementation of directional running in the Houston to St. Louis corridor, using the UP tracks for northbound service and former Southern Pacific tracks for southbound traffic. The transition to directional running is a complex process that involves changing the function of numerous yards and making new train assignments, as well as training and qualifying hundreds of crew members on new territories. Directional running is part of a broader program designed to alleviate congestion, expand capacity and restore quality service to customers.

"Congestion difficulties persist in the Houston/Gulf Coast area as we work through the directional running transition," Davidson said. "We are devoting every available resource to that effort."

(This press release contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking information is based on information available at this time and is subject to risks and uncertainties that could cause actual results to differ materially from those expressed herein. Important factors that could cause such differences include, but are not limited to, whether the Railroad is fully successful in overcoming its congestion-related problems and implementing its Service Recovery Plan, industry competition, regulatory developments, natural events such as floods and earthquakes, the effects of adverse general economic conditions, fuel prices, labor strikes, the impact of the year 2000 systems problems and the ultimate outcome of shipper claims related to congestion, environmental investigations or proceedings and other types of claims and litigations.)