[DESCRIPTION]

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1994

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 1-6075

UNION PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

UTAH	13-2626465
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Martin Tower, Eighth and Eaton Avenues, Bethlehem, Pennsylvania
(Address of principal executive offices)

18018
(Zip Code)

(610) 861-3200
(Registrant's telephone number, including area code)

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 July 29, 1994, there were 205,109,348 shares of the Registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED INCOME

For the Three Months and Six Months Ended June 30, 1994 and 1993

(Amounts in Millions, Except Ratio and Per Share Amounts)
(Unaudited)

	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Operating Revenues (Note 6)	$ 2,070	$ 1,848	$ 3,998	$ 3,678
Operating Expenses:				
Salaries, wages and employee benefits	667	622	1,319	1,250
Depreciation, depletion, amortization and retirements	261	231	509	466
Equipment and other rents	175	145	335	284
Fuel and utilities (Note 6)	123	124	248	245
Materials and supplies	115	98	220	197
Other costs	305	243	597	508
Total	1,646	1,463	3,228	2,950
Operating Income	424	385	770	728
Other Income - Net (Notes 2 and 4)	9	20	181	40
Interest Expense	(86)	(84)	(165)	(168)
Corporate Expenses	(21)	(22)	(33)	(46)
Income Before Income Taxes and the Cumulative Effect of Accounting Changes	326	299	753	554
Income Taxes	(106)	(101)	(250)	(192)
Income Before Cumulative Effect of Changes in Accounting Principles	220	198	503	362
Cumulative Effect to January 1, 1993 of Changes in Accounting Principles (Note 7)	--	--	--	(175)
Net Income	$ 220	$ 198	$ 503	$ 187
Earnings Per Share:				
Income Before Cumulative Effect of Changes in Accounting Principles	$ 1.07	$ 0.96	$ 2.45	$ 1.76
Cumulative Effect to January 1, 1993 of Changes in Accounting Principles	--	--	--	(0.85)
Net Income	$ 1.07	$ 0.96	$ 2.45	$ 0.91
Weighted Average Number of Shares	205.6	205.6	205.7	205.3
Cash Dividends Per Share	$ 0.40	$ 0.37	$ 0.80	$ 0.74
Ratio of Earnings to Fixed Charges (Note 5)			4.6	3.7

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(Millions of Dollars)
(Unaudited)

ASSETS	June 30, 1994	December 31, 1993
Current Assets:		
Cash and temporary investments	$ 122	$ 113
Accounts receivable	706	651
Inventories	270	252
Deferred income taxes	119	117
Other current assets	251	249
Total Current Assets	1,468	1,382
Investments:		
Investments in and advances to affiliated companies	476	455
Other investments	159	170
Total Investments	635	625
Properties:		
Railroad:		
Road and other	8,152	7,935
Equipment	4,623	4,575
Total Railroad	12,775	12,510
Natural resources (Notes 3 and 4)	4,833	4,144
Trucking	679	621
Waste management (Note 2)	527	464
Other	123	121
Total Properties	18,937	17,860
Accumulated depreciation, depletion and amortization	(6,537)	(6,419)
Properties - Net	12,400	11,441
Cost in Excess of Net Assets of Acquired Businesses - Net	1,304	1,322
Other Assets	310	231
Total Assets	$ 16,117	$ 15,001

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION
(Amounts in Millions, Except Share and Per Share Amounts)
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 1994	December 31, 1993
Current Liabilities:		
Accounts payable	$ 455	$ 477
Accrued wages and vacation	251	253
Income and other taxes	242	162
Dividends and interest	185	176
Accrued casualty costs	135	135
Debt due within one year	126	115
Other current liabilities	696	771
Total Current Liabilities	2,090	2,089
Debt Due After One Year	4,555	4,069
Deferred Income Taxes	2,784	2,676
Retiree Benefits Obligation	637	599
Other Liabilities (Notes 4 and 9)	824	683
Stockholders' Equity:		
Common stock, $2.50 par value, authorized 500,000,000 shares, 230,970,350 shares issued in 1994, 230,788,175 shares issued in 1993	578	577
Paid in surplus	1,390	1,383
Retained earnings	4,868	4,529
Treasury stock, at cost, 25,866,613 shares in 1994, 25,626,946 shares in 1993	(1,609)	(1,604)
Total Stockholders' Equity	5,227	4,885
Total Liabilities and Stockholders' Equity	$ 16,117	$ 15,001

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
For the Six Months Ended June 30, 1994 and 1993
(Millions of Dollars)
(Unaudited)

	1994	1993
Cash flows from operating activities:		
Net Income	$ 503	$ 187
Non-cash charges to income:		
Depreciation, depletion and amortization	509	466
Cumulative effect of changes in accounting principles (Note 7)	--	175
Other - Net	7	9
Changes in current assets and liabilities	(76)	(179)
Cash used for special charges	(42)	(59)
Cash from operations	901	599
Cash flows from investing activities:		
Capital investments	(726)	(617)
AMAX acquisition - Net (Note 3)	(725)	--
Skyway acquisition - Net	--	(65)
Wilmington sale (Note 4)	280	--
Other - Net	(14)	40
Cash used in investing activities	(1,185)	(642)
Cash flows from equity and financing activities:		
Dividends paid	(164)	(151)
Debt repaid (Note 8)	(202)	(353)
Financings (Note 3)	659	425
Cash generated (used) in equity and financing activities	293	(79)
Net change in cash and temporary investments	$ 9	$ (122)

CONDENSED STATEMENT OF CONSOLIDATED RETAINED EARNINGS
For the Six Months Ended June 30, 1994 and 1993
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	1994	1993
Balance at Beginning of Year	$ 4,529	$ 4,338
Net Income	503	187
Total	5,032	4,525
Dividends Declared ($0.80 per share in 1994; $0.74 per share in 1993)	(164)	(152)
Exchangeable Note Conversion (Note 8)	--	(24)
Balance at End of Period	$ 4,868	$ 4,349

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. RESPONSIBILITIES FOR FINANCIAL STATEMENTS - The condensed consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The Condensed Statement of Consolidated Financial Position at December 31, 1993 is derived from audited financial statements. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Union Pacific Corporation (the Corporation) Annual Report to Stockholders incorporated by reference in the Corporation's Annual Report on Form 10-K for the year ended December 31, 1993. The results of operations for the six months ended June 30, 1994 are not necessarily indicative of the results for the entire year ending December 31, 1994.

2. DISCONTINUATION OF THE PENNSYLVANIA INCINERATION PROJECT - In June 1994, USPCI, Inc. (USPCI) announced the termination of plans to construct a hazardous waste incinerator in Union County, Pennsylvania. As a result of this decision, USPCI recorded a one-time $12 million ($7 million after-tax) charge to write off capitalized permitting and construction costs incurred on the project.

3. AMAX ACQUISITION - In March 1994, Union Pacific Resources Company (Resources) acquired AMAX Oil & Gas Inc. (AMAX) from Cyprus AMAX Minerals Company for a net purchase price of $725 million. AMAX's operations primarily consist of natural gas producing, transportation and processing properties in West, East and South Texas, Louisiana and Arkansas. These properties include interests in 14 major fields, encompassing approximately 600,000 acres and 2,000 producing wells. Resources recorded 92 million barrels of oil equivalent of proved reserves related to the AMAX acquisition.

4. CALIFORNIA PROPERTY DISPOSITIONS - Pursuant to its plan to dispose of its oil and gas operations in California, Resources sold its Wilmington oil field and announced its plan to dispose of its interest in the Point Arguello oil field. In March 1994, Resources sold its interest in the Wilmington oil field's surface rights and hydrocarbon reserves, and its interest in the Harbor Cogeneration Plant to the City of Long Beach, California, for $405 million in cash and notes. The Wilmington sale resulted in a $184 million ($116 million after-tax) gain. In addition, Resources recorded a $24 million ($15 million after-tax) charge for the disposition of the Point Arguello offshore oil field. Wilmington and Point Arguello reserves represent approximately 6% of Resources' year-end 1993 proved reserves and their sale will not significantly impact ongoing operating results.

   As part of the Wilmington sales agreement, Resources has agreed to participate with the City of Long Beach in funding site preparation and environmental remediation. As a result, the calculation of the gain on the sale of the Wilmington properties reflects $112 million of reserves for such future costs.

5. RATIO OF EARNINGS TO FIXED CHARGES - The ratio of earnings to fixed charges has been computed on a total enterprise basis. Earnings represent income before the cumulative effect of accounting changes less equity in undistributed earnings of unconsolidated affiliates, plus income taxes and fixed charges. Fixed charges represent interest, amortization of debt discount and expense, and the estimated interest portion of rental charges.

6. PRICE RISK MANANGEMENT - Resources utilizes futures contracts, option contracts and swap agreements as hedges to manage volatility related to oil and gas price fluctuations, whereas Overnite Transportation Company (Overnite) and Union Pacific Railroad Company (the Railroad) utilize such contracts as hedges to manage variability of diesel fuel costs. Gains and losses on these contracts are recognized together with the sale or purchase of the underlying commodity.

   Resources has purchased fixed price contracts to hedge 1994 natural gas sales volumes of 293 mcf/day at $2.25/mcf, approximately 36% of its remaining 1994 natural gas production. In addition, Resources has hedged crude oil sales volumes of 43 mbl/day at $17.66/bbl, nearly 78% of its remaining 1994 production. The Railroad has purchased fixed price contracts to hedge approximately 80% of its remaining 1994 diesel fuel consumption at $0.44 per gallon, while Overnite has purchased fixed price contracts to hedge virtually all of its remaining 1994 diesel fuel consumption at $0.48 per gallon. Credit risk related to these activities is minimal.

7. ACCOUNTING CHANGES - In January 1993, the Corporation adopted the Financial Accounting Standards Board's pronouncements covering the recognition of postretirement benefits other than pensions and accounting for income taxes, as well as a pro-rata method of recognizing transportation revenues and expenses. The cumulative effect of adopting these accounting changes was a one-time, after-tax charge to earnings of $175 million or $0.85 per share. Prior years' financial statements were not restated.

8. EXCHANGEABLE DEBT CONVERSION - In February 1993, the remaining $25 million of the 7.50% Exchangeable Guaranteed Notes, due 2003, which were issued to Katy Industries, Inc. in conjunction with the acquisition of the Missouri-Kansas-Texas Railroad, were exchanged for approximately 774,000 shares of the Corporation's common stock. The Corporation issued common shares from its treasury in exchange for these Notes.

9. COMMITMENTS AND CONTINGENCIES - There are various lawsuits pending against the Corporation and certain of its subsidiaries. The Corporation is also subject to Federal, state and local environmental laws and regulations and is currently participating in the investigation and remediation of numerous sites. Where the remediation costs can be reasonably determined, and where such remediation is probable, the Corporation has recorded a liability. In addition, the Corporation has entered into commitments and provided guarantees for specific financial and contractual obligations of its subsidiaries and affiliates. The Corporation does not expect that the lawsuits, environmental costs, commitments or guarantees, or the ultimate resolution of the matters described in Part I, Item 3 Legal Proceedings of the Corporation's 1993 Annual Report on Form 10-K and in Part II, Item 1 Legal Proceedings in this report will have a material adverse effect on its consolidated financial position or its results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

RESULTS OF OPERATIONS

Quarter Ended June 30, 1994 Compared to June 30, 1993

CONSOLIDATED - Union Pacific Corporation (the Corporation) reported net income of $220 million or $1.07 per share for the second quarter of 1994. This compares to net income of $198 million or $0.96 per share in 1993. Quarterly earnings improved at Union Pacific Railroad Company (the Railroad) and Overnite Transportation Company (Overnite), while earnings at Union Pacific Resources Company (Resources) were unchanged for the quarter. Earnings declined at USPCI, Inc. (USPCI) as improvements in operations were more than offset by a one-time charge for the discontinuation of incineration permitting activities in Pennsylvania (see Note 2 to the Condensed Consolidated Financial Statements).

Operating revenues grew 12% to $2.07 billion from $1.85 billion in 1993, as a result of increased transportation volumes at the Railroad and Overnite, increased hydrocarbon sales volumes at Resources and improvements in landfill volumes at USPCI. Operating expenses rose $183 million to $1.65 billion during the quarter. Higher volumes accounted for increases in salaries, wages and employee benefits ($45 million), equipment and other rents ($30 million), third party transportation ($26 million), materials and supplies ($17 million) and other taxes ($13 million). Depreciation charges increased $30 million--the result of the Corporation's continued commitment to upgrade equipment and technology and higher production volumes at Resources--while personal injury expense rose $13 million.

Operating income advanced $39 million (10%) to $424 million for the quarter. Other income declined $11 million, reflecting the one-time charge at USPCI.

RAILROAD - Net income at the Railroad grew $12 million (7%) to $191 million for the quarter, while operating revenues improved $89 million (7%) to $1.33 billion. Higher revenues were generated by a 10% (over 111,000 loads) rise in second quarter 1994 carloadings. Intermodal volumes improved 22% because of business expansion with the Railroad's trucking partners and growing container traffic. New coal contracts and inventory replenishment by major utilities accounted for a 17% increase in energy carloadings. Automotive traffic climbed 11%, the result of higher carloadings for both assembled autos (12%) and auto parts (7%), reflecting improving economic conditions in the automotive industry. Food, consumer and government carloadings advanced 9% due to improvements in the food group--mainly canned and frozen goods--and growth in the consumer segment, reflecting growing shipments of waste/recyclables and transportation equipment. Chemical carloadings were unchanged from a year ago, while grain traffic declined 15% as a result of weak export markets for wheat and corn, as well as reduced corn supplies because of the 1993 flood. Metals, minerals and forest traffic also declined 1%. The positive effect of higher volumes was partially offset by a 3% decline in average revenue per car, largely the result of volume growth of lower-rated commodities--mainly energy and intermodal.

Operating expenses increased to $1.02 billion for the quarter compared to $96 million last year. Personal injury expense rose $13 million as continuing declines in the number of injuries were more than offset by higher settlement costs per injury. Volume growth accounted for a $12 million increase in materials and supplies cost, a $10 million rise in equipment and other rents and an $8 million escalation in drayage and other costs (reflecting higher intermodal shipments). Wages and benefit costs rose $11 million as higher volumes and inflation were partially offset by continued improvements in labor productivity. Other taxes increased $7 million because of the absence of second quarter 1993 state and local tax adjustments, while depreciation expense grew $6 million reflecting the Railroad's continuing investment in equipment and capacity. These cost increases were partially mitigated by a $3 million reduction in fuel costs, as an 11% decline in fuel prices and a 2% improvement in the consumption rate were partially countered by a 9% rise in gross ton-miles.

Operating income at the Railroad improved $27 million (10%) for the quarter to $306 million. The Railroad's operating ratio declined to 77.0 from 77.5 a year ago.

NATURAL RESOURCES - Resources' second quarter 1994 net income was unchanged from a year ago at $72 million. Operating revenues advanced $19 million to $332 million as higher natural gas sales volumes and prices more than offset price and volume declines in crude oil, and lower pipeline revenues (caused by a reclassification of pipeline revenues). Overall hydrocarbon sales improved 21% for the quarter. Natural gas sales volumes rose 37% to 789 mmcf/day, largely the result of the first quarter AMAX Oil & Gas Inc. (AMAX) acquisition (see Note 3 to the Condensed Consolidated Financial statements) and higher production in the Austin Chalk and Land Grant. Natural gas liquids sales volumes improved 26% to 51,430 bbl/day because of the addition of the AMAX properties, increased ownership in the Carthage gas plant and improved production in the Chalk. Crude oil sales volumes declined 6% to 61,681 bbl/day, reflecting the first quarter sale of the Wilmington properties (see Note 4 to the Condensed Consolidated Financial Statements) and production declines in other fields. Natural gas average prices increased 9% to $1.87/mcf. Average prices for crude oil fell $1.82/bbl (11%) to $15.29/bbl (reflecting a recovery over first quarter average prices of $12.19/bbl), while natural gas liquids prices declined $1.27/bbl (12%) to $8.98/bbl.

Operating expenses increased $24 million to $246 million for the quarter. Depreciation and depletion charges rose $19 million, reflecting the addition of new gas processing facilities and pipelines, as well as higher production levels. Higher volumes also accounted for a $3 million increase in the cost of pipeline and gas plant product purchases for resale and a $3 million increase in production and other taxes. Operating income for all of Resources' operations declined to $86 million in the second quarter of 1994 from $91 million in 1993. Income tax expense declined $14 million, largely the result of a favorable state tax settlement and lower pre-tax income. Operating income from Resources' minerals operations improved $1 million during the period to $27 million.

TRUCKING - Overnite posted second quarter earnings of $16 million, up $4 million from a year ago, including goodwill amortization of $6 million. Overnite's operating revenues advanced $62 million (27%) to $292 million as a 13% rise in average prices--reflecting contractual rate increases and a shift to longer haul traffic during the April 1994 Teamsters' Union strike against other carriers--combined with a 12% volume improvement. These higher volumes were generated by a 17% increase in less-than-truckload (LTL) business caused by the strike, the third quarter 1993 bankruptcy of a major eastern carrier and continued business expansion. Improvements in LTL volumes were partially offset by truckload traffic declines, reflecting Overnite's focus on its core LTL business.

Operating expenses increased $54 million to $265 million. Dramatic volume increases brought about by the April Teamsters' strike strained Overnite's distribution systems causing higher than normal operating costs during the strike period. These volume pressures accounted for a $25 million escalation in salaries, wages and employee benefit costs, a $14 million increase in equipment and other rents, a $3 million rise in materials and supplies cost and a $2 million increase in fuel and utilities cost. Other taxes increased $2 million, largely the result of increased Federal highway use taxes caused by volume growth and higher tax rates, while depreciation expense grew by $1 million due to Overnite's continuing investment in equipment and technology. Operating income improved to $27 million in the second quarter of 1994 from $19 million in 1993. Overnite's operating ratio, excluding goodwill amortization, declined to 88.6 for the quarter from 89.3 in 1993.

WASTE MANAGEMENT - Second quarter 1994's net losses at USPCI increased to $7 million from $5 million last year, including goodwill amortization of $2 million. Second quarter results include a one-time charge of $12 million ($7 million after tax) for the discontinuation of permitting efforts in Pennsylvania. Excluding this one-time charge, second quarter results would have improved $5 million over 1993 to break even.

Operating revenues improved $30 million to $82 million for the period. Revenue growth was stimulated by higher landfill volumes (reflecting the consolidation of USPCI's investment in ECDC Environmental, L.C. and volume growth at USPCI's other landfill facilities) and business expansion in transportation, remediation and recycling. These improvements were partially offset by landfill price declines, reflecting intense industry competition. Operating expenses rose $23 million to $79 million as a result of volume-related increases in transportation and hauling costs, maintenance and equipment rents. USPCI's operating income improved $7 million, to operating income of $3 million for the period. Other income declined $12 million, reflecting the one-time second quarter 1994 charge.

USPCI's earnings have not met management's expectations. In addition, the Clive, Utah, incinerator (Clive), which has been delayed by permitting and operational problems, represents a significant portion of the Corporation's investment in USPCI. As a result, the Corporation began a strategic re-evaluation of its investment in the first quarter of 1994, which is continuing.

It is currently anticipated that Clive will begin commercial operations by the end of 1994. Results of the initial start up will determine the permitted operating parameters of the facility, which could be significantly different than the facility's original specifications. Clive's permitted operating capacity will have a significant impact on the future income and cash flows of USPCI. While management currently continues to anticipate successful permitting and commercial operations, it is possible that the permit granted or future market conditions could reduce operations to a level insufficient to recover the Corporation's investment. In addition, a decision could be made to dispose of the entire waste management business. Either case could require the Corporation to record a significant write down.

CORPORATE SERVICES AND OTHER OPERATIONS - Expenses related to Corporate Services and Other Operations--which include corporate expenses, interest expense, other income and income taxes that are not related to other segments, and the results of other operating units--declined $8 million to $52 million. This decline is largely the result of increased interest charges to subsidiaries (mainly the result of the AMAX acquisition, subsidiaries' capital spending and pension funding at Overnite) and improved operating results from the Corporation's Other Operations. Operating income was $2 million for the second quarter of 1994 compared to break-even results a year ago, reflecting improvements at the Corporation's Other Operations and the May 1993 addition of Skyway Freight Systems, Inc. (Skyway).

Six Months Ended June 30, 1994 Compared to June 30, 1993

The Corporation reported net income of $503 million or $2.45 per share, including the one-time benefit of a $101 million ($0.49 per share) after-tax gain resulting from the first quarter disposition of the Corporation's oil and gas operations in California (see Note 4 to the Condensed Consolidated Financial Statements). This compares to a net income of $187 million or $0.91 per share in 1993, which included a $175 million ($0.85 per share) after-tax cumulative charge for changes in accounting methods (see Note 7 to the Condensed Consolidated Financial Statements). Income before the cumulative effect of changes in accounting principles improved $141 million to $503 million ($2.45 per share) from $362 million ($1.76 per share) a year ago. Income before accounting changes improved at the Railroad, Resources and Overnite, while USPCI posted a slight earnings decline as improvements in operations were more than offset by the one-time second quarter 1994 charge.

Operating revenues grew 9% to $4.0 billion from $3.68 billion in 1993, as increased transportation volumes at the Railroad and Overnite, higher hydrocarbon sales volumes at Resources, improved landfill volumes at USPCI and the May 1993 addition of Skyway were partially offset by hydrocarbon price declines. Operating expenses rose $278 million to $3.23 billion for the period. Higher volumes, severe winter weather in the first quarter of 1994 and the effects of the April Teamsters' strike caused increases in salaries, wages and employee benefits ($69 million), equipment and other rents ($51 million), third party transportation ($51 million), other taxes ($26 million), and materials and supplies ($23 million). Depreciation charges increased $43 million--the result of the Corporation's continued commitment to upgrade equipment and technology, and higher production volumes at Resources--while personal injury expense rose $27 million. Higher operating costs were partially offset by lower costs associated with pipeline and gas plant product purchases for resale, lower mining costs and additional cost offsets associated with rail car repairs for other carriers.

Operating income advanced $42 million (6%) to $770 million for the first six months of 1994. Other income increased $141 million, largely the result of the California property disposition in the first quarter, while corporate expenses declined $13 million, the result of lower expenses related to stock and incentive compensation accruals.

CHANGES IN CONSOLIDATED FINANCIAL CONDITION AND OTHER DEVELOPMENTS

Since December 31, 1993

During the first six months of 1994, cash from operations was $901 million, compared to $599 million in 1993. This increase was largely the result of higher cash earnings and lower working capital requirements. Changes in working capital improved, reflecting higher current liabilities (mainly increased taxes payable and higher accounts and wages payable due to growing business levels and the effects of the AMAX acquisition) offset by higher receivables (the result of higher sales levels and the AMAX acquisition). Non-cash charges to earnings increased as a result of higher depreciation, increased personal injury accruals and the Point Arguello and Pennsylvania incinerator write downs. Cash from operations also benefitted from lower cash outlays related to the 1991 special charge.

Cash used in investing activities of $1.19 billion reflects a $543 million increase over 1993. The Corporation acquired AMAX in March 1994 for a net purchase price of $725 million in cash (see Note 3 to the Condensed Consolidated Financial Statements). Capital expenditures grew $109 million over 1993, largely due to higher capacity and equipment expenditures at the Railroad, increased development activities at Resources (mainly the Austin Chalk and AMAX properties) and fleet expansion and renewal at Overnite. The AMAX purchase and higher capital spending were partially offset by the $280 million of cash proceeds generated by the Wilmington sale. In addition, 1994 financings increased $234 million to $659 million, the result of the AMAX purchase.

The ratio of debt to total capital employed increased to 36.9% at June 30, 1994 from 35.6% at December 31, 1993. This increase reflects the higher debt levels incurred to finance the AMAX acquisition partially offset by 1994 earnings--including the sale of the Wilmington properties.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As previously reported in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, USPCI received a Notice of Violation and Order for Compliance dated October 26, 1993 from the State of Utah alleging that USPCI's Grassy Mountain facility improperly disposed of hazardous debris without the proper documentation and that hazardous waste was improperly disposed of in an industrial waste cell. USPCI received a draft Consent Agreement from the State of Utah, which contained a proposed penalty of $276,000 and would have imposed an additional $280,000 penalty if the alleged violations were to recur within a six-month period. This matter has been settled for $60,000 and USPCI's agreement to purchase $196,000 of laboratory equipment for the State of Utah.

Item 5. Other Information

In May 1994, the Corporation announced the addition of three seats to its Board of Directors and named a President. Richard K. Davidson, Chairman and Chief Executive Officer of Union Pacific Railroad Company, was elected to the Corporation's Board of Directors along with L. White Matthews, III, Executive Vice President - Finance for the Corporation, and Jack L. Messman, President and Chief Executive Officer of Union Pacific Resources Company. Mr. Davidson was also named as President of the Corporation.

In July 1994, the Corporation increased its quarterly dividend from $0.40 to $0.43 a share on its common stock, payable October 3, 1994 to stockholders of record September 14, 1994.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10 - Executive Life Insurance Plan of Union Pacific Corporation, adopted August 2, 1994.

11 - Computation of earnings per share.

12 - Computation of ratio of earnings to fixed charges.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1994.

SIGNATURE

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

Dated: August 12, 1994

UNION PACIFIC CORPORATION
(Registrant)

/s/ Charles E. Billingsley

Charles E. Billingsley,
Vice President and Controller
(chief accounting officer and
duly authorized officer)

UNION PACIFIC CORPORATION

EXHIBIT INDEX

Exhibit No.	Description
10	Executive Life Insurance Plan of Union Pacific Corporation, adopted August 2, 1994
11	Computation of earnings per share
12	Computation of ratio of earnings to fixed charges

Exhibit 10

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

EXECUTIVE LIFE INSURANCE PLAN OF UNION PACIFIC CORPORATION

In recognition of the services provided to Union Pacific Corporation (the "Company") and participating Affiliated Companies by certain key employees, the Board of Directors of the Company has deemed it appropriate to make life insurance coverage available to these key employees under the terms and conditions hereinafter set forth:

SECTION 1

Definitions

As used herein, the following words and phrases shall have the meaning described below:

1.1 "Actively-At-Work" means the Eligible Employee is performing all normal duties of the position held by the Eligible Employee on a full-time basis for not less than 35 hours per week and is not absent from work due to accident, illness or other condition for more than any three (3) days of the 90 days prior to the date of reference.

1.2 "Affiliated Company" means any entity that is required to be aggregated with the Company pursuant to section 414(b), 414(c), 414(m) or 414(o) of the Code.

1.3 "Age" means the Eligible Employee's age on his or her birthday that is nearest to the date of reference.

1.4 "Base Salary" means, with respect to any Plan Year, an Eligible Employee's base annual salary from the Employer, exclusive of (a) bonuses or any other form of extra remuneration and (b) severance pay, but including any deferral from base annual salary made pursuant to the provisions of section 125 or 401(k) of the Code, determined as of the August 16 immediately preceding the first day of the Plan Year.

1.5 "Beneficiary" means the person or persons designated in accordance with the terms of the applicable Contract to receive any death benefit payable under the Contract.

1.6 "Board" means the Board of Directors of the Company.

1.7 "Claims Reviewer" means the designated claims reviewer under any contract which provides for the processing of claims under the Plan or, otherwise, the Named Fiduciary-Plan Administration.

1.8 "Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, and any successor statute of similar purpose.

1.9 "Company" means the Union Pacific Corporation and any successor thereto that adopts this Plan.

1.10 "Contract" means an agreement with the Insurer relating to the provision of universal life insurance coverage for an Eligible Employee, with an initial targeted death benefit payable to the Beneficiary of two times the Eligible Employee's Base Salary as of initial enrollment, if death occurs while he or she is an Eligible Employee, and 1/2 final Base Salary, if death occurs after retirement on or after the Eligible Employee's 62nd birthday. The targeted death benefit under any Contract issued for an Eligible Employee shall be increased as of the first day of each Plan Year while he or she remains an Eligible Employee to reflect the Eligible Employee's Base Salary as determined for the Plan Year pursuant to Section 1.4, subject to the Insurer's then applicable underwriting standards and other applicable terms of the Contract. The actual amount of any death benefit payable to a Beneficiary shall be determined by the terms of the Contract.

1.11 "Effective Date" means January 1, 1993.

1.12 "Eligible Employee" means an Employee who has attained salary grade 25 or above as of such date as the Named Fiduciary-Plan Administration establishes for a given Plan Year. An Eligible Employee shall cease to be such upon his or her death, retirement, discharge, resignation or other termination of employment with the Employer or as of such date as may be prescribed by the Named Fiduciary-Plan Administration in the event of his or her transfer to a position with the Employer not described in the preceding sentence.

1.13 "Employee" means any individual employed by the Employer, but excluding any non-resident alien and any leased employee within the meaning of Code Section 414(n)(2).

1.14 "Employer" means, either collectively or individually as the context requires, the Company or any Affiliated Company that adopts this Plan for the benefit of its Eligible Employees with the approval of the Senior Vice President-Human Resources of the Company.

1.15 "Insurer" means Connecticut General Life Insurance Company or any successor thereto.

1.16 "Named Fiduciary-Plan Administration" means the Senior Vice President-Human Resources of the Company or, in the event there is no such person, the person or persons named as such by the Company or, in the absence of any such appointment, the Company.

1.17 "Participant" means any individual who has satisfied the eligibility requirements for participation set forth in Section 2.1 and who is an Eligible Employee with an election to purchase a Contract in effect under Section 2.2 or 2.4 on the date of reference.

1.18 "Plan" means the Union Pacific Corporation Executive Life Insurance Program as set forth herein.

1.19 "Plan Year" means a twelve consecutive month period that begins on any January 1 on or after the Effective Date and ends on the next following December 31.

SECTION 2

Participation

2.1 Eligibility to Participate.

(a) Each Employee who is an Eligible Employee under Age 62 as of August 1, 1993 may elect to become a Participant in the Plan as of the Effective Date (the Eligible Employee's "Initial Eligibility Date"), or as of the first day of any Plan Year thereafter with respect to which he or she is an Eligible Employee, pursuant to Section 2.2.

(b) Each Employee not described in subsection (a) who becomes an Eligible Employee may elect to become a Participant in the Plan as of the January 1 next following the date he or she becomes an Eligible Employee (the Eligible Employee's "Initial Eligibility Date"), or as of the first day of any Plan Year thereafter with respect to which he or she is an Eligible Employee, pursuant to Section 2.2.

2.2 Election to Participate. An Eligible Employee described in Section 2.1 shall become a Participant by electing, in the form and manner and at such time in advance as may be prescribed by the Named Fiduciary-Plan Administration, to purchase a Contract, effective as of the Initial Eligibility Date or as of the first day of any Plan Year thereafter with respect to which he is an Eligible Employee, and by authorizing the Employer to make any necessary payment of premiums for such Contract by payroll deduction pursuant to Section 3.1 or making such other arrangement for payment of premiums as may be acceptable to the Insurer and the Named Fiduciary-Plan Administration. Notwithstanding anything in this Article 2 to the contrary, elections under this Section 2.2 by Eligible Employees shall be subject to the Insurer's then applicable underwriting standards and other applicable standards or terms of the Contract.

2.3 Cessation of Participation.

(a) Date of Cessation of Participation. An Eligible Employee who has become a Participant shall cease to be a Participant on the earliest of:

(1) The date the Plan is terminated pursuant to Section 5.2;

(2) The date he or she ceases to be an Eligible Employee under Section 1.12;

(3) The date as of which required premiums for the Contract described in Section 3.1 cease to be paid; or

(4) The date any Contract issued for the Participant is surrendered.

(b) Effect of Cessation of Participation. When an individual ceases to be a Participant, his or her right to purchase a Contract through the Plan shall cease, whether or not such individual continues to be an Employee or an Eligible Employee. Upon cessation of participation, such individual may surrender any Contract purchased as a Participant or continue any such Contract in accordance with arrangements made directly with the Insurer.

2.4 Recommencement of Participation. In the event a former Participant's participation ceased due to an event described in Section 2.3(a)(2) and such former Participant again becomes an Eligible Employee, he or she shall recommence participation in the Plan as if he or she were a new Employee on the date he or she again became an Eligible Employee, subject to the Insurer's then applicable underwriting standards and other applicable standards or terms of the Contract. In the event a former Participant's participation ceased due to an event described in Section 2.3(a)(3), he or she may elect, in accordance with procedures prescribed by the Named Fiduciary-Plan Administration, to recommence participation in the Plan as of the first day of any subsequent Plan Year on which he or she is an Eligible Employee, subject to the Insurer's then applicable underwriting standards and other applicable standards or terms of the Contract. In the event a former Participant's participation ceased due to an event described in Section 2.3(a)(4), he or she may not recommence participation in the Plan.

SECTION 3

Premiums and Benefit Payment

3.1 Payment of Premiums. Each Participant shall own any Contract issued pursuant to his or her election under Section 2.2 or 2.4 and shall be responsible for payment of premiums for such Contract as determined by the Insurer from time to time. At the written authorization of the Participant, the Employer shall deduct the required premiums from compensation paid to the Participant by the Employer and remit such amounts to the Insurer as soon as administratively practicable, but no later than 90 days, following such deduction. The Employer shall have no duty to make any contributions to the Plan.

3.2 Source of Benefit Payments. All benefits provided for by any Contract issued pursuant to a Participant's election under Section 2.2 or 2.4 shall be paid exclusively by the Insurer.

SECTION 4

Administration

4.1 Duties and Powers of Named Fiduciary-Plan Administration. The Named Fiduciary-Plan Administration shall have full discretionary power and authority to construe, interpret and administer this Plan and may, to the extent permitted by law, make factual determinations, correct defects, supply omissions and reconcile inconsistencies to the extent necessary to effectuate the Plan and, subject to Section 4.2, the Named Fiduciary-Plan Administration's actions in doing so shall be final and binding on all persons interested in the Plan. The Named Fiduciary-Plan Administration may from time to time adopt rules and regulations governing the operation of this Plan and may employ and rely on such legal counsel, such actuaries, such accountants and such agents as it may deem advisable to assist in the administration of the Plan.

4.2 Claims Procedure. The Claims Reviewer shall review claims under the Plan and respond thereto within a reasonable time after receiving the claim. Claims shall generally be processed as described in the applicable Contract; provided, however, that the claims procedure described in this Section 4.2 shall apply in the event the applicable Contract does not contain a claims procedure that complies with 29 CFR Sec. 2560.503-1. The Claims Reviewer shall provide to every claimant whose claim is denied a written notice setting forth, in a manner calculated to be understood by the claimant:

(a) the specific reason or reasons for the denial;

(b) specific references to pertinent Plan provisions on which denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect the claim; and

(d) an explanation of the claim review procedure set forth below.

Within 60 days of receipt by a claimant of a notice denying a claim, the claimant or his duly authorized representative may request in writing a full and fair review of the claim by the Claims Reviewer. The Claims Reviewer may extend the 60-day period where the nature of the benefit involved or other attendant circumstances made such extension appropriate. In connection with such review, the claimant or his duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Claims Reviewer shall make a decision promptly, and not later than 60 days after the Claims Reviewer's receipt of a request for review, unless special circumstances (such as the need to hold a hearing, if the Claims Reviewer deems one necessary) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

SECTION 5

Amendment and Termination

5.1 Authority to Amend. The Company, acting through its Senior Vice President-Human Resources, may amend the Plan at any time in any manner whatsoever.

5.2 Right to Terminate. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Employer. The Company shall have the right at any time for any reason to terminate the Plan by action of the Board. Furthermore, each Employer may discontinue its participation in the Plan at any time with the approval of the Senior Vice President-Human Resources of the Company.

SECTION 6

Miscellaneous

6.1 Effect on Employment. Nothing contained herein shall be construed as conferring upon an Employee the right to continue in the employ of the Employer as an executive or in any other capacity.

6.2 Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Employers.

6.3 Non-alienation. The rights of any Participant under this Plan are personal and may not be assigned, transferred, pledged or encumbered; provided, however, that nothing herein shall prevent or shall be construed to prevent a transfer of rights under any Contract issued to the Participant, in accordance with the terms of the Contract.

6.4 Limitation on Obligations. Neither the Company nor any other Employer nor any member of the Board shall be responsible or liable in any manner to any Participant any person claiming through him or her for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits, or the interpretation and administration of the Plan.

6.5 Governing Law. The Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the Employee Retirement Income Security Act of 1974, as amended from time to time.

Exhibit 11

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER SHARE

(In Thousands, Except Share and Per Share Amounts)
(Unaudited)

	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Average number of shares outstanding...........	205,100	204,658
Average shares issuable on exercise of stock options less shares repurchasable from proceeds....................................	552	686
Total average number of common and common equivalent shares............................	205,652	205,344
Income before cumulative effect of changes in accounting principles........................	$503,579	$361,742
Cumulative effect to January 1, 1993 of changes in accounting principles.............	--	(175,226)
Net Income....................................	$503,579	$186,516
Earnings per share:		
Income before cumulative effect of changes in accounting principles...................	$ 2.45	$ 1.76
Cumulative effect to January 1, 1993 of changes in accounting principles...........	--	(0.85)
Net Income..................................	$ 2.45	$ 0.91

Exhibit 12

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(In Thousands, Except Ratios)
(Unaudited)

	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Earnings:		
Income before cumulative effect of changes in accounting principles	$503,579	$361,742
Add (deduct) distributions greater (to extent less) than income of unconsolidated affiliates	(26,228)	(30,705)
Total	477,351	331,037
Income Taxes:		
Federal, state and local	249,471	192,069
Fixed Charges:		
Interest expense including amortization of debt discount	165,434	167,911
Portion of rentals representing an interest factor	27,936	17,351
Total	193,370	185,262
Earnings available for fixed charges	$920,192	$708,368
Fixed Charges -- as above	$193,370	$185,262
Interest capitalized	6,345	4,654
Total fixed charges	$199,715	$189,916
Ratio of earnings to fixed charges	4.6	3.7